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PROCEEDINGS AND DEBATES OF THE 83d CONGRESS, SECOND SESSION

SENATE

THURSDAY, JULY 22, 1954

(Legislative day of Friday, July 2, 1954)

(Continuation of Senate proceedings of Wednesday, July 21, 1954, from 12:40 a. m. on Thursday, July 22, 1954.)

Mr. GORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Flanders	Mundt
Barrett	Gore	Neely
Beall	Hendrickson	Payne
Bush	Hickenlooper	Purtell
Butler	Jackson	Reynolds
Capehart	Jenner	Saltonstall
Case	Johnson, Tex.	Schoeppel
Crippa	Knowland	Upton
Dirksen	Kuchel	Wiley
Dworshak	McCarthy	Williams
Ferguson	Millikin	

The PRESIDING OFFICER. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. CORDON and Mr. WATKINS entered the Chamber and answered to their names.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to compel the attendance of absent Senators.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). The question is on agreeing to the motion of the Senator from California. All in favor of the motion will signify by saying "Aye."

Mr. GORE. I ask for the yeas and nays.

The PRESIDING OFFICER. There is an insufficient second. The yeas and nays are not ordered.

Mr. JOHNSON of Texas. Mr. President, will the Chair at least count the number who request the yeas and nays?

The PRESIDING OFFICER. The Chair respectfully states that he has counted, and less than the required number of Senators have raised their hands.

The question is on agreeing to the motion of the Senator from California that the Sergeant at Arms be directed to compel the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little further delay, Mrs. SMITH of Maine and Mr. HUMPHREY entered the Chamber and answered to their names.

After further delay, Mr. ANDERSON, Mr. BENNETT, Mrs. BOWRING, Mr. BRICKER, Mr. CLEMENTS, Mr. GILLETTE, Mr. GREEN, Mr. IVES, Mr. KEFAUVER, Mr. LEHMAN, Mr. MARTIN, Mr. SMITH of New Jersey, and Mr. THYE entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

The Chair recognizes the Senator from Washington [Mr. JACKSON].

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. What was the last motion which was made?

The PRESIDING OFFICER. Does the Senator from Washington yield for the purpose of the propounding by the Senator from New Mexico of a parliamentary inquiry?

Mr. JACKSON. I yield, with the understanding that I shall not lose my right to the floor.

Mr. ANDERSON. Mr. President, was there a motion made to secure the attendance of absent Senators?

The PRESIDING OFFICER. That is correct.

Mr. ANDERSON. Has the Sergeant at Arms secured the attendance of the absent Senators?

The PRESIDING OFFICER. The Chair would respectfully state that it takes 49 Senators to constitute a quorum.

Mr. ANDERSON. I did not ask that question, Mr. President. Was the motion to obtain a sufficient number of Senators for a quorum, or to secure the attendance of absent Senators?

The PRESIDING OFFICER. The motion was to secure the attendance of absent Senators.

Mr. ANDERSON. Was there any motion made to stop the obtaining of a quorum?

The PRESIDING OFFICER. The Chair has recognized the Senator from Washington [Mr. JACKSON].

Mr. ANDERSON. Was the Senator from Washington recognized before the quorum call?

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. ANDERSON. Is the Senator from Washington the only Senator entitled to recognition? I was on my feet.

The PRESIDING OFFICER. The Chair saw the two Senators on their feet and he chose to recognize the Senator from Washington. The Senator from Washington has the floor.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Washington may yield not to exceed 5 minutes to the Senator from New Mexico [Mr. ANDERSON] without losing his right to the floor.

The PRESIDING OFFICER. The Senator from Texas asks unanimous consent that the Senator from Washington may yield 5 minutes to the Senator from New Mexico without losing the floor.

Mr. ANDERSON. I object to that, because it would not be sufficient for my purpose.

The PRESIDING OFFICER. The Senator from New Mexico objects to the request. The Senator from Washington has the floor.

Mr. JACKSON. Mr. President, the amendments to the Atomic Energy Act of 1946 presently before the Senate for consideration are of great interest to me. I served for 4 years as a member of the Joint Committee on Atomic Energy, and for that reason I have a deep appreciation of the potentialities which the development of atomic energy holds for the future. The unlocking of the atom for peacetime use offers limitless possibilities for lightening the burden of man and bringing a higher level of prosperity to the people of America and of the world.

Having studied the atomic energy program intensively for 4 years, I am naturally concerned about the amendments which have been proposed to the 1946 Atomic Energy Act—an act which has served us so well for an 8-year period. These years have seen tremendous progress in the development of the science of nuclear energy.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am very glad to yield.

Mr. GORE. What features of the pending bill does the junior Senator from Washington think it necessary to pass or to enact at this time?

Mr. JACKSON. I should say that the provisions in the pending bill which should be acted upon by Congress prior to adjournment relate to the international exchange of information, which, in turn, of course, ties in with our national defense program.

The domestic features of the bill could well go over until a better opportunity has been afforded to make a thorough study and determination of this phase of the program.

Mr. GORE. The junior Senator from Washington feels, then, that the power and licensing features of the bill could well go over for more careful consideration; does he?

Mr. JACKSON. I think it would be in the public interest for those features to go over until the next session, if Congress considers it is necessary to adjourn by the date which has presently been set, namely, July 31.

Mr. GORE. Does the junior Senator from Washington feel that the bill could, without great difficulty, be divided between the international features and the domestic features?

Mr. JACKSON. There is no question about it, in my mind. I think that if there had been some division of the bill, more expeditious handling of the pending legislation could have been obtained.

One of the primary reasons why I am interested in the proposed amendments is that they not only deal with some of the international questions of pooling our atomic resources, but they set the pattern for the future peacetime domestic uses of this new source of energy.

In fact, the amendments now being considered set a new course which we are to follow in making the benefits of this resource available to the people of America.

One of the principal peacetime uses of atomic energy is the commercial production of electric power. Here, again, we have a subject in which I am vitally interested, for electricity is the very lifeblood of the economy of the Pacific Northwest, and particularly of the economy of the State which I represent.

Although my State has some coal deposits, it has no oil or natural gas. The energy base for the economy of the Pacific Northwest of necessity is low-cost hydroelectric power. Hydroelectric power is as basic to the economy of my State as coal is to Pennsylvania; as silver is to Nevada; as oil is to Texas.

During the past 20 years we have seen tangible evidences of the benefits which the development of this resource have brought to our area, and of the potentialities which further development offer for the future. With the construction of the giant Grand Coulee, Bonneville, Hungry Horse, and other dams in the Pacific Northwest, land once useless has been brought under cultivation, floods have been controlled, navigation has been improved, and, perhaps most important of all, an abundance of electrical energy at low cost has brought new industries and new job opportunities.

Within the past two decades the Pacific Northwest has become one of the great centers in our Nation for the electrochemical and electrometallurgical industries.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. I ask unanimous consent to state that I am present in the Chamber.

Mr. JACKSON. We produce almost half of the Nation's aluminum—aluminum which during World War II and the Korean war was vital to the production of planes for our national defense.

While I am discussing national defense, I am sure I need not remind the Senate of the fact that the availability of an abundance of low-cost power was one of the primary reasons why the Atomic Energy installation was located on the Columbia River at Hanford, Wash. Incidentally, another great region of low-cost public power—the Tennessee Valley—was selected as the site for a second great Atomic Energy installation.

Though it is of prime importance in my State and the entire Pacific Northwest, electric energy, of course, is of basic importance to the economy of the entire country. It has been estimated, for example, that electric motors today provide at least 90 percent of the mechanical power used in industrial plants. An analysis of comparable industries, as covered by the census of manufactures, shows that the use of electric energy per man-hour of labor increased from 2.61 kilowatt-hours in 1929 to 4.60 kilowatt-hours in 1933 and 5.71 kilowatt-hours in 1947. By 1950 the average was estimated at 6.29 kilowatt-hours.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield for a question.

Mr. DOUGLAS. In other words, in the space of a little more than 20 years, the use of power per man-hour increased by about 135 percent, from a relative of 100 to a relative of 235. This meant the use, did it not, of more capital per unit of labor, and therefore it resulted in increased productivity per man-hour?

Mr. JACKSON. The Senator is correct.

Mr. DOUGLAS. The increased productivity per man-hour resulted in increased wages per man-hour; did it not?

Mr. JACKSON. The Senator is correct.

Mr. DOUGLAS. Did not this expand the buying power and the standard of living of the people of the Pacific Northwest?

Mr. JACKSON. It led to the inevitable result of a better standard of living for the people of the Northwest; and in other areas of the country where that change took place also, it benefited the people to a corresponding extent.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Is it not true that a multitude of processing industries have developed in the Northwest as a result of the abundance of cheap electric power?

Mr. JACKSON. The Senator is on very firm ground. The truth of the matter is that one of the most dynamic forces that has led to a substantial expansion of the private enterprise system in the Northwest has been directly traceable to power. It has furnished new lifeblood to industry in the area.

Mr. DOUGLAS. Is it not true, for instance, that the present state of development of the aluminum industry, which has made such great strides in the Northwest, would not have been possible had it not been for the cheap electric power?

Mr. JACKSON. The Senator has pointed out an outstanding example. Prior to 1940 not a single pound of aluminum was produced in the Northwest. During the war years, about half of all the pig aluminum produced in the United States was made in that area.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Is it not true that cheap power has therefore made possible the great development of private enterprise in the fabricating industries?

Mr. JACKSON. It has definitely brought about a substantial increase of that industry in that area. In addition, I think it might be well to point out that, by reason of the cheap hydroelectric power, it has been possible for the aluminum companies there to reduce the cost of aluminum. Roughly 40 percent of the cost of pig aluminum is represented in power charges. When the cost of power is brought down to a low level, of course there is afforded the opportunity of reducing prices. The Government has been one of the big beneficiaries of the reduction of the cost of aluminum, for the reason that, dating away back to 1940, the Federal Government has been one of the large purchasers of aluminum, because of the expansion of our Air Force.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Is it not further true that the reduction in the price of aluminum, which came about as a result of cheap power, not only has stimulated private enterprise, but has also made it possible for the consumers of the country to get the benefit of light metals which require a great deal of electricity for their fabrication, and hence has enormously raised the standard of living, not only of the people of the northwestern area, but of the people of the country as a whole?

Mr. JACKSON. Every segment of the American economy has been benefited as a result of the widespread use of aluminum made possible by reason, primarily at least, of cheap hydroelectric power.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. BUTLER in the chair). Does the Senator from Washington yield to the Senator from Illinois?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. As the Senator from Washington may know, 35 or 40 years ago, the senior Senator from Illinois lived for 2 years in the Pacific Northwest. At that time there was great opposition to the idea of the public generation of power. Would the Senator from Washington inform the Senator from Illinois whether he is correct in his impression that, as a result of the work that has been carried on, the opposition to public power has largely ceased, in the State of Washington, at least?

Mr. JACKSON. The Senator is correct in his understanding of the situation in the State of Washington. I know that the distinguished Senator from Illinois has had the opportunity to witness the great change that has taken place in the State of Washington

since he first arrived in that State back in 1920 or 1921. When he returned later he had the opportunity of seeing all the new industries which had been made possible as a result of cheap hydroelectric power. The junior Senator from Washington will state further that the people of the State of Washington, Republicans and Democrats alike, are keenly aware of the benefits that come from a sound public-power program.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Is the Senator from Illinois correct in his impression that many of those who originally opposed the public power policy now claim, and some actually believe, they helped to start and sponsor the policy?

Mr. JACKSON. I think that is true. There are many persons who have found it is quite a popular claim to make, and have joined forces with the early pioneers in the field of public power.

Mr. DOUGLAS. Does the Senator from Washington wish to comment on the remark that time creates many reconciliations?

Mr. JACKSON. I think the junior Senator from Washington might remark that is a saying which answers the question very effectively.

Mr. DOUGLAS. Will the Senator yield further for a question?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Is it not possible that Senators on the other side of the aisle who are now opposing the attempt to retain the development of atomic energy for the people, and who have been trying to turn it over and give it away, may, perhaps in 30 years, claim that they were the great defenders of the principle of the public utilization of atomic energy?

Mr. JACKSON. I hesitate to make predictions of what may happen at any future time on a subject such as the one now being debated. Such predictions would be highly speculative.

Mr. DOUGLAS. Will the Senator yield further for a question?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Is it not possible, judging from the experience of the Pacific Northwest, that those who are now trying to turn over this great resource of the people, without payment, to big industries, if they are thwarted in their design, may later undertake to claim that they always wanted the public to have some of the benefits derived from the splitting of the atom?

Mr. JACKSON. That might well happen. I hope we do not have to go through the long, painful process we had to go through in the public power field, of educating many people who are not able to see the real opportunity that exists in the field of public power for the good of all our people.

Mr. DOUGLAS. Will the Senator yield for a question and an analogy?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Has the Senator from Washington ever strolled down Commonwealth Avenue in Boston and observed the monument to the memory of William Lloyd Garrison, and also monuments to the memory of other worthy Bostonians of the period from 1830 to 1860, and has he thought from these appearances that these men worked together in happy harmony for the freedom of mankind during the period from 1830 to 1860?

Mr. JACKSON. The junior Senator from Washington has not been in Boston in a long, long time. Inasmuch as I was asked the question, I must reply that it has been a long time since I have been there.

Mr. DOUGLAS. Will the Senator yield further for a question and an explanation, without yielding his right to the floor?

Mr. JACKSON. I yield for a question.

Mr. HICKENLOOPER. Mr. President, what is the request of the Senator from Illinois?

Mr. JACKSON. I yielded for a question.

Mr. DOUGLAS. Is it not true——

Mr. HICKENLOOPER. Mr. President, what was the request of the Senator from Illinois? I reserve the right to object. I want to know what his request was. I understood it was a double-barreled request.

Mr. DOUGLAS. I requested the Senator from Washington to yield for a question——

Mr. HICKENLOOPER. I have no objection to his yielding for a question.

Mr. DOUGLAS. And an explanation.

Mr. HICKENLOOPER. I would object to anything else.

Mr. DOUGLAS. I modify my request, and now inquire whether I may have the permission of the chair to ask a question of the Senator from Washington.

The PRESIDING OFFICER. Does the Senator from Washington yield for that purpose?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Is it not true that those worthies of Boston, who now have their memories commemorated by monuments, and who people believed dwelt in happy harmony, were, as a matter of fact, not in such harmony in the period in which they lived?

Mr. JACKSON. That is correct.

Mr. DOUGLAS. And is it not true that William Lloyd Garrison was dragged through the streets of Boston with a halter around his neck; and that when the mayor of Boston was asked who were the members of the mob, he replied, "Those were not members of a mob; they were the leading gentlemen of Boston."

Mr. JACKSON. That is correct.

Mr. President, total consumption of electric power in the United States in 1950 had reached 334 billion kilowatt-hours, as compared to 74 billion in 1925. And the President's Materials Policy Commission reported in June 1952 that the demand for electrical energy in the United States during the next 25 years may be expected to increase 2½ times if there is to be a doubling of the Nation's goods and services in that period. With such a growth, the electricity demand in 1975, according to the President's Materials Policy Commission, would be about 1,400 billion kilowatt-hours, as compared with the generation of 389 billion kilowatt-hours in 1950.

More recently, the Federal Power Commission, in a report issued earlier this month, confirmed these estimates. The report, entitled "Estimated Future Power Requirements in the United States by Regions, 1953 to 1975," predicts that peak loads will jump from 80 million kilowatts last year to 250 million kilowatts in 1975, and that annual electric energy consumption will increase from 440 billion kilowatt-hours in 1953 to 1,350 billion—that is, to more than 1⅓ trillion kilowatt-hours—in 1975.

This is the official estimate of the Federal Commission which has tended to be conservative in its past estimates of our power requirements. We shall need three times as much electric power in this Nation by 1975. That is a tremendous challenge. Yet we know that electrical energy is the cornerstone of our economy and our life today, and that we must have this power if we are to prosper. Today, as we consider a new source of energy vastly more promising than either water or fossil fuels, we must look ahead to the future, and we must set our sights on power requirements which will dwarf anything we have yet generated at our great steam plants and giant dams.

I have brought this information to the attention of the Senate because I want to emphasize the importance of the electric industry to the economy of the Nation. An appreciation of the significance of this industry is extremely important in considering the pending amendments to the Atomic Energy Act of 1946, because one of the basic purposes of that act, as I have already noted, is to set the pattern for the future peacetime development and utilization of electric power.

Before we consider the manner prescribed in the pending bill for the development of our new atomic resource, I believe it is extremely important to review the manner in which Congress has established the policies for the development and utilization of another resource in which the Federal Government has a paramount interest—namely, the development of our Nation's river basins for hydroelectric power and other uses.

In examining the history of our waterpower development, we find that for more than 50 years the Government has taken a vital part in this program. The first Reclamation Act was passed by Congress in 1902; and we find that, to date, the Federal Government has developed about 10 million kilowatts of installed hydroelectric power capacity.

Although selfish interests have impeded the progress of this development at every step of the way, there has never been any serious question as to the propriety of the Federal Government's right to develop our Nation's waterpower resources. I can well remember the anguished cries of the private power lobby when the proposal was made that the Federal Government construct Grand Coulee Dam.

Mr. GORE. Mr. President, will the Senator from Washington yield for a question?

Mr. JACKSON. I am glad to yield for a question.

Mr. GORE. How would the junior Senator from Washington compare the

investment of the taxpayers of the country in atomic energy, as a natural resource, with their investment in the natural resource of water?

Mr. JACKSON. I would say those investments are comparable. The water resources of the country belong to all the people of the United States, and so do the atomic resources. Both are, of necessity, a monopoly. It seems to me there is quite an exact parallel to be drawn between hydroelectric power and atomic power.

Mr. GORE. If the United States Government were to be prohibited from developing power in commercial quantities for atomic energy, whereas the door remained open for companies of very large financial resources to obtain the use of fissionable materials for the purpose of developing commercial electricity, would not that operate as a denial of such development to small business, to municipal electric systems, and to rural electric cooperatives?

Mr. JACKSON. I quite agree with the Senator from Tennessee. The very basis of the Federal power program has been the distribution of this resource to the greatest possible number of persons, at the lowest possible cost consistent with sound business practices. I believe this has been a wise policy, as has been demonstrated by the record of achievement since the Federal Government has been developing the huge hydroelectric-power projects. It has been one of the main bulwarks in keeping a dynamic private enterprise economy operating in the Nation. It has helped make it possible for small private enterprise to continue in the United States, in the face of the great threat of monopoly.

Mr. PASTORE. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I am happy to yield for a question.

Mr. PASTORE. I realize it is 2:20 a. m., and I do not wish to anticipate anything the Senator from Washington will say——

Mr. JACKSON. The Senator from Rhode Island need not worry about that; I am in good shape.

Mr. PASTORE. Fine; I am glad to see that the Senator from Washington is indeed in good shape.

Does not the Senator feel that the question of monopoly is more or less protected, in the sense that the Government itself will retain title to all this special material?

Mr. JACKSON. Technically, yes. That is a ready answer. However, if I have some property and I decide to give a 99-year lease on my property, for all practical purposes I am almost divesting myself of title. I am concerned not about the refinements of the program, but about how it will work in practice. I think that is the most important consideration. I believe that a great mistake is being made in not making a more effective distribution of this resource in the public interest. I think the Federal power-development program is an outstanding example of a wise and effective policy which dates back to the time of Theodore Roosevelt, when the first Reclamation Act was passed, in 1902.

We were told then that there would be no one there to use the power but the jackrabbits. I need not remind you now, of course, Mr. President, that we are using all of the Grand Coulee power. In fact, there never was any difficulty in finding a market for this power; and today we need the equivalent of a new Bonneville Dam every year, if we are to keep up with the tremendous requirements of electric power in our region.

So, we find, first of all, that the Government's own responsibility in developing this natural resource has never been seriously questioned. In fact, we have found that the Government must continue to take an active and forward-looking role in our water-resource development program for the strengthening of our economy, the creation of new jobs for our increasing population, and to provide a higher standard of living.

A second cardinal principle which has been established in the development of our water-power resources has been a preference to local public agencies and rural electric cooperatives in the marketing of power from our federally developed hydroelectric power resources.

This preference was first enunciated by Congress in the Reclamation Act of 1906. Since that time it has been reaffirmed and strengthened by Congress on at least 12 occasions, during both Democratic and Republican administrations. In fact, during the present session of Congress this principle of preference to local public agencies and rural electric cooperatives was again reaffirmed in the Falcon Dam Act.

The preference principle has been discussed so much; it has been the center of so much controversy; and—as I shall show later—it should be such a fundamental part of the atomic energy legislation, that I should like to take a few minutes to discuss some of the factors basic to this principle.

The preference to nonprofit public agencies and rural electric cooperatives has its roots deep in American history, and stems from the principle that the benefits of public resources should be distributed as widely as possible, and without monopolization by large corporations or any special-interest groups. This principle has dictated the manner of distribution of our homestead lands; it has prevailed in the disposition of surplus property.

What are some of the public agencies which have received a preference in the marketing of Federal power? How well have they made the benefits of this public resource available at the lowest possible cost, to the largest number of persons?

Nationally, we find from statistics of the Federal Power Commission that municipally owned electric utilities, public-utility districts, and other local public agencies have an enviable record.

Although these local public agencies, on the average, are only about one-tenth the size of the private-power companies, the average residential consumer of the local publicly owned electric utility in 1952 used 3,011 kilowatt-hours of electricity, whereas the average consumer of the private utility used only 2,069 kilowatt-hours. However, despite the fact that the consumer of the local, publicly owned electric system used 45.5 percent more power than his neighbor served by a privately owned utility, the average annual bill of the public-power consumer was only $55.47, as compared to $59 for the private-power customer.

In other words, despite his substantially larger consumption of electricity, the average annual bill of the consumer of the publicly owned electric system was 6 percent lower than that of the private-power customer.

In my State, because of the fact that our region is blessed with fine hydroelectric power facilities, the consumers of the publicly owned electric systems enjoy even greater consumption of electricity than the national average for the publicly owned electric systems. For many years the Nation's lowest residential rates and highest consumption of electrical energy have been enjoyed by residents of Tacoma, Wash., who are the owners—or stockholders, if you will—of Tacoma City Light. Today, this leadership continues, except that a friendly neighbor, Seattle City Light, is challenging Tacoma's position as the city offering the lowest residential electric rates.

Let us look for a moment at rates. The Nation's lowest monthly residential rate for 100 kilowatt-hours is $1.70 in Tacoma. For 250 kilowatt-hours, it is $3.20—again in Tacoma. And for 500 kilowatt-hours, it is $5.14—in Seattle, followed closely by Tacoma, with $5.35.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I yield for a question.

Mr. GORE. Is it the opinion of the junior Senator from Washington that the areas most likely to receive the greatest benefit from the development of electricity generated from atomic energy will be those which do not now have the favorable power rates to which the Senator has just made reference?

Mr. JACKSON. The distinguished junior Senator from Tennessee has raised a very important question, in my opinion. I sincerely believe that if a proper Federal program is worked out it will give to those areas an opportunity to enjoy cheap atomic electric power. I think it can be a real lifesaver to many areas of the country which are suffering from depletion of resources, and where there is heavy unemployment. It will give such areas an opportunity to bring in industries, if the Federal Government is permitted to make power available through the use of atomic fission at low rates consistent with good, sound business practice.

Mr. GORE. Then would it be the opinion of the junior Senator from Washington that the areas not now favored with the power rate structure which prevails in his State and in mine should be the most interested in the preservation of the preference clause in the bill and also in the type of development which would make available to small business and to public utilities the benefits thereof?

Mr. JACKSON. One would certainly think so. I would add that, as the distinguished junior Senator from Tennessee has pointed out, private enterprise

has a tremendous stake in cheap power, whether it comes from hydroelectric sources or from atomic sources. In those areas where today the cost of power is high, cheap atomic power would give private enterprise a real shot in the arm.

By comparison with the rates prevailing in Seattle and Tacoma, the national monthly average residential rates, as computed by the Federal Power Commission, are nearly twice as great for each of these categories: $3.70 for 100 kilowatt-hours; $7.02 for 250 kilowatt-hours; and $10.17 for 500 kilowatt-hours.

The logical result of these low rates is that residents of Tacoma and Seattle use more electricity than most other groups in the Nation—far more than most. In the year 1952, the latest year for which Federal Power Commission statistics are available, Tacoma became the first large city in the Nation to achieve an average annual residential electric energy consumption of more than 7,000 kilowatt-hours. The exact figure was 7,077 kilowatt-hours. Seattle boasted an average annual residential usage of 6,312 kilowatt-hours. Compare these figures of more than 7,000 kilowatt-hours and more than 6,000 kilowatt-hours with the national average of less than 2,000 kilowatt-hours for the year 1952. According to the Federal Power Commission, the national average was only 1,968 kilowatt-hours, less than one-third as much electric energy as was used in homes in Tacoma and Seattle.

Tacoma City Light is more than 60 years old, and Seattle City Light began operating more than half a century ago. The story of these two great municipal systems is well known throughout the Nation. Less well known is the fact that other, smaller municipal systems in the State of Washington also are providing abundant, low-cost electricity to thousands of consumers. Let me cite two examples. Residential and rural consumers served by the municipal system at Ellensburg, Wash., used an average of 6,782 kilowatt-hours in 1952; and in Cheney, Wash., they used an average of 6,460 kilowatt-hours. In both instances, they paid about half the national average rate for this electric energy.

Since 1935, thousands of other electric consumers in Washington State have been benefiting from another type of local public power, the public utility district. Today some 22 public utility districts are serving more than 200,000 consumers in the State of Washington. Although they have been serving their consumer-owners for only a few years, these systems have compiled an enviable record.

In 1952 residential consumers served by the PUD's used an average of 5,604 kilowatt-hours—more than 2½ times as great as the national average of less than 2,000 kilowatt-hours.

Mr. PASTORE. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield for a question.

Mr. PASTORE. Mr. President, will the Senator yield for a unanimous-consent request, with the understanding that he will not lose his right to the floor?

Mr. JACKSON. Provided that——

Mr. PURTELL. May I inquire what the request entails?

Mr. PASTORE. It is for the purpose of proposing an amendment to the pending amendment.

Mr. PURTELL. I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. JACKSON. For this electricity the PUD customers paid rates far under the national average: $6.06 for a monthly usage of 500 kilowatt-hours as compared with the national average of $10.17.

Mr. President, these figures present a truly remarkable record of public service by local public-power agencies.

As we have seen, therefore, the local public agencies have well lived up to the trust placed in them as preference customers. They are truly providing more power at lower cost.

Likewise, the rural electric cooperatives have an enviable record of serving the rural areas which for so many years were without the benefits of electric service. Let me remind Members of the Senate that when the rural electrification program was instituted some 20 years ago by President Roosevelt, only 10 percent of the Nation's farms were served by electricity. Today, as a result of the stimulus of the loan program of the Rural Electrification Administration, approximately 90 percent of the Nation's farms have electric service, and about half of them are served by the rural electric cooperatives.

Today, we are still at the threshold of the use of electricity on the farm. When the REA program was first instituted, it was the general conception that the immediate objective of the program was to bring electric light to each room of the farmhouse. But as the program has progressed, many new uses of electricity have been found; and electricity, which at one time was considered necessary primarily for the farm home, today is an essential part of the operation of the modern farm.

As new uses for electricity have been developed, there has been a particularly sharp increase in the demands for electricity by rural consumers. In fact, the needs of these consumers have far exceeded the most optimistic estimates. In the past 5 years the electric loads of REA borrowers have increased from 3.3 billion kilowatt-hours in 1947, to 11.4 billion, in 1952; or the loads have more than tripled in these 5 years. During the past 10 years the increase has been tenfold.

The success of the rural electric cooperatives is the most impressive testimonial to the merit of their receiving a preference in the availability of federally produced hydroelectric power.

Both the local publicly owned electric systems and the rural electric cooperatives, however, are small, by comparison with the privately owned electric utilities. Together, they serve only about 15 percent of the Nation's electric consumers; and the local public agencies, as I mentioned earlier, are only about one-tenth of the size, on the average, of the privately owned power companies.

This disadvantage of size, coupled with certain legal restrictions, indicates to us another reason for the preference accorded the local public agencies and rural electric cooperatives in the marketing of Federal hydroelectric power. That reason is that the alternative to preference—selling Federal power at the dam site on a first-come, first-served basis—would result in a virtual monopolization of publicly developed power by the private power companies, for only the privately owned utilities, with few exceptions, would have the financial resources and legal ability to purchase power at the bus bar.

Mr. GORE. Mr. President, will the Senator from Washington yield for a question?

Mr. JACKSON. I yield for a question.

Mr. GORE. How does the junior Senator from Washington relate the statement he has just made to the pending amendment offered by the senior Senator from Colorado?

Mr. JACKSON. The effect of the amendment offered by the distinguished senior Senator from Colorado will be to implement the sound policy we have followed in the field of hydroelectric power and transplant it, so to speak, into the field of atomic energy. It will prevent a situation from arising which we found most difficult, in connection with purchasing power at the bus bar. The effect of the pending bill, in my opinion, would be to establish a bus bar proposition in the field of atomic energy, so that we would have, in effect, bus bar atomic energy. I think that would be a disastrous situation. We know what the conditions were in the field of public power when power had to be sold on a first-come-first-served basis. The small companies were faced with annihilation by large monopolies.

Mr. GORE. Does the junior Senator from Washington think it more important that we pass some kind of atomic energy legislation related to domestic power development, or that we give sufficient consideration now to the development of a proper bill or perhaps to a deferral of that particular phase of the proposed legislation until we can give it more careful study?

Mr. JACKSON. The Atomic Energy Commission has the authority now to build the type of electric power reactors needed properly to develop and exploit power in the public interest. There need be no delay in the development of atomic electric power if we do not pass the domestic features of the bill. On the other hand, if we go ahead and adopt amendments to the McMahon Act which will not be in the public interest we may well do great harm. I think it would be much wiser to defer action on the domestic features of the bill until we have had an opportunity to explore the subject very thoroughly. I feel very keenly, however, that the international features involved in the pending measure should be acted upon by this Congress. Those features relate to the immediate problem of national security. In that respect I think the President is quite right in making his request for amendments to the McMahon Act.

A major argument against the preference provisions is that they are unfair; that they discriminate in favor of the publicly owned utilities, and do not permit the private companies to obtain a fair share of public power. This contention is not borne out by the facts.

For the information of the Senate, I should like to insert in the RECORD at this point a table showing the sale of Federal power to public agencies and rural electric cooperatives for the fiscal year ending July 1, 1952:

	Billions of kilowatt-hours	Percent of total
Local public agencies:		
Municipalities	12.65	26.87
PUD's	2.40	5.10
State government utilities	1.82	3.87
Public authorities	.72	1.53
Total, local public agencies	17.59	37.37
Cooperatives	2.75	5.84
Federal agencies	5.55	11.79
Total, all public agencies and cooperatives	25.89	55.00
Private companies:		
Privately owned utilities	9.75	20.71
Commercial and industrial companies	9.05	19.23
Total, private companies	18.80	39.94
Other	2.38	5.06
Total	47.07	100.00

The Senate will note from this table that the local public agencies and rural electric cooperatives together purchased some 43.2 percent of all Federal power, while the privately owned power companies and the commercial and industrial companies together purchased about 40 percent of all Federal power.

If, after some 50 years of operation of the preference clause, the privately owned utilities and commercial and industrial companies are purchasing almost half of the Federal power, it would hardly seem that they are being denied a fair share of this resource.

A second major argument advanced against the preference clause is that it stimulates municipalities and other public bodies to buy out private power companies, so that these municipalities can avail themselves of public power. It has been charged that the preference clause results in the creation of an "iron ring" of municipally owned electric utilities around a Federal power project, with the municipally owned utilities taking all the power from these public power systems.

From the experience in my own State and in neighboring States, it is obvious that this charge is fantastic. One of the largest cities near the Grand Coulee Dam is Spokane. But has the city of Spokane bought out the private power company that is serving that municipality?

From the latest reports which I have at hand, it appears that Washington Water Power Co. is still serving the city of Spokane, and is still a thriving, prosperous utility.

Again, we find that the city of Portland, which is the largest city nearest Bonneville Dam, continues to be served by a sound private power company, Portland General Electric Co.

However, the most convincing evidence to contravert the assertion that the preference clause results in the creation of publicly owned electric systems comes from the statistics of the private utility industry itself.

According to the 1953 edition of the Edison Electric Institute Pocketbook of Electric Industry Statistics, the high point of municipal ownership was reached in 1923, when there were 3,081 municipally owned electric systems in operation. The amount of Federal power available at that time was insignificant—only nine-tenths of 1 percent of the total capacity—so that the flourishing of municipal ownership during this period could hardly be attributed to the preference clause.

Since 1923—the high mark of municipal ownership—the total number of municipal electric systems has declined from 3,081 to 2,011 in 1952—a loss of over 1,000. Moreover, the proportion of customers served by the local public agencies declined from 12.6 percent of the total in 1922 to 11.9 percent of the total in 1952.

These figures certainly would not indicate that the municipal utilities are multiplying in number as a result of the advantages which they allegedly receive from the preference clause.

Attacks on the preference clause have reached an absurd extreme; and perhaps the height of this absurdity was reached by one of the principal spokesmen of the Republican Party, Thomas Dewey, Governor of New York.

Speaking earlier this year in Albany at a meeting of the New York State Publishers Association, Mr. Dewey described the preference clause as follows:

> Actually it amounts to a provision which says that if the State of New York is allowed to develop the waterpower which belongs to the people, it is obligated by law to offer that power first to those communities which bend the knee to the Moscow concept, abandon private operation of their public utilities, and socialize them.

My only comment on this statement is that if the municipal electric utilities are bending their knee to the Moscow concept, they began doing so in the time of the czars, for municipal ownership of electric utilities dates from 1882, the first year of central station electric service.

The fact of the matter, as we have seen, is that the arguments against the preference clause are merely a smokescreen to obscure the real objective of the private utilities, which is to obtain for themselves a monopoly of power produced from public resources.

Now that we have examined some of the negative aspects of this question—the reasons which are presented against the preference clause—let us see how the Nation's electric consumers have fared as a result of the public development of our hydroelectric-power resources, coupled with marketing of the power under the preference provisions.

We are all aware, of course, of the reduction in rates which has resulted in the areas which are served by local publicly owned electric systems. For example, the States of Tennessee, Washington, and Oregon have rates which rank among the lowest in the country.

But it is not generally recognized that the preference clause also operates to the advantage of the customers served by privately owned electric systems. As a result of the competition from the publicly owned electric utilities, the private power companies in areas adjacent to publicly owned electric systems have steadily reduced their rates to meet the competitive pressure.

Perhaps the clearest indication of the effectiveness of the preference policy was indicated in the President's Water Resources Policy Commission report of 1950. A table included in this report shows that in Oklahoma, for example, the cost of wholesale power charged by the private power companies to rural electric cooperatives was reduced from 1.16 cents per kilowatt-hour in 1941 to 0.58 cents in 1950. I am sure that it is no coincidence that this reduction in wholesale power rates by the private power companies occurred during the period of development of the Southwestern Power Administration and a State power marketing agency. It is also interesting to note that during the same period when the private power companies in Oklahoma reduced their rates, the wholesale rates charged the rural electric cooperatives in the Northeastern States increased from 1.25 cents per kilowatt-hour to 1.47 cents per kilowatt-hour.

It is also significant to observe from another table in the President's Water Resources Policy Commission report that there has been no impairment to the financial standing of the companies which have adopted the progressive rate policies induced by competition from public power systems. In fact, these companies today are more prosperous than ever before.

An examination of the history of the Tennessee Valley Authority likewise shows that its dynamic rate policies have spread outward to other areas, like ripples in a pool; and that the benefits of Federal multipurpose projects are not confined to the immediate regions in which they operate.

The pattern of higher electric rates as the distance from the TVA region increases is revealed in charts recently prepared by the Tennessee Valley Authority, showing average costs for residential use in 1932, before the advent of TVA, and in 1952. Monthly electric bills for 100 kilowatts' use at the residential rate were examined for cities with 50,000 or more population in 1930, in successive zones 200 miles wide, radiating from the TVA service area.

The charts showed that in 1932, Tennessee had the highest average bill of all areas, with $5.26 for 100 kilowatt-hours of residential use. There was not much variation, and no apparent pattern, in the averages for the surrounding zones. For the eastern part of the country, all were around $5. The Far West was lower, with the State of Washington, where Seattle and Tacoma have long operated municipally owned electric plants, having the lowest average in the country—$3.18.

But by January 1952, a definite pattern had developed. Washington State, in the Bonneville Power Administration service area, continued to have the lowest average bill for 100 kilowatt-hours,

the figure being $2.39. Next came the TVA area, with an average bill of $2.50. Going outward from the TVA area, the average bills ranged progressively upward to $4.12.

And here is the payoff: The reductions in average bills for 100 kilowatt-hours between October 1932 and January 1952, were: For the Tennessee Valley region, $2.76; for the next zone, $1.73; for the second zone beyond, $1.12; for the third zone, $1.24; for the most remote zone, 73 cents.

I have taken the time today to examine the background of our water resources development program, because it is pertinent to the situation with which we are faced with atomic energy.

Here, as in water power, we have a resource which is owned by the Federal Government. For even under the pending bill the Federal Government retains ownership to fissionable materials. Yet, the Federal Government, under this legislation, is not permitted to build nuclear reactors for the commercial generation of electric power.

In that regard, I quote as follows from the comment in the majority report on the restrictions contained in section 44 of the pending bill:

> This section will permit the Commission to dispose of that utilizable energy it produces in the course of its own operations, but does not permit the Commission to enter into the power-producing business without further congressional authorization to construct or operate such commercial facilities.

The distinguished Senator from Iowa [Mr. HICKENLOOPER], one of the coauthors of the pending legislation, defined an even more limited role for power production by the Atomic Energy Commission in a colloquy on the floor of the Senate on July 16.

I quote as follows from page 10216 of the CONGRESSIONAL RECORD of that date:

> Mr. HICKENLOOPER. So far as the public power problem is concerned, it is not even touched in the bill; in the bill there is no provision for the development by the Commission of public power. The only place in the bill where that subject is touched is in the section that provides that if, in connection with research and development, the Atomic Energy Commission produces some incidental power—power which is not primarily in its operation—and if the Commission has an opportunity to sell the power, it may sell a few kilowatts which otherwise might be wasted.
>
> The question of the direct production of competitive power by the Atomic Energy Commission is not raised in this measure, and it is not authorized. * * *

I ask the Members of the Senate and the people of America to contrast this view of the atomic-energy program with the scope and accomplishments of our water resources development program.

To limit the atomic-energy program in this manner is not only shortsighted, it is bad, inefficient Government. Here we find that the Atomic Energy Commission today is the world's largest single consumer of electric power in the world—requiring some 5 million kilowatts of capacity. In the future its consumption of electrical energy may reach some 8 or 10 percent of the Nation's total, with an outlay of some $150 million to $200 million a year. Yet, the Commission, for all practical purposes, is prohibited by the present bill from providing its own needs for power.

It is a common practice for large industries requiring substantial blocks of power to build their own generating stations, but here we find that the world's largest single consumer of electricity is prevented from engaging in a practice which should be open to any prudently operated business. It is an incredible provision—especially coming from an administration which claims to be representative of good business practices. This type of prohibition leads one to speculate as to just whose business this administration is trying to protect—the business of the Government or the business of the large private corporations which are able to exploit this new source of energy, which offers such boundless potentialities for the future.

If we are to live up to the traditions which have been established by the Congress for the past 50 years, and if we are to take the fullest advantage of the opportunities afforded by peacetime development of atomic energy, it is imperative that the Senate adopt the amendment which has been offered by the Senator from Colorado [Senator JOHNSON] and another Senator. This amendment would permit the Federal Government itself, where specifically authorized by the Congress, to build a nuclear power reactor for the commercial generation of electric power.

Unless this amendment is adopted, the reactors will be built only by the largest corporations and utilities in the country, for it has been estimated that the smallest economically feasible size of reactors for the production of electric power is about 250,000 kilowatts of capacity. Only the largest corporations would be in a position to construct such reactors; certainly they are beyond the reach of practically all of the municipally owned electric systems, public utility districts, and rural electric cooperatives.

Therefore, unless the Federal Government is empowered to build reactors for pilot plants, there will be absolutely no yardstick by which to measure the cost of producing electric power from such reactors.

Mr. PASTORE. Mr. President, will the Senator yield at that point?

Mr. JACKSON. I yield for a question.

Mr. PASTORE. While it is advisable for the Atomic Energy Commission to carry out the purposes of the bill by investing in the building of a plant to generate electricity to be used in its own facilities, with the added feature that whatever surplus electricity there may be can be sold commercially, and while it is advisable that preference be given to public bodies and to cooperatives, as specified in the Federal Power Act, does not the Senator from Washington feel that equal preference should be given to private utilities in areas where the cost of electricity is high and which are not at that time serviced by any cooperative or public utility body?

Mr. JACKSON. The record of the preference clause, as I pointed out in my remarks, has been that private as well as public bodies have shared very well. I may say to the distinguished Senator from Rhode Island that I am one who believes in both public and private power. I think we need both. I think they represent good yardsticks, one against the other. Such an arrangement provides a competitive factor in distribution of electric power which is hard to create when we deal with monopolies.

I certainly see no reason why, under the preference proposal, the private utilities would be denied that opportunity. I am calling attention to the real problem the municipal light plants and other public bodies will have in trying to get themselves set up in this business, so that in time they can get a reactor of economical and sufficient size in their area. I see no reason why, under this proposal, fissionable material cannot be made available to meet the private utilities' needs. I would be opposed to any proposal that would deny the private utilities that opportunity. I am saying that first preference should be given to public bodies and cooperatives.

Mr. PASTORE. Mr. President, will the Senator from Washington yield?

The PRESIDING OFFICER (Mr. CASE in the chair). Does the Senator from Washington yield to the Senator from Rhode Island?

Mr. JACKSON. I am glad to yield for a question.

Mr. PASTORE. Does not the Senator from Washington think that inasmuch as the whole motivation for participation of public bodies in the program is the intention to bring about the availability of electric power at low cost, the only way to accelerate the program is to allow participation by private industry? After all, there are certain areas of the country that do not have the benefit of cooperatives and public bodies. I refer specifically to my own State, although I do not wish to confine my remarks to Rhode Island. Nevertheless, in Rhode Island we do not have the benefit of having such public power facilities at our disposal. But in our area the rates are very high—perhaps higher than in any other section of the country. Does not the Senator from Washington believe that the benefits obtainable under the rural electrification program should be enjoyed by areas where the rates are now high? As a matter of fact, as I said a while ago, the rates in Rhode Island and in the neighboring State of Massachusetts are twice as high as the rates in some other parts of the country. So does not the Senator from Washington think the great boon of low rates should be brought to the areas which now have high rates by giving private groups equal access with the public bodies to this great resource? Should we not see to it that the private groups enjoy the same preference and the same opportunity?

Mr. JACKSON. I would say the problem in the State of Rhode Island will never be solved until there is some competition in the utility business in that State. Certainly, no matter how cheap may be the cost of generating power in a given area, if there is no yardstick provided by competition in the area, there

will not be a reduction in the power rates. That has been the experience everywhere in connection with the utility business.

Mr. PASTORE. Mr. President, will the Senator from Washington yield again to me?

Mr. JACKSON. I am glad to yield.

Mr. PASTORE. Does not the Senator from Washington think the same argument could have been used against his own State at the time when the people of his State were seeking to have developed the various great public-power projects which now exist there?

Mr. JACKSON. I am merely pointing out that there will not be a real reduction in power rates until there is a competitive factor in the area. In the private enterprise system, the very basis for a reduction of prices is competition. Certainly unless there is a competitive factor in the field, there will not be a reduction in price. A monopoly does not have to reduce the cost of the product being sold.

In areas such as Rhode Island, where apparently there is high-cost power, if electric power from atomic energy is properly developed in the beginning, so a basis can be established for a low-cost electric power system, that can mean a great deal to Rhode Island and to other States which now have high-cost power. On the other hand, if certain private power industries which have a monopoly to begin with, are allowed to continue in that monopoly position, then, I repeat, in the case of many areas which now have high-priced power, the price will perhaps be even higher, even when power from atomic energy is made available.

Mr. PASTORE. Mr. President, will the Senator from Washington yield for a further question?

Mr. JACKSON. I yield.

Mr. PASTORE. Allow me, first, to ask a question on the basis of the program which has been enunciated by the distinguished Senator. Let us assume that the amendment of the Senator from Colorado is adopted, and that under the amendment the Atomic Energy Commission is given authority to build a generating plant. Let us assume that the day comes when that plant is able to produce cheaper power than the power which could be produced by use of the conventional fuel of coal or oil. In that case, if such a reactor were built in the State of Rhode Island, does not the Senator from Washington think the result would be to bring down the cost of power in Rhode Island, even without any further competition?

Mr. JACKSON. Certainly, because in that case the Government would have made available the technology and techniques by which that development could be made available to all groups, both public and private.

The real danger in this matter, when we look at it realistically, is that the know-how available for use in exploiting the atom, in the field of the generation of electric power, today is limited to the large electric companies that have been working through Government contracts in this field. These companies, in turn, have with the large private utilities the relationships which make it possible for them, under this proposal to go forward to the disadvantage of the smaller companies.

Mr. PASTORE. Mr. President, I think the Senator from Washington misunderstands my point. That may be my fault. I am not referring to development of the program by private industry, as would occur under the pending bill without the adoption of the amendment the Senator from Washington advocates. But let us assume that the amendment he advocates becomes law. Let us assume that the Atomic Energy Commission is given authority to build a reactor for the purpose of producing atomic power. If that happens, what would be the harm in building the reactor in an area where the cost of power already is high—because of a lack of competition, as has been explained by the Senator from Washington—rather than to build the reactor and give the preference alone to the public bodies and cooperatives who already are enjoying low-rate power?

Mr. JACKSON. There is no harm in that. Let me point out to the distinguished Senator from Rhode Island that in the Northwest the primary beneficiaries of cheap, low-cost electric power have been the private utilities. The classic example can be found in Portland, Oreg., where today the Portland General Electric Co. gets from Government-owned dams more than two-thirds of all the power it sells. That company is getting that power even though the preference clause is in operation and effect. The point is that the preference customers are very limited in number, and the private customers greatly outnumber them. So, in practice, the private customers get the benefit of the low-cost power. That has been the history of the preference clause. When the preference clause is placed in operation in a given power program, it does not mean that all the power goes to the public bodies. The public bodies use only a relatively small percentage of the total amount of the electric-power output of the country.

I may say to my distinguished friend further in that connection that percentagewise they are a smaller part of the electric power industry today than they were in 1923, when they reached the high-water mark of their advancement.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield for a question. Perhaps we are disagreeing about two different things. I do not think we are disagreeing.

Mr. PASTORE. The thing that disturbs me, almost to the point of frightening me, is this: The Senator tells me that we do not need the preference clause in Rhode Island because the experience has been that even under the preference clause public utilities are getting their fair share of the production of power, yet we are devoting hour after hour, day after day, merely to get the preference clause in the bill. If the preference clause is not important, why are we wasting time on it? When I want a preference in my State, the Senator tells me that it is of no importance. When I tell him that we need it, he says that the private utilities are getting their fair share. If the private utilities are getting their fair share, and experience shows it, why are we devoting all this time to the preference argument?

Mr. JACKSON. Let me ask my distinguished colleague a question. If there are two applicants for a resource which belongs to all the people of the country, and one is an applicant representing a public body, a municipality, or State, and the other is a private concern, which of those two should be granted the preference?

Mr. PASTORE. Let me answer the question very easily. Inasmuch as our ultimate concern is the public interest, the consumer, I say that we ought to be concerned with the area where the costs are the highest, whether the power goes to a public body or a private body. What difference does it make in the final analysis? We are seeking to reduce the cost to the consumer. That is what I am interested in. I do not care whether the public utility makes the money or whether a cooperative makes the money, or whether a private company makes the money. But I am concerned about the consumer in Rhode Island, who is paying twice as much as the consumer in Spokane.

Mr. JACKSON. What assurance have we that the private utility will pass on to the consumers the saving which is realized? Would the distinguished Senator from Rhode Island agree, then, to a provision fixing rates?

Mr. PASTORE. No. All I am saying is this——

Mr. JACKSON. The Senator wants to give to the private utilities, which have an absolute monopoly, this low-cost power and allow them to continue to sell it at high rates and make bigger profits than ever.

Mr. PASTORE. If the private utility company which bought the power at wholesale at a very reasonable, economical cost from the AEC—if this power were granted—did not pass the saving on to the consumer, the Secretary of the Interior could refuse to sell it. Am I right or wrong?

Mr. JACKSON. Under what law?

Mr. PASTORE. The present law.

Mr. JACKSON. Is the Senator talking about hydroelectric power?

Mr. PASTORE. I am talking about any power that is given to the Secretary of the Interior for distribution under the Federal Power Act.

Mr. JACKSON. If he has the rate-making power, I do not believe that the Secretary of the Interior has exercised any such authority in connection with resale rates. That is my understanding of the record to date. It has been left to the local State public-service commission.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I yield for a question.

Mr. KNOWLAND. Does not the Senator think that under the rules of the Senate he has the right to yield only for a question? While I have not raised the point of order up to this time as to the number of speeches the Senator

might make in one day, I respectfully suggest that I think the Senator from Rhode Island could frame his inquiries in the form of questions. Then we would be within the rules, which have heretofore been mentioned.

Mr. JACKSON. I believe the RECORD will show that on each occasion I yielded only for a question.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am happy to yield for a question.

Mr. GORE. Is not this the first speech the junior Senator from Washington has made on this bill?

Mr. JACKSON. That is correct. I think the distinguished majority leader was not referring to the junior Senator from Washington, if I may defend the majority leader for a moment—not that he needs defense.

The PRESIDING OFFICER. The question is——

Mr. JACKSON. If this bill is adopted in its present form we will have turned back the clock some 50 years; for the Government, which at one time—under a really dynamic administration—took the initiative in breaking up holding companies and monopolies, will now actually be in the position of encouraging the creation of such monopolies.

However, as I have noted earlier, coupled with a program of Federal construction of power facilities in the development of our natural resources, we have also maintained an equally important policy of providing a preference in the marketing of power from such projects.

This provision, also having a history of 50 years' standing, likewise is lacking in the present bill. If the benefits of this resource are to be made available to all the people of America at low rates, it is imperative that preference be given to municipally owned electric systems and rural electric cooperatives in the marketing of such power as is produced by the Federal Government from nuclear reactors. Otherwise, the private utilities will erect a tollgate to charge the consumers for a resource belonging to the people, and developed through their tax funds.

Mr. PASTORE. Mr. President, will the Senator yield at that point?

Mr. JACKSON. I yield for a question.

Mr. PASTORE. If that be the case, how would the people who live in areas which are not served by a publicly owned utility or a cooperative receive the advantages which the Senator says belong to all the people of the United States?

Mr. JACKSON. It is very simple. The point is, there are a given number of municipal applicants—preferred applicants—and a given number of private applicants. The public applicants are taken care of first, and then the others are taken care of. As a practical matter, if an effective program is worked out, I think they can all be taken care of at once.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am happy to yield for a question.

Mr. KNOWLAND. Along the line of the questions raised by the Senator from Rhode Island, is it not correct that those who might be served in the area of a publicly owned utility and those who happened to be served in the area of a privately owned utility—though it might be a State-regulated utility—both pay, as individual citizens, taxes to the Federal Government, whose tax moneys are used for the development of these public projects? Does not the Senator think it would be discriminatory toward one group of taxpayers not to make available to them the benefits which are made available to taxpayers who happen to live in a municipally owned, so-called preference area?

Mr. JACKSON. I am surprised to hear that argument from my distinguished friend, the majority leader. I have great respect for his position in the field of public power. The distinguished majority leader has always been a strong and ardent advocate of the public-preference position. Am I correct?

Mr. KNOWLAND. The Senator is correct, but I think there comes a time——

Mr. JACKSON. I remind the Senator that I can yield only for a question.

Mr. KNOWLAND. If the Senator will permit me to raise this question, does not the Senator think there comes a time when we must have a reappraisal of the equities of the situation? While the Senator knows, I believe——

Mr. JACKSON. I am again trying to keep the distinguished Senator's record clear.

Mr. KNOWLAND. The Senator is entirely correct, and he was entirely in order when he called my attention to the situation. But does not the Senator feel that under all the circumstances there comes a time for reappraisal, to see if, in equity, the citizens of the country are being given equitable treatment in connection with these large public projects? I think it is a question which the Congress can certainly explore and reexplore.

Mr. JACKSON. Certainly there ought to be a reappraisal of the equities involved, at all times. In the State of California, where the Central Valley project is in operation, power from those great dams, which have meant so much to California, is being sold to both public and private utilities. There the preference clause is in full force and effect. It is not doing any harm to the private utilities. On the contrary, because the private utilities did not have the foresight to see the possibilities of hydroelectric development, they let a great deal of good revenue go out the window.

If it had not been for the fact that the Federal Government developed these power projects, a great many of the private utilities would not be making the money they are making today. The truth is that in the Northwest, where great public dams are located and where the preference clause is in full force and effect, while power is sold, first, to the public agencies, it is also being sold equitably to private utilities.

I pointed out one utility which is getting two-thirds of all of its power from the Federal Government. It buys power from the Federal Government and sells it, and is making a profit. I do not know of any area in which the preference clause is in effect where private utilities are really hurt. It was due to the wise Federal policy that dates back to one of the great Presidents of the United States, Theodore Roosevelt, who requested the initial provision in the law, back in 1906, that surplus power from irrigation and reclamation projects is sold first for municipal purposes and then to private utilities.

When we have passed surplus property acts—and we have had a number of them since World War II—they have always contained a provision that States, municipalities, and school districts shall have preference in the purchase of the surplus power. There is a long history back of those provisions of the law. I believe they are based on sound public policy. I believe that by placing the preference provision in the law we will protect the public interest to a greater extent that we will if we leave it out, because the municipalities and public agencies do represent the public.

There is something else that is important, too. The purpose of the development of a great Federal resource which is owned by all the people is to make sure of the widest possible distribution of the resources at the lowest possible cost, consistent with sound business practices. In other words, power rates cannot be reduced to such a point that the project will be unable to pay for itself.

Carrying the philosophy out, it is natural that Congress should give preference to public bodies, because in that way the desired objective is attained.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am happy to yield for a question.

Mr. KNOWLAND. Is it not historically correct, however, that at one time, particularly in the early stages of the preference development, there were areas and States that had not established regulatory commissions to the extent they exist today and in a good many such areas the privately owned utilities were in a position to levy rates on the basis of all the traffic would bear? Later, however, because of the need to protect the general public, a system of State utility commissions was developed which prevented the utilities charging all the traffic would bear. In view of those developments, does the Senator not believe that it might be desirable or necessary—I do not say it is—at least to reexplore the whole preference situation to determine if we are doing equity to the people in all sections of the country, who are perhaps entitled to consideration in view of developments during the past several decades?

Mr. JACKSON. The Senator from Washington at least tries not to take an arbitrary or capricious attitude toward any of these things. His mind is open, and he certainly would be interested and desirous of seeing to it that a fair, just, and equitable distribution of these great resources is made.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JACKSON. I believe that the record of the preference clause has been good. When we get down to cases, as I have given cases in my remarks tonight, we find that the preference clause has worked out pretty well. If there is a sound reason, based on public policy, why the rule should be modified, certainly Congress should take a look at it to determine what should be done.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield for a question.

Mr. PASTORE. In view of the statement made by the distinguished Senator, does he not feel now that while there is no need to disturb the preference idea as provided in the Federal Power Act, inasmuch as certain sections of the country do not enjoy the benefit of public utility bodies or cooperatives, in those particular areas, where the cost of electricity is high, we would do no substantial injury to the present system and policy of the Federal Power Act if we added to the preference, without diminishing the force of the preference with reference to public bodies or cooperatives, by providing that areas which do not have such public bodies or cooperatives, and where the rates are high, should be treated on an equal basis?

Mr. JACKSON. I believe there is a certain fallacy in what the Senator, my good friend from Rhode Island, is advocating. He is assuming that the private utilities will pass on to the consumers—and they are the important ones, and the ones who should be protected when we are dealing with Federal resources—the low cost atomic electric power savings to the consumers. There is no assurance that that would be done.

Mr. PASTORE. Of course not. But does not the Senator, knowing as he does, the history of our supervisory laws with reference to public utilities—and certainly he must have had experience with them in his own State, as I had in my State when I was governor—feel that in the fixing of rates it makes a great deal of difference what was paid for the product that is passed on to the consumer?

If a public utility commission in any State could prove that the cost of the current to the private utility company which was buying from the AEC was much less than the cost of the current produced from coal or oil, does not the Senator believe that a wise governor and a prudent public utility commission would, in the public interest, force the rates to come down?

Mr. JACKSON. Knowing the history of many public service commissions—I am not familiar with the one in Rhode Island—I am aware that they have had a pretty difficult time in trying effectively to control the electric power rates. We all know that different formulas can be followed in determining what is a reasonable return on investment. All sorts of bookkeeping shenanigans are involved in the regulation of utility rates. What I say is without regard to any particular State. I do not want my good friend from Rhode Island to misunderstand me. It is a difficult thing to regulate rates. It depends entirely on the law in the State. If the law is properly and effectively administered and there is proper regulation, if low-cost atomic power is made available, it is certainly possible that the savings can be passed on.

Mr. PASTORE. I should like to ask the Senator one more question; then I shall not disturb him further. I believe he said that history has shown that two-thirds of the current produced by a hydroelectric project was being sold to public utilities.

Mr. JACKSON. No, I cited one outstanding case in Portland, Oreg., the Portland General Electric Co.

Mr. PASTORE. Is it not a fact that the people who have received the current which has come to private utilities as a result of purchasing it from hydroelectric projects have benefited by it?

Mr. JACKSON. Certainly.

Mr. PASTORE. And that has been passed on to the consumer?

Mr. JACKSON. Certainly, but the reason why the rates are low is because, side by side, are public bodies selling power at low rates, and they could not possibly sell power at high rates when they have a yardstick staring them in the face involving low-cost power. The Tacoma City Light Co. has the lowest rate of any city in the United States. I do not think a city nearby, unless it got power from the same sources, could sell it for the rate at which it is being sold by the Tacoma City Light Co.

Mr. PASTORE. Does not the Senator think the people in Rhode Island should have a shot at the same opportunity?

Mr. JACKSON. I think the people of Rhode Island will have a shot at the same opportunity. We do not want anything in this bill that will make it possible for private utilities to get a total monopoly. They start out with a tremendous advantage. They have a big capital structure, in the first place. They have the opportunity of long association with big manufacturing companies which have a monopoly on the know-how, the technology, of developing the kind of reactors that will make for cheap atomic power.

Mr. PASTORE. Does not the Senator think that would be controlled by the fact that all the special material is owned by and the title remains in the Federal Government?

Mr. JACKSON. Oh, certainly; but there is nothing in this proposal which will require the people who get the material by license or otherwise to sell and dispose of the material at a low rate, a rate consistent with the public interest.

Mr. PASTORE. Does not the Senator feel that that is the responsibility of the utility supervisors in each State?

Mr. JACKSON. The people know that the Federal Government has the responsibility of seeing that citizens throughout America are properly protected in this area.

Mr. President, in order to bring this bill into harmony with a policy which the Congress has honored for the past 50 years, I urge the adoption of the amendment which has been offered by Senators GILLETTE, JOHNSON, and others which would require that a preference be given to local public agencies and rural electric cooperatives in the marketing of power produced from federally owned nuclear power reactors.

Mr. President, there are other features of this bill which are equally as bad and as deficient in the public interest as those to which I have referred tonight. Although the bill authorizes the granting of 40-year licenses for the construction of reactors utilizing nuclear materials for the production of electric power, there are in this bill none of the safeguards and procedures for granting such licenses which are incorporated in the Federal Power Act.

Amendments have been introduced which would bring the licensing features of this bill in line with those of the Federal Power Commission. I heartily support such provisions as being necessary to protect the public interest.

Mr. President, on the whole, this is a bad bill. It was called to the floor of the Senate on the same day that the report was made available to the Senate. In the main, insufficient consideration has been given to the many features of the bill pertaining both to domestic and international policies.

Although the amendments which I support would vastly improve the bill, I see no urgency in action during the present session of the Congress on the features of this bill pertaining to domestic policy. It would appear that the only sense of urgency in enacting these provisions comes from the private power companies, other large corporations, and, might I add, the administration, who may be fearful as to the results of the elections this fall.

In the best interests of the country, the Congress should take up this legislation during the next session of the Congress, when we can consider more carefully, and in perhaps a more temperate attitude, the provisions of this bill which will have such a far-reaching effect on the economic, political, and social structure for many future generations. At such a critical juncture in the history of America and of the world, we cannot afford to tamper so recklessly with an act which has served us so well for almost a decade.

Mr. President, I yield the floor.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Dworshak	Millikin
Anderson	Ferguson	Morse
Barrett	Flanders	Neely
Beall	Goldwater	Pastore
Bricker	Green	Payne
Bush	Hickenlooper	Purtell
Butler	Ives	Reynolds
Capehart	Jackson	Thye
Case	Johnson, Tex.	Wiley
Chavez	Kilgore	
Crippa	Knowland	

The PRESIDING OFFICER (Mr. CASE in the chair). A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BENNETT, Mr. CLEMENTS, Mr. CORDON, Mr. DOUGLAS, Mr. GORE, Mr. JENNER, Mr. KUCHEL, Mr. POTTER, Mr. SCHOEPPEL, and Mrs. SMITH of Maine entered the Chamber and answered to their names.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be requested to compel the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mrs. BOWRING, Mr. BURKE, Mr. ERVIN, Mr. HUMPHREY, Mr. JOHNSON of Colorado, Mr. LENNON, Mr. ROBERTSON, Mr. UPTON, and Mr. WILLIAMS entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. MORSE. Mr. President, the Senator from Oregon wishes to announce at the beginning of this speech that it will be a relatively short one—4, 5, or 6 hours, more or less.

Mr. FLANDERS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. Mr. President, I am willing to yield to the Senator from Vermont subject, of course, to the understanding that by yielding, I shall not lose my right to the floor. I understand that the Senator from Vermont wishes to make an insertion in the RECORD. Of course, I always try to be courteous to my colleagues, and I shall be delighted to yield, if I may obtain unanimous consent to yield for that purpose without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, reserving the right to object—and I shall not object to having the Senator yield for the purpose of having insertions made in the RECORD—let me state that, as the distinguished Senator from Oregon knows, we have been trying to follow the rule that a Senator who has the floor may yield only for a question. I would wish the Senator from Oregon to be on notice, for his own protection of his right to the floor, that any extended colloquy or debate not in the form of a question would be subject to a point of order.

Mr. MORSE. I understand. I was going to talk about the rules in a moment.

But now, Mr. President, I shall yield to the Senator from Vermont, with the understanding that by so doing, I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senator from Vermont.

Mr. FLANDERS. Mr. President, I misunderstood the majority leader. I may say it will take me just a moment to make the requests I have in mind.

Mr. MORSE. It was a great pleasure to yield to the Senator from Vermont. I would have been perfectly willing to have him obtain the floor and offer his resolution. It might be adopted at this hour of the morning. I suggested that to the Senator from Vermont in private conversation and he told me that there might be something to my suggestion, but he said that he had committed himself to a date certain, and therefore he did not feel that he was in a position to bring up the resolution at this time.

I wish to say at the beginning of my remarks that I have no intention at any time of yielding, except for a question. I want the Presiding Officer to know that. I want all of his successors in the chair to know that the Senator from Oregon is not yielding except for a question; and if any Senator, in fast talk, starts to make comments which are not in the form of a question, I shall, as quickly as possible, stop him. But I want the RECORD crystal clear, that I have no intention of yielding at any time during these remarks, except for a question.

Mr. President, this is a filibuster speech. I never fly under false colors. I am making a filibuster speech on this subject, although I am perfectly willing to join in any motion to displace this bill for the consideration of the Morse antifilibuster resolution. I shall always cooperate at any time in passing an antifilibuster resolution in the Senate. I am not responsible for the existence of a filibuster in the Senate, permissible by rule. I have done my best in the past 9 years to have adopted a rule that would make it possible to end filibustering in the Senate.

I remember that in the 80th Congress, a Republican majority Congress, there was passed the Wherry resolution. I opposed the Wherry resolution because, in my judgment, that Republican resolution strengthened the institution of filibustering in the Senate. It was a resolution which required 64 affirmative votes to end debate in the Senate after cloture. It not only did that, but it had the effect of counting the absentees for the continuation of debate, because there was an affirmative requirement of 64, which the brethren in the Senate at the time called a constitutional majority, although I never knew what it had to do with the Constitution, it being a larger vote than the Constitution requires for the ratification of treaties. But it was adopted, thereby making it possible for absentees to really count, because they must be brought in—64 of them—to end debate.

I am strong for the protection of minority rights, but I have always taken the position that if adequate time is provided for the minority, as would be done under the Morse resolution, that is all that should be done to protect the minority, and also to guarantee the preservation and the operation of a rule which I am perfectly willing should be a required rule of the Senate, namely, the majority vote rule.

But I have been so unsuccessful for 9 years in getting favorable consideration for this principle of mine that I have said in past filibusters—and I say again—that until the Republicans in the Senate want to repeal the Republican filibuster rule, which makes it so difficult to end filibusters, and which has the effect of really strengthening the parliamentary weapon of the filibuster, and that so long as that Republican filibuster rule remains on the Senate books, then, from several standpoints—one of poetic justice—on issues which I consider to be great issues in the public interest, I shall use the rule.

I have also said that I thought that by example I might encourage the adoption of the Morse resolution. I remember when the tidelands debate was in progress, and I made a relatively short filibuster speech of 22 hours and 26 minutes on that occasion, I pledged to the then majority leader in the Senate, as I do now to the present majority leader, my wholehearted cooperation in adopting an antifilibuster rule. I said to the then majority leader, as I say to this one, that all he has to do is to move to lay the pending business aside long enough to adopt the Morse antifilibuster resolution, and then the procedure of that resolution would come into play. The minority would have adequate time to debate the issue. We would then vote on the merits, and move on to the next item of business.

The antifilibuster resolution of mine, Senate Resolution 41, 82d Congress, 1st session, is a very simple resolution.

I now ask unanimous consent to submit that resolution and request that it lie on the table; and at the appropriate time I shall ask the Senate to consider it, hoping that we can adopt an antifilibuster resolution of that nature before adjournment.

There being no objection, the resolution (S. Res. 291), submitted by Mr. MORSE, was received and ordered to lie on the table, as follows:

Resolved, That subsection 2 of rule XXII of the Standing Rules of the Senate, relating to cloture, is hereby amended to read as follows:

"If at any time, notwithstanding the provisions of rule III or VI or any other rule of the Senate, a motion, signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but 1, he shall lay the motion before the Senate and direct that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

" 'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by a majority vote of those voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same; except that any Senator may yield to any other Senator all or any part of the aggregate period of time which he is entitled to speak; and the Senator to whom he so yields may speak for the time so yielded in addition to any period of time which he

is entitled to speak in his own right. It shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate."

SEC. 2. Subsection 3 of such rule is hereby repealed.

Mr. MORSE. It is a very fair resolution. Theoretically, after cloture there could be 96 hours of debate. There would not have to be that much, but that guaranty of protection is there in case on some occasion a matter was of such moment that 96 hours of debate would be necessary to protect the minority on the merits. Taking an ordinary Senate day, that would cover quite a number of days of debate even after cloture. I think that is only fair and right.

I think at the beginning of this speech I should tell the American people why I believe, under the rules of the Senate, filibustering being permitted, that this issue should be discussed for a prolonged period of time. I think so, Mr. President, because those opposed to the bill have a patriotic duty to take such time as is necessary in the Senate to call the attention of the American people to the demerits of the bill.

In my judgment, this is one of the worst bills and one of the most undesirable bills and one of the most dangerous bills from the standpoint of the public interest that has ever been before the Senate for vote in my 9 years in the Senate. This bill, in my opinion, will have terrific causal repercussions upon generations of American boys and girls yet unborn. It has within it the potentialities of such danger to the welfare of the American people that I think every Member of the Senate who shares my views as to the dangers of the bill has the duty to make whatever sacrifices, personal and political, that may be called for, in order to prevent the passage of the bill until such time as the American people can be heard from. My confidence in the American people is such that I am satisfied once they come to understand the dangers of the bill it will not pass.

I felt that to be so in the tidelands debate. I felt it deeply, Mr. President, just as I do in the case of this bill. I felt something had to be done in order to break through what was obviously a news boycott by the American press, by and large, concerning the merits and demerits of the tidelands bill.

A review of the long speech I made on that occasion will show that early in that speech I said I thought the only way we could break through that newspaper boycott was to dramatize the issue.

I have been very much disappointed again in the failure of the journalistic profession, by and large, with some notable exceptions, to analyze this atomic-energy bill for the benefit of the reading public and to point out to the American people the dangers that are truly involved in the pending bill.

It makes one sad to note that the journalistic profession failed in its responsibility of reporting the truth and failed in its responsibility of performing its function as the greatest educational institution in America. No educational institution compares with the press as a medium for the presentation of information in educational form, if the press wants to rise to that great responsibility.

In the newspapers of the past few days, one reads stories such as are found in some of the releases today, "Atomic energy bill debate drones on," instead of telling the American people what the differences between and among us on the floor of the Senate are in regard to this bill, instead of pointing out the facts and contentions as presented by both the proponents and the opponents, although the proponents have had relatively little to say thus far in the debate, and instead of bringing out the facts about the bill or criticisms of the bill that have been presented in the debate. The speeches on the merits and demerits of this bill will read well when any student comes to analyze the debate.

The press is aware of the situation, but it has assumed an attitude of lethargy, an attitude of unbelief, an attitude of wishful thinking which have come to characterize the mental reactions of so many of our fellow citizens these days. They would like to believe the best. They do not want to believe the worst. They are psychologically resisting a growing fear that is taking root at the grassroots of America these days, and that fear is that in 1952 they were taken for a political ride. They certainly were, Mr. President. They were fed a lot of nice-sounding promises on issue after issue by the Republican candidate, and they are beginning to discover they were only promises. They are beginning to discover not only that there has not been any deliverance on those promises, but those promises were based upon a campaign strategy of political expediency.

I think the American people are now in a state of great mental shock. They are shaking their heads and wondering. They are asking each other the question, "Did it happen here?"

It is hard to believe it did happen. It happened to them. They were fooled in the campaign by promises based upon political expediency and by a campaign strategy of anything to win; it is votes that count, and if ignoring political principles and political morality will get us the votes, then let us ignore principles and morality.

It happened, Mr. President. During the life of this administration we have seen the people suffer the loss of one interest after another.

Take issue after issue, the hard money policy, the failure to do anything constructive to meet the very serious recession of the past year, the giveaway of billions of dollars of the wealth of the American people in the tidelands, the failure to protect the people's heritage in the natural resources, which show an administration bent on serving not the American people, but the selfish big business interests which obviously control it. The time has come, it seems to me, when a last-ditch fight has to be made before the adjournment of this Congress in opposition to and protest of this sorry record of the Eisenhower administration.

We have had presented to us, in my opinion, a bill which will be so damaging to the future economic welfare of the American people that I urge my colleagues to take a stand here and make this the last point of retreat. I am well aware what that requires, but there comes a time when each one of us has an obligation far beyond us as individuals in importance, because we sit here in the Senate of the United States as symbols of a great public trust. We sit here in the Senate of the United States, as I see it, at least, under the obligation to do whatever lies within our power to protect the public welfare as the public welfare becomes involved in the legislative process.

Here is a piece of legislation, Mr. President, that I cannot reconcile with the public welfare. Here is a piece of legislation which, in my judgment, if it becomes the law, will go a long way, as I suggested the other day, in selling the American people into a monopolistic economic bondage. Here is a piece of legislation which, in my opinion, will give a throttled control over the economy of the country in the hands of a very few monopolies that obtain control over atomic energy. It must be stopped. Who is going to stop it? It is obvious that at this hour a majority in the Senate will not stop it, but I am convinced that the American people would stop it if they understood the facts.

So, as I see it, a minority of us are confronted with really a sacred public trust. We are confronted with a challenge of great personal sacrifice. We are presented with an opportunity of service to the American people. We must be willing to take all the criticisms, or political brickbats, so to speak, that angry editors can conjecture and conjure. We must be willing to do it if we have the conviction which is mine—and I think other Members of this body share my conviction—that this bill sells short the economic welfare and the maximum economic opportunity of generations of unborn American boys and girls. I do not propose to sell them short. I have never felt, in my service, that I count as an individual. I have never felt that this job could be translated into a human equation. I have always felt that I was but a vessel, a vehicle, a medium through which, or by which, the people's business was, in part, to be transacted.

As my colleagues know, the basic tenet of my political philosophy is the same basic tenet of one of the great conservatives of history, Edmund Burke, who, in that famous speech of 1774, in the hot election in Bristol, when his opponent was following the course of political expediency, laid down that beautiful tenet or rule or obligation of representation of any elected representative of a free people serving in a parliamentary body. I paraphrase him when I point out that Burke said the primary obligation of an elected official in a parliamentary body

of a free people is to keep faith with his gift from Providence—his conscience.

To me that tenet makes service in the Senate of the United States very easy and very simple. It simply calls upon each Member of the Senate, on each issue, to ask himself, after he has studied the issue, the very simple question: On which side of this issue is to be found the right? On which side of this issue is to be found the public interest? What are the merits of this issue from the standpoint of promoting the general welfare? Having once come to a conclusion on such questions as these, the vote automatically follows.

Oh, of course, I know, Mr. President, that leaves no room; and, of course, there should be no room, for party dictates. That leaves no room for being told by party leaders in the Senate or at the White House or elsewhere how one should vote. It leaves no room for logrolling or vote trading. But it makes room for a standard of political ethics which the American people have the right to expect their Senators to live up to. That is what it does.

I know the bewhiskered argument that the Burke philosophy of keeping faith with one's gift from Providence, his conscience, does not promote party responsibility. I deny that premise; and I add, Mr. President, it does promote the general welfare. But before commenting upon the service that that principle performs for the general welfare, let me say something about party responsibility.

What a responsible party we would have, irrespective of its name, if each member of it at all times could be counted upon to keep faith with his gift from Providence—his conscience, and to vote his conscience. It not only would produce party responsibility, but, I respectfully submit, it would replace the party irresponsibility which now exists in American politics under the doctrine that an elected official should vote in accordance with party dictates.

I have never been able to understand or comprehend the point of view that in order to have party responsibility, someone must operate or function as a quarterback, and that parties should function as political football teams; that someone in the Senate or at the White House should call political signals, and everyone should play a particular signal-called play or political strategy in the name of party responsibility.

To me, that is party irresponsibility, because, to me, politicians who follow that argument by analogy are not freemen. They are controlled men. They are chattels. They do not belong to themselves, and certainly they do not belong to the people. But they belong to sinister political forces which have succeeded in making puppets out of them. Strings are pulled on that type of politician, and the play which is seen on that puppet stage is a play of political irresponsibility.

It saddens me. It cannot be reconciled with my study of political history, both American and British, as well as some study of the history of other political systems other than Anglo-Saxon.

To me, the great beauty—I think that is the perfect word to use for descriptive purposes—the great beauty of our constitutional system as designed and devised by our constitutional fathers is that it contemplates that men in parliamentary bodies in the United States shall exercise an honest independence of judgment on the merits of issues in accordance with the facts as they find them or honestly believe them to be. That is party responsibility. It is political responsibility. In my judgment, it is an essential of statesmanship.

I consider to be the greatest clause in the Constitution of the United States—and they are all great clauses—to be the general welfare cause. It seems to me that the pattern of all the articles and sections of the Constitution of the United States were penned in order to accomplish the primary purpose of the Constitution, namely, the formation of a political society of freemen and women, so that, acting in concert, through political forms set up in the Constitution, the public welfare would be promoted. The clause of the Constitution with reference to the promotion of the public welfare is, I think, the epitome of the constitutional objective of our constitutional fathers. That is our great moral responsibility as politicians. That is the requirement of political morality resting on the shoulders of each one of us. So we have the duty, as I see it, to test the various proposals for legislation that come before us by the general welfare clause; and I propose to test this bill by it. When I do, I find it so wanting from the standpoint of promoting the public welfare that I urge its defeat. Not only that, but I urge such colleagues of mine in the Senate of the United States, in the days, and if necessary, the weeks immediately ahead, to organize themselves into a determined band stronger than any that ever engaged in a prolonged debate in the history of the Senate of the United States, until the American people have a chance to defeat this proposed legislation. They will defeat it once they come to understand it.

We ought to take the time in the Senate to present the demerits of the bill, paragraph by paragraph. There are 104 pages of it, and in some future speech during this prolonged debate I shall read the bill line by line, and comment on it line by line, because I think someone ought to read it into the RECORD with explanations. I think a bill of such tremendous significance and effect upon the future of the economic life of America ought to be emblazoned on the pages of the CONGRESSIONAL RECORD with due explanations line by line.

In due course I trust that will be done. But for this speech I wish only to impress the importance, as I see it, of a valiant defense of the general welfare by a group of us in the Senate organizing ourselves into a determined band dedicated to the motto, "It shall not pass."

I would be delighted if that great mind, great statesman, and great leader from Alabama [Mr. HILL] would serve as our captain in the fight against the bill. I pledge to him, if he will do that, my enlistment for the duration—God willing, of course. I am satisfied that under his captaincy—no; under his generalship, Mr. President—we can conduct an educational process in the Senate on the bill for the next few weeks, day and night, if necessary, until almost every member of the adult population of the United States will start asking the question—and that is all I ask them to do—"What is wrong with the bill?"

Once the American people start asking the question, "What is wrong with the bill?" they then will be in the intellectual position of absorbing the facts about the bill. Once we get the sad facts concerning the bill to the American people, I am convinced we will find, in short order, such a reaction against the bill on the part of the overwhelming majority of the American people, that proposals for modifying the bill in support of the general welfare will be passed by a substantial majority in the Senate—such proposals, for example, as that very sound proposal of the Senator from New Mexico [Mr. ANDERSON] which was defeated in the Senate last night.

Mr. President, once the American people start to ask the question, "What is wrong with this bill?" we shall even obtain a two-thirds vote in the Senate to reconsider the vote by which the Anderson amendment was rejected and proceed to agree to it. I am satisfied that an overwhelming majority of the American people would vote for the Anderson amendment once they came to understand it, just as I am satisfied they would vote for a good many other amendments we propose to offer before the debate comes to a close.

Mr. President, the atomic energy bill before the Senate proposes to give away the people's investment in atomic power. In my judgment, it represents the most colossal giveaway ever proposed to the American people. And the people are being asked to indulge in this improvidence on the ground that somehow or other private monopoly is going to give them a greater return in the form of low-cost power than they could expect if further development was retained in Government hands, or turned over to private enterprise only under conditions established by Federal legislation to govern the use of the people's other great power resource, hydroelectric power.

The people are being told that the present arrangement, under which the great corporations and laboratories of the country work together under the direction of the Government, does not provide enough incentive to assure the quick achievement of commercially feasible atomic power. So, the argument runs, the public interest requires an almost unconditional gift of the opportunity to develop this resource to profit-seeking private companies in order that invention may proceed rapidly to the goal.

Somehow the people are being led to expect miracles in the way of lower electric rates once the monopolistic electric utilities get their hands on this new power resource. And they are being expertly persuaded that it is only the Federal Government monopoly in the atomic energy field that stands between them and lower power rates.

This is particularly true in areas like New England, where the people suffer from the highest electric rates and the

scantiest use of electricity in the whole United States.

What the people of the Northeast fail to see is that their high rates are due primarily, not to the cost of fuel in their region, but to the fact that they have been persuaded by private utility monopoly to keep any healthy development of public competition out, by blocking Federal river-basin programs which include hydroelectric power. The Northeast has potential hydroelectric power comparable with that of the Southeast. But the Southeast has secured much lower electric rates through welcoming the Federal Government as the natural partner in the development of the resources of our rivers.

THE YARDSTICK IN THE TENNESSEE VALLEY

The people of the Northeast, and New Englanders in particular, can learn a lesson, which will serve them in good stead in their dealing with the atomic energy challenge, if they will look carefully at a small pamphlet issued by TVA, entitled "TVA's Influence on Electric Rates." This pamphlet tells its story mostly in charts. I wish that I could put them up for all to see, for the moral of their story would go far in demonstrating what is the matter with the proposed atomic energy legislation.

These charts show the United States, with the average bills for 100 kilowatts a month of residential electric service for cities of 50,000 population or over by zones established by concentric circles around Tennessee as the center. One map shows the situation in 1932, before TVA was started. The other shows it in 1952.

The map showing the situation in 1932 shows that Tennessee had the highest residential bill for this service, or $5.26. In fact, there was not much variation among the other zones so far as the east was concerned, with the average bill ranging around $5. The Pacific Northwest, however, had lower bills, with the State of Washington, where Seattle and Tacoma have long operated municipally owned systems, having the lowest average in the country—$3.18.

But, when we look at the situation in 1952, we find that a definite pattern has developed. Washington State, now within the Bonneville Power Administration area, still had the lowest average bill for 100 kilowatt-hours a month of residential service, or $2.39. The TVA area came next with $2.50. Then, going outward from the TVA area, we find the average bills ranging progressively higher, until they reach an average of $4.12 for the west north central and northeastern zone, which includes New York and most of New England.

Looking at it in another way, the reductions in average bills for 100-kilowatt-hours of electricity between 1932 and 1952 were: For the Tennessee Valley region, $2.76; for the next zone, $1.73; for the second zone beyond, $1.12; for the third zone, $1.24; and for the remotest zone, including New York and New England, only $0.78. In other words, in the Tennessee Valley region, where a Federal program of river-basin development had gone forward, bills for 100 kilowatt-hours of electric service had gone down 3½ times as rapidly as in the New York-New England zone, where there had been no such program. Even in the zone next to the Tennessee Valley, the reductions in residential bills in the 20-year period had exceeded those in the most remote zone by more than 2 to 1.

I bring these comparisons to your attention early in my remarks, Mr. President, because I want it clearly understood that it is not so much the initial cost of the energy component—that is, the production cost—in electric bills, as the power policy, which governs the development and marketing of the power which determines whether people pay high or low electric rates.

Mr. President, I bring this to your attention early in my speech because I hitch these electrical facts directly to the question, On which side is the public interest to be found in connection with the matter of bills for the consumption of electricity?

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question only.

Mr. DOUGLAS. Does the Senator from Oregon feel that there is any connection between the high power rates of New England, which are approximately 90 percent higher than the low rate just quoted, and the fact that industry has been moving out of New England, and that region as a whole has been failing to advance?

Mr. MORSE. My answer is that I think there is always a direct relationship between the cost of producing goods and the decision of a manufacturer as to the location of the site of his plant for the production of goods. I rely now, not upon my observations, Mr. President, but upon the opinions of a great many persons in the field of industry in the Northeast, who will testify—and do testify and do say and write—that the high cost of production in New England is due in large part to the high cost of electric power. They complain that areas that have cheap electric power are given a great competitive advantage over New England. I think their conclusion is unanswerable, and my record in the Senate will so show. In fact, I remember that last year, when the junior Senator from Massachusetts [Mr. KENNEDY] was making his brilliant series of speeches on the economic problems of the New England area, I interrupted him, one afternoon, as I recall, and examined him a bit upon the electric power potential in New England, by way of hydroelectric development. The CONGRESSIONAL RECORD will speak for itself in that connection, of course; but I am sure I accurately paraphrase the remarks made on that occasion by the junior Senator from Massachusetts, when I say that in the course of that debate he pointed out that he was greatly concerned about the lack of cheap hydroelectric power in New England. He agreed with me in that colloquy that there are a good many sites in New England where hydroelectric potentials can be developed. The CONGRESSIONAL RECORD will show that I pledged to the Senator from Massachusetts at that time, as I do to each and every other Senator in this body in whose State there are undeveloped hydroelectric power sites, that I could always be counted upon to support him in any proposed piece of legislation which would seek to extend the public power yardstick to New England. It is sorely needed in New England.

One of the reasons why I made the fight I did this year in the Public Works Committee, along with some very able colleagues, for the Lehman-Roosevelt Niagara bill was that in my judgment it would bring a greater opportunity for development of a public power yardstick that would serve New England from the falling waters of Niagara than any other proposal with regard to the Niagara development that was before the committee.

I think the Senator from Illinois has put his finger on one of the great needs of the New England area—cheap electric power. But New England is not going to get cheap electric power, either from hydroelectric development or atomic energy development, if the power is to be supplied by private utility monopolies which do not have to operate against a public power yardstick for competitive purposes.

That leads me to one of my objections to this bill, although in this speech I shall go into it in greater detail than at this moment.

One of my great objections to this bill is that in my judgment it plays into the hands of the private monopolies. It denies to the people in the areas that are to be served by such reactors as are built under the terms of this bill by private utilities of a public power competitive source for their electricity. That is why I say I cannot reconcile this proposal with the public welfare.

In fact, there is considerable expert opinion to the effect that we probably could spot from 12 to 18 atomic energy power-developing reactors in various regions of the country, and in the not too distant future develop enough electric power from those reactors, if all goes well with this atomic energy program—and the scientists seem very confident about it—to supply all the power needs of the Nation. I say from 12 to 18 reactors. They would have to be large reactors, I understand, costing between $200 million and $400 million apiece. But our scientists are leading us to believe that such a possibility is a probability. That is why I say we ought to take a long look at this bill. If we are dealing here with a source of electric power—and I think we can take judicial notice that we are—which can supply that amount of power, then we had better make certain that we have protected the public interest. We will not have protected the public interest unless we so amend this bill that we have in it the same safeguards that the great Norris, La Follette, Johnson, Borah, McNary, and a good many of the other liberals of times gone by in the Senate saw to it were written into the power policy of this country in a series of legislative measures starting with the bill of 1903 and including, of course, the various flood control acts, the Bonneville Act, and other

acts relative to our great multiple-purpose dam developments.

I should like to make clear rather early in the speech that I think once again we see the illustration of how historic patterns have a tendency to repeat themselves. There is nothing new in the battle taking place in the Senate this morning. This has been an oft-repeated battle—the fight conducted by one group of Senators to protect the economic interests of the masses of our people against others who seem to think that the masses of the people can best be served through the strengthening of monopolistic control over the economic potentials of the country. It represents a very deep-seated difference in political philosophy, really. We come to grips in an issue such as this with the kind of philosophical approach we are to make to the operation of a representative government.

Are we to follow the theory which I think is dominant in the Eisenhower administration, and which, unfortunately, has come to be dominant, in my opinion, in Republican philosophy? It was one of the many reasons why I reluctantly came to the point of view that I could not square continued membership in the Republican Party with my own conscience, and led to my resignation.

I say we come to grips here in a repetition of the oft-repeated battle in the Senate, with the issue, Are we going to seek to protect the economic welfare of the masses of the people by retaining in the Government a check upon private monopoly and the power on the part of the Government itself to do those things which need to be done in order to protect and promote the best welfare of the people?

Oh, I was amused to find the President of the United States some months ago belatedly discovering that great political tenet of Abraham Lincoln, to the effect that it is one of the primary obligations of a proper representative government to do for the people what they cannot do themselves or cannot so well do themselves, but what needs to be done in the public interest. It is wonderful to see Mr. Eisenhower quoted at a press conference. How sad that his record shows it is naught but a quotation. It is not a rule of political conduct, because his record is not a record which shows that he believes in putting it into action.

I am only suggesting that the Republicans practice that all-American doctrine. It is not Republican doctrine alone, Mr. President. It is Lincoln doctrine, but it is good American doctrine. We cannot promote the general welfare under democratic processes in a representative government unless we recognize that the Government itself has the duty to act in whatever manner is necessary to do for all the people what needs to be done, and what they cannot so well do for themselves.

Here is an example, Mr. President. I am urging and I shall continue to urge that there be written into this bill plenty of language that will keep faith with Lincoln and will keep faith with George Norris, and keep faith with the concept that this Government of ours has a duty to retain unto itself, in connection with atomic energy, not only the authority, not only the right, but the clear obligation so to do that some of these reactors that will be self-liquidating in nature are built by the people through their Government, and that the people will have the benefit of cheap power produced under that kind of public power yardstick.

Through the operation of that kind of Government, plan industry, which is given a license also to generate power from atomic energy, will necessarily have to conform to the yardstick the Government has laid down, because we are dealing here with a matter of energy, economic energy. It is the energy that makes the economy go round and round.

I know it will be subject to misinterpretation and to twisting, and will be taken out of context. However, it represents a point of view I want to stress here tonight, because I stand on it, and I have no apology to make for it. I think the Government has the duty of maintaining control over the principal source of energy that makes the wheels of American industry go round.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. May I ask the Senator from Oregon if I am correct in my belief that he is not opposing a considerable degree of private development of atomic energy?

Mr. MORSE. On the contrary, Mr. President, I am urging the development of atomic energy by private industry under necessary controls and checks and regulations, so that the evils of monopoly will not develop and so that the American people will not have to pay tribute to a private monopoly and will have to pay only a very fair price for the power that is generated. My position is the same, I may say to the Senator from Illinois, with regard to private industry development of electric energy through atomic energy power as my insistence that private utilities have the right to develop and be encouraged to develop electric power at hydroelectric sites where so-called low dams are feasible.

I am only insisting that the American people retain this right that will empower their Government to build some reactors in order to have better use and better distribution, just as we built the great multiple purpose dams and developed power hydroelectrically.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Then, is the Senator from Illinois correct in believing that all the Senator from Oregon is contending for is that the Government should not be foreclosed from the possibility of building some of the reactors itself and developing electric power itself, and that it should have the opportunity to do so if a later Congress is willing to make the necessary appropriations?

Mr. MORSE. That is exactly the position of the Senator from Oregon, and I am glad the Senator from Illinois has raised the point, so that at least it will quash any justification for any misinterpretation of the remarks of the Senator from Oregon.

As I said, I bring these comparisons to the attention of the Senate tonight early in my remarks because I want it clearly understood that it is not so much the initial cost of the energy component that represents the production cost in electric bills as the power policy which governs the development and marketing of the power which determines whether people pay high or low electric rates.

It would be a tragic mistake if people should be mesmerized by the propaganda into believing that all you need to do is to turn the development of atomic power over to the private power monopolies to be on the road to lower electric rates. No more fatal blunder could be made in connection with the setting up of the legal framework within which the atomic power age is going to develop.

Mr. DOUGLAS. Mr. President, will the Senator yield further for a question?

Mr. MORSE. I yield for a question only.

Mr. DOUGLAS. Is the Senator from Illinois correct in his impression that in New England the cost of power to the household user is probably 10 times the generating cost per kilowatt-hour?

Mr. MORSE. Yes; I think that is a very accurate statement of the average we see in the comparative tables which are presented to us which compare New England rates with rates in the low power rate areas.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a further question?

Mr. MORSE. Yes; for a question.

Mr. DOUGLAS. Then, is the Senator from Illinois correct in his impression that it is in the field of transmission and distribution costs or charges that the New England rates and the private rates have been kept high?

Mr. MORSE. Yes; the transmission charges in New England are, in my judgment, exorbitant. That raises an interesting angle on this power problem. There are those, of course, who cry "Wolf! Wolf!" about creeping socialism when one suggests Government grid-back transmission systems. The fact remains that we cannot have cheap power distributed unless the Government transmits the power to so-called load centers, and contracts for power are made off the load centers. That means that we cannot have bus-bar sales. As everyone who knows my power stand is aware, I am unalterably opposed to any bus-bar deals with private utilities. I insist that the people not only ought to build multiple-purpose dams, but they ought to build so-called heavy transmission grid-back transmission lines to load centers, and all groups, including the private utilities, that want to buy any of that power should be given fair consideration in purchasing power off the load centers and off the Government grid back.

Yet, Mr. President, what have we found to be the record of the Eisenhower administration in the whole matter of transmission lines? It has been a record of denying necessary appropriations, of

cutting back REA transmission line appropriation requests. It has been a record of crying "Creeping socialism" when anyone proposes that the people through their Government, should build their own transmission lines so long as the power is developed from their own dams. There have been instances of the Secretary of the Interior signing some very undesirable contracts, turning over some transmission lines, such as a line in the southern part of my State, to a private utility, even though in that case the Government had already spent a substantial sum on clearing the way, building a part of the line, and distributing material along much of the remaining cleared right-of-way.

No, Mr. President, we do not have here, as some would like to believe of those of us who are opposed to turning over atomic energy power resources to private utilities, a situation in which we are either for 100 percent public power or 100 percent private power. I have always taken the position that public power and private power can prosper in the same area, in the same region. We have demonstrated it in the Pacific Northwest. The building of the great multiple-purpose dams, Mr. President, has not put the private utilities out of business. They have continued to make a good profit. In fact, before this administration came into being, the private utilities were enthusiastic supporters of such cooperative enterprises, for example, as the Tacoma pooling agreement, whereby it was agreed that the power, both public and private, should go into a common pool, to be distributed in accordance with the needs of the consumers.

I wish to say again this morning, as I have said in my State many times, that I think the Government should be proceeding more rapidly than it was inclined to, and give to the private utilities longer-term contracts and fairer contracts than it had been giving. But now we have the Eisenhower administration in power, and it has gone to the other extreme. We have the McKay 20-year contracts with a group of private utilities in the Pacific Northwest. It is my judgment that the McKay contracts constitute an unconscionable giveaway of the rights of the people of the country as well as of the Pacific Northwest. There is a joker clause in the McKay contract which provides, in effect, that if some private utility is found to be violating the power policy laid down by the Administrator, the Administrator can give 4 years' notice and if it does not comply within 4 years, the Administrator can take it into court.

Of course, under the old arrangement—and it was a sound arrangement—because, while there was a cause of action against the Administrator if he acted capriciously, without reasonable discretion; yet he could turn the switch on the private utility, and, in the public interest, compel compliance with Federal power policy. But not so under this monstrosity McKay has signed with the private utilities in the Pacific Northwest. What I think we should do as reasonable men is to recognize that there is a truly middle course. I am not for Federal monopoly of the power resources of America; neither am I for private or public monopoly of the power resources of America. I think we have to develop a cooperative program between private industry and Government, whereby the Government maintains some of the generating facilities as a public-power competitive yardstick against private utilities. I think the Government must be required to be fair and reasonable in its contracts with private utilities. But such provisions do not exist in this bill, so far as protecting the public interest against a private monopoly is concerned.

So I say, Mr. President, that I have something even more important to point out to show the fallacy which I think is inherent in this bill, of giving to the private utilities what really amounts to unchecked control so far as unchecked control is concerned in the atomic energy electric power development program.

FALLACIOUS ARGUMENTS FOR PATENT MONOPOLY

I am convinced by the evidence which I have seen that the people are being made the victim of a gigantic hoax to win their support for turning this great new energy resource over to private enterprise, practically without strings protecting the people's interest in low-cost electricity. That hoax takes the form of the reiterated statement that the Federal Government has not yet brought the art of atomic-energy development to the point where atomic electric power is commercially feasible and that to get over the hump we need to put the private profit motive to work by allowing private patents for inventions and discoveries, as well as private utility ownership and operation of nuclear or atomic powerplants.

It is my belief that the feverish activity to get this bill through Congress in a half-baked condition during the last days of the present session is due not to a passion to get the people atomic power as quickly as possible but to the determination to get the Government out of the business before the people wake up to the fact that devoted scientists working for the people have already brought the technology of atomic-power production to the point of realization. Only the construction of the very large plants, which the present state of the art calls for, is required to produce power which would undersell conventional generation, at least in high fuel-cost areas.

I might add that, like hydroelectric stations, a greater portion of the cost of producing atomic power will be in the fixed charges than in the operating expenses. This means that low-cost Government credit could play an important part in assuring atomic power at the lowest possible cost.

But to come back to this propaganda hoax that would persuade the people that economical atomic power is still a good many years ahead, the exact date when it makes its bow being still rather uncertain, I think that is just creating a setup to discourage the people from supporting Government development and provide the basis for what will appear to be a sudden demonstration of the genius of private enterprise once the giveaway has been accomplished.

Now, of course, I am venturing into a field in which someone will probably tell me that angels fear to tread, for I certainly am speaking without any inside knowledge of the secrets which are so jealously guarded. But a number of papers which have been presented by those who have been on the inside, and articles which have been written in scientific and trade journals, not to mention bits of information culled from testimony and statements of the past and present Chairmen of the Atomic Energy Commission, suggest that economically feasible atomic power will come into the picture just about as fast as the time required to construct a few really large stations. That means generating stations with capacity ranging up from a quarter of a million kilowatts, comparable with the big conventional fuel-generating stations.

This means that the people of the United States are being asked through this bill to present private industry, not with a challenging opportunity to risk capital in a development which is still speculative, but with an almost completed power development technique, brought to the commercial stage almost wholly through investment by the people.

That is why I contend that this will be recognized, if Congress enacts and the President signs this bill, as the most colossal giveaway in history.

THE ENORMITY OF THE GIVEAWAY

Before going on to support my contention with facts drawn from these expert sources, I want to tell you just how big a giveaway this will be.

Mr. President, if you will look at the report of a Forum on Business Opportunities in Atomic Energy, held under the auspices of the Atomic Industrial Forum in New York City during May of this year, you will find an interesting paper presented by R. P. Petersen, Chief of the Industrial and Production Reactors Branch of the Atomic Energy Commission's Division of Reactor Development. I shall have further comment on this paper. But at this point I will merely refer to the figures he presented showing the country's reserves of the various kinds of fuel.

These figures were prepared for the Commission by Palmer C. Putnam, one of their outstanding consultants. In brief they show that if 4 billion tons of coal are taken as the unit of measurement, all the coal and petroleum and oil shale and natural gas reserves of the country put together equal only 9.2 such units, if we are talking about what the AEC terms "assured reserves," and only 29.1 such units if the ultimate possibilities are plumbed. In contrast, the figures show that the country's reserves of nuclear fuel, the source of atomic power, are estimated at 1,500 such units, or 1,500 times 4 billion tons of coal. That would be a mighty big pile of coal.

NOT JUST MILLIONS—BUT TRILLIONS

In other words, the giveaway to private monopoly contemplated by this bill is equivalent to 16 times the assured reserves and 6 times the ultimately possible reserves of all the coal, oil, shale, and natural gas reserves of the coun-

try put together. If we take the price of coal at $7 per ton, this giveaway would ultimately stack up to some astronomical figure like $42 trillion, or in ordinary language, $42 million million.

Today this vast wealth belongs to the people by virtue of the fact that they risked all the money that has opened up its use. Under the existing McMahon Act, it is theirs to use in the public interest. As I am going to show, their risk capital has brought the technology of the atomic age to the point where commercially feasible electric power is to all intents and purposes no further away than the time required to construct a few big generating stations. Here in the Senate we have a great responsibility to make sure that, when this new form of electric power takes its place in the country's magnificent energy economy, the profits on the people's equity in the business shall flow to them in electric rates much lower than private monopoly is willing to charge.

I wish to assure the Senator from Kansas [Mr. SCHOEPPEL] that, in my judgment, that is exactly what the people of Kansas would agree with. I am satisfied that the Senator would find in Kansas very little disagreement with the position taken this morning by the Senator from Oregon. I think he would find that the people of Kansas do not want the Senate to give away not $42 million but $42 trillion of the heritage of generations of American boys and girls, yet unborn, in the great atomic energy resources of the Nation.

One of the reasons why I am making this effort—and it is a pleasant effort—is that I am deeply moved by a great sense of patriotic obligation to those unborn generations of American boys and girls. I would not want them, as they came on the face of the earth, to read in the CONGRESSIONAL RECORD any failure on my part to make the fight I am making here today to try to absorb the necessary amount of time until the people in Kansas, Oregon, California, Maine, Illinois, Texas, and every other State of the Union, come to an understanding and an appreciation of the tremendous giveaway of the people's wealth which, I respectfully submit, is to be found in the bill.

I am always delighted when the Senator from Kansas listens to me make my plea in an endeavor to protect the general welfare.

ATOMIC POWER CLOSE AT HAND

Now, I may be asked, on what do you base your conclusion that the art has been brought to the point where it would be possible to start constructing a giant atomic powerplant tomorrow, which would be commercially feasible in parts of the country where power supply costs are presently high?

In the first place, Prof. Manson Benedict, of the Massachusetts Institute of Technology, analyzed at some length in the Chemical Engineer in 1952 the possibilities of an atomic powerplant in Boston, Mass. His answer was by no means immediately encouraging. For, after noting the estimates of Dr. Donald Loughbridge, assistant director of the AEC division of reactor development, that the cost of a nuclear power plant, using present-day techniques, would be something like $500 or $600 per kilowatt of capacity, he found that the allowable powerplant investment for such a project to compete in Boston could not exceed $258. And his $258 figure was based on the assumption of practically zero fuel cost.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a question?

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Does the Senator from Oregon yield to the Senator from Illinois?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. When the Senator from Oregon speaks of the cost as being $258, he is referring to a cost of $258 per kilowatt, is he not?

Mr. MORSE. That is correct.

Benedict's conclusion at that time was that "before nuclear fuels could compete with coal in Boston, it would be necessary to develop a successful breeding reactor and cut the cost of a nuclear powerplant in half."

Those estimates were made about 2 years ago. I mention this because I want to suggest how rapidly atomic technology is moving toward meeting that challenge. For I am going to discuss at some length an article in the July 12, 1954, Electrical World, trade journal of the electric utility and electric equipment industry, in which Francis K. McCune, general manager of the atomic products division of General Electric Co., estimates the plant investment cost of a complete atomic powerplant, designed to use the "light water" boiling reactor principle, at $243 per kilowatt, and this includes allowance for what he terms the "nuclear fuel inventory." In other words, Dr. Loughbridge's estimates of atomic power plant cost have already been cut in half.

The article is adapted from a paper which Mr. McCune presented to the Atomic Industrial Forum panel in Washington, D. C., May 24, 1954.

But before discussing the facts brought out in this latest authoritative paper, I should like to call attention to some earlier indications of the progress which is being made, particularly during the past 2 years, toward commercially feasible atomic power.

FORMER CHAIRMAN GORDON DEAN'S OBSERVATIONS

In the first place, I have found a few very interesting indications of how fast the possibility of commercially feasible power from the atom is approaching in a book by Gordon Dean, former Chairman of the Atomic Energy Commission, published last fall by Alfred A. Knopf. The book is entitled "Report of the Atom." On page 164 he says that—

> Up to now we have been in a phase in reactor development where the costs have been terrifically high, and where the payoff has been over the horizon.

He then continues:

> But all this is changing. In racing parlance, it might be said that we have rounded the usable power turn and are headed into the economically feasible power stretch. The goal is in sight. The principle of atomic power has been proved; all that remains is to cut the costs.

Now let us see just what Chairman Dean is thinking about when he talks about the remaining job of cutting the costs.

Mr. Dean, as my colleagues know, was chairman of the Atomic Energy Commission. I know him very well, and have the highest regard for his integrity, his competency, his judgment, and his knowledge in the field of atomic energy. I served under Gordon Dean in the Department of Justice for a couple of years. He was chairman of an executive committee that really was my boss in connection with a project I did as assistant to the Attorney General from 1936 to 1938. I know Mr. Dean so well, and have such a high regard for him, Mr. President, that I place a great deal of weight in his judgment. Listen to what he says. He has suggested the answer previously on page 160 of his book, where, after commenting on the suggestion that the first reactor to produce usable power for a practical civilian purpose should be located in an area—say, the Arctic—where fuel costs are high, he continues:

> This might be true, but there are several drawbacks to such an approach in the year 1953. Inasmuch as a stationary reactor designed solely to produce power for a practical purpose has never been built, the scientists are not at all sure of the best design or the most economical size. A small reactor producing 10,000 kilowatts of electric energy might be built today for $10 million and produce electricity at 50 mills per kilowatt-hour.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. What was the cost a kilowatt-hour which the Senator from Oregon quoted?

Mr. MORSE. Fifty mills a kilowatt-hour.

Mr. DOUGLAS. I ask the Senator if that is not an impossible cost. It would be impossible for an atomic plant to compete with private power under those conditions, would it not?

Mr. MORSE. As of now, it is; but it demonstrates the thesis that I am now pursuing in my speech, namely, the tremendous decrease we have already seen, in a few short years, in the cost of electric power production from an atomic energy reactor. As Gordon Dean states in his book: "All that is remaining now is the problem of cutting production costs."

When there is attained the kind of reduction in costs he is talking about, when the costs are cut down to 50 mills, as compared to the many times higher cost which was predicted 2 years ago, I would say we are making progress. That is one of the reasons why I urge that the Government keep a hand of control over this resource, and that we not give it away to the private utilities, because they are interested in getting hold of it—at least, it appears that way to me—because they have inside information that, with the technological advancement which lies just ahead, there will result the production of electric power at a cost which will make it possible for that kind of power to compete with hydroelectric power.

Mr. DOUGLAS. Mr. President, will the Senator yield further for a question?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Did the Senator from Illinois misunderstand the figures used by the Senator from Oregon earlier? He quoted a cost as of 1952, of $258 a kilowatt-hour.

Mr. MORSE. Two hundred and fifty-eight dollars, according to Loughbridges' estimate.

Mr. DOUGLAS. Is that generating cost or capital investment?

Mr. MORSE. That is generating cost. I suppose it takes into account interest on the capital investment.

Mr. DOUGLAS. Will the Senator yield for a further question?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Then, I take it that the Senator from Oregon, when he quoted the figure $258, was not referring to capital investment, but to the cost of producing electrical power, was he not?

Mr. MORSE. That is what Mr. Loughbridge said in the quotation I used. Of course, I do not know the details of the basis of his figures.

Mr. DOUGLAS. If I may ask the Senator from Oregon this question: What does he understand would be the cost of the most economical reactor under present conditions?

Mr. MORSE. The experts seem to think it would be between $200 million and $400 million.

Mr. DOUGLAS. How much power would such a reactor be expected to generate?

Mr. MORSE. I cannot answer that question.

Mr. DOUGLAS. Am I to understand the Senator from Oregon to say that in order to enter the atomic-energy game, so to speak, one would have to put up from $200 million to $400 million?

Mr. MORSE. I understand that would be the most economical operation.

Mr. DOUGLAS. If that be true, may I ask the Senator from Oregon if he would expect large numbers of private companies to knock each other over in a given region in their haste and anxiety to enter the field?

Mr. MORSE. That is a part of the burden of my argument. There would be, I think, only a few special, privileged groups and combines that would do it. There would be a cluster of private-utility combines seeking to get monopolistic control of such an enterprise. That is why I say, most respectfully, that I think it is absurd to argue on the floor of the Senate, as has been argued during the course of the debate, that there is nothing that would stop a cooperative or municipality or REA from going ahead and entering the atomic-energy and electric-power-producing business under the bill. The only thing that stops them—it is perfectly obvious—is that no municipality would find it possible to raise between $200 million and $400 million to build one of the reactors. I do not believe that any Member of the Senate could name even one municipality which would find it possible to do that. Certainly no little, struggling REA or farm cooperative or municipal power group would be able to raise that much money.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question.

Mr. DOUGLAS. Does the Senator from Oregon remember the story which is told about John W. Gates and Charles M. Schwab? John W. Gates was a resident of my State, and was known as "Bet-you-a-million" Gates; and on a trip to New York on the 20th Century Limited at one time it is said that the two of them were playing poker with a group of cronies. Does the Senator from Oregon remember that story?

Mr. MORSE. No, I do not remember it.

Mr. DOUGLAS. Does the Senator from Oregon remember, further, that when they were playing, a commercial traveler showed great anxiety to get into the game; and does the Senator from Oregon remember that Mr. Schwab and Mr. Gates paid no attention to him, until finally he flipped down a thousand dollars, and said, "Now, here, let me into the game, I want some chips," and that Mr. Schwab then said, "Give the gentleman one white chip."

Does the Senator from Oregon think that is an appropriate reference?

Mr. MORSE. Oh, I think it is completely apropos. It is a perfect fitting cloak for the situation that is presented by this bill—another example of the "big boy" control, and of the little fellow's taking what they hand out to him.

Mr. President, I now continue with the quotation from Gordon Dean:

> But a reactor costing only 6 times as much might be expected to produce 25 times as much electric energy at 8 mills per kilowatt-hour.

Mr. President, I wish to read that again, and also to go back somewhat in the reading of the quotation, because here we have the testimony of a former chairman of the Atomic Energy Commission, who was writing with a great wealth of background information on what is happening in the atomic energy field. He said—and I repeat the last two sentences of the quotation:

> A small reactor producing 10,000 kilowatts of electric energy might be built today for $10 million and produce electricity at 50 mills per kilowatt-hour. But a reactor costing only 6 times as much might be expected to produce 25 times as much electric energy at 8 mills per kilowatt-hour.

Mr. President, eight mills per kilowatt-hour for the cost of producing atomic power would be commercially feasible in the vicinity of Boston, Mass., today. We may well ask, what has been holding back the Atomic Energy Commission from undertaking, or at least proposing to Congress that it undertake, a number of full-fledged powerplants? Mr. Dean completed his remarks on this phase of the matter with the following reflection—and, Mr. President, I particularly wish to call the attention of the Senator from Illinois to that statement by Gordon Dean, because we have been discussing cost estimates by a group of experts in this field; but all of them protect themselves with observations to this effect—and now I quote from Mr. Dean:

> No one, of course, knows any of these things for certain, for the simple reason that no real atomic powerplant has yet been built and operated. Many of our cost calculations will depend to a large extent upon what we learn in the immediate future about the construction of power reactors. But units of the size described, and at the cost indicated, appear to be feasible and will probably produce power at the prices quoted.

Here, Mr. President, we have the definite suggestion that, without turning the people's great new resource over to private enterprise—to private monopoly, if you will—the technology of atomic power has been developed to the point where, if we build a big enough atomic powerhouse, 8-mill power is in sight. Actually, as I shall point out later, writing about a year after Chairman Dean, Mr. McCune, of the General Electric Atomic Products Division, is showing that the per kilowatt-hour cost may be reduced to 6.7 mills when the atomic powerplant which he is describing is constructed.

But before turning to these later technical discussions of the nearness of commercially feasible atomic power, I want to suggest how little dependence men inside the Commission's activities are really placing upon private enterprise to get in and underwrite the progress which the people are being taught will come only when private risk capital is allowed to get into the picture.

Right after making a series of suggestions for changing the rules so as to encourage private enterprise to get into the atomic power field, Chairman Dean makes the following significant admission:

> Meanwhile, to help create the technological clime needed for further rapid progress, it is quite evident to me that the Government, through the Atomic Energy Commission, must continue to play a significant and leading role in reactor development, not only for military purposes, but for general power purposes, as well. Although the Commission should never be in the atomic power business, in the sense of building and operating large power reactors for the sale of electricity to consumers, it does, however, have the responsibility of stimulating within its own laboratories, and in industry, an intensive search for ways and means of extracting usable power from the atom.

Thus, it is clear that the people are going to continue to take the risk and provide the enterprise. Sometimes I have been impressed with the fact that, with all the hurrah about private enterprise, a careful search would reveal the fact that our great monopolistic corporations put more emphasis on the word "private" than on the word "enterprise." They are more concerned with conservation of capital than conservation of resources. In fact, their tendency is to conserve capital rather than to risk it.

FINAL STEPS REQUIRE AEC PIONEERING AT TAXPAYERS' COST

This fact is brought to light even more clearly in the atomic development field by a further paragraph from Gordon Dean's book. He gives away the fact that the main objective behind the present bill is not to release the dynamic

forces of competitive private enterprise, but to get the Government out of the power field while continuing to subsidize with the people's money the developmental work from which riskless capital will profit. Dean writes:

To carry out its responsibility to foster and encourage advancement in reactor technology, the Commission may well have to construct some pilot plants of varying designs and run them under conditions simulating large power reactor operations. Few, if any, private concerns are in a position to place risk capital into large reactors costing $60 million to $120 million or more without pilot-plant experience behind them; and few, if any, would be prepared today to put risk money even into pilot plants costing on the order of $10 million.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question only.

Mr. GORE. Do not the facts just cited by the able junior Senator from Oregon illustrate the need for an amendment such as the amendment offered by the senior Senator from Colorado [Mr. JOHNSON] or some other such amendment making it possible for the Government, either through the Atomic Energy Commission or some other agency, to develop electricity in commercial quantities?

Mr. MORSE. That is the burden of my argument. That is the burden of this part of my speech. I am trying to point out to my friend from Tennessee, who has made such a brilliant and able fight in this controversy, that we, the Government, have the duty of retaining control over atomic energy power development projects by our public preference; by our requirement, affirmatively stated in the bill, that the Atomic Energy Commission shall be authorized to build some of these reactor plants itself, strategically located in this country, just as we build some of the great multiple-purpose dams.

Continuing with the quotation from Gordon Dean's book, he says:

In close association with industrial groups, whether public or private, the Commission must, therefore, design and build and operate the forerunners of the large reactors which will some day feed appreciable quantities of electricity into the utility networks of the country.

Clearly, in the bill now before the Senate we have an amazing proposal. The people who have risked billions of dollars in bringing the development of this new atomic resource to the verge of commercial utilization are being told that it is in their interest to turn the development of the commercial business itself over to giant private utility and equipment companies which cannot be expected to risk even $10 million on the pilot plants which will finally test the various processes before the first big atomic power station is built.

Proponents of the bill will, of course, point to the 60,000 kilowatt atomic power station which Westinghouse Electric is now constructing for a combination of the AEC and the Duquesne Power Co. near Pittsburgh. But a little examination will reveal the extent to which any argument, which uses this as an example of the readiness of private companies to risk capital in such undertakings, is just a part of the great hoax which is being put over on the people. There is every evidence that the entire proposition plays into the power monopoly campaign to persuade the people that private enterprise offers the only assurance of low-cost atomic power soon.

BOGUS ATOMIC PARTNERSHIP

The Duquesne undertaking is actually just another instance in which the people, through the Federal Government, are taking all the risk, and private monopoly getting all the benefit. For the Government is building the reactor with the power company putting up the capital only for the electric power features which will hook onto the reactor and transform the atomic energy into electricity. The Government is actually guaranteeing the energy, which corresponds to that which a conventional steam boiler unit delivers to an electric turbine generator, at no more than what it would cost Duquesne Power Co. if it had to build a standard steam station. The whole station is so designed that, should the atomic reactor prove unsatisfactory, a conventional steam boiler unit could be substituted and the plant remain in service.

Another aspect of this Duquesne Power-Federal partnership which raises a serious question as to whether it will not play in with the private-company thesis, that only by letting private enterprise take over can the American people get commercially feasible atomic power, is the fact that this first moderate-sized pilot plant is apparently to employ what is considered one of the higher-cost types of reactor. What Chairman Strauss of AEC terms "the country's first full-scale nuclear powerplant" of 60,000 kilowatt capacity will use a "pressurized water" reactor. Apparently the General Electric Co. believes that the "boiling water" or "graphite moderated" reactors offer the best present possibilities for low-cost atomic power.

The AEC has not undertaken any large scale pilot plant experiments with either type of reactor.

It seems to me that some excerpts from the unclassified text of an AEC report on a Program Proposed for Developing Nuclear Power Plant Technology cast much light on the purpose behind the facts to which I have just called attention. Chairman Strauss presented these excerpts to the Joint Commission on Atomic Energy in some detail during the hearings. Following a brief summary of the five reactor experiments which are going forward, the report states:

Consisting largely of small, experimental reactors, the program is designed to provide a foundation upon which future work toward industrial nuclear power can be undertaken by Government or industry. It is based on the assumption that the law will be changed to make industrial participation in reactor development more attractive.

I would give particular emphasis to the last sentence because it suggests that the Commission's whole slant has been toward the private power point of view and that most of its experimental work in the direction of industrial power from the atom has been designed to further the ultimate private takeover of the atomic power industry.

The AEC report was moderately optimistic. It said:

Economic evaluations by the Commission and its contractors show that the probability of producing electricity from nuclear fuel at a cost competitive with electricity from coal, oil, or gas is good. The estimates generally indicate that if the goal of economic nuclear power is pursued with vigor, costs can be brought down—in an established nuclear power industry—until the cost of electricity from nuclear fuel is about the same as the cost of electricity from conventional fuels, and this within a decade or two.

This suggestion of the time schedule as involving a "decade or two" is so out of line with what appear to be the understandings between the AEC and private industry that it again raises the question whether Congress and the people are not being bamboozled in order to further the giveaway to the private power industry.

Of course, it is always rather amusing to me in the course of the debate that if it is a decade or two, why this mad rush to get this bill through now? There is no need for enacting this bill now. Let us wait until next January. Let us wait until the people get a chance to react to this private monopoly reactor proposal in the bill.

There is no question about Chairman Strauss' view that "the big job of driving costs down to levels competitive with conventional electric energy can best be accomplished by joint effort of both industry and Government as a working team."

That is why I said earlier in my speech that that is what I am in favor of. We cannot reconcile that with creating a monopoly. We cannot reconcile that with the monopolistic control this bill turns over to private industry.

Admiral Strauss' idea would be to reduce the Government's part as fast as possible, leaving the entire field of civilian development to private monopoly. This seems to me to be all of a piece with his readiness to let the AEC be used as a front for the private power monopoly's planned invasion of the Tennessee Valley Authority.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question only.

Mr. GORE. Would the junior Senator from Oregon not agree that a more accurate description would be to aid in helping to use or misuse the Atomic Energy Commission in this regard?

Mr. MORSE. I do not think there is any question about it. That is why I believe we should hold this line until Christmas, if necessary, to get the American people to understand what Admiral Strauss is up to and what the people for whom he is stooging are up to.

How far Admiral Strauss' real thinking is from the important concept of both private and public participation, once the Congress has enacted the proposed legislation is clear from the following excerpt from this statement to the joint committee. He said:

The legislation which has been proposed has as its objective, as I see it, not only

drawing on the skill and resources of American industry, but also integrating atomic energy with the established institutions of the Nation. Its provisions call for recognition of private ownership qualified only by the reservations necessary to protect the national security and the public health and safety and to assure that the advantageous position of individuals and firms already in the program is not a bar to widening future participation by others.

NO SAFEGUARDS FOR THE PUBLIC

He makes crystal clear his belief that the best use of such great energy resources, that is, the best way of securing the maximum return on the public investment in this phase of the atomic energy program, is to be found in private exploitation. In this way he harks back to the old days of unbridled private exploitation of the public domain in the interest of profits. So far as hydroelectric power resources are concerned, such exploitation was brought to an end by the enactment of the Federal Water Power Act in 1920, and the important series of acts establishing Federal power policy during the last 20 years. But neither Chairman Strauss nor the joint committee, which has reported the present atomic energy bill, sees any need for applying these public safeguards to the private exploitation of the people's atomic energy resource.

The main point which I want to make in my remarks on the atomic energy bill this morning is that, under the auspices of the McMahon Act, economically feasible atomic power has come much closer to realization than the proponents of turning the new resource over to private monopoly will admit, at least publicly. And, although Chairman Strauss always tends to come back down to the decade estimate when he gets specific, the substance of his testimony before the joint committee frequently gives the real situation away, recognizing by implication, that about all that is necessary is to build a big enough atomic powerplant.

Thus he says that "recent analysis of the potentialities of several different reactor powerplant designs indicates that when reactors no longer require abnormal development costs and when costs of manufacturing nuclear plant equipment have been reduced, several reactor systems have a good chance of producing power at from 4 to 7 mills per kilowatt-hour in large 300,000-kilowatt plants."

After going on to suggest that the achievement of such costs may be a matter of 10 to 20 years, he uses the undersized Duquesne Power Co. Federal reactor plant as an illustration of present costs being several times the 4 to 7 mills figure. There seems to be no question about unit energy costs coming down with the increase in the size of the station. Thus Strauss says subsequently:

> The reactors which will produce this power at 7 mills per kilowatt-hour or less are likely to be 100,000 kilowatts of electrical generating capacity or larger. Some reactors—below 50,000 kilowatts and down to the 10,000 or 5,000 kilowatt range—are technically feasible, but are less likely to become sources of competitive central station power, since unit costs of generating power will be harder to bring down to competitive levels.

This brings me to the paper presented to the Atomic Industrial Forum panel in Washington, D. C., May 24 of this year, by the general manager of the atomic products division of General Electric Co. In his paper Mr. McCune formulated a four-part credo of General Electric Co., which included the three following affirmations:

1. That electric companies will own and operate a number of atomic powerplants within the next 10 years.
2. That some atomic powerplants will be full scale and, what is more important, will generate electricity at competitive cost, possibly within 5 and certainly within 10 years.
3. That this will be accomplished without Government subsidy for production plant construction or operation, and that Government-supplied fuel will be priced at cost-of-production levels.

Dealing with the ability of industry to get along without subsidy, he said:

> The Government's large expenditures for research and development of plutonium production reactors, mobile power reactors, and other power reactors form the base from which industry can proceed. It is believed, however, that production-size atomic powerplants can be made economic.

Approaching estimates for two specific types of full-scale atomic powerplants, McCune gives the following significant suggestion as to what should be included and what not included in the assumed investment cost:

> While the necessary research and development remain an important financial consideration to workers in this field, the company considers such costs separately, refraining from mixing them with production estimates.

This sounds to me like a tipoff to one of the ways in which the real progress toward the goal of low-cost atomic power is not being exposed to public gaze. Has there not been a tendency to charge all the research and development costs involved in the Federal program to single projects instead of recognizing them as initial investment costs which may be ultimately amortized out of the revenue from many future atomic powerplants pumping economical energy into public and private electric systems?

Basing his calculations on a 300,000-kilowatt atomic power-generating station McCune says:

> General Electric believes that the light water-moderated and cooled boiling reactor, using slightly enriched metallic uranium fuel elements can become competitive in the country's higher cost fuel areas in the near future.

He makes this statement despite his recognition of the fact that there are still a multitude of technical problems to be solved, particularly that of developing a satisfactory fuel element.

According to McCune, General Electric foresees an excellent future for the light water boiling reactor plant because of its many similarities to conventional steam plants. He says its adoption by the utility industry should be relatively easy. He adds the following important consideration:

> The boiling water reactor has demonstrated safety advantages so that operating companies can select plant sites as available within their systems.

Thus the answer to one of the major problems of the atomic power program, the matter of the safety of adjacent communities, appears to be on the road to being found.

The General Electric estimates for this type of atomic powerplant, as given in McCune's paper, come out at $243 investment per kilowatt of capacity and 6.7 mills per kilowatt-hour of energy generated, assuming that the plant is operating on the base load of a utility system at 80 percent of total full-time output. Such figures are well within the range of commercial feasibility in areas of relatively high conventional fuel costs.

McCune presents the figures for another type of atomic powerplant endorsed by General Electric, using the graphite-moderated water-cooled reactors. His figures are for a 700,000-kilowatt generating station. He explains the size by saying that graphite reactors tend to large sizes for the sake of economy. For this type of atomic powerplant General Electric estimates come out at $277 per kilowatt of installed capacity and 6.8 mills per kilowatt-hour generated. Here, again, the figures are within the range of commercial feasibility in areas where conventional fuel costs run at 35 cents per million British thermal units and over.

Thus, when industrialists are talking to industrialists, we begin to get a picture of commercially feasible atomic power being just around the corner, instead of from 10 to 20 years away, as administration supporters of the proposed legislation would have the people believe. And they admit that the Federal experimental reactor program has established the basis. In other words, the people's risk capital has not only prospected the resource but also developed the technology of utilization. Thus, it is really too late in the game for private enterprise to begin to stake out claims on the ground that private risk capital and the profit stimulus in a theoretically competitive industry are required to enable the people to make the best use of this new energy resource which has been added to the public domain. It just "ain't so," to use a colloquialism, and the action of Congress on the proposed amendment to the Atomic Energy Act should not be based on any such hypothesis.

In the light of where we stand today in the development of commercially feasible atomic power for our farms, our homes, our places of business, and our industries, the bill before us is completely unrealistic, a giveaway of the public interest so vast that it will rise up to haunt those who vote for it.

What I want to make so plain that no one can overlook its significance is this: That the people can no longer be told that commercial atomic power is still so remote that they can afford to allow private enterprise an extended period of freedom from controls while it overcomes the great obstacles to practical atomic power development.

Mr. GORE. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. For a question only.

Mr. GORE. With all the intricate and highly costly processes which the able Senator from Oregon has described, how can small business avail itself of these vast resources which are developed with the people's money?

Mr. MORSE. They do not have a chance. As I said earlier this morning, we hear the argument made on the floor of the Senate that there is nothing to stop the REA's, the cooperatives, and the small municipal plants from participating in this program. There are many things to stop them. One thing is the money. Many experts have said that the most efficient type of reactor plant costs from $200 million to $400 million. There is talk about small cooperatives and REA's coming in. The only way they and the little people of America can be protected in this matter is through their Government in keeping with the philosophy which I discussed earlier this morning and which Mr. Eisenhower speaks of, but which, as the record shows, he has not put into practice, namely, the good, old, sound doctrine which he quotes from Lincoln. It happens to be the obligation of this Government to do for the people what needs to be done and what they cannot do for themselves, in order to promote the general welfare. It goes back to the thesis which I laid down as to what the primary obligation of the Government, acting for a free people, happens to be. The Government takes the steps necessary in order to develop the processes that will make it possible for small enterprise to take advantage of the more than $12 billion the taxpayers have paid for the development of the process, in the first place, and which the Government now seems to propose to give away. As I said earlier today, it will amount to some $42 trillion.

Mr. GORE. Mr. President, will the Senator from Oregon yield for a further question?

Mr. MORSE. I yield for a question.

Mr. GORE. As I understand the amendment offered by the senior Senator from Colorado, it would permit, not direct, but permit, the Atomic Energy Commission to develop, upon a research and experimental basis, a plant which would produce electricity in commercial quantities. Is that a correct interpretation of the amendment?

Mr. MORSE. That is correct; and it is much to be desired.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. MORSE. I yield further for a question.

Mr. GORE. How does the able Senator explain the fact that the Eisenhower administration was very, very strong for putting the Atomic Energy Commission into the power business to invade the TVA service area, but is very, very strongly against letting the Atomic Energy Commission develop, even on an experimental and research basis, commercial electricity with atomic energy?

Mr. MORSE. My answer is the same one I have expressed a good many times on the floor. In my judgment, this is a private-monopoly controlled administration. In my judgment, the answer is to be found in the economic philosophy of the President. As I study his record, that philosophy is: Let big business do it. Let private monopoly do it.

Mr. GORE. And have it.

Mr. MORSE. And let the little people of the country pay tribute to them. As I have said before, I do not believe the President understands the difference between private enterprise and private monopoly.

There will not be, in my judgment, an effective check upon private monopoly unless there is followed the same principle for which the great Norris fought on the floor of the Senate, for which the great La Follette, Johnson, Borah, and the others of those great giants among the liberals in American history, fought, namely, that it is necessary to create a public power yardstick as a check against monopoly, which means that it is necessary to have in the bill the kind of amendment which the Senator from Colorado [Mr. JOHNSON] is proposing, whereby there will be authorization in the letter of the law for the Atomic Energy Commission to do these things for the people, just as under the Federal Power Act the Government has the authority to proceed to build multiple-purpose dams. The check against abuses is in the Committees on Appropriations of the Congress.

Mr. GORE. Mr. President, will the Senator yield further for a question?

Mr. MORSE. I yield for a question.

Mr. GORE. Conceding that the Atomic Energy Commission might have its hands full with the atom in its research operations presently under way, and in weapons development, could we not then properly create another agency having the express purpose and direction to exercise control in the development of electricity from atomic energy?

Mr. MORSE. I would favor it.

Mr. GORE. Would not the Senator think that in some respects that would be preferable to having the Atomic Energy Commission do it?

Mr. MORSE. I find that very appealing.

Mr. President, I wish to repeat the last point I made, because it is a part of the essence of the argument of this particular speech. What I wish to make so plain that no one can overlook its significance is this: That the people can no longer be told that commercial atomic power is still so remote that they can afford to allow private enterprise an extended period of freedom from controls while it overcomes the great obstacles to practical atomic power development.

They can no longer be told that sometime during the next 10 to 20 years will be time enough in which to bring atomic power under the principles of Federal power policy, to protect the public interest in the same way that it is now protected in connection with use of the people's hydroelectric resources.

In other words, useful atomic power is no longer just a gleam in the eye of the chief of some General Electric or Westinghouse laboratory. On the contrary, under Government auspices, it has reached the point where a responsible executive of General Electric can speak of the possibility that it will be here within 5 years, and remember that something like 3 years is required for the construction of such a large generating station, even when operated with conventional fuel.

PEOPLE'S INVESTMENT ABOUT TO BEAR FRUIT

The fact is that, now that the people's huge investment of risk capital is about to bear fruit in a wonderful addition to their sources of future electric power supply, it is no time to be handing the realization of the profits on this risk capital over to private monopoly, as the bill before us would do. For, long experience in the power field has demonstrated beyond doubt that private monopoly would continue its restrictive practices and so block the full values of this new public resource from flowing to the people whose investment brought it into being. Monopoly control, without any of the safeguarding provisions of Federal power legislation, would effectively defeat the major purposes of public investment in power, namely, abundance of electricity used at the lowest possible electric rates.

In a real sense it would mean, not the investment of true risk capital by private enterprise, but an opportunity for private monopoly to exact a toll on the people's use of the resource and technology which they risked their money to develop to the useful stage.

Now is not the time to sanction such a colossal giveaway, to be reckoned, as I have already suggested, in the millions of millions of dollars—some $42 trillion. Now is rather the time to assure continued progress under the existing law, while authorizing far-reaching investigation of the social, economic, political, and international implications of commercial atomic power in order to proceed intelligently to bring this newest and greatest public-power resource under the controls and safeguards for the public interest in electricity contained in existing Federal power legislation. The fact that the authors of the present bill, as well as the Atomic Energy Commission itself, overlooked the necessity for such an approach calls for postponement of action in this field until the next Congress. It may well be that some of the issues involved in peacetime use of atomic energy will become important in the coming elections so that the people will enlarge their understanding, and Members of the new Congress will come to Washington in January with a mandate from their constituents to save this power resource from the grip of private monopoly.

It is of the highest importance that we proceed along this line, for to enact the bill before us might well open the way to a period in our civilization dominated by a gigantic energy monopoly to an extent which would mortally wound democracy in the country now boasting its widest practice. Once this greatest energy resource gets securely in private hands, without the provisions found necessary in the past to protect the public interest in electric power, the possibility of recapturing the necessary controls will be precarious.

The people have spent the money to develop this resource. The people should have its benefits.

This bill would permit the channeling of benefits to the private utilities without a shred of protection for the owners of right—the shareholders of the United States—the American people.

Mr. President, in this first part of the speech, I have discussed, in the main, the importance of protecting the American people from monopolistic control. I have tried to point out that there is nothing in the bill that guarantees to the American people the development of this power by their Government along the lines analogous to the building of multiple-purpose dams by the Federal Government.

It will be noted in this speech, Mr. President, as is my custom in making long speeches in the Senate, that I have confined my remarks to the subject matter. I intend to do so in the series of speeches to follow. There is so much to be said on these major subject matters—there is so much to be said on the bill—that I shall continue to use this forum as a medium for giving to the American people the information which I think they should have about the dangerous nature of the bill.

So I would summarize for them, into two main headings, the points of emphasis of the part of the speech thus far delivered today. First, this is a private monopoly bill. This is a bill which turns the assets, the property, and the heritage of the American people in the atomic energy program over to private utility, private monopoly combines. This is a bill which gives to the private utilities all the benefits of more than $12 billion of the taxpayers' money invested in the development of the information we already have about atomic energy and the various uses to which it can be put, other than war uses, including a good many peacetime uses, such as, for example, the development of electric power.

Second, summarizing my speech thus far today, I would emphasize that future generations of American boys and girls are entitled to be protected from the horrendous giveaway involved in the bill, a giveaway which I have estimated will probably amount to some $42 trillion, although it is so huge, Mr. President, that I do not think it is capable of calculation.

The fact is that atomic energy is going to be the main source of energy in the economy of this country, and, in my judgment, those of us who are fighting the bill are putting up a fight to protect true private enterprise in America. We are the free enterprisers. We are the ones who believe that if there is going to be true free enterprise in this country, the little-business man, the manufacturer, and the industrialist should not have to pay tribute to a monopolistic combine that will get control, if the bill is enacted into law, of the bulk of the electric power energy of America.

As I said earlier in my speech, if the reactors are spotted in 12 areas of the country, and the development proceeds as it has been proceeding in the past 3 years, based upon the testimony of the experts I read earlier in my address, there will be given to that combination of private monopolies a stranglehold on the power resources which are necessary to turn the wheels of industry. That is why I say we are the ones who are making the fight to protect the continuation of private enterprise.

PROPOSED SPECIAL STATUS FOR THE CHAIRMAN OF ATOMIC ENERGY COMMISSION

Mr. President, I turn now for a few hours to the subject, Proposed Special Studies for the Chairman of the Atomic Energy Commission, as found in the bill.

Mr. President, the atomic age has brought us many new words and phrases and usages to enrich our language. Since the first announcement about an atomic bomb, we have learned to speak of nuclear reactors, fission, fusion, neutrons, radioactive isotopes, and many other scientific terms essential in discussing the new and awesome developments of the past decade. For these pieces of scientific language which help us to discuss the wonders and perils of our new era, we may be grateful. But today I rise to protest another strange, new atomic term for which I feel no gratitude and which I believe has no place in our form of government. That is the phrase "official spokesman."

The amendment which I shall eventually offer to the bill before the Senate would strike out the sentence in the bill which states:

> The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons, or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission and shall report thereon to the Commission from time to time, or as the Commission may direct.

I direct attention to the proposal to create an official spokesman for the Atomic Energy Commission, and I submit that this is either without meaning, or, if it has meaning, that it is undesirable and dangerous.

Of all the departments, commissions, agencies, and offices that have been created by the Congress, and under authority granted in legislation of the Congress, has anyone ever heard of any of them having a formally and legally designated official spokesman?

I am not aware of any other agency of the Government, commission, department, office, or what have you—that has an official spokesman created by law. Nor for that matter have I ever heard of any Federal agency with such an officer or with any officer so designated. That is not to say, of course, that it is undesirable to have an official spokesman. Perhaps we have been remiss all these years in permitting the creation of countless agencies without providing each one of them with an official spokesman.

Mr. CASE. Mr. President——

The PRESIDING OFFICER (Mr. CARLSON in the chair). Does the Senator from Oregon yield to the Senator from South Dakota?

Mr. MORSE. For a question only.

Mr. CASE. Seeing the Senator from Oregon on the floor at this hour of the morning, and seeing the distinguished Senator from Kansas in the chair again, I should like to ask the Senator from Oregon if that brings back memories.

Mr. MORSE. Happy memories. I was about to comment on that. I did comment on it the other day when I was making a short speech in the Senate and the Senator from Kansas honored me with his presence in the presiding officer's chair. I appreciate very much the kindness of the Senator from South Dakota in raising this question so that I can have an opportunity to pay tribute to the Senator from Kansas. I found him, during the tidelands discussion, a very fine, fair presiding officer, and somehow I always feel very good when I see the Senator from Kansas in the chair. In fact, I have been very much concerned about him in recent weeks. I know he had a very painful misfortune with his back, and I am delighted to observe that obviously he has made a full recovery and is now in the pink of physical condition. That pleases me very much, because, in spite of the fact that I have differences in the Senate with my colleagues, I have a very deep affection for them, and it always saddens me when they are ill disposed, either by way of temper or health. I have never seen any expression of any indisposition on the part of the Senator from Kansas so far as temper was concerned, but I have felt very bad about the fact that he had a back injury, and I am delighted to know that he has practically recovered. I welcome him to this debate this relatively early hour in the morning, 8:10 o'clock. I hope to see him here tomorrow morning at 8:10.

Mr. CASE. Mr. President, will the Senator yield for a further question?

Mr. MORSE. For a question.

Mr. CASE. Would the Senator object to my saying that one reason why I brought this matter up was in order that the Senator from Oregon might pay tribute to the Senator from Kansas, for if there is any credit to be given here, it should be shared by those who have occupied the chair, including the junior Senator from Arizona [Mr. GOLDWATER], who has just left the chair. Will the Senator also allow me to express my hope that the Senator from Oregon will take a little note of the fact that there are some Senators who may not have the resiliency and the comeback qualities of the Senator from Kansas, and therefore will not make his remarks very lengthy this morning?

Mr. MORSE. I should like to be able to accommodate the Senator from South Dakota, but I am always very frank and I am sure that is an accommodation I shall not be able to extend, because I know that no matter how long I talk, the Senator from South Dakota would think it was too long, and I am sure I could not possibly accommodate him by shortening my remarks. I shall continue to speak until my captain says that the marching orders are such and such; then I shall follow those marching orders.

I am also delighted to see the majority leader back in the Chamber with a change of tie, and after a shave, and in a very happy mood. It makes me feel

good to realize at least my speech has not driven my colleagues to an unshaven condition and a lack of desire to spruce up a bit. I think it has been highly desirable that it should have had this effect on the majority leader. Certainly it is not discouraging.

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield for a question?

The PRESIDING OFFICER (Mr. CARLSON in the chair). Does the Senator from Oregon yield to the Senator from California?

Mr. MORSE. I yield for a question.

Mr. KNOWLAND. The majority leader will ask the distinguished Senator from Oregon whether he realizes that the majority leader has been in the Chamber most of the evening and during the morning while the Senator from Oregon has been speaking?

Mr. MORSE. Oh, yes.

Mr. KNOWLAND. And that the majority leader was out of the Chamber for about half an hour, to get freshened up a bit?

Mr. MORSE. That is why I am so happy about my speech, if it had the effect on the majority leader that he would desire to stay here, and then would desire to get freshened up at this time. I think that, under these circumstances, this speech is one of the most successful speeches I have ever made. [Laughter.]

Mr. CASE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield for a question.

Mr. CASE. In view of the oft-proclaimed independence of the Senator from Oregon, will he now identify the captain under whose marching orders he is proceeding this morning?

Mr. MORSE. I suggested, earlier in my speech today, that I would be delighted to enlist in the rear ranks of the army under the captaincy or generalship of the distinguished Senator from Alabama [Mr. HILL] or the distinguished Senator from Tennessee [Mr. GORE]. I have urged them to take the leading position in this band, and to stand under the motto, "It Shall Not Pass."

Mr. ERVIN. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question.

Mr. ERVIN. I wish to ask my distinguished friend, the Senator from Oregon, whether the army of which he is speaking is engaged in a gas attack. [Laughter.]

Mr. MORSE. Oh, I think it is a gas attack—but one that is permissible under the Geneva rules. We are not violating any of the Geneva international rules regarding parliamentary warfare, but the Senator from North Carolina may be very sure that we are trying to be very humane to the prisoners, and we keep the doors swinging, so they can go or come as they choose. We do not urge them to be here for quorum calls, but we extend to them complete liberty to go or come, as they wish. I do not think the Senator from North Carolina would find any group of men conducting a parliamentary war, more considerate of the enemy, but more determined to beat the enemy, than this particular group.

Mr. ERVIN. Mr. President, will the Senator from Oregon yield for another question?

Mr. MORSE. Oh, always for a question.

Mr. ERVIN. I want the Senator from Oregon to believe me when I say that I have found his speech so stimulating that it has robbed me of my capacity to sleep.

Mr. MORSE. Mr. President, I cannot begin to tell the disinguished jurist from North Carolina how much I appreciate that. As a lawyer I know something about his record as a very able jurist; and when he came to this body, he had an unknown admirer here before he ever stepped through the portals. And now to have him tell me that he has found sufficient interest in my speech, to rob him of his sleep—oh, Mr. President, that is almost too much for me to take. First the majority leader spruced up, after being with me almost all night; and now the Senator from North Carolina tells me that my speech has interested him so much that he cannot sleep; and now I am honored by the presence of the Senator from North Dakota [Mr. YOUNG], who was with me most of the night during the debate on the tidelands bill, and gave me encouragement then; in fact, I always had the feeling that I was getting a great deal of sympathetic understanding from the Senator from North Dakota during the tidelands bill debate, just as I am now, when I am thinking of what will happen to the North Dakota boys and girls 100 or 200 years from now, if this terrible bill is passed. His very presence, I say very sincerely, and good naturedly, is a great inducement to me to continue—which I shall do, I repeat, until my captains give me my marching orders.

PRECEDENT FOR ALL COMMISSIONS?

I was saying, Mr. President, that perhaps, too, we should consider the possibility of creating an official spokesman for each commission. Atomic energy certainly has created some unique problems, but I do not see why it requires that the Atomic Energy Commission, alone among all Government agencies, should have an official spokesman. If an official spokesman is necessary for the Atomic Energy Commission, or even merely desirable, why not for other commissions, too? Should not we provide an official spokesman for the Interstate Commerce Commision and the Federal Trade Commission, to say nothing of the Federal Power Commission, the National Capital Planning Commission, the National Security Training Commission, the Securities and Exchange Commission, the South Pacific Commission, the Federal Communications Commission, the Civil Service Commission, the Caribbean Commission, the Inter-American Tropical Tuna Commission, and the Indian Claims Commission? And how about the spokesman for the Tariff Commission, the War Claims Commission, the International Joint Commission, the International Pacific Salmon Fisheries Commission, the International Boundary Commissions, and the Commission of Fine Arts?

The Commission on the Organization of the Executive Branch of the Government—the Hoover Commission—would be the ideal agency to consider the question of whether or not an official spokesman is a necessary adjunct to a Federal commission. Mr. Hoover himself sent some personal comments on organization of the Joint Committee on Atomic Energy during its hearings; but these were only his personal views, inasmuch as the Commission has not reported on the Atomic Energy Commission, and the law creating the Hoover Commission did not designate Mr. Hoover, or anyone else, as official spokesman.

And if the official spokesman is useful to a commission, or even flattering to its chairman, consideration should certainly be given to creating an official spokesman—or perhaps several—for each executive department and the various other Federal agencies.

IS THE LANGUAGE SUPPOSED TO BE USELESS?

It may be that the proposed language in section 21 of the bill simply means that when the Chairman appears before the committee of the Congress or communicates with the Congress and with Government agencies and with the public,, he is to be considered an official spokesman for the Commission. That has always been considered to be the case in Congress, and I am sure that everyone else has taken the same view. If this is all that the term "official spokesmen" means, then it seems somewhat superfluous to give this obvious formal confirmation in an already complex and lengthy piece of legislation. In a bill that occupies 104 printed pages, we should certainly not hestitate to remove any unnecessary phrases.

THREAT TO EQUAL STATUS OF COMMISSION MEMBERS

There is a more compelling reason, however, for removing this phrase from the bill. It is simply that there is a very real danger to the labeling of one, lone officer as the official spokesman for a vast Federal agency. If we name the Chairman as the official spokesman for the Atomic Energy Commission, what of the other Commissioners and officials of the Commission? Are they unofficial spokesmen, or are they being told indirectly to keep their peace?

The same section of the bill which would adorn the Chairman with the designation of official spokesman also states:

> Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission and shall have one vote.

This fundamental statement of principle that each member of the Commission "shall have equal responsibility and authority in all decisions and actions of the Commission" is in direct conflict with the designation of only one member, the Chairman, as official spokesman. Certainly the utterances of an official spokesman are actions, if not actual decisions, of the Commission.

The present law, the Atomic Energy Act of 1946, which the bill now under consideration would amend, not only

does not provide for an official spokesman, but it makes virtually no distinction between the Chairman and the other members of the Atomic Energy Commission. It says only, "The President shall designate one member as Chairman."

Recent events have tended to demonstrate the need for spelling out the status of the Chairman and the other members, and I believe that the proposed language providing "equal responsibility and authority in all decisions and actions" does this admirably. But there is no room under "equal responsibility and authority in all decisions and actions" for a single, lone official spokesman.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. GORE. Is not the executive authority over the management, functions, and policy of the Atomic Energy Commission to be found in the action of a majority vote of the members of the Commission?

Mr. MORSE. That is my view.

Mr. GORE. Will the Senator turn to page 10 of the bill, the bottom line, and read to the Senate the specific investment of authority?

Mr. MORSE. It reads as follows:

> Action of the Commission shall be determined by a majority vote of the members present. The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission——

Mr. GORE. Mr. President, will the Senator yield there?

Mr. MORSE. I yield for a question.

Mr. GORE. Is not the bill from which the Senator has just read a verbatim statement of the present law?

Mr. MORSE. That is correct.

Mr. GORE. Then is not the Chairman of the Commission designated as the spokesman for the majority of the Commission?

Mr. MORSE. That is my judgment.

Mr. GORE. Does the junior Senator from Oregon read into that language the right of the President of the United States to override the majority of the Commission?

Mr. MORSE. That is what I fear.

Mr. GORE. Does the Senator read in the law any investment of authority to do so?

Mr. MORSE. Not a single word, in my judgment, justifies the assumption of such authority.

Mr. GORE. Does the distinguished junior Senator from Oregon know of an independent agency of the Government which occupies a position in the law of greater distinction and clarity as an independent agency than the Atomic Energy Commission?

Mr. MORSE. I do not know of any.

Mr. GORE. Did the Senator read, or hear read, the comment of the President yesterday at a press conference to the effect that he did not regard the Atomic Energy Commission as an independent agency in the sense of the ICC or the FCC?

Mr. MORSE. I read it, and I was very much disappointed in his statement.

Mr. GORE. It is to be assumed, then, from the Senator's statement, that he is wholly in disagreement?

Mr. MORSE. Completely. That is why I am offering an amendment to make crystal clear that the old and sound American democratic principle of majority rule shall prevail in the Atomic Energy Commission. I do not want, by any disguised language, by any indirection, by any subterfuge, or by any sleeper clause, a veto power, direct or indirect, to be placed in the hands of the Chairman of the Atomic Energy Commission. I think the American people are entitled to have the Atomic Energy Commission operate on the basis of majority-vote rule. I am sufficiently familiar with the way commissions and executive departments operate to know that it is always a dangerous thing, under the guise of an administrative power, to vest in one man the authority to determine policy in any field, particularly one so vital to the welfare of the people as the atomic-energy field. I shall urge adoption of the amendment which I shall propose at the appropriate time, and which I am discussing in this part of my speech in the hope that the Senate will see fit to place this check upon the Chairman of the Commission.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. GORE. Does the able Senator, learned lawyer that he is, agree that the general rule of construction is that a specified power operates to exclude powers not specified and conferred?

Mr. MORSE. That is an elementary rule of statutory construction.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. GORE. I hope the Senator realizes—or perhaps the Senator will realize—that what to the able junior Senator from Oregon is an elementary rule may be the higher of learning for the junior Senator from Tennessee.

Mr. MORSE. No. The junior Senator from Tennessee does himself a great injustice. I would that I felt that I had comparable knowledge to that of the Senator from Tennessee in a great many fields, including the field of law. I have watched the Senator from Tennessee since he has been in the Senate, and I mean no flattery when I say to him that I have great admiration for the brilliancy of his mind and for the great storehouse of knowledge he has tucked away in his head. I wish to say to him also that I consider it a great honor to be associated with him in the fight in opposition to this bill. As I said during his absence a few moments ago, I am simply a private soldier in the rear ranks of the army, which I hope will have many enlistments in it—the parliamentary army under the generalship of the Senator from Tennessee and the Senator from Alabama [Mr. HILL].

Going back to the question of the undesirability of having an "official spokesman" for this Commission, indeed, the whole idea of one, single "official spokesman" smacks of something alien not only to the concept of a five-member commission, but to our entire spirit and method of operating governmental agencies. I do not think it is mere coincidence or lack of ingenuity that accounts for the fact that the Congress has never before provided Federal agencies with formally designated "official spokesmen." Rather it is because we cherish free speech and abhor censorship. Certainly, we recognize that when a high official of an agency speaks, it is with greater authority than when a subordinate speaks, at least insofar as the policies of the agency are concerned. But we do not believe in saying that even subordinates shall not speak.

To set up a Commission of 5 members with "equal responsibility and authority" and then say that only 1 shall speak for the 5 is so foreign to our democratic processes as to be ridiculous. Not only is the designation of the Chairman as "official spokesman" an implied censorship of the other Commissioners, but it also threatens to censor the Congress. Are Committees of the Congress to accept as "official" only that testimony received from the Atomic Energy Commission's "official spokesman"? Nor is this problem to be considered remote or unlikely. The hearings on this piece of legislation and on this very section in the bill included conflicting testimony by members of the Commission.

It brings to mind, Mr. President, what would happen if this doctrine were applied to the Joint Chiefs of Staff. Today we have a Chairman of the Joint Chiefs of Staff. I certainly am glad that Admiral Radford is not the official spokesman of the Joint Chiefs of Staff, in the sense that by any legislative designation as such, any of his comments would have any special official status, because we know that for many months past there has been a division within the Joint Chiefs of Staff, and a majority of the Joint Chiefs of Staff have not shared Admiral Radford's enthusiasm for armed intervention in Indochina. In fact, I think that illustrates very well the point I wish to make. Be on guard against vesting in this man any special authority under the label "official spokesman."

I think it is very fortunate that we have recognized, in the conduct of our military affairs, that, after all, the Joint Chiefs of Staff is exactly that. It is the Joint Chiefs of Staff. We Senators and Representatives, as Members of Congress, want to know, when we come to military questions, what the point of view is of each member of the Joint Chiefs of Staff. Certainly it would not be in the best interests of America if the Chief of Staff had any direct or indirect veto authority over the other Chiefs of Staff.

I reiterate: Watch out for this gimmick. Watch out for it. In my judgment, it is bad administrative policy, and we should see to it that the bill is rid of it before it is passed.

CONTRADICTIONS IMPLICIT IN "OFFICIAL SPOKESMAN" PROVISION

The committee's report on the bill (S. Rept. No. 1699) says:

> The Chairman is given the task of being the official spokesman for the Commission (which does not ban the holding or expres-

sion of separate or dissenting views by any member).

The parenthetical attempt to justify the creation of a new and alien creature of Federal agency organization—the "official spokesman"—apparently reflects the haste which has marked the formulation of this legislation.

Neither this legislation nor any other of any Congress, nor any other act by any authority anywhere at any time, is ever certain to ban the holding of dissenting views by human beings. What this legislation is likely to do, despite the parenthetical assurance of the report, is to discourage or hamper the expression of separate or dissenting views.

It sets up a sort of chain of command notion; it sets up a sort of caste system within the Commission.

If, as this bill now provides, the Chairman is the Commission's official spokesman, what is the lot of the Commissioner with separate or dissenting views. He may well feel that in a Commission with an official spokesman, it is not for him to speak. Or, if he does speak, can he command the audience or expect the consideration which will go with the title of official spokesman? He cannot—that is, he cannot if the title of official spokesman has any meaning. If it does not have any meaning, why use it? This is an interesting way, as I see it, of using a title, of using a label as a device for creating a psychological position of superiority which will cause those associated with him to feel that they are under him; to feel that their responsibility is not equal, as the bill is now phrased, but that, after all, they are more or less advisory to the official spokesman.

Perhaps what the report's brief explanation was trying to say was this: We are providing for a Commission of 5 equals only the Chairman will be more equal than the other 4 Commissioners.

The amendment which I am proposing would eliminate the term "official spokesman" for the Chairman of the Commission, thereby correcting a contradiction in the bill. It is simply not possible to have five Commissioners with equal responsibility and authority and then give one of them the title and potentially large—albeit, undefined in the bill—power of official spokesman.

The magnitude of the peril which could result from cloaking the Chairman of the Atomic Energy Commission with potentially vast new influence as official spokesman of the Commission has been underlined in the debate of the past few days. We have heard how the Commission, which has a tremendous burden in the atomic energy field, has been thrust into the saddle as a purchaser of conventionally generated power for the Tennessee Valley Authority.

The present electric power situation, involving TVA as well as AEC, clearly shows the wisdom of providing for an Atomic Energy Commission of five equals, all free to speak their views, and none with special privilege or title.

Thus far, I have purposely avoided mentioning an important phase of the consideration of this section of the bill, because it has seemed to me that the underlying principles which I have been discussing are, after all, of primary importance.

SUBSTITUTE FOR EARLIER "PRINCIPAL OFFICER" PROVISION

An earlier version of the present bill provided that the Chairman of the Atomic Energy Commission would be designated as the Commission's "principal officer." This was dropped by the authors of the present bill, but only after the "principal officer" provision had been the subject of extensive and sharply conflicting testimony before the joint committee.

In fact, when the public knowledge of the use of the label "principal officer" became broadcast, there were critical discussions in the Senate by a considerable number of the Members of the Senate, forewarning, at that very early date, of the danger of having one member of the Commission set apart from the other members of the Commission, and given a special title, as "principal officer," or, as is now proposed, "official spokesman." Although a great deal has been written about this matter in newspapers and elsewhere, the best summary of the committee's hearings on this subject and the issues which developed is contained in the separate views published in the committee report accompanying the present bill.

I ask that section 4 of the separate views beginning on page 109 of Senate Report No. 1699, be inserted in the RECORD at this point.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Section 4 of the separate views is as follows:

4. PLACING AEC CHAIRMAN ON PEDESTAL

In considering legislation which proposes a complete overhaul of the McMahon Act, our joint committee might well have undertaken a systematic review of all phases of the Atomic Energy Commission's organization and management. This it did not do. The committee's interest in the management of the atomic energy program was directed mainly to a proposal to make the chairman of the Commission its "principal officer." Seemingly innocuous and trivial at first, this proposal has opened up issues of such gravity and importance that it merits extended discussion.

Why the sponsors of the pending bill desired to elevate by statutory prescription the Chairman of the Atomic Energy Commission, it is difficult to say. Under the McMahon Act, basic authority to administer the atomic-energy program was vested in a five-man commission responsible for important policy decisions. The act also provided for a General Manager to whom the Commission could delegate "executive and administrative" functions. The General Manager is the Commission's director of operations, responsible for day-to-day administration.

This organizational arrangement, which brings to bear the collective judgment of the 5-man Commission on crucial matters in the atomic-energy program, while centering in 1 officer the responsibility for directing its farflung operational activities, appears to be well conceived and conducive to good administration. Three of the 5 Commissioners testified as to its efficacy. The General Manager gave a clear and explicit statement of his duties and relationship to the Commission. No important evidence had ever been brought before the joint committee to indicate that the organizational arrangement was unsatisfactory and should be altered by law.

Nevertheless, Chairman Strauss appeared before the joint committee to ask for additional authority in the Chairman's office. He disavowed any responsibility for originating the "principal officer" proposal, suggested that the Chairman's role should be defined more precisely than by the simple designation "principal officer." Mr. Strauss rested his argument on the recommendations of the first Hoover Commission that the chairmen of certain regulatory commissions be made responsible for carrying on the executive and administrative tasks of these commissions.

Since Mr. Strauss relied so heavily on the Hoover Commission report, it is well to emphasize that the Atomic Energy Commission (hardly more than a year old when the Hoover Commission started to work) specifically was excluded from the Hoover Commission studies on independent regulatory commissions.

The Task Force Report on Regulatory Commissions (appendix N), upon which the Hoover Commission based its report, states at page 3:

"Although the Atomic Energy Commission has certain regulatory powers and is an independent commission, it has been excluded partly because so large a part of its work is operational, and partly because so many of its problems appear to be unique."

Again the task force report states at page 29:

"To avoid misunderstanding, we emphasize that our examination has been limited to the regulatory commissions; we have not made any study of primarily operating commissions such as the Atomic Energy Commission and the Tennessee Valley Authority, both of which combine a governing board with an executive official to manage the operations of the agency. Consequently we do not intend to imply any judgment on such an organization for these purposes."

The statements we have quoted make it clear and certain that the first Hoover Commission's recommendations concerning regulatory commissions in general were not intended to apply to the Atomic Energy Commission in particular. Mr. Hoover has expressed his personal opinion in a telegram to Chairman Cole that the general recommendations are applicable to the Atomic Energy Commission, but there is no warrant for that opinion in the reports of the Hoover Commission. Whether the decision of that group not to study the organization of the Atomic Energy Commission was based on "security reasons," as Mr. Hoover asserts, or on the unique and largely operational character of the agency, as the task force reported, the fact remains that the Atomic Energy Commission was not studied.

In an effort to bring the Atomic Energy Commission within the organization pattern which the Hoover Commission recommended for regulatory commissions generally, Mr. Strauss maintained in his testimony that the relationship of Chairman and General Manager in the Atomic Energy Commission is analogous to that of chairman and executive officer in the recommended organization of regulatory commissions. This analogy is inaccurate and misleading.

The Hoover Commission task force regarded the executive officer as the designee of the chairman, working under the chairman's active direction, speaking in his name, reporting to him exclusively, taking from him the burden of routine administrative detail but keeping away from the policy matters which are the business of the Commission itself (see Task Force Report on Regulatory Commissions, appendix N, pp. 47–48). In other words, the executive officer is the chairman's helper in discharging day-to-day administrative duties which the task force

proposed to be vested in the chairman of the regulatory commission.

Under the law governing the Atomic Energy Commission, the General Manager enjoys a much more important position than that of Chairman's helper. He receives a salary of $20,000 per annum, equal to that of the Chairman and exceeding by $2,000 that of each other Commissioner. He performs "executive or administrative" duties delegated by the whole Commission, whereas the executive officer, in Mr. Strauss' analogy, would be merely carrying out such duties vested in the Chairman.

The anomalous situation that would be created by increasing the Chairman's statutory authority is highlighted by Mr. Hoover's suggestion that the phrase "principal officer" be clarified by substituting "administrative and executive authority." Precisely this authority now is vested by law in the General Manager by delegation from the Commission as a whole.

Commissioner Smyth, in his testimony before the joint committee, pointed out cogently that to give the Chairman greater administrative authority implied that he should assume the functions of the General Manager who has been responsible, since the establishment of the Commission, for day-to-day administration of the Commission's business and staff. "If the Chairman were to become the senior administrative officer of the Commission, with the General Manager as his deputy," Commissioner Smyth observed, "the essential purpose of our commission form of organization would be defeated." It was his judgment that in such a case "the other Commissioners would be left uninformed and essentially without function" (hearings, pt. II, p. 785).

To accept Mr. Strauss' analogy for the Atomic Energy Commission could only mean that 1 of 2 alternative developments would ensue: either the General Manager would be reduced in status and authority to a mere executive assistant of the Chairman; or else a straight line of authority or "chain of command" would be created, running from the Chairman as "principal officer" to the General Manager in his present position as directing officer of operations, with the four other Commissioners being shunted aside. Under any such arrangement, to use the expression of Commissioner Zuckert, "you would have a Chairman and four junior grade Commissioners." The Commission would be maintained in form, but there would be one-man administration in substance.

Although Mr. Strauss said he retained a preference for the commission form of organization in the atomic energy field, his conviction was a half-hearted one; a substantial portion of his testimony on this matter was given over to the argument that "you can't operate a large business by committee." In this approach he had the backing of one Commissioner, Joseph Campbell, the newest appointee. Mr. Campbell, it appeared, was not quite sure what his duties were as AEC Commissioner or whether a Commission even was necessary; he was "not sold" on the commission form of organization and wanted a "more coherent chain of command." Adding up the testimony of Messrs. Strauss and Campbell leaves the net impression that they have little use for the commission form of organization but that they are not quite ready to say so.

A year ago, when President Eisenhower designated Mr. Strauss to be Chairman of the Atomic Energy Commission, the New York Times in an editorial warmly applauded the choice and made this observation about the agency Mr. Strauss was to head:

"The Atomic Energy Commission is probably the most important technical body in the world today. It commands intellectual, financial, and industrial resources of unprecedented magnitude. Its power is immense, its decisions have an influence which is far reaching. For those reasons it has responsibilities that far transcend those of other Government agencies, except those that are concerned with national defense and with foreign affairs."

That editorial statement is enough to suggest why the Congress placed the management and direction of the atomic energy program in a five-man commission. The undertaking is vast, the responsibilities great, and there is still much pioneering work to do, as Commissioners Smyth and Zuckert emphasized before the Joint Committee. A commission, the latter said, would make surer progress in charting the tasks ahead "than a line organization of the kind that builds bridges, fights wars, or sells toothpaste."

Similarly, the Joint Committee reported after its extended investigation of the atomic energy program in 1949:

"The framers of the McMahon Act deliberately established a five-man directorate, rather than a single administrator, to control our atomic enterprise for the very purpose of assuring that diverse viewpoints would be brought to bear upon issues so far reaching as those here involved (81st Cong., 1st sess., Rept. No. 1169, p. 81)."

Therefore we are deeply disturbed at the indications that the Atomic Energy Commission is disintegrating as a commission under the chairmanship of Mr. Strauss. Three of five Commissioners, Mr. Smyth, an eminent scientist; Mr. Murray, an experienced businessman; and Mr. Zuckert, an able public administrator, registered their concern with the Joint Committee over the increasing centralization of authority in the Chairman. They urged the Congress to resist this tendency, and expressed the fear that the designation of the Chairman as "principal officer" would only accelerate it. We agree with them, and we will not support any statutory provision which reinforces the dominance of the Chairman to the detriment of the Commission as a whole.

The committee decided to strike "principal officer" from section 21 of the bill, and the phrase does not appear in the final version, H. R. 9757. The committee also wrote language into that section specifying that each Commissioner "shall have equal authority and responsibility." However, the Chairman's position was singled out by the following language:

"The Chairman (or the Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct."

This particular phraseology apparently represents an attempt to write into law part of an informal description of the Chairman's role which Commissioner Smyth presented to the committee. So far as we know, this is the first time a Federal statute proposes to give the chairman of a commission formal status as "official spokesman." Whatever the legal effect of this phrase, we believe it would be a mistake to pin down by law the Chairman's accepted position as chief spokesman of the agency.

Designating the Chairman as "official spokesman" and obliging him "to see to the faithful execution of the policies and decisions of the Commission," are either redundant or a roundabout way of granting him the additional authority he seeks. If redundant, as Commissioner Smyth pointed out in connection with the "principal officer" proposal, the wording had best be eliminated. It does not appear in the McMahon Act and its inclusion now would be construed as meaningful since the Congress cannot be assumed to legislate for idle or trivial reasons. If the language is not redundant, this is a grant of new authority which, uncertain though its dimensions, conflicts with the "equal authority and responsibility" of the other Commissioners and overlaps or replaces the authority and responsibility of the General Manager.

Mr. MORSE. In connection with the ruling upon this matter, the junior Senator from Oregon is delighted to have the Vice President honor him with his presence in the chair, as we go forward with the discussion on this very important piece of legislation.

The separate views also point up the problem of spelling out the duties and responsibilities of the Chairman as opposed not only to the other four "equal" members of the Commission but also to the authority and activity which has been assigned to the General Manager. The amendment which I am proposing would remove the unprecedented and mischievous "official spokesman" provision.

While this amendment relates only to a single sentence in this lengthy bill and admittedly does not pose, at least on the surface, issues of the gravity of those raised by some other provisions of the bill, I believe that adoption of this amendment is necessary to provide for effective administration of the atomic energy program and to avoid troublesome and costly disputes in the future.

The amendment is necessary and desirable because of the demonstrated propensity of the current Chairman to arrogate special powers which have not been expressly conferred.

It strikes me as odd that the majority of the joint committee has demonstrated so much concern over the independent or semi-independent status of the AEC Chairman. For it has shown no concern over the Commission's independence from dictation by the Bureau of the Budget and the White House. Indeed, elevation of the Chairman, who was one of the two minority members in the Dixon-Yates case, at the possible expense of those who oppose the deal might be construed as disciplinary action, however described and explained.

Certainly, the provision of the bill, which the proposed amendment would strike, does not contribute to the independence of this sensitive Commission. It threatens to do the opposite and should be eliminated.

Mr. President, for the benefit of the public, I wish to summarize this part of my speech, as I did the first section of the speech. I have pointed out that the language of the bill which creates the Chairman as the official spokesman of the Commission sets a very bad precedent; a bad precedent from the standpoint of administration, a bad precedent from the standpoint of vesting too much power in the Chairman of the Commission; a bad precedent because I think it runs a risk of creating an administrative situation, whereby the Chairman will come to develop, if it is not intended that he should, an indirect or a direct veto power. I am against a veto power in the Commission. I want the American people to understand that I think it is very much in their interest to insist that the sound American democratic principle of

majority rule should prevail in the Atomic Energy Commission; that we back up the meaning of the language in the McMahon Act that the Commissioners shall be equal—shall be Commissioners with equal responsibility—by not elevating, over other members, one member called the Chairman, and designating him as "official spokesman."

We are dealing here, I recognize, with a problem of administration which the American people, at first glance, might not think is very significant. It is of the utmost significance, however. Why do I say that? Because, Mr. President, the American people cannot separate their substantive rights from their procedural rights. The American people must always recognize that in the administration of government, their rights are dependent, in no small measure, upon the administrative procedures in accordance with which administrative officials must act.

One of the constant abuses of administration that we always have to watch for is the abuse of arbitrary, capricious discretion. Watch out for it.

I will pause long enough to welcome my good friend the senior Senator from Utah [Mr. WATKINS]. I am very happy to see him here so early in the morning. I always feel more comfortable when his legal mind is at work, either behind me, alongside of me, or in front of me. I am sure he will be appreciative, being the great lawyer and ex-judge that he is, of the soundness of the point that I am now making; and that is, if you want to protect the American people's substantive rights in the administration of any law you had better take a good long look at the procedural powers you vest in the administrators who are going to carry out the law.

Let me determine that; let me determine the power the administration is going to have. Let me write the procedural part of a piece of legislation and I do not care very much what you write in by way of its substantive procedures. I say that, of course, by way of exaggeration to emphasize the point. But there is a point there that needs to be emphasized, and that is that the substantive rights of any piece of legislation are dependent entirely upon the procedural power that is given to the administrators who carry out that law. And that is what we have got to get across to the American people as we stand in opposition to this particular section of the bill. We have got to get them to see that what we are doing is fighting now before the evil develops, where we will have a preventive course of action.

We are insistent that the principle of majority rule prevails on the Atomic Energy Commission, and that each Commissioner enjoys a position of equal responsibility with the other four members of the Commission.

I repeat, if you do not follow that preventive course of action, as sure as you are alive, this so-called official spokesman will become the vetoer of policy on the Atomic Energy Commission; he will be the policy determiner. It will be gradual; it is not going to happen suddenly in a month, or 2 months, or in a few years, but eventually we are going to see that the other 4 Commissioners will be relegated to the position of being yes-men or advisers to the official spokesmen. That is the way bureaucracy works. That is the kind of arbitrary procedure and arbitrary discretion that I think the chairman can develop under this language.

Mr. President, I have not said very much in this debate about the Dixon-Yates deal. The fact that some action has been taken by the Senate, in my judgment, does not make this a moot question, because, as I said, Mr. President, I want the American people to understand the very undesirable features of this bill. I think that with the passage of time there will be the votes here in the Senate equal to the two-thirds necessary to overrule a motion to lay on the table the motion to reconsider a vote. That is what I think will happen once the country becomes familiar with the bad features of this bill.

So, for the record, I want to say a few things about the Dixon-Yates deal.

The Dixon-Yates deal to disrupt the TVA power program is undoubtedly one of the most shocking operations I have seen in my experience in the Congress, and in the last year and a half I have seen some rough ones in the field of electric power.

I have been battling away against the Secretary of the Interior in his give-away program; I have been warning the American people what he is up to; I have been trying to point out that he is serving the private monopolies of the country; and I think one of the best indications of the type of administrator he is is the story that appears in today's Washington Post and Times Herald entitled "Secretary McKay Denounces Kicking Around by Alaskans." I read:

ANCHORAGE, ALASKA, July 21.—"I just get sick and tired of being kicked around by Alaskans," Secretary of the Interior Douglas McKay told a group here yesterday who had asked how the Territory could achieve statehood.

A perfectly sensible question to ask the Secretary of the Interior, I should think; a question that certainly did not call for the explosion they got because here is what the story goes on to say:

The Secretary, here on a look-and-listen tour of this vast northern land, gave his audience six reasons and a tongue lashing in explaining why statehood had not been gained.

"I'm for statehood," he told the members of the board of directors of Operation Statehood, "but the President of the United States is the one who writes the policies for the executive department and I just work for him."

A rather interesting concept—a very interesting concept.

Somebody ought to tell the Secretary of the Interior that he works, first, for the American people; second, if we want to put it in terms of working, he works for the executive branch of the Government with the President at its head. But he also works for the Congress of the United States.

A great many obligations fall upon him to carry out—duties in connection with the administration of the laws in respect to which he is directly responsible to the Congress of the United States. But it is the attitude that is expressed here—it is the attitude that I want to call attention to—which bears on the point I was making concerning what happens to these administrators when they are given too much power—what happens to these administrators when given power that is never contemplated by the Congress.

I think this is a pretty shocking exhibition of dictatorial, arbitrary, tyrannical attitude on the part of the Secretary of the Interior.

When he says he is for statehood, it sounds to me like what so many Republicans say: They are all for it—but. This time he is all for it, but he works for the President, says the Secretary up in Alaska. But we had come to believe that these Republicans were going to carry out the Republican platform, and the Republican platform did not say they were "for statehood for Alaska—but"; the Republican platform said they were for statehood for Alaska.

That, of course, is what the Secretary of the Interior ought to recognize, that in his position he has the duty to advise the President; and if he is for statehood, he ought to be willing to stand for statehood himself, irrespective of what the President's views are.

Where do we get this idea? It is dangerous. You had better watch out. It is growing and developing in this country, as I said some hours ago when I was discussing the matter of exercising an honest, independent judgment on issues, this primary duty of keeping faith with one's conscience, this idea that apparently one has to bend the knee to some kind of a superior power irrespective of what the facts are.

I will tell you what we need, Mr. President. We need increasing numbers of men in elective offices who are not afraid to be defeated, who are willing to keep faith with their consciences, even though it may mean defeat. We need increasing numbers of men in appointive offices who are willing to walk out of office the moment after they stand for the dictates of their conscience and then find themselves in irreconcilable disagreement with their superiors. This idea of buckling down, this idea of yielding, this very fallacious opinion that the administration of government calls upon a man to sacrifice his convictions, is going to lead this Government of ours into sad days if the American people do not see to it that more men are elected and more men are appointed who do not bend the knee to that false notion of so-called party responsibility.

But the Secretary of the Interior said to these Alaskans, these voteless Alaskans, these second-class citizens who have to sit up there and take this kind of abuse from a Secretary of the Interior, which they would not have to take if they had statehood—he went on to give these reasons why statehood legislation has been stymied:

1. The President's opposition for defense reasons.

If there was ever a phony reason for not recognizing statehood in Alaska, that is one. Those of us who favor statehood

for Alaska and for Hawaii feel that granting statehood would strengthen the defenses of our country. It would give to those Territories their elected officials here in the Congress of the United States who would be able to bring to our attention on a representative basis the facts in regard to the defense needs of these Territories, and it would give them at home in their States a government and legislators and all the other elected officials and appointed officials who go along with a State.

Talk about postponing statehood for Alaska for defense reasons. In my judgment there is no merit in that argument.

The Secretary of the Interior went on to say:

2. Alaskan opposition to partition of the Territory.

Yes; some of the fishing interests, some of the canneries, some of the big lumber moguls, some of those selfish economic interests—they can better exploit the natural resources of Alaska under Territorial control with a very cooperative Secretary of the Interior such as McKay than they could under statehood. There is where the opposition to statehood comes from.

Mr. President, the record is crystal clear. The overwhelming majority of the people favor statehood for Alaska. When I was on the Committee on Armed Services I went to Alaska with a subcommittee headed by the then Senator from Wyoming, Mr. Hunt. The other member of the committee to go with us was the Senator from Massachusetts [Mr. SALTONSTALL].

For me, Mr. President, when we got through our hearings throughout the Territory at that time which took us over as far as Nome there was not any question about the fact that in every community in which we went—and we listened to the grassroots of Alaska represented by the rank and file people of Alaska, the people want statehood.

I want to say that the Secretary of the Interior is dead wrong; and if he quotes the President accurately, the President is dead wrong if they try to justify denial of statehood to Alaska on the ground of opposition to statehood within Alaska.

The article goes on to give his third reason:

3. Tying of the Alaskan and Hawaiian bills together.

What an argument that is. What an argument that is for denying statehood to Alaska. That is really an argument of petulance—the President did not have his way up here, parliamentarily speaking.

A majority of us felt that the two requests for statehood ought to be tied together, and we so voted, and now we get the Secretary of the Interior going up and advising the people of Alaska by telling them that one reason that the President is opposed to giving them statehood is because the elected representatives of a free people tied Alaska statehood together with Hawaiian statehood.

I want to say, Mr. President, that is a weak argument, an argument as weak as tissue paper, just as weak as tissue paper. That is what you call a very, very small one. That is what you call the absence of argument. That is what you call trying to stir up ill feeling in Alaska toward the majority of us here in the Congress in tying these two bills together. That is real subversion. That is what you would have to call the undermining of the respect of people, the confidence of the people in the legislative branch of the Government where we are dealing with the subject of subversion.

And then the fourth reason the Secretary of the Interior gives for the President's opposition to statehood for Alaska—the opposition of some Congressmen to admit the noncontiguous territory applies also to Hawaii. No, but, Mr. President, we have spoken; the Senate voted. That argument was made, surely, but it did not persuade a majority of us. So he digs up that old dead fish and advances it as a very weak rationalization in support of a very untenable position that the President has taken. Fifth, the belligerent attitude of the Alaskans. "The belligerent attitude of the Alaskans." What does that mean, "The belligerent attitude of the Alaskans?" Does it mean that because the Republicans took a good sound trouncing in the Alaskan elections recently held, that that should deny them statehood, because it showed a belligerency? All I want to say is that we need more belligerency like that. I commend them for that kind of belligerency.

But I think the Secretary of the Interior makes himself ridiculous by seeking to place upon the President of the United States responsibility for denying statehood to Alaska on the ground that the President apparently does not like the belligerent attitude of the Alaskans. Have we really come to that in America?

Really, Mr. President, the implications of that are just awful—and I use the word "awful" in its dictionary sense. The implications of that are dangerous. But does he mean—I repeat, does he mean that, just because the residents of the Territory got a little fed up before some people in this country got fed up with this administration, that creates a belligerency? Does it mean that that justifies this administration's denying them statehood? Well, just let that idea become understood by the American people, Mr. President, and you are going to see a lot more belligerency in this country; they will follow the Alaskan example.

And then this newspaper story goes on to say:

He told the nonpartisan group he objected to their belligerent attitude toward Members of Congress—himself, Director of Territories William Strand, and other officials.

Well, who does he think he is? He goes up there as a sort of stage-character tyrant and proceeds to give a tongue-lashing to the people of Alaska, by telling them that he objected to their belligerent attitude toward Members of Congress, himself, Director of Territories William Strand, and other officials. Well, who does he think he is? A young Hitler? Have we got to the point where free American citizens, even though they are second-class citizens in Alaska, are not given the rights to vote that they ought to be given, have to take that kind of abuse from a Secretary of the Interior?

And then the paper quotes him as saying—you see, I am calling attention to this, Mr. President, because it is a pretty good example of what I am trying to point out about this matter of giving just too much unchecked power to administrators of government; and one of the reasons why I think we had better check Mr. Admiral Strauss and this atomic energy bill, too; because he is another one of these fellows who show too much of a tendency, as McKay reacts. He said to these people in Alaska, "Your people's attitude, as to change—get back down to earth, start acting like ladies and gentlemen."

This is the Secretary of the Interior of the United States Government, talking to fellow citizens up in Alaska. It is an example of what I mean—the exercise of bigheadedness through arbitrary, capricious discretion, a bad taste and poor manner.

The trouble with McKay is, he is autointoxicated by his own stupidity. That is why he is so frequently referred to as the "mental peanut." I know him. He used to be Governor of my State; and what a record of a goose egg unfertile he made. But you see, these little titles—give them high position far beyond their capacity, and you get this kind of a blow-off that he gave to the people of Alaska. He says, "There is not one thing done by this administration that you approve. A fine job has been done running the railroad. Does anyone give me credit, or Frank Kalbaugh—general manager of the Alaska railroad"? He said, "Reports that Alaska is being held ready for the Department of the Interior is just a bunch of horse feathers. I assure you," he said, "it would take away a lot of our headaches if you got statehood tomorrow. I have no empire ambitions."

He has not very many brains, either. That is obvious from that speech. Disgraceful performance. Disgraceful performance—any official of our Government going into a territory such as Alaska, and heaping up that kind of abuse.

Well, I have been very kind to him, but he does not deserve it, Mr. President; he does not deserve any kindness. I think when appointed officials conduct themselves that way, elected officials of the free people who are responsible to the ballot box should take them to task.

Now, Mr. President, speaking of this Dixon-Yates deal, I am disturbed by more than the deal itself. I am deeply disturbed by what this debate has revealed to us about the nature of the management of the Atomic Energy Commission and the Bureau of the Budget.

When nuclear material is used to create heat, it leaves a plutonium ash which is the stuff of which bombs are made.

The burning debate over the Dixon-Yates deal has also left us an explosive residue.

Three civilian members of the Atomic Energy Commission out of the five were against the Dixon-Yates deal. They have called it unauthorized, unbusinesslike and several other similar things. They were a majority of the Commission. They buckled under when the President cracked the whip over their supposedly independent heads but the three did

come before the Joint Committee on Atomic Energy, state their position and explain why they opposed the deal.

THE BUDGET BUREAU COST COMPARISONS

There has been released, among other comparisons, a comparison of TVA power costs at Paducah, Ky. compared to the Dixon-Yates proposal. It shows that the Dixon-Yates costs will run $2,923 more than the TVA Paducah costs. It is put before the Joint Committee by an AEC witness as the work of AEC and Budget Bureau experts.

It sustains the position taken by the majority of the Commission against the Dixon-Yates contract.

One might say, Mr. President, that these are administration witnesses. One might say, Mr. President, that when I cite these men I am citing the experts, Bureau of the Budget experts and AEC experts, who had the responsibility and the obligations of analyzing cost figures, and making a comparison; and this is their testimony.

After the joint committee hearings were closed the Bureau of the Budget—and this was weekend before last—released a statement in defense of the deal.

Accompanying that Budget Bureau statement is an analysis of the Dixon-Yates deal, compared to TVA costs at Paducah, which gives a completely different and phony analysis. It is set forth in the CONGRESSIONAL RECORD for July 13, pages 10378 and following. It develops that this analysis was prepared at AEC and released by the Budget Bureau, although it varies from the previous analysis which they submitted to the joint committee. The analysis arbitrarily raises TVA coal costs to 19 cents per thousand B. t. u.'s, although the bona fide cost of coal to TVA at Paducah is today 16.8 cents per thousand B. t. u.'s. That is what it has been since July 1. The fictitious coal cost results in a comparison which shows Dixon-Yates' proposal only $283,000 more expensive than TVA costs at Paducah.

Then, in the very next paragraph, the AEC tries to prove that the TVA is profiteering on them, and uses 15½-cent TVA coal cost—not its fictitious 19 cents or the real 16.8 cents, but the 15½-cent TVA cost to be effective in the future—to prove their case. They decide the case they want to prove; and I say most respectfully, Mr. President, it is perfectly clear that, on the matter of the fuel costs, they went out and selected an arbitrary figure that has no relationship to fact. This was no footnote to the previous paragraph. It was a raw, indefensible choosing of figures to make the TVA look bad in both instances. The whole thing, which was called to our attention by Senator CLINTON P. ANDERSON last Thursday evening, is statistically dishonest. It makes it appear that there is minority rule at the AEC, inasmuch as only two Commissioners have not opposed the deal.

They appear to be not scrupulously accurate and careful men. They prove to be puffers and trimmers. If you do not like those words, look at the table at page 10379 of the RECORD for Thursday, July 13, and then the paragraph immediately following.

The release of the table shows another thing. It shows that the views of the majority, civilian members of the Atomic Energy Commission have very little influence down there. They voted against this deal. But their Chairman and their staff go right down the line propagandizing for it with spurious calculations regardless of the majority.

We should call the Chairman of the AEC, Admiral Strauss, the General Manager of AEC, General Nichols, and the Director of the Bureau of the Budget before an appropriate committee and make them tell us which of their analyses is correct—the first one submitted to Congress or the second one offered to the public. We should demand to know all the background of this second installment, who arranged for it and what mathematical genius devised the formula to get the misleading results. We ought to see if they have abandoned A-bombs and H-bombs for political P-bombs like this one.

One of the major misfortunes of the Dixon-Yates mess is that it is so blatant and shocking in its implications, and traces back to such high sources, that it has blanketed great basic issues raised by the atomic energy bill.

THE INDEPENDENCE OF THE AEC

Likewise, the question of whether independent agencies, whose members are confirmed by the Senate, are to continue to be independent, or can be pushed around like privates in the rear ranks, is a more basic issue than the "deal" itself. I am not discounting the serious effect of the Dixon-Yates deal, if it goes through. But what has happened to an independent agency when the President can give it orders and the minority run the staff?

How long will it be before the White House tells the Federal Power Commission how to decide the Hells Canyon case or another like it?

Mr. GORE. Mr. President, will the Senator from Oregon yield for a question?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Tennessee?

Mr. MORSE. I yield for a question, only.

Mr. GORE. What is the essential difference, if any, between the assumption of power to direct and order the Atomic Energy Commission in a management function or the assumption of power to do the same in the case of the Federal Power Commission, the Federal Trade Commission, or any other independent agency?

Mr. MORSE. There is no difference at all, and we must not tolerate such action. We must provide checks against it. After all, it can happen in the United States, and we can go too far down the road of granting unchecked power to the President of the United States—be he Dwight Eisenhower or any other President—and his subordinate officials. In my judgment, that is exactly the road we travel if we begin to create precedents of this sort. I am opposed to it. I do not care whether the President who acts in that way is a Democrat or a Republican. In any case, I am opposed to giving any President of the United States the right to direct the making of such a contract, when a majority of the members of the Commission are opposed to it.

Mr. President, there is another matter we have to clear up, too, because yesterday the President indicated at his press conference that he would have to follow the advice or views of his Attorney General. But, as I understand, a relatively few days ago the Attorney General participated in a Meet-the-Press program; and at that time, in answer to a question put to him on the program, he said this matter had not been submitted to him. Of course, it is quite possible that the matter was submitted to him subsequent to that program; but the President had taken his adamant stand regarding the contract long before that program. If the matter has been submitted to the Attorney General, let us learn of it. I should like to see how the Attorney General advised the President.

Mr. GORE. Mr. President, will the Senator from Oregon yield again to me, for a question?

Mr. MORSE. I yield for a question.

Mr. GORE. Since the Senate voted last evening——

Mr. MORSE. Mr. President, I yield only for a question.

Mr. GORE. This is a question.

Mr. MORSE. Let me hear the beginning of it again, then, so I can be my own judge about that.

Mr. GORE. Since the Senate last evening by yea-and-nay vote indicated its willingness to tolerate that assumption of power by Executive, and to overrule the view of the majority of an independent agency, contrary to law and contrary to precedent, does not the Senator from Oregon agree with me that that makes it incumbent upon us to safeguard every major provision of this act?

Mr. MORSE. I completely agree.

Let me suggest to my good friend, the Senator from Tennessee, that he would make me much less anxious in his cross-examination if he would use first, rather than last, the words "Does not the Senator from Oregon agree?" Then I shall listen more carefully to the content of the question, rather than to wonder whether a question mark will finally come. Of course, the Senator from Tennessee knows I am having a little fun with him as I make that suggestion.

Mr. GORE. Certainly.

Mr. President, will the Senator from Oregon yield for another question?

Mr. MORSE. I yield for a question.

Mr. GORE. Does not the junior Senator from Oregon regard it as a proper preface to a question, to recognize the situation and the facts of life we face, and against which and in the light of which we must consider this bill?

Mr. MORSE. The Senator from Tennessee is completely correct. What I really believe in my heart, and from the bottom of my heart, is that once we get through presenting to the American people the facts regarding this bill and the dangerous nature of the bill, so far as the public welfare is concerned, we shall see the sentiment of this Congress change. Once the American people come to realize what this bill will do to their best interests, I am satisfied we shall be

able to obtain some substantial modifications in the bill.

Mr. President, as I was about to ask, how long will it be before the Interstate Commerce Commission is told to "hike" freight rates? Such orders are only a step beyond the sort of order given the AEC and the TVA, and men who start usurping power seldom stop until they are stopped.

Beyond that question, and of paramount importance, are the basic issues raised in the Atomic Energy Act itself.

Mr. President, I wish I did not feel this way about the situation. I wish I had cause not to feel this way about it. But my great fear of this administration is that the President in his enthusiasm—if we wish to term it such; and, of course, I wish to be as kind as possible—in his enthusiasm for going ahead with what he wishes to do, may continue and expand the type of action he took regarding the Dixon-Yates matter. Of course, that would lead to government by Executive mandate, so long as the Congress were to rubber-stamp it. I am in favor of stopping it now. I think the President made a horrendous mistake. I think it was a terrible mistake, and I believe we must hold him responsible for it, and at this time must take a course of action that will demonstrate to him that we are not going to tolerate it and that we do not believe in having a President of the United States attempt to exercise that kind of arbitrary power. I am satisfied that the American people will share that view, once they come to understand the implications of the President's act.

CONTRACT GIVEAWAY SMALL COMPARED TO BILL EFFECTS

The little Dixon-Yates mess has diverted our attention from a giveaway literally thousands of times as big to a little one involving only $90 million or $137 million of tax money to be thrown into a swamp in Arkansas, across the river from Memphis. The bill is a giveaway of such tremendous magnitude that in our generation we shall be unable to know its full extent.

In fact, for 200 years to come it will be impossible to know the full extent of this giveaway. That is why I said earlier this morning that what we who oppose the bill really are dedicating ourselves to is a course of action here in the Senate which we believe is necessary to protect the economic rights and the very economic freedom of boys and girls to be born in the United States 200 years from now, because if we let a monopolistic combine get the stranglehold it will get, under the provisions of this bill, over the atomic electric-power producing centers of the Nation, we shall give that combine a complete throttle hold and stranglehold on the entire economy.

I repeat that the experts tell us that if we wish to have constructed in various strategically located areas of the country, in 12 regions, huge atomic-energy reactors costing from $200 million to $400 million, those reactors will have the potential and the capability of producing the power that our economy needs and will need for generations to come. If that is true, do not talk to me about private enterprise, Mr. President, but, instead, talk to me only in terms of protecting private enterprise from that kind of monopolistic control; and do not use on me the old, bewhiskered argument that I have heard made on the floor of the Senate, namely, that the State regulatory bodies can take care of the situation. Mr. President, that is a laugh. Read the history of the attempts to control through the so-called State regulatory bodies. Their history is that the State regulatory bodies time and time again, all too frequently—with some notable exceptions—come under the control and domination of the powerful monopolistic forces in their States. State regulation has not been the answer to protection of the consumers' interests in the whole matter of power development. The answer has been the public-power yardstick and a cooperative program, with the Federal Government working in cooperation with private utilities and private enterprise in the respective States; and with the Federal Government building great, multiple-purpose dams; and with the private utilities building great, low-head dams; and with the two of them pooling into a common pool the power that is generated with the Government maintaining a competitive yardstick check upon the private monopoly, so that the consumers of the area will not have to pay tribute to a private monopoly—will not have to pay, through excessive electric rates, for the building of the dams to be owned by the private utilities after the power rates the consumers pay have, in turn, paid for the dams.

Mr. President, Norris, La Follette, Johnson, Borah, and—yes—some great men still in the Senate, have conducted fights similar to the fight that is being made in the Senate at this time.

Madam President——

The PRESIDING OFFICER (Mrs. BOWRING in the chair). The Senator from Oregon has the floor.

Mr. MORSE. Madam President, I do not wish to embarrass him by making any complimentary remarks which he might regard as flattery, because there is no flattery to it; but at this moment there sits on this floor the great senior Senator from Georgia [Mr. GEORGE], who has had no small part to play in the development of the power program of the Nation, as it was developed under Norris and the others. There is the record.

I say this case is so analogous to the fight that Norris made, to the fight that was made when we developed this multipurpose, self-liquidating, public-power-dam proposal and policy and program, that I feel compelled to go to the effort to which I am willing to go to focus attention on this bill, because I think the same checks, the safe safeguards, and the same basic policies should be written into this act.

I think the people have a stake in the development of electric power through atomic energy. We must protect that right. Surely, it takes some application. It takes a little daring—I admit that too—on the part of some of us. It takes a willingness to suffer a lot of abuse, and distortion and misinterpretation of motive. That is a cheap price to pay if, as the result, there can be spread on the pages of the RECORD of the Senate a record which will forewarn the American people as to what is in store for them if the passage of the bill is not checked.

We are feeble in comparison with the giants who preceded us. We are really, comparatively speaking, of much less effect than the great Norris and his colleagues of his day. But that is no reason why we should not try, at least, to be true to the sound political faith that he manifested in the great legislative record he made in this body in the whole field of power development.

At a later time in the course of this debate, I shall discuss at some length the patent features which are involved, because I think that is one of the big giveaways in the bill. I think that what we are on the brink of doing is letting a few so-called experts from the field of private enterprise, who are on the inside of the development program, a development program that you and I paid for, Madam President, a development program which has cost the American people more than $12 billion—we are on the verge of letting those people on the inside have such a tremendous handicap in their favor in the race for patents that they can just leisurely walk over to the Patent Office and get them, because they know what is available. But do not forget that you and I, and 164 million other Americans, paid for that development program.

I am a little disturbed at the unreasonableness of the argument which is made sometimes that the people who are on the inside of the development program should have this advantage. It is said, "Didn't they help during the war? Didn't they help the Government during the war? Why, these firms came in and helped the Government."

Madam President, one would think they were not parties to the war. They were fighting for their survival, just as everyone else was fighting for his or her survival in that war. It was their patriotic duty to come in and help. They did not have to fight in battle. Let me tell you, Madam President, they were well paid for their help. They made huge profits out of their help. Yes; they helped the Government, but the Government helped them, so far as financial rewards were concerned; and they did no less than their patriotic duty.

I do not believe it is fair, I do not think it is right, I do not feel it is equitable, to let those pepole, who were given great advantages, and who were well paid for any performance of work they did during the war, come in now, and get the patent advantages which they expect to get.

I have a feeling, and I think it is a pretty common-sense one, too, and I think it is the kind of common-sense feeling which will be shared by most Americans, that really those patent advantages belong to the American people. The American people paid for all the experimentation, for all the processes, for all the laboratory work, to the tune of better than $12 billion which went into the development of the atomic-energy program. I do not think it is right. Certainly it is not right to put some of these people in the know-how—some of the people who have had the advan-

tages. I do not think it is right to put them in a position where they will now reap the huge profits from the experimentation, simply because they were parties to it. They know what is available to be patented, and they are going to get this kind of handout and giveaway.

I do not like it because, somehow, my sense of fairness tells me that the equities are on the side of the American people, and that the Government should protect the income from those patents, which otherwise would have accrued to the individuals, for the benefit of all the people.

But, as I have said, I shall discuss this subject at some length on another occasion.

I have before me, Madam President, the column in today's Washington Post and Times Herald, written by Drew Pearson, dealing with a related phase of this problem. I think it is such an important observation that it should be made a part of the RECORD. I read the column, as follows:

PAST DEALS IN UNITED STATES SECRETS

(By Drew Pearson)

Congressmen who plan to give atomic secrets to private industry under Eisenhower's proposed new Atomic Energy Act might take a look at Justice Department and Senate records to see what private industry did with important secrets in the past.

The record, spelled out in the Truman committee and Munitions Committee hearings, shows that our potential enemies got access to priceless military secrets, some of them the property of the United States Government, as follows:

The Electric Boat Co., now making the atomic submarine, paid commissions to the famed munitions peddler, Sir Basil Zaharoff, to sell submarines around the world; and the United States Navy submarine plans were sold to both the Japanese and the Germans around 1914.

The Bausch & Lomb Optical Co. made a secret deal with Carl Zeiss, of Germany, whereby the Germans got the blueprints for the United States Navy submarine sights.

Standard Oil of New Jersey made a deal with I. G. Farben, of Germany, which prevented the United States from developing synthetic rubber for 4 years.

The Aluminum Corporation of America worked out a monopoly deal with I. G. Farben which kept magnesium away from the American aircraft industry and retarded our production of airplanes.

The Sperry Gyroscope Corp. exchanged valuable patents with German, Italian, and Japanese firms, all of them later Axis countries.

The Radio Corporation of America, which had observers attached to the United States Army Signal Corps, when the Signal Corps developed the priceless secret of radar, hired one of the Signal Corps technicians, William D. Hershberger, and then filed radar patents in Japan and other foreign countries.

After the war the Army asked the Justice Department to examine the case with a view to prosecution. After the war also, RCA hired the recently retired head of the Signal Corps, Gen. Harry Ingles, and the Army promptly lost interest in prosecuting.

This, in brief, is the past record. American industrialists, it is hoped, have attained a higher standard of ethics today, but the atomic-energy secrets they would get from the Government under the proposed new atomic energy bill are the most valuable in the world. They cost the taxpayer $12 billion to develop.

Madam President, let me make clear that I make no blanket charge against American industry to the effect that, in my judgment industry as a whole would follow such a highly selfish, greedy course of action as Drew Pearson alleges in his column. I am only pointing out that there is potential danger in the bill; the opportunity for that course of action exists.

The patent features of the bill, in my judgment, need drastic revision, so that the American people can be protected from the kind of selfish course of action upon which Pearson comments in his article. I repeat: I think we are dealing in the bill with rights which belong to the people—all the people—and do not give to private industry any right to a preferred position, which the patent features of the bill, in my judgment, give to them.

We know that nuclear material can provide more power—many times more—than wood, coal, hydro, petroleum, gas and every other fuel used by man before the discovery of the atom.

This tremendous resource was developed with public funds and the materials and processes developed to date are the property of the people of the United States.

This bill proposes to give away the atom, which cost the American taxpayers $10 billion to $12 billion to a few gigantic corporate combinations of chemical and utility companies which may create a new type of concentration in our business and economic life.

FAVORITISM TO INSIDERS—BARRON'S ANALYSIS

Barron's Weekly, a business magazine, has accurately described the situation in its July 2 edition.

Oh, Madam President, I wish I could get every American to read Barron's Weekly for July 2. In fact, I wish I could get every Member of Congress to read it, because when I quote Barron's, I am quoting a source which cannot be subjected to the slightest criticism, so far as defending the so-called private enterprise system is concerned. It is a great defender, however, of the private enterprise system in its true perspective. Barron's, in my judgment, is a great souce of material for information on the true functions, the true obligations, of the private enterprise system.

I shall read their report on the bill, but first it should be explained that the insiders know that the so-called compulsory licensing of patents provided by the pending measure is not compulsory at all.

As I described the situation earlier, the patent provision of the bill says that in the case of patents filed before September 1, 1959, the Atomic Energy Commission may declare any of them affected with the public interest—section 152-a, page 63, of the bill. That gives it some discretion. And it shall grant patent licenses, for just compensation, to persons who apply for the right to use such patents to the extent that it—the AEC—finds that the use of the invention or discovery is of primary importance to the conduct of an activity by such person authorized under this act.

There are enough indefinite words in that phrase to give the AEC a second round of discretion.

In fact, Madam President, the pending bill is just potholed with clauses and words of discretion which in my judgment give to activities that are the favorite recipients of advantage under the bill broad powers and opportunities which are not in the interest of the people, and give to the Commission itself, for that matter, the kind of discretionary power which I have for 9 years in the Senate on many occasions deplored and fought.

Listen to this. What I referred to was a discretionary patent provision, not a compulsory one, and that is what Barron's knew when they carried this report:

The pending amendments are not designed to liberate atomic energy from bureaucratic control. Instead, cooperation of electric utilities and manufacturers of electrical equipment with AEC will perpetuate Government domination of a subsidized atomic energy industry, willingly accepted by the private partners in return for protection against intruders. To close the field to all but the AEC's clients, the amendments provide for compulsory patent licensing, and the channeling of domestic and foreign technological progress toward Washington's favorites.

CONTRACT INDICATION OF THE SHAPE OF THINGS TO COME

One of the great significances of the Dixon-Yates deal is that it shows how the way in which the minority rulers of the Atomic Energy Commission will exercise their discretion. The episode is just an inkling of what is to come if this bill passes in its present form. It is a demonstration of how granting and denial of project licenses, or discretionary patent licenses, may be explained to the public, with accompanying puffing and trimming of figures when that is necessary.

ADMIRAL STRAUSS DECLINES ANTIMONOPOLY ROLE

It is notable that in the Atomic Energy Commission's appearances before the joint committee, Admiral Strauss, while not objecting to the Federal Trade Commission and Attorney General reviewing compliance with monopoly and antitrust laws, objected to being given the affirmative responsibility to see that its licenses and arrangements promoted free competitive enterprise, or did not promote monopoly of undesirable business combinations.

Some of the members of the Senate will recall that in the original draft of the proposed amendment an allusion to encouraging free enterprise had been dropped.

The Commission, it appears, did not want the responsibility now imposed by section 7 of the McMahon Act to affirmatively encourage free enterprise, and has described the provisions of the section as broad and unusual.

It has been made clear that the Commission does not want to produce commercial electric power either—Admiral Strauss and his associates want to keep out of that field.

It might be appropriate, if we are going to pass this bill, if we took a suggestion from the cartoonist, Herblock, who calls Mrs. Hobby's Department the Department of Not Too Much Health, Education, and Welfare, and renamed the

AEC the Not Too Much Atomic Energy Commission, or the Not Too Much Responsibility Commission.

It is too bad that Senators have to study and vote on all kinds of bills. I think it is terrible that Secretary Benson cannot shrug off responsibility for butter and milk or wheat or cotton.

Madam President, I should like to interrupt the course of my remarks just long enough to transact a little business with the junior Senator from Nebraska [Mr. REYNOLDS]. He and I serve as members of the Committee on the District of Columbia, and a flock of bills have come over from the House, which he now has in his hand, bills which passed the House and are awaiting the attention of the Committee on the District of Columbia of the Senate.

Unfortunately, the Senator and I have found it very difficult to get together at a mutually convenient time during recent days to consider these bills in the committee, but I wish to assure him that when I finish this speech—some time later—I shall be fresh enough to transact that business with him today, and if it meets with his convenience I sincerely hope that he will be around so that we can come to a meeting of minds, or a meeting of disagreement, one or the other, on these various bills. I still have the proxy in my pocket, and I shall be glad to go in with him on that basis, 2 to 1, on those bills, and we will dispose of them one way or the other before the day is out.

Mr. REYNOLDS. Madam President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. MORSE. Only for a question.

Mr. REYNOLDS. I was available for a good many hours from midnight to this morning had I been able to find the Senator from Oregon to complete the business to which he has referred. Where was the Senator from Oregon?

Mr. MORSE. I was right here, and I missed the Senator. I have not known the Senator very long, but there is something about him that has caused me to develop a very deep fondness and affection for him, and I would have felt better with his presence here on the floor all the time during my speech. I am sure that while he may not know it now, he will discover that the people of Nebraska are very much interested in some of the points I am going to bring out in this speech about the dangers of the pending bill.

I know the Senator is going to read every word of it, and that is probably just as good as listening to it, but I am glad he is here now, so that I have this chance to tell him here publicly that he and I will work together on the District of Columbia bills at sometime.

Now, Madam President, let me return to the point I was making. I had stated that it is too bad that Senators have to study and vote on all kinds of bills. I think it is terrible that Secretary Benson cannot shrug off responsibility for butter and milk or wheat or cotton. But unfortunately it is not for public officials to pick and choose. If there is a public service which requires doing, then officials should either do it or get out.

As I understand it, the joint committee has adopted an amendment to S. 3690 since its introduction that will amend section 105, the antitrust section, so that the Attorney General will have the exclusive power of forbidding or approving licenses and actions where the antitrust laws are concerned. The Federal Trade Commission's role is being eliminated also.

But even with the Trade Commission left in, it seems to me that the legislative direction to the Atomic Energy Commission to exercise all their prerogatives to broaden and promote competitive enterprise is desirable and that they should have a directive to use their licensing power affirmatively to offset monopoly growth, and to have some direct responsibility for preventing monopoly, whether Admiral Strauss wants to render that needed service or not.

All the responsibility the Commission would have under the bill is to report promptly to the Attorney General "any information it may have with respect to any utilization of special nuclear material or atomic energy which appears to violate or tend toward" violation of the antimonopoly and antitrust laws, or to restrict free competition. It is not specifically enjoined to lock the door before the horse gets out of the stable.

There would be nothing unusual about requiring the AEC to take on some antimonopoly responsibilities. Although they may be neglected, such responsibilities are vested in many Government agencies. They are not concentrated, as some believe, with the Attorney General.

I have here a brief study—only 14 pages—of the antimonopoly functions of Government agencies, which has been supplied to me which ought to be considered very carefully by all the Senators before they act on this bill. It shows that no less than 24 Government agencies are charged by law with antimonopoly authority and responsibility.

First, let me restate the situation:

Sponsors of the original drafts of the new atomic-energy bills—H. R. 8862 and S. 3323—at one time argued that the Commission should be relieved of the affirmative responsibilities contained in section 7 (c) of the McMahon Atomic Energy Act of 1946. They contend it was a police function belonging to the Attorney General and Federal Trade Commission.

Section 1 of the Atomic Energy Act of 1946, the McMahon Act, as amended, includes as part of the declaration of congressional policy "strengthening free competition in private enterprise." This phrase was altered in an early draft of the current new bill, but is restored as it finally comes to the floor and has a place among other expressions of our pious hopes.

But the McMahon Act contains more. Section 7 provides as follows:

> Where activities under any license might serve to maintain or foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such a license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results.

In effect, what we have before us is only the last sentence of the old act—the reporting to the Attorney General after the horse has been stolen.

In order that there may be the clearest sort of understanding that it has long been congressional policy, and is not at all unusual, to put affirmative responsibilities in this field on other agencies than the Department of Justice, I urge study of the memorandum which appears earlier in my remarks.

Because of the enormous expense of nuclear fission installations and the patent problems involved in this new field, one of our most urgent concerns should be the fostering of competition and prevention of monopoly.

The AEC is the guardian of the atom. It is the first to open the door to its use. It logically follows that it should open the door only when competition will be served and to keep it firmly shut when monopoly seeks to enter.

Madam President, in summarizing this section of my speech, and before I turn to the next, I wish to call the attention of the American people to what I think I have established in this portion of my remarks.

I have pointed out that with the expenditure of more than $12 billion the American people have an investment in the secrets, in the scientific knowhow of atomic energy power development. I have tried to point out that these representatives of industry, who were doing naught but performing their patriotic duty during the war, fighting for their own preservation along with the rest of us, do not have any moral right to come in now and take these processes and, just because they know of their development, and get patents on them, to the great disadvantage of other people in private industry. I just do not think it is cricket. That is not the kind of baseball rules on which I was brought up.

I do not think they are entitled to that sort of advantageous handicap, that sort of bonus; and I want to point out that these representatives of industry, who were in on the so-called ground floor, not only were in as a matter of patriotic duty, but they were also well paid, very well paid, extremely well paid; and the firms that participated and cooperated with the Government made good profits. Those firms did not lose by cooperating with the Government in the development of the atomic energy program. That is why I do not think it right for us to give them the patent advantages, which I feel will be given to them under this bill.

Now, the second thing I have tried to bring out in this part of my speech is that here again, I think it is perfectly clear that we, the Congress, have an obligation to protect the public's investment in this tremendous project. I just cannot get it out of my head that there is the program which was paid for by the

taxpayers of America—a tremendous investment; and the President comes along, now, with what amounts in my judgment to a plan that ought to be considered as exceeding his executive authority, by in effect giving away to a private monopoly combine at least great advantages belonging to the people, and to this public development of this program.

Now, Madam President, I know, because of the parliamentary situation, I can do no more at this time then send to the desk an amendment, which, at the proper time, I shall offer, and which has to do with the part of my speech that I discussed not so long ago—this matter of correcting the official-spokesman language of the bill; and my amendment will propose, on page 11, on line 1, through line 8, to strike the following sentence:

> The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons, or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct.

I am simply sending the amendment to the desk, and asking that it lie on the desk until I can take it up when it is in order.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the desk.

Mr. MORSE. There has been a great deal of talk throughout this debate, Madam President, about the antimonopoly functions of Government, and I think we ought to get into the RECORD at this point a discussion of the antimonopoly functions of Government; and so, for the RECORD, let me present a little analysis, because it is interesting to see how these antimonopoly functions are found permeating through many phases of our Government fabric.

ANTIMONOPOLY FUNCTIONS OF GOVERNMENT

DEPARTMENT OF JUSTICE

The district attorneys of the United States, in their respective districts, under the direction of the Attorney General, are charged with the duty of instituting proceedings in equity to prevent and restrain violations of the antitrust laws. The district courts of the United States are invested with jurisdiction to prevent and restrain such violations—title 15, United States Code, sections 4, 9, and 25.

FEDERAL TRADE COMMISSION

Price discrimination which may substantially lessen competition or tend to create monopoly in interstate commerce is illegal, and the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix or limit the quantities of commodities to purchasers—title 15, United State Code, section 13 (a).

The Commission is empowered and directed to prevent persons, partnerships, or corporations from using unfair methods of competition in commerce and unfair or deceptive acts or practices—title 15, United States Code, section 45.

FEDERAL RESERVE SYSTEM

The Board of Governors of the Federal Reserve System is authorized and directed to enforce compliance with laws limiting interlocking directorates and officers in banking corporations—title 15, United States Code, section 19.

CIVIL AERONAUTICS BOARD

The Civil Aeronautics Board has authority to enforce compliance with legal prohibitions on monopolistic price-fixing or interlocking directorates for air carriers—title 15, United States Code, section 21.

The Board may, upon its own initiative or upon complaint, investigate and determine whether any air carrier or foreign air carrier has been or is engaged in unfair or deceptive practices or unfair methods of competition in air transportation. Cease and desist orders may be issued after hearings and findings—title 49, United States Code, section 491.

Consolidation or merger of air carriers requires approval of the Board. It is specifically provided "that the Board shall not approve any consolidation, merger, purchase, lease, operating contract, or acquisition of control which would result in creating a monopoly or monopolies and thereby restrain competition or jeopardize another air carrier not a party to the consolidation, merger, purchase, lease, operating contract, or acquisition of control."—title 49, United States Code, section 488.

INTERSTATE COMMERCE COMMISSION

Common carriers in interstate commerce are prohibited from dealing in securities, supplies, or other articles of commerce with companies having interlocking directors, and the Interstate Commerce Commission is authorized to administer this section and report its findings of possible law violations to the Attorney General—title 15, United States Code, section 20.

The Interstate Commerce Commission has authority to enforce compliance with legal prohibitions against monopolistic price-fixing agreements and interlocking directorates for companies under its jurisdiction—title 15, United States Code, section 21.

The Interstate Commerce Commission also has jurisdiction to prevent unlawful combinations of carriers to prevent the continuous carriage of freight—title 49, United States Code, section 7.

FEDERAL COMMUNICATIONS COMMISSION

The Federal Communications Commission has authority to enforce compliance with legal prohibitions on monopolistic price fixing or interlocking directorates for common carriers engaged in wire or radio communication or radio transmission—title 15, United States Code, section 21.

The Federal Communications Commission is directed to refuse radio station licenses to persons found guilty by the courts of unlawfully monopolizing or attempting to monopolize radio communication through the control of the manufacture or sale of radio apparatus, through exclusive traffic arrangements, or any other means, or to have been using unfair methods of competition. Licensees are forbidden to acquire, own, or operate any cable or wire telegraph or telephone system, if the purpose or effect is to substantially lessen competition or to restrain commerce or to unlawfully create monopoly in any line of commerce—title 47, United States Code, sections 311, 313–314.

FEDERAL POWER COMMISSION

The Federal Power Commission has broad authority to regulate electrical utilities engaged in interstate commerce, including the determination that power rates and service are reasonable and nondiscriminatory—title 16, United States Code, sections 813, 824e, and so forth.

In the licensing of electrical utilities by the Federal Power Commission, there is an express condition that "combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy, to restrain trade, or to fix, maintain, or increase prices for electrical energy or service are hereby prohibited"—title 16, United States Code, section 803 (h).

DEPARTMENT OF AGRICULTURE

It may be a surprise to know that under the law the Department of Agriculture has very definite antimonopoly functions; and may I digress just long enough to welcome the distinguished statesman from Alabama [Mr. HILL] to the floor, because I had something to say about the Senator from Alabama, some time, oh, a reasonably short time ago. I said for the RECORD on the floor that I considered the pending bill so dangerous to the welfare of the American people, that I considered the bill so dangerous from the standpoint of the economic rights of unborn generations of American boys and girls of the decades ahead, that I was willing to enlist in the rear ranks of any parliamentary army raised by the two distinguished gentlemen now sitting together over on the other side of the aisle, the Senator from Alabama [Mr. HILL] and the Senator from Tennessee [Mr. GORE], and it would be a great honor—a great honor—to serve under their generalship.

I urge them publicly, here, in full view of the American people, to take note of the fact that the American people are beginning to recognize the seriousness of this bill, as far as jeopardizing their rights is concerned; and I hope that this great patriotic call to duty, a call far beyond the line of duty, one might think, would be assumed by these two great generals from Tennessee and Alabama. Here is one private—here is one private who will march forward, for days and weeks to come, and until we finally force a reconsideration of the action taken by the Senate, and until we get the bill so modified that the American people will be protected from the provisions in it now, which I think are so dangerous to the people's welfare. That is all I can do. I want to tell you that, under your leadership, we will win; and I suggested earlier today that, when we draw that parallel line, the motto should be "It shall not pass."

Mr. CARLSON. Madam President——

Mr. MORSE. I yield for a question to the Senator from Kansas.

Mr. CARLSON. Madam President, I do not know that I can phrase this in the form of a question, but I sincerely hope that no one will raise a point of order in regard to my short statement.

Mr. MORSE. Ah, but that does not go. I must tell the Senator from Kansas something. When the tidelands debate was on, we were in that parliamentary situation, and I was having a little difficulty with the Senator from Nevada, the Senator will remember. So enthusiastic was he in regard to that discussion, that he found it difficult to ask me some questions. He was inclined to start out without asking questions. I remember the Senator from Kansas was in the Chair, and I appealed. I appealed to the Presiding Officer. I said, "I want the Senator to protect me, now. I want the Senator to know that I am yielding only for a question." Let me refresh the memory of the Senator from Kansas regarding what he said to me. He said I would have to protect myself. Does he remember that? He said that I would have to protect myself.

Mr. CARLSON. Madam President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question.

Mr. CARLSON. Let me ask how long the distinguished Senator from Oregon expects to speak; and then may I state that it was my privilege to occupy the chair which at the present time is occupied by the distinguished senior Senator from Nebraska [Mrs. BOWRING]; and again this morning I had the opportunity of occupying the same position, and at that time the distinguished Senator from Oregon made some remarks about how he and I spent the night together in the Senate chamber, one of us while serving as the presiding officer, and the other as the speaker.

I wish to say that I enjoyed the speech of the Senator from Oregon this morning, and I desire to compliment him upon his efforts to bring about the result he espouses. I do not agree with him about it, but I admire him for it.

Mr. MORSE. Madam President, I wish to say that the richest kind of payment in this job is the kind of payment I have just received, namely, the sincere expression of mutual respect that has passed between the Senator from Kansas and myself, even though there are great difference between us with regard to policies.

And then, Madam President, the question asked by the Senator from Kansas deserves a more definite answer than I am able to give at the present time. I am not going to speak at great length—for me [laughter]; but I am sure it will be too long for the Senator from Kansas.

There are a few more things to be said. I have needed this warm-up, this sort of batting practice. I needed this conditioning and training. I started last week. I had a pretty good idea, last week, of what was coming. So last week I got a little exercise, and today I am getting a little more, and tomorrow I shall get a little bit more; and then we shall really go to work.

By that time, I think my generals will have the army enlisted, and I am going to take a little more time today, for the recruitment office to go to work. [Laughter.] I am going to hold out here for the recruitment office activity. But my colleagues do not need to worry; my speech will not be as long as was my speech the last time, unless some unforeseen condition develops. But I do not expect that to be the case.

But, Madam President, I wish to say that I am deeply moved by what, as I have stated, is the finest compensation one in this situation could receive, namely, a realization that we have succeeded in calling the attention of the American people to what those of us who are opposed to the pending bill feel are its dangerous implications.

So, Madam President, I shall proceed for a little while longer, and then I shall consult with my generals.

I see the Senator from New Mexico [Mr. ANDERSON] in the Chamber. He was here late last night. He should have stayed home longer; he did not need to return yet, because there are plenty of other things for me to say. I hope the Senator from New Mexico, whose future services we shall wish to have the benefit of, in the forefront of the battalion of this army that is to charge will get some rest, because we shall hold the fort for the time being.

DEPARTMENT OF AGRICULTURE

Madam President, at this time I wish to discuss the antimonopoly features of the Department of Agriculture.

Whenever the Secretary of Agriculture has reason to believe that any association of producers of agricultural products monopolizes or restrains trade in interstate or foreign commerce to the extent that the price of any agricultural commodity is unduly enhanced thereby, he is directed to serve a complaint upon such association. The Secretary is authorized to hold hearings and issue cease-and-desist orders against monopolization or restraint of trade in agricultural commodities, and such orders are enforceable in the district courts, under charge of the Department of Justice—title 7, United States Code, section 292.

The Secretary of Agriculture is authorized to enter into marketing agreements with processors and producers of agriculture commodities, which agreements are exempt from the antitrust laws, but must embody provisions prohibiting unfair methods of competition and unfair trade practices in the handling of such commodities—title 7, United States Code, sections 608b and 608c (7).

Meat packers are forbidden to engage in manipulation or control of prices in interstate commerce, or to create a monopoly in the buying or selling of articles, or otherwise to restrain commerce. It is unlawful to conspire or combine with any other person to apportion business territory, or in the purchase or sale of articles or to manipulate or control prices. Whenever the Secretary of Agriculture has reason to believe that any packer is violating these provisions, he is directed to serve a complaint upon the packer, stating the charges. The Secretary is authorized to hold hearings and to issue cease-and-desist orders, which orders are enforceable in the circuit courts—title 7, United States Code, sections 192–194.

DEPARTMENT OF THE INTERIOR

Whenever the Secretary of the Interior has reason to believe that any association in the fishing industry engaged in catching, collecting, or cultivating aquatic products, monopolizes or restrains trade in interstate or foreign commerce, to the extent that the price of any aquatic product is unduly enhanced thereby, he is directed to serve a complaint upon such association. The Secretary is authorized to hold hearings and issue cease-and-desist orders against monopolization or restraint of trade in aquatic products; and such orders are enforceable in the district courts, under charge of the Department of Justice—title 15, United States Code, section 522.

Lessees of coal lands reserved to the United States in Alaska may consolidate small holdings into a single bloc not exceeding 2,560 acres of contiguous land, with the approval of the Secretary of the Interior; persons or corporations violating this section are guilty of a felony—title 48, United States Code, sections 436 and 442.

The Secretary of the Interior, in administering leases for certain minerals on public lands, is obligated to limit the number and size of holdings according to the terms of the law. Persons violating this section may be compelled to dispose of their interests in appropriate proceedings instituted by the Attorney General in the district courts—title 30, United States Code, section 184.

Certain combinations formed for the purposes of constructing or carrying on the business of a refinery, common carrier pipeline, or a railroad line are permitted, subject to the approval of the Secretary of Interior.

Lessees who enter any arrangement in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium, will have their leases forfeited by appropriate court proceedings.

Leases for gas and oil, and so forth, rights on public lands are administered by the Secretary of the Interior, and must contain the provision, among others, that the sale of the production of such leased lands to the United States or to the public will be at reasonable prices, for the protection of the interest of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare—title 30, United States Code, section 187.

The Secretary of the Interior administers the granting of rights-of-way to pipeline companies transporting oil across specified public lands; companies who violate the antitrust laws automatically forefeit the right-of-way titles—title 43, United States Code, section 970.

In connection with land reclamation and irrigation projects, the Secretary of the Interior is directed to establish the size of farm units on each project in accordance with his findings of the areas sufficient to support a family—title 16, United States Code, section 590z–2.

In the sale or lease of power from such projects, the Secretary of the Interior shall give preference to municipalities

and other public corporations or agencies, and to cooperatives and other nonprofit organizations—title 16, United States Code, section 590z–10.

Similar preference provisions are contained in title 43, United States Code, section 45h (c).

Electric power and energy generated at reservoir projects under control of the Department of the Army are delivered to the Secretary of the Interior for disposition "in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission."

Preference in the sale of such power and energy shall be given to public bodies and cooperatives, and the Secretary of the Interior is authorized to construct transmission lines in distributing the electricity—title 16, United States Code, section 825a.

POST OFFICE DEPARTMENT

Now, Madam President, what about the Post Office Department? Does it have antimonopoly functions? It certainly does. My reason for placing this material in the RECORD is to show a public policy of long standing in the United States. I am talking about public policy that leaves no room for doubt that the American people want to be protected from monopolistic practices.

In my judgment, one of the great weaknesses of the bill is that we cannot reconcile it with the antimonopoly public policy of the United States. I say there rests upon us the very solemn obligation of seeing to it that we keep faith with all these antimonopoly provisions of the law, which imposes upon other bodies the duty of protecting the American people from monopolistic practices. I criticize the bill because in my judgment it will lead to monopolistic control of the atomic energy program in the field of electric-power development.

So let us take a look at how we have declared public policy in regard to the antimonopoly functions of the Post Office Department.

The Postmaster General has authority, whenever he believes that bids received for carrying mail on any star route are exorbitant or unreasonable, to provide the desired service by means of his own choosing.

Contracts for carrying mail must not be made with any person who has entered, or proposes to enter, into any combination to prevent the making of any bid for carrying the mail—title 39, United States Code, sections 432 and 433.

The Post Office Department is forbidden to make contracts for furnishing supplies with any person who has entered, or proposes to enter, into any combination to prevent the making of bids for furnishing such supplies, or to fix prices therefor, and so forth—title 39, United States Code, section 808.

DEPARTMENT OF THE NAVY

Mr. President——

The PRESIDING OFFICER (Mr. YOUNG in the chair). The Senator from Oregon has the floor.

Mr. MORSE. Mr. President, what about the Navy Department? It has antimonopoly functions, too.

The Secretary of the Navy is authorized to build at any navy yard or naval factory aircraft or spare parts and equipment, whenever it should reasonably appear that corporations bidding for such construction have entered into any combination or agreement or understanding, the purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting naval aircraft contracts—title 34, United States Code, section 749a.

DEPARTMENT OF COMMERCE

The Bureau of Foreign and Domestic Commerce is charged with the duty, among others, to make special investigations of manufacturers in foreign countries which are controlled by trusts or cartels—title 15, United States Code, section 171.

DEPARTMENT OF THE TREASURY

The Secretary of the Treasury is directed to make such rules and regulations as are necessary to prevent the making of restrictive agreements in favor of imported goods—title 15, United States Code, section 73.

Whenever the existence of unfair methods of competition and unfair acts in the importation of articles into the United States is established to the satisfaction of the President, he shall direct the articles concerned to be excluded from entry and the Secretary of the Treasury shall, through the proper offices, exclude such entry—title 19, United States Code, section 1337.

UNITED STATES TARIFF COMMISSION

Unfair methods of competition and unfair acts in the importation of articles into the United States, the effect of tendency of which is to substantially injure a domestic industry or to restrain or monopolize trade and commerce in the United States are unlawful, and the Tariff Commission is authorized to investigate any alleged violation on complaint under oath or upon its own initiative. The Tariff Commission is authorized to make findings, with an appeal by the importer to the United States Court of Customs and Patent Appeals.

SECURITIES AND EXCHANGE COMMISSION

What about the antimonopoly functions of the Securities and Exchange Commission?

The Securities and Exchange Commission is given broad powers to regulate securities transactions and to compel the simplification of public utility holding company systems in order to limit undue concentration of control—title 15, United States Code, chapters 2B and 2C.

GENERAL SERVICES ADMINISTRATION

Section 302 (b) of the Federal Property and Administrative Services Act of 1949, as amended, states:

> It is the declared policy of the Congress that a fair proportion of the total purchases and contracts for property and services for the Government shall be placed with small-business concerns.

Where contracts in excess of $10,000 are negotiated without advertising, sufficient advance publicity is required. In case of advertised bids, any evidence of violation of the antitrust laws must be referred by agency heads to the Attorney General for appropriate action—title 41, United States Code, supplement V, section 252 (a) and (d).

Section 207 of the Federal Property and Administrative Services Act of 1949, as amended, requires any executive agency in beginning negotiations for the disposal of any plant or other property costing $1 million or more, or of patents, processes, etc., irrespective of cost, to seek advice of the Attorney General, and it shall be the duty of the Attorney General to advise the executive agency whether the proposed disposition of the property would tend to create or maintain a situation inconsistent with the antitrust laws. The executive agency must assist the Attorney General by furnishing him any information it may possess appropriate or necessary to the Attorney General's determination.

This section also provides that nothing in the act shall modify or limit the applicability of the antitrust laws to persons who acquire property under the provisions of the act—title 40, United States Code, supplement V, section 488.

In one respect the section is broader than a similar provision in the Surplus Property Act of 1944. Section 207 requires a determination by the Attorney General as to whether the proposed disposal would tend to create or maintain a situation inconsistent with the antitrust laws, while under the Surplus Property Act of 1944 the determination was whether the proposed disposition would violate the antitrust laws.

However, it should be noted that under the earlier act, disposal of surplus property was to be governed by broad objectives in promoting competitive enterprise, discouraging monopolistic practices, and strengthening small business. The Surplus Property Administrator had the duty "to devise ways and means and prescribe regulations to prevent any discrimination against small business in the disposal and distribution and use of any surplus property."

The Smaller War Plants Corporation was directed to cooperate with the Surplus Property Administrator in aiding small business. For the disposal of large war plants, a reporting procedure to Congress was prescribed and the advice of the Attorney General also was required, as noted above—title 50, United States Code, section 1611 and the following.

RUBBER PRODUCING FACILITIES DISPOSAL COMMISSION

The Commission, established by act of Congress for disposal of Government-owned rubber plants, is directed to make recommendations for disposal which include the following criteria, among others: First, that the disposal program be designed best to afford small business enterprises and users the opportunity to obtain a fair share of the end products of the facilities sold and at fair prices; and second, that the recommended sales shall provide for the development within the United States of a free, competitive, synthetic rubber industry, and to not

permit any person to possess unreasonable control over the manufacture of synthetic rubber or its component materials.

The Commission is directed to consult and advise with the Attorney General in order to secure guidance as to the type of disposal program which would best foster the development of a free competitive synthetic rubber industry, and to supply the Attorney General with such information as he may deem requisite to make a determination that the proposed disposition will not violate the antitrust laws. The program of disposal is to lie before the Congress for 60 days before being carried out—Public Law 205, 83d Congress, first session.

OFFICE OF WAR MOBILIZATION AND CONVERSION

This postwar agency, no longer existent, was directed, among other things, to provide that small plants received fair allocations of scarce materials. The act creating the Office of War Mobilization and Reconversion also directed the Attorney General "to make surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of war mobilization and during the period of transition from war to peace and thereafter." Such reports were to be transmitted to the Congress—title 50, United States Code, section 1559 and 1660.

OFFICE OF DEFENSE MOBILIZATION

The Defense Production Act of 1950, as amended, contains certain provisions designed to encourage and assist small business in defense mobilization work—64 Statutes 815.

SMALLER WAR PLANTS CORPORATION

The Small Business Mobilization Law enacted in 1942 authorized the chairman of the War Production Board to certify to the various procurement officers of the Government that small business concerns or groups of such concerns were competent contractors for the purposes of receiving war contracts. A Smaller War Plants Corporation was created to assist small business in this field—title 50, United States Code, sections 1103 and 1104. It was later terminated and its remaining functions transferred to the Reconstruction Finance Corporation and other agencies.

RECONSTRUCTION FINANCE CORPORATION AND SMALL BUSINESS ADMINISTRATION

The objective of encouraging small business through RFC loans was added to the RFC Act during the 80th Congress—62 Statutes 261.

When the liquidation of the RFC was ordered in the 83d Congress, title 2 of the enactment provided for the creation of a Small Business Administration. The act recites, in part:

> It is the declared policy of Congress that the Government should aid, counsel, assist, and protect insofar as is possible the interests of small-business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts for supplies and services for the Government be placed with small-business enterprises, and to maintain and strengthen the overall economy of the Nation (67 Stat. 230).

TENNESSEE VALLEY AUTHORITY

Even the TVA was given antimonopoly functions.

The TVA is empowered and authorized to sell surplus electrical power, giving preference to public, cooperative, and other nonprofit agencies; to enter into 20-year contracts with such organizations; to assist in their establishment by extending credit; to make contracts for sale of power to private utilities which are cancelable upon 5 years' notice; to construct transmission lines "in order to promote the fullest possible use of electric light and power on farms"; and "to make studies, experiments, and determinations to promote the wider and better use of electric power for agricultural and domestic use, or for small or local industries"—title 16, United States Code, sections 831i and 831k–1.

RURAL ELECTRIFICATION ADMINISTRATION

The Administrator is authorized and empowered to make loans for the purpose of financing the construction and operation of generating plants, electric transmission and distribution lines, and so forth, for the furnishing of electric energy to persons in rural areas, and loan preference is to be given to public, cooperative, and nonprofit agencies—title 7, United States Code, section 904.

BONNEVILLE POWER ADMINISTRATION

Facilities for generation of electric energy at the Bonneville project are to be operated for the benefit of the general public, and particularly of domestic and rural consumers. The Administrator is directed to give preference and priority to public bodies and cooperatives in disposing of electric energy generated at the project. Not less than 50 percent of the energy is to be made available to public bodies. Such public groups are allowed reasonable opportunity to become organized and to acquire financing. Rate schedules are to be approved by the Federal Power Commission and shall be fixed with a view to encouraging the widest possible diversified use of electrical energy. To further encourage such widespread use, to provide reasonable outlets for the power, and to prevent its monopolization by limited groups, the Administrator is authorized and directed to construct and operate transmission lines, substations, and appurtenant equipment—title 16, United States Code, sections 832a and 832c.

Mr. President, I am not saying that these are all the antimonopoly functions under the law vested in various commissions and agencies and departments of Government. I have taken the time, boring as it may have been, and dry as it undoubtedly was, because statutory material is always dry, to read into the RECORD the law already on the books, which leaves not the slightest room for doubt that the American people, through their elected representatives, have really from the beginning of the monopoly problem in this country written into the record with crystal clearness a public policy of checking monopoly.

Why should the Atomic Energy Commission be an exception? Why should legislation dealing with electric power to be derived from atomic energy not contain the same protection features we have written into the law with respect to the other activities of our Government?

I have spent much time in this first speech pointing out that one of my major objections to the pending bill, among many, is the fact that it does not provide for regulation of monopolistic control of electric energy which comes through atomic energy development. We have a duty, I believe, to keep faith with a long-established Federal public policy, to see to it that private utility combines do not get the control which, in my judgment, they would get under the bill over this great source of energy so vitally necessary to the economy of this country by generations of American boys and girls for years and years to come.

There is now in the record a clear expression of public policy for antimonopoly control, and I say that we cannot justify passing the pending bill until we write into it a whole new section—and we are going to offer such a section—which will place upon the Atomic Energy Commission the duty to prevent monopolistic control, instead of authorizing the Commission to enter into contracts which, in my judgment, would give control to the private monopoly.

Mr. President, I now wish to read into the RECORD a couple of communications I have received. The first is from the American Public Power Association. I have not been in the Chamber every moment of the time during the debate, and this may already be in the RECORD, but it deserves repetition. It is under the date of July 21, on the letterhead of the American Public Power Association, and reads:

> DEAR SENATOR MORSE: The American Public Power Association, which represents over 700 local publicly owned electric utilities in 38 States and Puerto Rico, is greatly disturbed about certain features of the Cole-Hickenlooper bill (S. 3690) to amend the Atomic Energy Act of 1946.
>
> This is, without doubt, one of the most important pieces of legislation to be brought before the Congress in recent years. Its passage would have a profound influence on American life for many future generations, for it would set the pattern for peacetime use of a great new source of energy. Needless to say, it would have a particularly great effect on the future of the electric industry, including the portion represented by the American Public Power Association.

Let me digress to say that here is an association which represents some of the little fellows, here is an association which represents some of the REA's and the cooperatives, who are not at all impressed with the argument that there is nothing in the bill which will prevent an REA or a cooperative or a municipality from going ahead with the development of one of the reactors mentioned in the debate. The only thing that prevents them is the inability to get a good many million dollars to do the job. That is why they look to their Government to protect them, and they look to their Government to make available to them a source of cheap power, under a public-power yardstick formula, which will not

result in their being forced to pay tribute to private monopoly combines.

Here are some of the people who represent the grass roots of America, to whom the people who are opposed to this bill are appealing to wake up before it is too late to make known their interest in the pending bill, to familiarize themselves with the shortcomings of the bill.

As I said earlier this morning, I am satisfied that once the Congress comes to understand what the people will say about the glaring inequities of the bill, Congress, under its obligations, within a representative government, will change its course of action on the bill, and we will get a reconsideration of the Ferguson amendment, which has already been agreed to, which was a great mistake, in my judgment, and we will get other amendments added to the bill which will correct some of the shortcomings which many of us have been protesting.

The Public Power Association letter continues:

Thus far, much of the Senate debate has centered about the so-called Dixon-Yates proposal by which a private utility holding company combine would furnish 600,000 kilowatts of power to the Tennessee Valley Authority, as a replacement for power which TVA now furnishes the Atomic Energy Commission.

Under this arrangement, the AEC would be used as a broker to buy power for the TVA is already adequately furnishing the power requirements of the AEC. It has been estimated that under the Dixon-Yates contract the additional cost of power to the AEC would range from $3,685,000 a year to $5,567,000 a year. Moreover, the Federal Government would reimburse the Dixon-Yates combine for its payment of Federal income taxes—a scheme which we understand is unprecedented in the history of our Government.

Although the Dixon-Yates controversy is extremely important particularly from the standpoint of the future of TVA, the debate on this contract has largely obscured from public view some of the extremely important power and related provisions of the atomic energy legislation. They are as follows:

1. Patents: Testimony which representatives of our association presented to the Joint Committee on Atomic Energy on May 12, 1954, described the patent provisions of the identical bills then before the committee (S. 3323 and H. R. 8862) as affording "opportunity for the creation of a monopoly on a scale never before known in America."

The PRESIDING OFFICER. The Senator will suspend to receive a message from the President of the United States.

(At 10 o'clock and 55 minutes a. m. a message was received from the President of the United States, which appears elsewhere in the RECORD.)

Mr. MORSE. Mr. President, I wish to point out how cooperative I am. I would not think of interrupting the President's program the way the President is interrupting my program. I believe it desirable that the American people make very clear to the White House their interest in this program which the opponents of the pending bill are fighting for, in the public welfare.

I now return to the letter:

Although we believe that the patent features of the bill presently before the Senate have been improved by their alteration in the direction of the 1946 Atomic Energy Act, we believe that the patent provisions of the new bill are still complicated, the procedures to be followed by the Commission in compulsory licensing are not well defined, and the way is opened for favoritism in the granting of exclusive patents.

2. Construction of nuclear reactors for power production: For all practical purposes, the Atomic Energy Commission and other Federal agencies are prohibited from building nuclear reactors for the commercial generation of electric power.

Let me digress to say that I am not impressed with the opinion that because there are no words of prohibition in the bill in a strictly literal sense, the Commission is not prohibited. If they are to have the affirmative power, Congress has to grant it to them, and the affirmative power is not given them in the bill. When we get through with the amendments being offered, such as the Johnson amendment, the affirmative power will be in the measure.

The letter continues:

Since the Federal Government to date has invested some $12 billion in the field of atomic energy, and since the Federal Government will continue to retain ownership to nuclear materials, it would seem that the Government should not be prohibited from building pilot or "yardstick" plants for the generation of electric power, particularly in view of the fact that the Atomic Energy Commission itself is the largest single consumer of electricity in the world, its requirements exceeding about 5 million kilowatts of capacity. Certainly the Federal Government should not be prohibited from supplying its own needs for power.

To prohibit the Government from constructing plants of its own would be the same as saying to the Government that it had ownership of the navigable streams of the Nation, but could not build hydroelectric power facilities.

3. Preference in power marketing: In any incidental surplus power which the Atomic Energy Commission may produce as a by-product to experimental work, the present bill does not require that the Commission give a preference to local public agencies and rural electric cooperatives in the marketing of such power. Such nonprofit agencies are given preference in the marketing of federally produced hydroelectric power, the first such preference condition having been adopted by Congress in 1906.

4. Issuance of licenses: In the future, both local public and private power systems, as well as rural electric cooperatives, will be required to come before the Atomic Energy Commission to obtain 40-year licenses to build powerplants for the commercial production of electric power from nuclear materials. Here we are confronted with a situation similar to that of the Federal Power Act, since non-Federal agencies are required to go before the Federal Power Commission to obtain a license to build hydroelectric power projects on navigable streams. But whereas the Federal Power Act required that the Federal Power Commission give preference to applications submitted by local public agencies, no such condition is included in the pending atomic energy legislation.

5. Following procedures of Federal Power Act: As noted above, the Atomic Energy Commission, under the pending bill, would be authorized to issue 40-year licenses for nuclear power facilities. Yet, none of the significant regulatory procedures contained in the Federal Power Act have been included in the atomic energy legislation to govern the conduct of the Commission in issuing such licenses.

To correct these serious deficiencies, we urge your support of amendments, most or all of which have already been introduced in the Senate, which would do the following:

1. Prohibit the signing of the Dixon-Yates contract, which we believe is not only contrary to the purposes of the Atomic Energy Commission, but would be a devious means of opening the door to destruction of the TVA power system.

2. Substitute for the applicable provisions of the Cole-Hickenlooper bill the essential provisions of the 1946 Atomic Energy Act relating to patents.

3. Permit the Government itself, where specifically authorized by the Congress, to build nuclear powerplants.

4. Require that the Atomic Energy Commission give a preference to local public agencies and rural electric cooperatives in the marketing of power from federally owned nuclear-power facilities.

5. Require that local public agencies and rural electric cooperatives receive a preference in obtaining licenses for nuclear power facilities, where there is a limitation on the availability of such materials.

6. Bring the licensing provisions of the Atomic Energy Act into line with the procedures established under the Federal Power Act.

The American people can rightly take pride in the careful manner in which the Congress, over the past 50 years, has developed legislation which protects for all Americans their rights to natural resources. We are at the threshold today of developing for the benefit of many future generations an entirely new source of energy. Depending upon the manner in which Congress acts upon the pending legislation, this energy source—holding such bright potentialities for the future—can either be developed for the benefit of all Americans, or it will become the province of a relatively few large corporations.

Unless the amendments to which we have referred are adopted, we fear that the latter will be the result.

We, therefore, strongly urge that the Congress, in formulating legislation of such transcendent importance, follow the same principles which in the past half century have guided the actions of Congress in preserving a national resource for the benefit of all the people.

In submitting these recommendations we do not in any sense advocate a Federal Government monopoly in the field of nuclear energy, just as we do not advocate a Federal or public power monopoly in the electric industry. Local public agencies, whom we represent, and private companies should be permitted to share in the opportunity of making this resource available to all the people. But the Federal Government, which in the first instance has made this resource available through the expenditure of some $12 billion of tax funds, should not abdicate its responsibility by permitting unbridled exploitation of this resource or licensing of its use under loose procedures which do not protect the public interest.

Sincerely,

ALEX RADIN,
General Manager.

Mr. President, I want to commend publicly Mr. Alex Radin and his organization, the American Public Power Association, for the clear statement of the association's views on this bill. They are views which, for the most part, I share. I think they are views which should receive the careful reading and attention of the Senate of the United States. I think they are views which for the most part should be enacted by way of amendments to this bill; and I shall continue to do what I can to secure the enactment of such amendments.

Now, Mr. President, I want to read into the RECORD a telegram I have received from Mr. J. E. Smith, president, for the board of directors of the National Rural Electric Cooperative Association. This, too, may have been used by other speakers. It cannot be used too much. It cannot be repeated too often. Here are the grassroots of America again being heard from. Here is the telegram, dated July 21:

By resolution passed unanimously at a meeting of the Board of Directors of the National Rural Electric Cooperative Association at Wausau, Wis., July 21, 1954, the following message is sent to all Members of the Congress:

"It is our firm belief that the atomic energy program, developed with the people's funds to the extent of $12 billion, is a part of the public domain as much as public lands, the navigable rivers and other resources long considered to be the people's property. We feel most strongly that this is the basic premise which should guide the Congress in the consideration of S. 3690 and H. R. 9757.

"We commend those Members of the Senate who have courageously set forward the issues in S. 3690 and urge the continuation of debate until all issues are clarified and the bill satisfactorily amended.

"We urge that the licensing provisions and procedures be brought into line by appropriate amendments to make such licensing subject to the same safeguards applicable to water resources under the Federal Power Act. This includes public notice to interested parties, public hearings, and preference to public bodies and cooperatives on all licenses for the construction, operation and fueling of atomic establishments for the production of electric power.

"We oppose the granting of private patents on discoveries made with Government funds, in the past or the future, directly or indirectly, and we urge compulsory licensing of all patents affecting the use of this great resource. No private monopoly should be permitted to jeopardize the domestic welfare and national security.

"We urge that preference in the purchase of electric energy generated as a byproduct of the atomic energy program be given to public bodies and cooperatives. Section 44 should be so amended.

"We urge amendment of the bills to empower the Atomic Energy Commission to construct and operate or license any other Federal agency to construct and operate electric generating facilities, and that preference in the purchase of electricity generated in such facilities be given to public bodies and cooperatives.

"We deplore the attempt to use the Atomic Energy Commission to open the way for invasion of TVA by the private power companies via the so-called Dixon-Yates contract, and we urge both Houses to amend the Atomic Energy Act to specifically forbid the signing of such contracts.

"We urge the Congress to recognize the vital importance of this wholesale revision of the Atomic Energy Act; that the Congress recognize that S. 3690 and H. R. 9757 are primarily electric power bills, and that the rights of the people to the full benefits of their investments of $12 billion be recognized and safeguarded against monopolistic restraints and exploitation, through licenses, patents, subsidies for atomic fuel and any and all other devices."

J. E. SMITH, *President*
(For the Board of Directors of National Rural Electric Cooperative Association).

Mr. President, I also want to commend publicly Mr. Smith and the association. I want to commend the REA's throughout the country. I want to commend the membership of the REA's throughout the country for the valiant support they have given in the past, as they are giving it today, to those who have fought in the Congress of the United States to protect the public interest in the natural resources of the country.

It is a hard fight. I have said elsewhere, and I repeat here, I suppose it is a fight that is never won, but it is a fight that we must never permit to be lost. It is a fight we must keep alive, Mr. President. We must never retreat on this issue, because what we are fighting for is really to protect the people's property in the natural resources of the country; and that has been the record of the REA. I was deeply moved by the telegram from Smith, because I think it is a very concise and clear analysis of some of the major deficiencies of this bill, and I consider it to be of imperative importance that we proceed with amendments which will correct the defects and shortcomings that both Smith and Alex Radin, representing those two great organizations, have pointed out.

Mr. President, my attention has just been called to a very interesting paragraph under the heading in today's New York Times "Highlights of News Parley":

Atomic Energy Commission: He did not know that 3 of the 5 members had opposed the signing of the private power contracts he had ordered; besides he did not believe the Commission was independent in the sense that the ICC or FCC was.

It is an interesting statement. Of course, I would respectfully make a suggestion or two. I would suggest that that is all the more reason why we should not be having so-called "official spokesmen" of the Atomic Energy Commission; and the President had better familiarize himself with the five spokesmen of the Atomic Energy Commission, who, under the law as it now exists—and I hope we keep it that way—have equal responsibility in exercising jurisdiction over policy formation in the field of atomic-energy development.

I am quite surprised at what I am sure is common public knowledge, that three members of the Commission did not approve the Dixon-Yates contract, and that that fact was unknown to the President of the United States. I think he ought to get some new advisers. He ought to find out why that barrier is apparently maintained between himself and the news. He ought to be told these things, and I think somebody should hang his head in regret to let the President of the United States get into a news conference and have a question put to him such as Doris Fleeson is reported in the newspaper to have put to him, and that he made such a response as he did, showing such a lack of information and knowledge of something that is common knowledge to the public generally.

The item in the New York Times, in part reads:

DORIS FLEESON of the United Features. Mr. President, one of the major points in the debate on the Atomic Energy Commission-TVA contract today arose out of testimony before the Joint Committee on Atomic Energy that three Commissioners of the Atomic Energy Commission opposed signing the contract.

Therefore, the Senators are arguing the question of whether the President has the power to order independent agencies to take action that their administrators or a commission majority oppose. Would you discuss your attitude toward that problem?

Answer. Well, he was not going to discuss it very greatly, very obviously. He had an Attorney General and, when there was a matter of legality arose, why, he had to be governed by what the legal staff of that office decided was correct, because, they would remember this:

It wasn't always a matter of taking authority in these cases, it was a matter of somebody exercising responsibility, and someone had to do it. And, frequently, he supposed lots of people would like to get out of exercising responsibility, but you had to do it when the chips were down.

Now, in this one, she was telling him things and she was giving him a premise that he didn't know existed. But he would say this:

The Atomic Energy Commission, he did not believe, was an independent commission in the sense that the ICC or FCC was. It was something that he was compelled to take action on and over which to exercise supervision.

I shall leave it to the reader to determine how responsive that was. It was responsive enough, and only enough, to show that the President did not know the facts; and when he talks about responsibility, in his answer to the question, he had better find out who was responsible for letting him, in that press conference, disclose such gross ignorance of what the Atomic Energy Commission had decided in regard to the contract. That kind of lack of knowledge, Mr. President, at the White House level, frightens me. Would anybody think that is safe for democracy? Why then, Mr. President, talk about not checking the President?

Talk about not writing into the bill a provision that will prevent him from ordering the signing of a contract, when apparently he did not know that 3 out of the 5 Commissioners thought it would be very unsound public policy. In fact, Mr. President, there is very serious question whether the legal authority to do that exists.

Mr. President——

The PRESIDING OFFICER (Mr. BENNETT in the chair). The Senator from Oregon has the floor.

Mr. MORSE. Mr. President, I should like to see the opinion of the Attorney General, to which I referred earlier this morning, which—if it exists—apparently came into existence subsequent to the Attorney General's appearance on the Meet-the-Press program some days ago, because, judging from his remarks on that program, he had not then been apprised of this situation.

But the remarks credited to the President would seem to indicate that the President felt that he had at that time an opinion of the Attorney General. If so, I should like to see it.

Mr. President, I try to be a good soldier. My associates in the ranks and my superior officers—all of us being together in this battle—have told me there is much ammunition ready for the batteries and there are many gunners ready to shoot. So in a short time I

shall yield, under orders. I shall do so reluctantly, because I feel in fine shape. I suggested to them, in whispered conversation, "You had better let me continue for a while." But they expressed a desire to use me later in the fray. Mr. President, they need not worry about that, for I could continue now and could still take part in the fray, later on.

But, Mr. President, I am about to yield the floor, although at this time I wish to point out some of the things I shall discuss before the debate is over.

I shall discuss some of the tax features of the bill.

Mr. President, I am glad to see my friend, the Senator from South Carolina [Mr. JOHNSTON] enter the Chamber. Earlier in the day I talked about the enlistment in the people's cause in this fight, and I am proud to be a soldier in the ranks, with the Senator from South Carolina. In connection with these great issues of protecting the people's interest in the natural resources, I always find that at all times he is ready and willing to stand up and be counted and to fight, using every parliamentary means at his disposal, to protect the interests of the people.

So I am delighted to see him in the Chamber. I have a little "Dutch uncle" advice to give him: Let us repair to some spot for refreshment and repose, while our cohorts bring up their battalions, and inform the American people what they are about to lose if this bill passes; and then the Senator from South Carolina and I will return, in the wee hours of the morning, and beat the robins to it.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. MORSE. Oh, Mr. President, I cannot yield, except for a question.

Mr. JOHNSTON of South Carolina. Mr. President, is it not true that both the Senator from Oregon and I can be back here this evening—and is this not especially true of him, inasmuch as I feel very fresh this morning, and quite "ready to go"—and then can continue to carry the fight into the night and on into the future?

Mr. MORSE. Oh, Mr. President, there is something stimulating about staying here late at night and in the middle of the night and early in the morning, and fighting for the people's cause—even though almost alone, sometimes. But as one stands here, he can just imagine the spirits of great liberals who fought this battle more effectively than the Senator from South Carolina and I, in our feeble way, can ever fight it; but they fought it and they made a record which we cannot justify walking out on. We must stand here firm, and must support the record of such great liberals as La Follette, Norris, Borah, Johnson, and the many others.

As I said earlier today, I know the Senator from South Carolina agrees with me that here are a couple of soldiers that the generalship in this battle can count on to the very last—and let me say we do not drop very easily, either.

Mr. President, I see my friend, the Senator from Georgia [Mr. RUSSELL] now on the floor. He may be surprised to find the situation such that he may wish to come in and help defend the right of the Senate of the United States to use the parliamentary rules to protect the people, so long as those rules remain unchanged on the statute books.

My friend, the Senator from Georgia, and I disagree on how the rules should be changed so a minority can be protected. But so long as the rules we now have remain on the books—for the various reasons I set forth earlier in my speech today—I intend to use them; and I do not intend to fly under any false colors, as regards what I am doing. On the contrary, I have sent to the desk my resolution on filibusters, although I do not expect to have it taken up. As Senators will recall, it was not taken up during the tidelands debate, either. But until it is taken up and until some such resolution is adopted, we shall stand shoulder to shoulder, protecting the people's interest in the domain that belongs to the people, including the public power domain.

I know that my good friend, the Senator from Georgia, is just aching to participate in the debate, being the master of filibustering in the Senate that he is. In fact, I do not think there is a keener technician, strategist, and scholar of filibustering in the Senate than the great junior Senator from Georgia [Mr. RUSSELL]. He knows this field of action so well, that he knows that if his urge to say something is allowed to materialize while I have the floor, it can occur only when I yield to him for a question—and only for a question. In fact, Mr. President, he taught me that lesson when I came here some 9 years ago. [Laughter.]

I think I learned well under the tutelage of the Senator from Georgia, because one would have to be an impossible student not to learn under the tutelage of the Senator from Georgia, who is so keen in the matter of parliamentary battles—so keen, in fact, that I wish to express to him publicly my appreciation for his tutorship and for the great lessons he taught me. He taught me, Mr. President; and I have learned much at his feet; and I have no doubt that I shall learn more from him now, if we wishes me to yield for a question.

Mr. RUSSELL. Mr. President, will the Senator yield for a question?

Mr. MORSE. Yes; for a question only.

Mr. RUSSELL. I wish to ask the Senator from Oregon whether he realizes that, of course, everyone thoroughly appreciates compliments?

But I wish particularly to ask the Senator from Oregon whether he realizes that my views on this matter are somewhat different from his, in that he utilizes something of which he disapproves, whereas, insofar as the junior Senator from Georgia is concerned, he believes in the right of unlimited debate under any circumstances, regardless of whether he may agree with the thesis of those who have the floor.

Mr. MORSE. You see, Mr. President, the only difference between the junior Senator from Georgia and myself is that I am more selective than he; that is all.

Mr. RUSSELL. Mr. President, I should like to ask the Senator from Oregon another question, if he will yield.

Mr. MORSE. I yield for a question, Mr. President.

Mr. RUSSELL. Going to the last analysis, does the Senator from Oregon think that if there were a State which had no law against murder, that would justifying a person in killing 2 or 3 other persons—until the State could pass a law against murder?

Mr. MORSE. Oh, no. But I would call that a surprisingly false analogy, for an intellect as keen as that of the Senator from Georgia to use on me, by way of a rebuttal reference.

Mr. RUSSELL. Does not the Senator from Oregon know that what I am trying to do is to get him firmly on my side of this question, where he will grant that the Senate of the United States is the last bulwark of the liberties of the American people, and that there should not be gag rule in the Senate of the United States?

Mr. MORSE. Oh, I am unalterably opposed to gag rule. So in my resolution, I propose that there be 96 hours of debate after a cloture petition has been filed. That is a very long time for debate. So my friend, the Senator from Georgia, and I differ in respect to degree.

But, Mr. President, perhaps some Senator would like to move that the unfinished be laid aside, and that the Senate may proceed to consider my resolution. If any Senator would care to make such a motion, I would be delighted to discuss for some time with my friend, the Senator from Georgia, what I think are the advantages and superiorities of my resolution over the present cloture rule.

Mr. RUSSELL. Mr. President, will the Senator from Oregon yield for another question?

Mr. MORSE. Yes; for another question.

Mr. RUSSELL. I should like to ask the Senator from Oregon how many Senators could speak, under his rule, if all of them wished to express themselves at as great length as the Senator from Oregon is capable of doing—and in which I support him, let me say. Is it not true that it would not be possible for more than approximately three Members of the Senate to speak after the petition for cloture was filed, under such an arrangement?

Mr. MORSE. Of course, I may say to the Senator from Georgia that I am rather realistic about that. There are not very many Members of the Senate like us. [Laughter.] So I think we would have plenty of time.

Mr. RUSSELL. I should like to ask the Senator from Oregon whether, of course, that prediction is based on the premise that the Senator from Oregon decided to speak first? [Laughter.] Otherwise, I would have difficulty in obtaining an opportunity to speak.

Mr. MORSE. I am sure I would express the point of view of the Senator from Georgia if I were to speak first, and thus I would save his energy. And I should like to do that at times, here in the Senate, except in the parliamentary procedure battle.

But in the present case I wish to save his energy. I hope he will go into meditation with himself, today; and if he does, I think I can hear him say to

himself, "I must come to the aid of those fellows, because, after all, a very important principle is at stake here."

And let me say that the generals—either General GORE or General HILL—will accept at any time the enlistment of the Senator from Georgia, for the recruiting office is open; and what a great strengthening of the army that would be. [Laughter.]

Mr. President, in closing I wish to say that I see a great conservationist on the floor of the Senate; I see a great American; I see a great statesman; I see one of the giants among the liberal force—the great JIM MURRAY, of Montana. I have not yet had a chance to congratulate him publicly on the great victory he has just won in the primary contest in the State of Montana. I now wish to congratulate him; and I desire to point out that on just such issues as the one on which we are fighting this fight, the Senator from Montana, before some of us even thought of entering American politics—certainly that is true of this speaker—was marching up and down Montana, fighting to protect the people's interest in the great natural resources of the country. His is a magnificent record, in keeping with the spirit and objectives of the great Norris. So I wish to say publicly to JIM MURRAY that I am greatly indebted to him for the inspiration he has given me in our various natural-resource fights in the Senate, and for the leadership he has given our cause. It is my sincere hope that, come November, he will be returned to the Senate of the United States by the largest majority the people of Montana ever gave a Senatorial candidate in all the history of that State.

Well, Mr. President, I am through for the time being, with these few volleys. Later, I think we shall have to use some atomic weapons. [Laughter.] But we will be ready.

I say now, Mr. President—not facetiously, but seriously—that it is important that the American people wake up, before it is too late, to the losses they will suffer if this bill in its present form should pass.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Ervin	Kilgore
Anderson	Ferguson	Knowland
Barrett	Flanders	Kuchel
Beall	Frear	Langer
Bennett	Fulbright	Lehman
Bowring	George	Lennon
Bricker	Gillette	Long
Bridges	Goldwater	Magnuson
Burke	Gore	Malone
Bush	Green	Mansfield
Butler	Hayden	Martin
Byrd	Hendrickson	Maybank
Capehart	Hennings	McCarran
Carlson	Hickenlooper	McCarthy
Case	Hill	Millikin
Chavez	Holland	Monroney
Clements	Humphrey	Morse
Cooper	Ives	Mundt
Cordon	Jackson	Murray
Crippa	Jenner	Neely
Daniel	Johnson, Colo.	Pastore
Dirksen	Johnson, Tex.	Payne
Douglas	Johnston, S. C.	Potter
Duff	Kefauver	Purtell
Dworshak	Kennedy	Reynolds
Eastland	Kerr	Robertson
Russell	Smith, N. J.	Upton
Saltonstall	Sparkman	Watkins
Schoeppel	Stennis	Wiley
Smathers	Symington	Williams
Smith, Maine	Thye	Young

Mr. SALTONSTALL. I announce that the Senator from Idaho [Mr. WELKER] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER] and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 19, 1954:

S. 268. An act for the relief of Harold Trevor Colbourn;

S. 1050. An act for the relief of Josephine Maria Riss Fang;

S. 1796. An act to incorporate the Board for Fundamental Education;

S. 2468. An act to authorize the President to appoint to the grade of general in the Army of the United States those officers who, in grade of lieutenant general, during World War II commanded the Army Ground Forces, commanded an Army, commanded Army forces which included a field army and supporting units, or commanded United States forces in China and served as chief of staff to Generalissimo Chiang Kai-shek in the China Theater of Operations, and for other purposes; and

S. 3196. An act for the relief of Dr. Helen Maria Roberts (Helen Maria Rebalska).

On July 20, 1954:

S. 1303. An act to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship by voting in a political election or plebiscite held in occupied Japan.

On July 22, 1954:

S. 3605. An act to abolish the offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under Secretary for Monetary Affairs and an additional Assistant Secretary in the Treasury Department.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 2380. An act to amend the Mineral Leasing Act of February 25, 1920, as amended; and

S. 2381. An act to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6393. An act granting the consent and approval of Congress to an interstate forest fire protection compact;

H. R. 7130. An act to amend the Immigration and Nationality Act to provide for the loss of nationality of persons convicted of certain crimes;

H. R. 8180. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers, sailors, and airmen of the United States;

H. R. 8658. An act to amend title 18, United States Code, to provide for the punishment of persons who jump bail;

H. R. 9020. An act to provide increases in the monthly rates of compensation payable to certain veterans and their dependents;

H. R. 9804. An act to authorize the appointment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes; and

H. R. 9888. An act to amend the laws granting education and training benefits to certain veterans to extend the period during which such benefits may be offered.

The message further announced that the House had agreed to the following concurrent resolution (H. Con. Res. 258) to extend the greetings and felicitations of Congress to Hon. Herbert Hoover on the 80th anniversary of his birth, August 10, 1954, in which it requested the concurrence of the Senate:

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States hereby extends to the Honorable Herbert Hoover its greetings and felicitations on the 80th anniversary of his birth, August 10, 1954.

SEC. 2. The Congress expresses its admiration and gratitude to Mr. Hoover for his long years of devoted service to his native land and to the world in general in many different capacities.

SEC. 3. The Congress is especially appreciative of his willingness to accept cheerfully the heavy burden of serving as Chairman of the second Commission on Organization of the Executive Branch of the Government, which is an arm of the Congress, in order to complete the work so well begun a few years ago by a similar commission under his chairmanship.

SEC. 4. The Congress expresses the hope and desire that Divine Providence may permit Herber Hoover to be spared to give many more productive years of honored service to humanity and to his beloved country.

SEC. 5. A copy of this resolution shall be transmitted to America's elder statesman, the Honorable Herbert Hoover.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H. R. 4854. An act to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division of the Chief Joseph Dam project, Washington;

H. R. 7434. An act to establish a National Advisory Committee on Education;

H. R. 7601. An act to provide for a White House Conference on Education;

H. R. 8571. An act to authorize the construction of naval vessels, and for other purposes;

H. R. 9040. An act to authorize cooperative research in education; and

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SALARY OF COMMISSIONER OF PATENTS

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to fix the salary of the Commissioner of Patents, and for other purposes (with accompanying papers); to the Committee on Post Office and Civil Service.

REPORT ON NUMBER OF PROFESSORS AND INSTRUCTORS AT UNITED STATES NAVAL POSTGRADUATE SCHOOL

A letter from the Under Secretary of the Navy, reporting, pursuant to law, on the number of professors and instructors employed at the United States Naval Postgraduate School, together with the amount of their compensation; to the Committee on Armed Services.

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a confidential report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of May 1954 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON TORT CLAIMS PAID BY POST OFFICE DEPARTMENT

A letter from the Deputy Postmaster General, transmitting pursuant to law, a report on tort claims paid by the Post Office Department during the fiscal year 1954 (with accompanying papers); to the Committee on the Judiciary.

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by the Board of Supervisors, Los Angeles County, Calif., favoring the enactment of Senate bill 3594 and House bill 9538, to protect the rights of vessels of the United States on the high seas and in territorial waters of foreign countries, which was referred to the Committee on Interstate and Foreign Commerce.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. CORDON, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 4690. A bill to provide for the erection of appropriate markers in national cemeteries to honor the memory of members of the Armed Forces missing in action (Rept. No. 1970).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEHMAN:

S. 3786. A bill for the relief of Taghi Mirsepassi, Heshmatol-Molouk Philsouf Mirsepassi, and Khadidje S. Mirsepassi; to the Committee on the Judiciary.

By Mr. FREAR:

S. 3787. A bill to provide that the daily ration of personnel in the Army, Navy, Marine Corps, Air Force, and Coast Guard shall include at least one quart of milk per day, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. FREAR when he introduced the above bill, which appear under a separate heading.)

By Mr. BURKE:

S. 3788. A bill for the relief of Robert Domm Woods; to the Committee on the Judiciary.

By Mr. FERGUSON:

S. 3789. A bill for the relief of Susanne Fellner; to the Committee on the Judiciary.

By Mr. NEELY:

S. 3790. A bill to provide grants to municipalities in those States which are parties to the Ohio River Valley Sanitation Compact to aid in the construction of sewage treatment works to prevent pollution of waters in the Ohio River basin; and

S. 3791. A bill to amend the Water Pollution Control Act; to the Committee on Public Works.

By Mr. DOUGLAS:

S. 3792. A bill for the relief of Giuseppe Airo-Farulla and Joseph Antoine Airo-Farulla; and

S. 3793. A bill for the relief of Angelo Spiros Phillippas (George A. Phillips) and Loula Spiros Phillippas (Lola Phillips); to the Committee on the Judiciary.

By Mr. McCARTHY:

S. 3794. A bill to provide for the termination of Government operations which are in competition with private enterprise; to the Committee on Government Operations.

INCREASED RATION OF MILK FOR MEMBERS OF ARMED FORCES

Mr. FREAR. Mr. President, I introduce for appropriate reference a bill to provide that the daily ration of personnel in the Army, Navy, Marine Corps, Air Force, and Coast Guard shall include at least one quart of milk per day, and for other purposes. Because of the time element, I will seek a more appropriate opportunity to explain the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3787) to provide that the daily ration of personnel in the Army, Navy, Marine Corps, Air Force, and Coast Guard shall include at least one quart of milk per day, and for other purposes, introduced by Mr. FREAR, was received, read twice by its title, and referred to the Committee on Armed Services.

MUTUAL SECURITY ACT OF 1954—AMENDMENT

Mr. SMATHERS submitted an amendment intended to be proposed by him to the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, which was ordered to lie on the table and to be printed.

REVISION OF THE ATOMIC ENERGY ACT OF 1946—AMENDMENTS

Mr. MORSE submitted an amendment intended to be proposed by him to the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted amendments intended to be proposed by him to Senate bill 3690, supra, which were ordered to lie on the table and to be printed.

Mr. ANDERSON submitted an amendment intended to be proposed by him to Senate bill 3690, supra, which was ordered to lie on the table and to be printed.

CONTROL OF LAKE LEVEL OF LAKE MICHIGAN

Mr. FERGUSON submitted an amendment intended to be proposed by him to the bill (H. R. 3300) to authorize the State of Illinois and the Sanitary District of Chicago, under the direction of the Secretary of the Army, to help control the lake level of Lake Michigan by diverting water from Lake Michigan into the Illinois waterway, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred as indicated:

H. R. 6393. An act granting the consent and approval of Congress to an interstate forest-fire protection compact; to the Committee on Agriculture and Forestry.

H. R. 7130. An act to amend the Immigration and Nationality Act to provide for the loss of nationality of persons convicted of certain crimes;

H. R. 8658. An act to amend title 18, United States Code, to provide for the punishment of persons who jump bail; and

H. R. 9804. An act to authorize the appointment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes; to the Committee on the Judiciary.

H. R. 8180. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers, sailors, and airmen of the United States; and

H. R. 9888. An act to amend the laws granting education and training benefits to certain veterans to extend the period during which such benefits may be offered; to the Committee on Labor and Public Welfare.

H. R. 9020. An act to provide increases in the monthly rates of compensation payable to certain veterans and their dependents; to the Committee on Finance.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nomination this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. WATKINS, from the Committee on the Judiciary:

David John Wilson, of Utah, to be judge of the United States Customs Court, vice William P. Cole, Jr., elevated.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. SALTONSTALL. Mr. President, as in executive session, from the Committee on Armed Services I report favorably approximately 2,400 routine nominations of officers in the Navy and Marine Corps.

In order to save the expense of printing on the Executive Calendar of this large number of names, which have already appeared once in the CONGRESSIONAL RECORD, it is requested that these nominations be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and the nominations will be received and will lie on the desk.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DUFF:

Statement prepared by him on the men's apparel industry of Philadelphia.

EMERGENCY SCHOOL CONSTRUCTION—TELEGRAM

Mr. WILEY. Mr. President, I believe that my colleagues have received, as I have, a significant telegram from a number of distinguished American organizations on behalf of the emergency school contruction bill which was reported by the Senate Labor Committee.

I may say that I have received similar welcome messages from a considerable number of educators in my State, from the Milwaukee County Teachers Association, from superintendents of schools in the various counties, and from many other groups.

I earnestly trust that, although the hour is late in this 2d session of the 83d Congress, that it will be feasible for both Chambers to complete final action on this proposed legislation.

I ask unanimous consent that the telegram from these leading American groups, to which I have referred, be printed in the body of the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 21, 1954.*

Senator ALEXANDER WILEY,
United States Senate,
Washington D. C.:

Following is the text of telegram sent today to President Eisenhower:

"The people of the United States possess no more precious national treasure than the children enrolled in our schools. To safeguard this resource and to meet the demands of increasing enrollments and rising birth rates, our schools must have more classrooms. We believe that emergency funds should be provided to States and localities whose educational needs far surpass their available fiscal resources. For this reason we respectfully urge you to request Congress to give favorable consideration to emergency public school construction bills introduced by Senator COOPER and 10 other Senators and by Representative FRELINGHUYSEN. Letter follows requesting personal interview with group representing the signers of this message.

"American Association of School Administrators; American Association of University Women; American Federation of Teachers; American Library Association; American Parents Committee; American Vocational Association; Congress of Industrial Organizations; Cooperative League of the United States of America; Council of Chief State School Officers; Department of Classroom Teachers, NEA; Department of Rural Education, NEA; Friends Committee on National Legislation; Jewish War Veterans of the United States; National Association of Secondary School Principals; National Congress of Parents and Teachers; National Council of Jewish Women; National Education Association; National Grange; National Jewish Welfare Board; Order of Railway Conductors."

J. L. MCCASKILL,
Director, Division of Legislation and Federal Relations, National Education Association.

LOCAL-SERVICE AIRLINES

Mr. WILEY. Mr. President, a most important piece of legislation passed the House this week, and will soon be considered by the Senate. I refer to H. R. 8898, providing for the issuance of permanent certificates to local-service airlines.

In this connection, I send to the desk the text of a brief statement I have made on this subject. I append the text of a letter which I had received from T. K. Jordan, director of the State aeronautics commission at Madison, and a telegram from Brad Taylor, chairman of the aeronautics committee, department of Wisconsin, American Legion, urging support of the legislation.

I ask unanimous consent that the statement and the appended letter and telegram be printed at this point in the RECORD.

There being no objection, the statement, letter, and telegram were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Among those who contribute greatly to the advancement of American aviation are the local-service airlines.

Since the beginning of their operations, shortly after World War II, the local-service airlines have made tremendous progress and have achieved an enviable record.

Today there are 14 of them servicing 440 communities in the United States. Of the 440 communities, 260 are serviced by the airlines exclusively. They employ approximately 1,000 trained pilots, and operate 150 twin-engined aircraft.

Within the past 5 years the local-service airlines have increased the number of paying passengers from 425,000 in 1948 to 2,000,000 paying passengers in 1953. The commercial revenues of the airlines in 1948 were only $5 million. Today they number $24.3 million. The volume of airmail handled by the local carriers has increased from 361,000 airmail-ton miles in 1948 to 976,000 airmail-ton miles in 1953—almost a threefold increase.

I am proud that 2 of the 14 local carriers give service to my State of Wisconsin, 1 of them directly servicing 13 communities. Last year this carrier served approximately 176,575 passengers and handled over 2½ million pounds of mail and express.

Forty percent of the area of Wisconsin is within 25 miles of scheduled local air service, and it is estimated that 80 to 90 percent of the State's population is within an hour's easy drive of local air service.

When local-service airlines were first authorized to operate, the Civil Aeronautics Board considered it only an experimental venture, and granted to the airlines only temporary certificates. The purpose of this was so that the Board could better determine which areas wanted and would support air transportation services.

The local airlines, however, have experienced great difficulty in securing adequate financing because of the temporary nature of their operating authority. As a result it was difficult to effectuate substantial reduction in operation costs. Needed improvements were deferred and the regularity of service was interferred with.

It has therefore become necessary for us to assure the local service airlines some degree of permanence in their operations. For that reason the House passed H. R. 8898, which bill will soon be considered by the Senate.

The legislation has for its purpose the requiring of the issuance of permanent certificates to these 14 local-service airlines to enable them to continue providing air service to the small communities of this country.

The experimental period for these airlines is over. They have definitely demonstrated their usefulness to the public. They are now an important mode of transportation in the progress of our Nation's aviation.

Enactment of this legislation will put the local service airlines on a more stable and steady footing.

It will contribute greatly to their financial stability, uplift their morale and encourage the citizens of the communities which they serve to really get behind them. The airlines will be an increased asset to the well-being of this Nation.

THE STATE OF WISCONSIN,
STATE AERONAUTICS COMMISSION,
Madison, July 21, 1954.

Re bill S. 3759

The Honorable ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: The State of Wisconsin and many of its communities are vitally interested in favorable consideration by the Senate of the subject bill. The bill proposes that permanent certificates of public convenience and necessity be issued to the 14 local service airlines presently operating in the country under temporary certificates.

Wisconsin is served by two local service airline carriers—North Central Airlines (formerly Wisconsin Central Airlines) and Ozark Air Lines. Attached is a map showing the extent of the service rendered by the two-above-mentioned local service carriers. From a standpoint of service, approximately 40 percent of the area of Wisconsin is within 25 miles of local air service, and between 80 percent and 90 percent of our population is within an easy hour's driving range of such service.

North Central Airlines, presently serving 13 Wisconsin communities, inaugurated service in 1948, and has made a remarkable growth in spite of numerous handicaps since that time. In 1953 Wisconsin communities on North Central (directly served) produced 85,494 passengers, 640,749 pounds of mail, 875,528 pounds of express, and received 91,081 inbound passengers, 364,780 pounds of inbound mail, and 673,317 pounds of inbound express.

Ozark Air Lines has been serving the State about a year and is developing substantial traffic out of Milwaukee, but I do not have figures readily at hand concerning the exact amount at this time, but the traffic is sub-

stantial. Ozark Air Lines connects with many important Illinois cities and St. Louis, Mo., on a route running southwest out of Milwaukee via Rockford, Ill.

All points served by both carriers are important agricultural, recreational, and industrial centers, to which air transportation is of vital importance to our State and Nation. In addition, from a military standpoint, local air service at La Crosse, Wis., benefits Camp McCoy, 25 miles away, and the local air service at Madison is of material value to Truax Field. So is the local air service at Milwaukee and Duluth, Minn., helpful to the National Guard and Air Defense Command at these places.

The present temporary certificates introduce elements of uncertainty that are annoying and expensive and unnecessary handicaps to both the local service carriers and the communities alike.

All of the airports on which the local service carriers operate in Wisconsin are owned by local municipalities. These airports have a value in excess of $20 million. To keep these airports in condition to meet the future traffic needs requires long-range planning and improvements, and the uncertainties introduced by the local carrier's temporary certificates make it very difficult, if not impossible in some cases, to carry out such projects.

Because of the vital importance of local air service to the communities and to the State, the communities and the State feel compelled to become parties to Civil Aeronautics Board certificate renewal cases, to be sure that our interests are properly represented and recognized and that we do not suffer by default. This action is expensive, costing many thousands of dollars and taking months of time on the part of communities and the State of Wisconsin, to prove and reprove already established facts.

From the local carriers' standpoint, temporary certificates make it difficult to finance operations, contract for housing and services on a long-range basis, and do business with the public and the communities they serve in an orderly and businesslike manner.

North Central's certificate is up for renewal in September 1955 and Ozark is presently in process of renewal. We would urge that both be accorded permanent certificates without further expensive and time-consuming investigation and delay, through enactment of S. 3759.

There seems to be a feeling in some quarters that the Government and communities and the States would be better protected by continuing the local service carriers on temporary certificates instead of on permanent certificates. We think that this is definitely a mistake and that all will be better served if the carriers are given permanent certificates and be allowed to go about their business in an orderly and well-planned manner. Routes that have adequate potential to justify service will benefit through permanent certificates and those routes that do not have adequate potential will probably not succeed, no matter what kind of a certificate the carrier might hold.

As far as airmail subsidy is concerned, the attitude toward such expenditures should be exactly the same, whether the carrier certificates are temporary or permanent. Since the proposed legislation provides that permanent certificates will be granted except where the Civil Aeronautics Board determines that such service is inadequate and inefficient, we believe that enactment of S. 3759 will be a sound step forward in the development of air transportation.

Yours very truly,
WISCONSIN STATE AERONAUTICS COMMISSION,
T. K. JORDAN, *Director.*

MADISON, WIS.,
July 18, 1954.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The American Legion, department of Wisconsin, in session in Madison has considered and sincerely feels that bill sponsored by Senators MCCARRAN and BRICKER to grant certificates of unlimited duration to local-service airlines, including North Central Airlines, should have your full attention and support. Best regards from our organization.

BRAD TAYLOR,
Chairman, Aeronautics Committee, Department of Wisconsin American Legion.

PRINTING OF ADDITIONAL COPIES OF HEARINGS RELATIVE TO CONTRIBUTION OF ATOMIC ENERGY TO MEDICINE

Mr. JOHNSON of Texas. Mr. President, late yesterday the distinguished chairman of the Committee on Rules and Administration, the Senator from Indiana [Mr. JENNER], and the distinguished majority leader, the Senator from California [Mr. KNOWLAND], expressed the desire to have the Senate consider House Concurrent Resolution 257, involving the printing of 10,000 additional copies of hearings held by the joint committee, relative to the contribution of atomic energy to medicine. At that time I was unable to discuss the concurrent resolution with members of the appropriate committee.

In response to my request, the chairman of the committee withheld his request for consideration of the concurrent resolution until I was able to contact the Senators concerned. I have now done so, Mr. President, and I wish to express my appreciation to the distinguished chairman for withholding the concurrent resolution. I suggest to him that if it is called up now, I visualize no objection.

Mr. JENNER. Mr. President, I ask unanimous consent that the concurrent resolution (H. Con. Res. 257) may be considered at this time.

The VICE PRESIDENT. The concurrent resolution will be read for the information of the Senate.

The legislative clerk read the concurrent resolution (H. Con. Res. 257), as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Joint Committee on Atomic Energy 10,000 additional copies of the hearings relative to the contribution of atomic energy to medicine, held by the said joint committee during the current Congress.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

TERMINATION OF FEDERAL SUPERVISION OVER PROPERTY OF CERTAIN TRIBES OF INDIANS IN STATE OF UTAH

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2670) to provide for the termination of Federal supervision over the property of certain tribes, bands, and colonies of Indians in the State of Utah and the individual members thereof, and for other purposes, which was, on page 2, strike out lines 5 through 7 inclusive and insert "Tribe."

Mr. WATKINS. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WATKINS, Mr. DWORSHAK, and Mr. ANDERSON conferees on the part of the Senate.

ACTIONS FOR RECOVERY OF CERTAIN TAXES IN DISTRICT COURTS—CONFERENCE REPORT

Mr. McCARRAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its amendments.

PAT MCCARRAN,
ARTHUR V. WATKINS,
HERMAN WELKER,
Managers on the Part of the Senate.
KENNETH B. KEATING,
S. J. CRUMPACKER,
E. E. WILLIS,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. McCARRAN. Mr. President, the bill S. 252 was sponsored by the senior Senator from Georgia [Mr. GEORGE]. Its purpose is to permit all civil actions against the United States, for recovery of taxes erroneously or illegally assessed

or collected, to be brought in the district courts, with right of trial by jury.

At the present time such actions may be brought if the maximum amount involved does not exceed $10,000, but may not be brought if the amount in issue is greater than $10,000. Also, it is possible to bring an action against a former collector of internal revenue, or a director or former director of internal revenue, under the fiction that the action is against him in his individual capacity. The Government defends such actions. However, such an action may be brought only in the jurisdiction in which the defendant resides. Thus, there is no complete and speedy remedy available to the taxpayer in all instances.

At the present time when an action is brought in the district court, under the $10,000 limit, there is no right of trial by jury. There is a right of trial by jury in the action brought against a former collector of internal revenue or a director or former director of internal revenue, in his individual capacity.

The bill of the Senator from Georgia would permit a taxpayer to sue the United States in the district court of the district in which the taxpayer resides, and to have the right of trial by jury in connection with that action, without limitation on the amount involved.

The House amended the bill so as to strike out the provision for the right of trial by jury.

The Senate conferees insisted upon the Senate position, and the conference was deadlocked for more than a year. The House conferees have now receded completely, and the House has approved the conference report, eliminating the House amendment, and reverting to the bill as it was passed by the Senate.

I ask unanimous consent that there may be printed in the RECORD at this point, as a part of my remarks, the statement by the managers on the part of the House, a copy of which I send forward.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE ON THE BILL (S. 252) TO PERMIT ALL CIVIL ACTIONS AGAINST THE UNITED STATES FOR RECOVERY OF TAXES ERRONEOUSLY OR ILLEGALLY ASSESSED OR COLLECTED TO BE BROUGHT IN THE DISTRICT COURTS WITH RIGHT OF TRIAL BY JURY

The Senate bill would permit a taxpayer to sue the United States in the District Court of the District in which the taxpayer resides to recover internal revenue taxes erroneously or illegally assessed or collected, and to have the right of trial by jury.

The House amendment would have stricken from the bill the provisions authorizing a trial by jury in such actions at the request of either party. This amendment was predicated primarily, if not exclusively, upon the historical ground that it would be a departure from long-standing precedents if a jury trial were permitted in an action against the Government itself.

On the same day it amended and passed S. 252, however, the House approved another bill (H. R. 4401) which would permit actions to recover such taxes against former collectors or against directors or former directors of Internal Revenue to be brought in the district of the taxpayer's residence. Inasmuch as jury trials have always been permitted in such actions, and as the Government of the United States defends those suits and pays any judgment entered against the defendant therein, the effect of the enactment of H. R. 4401 would be similar to that of S. 252. That is, each bill would permit actions for the recovery of taxes erroneously or illegally assessed or collected to be brought in the district court of the taxpayer's residence, with right of trial by jury.

The House conferees have concluded that to accomplish this desirable result through continued preservation of the fiction that the action is against an individual (i. e., the director or former director or former collector of Internal Revenue)—rather than against the Government itself—is unwarranted. The conferees believe it to be the better practice to grant taxpayers a direct action against the United States, as the Senate bill provides, without compelling taxpayers to forego the right of trial by jury, which they now can obtain in an action against a former collector or director. While it is most unlikely that juries in such cases are fooled into thinking the defendant collector or director himself is required to pay any such judgment out of his own funds, any legal fiction which might result in placing such an unfair burden upon the taxpayer-plaintiff deserves to be stricken from our law. The House conferees have therefore discarded the reasoning that it would be a harmful precedent to permit jury trials in cases of this class. There appears to be no more danger of excessive jury verdicts in cases where the Government itself is sued than in cases where the collecting officer of the Government is sued. In either case recovery is limited to the amount of taxes erroneously or illegally collected. It is therefore the conclusion of the House conferees that the Senate bill, in granting jury trials in actions of this nature by express statutory provisions rather than by use of a legal fiction, is the more desirable method.

Although the conference committee did not have before it the bill H. R. 4401, in view of the approval given by the House through its action on that bill to the principle of a jury trial in actions by taxpayers to recover income taxes illegally or erroneously collected, the managers on the part of the House feel further justified thereby in acceding to the Senate bill which applies this accepted principle of a jury trial to similar actions authorized therein to be brought against the Government itself.

KENNETH B. KEATING,
S. J. CRUMPACKER,
E. E. WILLIS,
Managers on the Part of the House.

Mr. McCARRAN. I now move, Mr. President, that the Senate approve the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. GORE. Mr. President, I have been waiting in the Capitol throughout the night, and now until 12 o'clock noon, to address the Senate in the most serious way of which I am capable upon the provisions of the pending bill, and particularly in support of the pending amendment.

Perhaps I am a little inclined to think that after I have discussed an amendment it has had adequate debate. I mean that facetiously, of course, but I make the statement only as a preface to saying that insofar as I am concerned I shall be glad to assist in bringing the Johnson amendment to a vote as soon as those who desire to discuss it shall have done so. It is my hope that the amendment may be voted upon before the day ends, and perhaps before the afternoon ends, though I believe we should recognize that there are no "privates" in the United States Senate. The distinguished junior Senator from Oregon indicated that he was a private in this fight. I would say that the junior Senator from Oregon is about as far from being a private, or the bearer of any other title which indicates that he is amenable to direction, as any man who ever served in this body.

So far as I am concerned, my desire is to bring to an issue the amendments as they arise, after debate sufficient to insure that the Senate will act in full recognition of the stupendous issues involved.

As stated in the committee report, the Atomic Energy Act of 1946 was written at the very outset of what has become known as the atomic era. The report further acknowledges that those who participated in the drafting of that law recognized the enormous potential of the atom which was first publicly unleashed at Hiroshima and Nagasaki. At that time, although there was realization of the atom's potential, the Congress was aware of the fact that many factors were unknown. I believe it fair to say that in 1946 the military or defense aspects of the program overshadowed the potential peacetime uses of the atom. Nevertheless, drafters of the law were cognizant of the fact that the program at that early date could not be viewed in its proper perspective. For that reason, they wrote into the law numerous controls designed to safeguard the public interest in this fabulous new resource.

The declaration of policy contained in the 1946 act clearly enunciated the proposition that the public interest would be best served in the initial phases by research and development conducted under Government auspices. It was declared to be the "policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as is practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition and private enterprise, and promoting world peace."

The policy was sound in 1946 and has served us well. It is a sound policy in 1954. The wisdom of the policy is recognized by the drafters of S. 3690. Although they changed a few words, they carried forward the essential elements of the 1946 declaration of policy in their own declaration. The provisions of the 1946 act carried out the provisions of the declaration of policy in that act. However, I have serious doubts that the provisions of S. 3690 will achieve the purposes enunciated in the declaration of policy now before us.

The act of 1946 stated that the significance of the atom bomb for military purposes was at that time evident, but it also stated that the effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of the Nation could not at that time be determined. It was contemplated that when such factors became known, with reasonable certainty, Congress would reexamine the law and make whatever changes are necessary. It was believed that new legislation on the subject would be needed from time to time. The framers of the 1946 act felt that Congress should not attempt to legislate these changes in a vacuum. So section 7 (b) of the 1946 act provided that whenever in the opinion of the Atomic Energy Commission peacetime uses had been sufficiently developed to be of practical value the Commission should prepare a report to the President for transmission to the Congress stating all facts with respect to such new peacetime use. The Commission was directed to give its estimate of the social, political, economic, and international effects of such new developments and to make recommendations for any needed new legislation. It was the idea of the framers of the 1946 act that Congress should not attempt broad changes in this field in the absence of such a report from the Commission. Despite the fact that no such report has been prepared or delivered to the Congress, we here today are attempting to legislate. Moreover, we seem to be in a big hurry about it all. We seem to be operating on the theory that we have got to do something, even if it is wrong.

Mr. President, I appreciate the careful attention of the few Senators who are present in the Chamber. I wish to call attention to the fact that I am undertaking to make a speech on the contents of the bill, and I am anxious to have the attention of my colleagues, in order that I may avail myself to the fullest of the opportunity to bring my convictions to bear, for their consideration upon this important issue.

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield for a question.

Mr. LEHMAN. Did I correctly understand the Senator to say that, even though the Atomic Energy Commission was directed by law to make a report to the President, with recommendations, it has not done so?

Mr. GORE. That is my understanding.

The bill before us apparently assumes that the effect of the use of atomic energy for civilian purposes on the social, economic, and political structures of the Nation can now be determined. Unknown factors have become known, or at least that is the impression we are given. Of course, tremendous strides have been made in atomic research. We have boosted the blasting capacity of the atomic bomb, and we have made the atomic bomb look smaller when compared with the hydrogen bomb. There is no doubt about it—we know how to make war with the atom. But what, Mr. President, do we know about enhancing peace with the atom?

Of course; we know that the atom will have certain applications in the field of medicine. It will prove useful in the field of agriculture, we are sure. It can be a bonanza for some segments of industry, and we are told it will probably revolutionize the electric power industry. Still, Mr. President, we are not yet certain just how widespread these applications will be. We are even more uncertain as to the time when these applications will become practical. Electric energy has already been produced from the atom both directly and indirectly. But much work remains to be done before energy so produced will be competitive with energy generated by conventional means. Even our greatest engineers do not foresee all the ramifications. They do not see the solution for all of the difficulties, but neither do they foresee, perhaps, the great potentialities of this source of energy with which the Senate is now called upon to deal. Those who support the committee bill obviously are of the opinion that the blessings of atomic energy will be available to all almost overnight if only the atom is turned over to private enterprise.

First of all, Mr. President, I question whether the Congress has before it sufficient information upon which to base a judicious decision. Certainly Members of the Congress outside the joint committee have had a minimum of time to assimilate what information is available. Even assuming—and this I do not admit—that the time has arrived for Congress to make an overall revision of the act, I doubt that the bill before us provides adequate safeguards for the public interest.

I am particularly disturbed over those provisions of the pending bill which would liberalize the procedures for granting licenses and patents. I should like to discuss that later, in a brief way.

Mr. MAGNUSON. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. MAGNUSON. Is it not true, that although many of us have suggested that we did not understand all the ramifications, even the members of the joint committee itself, in their own report, told the United States Senate, the Congress, and the people that they did not quite understand the ramifications of this bill?

Mr. GORE. I believe that is fairly to be found in the report, I will answer to my distinguished and able colleague, the senior Senator from Washington.

Since 1946 a majority of the research and development in nuclear fields has been carried on for the Atomic Energy Commission by private enterprise operating under contract. That, Mr. President, is a significant factor that needs to be borne in mind as we consider the licensing and patenting provisions of the pending bill.

By its very nature, atomic research has precluded widespread participation. Only a relatively few, and for the most part large, American corporations have had a major part in the conduct of the atomic energy program. Only those firms possessed of practically unlimited resources, both in money and personnel, have been privileged to take part in this development program. There have been, of course, numerous contractors on cognate problems and functions of the program. As a corollary, only those relatively few corporations with large financial and manpower resources have acquired the know-how which is prerequisite to further devolpment.

Under the committee bill it is contemplated that the Atomic Energy Commission will issue licenses to private firms for development of commercial uses of the atom. The committee bill assumes that since a license may be issued to any person or firm which meets the qualifications set forth in the act, that everyone possesses an equal opportunity to secure a license. Such an assumption ignores the economic facts of life. Such an assumption ignores the development of the atomic program from the effectuation of the 1946 act until now. It is painfully plain that those few corporations which have been privileged to be on the inside on research which has taken place to date, will have a headstart on those not so fortunately situated.

Mr. MAGNUSON. Mr. President, will the Senator yield further at that point?

Mr. GORE. I yield.

Mr. MAGNUSON. What the Senator is saying is correct. It was only recently very apparent at the Hanford atomic energy plant, where they were conducting some of these experiments. There were only two corporations considered in the negotiations, General Electric and Westinghouse; no one else was considered as either capable of or even suggesting going ahead with what we are dealing with here—those two corporations, that is all, in all of the negotiations with the Commission. Those were the only two considered.

Mr. GORE. I thank the Senator for his contribution. That is illustrative.

Mr. PURTELL. Mr. President, may I inquire, is the Senator from Tennessee yielding for a question, or for a statement, in this instance?

Mr. GORE. Mr. President, in reply to my distinguished colleague——

Mr. MAGNUSON. Mr. President, if the Senator will yield, I will ask the Senator whether he knew that.

Mr. GORE. The junior Senator from Tennessee did not know that.

Mr. MAGNUSON. I might say that is correct.

Mr. GORE. And, in reply to my able friend from Connecticut, I wish to say to him that I have been here for 18 hours awaiting an opportunity to address the Senate on the bill. I have no purpose of delaying this speech. I feel burdened with the responsibility of the office of United States Senator, and I consider this to be the most important bill with which the Senate has dealt since I have been privileged to be a Member of it. I trust, then, that the Senator from Connecticut is not going to be extreme; and I trust that, under those circumstances, the Senator is not going to be unreasonable, when a colleague, who is genuinely interested in this bill, rises to make a contribution. The junior Senator from Tennessee, I may say, has not resorted to a great many parliamentary maneuvers which are available. The junior

Senator from Tennessee is a graduate of the so-called Sam Rayburn school, at the other end of the Capitol, where the parliamentary rules are far more complicated than the ones which apply in this body. Were a contest to arise on parliamentary stringencies, there are many devices to which resort could be taken. I trust that we can discuss the pending bill with sufficient freedom that Members of the Senate may have reasonable opportunity to make contributions to its discussion and consideration.

Mr. LEHMAN. Mr. President, will the Senator from Tennessee yield for a question?

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Tennessee yield to the Senator from New York?

Mr. GORE. I yield for a question.

Mr. LEHMAN. Will not the Senator from Tennessee agree with me that there has been a very definite effort—as shown, I think, by the distinguished Senator from Connecticut—to handicap a free, honest, broad discussion of this question?

Mr. GORE. I hope the junior Senator from New York will excuse me if I do not reply directly to that question. I hope I shall not contribute to that kind of consideration.

Mr. President, it is painfully plain, as has been illustrated by the example cited by the senior Senator from Washington [Mr. MAGNUSON], that the few corporations which have been privileged, under contract, to conduct this vast and important program, will be at a distinct point of advantage. I do not say that by way of indictment of these companies. In fact, I believe these companies have contributed well and patriotically. Some of them have done so with little compensation. But I fear that unless we clothe these licensing and patenting provisions with proper safeguards, the compensation of those companies for involvement in this program may well become unconscionable. A few corporations which, in large part, have carried forward this great program, already have the know-how; they have a monopoly on the know-how. They have built up contacts with others who have the know-how. If we open the door to everyone—as the pending bill does—and if we do not provide further safeguards, then where is the equality of treatment?

The bill contains practically no provisions to insure that those now in on the ground floor will not exploit their advantage, to the disadvantage of others who may seek to enter the field later. In addition, there is a paucity of safeguard for the interest of the general public. We might as well accept the fact that when we speak of commercial uses of atomic energy at this time, we are talking about the generation of electric power. It seems to me inescapable that we must consider this matter in the light of its effect upon Federal power policy that has been developed over the years. To me, one of the paradoxes of this bill is that the Federal Government is practically foreclosed from use of the atom for developing electric energy. The Atomic Energy Commission itself is severely restricted in this respect. The AEC is the biggest single consumer of electricity in the world. It is expected to use some 5 million kilowatts a year in the future. Its consumption may reach the astounding total of 10 percent of all the electricity consumed in the United States. Mr. President, I wish to repeat that statement, for the sake of emphasis: This one undertaking may consume 10 percent of all the electricity consumed in the entire Nation.

In view of these prospective needs, I am at a loss to understand why the AEC, or any other governmental agency, should be limited to byproduct power, only in the production of electric power from atomic energy.

Mr. President, does the distinguished senior Senator from Washington [Mr. MAGNUSON] understand why the agency which may use 10 percent of all the power consumed in the Nation, and the agency which has control of atomic development, is prohibited by the pending bill from the generation of electricity in commercial quantities, even for its own use?

Mr. MAGNUSON. Mr. President, if the Senator from Tennessee will yield at this point, let me say I do not know that I quite understand. But I think I have a rough idea why. It is the same old story of trying to create an atmosphere for probably the biggest monopoly of all time.

Mr. LEHMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York rise to ask a question?

Mr. LEHMAN. Yes, Mr. President.

Will the Senator from Tennessee yield for a question?

Mr. GORE. I yield to the Senator from New York for a question.

Mr. LEHMAN. The Senator from Tennessee has referred to the Government's being restricted. Is it not a fact that on page 15 of the report we find the statement that the Commission is not permitted to enter the power-producing business without further congressional authorization, either to construct or to operate such commercial facilities?

Mr. GORE. That is true.

Mr. President, in view of these prospective needs, I am at a loss to understand the wisdom of the provision cited by the distinguished junior Senator from New York. Certainly the Atomic Energy Commission itself should be interested in the generation of electric power—at least for its own needs—especially if power generated from nuclear processes turns out to be cheaper than power from processes now employed. I can see no reason why such powerwise agencies as the TVA, Bonneville, and the Federal Power Commission should be excluded. Must these agencies bow to private utility when it comes to atom-power production know-how? Why should they not be included in plans for research and development leading to the production in commercial quantities of electric power from atomic energy? If cheap power can be produced from atomic energy, why should these agencies be required to use outmoded steam plants or hydroelectric projects, and be denied the use of up-to-date atom reactors for future needs?

In the pending bill, I see no answer to these questions.

I fail to see why the Atomic Energy Commission should be denied the privilege of producing atom-powered electricity in commercial quantities, when it has authority to license others for such production. If we hope to gain maximum power benefits from our investment in this new resource, then a positive program of atomic power production by Federal agencies is essential.

Through the past few decades, a reasonable balance between public and private power has been achieved, and public power has served as a check on monopoly control by private power. Public power has served as a valuable yardstick for use by the people in determining the reasonableness of rate structures established by private concerns. Private power, on the other hand, by the very competitive nature of the two systems, has had a salutary effect in building in public power agencies an esprit de corps and an efficiency which I dare say cannot be matched in any other field of Government enterprise.

Should atomic-generated power supplant power generated from conventional sources, the safeguards provided in existing Federal power policy and law should in my opinion, be equally applicable, in order that the public interests be protected. The very magnitude of possible future power production programs indicates that, unless provision is made for Federal development of atomic power, the balance we now have will be thrown heavily in favor of private monopoly.

Mr. President, it is in reference to this point that I should like to state to the eminent senior Senator from Georgia [Mr. GEORGE] that his close friend and committee colleague, the senior Senator from Colorado [Mr. JOHNSON], has offered an amendment. That amendment is pending before the Senate. I hope the amendment will receive a favorable vote.

Mr. President, let us examine our traditional Federal power policy. The Federal Power Act assumes that the Federal Power Commission, in considering applications for a license to construct a hydroelectric generating facility on a navigable stream, will give first consideration to the possibility that the public interest may best be served by the development of that particular site by an agency of the Federal Government.

If the Congress fails to act by authorizing development by a Federal agency, the Federal Power Commission then must give preference to State or local governmental groups who may apply for such a license. In the event a license is granted to a private firm, conditions are specified to insure that the public interest will be protected.

In addition to the safeguards that surround the granting of a license for the development of power potential of falling water, we also have the yardstick formula of Government power, by which the reasonableness of power rates from private utilities can be measured. The safeguards contained in Federal power policy have brought rates down and increased consumption.

These safeguards taken together amount to a dynamic power policy, which has promoted the economic development and social well-being of the American people.

All these safeguards are conspicuously absent from the pending bill. Their absence is noted in the excellent report prepared by Representatives HOLIFIELD and PRICE. I quote from their observations, which appear at page 120 of the committee report, as follows:

> These safeguards for the right of the people to get the full value out of their resources, without any toll being taken above what is necessary to assure the funds required for development, have already been formulated in detail by Congress in the Federal Power Act which prescribes how hydroelectric resources may be used. They include:
>
> 1. Safeguard for the prior right of Federal development of the resource in any specific case where this will best serve the public interest.
>
> 2. Safeguard for the prior right of public bodies and cooperatives, as against a private applicant for a license for any specific development of the resource.
>
> 3. Safeguards for the right to public hearing in connection with any application, with specific provision for admission of interested States, State commissions, municipalities, representatives of interested consumers or competitors as parties.
>
> 4. Safeguards for the right of Federal or other public recapture of any development by a private licensee at the end of the license period on payment of no more than the licensee's net investment in the project.
>
> 5. Safeguards for reasonable rates to consumers by provision requiring licensees as a condition of any license to agree to Federal regulation where States have provided no regulation of electric rates, with further provision that in any rate proceeding the licensee can claim no more than net investment in the development of rate base purposes.
>
> 6. Safeguards for the preferred position of public and cooperative electric systems to obtain power supply from Federal development of the resource.
>
> The bill, as reported, is wholly lacking in such safeguards. It would enable the Atomic Energy Commission to turn this greatest energy resource over to private power monopoly under licenses unconditioned except for the requirements of national security and public health and safety. Aside from section 271, providing that nothing in this act shall affect the authority or regulations of Federal, State, and local regulatory agencies, it is barren of any recognition of the public interest in securing electric energy from this new resource at the lowest possible rates. Experience has shown clearly that such regulatory authority is entirely inadequate to protect the public interest in electric power developed from public resources, unless supplemented by specific standards governing licenses and the availability of public or cooperative competition in the distribution of electric energy.

I subscribe fully to the views of Representatives HOLIFIELD and PRICE.

Practically everyone will admit that falling water and navigable streams are natural resources which belong to all the people. There are those, however, who argue that atomic energy does not fall within this category. I submit that it does, because the people of the United States have paid $12 billion for the development of this new resource; it is just as much a property of the people of the Nation as is the falling water in a stream. The people through their Government have discovered and developed this new source of energy; no private corporation can rightfully lay claim to it. The McMahon Act confirmed that principle when it vested in the Government title to fissionable materials and nuclear processes.

Through the Federal Water Power Act, Congress provided for the development of power by private utilities on navigable streams owned by the people. But the Congress was careful to safeguard the interests of the people in that development.

I have no objection to provisions to allow private enterprise to develop electric power from atomic energy. I want the country to have the benefit of this service. But I believe Congress should be just as zealous and just as cautious in guarding the rights and the property of the people in this instance as it was in safeguarding their interests in our streams.

The committee bill has no provision to encourage public or cooperative distribution of nuclear power. It takes no steps to assure that a private utility producing nuclear electric energy will sell that power at reasonable rates.

Section 103 (b) sets up the minimum qualifications for commercial licenses to construct, own, and operate facilities for use in production of special nuclear material or atomic energy, but it does not require the applicant who intends to generate electricity for sale, to restrict his rate structure to his net investment. In other words, everything, including a capitalization of the value of the license granted by the Government can be put in the rate structure. Such is not the case where energy from waterpower is concerned. The Federal Water Power Act requires that a licensee shall claim no more than his actual net investment for ratemaking purposes.

Why this glaring omission in the committee bill?

Why open the door to wholesale profiteering through an inflated rate structure? I say this section of the bill should be amended to bring it into line with established Federal power policy.

Section 103 (c) establishes a limitation on the term of commercial licenses issued by the Commission for ownership and operation of facilities for the use and production of special and nuclear materials or atomic energy. Yet this section does not establish the right of the United States to take over such a facility at the end of the license period on payment of net investment, plus severance damages, if any.

Private hydroelectric power developments licensed under the Federal Power Act are subject to such a provision. Why should the Government lay itself wide open to being gouged when licenses expire sometime in the future?

Why should not this section be amended to bring it into line with established Federal power policy?

Section 182 (b) requires that due notice to the public be given before a license is issued for utilization or production facilities which generate commercial power. But this section is narrowly drawn; it does not protect the rights of interested parties and it disregards the fact that the interests of many persons may be affected by Commission action. All the Commission is required to do under this section is to give notice in writing to the regulatory agency which has jurisdiction over the rates and services of the proposed activity, then publish the notice once a week for 4 consecutive weeks in the Federal Register.

A total of 60 days' notice is all that is required before a license is issued. I can see no reason why notice of applications for licenses should not be sent to municipalities involved, and to public and cooperative systems within transmission distances. I see no reason why, in case of protest, conflicting applications or proposals for special conditions, interested parties should not be accorded opportunity to intervene and be heard, to petition for rehearing and appeal, just as they can under Federal power legislation.

Why should the Commission not admit as interested parties, States, State commissions, municipalities, public and cooperative electric systems, or representatives of interested consumers or security holders, or any competitor of a party to such a proceeding. Certainly such procedure as I have outlined would be fair; it would prevent the people of an area from being presented with a fait accompli.

I believe the act should be amended to provide for broader public notice and more specific procedures in connection with license applications.

Section 182 (c) of the act would give to high-cost power areas preferential consideration in applications for atomic power facilities. However, this section does not provide perferred consideration for public bodies where their applications conflict with those of the private utilities. Such a provision has been a part of the Federal Power Act since 1920. To me, this is a glaring omission. Municipalities, private cooperatives, and other public agencies certainly should have prior consideration to private utility combines in the licensing of nuclear power facilities. These public distribution systems are bound by Federal law to provide electricity at the most reasonable rates possible. But under this bill such responsibility does not attach to a private utility. This is another section which I believe should be made to coincide with established Federal power policy.

Section 183 sets forth the specific terms which must be included in licenses for ownership and operation of facilities for the utilization or production of public nuclear material or atomic energy. Yet this section is silent on a provision for accounting control of licensees where these licensees are not engaged in the transmission or sale of electricity in interstate commerce for resale. The Federal Power Commission has accounting control over hydroelectric power developments and I believe it, or some other agency should have the same control over atomic power developments. The committee bill should be amended to provide such control.

The omissions to which I have referred were called to the attention of the Federal Power Commission during hearings

in the summer of 1953, and the parallels between electric energy from nuclear and high-power sources were demonstrated. In view of the fact that the Federal Government has a proprietary interest in the field of atomic energy and Congress has authority over that field, the Federal Power Commission observed, in hearings on the act—page 1128:

> It becomes pertinent to test any legislative proposals with respect to non-Federal development of atomic energy to see whether the public interest in atomic energy is protected and benefited as adequately as the Congress of an earlier generation sought to do for the Nation's interest in water power.

I think we need an explanation as to why the bill should not contain such safeguards.

On the same page in the hearings, the Federal Power Commission offered the further observations that "the grant of the (license) privilege should depend not solely on the negative consideration that national defense will not be harmed but on the affirmative ground of benefit to the public interest in electric power and other products of the operation of nuclear reactors as well."

Mr. President, the committee bill ignores the advice of the Federal Power Commission, the outstanding power agency of government, in dealing with power problems. Licensing considerations, set up by the bill, are negative. I say we need positive standards. I am not ready to substitute the judgment of a businessman's administration for the expert judgment of the Federal Power Commission.

From time to time on the floor of the Senate, I have heard charges that the committee bill promotes monopoly. An examination of section 105 certainly indicates that the bill does not discourage monopoly. Under section 7-C of the McMahon Act, the Atomic Energy Commission was directed to refuse to issue a license where activities under that license might serve to maintain or foster the growth of monopoly; where they might act in restraint of trade or promote unlawful competition or pose a trade position inimical to the delivery of any free competitive enterprise into the field.

Section 105 of the committee bill relieves the Atomic Energy Commission of the responsibility to be watchful for situations promoting monopoly. The Atomic Energy Commission is invited to close its eyes and pass out with blind abandon licenses to all who can qualify, regardless of the monopoly situation such licenses may tend to promote.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield for a question.

Mr. MONRONEY. Can the Senator find anything in the pending bill to safeguard little business, the great backbone of the American free enterprise system, to assure the right of entry, the right of health, the right of guidance, the right of expert government knowledge and technical advice, to permit the little man in American business even to get his toe in the door of this new giant of energy which will probably be produced when we complete turning the wheel on the peacetime use of the atom?

Mr. GORE. I know of no positive safeguards for the latter phases of the Senator's question. He asked if there were any provisions for entry. I believe the door is left open for all to come in, but, as I pointed out before the distinguished Senator entered the Chamber, only a relatively few corporations have operated as Government contractors in the atomic energy program. Those particular companies have a virtual monopoly on atomic energy know-how. They have a monopoly upon the contacts with others who have know-how. I doubt if it is equality of opportunity to enter the field to hold the door open and say, "All who will may come," when there exist the circumstances which I have just described, which would give certain companies a great advantage, to the disadvantage of all competitors, and when the cost of developing a reactor sufficient to generate electricity in commercial quantities is so great that only a few American corporations could undertake such a venture. So much for the answer to the first part of the able Senator's question. Now I go to the latter part.

I do not find the positive safeguards in the pending bill which are spelled out in the Federal power policy which relates to electric energy generated from other sources. There are certain negative provisions, and I shall point out as I go along how some of them, at best, would be difficult of administraton. In some cases no provision for enforcement has been made at all.

I appreciate the question of the able Senator, and I wish to say further that it is that particular question to which the amendment of the senior Senator from Colorado is directed in part. If the Government forbids an agency of the Government to develop electricity in commercial quantities, either for his own use or as a demonstration, but at the same time issues a license, with the privilege of using this natural resource, to the few companies with the know-how and the financial resources necessary to enter the field, then I say it is exclusive; it really amounts to an exclusion of small business, of municipal systems, and of public systems, such as the REA's from the benefits of this resource, which rightfully belongs to the people.

Only after a monopoly has developed can the Commission take remedial action, and then the Commission must wait until a court has found a licensee guilty of violating the antitrust laws before licenses can be suspended or revoked. The Commission must wait until the horse is out of the barn before it shuts the door.

Section 105 C must have been the product of a nightmare of some frustrated lawyer. It is a devious peace of legal procedure. It would have the Attorney General or the Federal Trade Commission decide whether a proposed license would tend to create or maintain a situation inconsistent with the antitrust law. Should the Attorney General or Federal Trade Commission decide the proposed license would run afoul of the antitrust laws, the applicant could file a petition with the Federal Trade Commission for a hearing. In the event of an adverse finding by the Federal Trade Commission, then the applicant could go on to the courts. I can imagine that our judges will take a very dim view of finding an applicant's position inconsistent with antitrust laws when no violation of antitrust laws has occurred. Frankly, this whole procedure appears to me to be going around Robin Hood's barn to attack a situation which should be approached frontally. Why not just leave the monopoly provisions of the McMahan Act in effect? Why do we need to change them? I ask, Mr. President, wherein is the fault with the antitrust provisions of the McMahon Act? If we leave these in effect, then we make the Atomic Energy Commission affirmatively responsible for denying any license which would tend to promote monopoly. That, I may say to the junior Senator from Oklahoma, is an example of the affirmative protections which I think should be in the act, rather than the negative, and to say the lease, tedious and uncertain and long-drawn-out procedure which I have just described.

The questions involving patents are closely allied to those involving licenses. The use of exclusive patent protection can create conditions leading to monopoly by a licensee. As I have indicated, I am not jubilant over the licensing provisions of the bill. Frankly, the patent provisions, in my opinion, create even greater dangers.

A strong argument has been made to the effect that we should free the future atomic development program completely from the patent restrictions imposed by the McMahon Act.

Under the act of 1946 there was an outright ban on patents on any invention or discovery useful in the production of fissionable material or the utilization of fissionable material in atomic weapons. Patents were allowed in the so-called nonmilitary field, but any such patents were subject to a "public interest declaration," which involved a form of compulsory patent licensing calculated to insure widespread participation. There was practically no use of the patenting provisions in the McMahon Act. Contractors were required to hand over their patents to the Commission because they were operating on public funds. The operation also ruled out for all practical purposes the public-interest provision of the licensing law.

It is argued that private enterprise is willing and able to take over commercial development of the atom, but their willingness to do so is apparently subject to the condition that they be allowed exclusive patent protection for new processes they develop.

So, Mr. President, we are asked first to broaden the field in which patents may be granted, and at the same time to render completely ineffective the compulsory licensing provisions of new processes.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield for a question.

Mr. MONRONEY. I was greatly impressed by what the able Senator from Tennessee said on the subject of the

patent rights that would be changed by the bill. As this atomic energy race for peaceful development is started, would it not be possible for certain large corporations which, because of their association with this program through the years as contractors for the Government, within the next few years to be able to develop certain bottleneck patents on the utilization of atomic energy for peacetime use, whether by generation of electricity or by motive power, and other things, and thus to enjoy almost a complete monopoly through patent rights?

Mr. GORE. In answer to the question, I think we must recognize that it is not a theory with which we are dealing; it is a set of very real facts. Under the conditions which we must take into account, involving the fact that the program has been operated and has been developed up to date almost exclusively by contract with private enterprise, then the answer to the Senator's question must be in the affirmative. I believe it is an inescapable eventuality.

Mr. MONRONEY. That is, that as we start on the utilization, the man with the know-how, the man with the past experience as a Government contractor, must inevitably have a head start of 5 or 10 years over his competitor, who is just entering the field. Is that not a correct assumption?

Mr. GORE. I am not sure as to the time element. Undoubtedly General Electric and Westinghouse, to take two examples, were the only competitors in a certain situation which developed not long ago in the State of Washington. Such companies would have a tremendous advantage over other companies who have not been directly involved in this development. I say that not in criticism of the companies who have been contractors in this program; they have contributed well. I would not at all detract from their contribution. Some of them have been on a dollar-a-year basis. However, in the very operation of the program they have developed within themselves, I think we must presume, almost a monopoly of the know-how, of contacts within the group of scientists who have the know-how, and also they have vast funds with which to prosecute the program.

Under those conditions, I say, the patenting provisions of the pending bill would give to them an undue advantage over other companies, even companies large enough to finance such undertaking, which have not been connected with the program.

Mr. MONRONEY. Great and wonderful as services of these corporations have been to us, the services still were not performed with any understanding on the part of the Government that they would have an exclusive right to the benefits flowing from the positive use of atomic energy.

Mr. GORE. I agree with the Senator completely.

Mr. MONRONEY. But if they have years of advanced knowledge of the production of atomic energy and refinements, it is not too great a step from the use of their knowledge for the Government to the putting of that knowledge to use for peacetime efforts in the generation of electricity and other things. Is not that correct?

Mr. GORE. I believe it is.

Mr. MONRONEY. Then, would it not be possible for those who have these years of experience to acquire, because of this experience, a virtual monopoly on certain basic patents? Is it not true that the man who got to the Patent Office first, filed his application for a patent, and got it through, could then deny it to the thousands of others who, if given the same amount of time and experience in the development of atomic energy, could have come up with the same patent?

Mr. GORE. That could occur. I believe we must recognize that there may be several paths leading to the same end, not only physically, but in the scientific field; but, undoubtedly, the company that has developed the processes and the formulas and the know-how has an advantage over a company which has not.

Mr. MONRONEY. So, by patenting certain elemental, fundamental, and primary processes involving the transition of atomic energy to peacetime use, if the patent were a basic one, then all other users would have to pay a licensing fee or be denied entry into this great new field of peacetime use of atomic energy—an opportunity which we hope the bill that finally passes the Senate will provide.

Mr. GORE. I believe it is fair to say that the bill does contain some compulsory licensing provisions; but I consider them to be almost completely ineffective.

Mr. MONRONEY. I thank the Senator.

Mr. GORE. It is also fair to say that the President recognized this problem. In his message to the Congress on February 17, last, the President pointed out that considerations of fairness would require some mechanism to insure that a limited number of companies, now working with the atom, could not build a patent monopoly which would exclude others from the field. He said that use of such a mechanism would be necessary, until the industrial participation in the field acquired a broader base.

I find myself in agreement with this recommendation of the President, insofar as it goes. The joint committee apparently feels that a base sufficiently broad will be achieved within the next 5 years. This is indicated by the fact that the committee proposed compulsory licenses on new patents for the next 5 years only; but practically all the testimony in the record indicates that experimental reactors, now being constructed or planned for construction, will not even be completed until the end of the 5-year period. Until these experimental reactors are completed, we have no way of knowing what processes will be developed. And if we exclude—I may say to the junior Senator from Massachusetts, for whom I have such high esteem—if we exclude the Government itself, which owns this natural resource, from using it to develop processes, either for its own use or as a demonstration, then these provisions seem to me utterly ineffective.

We have no yardstick. We have no assurance but that these plants will require 5 years to build, and therefore will come into operation only after the 5-year period has come to an end, with great advantage accruing to the companies already having the know-how.

Again I say I am not charging greed or improper conduct on the part of these companies.

As the junior Senator from Oklahoma knows, in the House of Representatives I had very close contact with the operation of this program. The Oak Ridge facilities are in the State I, in part, represent. No hint of attack upon these companies should be read into my remarks. But that does not diminish the need to guard the public interest.

Mr. MONRONEY. In other words, the basic knowledge of atomic energy has cost all the people of the United States, including all the businesses of the country, approximately $12 billion. Is not that correct?

Mr. GORE. That is right.

Mr. MONRONEY. And therefore we, as the trusted representatives of the people, must be sure that the broadest possible diffusion of the benefits of that $12 billion investment will occur in the interest of all the people, instead of having those benefits confined to the private preserve of those who happen to be in an advantageous position as a result of a grandfather clause or anything of that nature.

Mr. GORE. I thank the Senator from Oklahoma for his contribution and for his attention; and let me say that I equally appreciate the attention of the other Senators who are on the floor.

I repeat that this bill is the most important measure to come before Congress this year.

Mr. MONRONEY. Mr. President, will the Senator from Tennessee agree with me on an observation that I have made many times in the past; namely, that this $12 billion investment, which has given us atomic energy, which we are now on the threshhold of using for peacetime purposes, may result in increasing our wealth even in excess of the amount of the entire national debt, which today stands at $275 billion?

Mr. GORE. That may well prove to be true.

Mr. MONRONEY. And that in this investment in research into the unknown, in finding the source of power in the atom, our public debt of $275 billion could well be offset by the value of this development for peacetime purposes—in short, a value sufficient to offset the national debt of the United States, created in World War II, for the purpose of bringing about a satisfactory and victorious termination of that war?

Mr. GORE. Indeed so. Mr. President——

The PRESIDING OFFICER (Mr. BUSH in the chair). The Senator from Tennessee has the floor.

Mr. GORE. Mr. President, I was about to say that, by means of comparing the value of the potentialities of the atom to the amount of the public debt of our country, the junior Senator from Oklahoma has illustrated in admirable

fashion the vast potential of this new source of energy.

Mr. MONRONEY. Mr. President, what the Senator from Tennessee was saying a moment ago interested me tremendously. He was referring to the likelihood that in 5 years the presently planned reactors will be on test runs in connection with the production of electricity. In that respect, would the Senator from Tennessee agree with me that, in terms of developing and perfecting—scientifically, mechanically, and from an engineering standpoint—the atomic-energy reactors which today are on the drawing boards probably will be no more efficient in production, power, and speed than the old-fashioned Jenny airplane of World War I, as compared to the fleet, jet-powered bombers we are producing today, when the course of this development is finally run, and when, in similar vein, we compare the beginning of atomic-energy utilization for the development of electrical energy with what that development will mean in 15, 20, or 30 years, as the know-how in this field is increased by the great genius of American engineers and American management?

Mr. GORE. Mr. President, if this development follows the pattern of other industrial, commercial, and scientific developments, we must assume that that will be the case in this instance.

A little later in my remarks I expect to refer to the fact that the particular companies involved also have well nigh a monopoly of—at least they have the first contract with—the young scientists who are largely in their employ, and from whose minds will come, we hope, the developments of the future.

I think the 5-year period—for reasons I have already indicated, as well as for other reasons to which I shall later refer—is not adequate.

Mr. MONRONEY. In other words, what the Senator from Tennessee is saying, is it not, is that there is no doubt in the mind of any reasonable man that, by means of this act, in opening the door to business opportunity we shall create an industry that probably will be more mighty than any of the great industries to which we have heretofore pointed with pride—the automobile industry, the airplane industry, the plastics industry, and all the other giants we have built up in the great American pattern?

Mr. GORE. Indeed so, Mr. President.

Mr. MONRONEY. But by means of this bill, if we are not careful to provide for the right of entry into this field through the competitive—and I emphasize the word "competitive"—free enterprise system, will we not handicap the successful operation of the processes that have made possible the beneficial development of the great free enterprise system we have?

For instance, all of us are well aware that Henry Ford began his work in a bicycle shop and, as a result of the drive and incentive resulting from free enterprise, developed the great company which bears his name. The Senator from Tennessee is quite familiar, is he not, with many other cases of the development of Americans from rags to riches—Americans who, as a result of free enterprise, and because of a lack of cartelization, had the chance to make such tremendous progress because there was the stimulus of competition which enabled the greatest possible development, on as wide a base as possible, of such gigantic undertakings?

So I believe the Senator from Tennessee by his remarks today has touched on a most fundamental point in connection with the development to which the pending bill relates. If we limit this development only to the giants, and if we deny the fullest possible scope to the American competitors' spirit of free enterprise, we may wind up with a more expansive development, but surely we shall not wind up with the kind of self development that has made the American industrial system the greatest in all history because of the human element that is stimulated by competition as a result of free entry into these fields.

Mr. GORE. Mr. President, the junior Senator from Oklahoma has made an eloquent statement with which I desire to associate myself completely.

I hope my address today will not be taken as an indication that I wish to resist private enterprise development of atomic energy, the entrance of private enterprise into this field. On the contrary, I wish to facilitate it. But I say in all candor that I cannot support the pending bill in its present condition. I do not think we must be so impelled to do something that we are willing to change, even though it may prove to be wrong. This field is so important that I think it requires very careful consideration; and I hope the use of that term will not be distorted out of context as a result of the atmosphere of political jousting during the last few hours. I have never made a speech in which I more deeply felt the cause for which I was speaking, than this speech.

Mr. President, the pending bill has tremendous implications. I should like to have the bill put into such shape that I could support it. I believe it is desirable to formulate a policy by which we can facilitate the entrance of private enterprise, with its genius, with its remarkable dynamic methods, into this field. But we must do so with proper safeguards, not only safeguards for public institutions, not only safeguards for small business, but also safeguards against abuse and privilege which might result, particularly because of the circumstances to which I have alluded, unless proper safeguards are thrown around the bill.

No Senator can say with certainty that processes which will completely revolutionize the field of electric power will not be forthcoming, not within 5 years, but within 6 years. Meanwhile, the industrial participation base will necessarily be narrow, by the terms of the bill. It will be limited to the few corporations involved in constructing and in testing the experimental reactors now authorized.

Mr. President, who can guarantee that a discovery which will revolutionize power production will not be made on September 2, 1959? Should such an eventuality occur, the patent application for such a discovery would be free of the compulsory licensing provisions of the bill, if that discovery should occur the day after or the month after.

Mind you, Mr. President, the plants will require from now until then to be completed. Such a patent applicant would be able to patent his idea or his discovery and to retain exclusive control over its use during the life of the patent. However, should such a discovery be made, and patent applied for, 2 days earlier, the patent applicants for that discovery would be subject to compulsory licensing.

Of course, Mr. President, I recognize there is the problem of determining when to start and when to end. Whenever an arbitrary date is fixed, inequities will be involved. But I submit that in the light of all the circumstances surrounding and involving this program, a 5-year compulsory licensing period is wholly insufficient.

I fear that there would be a very strong temptation to conceal a discovery made before the expiration of the 5-year period. Of course, the bill attempts to prevent such concealment; it requires that new discoveries must be reported to the Commission, or that a patent application must be filed upon them, within 90 days after discovery. Curiously enough, however, no penalty is provided for failure to report to the Commission or to file a patent application. Surely this situation is an open invitation to violation. The law in this respect is clearly unenforceable.

Congress would be wise, I believe, to strike out the September 1, 1959, date and wait a few years and watch developments to determine when compulsory licensing should end. Certainly the industrial base will not be broad enough at the end of 5 years.

Still another aspect of attempts to provide for patents will lead to certain confusion. Under the law, discoveries made by persons working for the Government or working on projects financed by the Government, are Government property—a part of the public domain. All the development accomplished so far is a product of Government financing. Most of the development which will occur in the next 5 years will likewise be a product of Government financing. It can be argued that a discovery conceived during a period in which the discoverer is subsidized by the Government will still, even under the pending bill, be property of the Government. But it must be remembered that patents are based upon discoveries and discoveries result from ideas. Who is to say at what specific time an idea was conceived? As Admiral Strauss stated during the hearings before the committee, it is often difficult for the discoverer himself to fix accurately the time at which an idea was formulated in his mind.

Here is a situation which I can foresee—and mark you well, it will occur: If the pending bill becomes law, wealthy corporations will begin raiding the best brains in Government atomic research—bright young men who have been the backbone of our nuclear research pro-

gram will be enticed away from Government employment by fancy salaries and liberal research facilities.

Such enticements need not necessarily be in the nature of a reprehensible means of raiding; it need merely be the setting up of a new enterprise, in which the salary schedule will be considerably above the level of governmental salaries. This would in itself, the human element being what it is, operate as an enticement for competent, talented young scientists to leave not only Government employment, but also private contractors with the Government. Corporations now operating under research contracts financed by the Government will form subsidiaries into which they will place researchers lured away from Government service or transferred from the corporate entity under contract to the Government. On September 2, 1959, I predict that a rash of patent applications will be filed. Perhaps not on September 2, 1959, because that might, after all, be a little too obvious. I will move the date up 3 months to December 2, 1959. I predict that the volume during that period would be great. Some scientists who have been working for many years on atomic research may suddenly blossom out with all sorts of ideas, things they just couldn't think of when they were working for the Government, or when compulsory licensing provisions were in effect.

Certain corporations, having worked closely with the program, may suddenly find very valuable formulas which had not finally been formulated before the patenting privileges became effective. This is not to charge improper motives; this is to assign to human beings and to American business the legitimate desire to profit from their knowledge, their efforts, and their investments.

Who, Mr. President, is to say when or where they got the ideas? Who can prove anything about a man's thought processes?

The 5-year compulsory licensing aspect of the bill is an open invitation to evasion of the intent of the Congress. It is completely unenforceable; at least, it is very ineffective.

Another objection to the bill is that its language requiring compulsory licensing, either by design or accident, makes the process almost impossible. Perhaps the easiest way to establish compulsory licensing would be to retain the compulsory-licensing provisions of the McMahon Act. This act provides that when any patent is declared by the AEC to be affected with the public interest, the Commission and every person licensed by the Commission automatically is licensed to use the invention or the discovery covered by the patent. Under section 152 of the pending bill, however, any person who desires to use a patented invention or discovery must apply to the Commission for a patent license. That license will be granted only if the Commission finds that the invention or discovery is of primary importance to a project assigned by the Commission to the license applicant. The license applicant must prove that use of the invention or discovery is of primary importance to his business. Just what primary importance means is open to wide interpretation.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. For the information of the Senate, and particularly for the benefit of the junior Senator from Oklahoma, the licensing provisions with respect to patent rights would reward the inventor, the holder of the patent, with certain monetary gain, would it not?

Mr. GORE. A reasonable royalty fixed by the Commission.

Mr. MONRONEY. In other words, this would not deny to free enterprise or to inventive genius the right to patents, but it would merely hold it within reasonable limits, to prevent the ownership of a patent being made an exclusive matter for the holder of the patent. In other words, financial gain would not be denied even under a patent licensed to an inventor, but there would be removed from the patent holder's possession a control with which he could place a roadblock against all other competitors, which would prevent them from using, even upon their willingness to pay a fee, the invention which he has discovered.

Mr. GORE. That is correct. There would be an insurance of widespread use of the discovery of a patented atomic process for wholesale use by the people, in order to lift the level of living of the people and our economic way of life.

Mr. MONRONEY. If the patent were licensed, the opportunity to misuse it would be removed, as would be the danger of monopoly in connection with some of the more important phases of this development.

Mr. GORE. I think that monopoly is one thing against which we must guard with great care. No one can foresee the vast potentiality of this program. That makes it even more imperative that we prevent a few from fastening themselves upon the use of this source of energy so as to become bottlenecks.

The pending bill attempts to permit the Commission to declare a discovery affected with the public interest, but before it can do so, it must give the patent owner a hearing. Presumably the owner of the patent could present arguments why the patent should be withheld from the public interest and if overruled, could appeal to the courts. Such a procedure could conceivably consume most of the 5-year period in which compulsory licensing is required.

The facts of the matter are that the compulsory licensing procedure set out in the committee bill are so cumbersome as to be practically ineffective.

One serious omission in the field of patents is a provision of existing law which withholds patent rights on any invention or discovery to the extent that such invention or discovery is used in research and development activities in the atomic energy program. This provision, which was contained in section 11–B of the McMahon Act, has been deleted from the pending bill. Failure to reenact this provision would seriously damage the progress of research. Certainly, those who wish to use new discoveries for further research should be allowed to do so. I am advised that the Atomic Energy Commission recommended this provision be retained. I believe it should be reinstated in the law.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KENNEDY. I am glad the Senator has mentioned that omission. Is it not a fact that Admiral Strauss, in testifying before the Joint Committee on Atomic Energy, expressed regret that that provision had been omitted, and, in order to encourage educational institutions and others to go forward with research, requested that the provision which was contained in the McMahon Act be reenacted?

Mr. GORE. I am advised that the Atomic Energy Commission did recognize that this provision of the McMahon Act should be continued in the pending bill. I believe that it should be in the bill. It is not. No satisfactory explanation has been given as to why it is not in the bill.

Mr. KENNEDY. Is it not true that the bill introduced by the Senator from Iowa [Mr. HICKENLOOPER] on April 14, S. 3322, originally contained such a section, but that curiously it has been omitted from the bill now before the Senate? Such a provision would encourage the use by educational institutions of patents for noncommercial purposes. I think this serious omission from the bill should be remedied before the Senate approves the bill, if possible.

Mr. GORE. I was not aware of the fact that the bill originally introduced by the Senator from Iowa contained such a provision. I thank the Senator from Massachusetts for the information. I agree with his latter statement that before the Senate passes the bill, such a provision should be incorporated therein.

Mr. KENNEDY. I thank the Senator. I am glad he brought up the matter, because Admiral Strauss said that while there would be some occasions when the patents could be used, nevertheless, the omission of the language which was in the McMahon Act was a serious omission, one which the Senate should correct. I am delighted that the Senator, in connection with the remarks about other phases of the patent situation, will offer an amendment to cure the omission.

Mr. GORE. I thank the Senator from Massachusetts. I wish to take this occasion to say, for the RECORD, that I know of no young man in America who in 2 years' time has demeaned himself with more honor and credit than has the junior Senator from Massachusetts in the 2 years he has been a Member of this body. Having served with him in the House, before we came to the Senate at the same time, I take particular pride in the wonderful success and the marvelous record of service which the Senator from Massachusetts has established.

Mr. KENNEDY. I hope the Senator from Tennessee will not apply a patent to those remarks, so that they can be used freely on and off the floor of the Senate.

Mr. GORE. I here and now give to the junior Senator from Massachusetts a private patent on those remarks.

Another serious drawback which I find to the committee bill is the set of provisions for payment for atomic ash or plutonium produced by private groups in the production of electrical energy. The committee bill provides that the AEC shall make available to licensees nuclear materials which will serve as fuel for power reactors. These materials are to be furnished at reasonable prices. Just what is reasonable is not stated and the committee bill sets no standard for guidance of the Commission. Once the fuel is burned or used, the Commission is then obligated to buy back the atomic residue at a guaranteed fair price. Under the bill, the Government owns any and all nuclear material, and the residue from reactors falls under that classification of Government property. If the Government pays less than the cost of production in a given plant for this nuclear residue, that would amount, it could be argued, to confiscation. Therefore, the AEC must pay at least the cost of production of the most expensive plant. This price would be the same for all producers. This means that the producer with the highest cost and the least efficient plant will set the price for all producers. Indeed, I am advised that under the pending bill the Atomic Energy Commission could have but one price, and therefore that price might be that of the producer with the highest price.

Suppose that for some reason in the future the Government's needs for atomic materials for weapons could be reduced drastically. Suppose that new discoveries of materials or greatly improved processes of production could yield a surplus of material, reducing the value of nuclear residues to virtually nothing—still the Government would have to pay the cost of the least efficient producer for all the nuclear residue in the hands of private producers during the 40 years they may be licensed to do business. This feature of the bill looks to me like a built-in subsidy.

We may have the spectacle of the Government paying more for the nuclear residue that it must buy back, than it charges plants for the nuclear fuels they use to operate their reactors. Surely, cancellation provisions should be written into the law.

I can not in good conscience cast my vote for the committee bill in its present form. To my mind it provides opportunities for exploitation which dwarf anything presented to the Congress during my tenure of public service. All that is required is for a company to bring up a roll of blueprints, a cheerful smile, a slogan of free enterprise willing to take over, and the contents of the public storehouse are handed over without question with wheelbarrows furnished to cart it away.

Mr. President, I have attempted in my address today to approach the subject I have been discussing without reference to the Atomic Energy Commission—TVA issue, on which the Senate voted last evening. I have not discussed that issue today, and I shall not now do so. I only mention it to point out that this example of the misuse of the power of the Atomic Energy Commission for a purpose unrelated to its program, over the opposition of a majority of its membership, does not encourage the resolution of those questions I raise in favor of the provisions of the pending bill. I trust that as we consider the various amendments now at the desk we will give—and that I will have an opportunity to give—what small contribution we can individually and collectively bring to bear upon the solution of the vast, vital problems involved.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BUTLER in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PENNSYLVANIA INDUSTRIAL AND CONSTRUCTION EXPOSITION

During the delivery of Mr. GORE's speech,

Mr. MARTIN. Mr. President, will the Senator from Tennessee yield to me for about 5 minutes, without losing his right to the floor, so that I may make a statement for the RECORD relative to the Pennsylvania Industrial and Construction Exposition?

Mr. GORE. Mr. President, I am glad to yield to the distinguished senior Senator from Pennsylvania for that purpose, provided I do not lose my right to the floor, and provided also that his remarks will appear following the conclusion of my speech.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Without objection, it is so ordered.

Mr. MARTIN. Mr. President, I take this opportunity to call attention to a significant event which is about to take place in my home State, the Commonwealth of Pennsylvania.

It is an event which has a most important bearing on the industrial progress and economic strength of Pennsylvania and the whole Nation.

It is highly important to the management of our thousands of manufacturing plants as well as the millions of workers who earn their livelihood on the State's assembly lines and in the construction industry.

I refer to the Pennsylvania Industrial and Construction Exposition, which will be held in the Capital City of Harrisburg during the week beginning September 20, 1954.

The exposition will occupy the State Farm Show building, and may I point out to those not familiar with it, that this is the largest exposition building in America, with 5 acres of display space and 35 acres of free parking area.

Certainly it is not news to the Nation, or indeed, to the world that Pennsylvania is a great hive of industry, within whose borders are produced almost every commodity made anywhere else in the United States.

But the Keystone State has never been one to blow its own horn. If we have erred, it has been on the side of excessive modesty.

Now Pennsylvania is putting its industrial achievements on parade. It is placing on display the rich variety of commodities, machines, and products manufactured in the Commonwealth.

It is my hope that many officials of the Federal Government and Members of Congress will journey to Harrisburg next September to view and enjoy this demonstration of Pennsylvania's outstanding part in America's industrial progress.

The exposition is under the sponsorship of the Keystone Building Contractors Association, in cooperation with the State Department of Commerce. It has the endorsement and active support of the Pennsylvania Manufacturers Association, the State Chamber of Commerce, the Pennsylvania Newspaper Publishers Association and other trade bodies.

It will feature an almost endless variety of products. Exhibitors will come from the fields of iron and steel foundries, primary metal industries, gas and electric utilities, special industrial machinery, trucking and motor vehicles, railroad equipment, electrical apparatus and appliances, surgical and medical instruments and supplies, rubber products, fine jeweled watches and clockwork-operated devices, fabricated plastic products, lumber and building materials, construction equipment, chemicals, petroleum products, dairy and bakery goods, candy and related products, beverage industries, wooden and cardboard containers, clothing and fabrics, footwear, furniture and home furnishings, newspapers, magazines and books, concrete products, and heavy construction, and much besides.

In conjunction with the exposition, four statewide conventions will be held simultaneously in Harrisburg. Meeting there will be the Keystone Building Contractors Association, Pennsylvania Society of Architects, Pennsylvania Retailers' Association, and the Pennsylvania Osteopathic Association. In addition, there will be a conference of officials of the Pennsylvania Society of Professional Engineers.

It is estimated, Mr. President, that upward of 300,000 persons from every part of Pennsylvania and all sections of the Nation will come to see and to shop at this unique showcase of Pennsylvania on display.

As I mentioned earlier, it will be good for Pennsylvania and the Nation. It will be good for our industry. But it will be even better for wage earners and the consuming public.

I hope that many Members of Congress will be able to arrange to come and see our exposition. I assure you it will be extremely worth while.

Mr. President, the advisory committee for the exposition is a cross section of

the Commonwealth's leading industrialists, public officials, newspaper publishers, educators, and trade association executives. It is headed by the Honorable Andrew J. Sordoni, Secretary of the Pennsylvania Department of Commerce.

I shall not read the names of the advisory committee members but ask unanimous consent to have the list printed in the RECORD at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ADVISORY COMMITTEE, PENNSYLVANIA INDUSTRIAL AND CONSTRUCTION EXPOSITION, HARRISBURG, PA., SEPTEMBER 20–25, 1954

Hon. Andrew J. Sordoni, chairman; Walter Annenberg, publisher, the Philadelphia Inquirer; C. J. Backstrand, president, Armstrong Cork Co.; E. D. Becker, publisher, Pittsburgh Sun-Telegraph; M. W. Clement, Pennsylvania Railroad; Theodore A. Distler, president, Franklin and Marshall College; Dr. Milton S. Eisenhower, president, the Pennsylvania State University; Joseph C. Feagley, president, Pennsylvania State Chamber of Commerce; Joseph A. Fisher, president, Reading Railroad Co.; Edward G. Fox, president, the Philadelphia and Reading Coal & Iron Co.; Wilfred D. Gillen, president, the Bell Telephone Co. of Pennsylvania; Albert M. Greenfield, president, Albert M. Greenfield & Co.; C. G. Johnston, regional sales manager, Ford Motor Co.; Pressly H. McCance, president, Duquesne Light Co.; L. T. McCurdy, vice president, Container Corporation of America; Frank E. Masland, Jr., president, C. H. Masland & Sons, Inc.; Frank G. Morrison, president, the Pittsburgh Press; Brig. Gen. John J. O'Brien, president, United States Steel Homes, Inc.; Chas. E. Oakes, president, Pennsylvania Power & Light Co.; P. H. Powers, president, West Penn Power Co.; John A. Robertshaw, president, Robertshaw-Fulton Controls Co.; W. C. Robinson, president, National Electric Products Corp.; W. F. Rockwell, Jr., president, Rockwell Manufacturing Co.; Edwin F. Russell, publisher, Patriot-Evening News; A. W. Schmidt, vice president, T. Mellon & Sons; John H. Seeton, secretary, Pennsylvania Manufacturers' Association; H. W. Spong, president, Dauphin Deposit Trust Co.; Ferdinand K. Thun, president, Berkshire Knitting Mills; O. Titus, president, Pennsylvania Electric Co.; I. W. Wilson, president, Aluminum Company of America; Norman W. Wilson, chairman of the board, Hammermill Paper Co.; W. H. Worrilow, president, Lebanon Steel Foundry; J. H. Young, president, H. H. Robertson Co.; H. Ward Zimmer, president, Sylvania Electric Products, Inc.; George M. Schmeltzer, executive director, Pennsylvania Industrial and Construction Exposition.

Mr. MARTIN. Mr. President, I thank the distinguished Senator from Tennessee for his courtesy in yielding to me.

TRADE UNIONISM WITH VISION

Mr. LEHMAN. Mr. President, one of the oldest and most responsible labor unions in the country, which has its international headquarters in New York City, is the United Hatters, Cap, and Millinery Workers International Union, affiliated with the American Federation of Labor.

The international president of that union is an old and close friend of mine, Mr. Alex Rose, a veteran of labor movement, and an active figure in the political life of New York State.

Mr. Rose is one of that group of labor leaders who have earned the title of labor statesmen. Alex Rose is a true labor statesman. And his union is one of those which has concerned itself, not only with the welfare of the workers, but with the welfare of the industry in which the workers are employed, and, above all, with the welfare of the Nation.

I have known Alex Rose for many years, in his capacities both as a labor leader and as a political leader. In both capacities, he has proved himself to be a man of vision, of insight, and of deep understanding. He is a dedicated man. He is a man who comprehends the heavy responsibilities of both union and public leadership.

Last Sunday morning there was announced a most intriguing action on the part of the union of which Alex Rose is the president and of which Mr. Marx Lewis, the general secretary.

This union undertook to make a loan of a quarter of a millon dollars to a prominent and responsible manufacturer of millinery who found himself facing bankruptcy as a result of overexpansion at a moment when business, itself, had turned downward and sales had fallen off.

This quarter of a million dollars was obtained not from the union treasury—for that was pretty well empty—but mostly from a solicitation of small loans from the members of that union.

The purpose of that loan was to enable the manufacturer, the Kartiganer Hat Corp., to meet its obligations—or some of them—and to continue in business. and thus to continue to furnish employment in three cities where a closing down of those plants would have meant disaster, not only to the workers, but to the communities in question.

One of those communities is in New York; the name of that community is Beacon, where the Kartiganer Co., employs 350 workers.

The plant at Beacon is more than 130 years old. The workers there are the sons and daughters, and grandsons and granddaughters, of hatmakers. It was to preserve their jobs that Alex Rose's union, which is relatively a small union, having about 35,000 members, decided on this almost unprecedented undertaking.

For a union of this size, which has just come through a strike which is said to have cost the union almost $2 million to turn around, after a bitter conflict with one hat corporation, to help save the management of another hat corporation is labor statesmanship of the highest order. It shows a real dedication to private enterprise. It shows the kind of concept of labor-management relations which is becoming a standard hallmark of organized labor in the United States.

This is responsible trade unionism. This is trade unionism with vision.

Mr. President, I ask unanimous consent that a comprehensive report of this undertaking on the part of the United Hatters, Cap and Millinery Workers Union, published in the New York Times, of Sunday, July 18, where the report was given front page prominence, be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAT UNION VOTES $250,000 LOAN TO SAVE BIG EMPLOYER IN CRISIS

(By A. H. Raskin)

One of the country's largest millinery manufacturers completed arrangement yesterday for a union loan of $250,000 to keep his hat plants operating and to preserve the jobs of his 1,050 unionized employees.

The loan plan was announced by Alex Rose, president of the United Hatters, Cap and Millinery Workers International Union, A. F. of L. The money will be made available to the Kartiganer Hat Corp., which produces $6 million worth of women's hats each year at factories in West Upton and Milford, Mass., and Beacon, N. Y.

A sharp drop in hat sales last spring, coupled with heavy investments in new productive facilities, had left the company in acute financial difficulties. Without the union's help it would have been obliged to shut down two of its plants and discharge 700 of its workers. The Beacon and West Upton plants are more than a century old and many of the present workers are the great-grandchildren of hatmakers who worked in these same factories.

Under the plan worked out with Charles H. Kartiganer, president of the company, the union will advance $50,000 from its international treasury. The remaining $200,000 will be supplied by the workers themselves as an investment in the security of their jobs. Each worker will lend $200 of his personal funds. Those who do not have that much cash will obtain loans from local banks under an arrangement made by the union locals in the plant towns. These loans will be repaid out of future wages.

The union's decision to bail out the Kartiganer Co. was made even though the union itself is in straitened financial circumstances. It recently ended a strike of 10½ months against the Hat Corp. of America in Norwalk, Conn., in the course of which the union spent almost $2 million. The union has a total membership of only 35,000 and it came out of the strike $1 million in debt.

The central issues in the Norwalk strike was the union's desire to keep the company from moving its hatmaking operations to lower wage areas in the South and West. The company obtained a settlement that left it free to decide where it would do its manufacturing, but it sent the union a letter promising to maintain the bulk of its production in Norwalk.

In announcing the loan arrangement with the Kartiganer Co., Mr. Rose emphasized the considerations that prompted the union's action.

"While the whole idea of a union investing in a company may seem very unusual the fast changes that take place in industry often require new methods," the union president said. "Sometimes a union must fight on the picket line and spend its money for strike benefits. Sometimes it can best protect the interests of its members by providing financial assistance to the company on which they depend for livelihood.

"In this case we have been impelled by a threefold purpose—to guarantee the jobs of our members, to preserve labor standards in our industry, and to prevent communities from turning into ghost towns. The shutting down of these factories would have left the workers with no other jobs to go to. There are no other hat companies in which they could have been employed. It was a case of helping an employer in order to help ourselves."

The union set up two requirements as conditions for its loan. The first was that there be no cuts in wages or established working conditions. Mr. Kartiganer assured Mr. Rose that he did not hold wages or union standards accountable for his difficulties, and promised that there would be no reductions.

The second condition was that a union accountant be posted in the company offices to keep watch on the safety of the union investment and prevent a destructive competition for unionized manufacturers in New York and other unionized millinery centers. The union has long been a major element in promoting stability in the hat industry.

The plant at Beacon opened in 1822 and the one at West Upton 11 years later. The Milford factory, "baby" of the lot, is 59 years old. Part of the Kartiganer company's present trouble stemmed from its decision to buy the West Upton factory from the Merrimac Hat Corp. 2 years ago. Mr. Kartiganer put $500,000 into the plant. When business took a nosedive early this year, he found himself unable to pay his bills.

His creditors appointed a committee, which informed Mr. Kartiganer that he would have to concentrate all of his production in a single plant and lay off two-thirds of his employees. The union then took the initiative in calling a new conference of the creditors, at which the idea of a union loan was broached.

The union took the view that the company, which sells to many of the country's largest chain and department stores, had plenty of prospective business if it could obtain fresh working capital.

The creditors' committee, after a week's negotiations, gave its endorsement to a formula for the use of the $250,000 union loan to settle the company's business debts, but the entire plan is still contingent on ratification by the full group of creditors at a meeting this week. Terms of the proposed settlement and the amount of outstanding debts were kept secret pending the ratification meeting.

Last Tuesday the union's general executive board voted formal authorization for the loan from the union treasury. On Thursday night members of the union local representing the 700 workers at West Upton and Milford, which are only 6 miles apart, met and voted overwhelmingly in favor of the project. A similar meeting was held Friday night for the 350 workers at Beacon, with the same enthusiastic response.

The plans developed by the union and the company call for closing of the Milford plant and absorption of its entire work force into the adjacent West Upton factory, thus preserving all the jobs in both Massachusetts communities. The Beacon plant will continue in full operation.

"This is a very happy example of labor-management cooperation to keep a company in business and protect the jobs of people who have hatmaking in their blood," Mr. Kartiganer said.

The Kartiganer company started making hats in New York 33 years ago. A few years later it transferred its production to the plants in Milford and Beacon. It has had occasional union difficulties but its basic relationship with the union has been harmonious. Its last strike was a brief one in 1947. The company's sales, purchasing, and executive offices are at 1 West 39th Street in this city. Its wages range from $1.25 to $3 an hour.

Union loans to manufacturers have been rare. In the depression of the thirties when the men's clothing factory of Hart, Schaffner & Marx in Chicago was near liquidation, members of the Amalgamated Clothing Workers, CIO, instituted a voluntary pay cut to be considered as a loan to the company. It was repaid in full.

There have been a few other instances of monetary aid to employers by the Amalgamated and by its sister union in the women's clothing industry, the International Ladies' Garment Workers Union, A. F. of L.

THE CEASE FIRE IN INDOCHINA

Mr. LEHMAN. Mr. President, insofar as the cease-fire agreement in Indochina represents an arrangement which ends, for the present, the blood-letting in that area and holds out some hope for the stabilization of relations between the powers most immediately concerned, it must be accepted and acceded to as being probably the best agreement that could be reached under the existing circumstances.

Mr. Mendes-France appears, indeed, to have negotiated the best conditions that could be negotiated, and must be commended for having fulfilled his promise to the French people and, inferentially, to the peace-loving peoples of the world. His skill, persistence and dedication must enlist our praise.

The cease-fire agreement is, of course, far from satisfactory from our point of view. Indeed, how can we be happy about any arrangement which extends the scope and authority of the Communist power? Yet we must face the hard fact that neither the American people nor the French, British, or the Asian peoples in surrounding countries are ready or willing to engage in the full-scale military action which would be the only alternative to a settlement along the lines which have been arrived at.

In view of this circumstance we must be content with the agreement, though we are not happy about it.

This has indeed been a setback for the non-Communist world and for the cause of freedom. We have undoubtedly suffered here a serious defeat. In this setback and this defeat our administration has played a role which does not reflect too brilliantly upon either our diplomacy or our appreciation of the factors which were involved. It is possible by hindsight to chart a much more consistent course of action which our Government might have followed and which might have had a more satisfactory result.

I do not believe, however, that we should spend too much time or effort in assessing blame for past errors. Our problem now is to insure, to the extent that we can, that this setback will not lead to disaster. The cease-fire agreement can give us time to strengthen the forces of freedom and to increase the powers of resistance to the Communist pressure in this area, or can merely be a stopgap leading to a new series of disasters.

Bold, imaginative, and constructive diplomacy is called for, along with practical measures to mobilize and strengthen the forces of resistance in this and other areas. Time can be on our side if we use it wisely and well.

END OF HOSTILITIES IN INDOCHINA

Mr. POTTER. Mr. President, I wish at this time to make a short statement on a subject which I intend to discuss at a later date, but my present remarks will be a prelude to that statement to be made in the future. We will hear a great deal of talk about appeasement in connection with the end of hostilities in Indochina. I am perplexed by this kind of talk. I should like to ask my colleagues, particularly those who have talked about appeasement, if they would have voted to send American boys to fight in Indochina. Would they have voted to send American military planes and American pilots to fight in this far-away war? No one is more conscious of the growing encroachment of communism throughout the world than I, but I should like to remind my colleagues that the word "appeasement" in connection with the present state of world affairs gives an erroneous picture. I, for one, am not ready to send American young men into Indochina in a fighting war, and I believe that many of my colleagues who have seized upon this opportunity to speak of appeasement would not vote for armed intervention by the American military at the present time. There are features in the agreement which are not desirable, but we must accept them. That is not appeasement.

VISIT OF JAPANESE DIET COMMISSION OF THE HOUSE OF REPRESENTATIVES TO THE SENATE

Mr. LEHMAN obtained the floor.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the Senator from New York may yield, without losing the floor, in order that I may introduce to the Senate six representatives of the Japanese Diet Commission.

Mr. LEHMAN. I am glad to yield for that purpose.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the Senator from New York may be permitted to yield to me for a few minutes, without his losing the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. FERGUSON. Mr. President, present on the floor are six members of the Japanese Diet Commission of the House of Representatives, who are traveling through the United States on their way to South America. Their names are:

Representative Tokuya Furuhata, Liberal, chairman.

Representative Ichiro Shoji, Liberal.

Representative Kyue Kikkawa, Progressive.

Representative Seigo Kusumi, Progressive.

Representative Yoichiro Kambayashi, Social Democrat.

Representative Kanju Kato, Social Democrat.

Secretary Yoriyoshi Kawaguchi.

On behalf of all Members of the Senate, I desire to welcome the members of the Japanese Diet Commission to the Senate.

[Applause, Senators rising.]

Mr. SMITH of New Jersey. Mr. President, I should like to add a word of welcome to that which already has been

extended by my distinguished colleague, the Senator from Michigan.

As a member of the Committee on Foreign Relations, and having visited Japan a number of times, the last occasion being recently, and having been accorded the high privilege of being introduced to the Japanese Diet, I wish to add my word of greeting to these honorable gentlemen.

The PRESIDING OFFICER. The Chair takes pleasure in welcoming to the floor of the Senate the distinguished representatives from Japan, and hopes that they will enjoy their visit with us.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. LEHMAN. Mr. President, the most precious and essential things in life are often taken completely for granted. Thus we take for granted our dearest friends, our parents, our basic institutions, our freedom. We take them for granted because we know that they are always there and can always be depended upon.

We do not consider them to be of any special miraculous quality. We do not spend much time congratulating ourselves on having them, or wondering how they became what they are.

Yet, Mr. President, it is a very wise thing to reflect, from time to time, on how very fortunate we are to have these relationships and these institutions, and to recall how they happened to develop and come into being.

All this is by way of introduction to a familiar element in our lives—in our home lives and in our economic life—an element we are inclined very much to take for granted. I refer to electrical energy and power.

Truly to understand the issues before the Senate, and to comprehend the significance of the provisions of the pending bill dealing with atomic energy, we must begin by reflecting on the significance and background of stored power and energy—its significance and meaning for our country and our civilization.

If we will do this, we may be able better to comprehend the anomalous nature—the self-defeating nature—of some of those provisions of the pending bill dealing with the development and control of atomic energy for power-producing purposes.

It is a fact, first of all, that our Nation's economic outlook for the coming quarter century and far into the future is directly related to the increasing availability of adequate supplies of energy, and to the cost at which that energy can be produced.

For thousands of years, man's standard of living has been directly related to his ability to harness energy in addition to that of his own muscles.

The control of fire, the domestication of animals, the invention of the wheel, the first crude harnessing of falling water to provide mechanical power, all these were steps in which man put energy to work to supplement his own.

With the invention of the steam engine in the eighteenth century, the upward trend in man's use of energy was greatly accelerated. But standards of living did not move upward rapidly. Owners of factories owned the steam engines. They had much greater bargaining power than the unorganized workers. So the benefits of the steam engine were highly restricted.

An entirely new epoch in man's use of imprisoned energy began with the invention of the dynamo. Edison's first central-electric station started the electrical age. Today we are approaching the complete electrification of the home, the farm, the store, the mine, and the factory.

The building of the first electric powerplant to supply electricity for lighting homes and shops and streets in an area opened the way to democratic control of the new energy which man was harnessing to do this work.

In the period before electricity, the new steam power which was revolutionizing industry, belonged entirely to the owner of the mill or mine or factory.

But the new electric powerplants provided electricity for many different people. Electric powerplants used the streets for their pole lines and wires.

In short, the electric power business started as a public service industry, which could be operated by private owners only on obtaining a permit or franchise from the local government. This meant that the local government retained the right to attach conditions to the franchise to protect the public interest, to regulate the power company in its rates and other aspects of its activities and to undertake electric service on a public basis in those cases in which the people of the community preferred it that way.

The law of the land protects the people in all these rights, so far as the electric power business is concerned.

This is fortunate because of the tremendous increase in the country's dependence on electricity for its convenience, its comfort, and the productivity of its labor. Experience with the Federal power policy which has been in effect during the last 40 years has shown people what great things can be accomplished when the Federal Government, rural electric cooperatives, and municipal powerplants work together to provide electricity at a low cost to consumers of electric power.

Many of us, in our lifetime, have seen an almost miraculous increase in the use of electricity in the home. When we entered World War I in 1917, electricity was used almost exclusively for lighting and the average home was using only about 268 kilowatt-hours in a whole year. Fifteen years later in 1932, homes were still using only about 600 kilowatt-hours a year. But there were already cities where public ownership had brought the consumers much lower electric rates and homes in those cities were using five times the average for the United States.

Beginning in 1933, when the Tennessee Valley Authority began to show the way, residential use of electricity, for washing machines, irons, refrigerators, radios, and so forth, began to increase rapidly, until today it averages about 2,200 kilowatt-hours per home. In some areas it averages 6,000 kilowatt-hours per year and up. This has meant a tremendous stimulus to the electrical appliance industries and all industries furnishing them with materials.

But the country's average residential use of electricity still lags far behind what homes are using in cities like Tacoma and Seattle, Wash., with their publicly owned electric systems, or in the cities supplied by municipal plants purchasing electricity from the TVA. As a result, the full stimulus which home use of electricity can give to employment is still to be realized.

Experts estimate that in the future, homes will be using an average of at least 10,000 kilowatt-hours of electricity a year. The all-electric homes in Seattle are already approaching that use. A parallel increase is expected to carry farm use to an average of over 6,000 kilowatt-hours a year. Mr. President, again I wish to refer to the figure I have given for the year 1917, namely, only 268 kilowatt-hours a year.

To spread such universal use of electrictly into the homes of the country will require assurance of low-cost power, because there is the most definite, the most convincing relationship between the cost of power and the consumption of power. For instance, we know that in my State of New York, rates are more than twice as high as those on the Pacific coast, where cheap power is supplied from Bonneville, Grand Coulee, and other developments. Although the rate in New York State is twice as high, the consumption of power in New York State is far less than one-half as great as that on the Pacific coast.

Mr. President——

The PRESIDING OFFICER (Mr. UPTON in the chair). The Senator from New York has the floor.

Mr. LEHMAN. Mr. President, let me say that the same situation exists in the great area of New England, with which the distinguished Presiding Officer is so familiar, and in other high-rate areas of the Nation. In every case there is a direct connection—an obvious and completely convincing connection—between high rates of power and low consumption of power.

Quite as important as the increasing use of electricity in the home has been the tremendous increase in the use of electric power in our industries. This trend has been closely associated with the increasing productivity of industrial workers. It has contributed to the higher wage standards we now enjoy.

The end of the 19th century saw only about 4 percent of the primary power used in factories derived from electricity. Ten years later, the proportion had increased to 23 percent; and by the close of World War I, it exceeded 50 percent. By the end of the financial boom of the

1920's, the figure had reached 75 percent; and today it is estimated that about 95 percent of all the power used in the country's factories is electric.

Writing in 1948, Mr. Eugene Ayres, an engineering expert for the Gulf Research and Development Co., of Pittsburgh, said:

> In 40 years installed industrial power for each worker has risen from 2.9 horsepower (31 percent electrical) to 7.2 horsepower (93 percent electrical), and the trend continues. The aluminum and magnesium industries may double their installed capacity of about 2 million kilowatts in the next decade.
>
> Almost every new or expanded industrial operation means greater demand for electrical power. Ore beneficiation (because of depletion of high-grade iron ore) will require a million kilowatts. Increased beneficiation of inferior coal will require several more millions. Full mechanization of present mines could easily treble the mining industry's installed capacity, and the huge coal mines of the future are expected to require far more electric power per ton of coal.

Mr. Ayres further pointed out that a 20,000 barrel-per-day shale-oil plant would require as much power as 50,000 homes. He prophesied—and this was only in 1948—that the catalogue of future power uses in industry included "welding, infrared heating, continuous annealing, electric-arc furnaces, resistance furnaces, radio-frequency heating, air-conditioning, oil burners, and automatic stokers." Of course, Mr. President, his prophecy has been far more than realized.

Mr. Ayres referred to the estimate of Mr. A. C. Monteith, of the Westinghouse Electric Co., that by 1977 the country's generating capacity might be 250 million kilowatts. This compares with 50 million kilowatts in the electrical industry at the time the estimate was made, and between 80 and 90 million kilowatts today. He suggested that to meet these future requirements, about 50 million kilowatts of additional hydroelectric capacity might be developed, and about 200 million kilowatts of steam.

All this points to the absolute dependence of our country on a sound power program which will assure the availability of these additions to our present electric powerplant capacity, including the development of power from nuclear materials and from the 50 million additional kilowatts of hydroelectric power available in our rivers and waterfalls.

Nor should it be forgotten that an expanding economy with full employment and high living standards requires that this additional power be low-cost power. That is absolutely essential, Mr. President.

Dr. Grebe, of Monsanto Chemical Co., has expressed the fear that increasing power costs, due to mounting pressure on coal mines to support steam-station capacity, will stop the upward trend of our expanding economy.

This concern is also expressed by the President's Materials Policy Commission, which made its own estimates of the country's expanding need for power during the next quarter century. They closely check those of the Westinghouse officials I have already quoted.

The Materials Policy Commission estimates that the demand for electricity in the United States will increase two and one-half times between 1950 and 1975, to support an expected doubling of the Nation's output of goods and services. This appears to be a conservative estimate in terms of the Commission's own statement than in the 25 years from 1925 to 1950, total national output of goods and services doubled, while consumption of electricity increased three and one-half times.

The ability of the country to supply the power required to carry this expansion of production will mean a great deal to wage earners and farmers, for, with an expected increase of one-third in population, this could mean that our standard of living may be something like half again as high in 1975 as it is today.

The Materials Policy Commission estimated the 1975 requirements of the country, on this basis, at 1,400 billion kilowatt-hours of electricity, as compared with 463 billion produced in 1952. The major question, it says, is whether supply will, in fact, be expanded rapidly enough.

Here is where the importance of Federal power policy and what we do with the people's nuclear resources is greatest. The Materials Policy Commission has reported that the essential needs of our citizens can be met from steam and hydro plants.

But the Commission, in its report, raised a serious question as to whether electric power from these services could be kept on a low-rate basis, in view of the anticipated growth of demand. High-cost power will tend to repress the growth of consumption, it was said.

But if we proceed to continue to develop atomic power processes and to maintain Government yardsticks which will assure abundant nuclear energy at the lowest possible cost, that may very well solve our energy problem.

Mr. President, that is what some of my associates and I are fighting for, in opposing this bill. We wish to make certain that there is a yardstick, that there is inherent in Government the power which, while not stopping development by private utility companies, will nonetheless permit the Government, if it finds it to be in the interest of the people of the United States, who have supplied $12 billion for the development of nuclear power, to come in and cooperate, in partnership, if you will, Mr. President, with private industry.

I wish to emphasize as strongly as I possibly can, and I have said this before Mr. President, that there is not the slightest opposition on the part of my colleagues or myself to private enterprise. We know it is beneficial to the country. All of us believe in private enterprise. But we do not want to have the Government surrender all its rights in this great project, which, and again I wish to emphasize this point, was undertaken with funds provided by the tax revenues of the American people, in the amount of $12 billion. That right and that duty to protect the interests of the people of the United States must never, in my opinion, be surrendered by the Government. Yet that is prohibited in the bill which now is before us.

Mr. President, as I was saying, if we proceed to continue to develop atomic-power processes and to maintain Government yardsticks which will assure abundant nuclear energy at the lowest possible cost, that may very well solve our energy problem. But if atomic power is handed over to private monopoly, notorious for its philosophy of scarcity and high rates, atomic power may contribute nothing to the critical energy problem.

I want to emphasize, Mr. President, that I am not talking about something which has no direct interest or bearing on the life of New York State. All indications are that atomic power, when it is developed, will probably be made commercially available in the New York area before it is available anywhere else.

Mr. Eugene Zuckert, until recently a member of the Atomic Energy Commission, was interrogated on this precise point at one of the hearings conducted by the Joint Committee on Atomic Energy, under the chairmanship of Representative STERLING COLE, of my own State of New York. Mr. Zuckert testified that the first nuclear reactors for power-producing purposes would very likely be erected in New York State, near the great centers of population in my State. I doubt whether nuclear power will be salable, for some years to come, for power purposes, in cities of small and medium size. But New York would be one of the first to have it, and it may have it very soon.

Hence it is vitally important that the bill, as drafted and reported by the Senate committee, should not close the door on fuller and deeper cooperation. It should be kept open for future debate and argument.

America had little electricity, compared to the present time, in the period prior to the time when the Federal Government assumed an active role in electric-energy production and transmission.

The Materials Policy Commission calculated, on the basis of census figures, that the industrial use of electric energy per man-hour of labor increased from about 2⅗ kilowatt-hours in 1929 to 4⅗ in 1939 and nearly 5¾ kilowatt-hours in 1947. By 1950 the figure had increase to more than 6¼ kilowatt-hours per man-hour of labor in industry.

Taking into account the reduction in the average working week in the 20-year period, this means that the average factory worker was supported by about 13,000 kilowatt-hours of electrical energy in 1950, as compared with some 6,000 in 1929.

If we also take account of the increasing electrification of factory operations during the period, it appears that the total mechanical energy per industrial worker increased by about 75 percent between 1929 and 1950.

The fact that the 20 years saw an almost equal increase in the productivity

of the average wage earner in industry suggests the significance of a sound power program in the national economic outlook.

The great ability of this country to sustain both a defense effort and a high average standard of living has been directly related to the expansion in both the production and the use of power during the period in which the Federal Government has played an active part in assuring an abundance of low-cost electrical energy through great river-basin programs.

In 1950 when the country's consumption of electricity reached 334 billion kilowatt-hours, 200 billion were used to operate machines, electrolytic pots, electric furnaces, and so forth, in turning out the vast variety of products of our industries.

This would not have been possible if electricity had not been greatly reduced in cost, to make the advent of the light metals and the electro-chemical industries feasible.

The notion that public power is cheap because the public systems avoid taxes, or have some other special advantage, is not accurate.

The records show that real costs of producing electricity have been reduced during the period of Government yardstick operations. A look at the manpower required to produce kilowatts of energy reflect this fact.

In the 10 years before the creation of the Tennessee Valley Authority, the amount of electricity produced by private companies per man-hour increased only about 25 percent. But in the following 10 years it increased more than six times as fast, or by nearly 150 percent.

In other words, principally due to the stimulus or our Federal power policy associated with TVA, the Bonneville Power Administration, and the rural electrification program, the production of workers in the electrical utility industry itself has increased six times the prior rate.

This means lower costs—increased productivity savings which have been shared by labor, consumers, and investors. The labor cost of producing a kilowatt-hour of electricity and supplying to farms, homes, and industries, has been pulled down 38 percent.

The whole picture reflected by any objective study of our Federal power operations is one of greater efficiency, greater power supplies, lower rates, and increasing profits in the private segment, replacing high rates and scarcity. The overall result has been a stimulus to the expansion of the use of electricity, increasing employment, higher purchasing power of wages, and better living.

Looking at the economic prospects for the next 25 years, the Materials Policy Commission said:

> The central problem of electric energy is how to increase the Nation's supply 2½ times during the next 25 years without running into considerably higher costs.
>
> • • • • •
>
> Shortages of electricity and rising real costs would impede economic growth: they would throttle national effort in the event of war.

The Commission was undoubtedly thinking of the industrial requirements of our country—of the tremendous amounts of power that will be needed to meet the requirements of the essential, modern electro-process industries, such as aluminum, magnesium, titanium, alloys, and chemical synthetics. Their requirements alone are expected to go from 37.5 billion kilowatt-hours in 1950 to over 200 billion kilowatt-hours in 1975. In the overall, industrial requirements are expected to jump from 200 billion kilowatt-hours in 1950 to 647 billion kilowatt hours in 1975.

And the Commission knew that to meet the needs of this modern age and an expanding economy, a large part of this electric power must be produced at a cost of not more than four-tenths of a cent per kilowatt-hour lest the light metals and electrochemical products be made excessively expensive and their development and use impeded.

In this connection, an excellent illustration of need was given the Committee on Public Works by Mr. Elwood Swisher, president of the United Gas, Coke and Chemical Workers of America, testifying on behalf of the Congress of Industrial Organizations, for public development and distribution of Niagara power.

Mr. Swisher called attention to a statement by Secretary Talbot, of the Air Force, in which Talbot said:

> I believe we should take steps immediately to increase the supply of titanium to fill the need fully, both for the military and for industry. Every assistance should be given to all potential producers of this metal.

Mr. Swisher continued:

> Secretary Talbot reported to the Congress that the United States is extremely weak in the production of titanium metal and the failure to expand production in the Niagara area is due primarily to the failure to develop the power potential of Niagara, even though New York State provides an ideal location for the production of this vital material.
>
> The significant power fact relating to titanium production is that this metal requires 20 kilowatt-hours of electricity for each pound of titanium extracted. Because of this fact I have looked into the possible relationship between low-cost Niagara power in the expansion of the vital titanium industry so necessary according to Secretary Talbot. Interestingly enough, before 1946 the quantity of titanium produced in the United States was measured in pounds: Beginning in 1946–47 production was measured in hundredweight; in 1947–48 measurement was in tons. In 1949–50 by tens of tons and in 1950–51 some hundreds of tons were being produced.
>
> Every year or so since 1946, production of this wonder metal has jumped 10 times over and the President's Materials Policy Commission, reporting in 1952, estimated that by 1975 production might reach somewhere between 500,000 and 2 million tons a year.
>
> Production level in that range would mean increased power requirement for this metal alone ranging from 20 billion to 80 billion kilowatt-hours of low-cost electric energy.

I wish to make clear that I am not arguing the Niagara question at this moment. I shall argue that at a proper time. We need low-cost electric energy in New York and the Northeast from whatever source, just as the Nation needs it to assure economic growth and the future expansion of the vital electro-process industries.

The capacity of Niagara is not sufficient to meet the whole national need. We need Niagara power and atomic power both.

We need atomic power at the same time. We need both, and even then we will be hard put to take care of the ever-growing needs, and to reduce the cost of power to a point where it will stimulate and develop new industries and increase existing industries far more rapidly than in the recent past.

Because of the interest of New York State in a power development at Niagara, New York State has done considerable research in the economic value of low-cost power.

Back in 1933 and 1934, the New York State Power Authority and the Federal Power Commission made a survey of the Great Lakes-St. Lawrence seaway and power project, which was submitted to the President and became Senate Document No. 116, 73d Congress, 2d session.

That report predicted the need for tremendous quantities of power because of the increased use of electricity for heating in industry, and of the electric arc, electric resistance, and electric inductance furnaces for melting, refining, and welding metals, for graphitizing carbon, making calcium and annealing metals.

In the metals field, the report pointed to growing industrial use of nickel, silicon, tungsten, uranium, and vanadium. Titanium, which I have discussed, is also now in this class.

The New York report of 1933–34 I have just cited predicted a tremendous growth of demand for low-cost electricity which has, in fact, developed and which we find, in reviewing the Niagara situation, is continuing at accelerated rates. We are advised that despite their tremendous growth in electrical output, the Tennessee Valley and Bonneville area do not have power for all the industries seeking a location in that area with power supply at costs which are feasible.

I would like to place in the RECORD at this point in my remarks table V from this study which is a table showing the price-power cost relationship of some electrochemical products, illustrating how important the cost factor is in the industries of high electricity use.

Power costing 2 mills per kilowatt-hour amounted to 11 percent of price of aluminum, the 22 cents a pound. But at 1 cent per kilowatt-hour, the power cost would jump to 55 percent of the price.

This table, covering a number of electrochemical materials, gives a direct insight into the importance of the power-cost element, and therefore into the importance of our aggressive efforts to bring

the cost of electricity from atomic generating plants to the lowest possible levels.

I also request permission to place in the RECORD table 1 from the Great Lakes-St. Lawrence study, listing some of the products of electric furnace and electrolytic cell, indicative of the importance of some of the electroprocess products in our everyday life.

The PRESIDING OFFICER. Is there objection?

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE V.—*Price-power cost relations for electrochemical products*

Product	Price per unit	Power (kilowatt-hour per unit)	Power cost at 0.1 cent per kilowatt-hour	Power cost at 0.2 cent			Power cost at 0.3 cent per kilowatt-hour	Percent of price	Power cost at 0.5 cent per kilowatt-hour	Percent of price	Power cost at 1 cent per kilowatt-hour	Percent of price
				Percent of price	Per kilowatt-hour	Percent of price						
Sodium	19 cents per pound	7.2	$0.007	4.0	$0.014	7.6	$0.022	11.4	$0.036	20.0	$0.072	38.0
Aluminum	22 cents per pound	12.0	.012	5.5	.024	11.0	.036	16.0	.06	27.0	.12	55.0
Magnesium	30 cents per pound	13.0	.013	4.3	.026	8.6	.039	13.0	.065	22.0	.13	43.0
Copper	$160 per ton	222.0	.22	.14	.44	.3	.66	.41	1.10	.7	2.20	1.38
Cadmium	64 cents per pound	.8	.0008	.125	.0016	.25	.0024	.37	50.004	.625	.008	1.25
Zinc	$90 per ton	3,000.0	3.00	3.3	6.00	6.6	9.00	10.0	15.00	16.6	30.00	33.0
Chlorine	2 cents per pound	1.5	.0015	7.5	.003	15.0	.0045	22.5	.0075	37.5	.015	75.0
Carbide	$100 per ton	3,000.0	3.00	3.00	6.00	6.0	9.00	9.0	15.00	15.0	30.00	30.0
Silicon carbon	do	7,500	7.50	7.5	15.00	15.0	22.50	22.5	37.50	37.5	75.00	75.0
Graphite	7 cents per pound	1.8	.0018	2.6	.0036	5.1	.0054	8.0	.009	12.7	.018	25.7
Fused alumina	$90 per ton	3,500	3.50	4.0	7.00	7.8	10.50	11.7	17.50	20.0	35.00	39.0
H_3PO_4	9 cents per pound	.8	.0008	.9	.0016	1.8	.0024	2.7	.004	4.4	.008	9.0
Ferrosilicon	$35 per ton	5,000	5.00	14.3	10.00	28.6	15.00	43.0	25.00	71.4	50.00	143.0
Ferrochromium	$200 per ton	4,000	4.00	2.0	8.00	4.0	12.00	6.0	20.00	10.0	40.00	20.0
Electric steel	$60 per ton	500	.50	.8	1.00	1.66	1.50	2.5	2.50	4.16	5.00	8.3
White lead	$150 per ton	450	.45	.3	.90	.6	1.35	.9	2.25	1.5	4.50	3.0

Source: Survey of the Great Lakes-St. Lawrence seaway and power project. (p. 499).

TABLE I.—*Products of electric furnace and electrolytic cell*

Product	Raw material	Application of product
Nickel, refined	Crude nickel	Alloys, plating industry, dairy equipment, utensils.
Nitric acid	Air	Explosives, fertilizers.
Oxygen	Water, sodium hydroxide	Oxywelding, Oxycutting.
Ozone	Air	Sterilization of water, sanitation.
Palladium	Nickel refining slimes	Industrial alloys.
Perborates	Borax	Bleaching agents for textiles.
Phosphoric acid	Phosphate rock, coke, sand	Acid phosphates, cleaners, food products.
Phosphorus	do	Matches, phosphorus compounds, phosphor bronze, smoke screens.
Platinum	Copper refining slimes	Electrical uses.
Do	Nickel refining slimes	Catalysts, jewelry, industrial alloys.
Potassium chlorate	Potassium chloride	Primers, matches, dyeing.
Quartz, fused	Quartz rock	Silica tubes, heat-resisting materials, optical uses, lenses.
Rhodium	Nickel refining slimes	Industrial alloys.
Silicon	Sand and coke	Silicon steel, hydrogen for balloons, resistance units, silicides, silicon tetrachloride.
Silicon carbide	Sand, sawdust, coke	Abrasives, and refractories.
Silver	Copper refining slimes	Jewelry, coinage, industrial alloys.
Sodium bichromate	Chromium salts	Dyeing, tanning.
Sodium metal	Caustic (Castner)	Peroxides, cyanides, bleaching, mining.
Do	Salt	Alloys, tetraethyl lead, organic synthesis.
Sodium perchlorate	Sodium salts, $NaClO_3$	Fireworks.
Tin, refined	Impure tin, tin dross	Tinplate industry, bronzes.
White lead	Lead	Paint pigment.
Zinc, pure	Zinc ore	Brass, galvanizing.
Zinc metal, pure	do	Brass industry.

Source: Survey of the Great Lakes-St. Lawrence seaway and power project (p. 496).

Mr. LEHMAN. Mr. President, the relative importance of electricity costs to various industries is indicated by their use of power. The Federal Power Commission issued a study of industrial electric power use, 1939–46 some years ago which gives us some idea of how various industry groups might be affected, costwise, as a result of the wisdom—or lack of wisdom—with which this Congress adopts a program for the release of atomic energy for peacetime uses.

I offer a table from that study, showing 1944 industrial consumption by industries, for the RECORD at this point.

Chemicals are the biggest users of electricity—and that includes chemicals used by all of us. That industry used 29 billion kilowatt-hours. Next biggest user was steel and iron industry, using 23 billion kilowatt-hours. Next came the nonferrous meals using 21 billion kilowatt-hours.

I was myself surprised to learn that paper required the fourth largest amount—11 billion kilowatt-hours of energy in 1944. The food and textile industries each required nearly 9 billion kilowatt-hours.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE F.—*Electric energy requirements (using only the 1944 column of figures)*

[Kilowatt-hours in thousands (1944)]

MANUFACTURING	
Chemicals	29,163,354
Iron and steel	23,289,908
Nonferrous metals	20,755,278
Paper	11,037,527
Food	8,724,387
Textiles	8,815,882
Petroleum and coal	6,243,480
Transportation equipment	8,908,688
Stone, clay, and glass	5,099,529
Machinery	5,861,275
Automobiles	4,661,755
Electrical machinery	3,658,196
Rubber	2,494,054
Lumber	1,461,514
Printing	1,100,836
Furniture	867,388
Miscellaneous	917,445
Apparel	538,970
Leather	555,606
Tobacco	163,896
Total	144,318,968
EXTRACTING	
Coal mining	5,237,694
Metal mining	3,818,974
Nonmetallic mining	1,348,327
Petroleum and natural gas	945,126
Total	11,350,121
GOVERNMENT	
Shipbuilding	1,155,031
Arsenal and ordnance	1,099,960
Miscellaneous manufacturing	826,578
Total	3,081,569
United States	158,750,658

Source: Industrial Electric Power, 1939–46 (p. VII).

Mr. LEHMAN. Mr. President, a more current table of uses of electrical energy by industry group appeared in the Electrical World's 1954 statistical edition. It has a somewhat different division of industries, but is an excellent index of the importance of low power costs to various industrial groups. I ask unanimous consent that it appear in the RECORD at this point.

This table shows our primary metal industries using 5.45 billion kilowatt-hours in 1954, chemical and allied products using 30 billion kilowatt-hours, paper and allied products 20.7 billion kilowatt-hours, and food and textiles about 13 billion kilowatt-hours each.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Industrial use of electric energy (1952)

[Energy in million kilowatt-hours]

Food and kindred products	13,198
Tobacco manufacturers	295
Textile mill products	13,277
Apparel and related products	1,759
Lumber and products (except furniture)	4,829
Furniture and fixtures	1,225
Paper and allied products	20,670
Printing and publishing industries	2,773
Chemical and allied products	30,272
Petroleum and coal products	9,109
Rubber products	3,828
Leather and leather goods	740
Stone, clay, and glass products	10,980
Primary metal industries	54,403
Fabricated metal products	5,640
Machinery (except electrical)	8,399
Electrical machinery	5,622
Transportation equipment	10,144
Instruments and related products	1,018
Miscellaneous manufactures	2,715
All manufacturing industries	200,986

Source: Electrical World, Jan. 25, 1954, pp. 186–187.

Mr. LEHMAN. Mr. President, finally, and this relates back to the price-power cost relationships, I should like to put in a table taken from the President's Materials Policy Commission report showing the electricity required to produce a ton of certain materials.

A ton of titanium metal requires 40,000 kilqwatt-hours; aluminum, 18,000; 95 silicon metal, 17,500; electrolytic magnesium, 16,000, to mention a few at the top.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—*Power requirements for electro-process materials*

[Approximate kilowatt-hours required per ton of product]

Titanium metal [1]	40,000
Aluminum metal	18,000
95 percent silicon metal	17,500
Electrolytic magnesium	16,000
35 percent hydrogen peroxide (100 percent basic)	16,000
Electrolytic manganese	10,200
Silicon carbide	8,600
70 percent ferrotungsten	7,600
Sodium chlorate	5,200
Rayon	5,200
Phosphoric acid (via electric furnace)	3,900
Electrolytic zinc	3,400
Chlorine	3,000

[1] Kilowatt-hours per pound of titanium from the President's Materials Policy Commission staff report on titanium.

Source: Adapted from chart of process power requirements, Chemical Engineering, March 1951, p. 115. President's Materials Policy Commission and Resources for Freedom (vol. 3, p. 34).

Mr. LEHMAN. Mr. President, the Materials Policy Commission's overall estimate was that we must increase our generating capacity from the 83 million kilowatts available in 1950, to at least 300 million kilowatts capacity by 1975. That means an increase of about 200 million kilowatts capacity in the 20 years ahead, or more than twice as much as we have installed and are operating up to this point in the history of electric energy. The increase is four times as much as was made in generating capacity between 1932 and 1952. We added 48 million kilowatts in that period of relatively rapid growth, including 15 million kilowatts installed by Government agencies. We must realize that in the next 20 years we must increase that, not by doubling or trebling it, but by quadrupling it, in order to keep pace with the great requirements for power, and with the absolute necessity for cheap power.

The Materials Policy Commission did not know, when it reported in 1952, that generation of electricity with nuclear materials was as close as appears today, or that it might be economically feasible during the 1950 to 1975 period it was studying. Its report said that requirements could be met from the conventional sources if private utilities and Government quit arguing and pitched in to get the job done—both of them doing all they could.

And even such an all-out effort left the critical problem of cost to be met. The hydro sites would tend to be less favorable and more costly to develop. Increased coal output would come from more costly mine operations.

The emergence of nuclear reactors as a possible source of energy within this period offers a possible answer to this critical problem of assuring abundant power at costs to meet the Nation's requirements. Whether or not we make the most of the possibilities depends to a very considerable extent on what we do about the atomic energy bill which is before us.

What is the record of the private power industries? I have reviewed it to a very considerable extent in my preceding remarks outlining how slowly power use developed before the Federal program.

In my judgment, the electric-power industry has resorted to the most reprehensible sort of public relations, monopoly practices, and financial practices all through its history. And we have not curbed them, in spite of the exposures of the thirties and the Holding Company Act of 1935. They continue to spend enormous sums for lobbying, for brainwashing the people with their propaganda and for defending scarcities when they ought to devote their energies to construction to meet the Nation's power needs at costs which will maintain economic progress.

But a part of their timidity about installing generator capacity is based on their reluctance to provide capacity ahead of demand. They want assured markets; contracts signed on the dotted line before installing new capacity.

There is a second protective practice which results in slowing the pace of development. That is the suppression of new inventions and new techniques to protect investment in existing plants.

Inevitably, if the Congress of the United States prevents the Atomic Energy Commission and other governmental agencies from developing electric-power generators—if we apply the policy that the administration advocates—to force the Government completely out of the power business—the development of low-cost and abundant power supply from atom-fueled generators will be held back. There will be a tendency, once the competition of Government yardstick operations has been removed, to slow up development, to waste time, and even hold back the introduction of known processes and techniques which might hasten the obsolescence of existing plants. There will be an inevitable tendency to absorb an undue portion of any savings realized from new processes as profits, rather than to insure low costs for the Nation's economic growth.

We can anticipate that it will take many years to get atomic power in abundance at rates that will stimulate the economy—as TVA and Bonneville have stimulated the economies of their areas—under exclusive private ownership than with a mixed private and Government development.

To assure this Nation the necessary supplies of power it needs in these critical times, we need new hydro and atomic generating capacity. We need to press forward with the development of great thermal power generating stations, located close to coal and lignite sources that are economical, and also of all hydroelectric sites and river basins in our country, and finally, of great power grids that will assure the availability of low-cost wholesale power supply to every community in the Nation.

In a study issued in October 1952, the Bureau of Reclamation envisioned such a mammoth power system to meet the needs of the entire West. A giant 500,000-volt transmission grid would tie together the hydroelectric developments of the Columbia River Basin in the Pacific Northwest, the Central Valley of California, the Colorado Basin, the Missouri Basin, and the Arkansas-White Basin with huge steam-electric stations, using the Rocky Mountain coal deposits in Utah, Wyoming, Colorado, and New Mexico; the tremendous lignite deposits in North Dakota, Montana, and South Dakota; and the large coal deposits in Iowa, Missouri, and Oklahoma. There will also be ties down to large steam stations using either natural gas or lignite in Texas.

Looking ahead to 1975, this study sees the regional power demand of the West being met by the production of 174 billion kilowatt-hours of hydroelectric energy furnished by the rivers and 281 billion kilowatt-hours of energy from steam stations burning annually the equivalent of 115 million tons of bituminous coal.

Such a program, with atomic energy providing an increasing proportion of the fuel-generated power as the full development of all water-power resources is approached, would assure all areas

equal opportunity to obtain ample supplies of low-cost power for farm, home, and commercial use and for industrial development. Integration on such a scale can be provided only by the Federal Government.

Looking at the country as a whole, the Materials Policy Commission report indicates that the 1,400 billion kilowatt-hours of electrical energy required to provide for expansion to 1975 is likely to include about 1,100 billion kilowatt-hours of fuel-generated power, in addition to some 300 billion kilowatt-hours produced in hydroelectric plants. This compares with 288 million kilowatt-hours generated in steam stations and 101 million generated in hydroelectric stations in 1950.

As in the West, full utilization of the remaining conventional power resources, and adequate service of abundant power to all areas will require the development of other great regional grids on a scale transcending anything in existence today.

We need to treat commercial development of atomic-fueled generators as a part of this great, total energy problem.

There is a place for the private utilities in meeting the total needs. There is a place for States and municipalities, and for the REA cooperatives. And there is a necessary role to be filled by the Federal Government. A very key role, as our past experience has demonstrated. That role is as administrator of great interstate, regional developments and as administrator of nuclear power.

Former President Herbert Hoover, when he outlined a power policy for the Nation at Case Institute of Technology early in 1953, said the objective should be "to get the Federal Government out of the business of generating and distributing electricity as quickly as possible."

Reviewing what has been done since, including the content of this atomic energy bill as it relates to power development and Mr. Hoover's appointment to the chairmanship of a Commission which is reviewing our water and power policies, it is completely clear that Mr. Hoover's objective is the administration's objective.

It has become undeniably clear that the power companies are in the saddle in Washington today. A brief summary of some of the blows which have been aimed at the Federal power program will suggest how rapidly the economic outlook, based on ample supplies of low-cost power, is being changed.

SUMMARY TABLE OF EARLY ATTACKS ON FEDERAL POWER POLICY

CONGRESS

First. Announced appropriations policy restricting Interior Department, as chief Federal power agency, to those functions and activities which private companies cannot or will not undertake.

Second. Endorsed Hoover Dam policy of sale of Federal power at generating station, thus granting a preference to private monopoly.

Third. Cut out appropriations for transmission lines necessary to deliver Federal power to public and cooperative systems.

Fourth. Reduced appropriations for completion of needed Federal power projects and eliminated new starts.

Fifth. Dictated abrogation of contract with southwestern rural electric cooperatives, thereby threatening to force them to sell facilities, in which they have invested millions, to private companies.

Sixth. House Public Works Committee chairman railroaded through committee and secured House passage of bill to give away Niagara Falls to private-power companies.

Same chairman proposes bill to stop expansion of the TVA.

EXECUTIVE BRANCH

First. President called TVA an example of "creeping socialism," thus adopting slogan of electric companies' advertising program, which is spending millions to overthrow Federal program.

Second. Interior Secretary withdrew Department opposition to Federal Power Commission grant of license to Idaho Power Co. to substitute inferior private development for Great Hells Canyon Columbia Basin project. Later stated he favored private development.

Third. Interior Secretary dictated negotiation by Bonneville Administration of a long-term contract with private-power companies. This contract would seriously curtail rights of public and cooperative electric systems and reduce region-building influence of Federal power program.

Fourth. Interior Secretary, with President Eisenhower's blessing, issued general power policy statement abdicating Federal responsibility for power supply in favor of local (read private) power interests.

Fifth. Interior Secretary issued two regional power marketing orders forcing rural electric cooperatives to contract within 90 days for all power supply they will want in future from existing Missouri Basin projects on pain of having it sold under long-term contracts to private utilities. This means they must pay demand charges on power they do not need and see the energy they cannot use go to private companies at dump rates.

Sixth. Interior Secretary is considering contract with Georgia Power Co. under which all power from Federal projects will be sold to the company, with public and cooperative systems dependent on the company for their share.

FEDERAL POWER COMMISSION

First. Licensed the Pacific Gas & Electric Co. to displace the Bureau of Reclamation in developing the Kings River, Calif., power which was made feasible by large Federal investment.

Second. Licensed Virginia Electric Power Co. to develop key power project in the congressionally approved program for the Roanoke River, Va. This project was also made feasible by large Federal investment in a storage project.

Third. Licensed New York Power Authority to develop St. Lawrence power project without requiring it to observe preference provision of Federal power policy.

Fourth. Has before it applications of the Idaho Power Co. and Montana Power Co. for license or permits in conflict with two major Federal projects in the Columbia Basin program.

ATOMIC ENERGY COMMISSION

Fifth. Proposes, with administration support amendment to the Atomic Energy Act to turn over development of power from the people's $12 billion atomic energy resource to private power companies and to expressly prohibit AEC from building plants for purpose of producing commercial electric power.

This atomic energy bill before us is part and parcel of a policy of giving private utilities a complete monopoly. The present policy is aimed at the following goals: (a) to turn the atom and our best waterpower resources over to private development; (b) to undermine public and cooperative electric systems through curtailing the power supply needed for their expansion; (c) to restrict the sale of Federal power for large regional industrial development; and (d) to revise the entire basis of sale of Federal power in such a way as to increase the cost to public and cooperative systems.

More than 20 years ago a Canadian consulting engineer made a study of what could be expected in the way of expansion of industry and employment as a result of the development of the great waterpower resources of the St. Lawrence River. He used, among other things, previous regional studies by divisions of the National Electric Light Association in this country.

This study showed that development of 825,000 kilowatts in the project on the New York side of the St. Lawrence offered the probability of new industry representing over half a billion dollars of investment and providing some 80,000 new industrial jobs. This meant that, in terms of the cost levels and use of electricity in the 1930's, each 100,000 kilowatts of new hydroelectric power would open the way to nearly $70 million of industrial development providing employment for some 10,000 wage earners.

Since then this country has had the experience of the Tennessee Valley Authority, associated as it was with the period of great power-using electro-process industries. This gives us a direct check on the relation of jobs to Federal power development.

The TVA power system increased its capacity from 800,000 kilowatts in 1933 to 3 million kilowatts in 1950. In that period we find a corresponding increase of 160,000 jobs in industry, or from 222,000 in 1929 to 382,000 in 1950. Furthermore, we find that this increase in industrial jobs enabled the region to support an almost identical increase in employment in stores, services, transportation, construction, and so forth. These secondary jobs rose from 342,000 in 1929 to 507,000 in 1950, or by 165,000.

In the same interval, total manufacturing income in the Tennessee Valley region rose from $266 million to $1,137 million, or by $871 million. This was the result of a great Federal river-basin program with hydroelectric power at low rates as a key factor.

The President has referred to this as an example of creeping socialism. But

as far as I can learn, the people of the Tennessee Valley do not think of it that way at all. Governors, bankers, businessmen, farmers, and wage earners know that it has been the greatest stimulus to private business enterprise and employment that has ever come to the valley.

In round figures this experience suggests that each additional 100,000 kilowatts of low-cost power offers the possibility of about 15,000 new jobs, about half of them in new industries, and half the result of the stimulus to the trades and services. With the development of great power-using industries like aluminum and chemical fertilizer, the ratio of industrial jobs to kilowatts is somewhat lower than estimated in connection with the St. Lawrence projects.

Finally, we have the parallel experience with the Columbia River Basin program in the Pacific Northwest, starting with the Bonneville power project, followed by Grand Coulee, and other projects. A statistical analysis of the Columbia basin development can be found in the testimony of William A. Dittmer, power manager, Bonneville Power Administration, in the hearings on the Hells Canyon project before the Federal Power Commission.

Pointing out that 594,000 kilowatts of prime power would be forever lost if the Idaho Power Co. were permitted to build its three proposed lesser projects in place of the single Federal high-dam Hells Canyon project, he cited experience from the sale of power from the earlier projects as showing that about one-third would be used for diversified manufacturing, one-third in electro-process industries, and one-third in residential, farm, and commercial establishments.

Such a usage, he said, would support an estimated 35,000 jobs in manufacturing, with annual earning power of $140 million in salaries and wages. Service industries would add at least another 35,000 workers, with $100 million in annual salaries, wages, and other income. An annual average of about $700 million in goods would be produced, while sales of power would stimulate sales of residential, agricultural, and commercial electric appliances and equipment to a total of about one billion dollars. He added that the Federal Government would obtain at least $45 million annually in additional taxes.

These figures should be studied seriously by all of us before we vote on the pending Atomic Energy bill, which proposes to give away the atom to private monopoly.

The figures I have cited show that low-cost power is translated into jobs, and that restricted high-cost power development will mean restricted employment, restricted development, and a restricted national economy.

The ability of democracy to create a good life for its people is the basic test we confront today. We need abundant energy to keep ahead in the arms race, and, for the security of our own Nation and of the free world. But more than that, we need to demonstrate to the world that under democracy there is optimum use of resources for the people. We must not permit the atom to become the exclusive property of monopolists, to be scarce when it can be abundant, and costly when its benefits might be cheap.

We need to release the benefits of the atom to all the people, and to export its peacetime benefits to friendly peoples around the world.

Madam President, I wish to point out again, as I have so frequently done during this brief debate, that none of us who are opposing the bill in its present form have any desire to stifle the legitimate efforts of private industry. We believe in private industry. We want to see it developed; we want to see it profitable; and, above all things, we want it in partnership with the Government; but we want a real partnership with the Government. We do not want a monopoly in private industry, and a complete surrender on the part of the Government, a definite prohibition on the part of the Government to engage in the effort and help produce a market for energy produced from nuclear fission for the benefit of all the people of our country, regardless of what happens, and we want a yardstick. I cannot emphasize too strongly that we do not wish to indict private industry in any way. We want private industry in partnership with the Government.

Madam President, I am glad to have had the opportunity of debating the subject. I listened to the debate last night and today. It is my belief that the Johnson amendment, which is now the pending amendment before the Senate, has been sufficiently debated, as indeed I hope that all other amendments will be likewise debated before they are acted on.

I therefore recommend, suggest, and ask that the Johnson amendment be called up as promptly as possible and voted upon.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hennings	Maybank
Anderson	Hickenlooper	Monroney
Bennett	Hill	Murray
Bridges	Humphrey	Pastore
Bush	Jackson	Payne
Case	Johnson, Colo.	Purtell
Daniel	Johnson, Tex.	Reynolds
Dirksen	Johnston, S. C.	Saltonstall
Dworshak	Kennedy	Schoeppel
Ferguson	Knowland	Smith, Maine
George	Langer	Smith, N. J.
Gillette	Lehman	Thye
Gore	Lennon	Watkins
Green	Mansfield	Wiley
Hayden	Martin	

The PRESIDING OFFICER. A quorum is not present.

Mr. KNOWLAND. Madam President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BARRETT, Mr. BEALL, Mr. BRICKER, Mr. BURKE, Mr. BUTLER, Mr. BYRD, Mr. CARLSON, Mr. CHAVEZ, Mr. CLEMENTS, Mr. COOPER, Mr. CORDON, Mr. CRIPPA, Mr. DOUGLAS, Mr. DUFF, Mr. EASTLAND, Mr. ERVIN, Mr. FLANDERS, Mr. FREAR, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. HENDRICKSON, Mr. HILL, Mr. IVES, Mr. JENNER, Mr. KERR, Mr. KILGORE, Mr. LONG, Mr. MAGNUSON, Mr. MCCARRAN, Mr. MILLIKIN, Mr. MORSE, Mr. MUNDT, Mr. NEELY, Mr. POTTER, Mr. ROBERTSON, Mr. RUSSELL, Mr. SMATHERS, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. UPTON, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

During the delivery of Mr. LEHMAN's speech,

Mr. KEFAUVER. Madam President, if it is agreeable to the Senator from New York I would like to ask unanimous consent that he may yield to me for 20 minutes, without losing the floor, and with the understanding that my remarks shall follow his address.

Mr. HICKENLOOPER. Madam President, reserving the right to object, I discussed this matter with the Senator from Tennessee just a moment ago. I want to make it clear that I understand the Senator from Tennessee has another committee meeting a little later this afternoon, and that it would be very embarrassing if he could not keep that engagement. Under those particular circumstances, I certainly am glad to interpose no objection; but I would be constrained to object, if it were merely a question of otherwise "farming out the floor", as we say, for 10 or 15 minutes, in the midst of a speech. But, under the circumstances I am happy to be able not to make any objection, and to give consent to the request, if it meets with the approval of the Senator from New York.

Mr. LEHMAN. Madam President, I understand I have the assurance, of course, and the statement of the Senator, that he asked me to yield, because he has an important committee engagement which he must keep; and, under those conditions, and with the understanding that I do not lose my place on the floor, but that I will be permitted to resume my remarks at the conclusion of the remarks of the Senator from Tennessee, I shall be glad to yield to him.

The PRESIDING OFFICER (Mrs. SMITH of Maine in the chair). Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. Madam President, I appreciate greatly the courtesy and kindness of the distinguished Senator from Iowa [Mr. HICKENLOOPER], and also of my esteemed colleague from New York [Mr. LEHMAN], for giving me this opportunity to make a few remarks this afternoon in connection with general reasons for opposing the Dixon-Yates contract, and pointing out some weaknesses of this entire bill.

I desire to summarize some of the principal faults and omissions in the bill we are now considering.

First, it opens wide the door for the peacetime use of patents in the atomic energy field and abroad, by a few large corporations who have been contractors for the past 8 years on atomic projects, and who will be in a favored position to contract.

It has always been the policy of the Congress to safeguard the interest of small business, both Houses of Congress having created small-business committees; and yet the position of small business in this bill is not taken care of sufficiently. It seems to me that, in the use of such an important new element, so important to our economy, further safeguards should be provided to small business.

Second, it ignores and evades the clear mandate contained in section 7b of the McMahon Act, that a report be made by the AEC to the President and the Congress, describing the social, economic, and international impact of the industrial use of atomic energy, upon our Nation, such report to be furnished prior to a drastic change in legislation.

Third, all language prohibiting administrative action, which would tend to form a monopoly pattern, or a restraint-of-trade area, has been eliminated from the pending Cole-Hickenlooper bill, although carried in the McMahon law.

Fourth, through the power of administrative determination of who shall receive licenses, and how many licenses shall be issued, the pattern for a selected and limited reactor-construction program can be controlled.

Fifth, the scope of the military has been widened for the manufacture of weapons and the manufacture of utilization facilities, reactors for powerplants, and so forth.

This was one of the points which was discussed very thoroughly when the original McMahon bill was passed; that is, that it should be under civilian control, that the military part should be closely supervised by civilians; and that this bill, without any real showing or justification, enlarges the participation of the military in the whole atomic-energy field.

Sixth. Research by AEC in its own facilities has been discouraged, and production of power for its own use, or resale on a commercial basis, is expressly forbidden.

Seventh. The provisions which retain Government ownership of suitable nuclear material seem to protect the accountability and fee-title of the bomb material, but they introduce many new problems:

(A) The Government must furnish for use in connection with privately owned reactors, on a quantity-need basis, and, at a reasonable charge, special nuclear material. It must provide for the private company the material when it becomes impregnated with plutonium. They must buy the proper plutonium. They, in effect, become the sole purchaser in a guaranteed market. Subsidy by the Government of private industry becomes inevitable.

Eighth. The bill retains accessibility to the uranium deposits of public lands. The meaning of this is uncertain, because the Government still retains some purchasing rights and some transportation control.

New language in the bill seems to try to give special prestige and additional power to the Chairman of the Atomic Energy Commission. It tends to weaken the independence and access to pertinent atomic information by other members of the Atomic Energy Commission.

Ninth. Much language is used to indicate declassification of information and criteria by which international arrangements or international cooperation agreements can be accomplished.

So many conditions, safeguards, and prohibitions are contained in various sections of the bill that it is doubtful whether more declassified information will be disseminated, or whether the international exchange of information or materials will be enlarged.

Madam President, the proponents of this bill have argued for its passage, because it will restore the free enterprise system to the power industry. The basis of free enterprise is competition, and the absence of competition in the Dixon-Yates contract, and the absence of competition in further activities that will take place under the Cole-Hickenlooper bill is another objection, to which I want specifically to address these remarks. It therefore behooves us to examine this bill in the light of the safeguards it has to offer against the threat of monopoly, and for the protection of competition. The answer is that there are none. Not a single anti-trust feature that will genuinely protect competition is to be found in this bill.

Much has been said about the Dixon-Yates proposal. I should like again, briefly, to refer to that deal which the administration tried to slip over in the dark. Now that the Ferguson amendment has been approved by this body, a thousand Dixon-Yates deals have been made possible, now that this one has been approved. When the people of the Nation know that by the adoption of the Ferguson amendment the Atomic Energy Commission might find it possible to use it, not only at some place in Arkansas, but at Anniston, Ala., at Cleveland, Ohio, down in South Carolina, and in Georgia, as well as in the Pacific Northwest, and anywhere else in the United States, to throttle good public power developments, they are going to be truly alarmed at this perversion of the use of the Atomic Energy Commission. They are going to be more concerned about this than they were about the notorious Teapot Dome deal, and justly so, because, not only is this an effort to do a favor for certain utilities; it constitutes a road which will lead to chaos and the coddling of administrative agencies of Government.

Madam President, we must not forget that the Dixon-Yates "deal" represents a suppression of competition, a glorification of monopoly, and the very antithesis of the free-enterprise system.

Let me illustrate what the Dixon-Yates "deal" really means in terms of how it destroys free competition. In the first place, Madam President, the Government undertook to deal with the Dixon-Yates group before that group ever saw the specifications the Government had for the steam plant. That is not giving any other possible bidder a chance. The General Accounting Office has been very critical, and today still is critical, of the fact that in this case there has been no competitive bidding whatsoever, on the basis of the terms of the contract.

Mr. James, the secretary of the Dixon-Yates group, testified before the Antitrust and Antimonopoly Subcommittee of the Judiciary Committee that he certainly would like to see a copy of the specifications for the steam plant. In that connection, I now read from the testimony taken before the Antitrust and Antimonopoly Subcommittee of the Judiciary Committee:

Mr. JAMES. The second thing I would like to ask is a copy of the so-called specifications referred to here, which were issued by the AEC, because, frankly, I have not seen them.

Senator KEFAUVER. They are in the CONGRESSIONAL RECORD.

Mr. JAMES. My client never saw them until he read about it in the paper.

Mr. DAVIS. Apparently they were available.

Senator KEFAUVER. Do you represent Dixon and Yates?

Mr. JAMES. That is right.

Senator KEFAUVER. They have never seen the specifications?

Mr. JAMES. They were never given specifications.

Mr. DAVIS. On what basis did they submit a bid?

Mr. JAMES. They were asked to submit a proposal, and they got up their own proposal, but we never have had any specifications.

Mr. BURCH. The Atomic Energy proposed specifications to Dixon and Yates, and Dixon and Yates did not meet the Atomic Energy specifications; is that the way it worked?

Mr. JAMES. We never saw the Atomic Energy specifications.

Mr. BURCH. I would like to have a copy.

Senator KEFAUVER. Are you sure about that, sir?

Mr. JAMES. I am certain.

Senator KEFAUVER. Do you mean your engineer did not see it?

Mr. JAMES. Our engineers never saw that. We read about them in the paper in connection with the hearings, but I personally have never seen them.

That testimony is to be found on pages 110 and 111 of the transcript of hearings before the Antitrust and Antimonopoly Subcommittee of the Judiciary Committee.

Madam President, that is conclusive evidence that the Atomic Energy Commission, at the direction of some high authority, proceeded in defiance of every principle of competition and fair dealing. Even if such iniquitous contract were to be entered into, all the rules for competition the Government has set up in connection with Government procedures and practices over all the years were defied as a result of preventing anyone else from seeing the specifications, and thus preventing any others from bidding.

If anyone denies that an effort was made to prevent any other worthwhile group to inject competition into that situation, he simply has not read the offer of a very reliable organization to compete for the building of the steam plant. The competitor was never really considered, as a matter of fact.

I should like to point out again that a group of competent engineers—well known, expert engineers who had joined together, and who had had wide experience—requested permission to compete with the Dixon-Yates group. They asked the Atomic Energy Commission, over and over again. In fact, that group is still making that request, today. The

proposal of that group would save the Government at least $100 million; and at the end of the contract period, the plant would belong to the Government, rather than to the private utility. That proposal would not involve the Atomic Energy Commission in perversion of its authority, use of its authority for the purpose of enabling it as a power broker to interfere with the activities of another independent branch of the Government.

Furthermore, the Dixon-Yates deal would interfere with construction of the steam plant at the place where it is needed. Construction at that site would not put the TVA to the great expense required by construction of the plant across the river. Furthermore, under the von Tresckow plan, the plant would be built on a site that has been approved by everyone with engineering experience, and thus it would be possible to avoid having the plant constructed on a site which would be subject to floods, a site where conditions are not good and which is far removed from the place where the power is needed. Under the von Tresckow plan, the plant would be built on a site from which, when the plant was in operation, ash from the burning of coal would not be blown over the city of Memphis.

Madam President, why was not that proposal considered? No one objected to the proposal; no one pointed to any flaws in it. The underlings of the Atomic Energy Commission seemed to be elated with the proposal, but they never could get approval from the higher-ups.

The only possible conclusion is that the administration was determined that it would enter into a contract with Dixon-Yates, no matter how bad the arrangement was, no matter how much would be the additional cost to the Government, no matter how much of an unlawful perversion of the purposes or authority of the Atomic Energy Commission the contract would result in, no matter how much destruction it would do to the TVA. That is the only conclusion one can draw from the fact that the administration absolutely refused to consider the proposal by Walter von Tresckow and his associates.

Madam President, strange things are happening in the competitive world in connection with this matter. The Von Tresckow group had very competent engineers, who drew up the cost figures. Those engineers were from the firm of Gibbs & Hill, of New York, of which Mr. Sloan is president. There is no doubt that the Von Tresckow group had a working arrangement with those engineers.

To show the extent to which the monopolies in their greed will go in trying to prevent competition, in trying to prevent anyone from interfering with their plans, let me point out that there can be no question that Mr. Sloan was high pressured into withdrawing his firm as the engineers for the Von Tresckow group. The letter from Mr. Sloan to Mr. von Tresckow has been read time and time again during the debate. Madam President, I ask unanimous consent to have the letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR MR. VON TRESCKOW: In our original discussions we had no knowledge of the fact that any private utilities were interested in the construction and operation of a generating station in the Tennessee Valley area for the Atomic Energy Commission.

It now develops that unauthorized use of our name has been made in connection with a proposal to the Atomic Energy Commission counter to one submitted by Middle South Utilities and the southern companies.

On April 28 we pointed out to you that Gibbs & Hill, Inc., could not afford to have its name linked with any endeavor contrary to the interests of any privately owned public utilities in this country.

The use of our name has come to the attention of Mr. Dixon, president of Middle South Utilities, and through him to Mr. England, president of Atlantic City Electric, one of our clients; and to a number of electrical equipment and boiler manufacturers. One of the subsidiaries of Middle South Utilities is the New Orleans Public Service Co., with whom we have been endeavoring to negotiate an agreement for the design and/or construction supervision of their new station.

In view of the foregoing it would seem necessary to have statements issued in such newspapers as Gibbs & Hill's name has been mentioned in connection with this project, to this effect: That we will not participate in any activity detrimental to the privately owned public-utility industry in this country.

Any personal names or company names used above are confidential and have been mentioned for the sole purpose of adequately presenting Gibbs & Hill's position.

Yours very truly,

DAVID B. SLOAN,
President, Gibbs & Hill, Inc.

Mr. KEFAUVER. The letter points out that when Mr. Sloan learned that some of the private power interests might be troubled because of the service of Gibbs and Hill as engineers for Mr. von Tresckow and his group, Mr. Sloan decided he had to back out. His letter is also in the record of the hearings of the Antitrust and Antimonoply Subcommittee of the Committee on the Judiciary.

I do not think the people of the United States, who are dedicated to competition, who believe that the free enterprise system means free, competitive enterprise where everyone should at least be given consideration, will think very favorably of this unadulterated effort to try to do a favor to just one company.

There is another angle of this matter upon which I wish to touch very briefly before I close. I refer to the fact that this "deal" with the Dixon-Yates group will result in having the Government of the United States itself be a party to a violation of one of the most important laws the Congress has passed in the past 25 years. I refer to the Public Utility Holding Company Act of 1935. All of us remember that, prior to the enactment of that measure, the private electric companies, through the device of holding companies, were preventing competition, were raising power rates, and were getting a stranglehold upon the people of the United States. Therefore, in order to break up the grip had by the Insulls and the big private utility holding companies, the Public Utility Holding Company Act of 1935 was enacted. It has had a very wholesome influence.

Under that act, before any private-utility company can enter into a holding-company deal, for the purpose of taking in new territory or enlarging its operations, it must register with the Commission and must furnish full information about what it plans to do, and must let the Commission pass on the question of whether the company would be in violation of the wholesome provisions of that act.

There can be no question that the Dixon-Yates group is a holding company, composed of two other companies, the Southern Co. and the Middle South Utilities Co., which, in turn, themselves are both holding companies. So in this case we have a holding company on top of two holding companies. Clearly the Public Utility Holding Company Act of 1935 is applicable. Yet the Government of the United States itself would enable this large holding company to perpetrate this outrageous "deal" on the people of the United States and on the TVA, and the Government would not stop to consider whether the company would be in violation of the provisions of that act.

This is a case in which the Government is attempting to negate and kill a law which the Government itself established.

Madam President, has anyone ever claimed that the Dixon-Yates group ever filed notification of what it intended to do, or that the Dixon-Yates group has ever obtained any certification or permission under the Public Utility Holding Company Act?

No. Instead, by going into this deal, the Dixon-Yates group is doing exactly what that act prohibits holding companies from doing; namely, enlarging its operations, spreading out, taking in new territory, and grabbing more control of the utility business and the power business in the Nation.

Madam President, strange things happen these days; but I know of nothing stranger than this case, in which the Government of the United States willfully, purposely, recklessly, and with abandon, clearly violated the provisions of a law which has been on the statute books for the past 19 years—and this is going to be only the beginning.

If this "deal" goes through, if it is finally approved by the Congress and by the President, if it is negotiated, we might as well wipe off the statute books the Public Utility Holding Company Act, because in that case a precedent will be established, so that this holding company, which is a superholding company, by joining with the Atomic Energy Commission will be able to go anywhere in the United States, and to enlarge its influence, and to take in new territory; and apparently the Public Utility Holding Company Act will not have application or will not be applied, because apparently the administration does not want it to be applied to this case.

Thoughtful people should carefully consider this matter. I do not think the Congress is ready to nullify the TVA Act. I do not think Congress wishes to put Government agencies into business in which it never wished them to go in the

first place; and I do not believe the Congress is ready to annul the Public Utility Holding Company Act of 1935.

Yet can there be any question in anyone's mind that the Dixon-Yates contract and the Ferguson amendment do just that? Not by direction, not by outright act of Congress, but by perversion, by using agencies of the Government for purposes for which they were never founded. If Congress wants to repeal the Public Utility Holding Act, it should be done as a result of hearings, consideration, and debate. If Congress wishes to change the character of the TVA, modify the TVA Act, or repeal the TVA Act, it should be done directly. If Congress desires to put the Atomic Energy Commission into the power business, where it never wanted to go, that, too, should be done directly. But in the name of fairness, in the name of legislative and regulatory procedure, in the name of giving the people an opportunity to know what is going on and of expressing themselves about the question, these things should be done by direct act of Congress, and not by subterfuge.

I suppose there would be some excuse for not complying with the Public Utility Holding Act if a war emergency were involved. I am informed that some exception was sought to be made for the Electric Energy, Inc., group at the atomic energy works in Kentucky for not complying with the Public Utility Holding Company Act on the ground that it was for war power.

I think later some attempt was made to comply with the act, but there is nothing of that sort in connection with this matter.

I do not believe Electric Energy, Inc., could have got by the Public Utility Holding Company Act. But, of course, that was a wartime operation, and it was power supplied directly to the atomic energy works at Paducah. But that situation is clearly absent in this instance. Not 1 kilowatt of that power is going to any defense plant as such. Not 1 kilowatt of power is going to the atomic energy works at Paducah.

Mr. President, I resent the way the whole matter has been handled publicity-wise. The Bureau of the Budget and others who have talked about it have said that in the interest of national defense, in the interest of getting power to the atomic energy works at the Paducah, this, that, and the other was going to be done. That is a subterfuge. It is deceitful; it is untrue; because it is now admitted that the only purpose of the project is to put electricity into the TVA system to be used entirely by commercial consumers, and has no relation to the national defense whatsoever.

I wish to make one final plea before the bill is finally approved, that we consider just what we are doing to other independent agencies of the Government; that we consider what we are doing to competition; that we consider how we are reversing all sound policies of Government in the field of preference and of the independence of independent agencies of Government; and that we are, with one stroke, striking down one of the greatest agencies for the development of resources of a section that the world has ever known. I refer to the Tennessee Valley Authority. What is sought to be done is an atrocious act. It is not right. Those who are taking part in it will live to regret it, just as did those who were connected with the Teapot Dome affairs of some years ago.

I express my appreciation to the distinguished Senator from New York.

Mr. LEHMAN. It is understood that the remarks of the Senator from Tennessee will follow the conclusion of my complete remarks.

CLOUD SEEDING

During the delivery of Mr. LEHMAN'S speech,

Mr. ANDERSON. Madam President, I wonder if the distinguished Senator from New York would ask unanimous consent that I might speak for a few minutes, without his losing the floor, with reference to a matter of great interest to me. The distinguished Senator from South Dakota [Mr. CASE] is on the floor, and I desire to discuss the matter while he is present. I ask unanimous consent that my remarks may follow the speech being made by the Senator from New York.

Mr. LEHMAN. Madam President, I ask unanimous consent that the Senator from New Mexico may be permitted to speak briefly, without my losing the floor, and his remarks to follow the conclusion of my address.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. ANDERSON. Madam President, some years ago the junior Senator from South Dakota and I became extremely interested in rainmaking legislation. At the time the bill finally came back to Congress for consideration, I was out in New Mexico, and not permitted to return to Washington for a few weeks, because of illness. It was a matter of great joy to me that the junior Senator from South Dakota took the hearings that had been held and various bills which had been presented, including a very fine bill of his own, and consolidated them into a bill which the Senate and House passed, and which became law.

The first operations under that law have started as of July 1 of this year, and a study and evaluation of rainmaking is about to be made.

Because of the interest in the subject of rainmaking and the possibility of a large Federal program in connection with it, I thought I might incorporate into the RECORD a number of items which deal with the endeavors we were making, and to show, particularly in my State, the opposition of livestock groups, and then the change in their attitude in the past few years.

Madam President, I have received from the Chamber of Commerce of Raton, N. Mex., a letter enclosing a statement from the Colfax County Water Plan Board which the chamber of commerce is sending to livestock associations, farm bureaus, chambers of commerce and other organizations concerned with the possible effects of cloud seeding. I ask unanimous consent that that letter and a copy of the statement of the Chamber of Commerce Water Plan Board be incorporated in the RECORD at this point.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE,
Raton, N. Mex., July 15, 1954.

Hon. CLINTON P. ANDERSON,
United States Senate,
Washington, D. C.

DEAR SENATOR ANDERSON: A copy of the enclosed statement from the Colfax County Water Plan Board is being sent to livestock associations, farm bureaus, chambers of commerce, and other organizations which may be concerned with possible effects of cloud seeding.

We are asking that the question be carefully studied, all known and suspected phases of it, and the reaction be furnished to us. One of two conditions is certain: either there are no effects at all from seeding, in which case it should be confined to a laboratory, or there are effects.

If there are no effects, public policy probably should protect the gullible. If seeding does in fact produce moisture from clouds passing over, areas such as New Mexico need protection from those who would milk them of moisture before they reach us.

We know you have been interested in this matter and may have information which will be helpful to us in future meeting, the next of which has been tentatively scheduled for July 28, 1954.

Very sincerely,

E. E. HARRISON.

STATEMENT OF COLFAX COUNTY WATER PLAN BOARD IN REGARD TO CLOUD SEEDING

There are at this time many claims made as to the results and benefits from cloud seeding programs, but one very important factor is not mentioned in the claims. This factor is, What is the result of the depletion of moisture contents of a cloud that has been seeded and artificial precipitation produced therefrom, which leaves the seeded area on its natural course but without the moisture content that would normally have produced precipitation on points along the path of the storm?

To us it would seem that people living in an area farther away from the sea than the area that has been seeded are in somewhat the same fix as the farmer living along an irrigation ditch and getting along quite well until farmers living above him on the same ditch removed his water before it could get to him.

As we understand it, there has been for the past 5 years an active cloud seeding program in the States of California, Oregon and Washington. During the same 5 years there has been a greatly reduced snowfall in the mountains of Arizona, Utah, Idaho, Colorado and New Mexico, and an almost total absence of wet northers during the winter months in the States of Kansas, Oklahoma and Texas.

The question in our minds is then: Have the cloud seeders depleted the moisture contents of the normal storm clouds that in the winter months originate in the Gulf of Alaska and then usually travel in a southeasterly direction and have heretofore deposited a lot of snow in our mountains and a lot of moisture in the Plains States in the form of wet northers?

In looking over the weather records we find that our summer precipitation, which we believe originates in the Gulf of Mexico, has remained fairly normal, but the absence of winter moisture leaves our land so dry at the beginning of summer storms that our soils cannot produce normal pasture or crops, and without the snow in the moun-

tains we have little or no water to use for irrigation.

It is quite clear to us that the cloud seeders do not increase the total amount of precipitation available in the United States as a whole, as the programs are now carried out. We do believe the distribution of this precipitation is affected by the cloud seeders, and States like New Mexico are being tremendously hurt by the program as now carried on.

We know the results of the present cloud seeding program are not confined to the areas where the seeding is done, and yet there is no effective regulation of such programs. We therefore urge that cloud seeding be prohibited by Federal law until such time as fair and effective regulation can be worked out.

COLFAX COUNTY WATER PLAN BOARD,
By NEAL HANSON, *President*.
By E. E. HARRISON, *Secretary*.

Mr. ANDERSON. Madam President, the comments of the Colfax County Water Plan Board on the subject of cloud seeding are extremely interesting to me and I think very important at this time. The Colfax County people very properly raised this question:

What is the result of the depletion of moisture contents of a cloud that has been seeded and artificial precipitation produced therefrom?

Their statement then suggests that these clouds leave the seeded area and fail to deposit the moisture content which would normally have been deposited in rain over the area.

This raises the whole question that I have been steadily raising for several years and for which I have been rather severely criticized by some of the livestock organizations to whom my proposals had not been properly presented. As a matter of fact, on January 24, 1951, the Santa Fe New Mexican spread a headline across its front page reading: "CLINT ANDERSON Blasts Greed in Cloud-seeding Rain Efforts, Pushes Own Measure for Federal Control."

The first few paragraphs of that news story point out the problem and I ask unanimous consent that they be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Senator CLINTON P. ANDERSON said today that "haphazard" rainmaking efforts are threatening the economy of the Southwest. ANDERSON, who came to Santa Fe today, is the author of a bill before the United States Congress that would require Federal supervision over attempts to modify the weather.

He spoke out against uncontrolled and unobserved rainmaking as the State suffered in the most severe drouth of recent history and as efforts went forward in at least two sections of the State to attempt local rainmaking. "Overseeding of clouds with silver iodine," ANDERSON said, "can be extremely dangerous."

"I think," he went on, "that no greater disservice could be done to our State than to have a few greedy individuals strive so hard to get a little extra moisture for themselves that they upset the normal pattern of rainfall on the headwaters of our streams and destroy the irrigated section."

SUGGESTIONS

The Senator suggested that property owners, operators of farms and ranches, and citizens in general should watch carefully the operations of rainmakers to ascertain if they are affecting the climate of the Southwest adversely.

ANDERSON stated that he was not seeking to stop the development of the science of rainmaking, but that he believed the New Mexico School of Mines and the economic development commission of New Mexico were moving in the right direction, and that the citizenry of the State would do well to try to cooperate with their efforts, rather than to set individual patchwork.

Mr. CASE. Madam President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CASE. I may say that I am glad to have the distinguished Senator from New Mexico place this matter in the RECORD and to get these questions before Congress and the public. The question which was posed in the last insertion, namely, whether or not cloud seeding depletes moisture in clouds, so that it adversely affects the rainfall of a cloud at another point, is one of the questions which ought to receive a definitive answer, if it is possible to get it.

Thus far, as the Senator may recall, the testimony before the Joint Senate Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Agriculture and Forestry, a few years ago, indicated that the amount of moisture that is taken from any cloud during a rain is so infinitesimal, such a small part of the total amount which the cloud carries, that it would not have an adverse effect. But we all recognize that that is an opinion. No one knows yet. The point repeatedly stressed in the hearings was that we know some of these things are done in laboratories. We know that there have been some spectacular developments following cloud seeding, but we do not know as much as we should know.

The whole purpose of the legislation enacted by Congress, and which now has begun to function, as of July 1, 1954, following the obtaining of the first appropriation, is to find out what people are doing in this field, under what conditions, and with what results.

The purpose, in short, is to ascertain whether it pays, whether with the variations we have under natural conditions, it is possible to meet certain prescriptions and to expect certain results of sufficient accuracy as to warrant the expenses of companies, associations, ranchers, and farmers, and, in some cases, public bodies, are making in this field.

Anything which can add to our knowledge of the subject is a contribution, I believe, to one of the great problems of our generation. The country today is feeling the effects of a shortage of water, not merely in agricultural regions, but in industrial regions.

I certainly have appreciated and admired the intense and intelligent interest which the Senator from New Mexico has given to the whole field of cloud modification.

Mr. ANDERSON. I thank the Senator from South Dakota. I am happy to see the very able senior Senator from Oregon [Mr. CORDON] on the floor, because he was extremely helpful in getting this work underway, in having it approved, and making it possible for the study to be made.

I think the important point is that there must be a controlled experiment, which will be able to tell us what the results are. I think the legislation which the Committee on Interior and Insular Affairs studied and which the distinguished Senator from South Dakota finally presented, will eventually be a great blessing to this country, where drought seems to be becoming the universal pattern, and not the exception.

Mr. CASE. Without the able assistance of the senior Senator from Oregon, who is chairman of the Subcommittee on Interior Department Appropriations, the National Advisory Committee on Weather Control might not be functioning today.

Mr. ANDERSON. I am happy to have that testimonial to the interest of the Senator from Oregon, because we all know of the great help he has given in this activity.

Madam President, it would probably be best to insert in the RECORD at this point the entire statement which I made January 24, and I, therefore, ask permission that the statement as then released to the press should be put into the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CLINTON P. ANDERSON ON WEATHER CONTROL, JANUARY 24, 1951

Suggestions that property owners, operators of farms and ranches, and citizens in general should watch carefully the operations of rainmakers to ascertain if they are affecting the climate of the Southwest adversely, were made today by Senator CLINTON P. ANDERSON, who has presented to the Congress of the United States a bill for control of attempts to modify the weather.

Senator ANDERSON stated that he was not trying to stop the development of the science of rainmaking, but that he believes that the New Mexico School of Mines, through Dr. Workman and the Economic Development Commission of New Mexico were pointing efforts into the right direction, and that the citizenry of the State would do well to try to cooperate with these efforts, rather than to set up their own programs of controlling weather.

"I do not know if the present drought in the Rio Grande Valley is connected in any way with rainmaking operations," he said. "I point to the fact that while some ranchers in certain sections of the country may be jubilant, the small farmers in the middle Rio Grande Valley are being forced to dig wells or to abandon their farms because of lack of rainfall. It suggests to me the possibility that you can't rob Peter to pay Paul in making weather.

"If the matter stopped there, it might not be so serious. We would destroy the economy of the middle Rio Grande Valley in order to build up the ranch economy of the eastern plains. Someone might say that is a perfectly fair trade. But the ultimate outcome could be that the farmers in the Rio Grande Valley, to protect themselves, would have to have their airships flying over the plains of eastern New Mexico trying to steal a few clouds from the ranchers there. The result could easily be that all the clouds would be so heavily overseeded that there would be no rainfall in New Mexico and throughout the Southwest.

"That statement is provable. I think that the research work of the General Electric Corp. has absolutely established the fact that

overseeding can be extremely dangerous, and that it can result in the production of an absolute drought. If that be true, then the operation of unlicensed and unobserved rainmakers who turn loose their batteries of silver iodide generators can present a most dangerous situation for our entire State.

"My visits to the General Electric laboratories have persuaded me that there is a periodicity to weather when there are regular seedings of silver iodide in New Mexico. That periodicity is not felt in our State, but shows itself from Omaha to Albany. That suggests to me the possibility that controlled seedings scientifically made in Mexico or off the coast of lower California could produce rain all over Arizona and New Mexico. But that cannot be tested and scientifically proved or disapproved if there is interference from a dozen private operators, each pouring into the clouds his own private blend of silver iodide in his own haphazard amounts.

"What I have tried to do in a Federal bill is to make sure that we know what is going on, and that we have an adequate opportunity to study the weather pattern that follows attempts at rainmaking. We must be certain that we do not destroy one entire river basin in an effort to spread a little water over plains where people are worried about grazing for their cattle. But, by cooperation, we can serve both.

"Rainmaking offers the real possibility that we can alter the climate of this entire arid Southwest, and that we can fill up our reservoirs, raise the groundwater tables and make possible a completely sound economy for all of us. I think no greater disservice could be done to our State than to have a few greedy individuals strive so hard to get a litle extra moisture for themselves that they upset the normal pattern of rainfall and the headwaters of our streams, and destroy whole irrigated sections.

"The Rio Grande Valley is the oldest continuously irrigated section of farmland in the United States. I hate to see it turn into a dust bowl and blow away. I know that I will be accused of trying to protect my own farm, but I can't protect a lot of other people's farms similarly situated without protecting my own. I personally have seen the charts prepared by the rainmakers who worked in the headwaters of the Rio Grande in Colorado and northern New Mexico. They have charts which they proudly exhibit to show that they reduced the rainfall in the headwaters of our stream and produced rainfall in the area where they were paid to produce it. I think that pretty well establishes the fact that they believe they have done the very thing that has caused us disaster in this Middle Rio Grande Valley.

"It affects not only the people of Santa Cruz, Espanola and Santa Fe; it affects the people of Albuquerque; it affects the people of Socorro, and it greatly jeopardizes the entire success of the Elephant Butter project, one of the most successful in the entire United States. They are short of water in their reservoir, just as well as everyone else in New Mexico is short of water. It could be that the rainmakers operating in Colorado have so upset the normal pattern of weather conditions that we are now facing the worst drought in the history of our State.

"I think something ought to be done about it. I have tried to do something about it by cooperating with the proper State agency of this State in the introduction of a bill which follows the lines of scientific research and particularly follows the work which Dr. Workman and the School of Mines have so splendidly headed this far. I think that every citizen of our State should be interested in that scientific development. If we do not take care, we can easily experience the worst drought that New Mexico has ever known with irreparable damage, not only to our agriculture, but to our industry and to the defense establishments which have been located within our State at terrific expense to the Federal Government. I think New Mexico better watch its step."

Mr. ANDERSON. Notice, Madam President, that the very thing to which I then referred is now worrying the people of New Mexico. I received some support for my ideas in 1951, and one of the most interesting editorials was carried in the Albuquerque Tribune the next day. I ask unanimous consent that the editorial from the Albuquerque Tribune, dated January 25, be included in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ARTIFICIAL RAIN

Senator CLINTON P. ANDERSON yesterday called for a halt in "individual patchwork" rainmaking.

The Senator said he had seen charts prepared by rainmakers who said they had reduced rainfall on the headwaters of the Rio Grande and had produced rainfall in other areas where they were paid to produce it.

He asserted that present rainmaking activities may be "robbing Peter to pay Paul" by interfering with normal rainfall patterns and expressed the fear that such activities might destroy whole irrigated sections.

While opposing "patchwork" rainmaking, Senator ANDERSON endorsed projects of the School of Mines and the Economic Development Commission for conducting scientific research into artificial rainmaking.

Recently Senator ANDERSON expressed the view that rainmaking activity should be controlled by Federal law.

We think there is merit in Senator ANDERSON'S views. The study of artificial rainmaking is still in its infancy. We believe there is strong possibility that rain brought down artificially in one area may be rain that would have fallen naturally in another area. The question of whether or not an individual should be allowed to tap rainclouds indiscriminately is of broad public interest. Certainly he cannot tap stream water without an established legal right to do so.

Mr. ANDERSON. Madam President, the very next day, January 26, the Associated Press carried a story about a meeting of the southeastern New Mexico ranchers which was held at Roswell and stated that they had decided to climb on the rainmaking bandwagon and that the entire eastern half of the State would be covered by cloud seeding operations that summer. Here are a few paragraphs from the Associated Press story of that date, and I ask unanimous consent to have them included in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ROSWELL, January 26.—The only storm in New Mexico today was over the question of whether clouds should be spiced with ice. It raged under sunny skies and in mild temperatures as ranchers from 13 eastern counties gathered to form a permanent rainmaking organization.

United States Senator CLINTON P. ANDERSON, Democrat, of New Mexico, started the whole thing by attacking activities of such groups 2 days ago. He kept the dispute hot last night by charging that a commercial rainmaking firm had sent a man into the State to organize ranchers and farmers "to lobby against legislation for Federal regulation" of rainmakers.

The Senator is sponsoring a bill aimed at bringing about such control.

NO FEARS

ANDERSON said that if commercial rainmakers are not responsible for the drought, they should not fear Federal control.

"But if everybody starts seeding clouds, we are sure to have a drought. If Federal controls are not imposed, nobody will be getting any rain."

Mr. ANDERSON. Madam President, I do not wish to burden the CONGRESSIONAL RECORD with page upon page of evidence as to my early interest in this matter. I am glad that under a present Federal law we are trying to study the rainmaking process but I think it ought to be pointed out that we have now an additional complication. I am referring to the tests of atomic and hydrogen weapons which are held either in Nevada or in the far Pacific. Stockmen are curious as to whether these tests by sending gigantic clouds of charged particles into the skies have disturbed the normal rainfall pattern not only of one State but of a whole nation and a whole hemisphere.

The only answer that can be made will be the result of a controlled experiment for which I have been contending for nearly 4 years. Let me see if I can state it again. I believe that temperatures are rising throughout the continental limits of the United States. I am sure the records of the Smithsonian Institution bear that out. The rise is gradual but it is nonetheless threatening. It means less and less water in our rivers. It means less reserve capacity in our great natural and artificial reservoirs. It means a shortage of water for the production of food.

There may be and I believe there is a way to supplement the natural fall of rain. I believe that rainmaking is possible, and that it may be controlled. It would seem desirable to have a completely controlled experiment under which, for example, rain clouds in the Gulf of Alaska, the Gulf of Mexico and probably in the Pacific would be so seeded as to promise additional supplies of moisture over the continental area of the United States. These clouds should be carefully watched and might be overseeded with silver iodide to make them lift up over a mountain range and carry their excessive moisture to the areas of subnormal rainfall or natural drought.

Then if there were not other silver-iodide generators or dry-ice operators tampering with the weather, it might be possible to have a carefully controlled experiment in trying to drop moisture from these heavily charged clouds by some type of seeding. The Government of the United States is the only agency that can supervise that work on a nationwide basis even though private concerns might be given contracts for specific parts of it.

If and when a decision has been reached on the possibility of rainmaking in normal times, there should then be tests during periods of atomic activity when the effect of fallout could be studied and when the general conditions

resulting from the lifting of great mushroom clouds from the scene of an explosion to an elevation of 50,000 feet from which they might then float 2 or 3 times around the earth should be carefully evaluated. Naturally such a controlled experiment could not and should not be attempted except under the general direction of the Atomic Energy Commission and with its full cooperation, advice, and evaluation.

I believe that we will not solve our drought problems in the Southwest and particularly, the southeastern portion of Colorado, all of eastern New Mexico, and the central portion of Texas where there is drought today without mastering the science of rainmaking nor will we do it without understanding what, if any, relationship there is to atomic explosions and periodic drought in those areas where fallout is most severe. Surely it is time we got underway with some such study.

INCREASE IN TECHNICAL-ASSISTANCE PROGRAM FOR LATIN AMERICA

During the delivery of Mr. LEHMAN's speech,

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Senator from New York may yield to me briefly, without his losing the floor.

Mr. LEHMAN. I am glad to yield, with the understanding that I do not lose my right to the floor, and I ask unanimous consent that I may do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMATHERS. Mr. President, I offer an amendment to the foreign-aid authorization bill, which I ask to have printed and lie on the table.

The amendment which I propose to offer to the bill, when it comes to the floor and becomes the current business of the Senate, is designed to increase the appropriations for technical-cooperation assistance to countries of Latin America by $10 million.

I desire at this time to read into the RECORD a letter concerning this matter which I received from Assistant Secretary of State Henry F. Holland, under date of July 20, 1954. The letter reads as follows:

JULY 20, 1954.

The Honorable GEORGE A. SMATHERS,
United States Senate.

DEAR SENATOR SMATHERS: In reply to your oral request for my views regarding a possible increase of $10 million in the technical-assistance program for Latin America, I am confident that such an increase would be extremely effective in carrying forward our policies in strengthening this hemisphere against the inroads of international communism as rapidly as these funds can be translated into specific programs. If such an increase for the Latin American area were to result in a reduction in funds available for other areas of the world, this would raise serious questions about the attainment of foreign-relations objectives in those areas.

While governmental assistance in the Latin American area is very important, I am sure you will agree that, in efforts to strengthen the economies of our neighbors in this hemisphere, private enterprise is even more important. In my opinion, sound economic development and increased trade are required with fullest reliance on private initiative and capital. Careful planning and expansion are needed in such basic fields as transportation, power, and the exchange and training of students and technicians. This is especially important at this time and any opportunity to increase our cooperative efforts in these fields would be extremely important and definitely in our national interest.

Due to the urgency of this matter, this letter has not been cleared with the Bureau of the Budget to which a copy is being sent.

Sincerely,

HENRY F. HOLLAND,
Assistant Secretary.

The original amendment which I previously introduced was designed to reduce by $10 million the development assistance authorization for other countries around the world in order to increase by the same amount the technical assistance for Latin America, but in view of the statement made by the Assistant Secretary of State, to the effect that reducing funds in such areas would raise serious questions about the attainment of foreign relations in these areas, I have modified my amendment, so that now it provides for an increase of $10 million in authorizations for technical cooperation assistance for Latin America without affecting authorizations in any other areas.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and the Senator from Iowa [Mr. GILLETTE].

Mr. JOHNSON of Colorado. Madam President, I ask for the yeas and nays on my amendment.

Mr. KNOWLAND. Madam President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and the Senator from Iowa [Mr. GILLETTE].

Mr. PASTORE. Madam President, I offer an amendment to the pending amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the amendment offered by Mr. JOHNSON of Colorado, for himself and Mr. GILLETTE, on page 2, line 4, immediately before the period, it is proposed to insert a comma and the following: "except that in the sale of such power for use in high-cost power areas not being served by public bodies or cooperatives, the Secretary of the Interior shall give the same degree of preference to any other purchaser who serves such areas."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. PASTORE] to the amendment of the Senator from Colorado [Mr. JOHNSON] for himself and the Senator from Iowa [Mr. GILLETTE].

Mr. PASTORE. Madam President, I submit to the Members of the Senate that my amendment takes nothing away from the efficacy of the amendment proposed by the distinguished Senator from Colorado. As a predicate to the explanation of my amendment let me say that a serious question has arisen as to whether or not the Atomic Energy Commission has the authority to build an electric generating plant to service its own installation. Once it has done that, what is to become of the surplus power for which it has no use?

The Senator from Colorado has suggested in his amendment that once this electric generating establishment has been constructed the excess or surplus power which the facility does not need or cannot use will be distributed according to the Flood Control Act of 1944, which sets up the policy and the preference enunciated by the Congress of the United States, namely, that the power developed must first be made available either to a public body or to a cooperative.

There are many areas in the country where there are excessively high electric power rates; and the whole meaning, the whole purpose, and the whole design of the bill is to achieve the goal that one day we can, by the process of atomic energy, reduce the cost of production of electric power. I have always taken the position, and I reiterate that position, that that day will not be tomorrow. That day is far off; and for that reason I have wholeheartedly supported the bill. I believe that in the interest of the public private industry should be allowed to participate in this program.

The purpose of my amendment is not to take away from the public bodies or from the cooperatives the preference with respect to the excess power, but merely to say that in the areas where there is high-cost electric power and there are no public bodies or cooperatives, those areas shall be given the same preference as we are giving to the public bodies and to the cooperatives. I think it is a fair amendment. I think it carries out the intent of the proposed legislation.

If we allow the Atomic Energy Commission to generate power at all for its own facilities, and if, in that same law, we authorize the Atomic Energy Commission to distribute that power through the Secretary of the Interior once it has established those facilities, then we ought to distribute that power according to the preferences specified in the Flood Control Act. But in addition, in those areas where we do not have these bodies which can be the beneficiaries of this preference, the localities themselves should receive the benefit nevertheless.

I hope the Senator from Colorado will consider this a perfecting amendment. I hope he will consider that it takes nothing away from the original idea he had in mind, and I hope he will accept it in modification of his own amendment.

Mr. JOHNSON of Colorado. Madam President, the proposed amendment to my amendment takes nothing away from my proposed amendment. In fact, as I see it, it does not change anything. I have discussed the amendment of the Senator from Rhode Island, with my colleague from Iowa [Mr. GILLETTE], who is sponsoring this amendment with me, and he is agreeable to accepting the amendment offered by the distinguished Senator from Rhode Island as a perfecting amendment. Under the rule I have a right to accept a perfecting amendment. I accept it, and modify my amendment accordingly.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and the Senator from Iowa [Mr. GILLETTE], as modified. On this question the yeas and nays have been ordered.

Mr. HICKENLOOPER. Madam President, I shall take only a minute or two of the time of the Senate on the amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and my colleague from Iowa [Mr. GILLETTE].

The amendment would put the Atomic Energy Commission into the production of commercial power. In my judgment, it is as foreign to the functions of the Atomic Energy Commission as though the Department of Agriculture were to start the commercial manufacture of fertilizer.

It is my view that if the Congress wishes to consider the question of the Government going into the commercial production of power through atomic energy, it should approach that question from that standpoint in a separate measure, and consider the question of establishing a production agency.

I do not care to argue the merits or the demerits of the Government producing commercial power. That, to me, is beside the point and collateral to the issue. Suffice it to say that the administration does not want to put the Atomic Energy Commission into the commercial power field. The Atomic Energy Commission does not want to be put into the commercial power field. The Joint Committee on Atomic Energy does not want the Atomic Energy Commission to be put into the commercial power field. I think this amendment does violence to the principle of the act. Therefore I earnestly hope the amendment will be defeated.

Mr. HOLLAND. Madam President, will the distinguished Senator from Iowa yield for a question?

Mr. HICKENLOOPER. Indeed, yes.

Mr. HOLLAND. Looking at the first sentence in subsection (a) of section 45, as proposed by the amendment of the distinguished Senator from Colorado, the Senator from Florida is of the opinion that this amendment does not confine itself to the manufacture by the Atomic Energy Commission of power primarily for its own facilities, with authority to dispose of any excess in accordance with the proposal included in the amendment; but instead would permit the Atomic Energy Commission to go into the production of power for commercial sale and distribution in any part of the Nation and in any number of units, either through facilities owned by itself or through the facilities of other Federal agencies. The Senator from Florida is concerned about what appears to him to be the meaning of that provision. Is the Senator from Iowa able to shed any light upon the meaning of that sentence?

Mr. HICKENLOOPER. Madam President, I shall try to shed some light on this sentence. We have had this amendment studied very carefully. The wording of the amendment is clear and unequivocal. It does not limit the production of power to utilization in the facilities of the Commission. The amendment says clearly, readng the first sentence:

> The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy derived from nuclear fission in its own facilities or in the facilities of other Federal agencies.

Mr. HOLLAND. If the Senator will yield right there, the Senator has read the sentence to which my inquiry is addressed. The Senator from Florida is unable to see any provision which would appear to confine that sentence to the manufacture by the Atomic Energy Commission of power primarily for its own use.

Mr. HICKENLOOPER. The Senator is correct. I point out to the Senator the next sentence, which reads as follows:

> In the case of energy other than electric power produced by the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to other users at reasonable and nondiscriminatory prices.

The staff of the joint committee has studied the amendment from various angles. We are finally convinced that there can be no question that this amendment would put the Atomic Energy Commission into the business of a production agency for the commercial production of electric power; and I submit that is not the concept of the duties of the commission. It will place it in the category of an operation. I hope the amendment will be defeated.

Mr. HOLLAND. Mr. President, will the distinguished Senator from Iowa yield for one more question?

Mr. HICKENLOOPER. I yield.

Mr. HOLLAND. Is it, then, the opinion and understanding of the Senator from Iowa that the only limitation upon the number of such facilities or the amount of such power production, if it becomes practical, will be the amount of the appropriations which the Atomic Energy Commission can receive from Congress for the purpose of manufacturing power for distribution, sale, and general use?

Mr. HICKENLOOPER. The Senator is correct. As I view it, I believe that is the proper analysis of the amendment.

Mr. HOLLAND. Mr. President, if the distinguished Senator from Colorado [Mr. JOHNSON] will yield I should very much like to address the same questions to him, because the Senator from Florida feels that, if it is proposed here to set up in the Atomic Energy Commission a TVA on a much more grandiose basis, not limited in territory, not limited in number of plants, and not limited in any way except by the appropriations which may be received from Congress, the Senator from Florida would find it very difficult to support this amendment, much as he esteems the Senator from Colorado and much as he would like to go along with him on any matter that he supports.

If the Senator from Colorado will yield further I should like to address this question to him. Is it the purpose and intention of the distinguished Senator, by this amendment, to allow the Atomic Energy Commission, subject only to appropriations received of Congress, to construct facilities for the manufacture of power, if such becomes practical, through the use of atomic materials and nuclear fission, without limitation upon the number of such facilities, without limitation upon the areas of the United States which will be served by them, and without limitation at all except as to what appropriations may be secured from Congress?

Mr. JOHNSON of Colorado. My answer to the distinguished Senator from Florida is to ask him if he can think of any better limitation to place on building this program or on developing this program than to cut off the money. Congress has full authority. These plants can only be built by approval of Congress in the way of appropriations. I know that has been the greatest limit in my life. There are many things that I would like to have had, but I did not have the money with which to get them. The same situation will apply in connection with this program.

I should like to say to the Senator that I regret very much that he does not have faith in future Congresses to think that they would control the situation. I regret that the Senator from Florida appears to have faith only in private industry, and that only private industry should be trusted with the development and sale and use of power developed from atomic energy. I regret that he does not seem to have faith in the Atomic Energy Commission itself, not to let this program get out of hand. I want to say to the Senator, as I said last night several times, that the Atomic Energy Commission is the greatest single user of electric energy that we have in the United States.

It seems to me that if the Commission had a potential club behind the door, such as this amendment provides, it would save hundreds of millions of dollars to the Atomic Energy Commission in bargaining for the electric energy it would need. Perhaps it will not build even one plant, but if it has the power to build the plant then, when it buys electric energy from private firms that produce the energy, it will be able to bargain with them, because they will be able to say to the private firm, "All right; if you will charge two or three times what this energy is worth, we will make it ourselves."

Without such a provision in the bill, I submit to my friend from Florida, the Atomic Energy Commission would be at the mercy of private power-producing companies to pay whatever price they demanded.

The Atomic Energy Commission must have electric energy. It is a must with them. We have heard day after day the charge being made that we are giving to private power companies a complete monopoly. I do not like to have Congress do anything like that, because I think it is wrong for Congress to provide to private interests a monopoly on a product that is as necessary to the people and as of great advantage to the people as power.

I think we would be doing a very bad thing if we passed that kind of monopoly bill. This provision changes the whole aspect of the bill, and it does not give private industry a monopoly. It does leave a provision in the bill that the Atomic Energy Commission and Congress can do something about what otherwise would be a monopoly. It will not be a monopoly if the amendment is passed. In other words, the amendment is a club behind the door. Although I do not want to pass judgment on any other Senator, so far as I am concerned, I do not find it possible in my conscience to vote for a bill which would give private industry a monopoly of power. I could not do it.

Mr. HOLLAND. Mr. President, I appreciate the statement of the distinguished Senator from Colorado, but I hasten to assure him that, in the first instance, I have confidence in not only the present Atomic Energy Commission, but in other atomic energy commissions that will follow. I would be perfectly willing to have a provision written into the bill for a pilot plant to be set up to demonstrate what could be done in this field through more economical manufacture of power. However, I regret that the Senator from Colorado is going at the matter in a shotgun way, so as to have, potentially, dozens of plants set up all over the country, if that appears to be practical.

In the second instance, I do have confidence and faith in later Congresses, just as I do in this one. However, I have seen this Congress, in which I have a great deal of faith, held up for a week by reason of the insistence that we go ahead to do something that is generally permitted by present law, that is, to authorize the building of another huge steam plant for the production of public power down in the TVA area.

I do not want to see future Congresses, if I can prevent it, subjected to continuing experiences of that kind. So it seems to the Senator from Florida that the sound thing to do would be to either abandon the proposal entirely as embodied in the amendment or to reword it—and the Senator from Florida hopes it can be reworded—so as to allow a pilot or experimental plant to be built by the Atomic Energy Commission.

Mr. HICKENLOOPER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. Let me finish one additional statement first. I am in complete accord with the approach suggested by the distinguished Senator from Rhode Island [Mr. PASTORE]. I would be agreeable to have the act provide that the pilot plant should be set up in an area where power is scarce and where the cost of power is high, so that if it proves to be beneficial, it will be located where it will be most beneficial.

I am wholly unable to gain my own consent to subject future Congresses to the hazards of drives for the construction of additional public powerplants from one end of this Nation to the other, such as, it seems to me, is clearly embodied in the proposal of the distinguished Senator from Colorado, as now drafted. Therefore, I shall have to oppose the amendment.

Mr. HICKENLOOPER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. HICKENLOOPER. I wish to say to the Senator from Florida that the Commission can now build a pilot plant, and it is building a pilot plant, or experimental plant.

Mr. HOLLAND. With authority to sell the product?

Mr. HICKENLOOPER. With authority to sell the product if it is an incidental byproduct in connection with experimentation. That is contained in section 44.

Mr. HOLLAND. I will say to the distinguished Senator from Iowa that I would be willing to go a step beyond that and to have the Commission empowered to set up one plant for the purpose of determining how it could serve the public and to have it set up in an area of sparse supply. I would be willing to go that step further. I cannot by any manner of means, however, support an amendment such as is offered by the Senator from Colorado.

Mr. LEHMAN. Mr. President, I wish to point out that the amendment offered by the distinguished Senator from Colorado [Mr. JOHNSON], which is very similar to the one proposed by the junior Senator from Minnesota [Mr. HUMPHREY] and to another one by the junior Senator from New York—and we are very glad to be associated with the Senator from Colorado—in no way is mandatory on the Commission. It does not direct the Commission to build any plants. It does not even encourage the Commission to build any plants. All this amendment does is to remove a prohibition which exists now in the bill before us, which is a prohibition that would prevent the Commission from entering the power-producing business without further congressional authorization to construct or operate such commercial facilities. Even then it would permit the sale of commercial power without any safeguards whatever.

I have pointed out time and time again during the last few days on the floor of the Senate—and I am happy to note that many of my associates have done so also—that we do not oppose in the slightest degree private industry. We want private industry in this picture. We need private industry. We realize that the question of producing power at the low rates is so vast that it is one that requires the fullest cooperation between Government and private industry. Therefore we are encouraging private industry to come in and build some of those plants under licenses. However, what we object to is the prohibition that is now contained in the bill which would completely close the door to the Government from doing anything in the way of supplying power made out of its own resources, power for the benefit of all the people of the United States.

I do not think that we dare forget the fact that this whole atomic-energy project and the hydrogen-bomb project were made possible through the support and sacrifice of the people of the United States, who comprise nearly 160 million people.

They are the people who put up the $12 billion. That sum represents a resource which we dare not take away from the people. Yet, under this bill we are proposing to take it away from the people. We give them no control over it at all. We are simply saying, "Mr. Private Industry, come in and we will give you a monopoly. We will stay out; we are forced to stay out because of congressional action, no matter how much our cooperation with you will benefit the people."

I think it is an evil thing and is contrary to the interests of the people.

I very much hope that the amendment proposed by the distinguished Senator from Colorado will prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and the Senator from Iowa [Mr. GILLETTE], as modified.

On this question the yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mrs. BOWRING], the Senator from Indiana [Mr. CAPEHART], the Senator from California [Mr. KUCHEL], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Idaho [Mr. WELKER], are necessarily absent.

The Senator from Nevada [Mr. MALONE] and the Senator from Delaware [Mr. WILLIAMS] are absent on official business.

On this vote the Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Wisconsin [Mr. MCCARTHY] would vote "nay" and the Senator from Tennessee [Mr. KEFAUVER] would vote "yea."

If present and voting, the Senator from Nevada [Mr. MALONE] and the Senator from Delaware [Mr. WILLIAMS] would vote "nay."

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

I announce further that on this vote the Senator from Tennessee [Mr.

KEFAUVER] is paired with the Senator from Wisconsin [Mr. MCCARTHY]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Wisconsin would vote "nay."

The result was announced—yeas 45, nays 41, as follows:

YEAS—45

Anderson	Hayden	Mansfield
Byrd	Hennings	Maybank
Case	Hill	McCarran
Chavez	Humphrey	Monroney
Clements	Jackson	Morse
Cooper	Johnson, Colo.	Mundt
Daniel	Johnson, Tex.	Murray
Douglas	Johnston, S. C.	Neely
Dworshak	Kerr	Pastore
Eastland	Kilgore	Robertson
Fulbright	Langer	Russell
George	Lehman	Sparkman
Gillette	Lennon	Stennis
Gore	Long	Symington
Green	Magnuson	Young

NAYS—41

Aiken	Ervin	Payne
Barrett	Ferguson	Potter
Beall	Flanders	Purtell
Bennett	Frear	Reynolds
Bricker	Goldwater	Saltonstall
Bridges	Hendrickson	Schoeppel
Burke	Hickenlooper	Smathers
Bush	Holland	Smith, Maine
Butler	Ives	Smith, N. J.
Carlson	Jenner	Thye
Cordon	Kennedy	Upton
Crippa	Knowland	Watkins
Dirksen	Martin	Wiley
Duff	Millikin	

NOT VOTING—10

Bowring	Kuchel	Welker
Capehart	Malone	Williams
Ellender	McCarthy	
Kefauver	McClellan	

So the amendment offered by Mr. JOHNSON of Colorado, for himself and Mr. GILLETTE, was agreed to.

The PRESIDING OFFICER (Mr. POTTER in the chair). The bill is open to further amendment.

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate reconsider the vote by which it agreed to the amendment offered by myself and the Senator from Iowa [Mr. GILLETTE].

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the motion of the Senator from Colorado, and I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the motion of the Senator from Colorado [Mr. JOHNSON]. On this question the yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from California [Mr. KUCHEL], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Idaho [Mr. WELKER], and the Senator from Kansas [Mr. CARLSON] are necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is absent on official business.

If present and voting, the Senator from Delaware [Mr. WILLIAMS] would vote "nay."

On this vote, the Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Wisconsin [Mr. MCCARTHY] would vote "nay," and the Senator from Tennessee [Mr. KEFAUVER] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

I announce further that on this vote the Senator from Tennessee [Mr. KEFAUVER] is paired with the Senator from Wisconsin [Mr. MCCARTHY]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Wisconsin would vote "nay."

The result was announced—yeas 46, nays 42, as follows:

YEAS—46

Anderson	Green	Mansfield
Burke	Hayden	Maybank
Byrd	Hennings	McCarran
Case	Hill	Monroney
Chavez	Humphrey	Morse
Clements	Jackson	Mundt
Cooper	Johnson, Colo.	Murray
Daniel	Johnson, Tex.	Neely
Douglas	Johnston, S. C.	Pastore
Dworshak	Kerr	Robertson
Eastland	Kilgore	Russell
Frear	Langer	Sparkman
Fulbright	Lehman	Stennis
George	Lennon	Symington
Gillette	Long	
Gore	Magnuson	

NAYS—42

Aiken	Ervin	Payne
Barrett	Ferguson	Potter
Beall	Flanders	Purtell
Bennett	Goldwater	Reynolds
Bowring	Hendrickson	Saltonstall
Bricker	Hickenlooper	Schoeppel
Bridges	Holland	Smathers
Bush	Ives	Smith, Maine
Butler	Jenner	Smith, N. J.
Capehart	Kennedy	Thye
Cordon	Knowland	Upton
Crippa	Malone	Watkins
Dirksen	Martin	Wiley
Duff	Millikin	Young

NOT VOTING—8

Carlson	Kuchel	Welker
Ellender	McCarthy	Williams
Kefauver	McClellan	

So the motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GILLETTE. Mr. President, I call up my amendment, designated "7-17-54-A," and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 23, line 8, it is proposed to insert a comma after the word "publicly" and add the word "cooperatively."

On page 23, line 9, it is proposed to strike the sentence beginning with the word "If" and add a new sentence as follows: "The Commission shall at all times, in disposing of such energy, give preference and priority to public bodies and cooperatives."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. GILLETTE] for himself and other Senators.

Mr. GILLETTE. Mr. President, I shall make a very brief statement with reference to the amendment. I assure the Senate I shall not take more than 15 minutes, and probably not that long. The amendment has been offered by me for myself and Mr. MAGNUSON, Mr. MORSE, Mr. MANSFIELD, Mr. MURRAY, Mr. HUMPHREY, Mr. LANGER, Mr. YOUNG, Mr. KEFAUVER, Mr. HENNINGS, Mr. LEHMAN, Mr. HILL, and Mr. JOHNSON of Colorado. It is a very simple amendment we are proposing.

On page 23 of the pending bill, in line 8, between the words "publicly" and "or", the amendment proposes to insert the word "cooperatively."

Then the amendment proposes to strike out the last sentence of section 44 on page 23, beginning in line 9, and substitute therefor the following language:

The Commission shall at all times, in disposing of such energy, give preference and priority to public bodies and cooperatives.

Mr. President, I wish to make two observations at the outset, in speaking on the amendment proposed by 12 other Members of the Senate from both sides of the aisle, and myself.

The first is simply that S. 3690 is essentially a power bill. Whether electricity is generated from fossil fuels, from falling water, or from energy derived from nuclear fission, it is still electricity. Therefore, it is quite unnecessary for anyone to lose his powers of thought under the impact of this vast and incalculable force that our scientists and technologists have succeeded in harnessing. One of the end products of this force is everyday electric energy, the energy that lights our homes, aids our farmers in their work, and turns the wheels of industries.

In recognizing this fact, the Senate can make an objective evaluation of the present bill to determine whether it fully protects the public interest in the new policy it lays down for the development and future use of thermonuclear energy.

My second observation is this: Through the Federal Government, the people of the United States have paid enormous sums in taxes for the program which, in a relatively short time, has developed the atom as a terrible engine of destruction and, even more important, has advanced us toward realization of constructive peacetime use of atomic energy.

It therefore cannot be denied that what we are now debating involves a public resource. We cannot evade our responsibility to subject to searching analysis a bill which proposes to establish a policy for the civilian use of this resource developed entirely by public funds.

Our purpose in proposing this amendment is to rectify one of the most alarming features of the bill. This bill must not, by any construction or implication, constitute a giveaway of dimensions far beyond our ability to compute in this early hour of the atomic age. In section 44 it fails to provide an extremely important protective clause which must appear in all legislation involving the disposition of federally generated power. This bill lacks language establishing preference and priority for public bodies and cooperatives in the purchase of energy from the production of special nuclear material.

Without the language proposed in our amendment, the publicly owned electric utilities, such as municipalities, the rural electric cooperatives and public utility

districts, as well as agencies of State governments, will be deprived of the legal protection they vitally need to obtain access on a priority basis to federally generated power.

The public body preference clause has been the backbone of 50 years of Federal power policy. It has been part of the Reclamation Act since 1906. It was embodied in the Federal Water Power Act of 1920, and in its successor, the present Federal Power Act. It is written into the Bonneville Project Act and the Flood Control Act of 1944.

Let no one be confused by the scope and complexity of the measure now before us. Let no one assume we are not talking about electric power when we talk about peacetime use of atomic energy. Electricity will be a byproduct, a highly important byproduct, of atomic energy production.

This production is made possible only because public funds furnished by our Nation's taxpayers paid for the necessary research and development. We are talking in this bill about electric power, electric power derived from a public resource. It follows that public bodies and cooperatives, many of which will depend in the future on generation of power from this resource, have a vital interest in securing the same fair treatment in this new field of energy that they have for half a century been assured in the field of hydroelectric power.

It is the informed belief of technicians in the field of nuclear physics that the potentialities of thermonuclear fission for generation of electric power will in all probability dwarf that of all the falling water in this Nation. As our economy continues to expand, so will our dependence on atomic electricity increase.

The public bodies and cooperatives, which are electric utilities with responsibilities to their customers, will be called on to obtain more and more of the power to meet their growing loads from energy from nuclear material.

If they are forced to depend on private power companies, to furnish them low-cost power, they will be at a crippling disadvantage. The private power companies which this bill designates as the prime beneficiaries of the atomic bonanza are not going to sell power at rates comparable with Federal rates to REA cooperatives or municipalities.

Should private companies or groups of companies obtain a monopoly over both the generation and transmission of power from atomic energy, as they would if this bill is not amended, existing public bodies and cooperatives could very well be squeezed to death. It is axiomatic that when one desires to eliminate competition, he first gains control of the source of supply of the product.

Section 44 of this bill should be amended. Our amendment provides that on line 8 of page 23, the word "cooperatively" be added to the phrase "publicly and privately owned utilities or users." This is to make certain that electric cooperatives shall receive the same treatment as it is intended to afford to private utilities and publicly owned municipal utilities and other public bodies.

The amendment also strikes the last sentence of section 44 and substitutes the preference clause. As now written the bill assumes that either State or Federal regulatory bodies will act effectively to keep the price of power reasonable. This assumption, in the first place, ignores the fact that the Federal Power Commission has no jurisdiction over the rate base of a privately owned utility except that it requires that base to be computed on net investment in the utility system. The assumption further ignores that in practice the various State public-utility commissions do not have jurisdiction either.

The sentence stricken by our amendment now reads: "If the energy produced is electric energy, the price shall be subject to regulation by the appropriate agency, State or Federal, having jurisdiction." If this sentence is meant to apply to the resale of energy by a privately owned utility which had purchased it, it represents unneeded language, for such regulation would apply without so specifying in this act.

We would substitute for that language the following: "The Commission shall at all times, in disposing of such energy, give preference and priority to public bodies and cooperatives."

To safeguard the position of the rural electric cooperatives, the status of which is in several respects different from that of municipally owned electric utilities or other public bodies, it is necessary that they be specifically mentioned in this section of the act.

If we include the preference clause, in the language proposed by our amendment or by one of the other amendments that have been proposed, we will maintain the best control over power rates that has yet been devised.

The only real control over power rates to the ultimate consumer that has ever been effectively wielded in our history is the lever of competition.

And from what has this competition come? It has come from the low-cost Federal power rate-yardstick of the Tennessee Valley Authority, the Bonneville Power Administration, and the publicly owned electric utilities which conduct their operations on a nonprofit basis and pass on savings in the form of lower rates to their customers or cooperative members.

Scarcely anyone in this country seriously contends that private electric utilities, created under permissive State charter and operated under State and Federal regulation, are free competitive enterprises. By their very nature they are monopolies—natural monopolies. That is why they must be regulated by governments in the public interest. That is also why they must be stimulated by law, and by competition created under law, to act responsibly. The competition of public power has had a most salutary effect on the private power industry itself and has been of enormous benefit to the country as a whole. This competition must continue to flourish.

The American people know that in the past there have been many instances of overcharge by private power companies. They know that lowering the rates has increased the unit consumption of electricity for a multitude of uses. They know that the financial position of the power industry has been greatly enhanced rather than harmed. As a result the aggregate rate structure has shown a downward trend, a trend which did not begin, and probably could never have begun, until public power under the leadership of Federal, comprehensive, multipurpose river development began to move forward in the late 1930's.

It is this yardstick of competition that is lacking in the present bill. The electric power that will be produced from atomic energy, like any other public resource, must be safeguarded by Federal law to protect the public interest, to prevent monopoly, and to provide equity for public groups which, to survive and perform their vital public service, must have preference and priority.

Can anyone conceive of a small rural electric cooperative, or even a combination of them, which could finance a nuclear generating plant of the size that may be required to generate power at a cost per installed kilowatt low enough to compete with hydro or steam? Such a plant could run from several hundred thousand to a million kilowatts and call for a capital investment of hundreds of millions of dollars. It will be Federal generation, and Federal generation only, to which the public bodies and cooperatives must turn under such circumstances.

Mr. President, when hearings on the original draft of this bill were held, spokesmen for the cooperatives and municipalities testified vigorously on the necessity of writing the preference clause into any legislation dealing with nuclear power for peacetime use. Yet, when the legislation was redrafted in its present form, their requests to appear to testify went unheeded. In this bill the representatives of the rural electric cooperatives and the municipalities see not only unlimited vistas of profits for the private utilities but a threat of eventual elimination of public-power competition by elimination of the preference clause.

Mr. President, my position is not one of opposing full participation, under proper safeguards, by private power companies in the benefits of this new resource. The country needs their full participation. There is room in the atomic age for all to share on an equitable basis. No one and no group, however, must be permitted to occupy the whole space.

As we cross the threshold into the new and unknown age of atomic energy, our first steps toward application of this new force to civilian peacetime use are of utmost importance. We must make certain from the very beginning that the safeguards we have for half a century placed around our natural waterpower resources shall be extended to cover this new resource that has been developed at such enormous cost to the Nation's taxpayers. Atomic energy is a public resource. Electric power derived from it must be governed by law in the same way that electric power from any other public resource is governed. That is what our amendment seeks to do.

Mr. CORDON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. POTTER in the chair). Does the Senator from Iowa yield to the Senator from Oregon?

Mr. GILLETTE. I yield.

Mr. CORDON. In the amendment just adopted, the Johnson amendment, there is a provision that the power which is generated by the Atomic Energy Commission and not used in its own operations shall—quoting from page 2 of the Johnson amendment—"be delivered to the Secretary of the Interior, who shall transmit and dispose of such power in accord with the provisions of section 5 of the Flood Control Act of 1944."

My memory is that section 5 of the Flood Control Act of 1944 carries the preference provision which the Senator's amendment seeks to put into the bill. In other words, it would seem to me that we would have it in twice, if the Senator's amendment should prevail. I shall check that to be certain about it, but I believe that is correct.

Mr. GILLETTE. There is no intention to duplicate.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. GILLETTE. I yield.

Mr. PASTORE. The section we added to the bill, section 45, has to do with the production of electric power. That means the establishment of a generating plant in atomic facilities in order to generate electric power. What we are talking about in section 44, which is an entirely different field, is the byproduct of electricity from the nuclear research program.

Mr. GILLETTE. The sale of power.

Mr. PASTORE. That is different. This is incidental power which comes from the development and manufacture of special material. What we added in section 45 has to do with the surplus electricity which will come from the installed generating plant to manufacture electricity. It is an entirely different field.

Mr. GILLETTE. That is true.

Mr. HICKENLOOPER rose.

Mr. GILLETTE. Does my esteemed colleague wish to comment?

Mr. HICKENLOOPER. I was about to say that the preference clause contained in the Johnson amendment, just adopted, is an entirely different thing. I agree with the Senator from Rhode Island. The two fields are entirely different. The proposal of my colleague from Iowa goes to the incidental power. The amendment we adopted a few moments ago puts the Atomic Energy Commission into the commercial production business, and a little different operation applies. I assume, without checking further, that this amendment probably would be necessary.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. HUMPHREY. First of all, let me say that it is a joy to be a cosponsor with the Senator from Iowa of this amendment. In order that the legislative record may be clear, it is my understanding, as one of the cosponsors, that the amendment now being offered applies to the byproduct or incidental power. It is needed, along with what is provided in section 45, the amendment offered by the Senator from Colorado [Mr. JOHNSON].

What we are now seeking to do by offering this amendment is to incorporate in the Atomic Energy Act the same provision as is now in the Federal Power Act, known as the preference clause. So we have the preference clause applied both in terms of the creation of electrical energy as a special enterprise of the Atomic Energy Commission, as provided in section 45, the recently adopted amendment, and the preference clause applied to the incidental or byproduct power as the result of other activities of the Atomic Energy Commission, and it is proposed to distribute that power under the terms of the preference clause. This amendment is needed, and I think undoubtedly it will be adopted, as the other amendment was adopted. It will be clarifying.

Mr. GILLETTE. The Senator from Minneota is wholly correct.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Sena- from Rhode Island.

Mr. PASTORE. I should like to have the floor for the purpose of offering an amendment to the amendment offered by the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I send to the desk an amendment to the amendment offered by the Senator from Iowa [Mr. GILLETTE].

The PRESIDING OFFICER. The secretary will state the amendment.

The LEGISLATIVE CLERK. On page 23, line 7, after the word "cooperatives", it is proposed to insert—

In the sale of power for use in high-cost power areas not being served by public bodies or cooperatives, the Commission shall give the same degree of preference to any other purchaser who serves such areas.

Mr. PASTORE. I may say that this amendment carries out the same idea and the same philosophy that was accepted in connection with section 45, in the amendment of the distinguished Senator from Colorado. It takes nothing away from the preference; it merely adds, in regions which do not have public bodies and cooperatives, the same preference to other groups with reference to the byproduct of electricity. I hope on the same ground and for the same reason the distinguished Senator from Iowa [Mr. GILLETTE] will accept this amendment to his amendment.

Mr. GILLETTE. Although I am not opposed to accepting the amendment, I am not in a position to accept it in behalf of my cosponsors. However, to be consistent with the action taken by the Senate, I believe the amendment is a very proper one and, so far as I am concerned, I have no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island to the amendment offered by the Senator from Iowa [Mr. GILLETTE] for himself and other Senators.

Mr. HICKENLOOPER. Mr. President, I understood that the Senator from Iowa had modified his amendment, which he has a right to do.

Mr. SMATHERS. No; he has not modified it.

Mr. GILLETTE. I said I could not accept the amendment on behalf of my cosponsors. However, I have no objection to it. Therefore, there will have to be a vote on it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. PASTORE] to the amendment offered by the Senator from Iowa [Mr. GILLETTE], for himself and other Senators.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended.

Mr. HICKENLOOPER. Mr. President, in view of the action on the Johnson amendment, which added the preference clause, I see no particular reason for any contest or discussion about this particular preference clause. I am willing to take it along with the other amendment, although I may point out to that byproduct power will be so inconsequential that this particular reference to it will never amount to anything. In my judgment byproduct power is only a bare incident in the experimentation production, but apparently the idea is to be placed in the bill, and I see no reason for not accepting it.

I would say to my colleague from Iowa that, so far as I am concerned, I will take the responsibility of accepting this particular amendment, as amended by the amendment of the Senator from Rhode Island [Mr. PASTORE]. I also wish to ask my colleague from Iowa about the other amendment, to insert the word "cooperatively." Is that being offered at this time?

Mr. GILLETTE. That is a part of the same amendment.

Mr. HICKENLOOPER. I did not so understand. I was going to say that the word "cooperatively" adds nothing to the amendment, because cooperatives are already in the bill. The bill already contains a reference to cooperatives. It is not essential to put that word in at all.

Mr. GILLETTE. This will make it doubly clear. I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. GILLETTE], for himself and other Senators, as amended.

The amendment, as amended, was agreed to.

Mr. HUMPHREY. Mr. President, I send an amendment to the desk, and ask that it be made the pending question.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 86, line 18, after the comma, it is proposed to insert the following: "to municipalities, private utilities, public bodies, and cooperatives within transmission distance authorized

to engage in the distribution of electric energy to the public."

On page 86, line 21, insert new sentences after the period, as follows:

In case of protests or conflicting applications or requests for the establishment of special conditions in prospective licenses, the Commission shall, prior to issuance of any license, hold public hearings on such application or applications in general accordance with the procedures established in connection with consideration of applications for licenses under the Federal Power Act and interested parties shall have the same rights of intervention in such proceedings, application for rehearing, and appeal from decisions of the Commission as are provided in that act and in the Administrative Procedure Act. In any proceeding before it, the Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State commission, municipality, public or cooperative electric system, or any competitor of a party to such proceeding, or any other person whose participation may be in the public interest.

The PRESIDING OFFICER. Does the Senator from Minnesota desire to have his amendments considered en bloc?

Mr. HUMPHREY. Yes; it is all one amendment, actually.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. HUMPHREY. Mr. President, in view of my understanding with the Senator from Missouri [Mr. HENNINGS], I shall not direct my attention to this amendment until later in the day. I merely wish to make one comment so that the RECORD may be perfectly clear. We have heard a great deal about a filibuster. The charge has been made again and again that we are engaged in a filibuster. I should like to have my colleagues and the American people know, and to have our friends in the fourth estate and in the radio and television professions know, that within the last 18 to 24 hours we have voted on three amendment, two of which have been adopted.

If that is a filibuster, then it is indeed a new variety of filibuster. I may say also that two of the amendments that have been adopted have great significance, and both of them go to the heart of the criticism of the bill. I suggest that if we proceed as we have been proceeding we will be through with the bill in short order. We are making considerable progress.

I regret that the majority leader insisted on keeping us all night long, for quorum calls and speeches, to take the time of the Senate until we could gather in daylight to conduct the business of the Nation.

If we proceed as the Senate ought to proceed and act, as mature men should act, and debate the issues as they ought to be debated, and consider amendments as they ought to be considered, we will not have the cloak of uncertainty and the cloud of confusion hanging over our heads in this great parliamentary institution.

I shall return to a discussion of the amendment in a few minutes, to explain why the amendment is as vital to the bill as the preceding amendments that have been adopted.

In the meantime I humbly suggest, with all respect, to my good friend, the majority leader, and to his colleagues that there is no filibuster in progress, but there is attention being given to public business and to improving the bill before us and preparing it for passage, so that it will serve the public interest, not special interests.

BENNETT CHAMP CLARK

Mr. HENNINGS. Mr. President, on July 13, death came to a great American—a distinguished former Senator, statesman, soldier, scholar, and jurist. I refer with deepest regret to the passing of Judge Bennett Champ Clark of the United States Court of Appeals for the District of Columbia.

Bennett Champ Clark was born into politics. He and his father, the late Speaker Champ Clark, constituted the most famous father-son dynasty in Missouri's political history.

Born at Bowling Green, Mo., on January 8, 1890, Bennett Champ Clark was christened Joel Bennett. Later, like his father, he adopted the name of Champ. He became convinced that the name should be perpetuated. A brother, who had been given the father's name, had died in childhood. For this reason Bennett thought he should adopt the name. His father, who had been christened James Beauchamp Clark, had shortened his name to Champ Clark early in life.

Bennett attended the public schools of Bowling Green and Washington. After graduating from Eastern High School here in Washington in 1908, he entered the University of Missouri and obtained his bachelor of arts degree in 1912. Returning to Washington, he entered the law school of George Washington University, obtaining his bachelor of laws degree in 1914. While still a student at George Washington, Members of the House of Representatives signed a petition urging his appointment as Parliamentarian. He served as Parliamentarian from 1913 to 1917.

Bennett was one of the first American volunteers in World War I. Resigning his position with the House, he applied for a place in the unit which Theodore Roosevelt was organizing. After President Wilson discouraged the Roosevelt venture, he entered the first officers training camp at Fort Myer, Va., and received his commission as a captain. He was elected lieutenant colonel of the 6th Regiment, Missouri Infantry, which later became the 140th Regiment, United States Infantry, with which he served until September 1918. He served as assistant chief of staff of the 88th Division from September 1918 until March 1919. From March 1918 until May 1919 he held the same position in the 35th Division, with the rank of colonel. He was 1 of the 17 charter members and an incorporator of the American Legion, serving as chairman of the Paris caucus which formally launched the organization. He served 1 year as its national commander.

From 1919 to 1932 Bennett Clark practiced law in St. Louis, specializing in corporation law and doing some historical writing. His biography of President John Quincy Adams, published in 1932 under the title "John Quincy Adams, Old Man Eloquent," is a recognized work of careful research. He received honorary degrees from the University of Missouri, Bethany College, which was his father's school; Marshall College, the institution which his father had served as president; and Washington and Lee University.

Bennett Clark won the Democratic nomination in the 1932 primary, and was elected to the Senate for the term commencing March 4, 1933. He was subsequently appointed to the Senate to fill the vacancy caused by the resignation of Senator Harry B. Hawes for the term ending March 3, 1933. He established a record in Missouri Democratic primaries in 1938 when he carried every county in the State, obtaining a plurality of 481,500 over the closer of his 2 opponents. He was returned to the Senate by a large plurality in the general election of that year.

Within a few months after his election to the Senate, while a bewildered Congress was docilely approving the New Deal programs, Clark was one of the few who dared to lock horns with the administration and call attention to the questionable points of various measures. Boldly he attacked the National Industrial Recovery Act, the Government reorganization and the court measures sponsored by the Roosevelt administration. While some who opposed New Deal legislation were signaled out for a "purge," President Roosevelt and Bennett Clark shared great mutual respect for each other. No opposition to the distinguished Missourian was even faintly encouraged. Even his bitterest opponents recognized Clark's sincerity and integrity. He enjoyed the rough and tumble of debate. No one in the Senate was a more able parliamentarian.

Clark was chairman of the committee on rules and order of business at the national Democratic convention in Philadelphia in 1936, obtaining what might be called "a family victory" in the repeal of the two-thirds majority rule for a nomination. It was this rule that kept his father from becoming the Democratic presidential nominee in 1912.

In 1945 he was appointed to the United States Court of Appeals for the District of Columbia, of which he was an associate justice at the time of his death. Chief Judge Harold M. Stephens of the court of appeals described him as "a judge of high courage and integrity, of brillant intellect, of strong and outspoken conviction, and he was a faithful friend." Judge Stephens added that Judge Clark had, "like his father, devoted his life to the service of his country."

Mr. President, I ask unanimous consent to insert in the body of the RECORD, comments on the death of Bennett Champ Clark which appeared in the St. Louis Globe-Democrat on July 15 and July 17, the Kansas City Times on July

15, the Washington Post on July 16, and the Washington Evening Star on July 17.

There being no objection, the newspaper comments were ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat of July 15, 1954]

BENNETT CHAMP CLARK

Bennett Clark was a man of many interesting facets, all of which he employed to make him a stimulating personality. Born into politics—his father was Champ Clark, long-time Speaker of the House—he was a precinct worker long before he could vote. Eventually he became a United States Senator from Missouri, a potent individual in the Democratic Party.

He was an expert on parliamentary law and wrote a book about it. He was an author—his volume on John Quincy Adams being regarded by historians as a superb analysis of this turbulent President.

He was a soldier, the youngest colonel to be sent overseas in World War I. He was one of the charter members of the American Legion and presided over the caucus in Paris which organized the body.

He was an astute lawyer and ended his days as a judge of the United States Court of Appeals for the District of Columbia, a tribunal regarded as second only in importance to the Supreme Court.

But perhaps the work of which he was proudest was his leadership, as chairman of the rules committee of the Democratic National Convention in 1936, in the move to abolish the two-thirds rule in respect to nomination for President. Had the majority rule pertained in 1912, doubtless his father would have been the Democratic nominee, as he clearly had a majority but not the required two-thirds.

Senator Clark—we prefer to refer to him thus in Missouri—loved the hurly-burly of political life. He was a man who made friends easily. He was an old-fashioned Democrat who shied away from New Deal fantasies. In fact, had he played along with Franklin D. Roosevelt, it is quite possible he would have had the President's support as his successor. This was at the time before Mr. Roosevelt had been bitten by the third and fourth term bug.

Few men in public affairs have lived a more complete and satisfying life. He was courageous, he combined superior intelligence with an innate love of politics. As the son of a famous father, Bennett Champ Clark was a credit to his name. His death at 64 marked the untimely removal of a public figure who contributed materially to the thing we call the American way of life.

[From the St. Louis Globe-Democrat of July 17, 1954]

JUDGE MOORE'S COURT RECESSED IN MEMORY OF CLARK

United States District Judge George H. Moore yesterday recessed his court until Monday out of respect for United States Judge Bennett Champ Clark of the Washington, D. C., Court of Appeals who died Thursday.

Judge Clark was buried yesterday in Arlington National Cemetery. Judge Moore entered a eulogy to Judge Clark in the court's records.

"Judge Clark was a lawyer of great ability," Judge Moore said, "the greatest of parliamentarians; a valiant soldier; the youngest Colonel in the American Expeditionary Force in the first World War; an author of distinction; twice United States Senator from Missouri; a wise and patriotic statesman; an Associate Justice of the United States Court of Appeals for the District of Columbia—a judge whose only goal was justice. His legal, military, legislative and judicial career added luster to his great family name, and reflected great honor upon his native State.

"Honor, courage, and integrity were his most distinguishing characteristics."

[From the Kansas City Times of July 15, 1954]

MISSOURI'S BENNETT CLARK

In Missouri the name of Clark became a tradition as native as country ham and red-eye gravy and Missouri mules. And through Bennett Clark that tradition was a national factor at a time of vast economic and social change.

In the Senate of the New Deal 1930's he was frequently called an "aginer" and compared with an earlier Missouri senator, Jim Reed. It would have been more accurate to say he stood pat on basic principles that were part and parcel of his upbringing. He recognized the need for many changes and battled to make them sound.

When Bennett Clark was a child, growing up in the national arena of Washington, the Clark tradition was already well established through his father. To most of Missouri Democracy Champ Clark was the symbol of statesmanship in a long-tailed coat and a big black hat. From Champ Clark's rise to Speaker of the House and inches short of the Presidency, Missourians took reflected glory.

Bennett Clark's early years in Washington detracted nothing from his native Missouri instincts. In his first race for the Senate he was completely at home on the courthouse squares across the State. He knew the interest of rural Missourians and held them through 2-hour speeches. In that first campaign he dared to advocate repeal of prohibition when most of the State's politicians still turned pale at the issue. It was a foretaste of his rugged independence that was to be demonstrated on the national stage in Washington. His fight against the Roosevelt court-packing plan was one example.

This hard-hitting Senate leader was the same Bennett Clark who spent years on research to write his excellent 2-volume biography of John Quincy Adams. His book on parliamentary law has been widely used.

His leadership in many national issues is a long story. But two of his battles seemed to be particularly close to the heart of Bennett Clark. He had seen his father lose the nomination for the Presidency because of the two-thirds rule. Eventually the son became an active leader in the Democratic convention that abolished the rule.

A World War I soldier and one of the original founders of the American Legion, Bennett Clark led the fight for the GI bill in the Senate.

His later years were spent in Washington as a judge of the District of Columbia United States Court of Appeals. To Missourians he was still the native son on important business away from home. Ten years after he left the Senate his imprint is still deep in Missouri memories.

[From the Washington Post of July 16, 1954]

BENNETT CHAMP CLARK

Judge Bennett Champ Clark had had a distinguished public career before he was appointed to the United States Court of Appeals by President Truman. The son of Champ Clark, who for many years was Speaker of the House of Representatives, he became parliamentarian of the House before he finished law school. In 1933 he was elected to the United States Senate in the same landslide that swept Franklin D. Roosevelt into the Presidency. As a Democratic Senator from Missouri, however, he followed an independent line and often clashed with the Roosevelt administration. The climax of his political career came when he, along with Senators Burke, King, Wheeler, and others, fought and defeated FDR's court-packing bill, despite the President's whopping victory in 1936.

On the bench Judge Clark proved to be a man of brilliant intellect and strong convictions, though his effectiveness was occasionally hampered by illness. He took to the court from his practice of law and his experience in Congress a broad knowledge of statutory law and of the processes of legislation and procedures in the courtroom. While he sometimes referred to himself as an old-fashioned Democrat, he was never doctrinaire on the bench. His rugged independence made it impossible to classify him either as a liberal or as a conservative. With courage that was especially marked even in a land of independent judges, he decided each case as he saw it without the slightest regard for expediency. In the historic Dollar case, in which the Department of Justice had failed to give effect to a ruling of the court, a lawyer for the Department explained its conduct in part by referring to a letter from the President. Judge Clark indignantly replied that if the lawyer thought a letter from the President of the United States (the President in question—Harry S. Truman—had appointed Judge Clark and was a close personal friend) could influence the judgment of the Court he had better think again.

Judge Clark's colleagues say that he also had the ability to cut to the heart of difficult legal issues. While he perhaps failed to achieve complete fulfillment of his powers, he earned a distinguished place on the bench.

[From the Washington Evening Star of July 17, 1954]

BENNETT CHAMP CLARK

Born at Bowling Green, Pike County, in 1890, Bennett Champ Clark spent most of his life in the District of Columbia. Yet he definitely represented Missouri in the major interests and patterns of his career. Both his parents reflected the natural skepticism of the Show Me State, and he was glad to follow their example. Thus he grew up distrustful of the partisan groups of large cities, the political influence of big business and the activities of what he called interventionists. He put his faith in the people of the farm districts and small towns, rural America firsters; and he spoke for them even when their cause was unpopular and obviously destined to fail.

His father's experience at Baltimore in 1912 embittered Bennett for the rest of his days. The deal which he believed had been worked by the Bryan faction and Tammany Hall to nominate Woodrow Wilson in place of the Speaker of the House was, in his view, a family affront which he never forgave. One of the great victories in which he took pride was that of his drive to abolish the two-thirds rule at Democratic national conventions. This triumph, achieved in 1936, cleared the way for the elevation of his friend Harry S. Truman to the Presidency.

Meanwhile, Mr. Clark gratified his own ambition in the Senate, where he consistently maintained an independent attitude on foreign and domestic questions alike. When his nonconformity cost him his seat in 1945, his former colleague, then in the White House, named him to the United States court of appeals, where he served quietly yet with distinction. Dying relatively young at 64, he leaves a legend peculiarly personal. His eloquence, his profound knowledge of parliamentary procedure, his excellent record as a soldier, his part in organizing the American Legion and finally his neighborliness here in Washington probably are the qualities for which he will be remembered longest.

POLITICAL SPOILS IN AGRICULTURAL PROGRAMS

Mr. HENNINGS. Mr. President, during the 1952 political campaign an effort was made to convince American farmers that they were being enslaved, under the farm programs, by Washington "agricrats."

"Agricrats" is a word the Republicans coined to conjure up resentment against those who supposedly dictated to the farmers—giving them no voice in agricultural affairs.

General Eisenhower, as a candidate, repeatedly promised American farmers that the farm programs would be "cleansed of partisan politics," and that the programs of the future, if he were elected, would be "turned over to farmers" to be "farmer run."

In his opening farm speech at Kasson, Minn., on September 6, 1952, General Eisenhower said:

> I pledge you that the Republican Party is going forward with positive, aggressive, farmer-run farm programs * * *. This first thing we intend to do is take the emphasis off of Washington * * * our goal will be sound, farmer-run programs that safeguard agriculture—but do not regiment you, do not put the Federal Government in charge of your farms. What counts is being prepared to do the right thing at the right time. To do this, the Republicans will use the wisdom of the farmers * * * the programs must be transferred into genuinely farmer-run operations * * *.

At Columbia, S. C., on September 30, 1952, General Eisenhower said:

> And the management and direction of the farm program—federally financed though it will be—must be turned over to farmers.

On October 13, 1952, at New Orleans, La., the candidate said:

> What we need is to start from here and build a better program based on more farmer participation and more Federal, State, and farmer partnership.

Speaking at Memphis, Tenn., on October 15, 1952, Candidate Eisenhower told his audience:

> With single-minded purpose we must move toward farmer-run programs. I pledge you an administration that * * * will increase farmer participation.

In that same Memphis speech, General Eisenhower added:

> The agricultural conservation program, administered by PMA, is now permeated with partisan politics * * *. I pledge you an administration that will cleanse all farm programs of partisan politics.

Mr. President, such was to be the great crusade. It was to be a crusade to "cleanse all farm programs of partisan politics."

In actual performance, the great crusade has turned Missouri into a cauldron of spoils politics, boiling over into the Federal courts as the farmers of Callaway County, Mo., attempted to defend their right to select the members of the County PMA—now Agricultural Stabilization Service—committee. These farmers held mass meetings and raised several hundred dollars to carry the defense of the county committee into court. That has been done.

And Callaway County is not the only county where trouble has occurred. Trouble has arisen all over Missouri—in county after county—as the Republican Party has conducted a crusade to turn the farmer committee offices into a part of the Republican spoils system. Elected farmer committeemen have been forced out of office, loyal civil servants have been fired, reinstated, buffeted and abused until they resigned. Agricultural stabilization affairs within the State of Missouri are in a turmoil.

Before I go into the details of the administration's mess in Missouri, I would like to say in all fairness that a great deal is involved in this matter besides partisan politics. The system of farmer-elected committees to administer our national farm programs has been in the past one of the finest devices for democracy in Federal programs yet developed.

The men who built the farm programs in the dark days of the thirties—Democrats and Republicans alike—wanted a Federal program that was as close as possible to the people—to the farmers. They wanted farmer participation in its administration and policymaking. So a system of elected committees was set up.

Farmers participating in the Federal programs meet in their townships. There they elect township committeemen who assist in the administration of the programs. They also elect a delegate to a county meeting, which in turn elects the county committee members. These men, the farmer-elected committeemen at township and county level, have been in charge of the administration and application of the Federal farm programs at the grassroots—out on the actual farms—of the Nation.

This system is thoroughly democratic. It permits and requires farmers in virtually every county in the Nation to learn the how and why of the farm programs because the farmers, themselves, are involved in the administration of these programs. As a result of this system farmers have voluntarily cooperated with the programs. Offensive policing has not been necessary. Also, as a part of this system, informed farmers have participated in policy determinations.

Students of government have been watching this system of administration by farmer committees because it is the outstanding governmental technique thus far developed to overcome the danger of great national programs becoming centralized, removed from the people they affect and, therefore, dictatorial and unresponsive to the people who are affected by them.

In order to provide information concerning the details of how this committee system works, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD at this point in my remarks pertinent provisions from the official regulations governing PMA county and community committees, paragraphs 713.4 through paragraph 713.11, and paragraph 713.28 which are the regulations governing selection of the committees and removal from office, having been issued by Secretary Benson on March 26, 1953.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

REGULATIONS OF THE SECRETARY OF AGRICULTURE GOVERNING PMA COUNTY AND COMMUNITY COMMITTEES

SELECTION OF COMMITTEES

SEC. 713.4. Method: County and community committees shall be elected by farmers in accordance with the provisions of the regulations in this subpart.

SEC. 713.5. Who may vote for committeemen and delegates: Any farmer who is of legal voting age and who has an interest in a farm as owner, tenant, or sharecropper and any farmer not of legal voting age who is in charge of the supervision and conduct of the farming operations on the entire farm shall be eligible to vote for committeemen and delegates in the community in which he has such an interest if:

(a) A payment or grant of conservation materials or services is or will be made with respect to the farm under the current Agricultural conservation program, or there is being carried out on the farm one or more of the current program practices approved for the State by the State production and marketing administration committee, referred to in this subpart as the "State Committee";

(b) Such farmer is eligible for a cooperator's loan or other price support;

(c) Such farmer is eligible for a payment under the Sugar Act program; or

(d) Such farmer has a crop insurance contract with the Federal Crop Insurance Corporation.

In any State having community property law, the spouse of a farmer who is eligible to vote under the foregoing provisions shall also be eligible to vote.

SEC. 713.6. Restrictions on voting: Each eligible voter shall be entitled to only 1 vote on any 1 ballot in any election held in any 1 community or in the county convention. If the eligible voter has an interest in a farm in more than 1 community in the county, such voter shall not be entitled to vote in more than 1 such community in the county. There shall be no voting by proxy.

SEC. 713.7. Determination of elective areas: Each county shall be divided into local administrative areas, referred to in this subpart as "communities." The term "county" in the Territory of Alaska shall be the area so designated by the State committee. The boundaries of the communities shall be fixed by the State committee after considering any recommendations by the county committee. No such community shall include more than one county or parts of different counties.

SEC. 713.8. Calling of elections: Each election of farmers to the county or community committee shall be held on a date or within a period of time and at a place fixed by the State committee which will afford full opportunity for participation therein by all persons eligible to vote. Each such election shall be held in accordance with detailed instructions issued by the Assistant Administrator for Production of the Production and Marketing Administration, referred to in this subpart as the "Assistant Administrator." If the number of eligible farmers voting in any election of community committeemen is so small that the State committee determines that the result of the election does not represent the views of a majority of the farmers who were eligible to vote in such election, it shall declare the election void and call a new election.

SEC. 713.9. Election of the community committee: The farmers in the community who are eligible to vote in such community shall elect annually a community committee. The community committee shall be composed of

3 members, 1 of whom shall be elected as chairman and 1 of whom shall be elected as vice chairman. First and second alternates to the community committee shall also be elected to serve as acting members of the community committee in the order elected in case of the temporary absence of a member, or to become a member of the community committee in the order elected in case of the resignation, disqualification, removal, or death of a member. An acting member of the community committee shall have the same duties and the same authority as a member. Failure to elect the prescribed number of alternates at the regular election shall not invalidate such election or require a special election to elect additional alternates.

SEC. 713.10. Election of delegate to the county convention: (a) Except in any county in which there is only one community, the farmers in the community who are eligible to vote in such community shall elect annually at the community committee election a delegate to a county convention and an alternate to serve as acting delegate in case of the temporary absence of the delegate, or to become the delegate in case of the resignation, disqualification, removal, or death of the delegate. An acting delegate shall have the same duties and the same authorities as a delegate.

(b) In any county in which there is only one community, the community committee shall be the county committee.

SEC. 713.11. Election of the county committee: (a) The delegates elected pursuant to § 713.10 shall meet in a convention held before the close of the same calendar year in which they were elected to elect the county committee for the county. A majority of the delegates so elected and qualified to vote at the time of the convention shall constitute a quorum. A county committee of 3 members shall be elected, with 1 member elected as chairman and another member as vice chairman. At the same convention the delegates shall also elect first and second alternates to the county committee to serve as acting members of the county committee in the order elected in the case of the temporary absence of a member, or to become a member of the county committee in the order elected in case of the resignation, disqualification, removal, or death of any member of the county committee. An acting member of the county committee shall have the same duties and authority as a member.

(b) If the county agricultural extension agent for the county is not elected secretary to the county committee, he shall be ex officio a member of the county committee but shall not have the power to vote.

* * * * *

REMOVAL FROM OFFICE OR EMPLOYMENT

SEC. 713.28. County and community committeemen: (a) Any member of the county or community committee or alternate to such office who becomes ineligible for office under the provisions of § 713.27 or who fails to perform the duties of his office or who is incompetent or commits, or attempts or conspires to commit, fraud, shall be removed by the State committee, or if it appears that he may be subject to such removal, he may be suspended by the State committee pending an investigation. The State committee may also suspend pending investigation or remove any county or community committeeman or alternate if such action appears to be necessary for the success of any program administered by the county committee.

(b) If because of an investigation there are no members or alternates available to serve on the county committee, the State committee shall designate a person to administer the programs in the county pending the exoneration or removal of those under investigation, and if removed, pending the election of new county committee members and alternates. Any person named by the State committee in such capacity shall have full authority to perform all duties regularly performed by a duly elected county committee.

Mr. HENNINGS. Mr. President, in the past the administration of these programs has been on the whole nonpartisan. In Republican areas, Republicans have been elected to township and county committees because the farmers voted for them. In areas predominantly Democratic, the committeemen have usually been Democrats. And in many areas of the Nation men of both parties have served together in harmony. It has been a Department of Agriculture tradition that the will of the farmers, expressed in their committee elections, was to be respected. The results of the farmer elections were not to be set aside for political reasons, and removals would be made only for bona fide and serious misfeasance or malfeasance in office. Prior to this administration few removals of committeemen occurred.

Under the Department's previous policy, farmer committeemen themselves were the administrators. They made the applications of acreage allotments to their neighbors. They handled loan dockets and other administrative details. There was literally and really mass participation of farmer citizens in the administrative handling of the programs, instead of administration by professional "agricats," if I may use President Eisenhower's word.

Shortly after the new administration, pledged to farmer-run programs, took office, the Secretary of Agriculture announced that the farmer committees would no longer handle administrative work. They would be used as policy-making boards and new county office managers would handle administration.

I ask unanimous consent to place in the RECORD at this point in my remarks a copy of Secretary of Agriculture Benson's press release of March 25, 1953, announcing this change.

There being no objection, the copy of this press release was ordered to be printed in the RECORD, as follows:

SECRETARY BENSON ANNOUNCES CHANGES IN PMA COMMITTEE OPERATIONS

Greater uniformity, efficiency and economy in the operation of State and county offices of the Production and Marketing Administration are called for in changed operating methods announced today by Secretary of Agriculture Ezra Taft Benson.

Under the new policy, which is to take effect immediately, the local policy-forming and policy-execution functions of these farm program offices are being separated. The program and administrative policy-forming functions will continue to rest with the State PMA committees, which are selected by the Secretary of Agriculture, and the county PMA committees, which are elected by farmers themselves.

The policies which are determined by the State committee, however, will be carried out by committee employees under the direction of a State administrative officer, working under the committee's direction and responsible to it. All State committeemen, including the chairman, will work on a when-actually-employed basis, rather than as full-time employees.

"This change in handling PMA field work," stated Secretary Benson, "will result in savings of an estimated $125,000 annually in State and another $500,000 in county office operation. This is based on an estimated average of 75 days actual employment by State and county committeemen."

At the county level a county office manager, selected by the county committee and responsible to it, will carry out the policies determined by the county committee and be responsible for day-to-day operations. County committeemen, like the State committeemen, will work only on a part-time basis.

"This method of operation will enable each member of the team to perform functions which he is best able to carry out," Secretary Benson said in commenting on the operational changes. "The State and county committees will in effect serve as a 'board of directors' to determine policy, but they will not be asked to spend their time on routine administrative matters. They will be paid for the time they spend in policy forming work, while staffs trained in office management and administrative work will carry out such policy.

"We are also establishing a rotation system for each State committee under which one or more State committeemen will be replaced each year. This will make it possible to bring fresh and wider viewpoints to bear. It will also insure stability and continuity of policy."

Mr. HENNINGS. Mr. President, this change by Secretary Benson has been debated before. It sounds innocent enough in itself, perhaps, but it is actually a device to put into effect policies determined by Federal and State "agricrats" rather than by farmer committees. Former Secretary of Agriculture Brannan had his staff study the prospective costs of the suggestion. He found that it would be considerably greater than the per diem costs of the committeemen's work. But Mr. Benson, the present Secretary of Agriculture—contrary to the pledges of his party to economize and to build "farmer run" programs—ordered that county managers be employed.

I am of the opinion that an appropriate committee of Congress should now make a careful study of the real current costs of administering the production adjustment, price support and conservation programs which are handled by the Agricultural Stabilization committees, formerly the PMA committees.

I have a comparison of costs, taken from various hearings, which indicate that the overall cost of administering the agricultural conservation program, sometimes called ACP, acre allotments and marketing quotas, the Sugar Act, Commodity Credit Corporation loans and purchase agreements and CCC price support work, is considerably larger in the current fiscal year than it was in 1950, when there were similar allotments and/or quotas to be administered.

This comparison indicates that the cost for the basic agricultural conservation work is down in the county and State-and-regional offices. But the cost of the county work on the production adjustment and CCC programs appears to be up more than $13 million as compared to 1950.

I ask unanimous consent to insert in the RECORD at this point a statistical table, prepared from data submitted to the Congress, comparing the allowances of funds for the various items for the current fiscal year with expenditures for the same items in 1950.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of obligations and expenditures for certain U. S. Department of Agriculture programs in fiscal 1950 and fiscal 1954

	Fiscal year 1950		Fiscal year 1954	
	State and Territorial offices	County offices	State and Territorial offices	County offices
Agricultural conservation	$3,963,003	$20,680,499	$3,379,954	$19,087,419
Acreage allotments and marketing quotas:				
Tobacco	537,612	2,038,040	661,602	2,939,421
Peanuts	308,911	1,778,659	291,938	1,544,638
Wheat	925,168	6,628,285	1,366,282	10,730,030
Cotton	947,715	8,679,419	947,462	13,581,436
Corn	427,966	3,184,954	337,329	5,730,550
Sugar	656,801	329,192	496,899	342,540
CCC loans and purchase agreements	1,290,386	5,919,182	746,580	5,931,961
CCC price support	2,117,753	3,514,587	1,774,144	6,991,172
Production adjustment and CCC, total	7,212,312	32,072,318	6,622,236	47,791,748
Grand total, all State, regional, and county items	63,928,132		76,881,357	

Mr. HENNINGS. Mr. President, we need to know if this overall increase results from a greater workload and, if so, to what extent, or if the supposed or seeming economy is made more apparent than real by a shifting of costs. We need to know if field work is costing more under the county office managers than under the old system of paying per diem to committeemen.

In Missouri, we were not long in getting a clue to the reason for Mr. Benson's decision to have county office managers. Two months after the Benson order establishing the new posts, and banning elected farmer committeemen from administrative work, on May 29, 1953, Mrs. L. C. Davis, vice chairman of the Missouri Republican State committee, sent a letter to the Republican county chairmen and vice chairmen in the State, in which she told them:

There are 4,300 PMA employees in Missouri. They should be Republicans if we can lend our energy to see to it that they are. The salary of county officer manager ranges from $2,500 to $4,000, depending upon the workload of the county. By workload is meant the scope of the program in the county. The chief clerk's salary is approximately $2,300, and it is recommended that this post be given to a woman. In addition, there will be 1 to 3 clerks, depending upon workload.

It is recommended that you immediately decide who would be the logical choice for the county office manager in your county, start boosting him, and file his application for the post at your county PMA office. Lest this be the type of office that would conveniently lose a Republican application, you are advised to file a duplicate with the Republican State Committee.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point the text of the letter ascribed to the vice chairman of the Missouri Republican State committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MISSOURI REPUBLICAN STATE COMMITTEE,
Montgomery City, Mo., May 29, 1953.

DEAR COUNTY CHAIRMAN OR VICE CHAIRMAN: The PMA election will be held on July 31 at the township level. At this election a county committeeman or committeewoman and an alternate committeeman or committeewoman will be chosen. This county committee in turn elects a county board from its membership and the law requires that this board must be selected by August 1. The board consists of chairman, vice chairman, and third member and first, second, and third alternates.

Who votes at the township level: Any farm owner, or operator or share cropper whose name is on the mailing list at county PMA office. If you have never participated in these elections, you must go to the county PMA office and have your name put on the mailing list. A husband and wife can vote, or if either cannot come, a vote my be cast by proxy.

Your county board selects, with the approval of your State PMA board, a county office manager who cannot be a PMA committee member. This office manager must be named by August 3. He is on a full-time basis, and he in turn chooses a chief clerk with the O. K. of the fieldman of that particular area. Your county office manager is required to have 2 years of high school education and must either live or have lived on a farm.

It is recommended that you immediately decide who would be the logical choice for county office manager in your county, start boosting him and file his application for the post at your county PMA office. Lest this be the type of office that would conveniently lose a Republican application, you are advised to file a duplicate with the Republican State committee.

There are 4,300 PMA employees in Missouri. They should be Republicans if we lend our energy to see to it that they are. The salary of county office manager ranges from $2,500 to $4,000, depending upon the workload of the county. By workload is meant the scope of the program in the county. The chief clerk's salary is approximately $2,300, and it is recommended that this post be given to a woman. In addition, there will be in each county 1 to 3 clerks, dependent upon workload.

Enclosed is list of the members of the present PMA board in your county. Copies of this information are being sent to you under separate cover for distribution to your committee who will have to help you at the township level.

Will you keep the Republican State headquarters, Montgomery City, advised as to progress you are making and feel free to ask our assistance at any time.

Sincerely,

MRS. L. C. DAVIS,
Vice Chairman.

Mr. HENNINGS. Mr. President, likewise, I ask unanimous consent to have printed in the body of the RECORD a news article from the August 20, 1953, issue of the St. Louis Post-Dispatch, written at the State capital, Jefferson City, by a staff correspondent of that newspaper. In this article, Mrs. Davis is quoted as acknowledging that she wrote a letter to all counties about this matter but contends that she said in the letter that "qualifications of education and experience be the prime requisite for the consideration of applications for the newly created office-manager post."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHARGES GOP SEEKS HOLD ON STATE PMA JOBS—DEMOCRATIC OFFICIAL SAYS REPUBLICANS PLAY POLITICS AT EXPENSE OF MISSOURI FARMERS

JEFFERSON CITY, MO., August 20.—A charge that Republicans are playing politics with the already desperate plight of the State's farmers, by attempting to control the Production and Marketing Administration elections in Missouri July 31, was made today by Democratic State Chairman W. F. Daniels of Fayette.

In a statement issued through Democratic State headquarters here, Daniels said that Mrs. L. C. Davis, of Boonville, vice chairman of the Republican State committee, sent out letters to all county GOP chairmen last May urging them to line up support for Republicans in the PMA elections.

He quoted the letter as saying: "There are 4,300 PMA employees in Missouri. They should be Republicans if we lend our energy to see that they are."

Daniels accused the Republicans of making a political football of PMA, the agency closest to the farmers' soil and livelihood. He denounced it as a brazen effort and declared the Republican administration in Washington should renounce it.

In the July 31 elections, a PMA county committeeman and alternate were named in each township. The county committee, in turn, elected a county board from its membership. The county committee then named a county office manager, who has a big voice in the election of clerks and office employees.

The township elections were open to any farm owner or operator or sharecropper whose name was on the PMA county list. The Democrats reported that the Republican letter urged the Republican county chairmen to have all eligible persons place their names on the list.

Later, Mrs. Davis acknowledged she sent letters urging responsible Republican farmers to participate in the PMA elections, and that the letters were sent to every county in the State.

In reply to Daniels' charges, she declared she also urged in her letters that qualifications of education and experience be the prime requisite for the consideration of applications for the newly created office manager post.

Mr. HENNINGS. Mr. President, in order to make every possible effort to be entirely fair, I wish to call attention to the fact that the copy of her letter supplied me by Democratic sources does not contain the statement about the prime requisites to which Mrs. Davis alluded in the interview. I believe the copy of

her letter as I have supplied it for the RECORD is an exact copy of a letter she sent to one of the counties. One grassroots Republican was so shocked by this effort to turn the farm program into patronage "pie" that he released his copy of the letter to farm leaders within his county. I have had the copy checked carefully. If there is some discrepancy between this letter and letters sent to other counties, then we should be advised of it.

As the St. Louis Post-Dispatch article points out, the farmer elections of community committeemen and delegates to the county meetings, which select the county committees, were held July 31, 1953, under the regulations promulgated by Secretary Benson.

In order to make the background of this matter complete, the RECORD should include the "Qualification Standards for Position of PMA Office Manager," which was distributed with a general notice to State PMA committees on July 29, 1953. I ask unanimous consent that it be included in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

QUALIFICATION STANDARDS FOR POSITION OF PMA COUNTY OFFICE MANAGER

(Grades Nos. OM-1, 2, 3, 4, and 5)

Applicants for the position of county office manager must meet the following qualification standards:

I. Citizen of the United States.

II. Age: 19 to 65.

III. Physical requirements: Applicant must be physically able to efficiently perform the duties of the position which may involve difficult office and strenuous field work as well as considerable travel within the county.

IV. General background requirements: Applicant must have qualifying experience consisting of the following:

A. Farm experience: At least 2 years actual farm experience or the equivalent in agricultural training or experience in agricultural organizations. (Preference should be given to persons with a working knowledge of crops and livestock produced in the county of employment.)

B. Educational requirements: Applicant must have completed at least 2 years of high school or the equivalent in other recognized schools. If the duties of this position will require the ability to type and operate or explain the operation of other office machines, the applicant must demonstrate his ability to operate such machines satisfactorily.

C. Experience requirements: Applicant must have a total of at least 18 months of responsible experience in a PMA county office with the following exceptions:

1. Field work for other public or private agricultural agencies or other office work of a responsible nature may be substituted at a ratio of 3 months of such experience for 2 months of responsible county office experience.

2. Education at a recognized college or university may be substituted at a ratio of two satisfactorily completed school months for 1 month of county office experience.

D. Personality requirements: Applicant must be of good character and have a temperament and personality suitable for a representative of the county committee in dealing with farmers, businessmen, and others.

V. Review of previous county office employment: Where a present or past county office employee or committeeman applies for this position, audit reports, investigation reports, and personnel information available in the county of employment should be reviewed to determine whether the applicant should be disqualified.

Mr. HENNINGS. Mr. President, in general, these men were required to be citizens between 19 and 65 years of age, with 2 years of farm experience, at least 2 years of high school, with 18 months experience in a PMA county office or, as a substitute, 1½ times as much experience in some other agricultural agency or twice as much time in a college or university.

On April 4, 1954, the Department of Agriculture issued instructions for employing county office managers on a revised form called Instruction 107–2. It requires a review of all applicants, selection of the best qualified applicant, entry into the minutes of the county committee meeting of the reason for selection, and submission of the final choice to the State committee, before actual employment, so the committee or its representative may—and I now quote—"determine and advise the county committee whether qualification standards have been met."

There is no provision for the State committee to make a determination among the various applicants for the post of county office manager. Their determination is limited only and solely to whether or not the manager selected by the county committee meets the qualifications set out in the USDA regulation.

The assumption of the regulation was that the local committee would know which, among the qualified candidates, should have the job, which applicant could work best with the elected committee members—which seems perfectly logical and certainly reasonable—which would work best with the farmers of the county. The right was reserved to the State committee only to audit the qualifications of the man selected by the local group.

A new Missouri State committee was, of course, appointed by the present Secretary of Agriculture Mr. Benson. Although it had long been customary to appoint State committeemen from the rolls of experienced county committeemen, none of Mr. Benson's selections in Missouri had had previous committee experience. The new State chairman started farming during World War II, having previously been with the firm of Libby, McNeill & Libby.

Many Missouri farmers who have worked years to build the democratic, farmer-elected committee system were disappointed both in these appointments and in the subsequent choice of fieldmen, not all of whom seemed to have appropriate backgrounds. Only one in the entire State had ever been in PMA work.

The fieldmen included a State legislator previously with an oil and gas company, the former owner-operator of an auto supply store who had been secretary of the State fair for several years, a 2-year farmer formerly employed in construction work, 5 men with some farm background, and 1 former PMA fieldman, a Republican. With the exception of the latter, none had had any experience whatsoever in the farm program work they were to take over.

One of the first actions of the new State committee was to attempt to remove the State office's budget and personnel specialist, Mr. John Ader. This action happily was reversed here in Washington as a violation of civil service rules and regulations.

Charges had been made against Mr. Ader, and an investigation had been demanded. Secretary Benson's personal investigator found that these charges had been falsely made and Mr. Ader was cleared in a letter signed by Assistant Secretary Ross Rizley.

In all justice and sincerity, I want to compliment the Department of Agriculture on refusing to sustain these false charges against a man who had given 20 years of efficient and irreproachable service to the farm programs. I wish I could also compliment them for standing behind him and insisting that, in view of his experience and unblemished record, he be continued as a pillar in the service in Missouri. But instead, Washington then undertook to get Mr. Ader out of the way in Missouri. They tried to "kick him upstairs" by offering him a transfer into Washington where he would not embarass the political administrators who had tried to get him out of the State and put him where he would not be able to observe happenings in the Missouri office. Happily for the State Mr. Ader declined this transfer and resigned in disgust for it was then apparent that the USDA in Washington was cooperating in the spoils move in Missouri.

I am told that in some States the incoming State committeemen, desiring to continue a high standard of administration, saw the value of these experienced men. But this was not the case in Missouri. The facts make it obvious that a spoils jobs was to be done on the personnel of the farm agency in Missouri—and it would not have been pleasant to have an experienced civil servant supervising budgets and personnel.

In the months which have followed establishment of the new State administration, the press of Missouri has been full of news and comments about the dismissal of county committeemen, whom the farmers elected, as the State committee goes about making patronage of the county committee machinery, and forcing the appointment of office managers selected by the State committee and firing any elected committeemen who do not accede to the State committee choice.

I have an editorial from the Springfield (Mo.) News-Leader of April 25, 1954, entitled "Look Who Talks of Noncooperation." This editorial deals with difficulties that have arisen in Callaway, Texas, and Greene Counties, and is sharply critical of the State committee's Republican spoils system. As it is pertinent to this subject, I ask unanimous consent that this editorial be inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LOOK WHO TALKS OF NONCOOPERATION

Among the farmers of Missouri, State ASC Chairman Murray Colbert can stir up more furor than Evangelist Billy Graham could cause in a convention of atheists.

This week 200 angry Callaway County farmers held a mass meeting at Fulton and raised $664 to launch a Federal court fight to stay the firing of the county's agricultural stabilization and conservation committee.

When farmers raise that much money in a year when drought and the price squeeze have teamed up to send thousands of them to the wall, it's a certainty that they are fighting mad.

Maybe the committee needed firing? Maybe.

And in Texas County the old committee was fired in January by Colbert, who, balked by its successor, ousted the second committee last week. Perhaps the Texas County ASC committee deserved that fate? Perhaps.

And could be W. H. Pipkin, chairman of the Greene County committee, needed kicking out? Could be.

And it's possible that many others over the State, fired by the doughty ASC chief, got just what they deserved? It's possible.

Without proof to the contrary, there's no gainsaying that Mr. Colbert may have acted in the best interests of the ASC program in his wide wielding of the ax of dismissal. But ask yourself, Isn't it odd that he should find so many "noncooperators" in the program at one time, especially since it has rolled along for years without all this trouble?

Which suggests a nasty thought: Could these firings be politically prompted?

Of course not. Didn't Agriculture Secretary Benson say there would be nothing political in the administration of his reorganized ASC?

Why does Colbert fire these men? "For noncooperation," he says. Just that, and nothing more.

Yet in Texas County Chairman Stanley Haliburton was fired last January for insisting, he explained, that newsmen be permitted to attend an ASC meeting. The word of those newsmen tends to bear out Haliburton.

Actually, however, there was more to it than that. The State committee had a choice for office manager and the county committee wouldn't go along. So the old committee was fired and a new one finally named. But the new one—Republicans and Democrats—refused to be coerced, too, and foolishly thought it could name its own choice. Bingo. The results were just like that. Out the new committee went this past week for as the Houston Herald declares, "If State Chairman Murray Colbert and his committee can't get the job done one way, they will try it another way." Even so. Colbert's refusal to admit reporters is ample condemnation in itself.

Isn't the ASC a public office, entirely maintained by public funds? Then by what right did Mr. Colbert try to bar newsmen whose duty it is to tell the public what goes on at such meetings?

The right of precedent, perhaps for a reporter was barred from the Greene County ASC meeting last spring presumably on State committee orders. But precedent or no precedent, no public agency has the right to exclude newsmen from any of its business sessions.

Greene County farmers have no love for Mr. Colbert, either. An order for several thousand bushels of drought emergency feed oats lay in his office 3 weeks, last December, unprocessed until the deadline for receiving orders had passed. That cost local farmers badly needed feed, it also cost them a few thousand dollars in Uncle Sam's bargain buy feed program.

Not very cooperative of a man who has fired so many others for noncooperation, is it?

Mr. HENNINGS. Mr. President, the Callaway County episode referred to in the Springfield editorial is another instance of the State ASC chairman's peremptory dismissal of farmer-elected committeemen to permit his own dictation of county affairs. This matter was taken to the Federal court.

The court has ruled that the committee should appeal its case to the Secretary of Agriculture before taking court action. At this point the final outcome is uncertain. But I can tell you that the dictatorial, closed-door methods of the State ASC in regard to this whole matter aroused such a volume of protests that they have already reached the Department of Agriculture here in Washington. Mr. Benson's department let it be known that they had asked that a State committee hearing for the ousted county committee be held in secret, first, because an open hearing might be subjected to demonstrations; and, second, because the issues were, as they were pleased to put it, administrative in nature.

Mr. President, we have traveled a long way down the road from the philosophy of democratic, farmer-elected committee administration of our farm programs in Missouri. It seems very strange that this should have occurred under an administration which warns constantly against the danger of regimenting the American farmers.

The Columbia (Mo.) Daily Tribune has pinpointed this inclination toward undemocratic, dictatorial processes of the present administration in an editorial, dated May 14, 1954. In response to their inquiry, the Columbia Daily Tribune reports that the Department of Agriculture admitted ordering the closed-door hearing for the two reasons heretofore stated. The paper then expresses the opinion that Mr. Colbert and his aides "are afraid to let the people know the details of this latest bungle in personnel."

Mr. President, I ask unanimous consent to include in the RECORD at this point in my remarks three editorials about the Callaway County situation from the Columbia Daily Tribune, as follows: A Shocking Piece of Arrogant Bureaucracy, which appeared on May 8, 1954; So They Were Afraid, which appeared on May 14, 1954; Opening of Public Records, which appeared on May 29, 1954.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Columbia Daily Tribune of May 8, 1954]

A SHOCKING PIECE OF ARROGANT BUREAUCRACY

One of the most shocking and high-minded examples of bureaucracy to reach these parts in many a year developed in Columbia this week when the Missouri agricultural and stabilization committee staged a star-chamber hearing for three members of the Callaway County committee whom it had tossed out of office mainly, it appears, because these men chose to carry out the mandates of the Callaway County citizens who elected them instead of kowtowing to the Washington-appointed bureaucrats who run the State office.

What were the charges against these men? We can't say with authority because they have not been made public and because at this week's hearing newspaper men and all other citizens were locked out of the tax-supported hearing room. But we are told, reliably, that one of the charges against the Callawegians is that they allowed a newspaper photographer to take their pictures. Another is that they had the effrontery to call a mass meeting of the citizens who elected them so that they could tell those freeholders what the ruckus was all about.

We are not particularly interested in the politics of this situation, though we do feel that if Democrats are in the overwhelming majority in Callaway County—and they are—that they should be permitted to elect Democrats to represent them. That seems to be fundamental.

But this thing goes far deeper than that. The chairman of the State agricultural and stabilization committee has appropriated to himself many of the powers and practices of the late King John of England, who trampled the people of his island kingdom until they put a quill in his hand and told him to sign the Magna Carta. He has denied the freedom of the press—in this instance and others. He has denied the duly-elected members of the Callaway committee a chance to properly hear charges against them, and to answer them within the hearing of their peers. He has, as a bureaucratic administrator, booted out of office, without a hearing, men who were placed there by the sovereign power of popular vote. He has made it necessary for them to spend money to defend the rights which the voters bestowed upon them against high-powered government attorneys who are being paid from tax money contributed by the same citizens who elected their county committeemen.

All of this in 1954. All of this in the United States, a government of free people. All of this in Missouri. All of this in Callaway and Boone Counties—in Fulton and Columbia.

We may well ask our representatives in the two Houses of the Congress—yes, and Mr. Eisenhower in the White House, how long are they going to permit this flouting of the Federal Constitution by a minor bureaucrat, right down here at the grassroots, where democracy is supposed to begin. Do we have the right to vote any more? Do we have the right to know what the charges against us are? Do we have a right to a hearing in open court? Do the people have a right to know what is going on behind closed bureaucratic doors? Does a man lose his job because he gets his picture in the paper? Does he lose his job because he wants to report to his fellow citizens who elected him to office?

The people of Little Dixie have a right to know the answers to those questions.

[From the Columbia Daily Tribune of May 14, 1954]

SO THEY WERE AFRAID

The Missouri Agricultural Stabilization and Conservation Committee's amazing flouting of the constitutional rights of the people of Callaway County in its proceedings before and since the ousting of the Kingdom's duly elected county ASC committee becomes more and more amazing as Department of Agriculture officials in Washington try to explain away the denial of free speech, the denial of freedom of the press and the denial of freedom of assembly in connection with the affair.

When the Tribune sought, through the Associated Press, an explanation of the high-handed doings of the Missouri committee, it got these explanations from the Washington office:

The Department of Agriculture asked that the hearing which the State committee held—or started to hold—for the Callaway County committee, be closed to the public and the press because, (1) the issues were administrative in nature, and (2) because an open hearing might be subjected to demonstrations.

Now we have some more questions for the Department of Agriculture:

Since when has the Department become endowed with power to flout the Constitution by the label administrative in nature?

And, since when has the Department become endowed with power to decide when or where a demonstration may or may not be held in Boone County, if they mean that a few of our Callaway County neighbors might journey over to Columbia to speak a word for the men whom they elected to office and who have been summarily kicked out of office, apparently for such derelictions as permitting a newspaper photographer to take their pictures?

We have police, sheriff's officers, and the highway patrol which we are sure could afford Chairman Murray C. Colbert and his colleagues—even his Washington attorneys—proper protection from any invading Callawegians.

We don't really believe Mr. Colbert, his aides, or his bosses are afraid of a Callaway delegation. We'd guess that they are afraid to let the people know the details of this latest bungle in personnel.

But we read on in this Washington dispatch. We learn that the testimony in this star chamber hearing is being recorded. Thus, we have a new and modern touch to the methods of old King John. But, we are assured that the public will be fully informed of the State committee's decision. Should we sing huzzas about that, just like the people of Germany used to shout themselves into hysterics when the late Adolph Hitler and the later Mr. Mussolini came out on their respective balconies to fully inform the people of their decisions?

We don't know what the three Callaway committeemen did, good or evil, to bring about their downfall in the eyes of Mr. Colbert. We do know, however, that neither Mr. Colbert and his superiors in Washington have any right to set themselves above the Constitution of the United States. They have done a stupid thing and they are making themselves and the Department of Agriculture look more stupid by the day. The methods of dictators are no more welcome in Little Dixie when they come from Montgomery City or Washington than they are when they come from Red Moscow or than they were when they came from Nazi Berlin or Fascist Rome. We want none of it.

[From the Columbia Daily Tribune of May 29, 1954]

OPENING OF PUBLIC RECORDS

We note with some satisfaction Secretary of Agriculture Benson's order to the Agriculture Conservation and Stabilization Committee to open its books to the public, so that the taxpayers may know who is getting the money they put up and why. It is to be hoped that Secretary Benson's order may do something to correct the high-handed, star-chamber session methods which Murray Colbert, Missouri ASC chairman, has used in conducting the Agriculture Department's—and the people's—business in Missouri. It might not be too much to expect that, despite the apparent support which Mr. Colbert got from Washington when he refused to permit newspapermen and the public to attend a hearing for Callaway County's ASC committee, we may eventually find out what this case is all about and the State chairman may eventually cease going around the State firing elected officials in a more-or-less off-the-cuff, or at least, off-the-record, fashion.

The curtain-lifting order for the ASC followed by only a short time a similar administration order designed to end the secrecy surrounding the handling of public money by the Federal Housing Administration. There is firm foundation for conviction that, had the Housing Administration's business been conducted in the open—as public business ought to be conducted—instead of behind the walls of bureaucratic secrecy, it would not have become necessary for the Congress to investigate the multimillion dollar scandals which have rocked that Government agency.

It may be that the order to open the books of the ASC will have come in time to prevent similar scandals in that organization.

Mr. HENNINGS. I also have a newspaper account from the St. Louis Post-Dispatch of May 21, 1954, telling how the 5-month row in Texas County was finally resolved. I ask unanimous consent that this article be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TEXAS COUNTY ASC REINSTATES THREE—TWO COMMITTEEMEN AND ALTERNATE REJOIN GROUP UNDER NEW OFFICE MANAGER

HOUSTON, MO., May 21.—Two members and an alternate of the Texas County Agricultural Stabilization and Conservation Committee have been reinstated and an office manager has been installed to bring a temporary peace to the 5-month row with the State committee.

The new manager is Robert C. Evans of Plato, 1 of 2 men the county committee declined to nominate when it was suspended April 20 by Kermit Bailey, State committee member acting for Chairman Murray C. Colbert.

Named by Bailey were Chairman Roy Gentry, who already had resigned 3 days before; Francis Forbes, Emmett Cox, members of the committee from Mountain Grove; J. E. Sturgeon, Licking, and Earl Grogan, Ozark Community, alternates.

While they were under suspension, W. E. Foster, field man, and Milton Gehr, Chaffee, office manager at large, were reported to have proposed Evans to the State committee and the action was accepted. The two committeemen and Sturgeon later were reinstated.

Gentry, a Democrat, did not attempt to return because he since has announced his candidacy for county committeeman. Wayne Killion, clerk under the setup existing when the program was part of the Production and Marketing Administration, stepped out when Gentry took over.

The dispute in the county began with the firing of Stanton G. Halliburton, chairman, by Colbert. Farmers disgruntled with the way the ASC program has been handled have indicated their anticipation of expressing their sentiment at election of township delegates in July. The delegates name the committeemen and alternates which Colbert says the State committee has the power to remove for cause.

The new office manager and his father, M. H. Evans, are dairy farmers in partnership on about 550 acres. Their output is handled by Sanitary Milk Producers. Salary of the younger Evans in the ASC position is $2,720 a year. He is a Republican.

Mr. HENNINGS. The first chairman of this committee, Stanley Halliburton, was fired last January. The reconstituted committee still declined to name an office manager chosen by Murray Colbert, State ASC chairman. So the farmer-elected committeemen were suspended. A State fieldman then installed one of the State ASC chairmen's choices as county office manager, and two of the former committeemen were persuaded to accept reinstatement. The third, a Democrat, still resisted the State office dictation and refused reinstatement. He will be a candidate for reelection as county committeeman this month, although some may wonder why when local elections are so disrespected by the "agricrats" in Washington and Jefferson City.

Mr. President, the list of counties in which loyal employees have been forced out or resigned in disgust, where farmer-elected committeemen have been displaced in one way or another, or where there are apparent political considerations for not appointing an office manager, now reaches more than a score.

Representative PAUL C. JONES called attention to the situation on February 8, 1954, when he inserted in the daily CONGRESSIONAL RECORD, on page A973, an article from the Sikeston, Mo., Standard. This article dealt with the background of the new State fieldmen, the Davis letter to Republican county chairmen, urging them to grab the local committee jobs, and with happenings in Adair, Ralls, and St. Charles counties.

Any investigation of the situation should go into the happenings in Atchison, Benton, Bollinger, Chariton, Dent, Franklin, Iron, Jackson, Linn, Maries, Nodaway and Scotland counties in addition to those mentioned in the newspaper articles which I have cited.

My attention has just been directed to a pertinent item on the ASC farmer committees in Wayne Darrow's Washington Farmletter of June 12, 1954, which was circulated throughout the country. I ask unanimous consent that this item be inserted at this point in the RECORD.

There being no objection, the item was ordered to be printed in the RECORD, as follows:

ASC FARMER COMMITTEES

Agricultural Stabilization Service is preparing a new set of rules to limit elected farmer committees to 3 years of service, and to disqualify them from doing field work—limit them to acting as a board of directors.

If new rules go into effect, a farmer would be ineligible for reelection to county ASC committee after serving 3 years, with this exception: In counties where all 3 of the present committee have served 3 years or more, 1 could be retained for another year.

This exception was put into the proposed rules after Minnesota chairman told top brass here that to throw out all three committeemen now would assure the reelection of Senator HUMPHREY, Democrat, of Minnesota.

The changes are in line with views of Dr. Reed L. Frischknecht, son of the Utah Extension Service director. Young Frischknecht is now a USDA consultant who wrote his doctor's thesis on the farmer-committee system and its shortcomings.

USDA top command distrusts ASC farmer committees, regards them as a Democratic political outfit, and a potentially dangerous pressure group.

Proposed move would complete process of making committees advisory only, and presumably develop committees more in sympathy with the GOP. It recalls the remark of the late Alex Legge, head of the old Farm Board, about advisory committees. He likened them to a gelding, which he defined as a horse that follows the herd in an advisory capacity.

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. HENNINGS. I am very happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Is that the Wayne Darrow Newsletter which refers to the Production and Marketing Administration committees, with some special reference to the State of Minnesota?

Mr. HENNINGS. I have the letter before me, and I shall be glad to read that portion to my distinguished friend from Minnesota.

Mr. HUMPHREY. I should like to hear it again. It contains some information that is quite important to me.

Mr. HENNINGS. That particular portion reads as follows:

> If new rules go into effect, a farmer would be ineligible for reelection to county ASC committee after serving 3 years, with this exception: In counties where all 3 of the present committee have served 3 years or more, 1 could be returned for another year. This exception was put into the proposed rules after Minnesota chairman told top brass here that to throw out all 3 committeemen now would assure the reelection of Senator HUMPHREY, Democrat, of Minnesota.
>
> The changes are in line with the views of Dr. Reed L. Frischknecht, son of the Utah Extension Service director. Young Frischknecht is now a USDA consultant who wrote his doctor's thesis on the farmer-committee system and its shortcomings.

Is that the reference which my friend from Minnesota had in mind?

Mr. HUMPHREY. Yes. I thank the Senator for reading that portion. He was merely going to have the document inserted as a part of the RECORD. It had been brought to my attention some time ago that some special consideration was being given to the junior Senator from Minnesota. Of course, I always like to hear such references, particularly when they are so flattering as the one which the Senator has just read.

Mr. HENNINGS. I believe the junior Senator from Minnesota could find considerable comfort as well as considerable commendation in this connection.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. HENNINGS. Gladly.

Mr. HUMPHREY. Would the Senator from Missouri say, in view of what he has just read, that possibly the junior Senator from Minnesota may have made some contribution to the stability of the ASC program just by way of nuisance value?

Mr. HENNINGS. I would say without peradventure of a doubt that the Senator from Minnesota has made a substantial contribution. I wish that his contribution could have permeated or reached as far as my State of Missouri.

Mr. HUMPHREY. I do not believe that a senatorial election will be held in Missouri this year.

Mr. HENNINGS. No, not this year.

Mr. HUMPHREY. I ask the Senator to be patient. It will reach Missouri.

Mr. HENNINGS. I thank the Senator from Minnesota for his contribution. I hope we will not have to be so patient as to wait a period of 2 years before it reaches the hinterlands of my great State of Missouri.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HENNINGS. I yield.

Mr. SYMINGTON. I regret that other business made it impossible for me to be on the floor when my colleague presented the first part of his splendid talk with respect to some programs in our great State of Missouri. I have some questions which I should like to ask of my distinguished colleague, and I shall ask them later. However, in catching up with some of the things that my colleague has said, do I understand correctly that the new State chairman has been a farmer, starting in World War II, and previously was with Libby, McNeill & Libby?

Mr. HENNINGS. That is my understanding. I may say to my friend and colleague that up to that time he had been with them.

Mr. SYMINGTON. That is a manufacturing company, is it not?

Mr. HENNINGS. Yes; and it is a very fine company. It is a very worthy and distinguished American company.

Mr. SYMINGTON. But it is not a company in which a salesman would get experience and knowledge of the farm problems of our beloved State. Is that correct?

Mr. HENNINGS. It is entirely possible that by extension and by reading in the subject while working with Libby, McNeill, & Libby, that he may have gained some knowledge; but, if so, I have heard nothing about it. He had had no practical experience, insofar as we have been able to determine, or so far as the farmers of Missouri have been able to ascertain, prior to going to the farm during World War II.

Mr. SYMINGTON. I do not wish to take the time of my distinguished senior colleague unduly, but I should like to ask another question.

Mr. HENNINGS. I am very glad to have my colleague take all the time he requires so that the facts may be brought to light. He is making some very fine contributions to the discussion.

Mr. SYMINGTON. As I understand, the fieldmen appointed include a man who formerly operated an oil and gas company.

Mr. HENNINGS. That is true.

Mr. SYMINGTON. I do not wish to be repetitious, but I am impressed by the lack of experience of some of these appointees with respect to the farm program, in connection with which the distinguished Senator and I have been working to bring help to our farmers in the drought situation. As I understand, one is an auto supply storeman, whom the administration appointed in carrying out its pledge to put farmers in charge of the farm program.

Mr. HENNINGS. I understand that he has had considerable experience in the automobile supply business.

Mr. SYMINGTON. I should like to ask the distinguished senior Senator from Missouri, even if the gentleman has had 50 years of experience in the auto supply business, whether that qualifies him to take over the grave farm problems which now confront our State.

Mr. HENNINGS. Doubtless he has met some farmers from time to time in the course of his business. To what extent he has profited by his communications with the farmers, I am unable to ascertain.

Mr. SYMINGTON. Perhaps he has sold some new tractors to farmers.

Mr. HENNINGS. I do not know whether he dealt in tractors.

Mr. SYMINGTON. I would ask my distinguished colleague, is it not true there has been little money in Missouri recently with which to buy tractors?

Mr. HENNINGS. There has been very little, due to the falling farm prices. I note that farm parity dropped 4 points last month. The devastating drought which we experienced last year was followed by the drought which we are suffering this year. It has reached proportions of menacing destruction.

Mr. SYMINGTON. I should like to ask the Senator another question. Does he not feel that because of the continuing critical problems of the farmers in the State of Missouri, it would be advisable, if possible, to put in charge of the program people who have had some experience on farms?

Mr. HENNINGS. I may say to my good friend and colleague that I happen to be a believer in specialization. Perhaps because I am a professional man I have the notion that a man who is trained and experienced is probably a little better qualified to handle a particular problem than a man who has had no training or experience in a given field. I believe that is particularly true when we bear in mind that the state of our agricultural program in Missouri, as well as in other States throughout the Nation, is parlous, and even now, due to the ravages of nature, is perilous.

Certainly this is no time—and I doubt that such time ever exists or ever has existed—when an automobile supply dealer or men who have had no experience whatsoever with agriculture should be put in charge of agricultural programs simply because they happen to belong to a political party. That is true of any political party, whether it be the Democratic or the Republican Party. Agriculture is entirely too important and too essential to the maintenance of our prosperity and our stability in the world today to be played fast and loose with. People who are not qualified, either under the regulations or under the law or under commonsense should not be given the jurisdiction and the power and the authority over matters with which they could not possibly have any understanding because they lack experience in this field.

Mr. SYMINGTON. As my distinguished colleague will recall, both of us spent a great deal of time working to get an adequate assistance program in the terrible drought period last year.

Mr. HENNINGS. We spent several months working on that problem during the drought that devastated our State from one end to the other.

Mr. SYMINGTON. Mr. President, will the Senator yield for a question?

Mr. HENNINGS. Very gladly.

Mr. SYMINGTON. One of the chief problems that we had was not only with respect to the drought, but with respect to the administration of the Federal drought assistance. Would that be a fair statement?

Mr. HENNINGS. It certainly was. I would say that the administration of the drought-assistance program was not only a problem, but it was a monumental

tragedy, and that what came was too little and that it came far too late.

Mr. SYMINGTON. Mr. President, will the Senator yield for another question?

Mr. HENNINGS. Very gladly.

Mr. SYMINGTON. Considering, first, that the State of Missouri put up more money to help its farmers than any other State in the Union, and considering that the distinguished Senator and I frequently voiced objections to the administration of the Federal aspect of the program, would not the Senator agree that this is not the time to put inexperienced people in charge of the farm program of Missouri, especially as we are now facing grave new dangers as a result of this terrible drought that has again hit our State?

Mr. HENNINGS. I would say to my distinguished colleague most emphatically this is not the time. I would say even more emphatically that there never is an appropriate time for such action.

Mr. SYMINGTON. I thank the Senator.

Mr. HENNINGS. And there should never be a time to play fast and loose and to play partisan politics with the farm program of our State or of any other State.

New regulations were announced by Secretary of Agriculture Benson on June 15, 1954, governing agricultural stabilization community and county committees. Secretary Benson said that the revised regulations are designed to strengthen farmer control of local program administration. Actually, they do exactly the opposite.

Secretary Benson's new regulations forbid the committeemen to participate in administrative operations and prevent the farmers from having sufficient experienced committeemen on the job by limiting the terms of committeemen to 3 years. These regulations took the control of committee elections away from the farmers and vested it in a county election board composed of a State college employee—the county agent—as chairman, the heads of the Soil Conservation district office, and the Farmers' Home Administration office, as members.

None of the three men specifically placed on the election board by the Secretary will necessarily be a farmer. All will be what President Eisenhower called "agricrats," or professional agriculturists. It will be only natural that they will select the local election officials from among their clientele—those farmers who have been sold are not critical of the professionals. In other words, the election machinery has been stacked by Secretary Benson.

The purpose of such a regulation is obviously to prevent the grassroots farmers of this Nation from making a free choice of their committeemen, from reelecting experienced committeemen, and from getting experienced representatives in the county committees with enough background to argue with the agricrats.

The provision that no farmer may serve more than three annual terms on a committee guarantees the professionals that few committeemen will ever acquire enough experience in the ASC program to seriously challenge the domination of the professional county office managers, who are not limited in their tenure.

The biggest step in the process of taking the ASC program—formerly PMA—away from the farmers had, of course, been taken early in the new administration pledged to "farmer-run" programs. That was when Secretary Benson ordered employment of office managers to handle all administration.

This is only another step in the destruction of democratic processes in farm program administration, and another step toward top-down dictatorship.

We are now witnessing steps in the destruction of democracy within our agricultural agencies—steps which are intended to take away from the real, working farmers of the Nation their right to participate directly in the conduct of the Federal farm programs.

Top-down dictation is being substituted for free elections and grassroots franchise.

Mr. President, I have brought this matter to the floor of the Senate because the facts make it clear that the situation is not going to be corrected, but abetted, by Mr. Benson's Department of Agriculture, despite President Eisenhower's pledges, and because there is evidence that the Missouri stabilization committee mess may prove a rotten apple that spoils the whole barrel.

The spectacle in Missouri is one of real regimentation—political regimentation. Farmer elections of committeemen mean little or nothing. They are set aside if they interfere with the spoils. And Washington officials of the Department of Agriculture, instead of demanding respect for the democratic procedures of committee selection, are sustaining the actions of the dictatorial State committee and sending attorneys out from Washington, at taxpayers' expense, to defend the spoilsmen.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield?

Mr. HENNINGS. I am happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. I am very much pleased to hear the Senator make this speech in reference to our great county and township committee system which underpins, so to speak, the entire agricultural program. It has been one of the finest examples of practical democracy we have ever had.

Mr. HENNINGS. It is real democracy at work. It was so intended when the original philosophy was conceived.

Mr. HUMPHREY. Sometimes I think we have hesitated or failed to pay proper tribute to the hundreds of thousands of men and women throughout the Nation who have served so faithfully on these committees, most of them with little or no reward in terms of pay. This committee system, as I understand, has been the governing body, so to speak, of the entire farm program. As I gather, the Senator is now speaking up in defense of this great freely elected, freely chosen group of farmers who have been the administrative force in the program.

Mr. HENNINGS. May I say to my distinguished friend from Minnesota that it should not be necessary to speak in defense of real democracy in operation. I am undertaking not only to speak, as the Senator has suggested, in defense of the free election in selecting ASC county committeemen but also in denunciation of this bold, shameless attempt to destroy it and to pervert it into an adjunct of the political spoils system.

Mr. President, I believe the operation in Missouri is being watched by the spoilsmen in the other States of the Union. I think the Department of Agriculture's backing of Mr. Colbert's activities in Missouri has been widely noticed, if not pointed out to officials in other States, and I think we may expect to find widespread emulation of this destruction of the democratic system of farmers running their own affairs in their own way, in their own States, and in their own counties and communities.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield further?

Mr. HENNINGS. I shall be very glad to yield.

Mr. HUMPHREY. The Senator is doing a very worthy service, first, properly to evaluate and appraise this great system, and, second, to challenge any force that would disrupt this great organization of men and women who have dedicated part of their time, talent, and energies to making the farm program work. If we strike a body blow at the freely and democratically elected committee system of what was once known as the PMA, we strike a body blow at the agricultural program itself. The price-support program, the acreage-allotment program, which may be necessary on occasion, the storage program—all of it depends upon the willingness, the devotion and the patriotism of these committeemen and their application to their jobs.

Mr. HENNINGS. My distinguished friend from Minnesota is correct. The entire program in the past has been predicated upon the will, the ability, and the spirit of the people themselves to try to control their own affairs in agriculture. There is no question but that if this alarming trend continues in my State and if it spreads to the other States of the Union, we are going to find a most seriously impaired agricultural economy in the United States. Bear in mind that agriculture is, at best, a parlous and hazardous, and even an unrewarding, pursuit, and that American agriculture needs all the help it can get and should not have impediments placed in its way. We must not permit a political organization in a given State or county to be built at the expense of the agricultural economy of the region. That is exactly what is going to happen if we are not vigilant.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. HENNINGS. I yield.

Mr. HUMPHREY. I am sure the Senator has pointed out, as I gather from his remarks, that much of the responsibility which these committees have exercised for years with great care and diligence has now been removed.

Mr. HENNINGS. To a large extent.

Mr. HUMPHREY. We are beginning to see a pattern of permitting the system to die on the vine through a process of attrition, by the withdrawal of responsibilities, making their jobs not the responsible jobs they once were, but positions which no longer permit managing the great agricultural program right at home base. I recall that last fall some new rules and regulations were sent out from the Department of Agriculture. There was difficulty in many of our county committees in Minnesota in administering loans. There was a backlog of loans. The appropriations for their office staff were cut, and they were working day and night to take care of the applications for crop loans. This is a political device to weaken the process of the committee system.

Mr. HENNINGS. No one in the Senate understands the agricultural problem in broad terms and in specific detail better than does my learned and distinguished friend from Minnesota. I assure him, according to my understanding, that he has expressed exactly the peril and the danger, the nature and extent, of what is being done. Sometimes people who think they are playing smart politics find that what may seem to be expediently good politics is not, in the long run, because it is dishonest and it perverts the intent and the philosophy of this great agricultural program, as in this instance.

I predict that if what has happened in Missouri is permitted to happen in other States, we are going to hear from farmers, Republicans and Democrats alike, because the Republican farmers do not want these programs administered, as was suggested by my colleague from Missouri, by men who have been autoparts salesmen and have had little or no experience in agriculture, or by men without experience in positions of responsibility and trust. I say such appointments are an insult and a threat not only to the farmers, but to all the people of this country.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield further?

Mr. HENNINGS. I am glad to yield.

Mr. HUMPHREY. Is it not rather amazing, bewildering, and downright confusing for an administration regulation to be issued which says, "If you serve 3 years and serve well, and learn through experience, you are too old, and we have got to get rid of you." I have never in my life heard of any management organization, government or private, that would dismiss someone from service because he had served 3 years and served well.

Mr. HENNINGS. Does the Senator from Minnesota suspect that there might be some sinister implications involved in the 3-year limitation? Could it have anything to do with elections?

Mr. HUMPHREY. I might surmise that that could possibly be the case, but I should like to feel that the Department of Agriculture is more interested in agricultural commodities than in agricultural politics.

Mr. HENNINGS. Does the Senator think that 3 years' experience and seasoning in this field is of such a nature as to render a man less competent and less capable of fulfilling his obligations and responsibilities as an agronomist or an agriculturist? Does the Senator think that is too long, and that he is likely to be too old in the service after 3 years?

Mr. HUMPHREY. The Senator from Minnesota is sufficiently old-fashioned to believe that 3 years could add to one's ability and that 3 years as a county committeeman or in the service of the Agriculture Department as a committee member in the great countryside would not necessarily sap one's vitality to the point where he was ready to be cast off. I think it is pretty obvious what the 3-year service is about. It seems to date back to a time when there was a movement afoot in this land to change administrations with plenty of leeway, so we might catch anyone who could not pass the "security regulations" or the kind of political loyalty that was necessary. I place that in big quotation marks. I mean, Republican security regulations.

Mr. LANGER. Mr. President, will the Senator from Missouri yield for a question?

Mr. HENNINGS. I thank the Senator from Minnesota for his contribution. I hope he is not too cynical and that his misgivings are not entirely sustained by what seem to be the facts.

I yield to the distinguished Senator from North Dakota.

Mr. LANGER. Certainly there is politics involved. I criticized it long before today. Representative BURDICK, of North Dakota, stated just what my friend has been saying. He published a statement in his weekly letter which is printed in the newspapers in North Dakota. The farmers came to about the same conclusion as have my distinguished friend from Minnesota and my distinguished friend from Missouri. It was a Republican who criticized it.

Mr. HENNINGS. I thank the Senator from North Dakota. I believe there are few, if any, Members of the Senate who understand the real nature of the farm program and the farmer more than does the Senator from North Dakota. The Senator has been observing the operation, as has the Senator from Minnesota.

In undertaking to bring this matter to the attention of the Senate this afternoon, I have done so because I think that what is happening in Missouri is significant of what is likely to happen and is going to happen all over the country unless we are able to call a halt. We are going to have politics instead of progress, partisanship instead of production.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield further?

Mr. HENNINGS. I yield.

Mr. HUMPHREY. I merely wanted the Senator to yield so that I could join with him in his tribute to our distinguished colleague, the able Senator from North Dakota [Mr. LANGER]. I know of no Member of Congress who is more respected and loved by more people than is this able Senator. His struggle for a sound agricultural program has brought him not only the respect and confidence of his farm constituents, but it has brought him their votes, their good wishes, and their support.

Mr. HENNINGS. May I say to the Senator from Minnesota that no one is more deserving not only of the support of his farm constituency, but the entire constituency, than the Senator from North Dakota because he has always been on the side of the interests of the people and is willing to fight for them.

Mr. HUMPHREY. May I say to the Senator from Missouri, do not worry about what is termed a filibuster, because there is no filibuster.

Mr. HENNINGS. The Senator well explained that this afternoon, I am sure, to the satisfaction of those who might have had some misgivings.

Mr. HUMPHREY. Three votes in 1 day is a pretty good record. I have been in the Senate when there have been a lesser number of votes in 1 month.

Mr. HENNINGS. I think even during the time of the late unhappy course of the so-called Bricker amendment there were some 5 or 6 weeks of debate, were there not?

Mr. HUMPHREY. I think so.

Mr. SYMINGTON. Mr. President, will the Senator from Missouri yield for a question?

The PRESIDING OFFICER (Mr. BUSH in the chair). Does the senior Senator from Missouri yield to the junior Senator from Missouri?

Mr. HENNINGS. I am happy to yield to my colleague.

Mr. SYMINGTON. I was listening carefully to the remarks of the junior Senator from Minnesota. There have been times when past administrations have been criticized for centralizing government. It has been necessary at times to centralize government, primarily because of the rise of totalitarian interests in other countries; but one place in which previous administrations have never been interested in centralizing government any more than necessary has been the farms. I was very much impressed by the remarks of my friend and colleague in his fine talk this afternoon when he emphasized that the previous program had been a grassroots program. As we both know, the farmers of our State, as well as the farmers of other States, have been running their own business. Aside from the automobile repairmen and the salesmen who are telling the farmers of Missouri what to do in this political farm operation, does not the distinguished senior Senator from Missouri agree with me that there is involved a centralization of business and operations out of Washington, in a direct connection, through the State ASC committee chairman, which is exactly opposite to all the pledges which were made about decentralization during the last campaign?

Mr. HENNINGS. My friend and distinguished colleague is correct. It is precisely in contravention and in an opposite direction from the expressed convictions, indeed, the promises in 1952 of the then candidate for President, General Eisenhower. Singularly, the President has many times undertaken to uphold the right of States, the right of local communities, and has seemingly expressed that as a basic philosophy. I do not know whether the President knows what is going on. I do not know

whether this matter has ever been called to his attention. I am sure if it had been called to his attention, as it is being this afternoon, that it would and should be of the greatest interest to him, because what is being done is scandalous, outrageous, and without precedent since this great program was first initiated. It does violence to the heart and soul and basic concept of the self-governing, self-directing, independent, untrammeled free American farmer. This matter in the State of Missouri is particularly important because I believe the pattern is being set there.

Mr. GOLDWATER. Mr. President, will the Senator from Missouri yield for a question?

Mr. HENNINGS. I am very glad to yield to the Senator from Arizona.

Mr. GOLDWATER. The Senator has given great study to the question. If I understood him correctly, the figure employed in this field in Missouri is 4,500. Is that correct?

Mr. HENNINGS. Does the Senator mean the number employed?

Mr. GOLDWATER. The number of men employed in the program.

Mr. HENNINGS. The figure of 4,300 was quoted in the letter of the vice chairman of the Missouri State Republican Committee.

Mr. GOLDWATER. I believe that is the figure I remember. Does the distinguished Senator from Missouri have any information about the number of Republicans who were included in that original list when the program was inaugurated under a Democratic administration?

Mr. HENNINGS. To go back to the Senator's question, I do not know whether the Senator from Arizona was present this afternoon——

Mr. GOLDWATER. Yes. I have been here throughout the speech.

Mr. HENNINGS. I am complimented that the Senator has been present. I shall now try to answer his question. I undertook to say that in past administrations the programs had been on the whole nonpartisan; that in Republican areas, Republicans had been elected, as would be natural, on the county and township committees, because the farmers would vote for them. In the areas that were predominantly Democratic, the committeemen have usually been Democrats. In many areas both Democrats and Republicans were elected and worked together in harmony.

Mr. GOLDWATER. The reason why I asked that question of the Senator is that a very peculiar circumstance or happenstance is that every employee connnected with the program in my State was a Democrat. They all still are.

Mr. HENNINGS. I ask the distinguished Senator from Arizona whether any of them were elected.

Mr. GOLDWATER. Yes, both elected and appointed, and there are still Democrats in those positions. I have not changed a single one of those appointments.

Mr. HENNINGS. I trust, then, that they are doing a good job, or the distinguished Senator from Arizona would certainly have seen to it that some of them would have been supplanted by better qualified members of either party or by Republicans who might be better equipped to exercise their functions and duties. However, I am glad to have that contribution of the Senator from Arizona.

Mr. SYMINGTON. Mr. President, will the senior Senator from Missouri yield for a comment?

Mr. HENNINGS. I am very glad to yield to my colleague.

Mr. SYMINGTON. I should like to say to our colleague, the distinguished Senator from Arizona, that the fact that the program is working well under Democrats in Arizona does not necessarily mean that the program in Missouri is working well. As my distinguished colleague pointed out a few minutes ago, if this cancer, and I believe that is a fair description for it, in the farm program continues in Missouri, it will be bound to upset the program which my friend the Senator from Arizona has stated works so well in Arizona, regardless of the parties to which the employees belong.

I should like to say to the distinguished Senator from Arizona, and I believe my colleague will agree with me, that in Missouri I found the most criticism of this farm program came from that district which is generally the most solidly Republican district in the State, in southwest Missouri. They were the ones who were most bitter in their opposition to the method of administration of the program. I am sure my colleague will agree the trouble was that there was a maladministraton of the program because the persons who were in charge of it did not have the proper experience to handle it.

Mr. HENNINGS. I thank my distinguished colleague. He is correct. There was an area around Springfield, Mo., in Greene County, which is traditionally a Republican area, in that great milkshed where the drought was most disastrous last year. I just asked to have inserted in the RECORD an editorial from a newspaper, which is certainly a Republican newspaper of that city, which comments adversely upon playing politics in the manner characteristic of this particular program in our State the past year.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HENNINGS. I am very happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Is there not possibly some misunderstanding on the part of our Republican friends as to this program? This is not a new program. It has been established since 1933. There are men who have been connected with the program at the grassroots level for 15 years, 10 years, and 12 years. The county committeeman is not elected as a Republican or Democrat. He is elected by the farmers in his county.

Mr. HENNINGS. That is correct. He does not run for office as a politician.

Mr. HUMPHREY. The top man in the county is supposed to be an administrator.

Mr. HENNINGS. He does not run on a political ticket. He does not run as part and parcel of one of the great national elections.

Mr. HUMPHREY. Indeed, he does not.

Mr. HENNINGS. He runs for that office as a farmer. I think most of us know farmers well enough to know that when it comes to the conducting of their own affairs and charging others with the responsibility of governing and administering those affairs, they do not care whether a man happens to be a Democrat or a Republican. They generally select a man because of his character, experience, ability, industry, and those other qualities which make a person in whom they can put their confidence for proper management of their affairs.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. HENNINGS. I yield.

Mr. HUMPHREY. It appears to me that what we see in the changes being made and in the new rules and regulations being handed down, pertaining to the committeemen, is supervision by the Department of Agriculture, the Secretary of Agriculture, and the President over those persons who have heretofore run their own affairs. As the Senator from Missouri mentioned, this administration talked about decentralization. I recall the President making a speech that he was going to see to it that farmers had much less Government regulation.

Mr. HENNINGS. I believe that speech was made in the Senator's own State at Kasson.

Mr. HUMPHREY. I listened to that speech. That was a great speech.

Mr. HENNINGS. Yes; it was.

Mr. HUMPHREY. I want to say that that speech stands today in the archives of American history and in the annals of American history almost like scripture. In the realm of spiritual and religious matters, there are the Ten Commandments. There is nothing wrong with the Ten Commandments; they are wonderful. The trouble is a lot of people do not live by them. There is nothing wrong with the speech which the President made at Kasson, Minn., either. The trouble is the administration has forgotten it.

Mr. HENNINGS. Does the Senator from Minnesota suggest that there has been a lack of confidence by the administration in the farmers to conduct their own affairs at the township, county, and State levels? Or does the Senator think perhaps this action might be tinctured to some extent and in some degree by not caring whether the farmers handle their own affairs or not, as long as they are put into political hands? In other words, do politics transcend the administration's interest in American agriculture?

Mr. HUMPHREY. There was an article recently published in the Washington Post by a very outstanding columnist of this city, one who has dedicated his talents and abilities to the field of civil service and the merit system, Mr. Jerry Kluttz. That article was most revealing. I believe it was placed in the CONGRESSIONAL RECORD for a review by our colleagues. It sets forth how we are beginning to see the whole civil service system of this country, which has been

built up since the time of Garfield and Arthur, early in the 1880's, pulled apart at the seams.

I say that this can lead to only one thing—a breakdown in the efficiency of the civil service of this land.

Mr. HENNINGS. It is a negation, is it not, of the principle of civil service?

Mr. HUMPHREY. It certainly is. There is not one scintilla of evidence in the farm area that our farm committees have ever failed in meeting their responsibilities. I remind the Senate that these farm committees have met the production problems of war and of peace. They were able to gather together the wheat necessary to relieve the famine in Europe and Asia. They have done a tremendous job.

Mr. HENNINGS. And with little compensation, except for the satisfaction of having performed a patriotic duty to their neighbors, in fulfillment of the confidence which their friends and neighbors have in them.

Mr. HUMPHREY. And what is their reward? They are to be literally severed from their responsibilities and left, as I said before, as nothing but window dressing, without the responsibilities of administration which they are capable of undertaking.

Mr. HENNINGS. I thank the Senator for his contribution.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HENNINGS. I yield.

Mr. LANGER. Referring to the remarks of the Senator from Minnesota relative to the speech at Kasson which he liked so well. I wonder if the Senator is aware of the fact that all over the Northwest a name has been given to that speech. It is called the golden promise.

Mr. HENNINGS. The golden promise.

Mr. HUMPHREY. And it is still a promise. It is a long way from reality.

Mr. HENNINGS. Hope deferred, unfulfilled.

Mr. HUMPHREY. Hope eternal

Mr. HENNINGS. As I pointed out earlier, I am advised the Missouri operation is being watched by spoilsmen in other States and Washington's backing up of Mr. Colbert's activities has been widely noted. We may expect wide copying, unless strong disapproval is shown by the Congress.

I can recall that when the former Secretary of Agriculture, Mr. Brannan, appeared at a statewide meeting of community and county committeemen in Minnesota a few years ago both the Civil Service Commission and a special House Committee on Lobbying investigated the matter. It was discussed extensively on the Senate floor. Neither the Civil Service nor the House Lobby investigations developed any violation of law or of regulations. It seems to me that since my Republican colleagues pursued so vigorously the flimsy charges in Minnesota at that time, they should be equally willing to cooperate in investigating and ascertaining facts related to conditions in my State as I have described them, and in other States, if they exist, particularly in view of President Eisenhower's repeated pledges during the campaign that the committee system would not be used for partisan political purposes.

Mr. HUMPHREY. Mr. President, will the Senator yield at this point? He has made reference to what occurred in the State of Minnesota.

Mr. HENNINGS. I am glad to yield.

Mr. HUMPHREY. How well I recall the furore and hullabaloo which occurred because the Secretary of Agriculture went out to the city of St. Paul, Minn., and addressed the county and township committeemen. Following that address the junior Senator from Minnesota was privileged to make an address. Other Members of the Minnesota delegation were invited. I may say, parenthetically, that I have not been invited this year to speak to the county committeemen, but at that time there was bipartisan participation.

The issue was raised that politics was talked at that meeting. The Secretary did not talk politics, but if anyone wishes to ask me what I talked about, I talked about politics. I talked about the issues. I frankly told them what I thought about the agricultural legislative policy. I have not changed a bit. I have not acquired a deathbed political region, as have some others, who got around to 90 percent price supports just before election. I was for that policy 3 years before I was elected. I was for it the day I was elected, and I have been for it 365 days a year every year since I was elected. I went out to St. Paul to tell those folks where their Senator stood.

Mr. HENNINGS. Everyone is well aware of where the Senator stands.

Mr. HUMPHREY. Those who are not will become aware of it this fall.

Mr. HENNINGS. They will be edified and enlightened, I am sure.

Mr. HUMPHREY. There was considerable discussion with respect to that meeting. The conclusion was finally reached that the junior Senator from Minnesota talked politics. That is like coming to the conclusion that the Post Office sells stamps.

I thank the Senator.

The PRESIDING OFFICER (Mr. THYE in the chair). The Chair invites the attention of his colleagues to the fact that yesterday the majority leader announced that speakers should yield only for questions. The Chair has refrained from calling this to the attention of his colleagues while amusing remarks were being made.

Mr. HENNINGS. I thank the Chair.

Mr. SYMINGTON. Mr. President, the subject which my distinguished colleague has been discussing is very vital to the State of Missouri. At the conclusion of the remarks of my senior colleague I should like to make a very brief comment, and ask several questions with respect to his address.

Mr. HENNINGS. At that time I shall be very glad to yield to my distinguished colleague, with the indulgence of the distinguished occupant of the Chair.

In my own judgment, this is a matter which should be investigated by an appropriate committee. The Subcommittee on Agriculture of the Appropriations Committee might very well do it for the economy of this whole office-manager setup is open to question, as the distinguished chairman of the Judiciary Committee [Mr. LANGER] has indicated, and there are indications that costs are going up, rather than down, as the Congress was promised.

The figures I have previously quoted are such an indication. Reports come to me that the cost of putting grain into storage bins and taking it out—now done by contract under new Department policy—is rapidly increasing. That the number of employees, particularly in the higher grades, is increasing, and that the storage cost estimates we so frequently hear of from the Secretary and his aides these days, are not realistic. They reflect the new higher in-and-out costs, accelerated amortization of storage facilities, and similar factors. I think those things are worth looking into, and require examination.

I have watched the committee situation developing in Missouri for several months, as has my junior colleague, without speaking out, in the hope that Secretary Benson would intervene to keep the no-politics pledge made by President Eisenhower. Instead of keeping that pledge, the Department seems to be defending the political operations in my State, and the dictatorial usurpation of county committee prerogatives. It now defends those who would destroy the grassroots democracy of our farm programs.

I now see no advantage in waiting for the Department to act on the cost matters which have been brought to my attention. There is no reason to believe that the pledges of economical and businesslike administration will be honored more than the no-politics pledge.

Investigation of both the administration and costs of farm committee operations is therefore appropriate and necessary.

Politics, and not economy and efficiency, is dominating farm program administration in Missouri. I do not know the situation in all other States today, but I know what it will be in other States very soon unless this Congress takes a hand.

Mr. SYMINGTON. Mr. President, will my colleague yield?

Mr. HENNINGS. I am very glad to yield to my friend and colleague for a question.

Mr. SYMINGTON. Mr. President, I would like to associate myself with the report just made by my colleague, the senior Senator from Missouri, in his remarks calling attention to the political manipulation of the farmer-elected ASC committees in our State.

On several occasions I have called this matter to the attention of the Secretary of Agriculture, asking for a complete report on specific instances in which attempts have been made to contravene the wishes of our farm people. Not once, to my knowledge, has a fair and complete investigation been made by the Department.

For this reason, I wish to join the senior Senator from Missouri in asking that these charges be investigated by an appropriate committee of the Senate.

In view of the many statements made both during the campaign in 1952, and

subsequent to that time by administration spokesmen that "the management and direction of the farm program * * * must be turned over to farmers," does not the Senator agree that both the administration and the majority in this Senate should welcome such an investigation as he has proposed?

Mr. HENNINGS. I will say to my distinguished colleague that the administration certainly should welcome it, because there could be nothing more disastrous to this administration than the failure of American agriculture due to the infusion and infiltration of partisan politics into the farm program.

Mr. SYMINGTON. Mr. President, will the Senator further yield?

Mr. HENNINGS. I am very glad to yield to my colleague.

Mr. SYMINGTON. Does not the Senator also agree that if a thorough investigation is not made it will be proof positive that the administration is much more interested in political patronage and blind obedience to dictatorial farm policies handed down from Washington than in farmer participation at the grassroots in the direction of the agricultural program?

Mr. HENNINGS. Let me say to my distinguished colleague that that is a leading and suggestive question, and probably I should object to it on that ground, but I shall not be technical. My answer to the question is "Yes."

Mr. SYMINGTON. As shown by one of the insertions into the RECORD by my colleague, the editorial from the Springfield (Mo.) News and Leader, an independent Republican paper, the Republican State ASC chairman last January peremptorily fired Stanley Halliburton, chairman of the Texas County ASC committee because Halliburton insisted that newspapermen be permitted to attend a county ASC committee meeting.

Incidentally, Mr. Halliburton had been elected and reelected as chairman of the Texas County committee for nine successive terms by the farmers of his county.

Does not the senior Senator agree that meetings of the farmer-elected county ASC committees should be open to the public whenever possible, in order that the farmers may have the opportunity to know what their elected representatives are doing?

Mr. HENNINGS. I will say in answer to that question that it is one of the elementary requirements of a democratic operation of this nature. The people interested and the public should be allowed to see and hear what is going on. These are not star chamber proceedings. These are not executive committee meetings. There is nothing secret about them. As has been suggested, they represent democracy at work, democracy in its most constructive form.

Mr. SYMINGTON. Mr. President, will the Senator yield for a final question?

Mr. HENNINGS. I am very glad to yield.

Mr. SYMINGTON. Does the Senator from Missouri know of any instance in which any farmer-elected county PMA or ASC committeeman in Missouri was discharged during the years prior to 1953 on any such flimsy excuses as those used by the present Missouri State ASC committee?

Mr. HENNINGS. To my knowledge, it is without precedent since this program first came into effect in 1933.

Mr. SYMINGTON. I thank the distinguished senior Senator for his splendid presentation of a most serious problem.

Mr. HENNINGS. I very much thank my colleague for his most valuable contributions to our discussions here this afternoon.

I now yield the floor.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER (Mr. THYE in the chair). The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I modify my amendment, which is the pending amendment before the Senate, by striking out all of the amendment after line 5, on page 1, so that the remaining portion of my amendment will read as follows:

On page 86, line 18, after comma it is proposed to insert the following: "to municipalities, private utilities, public bodies, and cooperatives within transmission distance authorized to engage in the distribution of electric energy to the public."

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HICKENLOOPER. Mr. President, the Senator from Minnesota and I and the staff have been working on this matter, and we believe that the amendment will be a beneficial addition to this particular subject under the notice of hearing section of the bill, and therefore I shall assume the responsibility of accepting the amendment, if it is agreeable to the Senator from Minnesota.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota, as modified.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. Will the Senator from Minnesota explain what the amendment does?

Mr. HUMPHREY. First, I may say that the part I have stricken appears to me to be already covered in the amendment that was previously adopted and in the body of the bill under the chapter known as "Judicial Review and Administration Procedure," by the definition of the term "person," which includes both public and private groups, individuals, corporations, utilities, municipalities, State agents, and others.

The matter of procedure is also outlined in the bill as it is before us. My amendment, as modified, deals with the section of the bill on page 86, line 18, and subsection (b), where the bill reads:

b. The Commission shall not issue any license for a utilization or production facility for the generation of commercial power under section 103, until it has given notice in writing to such regulatory agency as may have jurisdiction over the rates and services of the proposed activity, and until it has published notice of such application once each week for 4 consecutive weeks in the Federal Register, and until 4 weeks after the last notice.

I believe that the term "regulatory agency" is too restrictive, and, furthermore, that it is not adequate notice in terms not only of type of notice, but with respect to the groups involved. For example, there are some States which do not have regulatory agencies. Therefore my amendment would include municipalities, private utilities, public bodies, and cooperatives within transmission distance authorized to engage in distribution of electric energy to the public. They likewise would be notified. Therefore, full notice would be given at any time an application for a license was filed.

The bill as it reads now provides that if any person wants to be heard by the Commission, if he believes that he has reason to come to the Commission on the basis of the license, he is authorized to do so, as I understand, under the language of the bill.

Mr. HICKENLOOPER. That is correct.

Mr. HUMPHREY. Therefore, it is my feeling that this addition will not complicate the procedural matters that are outlined in the bill, but, instead, will be helpful.

Mr. HICKENLOOPER. I may say, in conformance with what the Senator from Minnesota has stated, that the committee was of the opinion that although the provisions for notice in the Federal Register probably would be adequate, the Senator from Minnesota has enlarged the field somewhat and adequately, we believe, and therefore we have no objection to the amendment. Therefore I shall be glad to accept it.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. How would the notice be given? Will the Senator give us a concrete example?

Mr. HUMPHREY. One way would be through the Federal Register, which of course is made available to all public bodies. In this instance it would also include notice such as the Army engineers give, for example, through adequate written notice. Of course notice in the Federal Register is the first method, and the second method is by written notice. So that the legislative history may be clear, the written notice may take many forms. It may be by teletype, or telegram, or by letter, or by bulletin,

such as Government agencies frequently use.

Mr. LANGER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment and ask that it be made the pending question.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 87, line 3, it is proposed to add the following:

Where conflicting applications include those submitted by public or cooperative bodies such applications shall be given preference.

Mr. HUMPHREY. I should like to call the attention of the Senator from Iowa to this amendment. What it does is include in the licensing provision of the proposed law the preference clause which has been included under the so-called byproduct section and under the new section as adopted in the Johnson amendment to section 45.

I believe this amendment will establish a sense of equity and balance in the two aspects of the proposed legislation as now amended.

By the Johnson amendment we have authorized the Commission to engage in the power business. Under section 44 we have authorized the sale of power which may be the byproduct of operations of research and of other operations of the Atomic Energy Commission.

Both of those now have, I believe, what is called the preference clause. What this amendment would do would be simply to say that if there is a conflict over application, the public body and the cooperative shall be given preference. That is the substance of the amendment, and I think it is within the tradition of the preference clause, which has been an accepted public policy.

Mr. HICKENLOOPER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. HICKENLOOPER. Mr. President, this particular amendment suggests some difficulties and some further study and I should not want to make a statement about it at this particular moment.

If the Senator wishes to present it at a later time, I shall have something to say about it.

Mr. HUMPHREY. Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5173) to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6725) to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 96) to extend the greetings and felicitations of Congress to Hon. Herbert Hoover on the 80th anniversary of his birth, August 10, 1954.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 252. An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury;

S. 2380. An act to amend the Mineral Leasing Act of February 25, 1920, as amended;

S. 2381. An act to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain;

S. 2759. An act to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, and for other purposes;

H. R. 6725. An act to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps; and

H. R. 6788. An act to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

ADDITIONAL REPORTS OF A COMMITTEE

By unanimous consent, the following additional reports of a committee were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services; without amendment:

S. 2780. A bill to authorize certain property transactions in Cocoli, C. Z., and for other purposes (Rept. No. 1971);

H. R. 2224. A bill to amend the Army-Navy Medical Services Corps Act of 1947 (61 Stat. 734), as amended, so as to authorize the appointment of a Chief of the Medical Service Corps of the Navy (Rept. No. 1972);

H. R. 6223. A bill to amend section 87 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 47), to relieve the States from accountability and pecuniary liability for property lost, damaged, or destroyed except in cases where it shall appear that the loss, damage, or destruction of the property was due to carelessness or negligence or could have been avoided by the exercise of reasonable care (Rept. No. 1973);

H. R. 7131. A bill to repeal a limitation on pay of certain officers of the Navy (Rept. No. 1974);

H. R. 8570. A bill to authorize the Secretary of the Navy to dispose of certain uncompleted naval vessels, and for other purposes (Rept. No. 1975);

H. R. 9000. A bill to integrate the Judge Advocate's promotion list with that of the Army to restore lost seniority and grade, and for other purposes (Rept. No. 1976); and

H. R. 9302. A bill to permit retired members of the uniformed services to revoke elections made under the Uniformed Services Contingency Option Act of 1953 in certain cases where the elections were made because of mathematical errors or misinformation (Rept. No. 1977).

ADDITIONAL EXECUTIVE REPORT OF A COMMITTEE

By unanimous consent, the following additional executive report of a committee was submitted:

By Mr. WILEY, from the Committee on Foreign Relations:

Francis A. Flood and sundry other persons for appointment and promotion in the Diplomatic and Foreign Service.

COAL, INTERNATIONAL TRADE, AND THE NATION'S WELFARE

Mr. KILGORE. Mr. President, now that the question of foreign trade has been politically resolved until next year, I suppose it would be considered conventionally proper to drop the whole subject and go on with the show. Postponement has become the popular method of dealing with any spirited controversy. Postponement is an easy way out, but it is not always based on courage and integrity. When it is employed by the executive or legislative branch of our Government, it can lead to disappointment, discomfort, and distress among affected citizens. Such being the case, I am taking this opportunity today to return to the discussion of one important issue that the administration has nimbly sidestepped rather than become involved in any intraparty jousting that might lead to embarrassment in November. The subject is international trade and its impact upon the Nation's welfare—an issue which was recently put aside without decision for the second consecutive year.

May I say, Mr. President, that as I develop this subject, I think every member of this body will see how very relevant it is to the subject under discussion, because it goes to a fundamental of atomic energy.

Let me preface my remarks by reassuring the Senate that I have not in any way become less enthusiastic about the need for expanding world trade. I am as convinced as ever that the progressive intensification of foreign commerce is a most effective medium of strengthening our economic and cultural relationships with our friends across the

seas, and that every reasonable move in this direction is a step toward international peace and friendship.

Mr. President, we do not often get into a fist fight with a man we are trading with profitably, nor do nations often get into war with other nations with which they can profitably trade.

We have without question made important strides along these lines since the conclusion of World War II. Much of this progress has been possible because of this Nation's leniency in the formulation of trade agreements, but I am confident that this benevolent approach to the problem will ultimately accrue to our own best interests. We alone among the nations were in position to make the numerous concessions that were required to stimulate trade with our foreign friends.

With Western Europe devastated by the war, we had the option of ignoring the plight of those of our friends on the Continent, or of recognizing their situation as a mutual problem and attempting to resolve it at whatever cost to ourselves might be necessary. We chose the latter course, as everyone knew we would. We would have done so even if our own future were not believed to be in any way involved in the future of those countries. And when a new menace evolved from the frustration that was World War II, it became all the more clear that our own well being was directly connected with the fortunes of our friends across the Atlantic.

The story of America's contribution to the rehabilitation of Western Europe is without precedence in history. Its effect on the morale of the recipient nations was in itself sufficient justification for the many sacrifices our people were required to undergo in order to make this project possible. In addition, it reestablishes the industrial stamina required to provide for the sustenance of a vast populace in a mid-20th century economy.

Our overall remedial plan included a revolutionary system of international trade whereby a progressively greater interexchange of goods would be carried out in succeeding years. A close study of the results of this program reveals that, while the United States has observed the agreed-upon policies to the very letter, other participants have resorted to various stratagems in order to establish loopholes that would serve to their respective advantages. A system of licensing, currency conversions, and other protective devices were adopted and have been popularly utilized, yet the United States has made no such move which could be considered inimical to the principle of the trade agreement program.

Despite these inconsistencies, however, we do not for 1 minute advocate seizing any such opportunity to abolish the intent of the trade program. Nor do we seek compensation of any kind. We accept the fact that we were in position to make concessions far greater than those agreed upon, and this sacrifice has been made in the same spirit that has been inherently characteristic of the people of the United States.

But there comes a time when we must take stock and recheck our course before proceeding further. It is especially imperative that such an appraisal take place whenever our national security might in any way be in jeopardy. While the gauge for determining to what extent our international policies affect the prosperity of our Nation is somewhat elastic, there is nevertheless a detectable point at which their impact on the general welfare may be determined. When, for instance, the consequences of these policies bring mass unemployment to American citizens, then a close appraisal of our whole program becomes mandatory.

Mr. President, our National security demands that we who have been chosen to serve the people of this Nation reexamine our foreign trade program without delay. It is incumbent upon us to make whatever changes are necessary in that program to remove any threat to the security of our country. It behooves us also to provide means of protection for the working people in the United States against inequitable competition resulting from the policies that may have appeared to be entirely inocuous at the time of their institution. By so doing we will be lending to the amelioration of economic conditions not only in this country but—in the long range—to our allies all over the world. A nation where poverty and destitution are rampant cannot serve as an ideal for its neighbors, nor can they look to it for succor in their own hour of need.

Although we hear glowing promises of a return to the prosperity that we enjoyed prior to the arrival of the new administration, there are today thousands upon thousands of hungry men, women, and children in the United States. Some of the responsibility for this depression must be attributed to the general lack of foresight and courage which are a prerequisite to a vigorous leadership. At the same time, a considerable amount of unemployment has been created by the foreign trade policies which the administration has once again refused to resolve. Yet, despite the fact that the reasons for the impoverishment of many of our areas can definitely be pinpointed, our people are once again expected to step aside in order that a political party may continue its balancing act.

For the record, I should like to indicate how the Bureau of Employment Security of the United States Department of Labor analyzes conditions in West Virginia. In its May summary, the Bureau lists these cities as areas of substantial labor surplus: Bluefield, Charleston, Clarksburg, Fairmont, Huntington, Parkersburg, and Wheeling. Under "areas of very substantial labor surplus," the following cities are included: Beckley, Logan, Morgantown, Point Pleasant, Ronceverte-White Sulphur Springs, and Welch.

That does not leave us with much room for even a modicum of prosperity, Mr. President. We are in serious trouble. And although we know the answer to one of our most serious problems, we find it impossible to get any action because this is an election year.

Industries which even the most naive observer would discern as suffering from unfair foreign competition include coal, glass, and pottery. I mention this because West Virginia is the leading coal-producing State in the United States. It has even surpassed the State of Pennsylvania, with its enormous anthracite coal production, and West Virginia is also one of the most important manufacturers of glass and pottery.

Let us consider the situation in the coal industry. There is no question of coal's importance to the welfare and security of the country, as it is to the economic life of West Virginia. We have been discussing atomic energy as a weapon of defense. It cannot be delivered without steel, and steel cannot be manufactured without coal, and coal cannot be obtained without running the mines.

West Virginia is a treasure chest of coal, gas, limestone, and timber. In addition to glass and pottery, our State manufactures steel and tinplate—or, I should say, it has been manufacturing them, but the operation has been very seriously curtailed.

West Virginia also manufactures mining equipment, chemicals, textiles, furniture, and a variety of other materials. Leading crops are wheat, corn, oats, hay, tobacco, and fruit.

Thus with abundant reserves beneath our soil, and with perennially rich harvests from our rolling fields and orchards, there is no justifiable reason for the prevailing depression among many of our communities—in fact, most of them.

Our coal fields cover an area of 9,500 of the State's 24,282 square miles. They underlie all but 7 of West Virginia's 55 counties. Five billion tons of coal have been taken from the State's opulent veins, and there are still more than 50 billion tons of recoverable reserves remaining.

Yet, despite our God-given natural advantages and the willingness of our people to invest and to work, our coal industry is at this time far from the dependable source of livelihood that it was meant to be.

Whereas the coal industry has for many years provided a means of subsistence—both directly and indirectly—for at least half of our 2 million inhabitants, employment and opportunities have been steadily declining since foreign residual oil first began to ravage our markets. With the closing of mines and the dispossessing of miners from their jobs, there has come an attendant decline in the great railroad industry of West Virginia. The Baltimore & Ohio has a network of lines crossing the State laterally and also reaching the mining districts from Charleston to the Panhandle; both the Chesapeake & Ohio and the Norfolk & Western serve the prolific fields of southern West Virginia; and the Virginian juts north through Mercer County to pick up many consignments for tidewater and ocean shipment from the port of Hampton Roads, Va.; and, incidentally, it is interconnected with the New York Central for shipment to lake points.

I may say, along that line, that the State of West Virginia, of which I am very proud to be a native, is the greatest source for metallurgical coal, a necessary product for the production of steel and other metals. There is no coal that compares with it.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. KILGORE. I yield to the Senator from North Dakota.

Mr. LANGER. Has the distinguished Senator from West Virginia not seen the large lignite fields of the West? Is that lignite not just as good as the coal in West Virginia, and is not the same company which is producing it in West Virginia producing it in our area of the country, namely, the Truax-Traer Co.?

Mr. KILGORE. I regret to inform the distinguished Senator from North Dakota that lignite cannot be used for metallurgical purposes, and I was about to explain the reason for it. I may say to my good friend that when I was in Europe a little after the close of World War II, I talked to a Mr. Schmitz, who was at that time a prisoner of war. On hearing that I came from West Virginia, Mr. Schmitz said, "If I just had had your West Virginia coal, what I could have done with it."

But I regret to say that lignite coal does not produce a good quality steel. I inform my good friend that lignite is a good steam fuel, but it contains so much foreign material that it cannot be used for open-hearth production or blast furnaces. There is being perfected a different method for using it. There is experimentation with it for the production of liquid fuels. The Department of the Interior's Bureau of Mines, stationed at Morgantown State University, feels it is a potentially prolific source for liquid fuel, and also for residual fuel for steam purposes, after liquid fuels are taken from it. However, that is looking into the future. They have been experimenting in that field. But at the present time, for metallurgical purposes, there is nothing that compares with the high volatile and low volatile coals found in the Appalachian area. Formerly, much of it was found in Pennsylvania, but it has been mined out in that State, so that it is no longer available there, and the steel districts in the Pittsburgh area now have to rely upon the coal they get from West Virginia for their coking purposes. The Truax-Traer Co. operates in the county in which I live. They have some very good mines containing high volatile coal, and they are very successful with it. However, under present conditions of operating techniques, lignite cannot be used for the manufacture of steel.

Mr. LANGER. Will the Senator yield further for a question?

Mr. KILGORE. I yield for a question.

Mr. LANGER. Does not the Senator from West Virginia know that lignite has 107 byproducts? Has not the distinguished Senator from West Virginia mentioned the fact that we import many products from foreign countries, with the result that there now exists much unemployment in his State. For example, I hold in my hand a pencil, and I see the distinguished Senator has one in his pocket. The outside of that pencil is made of lignite. It comes from a byproduct of lignite.

Mr. KILGORE. And it was probably produced in the State of West Virginia.

Mr. LANGER. Does the distinguished Senator also know that the outside of playing cards is made from a byproduct of lignite? In addition, the bottoms of ships contain an application of hydrochloric acid, so that they will not rot, and that comes from lignite. Does the Senator from West Virginia not realize that lignite is superior to the West Virginia coal which he has mentioned.

Mr. KILGORE. I shall have to differ with my distinguished colleague. It is not superior. From lignite produced in the State of North Dakota and from West Virginia coal there is obtained ammonia, and methanol, and from them we get all the products my good friend has mentioned. They can be obtained from lignite or coal, but coal has fewer impurities and will produce a greater quantity for a ton of operation. The principal point is that in the production of coke for steelmaking, metallurgical work, and that kind of operation, the purest carbon obtainable is desirable. Coke has nothing but carbon in it. If there is an appreciable percentage of sulfur or phosphorus or any other such element, the coal is not good for the manufacture of steel. That is why steel produced from pig iron and by the open-hearth process must be analyzed. The run has to be analyzed. I am not depreciating the qualities of lignite. We also have lignite in West Virginia. It is a good product. However, for quick results in the production of materials for defense, nothing will take the place of the almost pure carbon of natural coal, without any other foreign material in it.

I thank the Senator for mentioning lignite. I know it is a very good product. While it has about 100 byproducts, I think it will be found that from natural coal a vast number of byproducts are produced.

As a manufacturer and distributor of mining equipment, West Virginia suffers a proportionate recession in these businesses. What is more, local business houses are likewise affected when there is a slowdown in mining activity. Families without income do not patronize their neighborhood merchants, do not buy clothing, new automobiles, or household appliances, or make other general purchases that normally contribute to the business activity of a community.

Incidentally, they do not buy as much food as they did. They do not replace worn clothing. They do not buy sweepers, washing machines, or other durable goods of any kind. Therefore, the unemployment reacts upon other manufacturing industries all over the country.

I may say to my good friend the Senator from North Dakota that I well remember when farmers in his part of the country were burning wheat in their stoves and at the same time coal miners in my State had lots of coal they could not sell. We would have given a good deal if we could have sent to North Dakota some of our coal in return for some of the wheat which was being burned. Eventually, as I am sure my colleague will remember, the Federal Government had to finance such an exchange by sending wheat, or at least flour, from the great Northwest into West Virginia. I am reminded of an announcement by a bus company in Williamson, several months ago, to the effect that it was forced to lay off almost half of its drivers and inactivate a portion of its fleet of vehicles as a result of mine closings.

Normally the coal industry pays most of the total gross sales tax, which represents about 25 percent of West Virginia's tax yield from all sources. When the coal business is off, the loss is also felt very seriously in the State treasury, thus having grave impact on our educational system and all State agencies.

As a matter of fact, we have had to seriously curtail our roadbuilding program. We are having to cut down on every possible State expenditure and cut off some necessary ones by reason of the falling off of tax receipts. The activities of county and local governments must also be curtailed when miners and others in coal communities are deprived of income.

Our educational system is almost 50 percent dependent on the consumers' sales tax. When people are unable to buy, receipts from the consumers' sales tax drop off, and thereby the money available to operate our schools is decreased in amount.

Thus, obviously, the entire economy of West Virginia incurs heavy losses when our coal industry is in distress. We constantly hear, of course, that competition from oil and gas is accountable for whatever decline the coal industry has experienced. Of a certainty, the ever-extending network of pipelines from the Southwest to our part of the country displaces much of coal's markets. When railroads began to dieselize on a broad scale in the postwar period, the market outlet for millions of tons of coal was removed. I well remember that recently a very fine gentleman from Wyoming came to see me. He said that the dieselizing of the Northern Pacific and St. Paul Railroads had put all the miners in Wyoming out of work. That is what it did to some of our miners. As homeowners installed gas equipment instead of coal-burning stoves and furnaces, the coal industry felt a consequent loss. These were normal conditions only to be expected in our changing times.

The outlook for coal elsewhere, on the other hand, followed an opposite course as we returned to a peace economy. We needed steel, and a ton of coal is required to produce each ton of steel. Electric utilities undertook to expand to such an extent that the need for coal in this industry was expected to rise by 10 million tons annually. The chemical industry—and West Virginia has the good fortune to have some of the world's largest chemical plants—would need more coal than ever before in history. Other industries, large and small, were increasing in capacity and would require greater amounts of coal for their production activities.

Under the circumstances there was every reason for the coal industry to expect to continue operations on a lively scale.

In other words, all the changing over, with the increased production of byproducts and increased uses, and the impact of the Southwest gas on the coal industry, would not have affected it very much.

As one of the most progressive of all industries—both from the standpoint of the mine operator and the mine worker—the bituminous coal industry did not hesitate to make substantial investments for more efficient mining and better quality products. The United Mine Workers of America have always welcomed new machines and new techniques which tend to increase productivity. For example, in Europe, the peak production for a coal miner is a ton a day. In the United States the average production per man is 8 tons a day, showing the increased efficiency in the use of our manpower because of the substitution of horsepower, coupled with brains, for manpower in its brute form, as it is used in European industry.

Modern equipment in today's mines includes electrically operated mobile machines which cut deep into the coal at the face of the seams, automatic drills which follow the cutting machines and bore uniform holes into which explosives can be tamped so that the charge will loosen the coal and make ready for loading; electric loading machines capable of scooping up as much as 6 tons of coal a minute; and electrically drawn shuttle cars that can carry 10 tons of coal from the working face to the underground railroad or conveyor belt along the main haulageway. That is compared with the 800-pound coal car customarily used in European mines.

In West Virginia more than 4,000 coal-cutting machines, 1,400 mobile loading machines, and 4,500 electric locomotives are owned by our mining companies. Many were in use up until the time of the shutdown, but entirely too many are now idle because of the loss of markets.

Efficient conveyor belts have also been installed, so that the coal will flow continuously from bed level to tipple.

Surface mining has also been modernized in recent years. Giant drag lines and power shovels remove overburden from the veins, after which mechanical brooms sweep the exposed coal thoroughly before an explosive charge loosens it for the smaller shovels to load onto trucks. Whether the coal comes from deep or surface mines, much of it is now mechanically cleaned before being sent to market. Coal preparation upgrades the product, gives maximum recovery of marketable coal from run-of-mine, and makes a salable product from low-grade seams. There are in excess of 200 cleaning plants in West Virginia, some of them costing as much as $2 million each. In some of them the coal is first air-cleaned and then water-cleaned. In some it is treated with a spray of hot oil, to lay the dust.

Mine owners are not alone in investing in coal for their future. Members of our labor forces, confident that coal will always supply a substantial part of America's fuel needs, have established homesites in mining communities and adjacent areas. They have helped to build schools and set up other permanent facilities for themselves and their children. I ask Senators to keep these facts in mind when they are told by free-trade advocates that workers who lose their jobs because of competition from imports need only to move to centers of mass production in order to readjust themselves in the economic pattern.

For some time we have been discussing the question of power and atomic energy, where power should be applied, and where atomic energy. It is like a man who bought a pair of cats and a pair of muskrats. He planned to get rich. He planned to raise the muskrats, skin them, feed the bodies to the cats, fatten the cats, kill the offspring of the cats, and feed them to the muskrats.

Atomic power cannot be produced without power, and enough fissionable material to make atomic power cannot be produced without an additional adjunct, and that adjunct must be coal, or a very satisfactory substitute.

Such suggestions are not in conformity with basic American principles, for they would subordinate human beings to the status of inanimate tools in industry. Coal miners can not simply close the mine and move to the city. Suppose the mine is boarded up. Do Senators realize that a modern mine requires 40 or 50 men employed full time to keep it in workable condition when it is shut down? Yes; the mine can be abandoned. The pit mouth can be boarded up. That can be done on a farm. The farmer can stop cultivating a given field, and go back a year or 2 years later, plant a crop and harvest it. But that cannot be done in the case of a mine. After a few months the roof starts to fall. The top falls in. The track becomes unusable. Within a year a mine will deteriorate to such an extent that a year or 2 years are required to reopen the same mine. In fact, it would be simpler to open a new mine. That is what will happen, because the mining companies cannot continue to employ 40 or 50 men to keep a mine in standby condition, against the time of need when the mine will be needed to meet the demands for the production of steel, power, chemicals, high explosive powder, and other things of that kind. I say it is a mistake to suggest that mine-workers leave their homes and go to centers of mass production such as Chicago, Detroit, Pittsburgh, and other centers.

If the production of coal is cut very much more, Pittsburgh will cease to be a center of mass production, because no steel will be manufactured. Our people desire to remain in West Virginia. There is no justification for permitting unnecessary imports which trespass upon this prerogative.

Let us see what we mean by unnecessary imports. Last year 136 million barrels of residual oil were shipped into the east coast of the United States from foreign markets—markets which would be interdicted to us in the event of war, by submarines, as we found them interdicted to us in World War II, when we had to rely largely on what we could produce ourselves.

That 136 million barrels was shipped to us from abroad, taking away profits to the extent of 27½ percent depletion tax.

Residual oil is a nuisance byproduct. It is similar to "bug dust" in a coal mine, except that we do not have to worry about "bug dust." However, storage must be provided for oil. The producers get rid of it for any price they can get. Any price they can get for residual oil is money saved.

Residual oil is what is left over in the refining process after gasoline and other products have been removed from crude oil. It is called a waste product of the refining process—much the same as the sawdust which accumulates in a lumber mill, or the "bug dust" in a mine.

Almost all the foreign residual oil entering this country originates in Venezuela, whose output is, for the most part, refined in Aruba and Curacao. These two small Dutch-owned islands are just off the coast of Venezuela, and their refineries are owned by two of the largest oil corporations.

According to one chapter of the propaganda of the importing companies, importation is necessary to conserve the petroleum resources of this country. Strangely enough, however, it is not gasoline and other more desirable products that are being imported into the United States in such large quantities. Of all the petroleum products exported from Venezuela and the insular refineries, only 4 percent of the gasoline and other higher grade products come to the United States, whereas 48 percent of the residual oil exports enter United States markets.

These imports coming in deprive our people of work in the mines and take away the income tax which would otherwise be paid by the workers. Incidentally, credit is claimed on the income tax of the importer, by way of depletion allowance.

The residual oil shipped into this country is used almost exclusively to compete with American-produced coal. It is used under boilers in large utilities and industrial plants. It is not the oil we burn in our furnaces. That is American-produced oil, the higher grade. One must be an expert to know how to handle residual oil. Otherwise, he is troubled with flake, ash, soot, and everything else.

The truth of the matter is that not a single gallon of foreign residual oil is needed in this country, nor will it be for centuries ahead. Bituminous coal, which makes up more than 90 percent of the Nation's total known energy resources, is sufficiently plentiful to last more than a thousand years. So long as our bituminous coal industry is permitted to flourish without illegal infringement from outside, our men and our mines will always be ready to supply every demand. If, however, foreign residual oil has continued free access into this country, we can anticipate nothing more than a prolonged deterioration of our coal industry, and the Lord only knows what would happen if the coal industry were in an inert condition when an emergency developed. As I have said, once

a mine is shut down, it very soon becomes worthless and cannot be reopened. Losses of coal from falling roofs run into billions of tons in the case of a general shutdown.

The influx of residual oil began inconspicuously enough with a total of 45 million barrels in 1946, at a time when coal was occupied with supplying the abnormal demands of America's sensational postwar industrial expansion, and when Europe was in greatest need of coal from our mines to supplement her own restricted production. But as this country leveled off to a more normal existence, imported residual oil began to cut sharply into the traditional outlets for bituminous coal. By 1949, when residual oil imports reached 74 million barrels, it became evident that something must be done to provide protection for America's mines and miners, railroads and railroad workers, and for every other industry and working force vulnerable to these products from alien refineries.

Let me say to Senators from wheat-growing States that the income which the railroads receive for hauling coal enables them to accord lower rates for hauling wheat, corn, and other grains.

If the railroads had to depend on the hauling of grain, cotton, and other agricultural products, the farmers would find in a very short time that their rail rates would have to be increased. The railroads which have been the most profitable are those which have had large coal tonnages to haul.

The United States Senate took cognizance of this condition when a subcommittee of the Committee on Labor and Public Welfare conducted hearings into the causes of unemployment in early 1950. I had the privilege of appearing before that committee as a witness, and I also sat in whenever possible to hear testimony from various business leaders, union representatives, and members of the Congress and local governments—all of whom echoed the warning that there would be growing distress in coal communities and that our industrial might would be greatly weakened if the situation were permitted to continue.

These predictions have without question been borne out in the succeeding years, for in 1953 residual oil imports rose to a record 136 billion barrels—the equivalent in energy value of 33 million tons of bituminous coal.

To bituminous coal producers the resultant loss was $155 million; to coal miners it was $79 million; railroad revenue which failed to materialize as a consequence of these imports amounted to $88 million, half of which would have gone to railroad labor. Those are not figures picked out of a hat. They are based on reports by such Government agencies as the Bureau of Labor Statistics, the Bureau of Mines, and the Interstate Commerce Commission.

These figures, incidentally, do not include an additional 18 million tons of coal equivalent that comes from foreign crude oil that is imported into the United States and refined here.

What is so amazing about this situation is that the administration chooses to ignore these conditions while showing increasing concern for industries abroad. You recall that only a month ago we made available to the Coal and Steel Community of Western Europe $100 million to be used for its industries, which, in effect, amounts to the creation—with our own funds—of greater competition for American coal.

When the White House sent its message on foreign economic policy to Congress in March of this year, Tom Pickett, executive vice president of the National Coal Association and a former member of Congress from Texas, remarked that one particularly significant aspect of the message was the President's reference to the remarkable headway that other countries have made with United States assistance since the end of World War II. Mr. Pickett then added:

> Unfortunately, the same cannot be said of all basic industries in our own country. It is ironic that so much concern is shown for everyone else in the world while the economic decline in America's coal regions goes unnoticed.

While none of us, I am sure, objects to assisting our friends in whatever way it is feasible and practical, I think it is important that Congress recognize to what extent our aid has cut the American coal industry's markets abroad. It is particularly ironic that, at a time when so little coal is now being shipped overseas, the Foreign Operations Administration should announce—on July 6—that it was authorizing a total of $37¾ million for the purchase of gasoline, crude oil, diesel oil, and other petroleum products to be used in Norway and Turkey. Some of this material is to be purchased in Latin and South America, while other products will come directly from the United States and its possessions.

In view of the vital part that the American coal industry has taken in the reconstruction of Western Europe, we may wonder how the present plight of this industry can be so easily ignored by the administration.

In further illustration, let me say that recently one of the mining companies in West Virginia bid on a 2 million ton order for coal in the Netherlands, and it bid against European competition. The company submitted the lowest bid by $2 a ton delivered in the Netherlands. The next lowest bid was made by an English company, which bid $2 more, and that company got the contract for the coal. Of course they were paid in guilders or in trade, but they did get the order. It shows that we can produce coal cheaper. However, it is impossible to beat the bottomless pit of no cost. I do not say just low cost. I say no cost to the producer, which is the case with residual oil.

After V–E Day, Germany's coal fields were split by diplomatic and military negotiations, with only half of her potential production remaining outside the Russian perimeter of influence. Great Britain's socialized coal industry, unable to meet production schedules, did little to contribute to meeting the overall needs in the immediate postwar years. France, Belgium, and the Netherlands tried desperately to overcome the deficit between demand and supply, but their combined capacities were totally inadequate. The 16 million tons of bituminous coal shipped to Europe in 1946 were increased to 36¾ million tons the following year.

The United States sent money, equipment, and teams of engineers into the allied nations in an effort to raise efficiency and increase production as quickly as possible. At the same time we arranged for European government officials, coal industry executives, and mine labor representatives to visit our mines for first-hand information on how we were able to produce more than three times as much coal per man-day as any other country in the world. As a consequence, by 1948 the need for American coal had again begun to decline, and in 1950 our shipments to Europe amounted to less than one million tons.

What actually happened was that our operators could not accept foreign currency, and no provision was made for it, so that we could not compete, and it was therefore necessary for the foreign countries to buy with soft currency, as was the case with the Netherlands Government, because of currency restrictions.

The impact of the war in Korea and icy temperatures in Europe once again changed the picture across the Atlantic. By November of 1950 the domestic stocks in England had diminished to a critical low, while at the same time most of our friends on the Continent found that they would be unable to meet winter demands without American help.

That is one I cannot understand. If the American oil companies would take the residual oil, which they are dumping in the United States, and sell it to European hotels and apartment houses and homes, where one is never really warm, instead of putting the coal industry out of business in the United States, Europe would be better off, the oil companies would be better off, and we would be better off.

Ireland was faced with a crisis because of the gloomy picture in Great Britain, her regular supplier. Italy announced that sharp cuts and rationing for industry were inevitable unless American coal was made available. From The Hague came word that Netherlands output of coal was well below expected, and that the country's economy was imperiled because of lower imports from Germany and Great Britain. France and West Germany also faced a crisis.

With the general situation becoming increasingly more alarming, a meeting to discuss the shortages was held by the United Nations Economic Commission, in Geneva, shortly before Christmas. Representatives came from Austria, Belgium, Czechoslavakia, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Switzerland, Great Britain, Yugoslavia, and the United States. When total supplies were calculated and subtracted from total needs, an immediate call was sent to the United States to ship as much coal as possible without delay.

Once more America's mines and miners came to the rescue and, as soon as ships were available, vast tonnages

were loaded at American ports and hurried into the needed areas. In 1951, a total of 37 million tons of coal was exported from the United States. In 1952—as a result of a warmer winter in Europe and heavier output in the mines of Great Britain and the Continent—our overseas shipments declined to 26 million tons. Last year, the figure was 14½ million tons and a further decline is anticipated for 1954.

Europe has little need for American coal at the present time, and certainly it wants none of it coming in at the expense of employment over there. I ask Senators to note that fact. They want nothing coming in at the expense of employment over there. Only in this country do we find an administration so little concerned with unemployment that unnecessary and injurious imports are permitted unlimited entry into our markets.

It must be understood that in the handling of residual oil there is practically no labor involved. It is all done mechanically. Of course, it is impossible to collect any income tax from a tank truck or a barge.

To visualize the amount of last year's imports of residual oil, picture a train made up of more than half a million railroad tank cars—which, incidentally, is 3½ times the total number of tank cars on all the railroads in the United States. That train would extend all the way from New York to San Francisco and back to Charleston. To the railroads that train would represent quite a business. That would represent the amount of residual oil that is imported.

But, of course, no such business will be realized as long as we permit this foreign fuel to inundate our fuel markets. Foreign oil is not shipped by railroads. It comes in tankers, some of which hold a quarter-million barrels, and it is unloaded at ports handy to consumers so that American transportation industries and workers have little opportunity to benefit from it. Most of these tankers, I might add, fly foreign flags which—so far as we are concerned—may as well be the Jolly Roger, for, indeed, they are literally pirating off America's economic well-being.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KILGORE. I yield for a question.

Mr. LANGER. Is that any different from shipping in wool from Argentina or shipping in meat from Argentina?

Mr. KILGORE. It is not one bit different, I may say to my distinguished colleague from North Dakota. I think it is up to us to take care of our domestic production in order to provide work for our people. If we need anything in excess, then let us buy what we need.

Mr. LANGER. Does not the Senator agree with me that the mercury mines of this country were closed and that mercury has come in from foreign countries?

Mr. KILGORE. I would say to my distinguished friend that I am not familiar with the mercury-mining field. I cannot answer that question.

Mr. LANGER. Is it not true that antimony, tungsten, lead, and zinc are being shipped in from Spain and Portugal and other foreign countries, while our mines are being closed up?

Mr. KILGORE. I think the Senator is correct. I know that there is tungsten in the Appalachian Mountains within a short distance from the city of Washington which is not being mined. Tungsten is being shipped in from Africa and other countries.

However, may I say to the Senator that while it is being shipped in from abroad, there is no income tax exemption on the profits of those foreign shipments, as there is on foreign shipments of oil. There is a 27½ percent depletion tax on oil.

Mr. LANGER. The Senator from North Dakota voted against that 27½ percent depletion tax.

Mr. KILGORE. I am well aware of that.

Mr. LANGER. The Senator remembers the fight we had with reference to it.

Mr. KILGORE. Yes; I do.

Mr. LANGER. We received a message from former President Hoover asking us to repeal it and saying that one man had made several million dollars profit and yet he had paid no income tax at all.

Mr. KILGORE. That is correct.

Mr. LANGER. All of these other products are in exactly the same difficulty as is the coal in West Virginia.

Mr. KILGORE. When the coal industry is injured in the State of West Virginia, I feel as if my corns had been stepped on, just as when wheat and rye and barley and other grains are in difficulty in other States, the Senators from those States feel as if their corns were being stepped on. I think we must always appraise the foreign trade policy. If all Senators whose corns are stepped on would howl as loudly as I do, we might accomplish something.

Mr. LANGER. We took up the matter of rye imports from Canada and found that Canada was shipping to the United States over 12 million bushels of rye in 6 months. At the very peak we produce in this country approximately 23 million bushels. I know the Senator from West Virginia is aware of the fact that millions of bushels of barley were imported when there was an acreage quota on our farmers, with the result that barley is going into the Commodity Credit Corporation, and with the further result that every time a farmer gets a loan on his barley the so-called loss of the Commodity Credit Corporation is piled up, and our friends in the East yell that there is another great loss due to the fact that the farmers have support prices. Is not that correct?

Mr. KILGORE. That is correct.

Mr. LANGER. I wondered why the distinguished Senator kept on talking about coal and did not mention rye or barley or wheat, which the farmers in the Middlewest and the Northwest have been talking about for years. I see here the distinguished Senator from Wisconsin [Mr. WILEY], who talks about dairy products and shows that the dairy situation is exactly similar to the situation of coal.

Mr. KILGORE. I think about coal all the time, and I say to both distinguished Senators that when the coal miners of my State cannot buy the dairy products of the State of the Senator from Wisconsin and cannot buy rye, wheat, and corr, it is bad for the producers in Wisconsin and North Dakota. So it is time for other Senators to help solve our coal problem.

Mr. President, as one of the presidents of the United Mine Workers has said, "Each of those big tankers is bringing discharge papers for more than 200 miners for a full year." Add to these miners the railroad workers, members of allied industries, and local business employees who lose their jobs tc foreign oil, and you will find that it does not take many of these tankers to bring enough discharge papers to pauperize scores of communities that would otherwise be economically sound.

To examine further the impact of residual oil on the railroad industry, let us consider these excerpts from a statement in the Trainmen News for last June 15:

The continued increase in the number of barrels of imported residual oil reflects itself directly in the decrease in railroad employment in the Eastern section of the country. Current figures on residual oil imports for 1954, up to and including May 8, indicate so far this year there have been imported 53,023,600 barrels. This figure equals 12,824,600 tons of coal, using the ratio of 4.167 barrels of residual oil as being equivalent to 1 ton of bituminous coal.

Most of the coal, which is being replaced by this imported oil, originates in the Eastern, Allegheny, and Pocohantas regions of the coal-producing area. Reports of the Association of American Railroads indicate that 85 percent of all coal shipments in these three regions move by rail. Assuming that coal had replaced the 53 million barrels of oil imported so far this year (May 8), this would have resulted in the increased shipment of more than 12,824,600 tons of coal by rail, using the 85 percent figure of the AAR, all of which was lost to rail traffic.

Incidentally, when coal rail traffic suffers, the loss has to be charged against some other freight, and that means it will cost more to move corn, wheat, and other products.

Reading further:

To take the matter further, this loss in the first 4 months of this year of the shipment of nearly 13 million tons of coal by rail results in the loss of 213,743 carloads of coal, based on the loading of 60 tons of coal to a carload. The AAR states a coal haul averages about 300 miles per car from the mine to the consumer on the Atlantic seaboard. Using 80 cars per train for an average, the 213,743 carloads would equal about 2,671 trains. Since railroad operating employees are paid on a 100-mile basis, and the average mine haul is 300 miles, the actual loss would justly be 3 times the 2,671 trains, or 8,013 trains or train crews.

But this still is not the complete picture. We have spoken so far only of carloads of coal lost. The other side of this movement is the hauling of empty cars to mines for the transportation of coal to consumers.

I wish Senators could see in my State the freight cars piled up in the mine yards and on sidings, empty cars, rusting away.

I continue reading:

To obtain the whole effect, and to determine the total number of trains and crews displaced by this operation, the number of 8,013 trains must be doubled, since there would be a like number of movements of

empty cars to the mines before there could be the same movement of loaded cars out of the mines. By this process we see that a total of 16,026 trains are affected.

There are not less than 5 employees on each train crew; after multiplying this by the number of trains affected, we discover this equals 80,130 man-days lost.

If residual oil were not imported, its uses would not totally be replaced by coal. But the increase in railroad employment in road train and engine service would be in direct proportion to whatever degree the importation of oil subsides and its replacement by coal is effected.

There are nearly as many yard train and engine employees in the service of the railroad industry as there are road train and engine service employees, so the number of train and enginemen concerned and affected would be twice the number of only road train and engine men.

It is easy to see how far-reaching the effects of the replacement of coal by imported oil can be when we consider these combined road and yard operating employees constitute only one-seventh of the total number of employees on the railroad. The loss in employment in the operating departments has its chain reaction to a much more serious degree on the nonoperating side.

Comparative carloading reports for the three prominent coal-producing regions, the eastern, Allegheny, and Pocahontas, corroborate the disastrous effect the limitless importation of oil has on railroad economy.

Selecting the week ending May 8, there was a weekly loss in cars loaded in 1954 as compared with the same week in 1953 of 5,124 carloads in the eastern region, 6,994 in the Allegheny region, and 7,840 in the Pocahontas region. Projecting this figure over the 18-week period encompassed by the 52,023,600 barrels of oil imported so far this year, the carloading loss could be approximately 145,000 carloads for this short period.

There you have, Mr. President, an analysis of the disastrous effects of imports of residual oil on the railroad industry as presented by a union whose members are among the principal victims of this foreign product. I could cite page after page of testimony from individual oil operators whose very business existence is also seriously threatened because of the selfish practices of the large international petroleum companies, but this is a story with which everyone from the major oil-producing States is so familiar that I shall forego details. Instead, I should like to discuss briefly one of the implications of residual oil imports that is of primary concern to each of us regardless of which part of the country or which State we represent.

There has just been placed on my desk by one of my colleagues a news item from the New York Journal of Commerce. The date is not shown, but it is a recent issue. I read:

> Total oil burner sales for 1954 were expected to rise to 800,000 units, according to an advance report from Fueloil & Oil Heat * * *.
>
> June sales were divided as follows: New homes, 21,583; replacements of old oil burners, 7,748, and conversions from other fuels, 27,892.

That was in 1 month.

Mr. LANGER. Mr. President, will the Senator from West Virginia yield further?

Mr. KILGORE. I yield for a question.

Mr. LANGER. Speaking of unemployment in coal mines, would not that unemployment have been much worse if John L. Lewis had not organized the miners?

Mr. KILGORE. I think the Senator is unquestionably correct. His organization has always cooperated with the operating companies in adopting new improvements which reduce the cost of mining and speed up the production of coal per man, so that there is a high man-hour rate. Many shortsighted men in Mr. Lewis' position would say, "No; we want more men on our rolls, and not so much coal per man."

Mr. LANGER. May I inquire whether John L. Lewis and his organization are to a great extent responsible for safety devices in coal mines?

Mr. KILGORE. Unquestionably that is true. They work harder on safety than almost anyone else, because it involves the lives of their members. They keep experimental work going on all the time. They have safety experts going around, as the Senator from North Dakota well knows. In the national coal inspection bill, we provided that a copy of the report be furnished to the United Mine Workers in case anything defective is found in a mine by Federal inspectors, so they can try to take care of it.

While I have found it most difficult to follow the capricious plans which the Secretary of State has laid out for us in any given period, my interpretation of recent statements by the distinguished Secretary, the Chief of Naval Operations, and other high-ranking administration officials, is that the national defense should be operated on an around-the-clock alert status. We have learned by experience in the past months that our intentions are subject to change without notice, but there is no ambiguity in the warning that we cannot relax so long as the current international tension persists. With the sustained encroachment of Red forces into Indochina, administration forces have finally abandoned the theme song that they have successfully prevented any enslavement of free people. Meanwhile, we are attempting to negotiate a pact for the protection of the threatened states of Indonesia, Australia, New Guinea, and New Zealand. The fact remains, too, that the Philippines, Formosa, Japan, and South Korea continue to be in imminent danger, and nothing has appeared in Europe or the Middle East to lessen the explosive atmosphere in those sectors. Our own military forces are stationed in strategic places in Europe, Africa, Asia, and South America, and we have established bases within close proximity of the North Pole to intercept any surprise attack that might be launched from that direction.

In view of these and countless other means designed in behalf of the security of this Nation, I do not believe that anyone would take issue with the admonition that basic industries should not be permitted to be knocked out during this grave period.

What concerns me, however, is whether our administration leaders and our military planners are wholly aware of the fact that coal is one of the most vital ingredients of any mobilization program. We are shown blueprints of how much steel can be produced if necessary, but the designers fail to point out that there will be no steel at all if coal is not available. Perhaps the oversight is the result of the inclination to take for granted an ample supply of coal, and that our planners are willing to assume that there will be a sufficiency of coal to take care of all emergency needs. On the other hand, there is a distinct probability that coal's place in a war economy is simply not understood by those responsible for outlining the program.

Certainly our friends the British have long realized coal's important role in this regard. During World War I Prime Minister Lloyd George made this statement:

> In peace and in war, King Coal is the paramount lord of industry. It enters into every article of consumption and utility.

In World War II, Winston Churchill said:

> War is made with steel and steel is made from coal. * * * Coal is the foundation and, to a very large extent, the measure of our whole war effort.

Mr. LEHMAN. Mr. President, will the Senator from West Virginia yield?

Mr. KILGORE. I gladly yield for a question by my distinguished colleague from New York.

Mr. LEHMAN. If, as has already been very clearly demonstrated, the jeopardy of our position is no less serious in relation to the encroachment or aggression of the Soviet forces—and I think that has been very clearly demonstrated—is it not highly important that we keep ourselves strong militarily, and, assuming that as a thesis which nobody can very well deny, is it not necessary that we have the means to produce the military equipment and many other things in sufficient quantities and of sufficient quality in connection with which coal certainly plays a very great role?

Mr. KILGORE. I thank the Senator for that question, and he is absolutely correct. It is a part of our national defense for the future to keep our coal industry alive and capable of being geared into high speed when it is necessary.

We must keep our mines operating at least at a minimum, in order to keep them alive and ready to go. That can be done in our economy by carefully balancing the fuel we use without hurting anything. The Senator is entirely correct.

The Franco-Prussian War was started by Germany, because Germany wanted the iron of Alsace-Lorraine together with the coal of the Ruhr, since the separation of the iron from the coal made it impossible to produce steel in Germany. The French, not having coal, except in the Saar Basin, were precluded from using their own iron ore, as were Luxembourg, and, to a great extent, Belgium. The first move made in World War I by the Germans was to corner the coal and ore. In World War II Hitler put an iron curtain down to cut off the steel mills of France from the coal of the Ruhr, and made a deal with Sweden to buy oil from Sweden until he could capture the mines in Alsace-Lorraine. In the past century

practically all European wars have been concerned with coal and iron ore.

Mr. LEHMAN. Mr. President, will the Senator yield further for a question?

Mr. KILGORE. I yield for a question.

Mr. LEHMAN. All of us, of course, have known and have been interested in the organization set up by some of the European countries, known as the Schuman plan for the unified production of iron and steel; but is it not a fact that plan has very definitely recognized the intimate and close relationship between the production of steel in the Ruhr and the production of coal in the Saar?

Mr. KILGORE. I thank the Senator for that contribution. He is absolutely correct. In my opinion, the Schuman plan is a wonderful cornerstone for a peaceful and complete understanding between the countries of Europe and a working together of those countries for the mutual benefit of all, and an integration of industry for the mutual benefit of all. I think the Schuman plan is a wonderful plan and will do away with the shallow bickering that has gone on about the Saar, the Ruhr, and Luxembourg.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. KILGORE. I yield to the Senator from North Dakota.

Mr. LANGER. Is it not true that the entire Schuman plan will be disrupted unless there is an international agreement on atomic energy?

Mr. KILGORE. I think there is a danger of that.

Mr. LANGER. Will the Senator tell us how atomic energy is going to affect the coal business in the State of West Virginia?

Mr. KILGORE. I may say to the Senator from North Dakota that, in my humble opinion, the development of atomic energy will not affect the coal business adversely in the State of West Virginia or anywhere else. It will make a tremendous amount of power accessible at key points, but for general use of power, for steam, steel production, and matters of that kind, atomic energy will never interfere with or take the place of coal, any more than residual oil will take the place of coal, because coke cannot be made from oil.

On the other hand, coal is going to be necessary in the production of atomic energy, because in the reduction plants there will be available a great amount of power, and in order that it may be firm, steady power, it will have to be firmed up by steam plants. In a great number of areas, steam produced from coal will be cheaper than atomic energy, because there will not be involved the problem of storage or the problem of obtaining water. In most places, water is readily accessible. Under some of the new processes being developed many by-products will be obtained from coal before steam will be obtained. Eventually, steam plants using coal will cost practically as little to run as hydro plants. However, coal-burning plants produce steadily during a period of 24 hours, whereas the hydro plants have the great advantage of peak power. A valve is turned on, and a large amount of power is available, and then the valve is turned off.

Mr. LANGER. We have been reading about and hearing of cheap atomic power when it is finally available. If that is true, how can power made by using coal compete with atomic power?

Mr. KILGORE. Unless a new substance is found to produce the necessary fissionable material, I cannot see how cheap power from atomic energy can ever replace the need for coal. It may be possible when a new substance is discovered from which to make the fissionable material. However, using present methods, atomic energy cannot replace the need for coal.

Mr. LANGER. I am sure the Senator has read that England is producing atomic power with which to run some of her ships. I believe they are experimenting with the use of atomic power to run the ships instead of using coal for that purpose. Why will not the use of atomic power cut down the use of coal?

Mr. KILGORE. So far as that is concerned, the use of atomic energy in our ships would not affect the use of coal, because our ships use oil at the present time. Frankly, I think the use of atomic energy for use on ships would be uneconomic because we must realize that the cost of producing a little bit of fissionable material is pretty high. While such power could be used on ships of war, where expense does not count, or in airplanes, or other weapons of war, I do not believe that as yet power can be produced from atomic energy as cheaply as it can be produced from natural fuels which do not need a very expensive refining process, which of itself requires a tremendous amount of power which must be generated either from hydro or steam power.

Mr. LANGER. I thank the Senator for yielding.

Mr. KILGORE. Why is so much more coal needed during times of hostility? Consider the case of steel alone. As I have said earlier, a ton of coal is needed for every ton of steel to be produced. Our coal economists, working with the Department of Defense, have determined that an average of 200 tons of coal go into the making of the steel and aluminum for each B–36 that comes off the production line. For a Walker Bulldog tank, 50 tons of coal are required. Eight hundred tons of coal are used to produce the steel necessary to build a submarine, and in the case of a big aircraft carrier some 50,000 tons of coal are required.

Yes, you need coal to make steel for vehicles of war and for weapons of war. Almost half of the 68 million gallons of toluene, which is the second T in TNT, produced in the United States in 1951, when we were engaged in the Korean conflict, came from coal. Coal is also used in the manufacture of cement, in canning plants, textile mills, other assorted industries, and for a thousand and one other uses. It also produces heat for more than 13 million dwelling units in the United States. It generates 65 percent of all the electric power produced by fuels.

While consumption by railroads is off considerably from what it was a decade ago, many of the lines still use coal to power locomotives and most of them use it in their shops and office buildings. One of our great railroads, the Norfolk and Western, uses coal exclusively for locomotive power. The N. & W. has a total of 274 freight, 46 passenger, and 124 service coal-burning steam locomotives in use at the present time, and is now road-testing the world's largest single unit locomotive, a coal-burning steam turbine electric.

Coal-burning steam locomotives provide the power for 90 percent of all traffic on the New York, Chicago, and St. Louis line—more popularly known as the Nickel Plate. This line has a total of 283 coal-burning steam locomotives in service. The Illinois Central, while performing most of its passenger and yard service with diesels, uses coal in the movement of more than 85 percent of its freight tonnage, and has a total of 870 steam locomotives in use. The Virginian Railway owns no diesels at all. Its 104 coal-burning locomotives handle 100 percent of the passenger service and 66 percent of the freight transportation, the remainder being moved by electric locomotives. The Chicago & Illinois Midland, which also owns no diesels, has 31 steam locomotives in service during 1953 and used coal exclusively to move its passenger, freight, and yard traffic.

I present this information to give you an idea of to what extent the Nation's economy is already dependent upon the coal industry. And now I come to the question: "What would happen to this country if we were to become involved in another war while the coal industry was not operating at a high level of production and could not accelerate its output in proportion to the sudden increase in demand?"

I wish to refresh the memory of my colleagues. I am sure they all remember the time when we furloughed men from the Army so that they could work in copper and coal mines. We practically took such men off the fighting front if they had any mining experience and sent them back to the United States in order that they could produce metals and coal. That is how valuable such products were to us in time of war.

During the current period of international uncertainty, mines should be maintained on a ready basis and new exploration and development should be encouraged.

For instance, the New River Co. in my State, during the period between World War I and World War II, carried on a certain definite percentage of exploration work. When business was a little slack, it would drive ahead and open up new working places. When the pressure of World War II came, the company was able to double its working force, because it had the new working places developed.

That sort of thing must be encouraged if we are going to look to the future. But, unfortunately, this is not the case. There have been scores of mines forced to close in the past several years, and many of them will never be reopened. Let me call your atten-

tion to what happens when a coal mine is closed for any length of time.

Unless pumps are kept in constant operation during shutdowns, under ordinary conditions most of the mines of this country will fill up with water and erosive action will begin to take place. When the mine is to be reopened the first job is to send in pumps and begin the dewatering process. Weeks and even months are required to complete this work, even when the most modern pumps are used.

After all the water has been removed, it will still be a long time until the mine is ready to be reopened. The impounded water will have caused bad roof conditions to develop. When ventilation is returned as the water is pumped out, the air that comes in contact with the roof produces disintegration. As a consequence, the bad roof must be taken out, along with the bad timber, and new timber must be installed. Only after the roof has been made safe can the mechanical repair work begin. This will include the reinstallation of tracks, rewiring, and the bringing in of new equipment. Even then—before production can get under way—falls must be cleaned up and brattices constructed.

Assuming that after perhaps a year, the mine is ready to resume operations, who is going to produce the coal if during the interim period the miners have moved to other areas?

A miner who has learned another trade is not going to go back to the mines. He is going to stay on the outside. He is not going to go back underground. A new group of miners will have to be trained.

Today's labor forces in the coal mines are made up of skilled workers who have become proficient through years of training and experience. Many of our electrical, mechanical, and safety engineers are college trained.

I used to command a National Guard battalion in the coal area. Practically all the members of the battalion worked in the mines. Ninety percent of them were high-school graduates. That is a pretty high percentage in any field. In the State of West Virginia a person has to pass an examination and have 12 months' experience under an experienced miner before he is permitted to work in a mine, unless he is under the guidance of a man with whom he has served. In other words, they are experienced men. It takes a year to train them.

At West Virginia University, in Morgantown, we have one of the Nation's foremost institutions of higher learning which offers excellent courses on all phases of mining.

For those who do not continue their education on the campus, the university's school of mining extension department appoints instructors in the various mining districts that conduct classes in such subjects as mine gases and their control, mine ventilation, the handling of explosives, timbering and roof control, drainage and pumping, the State mining laws, the principles of foremanship, and other subjects in the interest of safety and efficiency.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. KILGORE. I yield to the Senator from New York for a question.

Mr. LEHMAN. I wonder whether the Senator knows that the safety methods or procedures which have been developed in the mines of West Virginia and in some of the other States have been of tremendous importance to the development of safety measures in many other industries throughout the country.

I recall that when I was Governor of my State, for years we had been fighting for an adequate law to prevent silicosis, and to provide proper and adequate compensation for those stricken with silicosis. I found at that time that the experience gained in the mines of West Virginia and other great coal producing States——

Mr. KNOWLAND. Mr. President, I do not like to raise a point of order, but under the rules of the Senate a Senator who has the floor is permitted to yield only for a question. This has been colloquy, rather than a question.

Mr. KILGORE. The Senator from New York is asking me a question.

Mr. LEHMAN. I wonder whether the Senator from West Virginia is familiar with the great help which we in New York—and undoubtedly other States as well—received because of the experience he has referred to in West Virginia.

Mr. KILGORE. I do know that many States have sent men to our school of mines for study. Many have come from other States to study the methods which we use in the mines, such as water spraying during drilling, and various other methods. Many of our laws have been copied in the laws of other States which have industries in which an accumulation of dust is involved, dust which can be inhaled by workers. Much of the information thus obtained has been reflected in various State codes.

I can remember when mining was done with mules and picks and good strong backs. Candles were used for light, and miners used to shoot with unslaked lime. A hole was poured full of unslaked lime and water was poured over it and dirt tamped into the hole quickly. The gas from the lime would build up sufficient pressure to shoot the coal. Now we use gas cartridges. Everything is done to safeguard the miner. Miners wear electric lights on their caps. There are many other safety devices which have been developed gradually as a result of experience.

The head of our Bureau of Mines is a very wonderful man who has worked in that field all his life. I have seen him in some pretty bad explosions. He is still Chief of the Bureau of Mines. I hope he will remain in that position as long as he is able.

As I have said, we have extension courses, in which we take the students into the mines and hold evening classes. The West Virginia State College at Institute, W. Va., provides education and training through a most modern extension service. It brings a mobile classroom—a station wagon containing a variety of mining equipment—to isolated communities where men and boys want to learn more about working in the mines. It has a library of textbooks and other literature on mining, an anemometer, and a fan for instruction in air measurement, safety lamps, and many other items necessary for laboratory study.

In Mercer County Vocational High School, at Bluefield, boys learn tracklaying, ventilation, timbering, and other trades leading to mining careers.

When we shut down that industry and lose the working force in West Virginia, Pennsylvania, Kentucky, and other States which it has taken half a century to build up, and when those miners get into other industries and get away from us, we shall be unable to reopen those mines in 6 months or a year. We shall have trouble getting the men to go in and open them up. It is hazardous work, and people do not like to work underground in the dark when they can work on the surface where it is light.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. KILGORE. I yield.

Mr. LANGER. Does the State university in West Virginia offer scholarships to those who wish to become experts in the mining business?

Mr. KILGORE. Yes, it does.

Mr. LANGER. What are the requirements?

Mr. KILGORE. Practically all our young men who grow up in the mining areas are high school graduates. There are many schclarships. The coal companies finance some of them. Men who have made money in the coal business finance some. The college itself gives some. Scholarships are given to men who make high grades and show a natural aptitude for the work. Most of the scholarships go to men who, it is hoped, wil later become instructors.

Mr. LANGER. Just how are the scholarships paid for?

Mr. KILGORE. As I say, many of them are given by cooperating companies. The same companies make substantial contributions to the experimental work in colleges and mines by paying a part of the costs of experimental work. Sometimes they submit their problems to the schools. A number of the colleges give scholarships, as do many of the companies. They are dispensed to local young men who want to go into the coal-mining business. Incidentally, I think there have been 1 or 2 scholarships under our own Science Foundation, given for research work in chemical and other fields.

But these men, with all the training, are not going to remain in mining communities if there is no employment for them. We have already lost hundreds upon hundreds of artisans that should be on hand to participate in a program of increased production as long as any threat of war remains.

So where do we get our fuel if and when an emergency develops? And how do we transport this fuel if there are not sufficient railroad cars to carry it to the markets where it is needed? Today hundreds of gondolas and hoppers will be found rusting away on the sidings of West Virginia's great railroad systems.

I well remember conditions in the United States in 1941 and 1942, when we were trying to get fuel to the seaboard to keep things going. We were scratching into the back sidings and digging out old coal cars. Anything that had steel in it was put on the railroads to get through to the eastern seaboard to furnish fuel for our fleet.

Mr. James M. Symes, the new president of the Pennsylvania Railroad, offers this analysis of the railroad industry's position in an emergency situation:

> Coal would have to immediately replace not only the foreign residual * * * but also meet the major part of the energy demands now supplied by imported crude and its products. The demand for refined oils and gasoline would increase so greatly that it would necessitate cracking down nearly all the remaining domestic residual oil, and coal would have to fuel most of this market. Can we safely assume that a depressed coal industry and the railroads could immediately expand sufficiently to provide and handle the added tonnage plus the increased coal that a war economy would require?
>
> Even though the coal companies could produce the coal, I am sure the railroads would not be in a position to transport it, because of lack of equipment, facilities, and trained employees to do so.
>
> * * * The railroad industry cannot afford to maintain its great investment in facilities for carrying and handling coal unless there is current use for them—we cannot in today's economy maintain them for standby emergency service.

As Mr. Symes has indicated, there would be no foreign residual oil available for use in our fuel markets during a shooting war. If Senators will think back to the days of World War II you will remember photographs that appeared in our newspapers when tankers went down within camera range of Virginia Beach, Miami Beach, and elsewhere up and down our coastline between Houston and Atlantic seaboard cities. For those whose memory may fail them, let me read some of the headlines of early 1942:

January 15: "Tanker Torpedoed 60 Miles Off Long Island."

January 17: "Allied Tanker Seen in Sinking Condition Off Long Island."

January 20: "U-Boats Off Coast; 22 Die in Blazing Tanker."

In other words, because our energies are dissipated in other lines, we are allowing the real basis of our defense to deteriorate. It is a foolish idea of saving. I ask how it is expected we would get the 136 million barrels of residual fuel oil through a submarine-infested Caribbean. I well remember when tankers were being sunk off our coast. I remember one tanker which was sunk in the mouth of the Mississippi River below New Orleans.

Yet the other day we approved the budget for military construction, which contained an item of $600,000 for Camp Bragg. I never will forget the question which was asked. The item was for "liquid storage." Some Senator asked what liquid was to be stored in such quantities at Camp Bragg, which theretofore had used coal. It was admitted that Camp Bragg was going to use cheap residual fuel. The taxpayers were going to spend $600,000 so that tanks could be built to store the residual fuel oil.

Parenthetically, I insert this excerpt from the news story:

> Official cognizance of the dangers of the situation took the form of an announcement last night from Washington that steps will be taken to increase shipment of oil by land wherever this is possible.

January 26: "U-Boat Torpedoes Tanker Off Jersey."

January 29: "U-Boat Causes Texas Blackout."

The drop and deck headlines on this story add this information: "100 Mile Strip of Southern Coast Affected as Two Raiders Are Reported; Shipping Warned To Remain in Ports; Enemy Craft Signal in Gulf of Mexico."

January 31: "Another Vessel Is Prey to U–Boat."

February 7: "Tanker Sinks in Inferno of Blazing Oil as U–Boat Strikes—12th in United States Waters."

February 9: "Tanker Victim of Daylight Attack."

February 12: "Tanker Sunk Off Our Atlantic Coast."

February 15: "Florida Crowd Sees U–Boat Sink Ship Off Shore."

February 17: "U–Boat Raids Dutch West Indies; Sink Three Tankers."

February 22: "Two Tankers Lost Off Atlantic Coast."

February 25: "Two More United States Oil Tankers Torpedoed."

February 28: "Two Tankers Torpedoed, One Off Jersey Witnessed by Thousands in Resort Towns."

I shall stop here at the end of February 1942. I think that those headlines should be sufficient to remind us of the catastrophe that lies ahead when any nation depends upon ocean shipments for its oil supplies.

To create such great disruption of water traffic between our ports on the Gulf of Mexico and the Atlantic seaboard, Germany had a total of 60 submarines at the beginning of World War II. If Russia had no more than that at the present time, perhaps we might be able to convince ourselves that our antisubmarine defenses were sufficient to protect the ocean oil routes in another war. For the information of anyone who might be living under such an illusion, I quote from a speech which Rear Adm. Walter G. Schindler, assistant chief of naval operations for readiness, delivered here in Washington last May 21:

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. KILGORE. I yield for a question.

Mr. HICKENLOOPER. I am interested in the Senator's discussion about how the use of oil will supplant, and perhaps destroy, the coal mines of West Virginia. I wonder if the Senator is aware that this afternoon he voted for an amendment which will put the Atomic Energy Commission into the uranium power production business, which, if successful, will put every coal mine in West Virginia out of business.

Mr. KILGORE. I reply to the Senator from Iowa by saying that I did so knowing full well that the Senator's pipedream is that uranium can be obtained dirt cheap. I have seen it made, and I know that uranium will never compete with coal, except at far-distant points and for war purposes.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. KILGORE. I will yield for another question.

Mr. HICKENLOOPER. The question is this: Is the Senator aware that by his vote this afternoon he helped to lay the basis for experimentation which permits commercial operation on the part of the Government in uranium, which, if successful, will put all his coal miners out of work and throw every coal mine in West Virginia into bankruptcy?

Mr. KILGORE. Let me say to the Senator from Iowa that I have never been one to go backward. If the distinguished Senator and his joint committee can produce what he says can be produced, I shall be glad because he will have done something. But the Senator also must realize that to produce the material he talks about would require vast quantities of power. As I stated earlier in the evening, that argument reminds me of the man who planned to get rich. He bought a pair of muskrats and a pair of cats——

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. KILGORE. I will not yield at this time.

Mr. HICKENLOOPER. I will say to the Senator that he told the story a few moments ago, and I heard it.

Mr. KILGORE. I was afraid the Senator from Iowa had not heard it, because I do not think he would have asked the question he did if he had heard that story. If the Senator can show me how to operate Oak Ridge without power, he can also show me how to set up a perpetual motion machine. He will take the power produced and produce more uranium. Then he will use the uranium to produce more power, drain off the excess, and operate powerplants.

> We know that the Russians have over 400 submarines which will be utilized to the maximum extent possible.

But that is not all Admiral Schindler had to say.

> Since our harbors are more crowded in wartime—

He pointed out—

> it doesn't take much imagination to think of the chaos which would result if our harbor defenses were penetrated. From an attacker's point of view, the targets would be very lucrative. A hit on a loaded tanker or some other ship carrying an explosive cargo would produce devastating results.

Now let me say that Admiral Schindler is no novice at this business of war. A native of New Glaris, Wis., he was graduated from the Naval Academy in 1921 and participated in just about every type of naval activity during the peace years. After the war broke out in December 1941, he became gunnery officer on the staff of a southern Pacific task force.

Admiral Schindler decided that he could better learn enemy tactics from an SBD dive bomber than from the control tower of the carrier to which he was attached, so he got himself assigned as

rear seat gunner on an SBD for the *Yorktown's* famous attack on Tulagi Harbor. In the battle of the Coral Sea he personally accounted for at least one Jap Zero. He flew most of the sorties supporting the Guadalcanal campaign off the deck of the *Saratoga*, to which flattop he was assigned after the *Yorktown* went down at Midway.

In addition, Admiral Schindler is an authority on mine and submarine warfare. He knows how vulnerable our ports would be in a war of snorkel submarines and jet propelled aircraft. He also knows that these war machines can cut off our supply routes either by direct attack or by sowing mines. These mines can be laid by the submarines themselves or they can be parachuted down from aircraft.

Now is there anyone among us who would choose to ignore Admiral Schindler's warning? When this experienced naval authority explains that Russia's underwater craft outnumber the prewar Nazi fleet by almost 7 to 1, and when he also explains how our vital ports could be knocked out by the enemy, does anyone wish to take issue with him? Who would be so bold as to contend that we are safe in placing our security on foreign oil regardless of the striking power of a potential enemy?

As I have shown, in the last war we could not bring the oil around our own coastline. Why, then, in the face of the new and most serious threat, would we run the unnecessary risk of sending our tankers across the open sea? In the last war, as a consequence of the tanker sinkings, the lack of fuel in New England and New York held up work in defense plants, closed schools, churches, and office buildings, and brought blackouts to entire communities.

Our President, Secretary of Interior, and State and local authorities warned that oil burning equipment should be converted to coal as soon as possible. Fortunately, we did have time to convert during that war, and the coal and railroad industries had sufficient notice to be able to expand their activities to the required capacity. From 1938—the year before Hitler moved his troops into Danzig and set off the explosion that was World War II—through the year of our invasion of the Continent of Europe, the demand for bituminous coal in the United States increased by 75 percent. If the industry had failed to provide these needed supplies, there is no way of knowing how long the war may have been prolonged.

I still remember when that great former Senator from California, Hiram Johnson, called me on the telephone in 1942, and asked me if we were trying to freeze him to death. I said, "What is the matter?"

He said, "I cannot get any grate bars for my furnace. Somebody has converted the heating system to oil, and I have lost the grate bars. I am about to freeze to death."

I had a friend in West Virginia who had a little foundry, and we sent a set of grate bars to his home in California, and former Senator Johnson was able to live comfortably in his advanced age.

At the present time when we are admonished to be prepared for an all-out effort immediately after the signal is given, we would not be in a position to say to the coal industry and to the railroad industry: "Reopen your mines and start building freight cars, because within the next year or so we are going to need much more coal than we are using at the present time." No; these increased supplies would be needed at once, and not to foresee these circumstances during this international crisis is to neglect our people and our country.

For anyone who imagines that the increased fuel supply required in an emergency could be provided by our domestic petroleum industry, let me assure you that this idea has long ago been dispelled by some of the leading members of the American petroleum industry. I shall quote from just one of them. The following are excerpts from a speech made early this year by Walter S. Hallanan, president of Plymouth Oil Co. and Republican national committeeman from the State of West Virginia, in reference to foreign oil:

> Much of this cheap, wasteful, and unrestricted production is flooding the American market and destroying the jobs and opportunities of thousands of persons engaged in the production of hydrocarbons, both solid and liquid. It is my considered opinion that if continued without restraint, it will eventually so weaken the domestic industry that our country may be unable successfully to defend itself against aggression. We do not want America to be made a dumping-ground for foreign oil that could destroy a great national industry * * *.
>
> Let me repeat today what I have said a hundred times in the last 10 years, and let me reiterate it with all the emphasis at my command: There is no security in foreign oil. The only security we have with respect to oil lies in adequate reserves and productive capacity here at home. And even these are next to worthless unless we have a strong and healthy industry ready to develop and produce these reserves very quickly.

I may say that this is not a coal man talking. This is not a Democrat talking. This is Mr. Republican in West Virginia talking. He is the president of an oil company, and is also the head of the Oil Institute. He said there is no security in foreign oil.

As a matter of fact, in a war of any great duration not only would we need coal to supply its present markets, the markets now being usurped by foreign residual oil, and whatever other market could be converted to allow all the higher grade petroleum products to be used for fueling the war machine, but it is quite likely that we would also need coal for the production of liquid fuels.

The Senator from North Dakota [Mr. LANGER] called attention to the 27½-percent depletion allowance on oil. That provision was written into our tax laws to develop American oil, American supplies close at home, not to take care of Arabian oil or Venezuelan oil. It was enacted to cause our operators to develop more oil reserves in the United States and its immediate vicinity. It is being abused, and the coal industry is suffering from that abuse.

Back almost two decades ago Germany built 12 coal-hydrogenation plants on an experimental basis, and shortly found a vital need for them. These plants were eventually to supply 85 percent of the aviation gasoline, along with diesel fuels, fuel oil, and lubricating oils, used by the Nazi machine in the final months of the war.

In fact, those coal plants were the sinews of war for Germany when we closed in and blocked her off from foreign oil. They even made lubricants out of coal.

Most fuel authorities acknowledge that synthetic gasoline and other liquid fuels will be derived from coal on a commercial scale in this country in the not too distant future. The Government conducted a research program under the Bureau of Mines at Louisiana, Mo., and produced quantities of excellent petroleum products from coal, so there is no question about our ability to do it. The price factor alone is responsible for the delay in the creation of the synthetic fuels industry. But price is not considered in wartime and, with foreign fuel cut off and the domestic petroleum industry taxed to the limit, we might very well utilize this method of obtaining supplementary gasoline supplies.

Senators may have heard of our coal-hydrogenation plant at Institute, W. Va. It was built by the Carbide & Carbon Chemicals Co., for the production of chemicals from raw coal. The coal is pulverized and combined with hydrogen under extreme pressure, as opposed to the traditional method of producing coal chemicals through carbonization, in which the chemicals come from vapors and tar distilled in ovens where the coal is baked without air to make coke.

The hydrogenation plant offers a wide flexibility of products and the yields can be varied considerably in accordance with the product needed. In peacetime the plastics, rubber, dyestuffs, perfume, paint, and synthetic detergents industries are among those depending upon an adequate supply of coal chemicals. When the need for synthetic fuels arises, the hydrogenation process can be switched largely to the production of gasoline and other such products. Those are some of the many products we get.

The necessity of producing gasoline from coal during an all-out war is a very distinct possibility, but even without it there is no question about the tremendous increase in coal production that would be required in a full mobilization effort. It is, therefore, the unequivocal responsibility of the Congress of the United States to provide protection to the coal industry from any outside forces that may threaten its wartime capacity. For that matter, the Congress is similarly responsible for preventing the unnecessary destruction of an industry which provides a livelihood for some 400,000 American men and their wives and children.

There is a simple solution to the coal industry's most pressing problem, Mr. President. To provide the industry with a chance to reverse its downward trend, to give our miners an opportunity to return to work, to give their families new hope, to bolster the Nation's industrial strength, and to remove what is literally a security risk from a war production

program; these conditions may be realized if this administration is willing to permit compassion for our people to supplant political consideration, and if it is willing to challenge the tactics of international oil profiteers in order that our national security may never be challenged.

That solution is in the establishing of a quota limitation on the amount of residual oil that may be shipped into this country from foreign refineries.

Our reciprocal trade program was intended to build a more prosperous America while reviving the economies of our prostrate friends across the seas. It was not designed as an instrumentality for enabling the rich to get richer at the expense of American workers. During the 1950 hearings by the Senate subcommittee studying causes of unemployment, my distinguished colleague from West Virginia [Mr. NEELY], who was chairman of that subcommittee, elicited some shockingly interesting information from a number of witnesses. It was established that hired hands of importing oil companies had been farmed out to the State Department and were primarily responsible for the policies that invite cheap residual oil to be dumped on the United States fuel market.

The propagandists for those same companies are now engaged in the campaign that professes to delude the people of this country into believing that any limitation on residual oil imports would actually jeopardize our relationship with oil-producing nations. Aiding in this campaign of deceit are the paid agents of foreign governments and of such alien organizations as the Venezuelan Chambers of Commerce. They would have you believe that it is unpatriotic for an American to provide protection for this Nation's welfare and security. They preach that to restrict residual oil imports would bring hardship to oil-rich Venezuela. The fact is that there is not a scintilla of truth in either of these claims.

In the first place, how can any reasonable person object to our taking steps to remove poverty and destitution from our land? Or to enact laws necessary to the defense of our country? Certainly you and I do not resent Venezuela's own policy of protecting her industries and her people from excessive imports.

On March 16 of this year the Senate Committee on Banking and Currency issued an interim report based on a study of the operations in Latin American countries of the Export-Import Bank and the International Bank and their relationship to the expansion of international trade, pursuant to Senate Resolution 25, 83d Congress, 1st session. The following excerpts are so pertinent to this whole matter of our trade relationship with Venezuela that I wish every Member of the Senate would peruse them carefully:

> Venezuelan Government policy has constantly favored industrialization as a means of lessening the Nation's dependence upon petroleum. This policy has resulted in the establishment of a number of new industries in recent years, fostered by high import duties. The Venezuelans feel that such protection is necessary because of the country's extremely high-cost economy. * * * Among some of the industries that are protected by the Venezuelan tariff are textiles, wearing apparel, rubber tires, fats and oils, confectionery, paints, metal furniture, crackers, canned fish, tomato products, and powdered milk. * * *
>
> Import duties produce the third largest revenue return to the Venezuelan Government. In reality, the import duties substitute, to a certain extent, for direct taxes, since the administrative collecting system in the interior of the country is imperfect. Consequently, it is more convient to concentrate the collection of revenues in the ports of the country. * * * Import licenses are used as a protective device to assist local agriculture and industry. Thus licenses for some products are issued on the condition that the importer purchase locally a certain percentage of the same product imported.

Those concepts need no interpretation, but I shall include two news reports in implementation of this information.

First, the following item is from the New York Times of last February 1:

> Criticism of restrictive tariffs, concentrated lately on this country, was turned on Venezuela yesterday by the Commerce and Industry Association of New York.
>
> In a letter to the State Department, the organization charged Venezuela with continuous tariff increases with the effect of banning many American products. Joseph A. Sinclair, association secretary, urged the Department to take action to have the trend reversed.
>
> Mr. Sinclair, who is director of the association's world trade department, recalled that Venezuela had "raised a furor" last year over a bill in Congress which would have curtailed Venezuelan oil imports. The association and many others in this country, he said, had opposed this threat to Venezuela's major export.
>
> Noting that the bill probably will be reconsidered this year, Mr. Sinclair declared that "Venezuela's current restrictive policy is ill advised from a public relations standpoint." Manufacturers and exporters who had actively opposed the measure last year "will not be so eager this time," he added.

That meant so much, too, because it was at a time when we were being told in Senate committees that we were going to collapse the economy of Venezuela if we in any way restricted the importation of residual oil from Venezuela.

> Venezuelan duties on many items such as textile piece goods, men's clothing, shirts, and the like already have been raised 100 percent or more in the last year, Mr. Sinclair wrote. It is understood, he said, that Venezuela is considering increased rates on women's apparel. This was described as one of the principal United States exports to that country.
>
> Mr. Sinclair said one of the primary reasons for American trade-group opposition to Venezuelan oil curbs was the recognition that such restrictions would seriously weaken a major export market. It is now felt, he added, that the United States Government has a valid reason for protesting what amounts to a ban on American goods.
>
> Copies of the letter are being sent to principal chambers of commerce in Venezuela.

And here is a statement on the subject of import controls from Business Information Service, World Trade Series No. 512, January 1954, United States Department of Commerce:

> Prior import licenses must be obtained from the Ministry of Development (Ministerio de Fomento) for the importation of certain goods including: wheat flour; potatoes; copra; onions; garlic; rice; powdered milk (for free importation); frozen and refrigerated poultry; all meats, except canned; live cattle; fertile eggs; baby chicks; vegetable oils and oilseeds; tallow; cloth of artificial silk, pure or mixed; cotton cloth; cotton cloth decorated or mixed with silk; cotton cloth mixed with hemp or jute; cloth of wool or goat hair; cloth bags of fique or henequen; cordage; footwear, finished or partly finished, except bathing and ballet shoes; unmanufactured tanned cattle hides; cardboard on bobbins used for the manufacture of accounting-machine cards; asbestos-cement sheets and pipes; white paper without glue or gum, uncalendered, weighing more than 50 grams per square meter, to be used for printing newspapers, magazines, and books of a cultural nature, and for white dull-finish paper weighing more than 60 grams per square meter, destined for the same uses; portland cement; prefabricated buildings; unassembled passenger cars, and rubber tires and tubes.

Despite all this evidence of import restrictions on the part of the Venezuelan Government, we are constantly charged with being unfair in our desire to limit the residual oil imports that are destroying our coal industry and creating mass unemployment in this country. These attacks are, of course, inspired by corporations with oil operations in Venezuela, for surely no one who is aware of Venezuela's own trade philosophy would deny us the right to make similar demands in order to provide for the welfare of our own people.

As for the assertion that a restriction on residual oil imports would seriously affect the oil boom which is now bringing the Government of Venezuela something like $1 million a day in royalties, I assure you that such an eventuality is out of the question. Residual oil is produced without a cost tag and is transported to the United States without regard to actual transportation charges. Refineries normally account for their operating costs and base profits through the sale of gasoline and other higher grade products. That is why residual oil can be sold at as low a price as is necessary to get rid of it.

Venezuela produced 3 percent less crude last year than in 1952, but that decline was not reflected in shipments of residual oil to this country. On the contrary, the amount of residual oil dumped on our shores was increased by some 3 million barrels.

That increase—from 133 to 136 million barrels—offers a clue to the operations of the consortium of intrigue against the coal industry. It demonstrates the determination of the conniving oil importers to carry out their program of creeping monopolism in east coast fuel markets. With Venezuelan production off, there was every reason to expect a proportionate ebbing of the flood of residual that originates in South America and sweeps into the Atlantic seaboard. But the greedy importers, in their conspiratorial drive against coal in coastal areas, insisted on increasing the volume of the tide that has inundated the industrial markets traditionally served by the coal industry. Those companies could peddle their residual oil to other parts of the world, just as they are

doing with most of their better-grade products. They could, as a matter of fact, dispose of a quantity of it right in neighboring South American countries. But no, they choose to dump it in the United States, and as a consequence Red Russia is now shipping oil to at least one of Venezuela's South American neighbors.

Quite obviously, the oil importers expect to continue to flood their way into this country so as to demoralize completely the coal industry and whatever competition it might be able to offer in the coastal markets. Then, once this squeeze is successfully executed, the importers will be free to kite their prices to whatever extent their greedy corporate souls demand. That is the history of monopolies—to crowd out competition and then begin to enjoy the harvest. In this case the trend will be halted only by congressional action. The one other factor that could intervene would be total war, which we all pray will never be forced upon us.

What do we do about this situation, Mr. President? The administration has asked that the status quo be maintained until after the November elections. I commend to you a reconsideration of this entire matter before we go home. I make this appeal in the name of thousands of unemployed American workingmen, in the interest of equitable standards of competition, and for the sake of our national security.

Mr. President, while some day atomic energy may take the place of coal in the production of power, steel cannot be made without coal. Coke cannot be made without coal, although one variety of coke is made from crude oil, but it can be used only for electrodes. It cannot be used in the production of steel. It cannot be used to make pig iron or to make aluminum. Those are the things upon which we rely for our defense. The coal industry must be kept running. A coal mine cannot stand idle. Every day it stands idle it deteriorates. For that reason I think the time has come when Congress should make a reappraisal of our foreign policy. It should look at the tax on foreign oil and also should examine into the matter of limiting the amount of oil coming into this country.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KILGORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. KNOWLAND. Mr. President, I object.

The PRESIDING OFFICER. The Senator from California objects. The clerk will continue with the call of the roll.

The Chief Clerk resumed and completed the call of the roll, and the following Senators answered to their names:

Aiken	Bowring	Butler
Anderson	Bricker	Byrd
Barrett	Bridges	Capehart
Beall	Burke	Carlson
Bennett	Bush	Case
Chavez	Humphrey	Morse
Clements	Ives	Mundt
Cooper	Jackson	Murray
Cordon	Jenner	Neely
Crippa	Johnson, Colo.	Pastore
Daniel	Johnson, Tex.	Payne
Dirksen	Johnston, S. C.	Potter
Douglas	Kennedy	Purtell
Duff	Kerr	Reynolds
Dworshak	Kilgore	Robertson
Eastland	Knowland	Russell
Ervin	Kuchel	Saltonstall
Ferguson	Langer	Schoeppel
Flanders	Lehman	Smathers
Frear	Lennon	Smith, Maine
Fulbright	Long	Smith, N. J.
Goldwater	Magnuson	Sparkman
Gore	Malone	Stennis
Green	Mansfield	Symington
Hayden	Martin	Thye
Hendrickson	Maybank	Upton
Hennings	McCarran	Watkins
Hickenlooper	McCarthy	Wiley
Hill	Millikin	Williams
Holland	Monroney	Young

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, I should like to make an appeal to reason addressed to the Members on both sides of the aisle. We have had the atomic-energy bill under debate for a period of 9 days. We have completed one around-the-clock session, and we are now engaged in another around-the-clock session. I think every Member of this body knows that this proposed legislation will not be laid aside for any other bill, and we shall complete action on it, whether it be favorable or unfavorable, as may be the determination of the Senate before we proceed to the consideration of any other bill. The Senate faces a heavy schedule, including the foreign-aid authorization bill, which is the next on the list, to be followed by the very important farm bill, proposed legislation which is coming from the Senate Finance Committee, dealing with social-security coverage, appropriations for foreign aid, a supplemental appropriation bill, and a number of additional bills of State, local, and regional importance, all of which are being jeopardized by the filibuster now in progress. I remind the Senate that there is involved a question of fairness to the employees of the Senate, who have been required to work long hours, the Official Reporters who take down the debates and prepare the copy for the CONGRESSIONAL RECORD so that we may have it as we leave our homes in the morning, our secretaries, our clerks, our Parliamentarians, our pages, and all the other employees. Even though there may be only a single Senator on the floor of the Senate of the United States, the entire employee setup in the Senate must be maintained while the Senate is in session.

Moreover, there are 96 Members of this body who have worked long hours and diligently. They have given of their service, whether they be on the Democratic side of the aisle or on the Republican side of the aisle. They are trying to the best of their ability, to serve their country in an hour of great danger, when there have been tremendous Communist advances in the Far East. No man is wise enough to know the problems which may be facing our country in the months immediately ahead. The President of the United States today is probably carrying a heavier burden than any President has carried in the peacetime history of our Nation. Problems constantly multiply in the tremendously important office he occupies.

This Congress has had an excellent record of accomplishment on legislation up to this time. I have said publicly before, and I repeat publicly now, that record of accomplishment could not have been attained had it not been for the excellent cooperation of our colleagues on the Democratic side of the aisle and of the Democratic leader, the Senator from Texas [Mr. JOHNSON]. There has had to be teamwork on many of the great problems. They are not narrow partisan problems; they are American problems that require an American solution.

I call attention to the members of the press and radio gallery, who, as long as the Senate is in session must also be present in order to cover the events happening in what is supposed to be the greatest deliberative body in the world.

At a time when human freedom is being challenged all over the world, it seems to me we should maintain the dignity and the honor of the Senate of the United States. It seems to me it becomes more or less of a spectacle when a few men, using the weapon of a filibuster, can prevent the great Senate of the United States from taking action, and can prevent not only the bill now before the Senate from being passed, but a whole list of other bills important not only to the Nation, but to other countries, if we are to maintain a free world of freemen.

I have mentioned the fact that we are holding Senators here. I think we owe an act of courtesy to the Members of the other body. There are 435 Members of the House. They are rapidly completing their legislative program. They are about ready to adjourn sine die, on July 31st even if the Senate is not. It seems to me it is hardly fair to 435 Members of the House that we should tie them up and hold up their adjournment for perhaps a week or 2 weeks because a half dozen Senators may be able to block 80 or 85 other Members of the Senate, representing sovereign States of the Union, and prevent the Senate from functioning as a legislative body.

I repeat, I appeal to reason. It seems to me there should be a reasonable solution of the problem which confronts the Senate. So, in a desire to be helpful, I offer the following suggestion: A number of amendments are pending, and they are on the desks of each Senator. It makes very little difference the order in which they are called up. Presumably, Senators who offered the amendments must have thought they were important, or else they would not have offered them, unless they were offered in pursuance of purely dilatory tactics.

I suggest a unanimous-consent agreement regarding each amendment as it is called up in turn. As an example, there is pending before the Senate an amendment offered by the Senator from Minnesota [Mr. HUMPHREY] designated as 7-16-54-L. There has been some discussion of the amendment.

Mr. President, I propose the following unanimous-consent request, and I ask the clerk to read it for the information of the Senate.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). The clerk will read the proposed unanimous consent agreement.

The legislative clerk read as follows:

Ordered, That any debate on the amendment (7–16–54–L) to S. 3690 submitted by the Senator from Minnesota [Mr. HUMPHREY], including any amendment or motion submitted thereto, shall be limited to not exceeding one-half hour, to be equally divided and controlled, respectively, by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. I wish to inform the Senate that I offer that unanimous-consent request on behalf of the minority leader and myself. I merely put the time element in that request as an example. If the able and distinguished Senator from Minnesota, who has offered a number of amendments, feels that a half hour, which would be 15 minutes on each side, would not be sufficient time to debate the merits of the amendment—as I say there has been already sufficient discussion of it—I would not object, because none of us are infallible. I would be inclined to rest on his judgment as to what he felt would be a fair amount of time to debate the amendment. Then the Senate could proceed to debate it. There is now a large attendance of Senators. If such a unanimous-consent agreement is entered into at this time, we shall continue to witness a large attendance, instead of merely having Members available in order to have a quorum, while another Senator or group of Senators can keep the others from acting. If such an agreement is reached, the other Senators will come to the Senate floor. It seems to me those who want to enter the debate would secure a better audience under such circumstances, and if they are interested in the merits of their proposals, they would not be talking to an empty Chamber.

It seems to me I have made a reasonable proposal. If Senators deem they need a little more time, I would not object to making the time 45 minutes. I think that amount of time would be adequate for this particular amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Minnesota.

Mr. HUMPHREY. First of all, may I say it is my desire to cooperate. I realize the burden of the majority leader's office. I also realize the heavy load of the agenda. However, I wish to call attention to the fact that the hearings were printed on July 9. The hearings and the report were put on our desks on July 13. The debate started on July 14. The bill comprises 104 pages. Some of us were completely uninformed as to the contents of the bill. In the main, debate on the bill has been germane. The majority leader may call it what he will—filibuster, delaying tactics, or debate. It is my desire, and I am sure it is the desire of other Senators, that we proceed to amend the bill to the best of our ability, recognizing that at times we win and at times we lose. Without any further ado, I may say I am interested in taking action on my amendment. I am not interested in ascertaining the individual capacity of different Members of the Senate to outdo each other in physical endurance. I say to the majority leader I am very happy to accept his request on my particular amendment, which is the amendment designated "7–16–54–L." I understand that his request is limited to that particular amendment.

Mr. KNOWLAND. The Senator is correct; and I think he has made a very fair statement, and one which will expedite the business of the Senate, and I hope his example may be followed by other Senators.

Mr. HILL. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. HILL. Reserving the right to object, I wish to say first I sharply disagree with my distinguished friend, the majority leader, in his use of term "filibuster." [Laughter.]

There has been no filibuster. There has been a debate on a very important bill, a bill of such vast consequences, of such vast potentialities, that those of us here tonight cannot know what the effects may be, not only as regards our country in time of war, but as regards our peacetime economy and the life of our country. We have proceeded. There has been a very hotly contested issue before the Senate. The debate on that hotly contested issue has been germane. There have been very few statements that I recall that were not germane. I refer particularly to the provision in the bill with reference to the Dixon-Yates proposal, or the TVA–AEC question. The time was consumed by both the proponents and the opponents——

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. HILL. I was about to say——

Mr. KNOWLAND. I think I have the floor, but I should like to interrupt the Senator from Alabama, and I then shall yield to him further, because it is the desire of the majority leader to extend every courtesy to Senators. We have a common problem facing us in the legislative duties of a great assembly such as the Senate of the United States. I want to make it perfectly clear, so that no one will be under any misconception, I would not propose that debate on each amendment be limited to the brief time which I have proposed. I suggested that time as to the amendment offered by the Senator from Minnesota because it is a rather short amendment and because it has been debated.

It may be that when a more complicated amendment is to be debated the time for the debate should be extended to an hour, an hour and a half, or 2 hours. I suggest that that is sufficient time for reasonable men who are interested in working out a common problem. I am not suggesting to the Senate that the debate on each amendment be limited to a half hour, but I am interested in expediting the public's business.

In this day and age, when free institutions are being challenged all over the world, when people behind the Iron Curtain have been told that free institutions and representative bodies cannot function, I think we have a responsibility to demonstrate to the people of the United States and the people of the world that this, the greatest deliberative body in the world, can function with regard to the public's business and not be tied up without being able to cast a vote.

Mr. HILL. Free institutions were in jeopardy when the Senate spent 5 weeks debating the Bricker amendment. It was a germane debate, and a very good one. I take no exception to it. Free institutions have been at stake many times when the Senate, recognizing the tremendous importance of the question before it, has seen fit to meet its responsibilities and discharge its duties by having adequate debate.

As I said, yesterday the Senate discussed the very sharply divided question with reference to the TVA–AEC. This afternoon we voted on the Johnson amendment, which was also an amendment of very considerable magnitude——

Mr. KNOWLAND. Mr. President, will the Senator yield at that point and permit an interruption?

Mr. HILL. I yield.

Mr. KNOWLAND. Would the Senator from Alabama be interested in knowing, and I believe my statistical information is correct, that we have already spent on this particular bill more time, and have taken up more pages in the CONGRESSIONAL RECORD, than on any other bill, including the Bricker amendment proposal, which has been before the Senate during this session?

Mr. HILL. That may be true because the majority leader has seen fit to keep the Senate in session such long hours. I think the majority leader must admit, and surely we all know, that when the Senate is kept in session around the clock, as we have been kept in session on this bill, the debate will not be of such a quality as is conducive to exploring the different questions involved and presenting the different issues adequately and arriving at sound conclusions and judgment, as would be the case when the Senate is sitting on more or less regular schedule and a lesser number of hours each day.

What I was going to say is that the distinguished Senator from California knows that the Senator from Oregon has objected to any limitation of debate on the bill. The distinguished Senator from Oregon was here just a few minutes ago——

Mr. KNOWLAND. The Senator from Oregon is here now.

Mr. HILL. I see he has come on the floor, but when I arose he was not on the floor.

Certainly in his absence and in the absence of many other Senators, the request should not be granted at this time of the night. Had the request been made this afternoon immediately after the vote on the Johnson amendment, when other Senators were present, the situation might have been different.

Mr. KNOWLAND. Mr. President, let me say to the distinguished Senator from Alabama, for whom I have a very high regard, as I do for his colleagues on that side of the aisle, that the reason

the Senator from California insisted on the continuation of the quorum call was that he had not seen the Senator from Oregon in the Chamber at that time, and he wanted the quorum call to be completed so that, first, we could demonstrate that a quorum was present, and secondly, for the benefit of any Senators who were not in the Chamber, so as to allow them an opportunity to come to the Chamber.

Mr. HILL. The Senator knows that it is now 15 minutes after 10 o'clock. A quorum means only a majority of the membership. It does not mean that all 96 Senators are present.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HILL. If Senators who are not present had any idea that the Senator from California would make such a request, they might have been present. If the request had been made earlier, I think we might have had an entirely different situation.

Mr. KNOWLAND. I make an earnest plea to my friend from Alabama and I do so in the utmost sincerity. He knows of the important legislation which is to follow this bill. The farm bill is important to his great State of Alabama. Other legislation is pending. He has always been interested in the problems of international affairs. We have for consideration the foreign-aid proposal, which may mean life or death to certain free nations. I plead with the distinguished Senator that he at least permit us to try out the suggestion. It is an experiment. The author of the amendment is the Senator from Minnesota [Mr. HUMPHREY], a conscientious Member of this body. He is willing to accept the proposal, which is an experiment. There may be a number of other amendments which will not be controversial. If we can get those out of the way, we shall have made some progress. If a more complicated amendment comes up for consideration and I suggest that an hour or 2 hours be allowed for its consideration, the distinguished Senator may say, "No; I think we ought to debate that amendment for 3 or 4 hours." That would not be unusual in connection with the normal course of events in regard to unanimous-consent requests.

I would not press my views against those of the Senator. He has been a Member of this body for a longer period than I have. But, as one having the responsibilities of this chair, I plead with him that if we are to transact the business of the public we must be able to consider the various amendments and vote upon them, either by voice vote or yea-and-nay vote. There may be a number of amendments which are not very controversial. We could call this one up first. Word could then be sent out to Senators who are not now present, and they would have an opportunity to reach the Senate Chamber before the Senate voted on any crucial amendment.

I hope the distinguished Senator from Alabama will permit us to go about the business of the Senate in the manner suggested.

I yield now to the Senator from Minnesota [Mr. THYE], and then I wish to yield to my friend from Alabama.

Mr. THYE. Mr. President, I wish to say to my distinguished friend from Alabama that if he will look on our side of the Chamber he will see that there is a fine attendance of Republicans.

Mr. HILL. That is one thing I am complaining about. [Laughter.]

Mr. THYE. If my friend from Alabama will be patient for a moment, I want him to observe our fine attendance. I want him to know that we had an excellent attendance here last night, when quorum calls were made. I wish to say to my distinguished friend from Alabama that we are eager to proceed with legislation. We have not denied those on the other side of the aisle the right to discuss issues. That is one reason why Senators were here last night in goodly numbers, and that is the reason why we are here tonight.

Mr. KNOWLAND. Mr. President, I should like to say to the Senator from Alabama—and he can take my word for it or not—that in the 9 years I have been a Member of this body I have tried never to deceive the Senator or any other Member of this body.

I believe I can truthfully say that between 95 and 98 percent of the Members on this side of the aisle did not know what I was going to propose until I rose on the floor of the Senate tonight and proposed it. I proposed it at the very instant he heard it. The only Senators who knew of it in advance were a few, such as the Senator from Michigan [Mr. FERGUSON], who is present and the Senator from Iowa [Mr. HICKENLOOPER], who is in charge of the bill. I told them about it just a few minutes before I made the proposal. The Senator can believe that or not, but I say to him, on my word as a United States Senator that that is a fact.

I wish also to say to the distinguished Senator——

Mr. HILL. Mr. President, will the Senator yield for just a moment?

Mr. KNOWLAND. Yes; I will.

Mr. HILL. I would not——

Mr. KNOWLAND. I have the floor. Let me say this to the Senator: last night we tried to keep a quorum present. I have no great objection, if Senators are playing a game of delaying or filibustering or anything else. Certain Senators engaged in it can perhaps go home and go to sleep, and it is up to the other group to maintain a quorum. But I feel that under all the circumstances, with this very heavy burden, I have made a reasonable proposal, and I plead with the Senate not to object.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HILL. Of course, I accept what the Senator from California has said about not letting Members on his side know that this particular proposal was to be made. However, I rather judge that they had been impressed with the fact they should be here tonight.

Mr. KNOWLAND. They were also impressed with the necessity of being present last night, and every other night. It is highly desirable that they be here every night for the next 10 days, if necessary.

Mr. HILL. I do not question the Senator's statement that he did not tell them he was about to make this particular proposal, but I dare say that he had impressed upon them that they should be present and be in their seats.

Mr. MORSE rose.

Mr. HILL. Does the Senator wish to ask me a question?

Mr. MORSE. I do not have the floor.

Mr. HILL. I should like to say to my distinguished friend from California that I know what his problem is. In some years past I have had the privilege and honor of temporarily sitting where he now sits, when I was acting leader. I know his very natural desire to get on with the program. He has a job to do and he wants to get it done as soon as possible. But I must say to him that at this hour of the night, with so many Senators absent at this time——

Mr. KNOWLAND. The Senator from Alabama knows that it has not been a top secret that we were to have a night session.

Mr. HILL. No; it was not a top secret that there was to be a night session, but there was no intimation whatever that this request would be made at this time of night. Surely without the presence of Senators who are absent, and without an opportunity to advise them as to this request, I have to object to it, and I do object.

The PRESIDING OFFICER. Objection is heard.

Mr. KNOWLAND. Mr. President, of course the Senator is entirely within his rights. I respect the rules of the Senate. I realize that men far wiser, perhaps, than any of us assembled on this floor had reason for each of the rules they placed in our rule book, in order to be able to carry out the orderly procedures of the Senate.

I say this in good humor to my friend. He and I have been friends over many years. We shall continue to be friends. I had only hoped that, because of the circumstances facing the country and the Senate, all Members of this body might be able to see the merit and the equity in the proposal which I have made.

I say more in sorrow than in anger that I regret that my good friend has seen fit to object. I hope when I make another such request, which will be forthcoming, that perhaps the distinguished Senator will have had an opportunity to confer with some of his able colleagues, and perhaps at that time he will be more lenient toward the man who was called rather unexpectedly to fill this post.

Mr. HUMPHREY. Mr. President, I suppose the Senator thought that if we were to proceed with this amendment it might very well be adopted in much less than 15 minutes, and we could proceed with other business of the Senate.

As I understand this proposal, it pertains to one particular amendment, and we could proceed with individual amendments as we go along.

Mr. KNOWLAND. I think that is a practical solution. I had hoped that we might adopt the Senator's amendment, and that perhaps there might be others

we could call up and adopt in an orderly manner.

There are many citizens in the galleries, including schoolchildren, who are observing the proceedings of this great deliberative body. I hope we may show them how the Senate can function as one of the last great free institutions in the world.

Mr. HUMPHREY. Mr. President, I think the point needs to be made, in view of the colloquy which has taken place, that we are debating possibly one of the most important bills that has ever been before this Congress, at least in recent months. We are debating the basic revision of the McMahon Act, the Atomic Energy Act.

A number of us in the Senate sincerely believe that this revision is of such far-reaching consequences that it deserves the most meticulous consideration by Members of the Senate.

I have listened to some of the speeches that have been made. While it was not my privilege to listen to all of the speech of the Senator from Rhode Island [Mr. PASTORE], I think anyone reading the RECORD will find it to be one of the most penetrating and provocative speeches made in the Senate for many a year.

I have also had the privilege of listening to the address of the Senator from Tennessee [Mr. GORE], or at least to a portion of it, on the licensing section of the bill. I have had the opportunity to discuss that particular section at length.

I have listened to the comment, and also read the speech of the Senator from New York [Mr. LEHMAN] on international aspects.

I could point out section after section which is highly controversial, and, moreover, is basic and fundamental to the economic wellbeing of our country.

I was willing to accept the proposal with respect to this one amendment, because it seems to me, as the majority leader has said, that it is an amendment which is pretty well understood. We have been able, in 24 hours, to dispose of three amendments. The Anderson amendments was defeated. The Johnson amendment was adopted. An amendment which I offered earlier this evening was accepted.

I say that we can take this amendment. I have discussed it with the Senator from Iowa [Mr. HICKENLOOPER]. I believe it is not one that is going to stir up a tempest in this body. It is an amendment which applies pretty much to the basic context of what has already been adopted, in terms of the Johnson amendment, section 45.

I feel that we could then proceed forthwith to consider other sections. But when we come to that point of the bill known as the licensing section, Senators ought to be aware of the fact that a number of Senators are concerned about it. I wish to cooperate. I have told the majority leader that I have no desire to see the Senate tied up indefinitely on this particular measure.

No Member of this body is more interested in social security legislation, farm legislation, or mutual security legislation than is the junior Senator from Minnesota. There is no rule of the Senate which would deny us the opportunity to lay the pending bill aside if we wished to consider the farm bill. Such a procedure has been followed again and again and again. I have been in this chamber when measures have been laid aside for weeks at a time in order to allow the Senate to proceed to the consideration of some other measure. It can be done now, if we wish to do it. Personally I believe that we can complete consideration of the bill if we keep at it, and that we can arrive at an acceptable bill.

I wish to vote for an atomic energy bill which will permit licensing private developers of atomic energy for electric power purposes but I do not want to vote for a bill which emasculates all the rules and regulations of Federal power policy for the past 48 years. I will not do so. I may make concessions in connection with a particular amendment, but I will not vote for a measure which I honestly believe does not fulfill the requirements of public responsibility.

Mr. KNOWLAND. Mr. President, I suggest to the distinguished Senator that he has made a practical suggestion. The particular amendment to which he refers is not of a controversial nature, I believe. The Senator from Iowa [Mr. HICKENLOOPER] may feel disposed to object to it. The Senator from Minnesota is in favor of it. Let us discuss the merits of that amendment, and perhaps, if we can keep the atmosphere of the Senate cool this evening, if we do not permit it to become heated, as reasonable men on both sides of the aisle perhaps we can solve our problems one by one. We can not solve them all at once. We can take up only one amendment at a time.

Is the Senator's amendment the pending question?

Mr. HUMPHREY. It is.

Mr. KNOWLAND. I suggest that he make his statement regarding it. Then it can be debated, and we can see what progress it is possible to make.

Mr. HUMPHREY. That is a practical suggestion. I have a warm affection for the majority leader. I wish to proceed. If I have the floor, I will now proceed.

Briefly, the pending amendment affects subsection (c) of section 182 of the bill, which is entitled, "License Applications."

What the amendment does is to have the language apply to that part of the license section which pertains to the licenses on electric powerplants or atomic energy plants. The amendment applies to the subsection which reads:

> The Commission, in issuing any license for a utilization or production facility for the generation of commercial power under section 103, shall give preferred consideration to applications for such facilities which will be located in high cost power areas in the United States if there are conflicting applications for a limited opportunity for such license.

I have explained the amendment to the distinguished senior Senator from Iowa [Mr. HICKENLOOPER]. It would apply to the preference clause as it relates to public bodies or cooperative bodies in a very limited situation. In other words, where there may be a very limited availability of atomic energy for the purpose of electrical generation under the licensing procedure, this amendment would apply. I believe the Senator from Iowa has full knowledge of what I am driving at, and I should like to have his reaction to it.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HICKENLOOPER. Has the Senator offered the modification? We discussed the amendment.

Mr. HUMPHREY. I wish to modify it. The amendment would read as follows: On page 87, line 3, there would be added the following:

> Where such conflicting applications resulting from limited opportunity for such license include those submitted by public or cooperative bodies such applications shall be given preferred consideration.

The language refers back to the language which it amends, namely, that where there are conflicting applications in a particular instance in which there is limited opportunity for licensing, preference will be given to cooperative and public bodies. That refers to a geographical area where there would be a high cost of power.

Mr. HICKENLOOPER. The amendment refers to such situations and provides that where there are conflicting applications, and there is a limited opportunity for license, preferred consideration shall be given to public or cooperative bodies. That paraphrases the language of the amendment, I believe.

I will say to the Senator from Minnesota that I am not personally in favor of this particular amendment, and would vote against it if we were to have a yea-and-nay vote on the floor. However, it carries out part of the idea which was adopted this afternoon in one of the amendments the Senate adopted. I have discussed the amendment with some members of the joint committee. We do not know what action the House of Representatives will take on it. However, after discussing it with other members of the joint committee I feel justified in saying that I shall be glad to accept the amendment and take it to conference. I want the Senator to know, however, that my own feeling would be against the amendment if it were to be made an issue on the floor of the Senate.

Mr. HUMPHREY. I thank the Senator. In taking it to conference, I want it to be clear that what I have tried to do in this amendment is to apply the same yardstick and the same rule insofar as the high cost of electric power is concerned or licenses are permitted to be granted by the Commission as was applied in the Johnson amendment and in the Gillette amendment, the Gillette amendment applying to byproducts, and the Johnson amendment applying to the right of the Atomic Energy Commission to produce its own power.

Mr. HICKENLOOPER. I believe the amendment is clear. It is a supplement to the amendment in which the Senator from Rhode Island is interested, so far as the high cost areas are concerned.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the Senator from Minnesota [Mr. HUMPHREY], as modified.

The amendment as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment and I ask that it be read.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 13, line 3, after "of", it is proposed to insert the following: "Civilian Power Application, a Division of".

Mr. HUMPHREY. Mr. President, in order to discuss this amendment appropriately I should like to read first a few lines from the bill, at page 13:

SEC. 25. Divisions and offices: There is hereby established within the Commission—

a. A Division of Military Application and such other program divisions (not to exceed ten in number) as the Commission may determine to be necessary to the discharge of its responsibilities. Each such division shall be under the direction of a Director who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $16,000 per annum. The Director of the Division of Military Application shall be an active member of the Armed Forces. The Commission shall require each such division to exercise such of the Commission's administrative and executive powers as the Commission may determine.

Mr. President, the language of my amendment would be inserted immediately after the word "of" in line 3, on page 13.

In that way there would be established a division of civilian power application.

It may well be asked what the purpose of the amendment is. Basically, the pending bill is designed to deal with the civilian uses of atomic energy from nuclear or fissionable materials.

It appears to me that what the authors of the proposed act have in mind is to set up a division such as the one the junior Senator from Minnesota has mentioned, but not to specify it as I have specified it in my amendment.

Mr. President, all kinds of licenses will be granted by the Commission. Needless to say, much of the preliminary work will have to be done by a responsible division of the Commission. A number of hearings will have to be held. Obviously there will have to be research and a consideration of the basic needs of the civilian economy in terms of use of atomic energy materials. Those atomic energy materials may be used for many purposes. They may be used for electric energy, to be sure, but also for other purposes. My amendment is a simple amendment. It makes it perfectly clear that, in view of the impact of the proposed legislation and the intent of the proposed legislation, we should designate one part of the Atomic Energy Commission as a division for what we might call civil applications, in which division the Commission would be able to proceed forthwith in licensing and all the other detail that come into that area of activity, and also to have a better organization in terms of the many uses of atomic energy.

I hope that the vice chairman of the joint committee may see fit to consider this amendment. I believe we discussed it previously, and, if my memory serves me correctly, at the time he was uncertain about it, or opposed to it.

In view of the fact that it is contemplated that not more than 10 program divisions will be set up, it seems to me that one program division should be of the kind suggested in the amendment.

Mr. HICKENLOOPER. Mr. President, the Senator from Minnesota is correct in saying that we have discussed the proposed amendment. I told him, when we first discussed it, that I felt we could not accept the amendment for several reasons. In the first place, we have a number of divisions in the Commission, and I believe in those divisions there is sufficient authority already, without creating a new division, to take care of all the needs that would be encompassed in a civilian application operation.

We have a reactor division in the Commission, which is one of the old divisions of the Commission. It has been a very successful division in connection with civilian applications outside of research and development. We have a division which deals with biology, for instance, and another with industrial applications. We have as many divisions as can be properly fitted into the organizational structure of the Commission. I still feel the same way. I have talked to other members of the joint committee and to the staff. We feel, with all due respect to the Senator's amendment, that the setup in the Commission in the various divisions is adequate to handle any ramifications which may arise, and we believe that the Senator's amendment would simply create another division with a higher rated employee and additional employees. We do not think that the establishment of such a division would be warranted.

I hope the Senator, in pursuit of his further inquiry since we discussed the amendment—I am about to say that I hope the Senator can see fit to not press his amendment, on the assurance that I and other members of the joint committee believe that the present organization of the Commission is ample to handle the situation the Senator has in mind.

We hear a great deal of criticism about creating bureau after bureau and group after group. This is one place where I believe an added division would not be justified. I am not attempting to oppose the civilian application idea, but I believe the Commission is fully equipped to handle the situation without creating an additional division.

Mr. CASE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CASE. I wonder whether the Senator from Minnesota will yield so that I may address an inquiry to the Senator from Iowa.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senator from South Dakota may address a question to the Senator from Iowa, without my losing the floor.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? The Chair hears none, and it is so ordered.

Mr. CASE. Mr. President, I should like to ask the distinguished Senator from Iowa, the vice chairman of the joint committee handling this bill, if it is his thought that from the language of the bill providing for a maximum of 10 divisions it is to be understood that one of them would be a division of military applications, and that since the remaining 9 divisions might be civilian divisions, to designate 1 alone as a civilian division would be in effect to set one civilian division, so to speak, above perhaps several other divisions that would be also civilian divisions.

Mr. HICKENLOOPER. I do not know whether that reasoning is applicable, but the other nine divisions would have ample jurisdiction with regard to civilian applications. There are many phases to civilian applications.

There is a reactor division, and there is a division of biology and medicine——

Mr. CASE. The other divisions would all be civilian as contrasted with military?

Mr. HUMPHREY. I think, perhaps, in the main that may be a fairly accurate statement of the divisions.

Mr. CASE. And the Senator says there is a division of military application?

Mr. HUMPHREY. Yes, and certainly military activities extend in more or less limited degree into some of the other divisions also. There is a specific division of military application, and there are nine other divisions. The various divisions can be conducted, I think, without the creation of another division.

Mr. CASE. I asked that question because I think the answer clarifies it for my own purposes. I wonder if there might be several other divisions which might be predominantly civilian in character.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FLANDERS. The Senator has mentioned a biological division. That is distinctly civilian. How are the other specific civilian divisions separated from a general civilian division.

Mr. HUMPHREY. We have a civilian application division relating to licenses.

Mr. FLANDERS. So, it relates simply to the application of atomic energy for power and the licensing of undertakings of that sort?

Mr. HUMPHREY. That is correct.

Mr. FLANDERS. So it is very much more limited than the discussion would seem to indicate.

Mr. HUMPHREY. I wish to go back to that point, and I am grateful to the Senator from Vermont for bringing that to my attention.

The purpose of the amendment was was to avoid involvement in any of the activities in the field of medicine or in the field of radio activity with reference to the treatment of certain types of malignancy, but it applies to licensing for the creation of power for the generation of electrical energy. I thought this was a desirable designation within the Commission, because we are now venturing into an endeavor which we have

not undertaken before. We are dealing in terms of legislation with a broad expansion of the Atomic Energy Commission's activities. Primarily, those activities have been in the field of military weapons.

I was saying to the Senator from South Dakota we are now entering upon a particular type of program in the Atomic Energy Commission which is far greater than that which we have had in the past. The purpose of my amendment is to pin down the responsibility and to put into the confines of one division the particular licenses we want in connection with electrical energy production.

Mr. CASE. I appreciate the fairness of the Senator.

Mr. HUMPHREY. There are military aspects of the functions of the Atomic Energy Commission. That is its firm responsibility at this stage.

I suggest that for the moment we lay this amendment aside. I understand the Senator from North Dakota [Mr. LANGER] is here and wishes to address the Senate. While he is making his observations with reference to the bill, I should like to have the privilege of discussing the amendment with the Senator from Iowa [Mr. HICKENLOOPER]. I think we have clarified in the debate the purpose of the amendment, and I think that possibly we have made some progress.

I yield the floor.

Mr. LANGER. Mr. President, I wish now to address myself to the amendment offered by the distinguished Senator from Minnesota.

I addressed the Senate yesterday with regard to the proposed atomic energy bill. I emphasized that it is important, before we act on this monopoly-inspired bill, that we take full cognizance of what the people, through organizations representing millions of voters, are saying about the drive against a sound Federal power policy. I stressed the fact that the people, who are in great need of public power, who have a vital stake in what happens to this great natural resource, ought to be consulted concerning the pending bill.

I pointed out and deplored the fact that they have neither been consulted nor listened to. I offered to enlighten the Members of this body about what the people—the farmer, the laborer, the consumer—think about all this.

Accordingly I discussed at some length a few resolutions adopted by public power and consumer groups, so that the Senate might be informed of what these people, the ones with the real interest at stake, wanted done.

I referred to a meeting at Denver, Colo., on the 10th and 11th of December, attended by representatives of 30 States, with hundreds and hundreds of delegates who are experts on this subject. I read the resolution which was adopted unanimously at that convention. It was a convention called by the National Farmers Union.

I now desire to address myself to another convention, called to meet in Miami, Fla., last January, the convention of the National Electric Consumers Conference, which brought together more than 5,400 delegates directly from the farms. They were officers of REA cooperatives.

In the general language of their resolutions, they came together to speak and act for the progress and general betterment of 4 million of their neighbors and families, who have electric power on their farms as a result of the past performance and cooperative action of their Federal Government and themselves through the Rural Electrification Administration activities of the past 18 years, and for 450,000 or more other farmers who yet hope to attain power in this manner for their farms and farm homes.

The delegates to this great convention termed the Rural Electrification Administration and farmer partnership in power eminently successful, in accordance with the highest American traditions. They asserted that they "should be permitted to continue unhampered by unfounded propaganda of power monopolists, retarding legislative action, or ill-considered administrative rules and orders not compatible with our objective to secure for the American farmer and his family adequate electric power and telephone service at reasonable prices." They further affirmed that these goals may best be advanced "by the application of the sound and historic program of development and utilization of our Nation's waterpower in proper coordination with other modern power supplies."

The delegates reaffirmed the endorsement of the NRECA "Statement of Federal Power Policy of 1951," to which I shall refer later. They endorsed the Jackson bill providing that the Federal Power Commission should not grant a license to construct a dam if the project would be inconsistent with the comprehensive development of the entire river basin involved.

The delegates to the annual meeting of NRECA then resolved that any attempt to sell Federal power projects to commercial utilities will be met with all the opposition possible to protect the ownership of the people of the United States whose investments run into billions of dollars, and to protect the consumers of electric power from possible exploitation.

The great rural electric cooperative convention then proceeded to put itself on record in no uncertain terms on the importance of a continued program of Federal hydroelectric development, on the urgency of continued support for Federal power-marketing agencies, on full implementation of the preference clause in the sale of Federal power, and on fair and equitable allocation of costs to power in connection with multipurpose Federal river-basin projects.

The NRECA annual meeting strongly condemned the new power policy and marketing criteria announced by the Department of the Interior as an attempt to cripple the fine rural electric cooperative program. The delegates went on record in favor of positive legislation protecting the public interest in the development of St. Lawrence and Niagara power, in accordance with established Federal power policy. They urged continued support for the great TVA program.

In order to give the Members of the Senate a clear idea of the temper of these representatives of some 4 million members of rural electric cooperatives throughout the country, I will proceed to read excerpts from these important resolutions.

Mr. President, before reading the resolution, I want to appeal to every Republican Senator. Certainly the memory of some of the older Republicans must go back to the days when William Howard Taft was President of the United States. He was put in office by Theodore Roosevelt. He was handpicked at the Republican convention by Theodore Roosevelt, and at the convention Mr. Roosevelt said that William Howard Taft would carry out the conservation program which had been inaugurated by President Theodore Roosevelt and by the Secretary of the Interior, Mr. Pinchot. The whole country was for that program. Out of a clear sky, as every Member of the Senate who was of age at that time will remember, President Taft proceeded to tear that conservation program to pieces. It became a scandal. William Howard Taft took the same position taken by a majority of my colleagues. Some of the older Members on this side of the aisle will remember how Theodore Roosevelt was cast aside. Theodore Roosevelt ran as an independent for President of the United States, on the Bull Moose ticket, and all over the country the Republican Party became known as the party of the reactionaries, headed by William Howard Taft, who had full power to renominate himself at the convention. Theodore Roosevelt walked out of that convention. Within a matter of a few days the Bull Moose Party was organized. Woodrow Wilson ran as the Democrat. What did the Republicans of the United States do?

After Theodore Roosevelt got through with William Howard Taft, Mr. Taft carried two States, Utah and Vermont, and Mr. Taft was ignominiously kicked out of office of the President of the United States at the end of 4 years. We now have the same fight here. There are a few of us on this side of the aisle who are following the policy of Theodore Roosevelt. Most are following the policy of William Howard Taft.

All the natural resources of this country, and one of the greatest resources is power, belong to the people, and not to a few private monopolies who want to grab it all for their selfish, greedy purposes, in order to feather their nests. That power belongs to the people. We say atomic power belongs to the people. We have spent $12 billion developing atomic power. That is $12 billion of the public's money and we say that $12 billion should go to the people of America and not to the Dixon-Yates group, which is the proposal the present administration is attempting to put over.

Mr. President, I can cast only one vote, but that vote is mine. Any Senator can stand on this floor and give his opinion as to what he thinks about a piece of pending legislation. I say that so long as Almighty God gives me breath, I intend to stand and speak for the rank and file of the people, for the laborers, the farmers, the working people, the

small-business man, the small municipalities, the villages, the towns, and the cities that have been getting cheap power. By my vote I shall never surrender such power to private monopolists who are bent on robbing the people—based on what I have seen of their past record and their present record—of every possible penny they can gouge from them. Why do I say that? Because that is the record.

The resolution adopted by 5,400 members of the REA, beginning with support for hydrodevelopment, and continuing with support for the TVA, shows that what I say is the truth. Let me read some of the resolutions adopted by 5,400 experts, men who had worked for 18 years at developing the REA, men who developed hundreds of thousands of miles of lines. What do they say about Mr. Dwight D. Eisenhower's Secretary of Interior, Mr. Douglas McKay, and about his Under Secretary, Mr. Aandahl, after they were there and talked to them? No Senator has more knowledge of the subject than any one of the hundreds of delegates who attended that convention. Not a Senator knows more about the REA than I do, and I admit I know nothing about it. However, when the experts hear the proposed program of the Secretary of the Interior and his Under Secretary, Mr. Aandahl, and 5,400 experts say it is not a good program, the Senator from North Dakota knows enough, Mr. President, to follow the advice of those 5,400 delegates. I shall now read some of the resolutions adopted unanimously by them:

Whereas there are a great number of hydroprojects throughout the United States suitable for the development of low-cost electric power; and

Whereas these projects are needed to meet the requirements for electric power in the Nation; and

Whereas there is a need for the acceleration of the program of conservation and control of our river basin waters for power, irrigation, and flood control, the benefits of which are essential for the long-term prosperity of the Nation: Now, therefore, be it

Resolved, That we, the delegates to this 12th annual meeting of the NRECA, assembled January 11–14, 1954, do hereby urge Congress to:

They urge us. They go to the only people to whom they can go, the Members of Congress. They come to us as citizens, pleading with us, telling us what they want. The resolution goes on:

1. Appropriate necessary funds for the construction and completion of all multipurpose hydroprojects approved by proper authorities and meeting the specifications laid down for feasible multipurpose dam construction, and by way of illustration, but not exclusive of other such projects as the following dams:

Alabama-Coosa, Jim Woodruff, St. Lawrence, Niagara, Missouri Basin, Oahe, Buffalo Rapids, Glendo, Yellow Tail, Frying Pan-Arkansas, Table Rock, Keystone, McGee Bend, Grier Ferry, Eufula, Hells Canyon, Ice Harbor, Hartwell, Upper Columbia, Buford, Devils Canyon, and Colorado River storage project; be it further

Resolved, That Congress enact the necessary legislation to assure the people that development of hydrosites solely for power-production purposes, by commercial utilities, or non-Federal agencies may be undertaken only when such development will not interfere with ultimate comprehensive regional or river-basin development, which because of size and complexity of purpose should be properly undertaken only by Federal agencies; be it further

Resolved, That we urgently request Congress to appropriate necessary funds for transmission facilities to integrate river-basin project power facilities, and delivery of power to preference customers' load centers; be it further

Resolved, That rights of preference customers, under the Flood Control Act of 1944—

As was so eloquently stated a few minutes ago by the distinguished Senator from Minnesota—

be recognized, and that preference customers be advised that power is available, and their needs met before contracts or interim agreements are made with commercial utilities for disposal of power from various power projects.

POWER MARKETING AGENCIES

Whereas it was the intent of the Congress, as stated in the Flood Control Act of 1944, that power produced at Federal hydroprojects be made available to cooperatives, municipalities—

Which means towns, villages, and cities—

and government bodies as preference customers; and

Whereas failure to carry out this congressional edict is endangering the very existence of cooperatives, and jeopardizing loans made by the Rural Electrification Administration: Now, therefore, be it

Resolved, That the delegates assembled at the 1954 annual meeting of the National Rural Electric Cooperative Association do respectfully request that the Congress—

By whom, Mr. President? By Congress—

require the Department of the Interior to comply with the law as written in the Flood Control Act of 1944 and to implement and make the law effective; and be it further

Resolved, That we urge that adequate continuing and construction funds be made available to the Southwestern Power Administration and to the Southeastern Power Administration to enable them to honor existing contracts with preference agencies, and make power generated at Federal hydroprojects available to preference agencies as directed by the Congress; and—

Note this, Mr. President—

be it further

Resolved, That Congress appropriate adequate continuing funds for these agencies prior to February 28, 1954.

Now we come to the preference matter:

Be it resolved, That we again urge upon the Members of Congress the retention and protection of the "preference" clause in legislation pertaining to the development of our material resources, insofar as the distribution of resulting electric power is concerned.

I do not see how they could have made themselves any clearer than they did in this resolution as it pertains to the pending legislation.

They then take up the question of the sale of Federal power.

SALE OF FEDERAL POWER

Be it resolved, That funds be made available to the Southeastern Power Administration for construction of transmission lines from Clark Hill Dam to serve preferred customers, and if that is not done, that the proposal of the Georgia Electric Membership Corp. (statewide) to purchase the entire output of the Georgia side of Clark Hill Dam for distribution to preference customers and commercial power companies in the area to assure greatest benefits to all, be approved by the Department of the Interior, as opposed to the bus bar sale of the power to the Georgia Power Co., with almost the entire benefit going to that company; and

The Georgia Power Co. is not the Dixon-Yates gang, but they are just like them. The only difference is that the Dixon-Yates gang has not yet had an opportunity to become organized. Apparently it is a part of the holding company, the Southern Co.:

Be it further resolved, That if a policy of sale at the busbar is followed by the United States Government in the distribution of electric power generated at Federal hydroprojects, the Rural Electrification Administration make available funds for construction of transmission lines by rural electric cooperatives, so that power generated at Federal hydro-projects can be made available to preference agencies as directed by the United States Congress in the Flood Control Act of 1944.

Among other things they take up the question of power in Alaska. There is one provision which I should like to read. I ask unanimous consent that the remainder of the resolutions may be printed in the RECORD at this point as a part of my remarks.

There being no objection the remainder of the resolutions was ordered to be printed in the RECORD, as follows:

ALLOCATION OF COSTS TO POWER

Whereas the development of river basins, with reference to multipurpose dams, has been delegated to more than one Government agency; and

Whereas only one Government agency is designated as the marketing body for electric energy generated at these dams; and

Whereas too much of the total cost of some of these dams has been charged to generating facilities: Now, therefore, be it

Resolved by the members of the National Rural Electric Cooperative Association, That we urge a coordination committee selected from the agencies be created to establish a fair and equitable allocation of the costs in all phases of multipurpose dam development, recognizing any geographical or local conditions.

INTERIOR POWER POLICY

Whereas the new Interior power policy for the country and the new Missouri Basin power marketing criteria—which is an extension of that policy in the Missouri Basin—strike at the heart of the rural electrification program in every State where the rural electric systems now purchase, or expect to purchase in the future, federally generated power; and

Whereas the new Interior power policy calls for the building only of multipurpose dams which others will not build—which means the choice sites will go to the commercial power companies—and calls for the building of fewer transmission lines—which means that the power companies will buy more of the power at the bus bar to the exclusion of the rural electrics; and

Whereas the marketing Criteria started as an "all-out" attack to the extent that the claimed powers of the Secretary of the Interior would allow, and even as revised under date of December 11, 1953, still constitutes an apparent deliberate and direct attack upon the preference clauses of Federal marketing statutes, which are so important to the farmers of this country; and

Whereas the criteria will cause irreparable damage to our rural electric systems by—

1. Arbitrarily limiting the amount of firm power available to preference customers to an inefficiently low standard, thereby also reducing Government revenues at the expense of the preferred customers and the Government;

2. Refusing to give preferred customers contractual protection without the payment of penalties so heavy that it would destroy the financial stability of many rural systems;

3. Providing for long term contracts with nonpreference customers without a withdrawal clause, in abrogation of preference rights granted by law to our rural systems;

4. Limiting the area of service and thereby making it impossible for some preference customers ever to receive any Government marketed power;

5. Officially ending the postage stamp rate which provided that all customers pay the same price regardless of distance from the dam; and

6. Introducing a minimum annual capacity charge that is both unnecessary for the protection of the Government and costly to the rural electric systems; and

Whereas the Department of the Interior has also announced that it will not continue its long established policy of insisting that the cost of power produced in multipurpose projects be determined on an incremental cost or equitable proportionate cost basis, but will leave cost allocations to the agencies which build the projects, meaning higher cost to the rural electrics because of formulas applied by the other agencies; and

Whereas these changes in well established power policies, which have operated successfully in the past, are unwarranted and have been adopted without consultation with the chosen representatives of the people and rural systems involved; and therefore constitute an apparent deliberate attempt to damage our rural systems: Now, therefore, be it

Resolved, That we, the delegates to the annual meeting of the National Rural Electric Cooperative Association, meeting in Miami, Fla., January 14, 1954, strongly condemn this new policy and marketing criteria of the Department of the Interior; and that we pledge ourselves to use every effort to defeat this attempt to cripple our fine progam; and that we do hereby request the Secretary of the Interior to withdraw immediately the policy and marketing criteria and to make no changes in established power policies affecting our rural systems without prior consultation with the representatives of the rural systems, chosen by them for that purpose.

The secretary is instructed to send copies of this resolution to (1) the President of the United States, (2) every Member of Congress, and (3) the Secretary of the Interior.

ST. LAWRENCE AND NIAGARA POWER

Whereas NRECA has, at its 10th and 11th meetings, requested the Congress to enact legislation for the development of power on the St. Lawrence River in accordance with the established policy of NRECA relating to public-power development as set forth in the statement of Federal power policy adopted by NRECA, February 1, 1951; and

Whereas the Congress has failed to enact such legislation and the Federal Power Commission has granted a license to the Power Authority of the State of New York to develop and market St. Lawrence hydropower, without protection to the consumer through application of the provisions of the preference clause of the Flood Control Act of 1944; and

Whereas legislation is now pending in the Congress to permit the development at Niagara of hydropower by five private companies, with no protection afforded the public: Therefore be it

Resolved, That we do hereby request the Congress to enact positive legislation for the protection of the public in accordance with the established power policy of NRECA in the development of hydropower at the St. Lawrence and Niagara power sites.

ALASKA POWER PROGRAM

Be it resolved, That we reaffirm our endorsement of the Devil Canyon Dam on the Susitna River in Alaska, and we urge a continuing program of investigations of hydroelectric sites and studies of load growth throughout Alaska so as to encourage a more adequate supply of power at lower rates.

SUPPORT FOR TVA

Whereas the TVA has been so vitally constructive in providing low-cost electric power and energy to the farmers, homeowners, defense industries, other industries, municipalities, and mills in the Tennessee Valley, and improved the general standard of living for farm and homeowners through furnishing power to the rural electric cooperatives, and to the establishment of industries in its area; and

Whereas the Tennessee Valley Authority has made vast contributions to national defense, including the provision far ahead of schedule of the tremendous needs for power of the atomic energy program, furnishing this power at rates so low as to save all the taxpayers of the United States millions of dollars; and

Whereas the TVA program is self-liquidating, repaying capital invested by the people of the United States over a 40-year period and will still belong to all the American people after the people of the Tennessee Valley have paid for it; and

Whereas TVA's wholesale rate yardstick has reduced the rates at which all rural electric systems must buy power, thus exercising a restraining influence that diminishes only with the distance from TVA territory: Now, therefore, be it

Resolved, That we commend to the Congress the great economic advancements and contributions to the development of the Southeast made by the TVA, and request that continued appropriations be made to supplement, advance, and continue this great development of our national resources.

Mr. LANGER. I wish to read this paragraph:

Support for TVA.

This is the very TVA that Congress is trying to wreck today. Fifty-four hundred delegates meeting in Miami on January 11, 12, 13, and 14, after Mr. McKay, Secretary of the Interior, had talked to them, and after the head of the department, Mr. Aandahl, had talked to them, by unanimous vote had this to say with respect to support for TVA:

Whereas, the TVA has been so vitally constructive in providing low-cost electric power and energy to the farmers, homeowners, defense industry, other industries, municipalities and mills in the Tennessee Valley, and improved the general standard of living for farm and homeowners through furnishing power to the rural electric cooperatives, and to the establishment of industries in its area; and

Whereas, the Tennessee Valley Authority has made vast contributions to national defense, including the provision far ahead of schedule of the tremendous needs for power of the atomic energy program—

I stop for a moment to invite the attention of every Senator to the fact that they specifically mention the atomic-energy program—

furnishing this power at rates so low as to save all the taxpayers of the United States millions of dollars; and

Whereas, the TVA program is self-liquidating, repaying capital invested by the people of the United States over a 40-year period and will still belong to all the American people after the people of the Tennessee Valley have paid for it; and

Whereas, TVA's wholesale rate yardstick has reduced the rates at which all rural electric systems must buy power, thus exercising a restraining influence that diminishes only with the distance from TVA territory: Now, therefore, be it

Resolved, That we commend to the Congress the great economic advancements and contributions to the development of the Southeast made by the TVA, and request that continued appropriations be made to supplement, advance, and continue this great development of our national resources.

At another place they make it very clear that they are not following the policy laid down by the Eisenhower administration. They do not condemn Mr. Eisenhower personally, but they condemn the policies laid down by Mr. McKay, the man whom he appointed Secretary of the Interior, and by Mr. Aandahl, Under Secretary.

I have told the Senate about the meeting at Denver, attended by representatives of 30 States. It met December 10 and 11. I have told Senators about the one at Miami, attended by 4,500 delegates coming from every State in the Union and Alaska and Hawaii. Now I wish to take up the one which was held in Albany, N. Y.

The Northeast Electric Consumers Conference, meeting in Albany, N. Y., brought together approximately 200 representatives of municipal electric systems, rural electric cooperatives, labor, farm, and consumer organizations from New England, New York, Pennsylvania, and Ohio.

A few years ago a Senator called a group of Senators from the Northwest the "sons of the wild jackass." I invite the attention of Republicans coming from those States today to the fact that of the men meeting in this conference not one of them came from the Northwest or the West. They came from the New England States and from New York, Pennsylvania, and Ohio. What did they do? The theme of the meeting was an action program to fight the high cost and low consumption of power, particularly in New York and New England. Particular emphasis was placed on support for the public redevelopment of Niagara Falls power, with preference to public agencies and cooperatives in the marketing of the power.

This important electric consumers' conference also went on record in support of a broad power program, including public development of atomic power, with preference to rural electric cooperatives, municipalities, and other nonprofit electric systems. The conference opposed the giveaway amendment of the Atomic Energy Act of 1946, including "granting of patent rights on atomic processes to individuals or private corporations."

If this bill becomes law, Mr. President, Congress will have passed it in the face of all the representatives of the various REA cooperatives, in the face of representatives from municipalities in the New England States, Pennsylvania, and Ohio, and in the face of the consumers group,

as well as of the public generally, whom those 200 delegates represented.

In order to suggest to the Senate how these many farm, labor, and consumer organizations in the Northeast feel about the great power issue, which is before us in the proposal to rewrite the Atomic Energy Act, I shall later read the statement of principles and goals which they adopted unanimously.

The statement is quite long. I hesitate at this late hour of the night to read it. I shall perhaps give myself that pleasure tomorrow or next day, if this debate continues. Meantime, if any Senator desires to read it, it will be available in my office.

Suffice it to say, in general, that these delegates from the New England States and from Ohio, Pennsylvania, and New York adopted the same kind of resolutions as were adopted at Denver and as were adopted by 4,500 delegates unanimously at Miami on January 11, 12, 13, and 14 of this year.

The question is, Is the Senate going to represent the 4 million people who already have REA, and the 450,000 who do not have it, but who want it, or are we going to vote for this bill, which in my opinion, at least, favors private utility monopoly?

The next is the American Public Power Association. The American Public Power Association, a national management organization, representing over 700 publicly owned electric systems throughout the country, met in Chicago in early May when the final hearings before the Joint Committee on Atomic Energy were about to begin. Of course, these people did not have a great lobbyist, who gets $65,000 a year, to speak for them. They just had ordinary individuals. There were 700 of them.

In a series of resolutions the convention placed the country's municipal-electric systems on record in full support of the basic principles of the Federal power policy, which is now under attack on a dozen fronts by an administration that appears to be committed to the power-trust strategy.

The APPA resolutions, which are of importance in connection with the atomic power bill now before the Senate, deal with the preference clause; with the St. Lawrence and Niagara power developments; with the Tennessee Valley Authority's need for additional generating capacity; with the tremendous subsidy the Government is giving to private power companies through the accelerated tax amortization program; and with the proposed amendments to the Atomic Energy Act.

I want to repeat that, Mr. President, the Tennessee Valley Authority's need for additional generating capacity.

They did not mention Dixon-Yates. They mentioned the Tennessee Valley Authority.

This great convention even found time to commend the Senate Subcommittee on Anti-Trust and Monopoly Legislation for its investigation into monopolistic practices in the power industry. It urged an extension of that investigation.

The resolution dealing with the proposed atomic energy legislation declared that the "provisions of the bill, insofar as they deal with patents and permit or encourage a monopoly, are not only subversive of the public welfare, but they are so obviously designed to serve individual private interests at the expense of the general welfare as to require their total rejection."

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

Mr. LANGER. Mr. President, I have the floor.

Mr. KNOWLAND. I thought the Senator from North Dakota had concluded his remarks.

Mr. LANGER. It may take me a little time to finsh them. I will finish my remarks tomorrow.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Eastland	McCarthy
Barrett	Ferguson	Millikin
Beall	Flanders	Monroney
Bennett	Goldwater	Mundt
Bowring	Hendrickson	Payne
Bricker	Hickenlooper	Potter
Bridges	Holland	Purtell
Bush	Humphrey	Reynolds
Butler	Ives	Saltonstall
Capehart	Jenner	Schoeppel
Carlson	Johnson, Tex.	Smith, Maine
Case	Johnston, S. C.	Smith, N. J.
Clements	Kilgore	Thye
Cordon	Knowland	Upton
Crippa	Kuchel	Watkins
Daniel	Langer	Wiley
Dirksen	Long	Williams
Duff	Malone	Young
Dworshak	Martin	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. KNOWLAND. Mr. President, once again, for the reasons I stated heretofore and which I shall not repeat, I send to the desk a unanimous-consent agreement relative to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] identified as 7-16-54-K, and I ask for the clerk to read it for the information of the Senate.

The PRESIDING OFFICER. The Secretary will read the proposed unanimous-consent agreement.

The Chief Clerk read, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment 7-16-54-K to S. 3690 submitted by the Senator from Minnesota [Mr. HUMPHREY], including any amendment or motion submitted thereto, shall be limited to not exceeding one-half hour, to be equally divided and controlled, respectively, by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. Mr. President, I hope the Senate will agree to this request. The amendment is not a highly technical one. We might be able to make a little progress this evening. I shall then have other unanimous-consent requests to propose as we make progress.

Mr. JOHNSTON of South Carolina. Mr. President, I feel that at this time it is necessary for me to object, for the simple reason that we want the amendments to be fully discussed. We do not want to cramp any Senator at any time.

Mr. KNOWLAND. Mr. President, for the reasons I have stated, I move that the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] be laid on the table.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KNOWLAND. For a question.

Mr. HUMPHREY. Mr. President, I would ask the Senator from California if he would not proceed with the consideration of this amendment. I do not think it will take very long. We are all being cooperative in the matter, and we can completely discuss the amendment in the manner in which amendments should be discussed, namely, by free and open discussion, and we can get on with the business of the Senate. I have no intention of making any long discussion of it. If the amendment is not adopted, we will proceed to the next amendment. There are a number of amendments that are being offered in good faith. There is no effort to put the Senate into any embarrassing position of time-lag or jamming up the program. I would appreciate it if the majority leader would give us a chance to finish the debate.

Mr. KNOWLAND. Mr. President, I endeavored to get agreement on what I thought was an acceptable unanimous-consent request. Apparently, we are going to be delayed in casting votes on this and on other amendments, and I ask for the yeas and nays on the motion to lay the amendment of the Senator from Minnesota on the table.

The PRESIDING OFFICER. There is a sufficient second, and the yeas and nays are ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Ferguson	Millikin
Barrett	Flanders	Monroney
Beall	Goldwater	Mundt
Bennett	Hendrickson	Payne
Bowring	Hickenlooper	Potter
Bricker	Holland	Purtell
Bridges	Humphrey	Reynolds
Bush	Ives	Saltonstall
Butler	Jenner	Schoeppel
Capehart	Johnson, Tex.	Smith, Maine
Case	Johnston, S. C.	Smith, N. J.
Clements	Kilgore	Thye
Cordon	Knowland	Upton
Crippa	Kuchel	Watkins
Daniel	Langer	Wiley
Dirksen	Long	Williams
Duff	Malone	Young
Dworshak	Martin	
Eastland	McCarthy	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from California to lay on the table the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Idaho [Mr. WELKER] is necessarily absent.

Mr. CLEMENTS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Ohio [Mr. BURKE], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Louisiana [Mr. ELLENDER], the Senators from North Carolina [Mr. ERVIN and Mr. LENNON], the Senator from Delaware [Mr. FREAR], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Iowa [Mr. GILLETTE], the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senator from Arizona [Mr. HAYDEN], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senators from Washington [Mr. JACKSON and Mr. MAGNUSON], the Senator from Colorado [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from New York [Mr. LEHMAN], the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The result was announced—yeas 47, nays 9, as follows:

YEAS—47

Aiken	Duff	Mundt
Barrett	Dworshak	Payne
Beall	Ferguson	Potter
Bennett	Flanders	Purtell
Bowring	Goldwater	Reynolds
Bricker	Hendrickson	Saltonstall
Bridges	Hickenlooper	Schoeppel
Bush	Holland	Smith, Maine
Butler	Ives	Smith, N. J.
Capehart	Jenner	Thye
Carlson	Knowland	Upton
Case	Kuchel	Watkins
Cordon	Malone	Wiley
Crippa	Martin	Williams
Daniel	McCarthy	Young
Dirksen	Millikin	

NAYS—9

Clements	Johnson, Tex.	Langer
Eastland	Johnston, S. C.	Long
Humphrey	Kilgore	Monroney

NOT VOTING—40

Anderson	Hayden	McClellan
Burke	Hennings	Morse
Byrd	Hill	Murray
Chavez	Jackson	Neely
Cooper	Johnson, Colo.	Pastore
Douglas	Kefauver	Robertson
Ellender	Kennedy	Russell
Ervin	Kerr	Smathers
Frear	Lehman	Sparkman
Fulbright	Lennon	Stennis
George	Magnuson	Symington
Gillette	Mansfield	Welker
Gore	Maybank	
Green	McCarran	

So Mr. KNOWLAND's motion to lay on the table Mr. HUMPHREY's amendment was agreed to.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I send to the desk and ask to have the clerk read the amendment identified as 7–16–54 G.

The PRESIDENT pro tempore. The amendment will be read.

The CHIEF CLERK. On page 87, after line 20, it is proposed to add a new section, as follows:

e. Every licensee under this act, holding a license from the Commission for a utilization or production facility for the generation of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306 thereof and to such other provisions of the Federal Power Act as provide for the enforcement of the regulatory authority of the Federal Power Commission with respect to licensees for development of waterpower.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the purpose of this amendment, in brief, is to assure that those who are licensed by the Atomic Energy Commission to use nuclear materials for the generation of commercial power will be subject to the regulatory provisions of the Federal Power Act. This control would be after the yardstick operation of the nuclear powerplants by the Federal Government, as a second line of defense against the exploitation of this great Government-owned and people's-owned resource.

The simple purpose of the amendment is to apply the established rules and regulations and provisions of public law with respect to the generation of hydroelectric power and other forms of energy, as written in the Federal Power Act, to licensees of the Commission under the pending bill.

Mr. President, I desire to make it clear that the purpose of this amendment is to safeguard the resources which are in the possession of the Atomic Energy Commission, and which in reality are in the ownership of the people of the United States. It has been made crystal clear throughout this debate that we are not talking about private property owned by some corporation or partnership or individual. I regret to say that I am of the opinion that there are Members of this body who think that we are dealing with a normal contractual relationship between individuals or between business institutions; but we are not. We are talking about a great natural resource which belongs to the people of the United States; and when the Congress of the United States is legislating a policy which will permit a Commission of five members to license the use of that resource by an individual corporation, it appears to me that it is desirable to embody in the law rules and regulations that are tested by experience. I am rather disappointed and discouraged to find in the 104 pages of the bill an inadequacy in the safeguards and protections of the public interest.

The Federal Power Act is the result of long deliberation on the part of many Congresses. It has been amended; it has been gone over time after time. The purposes of that act have been reviewed by committees of this Congress.

The Federal Power Commission has exercised administrative jurisdiction under the terms of the Federal Power Act; and why should one kind of rule and regulation apply to electrical power made by hydroelectric generation or thermal generation and apply a different set of standards and regulations to electrical energy produced from nuclear energy or nuclear power?

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LONG. Does the Senator know that the gas that is produced in the State of Louisiana and shipped outside that State is subject to regulation, even though it is privately owned?

Mr. HUMPHREY. The Senator from Louisiana has again touched upon one of the points I want to make clear. Whether it is oil or gas or electrical energy generated by steam plants or by hydroelectric-generation facilities, it is subject to the Federal Power Act rules and regulations. And here we are legislating in the field of atomic energy, the great-wonder accomplishment of modern times, the greatest power resource man has ever known, and we hesitate to apply the rules and standards which had been proven to be effective in protecting the public interest.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. LONG. Does the Senator know that the Congress saw fit to pass an act which has been interpreted as giving the Federal Power Commission the right to fix a price at which a natural-gas producer can sell his gas in interstate commerce, even though the gas was privately discovered and privately owned by private individuals?

Mr. HUMPHREY. The Senator from Minnesota is aware of that, and, while there are some honest differences between the Senator from Louisiana and the Senator from Minnesota as to whether or not that authority ought to be in the Commission, the court has so ruled. Yet, when we now come to atomic energy, which is not privately owned, and which cannot be privately owned, atomic energy which, under the terms of this law, can only be licensed for use by the Commission and not for ownership, we hesitate to apply the rules and regulations which have been proven to be at least acceptable to the Congress throughout the years, in behalf of the public interest. That is the purpose of my amendment.

I want to say, Mr. President, that I do not want this amendment to be laid on the table as a means of thwarting action on the part of the Senate. We have a sorry spectacle here. On the one hand, we have Senators hurling accusations of filibuster, when it seems to me bills are being brought up as fast as they can be brought up. No Senator in this body can stop another Senator, when he gets the floor, from making a speech. The speeches this evening have not been on extraneous subjects; they have been on the subject of power, they have been on the subject of this bill. I have several amendments on which I have worked for days, in order to get them ready; and I am going to present every last one of them. I may say I will be here when some other Sen-

ators have gone home and to bed. I am going to be here, presenting my amendments.

Mr. LONG. Mr. President, will the Senator yield for another question?

Mr. HUMPHREY. Yes; I yield.

Mr. LONG. Is the Senator familiar with the fact——

The PRESIDENT pro tempore. The Senator from Louisiana will address the Chair.

Mr. LONG. Mr. President, is the Senator familiar with the fact that when we had the Bricker amendment under consideration we debated it for 5 weeks, yet no one ever moved to table the Bricker amendment.

Mr. HUMPHREY. I am aware of that fact. I am aware of the many gyrations in connection with the Bricker amendment. By the time it went through this mill, it was not the original Bricker amendment, and with all due deference to our dear friend from Ohio, I do not know whose amendment it was; but he at least got the honor of its authorship.

Mr. KNOWLAND rose.

Mr. HUMPHREY. I am sure that the majority leader would like to have me yield to him, and I want to do so.

Mr. KNOWLAND. I understood the Senator——

Mr. HUMPHREY. The Senator will understand that this is an important amendment, and I want to discuss it a little bit more.

Mr. KNOWLAND. The Senator from California will be glad to wait. He always enjoys the presentations made by the Senator from Minnesota; and the Senator from California will be right here with him when he has completed his remarks.

Mr. HUMPHREY. Mr. President, this is one of the most encouraging signs of the evening, to see the affability, the generosity, the compassionate understanding of the majority leader. I want to say that I am here to share in this wonderful development of friendship and amicability we now have; and I say that, in all sincerity, to the majority leader. I want to expedite the work of the Senate, and I shall. But I am not going to expedite this amendment, until I see the light in the eye of the majority leader, indicating that he seeks action on the amendment, and not its untimely burial.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. KNOWLAND. I should like to ask the Senator if the Senator will yield for the purpose of permitting the majority leader to submit a unanimous consent agreement. I assure the Senator it is not intended to table his amendment, and is not meant to cut off debate; and if the time proposed in the agreement is not satisfactory to the distinguished Senator from Minnesota, and he suggests additional time, I will certainly be glad to see if the matter can be worked out on the floor of the Senate. I wonder, on condition that he will not lose his right to the floor, whether he will permit me to send to the desk the proposed unanimous consent request and have it read for the information of the Senate.

Mr. HUMPHREY. I may say that we went through this procedure once before. I wanted then to cooperate with the Senator and I still am of the same mind, but I think I must frankly state that there are Members, colleagues of mine, who are not of the same mind. I do not want to embarrass anyone, either myself or any one of my colleagues.

I know that the majority leader, so to speak, has the whip hand. In making these proposals for unanimous consent agreements he has found a kindly soul, a willing person, in the junior Senator from Minnesota. I am just filled with consent, tonight. I want unanimous consent to be given to practically all the suggestions the majority leader makes—practically all, not all.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. Knowing the Senator to have a liberal mind, would he have any objection, even though he decided to object later, to permitting me at least to let the Senate know what I was going to suggest? I wanted the Senator to be sure I was not going to propose to cut off debate, or take him off the floor.

Mr. HUMPHREY. I am always willing to listen to any new suggestion anyone might make. I am of a liberal mind; I believe in free speech, freedom of suggestion, and freedom of petition; and I am now going to yield gladly to the distinguished majority leader to make whatever request he desires.

Mr. KNOWLAND. And with the understanding that the distinguished Senator will not lose his rights to the floor.

Mr. HUMPHREY. That is correct.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. KNOWLAND. I now send to the desk a unanimous-consent request, and ask that it be read for the information of the Senate.

The PRESIDENT pro tempore. The proposed unanimous-consent agreement will be read.

The Chief Clerk read, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment to 7-16-54 G, S. 3690, submitted by the Senator from Minnesota, Mr. HUMPHREY, including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Minnesota, Mr. HUMPHREY, and the Senator from Iowa, Mr. HICKENLOOPER: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. KNOWLAND. Mr. President, I do want to see if we cannot get together, as reasonable men; perhaps, I should have said, "Come, let us reason together."

I wonder if 1 hour would be too short, or if an hour and a half, equally divided, would be agreeable? Or, if the Senator feels that the amendment is important—and I can understand how he may well feel as strongly on some of these proposals as he does—he might suggest 2 hours, 1 hour of which would be controlled by the distinguished Senator from Minnesota, and the other hour by the distinguished Senator from Iowa. I certainly want to be reasonable. I am not trying to foreclose debate, but I should like to see if we cannot adjust the matter with my good friend from Minnesota, and fix a time so that the Senate can proceed with its business.

Mr. HUMPHREY. I may say to the Senator that I always appreciate such appeals as "Come, let us reason together"; they are fine, they include all mankind, particularly the sons of Abraham. And now I find myself being prodded or moved by the famous words of the prophet Isaiah.

With that kind of philosophy and encouragement, there is not much else I can do but say to the majority leader that I want to cooperate; but would the majority leader not think it right, in view of the pleadings of some of our colleagues, that before acting on the unanimous-consent request, there be a quorum call?

Mr. KNOWLAND. I think that that would be advisable. I certainly would not want to have the request acted upon, unless all Senators had notice; and if the Senator will yield to me for that purpose, I will suggest——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Minnesota may yield to the Senator from California for the purpose of suggesting the absence of a quorum.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Eastland	McCarthy
Barrett	Ferguson	Millikin
Beall	Flanders	Monroney
Bennett	Goldwater	Mundt
Bowring	Hendrickson	Payne
Bricker	Hickenlooper	Potter
Bridges	Holland	Purtell
Bush	Humphrey	Reynolds
Butler	Ives	Saltonstall
Capehart	Jenner	Schoeppel
Carlson	Johnson, Tex.	Smith, Maine
Case	Johnston, S. C.	Smith, N. J.
Clements	Kilgore	Thye
Cordon	Knowland	Upton
Crippa	Kuchel	Watkins
Daniel	Langer	Wiley
Dirksen	Long	Williams
Duff	Malone	Young
Dworshak	Martin	

The PRESIDENT pro tempore. A quorum is present.

The Senator from Minnesota has the floor.

Mr. LONG. Mr. President, reserving the right to object——

The PRESIDENT pro tempore. Does the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. LONG. Do I correctly understand that a unanimous-consent request is pending?

The PRESIDENT pro tempore. That is correct.

Mr. LONG. Mr. President, reserving the right to object, let me say that if the Senator from Minnesota is going to offer his amendment, it would be only fair

that a reasonable number of his colleagues on this side of the aisle be present. The Senate has now been in session around-the-clock for almost 40 hours.

If it is proposed that we agree to a unanimous-consent proposal regarding the vote on this amendment—and so far as I am concerned, I am perfectly willing to agree by unanimous consent to vote on all of them—it seems to me it is unfair to Senators on the Democratic side of the aisle to have a small attendance here; and I believe it would be only fair that we take a recess until tomorrow, and at that time agree to a limitation regarding debate on the amendment.

I should like to inquire whether the majority leader would be willing to agree to have the vote taken tomorrow.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I should like to say, in complete friendliness to the distinguished Senator from Louisiana, that it has been known publicly and has been stated on the floor of the Senate that we were going to proceed with this session of the Senate until we dispose of this bill. Quite a number of Members have expressed a great interest in the Tennessee Valley phases of the bill and the power-production phases of the bill. It seems to me that under those circumstances those Members should be here. They certainly were on notice that the Senate was in session. They certainly were on notice that the majority leader would try to conduct the business of the Senate in the normal course of events; and certainly we cannot be blamed if there are vacant seats of some of the Members who have been conducting the prolonged discussion. I do not want to use the other word for it, because that might offend some of my friends across the aisle, and now we are trying to arrive at an area of agreement. So I shall not say a filibuster is in progress at the moment; I shall say there has been rather prolonged discussion.

Under those circumstances, it seems to me only fair that the Members who have been particularly active in these proceedings should be here, and should not, instead, perhaps be comfortably sleeping at home while many Members on the other side of the aisle are under some considerable wear and tear—Members such as the distinguished Senator from Louisiana [Mr. ELLENDER], who is here at this time, as are also the distinguished Senator from South Carolina; the distinguished Senator from Minnesota; the distinguished Senator from Mississippi, my good friend, whose State I visited; the distinguished minority leader, the senior Senator from Texas [Mr. JOHNSON]; my good friend, the minority whip, the distinguished Senator from Kentucky [Mr. CLEMENTS]; our able friend, the Senator from Florida; and our friend, the junior Senator from the State of Texas [Mr. DANIEL], as well as the distinguished son of a distinguished father, the Senator from Louisiana [Mr. LONG]. All of them are here. They are giving of their time.

I shall not name—because it would take me too long to do so—the Members on the Republican side of the aisle who are present. However, I wish to get into the RECORD a statement of the fact that there are now present, at 12:20 a. m., on this side of the aisle, a great many Members who are carrying heavy burdens.

Under those circumstances, it seems to me that the Senator from Louisiana is not obligated to take care of Senators who either are disinterested or at least are not sufficiently interested to be here to make their own objections.

Mr. LONG. Mr. President, it has always seemed to me that the purpose of debate is to gain votes. I believe the longer we debate the amendment, the more votes we shall get for it, especially when more Democratic Senators are on the floor.

Therefore, I object.

Mr. KNOWLAND. Mr. President, will the Senator from Louisiana withhold his objection for a moment?

Mr. LONG. Yes, I withhold it.

Mr. KNOWLAND. Mr. President, I should like to extend my congratulations to the Senator from Louisiana because he himself is here to answer the quorum call; and it seems to me if he is able to do so, other Members should be able to do the same.

Certainly the Senator from Louisiana is within his rights as a Senator in attempting to protect Members who do not see fit to be present at this time.

Mr. President, let me say I have a great regard for the rules. The distinguished Senator from Louisiana also has a great regard for the rules.

Earlier, I stated that I am quite sure that those who perhaps were far more able than any of us, gave a great deal of thought to every page of the rules and to every rule and to every section and to every subsection of the entire rule book of the Senate. When they found that sometimes there developed situations in which the voting stage could not be reached, even though all reasonable requests and efforts had been made—for instance, in situations such as the present one, when every effort has been made to conduct the public business—they drew up rule XXII, which relates to cloture. Of course, that is a very drastic remedy.

Mr. HUMPHREY. Mr. President——

Mr. KNOWLAND. Mr. President, I hope the Senator from Minnesota will pardon me for a moment, please.

Let me say that when I came to the Senate, I had a much different idea regarding cloture than I have today. Normally, I would not favor using cloture. I certainly would not favor using it under any normal circumstances in the early part of a session.

But when we reach the last 2 weeks of a session—and let me say perhaps I am optimistic regarding that point—I realize I have been "dented" considerably regarding the estimated date I had in mind for the end of the session, namely, July 31. Some doubts have been expressed as to whether we shall be able to make up the time that has been lost—but even assuming that the sine die adjournment might come at some other period or date, although I am not one to give up hope very easily—for instance, let us suppose that the session were to be continued for a more extended period—then perhaps it would be fair to say we are now in the last 3 weeks of the session, if we accept the viewpoint of some Members on the other side of the aisle.

Mr. President, all of us realize that we still have a crowded legislative calendar. So I hope the distinguished Senator from Louisiana and other Members on his side of the aisle will not—against my will—almost force me to resort to rule XXII for the only relief the Senate of the United States will have in order to transact the public business.

Mr. LONG. Mr. President, reserving the right to object, let me say that when I came to the United States Senate, I was assigned to a committee on which our distinguished majority leader also served, namely, the Committee on Rules and Administration. At that time we had before us the so-called Knowland resolution, calling for cloture by a straight majority. I was one of the Members who contended that, some day, the fate of the Nation might be involved. I felt that the right of a Member of the Senate to stand and be heard when he thought his colleagues were making a mistake, might be most important to the survival of the Nation.

During the past 40 hours we have seen the majority leader keep the Senate in session night and day. There was talk of filing a cloture petition. However, the majority leader did not need to do so, because he did not have the votes to defeat the Johnson amendment, anyway; he was defeated, when the amendment came to a vote.

It seems to me that the right of full and free debate on the floor of the Senate is one of the greatest guaranties we shall ever have that our democracy will continue.

If the majority leader wishes to change rule XXII, he has a right to move to change it; and in that event I shall be one of those to speak on that question.

Mr. KNOWLAND. Mr. President, the Senator from Louisiana misunderstands me. I am not proposing that rule XXII be changed—the rule providing that after a petition signed by 16 Senators has been filed, 2 calendar days must elapse before the vote will be taken on the question to which the petition relates. I am not proposing that that rule be changed.

I merely suggest that those who drafted that rule recognized—although they placed very heavy limitations upon invoking it—that under certain circumstances the Senate would be justified in following the rule which requires two-thirds of the entire membership of this body to take affirmative action to shut off debate. Of course, it was realized that it might or might not be possible to obtain the favorable votes of two-thirds of the entire membership. On the one hand that protection was provided in the rule. But they recognized that the Senate itself might be driven to the point of desperation, and that the only way by which it would then be possible to con-

duct the public business would be under rule XXII.

Mr. LONG. Mr. President, I wish to assure the Senator from California that I am not a partisan in this matter. As a matter of fact, the first week's debate on this measure occurred over the point of who was to build a powerplant. The Senator from California will recall that I voted with him on that question. I thought the Dixon-Yates contract would be all right. However, I respect the right of other Senators to take a different view.

The Senator from Minnesota has a very important amendment. It involves the right of the Federal Power Commission to say how power generated from atomic energy shall be distributed, and whether it shall be controlled by the Federal Power Commission. That amendment is very important, and the entire bill is very important. It is much more important that we do the right thing regarding this bill, than that we adjourn on July 31. I think that the distinguished majority leader will agree with me as to that.

Mr. KNOWLAND. Mr. President, let me say I think we should conduct the public business. I had hoped that, because of the Legislative Reorganization Act—of which the distinguished junior Senator from Oklahoma [Mr. MONRONEY], then a Member of the House of Representatives, was one of the authors; and that act includes what appears to be, upon reading a mandatory provision that the Congress adjourn sine die, except under unusual circumstances, on the 31st of July—but let me say that in the hope of reaching an agreement, suppose we agree to increase the proposed two hours to four hours. In that event, two hours would be under the control of the Senator from Minnesota [Mr. HUMPHREY] and two hours would be under the control of the Senator from Iowa. Would such an arrangement cause the Senator from Louisiana to change his point of view?

Or, in the utmost of reasonableness, how about providing for 6 hours, with three hours to be controlled by the Senator from Minnesota and three hours to be controlled by the Senator from Iowa?

It seems to me that would be going to the extreme, under all the circumstances which have been recited, including the great amount of proposed legislation pending, waiting for consideration after the disposal of the bill now pending—and in that connection I may refer to the farm bill, in which I know the distinguished Senator from Louisiana has great interest.

The PRESIDENT pro tempore. Is there objection to the proposed unanimous consent agreement?

Mr. LONG. Mr. President, it seems to me that at this time of the night, after the Senate has been in session, around the clock, for the better part of 2 days, the Senate will not give this amendment the benefit of good judgment, but will only give it the benefit of the Senate's weariness and wrath. For that reason, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. HUMPHREY. I shall not take much more time, because I understand Senators wish to be heard on the bill in its major sections. I should like to say that I think much of this trouble could have been avoided had we simply proceeded to discuss the amendments. But I have been much impressed by the argument which has been made about the heavy backlog of legislation before the Senate, and the apparent lag in the legislative program, due to what is considered by some to be the long debate on the atomic energy bill.

I shall again state the facts. We have before us, as exhibit A, Senate bill 3690. That is a bill to amend the Atomic Energy Act of 1946, as amended, and for other purposes. The bill is 104 pages long, with innumerable cross-references, and with sections running, at least, up to No. 291, which is, of course, a section amendment to the existing act.

Mr. President, we have on our desks a report which is 138 pages long. We have also on our desks three volumes of hearings. When did these get to us? The hearings were available on July 9. The bill and the report were available on July 13. Discussion began on the bill on July 13. It does not appear to me that we have been at the job of debating the atomic energy bill for a long time.

Let me first review a little of what has happened. I am not ashamed of my limited participation, although I have been on the floor a good deal. I have in my hand the only speech I have made on this subject. It was made yesterday afternoon. That speech was prepared as an address of approximately 1 hour and 15 minutes' duration. Because of questions, it lasted 2 hours and 10 minutes, for which I make no apologies. On four other occasions I participated in the debate on the bill, once with the Senator from Alabama [Mr. SPARKMAN], and later with the Senator from Tennessee [Mr. GORE]. As of yesterday, I participated in the colloquy with the Senator from Colorado [Mr. JOHNSON]; and today with the Senator from Iowa [Mr. GILLETTE].

During the last 24 hours, because of the responsibilities which one has as a Member of the Senate, concerned about the proposed legislation, I have been here, save for 3 hours. I have been away from the Senate 3 hours since Wednesday. I feel all right about that.

But I wish to say that the bill before us deserves careful consideration. I say to the majority leader that there seems to be a terrible burning desire to have the Atomic Energy Act amended, when there are plenty of other things that could have been done.

Let me point out, for example, the Dixon-Yates contract. The Senate has settled that. Once an issue is settled that is the law. We know that. We have learned how to take defeat along with victory. But I will still continue to say that the Dixon-Yates contract, while it may be settled in the Senate, is still an issue which will be talked about over the land for many, many months.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I wonder if the distinguished Senator would be willing to yield for one final unanimous-consent request?

Mr. HUMPHREY. I would later on.

Mr. KNOWLAND. May I state it, so that the Senator can be cogitating over it, that what I have in mind has not been written out, but I wanted to sound out the Senator, so that the Senate might be asked to enter into a unanimous-consent agreement that commencing at 12 o'clock noon tomorrrow the Senate would begin to vote on the bill and all amendments, with 2 hours of debate on the bill, and 1 hour of debate on each amendment, the time to be equally divided between the proposer of an amendment and the Senator from Iowa [Mr. HICKENLOOPER], and by the Senator from Iowa and the minority leader, in the case of the bill itself.

I say to the Senator from Minnesota that if that agreement were entered into, I would be prepared to suggest that the Senate then stand in recess until 12 o'clock noon tomorrow. That would enable some of the Members on this side of the aisle to have the same opportunity to rest as is being enjoyed by Members on the other side of the aisle, who have had the happy occasion to be able to get some slumber in something a little different from an Army cot.

It seems to me that then we might all start with a clear view of life, and I think we could almost assure a full attendance of the Senate. I am certain that it would be much more productive to the distinguished Senator, able debater that he is, if he had a full attendance of the Senate to talk to, than it would be to talk to an empty chamber.

I fully agree with the Senator from Minnesota that this is an important bill. I think it would be far better to have the kind of arrangement I have proposed, with full and free discussion, and then to come to a vote.

I should like to make this, as I have said, as one final offer, to see if by reasoning together on both sides of the aisle, it might not be possible to move along with the public business.

Following completion of action on the atomic-energy bill, I would propose to take up the foreign-aid bill. When that shall have been disposed of, I shall move to take up the farm bill, to be followed by the proposed social-security legislation, two big appropriation bills, and the conference reports.

Mr. HUMPHREY. I may say to the majority leader again that he knows that he is talking merely to one individual Senator in making this request.

Mr. KNOWLAND. I would be willing to suggest the absence of a quorum.

Mr. HUMPHREY. I am not the minority leader. I am not even on the Joint Committee on Atomic Enery. I am only one United States Senator. I am not speaking for anyone else here tonight but myself. If I have used the plural, it has been by inadvertence, not by design.

The distinguished Senator from Tennessee [Mr. GORE] has been one of the leaders in this debate, as have been the

Senator from Rhode Island [Mr. PASTORE] and the Senator from Alabama [Mr. HILL].

All I am trying to do is what a conscientious Senator should try to do. I have tried to offer some amendmen's. Then, all at once, it looks as though I am the leader. I am not willing to accept the title, because I do not think I quite deserve it.

If someone else could mobilize opinion so that these decisions could be made, and we could come to the point, that would be one thing; but I simply cannot. I think the Senator from Oregon [Mr. MORSE] is very much interested in the debate.

Mr. KNOWLAND. He was here earlier, but his sleep is no more important to him than is the sleep of Members on this side of the aisle, including two of the outstanding women of the Nation, the Senator from Maine [Mrs. SMITH] and the Senator from Nebraska [Mrs. BOWRING] who have sat around the clock. The Republican Party is proud of them.

Mr. HUMPHREY. So are the Democrats. We are proud of them, too. I have been casting glances toward the other side of the aisle for days, and it has not always been at the majority leader. [Laughter.]

Mr. KNOWLAND. Would the Senator from Minnesota yield, so that I might suggest the absence of a quorum, to determine if we could rally the brethren, so that one last, final effort might be made toward coming to a unanimous-consent agreement.

Mr. HUMPHREY. Since we have sisters present, I suppose we ought to rally the brethren. But before doing so, I should like to complete saying what I had in mind. If there is to be a quorum call, I imagine some hasty telephoning will be done, but I am not in any position to speak for my colleagues in this matter, as can the distinguished Senator from California, the leader of his own party.

Mr. KNOWLAND. The Senator would be surprised.

Mr. HUMPHREY. I want to pay the majority leader the tribute which I think he deserves. Sometimes he is such an effective leader that I find myself falling, almost, over on the other side of the aisle. I want to make certain that if he makes the proposal, he makes it to the right person. It seems to me he is not speaking to the right Senator on this proposal.

Mr. KNOWLAND. Would the Senator object to my suggestion?

Mr. HUMPHREY. I am not objecting to anything, because I have not as yet even agreed as to any possibility of division. I think I will proceed.

Mr. KNOWLAND. Then, Mr. President, as a privileged matter, I send to the desk——

Mr. HUMPHREY. I do not yield.

Mr. KNOWLAND. As a privileged matter——

The PRESIDENT pro tempore. The Senator from California desires to speak to a privileged matter.

Mr. KNOWLAND. Mr. President, I send to the desk a petition on cloture.

The PRESIDENT pro tempore. The Chair has received from the Senator from California a privileged matter entitled "Cloture Petition." Under the rules, the Chair will read the petition:

> We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The petition is signed by the following: WILLIAM F. KNOWLAND, SAM W. REYNOLDS, E. D. MILLIKIN, EVA BOWRING, FRANK CARLSON, JOHN J. WILLIAMS, GEORGE D. AIKEN, BARRY GOLDWATER, W. A. PURTELL, FREDERICK G. PAYNE, HOMER FERGUSON, JOHN M. BUTLER, WALLACE F. BENNETT, EVERETT M. DIRKSEN, THOMAS H. KUCHEL, ROBERT W. UPTON, HENRY C. DWORSHAK, H. ALEXANDER SMITH, CHARLES E. POTTER, EDWARD MARTIN, HOMER E. CAPEHART, LEVERETT SALTONSTALL, ANDREW F. SCHOEPPEL, PRESCOTT BUSH, ROBERT C. HENDRICKSON, GUY CORDON, ARTHUR V. WATKINS, MARGARET CHASE SMITH, FRANK BARRETT, JOHN BRICKER, FRANCIS CASE, J. GLENN BEALL, RALPH E. FLANDERS, EDWARD J. THYE, B. B. HICKENLOOPER, I. M. IVES, W. E. JENNER, ALEXANDER WILEY.

Mr. KNOWLAND. Mr. President——

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. I thank the Chair.

I appreciate the spontaneity which we have just witnessed. I can plainly see that the matter of a cloture petition has come upon us suddenly, with all these names signed to it. This was just one of those flash of the moment thoughts. We have had the full arsenal of parliamentary procedure wheeled out this evening. I commend the leadership, because in politics, as in war, the objective is victory, and the majority leader has demonstrated great tactical knowledge. He has come armed, as we discuss the atomic energy bill, with political atomic bombs. He is dropping them hither and yon. But I assure him that his stockpile is going to be running out. He is going to drop one too many. I know the rule well enough to know that this cloture petition, which has just happened quickly, as one of the great legislative miracles of our time, which we shall be talking about as one of the miracles of the world, must lie on the desk for at least 2 days, or until at least Saturday. In the meantime, we shall have had an opportunity to discuss the measure before us. As I recall, a motion for cloture requires 64 votes. I am sorry about that. I have always been for a simple majority.

If the majority leader had helped the Senator from New Mexico [Mr. ANDERSON] and the Senator from Minnesota [Mr. HUMPHREY] some time ago, we could have had a cloture petition put into effect in 2 days with a simple majority. But it is going to be difficult to get 64 votes. I really believe that.

I remember the days when we had under discussion and consideration the Wherry resolution, named after our late beloved colleague, Senator Wherry of Nebraska. I recall a conference when there was some kind of coalition mobilized. Those who were on the receiving end of the coalition were immobilized. The Wherry compromise went through. Now we are seeing its application. It is like the sins of the father coming back to plague his children. Here are the sins of the father coming back to plague those of other generations, or of another day, because I am very doubtful whether there will be 64 of our brethren in the Senate, particularly some of our brethren who have fought so hard for the right of free speech, who will line up for a cloture petition.

But now that it is out of the way, I may say that I was quite surprised, since I am not so keenly aware and not so well disciplined to parliamentary tactics, that one who controlled the floor could suddenly lose it. But then it has happened. I gather it was a privileged motion; and when a privileged motion is under consideration, one is clearly outmaneuvered.

Mr. MONRONEY. Mr. President, will the Senator yield, so that I may propound a parliamentary inquiry?

Mr. HUMPHREY. I will yield, provided I do not lose my right to the floor.

Mr. President, I ask unanimous consent that, without losing my right to the floor, I may yield to the Senator from Oklahoma, so that he may propose a parliamentary inquiry.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the Senator from Oklahoma will state his parliamentary inquiry.

Mr. MONRONEY. Let me inquire, does the rule provide for 1 hour of debate for each Senator in the Chamber should the cloture motion be agreed to, and is 1 hour allowed only on the bill, or does the 1 hour extend to the bill and to any amendment pending before the Senate?

The PRESIDENT pro tempore. One hour is allowed to each Senator on everything.

Mr. MONRONEY. On any amendment?

The PRESIDENT pro tempore. Only 1 hour.

Mr. MONRONEY. As I read the rule, it seems somewhat vague, and I would like to quote it. It reads:

> Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks.

The ruling is that the maximum time allowed would be 1 hour?

The PRESIDENT pro tempore. That is correct. According to the traditions of the Senate, it has been so interpreted.

Mr. MONRONEY. If the cloture motion were agreed to, the 2-day provision could not come into effect until 1 hour after 12 on Sunday. Is that correct?

The PRESIDENT pro tempore. It would come into effect 1 hour after the Senate came into session.

Mr. MONRONEY. On the second day following the adoption of the motion?

The PRESIDENT pro tempore. On the second day; yes.

Mr. MONRONEY. Which would be Sunday.

The PRESIDENT pro tempore. Whether it might be Sunday or not.

Mr. HUMPHREY. Mr. President, I think we should protest that.

Mr. MONRONEY. The Senate was in the session of Friday, when the petition was filed, so the time would be 1 hour after noon on Sunday, if the Senate shall be in session. I presume it would be 1 hour on Monday if it were going into effect on Monday. Then each Senator who spoke would be allowed 1 hour. Assuming that the 45 Senators who voted on the Johnson amendment wanted to speak, that would be 45 hours of debate. It would seem to me that we have not speakers who can possibly talk that long, but if there is a desire to bring up the cloture motion on Monday, I suppose the minority side will have to accept that decision of the leadership.

Mr. HUMPHREY. Mr. President, I had hoped that the majority leader would follow through with what he was suggesting. He was propounding a unanimous-consent request. I was informing the majority leader that while I was personally interested in the request, I could not speak for the 46 other Members on this side of the aisle, those who might be interested in this issue, on the same basis that applied on the other side of the aisle. It is one of those peculiar circumstances in which those of us who are here debating tonight are debating more or less on our own. There is no mobilization. We have not any captain of the ship who tells us what to do.

I proceeded this afternoon in good faith to start offering amendments, in the effort to get the legislative log jam of legislation broken up so that we could proceed, and I think we had pretty good luck. As a matter of fact, I am rather proud of it. We have adopted 3 or 4 amendments this afternoon and this evening, and now we find ourselves with the final weapon of a cloture petition. As I have said, in politics, just as in war, there are some of those who are willing to use their major weapons in a rather small skirmish, and I suggest that these tactics are wrong.

I am sure that once the petition is filed, if the majority leader desires to recall it, he will get the cooperation of all of us in recalling it, and when the opportunity arrives he will probably wish to decide about that.

Mr. President, what have we been debating? Certain Senators were vitally concerned about the Dixon-Yates contract. I was concerned about it, though not because we have TVA power in Minnesota. We do not have any public power in Minnesota. Minnesota is not what might be called a public-power State. I have been interested in the pending bill, and in seeing to it that private and public utilities could share equally.

Our State has excellent rural electrification. It has fine electric-light plants, and it has a fine system of generating electrical energy. Any sectional prejudice I might have was pretty well described in my speech yesterday.

There were those who thought that the Dixon-Yates contract was an unconscionable contract, that it was bad. There were those who felt that the law had been stretched. I became convinced, although I was not convinced in the beginning.

I never opened my mouth on this bill for 6 days. I listened to much of the debate, I read the RECORD, and I read some brilliant speeches and became interested in the bill. As I stated in the Senate, I read every line of the bill, I read the report, I read the RECORD, and I made up my mind that the proposed legislation was not in the public interest.

Just to mention a few phases of the contract, I find, for example, a $5 million investment, a $107 million plant, a 25-year guaranty by the Government, and guaranteed profits.

I find that the Atomic Energy Commission, or a majority of them, were against the contract. I find that the TVA never requested the contract. I find that the Federal Government would pay Federal, State, and local taxes of this private utility. I found a set of circumstances the equal of which I say no Senator in this body can produce, a set of circumstances and a contract such as have never been even approximated in governmental contractual relations. If the majority wants that contract on their backs, that is fine, but I say they have set a precedent that is going to be like an albatross on their backs.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield, without losing my right to the floor.

Mr. HICKENLOOPER. With that understanding I ask the Senator to yield. The Senator made a very strong statement just a moment ago, that the Dixon-Yates contract, which is to be performed in the future, is a bad precedent. I ask if he is aware of the controversy over the contractual habits of the TVA a few years ago, especially along about 1952. I call his attention to a 10-year contract which the TVA made for coal from a mine that had not yet been opened, and with a corporation that had just been formed coincidentally with the signing of the contract for the coal.

I only cite that as one example of a contract that TVA made along the line of the one here involved. I wanted the Senator to be aware that those practices had been put into effect by the TVA.

Mr. HUMPHREY. I appreciate the edification the Senator from Iowa has given to me.

Mr. HICKENLOOPER. I could give the Senator the names.

Mr. HUMPHREY. I should be delighted to have the Senator put anything in the RECORD he would like in order to further document his case, but I think there were 2 or 3 questions that might be asked. Was the contract the result of competitive bidding? There was none in the Dixon-Yates case. We presented telegrams in the Senate from investors and engineers who were denied even the opportunity to bid, and I say that is a very peculiar situation, when those who wanted to bid were denied an opportunity. Yesterday I read into the RECORD telegrams from investment houses and trust companies, and named individuals, who said they could save the Government of the United States millions of dollars on the contract, and they were begging the Members of the Senate to give them a chance to bid. They did not get a chance to bid, and I thought that in making Government contracts competitive bidding was at least a minimum standard of what we might call political ethics.

The Dixon-Yates contract has been argued and argued. My first participation in this debate was with the Senator from Alabama [Mr. SPARKMAN]. I recall that evening when I came to the Senate floor the Senator from Alabama was pointing out that it was not merely the TVA and Dixon-Yates atomic-energy matters that were concerned in the bill. What he thought was more important was the basic ethics of the proposed legislation. At that moment I entered the debate and suggested to the Senator from Alabama that I agreed with that judgment. I had read the bill. I had studied the report. I was visiting with my colleagues. I had listened to some of the debates, and I came to the conclusion that the bill was not proper legislation. As a result of that conclusion, I spent 2½ days gathering material, prepared a speech, and delivered the speech yesterday afternoon in a constructive vein.

All kinds of statements have been made of late. For example, this morning as I came to the Senate, after having been to my home for approximately 2½ or 2¾ hours, I listened to the radio, and heard an announcement to the effect that the chairman of the Committee on Agriculture and Forestry stated that this filibuster—in quotes—may very well prevent the Senate from taking action on the agricultural bill.

That was a calculated move of propaganda. That was to tell the country folks in Minnesota, who do not want the Eisenhower-Benson price-support political medicine, that our 90-percent parity bill for which we fought, and which we carried in the committee by a vote of 8 to 7, was not even going to have a chance to be discussed in the Senate. Many of those good citizens did not know that the Senate has nothing that would stop it from remaining in session until December if we decide to remain here.

Let me say to those on the other side of the aisle that I remember 1949 and 1950. I remember how Scott Lucas, the former leader, was kept here until October. Talk about harassment, talk about prolonged sessions. We had them. I am not angry about it. I admit that there was some of the cleverest and most astute political maneuvering on the part of the then minority, the Republican side of the aisle, I ever witnessed. In fact, I told some of my Republican colleagues that I had to admire the way they organized to apply tactics and strategy of confusion to the Democrats.

When I looked at the Presiding Officer this evening, the President pro tempore, the distinguished Senator from New Hampshire [Mr. BRIDGES] I recall that

he was one of the best of the opposition. And how I remember the great minority leader, Senator Wherry. He really knew how to keep things moving in the Senate—and not moving toward the objectives toward which the Democratic leader wanted them to move.

We had long sessions. How well I recall them. I could not help smiling tonight when I heard the majority leader complain that we will not be out of Washington by July 31. No one wants to get out of here more than does HUBERT HUMPHREY. I have good reason to want to get to Minnesota. The Republican Party in that State is well organized. There is a great campaign going on there. The year of decision is at hand, so far as I am concerned. I point that out to the majority leader and I wish he would just relax a little longer; we are going to be here a little while longer. [Laughter.]

The PRESIDING OFFICER (Mr. BENNETT in the chair.) The Chair advises those in the galleries that they are here as guests of the Senate, and this is not a show for their entertainment. The Senate has been in session nearly 40 hours, and I am sure our guests realize that the nerves of the men on the Senate floor are rather tired and strained, and the Chair must ask our guests to observe the rules of decorum or it will be necessary to clear the galleries.

Mr. HUMPHREY. Mr. President, I was merely pointing out what I considered to be some of the strategic accomplishments here in 1949, 1950, 1951, and 1952 of the Republican leader. I pay tribute to that leader. I remember very well the evenings I spent with our former Democratic colleague, Senator MCFARLAND, and how he would say, "If I could only move this program along. It is a heavy program." He would say, "We cannot do this, there is so much obstruction." That was said as we hear Senators talk in the Senate today, when things do not go as they want them to go, and point out what is wrong.

Mr. President, I respect the majority leader, the Senator from California [Mr. KNOWLAND]. I think he has done an admirable job as majority leader. In my opinion he has been eminently fair, and I have always felt that way, and I want this to appear as a matter of personal testimony in the RECORD. But I wish to say to the majority leader that any time bills seem to be delayed that are of such vital importance to the Nation, there is one way the delay can be corrected. We can lay aside all pending legislation for a period of time, and then proceed to consider the social-security bill or the farm bill or the foreign-operations bill, or any other bill that is ready from committee. I said earlier this evening that would not be unusual procedure. It has been done, Mr. President, 101 times. I could go back to the CONGRESSIONAL RECORD and show the Presiding Officer, and my colleagues, not once but 101 times, where we have laid aside the pending business to take up a matter of urgent necessity.

Now, what is so urgent about S. 3690? I say to you, Mr. President, that the requirements of the Atomic Energy Act have not even been fulfilled insofar as this legislation is concerned. I remind this august body that section 7 of the Atomic Energy Act imposes a duty, a mandate upon the Atomic Energy Commission to prepare a report of recommendations to the President, to be submitted by the President, to the Congress, before a legislative policy on the civilian use of atomic materials is inaugurated.

The burden of proof, it seems to me, rests upon those who circumvent or short circuit the mandate and that requirement. I repeat that it is not a matter of maybe preparing a report; it is a mandate to prepare a report. That report was never prepared.

There is a strange situation here. No one requested the Dixon-Yates contract, and in the Atomic Energy Commission there was not even a majority for it. The TVA did not require such a contract. The Atomic Energy Commission did not prepare a report as required, but we have S. 3690 before us, and all at once it becomes a matter of urgency.

Now, let me tell the Senate some other measures we could take up. We could take up the postal employees bill, for example, and their much needed cost-of-living pay increase. They could use it; and let me tell you, Mr. President, the money they would get under that bill would be spent a long time before any reactors are built under the terms of S. 3690 for the purpose of creating electrical energy. Our civil servants need some adjustments in their pay scale, Mr. President, and there are other matters of urgency, such as the housing problems of America, health problems, education problems, all of which we could take up in this Congress, and all of which are more urgent than the legislation before us.

What really happened was that the majority leader actually expected that S. 3690 would be brought up on July 13 and passed by July 15. The situation was such that it was thought we would get a 1- or 2-day treatment of a complicated bill, or at least not more than 3 or 4 days, and it would go through; and it almost did, save for the diligence and the vigilance of a few of our distinguished colleagues.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. EASTLAND. The Senator has mentioned measures that we could consider. Does the Senator realize that I have pending an amendment to the Constitution to curb the power of the Supreme Court in segregation cases?

Mr. HUMPHREY. I surely do.

Mr. EASTLAND. And to preserve to the States full control of health and good order in the States?

Mr. HUMPHREY. I surely do.

Mr. EASTLAND. Does not the Senator think that it is of the utmost importance that this bill be laid aside to consider that proposed amendment?

Mr. HUMPHREY. I may say to my good friend, the Senator from Mississippi that there may be those in this body who do, and if they would like to speak on that subject, I would be more than happy to yield to them for a polite and, let me say, a short speech. Men have divergent points of view on such a great issue as has just been recalled by the Senator from Mississippi; but some of us stand firmly together here against S. 3690, as written.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield, gladly.

Mr. EASTLAND. Does the Senator realize that, before the night is over, an attempt is to be made to take away the rights of the Senator from Minnesota?

Mr. HUMPHREY. I thank the Senator. I appreciate his thoughtfulness. More consideration is being given tonight to the Senator from Minnesota than I have had for years. As a matter of fact, it is becoming so very obvious that I feel very much at home, very comfortable and relaxed in the situation in which we find ourselves.

Now, I want to draw my statement to a conclusion. Let the farmers of America know tonight that if the agricultural bill is delayed, it is not delayed because of the wish of the junior Senator from Minnesota. Let the farmers of America know tonight that we have set aside legislative bill after bill, to take up some resolution that some Senator wanted to have considered in the middle of an afternoon. I recall all too well some of those resolutions. We have laid aside important measures of public policy, to consider some special item of legislation that a particular segment of this body might want, and any time it is desired to bring up the agricultural bill, all it is necessary to do is for the majority leader to suggest that the pending business be laid aside and in lieu thereof the agricultural bill be substituted, and we are on the road to getting 90 percent of parity for our farmers. But let me suggest what will happen when we bring up the agricultural bill? The same administration that is trying to rush this bill through is going to be trying to rush through lower price supports and lower farm income. There is going to be another fight on that, and it will be a hot one, too, because this Senator does not intend to permit this administration to forget its promises. This Senator does not intend to have the administration ram through the Congress an agricultural bill which will seriously impair the farmers' income. It may be well to cogitate on that once in a while.

Mr. President, I, for one, have been witnessing the barrage of propaganda about stalling the President's program. I read newspaper headlines this morning, "Ike Has Victory on Atomic Energy Bill." What victory? The Dixon-Yates contract? He had that before we ever voted it. He ordered that contract, despite all the advice to the contrary. There seems to be some doubt as to whether he consulted with the Attorney General. In 1 week the Attorney General said he had never been consulted, and a little later the President said he got his advice from the Attorney General, or at least he cleared it with him. If that contract is a part of the administration's program, let them have it.

Now, what is the other part of it? S. 3690. What has that got to offer us? Well, we have made improvements in

some of it. The distinguished Senator from Colorado [Mr. JOHNSON] sponsored an amendment, which I think made this a much more desirable bill. I want to say that many features of the bill before us are desirable.

I, for example, listened to the radio reports this morning, and what did I hear? "Senate Democrats—a small band of Senate Democrats opposed to Atomic Energy Commission developing atomic energy through private industry for civilian purposes"; "Democrats opposed to the Atomic Energy Commission licensing private individuals to develop atomic energy for civilian purposes." I say that is a lot of hogwash. That is pure unadulterated bunk. It is glorified nonsense. We are for the Atomic Energy Commission permitting private contractors and utilities to utilize nuclear power for the purpose of creating electrical energy, but we are not for giving them the stockpile. We are not for permitting an individual corporation to have almost unlimited rights, without the proper regulations; and why should we? We insist on regulations on practically everything in this country. We have got regulations on the manufacture of cold cream and the shipment of it in interstate commerce, regulations on every prescription drug, regulations even upon maufactured items in the hardware stores. We have got a Bureau of Standards in Washington, D. C. that tests practically every commodity; but when it comes to the great treasure house, nuclear power or fissionable material and atomic energy, we are supposed to be in a hurry. Mr. President, I say to hurry on this policy may cost us dearly. Think what might happen if the Atomic Energy Commission should ever find itself in a position where there was doubt in the law as to whether or not it could supply power for all of its own purposes.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question only.

Mr. LONG. Is the Senator aware of the fact that the American people have $12 billion of their funds tied up in the development of atomic energy?

Mr. HUMPHREY. Yes, we have, $12 billion of the taxpayers' funds tied up in the atomic-energy program.

Mr. LONG. Is the Senator aware of the fact that the amount invested in the development of atomic energy, as of the present time, represents about $300 for every family in America?

Mr. HUMPHREY. That is correct.

Mr. LONG. Will the Senator yield for a further question?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. KNOWLAND. Mr. President, for a question?

Mr. HUMPHREY. For a question only.

Mr. LONG. Does the Senator realize that it is the responsibility of Congress to see to it that the funds of all the people of the Nation are adequately protected, and that the Congress of the country owes to the people a duty and an obligation to see to it that those funds will not be frittered away by ill-considered legislation?

Mr. HUMPHREY. That is correct. We have a very solemn obligation in this area. I repeat I have read the law, and the McMahon Act says that before the Congress legislates, or before any action is taken in regard to the civilian use of atomic energy, its application to peacetime and civilian use, the Atomic Energy Commission shall make a report—"shall make a comprehensive report." I read that language into the CONGRESSIONAL RECORD yesterday, and I say that has never been done.

In view of all the talk about how we have delayed and procrastinated, I think it is only fair again to repeat what I have said again and again: What a filibuster it is when four amendments are voted on. I have seen a filibuster in the Senate when I was on the losing end. I recall when our Republican colleagues joined in a filibuster to stop us from changing the rules. I recall that very well, in 1949. That was a real filibuster. There were no votes until the last vote—the one, only. When they had made arrangements for what we now call the Wherry compromise, the Wherry resolution, the only vote was the final one.

My feeling is that we should maintain a sense of balance and reasonableness about this bill. There are 4 or 5 other amendments in which I am particularly interested. I think there is much in this bill that is very desirable. I know that the section on international cooperation needs to be carefully examined, because there are Senators who have already spoken about it and want to look into it very carefully. I also understand that the provisions regarding patents and inventions and licensing need to be examined, and will be examined by some of our colleagues. Very definitely they should be examined. I have been in the city hall when aldermen have argued 5 or 6 weeks over the revision of a rule pertaining to the health conditions of restaurants, and they thought it was important, very important. We are talking about the licensing, not of restaurants, not of cafes; but we are talking about the licensing of one of the most miraculous sources of power and energy the world has ever known, or at least that modern science has ever unveiled or discovered.

Mr. President, let us have no more of this talk to the effect that we are delaying the farm bill. Let us not have any more talk that July 31 is the date we are supposed to adjourn. I would remind my colleagues that that law, the Reorganization Act, was in effect in 1949, it was in effect in 1950, it was in effect in 1951; and I recall very well that there were some very mighty good, long Republican speeches being made in the month of September, in some of those years. So this constant desire to fall within the pattern of the legislative reorganization act is slightly unbecoming. I remember that the late Senator Robert Taft felt that the sessions should be divided. He felt that Congress ought to meet in January, sit until about the middle of July, recess until September, and then come back—a sensible proposal, by the way, a very sensible proposal.

Mr. MONRONEY. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question only.

Mr. MONRONEY. Is it not a fact, I may ask the distinguished Senator from Minnesota, that the July 31 date was put into the Reorganization Act specifically for the purpose of better spacing throughout the entire session, in connection with the workload of Congress, so that Congress could arrive at a July 31 adjournment without the usual rush of a heavy program, 90 percent of it, within the last few days or few weeks of the session?

Mr. HUMPHREY. That is correct; that is my understanding.

Mr. President, again I wish to say that I think the majority leader has done an admirable job this year in terms of handling the appropriation bills. I do not know of any year in which they have been handled in better fashion.

I wish to say that I do not know of a time when the Congress has been better informed, basically, about the work to be done. We have known what to expect and what bills would come up. The majority leader has been considerate.

However, from my point of view in connection with this matter, the calculations went a little astray. Perhaps some face-saving is involved in this instance. It seems to me there are indications at this time resembling a situation in which an irresistible force meets an immovable object. I have talked to some Members who say they will fight it out, but not in the way the majority leader wants to fight it out or fight it through.

The majority leader suggested that we reason together. I was willing to do that, amendment by amendment. Then we got into a hassle over procedure. I think it is completely obvious what happened. The majority leader was well equipped. He had resolutions in every pocket, and he had an extra resolution in an inside pocket. Finally he pulled out the latter resolution—the Big Bertha, the atomic cannon, so to speak—in short, the cloture petition. I hope that petition will not have to be used. But if we do use it, I predict there will be quite a few short of the 64 votes needed, unless some of my friends from down in the magnolia country have changed their minds in recent years.

Mr. LONG. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield for a question only.

Mr. LONG. Does not the Senator from Minnesota realize that there are many Confederates who say, "Although I disagree with what you say, I will fight for your right to say it"?

Mr. HUMPHREY. Mr. President, I always thought Voltaire was a Confederate. [Laughter.]

Mr. President, in fact I have the greatest affection for Confederates. In fact, I intend to make a rather short talk on Robert E. Lee.

However, Mr. President, before I speak further tonight, I withdraw the amendment.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota is withdrawn.

Mr. KNOWLAND. Mr. President, it is now 1:20 a. m., on Friday, July 23. I move the Senate stand in recess until 1:30 a. m., on Friday, July 23.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Eastland	Martin
Barrett	Ferguson	Millikin
Beall	Flanders	Monroney
Bennett	Goldwater	Mundt
Bowring	Hendrickson	Payne
Bricker	Hickenlooper	Potter
Bridges	Holland	Purtell
Burke	Humphrey	Reynolds
Bush	Ives	Saltonstall
Butler	Jenner	Schoeppel
Capehart	Johnson, Tex.	Smith, Maine
Carlson	Johnston, S. C.	Smith, N. J.
Case	Kilgore	Thye
Clements	Knowland	Upton
Cooper	Kuchel	Watkins
Crippa	Langer	Wiley
Daniel	Long	Williams
Dirksen	Magnuson	Young
Dworshak	Malone	

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFF] and the Senator from Idaho [Mr. WELKER] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from California that the Senate take a recess from 1:20 a. m., on Friday, July 23, to 1:30 a. m., on Friday, July 23.

Mr. KNOWLAND. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair calls the attention of the majority leader to the fact that it would obviously be impossible to complete the yeas and nays by 1:30 a. m.

Mr. KNOWLAND. Then, Mr. President, I modify my motion, so as to provide that the Senate take a recess until 2:00 o'clock a. m., on today, Friday, July 23.

The PRESIDING OFFICER. The motion of the Senator from California has been modified, so as to provide that the Senate now take a recess until 2:00 a. m., on today, Friday, July 23.

Mr. KNOWLAND. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Oregon [Mr. CORDON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

Mr. CLEMENTS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Louisiana [Mr. ELLENDER], the Senators from North Carolina [Mr. ERVIN and Mr. LENNON], the Senator from Delaware [Mr. FREAR], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Iowa [Mr. GILLETTE], the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senator from Arizona [Mr. HAYDEN], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Washington [Mr. JACKSON], the Senator from Colorado [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from New York [Mr. LEHMAN], the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The result was announced—yeas 56, nays 0, as follows:

YEAS—56

Aiken	Eastland	Martin
Barrett	Ferguson	Millikin
Beall	Flanders	Monroney
Bennett	Goldwater	Mundt
Bowring	Hendrickson	Payne
Bricker	Hickenlooper	Potter
Bridges	Holland	Purtell
Burke	Humphrey	Reynolds
Bush	Ives	Saltonstall
Butler	Jenner	Schoeppel
Capehart	Johnson, Tex.	Smith, Maine
Carlson	Johnston, S. C.	Smith, N. J.
Case	Kilgore	Thye
Clements	Knowland	Upton
Cooper	Kuchel	Watkins
Crippa	Langer	Wiley
Daniel	Long	Williams
Dirksen	Magnuson	Young
Dworshak	Malone	

NAYS—0

NOT VOTING—40

Anderson	Hayden	McClellan
Byrd	Hennings	Morse
Chavez	Hill	Murray
Cordon	Jackson	Neely
Douglas	Johnson, Colo.	Pastore
Duff	Kefauver	Robertson
Ellender	Kennedy	Russell
Ervin	Kerr	Smathers
Frear	Lehman	Sparkman
Fulbright	Lennon	Stennis
George	Mansfield	Symington
Gillette	Maybank	Welker
Gore	McCarran	
Green	McCarthy	

So the motion was agreed to; and (at 1 o'clock and 34 minutes a. m., Friday, July 23) the Senate took a recess until 2 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 22 (legislative day of July 2), 1954:

COMPTROLLER OF CUSTOMS

Albert V. Becker, of Illinois, to be Comptroller of Customs with headquarters at Chicago, Ill., to fill an existing vacancy.

IN THE ARMY

Lt. Gen. John Ernest Dahlquist, O7120, Army of the United States (major general, U. S. Army), for appointment as chief, Army Field Forces, with the rank of general and as general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

Col. Elmer William Young, O16298, Veterinary Corps, United States Army, for appointment as brigadier general, Veterinary Corps, in the Regular Army of the United States, under the provisions of title V of the Officer Personnel Act of 1947.

Maj. Gen. Henry Irving Hodes, O12845, United States Army, for appointment as commanding general, VII Corps, with the rank of lieutenant general and as lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

Maj. Gen. John Howell Collier, O12388, United States Army, for appointment as commanding general, I Corps, with the rank of lieutenant general and as lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

Maj. Gen. Charles Edward Hart, O15788, United States Army, for appointment as commanding general, V Corps, with the rank of lieutenant general and as lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947:

To be major generals

Brig. Gen. James Holden Phillips, O12331, United States Army.

Brig. Gen. Mark McClure, O14935, Army of the United States (colonel, U. S. Army).

Brig. Gen. Francis Marion Day, O15614, Army of the United States (colonel, U. S. Army).

Brig. Gen. Edward Joseph O'Neill, O15952, Army of the United States (colonel, U. S. Army).

Brig. Gen. Arthur Lawrence Marshall, O38593, Army of the United States (colonel, U. S. Army).

Brig. Gen. Robert Lee Howze, Jr., O16055, Army of the United States (colonel, U. S. Army).

Brig. Gen. Aubrey Strode Newman, A16099, Army of the United States (colonel, U. S. Army).

Brig. Gen. Frank Coffin Holbrook, O16654, Army of the United States (colonel, U. S. Army).

Brig. Gen. John Honeycutt Hinrichs, O17174, Army of the United States (colonel, U. S. Army).

Brig. Gen. Frank Schaffer Besson, Jr., O18662, Army of the United States (colonel, U. S. Army).

To be brigadier generals

Col. Gerald Edward Galloway, O16043, United States Army.

Col. Edwin Bascum Kearns, Jr., O16224, United States Army.

Col. Russell Thomas Finn, O16237, United States Army.

Col. Donald Dunford, O16267, United States Army.

Col. Benjamin Franklin Modisett, O39526, United States Army.

Col. Harry Warren Johnson, O16291, United States Army.

Col. William Jesse Deyo, Jr., O16449, United States Army.

Col. John Lawrence Ryan, Jr., O16451, United States Army.

Col. George Olaf Norman Lodoen, O16580, United States Army.

Col. Mason Harley Lucas, O16633, United States Army.

Col. Albert Gallatin Franklin, Jr., O16642, United States Army.
Col. Francis Anthony Kreidel, O39553, United States Army.
Col. Theodore Addison Weyher, O16738, United States Army.
Col. Bertram Arthur Holtzworth, O16804, United States Army.
Col. Olaf Helgesen Kyster, Jr., O16830, United States Army.
Col. Martin Joseph Morin, O16911, United States Army.
Col. David William Traub, O17110, United States Army.
Col. William Henry Hennig, O17122, United States Army.
Col. Garrison Barkley Coverdale, O17148, United States Army.
Col. William Mattingly Breckinridge, O17210, United States Army.
Col. Thomas Jahn Sands, O17521, United States Army.
Col. Ralph Robert Mace, O17578, United States Army.
Col. James Bernard Quill, O17673, United States Army.
Col. Fred Winchester Sladen, Jr., O17677, United States Army.
Col. Charles Greene Calloway, O17690, United States Army.
Col. Herbert John Vander Heide, O17754, United States Army.
Col. Sidney Clay Wooten, O18126, United States Army.
Col. Walter Bernard Yeager, O29464, United States Army.
Col. Miller Osborne Perry, O18427, United States Army.
Col. Louis Victor Hightower, O18502, United States Army.
Col. James Karrick Woolnough, O18709, United States Army.
Col. Floyd Allan Hansen, O18767, United States Army.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 22, 1954

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, in these days of crisis and ordeal may we be blessed with that divine insight and inspiration which will make us capable of the noblest thoughts and the most courageous actions.

Help us to understand that we cannot remain strong and steadfast amid all the pressures of fear and frustration, of cynicism and doubt, of self-seeking and personal aggrandizement that are continually playing upon us unless we have a vivid and vital sense of Thy presence and power.

Grant that we may be sensitive and attentive to the guidance of Thy Spirit as we seek to know what kind of legislation will be most helpful in lifting mankind to new and higher levels of peace and happiness.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ALLEN of Illinois. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 112]

Abbitt	Fisher	O'Brien, N. Y.
Angell	Gamble	Patman
Bailey	Harris	Perkins
Belcher	Harrison, Wyo.	Powell
Blatnik	Hart	Regan
Brooks, La.	Heller	Rhodes, Pa.
Buckley	Hiestand	Richards
Camp	Jarman	Short
Celler	Kersten, Wis.	Sikes
Chatham	Long	Steed
Church	Lucas	Sutton
Coudert	McGregor	Thompson, Tex.
Curtis, Nebr.	Mailliard	Vinson
Dague	Martin	Vursell
Dawson, Ill.	Miller, N. Y.	Weichel
Dingell	Morgan	Wheeler
Ellsworth	Norrell	Willis
Fallon	O'Brien, Mich.	Yorty

The SPEAKER. On this rollcall 366 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file reports.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

RECESS FOR THE PURPOSE OF RECEIVING PRESIDENT SYNGMAN RHEE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, July 28, 1954, for the Speaker to declare a recess subject to the call of the Chair for the purpose of receiving in a joint meeting the President of the Republic of Korea, His Excellency Syngman Rhee.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SUPPLEMENTAL APPROPRIATION BILL, 1955

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9936, with Mr. ALLEN of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on Tuesday, the Clerk had read down to and including line 13 on page 6. If there are no amendments at this point, the Clerk will read.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I rise to ask whether the rules and the precedents of the House in reference to the right of the chairman of the committee in charge of the bill to close debate are going to be followed today or whether or not those rules and precedents are going to be violated as they were day before yesterday. I just want to serve notice that if they are I shall make a point of order and, if I am overruled, I shall appeal from the decision of the Chair.

The CHAIRMAN. The Chair wishes to state that he will follow the rules of the House.

The Clerk read as follows:

Salaries and expenses, White House Police

For an additional amount for "Salaries and expenses, White House Police," $62,000, to be derived by transfer from such appropriations contained in the Treasury Department Appropriation Act, 1955, as the Secretary of the Treasury may designate.

Mr. DORN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORN of New York: On page 7, after line 19, insert:

"Bureau of the Mint: For a medal for Irving Berlin as authorized by law, $1,500."

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DORN of New York. I yield.

Mr. CANFIELD. Mr. Chairman, there is no question in the minds of the committee about the propriety and timeliness of this amendment. This medal is authorized by law. There should be no delay in appropriating the necessary funds. The committee is agreeable to this amendment and is prepared to accept it.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. DORN of New York. I yield.

Mr. ROONEY. Mr. Chairman, in behalf of the minority members of the Appropriations Committee, including the gentleman from Virginia [Mr. GARY], the ranking minority member of the Subcommittee on Treasury-Post Office Departments which is concerned with this particular matter, I should like to say that we have no objection to the proposed amendment and that we accept it.

We feel that Irving Berlin has done more over the years for the good of this country through his writing and composing of songs than many of our sages and philosophers. An immigrant to the United States from Russia at the age of 5, his God Bless America will live the life of this Nation.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia [Mr. GARY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. GARY. Mr. Chairman, as the ranking minority member of the subcommittee to which this appropriation

would be referred, I take pleasure in supporting it. Irving Berlin is a great American and one of the outstanding song writers of all time. His tuneful melodies have made his name immortal and his patriotic songs have been an inspiration to our Nation during the stress and strain of this war-torn country. God Bless America will remain in the hearts and on the lips of our people as long as there is an America. This medal will be a well merited recognition of the contribution of Irving Berlin to our national life.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DORN of New York. I yield.

Mr. JAVITS. Mr. Chairman, I should like to compliment the gentleman on his very timely amendment honoring a great American who has made such an outstanding contribution to our cultural heritage in music which has become folk music, and calling this matter to our attention in this very splendid way.

Also, I should like to express my appreciation of the action of the subcommittee; but especially I should like to compliment my colleague from New York.

Mr. DORN of New York. Mr. Chairman, I want to thank the Members for accepting this amendment. I appreciate the comments that have been made on both sides of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DORN].

The amendment was agreed to.

The Clerk read as follows:

Surveys and planning for hospital construction

For payments to States for surveys and planning activities pursuant to title VI of the Public Health Service Act, as amended, $2,000,000: *Provided*, That such funds shall not be available after June 30, 1956.

Mrs. FRANCES P. BOLTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

On page 9, immediately after line 8, insert "For an additional amount for salaries and expenses, Children's Bureau, $165,000."

Mrs. FRANCES P. BOLTON. Mr. Chairman, the problem of juvenile delinquency has grown to such proportions that it is not possible for us to set it aside as unnecessary in the matter of Federal interest; $165,000 added to the Children's Bureau fund would make possible the necessary additional personnel with which to give the advice and the encouragement to the different States which has proved of such potency in other programs.

On June 18 the President requested a supplemental appropriation for the Children's Bureau. Incidentally, Mr. Chairman, I would like to remind this body that the only future any country has is its children.

Significant developments in the field of juvenile delinquency, since the Bureau budget estimate for 1955 was under review last fall, led to the request for this supplemental appropriation.

The facts brought to light by the subcommittee of the Senate Judiciary Committee appointed to investigate juvenile delinquency point to the urgent need for more national leadership in this field. The statistics for 1953, which have just become available, show that the delinquency is continuing to rise in appalling proportions. The number of delinquent children coming from the juvenile courts in 1953 totaled about 435,000. This figure is an all-time high, and my understanding is that the 1954 figure is mounting even higher.

For 2 years the Bureau has had to rely on help from a privately financed project to carry forward work with communities in improving services for juvenile delinquents. The funds for this project will be exhausted in the very near future. It is for this reason that it is particularly important that this money be added to the Children's Bureau fund.

You see, the Bureau operates under two laws: The act of 1912, creating the Bureau, gave it broad responsibilities "to investigate and report upon all matters pertaining to the welfare of children and childlife among all classes of our people." Under title V of the Social Security Act of 1935, as amended, the Bureau has responsibility for administering grants to States for maternal and child health, crippled children, and child welfare services. Under these two laws, the Bureau has responsibility for providing a wide variety of services requiring a diversity of professional personnel. The Bureau cannot expand further its works in the field of juvenile delinquency without additional funds. It has had to absorb increases of salary, which means a reduction in force of 5 more people—from 229 to 224. Should further additional salary raises be made by this body, the Bureau will be so much more handicapped in what it can do.

Mr. Chairman, we vote untold millions for the protection of our natural resources, for reforestation and soil erosion and the like, what of our greatest resource and our only future—our children? The time has come to declare all-out war on juvenile delinquency. If you will read the committee report, I am sure you will feel it is important to add this $165,000—so little money for so great a work—to this appropriation.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. TABER. Mr. Chairman, I think at this time we ought to set a limit on debate on this amendment. I suggest that there be 1 more speech for 5 minutes in favor of the amendment, and 2 speeches against it—which would provide an equal division of the time on the amendment and which would be fair. Therefore, I ask unanimous consent with that in mind that the debate be limited to an additional 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, when the appropriation for the Department of Health, Education, and Welfare was before us, I offered exactly this amendment, which the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] is offering today. I am delighted she has seen fit to offer it, and it is quite appropriate that a lady of such distinction, who has children of her own should offer an amendment of this type. I would like to call our attention to a matter of the record in respect to this amendment, which I strongly urge upon the House. When I brought it up originally, the gentleman from Illinois [Mr. BUSBEY], who is chairman of the subcommittee handling that particular appropriation bill said, and I quote from the RECORD of that day's debate at page 8008, as follows:

Mr. BUSBEY. Mr. Chairman, we are all in accord with the objectives of the amendment offered by the gentleman from New York [Mr. JAVITS].

Over a month ago Dr. Eliot, head of the Children's Bureau, testified before our committee that this problem is being studied at a high level in the White House, and she thought that a supplemental request for this particular activity would be submitted to the Congress in the near future. I think we should wait until the proposition is submitted to us, because we will then have the benefit of their study and their findings. Then, we can consider their request in the regular, established manner, rather than at this time before we have any definite program to act on.

I now call the attention of the committee to the fact that by a communication from the President of the United States, House Document No. 438, he recommends that this appropriation be made though it is not included in this bill. He says as follows:

For an additional amount for salaries and expenses, Children's Bureau, $165,000. The additional amount is for establishment of a staff to study, gather facts, and consult with States on problems of juvenile delinquency. The purpose is to provide specialized knowledge and guidance to the States in order to aid them to improve services and facilities for dealing with delinquent children.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. JUDD. I want to associate myself with the gentleman. I cannot see any good reason why we should not put in this $165,000. I do not know any more worthy cause for which we could make an appropriation than this one. I hope the committee will accept the amendment.

Mr. JAVITS. I thank the gentleman.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in support of the amendment.

On the last 3 days of June, over 450 specialists in the problems of delinquent children from all parts of the country—including judges, probation workers, psychiatrists, social workers, civic leaders, and others—met here in Washington on the invitation of Secretary Hobby. They met to pool their thinking about what can and must be done to curb the mounting juvenile delinquency reported in big and little cities.

With extraordinary unanimity, these experts agreed that the situation is serious. They agreed that measures must be taken both to build greater respect in youngsters for the law and to restore to

good social and emotional health youngsters who have got into trouble with the law. Over and over again, these delegates asked for leadership in meeting this problem. They can get such leadership from the Children's Bureau if it is staffed to give it.

Public and private agencies throughout the country want to push ahead, building better police services for handling young delinquents, providing better detention facilities, improving court handling, and modernizing training-school methods and facilities. Many communities are ready to go ahead in taking better measures to prevent delinquency.

Those of us who support the President's request for a supplemental appropriation are asking merely that the Federal Government increase its services for advising and consulting with States and local communities as to what are good practices, what are good facilities, and what are wise measures to take.

They can get such help from the Children's Bureau. The Bureau knows their problems, it knows what programs work efficiently, and it knows what children need if they are to have the chance to develop as responsible, socially useful, and happy human beings.

But this help can be forthcoming from the Children's Bureau only if it can add to its staff more specialists to gather essential facts, to provide guidance material, and to work with States and communities. This relatively small sum of $165,000 would be utilized by employing men and women skilled in dealing with the many aspects of juvenile delinquency, and ready to go to work on these problems.

As we build and maintain the defenses of our Nation, let us not forget that we are making life safer and happier, not just for us adults, but for our children, and for their children. Let us not, in anxiety over the cost, make our children the casualties of our efforts to economize. We run the risk of that when we neglect to give the Children's Bureau the means for helping our States and communities do their job of building a physically, socially, and emotionally sound new generation.

Mr. Chairman, while we are on the subject of appropriations for the Department of Health, Education, and Welfare, I should like to state that I have hoped to offer three amendments at this point. These amendments would have appropriated additional funds for cooperative research activities, for a White House Conference on Education and for the National Advisory Committee on Education. A total of $2,025,000 was requested by the administration for these purposes, but the Appropriations Committee struck out the entire amount.

Since the President has not yet signed the three bills authorizing these activities—the conference reports were only agreed to by this body yesterday—I understand that a point of order would have been sustained against these amendments. I do feel it advisable, however, to call to the attention of my colleagues the fact that adequate appropriations for these purposes will be necessary. I am confident that the Members of the other body will take appropriate action when this bill comes to them for consideration.

Mr. JAVITS. I appreciate the gentleman's support.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to associate myself with the gentleman. I hope the amendment passes. All too often the technicalities presented to the Appropriations Committee blind them as to ultimate worth. On the other hand this committee must be commended on the way it has tackled the overall problem of conserving our money. The taxpayer has been saved many millions of dollars.

Mr. JAVITS. I thank the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. H. CARL ANDERSEN. I wish to associate myself with the gentleman in support of the amendment offered by the gentlewoman from Ohio. I believe this would be money well spent. There are many millions in this bill which I think are for purposes less deserving. We must do everything we possibly can in fighting against juvenile delinquency.

Mr. JAVITS. I thank the gentleman from Minnesota.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I likewise want to associate myself with the program of extended help in the problem of juvenile delinquency.

Mr. JAVITS. I thank the gentleman for his support.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MILLER of Kansas. Mr. Chairman, I rise to associate myself with the gentleman from New York, and I wish to support the amendment offered by the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON]. I do not know of any question more important before this House at this time than the one we are deciding here.

Mr. JAVITS. I thank the gentleman from Kansas.

Mr. HOWELL. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New Jersey.

Mr. HOWELL. Mr. Chairman, there is a great deal of interest in New Jersey, particularly in this appropriation for juvenile delinquency studies because, as I understand it, the special program which the Children's Bureau intends to set up has grown out of the excellent work in the field of juvenile delinquency done by a Senate subcommittee headed by the junior Senator from New Jersey, Mr. HENDRICKSON. This subcommittee has attracted to the problem of juvenile delinquency the national attention it deserves, and has brought into sharp focus the gaps in our organizational ability to cope with what is getting to be a worse problem every year.

The trouble with this appropriation item probably is that it was too small to start with, so no one takes it seriously. If it were $165 million instead of $165,000, it might have had a better chance in committee.

The Appropriations Committee, in knocking out the requested $165,000, said the Children's Bureau could find money for studying the juvenile delinquency problem by diverting it from other activities. Are we to assume that the agency got money this year from the Appropriations Committee for unnecessary activities? As the report of the committee shows, the Children's Bureau only got $1,525,000 altogether for all of its work, and much of it is in the field of industrial health and protection.

Here is the sort of thing which puzzles me sometimes in the appropriations process: In this bill we are appropriating $6,500,000 for forest roads and trails to enable logging outfits to get to some Government timber which is overmaturing.

Now that is all right, and probably good business on the Government's part. But the cost of just 1 mile or so of these wilderness logging roads that helps save some timber from going bad would also just about cover the cost of setting up this special staff in the Children's Bureau. I think it is a whole lot more important to save children from going bad, if that can be done with a modest appropriation like this, than to worry about the timber. Those trees may face a blight out there in Idaho and California, but I do not know of any blight worse than the human spoilage of juvenile delinquency. I think the Children's Bureau should be allowed to serve as the organizational spearhead for local, State, and National Government agencies in organizing the counterdrive against juvenile delinquency.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. YATES. I, too, want to associate myself in support of the statement made by the gentleman from New York. I think the amendment is one that should be passed.

There is no question but that the fundamental cure for juvenile delinquency is a good home and good family life. This is a problem that must be handled primarily by the family and by the local community. The fact remains, however, that in many communities throughout the Nation, elements of the problem are the same, and it would be well if a coordinated effort could be made to deal with them by all such local communities.

In this respect the Federal Government can be of service, and that, I understand, to be the purpose of this amendment, namely, first, to establish a national clearing house of information on various aspects of the delinquency problem which could be made available to local groups and agencies; and, second, to provide methods for suggesting

standards and programs for training advisers and workers on a local level.

I think that for this limited purpose the amendment should be adopted.

Mr. JAVITS. I thank the gentleman from Illinois.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MILLER of California. I wish to associate myself with what the gentleman from New York has said. I know of no more important resource in this country than our children.

Mr. JAVITS. I thank the gentleman from California.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I shall be delighted to support the amendment.

Mr. JAVITS. I thank the gentlewoman for her support.

There are many States that have youth commissions dealing with this subject of juvenile delinquency. Among them are: Arkansas, California, Colorado, Connecticut, Kansas, Louisiana, Michigan, Minnesota, Mississippi, North Dakota, Oklahoma, Oregon, Washington, Wisconsin, and Wyoming.

This certainly is a national program. It is a very minimal expenditure which is being asked for and it is something that is recommended by the President of the United States; it is an administration program and it is certainly a desirable one.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. JAVITS. I yield to the gentleman from Ohio.

Mr. YATES. I just wish to point out in connection with this amendment that this will in no way affect the obligation and the responsibility of the local communities in dealing with the problem of juvenile delinquency. All this amendment proposes to do, as I understand, is to try to integrate and help local communities in operating that program.

Mr. JAVITS. That is exactly correct. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, I will not take second place to any Member of this body in my concern with the problem of what is generally termed "juvenile delinquency," although I think it often should more properly be called parental delinquency. It was because of my anxiety over this problem that I introduced a narcotics bill, H. R. 8700, which provides that the sale of narcotic drugs to a minor shall be a criminal offense, punishable by death or life imprisonment.

I subscribe to everything the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] said in the well of this House a few moments ago concerning the problem of juvenile delinquency. But, that is not the issue before the House today.

You are being asked to appropriate money to set up an agency within a bureau that has had the authority to do work in this field for many years and has been doing so. When the regular appropriation bill was before the House and I made the remarks to which the gentleman from New York [Mr. JAVITS] referred, I was in hopes that the White House would appoint some commission or committee to study this problem and to present a plan for coordinating all the activities of the various agencies under one agency. I do not believe it is practical to appropriate money for this problem until such a plan is presented.

As it is to date, we have about 9 or 10 different bureaus, agencies, and departments of Government dealing with the problem of juvenile delinquency.

Mrs. FRANCES P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I will be very happy to yield in a minute.

If a study were made to coordinate the efforts of these various agencies and a program presented to the Subcommittee on Appropriations, I would be the first one not only to want to appropriate $165,000, but I would favor appropriating 10 times that sum, in order to get the program started in the correct way, if I was convinced proper study had been given to the problem and that the recommendation was a good one. This idea of appropriating money for this purpose under these circumstances is almost similar to putting a roof on a building before you even have the plans made, let alone the foundation in. I do not believe a vote against this amendment would be a vote against correcting juvenile delinquency. I will vote against it. I refer you to the hearings held in connection with the supplemental appropriations. Dr. Eliot, for whom I have the highest respect, has not made a case for this appropriation. The strongest statement that makes any kind of a case—but which, in my judgment, is a very weak one—is the third paragraph on page 1295 of the hearings, which reads as follows:

> The Juvenile Delinquency Division will collaborate with the existing Divisions of Social Services and Health Services, other constituents in the Department of Health, Education, and Welfare, other departments and national organizations working in this field. The Bureau through its other divisions already has many contacts with State departments of public welfare and health, and these will be utilized to further the work of the new division.

We have the Office of Education in this field, we have the Department of Agriculture in this field, we have the Department of Justice and the FBI, and we have the Department of Labor in this field. We have many more agencies, which do not come to my mind offhand, working on this so-called problem of juvenile delinquency. Why not let them get together and formulate a program and then come in here and say, "This is it; this is the amount of money we need to handle the program next year." I would be the first one to support it.

Mrs. FRANCES P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield to the gentlewoman from Ohio.

Mrs. FRANCES P. BOLTON. The Children's Bureau has several of its people working on juvenile delinquency. This does not set up a different bureau. It makes it possible for the Children's Bureau to do adequate work. A vote against this amendment is not against juvenile delinquency, but it would be against the children of this country who need the coordination that only the Federal Government can give to the various work of the agencies.

Mr. BUSBEY. Again I agree with the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] that the Federal Government should coordinate the activities in the field of juvenile delinquency; but I challenge the gentlewoman from Ohio, or anyone else, to show how the adoption of this amendment would coordinate or consolidate a single activity in this work.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. BUDGE].

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. BUDGE. I yield to the gentleman from New York.

Mr. TABER. Is it not true that the Children's Bureau has more people on this program than it did 3 years ago, yet the situation is more acute, proving that they have not gotten hold of the thing at all and that they are not the people to handle it?

Mr. BUDGE. I would say, certainly, that the appropriations to the Children's Bureau at the present time are in excess of what they were 3 years ago.

The chairman of the Committee on Appropriations has raised another interesting question which the members of the subcommittee were quite concerned about when he said that this is perhaps not the right Bureau to handle this problem. There is no question about the problem being there, but in this supplemental budget request from the Department of Health, Education, and Welfare we have 2 separate agencies within the 1 department, both of these agencies within the same Department asking in this budget request funds to study the very same problem. It seems to the committee, and I think it should to the Members of the House, that until the executive branch of the Government decides, at least, within just 1 department which bureau is going to make this study and make the recommendations the Appropriations Committee and the Congress would be somewhat lax in making an appropriation to a particular agency when the Department itself and the executive branch of the Government have not even concluded within the 1 department who they want to make this study.

Everyone recognizes that the problem exists, and that it is a serious one. It is one of concern in all areas of the country. For that reason, if for no other, the Congress should be satisfied that very real results will be obtained from the funds appropriated before they are provided. That is almost impossible for the Appropriations Committee and its staff to do in the limited time available

on a supplemental appropriation bill, particularly this late in the session.

Mr. Chairman, I think we should look into just what this $165,000 is intended to cover. It is solely for hiring and for the travel expenses of 53 new people in the Department of Health, Education, and Welfare, in the Children's Bureau; 53 additional people in the Washington office. Now, here are the types of people that are listed in the justifications that were given to the committee and the salaries which are connected with them. We have, first, a Director of the Division, and that is a new division now within the Bureau, at $10,800 per year. We have an Assistant Director of the Division at $9,600. We have 2 Chiefs of Branch, so apparently there will be 2 Branches within the new Division. Each of those people is to receive $9,600. We have a psychiatrist at $9,600. We have an after-care consultant—I am not sure just what that is—at a salary of $8,360. Then we come over here and we have 2 coordination and planning consultants at $8,360. We have an institutions consultant at $8,360. We have 2 training consultants at $8,360. The sole purpose of the appropriation is to start a new division in the Department in the Children's Bureau when the Department itself has not even decided whether it wants this office or the Office of Education to undertake the study.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. The Senate committee has been making a very exhaustive study of this problem. They have been holding hearings, and it is very likely that they will recommend basic legislation in the next Congress. Would it not be wise for the House to wait and cooperate with the Senate on basic legislation under a well-thought-out plan instead of going ahead now with a bill that might not do what is intended to be done?

Mr. BUDGE. I would certainly agree with the observation of the distinguished gentleman from New Mexico, particularly in view of the fact that the request for next year which the Children's Bureau has indicated they will make is exactly double the amount which they request in this appropriation.

Mrs. FRANCES P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentlewoman from Ohio.

Mrs. FRANCES P. BOLTON. The gentleman spoke of two divisions in the same Department. The Department of Education is entirely different from the Welfare Department work. They are two entirely different subjects.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

The question is on the amendment offered by the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

The question was taken; and on a division (demanded by Mrs. FRANCES P. BOLTON) there were—ayes 71, noes 77.

Mrs. FRANCES P. BOLTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. FRANCES P. BOLTON and Mr. TABER.

The Committee again divided; and the tellers reported that there were—ayes 85, noes 90.

So the amendment was rejected.

Mr. HESELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: Page 9, line 7, strike out "*Provided*, That such funds shall not be available after June 30, 1956" and insert the following:

"*Grants for hospital construction*

"For an additional amount for 'Grants for hospital construction', to remain available until expended, $35,000,000, to be available for payments under part G, title VI, of the act, as amended, as follows: for diagnostic or treatment centers, $10,000,000; for hospitals for the chronically ill and impaired, $10,000,000; for rehabilitation facilities, $10,000,000; and for nursing homes, $5,000,000: *Provided*, That allotments under such part G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein.

"*Salaries and expenses, hospital construction services*

"For an additional amount for 'Salaries and expenses, hospital construction services', $400,000, of which not to exceed $60,000 may be transferred to 'Salaries and expenses, Office of Vocational Rehabilitation', and not to exceed $5,900 may be transferred to 'Salaries and expenses, Office of the General Counsel, Health, Education, and Welfare'."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order against the amendment that it contains legislation and changes existing law.

The CHAIRMAN. Will the gentleman from New York please point out the matter he states is legislation?

Mr. TABER. These words in the last part of the amendment make it legislation "of which not to exceed $60,000 may be transferred to 'Salaries and expenses, Office of Vocational Rehabilitation', and not to exceed $5,900 may be transferred to 'Salaries and expenses, Office of the General Counsel, Health, Education, and Welfare'."

The CHAIRMAN. Does the gentleman from Massachusetts wish to be heard on the point of order?

Mr. HESELTON. Mr. Chairman, I ask unanimous consent to strike those words from the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. HESELTON: Page 9, line 7, strike out "*Provided*, That such funds shall not be available after June 30, 1956" and insert the following:

"*Grants for hospital construction*

"For an additional amount for 'Grants for hospital construction', to remain available until expended, $35,000,000, to be available for payments under part G, title VI, of the act, as amended, as follows: for diagnostic or treatment centers, $10,000,000; for hospitals for the chronically ill and impaired, $10,000,000; for rehabilitation facilities, $10,000,000; and for nursing homes, $5,000,000: *Provided*, That allotments under such part G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein.

"*Salaries and expenses, hospital construction services*

"For an additional amount for 'Salaries and expenses, hospital construction services, $400,000."

Mr. HESELTON. Mr. Chairman, let me make clear at the outset that this is not a personal amendment in a very real sense. This amendment has been authorized, I might say, by the Committee on Interstate and Foreign Commerce, which discussed this problem over the last 2 days. Consequently I am trying to present it objectively and in behalf of the committee which authorized the money involved in the amendment. You may recall, a few weeks ago the Committee on Interstate and Foreign Commerce reported to the House an extension of the so-called Hill-Burton Act, which should be called, incidentally, the Priest Act, and that the House passed it unanimously. It passed the other body and on July 14 it became a public law. That called for $60 million, but the administration submitted a request of only $35 million. I have here a chart showing the projects all over the country submitted by the State agencies. I do not have the time to indicate the extent of this, but let me just call your attention to it. There are 669 projects all ready to go with a total of 41,436 beds. That is divided into general, mental, tuberculosis, chronic diseases, public health centers, nursing homes, and training facilities and adjunct facilities. The estimated cost is a total of $681,673,000 and the Federal share for 1955 would be $270,082,000.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. DOLLIVER. Is it not a fact that the amount which the gentleman is suggesting in his amendment is approximately the amount which was authorized by the House in passing the extension of the Hill-Burton Act?

Mr. HESELTON. I do not think that is quite accurate. I think we authorized $60 million, but the administration only submitted a request for $35 million.

Mr. DOLLIVER. Actually, this money is to carry out the law passed in the House within the last few weeks; is that not correct?

Mr. HESELTON. Absolutely, there is no question about it.

Mr. DOLLIVER. May I comment, Mr. Chairman, that before the close of this session, we are going to be called upon to pass upon an appropriation which was authorized for foreign aid. There doubtless will be similar enterprises in that bill which amount to a good many millions of dollars. It seems possible to me that we might be willing to look after our own people in this matter of hospital construction by providing the modest amount that is suggested by the gentleman's amendment.

Mr. HESELTON. I thank the gentleman.

Mr. FULTON. Mr. Chairman, I want to associate myself with the gentleman.

Mr. HESELTON. I thank the gentleman.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. HALLECK. Do I understand that this amendment, which is being offered, involves supplying the money to implement the program which was just enacted a few days ago?

Mr. HESELTON. That is exactly correct.

May I point out that we have only 12 percent of the chronic-disease beds we need.

The $35 million requested is to implement the provisions of Public Law 482 approved July 12, 1954. The request, which is $25 million less than the law authorizes, would provide $10 million for chronic-disease facilities and $5 million for nursing homes. These two types of facilities are considerably less expensive to construct than general hospitals and can provide patient care at approximately one-third the cost of patient care per day which must now be given in more expensive general hospitals. It would free more general beds for patients with acute illness and permit more urgently needed facilities for chronic patients not in need of a full hospital regime.

Ten million dollars for diagnostic and treatment facilities to care for ambulatory patients. By emphasizing preventive medicine and care of the ambulant patient, the demands for general hospital beds will be reduced and the total cost to the patient will be less than the cost of hospitalization. This type of facility providing earlier diagnosis would prevent chronic illness and subsequent long-term hospitalization with its tremendous expenditure to the individual.

Ten million dollars for rehabilitation facilities. From an economic standpoint alone the return in taxes paid by rehabilitants is estimated to exceed the cost of rehabilitation. The 83d Congress has passed a bill to expand the number of patients rehabilitated. There is now a great shortage of adequate rehabilitation facilities for both patient care and training purposes.

The report by the House Appropriations Committee indicates that the committee is in sympathy with the new program but fearful that more harm than good will be accomplished by proceeding before any but the most sketchy plans are available. This statement completely overlooks the fact that at no time in the program are construction grant funds approved for expenditure without a comprehensive survey by the State, and approval by the Surgeon General of the State plans required under the survey and planning phase. The House committee based its refusal to approve this item on alleged vagueness of the program presented. However, it must be stressed that many States will complete the survey and planning phase of the program and be ready to embark upon the construction portion of the program during fiscal year 1955. Moreover, in the case of chronic-disease facilities, for which $10 million has been requested, all States could proceed almost immediately in view of the fact that this type of facility has been included under the original program and in the current State plans. Although the funds are available for a 2-year period the development of plans and the actual building construction in a community requires from 12 months to 24 months before the buildings are ready for occupancy.

It was emphasized in the testimony that unless the $35 million was appropriated there would be a delay of a full year in launching the new program in view of extreme reluctance on the part of the States to undertake a new activity unless funds have been appropriated by the Congress. In view of the record of uncertainty with respect to the amount of annual appropriations under the hospital survey and construction program it is not likely that the States would intensively launch upon the survey and planning activities with a mere authorization in the basic law for appropriations.

The full amount of $35 million would be all encumbered by the end of the 2-year period of availability on these grant funds.

For fiscal year 1955, $850,000 was appropriated for salaries and expenses to administer a program of $75 million in grant funds for hospital construction. This was $25,000 less than was appropriated for fiscal year 1954 when the program was at the $65 million level and $350,000 less than fiscal year 1953 when the program was last at the $75 million level. Mandatory salary increases will further reduce the level of finances for this item.

The appropriation request of the President and the Department for fiscal year 1955 for the $75 million program level was $950,000.

Under Public Law 482, 83d Congress, effective July 12, 1954, in order to carry out the additional work incident to the new amendments to the hospital survey and construction program a sum of $400,000 was requested as essential. This sum for salaries and expenses was included with an appropriation request of $2 million for survey and planning grants and $35 million for specified construction grants.

It is pointed out that regardless of whether or not Federal funds are appropriated for construction grants to the States the Public Health Service by the mandates of Public Law 482, 83d Congress, must develop basic policies, procedures, forms, and instructions pertaining to the survey and planning activities of the States in order to assure the uniformity of procedures throughout the Nation.

In addition the provisions of Public Law 482, 83d Congress, also require the Public Health Service with the approval of the Federal Hospital Council to develop and promulgate the necessary and essential regulations pertaining to the program covered by the new amendments. This entails an extensive workload and in the interest of developing the best possible program, consultation, and assistance from non-Federal groups with special knowledge in the health field. Some of these groups are the American Medical Association, the American Hospital Association, the nursing home and rehabilitation groups. The provisions of the new law provide a time limit of 6 months from date of enactment—July 12, 1954—for the completion of the new regulations. An extensive educational program is essential in order to assure the establishment of the program called for in Public Law 482, 83d Congress, on a firm and sound basis.

It is impossible to absorb the increased workload under the regular program with the current staff which is smaller than last year and then, in addition, undertake any of the activities called for under the new program.

If funds for construction grants are made available the additional $400,000 requested will permit an appropriate beginning of this phase of the new program.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr. HESELTON was allowed to proceed for 3 additional minutes.)

Mr. HESELTON. This is a direct challenge to everyone of us who is interested in the problems of the ill, and the aged of this country. If it is desired to stop this program in its tracks then we should turn this amendment down. But if we do have the interest of those people at heart, if we feel that this Congress by unanimously authorizing this amount of money can take some action which should be carried out, honoring our unanimous vote, then I say to you this is your opportunity and perhaps your last opportunity in this Congress to do something constructive in behalf of the people of this country who need your assistance.

I beg you to give your support to this amendment.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield to the gentleman from Illinois.

Mr. JONAS of Illinois. As I recall the legislation that the gentleman is now urging for adoption, came to us first in the form of a message from the President.

Mr. HESELTON. The gentleman is right.

Mr. JONAS of Illinois. We then passed enabling legislation on the floor of the House.

Mr. HESELTON. We passed it unanimously.

Mr. JONAS of Illinois. The overt act that will destroy the measure now is for us not to appropriate money for carrying out the purposes and objectives of the act.

Mr. HESELTON. The gentleman is correct about that. There is only $2 million in the bill and that is provided for survey and planning.

There is not 1 penny in the bill for the construction of any of the facilities. If you want this excellent program extended, if you want to carry out our recent commitment to the people in our districts, if you want to see that the serious deficit in health facilities is overcome as soon as possible, you should support the President's recommendation by voting for the amendment.

I am now including for the RECORD the tabulation to which I referred:

TABLE I.—*Summary of construction projects reported by State agencies to be eligible to share in Federal funds appropriated under Hill-Burton Act, fiscal year 1955*

[Source: State Agency Reports to the Public Health Service. Not an official schedule]

	Number of projects	Hospital beds added, by category					Other facilities			Estimated cost (thousands)	
		Total	General	Mental	Tuberculosis	Chronic disease	Public health center	Nursing homes and training facilities	Adjunct facilities	Total	Federal share, 1955
Total	669	41,436	31,398	4,533	1,863	[1] 3,642	109	30	25	$681,673	$270,082
Alabama	13	355	355				3			6,381	4,254
Arizona	4	79	55			24				542	271
Arkansas	8	380	280			100		2		5,680	3,786
California [2]	97	4,196	2,869	103	682	542	19	1	3	67,870	22,160
Colorado	11	920	920						1	14,061	4,358
Connecticut	10	787	392			395	1		1	11,205	3,119
Delaware [3]											
District of Columbia [4]											
Florida	51	2,477	2,330	72		75	9	4	1	35,087	16,571
Georgia	38	621	621				30		1	12,955	4,318
Idaho	5	107	95			12	2			720	360
Illinois	6	285	155	50		80			1	5,890	2,298
Indiana	10	663	663					2		9,400	4,700
Iowa	6	720	120	600			1		1	10,150	3,373
Kansas	8	551	451			100				7,565	3,026
Kentucky	8	156	156				2	1	1	3,730	1,865
Louisiana	8	743	543	200						10,503	4,315
Maine	4	353	353							5,350	3,051
Maryland	10	1,590	641	135		814	1	2	8	26,436	9,145
Massachusetts	25	1,455	1,455				1			32,310	13,552
Michigan	24	1,530	1,530				3	1		27,623	10,428
Minnesota	9	392	392				1			7,588	3,416
Mississippi	17	471	471				11			7,651	5,104
Missouri	12	881	220	248		413				19,940	8,970
Montana	4	46	46				1			1,172	469
Nebraska	11	365	365					1	2	5,200	2,080
Nevada [5]											
New Hampshire	5	198	198					1		4,100	1,367
New Jersey	30	2,366	2,285		81			3		35,193	14,077
New Mexico	8	1,972	122	1,800		50	1			6,323	2,486
New York	42	3,373	3,263	90		20	1			89,542	29,790
North Carolina	15	370	370				7	3		5,801	2,554
North Dakota [3]											
Ohio	13	1,225	1,035	90	100					23,700	7,894
Oklahoma	14	333	333							7,900	4,479
Oregon [2]	11	454	454				1			6,185	1,942
Pennsylvania	30	3,674	2,780	119		775		8	2	51,249	17,109
Rhode Island	1								1	300	100
South Carolina	7	160	160							2,213	1,745
South Dakota	2	84	84							1,700	850
Tennessee	13	946	546	400			1		1	9,862	5,128
Texas	14	1,800	1,000		800		2			18,880	9,390
Utah	12	695	695				4			17,685	7,879
Vermont	4	122	52			70				2,070	656
Virginia	12	590	390		200		5			8,460	4,653
Washington	3	384	354	30						9,225	3,690
West Virginia	2	110	35			75				1,013	618
Wisconsin	24	2,327	1,634	596		97	1	1	1	42,829	17,845
Wyoming	4	65	65							950	317
Alaska	2	30	30				1			700	200
Hawaii	2	35	35							784	264
Puerto Rico [3]											
Virgin Islands [3]											

[1] These 3,642 chronic disease beds would cost approximately 48 million and could use immediately 24 million in Federal funds.

[2] Projects pertain to 1955 through 1957 fiscal years. State agency did not list projects separately according to fiscal years.

[3] Information not supplied.

[4] No applications for funds anticipated for 1955 fiscal year since more liberal Federal aid under another law (Public Law 221, 82d Cong.) is available.

[5] No new projects.

I now wish to discuss an analysis of existing law.

ORIGINAL ACT

The Hospital Survey and Construction Act of 1946 authorized Federal grants to the States on a matching basis to pay part of the cost of constructing public and other nonprofit hospitals and related health facilities. Such facilities include general, mental, tuberculosis, and chronic hospitals and public-health centers. As a prerequisite to receiving such grants each State was required to survey its needs for these types of facilities, and develop and keep current a State plan which lists existing hospital and related health facilities in the State. The State plan and its mandatory annual revisions are reviewed and approved by the Surgeon General. In essence, the plan is a documentation of the State's existing hospital and related health resources as well as a coordinated program for the construction of the additional facilities needed.

SCOPE OF AMENDMENTS

The 1954 amendments to the Hospital Survey and Construction Act authorize appropriations for grants to the States for surveying need and for developing State construction programs to meet the need for four classes of projects: Hospitals for the chronically ill and impaired, nursing homes, diagnostic centers or diagnostic and treatment centers; and rehabilitation facilities. A limited authorization of $2 million is included to assist the States in the survey and planning phase. The States will survey their existing facilities in these classes of projects and development programs as supplements to their State plans for meeting these needs. This survey money will be matched, dollar for dollar, by the States. The minimum allotment to any State for survey and planning purposes will be $25,000.

The 1954 amendments also add to the Hospital Survey and Construction Act an authorization for appropriations to assist in paying part of the cost of construction of these facilities. Annual appropriations totaling $60 million are authorized for the construction and equipping of facilities by public and other nonprofit sponsors. These appropriations are authorized for the fiscal years 1955, 1956, and 1957, which coincides with the present statutory time limitation of the Hospital Survey and Construction Act. The

authorization of $60 million is in addition to the annual authorization of $150 million contained in the present law.

Several of the classes of facilities included by the 1954 amendments were eligible under the existing program, among them rehabilitation facilities and diagnostic or treatment facilities, where part of a hospital, and chronic disease hospitals. The purpose of including these types of facilities under the new and broadened program is to provide a greater stimulus for their construction by specifically earmarking funds for these classes of facilities. The 1954 amendments also authorize assistance for the construction of other classes of facilities not previously approvable under the hospital survey and construction program, namely, diagnostic centers, diagnostic and treatment facilities and rehabilitation facilities when not a part of a hospital, and nursing homes.

ALLOTMENTS TO STATES

The annual appropriations authorized by the 1954 amendments will be allotted to the States on the basis of the existing statutory formula, the controlling factors of which are the State's population and per capita income. Amounts authorized annually are as follows: (a) $20 million for diagnostic centers or diagnostic and treatment centers; (b) $20 million for chronic-disease hospitals; (c) $10 million for rehabilitation facilities; and (d) $10 million for nursing homes. The minimum allotment to any State is $100,000 for diagnostic or diagnostic and treatment centers, $100,000 for chronic-disease facilities, $50,000 for rehabilitation facilities and $50,000 for nursing homes. The minimum allotment under the existing law is a single sum of $200,000 to cover the four types of hospitals and public health centers eligible under that portion of the act. Thus the total minimum allotment including the amounts authorized by the 1954 amendments is now $500,000 to any State.

PROJECT ELIGIBILITY AND AMOUNT OF FEDERAL SHARE

As under the original law, project applications for construction grants must be of high priority, in accordance with State plans, and approved by the State and Federal agency administering the hospital survey and construction program. The States determine the amount of Federal participation for each project and several options are available to the States in making these determinations. Federal matching funds will be a minimum of 33⅓ percent of the cost of constructing and equipping the project. A maximum of 66⅔ percent will be available to project sponsors in the lower income States.

Projects receiving funds for construction will be subject to the same procedures and conditions as those presently prescribed. Some examples are the application of the minimum-wage rate determinations under the Davis-Bacon Act for the construction of the project, financial assurances as to the completion and operation of the facility, assurances as to rendering a community service, and assurances as to nondiscrimination on the grounds of race, creed, or color. Omitted however with respect to all new classes except chronic-disease hospitals, is the existing requirement that the State adopt, by legislation, enforceable standards for maintenance and operation. Instead there is required only assurance of compliance with such standards, if any, as the State may prescribe for such types of facilities.

ADMINISTRATIVE PROCEDURES

The 1954 amendments preserve the existing administrative organization and procedures. However, supplemental regulations will be issued within 6 months by the Surgeon General, subject to the approval of both the Federal Hospital Council and the Secretary of the Department of Health, Education, and Welfare. These will cover the classes of projects included by the 1954 amendments. No change in the composition of the Federal Hospital Council is provided for. However, the approval of the Secretary is required in addition to that of the Surgeon General on all projects for rehabilitation facilities.

No change in the administrative organization in the States is required by the 1954 amendments, except that the State agency must include on its advisory council a rehabilitation competency or else provide for consultation with rehabilitation organizations and agencies with respect to rehabilitation facilities.

In accordance with established procedures sponsors of eligible projects must apply to their appropriate State agencies for assistance under the program. The financing of projects serving interstate areas is facilitated by authorizing the transfer of a portion of an annual allotment from one State to another, where justified, for a specific project.

Mr. JONAS of Illinois. I associate myself with the gentleman from Massachusetts in support of his amendment.

Mr. HESELTON. I thank the gentleman.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY as an amendment to the amendment offered by Mr. HESELTON: Strike out on line 2 of the Heselton amendment "$35,000,000" and insert "$15,700,000"; and on line 4 of the amendment strike out "$10,000,000" and insert "$5,225,000"; and on line 5 of the amendment strike out "$10,000,000" and insert "$5,225,000"; and on line 5 strike out "$10,000,000" and insert "$5,225,000"; and on line 6, strike out "$5,000,000" and insert "$2,625,000."

Mr. FOGARTY. Mr. Chairman, ever since the Hill-Burton bill was enacted into law I have been appearing on the floor of this House in favor of the full amount of the authorization of that particular law to build hospital beds in this country. When the authorization was $75 million I was for the $75 million a year; when the authorization was raised to $150 million for the construction of hospital beds under the Hill-Burton Act I was for the $150 million to build hospital beds on account of the lack of beds at that time and at the present time. I do not think there has been a more consistent supporter of the Hill-Burton Act or this act that we have before us than I. But I do not want to see us appropriating money today that we have no guaranty will be expended in the next fiscal year.

This $15,700,000 will give a minimum allotment of $300,000 to every State and the 5 Territories, including the District of Columbia, which adds up to a total of $15,700,000. This would allow us to start the program, this would allow every State a chance to get some of this aid money and a chance to make surveys and come up with plans and applications so that next year we can look at this in a more realistic manner and come before the Members of Congress with a more definite plan than we have at the present time. There is no plan at the present time for the spending of this $35 million next year; in fact it was testified that in all probability it could not be spent in the fiscal year 1955 but would run over for a 2-year period into 1956.

I cannot see any sense at all in appropriating that amount of money when we know that it will not be expended; however, as a supporter of the program I want it to proceed.

What has been the history of it? The history of the new program when it was presented to us was a 3-year program of $60 million a year to provide more beds for the chronically ill and to provide more centers for rehabilitation of the elderly people of this country.

This amendment, Mr. Chairman, will allow every State $100,000 for chronic facilities, $100,000 for diagnostic and treatment centers, $50,000 for nursing homes, and $50,000 for rehabilitation facilities. Now, with that kind of a start, I am convinced that every State will be given a chance to come into the program. I agree with everything that has been said about the shortage of these facilities. There is no question about the shortage existing at the present time, but I do not want to see this program get off to a bad start. The President requested a program of $180 million for a 3-year period or $60 million a year.

Now, this year—and I think we should remember this and keep this in mind—they recommended a cut of $25 million in the Hill-Burton Act, with the idea that $60 million would be appropriated under this particular program. And, as the hour was getting late in this session of the Congress, they came before us with a supplemental of $25 million for Hill-Burton, and we finally ended up and passed that a few weeks ago, giving the full $75 million for the construction of hospital beds, mostly in the general hospital-bed category, which was the full amount that we have been giving in other years and $10 million more than we gave last year. Now, I am afraid that this is the beginning of the end of the old Hill-Burton Act; that this type of legislation is the type of legislation that will eventually replace the Hill-Burton construction funds.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. And, I do not want to see that happen, either, because in the 14 years that I have been a Member of this body, I have never seen a Government program work as well as the Hill-Burton Act. I do not believe any program in all of the communities in the States of this country has received more universal approval than the Hill-Burton Act, and I want to see this program go along, too, because I believe this is a good program. It will provide beds, as my friend from Massachusetts stated a short while ago, to the chronically ill. It will take men and women with chronic diseases out of hospitals at the present time and make room for those who are on the waiting list. But, I do not want to see this program get off on the wrong foot. We have had 1 or 2 or 3 bad examples under the Hill-Burton Act, but I must say that the percentage of bad examples under the Hill-Burton Act was infinitesimal as far as the amount of money that we have appropriated. I think some $600 million has been expended so far under the Hill-Burton Act, and we have only had 2 or 3 or 4 small projects that did not turn out right. I think that is a wonderful example of a good program, and that is why I am not for the $35 million that has been offered by the gentleman from Massachusetts, but I am offering this as a substitute of $15.7 million. I believe that this can be expanded, that the communities on the local level will meet this $15.7 million which will be expanded next year and we will get off to a good start on a good program.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman answered my question. I wanted to be sure what the total of the various figures in his amendment was. I understand it is $15.7 million.

Mr. FOGARTY. The total is $15.7 million, which makes a minimum of $300,000 for every State, including 4 or 5 Territories and the District of Columbia, with the exception of the Virgin Islands, which only receives under this amendment less than $100,000.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 2 speeches for the amendment and 2 against, each of 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair wishes to say that there have been only three requests to speak under the motion of the gentleman from New York [Mr. TABER] to limit debate on this amendment.

Mr. TABER. Mr. Chairman, in that event, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, the time to be divided equally among three speakers.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JONAS of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONAS of Illinois. To which amendment is this agreement on limitation of debate to be applied, the amendment of the gentleman from Massachusetts [Mr. HESELTON] or the amendment of the gentleman from Rhode Island [Mr. FOGARTY]?

Mr. TABER. If I may answer the gentleman, it applies to both amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, it had been my intention to support the amendment offered by the gentleman from Massachusetts [Mr. HESELTON] for the full $35 million for this program. The gentleman from Rhode Island [Mr. FOGARTY] has offered a substitute in the amount of $15,700,000 which will guarantee to each State and Territory a minimum of $300,000.

The gentleman from Rhode Island [Mr. FOGARTY] is a member of the Appropriations Subcommittee handling this appropriation, and I believe he has made a very fair statement of the situation facing the Committee of the Whole at this time. I rise at this time to support the Fogarty substitute for the reasons which he so ably and logically presented to the Committee a few minutes ago.

I am very much interested in this program. It happened to be the first important bill reported by our committee during this session. We brought the authorizing legislation before the House early in the session. It passed some time ago, but without an appropriation all of that effort goes for naught. I was prepared to support the full amount of $35 million for this purpose, but I believe the gentleman from Rhode Island [Mr. FOGARTY] has given sound justification for his substitute of $15,700,000. If the committee will approve the substitute amendment, I believe it will enable the Department of Health, Education, and Welfare, cooperating with the States, to develop plans and to put the program on a sound footing in the very beginning.

It is a program in which I have been greatly interested, as all of the Members know, from the very inception of the original Hill-Burton Hospital Survey and Construction Act. I do not want to see anything done in that program that would in any sense retard it in the future. Therefore, instead of supporting the Heselton amendment, which I had intended to do, I am supporting the Fogarty amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Minnesota.

Mr. JUDD. Will the gentleman tell us—or perhaps the gentleman from Rhode Island [Mr. FOGARTY] can—why the administration asked for $35 million if it did not yet have its program worked out under which it would use it? Would somebody explain that?

Mr. PRIEST. I should prefer to have the gentleman from Rhode Island [Mr. FOGARTY] answer that question, because he heard all of the testimony from the Department. I yield to him for that purpose.

Mr. FOGARTY. I think the most logical reason is that this legislation was asked for the first part of the year. The President signed this bill only a couple of weeks ago, on July 12, in fact less than a couple of weeks ago. Here we are already into the fiscal year and there have been no plans, no surveys in the various States that have been made. We do not have the applications for these funds at the present time. It is going to take about 6 months to get going, to find out what is needed, and then we will be into the next fiscal year.

Mr. JUDD. This request for $35 million came down when they were expecting the authorizing legislation to become law, early in the year?

Mr. FOGARTY. That is correct.

Mr. PRIEST. That is my judgment. It was a part of a broader program; and if it had been enacted into law earlier, I think a $35 million appropriation would have been fully justified.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. HESELTON. It is my understanding that the amount involved in my amendment would remain available for 2 years, the reason being that many of these facilities cannot be constructed in a 1-year period. Some are over a period of 24 months.

In addition, the tabulation I had there shows there are approved projects in the amount of $48 million. I agree with the gentleman from Rhode Island and with the gentleman from Tennessee. I do not want to do anything to hurt this program. But I cannot see why we cut it if we already have approved by the State agencies programs to that extent.

Mr. PRIEST. I did not have those figures available insofar as the State plans are concerned. I do know that in many of the States there are approvable projects now being considered, but insofar as their having been made a part of a State plan and approved as ready for action, I think that will not be the case until some time in the future.

I hope the House will support the Fogarty amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. Mr. Chairman, let me state at the outset that I am for this program 100 percent, so that my remarks, I assure you, will not be directed at trying to scuttle the program, to delay it, or to hinder its operation in any way.

The gentleman from Massachusetts [Mr. HESELTON] admitted that the Subcommittee on Appropriations used good judgment—and I give full credit to the men who heard the testimony, because I was absent in Europe with the Kersten committee at the time—in allowing the full amount requested for surveying and planning, and in holding in abeyance

the actual appropriations for construction. The Heselton amendment proposes that the funds should remain available until expended. I call your attention to the language of the bill on page 9. If they are far enough along with their planning and surveying, and if they know what they are doing, the language ins the bill should be sufficient, because it states: *"Provided*, That such funds shall not be available after June 30, 1956." That gives them 2 years to spend the money for surveys and planning.

I do not believe they are ready for the construction money. I read from the statement of the gentleman from Massachusetts [Mr. HESELTON] where he said:

> This statement completely overlooks the fact that at no time in the program are construction-grant funds approved for expenditure without a comprehensive survey by the State and approval by the Surgeon General of the State plans required under the survey and planning phase.

I spent quite a number of weeks and months last year surveying hospitals, among other things, in this country, and let me tell you this one thing: One hospital I surveyed was down at Denmar, W. Va., where we had provided a considerable amount of money to build a wing on a tuberculosis hospital. That wing had been completed over 3 years. The equipment is still unpacked to this day because of a delay in surveying and planning by the State of West Virginia, and because they had these Hill-Burton funds allocated to them before they were ready for them. It will take a full year to survey and plan this situation. It is an entirely new field. Many of the hospitals will not be ready for construction for at least 12 months from today. If they are to do a comprehensive job and really to know what they are talking about, instead of just spending money because it is available for these different chronic-disease hospitals without proper consideration, you will defer appropriating money for construction until the survey and planning have been completed. The gentleman from Massachusetts [Mr. HESELTON] also referred to the number of applications for beds for these chronic-disease hospitals. I have examined the tabulation, and I find that only 16 States out of the 48 States and the Territories have said, "Here we have some projects we would like to start building." There is no one in this Chamber that can prove they have made an adequate survey and completed adequate plans for these so-called chronic-disease hospitals. I think this chronic-disease hospital program is one of the most forward steps we have taken in hospital construction, in many, many years. Let us not be too hasty and do it without proper consideration, and then have regrets later; as we have in so many other instances where the appropriation has been pushed through on the floor of the House without proper consideration and by emotional appeals which have nothing whatsoever to do with the facts. The gentleman from Iowa [Mr. DOLLIVER] said it is high time that we look after our own people, and that we will have a foreign-aid appropriation bill before us within a few days. I agree with him that we should look after our own people. But by voting these amendments down, you will not hurt the people at all. You will help the people to get the adequate and proper treatment and care to which they are entitled.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Chairman, I should like to say at the outset that it is certainly not the intention of the Committee on Appropriations to attempt to delay or to destroy this program. This is the situation which confronted us, and I think our action was logical in view of the facts which were presented to us. This is a double barreled request. In the first place, the Department seeks $2 million to conduct a survey in all of the States and Territories and the District of Columbia to determine what facilities will be necessary. Now the other barrel says that in this fiscal year the Department wants $35 million to spend This is what they said about the way they were going to spend it. This is Dr. Cronin speaking, the man who administers this program in the Public Health Service, and so far as I am aware, qualified to administer it.

> DR. CRONIN. We have a fairly good idea in two areas of what the States can cover. It needs to be sharpened up. One area is chronic disease. The States have put 85 percent of the funds in general hospitals. The other area we have a fairly good idea is diagnostic or treatment centers, which will be built as authorized under this act. In the areas of nursing homes and rehabilitation facilities, we just do not know. We would not even attempt to guess in those two areas.

Now I ask you in all fairness what other course could the Committee on Appropriations take on the basis of that testimony, but to say, "All right, we will give you the full $2 million which you requested to prepare your plans to spend in the final analysis over $100 million of Federal money, but we want you to complete the planning and then come in and we will give you the money for the construction." That is certainly a reasonable approach, and the only thing which the Committee on Appropriations could have done on the basis of the testimony which was given to us.

As a matter of fact, they do not even claim that they can even guess how much of this money can be obligated. I call your attention to one other thing which I think is very important. The original request for funds in the Hill-Burton Act was $50 million. The Committee on Appropriations approved it in its entirety. We got a supplemental for an additional $25 million. We approved that in its entirety for the total program for this year for $75 million. On top of that, there is a carryover from last year's funds as of the first of July of $15 million, which the Department was unable to obligate in the fiscal year 1954.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield for a question?

Mr. BUDGE. In just a moment.

On yesterday we had a very splendid speech from the distinguished majority leader in which he referred to fiscal responsibility. That fiscal responsibility lies right in this Chamber. That is not something that we can blame upon the President, upon the other body, upon anybody else; that fiscal responsibility is ours. Whether we appropriate $17 million, or $35 million, or $15.7 million, when the people cannot even tell you how they are going to spend it and say they need $2 million in order to find out how to spend it, I say that we do not meet our obligation of living up to what we in this Chamber must meet, fiscal responsibility.

I think the course taken by the Appropriations Committee was the only proper thing which we could have done, and the only thing which in fairness to the program should be done at this time.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Illinois.

Mr. JONAS of Illinois. Will the gentleman tell us how he stands on the program with reference to either one of these amendments, or whether he is against the program in its entirety?

Mr. BUDGE. I would say I am completely in sympathy with the $2 million appropriation to conduct the surveys they say are necessary.

I would say that the substitute amendment is twice as good as the original amendment, in my judgment, although both should be defeated because funds should not be spent until the survey and planning is completed; otherwise we will have abuses which may well destroy the entire program.

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I rise in personal support, and to urge the support of all of you, of this amendment for a supplemental Federal appropriation to enable States to plan for and build diagnostic centers, hospitals for the chronically ill, medical rehabilitation facilities, and nursing homes because testimony from eminent and authoritative sources is convincing of their vital need.

Surely there is no better or more lasting investment than money spent to protect the health of our people. On the practical side, the productive loss to our economy caused by the protracted illness of individuals is staggering, not to mention the damage to the happiness and the spirit of so many citizens who unquestionably could be expeditiously returned to normal health if adequate medical facilities were available.

No one will question that the substantive Hill-Burton Act has been of continuing and immeasurable benefit to our national welfare, but it is as readily admitted fundamental deficiencies still exist.

While we know that approximately 70 percent of the need for general hospital beds has been met through construction undertaken with and without Federal assistance, the need has not been similarly met for other types of facilities such

as chronic disease hospitals and rehabilitation facilities for the physically handicapped. Nor does the existing program encourage the construction of diagnostic centers and rehabilitation facilities separate and apart from hospitals, and nursing homes were not included.

Expert committee testimony of record demonstrates that a great demand for chronic disease and nursing home facilities has inevitably arisen because of the tremendous increase in the population aged 65 and over. Unfortunately, this increase in the number of aged persons has likewise contributed to the incidence of the chronic and degenerative diseases. To date, only 12 percent of the need for chronic disease beds throughout the Nation has been met. By simple logical thinking, we are made to realize that nursing homes are essential to the development of comprehensive medical plans for the care of our aging population. It is obvious that the availability of additional chronic disease beds and nursing home beds will not only help meet the urgent need for those beds, but also tend to make more readily available, for acute patient care, those beds in general hospitals now occupied by the chronically ill or long-term patients.

The value of diagnostic centers is very easily appreciated by sensible reflection that their impact will be that of emphasizing the preventive aspects of modern medicine, therefore bringing about an ultimate decrease in the need for expensive inpatient care. Furthermore, there are, of course, communities, particularly in rural and remote areas, that are financially unable to plan, build, or maintain general hospitals. These communities will be eligible to construct diagnostic-in-treatment centers to make essential health services more readily available to their people.

From the preponderant evidence presented, none of us can have any doubt that we must adopt a comprehensive approach to the rehabilitation of our handicapped citizens and erect facilities for such purpose throughout the country. The United States is currently rehabilitating about 65,000 people each year, but there are about 250,000 capable of being rehabilitated. It has been testified by responsible officials and experts, year after year, that for every dollar of Federal funds appropriated for this purpose, the Federal Government receives $10 back; that is certainly and positively excellent economy. There is, then, no qualified reason in the world why we should not expand this program that actually is materially profitable as well as being a concrete demonstration of the Christian character of our Nation.

Medical experts tell us the cause and cure of such dreadful afflictions among others as cancer, multiple sclerosis, muscular dystrophy, cerebral palsy, arthritis, rheumatism, heart disease, and even blindness can be eventually found. With adequate facilities for continuing study and research they are confident of success. It is my own heartfelt conviction that Federal expenditures, for continuing medical research and health protection, pay for themselves a million times over—in the reduction of human suffering and in direct economic returns to individuals and the Nation as a whole. Even at a time when I well realize we must examine all Federal appropriations with critical scrutiny, I do not hesitate to ask you, in Christian charity and practical wisdom, to unanimously approve this amendment as a sound contribution to the national welfare.

The CHAIRMAN. The question is on the amendment to the amendment.

The question was taken; and on a division (demanded by Mr. FOGARTY) there were—ayes 80, noes 41.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Massachusetts [Mr. HESELTON] as amended.

The amendment as amended was agreed to.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: Page 9, lines 5 through 7, strike out "For payments to States for surveys and planning activities pursuant to title 6 of the Public Health Act, as amended, $2,000,000."

Mr. BUDGE. Mr. Chairman, I think this amendment is obvious. The House in its wisdom has seen fit to expend a portion of the construction funds called for in the original proposal. If we are to proceed with the construction program, which we, of course, will do under the action which the House just took, I see no justification for leaving the $2 million in to conduct a survey to determine how the construction funds are to be spent. I hope the amendment will be adopted to save this $2 million to conduct a survey which obviously is not necessary if we go ahead and spend the money before we complete the survey.

Mr. FOGARTY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Idaho.

Mr. Chairman, I cannot believe that the gentleman from Idaho is sincere in offering this amendment to cut $2 million off. This $2 million that we allowed in committee was for planning and surveying, in other words, to make plans for this program. I am sure that the gentleman is not serious in offering this amendment because if the program is going to be run right you would have to have minimum standards in every community. You cannot allow firetraps to be built in this community or that community and have the program stand up.

If we come back here next year and are called upon to appropriate, as is authorized, $60 million for this new program next year, I think we ought to have the benefit of these surveys and the benefit of the plans in the States that have made them between now and the next fiscal year.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Idaho.

Mr. BUDGE. May I assure the gentleman that my amendment is offered in all sincerity. I do not feel that the survey should be conducted at the same time we are spending the money for the purpose for which the survey is being conducted. I am very sincere.

Mr. FOGARTY. Maybe the gentleman is sincere, but he knows, I think, that the States can already go ahead without surveys on some things, like chronic hospital beds. We know there is a backlog of $20 million for chronic hospital beds that can be met by Federal appropriation. Unless we have this money for surveying and planning you will not have a well-regulated program to vote on. You are going to have to get plans for next year when we come back, when the administration will probably make a request of the Budget Bureau for $60 million for this new program in 1956.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from New York.

Mr. ROONEY. Is it not the fact that deletion of this $2 million for planning and survey activities, as proposed by the gentleman from Idaho, would do more harm to this hospital-construction program than failure to adopt the previous amendment?

Mr. FOGARTY. Certainly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The amendment was rejected.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: Page 9, line 9, after "$2,625,000", insert "Salaries and expenses hospital construction services. For an additional amount for salaries and expenses hospital construction services, $200,000."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, the language in the bill has already been changed by an amendment and the gentleman's amendment is not in order at this time.

Mr. FOGARTY. Mr. Chairman, I thought this was regular procedure. I am offering it at the end of the amendment that was adopted to provide money for the salaries and expenses of this program.

The CHAIRMAN. The Chair may say to the gentleman that this amendment should have been offered to the Heselton amendment; however, if the gentleman desires to offer it as a separate paragraph, the gentleman may do so.

Mr. FOGARTY. Mr. Chairman, I offer it as a new paragraph.

The Clerk read as follows:

On page 9, preceding line 9, after "$2,625,000", insert "Salaries and expenses hospital construction services. For an additional amount for salaries and expenses hospital construction services, $200,000."

Mr. BUDGE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BUDGE. As I understood the Heselton amendment at the time it was read at the desk, it included an item of $400,000 for salaries and expenses. Now, would the effect of adopting the Fogarty amendment at this point be to reduce

the $400,000 to $200,000, or is this adding new money to the bill?

The CHAIRMAN. The Heselton amendment provided for $400,000, and this is an additional amount. The Chair believes the gentleman has a right to offer it.

Mr. BUDGE. I do not quite understand the Chair's ruling.

The CHAIRMAN. The Heselton amendment provides for $400,000, and this amendment provides for $200,000. The new amendment provides for $200,000 additional.

Mr. BUDGE. Is it in lieu of the $400,000 or is it in addition to it?

The CHAIRMAN. It is in addition to. This is a new paragraph.

Mr. TABER. That means that the total sum would be $600,000.

The CHAIRMAN. That is for the committee to determine, not for the Chair. But, the Chair would state that if the amendment is adopted, it would be $600,000. It is a new paragraph for $200,000 additional.

Mr. RAYBURN. Mr. Chairman, is this not the situation? The gentleman from Rhode Island has offered an amendment which has been adopted. Now he is offering another amendment in order to carry out the provisions of that amendment by making the money available to carry it out. That, to me, seems to be the situation.

Mr. FOGARTY. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FOGARTY. It was my understanding that my amendment offered to the Heselton amendment did not carry any provision for salaries and expenses. I thought that, when the Heselton amendment was adopted with my amendment, there was no provision for salaries and expenses. Is that not right?

The CHAIRMAN. The Heselton amendment as amended carried $400,000. Now this is a new paragraph which provides for $200,000 as stated in the amendment.

Mr. FOGARTY. In addition?

The CHAIRMAN. Additionally.

Mr. TABER. In addition to the $400,000.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent that I may withdraw my amendment and offer an amendment to cut the $400,000 to $200,000.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. HESELTON. Mr. Chairman, reserving the right to object, I make the further parliamentary inquiry as to what the net result of the request would be moneywise.

The CHAIRMAN. The gentleman from Rhode Island will have to explain that.

Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follow:

Amendment offered by Mr. FOGARTY to the amendment offered by Mr. HESELTON: Under the item "Salaries and expenses, hospital construction services," strike out "$400,000" and insert "$200,000."

Mr. FOGARTY. Mr. Chairman, I do not believe this needs much explanation. The original request for salaries and expenses was $400,000, with an appropriation of $35 million. We have already, by action of this committee, appropriated $15,700,000. I think that 50 percent of the amount that was originally requested or $200,000 will be all that will be needed to run this program under an appropriation of $15,700,000.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. BUDGE. I merely want to say that the provision certainly seems to be equitable, so far as the members of the committee on this side are concerned, we are happy to accept it.

Mr. PRIEST. Mr. Chairman, will the gentleman yield for one question?

Mr. FOGARTY. I yield.

Mr. PRIEST. This has not been clear to me but I am sure it can be made clear. Was the $400,000 that was suggested in addition to the $35 million in the Heselton amendment?

Mr. FOGARTY. Yes.

Mr. PRIEST. It was not included in the $35 million?

Mr. FOGARTY. No.

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. HESELTON. I feel that the gentleman is proceeding absolutely in the proper way. However, there was included in my amendment a provision for transfers in the amount of $48,000 and $5,500. I withdrew that upon a point of order. Does the gentleman's amendment provide for any transfer authority?

Mr. FOGARTY. No transfer authority, just $200,000 for salaries and expenses.

Mr. HESELTON. The gentleman does not think the transfers are necessary?

Mr. FOGARTY. I think it can be worked out all right; or it may be that it can be worked out in the other body.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. WOLVERTON. Mr. Chairman, I regret exceedingly that an engagement before the Committee on Rules prevented me, as chairman of the Committee on Interstate and Foreign Commerce, from being present during this entire debate. I wish at this time to present my views with respect to the necessity and the propriety of increasing the amount that has been allotted to this important work by the Committee on Appropriations. In my opinion, that committee has totally ignored the great need that exists in this country of ours for the particular facilities for which the Appropriations Committee has made such drastic cuts. Adequate appropriations for those facilities were approved by the President and by the budget. The House just recently, by a unanimous vote, provided the authority to make the appropriations requested by the President and the Budget Bureau. It seems to me there has been a total disregard of the actual needs of the case by the Appropriations Committee. I am glad that there has been some increase made but I wish a greater step forward had been taken.

While I appreciate the interest that has been taken by the gentleman from Rhode Island [Mr. FOGARTY] with reference to an increase in the appropriation appearing in this bill for the construction of chronic-disease hospitals, nursing homes, diagnostic and treatment centers, and rehabilitation facilities, yet I must speak frankly and say that the increase advocated by the gentleman was, in my opinion, far too little. It does not begin to be adequate. If we can spend billions to rehabilitate Europe and other parts of the world, why should we pinch our pennies when it comes to doing something for our own people? Within a few days we will be asked by this same Appropriations Committee to spend $3 or $3½ billion for foreign aid, and yet the same committee endeavors to cut down help for the sick and handicapped in our own country. I can see no justification for such a course.

The Committee on Interstate and Foreign Commerce, as I have already said, made a study of this whole subject that covered months. Our hearings developed the fact that a great need exists. It was because of this that the committee reported the legislation. It was because of this that this House unanimously passed the bill. The Senate did likewise. The President signed the bill. It thus became law. And now, when it comes time to make it effective, the Appropriations Committee tries to stop it by refusing funds to carry out these laudable objectives. Certainly our country has not become so poor that it cannot adequately take care of our sick and handicapped by making the necessary appropriation of funds to carry out the desire and intent of Congress.

On January 18, 1954, the President submitted to the Congress a message containing certain recommendations to improve the health of the American people. Among his recommendations was one proposing that that program be expanded to include additional assistance for the construction of public and other nonprofit hospitals for the care of the chronically ill, as well as to include assistance in the construction of public and other nonprofit nursing homes, rehabilitation facilities, and diagnostic or treatment centers. He also recommended grants to the States for surveying their need for such facilities, in order to provide a sound basis for Federal assistance authorized by the expanded program. The Appropriations Committee responds only to the latter. I am glad that the House has already shown a willingness to do more than that by providing at least approximately $15 million.

Current State plans indicate that at the present time about 70 percent of our national need for general hospital beds has been met both through construction under the Hill-Burton Act and through construction undertaken without the assistance of Federal funds.

However, in the case of certain other types of facilities now authorized under title VI, namely, chronic-disease hospitals, out-patient departments in hospitals, for diagnosis and treatment of ambulatory patients, and rehabilitation

facilities for the physically handicapped, the need has not been similarly met.

CHRONIC DISEASE BEDS AND NURSING HOMES

Beds for the chronically ill may be made available either in chronic-disease hospitals or in nursing homes depending on the degree of medical and nursing care required by the patients. To date, only 12 percent of the national need has been met for beds in chronic-disease hospitals. Information as to the extent of the need for nursing home facilities in each area and community in the country has also been shown.

The availability of additional chronic-disease beds and of nursing-home beds would not only help to meet the great need for these beds on the part of the chronically ill, but would also tend to make more readily available, for acute-patient care, beds in general hospitals now occupied by chronically ill or long-term patients. It is important to note that beds in chronic-disease hospitals and in nursing homes are less expensive to build than general-hospital beds. Thus, with such Federal funds as will be available, more chronic-disease and nursing-home beds can be constructed for every dollar expended than is the case with general hospital beds.

Furthermore, the cost of maintenance and operation of chronic-disease hospitals and nursing homes is considerably lower than the cost of maintaining and operating general hospitals. Testimony before our committee indicated that long-term-patient care in chronic-disease hospitals averages $6.63 per patient-day as compared with the average operating cost of $18.35 per patient-day in short-term general hospitals. This lower cost of operation and maintenance would reduce considerably the financial burden borne by chronically ill patients and by States and local governments and nonprofit organizations in the operation and maintenance of facilities for long-term patient care.

The great demand for facilities for the chronically ill has been brought about by the tremendous increase in the old-age group of our population in relation to the rest of the population. The national population has doubled from 1900 to 1950. During the same period, however, there has been a fourfold increase in the number of people aged 65 years or over—from 3 million to 12 million persons. This increased number of aged persons has contributed to the incidence of chronic disease, such as cancer and heart disease. Testimony before your committee brought out the fact that those 65 years of age and over require twice as much hospital care on the average each year as do persons under 65 years of age.

FACILITIES FOR AMBULATORY PATIENTS

Diagnostic and treatment clinics are essential to a complete medical service in the community. By emphasizing the preventive aspects of modern medicine, this type of facility helps to decrease the need for the much more expensive in-patient hospital bed care.

There are communities, moreover, which presently do not have hospitals and where the likelihood of hospitals being constructed is remote because the communities in question are financially unable to build and maintain hospitals. It is expected that in those communities the construction of diagnostic or treatment centers will make more readily available health services that otherwise would be available only in urban centers far removed from such communities.

REHABILITATION FACILITIES

Rehabilitation of disabled individuals is important not only because of humanitarian considerations but also because of the resulting economic benefits. Rehabilitation of an individual to the point where he can at least care for himself is an important step in relieving the economic burden on families and the patient load in hospitals and nursing homes. Rehabilitation for employment has a direct effect in reducing governmental relief expenditures in those instances where disabled persons have been carried on the public assistance rolls. Furthermore, disabled persons returning to work contribute to the support of Federal, State, and local government by payment of taxes.

The committee study shows that additional rehabilitation facilities are needed for the following reasons: First, services provided in a rehabilitation facility are in many respects an extension of the treatment and services provided in a hospital. Second, it is both logical and economical to utilize the established administrative machinery and experience of the Public Health Service and of the State agencies now administering the facilities. Third, rehabilitation facilities have many construction features, and render some services comparable to those of hospitals and related health facilities. Fourth, the construction of additional rehabilitation facilities is a factor which will tend to reduce the demand for hospital and nursing-home beds.

SURVEY AND PLANNING

Following the precedent of title VI of the Public Health Service Act as originally enacted, the bill authorized an appropriation for grants to assist the States in surveying the existing facilities in the categories covered by the bill and in developing revised State plans and construction programs. The aggregate amount so authorized to be appropriated is $2 million, and any amount appropriated would remain available until expended. The amounts appropriated would be allotted among the States on a population basis, but the minimum allotment for any State would be $25,000. The State would be required to match these funds on a dollar-for-dollar basis.

The importance of this survey and planning provision cannot be too strongly emphasized. The surveys made under the present law have contributed greatly to the success of the program.

I am strongly of the opinion that there should be adequate funds provided for the purposes I have outlined.

Mr. FOGARTY. Mr. Chairman, I want to say this to my good friend from New Jersey [Mr. WOLVERTON], that the Committee on Appropriations was not totally to blame for this. If the gentleman will take the time to read the hearings, to read the testimony presented to us in justification of the $35 million request, I believe he would hesitate to approve that request.

Mr. WOLVERTON. I would say to the gentleman that I have felt that if the Committee on Appropriations would take the time to read the testimony before our committee, taken over a period of months, that that committee would have come to a different conclusion.

Mr. FOGARTY. The Committee on Appropriations was the last committee before which this group appeared. It is the same group that appeared before the gentleman's committee. We had the most up-to-date information, the last minute information that was available. I think the record speaks for itself.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. GARY. As I understand it, the question that was before the Committee on Appropriations was not the advisability of appropriating that amount for the program, but the advisability of appropriating it at this time?

Mr. FOGARTY. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY] as modified.

The amendment was agreed to.

Mr. BUSBEY. Mr. Chairman, I ask unanimous consent that all Members participating in the debate today have permission to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FRIEDEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRIEDEL: On page 9, after line 8, insert:

"Social Security Administration, Bureau of Old-Age and Survivors Insurance

"None of the funds available to the Bureau of Old-Age and Survivors Insurance shall be used to pay any costs, direct or indirect, of moving any group of employees of the Bureau from Baltimore, Md., to Washington, D. C."

Mr. FRIEDEL. Mr. Chairman, the Social Security Administration and its various agencies is located throughout the city of Baltimore in many office buildings. For the purpose of efficiency and economy, the Congress appropriated $25,370,000 to construct a building to bring all the branches of the Social Security Administration in and around Baltimore under one roof. The employees of the Administration number about 5,200. During consideration of this authorization, it was brought out in the Appropriation Committee hearings that the building had ample space for 6,000 employees.

An official departmental memorandum, dated August 11, 1953, informed the employees that in obtaining the new building, there would be space for all employees of the Bureau in Baltimore.

Enclosed is a photostatic copy of this memorandum:

OFFICE MEMORANDUM, UNITED STATES GOVERNMENT

AUGUST 11, 1953.

To: All Bureau employees in Baltimore.
From: Robert M. Ball, Acting Director.
Subject: Location of the new Bureau Building.

On July 31, when President Eisenhower signed our 1954 appropriation bill, we passed another important milestone toward obtaining a new building with space for all employees of the Bureau in Baltimore. Arrangements had been made for the General Services Administration to set about acquiring a site immediately after the bill was signed.

On August 6 the first advertisement for proposals to sell or donate land for the site appeared in the Baltimore newspapers. They specify that the site shall be in Baltimore or its vicinity. The advertisement will continue to be run in the Baltimore newspapers until August 26, when all proposals received will be opened in the Baltimore office of the General Services Administration.

We hope that a number of proposals will be received in order to permit a wide choice in selecting a site. After the proposals are opened, the General Services Administration will make appraisals and preliminary site recommendations, working in conjunction with Bureau and Administration staff so that a selection recommendation may be made for the Department of Health, Education, and Welfare. We are going to try to have a site finally decided upon by the end of September.

In situations of this kind, of course, a variety of rumors and reports arise respecting the favoring or selection of sites. I assure you that no choice nor any determinations leading to a choice have been made. The selection is wide open, as the advertisement indicates, and will be made only after all proposals have been received. I know that the location is of deep interest to all of you. I will keep you informed of our progress in determining the building location as well as of any other important matter relating to the new building.

ROBERT M. BALL.

I wish you would pay particular attention to the fact that the memorandum clearly states "all Bureau employees in Baltimore."

On the basis of this memorandum many of the employees bought homes in Baltimore and quite a few have large mortgages outstanding.

Nine months later, on May 11, 1954, another memorandum was issued to all Bureau employees advising them that 450 members of headquarters staff of the Bureau of Old-Age and Survivors Insurance would be transferred to Washington.

Subsequently, in the supplemental budget of the Department of Health, Education, and Welfare which we are considering today, a request was made for $130,000 for the purpose of transferring these 450 employees to Washington and funds were to be diverted from the OASI trust fund to pay per diem to these people. This request was refused by the Appropriations Committee. I would like to quote the language on page 17 of Report No. 2266, accompanying H. R. 9936:

The committee expressly denies the requested authority to use funds from the OASI trust fund to pay per diem to the 450 employees proposed to be moved to Washington from Baltimore and seriously questions the advisability of such a move.

I would also like to submit, at this point, a letter I received from the Honorable FRED E. BUSBEY, chairman, Labor, Health, Education, and Welfare Subcommittee on Appropriations, and call your particular attention to his statement that "the $25,370,000 authorized for the construction of a building in Baltimore was based on the estimated cost, including space for the 450 employees in question."

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 17, 1954.

Hon. SAMUEL N. FRIEDEL,
House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: This is in reply to your letter of June 21, to which was attached a copy of a letter you sent to Senator BRIDGES, concerning the proposed transfer of approximately 450 employees of the Bureau of Old-Age and Survivors Insurance from Baltimore to Washington.

As you no doubt know, there was no language in the regular 1955 appropriation bill, or the report thereon, concerning this matter. The subject did arise in connection with supplemental requests recently considered by the House Appropriations Committee. The committee's report, which was issued yesterday, covers this subject on page 17. The first paragraph of that page is directly pertinent, and I believe you would be interested in the fact that the $25,370,000, authorized in the second paragraph for the construction of a building in Baltimore, is based on the estimated cost including space for the 450 employees in question.

With best wishes, I am

Sincerely yours,

FRED E. BUSBEY,
Member of Congress, Chairman, Labor, Health, Education, and Welfare Subcommittee on Appropriations.

My amendment, which reads, "None of the funds available to the Bureau of Old-Age and Survivors Insurance shall be used to pay any costs, direct or indirect, of moving any group of employees of the Bureau from Baltimore, Md., to Washington, D. C.," is a very simple one. It merely expresses the intent of the Appropriations Committee as indicated in the above-mentioned report. Further, it will not cost the taxpayers a penny, but will, in turn, be a great saving.

I would also like to bring to your attention the serious effect such a move will have on Baltimore City, already a surplus labor area. Our shipbuilding and labor industry have been hard hit. Over 2,000 employees have been laid off in the past year. Before the year is out Baltimore will lose another 2,000 employees as a result of the transfer of the Baltimore Signal Depot to Tobyhanna, Pa.

You can readily see what an additional blow it would be to the economy of the great city of Baltimore should these 450 employees be transferred.

For the reasons which I have outlined, I urge you to adopt this amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. As far as I am personally concerned, I do not think there is any objection on this side of the Committee on Appropriations to the gentleman's amendment. I think it would be very foolish to bring more such groups back into this city, overcrowded as it is.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Maryland.

Mr. DEVEREUX. The new social-security building is in my district. I concur in the statement of the gentleman from Maryland [Mr. FRIEDEL]. It seems foolish to put up this huge building, which can amply take care of the employees of the Social Security Administration, and then have them bring some of those people over here to Washington, where we are already so crowded.

Mr. FRIEDEL. I thank the gentleman.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Idaho.

Mr. BUDGE. The Department sought funds to pay per diems for a short period for these 450 employees they intended to bring from Baltimore to Washington. The employees have been in Baltimore for some 13 years. The committee has recommended the erection of a building there for their use, at a cost of some $26 million. It would seem that the committee thought the proper place for them to be working is in Baltimore. We have no objection to the gentleman's amendment.

Mr. FRIEDEL. I thank the gentleman.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from New York.

Mr. ROONEY. On behalf of the gentleman from Rhode Island [Mr. FOGARTY], who is in charge of this phase of the bill for the minority side, and all the minority members of the committee, let me say that the gentleman's amendment is agreeable and that we accept it. I suggest that there be an immediate vote on this amendment.

Mr. FRIEDEL. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. FRIEDEL].

The amendment was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the chairman of the committee regarding the $3 million for inpatient care in the Veterans' Administration. My understanding is that that is the supplemental request of Mr. Higley for money to start the hospitals, that he neglected to ask for in the other bill. Is that not correct?

Mr. PHILLIPS. If the gentlewoman will yield, if she wishes to say that he neglected to ask for it, I probably would not take too much exception to the word, but the fact of the matter is that the Veterans' Administration made a very firm and conclusive justification for the amount which was given them in the regular budget. We gave them the entire amount. We made changes in the method of handling the money which would be to their advantage. We

showed them methods of saving, which they recognized, that would amount to say $5 million or more.

In the interval between the passage of the regular bill and the consideration of the supplemental bill, it was discovered that the Veterans' Administration had permitted the number of occupied beds to go above the authorization by about 2,000 beds. Consequently the subcommittee, recognizing that the situation would be very difficult for the Veterans' Administration said, "Well, you had no authorization to do this. We believe that you did it perhaps through an error or a misunderstanding on your part, or"—whatever the word the gentlewoman used was—"miscalculation. We will go along with you and give you the additional money." Under those circumstances, what the gentlewoman chooses to call it is a matter of her own choice.

Mrs. ROGERS of Massachusetts. Perhaps he did not understand or he did not realize. Of course, Mr. Higley, I think, has been operating under some difficulty because he is new and he has had various investigators going about investigating those who have the functions of the Veterans' Administration and making suggestions as to cuts in personnel. Mr. Higley, as Administrator of Veterans' Affairs, has one of the most difficult positions in Government. There have been so many investigations of the Veterans' Administration; I wonder how it can function at all.

Mr. PHILLIPS. If the gentlewoman will permit me, I think the greatest difficulty he is working under in this particular is probably the failure of the head of the Medical Department to give him accurate figures.

Mrs. ROGERS of Massachusetts. I know insofar as Brockton Hospital is concerned, since no more money is appropriated, they have had to close down certain wards.

Mr. PHILLIPS. No; no; the gentlewoman must use the correct word. The VA did not close down anything; they just decided they would not open additional beds. The gentlewoman is right in the fact that there was no excuse for Brockton, because testimony in the subcommittee indicates that the beds we need are in NP hospitals, and Brockton is an NP hospital.

Mrs. ROGERS of Massachusetts. Yes; but they did plan to have a certain number of surgical beds eliminated. They closed them down and now they were not allowing them to expand.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. KARSTEN of Missouri. I might say that in St. Louis recently we completed a 500-bed hospital there, but 175 of the beds are not being used because of inadequate funds.

Mr. PHILLIPS. No; no; that is not correct.

Mr. KARSTEN of Missouri. That is the information that I received from the Veterans' Administration.

Mr. PHILLIPS. I beg pardon for taking the gentlewoman's time, but no money was asked for them. That is a general medical and surgical hospital. No money was asked for those beds. We are now told that we have appropriated inadequate funds. We did not—that is not the case. We appropriated exactly the amount that was to have all the beds occupied, which could be properly occupied. Furthermore, we changed the formula from the beds activated to the beds occupied. Furthermore, we put together hospitals, domiciliaries, and the contract beds so that the accounting would be easier to handle. Remember we are not talking about service-connected veterans, we are talking about non-service-connected veterans' cases.

Mr. KARSTEN of Missouri. We are talking about hospital beds, if I remember what the gentlewoman said. We are talking about empty hospital beds. I just wonder whether or not there are any funds in this bill to enable the Veterans' Administration to use those beds.

Mrs. ROGERS of Massachusetts. The Committee on Veterans' Affairs is going to make certain surveys just as soon as the Congress adjourns, and we may have some further information regarding the hospitals and secure added funds.

Mr. KARSTEN of Missouri. It is ridiculous to build a hospital and not use it.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. YATES. Mr. Chairman, I ask unanimous consent that the gentlewoman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. YATES. May I state, I think the chairman of my subcommittee, the gentleman from California, will agree with me on this that our committee, our appropriations subcommittee has given the Veterans' Administration all the funds it has requested for the care of the veterans. But the difficulty seems to be with the Bureau of the Budget.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I cannot yield further on that because I want the additional time myself. It is not always the fault of the Bureau of the Budget. Take the case of the $8 million recommended by the Veterans' Administration and heartily endorsed by the Budget Bureau that the Senate placed in the independent offices bill and which later the conferees cut to $3,500,000. The Budget Bureau told me emphatically that they believed this Veterans' Administration facility could not function properly without the full $8 million.

Mr. ROONEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. May I remind the gentleman from California that when the additional $8 million asked for the additions to the Long Beach facility was provided for, I was heartily in favor of that. The Senate put it in the bill and the House agreed to it.

Mr. ROONEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I will be glad to yield to the gentleman if I have the additional time.

Mr. ROONEY. I wish to point out with regard to the Veterans' Administration hospital at Fort Hamilton in Brooklyn, N. Y., that that facility is only four-fifths occupied, that there are about 200 vacant beds which could be used, and should be used, but no funds have been provided for them because the Veterans' Administration has not asked for the money. I thank the distinguished gentlewoman for yielding for this observation.

Mrs. ROGERS of Massachusetts. A survey is being made of the Fort Hamilton hospital, may I point out to the gentleman.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time only to complete the statement I was trying to make before, and that is that our Appropriation Subcommittee has granted every dollar the Veterans' Administration has asked of us for medical care. Much of the difficulty seems to be in the Bureau of the Budget, which cuts down the requests made by the Veterans' Administration. When the VA gets to our committee, in complying with the rule of the Bureau of the Budget, it can request only the amount the Budget Bureau allows.

Mr. KARSTEN of Missouri. Does the gentleman mean that the Bureau of the Budget places its judgment above the judgment of the Congress in withholding that money; could the gentleman tell us that?

Mr. YATES. Apparently. I, for one, would like to see the Bureau of the Budget take a more sympathetic approach to this problem than it has taken in the past.

Mr. KARSTEN of Missouri. It is not the intention of the Department, but that is exactly what this body is doing in withholding these funds.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Has the gentleman from Illinois any hope that the Bureau of the Budget would extend sympathetic consideration?

Mr. YATES. With the passage of time there is always hope that those who are remorseful will be able to mend their ways.

Mr. PHILLIPS. If the gentleman will yield, I have very high regard for the gentleman. I think he is attempting to cover the subject well, but that he overlooked something, and that is that both last year and this year our committee, disregarding the request of the Bureau of the Budget, asked the Veterans' Administration to give us a figure for the number of beds which they could occupy and for the amount of money that the Veterans' Administration needed to take care of that additional bed capacity. Thus, disregarding the Bureau of the Budget, we took the actual statement, which appears in the hearings, from the Veterans' Administration and which

they said they needed, and we gave them that amount.

This $3 million to which the gentlewoman from Massachusetts calls attention is in addition to that, and in addition to the money which the Veterans' Administration itself said they needed when they came before us.

Mr. YATES. The gentleman is correct; we provided all the money the VA requested. However the gentleman will recall that when we held hearings on the supplemental appropriation bill there were two people present from the Bureau of the Budget who tried to justify their action in cutting down the request made for medical care, they said they were trying to hold medical care to the minimum.

As the gentleman will recall, I pressed them as to why they proposed to hold medical care to the minimum rather than give the veterans the same good medical care they had been receiving.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am not going to make any statement that appears to be in controversy of the subcommittee, because I remember well what the gentleman from California said, and I am not forgetful of it. I received indications recently from the Veterans' Administration Hospital in Brockton, Mass.—probably the gentlewoman from Massachusetts [Mrs. ROGERS] did also, as well as others—that there was a certain part of the hospital that could not be used due to the lack of help and the failure to appropriate money to hire the help.

Mr. YATES. As far as I am concerned, the VA was completely wrong in its handling of the Brockton situation.

The Clerk read as follows:

For an additional amount for "Forest Roads and Trails," $6,500,000, to remain available until expended.

Mr. GAVIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GAVIN: On page 9, line 14, after the word "expended", insert "$150,000 of which shall be allocated to Allegheny National Forest, Pa."

Mr. GAVIN. Mr. Chairman, this amendment does not increase the appropriation; it merely allocates a certain part, $150,000 of the $6,500,000 appropriation, for forest roads and trails in the Allegheny National Forest in Pennsylvania.

I would say that in the Allegheny National Forest with an area of some 750,000 acres, that is used extensively by millions of people, there has been for some time evident need for roads and forest trails. It qualifies under this category of funds for access roads in these national forests and the necessity for roads where overmature timber needs harvesting. I certainly hope that the chairman of the subcommittee, with whom I have fully discussed this matter, will take a favorable attitude toward this amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I may say that the gentleman from Pennsylvania did approach me on this matter and that I agreed not to oppose it.

Mr. GAVIN. Well, I understood when I talked to the gentleman that he would accept the amendment.

Mr. H. CARL ANDERSEN. I told the gentleman I would not enter any objection to it, and I stand by that.

Mr. GAVIN. My original request, I may say, was for $300,000 and the gentleman said if that were brought down to $150,000 he would accept the amendment.

Mr. H. CARL ANDERSEN. At no time did I say I would accept the amendment, to the best of my remembrance. I said I would not object to the amendment if the gentleman would reduce the amount to $150,000.

Mr. GAVIN. The fact is this is not asking for an additional appropriation. Merely that $150,000 of the $6,500,000 be designated for roads and trails in the Allegheny National Forest.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from California.

Mr. HAGEN of California. What justification does the gentleman present for this exact amount of money? It is that so many employees have to be hired?

Mr. GAVIN. Definitely not. Why should the gentleman from California be concerned? California is receiving, according to the hearing, $4 million. Permit me to continue. I feel this great Allegheny National Forest area in Pennsylvania is in need of forest roads and trails. In view of the fact that in the hearings it is all specified where the money is to be allocated, the appropriations to the various States, it is my opinion, my amendment was very much in order. I note that California, Oregon, Washington, Idaho, and Montana are specified and also that Minnesota is specified definitely for $300,000 of the $600,000 allocated to the eastern part of the United States.

Mr. H. CARL ANDERSEN. That is an incorrect statement and I am sure the gentleman is making it unintentionally. He does not understand the situation correctly.

Mr. GAVIN. That is what it says here.

Mr. H. CARL ANDERSEN. May I say to the gentleman it merely brings out the tentative allocation as to where the Forest Service might use this money provided that the entire $13 million was made available. They have indicated that $300,000 would be made available to the lake States.

Mr. GAVIN. Yes. That is correct.

Mr. H. CARL ANDERSEN. That includes Michigan, Minnesota, and Wisconsin. They have also indicated that if they had the full $13 million made available to them they would make $300,000 available also for the entire eastern part of the United States. That is the situation. I would not want the gentleman to place me in the position of trying to earmark anything for Minnesota because there is not anything in here earmarked for Minnesota.

Mr. GAVIN. I do not know except what I read. It states $300,000 would be made available in the Lake States, mainly Wisconsin and Minnesota. Now, I do not know whether that indicates $300,000 is for Minnesota. It states—and I quote—page 523, about $300,000 of that would be in Lake States, mainly in Superior country and Minnesota.

Mr. H. CARL ANDERSEN. Remember that the committee did not allow this additional $6½ million. Consequently, even that $600,000 we are now referring to may not even be available.

Mr. GAVIN. Now, just a minute. I have the floor, Mr. Chairman. I want to be patient with the gentleman; however, he is talking on my time.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. May I again say to the gentleman that the allocation upon which this was based—that is, tentatively—is upon the fact that the Appropriations Subcommittee would give the full $13 million for this purpose; but we only actually gave the $6½ million. I doubt whether there will be $300,000 available for the Lake States or $300,000 available for the eastern United States. I do not object personally, however, to the gentleman's amendment.

Mr. GAVIN. I may say to the gentleman that I am rather surprised at the turn of the debate here because of the fact I talked to the gentleman from Iowa [Mr. JENSEN] about the allocation of $150,000 for the Allegheny National Forest, and he acquiesced; I talked to the gentleman from Minnesota, and he acquiesced. I talked to the gentleman from Mississippi [Mr. WHITTEN], and he acquiesced. Now, all we are asking is that a great forest area in Pennsylvania that provides recreation facilities for millions of people from New York, Pennsylvania, and Ohio be allocated $150,000 for this area so that this forest area may be properly utilized.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Is the gentleman ready to accept the amendment?

Mr. ROONEY. I am in this position, I will say to the gentleman from Pennsylvania. I was called to answer a telephone in the cloakroom and now find that he is about to do something in regard to funds in the Treasury, and I wonder whether or not that Punxsutawney groundhog was heard from. Is there anything in this request to keep that hog alive until next year?

Mr. GAVIN. I might say to the gentleman I am glad he brought up that matter of the Punxsutawney groundhog, that great world-renowned prognosticator of the weather.

Mr. ROONEY. I wonder how he would prognosticate as to the outcome of this amendment.

Mr. GAVIN. Knowing the temper of the House, I believe it would be inadvisable for me to expatiate in extenso

on this world-renowned meteorologist at this time.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Ohio.

Mr. BENDER. The gentleman is to be congratulated on his statement. We, in Ohio, enjoy this forest and need this additional facility, and I want to say that since the gentleman is being so tranquil and agreeable and so gentle, I am sure there is no opposition and I do not know why we should continue this debate. Why not grant him this request?

Mr. ROONEY. Mr. Chairman, if the gentleman will yield further, I must admit that his oratorical outburst has convinced me of the worthiness of his proposed amendment, and I have no objection to it.

Mr. GAVIN. I want to thank my distinguished friends, because there are times, when these various legislative proposal are before the House, that one must rise with statesmanlike qualities to meet the issues, and I am glad to know the gentleman from New York will accept the amendment.

Mr. LAIRD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, our committee went over this bill very thoroughly and recommended an additional $6.5 million, which makes the full authorization of $22.5 million available to the Forest Service for forest roads and trails in our national forests in fiscal year 1955. I think it is bad precedent here on the floor to start earmarking these funds to specific forests without any real justification and without testimony being presented as to the need in a particular forest for roads and trails. The funds made available here are made available largely for the construction of access roads to harvest overmature and insect-infested timber which does exist in many of our national forests throughout the country. It is important from the standpoint of the economy of our country and for good forest management to harvest this timber as it matures or becomes infested with insects. It certainly seems to me that we should go along with the judgment of the Forest Service in using these funds in the places where they are most needed. I sincerely hope that the House will not go along with the principle of earmarking these funds for a particular forest in a particular State where there has been no justification brought to our committee and no justification established in our hearings that this particular forest should take precedence in the construction of roads over some other forest where there may be mature timber. I oppose this amendment without prejudice to the particular forest involved. It is entirely possible that some of the funds available in fiscal year 1955 will be expended in this forest.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I would like to concur with my colleague from Wisconsin and say it substantiates the fact that not one word has come up from the Forest Service or the Bureau of the Budget expressing the need for roads and trails in this specific area. We have acted on the recommendation of the Forest Service, and in acting that way we have tried to make funds available to them that will take care of the situation. Now, as to the funds made available, testimony was presented to us that the Federal Government, over a 4-year period, is going to get back $1.50 for each dollar that they are spending on these roads.

There is not one bit of substantiation of the claim that any such situation exists in the Allegheny National Forest. We, in our committee, are interested in all of the forests. But if we get to the point in this House of trying to earmark little dabs here and there all over the country, for forest roads and trails, it will be an unending process. I want the House to know that we, on this side of the aisle, do not like that kind of legislative procedure, and I hope that the committee will see fit in its wisdom to reject the amendment offered by the gentleman from Pennsylvania [Mr. GAVIN].

Mr. LAIRD. Mr. Chairman, I thank the gentleman from Minnesota [Mr. MARSHALL] for his statement. I concur in it. I do feel we would be setting a very bad precedent in earmarking these funds for forest roads and trails to specific national forests throughout the country. The funds are limited when compared to the vast job which must be done. Let us direct the Forest Service take care of the areas of greatest need.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GAVIN].

The question was taken; and on a division (demanded by Mr. GAVIN) there were—ayes 34, noes 45.

So the amendment was rejected.

The Clerk read as follows:

For an additional amount for "Contruction," $3,900,000, to remain available until expended, and the limitation under this heading in the Interior Department Appropriation Act, 1955, on the amount available for personnel services is increased by $1 million.

Mr. RHODES of Arizona. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RHODES of Arizona: On page 10, line 7, strike out "$3,900,000" and insert in lieu thereof "$6,900,000"; and on page 10, line 8, after the word "expended" insert the following: "which sum is composed of $3 million to provide financial assistance to public school districts, including advance payments, for the construction and equipment of public school facilities for Navaho Indian children from reservation areas not included in such districts, and $3,900,000 for payments under contracts or other obligations entered into pursuant to section 6 of the Federal Aid Highway Act of 1954 (38 Stat. 73)."

Mr. NORRELL. Mr. Chairman, I make the point of order against the amendment that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Arizona desire to be heard on the point of order?

Mr. RHODES of Arizona. I would say that I disagree with the gentleman from Arkansas [Mr. NORRELL]. I do not believe it is legislation on an appropriation bill. The purpose of the amendment is to carry on work which is in furtherance of the Navaho-Hopi Rehabilitation Act.

If I may be heard for just a moment, I have an opinion from the Solicitor of the Interior Department, to which I should like to refer.

Mr. NORRELL. Mr. Chairman, I think the entire amendment is subject to point of order, especially that language in the amendment reading, "including advance payments for instruction or equipment." There is no authorization like that anywhere in the law. Therefore, I ask that the entire matter be deleted.

Mr. RHODES of Arizona. May I be heard further, Mr. Chairman?

The CHAIRMAN. Can the gentleman cite the law applying to this particular question?

Mr. RHODES of Arizona. Section 1 of the Navaho-Hopi Rehabilitation Act of April 19, 1950 (64 Stat. 44, 25 U. S. C. 631), provides as follows:

The Secretary of the Interior is authorized and directed to undertake, within the limits of funds from time to time appropriated pursuant to this act, a program of basic improvements for * * * the supplying of means to be used in their rehabilitation, whether on or off the Navaho and Hopi Reservations. Such programs shall include the following projects for which capital expenditures in the amount shown after each project * * * are authorized to be appropriated. * * *

(12) School buildings and equipment, and other educational measures, $25 million.

The CHAIRMAN. The point before the Chair is the provision "including advance payments." Where in the law is that phrase shown, "including advance payments"?

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent to strike from the amendment the words "including advance payments."

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. NORRELL. Mr. Chairman, I hate to object, but I am so strongly opposed to the amendment, feeling that it is entirely out of order, that I am going to have to object.

The CHAIRMAN. Objection is heard.

The Chair is ready to rule.

In the opinion of the Chair, the words "including advance payments" are legislation, since there is no provision in law for them. The Chair sustains the point of order.

Mr. RHODES of Arizona. Mr. Chairman, I offer a further amendment:

Page 10, line 7, strike out "$3,900,000" and insert in lieu thereof "$6,900,000."

Page 10, line 8, after the word "expended", insert the following: "which sum is composed of $3,000,000 to provide financial assistance to public-school districts, for the construction and equipment of public-school facilities for Navaho Indian children from reservation areas not included in such districts, and $3,900,000 for payments under contracts or other obligations entered into pursuant to section 6 of the Federal Aid Highway Act of 1954 (38 Stat. 73)."

Mr. NORRELL. Mr. Chairman, I make the point of order against the

amendment that it is legislation on an appropriation bill.

The CHAIRMAN. Will the gentleman point out where in the modified amendment is the language to which he refers as legislation?

Mr. NORRELL. Mr. Chairman, there is no law anywhere that I have been able to find authorizing the Interior Department to take this amount of money, $3 million, and do what they are proposing to do under this amendment, to wit, assist the schools throughout certain areas in making improvements on the physical property in order the Indian children may come there and go to school in the years to follow. There is money to help rehabilitate the Indians and the Indian children, but there is no authorization anywhere which would give the Indian Service the authority to make the kind of a contract which it is proposed to make by this amendment to improve physical properties so that the Indians may go to school there in the years to come. There is just no law in the statute books as far as I have been able to find to warrant that kind of appropriation.

Mr. BUDGE. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BUDGE. Mr. Chairman, may I invite the attention of the Chair to the language in the proposed amendment which relates to payments to school districts. The original act, which the gentleman from Arizona has cited as being authority for his amendment so far as I have been able to find does not provide anything about the United States Government making payments to school districts. So for that reason, I think the amendment is obviously legislation on an appropriation bill.

Mr. RHODES of Arizona. Mr. Chairman, may I also call the attention of the Chairman to the fact that the Johnson-O'Malley Act authorizes the Secretary to carry out this authority under the educational provisions of the Navaho-Hopi Rehabilitation Act by appropriate contracts with State agencies. I cannot see that this would be any different matter than the matters authorized under the Johnson-O'Malley Act which comes under the Navaho-Hopi Rehabilitation Act. In other words, there is authority in the Navaho-Hopi Act to contract with the States, and certainly, in my opinion, the Navaho-Hopi Rehabilitation Act contains ample authority for the amendment which I have offered.

Mr. NORRELL. Mr. Chairman, may I be recognized further on the point of order?

The CHAIRMAN. The gentleman is recognized.

Mr. NORRELL. Mr. Chairman, I have examined the law under which we are operating here. There is no authorization whereby the money can be paid to a district as is proposed by the amendment. It has never been done. We have never established such a practice. They have never asked for such a law. I say it is not in the organic law or any other law that I have been able to find. There is no authority in the law for the school districts to make these payments.

The CHAIRMAN (Mr. ALLEN of Illinois). The Chair is ready to rule. The Chair has examined the Rehabilitation Act of the Indian tribes and feels that it is broad enough to cover the amendment. In title 25 of the United States Code, where the Navaho and Hopi Rehabilitation Act is codified, section 631 authorizes a broad program of rehabilitation, expressly including "school buildings and equipment, and other educational measures" and funds appropriated for such purposes are authorized to be available "for all other objects necessary for or appropriate to the carrying out of the provisions of this section." Section 452 of title 25 of the United States Code authorizes the Secretary of the Interior to contract with States or subdivisions thereof for the education of Indians. Therefore, the appropriation set forth in the amendment in the opinion of the Chair is authorized by law, and the point of order is overruled.

Mr. RHODES of Arizona. Mr. Chairman, I have offered this amendment at this particular time because of the press of time to complete what will probably be the largest program of educating Indians ever undertaken in the United States. May I state here and now I am personally grateful to the members of the subcommittee and the Committee on Appropriations for the fine attitude which they have had, and for the money which they have appropriated to carry this program along thus far. There is money in the act for the program, but there is not enough by $3 million. That is the reason for this particular amendment. We find that there were some 14,000 Navaho children of school age who are not in school at the present time. This is in spite of the fact that over the last few years we have spent several million dollars to provide educational facilities for Indian children on the Navaho Reservation. After we had spent the money there were actually more children out of school than there were before we began to spend those large sums of money.

So Mr. Carl Beck, a resident of Arizona, now employed by the Indian Bureau, Mr. Orme Lewis, Assistant Secretary of the Interior, also a resident of Arizona, and Mr. Glenn L. Emmons, the Director of the Indian Bureau, from the State of New Mexico, men who understand the Navaho problem, came up with this idea of bringing real education to the Navaho children, rather than trying to give those children the lush but ineffectual program which had been launched before.

The Navaho Reservation is the largest Indian reservation of any in the country; it is larger than many of our Eastern States. The Indians wander over the reservation. Therefore if a child is near a school he goes to the school, but if the child's family, at the time the particular school is in session, is in another part of the reservation, then the child does not go to school.

The first element of the program, therefore, was to take trailer schools to these Indian children; to the habitat of the parents of the Indian children. This program has been launched. It will result in the education of some 3,000 or 4,000 of these Indian children who would not otherwise have schooling.

This, however, is not the answer to the whole problem. The communities surrounding the Navaho Reservation were asked, and they agreed to admit Indian children to white school systems provided some help can be given them to take care of this increased impact on their schools.

Many of these cities are small. The city of Winslow, Ariz., has a population somewhere around 4,000 to 5,000 people. The city of Flagstaff, Ariz., has a population of around 10,000 people. The city of Gallup, N. Mex., has a population of under 25,000. To take this many children and put them in these school systems would cause hardship which those communities could not afford to bear. It therefore becomes necessary for the Federal Government to step in and help these communities meet this problem.

Why should we do it? Because, Mr. Chairman, we have a solemn obligation to the Navaho Indians, to educate those children. We have promised by treaty down thrown the years to provide education for the Navaho children. This solemn obligation of the United States Government has never been met, and this is one way to meet it.

These communities are now willing and able to construct these additional facilities and to take the Navaho children. A year from now they may not be so willing and able to do it.

These plans are ready to go into operation and are ready to go into operation now: in fact, I may be so bold as to say there have been some commitments made which might be embarrassing to a lot of well-intentioned people if this particular money is not made available.

We are at the crossroads in this Navaho picture. We are either going to go forward now or we are going to go backward for several years.

The answer to the Indian problem—and I do not like to call it a problem—it is a problem of all Americans, because the Navahos and all Indians are some of the finest Americans that we have. This problem will be settled only by educating the Indian children. We must take the Indian children into the schools and give them the type of education which will allow them to fit themselves into the civilization with which they are now surrounded but of which they are not a part. The best way to do it is to bring these children into the white schools so that they will be able to rub elbows with your children and my children; and, believe me, I think the experience will enrich not only the Indian children, but also the white children, because the Indians not only have a lot to receive but also a lot to give.

Mr. JENSEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Arizona [Mr. RHODES].

Mr. Chairman, I am not going to enjoy one bit the responsibility of opposing the amendment offered by the gentleman from Arizona because I know of his great and sincere interest in the Indians and the Indian problem, particularly in getting these Indian children into schools. Every member of the committee that

deals with appropriations for the Department of the Interior has worked diligently and we have leaned over backward in appropriating money for Indian education, especially during the present session.

We have $11 million in the regular bill for the education of Indian children. I am happy to report that about half of the Indian children who have been out of school, in fact have never been in school, will be in school during the fiscal year 1955. That may be a rather broad statement because of the fact that a $3 million appropriation might have been considered when Mr. Emmons, Commissioner of Indian Affairs, gave us the facts and figures at which time he said that he would put half of the 13,000 Indian children who are not in school, in school in the fiscal year 1955.

Mr. Chairman, here is the thing that disturbs the committee. It is not only the fact that we are here embarking into strange fields because of the fact that never before has a Congress seen fit to appropriate money to build school facilities outside of Indian territory and in public-school districts for the education of the Indians. It is true that the Congress has on an occasion or two passed specific bills for this purpose. But it is rather out of the ordinary to ask for $3 million for this purpose. Just where we would end up is questionable. There are many other Indian reservations that might say: We would like to have some money appropriated to build a school right outside of our territory where our children can go to school.

So you just do not know where the end is when you start a thing of this kind.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Is it not true, however, that under this particular amendment the only authorizing legislation is the Navaho-Hopi rehabilitation bill and if the other tribes desired to come in under this type of formula it would be necessary for them to have the same sort of authorizing legislation passed by the Congress?

Mr. JENSEN. That is true. But the fact is that we are attempting to do something that is very questionable in the minds of the attorneys on the committee as to whether it is authorized by law and whether or not this is legislation on an appropriation bill.

The question is a difficult one to square with your heartbeat when you want to do everything you possibly can to get the Indian children in schools and on the other hand avoid doing something that is not authorized by law, something that might result in a flood of requests that would not be good for the Indians or anyone else.

Mr. NORRELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I dislike very much to oppose my very able friend the gentleman from Arizona [Mr. RHODES], a man whom I have learned to admire a great deal since he has been here with us. I also hate to oppose this amendment because of the good it would bring to a number of school districts in the West. There are 9 districts all told that will benefit if this amendment is adopted: 1 in Colorado, 3 in New Mexico, 1 in Utah, and 4 in Arizona.

But the proposal here is this: They want to begin this program by expending $3 million on schools now that are owned and operated by the people in these several States outside of the Indian reservations. We have never done that. The committee has tried to go along with these Indian schools in every conceivable way down through the years. I have been on this subcommittee now for probably 15 long years, and there has never been a time when our committee was not anxious, ready, and willing to do anything and everything possible for the benefit of the Indians. The record will show that. But to present a program like this in a supplemental budget that will start a new and entirely different program from what we have had down through the years is not the way to do it, when we have heretofore allowed every dollar that the Indian Service requested for Indian education in the regular budget estimates. This money, if allowed, will start a new program that, if started, will run into millions and millions and millions of dollars. Who knows whether or not the Indian children can even then attend these schools? I say we ought not to go into this program hastily. You ought not to go into it in opposition to the subcommittee that has been so good, I believe, and so generous and so interested in the welfare of the Indians.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. NORRELL. I gladly yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I would just like to say to the gentleman from Arkansas that I agree with him in everything that he has said concerning the treatment the Indians have received from his subcommittee. I cannot be too high in my praise of his subcommittee for the way they have attempted to carry on this program. But I am sure from what the gentleman has said that he agrees with me that this is a very vital part of the program and that the only disagreement between us is a very honest difference of opinion as to the legal authorization of this appropriation.

Mr. NORRELL. That is substantially true, I will say to the gentleman. But, may I say this? This is a question that is so big, it is so important, it is so far reaching, that you ought to have a bill introduced to this effect. The legislative committee ought to hold hearings. It ought to decide what the policy should be. The legislative committee should come in then with a bill to do what they honestly and sincerely think should be done after mature consideration, and the Congress then can consider the bill, and enact a law and authorize the expenditure of money, and when that is done your Committee on Appropriations can recommend the money, and the Congress can then decide what should be done. But, to start it without the authorizing legislation, when it eventually may run into millions and millions of dollars, is not the way to do it. I say we ought not to launch a program of such magnitude without additional study. And I say it in all kindness to the Indians and to the gentleman from Arizona.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. RHODES].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 21, noes 37.

So the amendment was rejected.

The Clerk read as follows:

For an additional amount for "Construction and rehabilitation," $1,707,000, to remain available until expended, and the limitations under this heading in the Interior Department Appropriation Act, 1955, on the amount available for personal services and travel are increased by $2,500,000 and $200,000, respectively: *Provided*, That no part of this appropriation shall be used to initiate construction of the Helena Valley unit, Montana, until a repayment contract has been executed.

Mr. YOUNG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: On page 10, line 15, after "rehabilitation" strike out "$1,707,000" and insert "$1,807,000, of which $100,000 shall be for construction of a sewage plant at the Boulder Canyon project."

Mr. YOUNG. Mr. Chairman, my amendment would appropriate $100,000 for the construction of a sewage disposal plant at Hoover Dam.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. JENSEN. Mr. Chairman, this is a fair request. I have no objection to this amendment.

Mr. GAVIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-two Members are present, a quorum.

Mr. JENSEN. If the gentleman will yield to me, as I stated, Mr. Chairman, I have no objection to this amendment. I think this is a worthy cause. This is for a very necessary facility in Boulder City. At the time the committee had its hearings the committee had not heard about this sewage problem at Boulder City. The gentleman from Nevada [Mr. YOUNG] came to me and explained the situation and I took the gentleman's word for it, as he is a fine, a truthful, and an honorable gentleman. I certainly have no objection to this amendment.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield.

Mr. CANNON. As I understand the gentleman from Iowa [Mr. JENSEN], he is accepting this amendment. I should like to ask if he speaks for himself or if he speaks for that side of the aisle.

Mr. JENSEN. I said that I had no objection. I am speaking for myself. But I have not heard a single person over on this side that knows about this matter that has objected.

Mr. GAVIN. Here is one that wants to be heard.

Mr. JENSEN. Except the gentleman from Pennsylvania [Mr. GAVIN], that had that disappointment a minute ago, for which we are very sorry; but those things happen. So I am sure the gentleman from Pennsylvania [Mr. GAVIN] would not take his spite out on the fine gentleman who offered this amendment. I do not want to shut off debate or consideration of this amendment, but I stated before that I felt this amendment was really justified for the purpose for which it is intended. As far as I know, no member of my Committee on Interior Appropriations has any objection to the amendment.

Mr. CANNON. If the gentleman will yield, was this question brought before the subcommittee and the whole committee which reported out this bill?

Mr. JENSEN. No.

Mr. CANNON. It is a proposal to insert an amendment here on the floor without hearings, without consideration and without the approval of either the subcommittee or the whole committee?

Mr. JENSEN. No, it did not just come right out of the blue sky. It is one of these things where, after the committee had considered its regular bill and the supplemental bill, this condition arose in Boulder City.

Mr. CANNON. Did the Department ask for this?

Mr. YOUNG. Yes, the Department of the Interior did request this, for $100,000.

Mr. CANNON. Was it included in the budget?

Mr. YOUNG. It was not included in the recommendation of the Bureau of the Budget.

Mr. CANNON. I take it for granted the gentleman from Iowa speaks for the chairman of the committee, the gentleman from New York [Mr. TABER]?

Mr. TABER. Frankly, I know nothing about this proposition. For my own part, I would not want to favor a matter that had not been brought before the committee and had had hearings.

Mr. CANNON. I should think that would be conclusive, Mr. Chairman.

Mr. JENSEN. May I say that under the Boulder Canyon Act all expenditures of this nature are in an account and every 3 years, I think it is, the rates are raised to pay all of these expenditures which Congress makes that go into a certain category, this being one of them.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

(By unanimous consent (at the request of Mr. JENSEN) Mr. YOUNG was allowed to proceed for 2 additional minutes.)

Mr. YOUNG. I yield further to the gentleman from Iowa.

Mr. JENSEN. So we are not spending a dime of the taxpayers' money that will not be reimbursed. I do not think I can be accused of being a spendthrift or of being liberal with the people's money.

Mr. KIRWAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Ohio.

Mr. KIRWAN. I do not think we should agree to amendments as a committee or as the House. What is the matter that they did not take it up? Here is a supplemental appropriation bill. This item was not in the supplemental bill and it was not in the regular bill. Why should they come up here today and want to put it in the supplemental bill on the floor of the House?

Mr. YOUNG. I might explain to the distinguished gentleman that I had hoped it would be inserted on the other side of the Hill. I did not want to impose on the Subcommittee on Appropriations for the Interior Department. As soon as the consideration had been completed on the other side of the Hill, I contacted the subcommittee clerk in an effort to appear and testify, and was notified that the hearings had been terminated.

Mr. KIRWAN. The gentleman from Nevada does not mean to tell me that if this thing was so urgent, the great Department of the Interior would not have had a bill in asking for a supplemental appropriation. Just think of what we are doing. We not only passed the regular bill, but we are letting them come up and putting in everything that they think they need whenever they want it.

Mr. YOUNG. It had been submitted by the Department of the Interior, but it was deleted by the Bureau of the Budget.

Mr. KIRWAN. No matter who deleted it, this is the first time that we know anything about it. The chairman of this committee said that he found out about it yesterday. I, as ranking minority member, did not find out about it until the gentleman from Nevada went down into the well of the House and spoke about it. I again say, if it was so important, surely the Department of the Interior or somebody connected with that Department would have told either the chairman of this committee or me that this thing was needed down at Hoover Dam because that is a great dam. But nobody said a word about it. I do think it could wait until next year.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. If the gentleman would yield, I would like to read to the committee the language in the conference report with reference to the Interior Department regular appropriation bill, Boulder Canyon project, Arizona-Nevada:

> The attention of the committee has been directed to an unsanitary condition at Hoover Dam, resulting from the lack of adequate sewerage disposal facilities. The committee urges that this matter be looked into with the view in mind of presenting a budget estimate to correct the situation in the fiscal year 1956.

Is it not a fact that a study has been made and the Department of the Interior has now recommended that this money be made available to repair this sewerage system?

Mr. YOUNG. The gentleman is absolutely correct.

Mr. FENTON. Mr. Chairman, I ask unanimous consent that the gentleman be given 5 additional minutes so that he can explain the project in which he is interested. I, as a member of the committee, know nothing about it, and I would like to hear the gentleman explain it. If it is a worthy project, I want to be for it. I certainly do not want anything to happen here as just happened when the gentleman from Pennsylvania [Mr. GAVIN] offered an amendment a while ago. I ask unanimous consent that the gentleman may have 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. YOUNG. I thank the gentleman from Pennsylvania.

Mr. Chairman, this amendment would appropriate $100,000 for the construction of a sewage-disposal plant located in the Boulder Canyon project. When Hoover Dam was constructed, it represented, perhaps, the outstanding reclamation achievement up to that time. But there was one serious omission. It did not include a sewage-disposal system. As a consequence, the raw, untreated sewage from the restrooms and facilities at Boulder Dam is discharged directly into the Colorado River and into Lake Mohave, the upper region of which extends to the tailraces of Hoover Dam. At the time the dam was constructed that was not a serious problem. But since that time the Lake Mead recreational area has become one of the greatest attractions in the national park system. It ranks third on the basis of the number of visitors who come there each year. Nearly three times as many people as live in the District of Columbia visit Lake Mead recreational area each year. It is estimated that between 1 million to 1,500,000 visitors come annually to the dam. Of that figure, it is estimated that one-third take the conducted guided tour through the dam itself. There have been reports for a number of years on the stream of pollution that is resulting therefrom. The Public Health Service and the Federal Government investigated. It has been brought to the attention of the Arizona State Health Department and the Nevada State Health Department. It violates the laws and regulations of both States. It also contravenes an Executive order of the Federal Government which directs Federal agencies to cooperate with States in controlling interstate pollution in streams such as this.

We have received several complaints from those who visit and use the recreational facilities in that area, particularly in what is called Lake Mohave. Last year nearly 100,000 people used this rather narrow lake for the purpose of fishing and boating.

Since 1951 monthly tests have been made by the National Park Service in conjunction with the State health departments of Nevada and Arizona which

indicate that in the vast majority of cases the water is polluted.

It is necessary that something be done at the earliest possible date to abate this potentially serious menace. It is difficult to spend money. I think we should, however, bear in mind the fact that Hoover Dam has been one of the finest investments which the Federal Government has ever made. It returns approximately $800,000 a month to the Federal exchequer. By 1951 it had returned some $65 million. By 1987 it will have returned $130 million on the original investment plus $130 million in interest. After that time it will undertake the somewhat unusual task of paying back some $25 million which was allocated to flood control benefits.

Within this national recreation area are located a number of concessionnaires. The Government imposes rather strict conditions upon the sewage disposal facilities of those concessions. Unfortunately, however, the same standard does not apply to the dam itself.

It is estimated that the sewage which is untreated going into Lake Mohave is the equivalent roughly to that of a city of some 1,500 people. I feel that this proposal should not be delayed, because a serious health menace exists.

I urge the House to adopt this amendment.

Mr. KIRWAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Interior Subcommittee on Appropriations I object to this amendment. When this dam was constructed Mr. Hoover was President of the United States, and they have just now discovered down there that they need better sewage facilities—after all those years.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. YOUNG. The gentleman must realize that tourists have increased to the extent that today 2½ million come to this area. When the dam was constructed there were relatively few who were attracted to the vicinity.

Mr. KIRWAN. Let me tell the gentleman he has not seen anything yet. We have a six-State pact along the Ohio River where the sewage of all those great cities goes into the Ohio River from not 1 but from 6 States. They are going to try to do something to clean up that situation.

Mr. YOUNG. Mr. Chairman, will the gentleman yield further?

Mr. KIRWAN. I yield.

Mr. YOUNG. Have those cities paid $800,000 a month into the Federal Treasury such as is the case with Hoover Dam?

Mr. KIRWAN. That is all right. States along the Ohio have put up their money, the taxpayers' money, to have help.

A supplemental bill is not the place to add new items of this type. That can be taken care of in the regular bill.

I will say to the everlasting credit of Calvin Coolidge that he was firm in his desire to save money. An Army general told me that when he first came to Washington he served in the capacity of a captain and had occasion to go to the White House when Calvin Coolidge was President. Coolidge asked him what the Army engineers needed to take care of them for the next year and then told him that he would take care of them, but that unless something like an act of God or the breaking of a dam or something like that occurred for them not to go near Congress in the coming year or if they did it would be the end of them.

Now, this item is brought here in the form of an amendment to a supplemental bill, coming here as a new item. The place where that should be taken care of is in the regular bill.

We will never get through if item after item is sought to be added to supplemental bills which must be brought up in the closing days of Congress—and we are now in them. This is not the place for such an item.

Mr. YOUNG. This is in the nature of an emergency.

Mr. KIRWAN. An emergency? It has been down there for about 30 years.

Mr. YOUNG. That is true.

Mr. KIRWAN. We have six States up here where there is something like fifty million. It is an emergency that we have.

Mr. YOUNG. That is not a responsibility of the Federal Government.

Mr. KIRWAN. It is not a responsibility of the Federal Government? Who does the gentleman think controls the Ohio River except the Federal Government?

Mr. YOUNG. Is that not a responsibility of the States involved? Hoover Dam is a Federal responsibility. If it were a State problem, I would not be here.

Mr. KIRWAN. It is a responsibility of the Federal Government and the six States. They all have a piece of it. If they can stand it down there in Arizona or Nevada for all this time, they can surely stand it until we come back into session again.

Mr. YOUNG. We probably will put off a lot of appropriations until that time; but this is an urgent matter. We have received protests from the Arizona State Health Department, the Nevada State Health Department, and the Public Health Service of the Federal Government. It is a direct responsibility of the Federal Government. This is located entirely within a Federal reserve area.

Mr. KIRWAN. If they can stand it all of these years they can stand it a little longer. I have been down there to the Hoover Dam and I am telling you it is nothing at all like the river that goes through my town or any river up North here, or to the South or anywhere in the country. The Hoover Dam has 50 miles of water backed up there, it has a 600-foot depth up against that dam. Why they could almost purify half of the water of the United States.

Mr. YOUNG. This is not Lake Mead.

Mr. KIRWAN. I understand about Lake Mead and all that. I am trying to tell the gentleman that the water he has there is purified.

Mr. YOUNG. But we do not have the money.

Mr. KIRWAN. This is not so urgent, it is not needed right now. It will surely last until next year. As a member of the subcommittee, I will be happy when the Department comes in front of the committee and states this is needed to consider it. They have never done that. So it cannot be so urgent or they would have done that long ago.

Mr. YOUNG. They have requested it.

Mr. KIRWAN. But they never got it in front of the committee.

Mr. YOUNG. I think they were restricted from doing so.

Mr. KIRWAN. It did not get in front of the committee and if it is urgent it will get there.

Mr. GAVIN. Mr. Chairman, I rise in support of the pending amendment and ask unanimous consent to proceed out of order for an additional 4 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, getting back to the matter of allocation of funds for Allegheny National Forest, I might state to the gentleman who preceded me that I was almost in the same position that he is in. The only thing I did that he did not do was that I conferred with the gentleman from Iowa [Mr. JENSEN] and fully discussed this matter, in view of the fact I had not had the opportunity to appear before the committee. And I might say that the committee members look after themselves very well as it concerns their States. If some of us Members were apprised that these hearings were being held we would have had an opportunity to go before the committee to present our case, but it is difficult with the many matters before us to get to committee hearings; especially when we do not know when the hearings are to be held.

So I spoke to the gentleman from Iowa. As a matter of fact, I spoke to the gentleman from New York [Mr. TABER] first, then to the gentleman from Iowa [Mr. JENSEN]. He suggested that I talk to the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. Both of these gentlemen are here, so if there is any mistake in what I say, just rise and I will yield.

I said: It looks as though this $22,500,000 is pretty well allocated. I noted there was only $600,000 out of the $22,500,000 going to the eastern part of the country and out of that $600,000 that great State of Minnesota, and it is a great State—the gentleman from Minnesota [Mr. H. CARL ANDERSEN] is here—got half of it, $300,000. So immediately I was concerned about the eastern part of the United States and what States were to participate in the $300,000 unallocated.

In my district we have the Allegheny National Forest consisting of 750,000 acres with no roads, no trails; practically no improvements in roads and trails for years. Millions of people use this area. They are from the States of New York, Ohio, and Pennsylvania, and other States of the Union.

So, I got to thinking, "Well, we are entitled to something out of the $22.5 million when my State pays between 8 and

10 percent of the tax. This appropriation costs my State some $2 million. We have a great forest, and it needs roads and trails." In reading the report it states on page 523, "So we would propose to obligate about $4 million in California." I presume that Oregon and Washington and Idaho and Montana would receive balance with the exception of $600,000 for eastern United States. Some of these States I believe have about the same population in their whole State as I have in my district. It is all right for Pennsylvania to put up the money, to furnish the money, to make these programs possible, so once in a while I like to think "Well, maybe they will be reasonable and give us just a little bit." So I made request of $300,000 to be allocated for Pennsylvania. I thought that was small to help develop this great recreational area, the Allegheny National Forest. But, Ben [Mr. JENSEN] said, "Cut it down a little. Make it $250,000." I cut it down as he recommended. So I went to Mr. H. CARL ANDERSEN, and he said, "No. I would suggest $100,000 but no more." Then I sweated it out for 24 hours and I went back to Mr. H. CARL ANDERSEN requesting another $50,000, and he said "$150,000 will be all right. I will agree to that." So I said, "I will agree to $150,000. That will be satisfactory." But he said, "You have to see WALT HORAN, and if he [Mr. HORAN] and Ben agree, there will be no argument about it at all. We will accept it." That would have given to the Allegheny National Forest $150,000 out of $22,500,000, and my State pays $2 million of it. So we would be getting back $150,000 which, though not satisfactory, I agreed to. But, the boys from the Northwest and the West say, "Oh, no. You have got to give it all out here," although my State has 10 million people and there are millions of people using this forest area, and we would like to participate in these programs. But they say, "Oh, no. We have got to get this mature timber out, and we have to develop roads and trails out here in California and the Rocky Mountain States." So, all right. Then, after I was all set on that side, I thought I would go over and have a talk with the Democrats about it. So, I went to see my good friend, the gentleman from Ohio, MIKE KIRWAN, and he is my good friend, a great American and a great conservationist who believes unselfishly in building and protecting the great national forests, our waterways and streams, and protecting our wildlife—and he said, "I concur with you. I think you are right; but I am not chairman of the subcommittee." He said, "You go and see the gentleman from Mississippi [Mr. WHITTEN]." Well, I thought I would do this preliminary work, and I saw Mr. WHITTEN and he said, "Oh, sure. Certainly." He is here, and if I make a mistake, please say so, because I do not want to be misquoting, and that goes for you gentlemen, too. So. Mr. WHITTEN said, "I will interpose no objection." So, Mr. WHITTEN was not here and Mr. ROONEY was in charge, and I told Mr. ROONEY what Mr. WHITTEN had said, and I did not anticipate any trouble about my proposal. But then, evidently somebody gave the cue to the young gentleman from Wisconsin who just came into Congress to get up and vigorously object, which he did, so the result was that those that I talked to failed to arise to support the amendment even though they had given me the assurance it was acceptable. What was the gentleman's name that just preceded me?—Mr. YOUNG, and he made a very fine statement and I want to compliment him, but, Mr. YOUNG, you did better than I did, because I could not get Mr. JENSEN to arise in behalf of my amendment. And Mr. H. CARL ANDERSEN, who agreed with me and was going along for $150,000, he would not rise, either. They were all hogtied down there. Something held them down. So, the amendment was turned down.

Now, the only thing I have to say is this: I think the subcommittee handling this bill—and most of them are from the Northwest, or the extreme West—occasionally ought to pass the folks back East just a little bone to chew on, you know, to keep us quiet. That is why I am disturbed, because in the final analysis, my State has to pay 8 or 10 percent of the taxes and some consideration should be given to the forests in the eastern part of the United States. So, I sit back when these legislative proposals are before us and say, "What do we get out of it?" If there is a $472 million civil functions bill, we get $1.9 million for Pennsylvania and we are taxed $45 million or $50 million. So I am getting to a point where I am a bit irritated as I see these boys from out West, from California and the Rocky Mountain States, Oregon, Washington, Idaho, and Montana—why they just sit down and they carve up the pie to suit themselves. They do just about what they like, and when somebody from the East or from a great State like mine comes in and says "Now, boys, why not be nice? Just give us a small bit as we have a great forest back East as well as the West—we would like to have just a few forest roads and trails; we would like to take out the over-mature timber;" why it is thumbs down. That is the story. You can take it and digest it any way you want to. This is an example of the splendid support and cooperation given me by my Republican colleagues.

Mr. JENSEN. Mr. Chairman, I move that debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nevada [Mr. YOUNG].

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 54, noes 60.

So the amendment was rejected.

The Clerk read as follows:

For an additional amount for "Administration of Territories," $47,000.

Mr. D'EWART. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise at this time to ask the chairman of the Subcommittee for the Department of the Interior for an interpretation on the application of the highway-road program, section 6, which says in part that the funds allocated shall be immediately available for contract. Further on in the same section it says that—

The Secretary of the Department charged with the administration of such funds is hereby granted authority to incur obligations, approve projects, and enter into contracts under such authorizations and his action in doing so shall be deemed a contractual obligation of the Federal Government.

My question is, Does that apply to Park Service roads, Indian roads, carried in the Department of the Interior appropriation bill, as well as funds authorized under the Highway Act? I yield to the gentleman for an answer to the question.

Mr. JENSEN. That is right; it does.

Mr. D'EWART. Is it applicable to park access roads as well as roads inside the parks?

Mr. JENSEN. It is.

Mr. D'EWART. In other words, the funds appropriated in this measure and in the Department of Interior appropriation bill, which are about half of those that have been authorized, will be available for contract immediately, and they can contract the rest of the authorization, which will be met by a future appropriation?

Mr. JENSEN. That is right. Under the act which Congress passed early in the session for roads and trails in the Park Service, and in the Indian Service, and in the Forest Service——

Mr. D'EWART. And approach roads?

Mr. JENSEN. Yes; that bill authorized the respective agencies to which it applied not only to contract for the road-building program, but also to pay for such contracts, because of the fact that that act in effect was not only an authorizing act but it was an appropriation act. It gave the agencies the power to spend the money; and, as we say, to write the checks to pay the bill. It is under the same kind of law as the Rural Electrification Administration. For instance, when the Congress votes to give the REA a certain amount of loaning power, the REA then goes out and allocates it to the different REA cooperatives, and they not only make the loan but they pay the bill. So the gentleman is exactly right, and the answer to all his questions is "Yes."

Mr. D'EWART. I thank the gentleman very much.

Mr. Chairman, I note that the supplemental appropriation bill includes funds for the construction of roads in the national parks which added to the amounts already appropriated will cover all of the authorizations for national park roads through the current fiscal year. If I am not correct in my interpretation, I trust that a member of the subcommittee will give me the proper information.

I am concerned today with the future program of national-park roads, and particularly with the action of the Senate and House conference committees on the use of Federal national-park funds on access roads not within park boundaries. Members will recall that the House committee report on the regular appropriation bill forbade the use of any of these funds on roads outside the parks.

The Senate committee struck out this restriction. The committees in conference agree to leave out the restriction but with the provision that the Secretary of the Interior make efforts to arrange other maintenance of the roads and report next spring.

We have in Montana two examples of park approach roads outside the boundaries of the national parks which may be affected by this committee action. One of them is the famous Cooke City entrance to Yellowstone National Park. The other is the so-called Blackfeet Highway which runs along the eastern boundary of Glacier National Park, outside the park, but is the only means of access to the many beautiful attractions in eastern Glacier Park. It is also the highway that connects Glacier Park with the parks to the north in Canada.

This road runs primarily through the Blackfeet Indian Reservation, and therefore might be eligible for Indian highway funds. However, it is doubtful that the Indian Service is primarily interested in the road.

It is not a part of the regular Federal-aid system, and I do not see how the State of Montana can afford to devote much money to it.

Therefore, it remains for the Park Service, to whom the road is primarily of value, to maintain and reconstruct this road, if anyone is going to do it.

I note that the new Federal-aid highway act provides that the Secretary of the Interior may contract for the full amount of the $12,500,000 authorization for park roads for the fiscal years covered by the new act. Inasmuch as the present law authorizes the expenditure of funds for approach roads, I think it is clear that the restriction attempted to be imposed by the Appropriations Committee does not in any way affect the right of the Secretary to contract and obligate these funds for the Blackfeet Highway and the Red Lodge-Cooke City road, or any other approach road covered by the act of June 31, 1931, as amended.

Mr. Chairman, I include in my remarks a letter:

GLACIER PARK TRANSPORT CO.,
EAST GLACIER PARK, MONT.,
July 17, 1954.

Hon. WESLEY A. D'EWART.
Hon. LEE METCALF.
Hon. JAMES E. MURRAY.
Hon. MICHAEL J. MANSFIELD.

GENTLEMEN: I am sure you are all aware of the danger that confronts the Blackfeet Highway which is the road which runs north and south in the Blackfeet Reservation along the eastern boundary of Glacier National Park and gives access to all the Glacier Park entrances from the east side. In other words, if there were no Blackfeet Highway there would be no way for visitors to enter or leave Glacier Park except by West Glacier (Belton).

The menace to the future of Glacier National Park lies in what appears to be a policy on the part of the Department of the Interior and/or the Congress not to assume the future maintenance of approach roads to national parks. This policy, if effective, would throw the maintenance of the Blackfeet Highway and the Rediodge Highway back on the State of Montana.

I enclose a copy of a letter dated July 13, 1954, to Mr. Horace M. Albright, president of the United States Potash Co., 30 Rockefeller Plaza, New York, N. Y. Mr. Albright, as you all know, was Assistant Director of the National Park Service from its beginning in 1916 and succeeded Director Mather in 1930. I am writing him because he, as Assistant Director of the Park Service, was probably more responsible than any other person for the establishment of the policy of Federal maintenance of the approach road to Glacier National Park, which we know as the Blackfeet Highway. I call your special attention to this letter because I think it is important for all of us to know about this past policy and to make a vigorous effort to maintain it.

I do not know exactly how this present agitation developed. I have heard a rumor that the policy of refusal of future maintenance of approach roads to national parks originated in the Office of the Secretary of the Interior, but the wording of the conference report, as quoted in my letter to Mr. Albright, seems to indicate that both Houses are serving notice that Federal maintenance will be refused after this fiscal year.

I do not see how a State as small in population as Montana can afford to maintain the Blackfeet Highway, which is used primarily in the summertime by the inhabitants of the other 47 States. Then, too, our future strategy must always comprehend the fact that this Blackfeet Highway runs over Federal land in the Blackfeet Reservation.

I have been studying national park problems, first in Yellowstone and later in Glacier, for 47 years. The Western States which contain most of the national parks were outmaneuvered 20 years ago during the Ickes regime, when the Park Service took over the direction of the expenditure of millions of dollars for parkways in the Southeast such as the Blue Ridge Parkway and the Natchez Trace. Beginning at that time the amount of money annually appropriated for these Southeast parkways was about the same amount as the amount appropriated for the western national parks. I presume that this was brought about because Senators from the Southeastern States were in command of most of the committees. At any rate, the Natchez Trace, which memorializes Andy Jackson's route from Nashville to New Orleans, and the Blue Ridge Parkway have no more national significance than the route of Lewis and Clark, but there is no hope that the Federal Government will ever build a road across the Northwest to commemorate the matchless expedition of Lewis and Clark.

I predict that it is going to take a lot of effort on the part of all citizens of Montana and their Representatives to maintain the historic status of the relationship between the Federal Government and Glacier Park on the Blackfeet Highway.

The aim of this letter is to call to your attention the concern which those of us who are connected with Glacier National Park view the future. This road for many years has been in very poor condition and the maintenance today is of a low order on account of the lack of funds. Indeed, it is not too much to say that the Blackfeet Highway today is the poorest road in the State of Montana. The Great Falls Tribune and other papers have carried critical comments about this road as reported by 1954 visitors.

Yours truly,

HOWARD H. HAYS.

Mr. D'EWART. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include a letter.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read as follows:

CHAPTER VII

INDEPENDENT OFFICES

Commission on Intergovernmental Relations

Salaries and Expenses

For an additional amount for "Salaries and expenses," $414,000: *Provided*, That said appropriation shall be available for the hire of passenger motor vehicles and shall remain available until March 1, 1955: *Provided, further*, That the limitation under this head in the Second Supplemental Appropriation Act, 1954, on the amount available for expenses of travel, is increased to "$222,000."

Mr. DOLLIVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the first item under the heading of "Independent offices" concerns the salaries and expenses of the Commission on Intergovernmental Relations. With some other Members of this body, I have the honor to be a member of that Commission. The subcommittee on appropriations in this bill cut down the requests which were approved by the Bureau of the Budget from $460,000 to $414,000.

At this time the House members of that Commission are not going to ask for a restoration of that $46,000. We will try to get along. However, I think it is only due to the House to let the Members know that this Commission is actively at work. We have been meeting constantly and consistently month by month from the beginning of the naming of the Commission. And we are making very excellent progress.

I have here in this envelope a preliminary report on the principles of the Federal-State relationship in this country, which will be the basis of our report. We have a schedule of operations set up which will, we believe, result in the finishing of our work within the allotted time, that is, by March 1, 1955.

May I say to the Subcommittee on Appropriations for the Independent Offices that if by the 1st of January we find that these funds are not sufficient because of the deletion of the $46,000, we shall be back before the subcommittee asking for sufficient funds to complete our work.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from New York.

Mr. OSTERTAG. I want to associate myself with the statement the gentleman from Iowa has just made. As a member of this Commission, I feel I can state that all the Members of the House who are participating in the work of this Commission highly applaud the activities and program of the Commission to date and the ultimate results this Commission will achieve in serving the principles of intergovernmental relations. I would ask that we be permitted at this point in the RECORD to insert a joint statement which will detail the principles and the work of the Commission up to this time.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Arkansas, a member of the Commission.

Mr. HAYS of Arkansas. I have asked the gentleman to yield only to subscribe to what he has said about the importance of the Commission's work. I hope we can complete our studies on the amount that has been allocated. I agree that there would be no point at this stage in asking for a further amount.

I do not know when I have been as much impressed by the work of an advisory commission, and this is more than an advisory commission, as I have by the work of this Commission. I had some reservations about its importance and its potentialities when I went on the Commission, but I am convinced that it is rendering a great service. I hope the material the gentleman from Iowa will insert in the RECORD will be read by the Members, because it is our hope that we will bring to the House a report that will have value, that it will not be a political document. I think if the Members could see the way the Commission goes about its work they would be convinced that there will be some constructive ideas that will mean a saving of money to the Federal Treasury and an improvement in the efficiency of both the State and Federal governments.

This is due partly to the fact that the Commission is representative of both Federal and State Governments and of both political parties. It will be recalled that the minority was assured substantial representation by an amendment to the resolution setting up the Commission offered by the gentleman from Texas [Mr. RAYBURN] and concurred in by the gentleman from Indiana [Mr. HALLECK]. The chairman of the Commission, Mr. Kestnbaum, is doing a remarkable job and it is a delight to work with him and other members in exploring the complexities of our Government. I am confident that we will be able to supply some ideas for a better functioning and appreciation of local, State, and National Governments. I am sure the gentleman from Iowa shares that feeling.

Mr. DOLLIVER. Mr. Chairman, I appreciate the comments made by my colleagues, the gentleman from New York and the gentleman from Arkansas, both of whom are members of the Commission. I appreciate their comments. At this point in the RECORD, I ask unanimous consent to revise and extend my remarks and include a joint statement as to the progress of the Commission up to this time.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DOLLIVER. Mr. Chairman, as part of my remarks, I include this joint statement on the part of Mr. OSTERTAG, Mr. GOODWIN, Mr. BROOKS HAYS, and myself:

LEGISLATIVE HISTORY OF THE ESTABLISHMENT OF THE COMMISSION ON INTERGOVERNMENTAL RELATIONS

The Commission on Intergovernmental Relations was established by Public Law 109, enacted by the 83d Congress on June 27, 1953, and signed by President Eisenhower on July 10, 1953.

This legislation was the culmination of many years of effort on the part of many Members of the Congress to provide for a reexamination of the philosophy, the basic structure, and the operation of the American Federal system. Concern had been expressed in many quarters even before the Second World War about the need for reinvigoration of American federalism. After the close of the war, bills were introduced in every Congress by Members of both major parties providing for the establishment of a commission charged with the task of studying the Federal system and recommending concrete measures designed to strengthen it.

The first such bill appears to have been Senate Joint Resolution 90, 1st session, 80th Congress, sponsored by Senator Herbert R. O'Conor, of Maryland. Similar proposals were made in each subsequent Congress by several Members, including Senator ROBERT C. HENDRICKSON, of New Jersey, Senator HUBERT HUMPHREY, of Minnesota, and Representative HAROLD C. OSTERTAG, of New York, all of whom were appointed to membership on the Commission on Intergovernmental Relations at the time of its establishment.

The first Hoover Commission authorized a study of Federal-State relations of a general nature and received a report on the subject prepared by the Council of State Governments. This Commission, however, recognized the need for a more intensive study of the current problems of federalism and made relatively few recommendations for alterations in our Federal system. Perhaps its major recommendation was one calling for "a continuing agency on Federal-State relations to be created with primary responsibility for study, information, and guidance in the field of Federal-State relations."

The establishment of the present Commission was requested of the Congress by President Eisenhower in a special message on March 30, 1953. Observing that "the present division of activities by the Federal and State Governments, including their local subdivisions, is the product of more than a century and a half of piecemeal and often haphazard growth," the President emphasized the fact that a study of American federalism was urgently needed. The legislation which became Public Law 109 was introduced in the Senate by Senator Robert A. Taft, of Ohio, and in the House by Representative CHARLES A. HALLECK, of Indiana.

THE SCOPE OF THE COMMISSION'S WORK

In essence, Public Law 109 charged the Commission on Intergovernmental Relations with the tasks of making recommendations about a division of labor between Government at the national level and government at State and local levels, and about methods of financing the activities appropriate to these various levels. The preamble of the law, defining the general field of study given to the Commission, reads as follows:

"Because any existing confusion and wasteful duplication of functions and administration pose a threat to the objectives of programs of the Federal Government shared in by the States, including their political subdivisions, because the activity of the Federal Government has been extended into many fields which, under our constitutional system, may be the primary interest and obligation of the several States and the subdivisions thereof, and because of the resulting complexity to intergovernmental relations, it is necessary to study the proper role of the Federal Government in relation to the States and their political subdivisions, with respect to such fields, to the end that these relations may be clearly defined and the functions concerned may be allocated to their proper jurisdiction. It is further necessary that intergovernmental fiscal relations be so adjusted that each level of government discharges the functions which belong within its jurisdiction in a sound and effective manner."

The Congress charged the Commission particularly with responsibility for an examination of the present system of Federal aid to States and their subdivisions. The Commission must evaluate the existing system of Federal aid and consider alternatives to it which might foster a more vigorous federalism than does the Federal system.

THE COMPOSITION OF THE COMMISSION

The Commission on Intergovernmental Relations is composed of 25 members—5 Members of the Senate appointed by the Vice President, 5 Members of the House of Representatives appointed by the Speaker, and 15 public members appointed by the President.

The present membership of the Commission is as follows:

Chairman, Meyer Kestnbaum, president, Hart, Schaffner & Marx Co.

Vice chairman, Hon. Alfred E. Driscoll, former Governor of New Jersey.

Hon. Alice K. Leopold, secretary of the Commission and Director of Women's Bureau, Department of Labor.

Hon. Oveta Culp Hobby, Secretary, Department of Health, Education, and Welfare.

Mr. John E. Burton, vice president, Cornell University.

Mr. Lawrence A. Appley, president, American Management Association.

Dr. William Anderson, professor of political science, University of Minnesota.

Hon. Sam H. Jones, former governor of Louisiana.

Hon. Charles Henderson, former mayor of Youngstown, Ohio.

Hon. Clark Kerr, chancellor, University of California.

Hon. Marion B. Folsom, Under Secretary of the Treasury.

Gov. Allan Shivers, of Texas.

Gov. Dan Thornton, of Colorado.

Hon. John S. Battle, former governor of Virginia.

Hon. Val Peterson, Federal Civil Defense Administrator.

Senator Robert C. Hendrickson, Republican, New Jersey.

Senator Andrew F. Schoeppel, Republican, Kansas.

Senator Guy Cordon, Republican, Oregon.

Senator Hubert M. Humphrey, Democrat, Minnesota.

Senator Alton Lennon, Democrat, North Carolina.

Representative Angier L. Goodwin, Republican, Massachusetts.

Representative James I. Dolliver, Republican, Iowa.

Representative Harold C. Ostertag, Republican, New York.

Representative John D. Dingell, Democrat, Michigan.

Representative Brooks Hays, Democrat, Arkansas.

The Commission is assisted by an executive director. Until recently this position has been filled by Mr. Dudley A. White, but it is now vacant.

The Commission's Research Division is headed by Dr. George C. S. Benson, president of Claremont Men's College, Claremont, Calif.

DURATION OF THE COMMISSION'S STUDY

The statute establishing the Commission provided that its final report was to be submitted to the Congress and the President by March 1, 1954. Because of the enormity of the field of study, the 2d session of the 83d Congress recognized the impossibility of meeting this deadline and extended the life of the Commission to March 1, 1955. The Commission's final report is due no later than that date.

PROGRESS OF THE COMMISSION

The Commission has been meeting for 1 or 2 days each month since its initial meeting in September of 1953. The early meetings were devoted to the planning and the organization of the work to be undertaken. More recent sessions have been occupied chiefly with study and discussion of information relevant to the problems on which the Commission must make its recommenda-

tions. The Commission has not yet arrived at the stage of making decisions on issues or of formulating recommendations.

The Commission has adopted three major methods of securing the information required for objective judgments on the problems which it must consider: (1) The central research staff provides information gained by original research and channels to the Commission the information obtained from other groups, whose assistance has been enlisted in special studies made for the Commission. (2) The Commission has further established a number of advisory committees, comparable to the task forces of the Hoover Commission, from whom information and recommendations have been requested. Each one of these committees is engaged in a study of one functional area of Federal-State relations. (3) Finally, certain Government agencies and private research organizations have conducted special studies for the Commission under contract.

The following committees have been established to make reports to the Commission:

Federal Aid to Welfare: Chairman, Dr. Robert W. French, vice president, Tulane University, New Orleans, La.

Federal Payments in Lieu of Taxes and Shared Revenues: Chairman, Arthur E. B. Tanner, president, Waterbury Foundry, Waterbury, Conn.

Federal Responsibility in the Field of Education: Chairman, Dr. Adam S. Bennion, vice president, Utah Power & Light Co., and former chairman of the Utah Public School Survey Commission.

Federal Aid to Agriculture: Chairman, R. I. Nowell, vice president, Equitable Life Assurance Society, New York, N. Y.

Conservation and Natural Resources: Chairman William S. Rosecrans, chairman, California Board of Forestry, and past president of the American Forestry Association.

Federal-State Participation in Natural Disaster Relief: Chairman, Alfred E. Driscoll, former Governor of New Jersey and president of Warner-Hudnut Corp.

Federal Aid to Public Health: Chairman, Dr. Franklin D. Murphy, chancellor of the University of Kansas, Lawrence, Kans., and former dean of the School of Medicine, University of Kansas, and former vice president of the Association of American Medical Colleges.

Advisory Committee on Local Government: Chairman, Sam Jones, former Governor of Louisiana.

Federal aid to highways: Chairman, Clement D. Johnston, president, United States Chamber of Commerce, and former chairman, project for adequate roads.

Administration of unemployment compensation and employment offices: Chairman, Ernest F. Eberling, professor of economics, Vanderbilt University, chief of research, Tennessee department of employment security.

The Committee on Federal Aid to Highways has already submitted a report to the Commission, as has the Committee on Federal-State Participation in Natural Disaster Relief. A report is expected in the near future from the Committee on Federal Payments in Lieu of Taxes and Shared Revenues. Most of the other committees will report to the Commission no later than October 1, 1955.

Three committees have been constituted composed solely of members of the Commission. The Committee on Projects and Organization, under the chairmanship of Mrs. Alice K. Leopold, has had the responsibility for the concrete planning of the research work undertaken for the Commission. The Committee on Historical Development and Principles of the American Federal System has prepared a draft statement of the evolution of American federalism and has identified some abiding principles governing Federal-State relations that appear in our history. Mr. Lawrence A. Appley is chairman of this committee. The committee on grants-in-aid is engaged in a study designed to formulate general principles governing the extension of financial assistance by the Federal Government to States and their subdivisions.

State impact studies: Because the existing system of Federal aid to States and their subdivisions can be properly assessed only after an investigation of its effects within the States themselves, the Commission engaged five private research organizations to make studies of the impact of the system on selected typical States. Such studies were conducted in Connecticut, Kansas, Michigan, Mississippi, South Carolina, Washington, and Wyoming.

Reports from these firms on their findings have all been received by the Commission and are being analyzed by the Commission and its staff.

Similar studies are being made on a voluntary basis by qualified groups in the States of California and New York.

The Commission has further solicited information and recommendations regarding some of the most difficult issues presented by the grants-in-aid system from State commissions on intergovernmental relations which exist in 21 States and from unofficial commissions established under private auspices in 23 States.

HISTORICAL DEVELOPMENT AND PRINCIPLES OF THE AMERICAN FEDERAL SYSTEM

A basic report presenting the philosophy of the American Federal system has been prepared for the Commission by its committee on principles and historical development of the American Federal system. This report is divided into three major sections:

1. The development of American federalism from the adoption of the Constitution to the present.

2. An analysis of the forces tending to centralization versus the forces making for decentralization at the present time.

3. A statement of the historic principles governing Federal-State relations which are appropriate to the present day.

This document has been submitted to 15 distinguished scholars and practicing attorneys—all specialists in constitutional history and constitutional law—for critical comment. After criticisms have been received from this panel of experts, the Commission is expected to take final action on this report.

Clearly, the identification of the historic principles of the American Federal System is a prerequisite to the Commission's work in determining the proper sphere of Federal activity and the proper sphere of State-local activity in the areas which the various levels of government occupy at the present time. The opinions so far received from the critics to whom the document on the principles and the historic development of our Federal system has been submitted indicate endorsement of the general tenor of the statement which the Commission has under consideration.

FUTURE PLANS

The bulk of the research activity required as a basis for the decisions which the Commission will have to make will be completed during the month of October. The last 3 months of this year will be devoted to consideration of the information which has been assembled for the consideration of the Commission. During this period the Commission will reach its decisions on the major questions of policy on which it must pass. The first 2 months of 1955 will be given to the preparation, criticism, and revision of the Commission's final report.

CONCLUSION

No more important task has been undertaken by any of the study commissions which have been established for the guidance of the Congress in recent years than that assigned to the Commission on Intergovernmental Relations. The subject matter with which this Commission deals is concerned with the very fundamentals of our Federal system of representative self-government. The recommendations which it will make will bear upon the maintenance of the very structure of the historic American system of government. The Commission is performing its duty with keen awareness of the grave responsibility which it bears. It confidently hopes to submit to Congress and the President a report which will point the way toward revitalization of federalism in the United States.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the pro forma amendment, to assure the gentlemen who have spoken and all others interested, that I know, speaking for all of the subcommittee, there is no opposition and no antagonism whatever on the part of the subcommittee to either of these Commissions. I will take them both together and save the committee's time. The Commission on Organization of the Executive Branch of the Government, familiarly known as the Hoover Commission, and the Commission on Intergovernmental Relations, formerly known as the Manion Commission and now known as the Kestnbaum Commission. I want to say for my part, and speaking for all of the subcommittee, that Mr. Kestnbaum made an outstanding and very real impression upon our committee. We just thought, and I say this in a semi-serious way, that you appointed us to consider the actual amount of money needed by an agency It appeared that there were certain areas of duplication. It appeared that time elements were involved; that is, the amount of money that could be spent within a certain time. I think this particular agency, the Committee on Intergovernmental Operations, is doing an excellent job. So we in the subcommittee simply took 10 percent off of each of those 2 Commissions. I personally believe they will get along all right with the money appropriated. If they do not, the gentleman from Massachusetts has suggested a way to amend the situation.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. Very willingly.

Mr. DOLLIVER. I certainly appreciate the comments that have been made by the chairman of the Subcommittee on Independent Offices, and I appreciate his offer of cooperation with our committee.

Mr. PHILLIPS. We would like to say, Mr. Chairman, that we would like to get a few more people down here like the present chairman of the Committee on Intergovernmental Relations.

The Clerk read as follows:

For expenses necessary for alteration of Federal buildings to provide facilities for additional Federal judges as authorized by the act of February 10, 1954 (68 Stat. 8), and additional court personnel, and for expansion of existing court facilities, including costs of moving agencies thereby displaced from space in Federal buildings, $3 million, to remain available until June 30, 1956.

Mr. CEDERBERG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CEDERBERG: On page 12, line 21, after "1956", insert *Provided*, That none of the funds herein appropriated shall be used for providing facilities at Flint, Mich."

Mr. SHAFER. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill.

Mr. CEDERBERG. Mr. Chairman, this is a limitation upon the appropriation bill rather than legislation.

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Michigan is definitely a limitation. The point of order is overruled.

Mr. CEDERBERG. Mr. Chairman, this is probably one of the few notes for economy to be struck here this afternoon. The reason I offer this amendment is that it is known that the request for additional courtroom facilities at Flint, Mich., in which to hold court in the eastern district of Michigan is entirely unnecessary. At the present time the court is held in Detroit, Mich., and in Bay City, Mich. We have adequate facilities there without the expenditure of $179,400 more to put an additional court at Flint. Flint is located 45 miles from Bay City and approximately 60 miles from Detroit. In Bay City we have complete facilities for a Federal court, and I can say that the courtroom in Bay City is probably not used over 50 percent of the time. There is no excuse for not requiring the courts to be held where they are at the present time. Therefore, I definitely believe that the limitation should be placed in here. And I might say that my colleague the gentleman from Michigan [Mr. CLARDY], who represents the city of Flint in the Congress, is entirely in agreement with it.

I shall take up no further time of the Committee.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield.

Mr. PHILLIPS. I think I may say, Mr. Chairman, no member of the subcommittee on this side is opposed to economy. We are glad to accept the suggestion of the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I yield back the balance of my time.

Mr. CLARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there is an idea quite generally believed that Congressmen are always in favor of economy provided that it does not affect their district. Well, today I hope to prove that this is not always true. I have not presented a single measure to this Congress seeking a single dollar of appropriation for my district. I have not voted to increase any of the appropriation measures, and I have voted consistently to reduce them. I am just as much opposed to the unnecessary expenditure of money in my own district as I am at any other point in the Nation, or abroad.

When the basic legislation was before us seeking the addition of many more judges, I tried to make the point that we were saddling the taxpayers with a great deal more expense than some people seemed to think. Now the chickens are beginning to come home to roost. We are asked to spend a tremendous sum to provide each judge with a new courtroom and all that goes with it. But out in my district we are really going hog wild.

We have created the new judges. Now we propose to spend nearly $200,000 at one place to construct suitable quarters. In so doing they plan to oust a number of people already on the payroll and place them in rented quarters elsewhere in the city of Flint. How much added yearly cost this will bring I do not think anyone can estimate. And, of course, this endless chain will bring yet other and additional expenses as the story unfolds.

When the original measure was before us, I was the only member of the Michigan delegation who stood out in opposition to the whole idea—trying vainly to point out that we were saddling the taxpayers with a permanent additional cost that meant well up into the millions every year. Well, that bill was passed and now we are stuck. But I cannot see any need in going completely crazy in trying to carry out and finish off the mistake we have already made. Why on earth we have to build new courtrooms at new places just because we have new judges is beyond me. Does anyone suppose that all of the litigants to be served by these new courtrooms will come from the city where those courtrooms are located? Anyone who has ever practiced law knows that that simply is not the case. But even if we are going to build new courtrooms, for heaven's sake, let us be as economical and tightfisted as we can. It would be infinitely cheaper to try to rent space, but if we must build let us draw a tighter rein.

When the original legislation was before us I vainly tried to point out that the House was making yet other mistakes in my own district. This bill does not provide any money for courtrooms in Mason, the county seat of my home county, yet it is one of the places where court is supposed to be held. Do you know why no money is provided in this bill? Well, strange as it may seem, it is because the bureaucratic planners made a sad mistake. They actually succeeded in picking a point where there is no Federal building they could alter or change to make over into a courtroom—and so they are stymied. When I made that point when the original measure was before us I was laughed out of court. Now they have to admit I was correct. But that is not all. Mason is a lovely, but rather small county seat. It cannot possibly furnish hotel accommodations for lawyers and litigants. I tried to make the point that the State capital, Lansing, should have been selected. There it would probably have been possible to rent quarters in existing or in some of the new buildings the State and the city are erecting.

Over in the district of my good friend, PAUL SHAFER, the bureaucrats are stymied once more. We have named Kalamazoo, but they cannot find a building to remodel into a courtroom—and so this bill makes no provision for funds for that purpose. I have no way of knowing, but I am willing to wager that the same extravagance and probably the same mistakes will be found repeatedly throughout this program. The whole idea ought to be junked and given an entire going over at the next session.

A few days ago I listened to Members plead for a huge addition for airport construction. Last year we thought we had nailed down the lid on that program. Now we have opened Pandora's box—we have set the stage for ever-increasing demands for more and bigger handouts. We heard Member after Member ask us to vote for that additional money because there was an airport in their district that needed attention. Only Uncle Sam can do anything about it apparently. I came away from that session with a decided impression that many of us believe that we will not return to the House if we do not bring home the bacon in the way of projects for our own district. But you know I have the crazy idea that voters and taxpayers are the same people. And I have the further idea that they are a great deal more interested in our protecting their pocketbook than they are in voting concrete monuments to forever publish to the world how successful we have been in getting something out of the public Treasury for our own district. I may be wrong, but I think the folks back home are a lot smarter than we sometimes give them credit for being. I hope the amendments I am supporting will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CEDERBERG].

The amendment was agreed to.

Mr. LANTAFF. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to address certain questions to the chairman of the subcommittee with reference to this appropriation. On page 771, part 2 of the hearings appears the request for funds needed to provide certain facilities for the Federal courts at Miami, Fla. A breakdown of how those funds are to be expended appears on page 773 and 774 in exhibits.

I feel sure that the committee is well aware of the critical need for further Federal court facilities in Miami, the extremely heavy and congested docket in the southern district of Florida, and the fact that with the confirmation of our new Federal judge, Emmett Choate, which has been recommended by the Judiciary Committee of the other body, the already critical space situation there will be further aggravated. In reducing the total appropriation request of $4,800,000 to $3 million, was it the intention of the committee to disapprove any of the additional courtroom facilities requested for Florida on page 771 of the hearings?

Mr. PHILLIPS. May I explain the situation. This came to us in a supplemental bill as an amount of money needed to make alterations, remodeling, provide air conditioning, furniture and equipment, to pay the expenses of moving and to pay the costs of design and supervision and to allow for contingen-

cies. We did not go into the individual desirability of these things. We thought that had been settled. We simply took the list, looked it over and said that on the basis of the costs of doing these things already known to the Federal Government, the estimates were high. Certainly an estimate of more than a quarter of a million dollars for contingencies that were unknown, the cost of alterations and repairs higher than we usually pay, and particularly, Mr. Chairman, the furniture and equipment, in which we said rather lightly perhaps in our report we thought justice could be dispensed just as well from a chair costing $100 as from one costing $275. The cost of furnishing these judges' chambers and courts are away beyond anything for Cabinet officers, for Senators, or for Congressmen. We thought the amount of money we took off did not result in any reduction, in elimination or any specific reduction. I might mention to the gentleman that certainly a Member from Florida and a Member from southern California will join in saying we would hardly want to reduce air conditioning.

Mr. LANTAFF. That rumor was prevalent, may I say to the gentleman from California, that the subcommittee was frowning on air conditioning in these courtrooms. I am pleased to hear the chairman say that no funds were eliminated for that purpose.

Mr. PHILLIPS. The only time we frown upon air conditioning is when Congress stays in session past July 31, then we begin to hope that the air conditioning will go wrong.

Mr. LANTAFF. Then am I correct in saying that the funds for air condioning the courtroms in Miami have been provided in this bill?

Mr. PHILLIPS. The gentleman is correct.

Mr. LANTAFF. The reductions were based on what was determined to be an excessive cost per foot for construction, excessive moving costs and items of that type rather than to reduce the facilities requested?

Mr. PHILLIPS. The gentleman is correct with respect to furniture and such details.

Mr. CLARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLARDY: Page 12, line 12, strike out "$3 million" and insert: "$2,820,600."

Mr. CLARDY. Mr. Chairman, all I need to say on the amendment is that you have adopted the major amendment which eliminated Flint. If you do not adopt this amendment you may just as well not have adopted the other one because you will have left in the bill the money that the bureaucrats will spend somewhere else. Therefore I ask that the committee agree to this amendment so that the total amount will be reduced accordingly to prevent them from spending it where the Congressman from the district agrees it should not be spent on the basis of $200,000 for 1 courtroom for 1 judge.

Mr. LANTAFF. Mr. Chairman, will the gentleman yield?

Mr. CLARDY. I yield to the gentleman from Florida.

Mr. LANTAFF. Is the figure that the gentleman has used in his amendment based on the total amount requested for the facilities at Flint?

Mr. CLARDY. It is the exact amount.

Mr. LANTAFF. In view of the statement just made by the gentleman from California that in making this reduction the committee did not eliminate funds for any particular facility but reduced it on a square footage basis for all, would not the total amount of the gentleman's cut have the effect of affecting all of the other courtroom facilities provided for in this bill?

Mr. CLARDY. As I said, there are seven courtrooms for which the language is used that they do not know where they are going to put them. They are undetermined as to where they are going to locate them. I do not think we are far wrong if we cut off a few thousand dollars. If the gentleman can tell me how much has actually been cut off I will be glad to accept an amendment to my amendment that will revise it.

Mr. LANTAFF. I think the subcommittee could possibly best state that figure in those areas where they were not ready to have facilities. The committee took that into consideration in making the reduction.

Mr. CLARDY. There is nothing to indicate they have taken out the entire amount at the other seven places. I hope they have.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CLARDY].

The amendment was agreed to.

Mr. CLARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLARDY: On page 12, strike out lines 14 through 21, inclusive.

Mr. CLARDY. Mr. Chairman, now I am giving you the works. What I am proposing by this amendment is to strike out every red cent that you are appropriating for new courtrooms in order that there may be a more careful study and more time given to what you are doing. Do you realize that out of the 30 new courtrooms you are providing, that if this document is correct, there are 7 of them in which it is said, "Location undetermined."

May I point out that the total amount that it comes to for those seven is some $383,400 before the committee made any reduction. I do not know what they did, but that, to a country lawyer, is a whale of a lot of money. It seems to me when you are spending somewhere between $125,000 and $150,000 to provide 1 courtroom for 1 judge in the various offices throughout the country, we ought to stop, look, and listen. This costs money, and you are going to not only spend this amount as the capital amount, but you are going to add additional employees. Out in Flint, for instance—and I did not mention this before, because I did not have the time—do you know what they are trying to do? And they are doing it all over the country. They are going to throw people out of the post office in order to have rooms remodeled, which means that those people are going to have outside offices leased and furnished at Government expense from now on until perpetuity, as long as the Republic exists. I do not know how many hundred million dollars a year this is going to cost us, but unless we start out making some small savings—probably the way we are spending billions of dollars—this $300,000 is chicken feed. But to me it is a lot of money, and it seems to me we would be wise to put this off at least until the next session, until we have time to know where, for example, they are going to locate the 2 out in California, 1 down in Louisiana, I do not know—I will probably step on somebody's toes, which may defeat the passage of the amendment, but here is North Dakota, South Dakota, Texas, and West Virginia. Just imagine—in all of those places they managed to figure out that they are going to require $146,500 to remodel buildings that they do not even know where they are going to locate or find. Then there is air conditioning, $54,500, for buildings that they do not know anything about; $87,450 for furniture; $18,300 to move something—I do not know what—and for other things which come under the general heading of design they have got $102,500, and the contingencies amount to something like $71,000, contingencies for places they do not know anything about. It seems to me it is time we struck the entire item out, and I ask that the amendment be adopted.

Mr. CANNON. Mr. Chairman, as far as this side is concerned, we are glad to accept the amendment offered by the gentleman from Michigan. Apparently it is designed to bring about a much-needed retrenchment in several strategic sections of the country. We cannot go far wrong in maintaining the status quo in the locations indicated.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment.

The situation is this: The Congress of the United States has already decided that there shall be certain of these new judges and certain places provided for them to sit. The job of the Committee on Appropriations was to provide the money. That we have done. I do not see offhand how we can go back on the action of the Congress by adopting an amendment, to deny all the money, offered on the floor without previous consideration.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Indiana.

Mr. HALLECK. The opportunity does not often present itself for me to speak on any matter that is of particular interest back in my district, but it just so happens that Indiana has gotten along with two judges, for 4 million people, for years and years. We were assigned 2 new judges, under an arrangement providing for a session of court to be held in Lafayette, Ind.

A post office building was built there some years ago with appropriate rooms for a court. There are certain other expenses incident to the establishment of

that court that will have to be met. I cannot quite understand the reason for undertaking to strike from this bill all of the funds that would be needed to meet the situation which, as the gentleman from California [Mr. PHILLIPS] has said, we have created by the legislation we enacted establishing these courts, and which are to be staffed by judges and the other necessary personnel.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. BELCHER. If we are going to hire a judge, are we not going to have to provide him a courtroom in which to hold court?

Mr. PHILLIPS. I was about to make that statement in closing, that having provided for these judges, we must buy them something to sit on.

Mr. CLARDY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Michigan.

Mr. CLARDY. Would the gentleman have any objection to an amendment that would make it necessary for judges to sit where courtrooms already exist, eliminating only those where you are going to provide new courtrooms at tremendous expense, which will call later for expansion?

Mr. PHILLIPS. May I correct the gentleman? I have a good deal of sympathy for his position on this matter. May I say that the amounts of money which the gentleman named for such things as air conditioning and other purposes are not the amounts which appear in this bill. Those are the amounts that were submitted to the subcommittee, but when the subcommittee got through, they were reduced.

Mr. CLARDY. I stated that I did not know how much the committee had reduced them, but I feel, figuring on the same basis, that there would still be over $300,000 which could be eliminated.

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent that debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CLARDY].

The amendment was rejected.

The Clerk read as follows:

For necessary expenses to carry out the purposes of the National Science Foundation Act of 1950, as amended (42 U. S. C. 1861–1875), as they pertain to the United States program for the International Geophysical Year, $1,500,000, to remain available until expended.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 13, line 22, strike out the figure "$1,500,000" and insert "$2,500,000."

Mr. YATES. Mr. Chairman, this amendment is offered to correct the illogical conclusion attained by my usually logical and very able associates on the Appropriations Committee, who cut this appropriation by 40 percent. This appropriation for the International Geophysical Year is to finance the United States share of a thrilling scientific experiment in which scientists from more than 30 nations have joined in a worldwide study of the physical properties of the world—its crust, its interior, its oceans, and its atmosphere. This experiment will involve every major land and sea mass. Its measurements will extend from extreme ocean depths to a height of more than 100 miles above the surface of the earth. It is an experiment that cannot be deferred since it is set to take place at a time during a period of sun-spot maximum—and I submit that this is a factor quite beyond the control of the Appropriations Committee and of Congress.

This magnificent venture is important for many reasons. It is particularly appropriate at this very troubled time when international tensions are mounting. This endeavor is marked by no tensions, but rather by a spirit of friendship. It is constructive. It completely avoids power politics. The best scientific minds of 30 countries are generously offering their talents for the benefit of all mankind. Mutual undertakings such as this one truly promote better understanding between nations and establish bonds for peace. The International Geophysical Year will help the world go round, in more ways than one.

Secondly, the scientific data gathered by this conquest of many of the mysteries which surround man's life on this planet will extend to remote regions never before invaded and will be of infinite value to man's progress. Members of this House are necessarily travelers. They are called upon frequently to fly to and from their districts. This experiment will make the voyages not only of Members of the Congress, but of all air travelers more comfortable and safer by furnishing data to improve communications between planes and stations along the ground, as well as giving more precise information about conditions through the skies in which planes must fly.

Is it important to the people whom you represent to know when drought or rain or flood, or snow, or freezing ice will occur? Is it of interest to the people of your district to be warned more quickly of the possibility of their being caught up in the destructive whirl of tornadoes or the roaring, ripping frenzy of hurricanes? Of course it is. This study will offer better information on the causes of such natural phenomena and the possibility of dealing with them and dissipating their destructiveness. Is it important to those of us who live in cities to know the causes of choking smog and harmful air pollution? It certainly is. This investigation will furnish knowledge valuable to the eradication of such conditions.

This program is tremendous in scope. Surveying and measuring stations will be established all over the world, in tropical and temperate climates, and in polar regions. The weather that we enjoy in Washington or Chicago or Los Angeles or Miami Beach has its origin many thousands of miles away in a set of complex events related to the sun's activity and to conditions in the oceans. Today we operate without adequate knowledge of these conditions and how they build up or evaporate as they move toward us. A sudden storm this year, unpredicted because basic knowledge was inadequate and did not permit exact forecasting, had as one of its consequences the destruction of aircraft valued at $10 million, aircraft which could have been flown away had the storm prediction been possible. In recent atomic tests in the Marshall Islands, Japanese ships were showered with radioactive atomic particles as a result of unknown atmospheric winds which carried the particles to unexpected regions. The horrors of the hydrogen bomb are as nothing compared with those of its big brother, the cobalt bomb, explosion of which has never been attempted because it is feared that its destructive searing radioactive particles will be caught in high atmospheric gales and transported around the world.

The nature and structure of the earth profoundly affects the growth and development of each nation and intimately influences the relation of one nation with another. Regions which today are fertile and fruitful are undergoing transformations that may make them sterile and uninhabitable. Areas now populated and heavily industrialized may in the future disappear beneath the oceans if the present warming up of the polar regions long continues. Let me invite the attention of the Members from Florida to the importance of this experiment by quoting Dr. Gould's testimony which appears on page 925 of the hearings:

We know since 1900 that the climate or weather of the polar region has been warming up at an unprecedented rate. If it goes on at the present rate, in 25 or 50 years we will be using the Arctic Ocean for navigation. I do not believe the Antarctic icecap will melt enough to worry you and me; but if all the ice started to melt at some time in the future, it would submerge Florida.

While this experiment serves the cause of international peace, it also serves our national defense. A few weeks ago the Christian Science Monitor carried the story of the Soviet rocket threat, and I quote the first three paragraphs:

One day, perhaps within a very few years, it is possible that a new star may appear in American skies as a spectacular announcement that Soviet engineers have begun the practical conquest of space.

Right now they are working hard on a superrocket that will have the power of 10 battleships and that may eventually be used to establish a spaceship that would hang in the sky and circle the earth like a second moon. If such a ship ever does appear as an unexpected and brilliant object in the night sky it will be a grim indication that Soviet engineers may have developed the know-how to drop atomic missiles on any point of the earth they choose.

According to George P. Sutton, supervisor of the aerophysics department of North American Aviation, Inc., this is more than just a possibility. It is an announced goal of Soviet military scientists toward which they are working with the intensity with which they tackled the hydrogen bomb.

If the attack by Soviet rockets occurs it will have to come through the regions above the stratosphere in the ionosphere

which is to be part of the study. The formulation of a defense to this type of attack must inevitably depend upon knowledge of the upper regions. Our approval of this undertaking is imperative.

As a matter of fact, when I listened to the expert witnesses who testified before our subcommittee, the greatest geophysicists in our country, I could not escape the feeling that they were pioneers for interplanetary travel. They have already sent radar beams to the moon and back. Dr. Berkner told us that he hoped shortly to be able to send beams to the sun and back.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. JAVITS. I should like to compliment the gentleman on studying and bringing this subject before us in this way for two reasons: First, this matter of abstract research which seems so far away turns out to be the very foundation of the anti-Communist struggle, as we are finding out today; and second and very importantly, we have to develop, and develop far better than we are doing, the resources of our earth if we are to keep pace with our own problems. I think a Member who studies a subject as abstract as this in an effort to bring it to our attention in the way the gentleman is doing is entitled to the gratitude of all of us.

Mr. YATES. I thank the gentleman for his remarks.

The cost of the entire worldwide survey is anticipated to be $100 million of which the amount contributed by the United States would be $13 million and that contributed by the other nations $87 million. The appropriation in this supplemental bill is the first installment. The appropriation request of the National Science Foundation was $2½ million. The sum approved by my subcommittee was $1,500,000. The amendment I have offered is to restore the cut made by the Appropriations Committee, because the committee's cut seems to me to be illfounded, both in reason and in logic. This is no giveaway program. This is a joint venture and offers us the opportunity to exercise world leadership for human progress. Why should we hesitate to participate wholeheartedly in a program admittedly beneficent which serves all mankind? Why at the very beginning, should we show reluctance to cooperate with other participating nations by cutting the funds necessary and agreed upon for our participation? Should we not rather show enthusiasm and encourage other nations to join wholeheartedly in the effort?

Particularly does this cut not make sense because this is only the first installment on the total cost to be borne by the United States. On any basis of analysis and reasoning, it is obvious that $2½ million will have to be spent. The testimony before our committee shows that of this sum only $32,000 is for personal services and the balance is for the purchase and construction of necessary instruments and machinery, much of which will require at least 2 years to obtain. An appropriations cut at this time will be especially harmful because it will delay procurement by 6 months. We shall not again be called upon to consider a further appropriation for this purpose until the regular meeting of our Appropriations Subcommittee next spring, a delay which will throw the whole program out of kilter. If the total sum requested is ultimately found to be excessive, would it not be more logical and proper to make the reduction after the program is underway and there is a better appreciation of its actual cost?

No, Mr. Chairman, this cut at this critical time does not make sense. I urge that my amendment be adopted.

Mr. HESELTON. Mr. Chairman, I rise in support of the amendment.

The situation is as follows, as I am informed:

There is the appropriation of $12,250,000, of which $8,400,000 is for support of basic research. Three million dollars of this amount was earmarked by Congress for support of basic research formerly supported by the Department of Defense. One and three-tenths million dollars of the $8.4 million available was obligated by the National Science Board for research grants approved at its May meeting.

The Foundation had on hand on July 1 of this year more meritorious research proposals than it could support with the entire $8.4 million available. In addition, the Foundation expects to receive during the balance of the year at least $30 million more in meritorious new research proposals. Therefore, it seems perfectly obvious that we would be cutting back the program very severely by following the committee's recommendation. There appears in the hearings the following letter from President Eisenhower, which bears definitely on the point before us, and should be weighed carefully by all who are interested in supporting his program.

The letter is as follows:

DEAR DR. BARNARD: I appreciate your letter with respect to the United States program for participation in the international geophysical year.

I am glad to support this undertaking. It is a striking example of the opportunities which exist for cooperative action among the peoples of the world. As I understand it, some 30 nations will unite their scientific resources for a simultaneous effort, extending over 2 years, to penetrate the basic geophysical forces which govern the natural environments in which we live. Under especially favorable conditions, scientists of many nations will work together in extending man's knowledge of the universe. The findings of this research will be widely disseminated throughout the world, aiding in the further development of telecommunications, aviation, navigation, and weather forecasting. It is doubtful whether any single nation could undertake such a program. Acting in concert, each participating nation, contributing within its means, secures the benefits of the program.

The United States has become strong through its diligence in expanding the frontiers of scientific knowledge. Our technology is built upon a solid foundation of basic scientific inquiry, which must be continuously enriched if we are to make further progress. The international geophysical year is a unique opportunity to advance science, while at the same time it holds the promise of greater technological gains both for ourselves and for other nations.

I am sure that our participation in this far-reaching effort will very materially strengthen our bonds with the many cooperating nations and make a constructive contribution toward the solution of mutual problems.

Sincerely,

DWIGHT D. EISENHOWER.

I do hope we will take into consideration the actual facts confronting the foundation fiscally and also take into consideration this very important message from the President of the United States.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. PRIEST. I want to express my appreciation to the gentleman for the statement he has just made. He and I have discussed this matter personally. I believe most of the members of my committee, which handles the authorizing legislation for this foundation, feel rather strongly that this is a legitimate request and that it is an important one. I hope the committee will adopt the amendment.

Mr. HESELTON. I should add this to something Dr. Waterman had to say to the subcommittee:

The geophysical year is entirely separate and distinct from the regular programs of the National Science Foundation.

It has been established by the President under a separate appropriation title.

Mr. PHILLIPS. I do not want to disturb the gentleman or take up his time, but I do want to point out that interesting as his discussion is regarding the geophysical year and interesting as it is to me personally, my subcommittee is not in the least opposed to the geophysical year.

Mr. HESELTON. If I have left any impression to that effect, of course, I do not mean to do that. I compliment the subcommittee upon their recognition of the importance of this.

Mr. PHILLIPS. We think it is a good idea—the whole argument before us is where is the money going to come from, which question I will discuss on my own time.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HESELTON. I yield.

Mr. YATES. Does not the gentleman believe that it is incongruous to approve a request for an appropriation of $2½ million, and then to allow only $1½ million in supplemental funds, and then tell the National Science Foundation that if it wants this international geophysical year, to strike out the money on the approvals already given to basic research and use $1 million of those funds for the geophysical year?

Mr. HESELTON. I most certainly do. It is a rescission retroactively. The President recommended $14 million. The other body approved $14 million, but the House only approved $11 million. The final result was $12,250,000. Consequently, the Foundation will be in serious difficulties if we do not adopt this amendment.

As has been stated purchases of machinery and equipment must be made. A good deal must be done in preparation. This is not part of the Foundation's regular, important program. Little enough is being done in the vital field of basic research. Those who recognize the soundness of President Eisenhower's strong recommendation will certainly support this amendment.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, unless the gentleman from Tennessee [Mr. PRIEST] wishes time to speak, I ask unanimous consent that all debate on the pending amendment close in 5 minutes.

Mr. PRIEST. I do not care to prolong the debate further and I will be content if the gentleman will yield to me to make just one statement.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PRIEST. With further reference to what the gentleman from Illinois [Mr. YATES] just said, I feel very strongly that the subcommittee is fully conversant with the situation which has developed here. I believe they are in sympathy with the objective. It does seem to me it places the National Science Foundation in a rather unfavorable position when they are required, if they go through with this program, to take from their regular program commitments which have already been made. I hope the distinguished chairman of that particular subcommittee will take that fully into consideration in whatever he may have to say to the House. I thank the gentleman for having yielded to me at this time.

Mr. PHILLIPS. I assure the gentleman that the commitments have not already been made. We were careful to inquire on that subject before we put out this supplemental, and having inquired, and having found that the commitments had not been made, we then suggested that the NSF do not make them until they read the supplemental bill.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. JONAS of North Carolina. Is it not also true that the National Science Foundation, out of regular funds, has been preliminarily supporting this project for 2 years plus?

Mr. PHILLIPS. That is also correct.

Mr. YATES. Mr. Chairman, will the gentleman yield at that point?

Mr. PHILLIPS. I will yield later.

Mr. Chairman, let us see what the situation is regarding this. There is no argument in my committee regarding the geophysical year. We think it is all right, we think the NSF ought to spend the $2½ million that my friend from Illinois thinks it ought to spend, but we do not see the need for haste, and we are positive that it can come out of the money for the National Science Foundation, which has authority and supervision over this. They have been getting a little more money each year regularly, I would say a good increase in the appropriation for the work they do. Whether they are doing it well or not is not under debate; most of us think they are doing it all right.

Last year the National Science Foundation had $8 million. We gave them an additional $3 million to take care of work which was to be transferred to them. Then in the other body, $1,250,000 was added to that, on what I will say was a minimum of justification. So when this came up we said to the NSF on the basis of their own testimony that part of the work in the geophysical year—which was to work out a program of benefit to the same young scientists that come under the National Science Foundation—we said we would cut it a million and then take a million out of their fund. I have a letter in front of me addressed to the Senate committee by the Director of the National Science Foundation, in which he does not like the idea at all, but in which he says they will use the million dollars for that.

Mr. THOMAS. Mr. Chairman, will the gentleman yield for half a minute for one observation?

Mr. PHILLIPS. I yield to the gentleman from Texas.

Mr. THOMAS. Mr. Chairman, I think this is really a tempest in a teapot.

Mr. PHILLIPS. Yes, it is.

Mr. THOMAS. There is no one on the floor, certainly no one on our subcommittee, who is against this work. It ought to be done. By the same token there is not a man on this floor nor is there anybody in the National Science Foundation who knows within 25 percent of what it is going to cost.

Mr. PHILLIPS. The gentleman is right.

Mr. THOMAS. There are 18 nations, perhaps, who will participate in it, and, of course, pay their fair share when they know what that is.

Mr. PHILLIPS. The gentleman is correct.

Mr. THOMAS. This is not going to be started until 1957.

Mr. PHILLIPS. The gentleman is correct.

Mr. THOMAS. It is going to last 1, 2, or maybe 3 years. When they get far enough to know what it is going to cost then the subcommittee is going to give them the money. They cannot possibly use this money now. They do not know what it is going to cost.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. YATES. In reply to what the distinguished and able gentleman from Texas has said, there is no doubt in anybody's mind but what this machinery has to be purchased and paid for.

Mr. THOMAS. What machinery, and what are you going to pay for?

Mr. YATES. You are going to pay for it on the basis of the justifications. They came to our committee and showed need for $2½ million of this machinery to be purchased at this time.

Mr. PHILLIPS. When I was in high school I learned about the theory of checks and balances provided by the Constitution of the United States. Since coming to Congress I have learned something too about checks and balances, because we try to balance the budget and the other body is very liberal with the checks. This is going over to the other body where it will be considered. Why not let nature take its course?

Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Massachusetts.

Mr. HESELTON. May I just quote from a letter dated July 18, signed by Mr. Alan T. Waterman, Director of the National Science Foundation? He states:

> The foundation carried over on July 1, 1954, more research proposals of high caliber than it will be able to support during the entire 1955 fiscal year. We will assuredly receive more research proposals this year than last.

The CHAIRMAN. The time of the gentleman from California has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 36, noes 59.

So the amendment was rejected.

The Clerk read as follows:

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The St. Lawrence Seaway Development Corporation is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to it and in accord with law, including not to exceed $250,000 for administrative expenses, and to make such contracts and commitments without regard to fiscal year limitations as provided in section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized functions for the fiscal year 1955: *Provided*, That said funds shall be available for the acquisition of not to exceed two passenger motor vehicles from excesses reported by other agencies, or from forfeitures; for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed $100 per day; and the administrator is authorized, subject to the procedures prescribed by section 505 of the Classification Act of 1949, to place not more than 4 positions in grade 16, 17, or 18 of the General Schedule established by said act, and such positions shall be in addtion to the number authorized by said section.

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we got down a squirrel hole a little while back on the matter of the Veterans' Administration. I have no desire to take a lot of time on the subject but I want to straighten out some things, particularly for the benefit of my friends in the areas where they have had letters regarding veterans' hospitals.

As you know, Mr. Chairman, we are not following the direct limitations or budget recommendations of the Bureau of the Budget and we have not been for 2 years. We are taking the number of beds determined by the Veterans' Administration itself. We tied that to the amount of money which the VA needs for those beds at their own figure. If anybody questions the amount of money in the regular bill, they have only to turn to page 804 of the hearings on the

supplemental bill now before you and you will see there a letter from the Administrator of the Veterans' Administration giving the amount of money needed. As I said before, the number of beds occupied was raised above the authorized average. So in this supplemental bill we have given them an aditional amount.

I want to say that just appropriating money for a hospital does not open beds, as you well know, Mr. Chairman. You have to have nurses, doctors, technicians and psychiatrists. Time and time again you have been given information about beds being closed in hospitals which were not closed at all.

When we talk about the Brockton Hospital, let us be fair. Let us say it was poor judgment on the part of the Veterans' Administration. But no beds were closed. The VA simply decided in these few months not to open additional beds. I think that was poor judgment. But remember that the cost per bed per day for the Brockton Hospital was $34 a day and that the average cost for that type of hospital ought to be about $13 or $14 at the most and has been lower than that.

All I can say is that Congress has been trying very hard to tie these figures down. We are trying to give the managers of the hospitals more authority. In the case of the hospital in St. Louis, that is a brand new hospital and is developing its bed capacity.

This is a general medical and surgical hospital, and what we need beds for is NP's and not for general medical and surgical. So, I do not want the statement made on the floor that this House had cut an appropriation; that we took a figure from the Bureau of the Budget and said that is it. We did not do that last year nor this year. And, I want you to understand, if you turn to part III of the hearings on the appropriation bill, first you will turn to page 2970 when the representatives of the American Legion were heard, they said, in part:

> We are very much pleased with the action of this committee and the results of what you provided for what is termed "hospital inpatient care for the current fiscal year."

A very interesting statement appears from the young AMVETS:

> AMVETS are aware of the tremendous problems facing the Independent Offices Subcommittee as it considers VA appropriations. * * * We have consistently attempted to indicate to the American public our belief that any program not good for the country as a whole cannot ultimately be of benefit to veterans. * * * We pledge to you our continuing support in arriving at this cherished goal.

I think we are working out of what has been a difficult problem in the past and I feel our friends who are concerned on the floor today need have no further concern.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. YATES. I agree with what the gentleman has stated about our committee asking the Veterans' Administration as to the amount of funds needed for medical care and that we gave them that amount of money. I stated I thought the Bureau of the Budget was a stumbling block in that procedure, and I cited to the gentleman the testimony on page 836 of the hearings wherein Mr. Brundage, who appeared before our subcommittee, stated that it proposed to see that the operation was carried on on a minimum basis. I asked him what he meant by "minimum basis," and I thought he said that usual standards were not to be carried out on the same basis as they had been in the past.

The CHAIRMAN. The time of the gentleman from California has expired.

The Clerk read as follows:

> For construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy, as authorized by the act of June 16, 1948 (62 Stat. 459), the act of September 28, 1951 (Public Law 155, 82d Cong.), the act of July 14, 1952 (Public Law 534, 82d Cong.), and the act of ——, 1954 (Public Law ——, H. R. 9242, 83d Cong.); including not to exceed $2,500,000 for advance planning as authorized by section 504 of said act of September 28, 1951; furniture for public quarters; personnel in the Bureau of Yards and Docks and other personal services necessary for the purposes of this appropriation; and engineering and architectural services as authorized by section 3 of the act of April 25, 1939 (34 U. S. C. 556); $73,517,000, to remain available until expended.

Mr. RIVERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. RIVERS: Page 17, line 4, strike out the figure "$73,517,000" and insert the figure "$140,000,000."

Mr. RIVERS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Chairman, my amendment raises the Navy appropriation for military public works from $73,517,000 to $140 million, which is the amount which the President has asked that the Congress appropriate, as well as the Bureau of the Budget and the Comptroller of the Department of Defense. Our Committee on Armed Services held hearings on the projects contained in this bill and enumerated in the report accompanying this bill. We approved a certain figure, and it went before the Committee on Appropriations, and they likewise approved the projects but directed the Navy to build them from money which it was alleged now existed in the Department of the Navy, that is, $300 million. I got in touch with the Navy Department and they claim they do not have $300 million from which these projects may be constructed. I got in touch with the Chief of Logistics of the Navy and asked him whether or not the money was available. He said the money was not available and they did not have $300 million that these projects could be constructed with.

Here is the important thing. Two out of three of these items which were given the blessing of the Committee on Appropriations would have to be eliminated if the $73 million figure in the bill were retained.

But I did not stop there. I talked with 2 or 3 members of the Committee on Appropriations. I talked with one in particular, and he said, "If you want to find out what the figure is, contact the Comptroller of the Department of Defense." I contacted the Comptroller of the Department of Defense and asked him to give me the figures on this. Also I found out that at that very time they were appearing before the Senate committee on this proposition. I asked them what their position was going to be and they said they had a statement that they were giving to the Senate committee. I have a copy of that statement here and I should like to read it to the Committee:

> The Navy currently has an unobligated balance of $300 million. About $166 million is committed for planned construction; another $80 million is reserved for construction temporarily deferred because of lack of base rights, land acquisition, design criteria, necessity for additional engineering data and similar difficulties. The balance is being held to cover anticipated contingent costs, Bureau administrative expenses and technical collateral.

Technical collateral, I may add, covers many things which are highly technical but which are very vital to the program of construction.

> It can be seen that roughly $130 to $140 million of the current unobligated balance is tied up in normal operations so that only a portion of the unobligated balance is available for new work.
>
> In order to carry out a balanced program throughout the year unobligated funds must be available for commitment during the last months of the fiscal year in order that obligations may be promptly incurred in the beginning of a new fiscal year. It is considered that approximately $200 million in unobligated funds represents the minimum requirement of all the above factors—

That is the safety factor—

> to operate an orderly and effective public works program.
>
> Anticipated obligations of $240 million in fiscal year 1955, together with the $140 million in new funds requested, will result in an estimated unobligated balance of $200 million at the end of fiscal year 1955. An unobligated balance less than this amount would disrupt the orderly planning and progress of essential work. For this reason an appropriation of $140 million—

This is the Secretary of Defense speaking; this is the Comptroller of the Department of Defense—

> an appropriation of $140 million for fiscal year 1955 is required.
>
> Based on the fiscal year 1955 public works authorization bill passed by the Congress, the Navy funding program is now $220,044,000. Even with the appropriation of the $140 million recommended by the President and use of $67,307,000 from savings and deferral of previously funded projects, the Department of the Navy will have to defer construction of urgent projects in the fiscal year 1955 public works program in the amount of $14,353,000. A reduction of $140 million to $73,517,000 will necessitate deferral of additional projects in the program in the amount of $64,867,000. Deferral of only $3,010,000 of the latter amount can be accepted without seriously impairing the Navy's ability to execute its worldwide mission adequately. The balance of $61,857,000 represents the estimated cost of urgent projects in the program. Deferral of these will reduce the operational effectiveness of the

Navy, will hinder the Navy's exercising economical management and preclude the provision of proper personnel housing.

Department of the Navy public works program, both annual and long range, are kept under continuous study. The program submitted to the Congress this year was, from its inception, based on only urgent and essential projects and has been trimmed of every questionable item by repeated critical review in the Department of Defense and Bureau of the Budget. A study by the Department of the Navy of the effects of the House Appropriations Committee action on this program indicates that it will be necessary to defer the construction of urgent and essential projects. It is emphasized that the urgency of these projects is such that delaying their funding until fiscal year 1956, or even later, involves more risk than should be accepted.

That is the statement that they made before the Senate Appropriations Committee.

The Armed Services Committee of the House screens these projects to the best of our capacity. The Appropriations Subcommittee of the House gave them their blessing. I know about the discrepancy in the testimony, may I say to the chairman of the committee, the gentleman from Wisconsin, and the rest of the members of his committee, but I have gone to the fountainhead wherever I could find it to get the information. I went to the Navy, and I went to the head of the budget in the Defense Department, and he said that the President's program is a bare minimum and that the risk of a further cut should not be assumed.

This is my position. I know some projects in my own district. I know about them. They tell me that 2 out of 3 of these projects would be cut. One of them is moving a marine jet base away from Miami. We have got to have it. They tell me that project may not be attempted. I impute nothing to the subcommittee, but the President says he needs this $140 million, the Department of Defense says they need it, and the Navy claims they need it. If we curtail the operation of our Navy, Army, and Air Force, how on earth can we fulfill our mission? The President says he needs this. He is our Commander in Chief. His subordinates say we need it. Our committee believes we need it. I urge the committee to consider this problem and restore this appropriation to the minimum asked for by the President.

Mr. CANNON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment affects one section—the naval section—of a general program for construction in Army, Navy, and Air Force.

I am in complete accord with what the gentleman says about the importance of this item and the need for this construction. We are at a critical stage in international affairs and it behooves us to take every precaution to prepare for unexpected emergencies.

But, the committee has taken all this into consideration and has more than amply provided for such needs in all three of the services.

For example, we have provided in the bill $484 million new money for Air Force construction. They had on hand at the beginning of the fiscal year an unobligated balance amounting to $1.2 billion.

This supplementary $484 million provides an aggregate of $1,684,080,000 for naval construction for the fiscal year of 1955.

Prospective obligations for the fiscal year amount to $1,250,000,000, leaving, out of an abundance of caution, $434,000,000 to be carried over into the next fiscal year, 1956.

In Army funds we have at the close of the fiscal year, June 30, 1954, an unobligated balance of $640 million. Our estimated obligations for the current fiscal year, 1955, amount to $250 million. In other words, we provide by reappropriation in this bill $390 million in excess of all estimated obligations for the fiscal year 1955.

Coming now to the provision for Navy construction, there remain unobligated funds of $300 million from last year, which with the $73,517,000 new money carried in the pending bill, provide a total of $373,517,000 against estimated 1955 obligations—an excess of $83,517,000 for the fiscal year beginning July 1, 1954.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from South Carolina.

Mr. RIVERS. The Navy has made it plain and I have tried to make it plain, Mr. Chairman, in my statement, that the Navy claims they have obligations and commitments which will dissipate this alleged surplus. I went to the comptroller of the Department of Defense, and he told me that he does not have the funds which the committee claims that he has. Does the gentleman question the comptroller of the Department of Defense? May I add that the State Department prohibits the Navy from entering into any base agreement with a foreign power until the money is paid on the barrel head. That is the policy. Consider the Spanish bases. There is another item.

Mr. CANNON. I am much interested in the statement quoted by the gentleman from South Carolina. I am aware of his deep interest in the subject and his long familiarity with the service and am anxious to cooperate with him.

The committee held exhaustive hearings on this item. We had before us the official representatives of the departments including the budget officer. All data was carefully studied and screened and the bill is based on that information.

Here is a tabulated summary predicated on the testimony adduced by the committee:

Air Force:	
Unobligated, June 30, 1954	$1,200,000,000
New funds, fiscal year 1955	484,080,000
Total	1,684,080,000
Estimated obligations, fiscal year 1955	1,250,000,000
Navy:	
Unobligated, June 30, 1954	300,000,000
New funds, fiscal year 1955	73,517,000
Total	373,517,000
Estimated obligations, fiscal year 1955	240,000,000
Army:	
Unobligated, June 30, 1954	640,000,000
Estimated obligations, fiscal year 1955	250,000,000

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(By unanimous consent, Mr. CANNON was allowed to proceed for 1 additional minute.)

Mr. CANNON. Mr. Chairman, the accuracy and dependability of this summary is further butressed by the fact—and it is a rather remarkable fact—that for the last 3 years, successively, they have failed to expend, by many millions of dollars, the funds allocated to them for this purpose.

It is sometime a question as to whether it is a greater error to appropriate too little or too much. Certainly, in this instance we have not recommended too little. The bill provides ample funds for Air Force, Army, and Navy construction and the amendment proposes the addition of money which in the opinion of the committee is not needed and cannot be used.

Mr. DAVIS of Wisconsin. Mr. Chairman, I wonder if we can reach an agreement as to time on this particular amendment. I ask unanimous consent that all debate on this amendment close in 15 minutes, 5 minutes to be reserved to the committee.

Mr. McCORMACK. Reserving the right to object, I would like 5 minutes. Does the gentleman from Maryland desire time?

Mr. DEVEREUX. Yes.

Mr. McCORMACK. Why not make it 20 minutes?

Mr. DAVIS of Wisconsin. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment close in 20 minutes, 5 minutes to be reserved to the committee.

Mr. HARDY. Mr. Chairman, reserving the right to object, if the gentleman will couple with that that the time be divided equally I will go along with him. The time has been divided pretty evenly thus far today.

Mr. DAVIS of Wisconsin. Mr. Chairman, I withdraw the request.

The CHAIRMAN. The gentleman withdraws his request.

Mr. DAVIS of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the thing that is in issue here is not what the Navy is going to be able to build, not what the Navy is going to be able to obligate for construction during this 1955 fiscal year at all. The only thing that is at issue here is how much they are going to have left in the way of unobligated balances at the end of the 1955 fiscal year. That is one of the things that has bothered this subcommittee ever since we have had the responsibility of handling the military-construction program. It goes back to the 82d Congress, when the gentleman from South Carolina was the chairman of this subcommittee. He was plagued with that problem then, and it has continued since.

We have made a concerted effort to bring about an orderly functioning of the military-construction program. I might say that one of the things that has concerned us the most has been the lag that has occurred between the time the money has been appropriated and the time when it has been realized in terms of actual construction. We are

beginning to make great progress along that line because we are beginning to set aside funds for advance planning so they can do a much better job, telling us what they are going to do, where they are going to put it, and what it is going to cost. As I say, we are making a good deal of progress in this direction.

One of the things we are attempting to do is to bring down this huge backlog of unobligated and unused money that has been carried over from year to year. The same problem that the gentleman from South Carolina has attempted to bring before you with respect to the Navy applies to all of the other branches of the service and we have been working in the same manner with respect to all of them.

Great reliance has been placed upon a statement that was read here which came from the Comptroller of the Department of Defense. If the Comptroller is endeavoring to be helpful to this subcommittee and to be helpful to the Assistant Secretary of Defense in Charge of Property and Installations, who has been of great assistance to us in our work, it seems to me that he has shown a rather strange way of doing it when the only objection that comes to this subcommittee comes by way of a gentleman who is not on the Appropriations Committee and in a letter that is read on the floor of the House, of which no member of the subcommittee had any prior notice. Is that the way we are going to determine the financing of an important program?—and it is an important program.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from South Carolina.

Mr. RIVERS. I did not depend on the gentleman from South Carolina [Mr. RILEY], I did not depend on the letter from the Navy Department. I went to the Comptroller and this letter has been presented, this statement has been presented to the other body with a request urging an increase in these appropriations. Does the gentleman question the Comptroller of the Defense Department?

Mr. DAVIS of Wisconsin. I do not question him personally. I do question his judgment and in not bringing this information to the attention of members of the subcommittee some time before. The information that was furnished to us came from the budget officer of the Department of the Navy, Admiral Clexton. He is the man who testified before our subcommittee, he is the man who gave us the figures that the Navy had $300 million in unobligated funds at the beginning of this fiscal year. We had his testimony, we had the testimony of the Chief of the Bureau of Yards and Docks, that the Navy could not obligate over $240 million during this coming fiscal year. Therefore there will be $60 million unobligated in the hands of the Navy for military construction at the end of fiscal year 1955 without the addition of one single dollar carried in this bill.

The question then is, Do you want to leave $200 million in the hands of the Navy for military construction to be carried over in 1956 fiscal year or do you want to leave $133 million which this committee considers to be ample, to be a reasonable amount? It was on that basis upon which our committee took its action.

The Navy, as the gentleman from South Carolina said, had requested approval to come before us to ask for an amount of $140 million in new money. They got subsequent permission from the Director of the Budget to present an overall program of $221 million. There was an admission at the beginning that they had a substantial amount of money at hand that they could use for the 1955 program. After full consideration by members of the subcommittee, and we gave it full consideration, the decision was reached that they could easily get along, with the right kind of a program that the gentleman from South Carolina and I and our colleagues on this subcommittee have been trying to develop for the last 3 years. It is on that basis that the action of this subcommittee was taken.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish very much that I could feel convinced that the picture just presented by the gentleman from Wisconsin [Mr. DAVIS] is an accurate picture. If I could feel convinced of that, I would not be in the well here now. But I am considerably in doubt for a number of reasons as to whether the issue really is an issue as to how much unexpended or unobligated funds the Navy will have at the end of the current fiscal year. I, too, am interested in an orderly program and in the elimination of the timelag in construction insofar as that can be accomplished. I have made some little study of the military construction, particularly of the Navy construction program, and there is a timelag in a great many cases that ought to be corrected. But I am not at all sure that approaching it in this manner will accomplish that job.

For instance, let us take the situation which has been referred to with respect to overseas construction. It is pointed out that in a great many instances we have not even acquired base rights in order to obligate funds for that overseas construction, and that is correct. Unfortunately, negotiations are still in progress with respect to those and the funds have to be set aside under a mandate from the State Department, so I am informed, so that if the agreement is worked out with respect to those bases, the funds will be there for the construction. Now, that is the information which I have. If that is the case, then those funds are not available for other construction.

I am concerned because I am familiar with a number of these projects that are listed in the report, some of which I am given to understand cannot be constructed if the limitation which has been imposed by the committee prevails. I certainly do not want to insist that there be any additional funds appropriated beyond the amount which can be properly and efficiently expended, but I do not want to see the Navy hamstrung and not be able to build the essential facilities. Obviously there is some misinformation and misunderstanding in this matter. It seems likely that the committee's reduction might prove to be a mistake. In such a situation I think it safer to run the risk of erring on the high side. If we appropriate the increased amount, and it should prove to be unnecessary it would not be spent and no harm would be done. Certainly, with all of the screening of the requests and final approval by the Bureau of the Budget, we cannot be far wrong if we appropriate $140 million to take care of items which aggregate $196 million.

Mr. Chairman, it seems to me to cut that down to $73 million is going mighty far, and I am just afraid that we are going to jeopardize our program and put the Navy in a bad spot unless we approve the amendment offered by the gentleman from South Carolina.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I call the attention of my colleagues to the fact that President Eisenhower—whether we agree that he is going to make a great President or not, we all agree he is a great military man—recommended in the supplemental budget $140 million for public works for the Navy and $945,997,000 for acquisition and construction of real property in the Department of the Air Force. The committee treated his recommendations brutally. They murdered his recommendations. Let us be frank about that. They did not cut it 5 percent or 10 percent; they cut his recommendations nearly 50 percent. So far as the President's recommendation in connection with national defense is concerned in this bill, they simply murdered them, and that was done by a committee controlled by his own party.

Now, what do they do under the Department of the Air Force? They reduce his recommendation of $945,997,000 to $484,080,000, a cut of $461,917,000. In other words, out of a $1,100,000,000 recommendation in the budget, they cut $528,400,000.

My friend from Wisconsin [Mr. DAVIS] talks about not getting information. I always had the idea that the recommendation of the President, contained in his budget, was worthy of profound consideration. Apparently President Eisenhower's recommendation—and this concerns our national defense—did not get very much consideration. I am very much concerned with world conditions, exceedingly concerned with world conditions. I am exceedingly concerned with the tremendous power advance that has been made during the past 3 years by the Soviet armed forces.

I have before me certain information, much of which has been carried in the newspapers here and there, but not all of it, which I think my colleague should be acquainted with and which the American public should be advised of. This is a current appraisal of Soviet strength.

From 1947 to the present time, the numerical strength, 175 divisions, of Soviet

ground forces has remained fairly constant. Nonetheless, significant changes have been made in favor of increased mechanization with sturdy and efficient modern equipment. Sixty-five divisions of the present establishment are tank and mechanized divisions. Moreover, rifle divisions have been provided motorized equipment; they also now have organic tanks and additional artillery. Thus, the mobility and fire power of all Soviet divisions has been increased through introduction of improved weapons and equipment.

The U. S. S. R., Eastern Germany and East European satellites today have over 6 million men under arms. Approximately 4½ million of these are in ground forces. A high state of preparedness is maintained by a rigorous training program.

The number of satellite divisions has almost doubled since 1947, bringing their total to about 80 divisions.

And this does not include Red China.

The U. S. S. R. has a readymade spearhead for a rapid advance into Western Europe. This spearhead is composed of 22 Soviet divisions in Eastern Germany. The bulk of these are armored divisions with nearly a complete complement of tanks and self-propelled guns. Behind this spearhead there are an additional 60 Soviet divisions located in the Eastern European satellite countries and Western U. S. S. R. This does not take into account satellite divisions.

Their mobilization system is exercised periodically to insure its effectiveness, and by M plus 30, Soviet and satellite ground forces could number 400 divisions.

The numerical strength of Soviet Air Forces in recent years has been constant—having been stabilized at about 20,000 aircraft—but the rapid increase in Soviet air potential is illustrated by the rate of changeover to jet aircraft. In 1951, about 20 percent of their fighters were jet types. By early 1954, almost all their fighters were jet types.

A similar development has occurred with respect to their light bombers. In early 1951, jet light bombers had not been introduced into operational units. By 1954 well over two-thirds of their light bomber forces were jets.

In the medium-bomber crategory, Soviets have doubled, since 1951, the number of TU-4's (similar to United States B-29) in operational units.

Still newer types of medium and heavy bombers, including jet models also, have been observed.

The development of a comprehensive aviation training program has been one of the most significant contributions in Soviet postwar program to improve capability Soviet airpower.

The program for airfield construction—

And that is what concerns us in these matters.

The program for airfield construction is still in progress with attention recently being directed to fields with very long runways. In the past 3 years, Soviets have about tripled the number of major airfields in Eastern Europe which will accommodate jet fighters.

In the past, the combat value of satellite air forces has not been significant. In 1951, their aircraft were obsolete. By 1954 the numerical strength of satellite air forces had been doubled, with nearly half being jet fighters. Their facilities were improved, and training had reached a fairly satisfactory standard.

The growing complex of airfields throughout Eastern Europe, the aircraft control and warning systems and anti-aircraft artillery dispositions of Soviet bloc are rapidly becoming capable of providing an effective air defense belt along the western perimeter of the U. S. S. R.

Since the end of World War II, the Soviet Armed Forces have improved their potential for use of airborne troops and weapons.

The principal naval threat is the Soviet submarine capability. The Soviet Navy has over 300 submarines in service, of which about half are large or medium oceangoing types. Current large-scale naval construction program lays emphasis on continued production of large oceangoing submarines.

Soviet sea mine stockpiles, considered together with a considerable air and naval mine laying capability, constitute a growing threat, particularly against the line of communications of the Allied Command, Europe.

Full credit must be given the Soviet bloc for having developed a strong capability in special fields of atomic, chemical, and biological warfare, as well as in the field of guided missiles. The Soviet economy has maintained a level of military production sufficient to provide equipment and supplies for Soviet and satellite forces and still pursue a program of stockpiling.

To illustrate the magnitude of their total equipment stockpile, the Soviets have more than enough tanks, mortars, and antitank guns for some 300-odd Soviet divisions. Their stockpile of field artillery and antiaircraft artillery is several times that required to supply those divisions. The annual production of these items is continuing at a sizable rate.

These are the facts. That is what we are up against. There is the power, the growing power of the Soviet Army, Navy, and Air Force, in the past 3 years.

The only thing the Communists respect is what they fear, and the only thing they fear is military power greater than they possess themselves. In this bill we are cutting down by nearly 50 percent the recommendations made by a man who is a great military leader, who knows the military field, who has had as much knowledge and experience and who knows as well as any man can of military tactics. Yet this committee and this House are about to cut down by over $500 million, nearly 50 percent, his recommendations.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to withdraw my motion.

Mr. HAYS of Ohio. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The question is on the motion of the gentleman from Michigan.

The motion was rejected.

Mr DAVIS of Wisconsin. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes, the last 10 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, apparently there seems to be an honest difference of opinion as to whether or not we have the money. I would suggest to the committee that in view of that fact we should provide this money and then if it turns out that the money is not needed, it certainly will not be spent.

I would also like to point out to the committee, if I may, that we will have large amounts of military hardware rolling off the production line during this next year. It seems to me that we should make ample provision to properly take care of that military equipment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, as a member of the Committee on the Armed Services I have tried to follow the needs of the Defense Department. I feel that that great committee has as much knowledge on this subject as has the Committee on Appropriations. I further believe that this legislative committee is the most competent committee of the House with respect to defense matters.

We recently had before us a military housing bill in which in the first instance it was proposed to take the money for them from unobligated funds. But a gentleman appeared before our committee from the Committee on Appropriations and made the plea that that committee knew there were unobligated funds accruing in that department, that certain rescissions had been made to leave a balance of unobligated funds available for the Defense Department. He stressed guns, tanks, and ammunition in case of an emergency. That this money was left there on purpose against an emergency. Many of us took the statement he made at face value and pressed for a new approach for funds for this new housing.

Certainly, I am a bit confused when a members of the Appropriations Committee tells us that the money in unobligated funds is earmarked for emergencies and they know of it. Then they come in and tell us that the full appropriation recommended by the Department be reduced and money in unobligated funds be used. It is inconsistent.

You and I know that any funds appropriated have to clear a dozen hurdles before being spent. If it is necessary to have that backlog as an emergency then the argument that the money should be now taken out of those unobligated funds falls flat on its face. The members of the Appropriations Committee should get together and reconcile their position.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I find myself at this moment perplexed. On the one hand we have the members of the Subcommittee on Appropriations assuring us that there are ample unappropriated funds with which the Department of the Navy can complete its public works program in accordance with budget estimates. On the other hand, the gentleman from South Carolina [Mr. RIVERS] comes up with a letter indicating that a necessary and urgent program of public works will be seriously curtailed unless we approve of his amendment to

restore funds eliminated by the Appropriations Committee.

I have the highest regard for the members of the subcommittee, and I know that in their hearings they have developed a certain understanding regarding unexpended funds. But on the basis of the very recent letter from a responsible officer of the Department of the Navy, I cannot find it in my heart to vote against the amendment.

As far as I know there are no construction items in this program in my legislative district. Like many members of the committee I am concerned only with one aspect—national defense. However, I have in mind that if we should err on the generous side the Nation would not be hurt. The money just will not be spent; and here may I say that my regard for the Secretary of the Navy, Mr. Thomas, is such that I am firmly of the opinion that any unnecessary expenditures of the Navy will not be made.

So, Mr. Chairman, I wish to say that I support the amendment for the reasons stated, and urge those members who are uncertain to do likewise.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Chairman, the figures presented by the chairman of the subcommittee, the gentleman from Wisconsin [Mr. DAVIS], relative to the Navy are the figures that were unanimously agreed upon by the entire subcommittee and were the figures presented to the full Committee on Appropriations and approved. The figures were arrived at based upon the testimony of the Department itself. Far be it from me, and I will say that equally for any other Member of the House, to do anything that would be in the direction of weakening the defenses of this country. But when the testimony is such as to be a justification of the position of a department that is itself a part of the defenses of this Nation, no other result could be reached by a committee that was seeking to do its duty as well to the Defense Department as to the Congress of the United States and the people of America. As to the unobligated balance of the Navy, the committee based its figures on the amounts that were presented, namely, $300 million. The committee allowed new funds in the sum of $73,517,000. That totals $373,517,000. Now, the estimated obligations presented to the committee by the Department itself, after long hearings, are set forth in the sum of $240 million. This leaves a balance after expenditures anticipated for this year of $133,577,000. Now, I think in justice to the situation that figure should stand.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HAND] to close debate.

Mr. HAND. Mr. Chairman, I do not think there is a bit of difference of opinion among any of the Members who have spoken here today in support of this amendment and the members of the subcommittee. The whole question is a matter of a full understanding of the fund involved. As my distinguished friend has just said, nobody would cut down the adequate defense of this country, either of the Navy or of the Army or of the Air Force, and this committee has not done so. There is not one project in this bill which this committee has been told was an urgent project which has been curtailed or impaired or hurt in any degree. We can make mistakes, of course, in this committee, but the whole question is whether you are going to accept the results of the information which we have accumulated in 4 solid weeks of hearings, both mornings and afternoons, or whether you are going to accept a sudden letter which comes from one of the officials of the Department of Defense. Reference was made to the effect that the source of this information came from the fountainhead. Well, I think the fountainhead of fiscal affairs still belongs to the House of Representatives.

I want to emphasize just for a moment the figures that my friend from Michigan [Mr. RABAUT], has just given you, because they are important and, if listened to and understood, they are entirely dispositive of this whole controversy. The table, which comes from the Department of Defense and which I hold here and will leave on the table if any Member is concerned about it, shows an estimated unobligated—not unexpended but unobligated—balance at the end of June 30, 1954, or $280 million, a figure which at the Navy's most optimistic rate of spending could not be spent during this fiscal year. As a matter of fact, however, there is a little later information than that contained in that table, and as the chairman of this subcommittee has told us, Admiral Clexton, the responsible fiscal officer of the Navy, in testifying before our committee on page 598 of the hearings, said this. Now, this is an official from the Navy, not from this committee.

> It is estimated that obligations during fiscal year 1954 will amount to approximately $180 million, resulting in a balance of $300 million unobligated at the beginning of fiscal year 1955.

So the figures which the committee has indicate that unobligated balances as of June 30, 1954, are $300 million. New funds allowed by the committee during this year which will take care of every project which the Navy has testified to as being urgent and necessary in our defense, $73,517,000. That is new money, and that makes a total available to the Navy for this fiscal year of $373,517,000.

Now, at the rate of estimated obligations, and this again is not from the committee but from the Navy, and is a most optimistic rate, they will obligate at the very best during fiscal 1955 the sum of $240 million. That will leave a balance at the end of the next fiscal year in excess of $133 million of unobligated funds.

On the other side there has been some talk about confidence in the Commander in Chief, or confidence in the Comptroller of the Department of Defense, or some other officer downtown. I suggest to my friends on my left that they also have confidence in the members of this subcommittee on the minority side; the distinguished gentleman from Missouri, the former chairman of the committee, Mr. CANNON; Mr. RILEY, of South Carolina and Mr. RABAUT, of Michigan. This is not a report of a Republican subcommittee. This is a unanimous report of this subcommittee after 4 weeks of exhaustive hearings.

I suggest, with all respect to the Committee of the Whole, that we adopt the considered report of this committee in full confidence that the Navy will have ample funds to carry on all of its work in the fiscal year 1955.

Mr. RABAUT. Mr. Chairman, I ask unanimous consent to transfer whatever remaining time I had to my colleague, the gentleman from Michigan [Mr. CEDERBERG].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CEDERBERG. Mr. Chairman, I certainly shall not take all of the time remaining, which my colleague has so kindly yielded to me. I want to say this, as one member of this committee. I urge all the Members of the House not to get too excited, nor to let their blood pressure get too high about some communications that they may have had from downtown regarding the funds requested. As far as I am concerned, as one member of this subcommittee, if the amount allowed the Navy were cut to $50 million rather than $72 million, the Navy still would have more money than they can possibly use. I think this committee, if it has erred at all in suggesting appropriations, has erred on the side of the Department of the Navy and has given them ample money.

I just want to say this without quoting any more figures, that we have gone into this matter day after day after day, and if all of the experts can refute the figures that we have, I should like to see them do it. There is plenty of money here for the Navy, more than they can spend.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. RIVERS].

The amendment was rejected.

The Clerk read as follows:

> For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations and facilities for the Air Force as authorized by the act of January 6, 1951 (Public Law 910, 81st Cong.), the act of September 28, 1951 (Public Law 155, 82d Cong.), the act of July 14, 1952 (Public Law 534, 82d Cong.), the act of August 7, 1953 (Public Law 209, 83d Cong.), the act of April 1, 1954 (Public Law 325, 83d Cong.), and the act of ———, 1954 (Public Law ——, H. R. 9242, 83d Cong.), without regard to sections 1136 and 3734, Revised Statutes, as amended, including hire of passenger motor vehicles; $484,080,000, to remain available until expended.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to make an inquiry of the distinguished chairman of the committee in reference to the Air Reserve field contemplated for Akron, Ohio, in the vicinity of Cleveland. The testimony appears at page 254 of the hearings. I should like to ask the distinguished gentleman whether or not a site has been picked for this particular airport in Ohio.

Mr. DAVIS of Wisconsin. The testimony we received, and to which my colleague on the Committee on Appropriations has called my attention, would indicate that at the time they testified, before our subcommittee at least, they had a pretty firm site. In fact, at page 255 of the hearings you will find my question of Colonel Rodenhauser, as follows:

Although negotiations have not commenced, you do definitely have in mind the 4,250 acres you want?

Colonel Rodenhauser's answer was: "Yes, sir."

So, at the time they testified, and acting upon that testimony, our committee did provide $4 million to permit them to acquire land and make a substantial beginning on the necessary airfield pavements.

Mr. BOW. Are there in the committee files a statement covering a definite site, so that we might know definitely where the site is and where they contemplate building on this field of 4,250 acres?

Mr. DAVIS of Wisconsin. No, I cannot say that we do. As a matter of fact, the record shows they had not actually begun negotiations for any particular land at all, but they did have in mind the acreage that they wanted. Under those conditions you always run into the question as to whether they are going to be able to acquire the particular site they have in mind.

Mr. BOW. May I ask the gentleman this question: Do they come back to your committee prior to the actual acquisition of the site?

Mr. DAVIS of Wisconsin. Under the existing law they are not required to come back to our subcommittee, but the law does require them to get the approval of the legislative committee, which would be the Armed Services Committee, for the acquisition of the land after they have formally made the decision to go ahead and acquire it.

Mr. BOW. So that it would come back to the House, but to another committee?

Mr. DAVIS of Wisconsin. To the Armed Services Committee.

Mr. BOW. Can the gentleman tell us how many planes are anticipated to use this 4,250-acre tract of land?

Mr. DAVIS of Wisconsin. I cannot give the gentleman any estimate on it at this time. I do know it is a combined facility, to be used for both the Air Force and the Naval Reserve.

Mr. BOW. And I understood some of the National Guard.

Mr. DAVIS of Wisconsin. I think that is true, yes.

Mr. BOW. Did the Defense Department at any time to the gentleman's knowledge consider the use of existing airports such as the Akron-Canton Airport or other airports now in existence that might be made available to them for this purpose?

Mr. DAVIS of Wisconsin. They assured us they had done that. They also told us that they had had a considerable amount of difficulty in finding a place they considered to be suitable for this rather large metropolitan area that this is intended to be served.

Mr. BOW. There is nothing in the record to show the extent of the usage, the number of planes, or the flights? As I understand, it is a weekend training corps reserve.

Mr. DAVIS of Wisconsin. It is a large reserve installation for the Air Force and the Navy.

Mr. BOW. Can the gentleman tell us what the final cost of this field will be?

Mr. DAVIS of Wisconsin. The present total estimated cost is $13 million.

Mr. BOW. In reading the hearings, it seems that the $13 million goes to the Air Reserve, without consideration as to what the cost will be for the naval installation or the National Guard, which obviously would increase it far above the $13 million.

Mr. DAVIS of Wisconsin. I think the Navy would have some facilities of its own in addition to those that are indicated here, yes.

Mr. BOW. Can the gentleman give us some idea of what that may run?

Mr. DAVIS of Wisconsin. No, we have not had any testimony on that.

Mr. BOW. So as far as the Navy is concerned, their testimony is not here, or that of the National Guard.

Mr. SHELLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor at this time to address some questions to the chairman of the subcommittee, the gentleman from Wisconsin, if I may. I call his attention to page 34 of the committee report, the third paragraph, below the list of items. I notice that the funds requested for the construction of a pipefitters' shop at the San Francisco Naval Shipyard has been stricken and the amount reduced by $1 million. May I briefly lay a foundation for it. This pipefitters' shop at San Francisco Naval Shipyard was destroyed by fire in 1948. Since then they have been using a temporary building which is completely inadequate. I have been through the San Francisco Naval Shipyard many times and have seen the present pipe shop, and therefore am familiar with its inadequacy. They are using outside areas and pipe is being worked on in the outer areas, which is not a proper place to do that kind of work. It has been in the past 4 or 5 years the bottleneck in yard production, not because of the men but due wholly to the poor facilities. One of the reasons advanced by the Navy Department for the reluctance to put some of the new complete overhaul jobs on the larger carriers into San Francisco Naval Shipyard was because they could not do so until they got a decent pipefitters' shop. I simply cannot understand why the committee cut this amount in the face of this situation and the need for repairs on those vessels operating in the Pacific Fleet. Having said that, may I have an explanation of the situation from the chairman of the subcommittee?

Mr. DAVIS of Wisconsin. I first of all want to point out that it was not the intention of the committee to permanently deny this facility and to strike it from the Navy's construction program. We recognize there is a need for expanding and rebuilding the present facility for pipefitting work. The testimony showed that the present facility consisted of 30,000 square feet. We recognized that this is inadequate. The request, however, was for 60,000 square feet, and the unit cost of what they had in mind from such inquiries as we made appeared to be out of line. So we did with that pretty much what we have done with a number of other facilities, and that was to ask them to review this building, both as to size and unit cost, and present the request to us again when we meet after the first of January.

Mr. SHELLEY. May I ask the gentleman this question: If the action of the committee is accepted as an admonition by the naval authorities, and if they supply more adequate information by the time this is acted upon in the other body, will that information have some effect upon the minds of the committee here?

Mr. DAVIS of Wisconsin. I wish to assure my good friend the gentleman from California that we try to keep an open mind on these problems and to give very careful consideration to all the requests presented to us.

Mr. SHELLEY. I assure the gentleman that that information will be made available by the time you go to conference.

Mr. Chairman, I yield back the balance of my time.

Mr. AYRES. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Wisconsin a question regarding the Air Force, which my colleague, the gentleman from Ohio [Mr. Bow] whose district adjoins mine, discussed. Would it be possible to request the gentleman who testified before your committee previously to come back to the committee and tell you what site they now have in mind?

Mr. DAVIS of Wisconsin. It was just yesterday when my friend, the gentleman from Ohio, called the situation to my attention. It was the first time I had information that there was apparently some uncertainty as to just where this is to be. The justifications that were shown to us indicated it was 13 miles northwest of Akron. If there is a different factual situation than what was presented to our committee that is something which we would certainly want to make inquiries about of those who presented the original information to us.

Mr. AYRES. I have been informed by officers at the Pentagon that they now have no intention of placing this airport in Medina County where they previously stated to you the site of four-thousand-and-some-odd acres was located, which they had in mind. Before they are permitted to spend the $4 million I understand they have to come back to the Armed Services Committee. But in order to clarify a very confusing situation in the northeastern part of Ohio I think it would be advisable to have them come back and state just what site they do have in mind.

Mr. DAVIS of Wisconsin. I know the gentleman is very much concerned about this.

Mr. AYRES. Oh, I am concerned because I have one county to be concerned

about that I need if I am going to return here and I do not want to ruin that chance by an airport at this particular time.

Mr. DAVIS of Wisconsin. In view of this uncertainty, if the gentleman will send me a brief memorandum I will be very happy to inquire further into this matter and give him any information I may be able to find about it.

Mr. AYRES. One other question, if the gentleman will permit: Is it not customary when you have an established airport with millions of dollars of Federal money invested, to prefer its expansion to the creation of entirely new areas?

Mr. DAVIS of Wisconsin. That is the general policy where the expansion of existing facilities will provide what is needed to perform the mission. Sometimes that works out, sometimes it is better; but we have a number of instances where there is a great deal of community concern over the attempt to use existing airport facilities where it is close in; sometimes that does not work out. That is the general rule, but a general rule that is very frequently honored by exceptions to it.

Mr. AYRES. I would suggest to the gentleman that when the officers come back to his committee that he suggest to them that they spend a little more time than they have in the past exploring the possibility of expanding the Akron-Canton Airport rather than investing money in other sections of northeastern Ohio. If the gentleman has any idea when he could get this information I have a gentleman from Akron, a Mr. Fulton, who is quite familiar with the expansion of airports in the area and who is very much interested in the question.

Mr. DAVIS of Wisconsin. If the gentleman will include that in his memo I will have it looked into as well.

Mr. AYRES. I thank the gentleman and yield back the balance of my time.

Mr. OLIVER P. BOLTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time following my colleague from Ohio [Mr. AYRES] to discuss with the committee the same subject and what is referred to in their hearings as the Cleveland-Medina Airport. I call particular attention to the phraseology used in the hearings, because when I was first elected to Congress 2 years ago it was brought to my attention by members of Portage County and residents of the area and Aurora particularly that a reserve airport was planned in this area. I made particular inquiry both within the military and civil air establishments of our Government to determine the fact as to whether or not there were any such plans for such a base, and also inquired of the various congressional committees involved and

When the hearings on this bill were published and my colleagues and myself inquired into the matter, however, I was informed that not only was the area for this field not specifically selected, but that an area was also under consideration in Portage County, Ohio, which disturbs me greatly.

I do not wish to take the position here that we are opposing the airport or the field in Portage County. No community wants to stand in the way of national defense, nor does any community without great consideration want to ask that $13 million not be spent in the community. But may I also point out that the location in Portage County would jeopardize even more the situation which exists there. Already almost an eighth to a tenth of the farm land of Portage County and of the tax base of Portage County has been removed by the reservoirs of the city of Akron and additional reservoirs which are planned by the Federal flood-control project; by a large ordnance arsenal; by a large segment of the turnpike of the State of Ohio; by a Federal housing project that has recently been turned over to private hands; and by the Kent State University. This project which would involve some 4,300 acres would remove still more land from the tax base of the county. It would have a tremendous impact on the school and local tax picture. On the other hand, the field would mean the expenditure of at least $11 million in the county and the creation of a payroll which would mean jobs and increased business to the county as a whole.

The Air Force has said that the Hopkins Airport in Cleveland cannot be used as a Reserve training airport of the scope contemplated. They have said that the location must be along a general radius of a line between Akron and Cleveland so that the field would be available to Reserves from Cleveland and Akron. It seems to me that a location can be found which will not destroy any established community. I cannot help pointing out that the site which has been discussed with me is one which involves the community of Aurora. It comes within less than a half mile of this beautiful little community, which is a very good residential community, where the property values are extremely high, and also the community of Mantua. Both of these communities would be almost put out of business as far as residential areas are concerned were such a base built.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield to the gentleman from Ohio.

Mr. AYRES. May I ask the gentleman to point out to the members of the committee that it will be at least next spring before a final decision can be made on this in view of the fact the Armed Services Committee would have to agree on a site.

Mr. OLIVER P. BOLTON. I thank the gentleman.

Mr. AYRES. In the meantime, the gentleman from Ohio [Mr. OLIVER P. BOLTON], anyone else who is interested, and myself, can meet with the gentlemen of the committee, including the gentleman from Wisconsin [Mr. DAVIS]. I know that each and every one of us will not stand in the way of progress; but we do want the experts to be honest in their decision and tell the committee where, in their judgment, the best airport can be had.

Mr. OLIVER P. BOLTON. I thank the gentleman. I have been assured by the Air Force that no selection of a site will be made without full discussion with the Congressmen involved. I have not liked the seeming doubletalk and lack of openness which this whole subject of location has received to date. However, now that we know definitely that the national-defense needs require that an airfield be built in a general area, and this bill makes appropriations therefor, I feel sure that the Air Force will be glad to work with local authorities to secure a proper location. I intend to assist to this end, but I shall certainly oppose any move to locate this field where its planes will threaten destruction of the property or land values of long-established communities.

The Clerk read as follows:

SEC. 802. Funds appropriated to the military departments for military public works in prior years are hereby made available for military public works authorized for each such department by the Act of —— 1954 (Public Law ——, H. R. 9242, 83d Cong.): *Provided*, That not to exceed $5,000,000 of such prior year funds appropriated to the Department of the Army shall be available for the purposes of advance planning as authorized by section 504 of the act of September 28, 1951 (Public Law 155, 82d Cong.).

Mr. COLMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call attention to section 802. I understand in that section is a provision for what is known as the Point Aux Pins Ammunition Depot along the Alabama-Mississippi line. There is nothing specifically in the bill on that point, but in the report of the committee on page 43 we find a paragraph which in substance directs how the proposed channel shall be constructed.

I want to further call the attention of the committee to the fact that when this authorization was under consideration in the Senate committee on military and naval construction, that committee reporting on that particular authorization on page 4 made a statement to the effect that this proposed channel was being considered in connection with another channel. I shall not take the time of the committee to go into detail. That is on page 4 of the report to which I have just referred.

The language of the Senate committee, to which I have just referred, and the language of this Committee on Appropriations providing funds for that project are in direct conflict. I am sure that it was not the intention of the Committee on Appropriations to arbitrarily spell out just how that channel should be constructed. I rather think that the Committee on Appropriations was not familiar in full with what was under consideration.

I would like to just briefly point out that if the directive in the report of the Committee on Appropriations is followed by the Army engineers, that they could only build this channel straight to the gulf from this proposed depot. Now, it so happens that just about 10 miles from that point there is another channel, an existing channel, leading from the mainland to the gulf known as the Pascagoula Channel, connecting the port of Pascagoula with the Gulf of Mexico. It is quite a port of entry. Now, the Army engineers have been requested to consider the feasibility and the practicability of connecting these two channels

rather than to build an entirely new channel which would serve this one project.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLMER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. The Army engineers were asked to consider by the Senate committee the feasibility of tying these channels in together, in other words, to tie them in with the existing economy of the port of Pascagoula.

Mr. Chairman, this is a defense project. The object of what we are trying to do there is to establish another defense project, namely, the establishment of an oil refinery which would produce oil which would be exported and, of course, would be used just as much in the defense effort if it is needed as would this ammunition depot. So, it would serve both purposes. All I am asking here now is that in view of these circumstances and without any further discussion of it that the chairman of the committee, in view of this statement, make such a statement for the benefit of the RECORD as he sees fit that will give the Army engineers an opportunity, which they have already been authorized to do by another committee of the Congress, to see whether or not ours is a practical and feasible proposition.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. I have no objection if the Army wants to study into this any further. I think the decision the Army has to make is whether this ammunition terminal is important enough to go ahead with now or whether they want to delay it in order to make this further study. The justifications which were submitted to us were on the basis of the direct route to the sea. That was the basis on which testimony was taken from representatives of the Army by our subcommittee. Now, subsequently, information was brought to our attention that there had been a statement in the report by the Senate committee asking the Army to look into this alternate route. It appears, however, that the alternate route mentioned is not authorized as a civil-works project as yet. There are these two rather important circumstances; first of all, that this alternate route would probably cost something in excess of $1 million more than would the route that we are now talking about and which was justified to our subcommittee. Secondly, that because this alternate route by way of Pascagoula is not authorized, it might result in unreasonable delay in getting the facilities going. Those are the only two considerations that must be kept in mind.

Mr. COLMER. Mr. Chairman, may I say to my friend—and I realize I am laboring under difficulties here—that the testimony of General Carter before the gentleman's committee was to the effect that there was a possibility that it might cost $200,000 or $300,000 more. But my understanding is that they have come to no definite figure; and, furthermore, the Army engineers are now actively engaged—they are down there now making this survey.

So all I am asking the Committee to do is to leave the matter open. Incidentally, Jackson County, where this project is going to be located, is going to contribute $2 million toward this project. We are just asking the opportunity to let them work it out. That is all we are asking.

Mr. DAVIS of Wisconsin. The situation at present, as I see it, is that in view of the language in the report of the Senate committee and the authorizing language, that this is now under study, that now it is up to the Army to decide whether or not this is important enough to go ahead with the project as funded by our committee or whether they would prefer to wait until the final returns are in.

Mr. COLMER. The gentleman has no objection to a further study?

Mr. DAVIS of Wisconsin. I am quite sure that if there is one pending I am not going to attempt to make any objection to it.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

For necessary expenses, not otherwise provided for, in carrying out the provisions of the Federal Civil Defense Act of 1950, as amended (50 U. S. C., App. 2251–2297), including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); reimbursement of the Civil Service Commission for full field investigations of employees occupying positions of critical importance from the standpoint of national security; expenses of attendance at meetings concerned with civil defense functions; reimbursement of the General Services Administration for security guard services; not to exceed $9,000 for the purchase of newspapers, periodicals, and teletype news services; and not to exceed $6,000 for emergency and extraordinary expenses to be expended under the direction of the Administrator for such purposes as he deems proper, and his determination thereon shall be final and conclusive; $8,525,000.

Mr. HYDE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HYDE: On page 27, line 20, after "$8,525,000", strike out the period and insert "*Provided*, That no part of the funds herein appropriated may be used to remove the Civil Defense Training Center from Olney, Md."

Mr. HYDE. Mr. Chairman, this amendment will neither increase nor decrease the amount of the appropriation. It will, however, save the Government, I believe, something over a half million dollars. We are merely seeking in this amendment to prevent the removal of the civil defense training center from its present location. If it is removed—and no real reason, no good reason has been given for its removal—it will cost the Government something over $300,000; and, in addition to that, the Government will lose about a quarter of a million dollars investment that it already has in the present civil defense training center. Should this agency be moved from Olney, there would be an immediate loss to the Government of about a half a million dollars as well as a loss of other facilities, including a pumping plant, a microwave tower, a telephone tower constructed by the telephone company—and incidentally, in the contract there is a provision for the payment of $150,000 to the telephone company in the event the installation is removed—and the removal of a complete communication system and a complete rescue street installation of numerous building wrecks, at a cost of well over a quarter of a million dollars.

Mr. Chairman, there is no good reason for the removal of this center. There is no good reason why the Government should spend well over half a million dollars simply for the purpose of removing it from one place to another.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Is it not also true, because of the fact that Olney is very close to the Nation's Capital, that we can encourage many people to come to Olney to take the civil defense course?

Mr. HYDE. That is certainly so, which would not be true of some other location.

So, Mr. Chairman, I strongly urge the adoption of this amendment. I believe there is no strong opposition to the amendment.

Mr. SHAFER. Mr. Chairman, I rise in opposition to the amendment.

Mr. TABER. Mr. Chairman, if the gentleman will yield, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes, with 5 minutes for the gentleman from Michigan [Mr. SHAFER] and 5 minutes for the gentleman from Michigan [Mr. FORD].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SHAFER. Mr. Chairman, this amendment is obviously one to tie the hands of the Civil Defense organization, which has for the last 6 months under the direction of the President been looking to find a location in Government-owned facilities. The school, or whatever they call it, at Olney which the gentleman from Maryland hopes to retain there is now occupying land that is under condemnation procedure. It is worth from $44,000 to $48,000, and the owner would like to obtain something like $750,000 from the Government for it.

It so happens that after looking over many installations throughout the country the Civil Defense organization, its administration officers, and so forth, decided to occupy a Government facility in Battle Creek, Mich., in my district. This facility has a replacement value of some $30 to $35 million. It stands vacant out there. Under an executive order, the Civil Defense is already moving out there.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from New York.

Mr. ROONEY. May I say to the gentleman that the testimony before the committee with regard to this matter indicated that the Olney location was in no wise satisfactory, that the question at that time was whether or not this headquarters for Civil Defense would be moved to Indiantown Gap, Pa., or to Battle Creek, Mich.

Mr. SHAFER. That is right.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from California.

Mr. PHILLIPS. May I say from another angle that the General Services Administration comes to our subcommittee. We have attempted definitely to give the authority to the General Services Administration to find use for these buildings. I made a trip to Battle Creek, taking a clerk of the committee along with me, and I found that that is a beautiful location. It has no correlation to the ordinary hospital that we think about or anything else that might be used. It is an excellent location for some Government agency. This Government agency, with the general approval of the General Services Administration, is now moving into it.

Mr. SHAFER. And by direction of the President to occupy Government-owned facilities rather than rental property. I believe the amendment should be defeated.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. DEVEREUX. Do I understand that they are moving into a hospital—a Government owned hospital?

Mr. SHAFER. It is known as a hospital, but it is a much better facility than a hospital actually. It is not a hospital—it was used as a hospital. It is a former sanitarium, but it is a $30 million to $35 million building, with excellent office facilities and parking spaces.

Mr. DEVEREUX. Is there suitable ground around there to carry out all of these other functions?

Mr. SHAFER. Yes, there is ample ground.

Mr. DEVEREUX. My understanding is that we did not object to the movement of the headquarters from Olney. It was simply the movement of the school from Olney.

Mr. SHAFER. It will tie the hands of the Civil Defense authorities in their future plans. There is no question about that.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. PHILLIPS. As a disinterested person in this argument, may I say it is a splendid building surrounded by a big park. It is not a hospital. If you would look at it, you would not think of it as a hospital. It is well designed architecturally and it looms up like a hotel. There are many facilities that they could not possibly get in any other location. I think the gentleman would do well to look at it.

Mr. SHAFER. There are 10½ acres of land there for parking or other purposes which could be used by civilian defense—Government-owned property, at a rental saving annually of at least $250,000.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment and to support the position taken by the gentleman from Michigan [Mr. SHAFER]. As a member of the subcommittee, we heard testimony on this proposal on the budget for the Civil Defense Authority. The testimony indicated that they had exhaustively gone into the conditions at the site of Olney and had come to the conclusion that the site was inadequate for their long-range plans, and that they were considering moving to one of several sites, Indiantown Gap, Pa., or Battle Creek, Mich. As I understand it, after a full investigation of all the possibilities, the executive branch of the Government felt that the Government-owned site at Battle Creek, Mich., which is presently not used, was the most desirable site that they could find for their overall program. I understand one of the major factors in their decision was the fact that they could save about $200,000 to $250,000 annually in the operation of their agency by such a move from Olney to Battle Creek.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. HYDE. Does the gentleman understand that this amendment applies not to the civil defense headquarters but it applies merely to the training center for which there is now a building at Olney? There is this installation, for example, known as Rescue Street on which there are any number of buildings in various stages of destruction to simulate a destroyed town, which would have to be entirely done away with and which would have to be reconstructed in a new location, and that the loss on that installation alone would cost over a quarter of a million dollars on what has already been invested there to say nothing of the cost of removal to the new location, which expense in itself would be more than enough to pay for the entire location at Olney.

Mr. FORD. It is my understanding that all of those factors of initial cost of construction at Olney, the cost of doing whatever is necessary at Battle Creek, plus the comparative cost between what they pay now and what they will have to pay at Battle Creek for annual maintenance and operation were taken into consideration and in the estimation of the Civil Defense authorities, based upon what they consider essential in the overall civilian defense picture, they feel that Battle Creek is the best possible site that they could get and, consequently, I sincerely hope that the decision of the executive branch will be upheld and the amendment offered by the gentleman from Maryland will be defeated.

Mr. HYDE. I have one further question. There is another matter which was not thrashed out before the subcommittee.

Mr. FORD. I think that is correct, that we get the benefit of the decision of the executive branch of the Government. That is a decision which is the responsibility primarily of the executive branch, and consequently all we got was a report as to what the facts were and on what basis they predicated their views.

I repeat again, Mr. Chairman, I hope the amendment is defeated so that this movement for the best interests of the Civil Defense and in the best interests of the country as a whole will take place as rapidly as possible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. HYDE].

The amendment was rejected.

The Clerk read as follows:

For expenses necessary to carry out the provisions of the act of August 13, 1953 (67 Stat. 576), including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not to exceed $50 per diem in lieu of subsistence for members of the Commission serving without compensation; purchase of not to exceed 2 passenger motor vehicles; and entertainment, $170,000.

Mr. McCULLOCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCULLOCH: Page 28, lines 18 and 19, after the semicolon in line 18, strike the remainder of the line and all of line 19 and insert in lieu thereof "$25,000."

Mr. McCULLOCH. Mr. Chairman, in the dying days of the 1st session of the 83d Congress, Subcommittee No. 4 of the Judiciary Committee, out of consideration for the patriotism of our people and in due respect to the courage of those Founding Fathers who hallowed the ground at Jamestown, at Williamsburg, and at Yorktown, favorably reported a Senate joint resolution, which later became Public Law 263, which was approved by the President on August 13, 1953.

That joint resolution was reported out of Subcommittee No. 4 and out of the full Judiciary Committee only after the entire section, which authorized an appropriation, was stricken from the bill. I feel sure I am safe in saying to the members of the committee that neither the subcommittee nor the full Committee on the Judiciary would have favorably reported that joint resolution had the amendment striking the section in question not been agreed to.

In the meantime those who are interested in this celebration—and I think it is a fine thing and I am wholeheartedly in support of the celebration down there—are requesting an appropriation of $170,000, which will be requested for each of 3 years during the time this celebration will continue.

Let me enumerate some of the items covered by this $170,000, according to testimony before our committee, which will be found on page 1105 and the several following pages of the printed hearings. In the first place 12 full-time employees would be hired, 5 of whom would receive $9,600, or more, a year, each. In addition, $35,000 of this sum would be paid to consultants who are authorized to travel to France and to Britain and to expend as much as $15,000 for traveling expenses. In addition, this Commission, pursuant to this budget, would be authorized to buy 2 new passenger automobiles, would be authorized to buy 5 intercommunication systems, 5 brandnew typewriters, 2 dictaphone transcribers, and other items

along that line, when all the time there are in the GSA similar items that could be used to good advantage.

I repeat, this Commission is intended to function for 3 years which means, at this rate, that it will ultimately cost $510,000. My amendment would reduce the appropriation to $25,000 a year.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York.

Mr. KEATING. I feel sure that the gentleman has stated it correctly when he says that no member of the Committee on the Judiciary ever had any impression that such a sum as $170,000 and that much for each of 3 years would be spent on this celebration. Our committee, as the gentleman knows, takes a position with regard to these celebrations that it wants to foster patriotism, but it certainly does not intend that such large expenditures shall be made. I shall support the gentleman's amendment and I hope it will be agreed to.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Pennsylvania.

Mr. WALTER. As a matter of fact, the Committee on the Judiciary by unanimous vote deleted a section authorizing an appropriation?

Mr. McCULLOCH. That is exactly right. As I stated at the very beginning, the committee, as I recall, unanimously struck the entire section which would have authorized an appropriation.

I am chairman of the subcommittee to which all of these bills proposing celebrations are referred and, like my good friend, the gentleman from New York, I am also interested in fostering patriotism, love of country and indoctrinating the youth of the land with the courage, foresight and the political know-how of the founders of this country. If we are to be confronted with appropriations of this size for every bill that comes to us for the celebration of such affairs, I am fearful that in the future no celebration bills will be approved by the Committee on the Judiciary.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Michigan.

Mr. MEADER. May I ask the gentleman if at about the same time we approved a bill for the celebration of the anniversary of Columbia University, also a celebration of our independence at Philadelphia, and in both cases with agreement by the sponsors of those bills we deleted all authorization for appropriation of Federal funds?

Mr. McCULLOCH. The answer to both of the questions is unequivocally "Yes." It was by the consideration of the members of the Committee on the Judiciary and in that course of action that this joint resolution was favorably reported.

I hope that the committee will approve the amendment which I have offered.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. McCULLOCH].

Mr. Chairman, I assure you that this celebration which is proposed at Jamestown, Williamsburg, and Yorktown is one of the most important celebrations that has ever taken place in the United States of America. But this is much more than a celebration.

In the first place, 1957 will be the 350th anniversary of the founding of America. In 1607 at Jamestown there was established the first permanent English settlement on the North American Continent.

Moreover, 1957 will mark the 175th anniversary of the surrender at Yorktown where our Nation won its independence. Strangely enough, the 175 years that have followed that event are exactly the same number of years as Virginia remained a colony.

Mr. Chairman, this Government has recognized the importance of this area and has established there the Colonial National Historical Park. It embraces the 3 locations of Yorktown, Jamestown, and Williamsburg, which are not more than 24 miles apart. Williamsburg is in the center with Yorktown 12 miles on one side and Jamestown 12 miles on the other. The Federal Government plans during the coming years to put certain public installations in that national memorial. They have already spent large sums of money there and will spend additional sums in the future. Now, what the Government is being asked to do in this instance is merely to accelerate work already planned on this national memorial so that it will be available to the thousands and thousands of citizens who will visit the celebration which will take place in 1957. A national Federal commission has been established to supervise this work and to advise with the Department of the Interior. That Commission has been appointed by the President of the United States, the President pro tempore of the Senate, and the Speaker of this body. The Commission is not going to limit its activities to this celebration; it will advise the Department of the Interior in planning the park that will memorialize the most historic events in the history of America so that future generations may go there and pay homage to our forefathers who established this great land, pay homage to the cradle of democracy that nurtured those men who made this Nation great, men such as Jefferson, Marshall, and others of that character. This park will ever be a memorial to the flowering of democracy, and I believe that the Members of this House will agree that if there ever was a time that we should reaffirm our faith in democracy it is today, when a contrary ideology is gaining strength in the world.

This area of Virginia has in it many firsts. It was not only the first permanent English settlement in America; the first legislative body that ever sat on American soil held its first session in Jamestown in 1619.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. GARY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. The first law school in America was established at Williamsburg. The second oldest college in America is located at Williamsburg. The landing of the first Negroes in this country took place within this area; the first port of entry, the first customshouse, the first iron factory, the first glass works, and the beginnings of many other American political and economic activities.

Mr. Chairman, I am not going to impose any longer on the patience of this House at this late hour. I believe that the Members of this House realize the importance of this great celebration and the work that should be done by the Federal Government to improve this national memorial park so that it will be ready for this celebration. I respectfully urge that the committee vote down this amendment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. FORD. I think it should be pointed out that this was not a request which was initiated by the Congress but one that was initiated and submitted to the Committee on Appropriations by the executive branch of the Government, and the amount included was presented by the President in his budget proposal.

Mr. GARY. I thank my distinguished colleague from Michigan for his contribution. That is absolutely correct. It is not an amount asked by the State of Virginia. It was the amount asked by the Department of the Interior and the President, through the Interior Department. The Department of the Interior will administer these funds which will be spent under the proper guidance of this committee and the Interior Department.

Mr. MARSHALL. Mr. Chairman, I rise in support of the amendment of the gentleman from Ohio.

The gentleman from Virginia [Mr. GARY], who preceded me, spoke very eloquently about early American history. No man could have presented a case on the floor more fluently, more earnestly than the gentleman from Virginia. But I am a bit concerned and perhaps a bit confused by some of the things that go on.

We have a distinguished gentleman from the State of Virginia whose name is a household word throughout the United States for economy. Periodically I get a report from his committee pointing out the necessity of cutting down Federal appropriations; cutting down the number of personnel, cutting down the number of automobiles. Here, to my amazement, we have some distinguished citizens from his State who come before the Congress of the United States and ask for funds. For what purpose? For another commission; for two more automobiles; to increase the number of employees in the Federal service.

Are we on one hand to talk about curtailing the number of personnel, the number of automobiles, the amount of

Government expenditures and then on the other hand appropriate more money?

I do not like to do things that way. I think there are many other Members of the House who do not like to do things that way. It is one thing to preach economy. It is one thing to hold oneself up as an example of economy. It is another thing to practice that and to put it into effect.

The people of the State of Virginia are excellent Americans. They are good people. They are good citizens. Their Representatives in Congress can only be as good as they permit them to be. Here we have had an example on the question of economy, in the delegation from the State of Virginia requesting funds from the Federal Government. Lets be consistent.

I hope the amendment offered by the gentleman from Ohio [Mr. McCULLOCH] is agreed to.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I support the amendment offered by the chairman of our Judiciary Subcommittee No. 4, the gentleman from Ohio [Mr. McCULLOCH]. I represented our committee on the floor when the bill creating this commission last year passed under unanimous consent.

I want to call attention to a very unusual situation that we face here. Frequently, when we are considering appropriation bills, we hear the argument made that Congress, through its legislative committees and by action of the House, has authorized a Federal activity, and that the Appropriations Committee should not be allowed to destroy that program which the Congress has ordered. Now we find the contrary of that situation. We find a subcommittee of the Committee on the Judiciary has considered an item in a bill that was before it containing an authorization for an appropriation of Federal funds and that subcommittee expressly and consciously deleted that section from the bill and in that fashion it was approved by the full Committee on the Judiciary and in that fashion approved, under unanimous consent, by the House of Representatives. Notwithstanding the fact that Congress had expressed itself as not authorizing Federal funds for that purpose, now we come in here and have an appropriation of $170,000 for 3 years to celebrate an historical event.

One reason I am disturbed about this is that at the same time we had bills before us to celebrate an anniversary of Columbia University and also the Independence celebration in Philadelphia, both of which originally contained very minor appropriations, something on the order of $10,000 or $15,000. The Judiciary Committee and the subcommittee, after discussion with the sponsors of those programs, deleted, with their consent, any authorization for an appropriation.

If we are to commence setting up commissions with five employees getting over $9,600 a year to work for 3 years in preparation for an historical event, and every State has historical events that it is proud of, there will be no end to the creation of these commissions and the expenditure of public funds, especially if it can be done when the Congress has expressly denied the authorization of funds for a purpose of this character.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. KEATING. I think the Members in voting on this amendment should bear in mind that many of us from time to time have such projects, in which we are interested, and genuinely interested. If this procedure of creating these commissions and having these celebrations is abused by Congress voting an expenditure of unjustified funds, it certainly will react adversely against other celebrations and to the detriment of many other Members of the House.

Mr. MEADER. I thank the gentleman.

May I add out of my own experience that within this month the city of Jackson, Mich., in my district, put on a celebration of the founding of the city and also the founding of the Republican Party in Jackson, Mich., on July 6, 1854. The citizens of that community gave of their time and gave of their funds and put on a celebration that was really worthwhile, yet they did not ask the Federal Government for any money for a purpose of that kind.

I think if we establish the precedent of setting up a Federal commission with high-paid employees and $69,000 for miscellaneous expenses there will be no end to the expense that will come out of the Federal Treasury, because you will find difficulty in distinguishing between Virginia, Massachusetts, New York, Philadelphia, and Michigan.

I think the amendment offered by the gentleman from Ohio perhaps leaves too much money by giving $25,000 in this appropriation since there was no appropriation authorized originally in the legislation, but I am going to support his amendment because as a practical matter perhaps some reliance has been placed upon the approval by the Interior Department of this item in the budget.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Iowa.

Mr. GROSS. In 1949 or 1950 the House of Representatives voted $2 million for a sesquicentennial celebration in Washington, D. C. I fought that raid on the Treasury. There was proposed to be built down in Foggy Bottom, along the Anacostia River, a lot of fancy buildings, and so on and so forth. That ended up in the biggest boondoggle of its kind of all time. About the only thing the people got out of that $2 million appropriation was a bunch of payrollers and a band shell that floats on the Potomac River. Let us not make that kind of a mistake twice.

Mr. MEADER. I may say in closing that the $170,000 sought to be appropriated to the Commission will not produce any buildings. Any improvements such as roads or any other structures in a national memorial park come out of a totally different appropriation in far larger amounts. The $170,000 does nothing but pay salaries and operate the commission for a year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. McCULLOCH].

The question was taken; and on a division (demanded by Mr. GARY) there were—ayes 85, noes 41.

So the amendment was agreed on.

The Clerk read as follows:

SEC. 1111. (a) After the date of enactment hereof no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of—

(1) a binding agreement in writing between the parties thereto, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed; or

(2) a valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof; or

(3) an order required by law to be placed with a Government agency; or

(4) an order issued pursuant to a law authorizing purchases without advertising when necessitated by public exigency or for perishable subsistence supplies or within specific monetary limitations; or

(5) a grant or subsidy payable (i) from appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulae prescribed in law, or (ii) pursuant to agreement authorized by, or plans approved in accord with and authorized by, law; or

(6) a liability which may result from pending litigation brought under authority of law; or

(7) employment or services of persons or expenses of travel in accord with law, and services performed by public utilities; or

(8) any other legal liability of the United States against an appropriation or fund legally available therefor.

(b) Not later than September 30 of each year, the head of each Federal agency shall certify, as to each appropriation or fund under the control of such agency, the amount thereof remaining obligated but unexpended and the amount thereof remaining unobligated on June 30 of such year and copies of such certification shall be forwarded by him to the chairmen of the Committees on Appropriations of the Senate and the House of Representatives, to the Comptroller General of the United States, and to the Director of the Bureau of the Budget. Notwithstanding any other provision of law, the duty of making certifications as required by this subsection shall not be delegated: *Provided*, That such certification for the fiscal year ending June 30, 1954, shall be made not later than October 31, 1954, and shall include only such obligations as could have been recorded under the provisions of subsection (a) hereof.

(c) Each certification made pursuant to subsection (b) shall be supported by records evidencing the amounts which are certified therein as having been obligated and such records shall be retained in the agency in such form as to facilitate audit and reconciliation for such period as may be necessary for such purposes.

(d) No appropriation or fund which is limited for obligation purposes to a definite period of time shall be available for expenditure after the expiration of such period except for liquidation of amounts obligated in accord with subsection (a) hereof; but no such appropriation or fund shall remain

available for expenditure for any period beyond that otherwise authorized by law.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 40, after line 9, insert a new paragraph as follows:

"(e) Any statement of obligation of funds furnished by any agency of the Government to the Congress or any committee thereof shall include only such amounts as may be valid obligations as defined in subsection (a) hereof."

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. TABER. Mr. Chairman, this is an amendment to the definition of an obligation which has been prepared over the winter, and the amendment has been drawn up by the clerk of the Committee on Appropriations. As far as I am concerned, I am prepared to accept it.

Mr. CANNON. Mr. Chairman, we are glad to accept the amendment.

Mr. VORYS. Mr. Chairman, section 1111 is legislation on an appropriation bill, but it is the kind of legislation that comes most appropriately from the Appropriations Committee; it is very good, carefully drawn, much-needed legislation, and I congratulate the Committee on Appropriations on this section.

But they have been a little selfish about it. They have applied their carefully limited definition of a Government obligation only to certifications to the Appropriations Committees. My amendment would make it apply to reports to all committees of Congress.

I have been interested in this subject for years, as we have reviewed in the Foreign Affairs Committee the growing unexpended balances in the ECA, MOAP, MSA, and FOA programs. Everyone agrees that, in considering whether a department or agency has any leftover funds, money that the Government is already legally, actually obligated to spend should be considered in all honesty as already spent, insofar as congressional action is concerned. A true, legal, actual obligation of the United States Government should not be any more subject to rescission, reduction, or change by Congress than money already spent, even though the money was spent unwisely or dishonestly. But what has been the result of this simple, natural, honest view of a Government obligation? Departmental and agency people, in their determination to hold on to leftover funds, unused funds, to prevent their reverting to the Treasury; to tie the hands of Congress in considering whether the agency needs these funds, have adopted the device of pasting the labels obligation or obligated balance all over such funds. We have all heard stories of the feverish rush in Government offices to get funds obligated toward the end of a fiscal year by bookkeeping and accounting manuevers that bar reconsideration by Congress but leave the agency free to do as it pleases with such funds.

This section, as amended, may stop such monkey business. Cynics may say that it will result in actual overobligating and extravagance. I think not. I think, however, we need to be considering some penalties that might be applied both to fictitious labeling of obligations and to overobligating.

In any case, this section as amended, will help the work of both the Appropriation and the legislative committees. Executive juggling between the authorization and appropriation stages of legislation accounts for a lot of overspending. This will help to stop this juggling by at least giving the same kind of figures to all congressional committees.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALLEN of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9936) making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes, had directed him to report the bill back to the House with sundry amendments with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. TABER. Mr. Speaker, I ask for a separate vote on the Preston amendment, the airport amendment; and on the Wigglesworth amendment for ship construction.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the other amendments en bloc.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. PRESTON: On page 6, line 8, add:

"CIVIL AERONAUTICS ADMINISTRATION—FEDERAL-AID AIRPORT PROGRAM, FEDERAL AIRPORT ACT

"For carrying out the provisions of the Federal Airport Act of May 13, 1946, as amended (except section 5 (a)), $22 million, of which (1) $20 million shall be for projects in the States in accordance with section 6 of said act, (2) $250,000 for projects in Puerto Rico, (3) $50,000 for projects in the Virgin Islands, (4) $225,000 for projects in the Territory of Hawaii, (5) $225,000 for projects in the Territory of Alaska, and (6) $1,250,000 shall be available as one fund for necessary planning, research, and administrative expenses (including not to exceed $125,000 'Civil Aeronautics Administration,' for necessary administrative expenses, including the maintenance and operation of aircraft): *Provided*, That the amount made available herein for administrative expenses shall be in addition to the amount made available for such purposes in the Department of Commerce Appropriation Act, 1955."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 144, noes 42.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and forty-three Members are present, a quorum.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WIGGLESWORTH: Page 6, line 11, after the words "ship construction", strike out all of lines 11, 12, and 13, and insert in lieu thereof the following:

"For payment of construction-differential subsidy and cost of national-defense features incident to construction of 4 passenger-cargo ships under title V of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1154); for reconditioning and betterment of not to exceed 4 ships in the national-defense reserve fleet; and for necessary expenses for the acquisition of used tankers pursuant to section 510 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1160), and the payment of cost of national-defense features incorporated in new tankers constructed to replace such used tankers, $82,600,000: *Provided*, That appropriations granted herein shall be available to pay construction-differential subsidy granted by the Federal Maritime Board, pursuant to section 501 (c) of the Merchant Marine Act, 1936, as amended, to aid in the reconstruction of any Mariner-class ships sold under the provisions of title VII of the 1936 act. *Provided further*, That all ship construction, reconditioning and betterment of vessels appropriated for herein be performed in shipyards in the continental United States."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 159, noes 44.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on H. R. 10009.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 257. Concurrent resolution authorizing the printing of additional copies of the hearings relative to the contribution of atomic energy to medicine.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 96. Concurrent resolution to extend the greetings and felicitations of Congress to Hon. Herbert Hoover on the 80th anniversary of his birth, August 10, 1954.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2670) entitled "An act to provide for the termination of Federal supervision over the property of certain tribes, bands, and colonies of Indians in the State of Utah and the individual members thereof, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon; and appoints Mr. WATKINS, Mr. DWORSHAK, and Mr. ANDERSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 252) entitled "An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury."

FEDERAL UNEMPLOYMENT TAX

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5173) to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 4, strike out "1953" and insert "1954".

Page 2, line 13, strike out "unemployment" and insert "employment security".

Page 3, line 2, strike out "unemployment" and insert "employment security".

Page 3, line 6, strike out "unemployment" and insert "employment security".

Page 3, strike out all after line 7 over to and including line 4 on page 4 and insert:

"'(1) The aggregate of the amounts expended during the fiscal year for the purpose of assisting the States in (A) the administration of their unemployment compensation laws (including administration pursuant to agreements under title IV of the Veterans' Readjustment Assistance Act of 1952), (B) the establishment and maintenance of systems of public employment offices in accordance with the act of June 6, 1933, as amended (29 U. S. C., sec. 49–49n), and (C) carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, as amended; and

"'(2) the amount estimated by the Secretary of Labor as equal to the necessary expenses incurred during the fiscal year for the performance by the Department of Labor of its functions (except its functions with respect to Puerto Rico and the Virgin Islands) under (i) this title and titles III and XII of this act, and (ii) the Federal Unemployment Tax Act, (iii) the provisions of the act of June 6, 1933, as amended, (iv) title IV (except sec. 602) of the Servicemen's Readjustment Act of 1944, as amended, and (v) title IV of the Veterans' Readjustment Act of 1952; and'."

Page 4, line 5, strike out "(2)" and insert "(3)".

Page 4, strike out lines 11, 12, and 13.

Page 5, line 17, after "Labor", insert "and certified by him to the Secretary of the Treasury on or before that date".

Page 5, line 17, after "States", insert "to the Secretary of Labor by June 1".

Page 5, line 22, strike out "June 1" and insert "May 1".

Page 5, line 24, strike out "June 1" and insert "May 1".

Page 8, line 13, strike out "account" and insert "unemployment fund".

Page 8, line 22, after "subsection;", insert "and".

Page 8, strike out all after line 22 over to and including line 3 on page 9.

Page 9, line 4, strike out "(4)" and insert "(3)".

Page 9, line 5, strike out "(1), (2), and (3)" and insert "(1) and (2)".

Page 9, line 7, strike out "shall, from time to time, certify" and insert "shall certify."

Page 10, line 15, strike out "(a)".

Page 10, line 18, after "shall", insert "promptly".

Page 10, lines 18 and 19, strike out "as of the close of the calendar month in which the Governor makes such request".

Page 10, line 20, after "the", insert "unemployment trust fund for credit to the".

Page 11, line 5, strike out "subsection (a)" and insert "section 1201".

Page 11, line 8, after "paid", insert ", received, and covered into the Treasury".

Page 11, lines 9 and 10, strike out "subsection (a)" and insert "section 1201".

Page 11, line 10, after "the" where it appears the second time insert "unemployment trust fund for credit to the".

Page 11, lines 14 and 15, strike out "from time to time from the general fund in" and insert "at the close of the month in which the moneys were covered into".

Page 11, line 15, after "the", where it appears the second time insert "unemployment trust fund for credit to the".

Page 11, line 16, after "be", insert ", as of the first day of the succeeding month".

Page 11, line 18, strike out "from time to time".

Page 11, line 20, strike out "title." " and insert "title".

Page 11, after line 20, insert:

"'SEC. 1203. When used in this title, the term "governor" shall include the Commissioners of the District of Columbia.' "

Page 12, line 16, strike out "second" and insert "fourth".

Amend the title so as to read: "A bill to provide that the excess of collections from the Federal unemployment tax over employment security administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes."

Mr. REED of New York. Mr. Speaker, only two of the Senate amendments are of importance. The others are purely technical, clerical, or clarifying in nature.

The first amendment of substance eliminates the requirement that a State maintain an average 2.7-percent tax during the quarter in which application is made for an advance in order to be eligible for the advance. This will avoid compelling States as a condition of eligibility for a loan to make sharp increases in employers' contributions during periods of high unemployment when they are least able to meet such increases.

The second amendment relates to the repayment of advances obtained by the States. Under the House bill, repayment of the advances obtained by States were to be made by either (a) transfer of funds from the trust account of the borrowing State—at the direction of its governor—to the Federal unemployment account, or (b) a decrease in the 90-percent allowable credit against the 3-percent Federal unemployment tax. Under the House bill, this decrease in allowable tax credits would have begun after the second January 1 on which outstanding advances have not been repaid by transfer of funds from the State's trust fund. Under the Senate amendment, the decrease in allowable credits will not begin until after the fourth—rather than the second—January 1 on which such conditions exist.

Mr. COOPER. Mr. Speaker, if the gentleman will yield, the Senate amendments have been examined by those of us on this side, and we are in agreement with the request made by the gentleman from New York.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

AMENDING THE TARIFF ACT OF 1930

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of H. R. 8932, a bill to amend the Tariff Act of 1930, as amended, to reclassify dictaphones by transferring them from their existing tariff classification under paragraph 1542 of the Tariff Act to a new provision under paragraph 372.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That paragraph 372 of the Tariff Act of 1930 (19 U. S. C., sec. 1001, par. 372) is hereby amended by inserting after "cash registers, 25 percent ad valorem;" the following: "business dictating, recording, and transcribing machines, chiefly used in business offices of the type or types recording on nonmagnetizable recording medium, and parts thereof, 15 percent ad valorem;".

SEC. 2. Paragraph 1542 of the Tariff Act of 1930 (19 U. S. C., sec. 1001, par. 1542) is

hereby amended by striking out the word "dictaphones."

SEC. 3. The amendments made by this act shall take effect at the close of the 30th day after the day on which this act is enacted.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That paragraph 372 of the Tariff Act of 1930 (19 U. S. C., sec. 1001, par. 372) is hereby amended by inserting after 'cash registers, 25 percent ad valorem;' the following: 'business dictating, recording, and transcribing machines, chiefly used in business offices, of the type or types recording on nonmagnetizable recording medium, and parts thereof, 30 percent ad valorem;'.

"SEC. 2. Paragraph 1542 of the Tariff Act of 1930 (19 U. S. C., sec. 1001, par. 1542) is hereby amended by striking out 'dictaphones,' in each place it appears therein.

"SEC. 3. Nothing in this act shall be construed as affecting in any manner existing international obligations of the United States with respect to the duty on the articles inserted by the first section of this act in paragraph 372 of the Tariff Act of 1930, and the rate of duty of 15 percent ad valorem presently applied to such articles under paragraph 1542 of such act, as modified pursuant to such international obligations, shall continue to be applied to such articles and to be subject to modification or termination in the same manner and to the same extent as under existing law.

"SEC. 4. The amendments made by this act shall take effect at the close of the 30th day after the day on which this act is enacted."

The committee amendment was agreed to.

Mr. REED of New York. Mr. Speaker, the new paragraph would include business dictating, recording, and transcribing machines, chiefly used in business offices, of the type or types recording on nonmagnetized recording medium, and parts thereof.

The present tariff status of dictaphones is that they are now classified in paragraph 1542 of the tariff act in the sundries schedule along with gramophones and musical instruments. They are dutiable at 15 percent ad valorem under paragraph 1542, the rate having been reduced from 30 percent in trade-agreement negotiations.

H. R. 8932 would transfer dictaphones from the sundries schedule contained in paragraph 1542 to paragraph 372 in the machinery schedule where it would be classified with various types of machinery, including office machines. The bill would continue the 15-percent rate applicable to dictaphones so that no change in duty is involved under your committee's bill. H. R. 8932 would, however, involve a change in nomenclature, and the new description would be "business dictating, recording, and transcribing machines, chiefly used in business offices, of the type or types recording on nonmagnetized recording medium."

The Committee on Ways and Means has been informed that, because dictaphones have been classified in the same paragraph along with phonographs and musical instruments, other countries have similarly classified them and as a result have imposed luxury taxes higher than would otherwise be the case. Favorable reports have been received on H. R. 8932 from the Departments of the Treasury and Commerce.

The Committee on Ways and Means adopted an amendment to H. R. 8932 in the nature of a substitute which, in addition to clarifying and technical changes, incorporates changes designed to insure that the bill will not affect the rate of duty applicable to the articles covered by the bill. As introduced, the bill amends the Tariff Act of 1930, to provide for a 15-percent ad valorem duty for these articles. The rate now specified in the act for these articles is 30 percent, but the rate generally in effect has been reduced to 15 percent as a result of trade-agreement negotiations under section 350 of the Tariff Act of 1930. The committee amendment continues the 30-percent rate in the act, but provides that existing trade agreements, and the 15-percent rate established as a result of such agreements, shall continue to apply, until lawfully modified or terminated. Under the amendment, articles covered by the bill which are produced in any nation or area designated under section 5 of the Trade Agreements Extension Act of 1951 as Communist-dominated or controlled will continue to be dutiable at the 30-percent rate. Another example of the effect of the amendment is that if the authority to apply reduced rates through trade agreements should be terminated and the statutory levels reinstated, the rate for the articles covered by the bill would revert to 30 percent rather than be fixed at 15 percent.

The Committee on Ways and Means was unanimous in recommending the enactment of H. R. 8932.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF CONFERENCE REPORT ON H. R. 8300

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 260.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 8,300 additional copies of the conference report on H. R. 8300, a bill to revise the internal-revenue laws of the United States, of which 1,000 shall be for the use of the Committee on Finance, 1,500 for the Senate document room, 3,000 for the use of the Committee on Ways and Means, 300 for the use of the Joint Committee on Internal Revenue Taxation, and 2,500 for the House document room.

The resolution was agreed to, and a motion to reconsider was laid on the table.

COMMITTEE ON APPROPRIATIONS

Mr. TABER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight Saturday to file a report on the Foreign Operations Administration appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CANNON. Mr. Speaker, I reserve all points of order on the bill.

BIRTHDAY ANNIVERSARY OF HON. HERBERT HOOVER

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution (S. Con. Res. 96).

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States thereby extends to the Honorable Herbert Hoover its greetings and felicitations on the 80th anniversary of his birth, August 10, 1954.

SEC. 2. The Congress expresses its admiration and gratitude to Mr. Hoover for his long years of devoted service to his native land and to the world in general in many different capacities.

SEC. 3. The Congress is especially appreciative of his willingness to accept cheerfully the heavy burden of serving as Chairman of the second Commission on Organization of the Executive Branch of the Government, which is an arm of the Congress, in order to complete the work so well begun a few years ago by a similar commission under his chairmanship.

SEC. 4. The Congress expresses the hope and desire that divine providence may permit Herbert Hoover to be spared to give many more productive years of honored service to humanity and to his beloved country.

SEC. 5. A copy of this resolution shall be transmitted to America's elder statesman, the Honorable Herbert Hoover.

Mr. BROWN of Ohio. Mr. Speaker, I might say that this is exactly the same concurrent resolution that was adopted by the House unanimously on yesterday. This has been adopted in the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I should like to ask the gentleman what the program is for the rest of the day. If all the gentleman intends is to proceed until we adopt the rule for the consideration of the atomic energy bill, and not go into general debate, and not have a night session, I shall not object. I think we would do better if we adopted the rule on the atomic energy bill and met tomorrow at 10 o'clock than to continue and debate the atomic energy bill tonight and then attempt to meet at 12 o'clock tomorrow.

Mr. HALLECK. If the gentleman will yield, I had hoped that we could proceed with the consideration of the atomic energy bill. Certainly the rule should be adopted. As I understand it, there will not be any considerable amount of time taken on the rule.

I have discussed the matter with the gentleman from New York [Mr. COLE], who is chairman of the committee. He would like to proceed with general debate this evening. Of course, that would not necessitate that all Members be present. Those who wanted to stay and participate in the debate or listen to it could do so and those who did not want to stay could read it in the RECORD in the morning at their leisure.

I appreciate what the gentleman has said, but I should like very much to dispose of that measure by tomorrow evening. Also, I might say to the gentleman, there are 17 citations from the Committee on Un-American Activities which we want to call up the first thing in the morning. It was suggested to me that there would be a vote on at least the first one, and I had hoped that that could be the quorum call in the morning.

I trust that the gentleman will not insist upon his suggestion that we do not proceed with general debate on the atomic energy bill this evening, at least for a while, and see what develops.

Mr. RAYBURN. Mr. Speaker, further reserving the right to object, I do not know of any measure to come before this House for the remainder of this session, and in fact, I do not think of one that has come before the House thus far this session in which there is more interest among the Members of the House than in this atomic energy bill.

We have been here since 10 o'clock this morning. I am willing to stay until about 6 o'clock. I think that would be as late as I would be willing to remain here this evening. If we meet at 10 o'clock in the morning then, we will be fresh for further consideration of the business of the House.

Mr. HALLECK. Of course, I recognize that it is the gentleman's privilege and right to take the position he does, to object to coming in at 10 o'clock in the morning.

Mr. RAYBURN. I do not object to coming in at 10 o'clock in the morning.

Mr. HALLECK. Do I understand the gentleman correctly that if we undertake to go beyond 6 o'clock he would feel constrained to oppose the unanimous-consent request that I made to come in at 10 o'clock in the morning?

Mr. RAYBURN. That is correct. I think if we adopt the rule, that should be sufficient. I should not object to sitting until 6 or perhaps a little longer for that purpose.

Mr. HALLECK. I think the rule will be adopted very quickly.

Mr. RAYBURN. If the gentleman from New York [Mr. COLE] wants to speak this evening, that is all right with me.

Mr. HALLECK. The gentleman from New York [Mr. COLE] wants to expedite this measure and the work of the House of Representatives as, I am quite sure, all of us do.

Mr. RAYBURN. Of course, I am very anxious, as I have said, to cooperate with the gentleman from Indiana on his goal of July 31. But I do not think we would expedite things by going beyond 6 o'clock this evening.

Mr. HALLECK. I think I understand the gentleman's position. Perhaps the gentleman will bear with me for a moment to make this observation.

Yesterday, during discussion of the postal pay and rate bill, the gentleman spoke of the fact that the House had not, under his tenure, employed this procedure involving a suspension of the rules and that he would never be a party to this trend toward denying the representatives of the people the right to express themselves. Checking back into the RECORD of May 19, 1952, I find that the gentleman from Texas, our beloved former Speaker, who was then Speaker, at that time entertained a motion to suspend the rules for the consideration of a bill to increase social-security payments by $5. Also there was included in the bill under suspension of the rules a matter that was very objectionable to many of us, and we objected to the proceedings which prevented us from any amendment to strike out the objectionable matter. When I read the RECORD, I found that I made just about the same speech that the gentleman did yesterday with respect to what was being done. So the action yesterday certainly was not without precedent on the Democratic side.

Mr. RAYBURN. I will say to the gentleman that I also examined the RECORD. I said yesterday, as far as my memory went. But I will say that this is one time in my life my memory failed me.

Mr. CELLER. Reserving the right to object, Mr. Speaker, and I shall not object, is it proposed to meet on Saturday in the event we do not conclude consideration of the atomic energy bill tomorrow night?

Mr. HALLECK. Yes. I think undoubtedly if we did conclude it we would meet on Saturday. I would say to the gentleman that probably the matters that would be up then would not be of extreme importance or such as to require necessarily the presence of Members who had other arrangements or other things to do.

Mr. HOLIFIELD. Reserving the right to object, Mr. Speaker, I am not sure that I understand the situation. I want to cooperate with the leadership, but I feel that if the rule is brought up—and I have no objection to the hour's discussion of the rule, which can be brought up at this time, of course—then if general debate is to proceed into the evening, I will be constrained to object to meeting at 10 o'clock in the morning. I have no objection and I will have no objection to meeting at 10 o'clock in the morning providing we have an understanding that the rule will be disposed of tonight and the House will then adjourn.

Mr. HALLECK. Mr. Speaker, will the gentleman yield under his reservation of objection?

Mr. HOLIFIELD. Yes, certainly.

Mr. HALLECK. A number of Members, including the chairman of the Committee on Public Works, have spoken to me about disposing of the omnibus rivers and harbors bill. They say it has a unanimous report and there is no controversy about it. Because I am just trying to get along with the things we have to do, I wonder if we might make an arrangement by which we would adopt the rule on the atomic energy bill, if it could be done in a few minutes, and then undertake to let the members of the Committee on Public Works dispose of the omnibus rivers and harbors bill this evening. The rule on that bill has already been adopted.

Mr. RAYBURN. How much general debate will there be on that bill?

Mr. DONDERO. Two hours. We think we can do it within an hour.

Mr. HOLIFIELD. I suggest that we could proceed with the rivers and harbors bill. There is no urgency in disposing of the rule on the atomic energy bill without some discussion. It is an important bill. I think that 1 hour on the rule and 4 hours of general debate is certainly not too much.

Mr. HALLECK. I do not know of anyone who is going to oppose it, as far as I understand. I think everybody expects the measure must be taken up and disposed of.

Mr. HOLIFIELD. I certainly do not intend to oppose the rule, but I have had many Members come to me and indicate their desire to obtain some time to speak. As we did agree to a 4-hour limitation on debate, it seems to me that the Members should have the right to use the hour of debate on the rule if they so desire.

Mr. HALLECK. As a matter of fact, I might say to the gentleman there are a number of Members on his side who principally come from one State in the South where they are having primaries next week who are very much interested in being here when the rivers and harbors bill is considered. It certainly would accommodate them if it could be disposed of. However, I do not know that there is more to be accomplished by prolonging this discussion.

Mr. MILLER of Kansas. Reserving the right to object, Mr. Speaker, speaking of the rivers and harbors bill, there will be some controversy when that bill is brought up, and at least 3 or 4 amendments will be offered to it that will require time.

Mr. HALLECK. I think, Mr. Speaker, the only thing we can do is proceed with the rule on the Atomic Energy Commission bill and, under the suggestion of the gentleman from Texas, quit at 6 o'clock, and let matters go on.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HESELTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce have until midnight tomorrow to file a report on the bill, H. R. 7304.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WATERSHED PROTECTION

Mr. HOPE. Mr. Speaker, I call up the conference report on the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2297)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That erosion, floodwater, and sediment damages in the watersheds of the rivers and streams of the United States, causing loss of life and damage to property, constitute a menace to the national welfare; and that it is the sense of Congress that the Federal Government should cooperate with States and their political subdivisions, soil or water conservation districts, flood prevention or control districts, and other local public agencies for the purpose of preventing such damages and of furthering the conservation, development, utilization, and disposal of water and thereby of preserving and protecting the Nation's land and water resources.

"SEC. 2. For the purposes of this Act, the following terms shall mean:

"The 'Secretary'—the Secretary of Agriculture of the United States.

"'Works of improvement'—any undertaking for—

"(1) flood prevention (including structural and land-treatment measures) or

"(2) agricultural phases of the conservation, development, utilization, and disposal of water

in watershed or subwatershed areas not exceeding two hundred and fifty thousand acres and not including any single structure which provides more than five thousand acre-feet of total capacity. No appropriation shall be made for any plan for works of improvement which includes any structure which provides more than twenty-five hundred acre-feet of total capacity unless such plan has been approved by resolutions adopted by the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, respectively. A number of such subwatersheds when they are component parts of a larger watershed may be planned together when the local sponsoring organizations so desire.

"'Local organization'—any State, political subdivision thereof, soil or water conservation district, flood prevention or control district, or combinations thereof, or any other agency having authority under State law to carry out, maintain and operate the works of improvement.

"SEC. 3. In order to assist local organizations in preparing and carrying out plans for works of improvement, the Secretary is authorized, upon application of local organizations if such application has been submitted to, and not disapproved within 45 days by, the State agency having supervisory responsibility over programs provided for in this Act, or by the Governor if there is no State agency having such responsibility—

"(1) to conduct such investigations and surveys as may be necessary to prepare plans for works of improvement;

"(2) to make such studies as may be necessary for determining the physical and economic soundness of plans for works of improvement, including a determination as to whether benefits exceed costs;

"(3) to cooperate and enter into agreements with and to furnish financial and other assistance to local organizations: *Provided*, That, for the land-treatment measures, the Federal assistance shall not exceed the rate of assistance for similar practices under existing national programs;

"(4) to obtain the cooperation and assistance of other Federal agencies in carrying out the purposes of this section.

"SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

"(1) acquire without cost to the Federal Government such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

"(2) assume such proportionate share of the cost of installing any works of improvement involving Federal assistance as may be determined by the Secretary to be equitable in consideration of anticipated benefits from such improvements: *Provided*, That no part of the construction cost for providing any capacity in structures for purposes other than flood prevention and features related thereto shall be borne by the Federal Government under the provisions of this Act;

"(3) make arrangements satisfactory to the Secretary for defraying costs of operating and maintaining such works of improvement, in accordance with regulations presented by the Secretary of Agriculture;

"(4) acquire, or provide assurance that landowners have acquired, such water rights, pursuant to State law, as may be needed in the installation and operation of the work of improvement; and

"(5) obtain agreements to carry out recommended soil conservation measures and proper farm plans from owners of not less than 50 per centum of the lands situated in the drainage area above each retention reservoir to be installed with Federal assistance.

"SEC. 5. At such time as the Secretary and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the Secretary is authorized to assist such local organizations in developing specifications, in preparing contracts for construction, and to participate in the installation of such works of improvement in accordance with the plan: *Provided*, That, except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure unless there is no local organization authorized by State law to undertake such construction or to enter into such contract, and in no event after July 1, 1956: *Provided further*, That in participating in the installation of such works of improvement the Secretary, as far as practicable and consistent with his responsibilities for administering the overall national agricultural program, shall utilize the authority conferred upon him by the provisions of this Act: *Provided further*, That, at least forty-five days (counting only days occurring during any regular or special sessions of the Congress) before such installation involving Federal assistance is commenced, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President: *Provided further*, That any such plan (a) which includes reclamation or irrigation works or which affects public or other lands under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least sixty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army, if received by the Secretary of Agriculture prior to the expiration of the above sixty-day period, shall accompany the plan transmitted by the Secretary of Agriculture to the Congress through the President: *Provided further*, That, prior to any Federal participation in the works of improvement under this Act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this Act, and to assure the coordination of the work authorized under this Act and related work of other agencies, including the Department of the Interior and the Department of the Army.

"SEC. 6. The Secretary is authorized in cooperation with other Federal and with States and local agencies to make investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. In areas where the programs of the Secretary of Agriculture may affect public or other lands under the jurisdiction of the Secretary of the Interior, the Secretary of the Interior is authorized to cooperate with the Secretary of Agriculture in the planning and development of works or programs for such lands.

"SEC. 7. The provisions of the Act of June 22, 1936 (49 Stat. 1570), as amended and supplemented, conferring authority upon the Department of Agriculture under the direction of the Secretary of Agriculture to make preliminary examinations and surveys and to prosecute works of improvement for runoff and waterflow retardation and soil erosion prevention on the watersheds of rivers and other waterways are hereby repealed: *Provided*, That (a) the authority of the Department of Agriculture, under the direction of the Secretary, to prosecute the works of improvement for runoff and waterflow retardation and soil erosion prevention authorized to be carried out by that Department by the Act of December 22, 1944 (58 Stat. 887), as amended, and (b) the authority of the Secretary of Agriculture to undertake emergency measures for runoff retardation and soil erosion prevention authorized to be carried out by section 7 of the Act of June 28, 1938 (52 Stat. 1215), as amended by section 216 of the Act of May 17, 1950 (64 Stat. 163), shall not be affected by the provisions of this section.

"SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, such sums to remain available until expended.

"SEC. 9. This Act may be cited as the 'Watershed Protection and Flood Prevention Act'."

And the Senate agree to the same.

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WM. S. HILL,
HAROLD D. COOLEY,
Managers on the Part of the House.

GEORGE D. AIKEN,
MILTON R. YOUNG,
EDWARD J. THYE,
B. B. HICKENLOOPER,
ALLEN J. ELLENDER,
OLIN D. JOHNSTON,
SPESSARD L. HOLLAND,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the amendment:

The Senate struck out all of the House language and the conference has agreed to the substitute for the Senate amendment. Following are the substantive changes:

Section 2: The conference agreed to the change made by the Senate in the form and punctuation of the definition of "works of improvement" to make it clear that the definition includes drainage projects and that it may be an undertaking either for flood prevention or the agricultural phases of the conservation, development, utilization, and disposal of water.

The House bill provided that the Secretary of Agriculture must come into agreement with the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on all watershed projects. The Senate amendment struck out this provision and provided that any dam providing a capacity of from 2,000 to 5,000 acre-feet must be approved by the Congress. The conference agreement substitutes for these provisions a requirement that before appropriations can be made for any project containing any structure providing a capacity of from 2,500 to 5,000 acre-feet the plan must be approved by resolutions adopted by the Senate and House Agriculture Committees.

Under the new conference language, committee approval must be obtained before the necessary funds can be appropriated for a plan for works of improvement including a structure providing more than 2,500 acre-feet of total capacity. If an appropriation should be proposed without such committee approval such appropriation would be subject to a point of order. Although the conferees feel that such a proposal would not be made, it is their intent and understanding that a point of order can be made and sustained against appropriations for plans lacking committee approval.

The House defined "local organization" as including any agency having authority under State law to "carry out flood prevention and related activities." The Senate approved a definition, which was agreed upon by the conference, changing the quoted phrase to "carry out, maintain and operate the works of improvement."

Section 3: The Senate amendment added a provision to the House bill requiring approval of the application of the local organization by the appropriate State agency, or if there were no such State agency, by the Governor. The conference agreed to a substitute provision requiring applications to be submitted to the State authority but authorizing the Secretary of Agriculture to proceed on such application unless it had been disapproved by the State agency, or the Governor in the absence of any authorized agency, within 45 days after submission of the application.

Section 4: Two technical amendments of the Senate were adopted making it clear that local organizations (1) would not be required to meet all of the requirements of section 4 before assistance in planning could be given, and (2) would not necessarily be required to defray "all" operating and maintenance costs.

The House provided that, among other conditions, local organizations would have to "furnish" without cost to the Federal Government such land, easements, or rights-of-way as would be needed in connection with installation of works of improvement before the Secretary could assist with such works of improvement. The Senate amended this provision by changing "furnish" to "acquire", and the conference agreed to the Senate amendment.

Section 5: The conference struck out language which had been added by the Senate to require that plans for works of improvement must be referred again to "the appropriate State agency" after their approval by the local organization and the Secretary.

The conference agreed to a Senate amendment broadening the basis for computing benefits in the determination that benefits exceed the cost of the proposed improvements.

The House bill authorized the Secretary to construct or to contract for the construction of structures installed in connection with works of improvement and the Senate deleted this authority. The conference agreed to permit the Secretary to undertake or contract for construction of structures only where no local organization is authorized by State law to contract for such installations, and then only until July 1, 1956. Conference language makes it clear, however, that the Secretary has and will continue to have authority to construct or contract for the installation of such structures in connection with such works of improvement as may be necessary on Federal lands.

The conference adopted a Senate provision requiring the submission of the plan to Congress to be made at least 45 session days before installation is commenced.

The Senate provision that the President shall issue regulations to assure coordination of the work authorized by the act with the related work of other agencies was adopted.

The conference agreed to the 60-day period provided by the House bill (rather than the 90-day period provided by the Senate amendment) for submission of views of the Secretary of the Interior or the Secretary of the Army.

Section 6: The Senate provision authorizing cooperation by the Secretary of the Interior in the development of works on lands under his jurisdiction was adopted.

Section 7: The Senate provision preserving the authority of the Secretary of Agriculture to undertake emergency measures for runoff retardation and soil erosion prevention under the Flood Control Act of 1938 was retained.

The conference changed the short title added by the Senate amendment to "Watershed Protection and Flood Prevention Act".

CLIFFORD R. HOPE,
AUG. H. ANDRESEN,
WM. S. HILL,
HAROLD D. COOLEY,
Managers on the Part of the House.

Mr. HOPE. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report. The conference report was agreed to, and a motion to reconsider was laid on the table.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Speaker, the adoption of this conference report marks the end of several years' activity on the part of the House Committee on Agriculture in an effort to obtain an effective and workable law to deal with small watersheds. In the course of that time the committee has held numerous hearings both in the field and in Washington as well as many conferences with officials of the Department of Agriculture, the Bureau of the Budget, representatives of conservation organizations, and others interested in a national program of soil and water conservation. Members of the committee have also discussed the legislation with the President and members of his staff at the White House.

Several Members of the Congress have introduced bills on this subject in both the present and previous Congresses. A subcommittee of the Committee on Agriculture, headed by the able gentleman from Texas [Mr. POAGE], whose long and constructive interest in watershed matters is known to everyone, worked out many problems which had to be resolved before this type of legislation was gotten into acceptable form.

On July 31, 1953, President Eisenhower sent to the Congress a message urging the enactment of this legislation and submitting a revised form of a bill as a substitute for bills previously introduced by the gentleman from Texas [Mr. POAGE], myself, and a number of other Members of the House of Representatives and the Senate. This new bill (H. R. 6788) was introduced in the Senate by Senator AIKEN, joined by several other Members of that body, and in the House by myself. The gentleman from Texas [Mr. POAGE] introduced a bill with some slight changes from the form in which it was submitted by the President.

On February 2, 1954, the House Committee on Agriculture reported the bill H. R. 6788 and on March 11, 1954, the House of Representatives passed it by a unanimous vote in substantially the same form as it was introduced and reported by the committee. The bill passed the Senate on June 22 with a considerable number of amendments.

The conference report, which is presented herewith, represents a reconciliation of the differences between the House and the Senate bill. While I would have personally preferred the provisions of the House bill, I feel that the bill agreed upon in conference is an excellent measure and one which will function effectively in making possible a cooperative program between local agencies and the Federal Government in meeting the great problems of soil and water conservation and flood prevention which confront our country today.

Several of the amendments adopted by the Senate had the effect of slowing down the effective operation of the act.

The agreement reached in conference in practically every instance sets up a procedure to expedite consideration and approval of projects from the local level on up to the Department of Agriculture. It is my belief that this measure constitutes a landmark in our progress toward a better development and use of the great soil and water resources which are possessed by this country.

Taking into consideration the pilot plant projects contained in the Department of Agriculture appropriation bill for the fiscal year 1954, under the leadership of the distinguished gentleman from Minnesota [Mr. H. CARL ANDERSEN], and with the bill S. 3137 as amended in the House by the Lovre amendment, this Congress can truly be said to have enacted more legislation with reference to a more constructive use of our soil and water resources than any other Congress in history.

I desire at this time to thank all of the members of the committee on Agriculture for their contribution to this legislation because it is truly a committee bill. I also want to express my appreciation to the many Members of the House, who have contributed greatly to the progress and final enactment of this legislation.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. H. CARL ANDERSEN] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, just a year ago tomorrow the House agreed to the conference report on the appropriation bill for agriculture for fiscal year 1954. That action marked the official beginning of the Hope-Andersen watershed protection program. Today, a year later, we are finishing action legislatively on this same program, placing the seal of approval by the Congress on this great conservation measure.

Little did I think more than a year ago that the Andersen-Hope watershed protection program would be received throughout the Nation as one of the greatest conservation programs ever enacted by the Congress. My subcommittee last year, through the urging of the gentleman from Kansas [Mr. HOPE] and myself, appropriated $5 million as the first increment of a $29 million program, under which 60 small pilot plant watershed programs are already in process of construction.

Mr. Speaker, I quote here in part from my speech on the House floor on July 23, 1953, page 9836 of the RECORD:

ANDERSEN-HOPE WATERSHED PROTECTION PROGRAM

This item would provide funds for a program of cooperation with local organizations on some 50 small watersheds in 27 States for the purpose of demonstrating the practicability of complete watershed protection as a means of conserving soil and water resources and alleviating damages from floods, siltation of reservoirs, impairment of stream channels, and related problems. These would be pilot plant watershed projects which could be completed in an average period of 5 years, at a total cost of about $29 million to the Federal Government and approximately an equal cost to the landowners, local organizations, and States. This would be a type of cost-sharing venture—a local-State-Federal partnership in the protection and improvement of our vital natural resources of soil and water.

SIZE OF WATERSHED

These demonstration watersheds range in size from as little as 12 square miles to as many as several hundred square miles. They are areas in which it is believed that local people and their local organizations, such as soil conservation districts, watershed districts, flood-control districts, etc., with appropriate help from State and Federal agencies, can complete the watershed treatment work needed in a relatively short period.

MEASURES TO BE INSTALLED

The watershed protection work would consist of application of soil and water conservation practices needed on the farm and ranch lands of the area, adequate protection and management of the woodland, and the installation of such measures as are needed and practicable for reduction of flood and sediment damages, such as small waterflow-retarding dams, channel improvements, stream bank stabilization, major gully control, and related measures.

The small watersheds were selected because they are areas in which the Soil Conservation Service and other agencies of the Department of Agriculture have made preliminary surveys mainly under the authority of the flood control acts which show the need and practicability of such watershed protection measures. It has been determined that in each of these watersheds the benefits of the program will exceed its costs.

AUTHORIZATION FOR PROGRAM

This type of work proposed is authorized by the Soil Conservation Act of 1935 which was passed in the 74th Congress without a dissenting vote in either House. This act is the basic legislation which established the Soil Conservation Service, an agency that now provides technical assistance to more than 2,500 local soil-conservation districts that are organized under State laws and now cover more than 80 percent of the agricultural lands of the Nation. The committee has been assured by both the Bureau of the Budget and the Solicitor of the Department of Agriculture that the authority of this act is fully adequate to cover all of the types of improvements planned to be installed in these watersheds. As a matter of fact, it might be pointed out that the work carried out under this basic legislation for the first few years after its enactment was in the nature of demonstration projects directed toward the application of soil and water conservation practices on individual farms. For the past 10 years the Federal Government, through the Soil Conservation Service, has provided assistance to soil-conservation districts only to aid farmers and ranchers in planning and applying soil and water conservation practices on their own farms and ranches.

WORK ON BOTH PRIVATE AND PUBLIC LAND

Although the larger part of the work contemplated to be done under this estimate would be applied on agricultural lands in the small watersheds with assistance from the Soil Conservation Service, it is planned to install work also on headwater areas which fall within national forests or in non-Federal forest lands. The Forest Service will be allocated funds for this part of the work.

As a part of the program proposed under this appropriation, measurements will be made of the effectiveness of the improvements in reducing runoff and sedimentation and of the increased soil productivity resulting from the improvements. Also, these small watersheds will provide a means of working out practicable working relationships and procedures by which organized local groups, in cooperation with State and Federal agencies, can carry out their planned programs of improvements within limited periods of time.

CHOICE OF WATERSHEDS

Although the available information indicates that the small watersheds included in the list that has been proposed are of high priority and constitute the best recommendation that could be made at the time, it was obviously not possible to foresee whether the local people in each of these watersheds would be in a position to carry through the program at the desired rate of progress. Local interests would be expected to provide all easements and rights-of-way for structural improvement, to carry out all of the land-treatment practices, and to meet certain other requirements adding up to about 50 percent of the total cost. If it is apparent that local interests in any of these areas are unable to go this far at this time, alternate watersheds will be selected with the approval of the committees of the Congress.

Let me make this plain: We are not trying to take away any authority whatsoever regarding flood control from the Public Works Committee. So we state in our report:

Before embarking on a comprehensive large-scale program of this nature, the conferees are of the opinion that the appropriate legislative committees of the Congress should give attention to legislation in this field which will provide a measure of local cooperation on future projects, and fix proper standards for cooperation with the Soil Conservation Service by local participation and beneficiaries of the program.

Experience in dealing with conservation projects authorized in flood-prevention and flood-control laws demonstrates that these laws are too cumbersome to apply to smaller watershed areas.

Mr. Speaker, may I express my appreciation to the Committee on Agriculture, to Mr. HOPE, to Mr. AUGUST H. ANDRESEN, to Mr. COOLEY, and the others for their splendid work in making permanent the Andersen-Hope watershed protection program. Soil Conservation Service can now do a complete job of keeping good, black topsoil from going down into rivers below. Floods start at the hilltop. This great program, nationwide in scope, will result in splendid returns.

These returns—

As the St. Paul Farmer says on July 17—

will be represented by water for irrigation, soil that stays in place, higher crop yields and fewer machinery breakdowns. Down stream, farmers and city dwellers will get more flood protection, less silting of rivers and waterways, and better improvements. Rain will remain where it falls on the hilltop.

REPORT ON H. R. 9909

Mr. CRETELLA. Mr. Speaker, I ask unanimous consent that the Committee on the Post Office and Civil Service have until midnight tomorrow to file a report on the bill H. R. 9909.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

REPORT ON S. 2665

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that the Committee on the Post Office and Civil Ser-

vice have until midnight tonight to file a report on the bill S. 2665.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SPECIAL ORDER GRANTED

Mr. MACHROWICZ asked and was given permission to address the House for 10 minutes tomorrow, following the legislative program of the day and the conclusion of special orders heretofore granted.

AMENDING ATOMIC ENERGY ACT OF 1946, AS AMENDED

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 630 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Massachusetts [Mr. NICHOLSON] is recognized for 1 hour.

Mr. NICHOLSON. Mr. Speaker, I yield myself such time as I may use and yield 30 minutes to the gentleman from Mississippi [Mr. COLMER].

The SPEAKER. The gentleman from Massachusetts is recognized.

Mr. NICHOLSON. Mr. Speaker, I rise to urge the adoption of House Resolution 630, which will make in order the consideration of the bill H. R. 9757, to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

House Resolution 630 provides for an open rule with 4 hours of general debate on the bill itself.

H. R. 9757 seeks to bring up to date the Atomic Energy Act of 1946 in order that the act may keep step with atomic progress itself. It is hoped that by this legislation the necessary legislative controls over atomic energy will bear a reasonable but safe relationship to the realities of the scientific, technical, economic, and political changes that have evolved during the last few years.

Mr. Speaker, the report on this bill brought out the fact that when the original Atomic Energy Act was written in the 79th Congress, the United States possessed a monopoly in the field of atomic weapons. This situation no longer exists. In addition to this change in the atomic energy situation during these past years, there exists the fact that useful peacetime development and use of atomic power is now at hand. This situation was not anticipated a few years ago for it was thought at that time that it would be many years before atomic energy could be turned to commercial use.

H. R. 9757, Mr. Speaker, would authorize the negotiation of bilateral agreements for cooperation with foreign nations in the area of peacetime uses of atomic energy under carefully stipulated safeguards.

The Atomic Energy Commission would be empowered to transfer and exchange restricted data dealing with industrial, nonmilitary use of atomic energy. In addition to this if the proper precautionary measures are taken, the Commission may transfer to another nation atomic materials needed for the development or utilization of atomic energy for nonmilitary and research purposes.

On the military side, the legislation would permit the Department of Defense, under full security safeguards to transfer to another nation, or to a regional defense organization of which we are a member, restricted data concerning the tactical employment of atomic weapons. The type of information that could be given to friendly nations would include data necessary to the development of defense plans, the training of personnel in the employment of and defense against atomic weapons, and the evaluation of the capabilities of potential enemies in the employment of atomic weapons. The information could not include any data which would reveal important information on the design or fabrication of the nuclear portions of atomic weapons.

Mr. Speaker, H. R. 9757 would amend the Atomic Energy Act so that it would permit the Atomic Energy Commission, on the basis of established criteria, to relate the scope of background investigation required to the extent and sensitivity of the classified information to which an employee would have access while on the project. This bill would also give the Department of Defense a voice with the Atomic Energy Commission in the declassification proceedings involving restricted data, which relates primarily to military utilization of atomic weapons.

The third big change in the new bill involves the proposed permitting of the Atomic Energy Commission to license private industry, to possess and use special nuclear materials. The United States Government, however, would retain title to such materials. The report on this bill, Mr. Speaker, stressed the belief of the Joint Committee on Atomic Energy that increased private participation in atomic power development, if properly controlled and handled, will accelerate the progress toward the day when widespread use of atomic power for economic uses will become a reality.

Mr. Speaker, this bill is a highly technical one and I have very briefly outlined some of the more important provisions that are in it. However, I think that there is no need to impress upon the Members of the House the necessity for achieving a nice balance between protecting the security of our country through husbanding our knowledge of atomic matters, and helping our allies to be prepared and informed on the subject if an emergency ever should arise. This bill also considers the very real possibility of using atomic power for the betterment of mankind in various peacetime projects and makes it possible for our country to start out on the avenue of developing this tremendous power for constructive and worthwhile purposes. I hope that the House will adopt the rule on this extremely important bill and that the bill itself will merit the favorable action of the House.

Mr. COLMER. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I do not rise at this time to oppose the rule on this bill. I am in favor of the rule. It is an open one and, of course, that is the type of a rule under which a problem of this great significance should be considered by the House.

It is frequently said by sponsors of other bills that are before the House that this is an important bill. I say with as much objectivity as I can, being a member of this committee and having served on it since its inception, that this is probably the most important bill that we will consider during this session of the Congress.

Why do I say that? Because we are approaching a new era, the atomic era for peacetime use, and this bill seeks to make possible the application of the peacetime benefits of the atom to the people of America and, of course, to the people of the world. In moving from a total, or almost a total military use to a peacetime use, we have tremendous problems because every reactor that is built to produce the substance which makes the atomic bomb and triggers the hydrogen bomb is the same substance that will be used in the reactors that will produce the kilowatts for peacetime use.

It has been estimated by the scientists who know a great deal about this matter, and by the technicians, that within 15 to 20 years' time 30 to 35 percent of the total electricity used in the United States will come from atomic fission reactors. If this be true, then we can see what a tremendous subject we are dealing with in this bill, because if we bring this new potential source to the people—that is, the third source, and I speak of the first source as being the fossil fuel, the coal, oil, and gas source, the second source the hydroelectric production of electricity, and the third source the fission of the atom—so that the people may have the benefit of this source, so that it will not be restricted by exclusive patent rights, so that restrictive licensing procedures, so that all of the other administrative obstructions and destructive possibilities can be guarded against, then, indeed, the people will have the right to use this source.

Now, this third great source must be brought to the people and brought to them in such a way that they have access to it, unrestrained access to it, and these are some of the subjects that are contained in this bill.

I will say at this time that the public power versus private power fight that has been brought about by sections of this bill rests in no part upon the gentleman from California, who is now addressing the House. I tried to keep these sections out of the bill. I tried to keep the Atomic Energy Commission dedicated to the job which we gave the Atomic Energy Commission to do, and that was to make fissionable substances to defend America and the free world. The injection of this subject into the bill came from other persons and it came after I warned them that if they did put this subject into the bill, they would stir up a hornet's nest, because it would bring in all the age-old controversy which is inherent in the subject of public versus private power.

Now, this is not a matter of controversy in my district. In my district we have the power from the great Hoover Dam. We have had it for some 20 years, and it is used both by municipalities and by private power companies. Part of my district is served by the great Los Angeles Light & Power system and part of it is served by the private utility companies, and there is no controversy there. So, it is nothing of immediate personal importance to me, I want to say, but nevertheless it has been put into the bill, and once having been put into the bill then it has to be considered.

The Dixon-Yates controversy is something apart from the great importance of this bill, but it is something that is in the bill and it has to be, of course, discussed. There are other things in the bill that are a great deal more important.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. COLE of New York. I am very curious and very anxious to have the gentleman indicate to me what part of the bill the gentleman has in mind when he says the Commission is put into the power business.

Mr. HOLIFIELD. The Commission is put into the power business by the licensing provisions in the bill, provisions 182 to 186, where the Commission is given the power to license private utilities and others to go into the power business. Then there is other language in the bill which in effect restricts the Atomic Energy Commission from doing those things which it is empowered to license others to do, and that is where I say that the power question is put into the bill.

There are other sections in the bill which are equally important and more important, possibly, than that. Certainly the subject of the international arrangement, international agreements, treaties, and cooperation is at this time one of the most important things with which we have to deal when the peace of the world is at stake and when atomic fission or hydrogen fusion can destroy cities the size of New York, and when we are dealing with that kind of power, certainly the international sections are equally important.

I do not have time at this time, but I will discuss later the international sections of this bill, which, in my humble opinion, are not designed to assist the President of the United States to make international arrangements and international agreements with other nations of the world. It is not designed to bring about the fruition of the international atomic pool which the President spoke to the General Assembly about with such great eloquence back in December. But, the language that is contained in these sections rather than untying the President's hands and freeing him to do these things, ties the President's hands behind his back and impresses these negotiations with foreign nations into a rigid mold, a mold in which, by peculiar coincidence, even the Atomic Energy Commission has the right to veto the President in one instance. The Department of Defense, of course, is also asked to give their approval, but the Department of Defense can be ordered by the President to give their approval, and if the Atomic Energy Commission is an independent agency—and I confidently believe that it is—it cannot be ordered by the President to approve an international arrangement which the President might make. Yet, there is a section in the bill which calls upon the Atomic Energy Commission to approve the President's international agreement for cooperation.

Then there is the subject of patents in the bill. The President in his message to the Congress on February 17 said in effect that there should be a period of time intervene between the licensing of private individuals to participate in this industry and the time when patent rights could obtain. He said that he thought for a long time, and he hoped that that time would not be over 5 years, that compulsory licensing of patents should obtain. There was no such section in the Cole-Hickenlooper bill as it was first introduced. But in the committee a section on compulsory licensing was put into the bill. It is a matter of great concern to some of us that this language does not carry out as strongly as it should the President's admonition for everyone to have access to the patents that are developed during the next 5 years; because he realized that certain great corporations have had an advantage in participating in this program. He knew they had an advantage in know-how, in the techniques, in the processes, in the formulas, in the matter of mechanical devices. He knew that if those limited corporations that had participated in the development of the atomic energy program were allowed the privilege, the advantage, of filing on patents, that they could file on patents which would give them the right to exclude all of American industry unless they paid through the nose in the form of royalties. That would not spread throughout industry the right of participation but it would limit to a great degree the right of participation. That is why the President said that we should have a compulsory licensing section. That section has been put in the bill. I intend at the proper time to offer amendments which will strengthen the patenting provision so that no corporation which has participated in this industry under Government contract, paid for by Government funds, shall have the right to obtain advantageous patent rights over areas of equity and participation in this project; so that for the next 5 years these patents shall be open to all.

I have no objection to those who get these patents obtaining reasonable compensation, but I do object to their having the right to exclude others from participation in this great new art, this great new technique upon which the world is looking, not only for preserving the peace of the world but for bringing untold peacetime blessings of atomic energy to all the peoples of the world.

There are other sections here which need comment. I know our time is limited. But as the debate goes on, some of these points will be explained to the Members of the House. I hope that the amendments which will be offered by other Members and by myself to attain these ends will be given fair consideration. I know they will by this House; and, of course, like all other Members of the House, I am willing to abide by the results.

We know that this subject has been debated in the Senate for 7 days now. The Senate sat all night; they debated all of last night on this subject. This is an indication of what the Senate of the United States thinks of the importance of this bill.

We are being called upon to debate the bill for 4 hours and discharge our responsibilities. And I say that it is a great responsibility that each and every one of us has under this bill and that the time is far, far too short really to explain the bill.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. COLE of New York. I wanted to make sure that the gentleman did not leave an impression which I feel he did not intend to leave when he indicated that the other body had devoted so much time to this subject and then alluded to the fact that the House was allowed only 4 hours for discussion. I am sure the gentleman did not intend to be critical of the provision made by the Committee on Rules, or of the rule for the discussion of this subject.

Mr. HOLIFIELD. I will answer my chairman in this way. If I have any time left and I hope the gentleman from Mississippi [Mr. COLMER] will be lenient with me—I want to say that I am not criticizing the chairman of our committee nor am I criticizing the Committee on Rules. I just mentioned the fact about debate being limited to 4 hours.

Mr. COLE of New York. I want to make certain if it is not true that the gentleman from California collaborated with me and the gentleman from North Carolina with respect to the request to the Rules Committee for 4 hours for consideration of this subject.

Mr. HOLIFIELD. I did, and I want the House to know that I agreed on 4 hours. I think it is a short time for this important bill but I am not being critical of it. I realize we are in the last days of the session and that we must save our time. So it was not with an attitude of criticism that I made that comment.

Mr. COLE of New York. I was sure that was the case, but I was afraid it left a false impression.

Mr. HOLIFIELD. May I say that I have never worked on a committee with a chairman who was fairer than the chairman of this committee, the gentleman from New York [Mr. COLE]. He has been more than fair during the hearings and during all the committee considerations. I want to compliment him on the long and arduous work he did with other members of the committee to bring this bill to the floor. Nothing that I say is critical of the gentleman from New York.

I also want to compliment the members of the staff. We have had a marvelous staff. They have worked into the wee, small hours of the night, they have worked without any reservation as to time and with complete loyalty. They have shown no partisanship in the consideration of this measure and in helping both sides of the committee. I want to pay my tribute to them in closing my remarks. We are fortunate in having an excellent staff, many of whom are specialists in the various fields of physics, law, source materials, military weapons, reactor techniques, and other important fields of interest and jurisdiction of the Joint Committee on Atomic Energy. All of them have contributed greatly to the production of this legislation.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Speaker, in response to the inquiry from the gentleman from New York, the gentleman from California outlined some of the things in this bill that related to power, but more far-reaching are the things that are not in this bill that relate to power and relate to the future of power development, the development of electric energy in the United States.

We are standing here at the threshold of the development of atomic power, the creation of electric energy by means of a new process. As was suggested by the gentleman from California, we have heretofore had two major means of developing electric energy—coal, gas, and the other natural fuels, and hydroelectric power. Today with respect to the development of atomic energy we stand just where we stood 50 years ago when we started to develop electric energy by means of falling waters.

We must take advantage of the experience and the background the Federal Power Commission has gained in those 50 years. In 50 years we have learned that in order to protect the public interest in this great natural resource of hydroelectric energy we have to have certain basic protections. The Federal Power Act and other acts such as the Rivers and Harbors Act, the Reclamation Act, acts relating to projects out in my country, the Bonneville Power Authority and the Fort Peck Dam, all provided for those protections for the public interest. They all provided a preference clause for the distribution of power generated by hydroelectric dams. They provided a Federal power yardstick, so that we had a means of determining fair rates for supplying power by private utilities to the consumers.

Out in the Pacific Northwest, we have learned to get along with the private utilities. We have the Bonneville Power Authority, which markets power for the Federal Government, and we have the Washington Water Power Co., the Idaho Power Co., the Washington Power & Light Co., and the Montana Power Co., and others, all private utilities who contribute to that Northwest power pool and are able to market their own power. We have benefited in the Northwest by having private power companies and the Federal power authority develop in parallel fashion. We have found it is necessary in order to protect the cheap power we have out there in the Northwest, to have a yardstick by means of which we can ascertain and determine what a fair and equitable rate for the payment to private utilities is going to be. We have determined that the Federal Government has a responsibility—a responsibility to the cooperatives, to the municipalities and to the public utility districts who want to transmit or distribute their own power as a nonprofit cooperative enterprise. Many of those municipalities and many of those public agencies are not large enough to be able to generate their own power economically so they have to turn to the Federal Government in order to find a central power station. This Federal central power station will supply power for them at a fair rate. For that reason, since 1908 we have put in various public acts a preference clause saying that these people who have the right to choose and who have the right to determine that they will distribute their own power will have a place to go to purchase power. We have found in various acts I have mentioned such as the rivers and harbors and reclamation acts and such acts as the Boulder Dam Act that is necessary in order to protect those people that we have a preference clause which declares that public agencies, municipalities, and REA co-ops will have a prior right to purchase power that is generated by the Federal Government. Now we are embarking upon a new program of the generation of power. We are confronted with atomic reactors which may, as has been predicted here, develop in a few years 25 to 30 percent of the power of this country. The Federal Government in order to carry out its responsibility to the public must, just as in the case of hydroelectric development, protect these consumers. Therefore the present customers who enjoy a prior right to purchase federally hydrogenerated power must be given the same right in the purchase of atomic-generated power.

A preference clause must be written into this bill that will empower the Federal Government to generate, transmit, and distribute atomically created electrical energy and that will preserve the right of municipalities, public-utility districts, States, rural electrification cooperatives, and other public agencies to exercise a prior right for the transmission and distribution of such power.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Speaker, there seems to be considerable interest in my section of the country from the rural electric cooperatives. They have been sending me wires expressing their opinions and expressing some concern about this bill. I only take this time to express the hope that in general debate, Members on both sides of the aisle, who have this bill under discussion, can clear up that point. I do not know whether they are objecting to something that is in the bill or something that is not in the bill. I wish they could clear that up from the standpoint of rural electric cooperatives.

Mr. Speaker, I yield back the balance of my time.

Mr. COLMER. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Speaker, it is with humility that I rise to speak on this matter. I have great respect for the members of the joint committee which reported out this bill. But I feel that this bill amending the Atomic Energy Act is the most important measure on which it has been my responsibility to vote since becoming a Member of the United States Congress. I read the report with care. I noted that the first sentence of the report says:

> The Joint Committee on Atomic Energy to whom was referred the bill, H. R. 9757, to amend the Atomic Energy Act of 1946, as amended, and for other purposes, having considered the same, unanimously report favorably thereon and recommend that the bill do pass.

Then as I read the rest of the report, I discovered that while there was unanimity in reporting the bill out that was where unanimity seemed to end. There was in fact very substantial dissent, particularly on the part of those who, as I understand it, were among those most often present at the hearings during the consideration of the bill.

There is, for example, dissent on the part of the distinguished chairman of the committee, joined by another member, with regard to the patent provisions. There is dissent on the part of a Member of the other body with regard to the international section and he is joined in that dissent by two of the Members of the House. Finally, there is extended dissent by two Members of the House of Representatives.

I am entirely serious when I say that I consider this to be the most important piece of legislation on which I have been called to vote. I think that this is a fundamental question involving the $12 billion of the people's money which has been expended in the development of this great new force.

The question which rises in my mind is not so much whether this provision is perfect or that provision entirely in the public interest but whether it is wise for the Congress of the United States in the closing days of a session, in the hectic, some might even say somewhat hysterical, time of the last few days of a congressional session to rewrite almost in its entirety the basic act which was passed by the Congress in 1946.

I reiterate that I have the deepest respect for the members of this committee whether they be Members of the House or of the other body, Republicans, or Democrats; but I cannot fail to state my own fear that we may well make a serious mistake by going even beyond what the President recommended and by passing this legislation hastily.

The decision we take in the next few days may be irrevocable. It seems to me imperative that on this issue of all issues we examine not only our hearts and minds but also our souls.

This is a fundamental issue of our time.

Our decision on this matter may well alter the course of history.

Mr. COLMER. Mr. Speaker, I yield the remainder of my time to the gentleman from North Carolina [Mr. DURHAM], a distinguished member of the Joint Committee on Atomic Energy.

The SPEAKER. The gentleman from North Carolina is recognized for 5 minutes.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that when the bill is considered in the Committee of the Whole I may include extraneous items and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. HOLIFIELD. I hope the gentleman will make the announcement that if the hearings are to be available to the House each Member must bring the hearings that was mailed to his office, in view of the fact that there will not be a supply, I am told by the staff, of the hearings available. So if any Member wants to refer to them he will have to bring his own copy.

Mr. DURHAM. Mr. Speaker, I had not intended to speak this afternoon on this measure, but since there have been, in my opinion, somewhat confused statements made about this legislation over the past few weeks, I feel it my duty as best I can to call to the attention of this body the importance of this measure which is before us at the present time.

Our committee, which brought this measure to the floor of the House is, as you know, composed of 9 Members of the House, and 9 Members of the Senate. Up to this time it has been a committee which has not acted in a partisan way at all, or on a political basis. I believe every Member will bear me out that that is true.

Today we are faced with a far more important thing in this bill than what has been taking all of the time for the past week in the other body, in my opinion. I hope that every Member of this body will read the five principles of international relationship that the President laid down a few weeks ago. Whether we are Republicans or Democrats, at this hour in the period of our history we owe allegiance, I think, to those things that go far deeper than some little issue that involves a little matter here at home. He said:

First. No people on earth can be held as a people to be an enemy, for all humanity shares the common hunger for peace and fellowship and justice.

Second. No nation's security and well being can be lastingly achieved in isolation, but only in effective cooperation with fellow-nations.

There is a big part in this bill that bears on that point.

He said:

Third. Any nation's right to a form of government and an economic system of its own choosing is inalienable.

Fourth. Any nation's attempt to dictate to other nations their form of government is indefensible.

Fifth. A nation's hope of lasting peace cannot be firmly based upon any race in armaments, but rather upon just relations and honest understanding with all other nations.

There is a big part of this bill that bears on that very point.

President Eisenhower next presented his point 6. It was a proposal for world cooperation to promote peace and progress in all countries, as follows:

This Government is ready to ask its people to join with all nations in devoting a substantial percentage of any savings achieved by real disarmament to a fund for world aid and reconstruction. The purposes of this great work would be: To help other peoples to develop the undeveloped areas of the world to stimulate profitable and fair world trade, to assist all peoples to know the blessings of productive freedom.

The monuments of this new kind of war would be these: Roads and schools, hospitals and homes, food and health. We are ready, in short, to dedicate our strength to serving the needs, rather than the fears, of the world.

This bill has a large part in carrying out that program.

There are two important things in this measure, in my opinion, when we talk about whether or not this bill should be considered. I may say to the gentleman who just preceded me that a letter was written, when I was chairman of the committee, 2 years ago this July, to the Commission asking for a report, provided for under present law, known as section 7B report. That letter is a matter of record. This committee has been continuously considering this measure since that time.

When we first wrote this measure we wrote it on a theoretical basis. We did not have anything at all to hang our hats on except what we inherited from the War Department; therefore I think it is important to the Nation, it is important to the world, that we at this time look at the act, after spending some $12 billion, and try to see what we can do with it for humanity.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. NICHOLSON. Mr. Speaker, I yield the gentleman 2 minutes.

Mr. DURHAM. Mr. Speaker, those are the points I would like to call the Members' attention to. Let us forget all of these side issues that may be brought in. I do not agree with them all. I think some should not be in this bill. I do not agree with them, but they are here and they have been made an issue. Let us rise to a point above this little petty partisanship, and not talk about whether we are going to build a spite fence in somebody's backyard. I do not like that.

The situation that calls for our attention is whether we are going to cooperate with our allies in trying to work out some means in case of attack which today would result in a state of confusion unless we do something about it. The other matter is trying to cooperate with the world. This is no giveaway program as has been charged. That simply does not exist in this bill. When you get down to studying this measure you will find it is not a giveaway program. Every ounce of the fissionable material that is held, whether we loan it to some college in New York or some college in my own State, which we have done, or whether we loan it to our allies, is still retained in our right and ownership and we can pull it out and use it any time we want to. The only thing that is involved is probably some engineering skill which, in my opinion, most of the countries have and it is well known at the present time. It is just assistance to try to get some of our allies back on their feet, and in my opinion it will cost very little compared with what we have been spending in cash. Now, I hope that on tomorrow when the debate is on that we will not forget the main issues in the bill, because I feel it is highly important that this measure be enacted at this session of the Congress.

Mr. NICHOLSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPEASEMENT UNLIMITED

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks, and to include an article.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, not so many years ago, the people of the world heard the cry "Peace in our time." This was the cry of Neville Chamberlain, the British participant in the infamous Munich sellout of central Europe when he arrived at London Airport following that conference. We all know that the Munich conference was the opening act in a series of inevitable events leading up to World War II. It was not long after the Munich Conference that Hitler's appetite for conquest and aggression took the German people into an all-out invasion of Poland. This aggression set off World War II.

Today we are hearing the cry of "Peace in our time at any price." This was the guiding slogan of the French and British at the recently concluded Geneva Conference. We all know that the Geneva Conference resulted in a complete sellout of all that is dear to all liberty-loving people in the free world and those many millions who yearn for

freedom who are now held captive within the Red colonial empire. The results of the Geneva Conference are far more grave than the consequences of the infamous Munich Conference. The strategic importance of Indochina to the security and freedom of all of free Asia is well known to the Members of this House. We all know, for example, that Japan has historically depended upon the rice stocks which come from that area of Indochina which has now been handed over to the Communists. This means that free Japan will be compelled willy-nilly to do business with the Communists in Viet Minh. But perhaps more important than that is the blow this will strike at the hope of the millions of people behind the Iron Curtain who have been anxiously awaiting the defeat of Communist aggression by the West. The results of the Geneva Conference can bring them only a message of despair because the West has failed miserably to stop Communist aggression.

The United States cannot escape responsibility for the sellout at Geneva. Secretary Dulles was correct when he withdrew from the Geneva Conference, recognizing the sellout that was then in the making. The unfortunate return of Under Secretary Smith who, from the statements he made in Geneva, made it clear that he did not personally relish the task that was laid upon him, nevertheless makes us a party to the defeat and sellout at Geneva.

Yesterday there appeared in the Washington Star a column by Constantine Brown which puts into perspective the real issues at Geneva and the penalties the free world will pay for the failure of its leading statesmen to stand up against Communist aggression. Under unanimous consent, I include in the RECORD the column of Constantine Brown:

SOLD INTO COMMUNIST SLAVERY—GENEVA TUG OF WAR IS REGARDED ONLY AS A VICTORY FOR REDS AT EXPENSE OF 20 MILLION INDOCHINESE

(By Constantine Brown)

The gigantic tug of war played at Geneva has ended in a complete victory for the Reds. The rights of some 20 million people who wanted to live free—free of Communist domination and French colonialism—have been trampled under foot by the great powers.

The cries for justice by the representatives of the Vietnam were drowned by the advocates of peace in our time at any price, and by the Reds, who were holding them up at pistol point. The policeman of the world, the United Nations, was strangely silent. The appeals of the Indochina people for U. N. control at least of the so-called armistice terms were scornfully rejected by the very founders and charter members of that peace-loving organization.

One of the Soviet members is reported to have said at Geneva:

"This is a he-man's job; not one for an old woman."

Ever since the parley opened last April, the Communists have never yielded an inch. While the western representatives were running in circles, smiling, courting, and kowtowing to the new diplomatic star, Peiping's Foreign Minister, Chou En-lai, his Soviet colleague and mentor, Molotov, has maintained a stern attitude.

The "after you Gaston" act of Bidault (and later Mendes-France) and Eden was accepted literally by the Communists. They did take precedence at all the functions held at the conference.

Judging from what has been released, so far, in connection with the armistice terms, Geneva will go down in history as a diplomatic catastrophe worse than Munich. It also may have more far-reaching consequences.

The fighting in Indochina is about to end, and so are the hopes for freedom of its 20 million people.

The deal was made across the diplomatic table by nations which claim to be defenders of freedom.

They sold their one-time wards to the ruthless Communist dictatorship. They provided Communist China with complete control over the Breadbasket of Asia, and also with strategic points in the South Pacific, from where they can eventually wage war against the remaining free nations, including the United States, with greater expectations of success.

The strategic importance of Indochina is so considerable to us that when the Japanese early in 1941 began to move toward that country, Secretary of State Cordell Hull sent a stern note of warning to Tokyo.

Today, the peninsula has more importance than in the past. Japan, which we are now striving to keep on our side, depends to a large extent for her food on rice imports from Indochina.

France and Great Britain, with our approval, have handed the richest portion of Vietnam to the Communists. It won't be long before Peiping tells the Japanese to give up their association with the United States or else they will suffer unbearable economic consequences.

What puzzles many American observers is the reason which prompted sending such a high-ranking diplomat as Undersecretary of State Walter Bedell Smith back to Geneva. Mr. Dulles had followed a healthy instinct when he quit the Conference, and ordered, shortly after his departure, his deputy to come home, too.

He rushed back to Paris for 2 weeks at the pressing request of the French and British to talk over apparently, the creation of a South Pacific pact for the purpose of preventing any further Communist advances in the south.

The terms of the armistice leave no doubt, however, in anybody's mind that the whole of Indochina is doomed.

According to Geneva reports, neither southern Vietnam nor Laos and Cambodia will be permitted to join any coalitions such as Mr. Dulles had in mind. Yet, despite the warnings at Geneva by lesser American officials that France and Britain were determined to sign an appeasement contract, Mr. Dulles last Friday ordered Undersecretary Smith back to the "Swiss Munich." His presence is bound to be viewed by free Asiatics as a tacit American endorsement of the sellout of Indochina to the Communists.

The Secretary of State explained to some friends in Congress that this "gesture" of sending General Smith was necessary to patch up our difficulties with France and Great Britain. Mr. Dulles could not refuse the pressing demands of our allies without threatening allied unity.

Congressional leaders of both parties, who are so bitterly opposed to our surrender on the Far East, question however, the wisdom of Americans condoning the selling of another large batch of free peoples into Communist slavery.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the special order I had for today be vacated and that the time may be transferred to tomorrow.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

DISABLED VETERANS AND SPANISH-AMERICAN WAR VETERANS AND DEPENDENTS

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I am profoundly disappointed that section 3 of this bill as adopted and reported by the Committee has been for some quite unexplainable reason lifted out of the bill before us. I would not seek to divine or impugn the motives of those responsible for this strange and deplorable action.

If so-called economy was the aim—economy based on penurious treatment of the gallant veterans who bled for this Nation, their widows, their orphans, their helpless dependents, those brave veterans of the Spanish-American War and their dependents along with the others because they are just as much entitled, it is something entirely beyond my comprehension.

Penury at the expense of the wounded, the battle-scarred, the war-tattered, the shell-shocked, the mentally afflicted, the poor helpless widows and orphans, those inarticulate ones unable to plead for or help themselves, is particularly regrettable, in fact, it gives me feelings of shame for the Government willingly to turn its back upon those to whom it owes the most.

Do you remember Churchill's great words, "Never have so many owed so much to so few"? Well, it is applicable here as well as to the brave English lads of whom they were first uttered. We, too, are indebted to our war heroes. We owe them a debt we could never possibly pay, but instead we are paying them off in soft talk about economy and mere meager pittances.

Economy is the watchword of this bill. Economy for whom and for what? Economy of intelligence and prudence and stability? Economy of measure and calculation and fairness? No, indeed. This is an economy of moral obliquity and ethical astigmatism and no one can make anything else out of it. Think of it, the great Nation that has poured out a steady, lavish stream of gold and treasure of more than $100 billion to help foreign nations grudgingly paying more than a paltry mite to the very ones who saved the Republic with their limbs, their sight, and their blood, and their suffering loved ones and orphans. If I must confess an absorbing astigmatism of my own in not being able to comprehend this great paradox, then I hope I may be pardoned and understood.

Because are we now living in the age of the paradox—the moral and economic paradox—hospitals for the rest of the world, none for America, full armaments

for NATO, limitations upon our own naval vessel and aircraft construction, with American funds for foreign nations, stagnation and unemployment in Charlestown and Quincy, Mass., and other places in our land where these implements are made?

So much for statements of generality somewhat pertinent to the paradox of veterans' legislation facing the House today. There is a ray of light. There is some small benefit to the disabled and their loved ones. The relief provided is meager, indeed, and it is not extended to cover all those it should cover. It is not enough to meet current conditions and costs. But it is something—a half loaf is better than none, and it is in that belief, not satisfied at all with the niggardly degree of help that I will support this measure.

I wonder when we will come to a fitting realization of basic ethical values evidencing our gratitude and the Nation's gratitude to veterans. And I wonder especially that when war comes again with what enthusiasm or otherwise young men will rally to the dread, but urgent, all-significant call that will determine whether freedom lives or not, who see before them today our indifference and picayune treatment of veterans of our previous wars and their dependents.

Much of the great sums we have spent for veterans has been used wisely and well. A great deal more has been poorly administered. But the real pity is that in time of gigantic generosity to others in foreign lands we have done and are doing so relatively little for our own country and our own disabled veterans and those dearest to them.

POSTAL FIELD SERVICE EMPLOYEES

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I am very sorry that this important measure comes to the House in this way and in this form. I cannot possibly subscribe to it as it is presently constituted. It is not my purpose to question the legislative policy and strategy behind this measure except to state that I heartily disapprove of the failure to accord Members of the House an opportunity to be recorded on the separate, distinct provisions of this bill.

Various reasons are assigned to account for this single-package measure embracing not only postal-pay raises but rate increases and reclassification features as well. Primarily it is asserted that funds must be provided by the House to pay for the pay raises. I would normally have no quarrel with such fiscal procedure if it were logically and impartially pursued. But of course it never is and probably never could be. I noticed that the foreign-aid bills, NATO, European defense, mutual security, and other such measures never carry such requirements. The Congress manages to find plenty of money to meet these multi-billion-dollar authorizations. In fact, now that the matter of fiscal balance and the principle of pay as you go has been stressed here as a basis for legislation, I might suggest that the Congress vote generous pay raises over and above the rates of the pending bill for postal and generally classified Government workers and then pay the cost of such well-merited increases by deducting necessary funds from foreign military and economic relief measures. In the light of Geneva, Indochina, and other recent changes in the world picture and the shift of our so-called allies toward Soviet orientation, we would be not only justified but very wise to restrict further foreign expenditures until we know where we stand. That would be reappraisal and a realistic approach to some solution of our present very pathetic international plight.

Be that as it may, I favor adequate pay for postal and Government workers to bring their wages and salaries up to the decent levels and standards of comparable positions in private industry. I am prepared to vote in favor of such increases on a generous and fairminded basis.

I am opposed to postal-rate increases at this time as proposed by the bill. I do not desire to argue this question at length. In brief, I believe that the present rates, particularly those on first-class mail, are high enough. To increase them further, having in mind that the post office is a public service devoted to the public welfare in so many respects, would be an imposition upon business, the press, and the general public which I deem unnecessary and highly undesirable.

To tie postal-rate increases to meritorious and richly deserved pay raises for postal workers is an injustice, an anachronism, and an economic fallacy. If such a principle is adopted, what sources can be tapped to pay for raises for other Government employees whose departments are not revenue producing. Obviously the only answer is that as to all pay bills as well as other activities of the Federal Government we must look to the general revenues of the Government.

Let me state that I have high and special regard, esteem, and pride for and toward our faithful postal workers. They have difficult jobs requiring high standards of diligence, steadiness, reliability, and ability. Their contributions to the Nation are very great and would be difficult entirely to measure. The record clearly shows that there is a serious, substantial lag in their pay scales which in my judgment should now be corrected.

This can be done only by enacting the original Corbett bill, or some similar measure. I hope the leadership will promptly bring this or some other suitable bill to the floor so that this House can do what it overwhelmingly wants to do, namely, extend just, generous consideration to the postal workers and soon thereafter to all Government workers as well.

VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to state that the Committee on Veterans' Affairs has been flooded with regrets and protests because the money for the so-called non-service-connected cases and for the Spanish-American War widows was stricken from the bill H. R. 9020 yesterday. Judge MACK introduced a bill to take care of those cases, and I believe firmly that the House and the Senate in their wisdom will pass that bill and the President will sign it before we adjourn. I do not think the Members realize that those people are so dependent on this money which was given to them by law, and certainly if we can increase everybody else, all of the Government employees, we should give those people, who are very seriously disabled, the same consideration.

RE ADMISSION OF CERTAIN CZECHOSLOVAK AND HUNGARIAN CHURCHMEN AS DELEGATES TO WORLD COUNCIL OF CHURCHES CONFERENCE

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, in its press release No. 390 of July 17, the Department of State has stated that Secretary Dulles has recommended to the Attorney General that 11 churchmen from Communist Czechoslovakia and Communist Hungary be admitted as delegates to the second assembly of the World Council of Churches which is scheduled to meet at Evanston, Ill., the last 2 weeks of next month. There are other Protestant Church conferences at Princeton University and at Chicago this summer which these individuals may be expected to attend.

The Department admits that some or all of these delegates may have found it possible to reconcile their faith with public support of communism. The Department feels, however, that all invited delegates who are admissible under the law should be permitted to attend these meetings since their conduct will reveal whether they come as churchmen or as propagandists of an aggressive and materialistic philosophy fundamentally hostile to religious faith. The Department also expresses the hope that the meetings may have a beneficial effect upon these delegates and perhaps act to lend a spiritual strengthening of the Czechoslovak and Hungarian churches in the face of Communist pressure.

Mr. Speaker, I have discussed this problem with high officials of the State

Department as well as with certain prominent churchmen, members of the National Council of Churches of Christ in this country. I have attempted to carry on these discussions in a friendly, constructive manner but I have been firm in my expressed belief that the admission of these people would be a tragic catastrophe and would do incalculable harm to the best interests of this country and indeed of the entire free world.

I am assuming that these aliens would be mandatorily excludable from this country under the provisions of section 212 (a) (28) of Public Law 414, otherwise known as the Immigration and Nationality Act of 1952, and that they are being temporarily admitted in the discretion of the Attorney General under the provisions of section 212 (d) (3) of the same legislation.

I am not believing that these aliens would present any risk to the national security of this country from the standpoint of either espionage or sabotage—they are, I am sure, coming simply as propagandists for their cause. Neither am I concerned primarily over their possible influence upon the people of this country or upon the majority of delegates from other free countries of the world. What does cause me grave anxiety, Mr. Speaker, is the effect this will have upon the peoples now living in Communist slavery, especially in the countries of Czechoslovakia and Hungary, peoples whose liberation we have officially pledged ourselves to anticipate and hope for. I fear the shock to these people and to the cause of anticommunism everywhere behind the Iron Curtain will be tremendous.

In 1950 a religious conference was held at Luhacovice in Czechoslovakia which was attended by alleged representatives of many faiths from both East and West Europe. Among those in attendance, it should be noted, was Dr. Hewlett Johnson, the notorious Dean of Canterbury. Also present and taking a prominent part in the proceedings were Bishop Josef Hromadka and Dr. Viktor Hajek of Czechoslovakia and Bishop Albert Bereczky of Hungary, all of whom are among the delegates expected at Evanston next month. This conference adopted a unanimous resolution from which I would like to quote a few brief excerpts:

> We condemn with all the strength at our disposal the ungodly plans of the Western Powers, who in their futile attempts to prevent the victorious ascent of Socialist ideas want to plunge mankind into a new war catastrophe. These enemies of the peace of mankind, in the hope of lengthening the life of their immoral exploitive system, have resorted to the loathsome method of frightening the peace-loving peoples with the atom bomb. * * * We are Christians, preachers of Christ's teachings of love and peace and therefore we are for peace. This is why we are proud to declare ourselves part of the great peace camp, led by the Soviet Union. * * * We are confident that we will best serve the cause of peace if, in accord with the will of God, we devote all our priestly endeavors to helping our working people to build up socialism, the victory of which is also a guaranty of lasting peace among nations.

I might add that literature containing a comprehensive report of this Luhacovice Conference, including the text of the resolution from which I have quoted above, this literature has been circulated in this country by the Communist Czechoslovak Embassy here in Washington, which should clearly show the close ties between the Communist Government in that country and the so-called church delegates who are coming to the United States shortly from Czechoslovakia.

Mr. Speaker, I cannot believe that individuals who have subscribed to statements such as these can make any contribution to the church conferences in question.

I am not acquainted with the backgrounds of the other Czech and Slovak delegates, Bishop Chabada, Bishop Varga, Mr. Ziak, and Dr. Michalko. I do know something, however, of the Hungarians who are, in addition to Bishop Bereczky, Bishop Dezsery, Bishop Veto, Bishop Peter, and Dr. Papp. When I declare that all of these Hungarian Delegates are and have been thoroughgoing collaborators with Soviet communism, I assume the same to be true of their Czechoslovak brethren.

Mr. Speaker, if these individuals were free agents in any sense of the word, I would be among the first to welcome them to our shores. But they are not and cannot be free in any sense of the word. Either they must be devout, fanatical Marxists or they have close relatives in their homelands or they are exposed to some other form of pressure that must merely leave them as obedient automatons in the propaganda service of the Communist governments who have risked exposing them to the Western World.

The Department of State cherishes the hope that their visit here may serve to strengthen the Czech and Hungarian Protestant churches in the face of Communist pressure. Just how naive can one be? Far from having any salutary effect upon the people of Czechoslovakia and Hungary, the knowledge that these servants of world Communism who masquerade as men of God are coming to this country to advocate cooperation between the churches of east Europe and those of the free world and to promote the new Communist line of cooperation can have only a crushing blow to the hopes of those millions of anti-Communists behind the Iron Curtain who look longingly to the free world for the day of their liberation.

Mr. Speaker, I have the privilege and honor to be a member of the so-called Kersten committee which the Congress authorized last year to investigate the question of the communization of the Baltic States. This year the committee is working diligently on the investigation of the communizing of other satellite nations of east Europe. The Hungarian phase of our hearings, for example, is scheduled to open in Washington on August 20.

All of our witnesses have spoken, many times from first-hand experience, about the persecution of all forms of organized religion behind the Iron Curtain. Such revelations have been of considerable value and, I feel, have been well worth the money appropriated by the Congress for this purpose. The State Department also has endorsed our findings. But now the same State Department is admitting these Communist delegates to our country on behalf of the cause of organized religion when the truth is that they speak for no one except those atheists who control the governments of their homelands.

Think of the field day that their presence here will give to the propagandists of world communism. Imagine what a Czech or Hungarian will believe when he learns that these arch collaborators have been welcomed by some of the highest religious leaders in our land, to say nothing of the possible participation of national figures from other walks of life.

Mr. Speaker, I say that the participation of these false churchmen in our religious conferences is a shame and an affront upon those other Czech and Hungarian religious heroes who attempted to oppose the Communists and who suffered imprisonment or worse as a result. I do not confine my remarks to the well-publicized cases of the high Roman Catholic prelates. There have been many Protestant martyrs as well. I mention the case of Bishop Lajos Ordas of the Hungarian Reformed Church who was imprisoned while I was in Hungary because he would not sell his services to the cause of world communism. When we admit men like Bereczky and Hrowadka as representatives of their churches to our shores, we sully the memory of those brave individuals who have suffered in defending the cause of religious freedom behind the Iron Curtain.

It has been suggested to me that the Conference of the World Council of Churches at Evanston may issue a sweeping denunciation of international communism. I hope that this may be done. But I understand that a report which has been prepared by a committee of Protestant theologians for submission to the conference criticizes both communism and democracy with equal fervor. In discussing the report, the New York Herald-Tribune in its June 15 issue said:

> Democracy was accused of harboring inequality, injustice, discrimination and aggression and of "relying on naked power."

If this report should be adopted by the full conference, the Communist propagandists will know what to include and what to omit when they return home to "strengthen their churches" as the State Department puts it.

Mr. Speaker, the Communist connections of these Czech and Hungarian delegates are well known to and admitted by the State Department or there would have been no need for consultation with the Attorney General. Obviously, the Communists are only going to send delegates who are thoroughly reliable and who can be thoroughly controlled. The incredible naivete and persistent refusal to face realism on the part of the Department is most disheartening to one who, like myself, hoped far better things from the new regime.

When the Department hopes that spiritual contacts in this country might have a beneficial effect upon the Communist delegates and might make them more aware of their responsibilities to the peoples of their own countries, it is in effect destroying much of the work of combating Communist propaganda that our own organs, such as the Voice of America and Radio Free Europe, are carrying on. The State Department in recommending the admission of these delegates is hampering and sabotaging the work that so many of us are trying to do in exposing the real truth about international communism, the real truth about conditions behind the Iron Curtain, the real truth about the world menace we face today at home and abroad.

I am not crying "treason, treason" when I speak so. I am not accusing either the National Council of Churches of Christ, of which my own church is a member, or the State Department of being infiltrated with Communists who have engineered this accomplishment. But I do say that there are those in authority in both places who are blinded by their naivete, who stubbornly refuse to face the facts, who persist in an incomprehensible course of nonrealism. Those of whom I speak are persons, especially in the State Department, who should know better than to persist in this foolish attempt at peaceful coexistence and cooperation with international communism and its disciples. As our speaker said on July 9: "What possible chance is there for coexistence of this outlaw conspiracy alongside a civilization based on truth, trust, and faith, on freedom and the individual dignity of man"?

Mr. Speaker and Members of the House, certain of my colleagues and I recently spoke in our minority report on the mutual security program of the need for this country to exercise a spiritual and a moral leadership worthy of a great heritage and a great people. I stand here before you and say that a compromise with evil which admits these Communist delegates to our shores in the name of organized religion, that such a compromise is an abnegation of that moral leadership which the entire anti-Communist world is looking to us to provide. And I say shame on any who have lent themselves to the practice of this betrayal.

REVOLUTION IN RUSSIA

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include additional matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, when a Russian diplomat or a Red spy is chosen to operate inside the free world, his loyalty to communism has met all the incredibly thorough checking of the Reds.

After 12 successful missions behind the Iron Curtain, author-lecturer John Morley said:

No one is approved for clearance outside Russia unless his record and credentials are checked and rechecked by one of the most secret departments of the Soviet Union.

And he concluded:

So when one of these "approved" Reds voluntarily escapes to the West, it's a sure sign that something critical is brewing behind the Iron Curtain.

Does this mean there are some weaknesses in the Soviet empire that may be exploited by the Free World for ultimate victory in the struggle against Communist aggression?

Very definitely—if there is substance to data filtering out by devious channels from behind the Iron Curtain which I am summarizing today. Naturally, it is impossible to recheck the sources of this information, and I do not certify its accuracy. My purpose is to lay it before you for your own evaluation.

However, important confirmation of much previously unsubstantiated intelligence was made in a dramatic fashion recently by one of these "approved" Red escapees. He is Nikolai Khokhlov, a former Soviet secret police agent.

Sent to West Berlin to murder an important foe of the Soviet regime, Khokhlov instead surrendered to his intended victim. On May 21 of this year Senator WILLIAM E. JENNER'S International Security Subcommittee Investigating Soviet Assassination and Terrorism interviewed him.

Here in part, are his responses to questions by Senator JENNER and the subcommittee's chief counsel, Charles P. Grimes:

Mr. GRIMES. Now, it is true, is it not, that you have been an officer of the MGB for some 13 years?

Mr. KHOKHLOV. I was a collaborator, that is, a worker with the MGB, and the officer's rank I have had since 1950, since September 1950.

Mr. GRIMES. Now, what is the MGB and its predecessor, the NKVD, will you please explain?

Mr. KHOKHLOV. The MGB is a service which is engaged in the affairs of intelligence and counterintelligence. This service is engaged in sending agents abroad and in countering the activities of enemy agents.

When this organization exists alone, its name is MGB. When this organization is merged into a ministry of internal affairs, then its identity, or the name is lost, and it becomes a part of either MVD, or as it was NKVD.

Mr. GRIMES. NKVD was the original name?

Mr. KHOKHLOV. Before that, there was also another name, NKGB, which actually was the same.

Mr. GRIMES. Did you belong to any particular branch of the MGB?

Mr. KHOKHLOV. Yes.

Mr. GRIMES. What branch was that?

Mr. KHOKHLOV. During the war, the name of this service was the Fourth Administration. Then its official function was the partisan, that is the guerrilla warfare, with the Germans.

After the war, the name of this service was changed to the Bureau No. 1. It was stated officially that the purpose of this bureau was preparation for training for the future partisan warfare.

In 1953, this service once again was renamed, and this time it was known as the Ninth Section.

However, it is known to me for certain that the real purpose of this organization for all this period was diversionary activities and terroristic work for the Soviet benefit abroad.

Mr. GRIMES. Will you please describe what the terroristic activities abroad consisted of?

Mr. KHOKHLOV. In the official language of the MGB, official terminology of the MGB, the term "terroristic activities" means the implementation of directions dealing with the assassinations or murder of individual persons.

Mr. GRIMES. And what does the phrase "diversionary activities" mean as used by the Soviet Government and your agency and department?

Mr. KHOKHLOV. Diversionary activities include sabotage, organization of explosions, fires, in harbors and other installations, and the sabotage in plants, destruction of different types of war prdouction, throwing bombs in various cities in order to create panic, this is basically all.

The CHAIRMAN. Now, I want to ask how extensive is this organization of MGB? In how many countries is it operated to your knowledge?

Mr. KHOKHLOV. This is a very extensive organization, and one could say it covers all countries.

The CHAIRMAN. I want to ask if they have an American desk, this terrorist organization?

Mr. KHOKHLOV. Yes, within this organization, there is a certain section which is engaged in work on America.

The CHAIRMAN. Are you a member of the MGB?

Mr. KHOKHLOV. I am an officer of MGB.

The CHAIRMAN. Are you now?

Mr. KHOKHLOV. No; not since the moment of defection, I am not or have not been an officer.

The CHAIRMAN. Did you refuse to carry out an assignment to commit murder?

Mr. KHOKHLOV. Yes; I refused, I never performed the assignments to murder.

The CHAIRMAN. Why?

Mr. KHOKHLOV. Because I consider that the murder or assassination is a crime against religion and conscience.

Mr. GRIMES. Would you please state the events from the time that you received this assignment, where you received it, when you received it, and who gave you this assignment?

Mr. KHOKHLOV. I received an assignment on the organization for the assassination of Okolovich in the beginning of October 1953.

Mr. GRIMES. Who was Okolovich?

Mr. KHOKHLOV. One of the leaders of the emigre movement known as NTS.

The CHAIRMAN. What does NTS stand for?

Mr. KHOKHLOV. National Labor Work Alliance.

Mr. GRIMES. Is it really an alliance of workers, or is it something else?

Mr. KHOKHLOV. No; this alliance unites the most diversified strata of people.

Mr. GRIMES. Are they all emigres from Russia?

Mr. KHOKHLOV. Yes.

Mr. GRIMES. What is their purpose?

Mr. KHOKHLOV. To carry out a revolution in Russia and to replace the present regime with the one that would be more free.

Mr. GRIMES. Has this organization been in existence, to your knowledge, since the 1930's?

Mr. KHOKHLOV. Yes; approximately since that period.

Mr. GRIMES. Is it a large organization insofar as you know?

Mr. KHOKHLOV. Yes; it is a large organization.

Mr. GRIMES. What is the basis of your knowledge of this organization?

Mr. KHOKHLOV. The data that are in the possession of the MGB and the data that was given to me for my knowledge by my superiors.

Mr. GRIMES. And you had to study it intensively; did you not?

Mr. KHOKHLOV. Yes.

Mr. GRIMES. Mr. Khokhlov, you have testified about your assignment to head the assassination group of Mr. Okolovich and your study of the dossier of the NTS.

Did not the dossier presented to you as a preliminary step also contain a file on Okolovich himself?

Mr. KHOKHLOV. Yes, there was a special dossier on Okolovich in this file which gave detailed information covering all aspects of Okolovich's personal life to the extent which was known to Soviet Intelligence Service.

Mr. GRIMES. Did you learn from that file, or otherwise, of previous attempts made against Mr. Okolovich and Mrs. Okolovich?

Mr. KHOKHLOV. Yes, I knew the whole story, the complete story of attempts to assassinate Okolóvich and also attempts to kidnap him.

Mr. GRIMES. Had there been an attempt to kidnap his wife also, do you know?

Mr. KHOKHLOV. No; they did not make any attempts to kidnap his wife. It was merely planned to kill her in case she interfered.

Mr. GRIMES. Not to kidnap; just to kill her if necessary; is that it?

Mr. KHOKHLOV. Yes, precisely.

Mr. GRIMES. Now, will you tell us, please, about this assignment, starting with when you first received word that this was to be your assignment?

Mr. KHOKHLOV. This assignment was given to me at first by my direct superior, Colonel Studnikov.

Mr. GRIMES. And who in turn was his superior?

Mr. KHOKHLOV. Panyushkin.

Mr. GRIMES. Panyushkin was the former Ambassador to the United States of America from Soviet Russia; is that correct?

Mr. KHOKHLOV. Yes; this is precisely so.

Mr. GRIMES. And you know that to be the same man who was our Ambassador here for some 5 years?

Mr. KHOKHLOV. Yes; this was the story mentioned within the ministry.

Mr. GRIMES. Now, what precisely was your assignment as given you by Studnikov?

Mr. KHOKHLOV. Studnikov told me that I am given an assignment to organize a liquidation of one of the most distinguished Russian emigres, who was the most dangerous enemy of the Soviet power.

I myself was categorically forbidden to assassinate him personally, inasmuch as I was the leader of this operation, the organization of the assassination. I was supposed to recruit two German agents to carry out the assassination. These men were to be selected from the personnel of the agents whom we had available in Eastern Germany.

Furthermore, I had to prepare the documents for them, to prepare the story for them, and order the weapons for them, and take steps to organize their trip to Frankfurt.

Furthermore, I was supposed to give them instructions as to how the plan should be implemented. I was supposed to give them instruction as to how approximately the deed had to be carried out.

For this purpose, several agents of Eastern Germany, and those who were in Western Germany, were given to me for my disposal. I had to send them to collect information and data on Okolovich and for taking pictures of the place of Okolovich's residence.

Such was the basic assignment in its main parts. As to the details, I had to work them out myself.

Mr. GRIMES. Now, in connection with that, were you given a file on the NTS to study?

Mr. KHOKHLOV. Yes; so that I would have the precise idea as to what this organization is.

Mr. GRIMES. Now based upon the file which you were given to study, in connection with this assassination assignment, what did you discover as to the purposes and effectiveness of the NTS, the National Labor Alliance?

Mr. KHOKHLOV. On the basis of my study of the material that was in the file that was turned over to me, and on the basis of the so-called briefing which was issued on the 5th of November 1953, I could come to a conclusion that MGB, in this particular case, considers that the NTS is a very strong organization in carrying its fight against the Soviet Union.

Mr. GRIMES. According to that information, do they carry on their fight against the Soviet Union preliminarily, as you have testified, to an ultimate revolution?

Mr. KHOKHLOV. NTS has a large volume of propaganda literature, such as bulletins, individual sheets, newspapers, and books, which it disseminates in the territory of the Soviet Union and the countries of people's democracy.

Mr. GRIMES. Based upon your intelligence information, how do they get it into Russia?

Mr. KHOKHLOV. They have their own cells and that is small organizations within the ranks of the Soviet Army and in the Soviet Union. For liaison with these cells, the NTS sends a large number of couriers regularly who cross the frontier and go to both the territory of the Soviet Union and the territory of the so-called countries of people's democracy.

Mr. GRIMES. Does he mean the satellite countries?

Mr. SEREBRENNIKOV (the interpreter). Yes, of course.

Mr. GRIMES. Apart from the many couriers which you have testified crossed the Russian border in behalf of the NTS to bring propaganda leaflets and other items of propaganda in, do they use the method of balloons to convey propaganda messages into Russia and into their cells within Russia?

Mr. KHOKHLOV. This method has been written up in the newspapers, but this method was not a subject of the investigation on the part of the MGB.

The MGB was interested in the work of agents, and the data on the activities of the agents I had in great quantity.

Mr. GRIMES. Were some of the agents of the NTS who crossed the border and went into Soviet Russia apprehended?

Mr. KHOKHLOV. Yes, a certain number and a certain part, certain agents were tried officially; and other agents just perished without a trace behind the prison walls of the MGB.

Mr. GRIMES. What position did Okolovich occupy in the NTS?

Mr. KHOKHLOV. He was a leader of the so-called activities, which can also be translated as secret activities.

Mr. GRIMES. Will you describe the closed or secret activities?

Mr. KHOKHLOV. First of all, this work consisted of sending personnel, which means that first you had to select, to train them, and to train them in work, and to instill in them the spirit of the organization, and finally to brief them and to train them as to how they can accomplish the task with which they are charged.

Mr. GRIMES. To send the personnel into Russia itself, as well as the satellite countries?

Mr. KHOKHLOV. Yes; also into Russia itself.

Mr. GRIMES. In a sense he, then, was in charge of the secret police of the NTS operating in very much the same manner that your branch operated for the Soviet Government; is that not so?

Mr. KHOKHLOV. He was the head and the soul of all secret intelligence work directed against the Soviet Union.

Mr. GRIMES. In a sense he was a sort of an opposite number of Panyushkin?

Mr. KHOKHLOV. Only with the great difference in their purposes, of course.

The CHAIRMAN. Panyushkin was an assassin and Okolovich was a propagandist; is that correct?

Mr. KHOKHLOV. This is precisely so.

Mr. GRIMES. Is it a fact that the Soviet Government very much fears the operations of the NTS?

Mr. KHOKHLOV. This is an absolutely exact fact.

The CHAIRMAN. What they really fear is the fact that they, the NTS, are Russian emigres, who have turned against Russia?

Mr. KHOKHLOV. Yes, of course; this is the most fearful thing for them, because this is the movement of the Russian people.

As evidenced by Khokhlov's testimony, NTS is an alliance of anti-Communist individuals and organizations. Extremists, moderates, and conservatives are all welcomed into the common cause.

As a consequence, NTS sometimes has been the target of criticism for the crackpot views of some of its members on subjects unrelated to liberating the people of Russia from the Soviet regime. Unbiased observers indicate, however, that NTS sticks to this primary objective with a remarkable singleness of purpose. They likewise feel that its secondary objective, establishing a democratic government adapted to Russian conditions and needs, is safe from extremist influences.

NTS has a following on both sides of the Iron Curtain. Its ideological basis is said to be Christian morals and recognition of human individuality. However, it is revolutionary in character because, knowing the nature of the Communist regime, it believes that nothing short of a revolution will destroy it. The NTS also believes that nothing short of a revolution carried out by the victimized people themselves will expose the nature of communism to the world.

Its program of action is:

First. To reduce the idea of revolt to terms generally understood and accepted by the people.

Second. To instruct the people how to fight; to develop leaders; and to speed up the formation of a revolutionary atmosphere.

Third. When the time is ripe, to overthrow the Reds and to substitute a democratic government.

To carry out this task, NTS has developed and put into practice a strategic plan adapted to conditions in a totalitarian state. It seeks to train and build a strong body of devoted and experienced revolutionary leaders to spearhead the revolt.

By various methods of underground propaganda the "molecular theory" of revolt described by Khokhlov is carried out. Individuals are encouraged to enroll in an organization, the members of which are unknown to each other except for cells or molecules of 2 or 3 trusted friends. One member only of each cell is known to one member only of another cell. As indicated by the testimony, to attain common aims and act uniformly, NTS couriers are in constant touch with these cells, passing along carefully planned instructions from revolutionary headquarters.

Aside from minor acts of defiance which can be carried on without too much risk, the present major effort by

these cells is the enlistment of like-minded, trustworthy individuals into new cells. The effort is stimulated by tracing symbols and slogans of the NTS on walls, railroad cars, and the like. In this manner individuals predisposed to throw off the Red regime are made aware that they are not alone. Moreover, the sight of such signs proves to the citizen that an act of defiance against the Government was committed with impunity. He realizes that anyone who takes elementary precautions can do the same without much risk of detection.

Since these symbols express a particular set of ideas and political principles, their constant appearance helps to organize thought and unite people into a coordinated effort. By the surreptitious tracing of an NTS symbol, the individual is actually voting not only against the regime, but for a determined and positive purpose.

NTS believes it is creating inside Russia a new and growing political force over which the Government has no control. The growth of such a force, they say, will instill a growing feeling of insecurity in the ranks of Government supporters and reduce their efficiency. Thus a double-pronged process of strengthening the resistance through united revolutionary thinking and weakening the Government's dictatorial power of oppression by demoralizing its machinery is underway.

NTS sees three basic stages in the process of revolution against the Kremlin:

The first, longest, and least conspicuous stage is the formation of these many, coordinated cells.

The second is a transitional period in which the development of cells is advanced enough to stir up some to open outbursts against the Government, but inadequate to support a general revolt. NTS expects these outbursts to be suppressed, but hopes such evidences of popular opposition will hurt the morale of the police organization which is supposed to control them. As these outbursts grow in scope and violence, the repressive measures of the police are expected to become less and less decisive.

The third and final stage of general revolt will come when the country is ripe for a planned and organized general uprising.

This analysis by the NTS is based on the existing situation in Russia. Such a contingency as war would introduce entirely new factors calling for an entirely new strategy.

There are some who believe events behind the Iron Curtain already have proceeded to the second, or transitional, stage. As outward signs of rising populace resistance they cite (a) the reluctance, and sometimes absolute refusal, of Soviet troops to take repressive measures during the East German uprisings in June, last year; (b) workers' strikes at heavy industry centers in Russia; (c) strikes, riots, and stubborn resistance to the MVD by inmates in a number of Soviet concentration camps; (d) subversive activity by students' political organizations in Moscow, Leningrad, and other large centers. Arrests were so many, and rumors so widespread, that the Kremlin had to break its curtain of silence and publish reports about them in its own newspapers, thereby acknowledging the existence of active anti-communism amongst the younger generation.

Stalin's death and the fall of Beria, it is claimed, seriously undermined the hypnotic power of Soviet propaganda myths. The myths of the indestructible unity of Stalin's loyal disciples of the invincibility of the MVD; and many others were exposed in all their absurdity. People began to realize that the monsters of the Kremlin and their MVD henchmen are but ordinary mortals after all.

The struggle for power between Malenkov, Beria, and others following Stalin's death, and still going on, is having its debilitating effect on the Red machinery of government another way, too. For it places every Red official in a tough spot. Big or little, he is constantly worried as to how he should behave in order to avoid suspicion and eventual vengeance from one of the rival factions.

Trained to demonstrate his loyalty through servility to his seniors and glorification of the supreme leader, he is at a loss how to meet the new situation. He knows what would happen if he glorifies a loser. Thus the Soviet official is no longer as efficient a servant of the regime as he used to be. His main preoccupation is to survive.

The plight of members of the MGB-MVD secret police organizations is even worse than that of the ordinary Soviet official. The purge of pro-Beria elements continues. Old hands, according to word from behind the Iron Curtain, prefer to play it safe. They refuse to use their initiative and imagination. Agents newly recruited to replace purged pro-Beria elements are generally inferior in quality and lack training and experience. Their work is crude and unreliable.

Exposure to anti-Communist literature, which it is their duty to collect, study, and criticize, also affects MVD and MGB men. It is interesting to note that Nikolai Khokhlov's tremendous respect for the NTS came almost entirely from his reading of the MGB dossiers on the organization. This general weakening of morale based on personal insecurity may help explain the unprecedented trek of MVD and MGB deserters to the West.

Conscious both of this increasing hostility from the population and a weakening in its police apparatus, the Kremlin recently embarked on a policy of concessions. Since totalitarian governments cannot go far along the path of reform, the effort backfired.

Soviet farmers began to spend more time in their own backyards and worry less about deliveries to the state. Soviet workers, disappointed with what they got, in many cases struck for more and actually got it because the MVD could not overcome their resistance. Amnesty to a few of the millions held prisoner by the Reds encouraged a general demand from concentration-camp prisoners for additional concessions, which again, the MVD proved powerless to deal with except by mass executions.

German prisoners of war who recently completed sentences at some of these camps report that the strikers even hoped the Americans would parachute weapons to them. Although the concentration camps submitted to force, these returned prisoners of war say the prisoners' resistance spirit has not been broken.

NTS appears to be highly encouraged by these events and claims a healthy share of the credit for bringing them about. Based on what it feels it has so far accomplished, NTS is making strenuous efforts to engage as many more individuals in its organization as possible. It seeks not only to draw civilians in its efforts, but boldly claims success in establishing revolutionary cells in the Red Army itself.

Since success or failure of an eventual open revolt depends on the quality of available leaders, NTS is said to direct much effort toward building up a large force of experienced revolutionary leaders and deploying them in strategical positions.

These elements are strictly forbidden to engage in any activities which could lead to premature disclosure of their anti-Communist connections. To reduce the danger of their exposure through betrayal they are isolated from contact with other NTS elements behind the Iron Curtain.

Khokhlov brought with him to the Jenner committee hearings two sample NTS propaganda pieces which were introduced into the record. One was a facsimile of a 100-ruble banknote on one side to attract attention to the anti-Soviet literature on the other side. The second was a handkerchief with a message printed on one side. They show the devious and various means NTS uses to spread its revolution propaganda behind the Iron Curtain.

If NTS claims are true, its printed propaganda barrage is a major effort indeed. Distribution of 9,693,350 propaganda pieces is claimed during 1951, another 11,220,000 pieces during 1952, and 17,847,130 during 1953.

Some of the propaganda pieces are in ordinary, undisguised leaflet form, as distinguished from the samples of disguised literature handed over by Khokhlov. They all contain basic information relating to the aims, nature, strategy, and tactics of the NTS. Two underground newspapers are of a similar nature.

Brochures and books dealing with ideological, political, and tactical problems and stories on revolutionary themes are bound inside innocent Soviet books, or in the covers of Soviet books. Facsimilies of major Soviet newspapers and magazines, railroad timetables, and similar publications containing concentrated or scattered propaganda material also are used.

Not only are such propaganda materials delivered by hand, dropped in public places, and otherwise manually distributed, but a number of mechanical devices and even balloons and rockets are used to gain wider clandestine distribution and protect individual NTS personnel from unnecessary risk.

As another means of spreading its views, NTS operates a mobile clandestine radio station known as Radio Free Russia. It operates mainly on Soviet shortwave frequencies.

Unlike the Voice of America, it is not inhibited by any diplomatic considerations. The station tries to transmit eight half-hour programs every day. Apart from such regular programs, the station interferes with Soviet radio programs and butts in on radio conversations between pilots of Red planes as they patrol over Germany.

During maneuvers tank crews can listen to it quite freely, and Radio Free Russia obligingly increases the number of its "wild" programs for their special benefit.

Deserters from the Red army claim the programs are very effective because it is the only radio station that teaches the soldier what he has to do and how he has to act to protect himself from the MVD.

The station is, of course, subject to Soviet jamming, but it changes frequencies every 5 to 7 minutes, asking listeners to try to relocate it by tuning. When it broadcasts on Soviet wavelengths, its main objective is to throw in a slogan or a caustic remark during pauses in Soviet programs whenever it has a chance.

Not overlooking any possibilities to ridicule the Soviet Government in the eyes of its slaves, NTS engages in a running battle of wits with the MVD. One of its most successful capers was pulled off when the Soviet Government purchased a large well-advertised shipment of oranges from Italy.

Underground agents of the NTS operating in Italy succeeded in placing artistically made imitation oranges containing propaganda leaflets in a number of the crates.

When the oranges were unloaded in Russia and prepared for delivery to retailers, the MVD was informed of the trick.

It immediately had all the crates opened and every orange cut in half. It had the satisfaction of fishing out every single leaflet, but the population, instead of long-advertised oranges, received small quantities of juice. A few grumbled, but the majority chuckled. Rumors travel rapidly in a country where all news is censored.

If only a small part of the "cloak and dagger" story I have related is true, there still remains ample evidence that revolutionary processes are developing in the Soviet world.

These processes are a natural consequence of the ideological, political, social, and economic bankruptcy of the Communist regime. Their development was inevitable; the call of freedom is in the heart of every enslaved person and it is irresistible.

In short, this is the great weakness of the Soviet regime that can be exploited by the free world to gain ultimate, final victory over Communist world aggression.

Victory will not come easy, nor is it likely to come as quickly as many would like. The Soviet Government is still very strong and tenacious. It will fight tooth and nail for survival. But there is hardly anything the Kremlin can do internally to win the real support of the oppressed population.

On the other hand, many things can be done to encourage that populations' active resistance to the regime. The dissemination of truth from the free world through the Iron Curtain to these people is basically no more than a technical problem which can be solved by funds, equipment, and courage.

One of the most basic and important truths that we must convey to these people is that we of the free world have no quarrel with the Soviet people themselves—that our only objective is to free them from the tyranny that enslaves them and now threatens destruction of our own freedoms.

There is but one conclusion to be reached from what I have placed before you:

Under present circumstances, we can gain victory over Communist world aggression; we can gain that victory without war; but only by channeling our most effective physical and moral support to expand the forces behind the Iron Curtain dedicated to the destruction of the Soviet regime from within.

APPROPRIATIONS PROVIDE SOUND FARM PROGRAM—SOIL CONSERVATION AND RESEARCH EMPHASIZED

Mr. HAND. Mr. Speaker, this Congress, under the lead of President Eisenhower, has done and is doing a job which will be approved by almost all farmers in south Jersey.

The House passed the farm bill, which marks the beginning of a flexible-support program, and the end, I hope, of the rigid program which has done great disservice to agriculture generally, and to our farmers in particular.

I shall not here repeat the statement that I made to the House on July 1 in support of the amendment to start flexible supports, and stop rigid supports, except to emphasize two paragraphs of that speech. I then said:

There are many thousands of farmers who, of course, are directly benefited by this apparently eternal guaranty of prosperity, but what is overlooked is the fact that there are also many thousands of farmers who are not benefited at all. The gentleman from Massachusetts [Mr. HESELTON] has called to your attention the situation with respect to New England farmers. I call your attention to the fact that the so-called basic commodities in my State of New Jersey which benefit from the present program of high, rigid price supports represent 2 percent of the total cash receipts of farmers in our State.

Of equal significance is that fact that our poultry, egg, and dairy farmers, who together represent 64 percent of the cash receipts in New Jersey, are not only not benefited, but are adversely affected by this program. The eggs that are sold in my district—one of the greatest egg-producing areas in this country—have to seek their support in the market place, while the grains that my egg producers have to buy are rigidly supported by artificially high prices.

The New Jersey Taxpayers Association has urged my help to move Government away from rigid 90 percent support program and the tremendous waste it has built up in unmanageable surpluses.

I wish there was time to quote in full the analysis of this serious and growing problem which has been reported by the Council of State Chambers of Commerce.

The worst part of this rigid support program and the resultant pileup of farm surpluses is that, if it is continued, it will react most seriously against the farmer himself. The time will come when the American taxpayer and the American consumer will no longer tolerate a tax burden and the cost-of-living burden which is imposed by a program which was essentially an incentive for wartime production, and not a perpetual guaranty of profits for the huge wheat, corn, and cotton farmers at the expense of all the rest of us.

I am convinced that the continuance of the 90 percent rigid program is bad for the Nation, and worse for the farmers and people of New Jersey, and I regret that it has been found wise even to compromise the issue. It should be met head-on, and we should revert, after too long a delay, to the flexible program which the Congress adopted 3 years ago.

I propose, therefore, to support the compromise embodied in the Harrison amendment with a little bit of reluctance. I would prefer to meet the issue directly, but I must remember that compromise is often the essence of reasonable legislation.

That compromise passed, and I hope the Senate will come up soon with a bill as good or better.

AGRICULTURE APPROPRIATIONS

Today, however, I want to speak of another great help to our local farmers, and that is the wise and generous action of the Appropriations Committee and the Congress in dealing with money needed for a sound program of aid to agriculture.

On March 10, I had the privilege of testifying before the House Committee on Agriculture Appropriations. I presented to them the views as I understand them, of our local farmers and farm organizations. I was received with great courtesy and consideration by the committee, which approved our views.

Among other things, I protested the proposed reduction in field area offices. A part of my discussion with the chairman follows:

Mr. HAND. The third point that he makes is, and I think possibly this might be almost the most important, the proposed reduction in field area offices.

Mr. ANDERSEN. You are correct. It is the most important.

Mr. HAND. As I understand it, the proposal is to reduce the authorization from 326 to 236.

Mr. ANDERSEN. Furthermore, the proposal is to increase the workload of each area office, Mr. HAND, from about 10 district units to 14. Many of us feel that that will be too heavy a load.

Mr. HAND. Yes, too heavy a load, and of course it does not effect too much saving. You might save some rent but I do not think you save too much staff if you are going to increase the staff.

Mr. ANDERSEN. As you know, in any of these programs you can spread supervision so thin that it becomes ineffective.

Mr. HAND. That is one of the problems we are facing in my own area right now. The supervision is good but it is spread too thin to be effective and we do not get the services of the experts that are sent down as much as we should. So that they have a grave question about that. They make the point

that there has been in the past a considerable reduction in these field offices and they think it has been reduced about as much as it should be in order to continue with effective service.

Mr. ANDERSEN. Just to complete the record, I might say that the budget before us, Mr. HAND, does not contain sufficient money to staff these new soil-conservation districts which are to be brought into being in the next fiscal year. Now, we think that is a mistake. We cannot expect the other soil-conservation districts to continually loan their manpower to the job in these new districts.

Mr. HAND. From my limited knowledge, let me say I am in complete agreement with the chairman because it is on the level where the work is actually done that we must be careful to continue the work. That is correct.

I discussed other phases of our problems, including forestry service.

I presented to the committee the statements of Dean Martin, of Rutgers, with respect to Federal support for research and extension work in New Jersey.

I concluded with this observation:

Mr. HAND. I want to add for the record very briefly that in the last 15 to 20 years, and perhaps I could limit it by saying the last 8 or 10 years, there has been an enormous change in agriculture in my area, and it has been a change for the better. Production has been greatly increased. Farm practices have been greatly improved. I think to a large degree that has happened as a result of the work of the Soil Conservation Service, and my people there are for it. They have taken advantage of it, and they want to continue to take advantage of it. Farms have been transformed from marginal farms that were making bare livings in many cases for the individual farmer, to farms that now, though still small farms, family farms, largely, nevertheless have been transformed into great producers and producers of cash crops; largely for quick-freezing process. There has been a very gratifying increase in the prosperity of the farmer and in the practices that he has been using, and the increase in production is something which I feel very strongly ought to be assisted and encouraged by our farm program.

Congressman MARSHALL, of Minnesota, was good enough to say this:

Mr. MARSHALL. I would like to say that I had the opportunity of visiting Mr. HAND's district last year with the Agriculture Committee and I saw some farm practices carried on in your district that I thought were fine examples of conservation. I was taken with some of the farming practices I saw in your district.

To sum up, the committee and the Congress passed an appropriation bill which I think is the most satisfactory bill for south Jersey that we have had.

EGGS

On this date—July 20—our great egg-producing area is suffering from a very unfavorable egg-feed ratio. Prices of eggs are low, and feed is high. This is partly caused by the rigid supports for wheat and corn which we are going to correct.

Production of eggs and poultry, vegetables and fruits, are basic to our whole south Jersey economy. Eggs are probably the biggest cash crop in our State, running last year to $130 million. I have thus been greatly concerned with the present conditions in the egg market, which I hope will soon improve, as our Department of Agriculture believes.

Not long ago I visited with a committee of producers in Vineland, who felt that the best immediate remedy would be the introduction to our markets of surplus feeds from Commodity Credit Corporation.

Accordingly, after further discussions, which included other Congressmen whose districts were affected, and with Chairman HOPE, of the House Agriculture Committee, I had a long and pleasant conference with J. A. McConnell, the Administrator of the Commodity Stabilization Service. I found him fully informed on our problems and completely sympathetic. He himself is the operator of a 7,000-bird farm.

I asked him to put in writing his present views on what has been done, is being done, and can be done to be helpful. He promptly did so, and his statement follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY STABILIZATION SERVICE,
Washington, D. C., July 15, 1954.

Hon. T. MILLET HAND,
House of Representatives.

DEAR CONGRESSMAN HAND: Yesterday you called my attention to the difficulties being encountered by the poultrymen in your area due to the low price of eggs and the high cost of operations, including feed. I am quite aware of the facts which you set forth.

There is a belief on the part of the poultrymen that the high cost of feed is associated with the Government acquiring great stocks of feed grains under the support program. Since the storage facilities of the country are bulging with grain it seems to poultrymen, who have no support, that we should find some way to release grains to relieve this high-cost feed situation.

I have before me figures showing that on July 10 the value of a case of eggs over feed costs is $2.95. A year ago it was $7.58. The beginning and the end of the present situation is contained in these figures. Under favorable egg prices, poultrymen of the Nation expanded production. It was inevitable that some adjustment would have to come about through lower-priced eggs. This is occurring. The feed ratio has been even more unfavorable than the present during the past few weeks.

It has been obvious for some time that this condition was going to come about. The Department has to the extent possible in its disposal program, tried to recognize this situation and tried to help it as far as possible within the law. For instance: (1) We had great surpluses of dried milk fit for human consumption. We have put on a disposal program running to August 31 of this year which makes this highly desirable feed product available to the poultry and animal industry. (2) We are disposing of about 170 million bushels of 1948 and 1949 corn stored in Government warehouses, mostly in the Midwest. It is true that this particular corn might not get to the eastern seaboard but it certainly had the effect of keeping the price of corn stable at around present levels. Stocks of corn in the free market would have otherwise been very scarce.

One of the reasons for the very high price of poultry rations was the very short crop of soy beans last year, plus the heavy exports which took place. This resulted in soy-bean meal, a main product in poultry rations, going to very high prices. The release of the dried milk knocked the price of soy-bean meal down about $20 per ton and has pretty well stabilized it so far. There is still plenty of dried milk that can be used until August 31.

We have also sold into the domestic market off-grade wheat supplies for feed purposes which have amounted to a very considerable amount.

I realize that all this does not help the poultrymen at the present moment, except that the condition would have been much worse if we had not done it. I know of no legal way in which we can divert Government stocks of grain into any particular area or even to the whole country under the present law unless those stocks can be declared out of condition. So far we have declared out of condition everything that can be properly classified as such. I am earnestly looking to see if there is anything more that can be done here on the east coast, but I am afraid that I can hold out very little hope in this direction.

In the meantime, there are some things which are hopeful. It looks like a bumper soy-bean crop is in prospect of being grown. With a plentiful crop and lower support prices, it should result in very much lower priced protein supplements. We also have bumper crops of all the feed grains. I can't see but what there will be considerable effect on feed prices this fall—probably within the next 45 to 60 days.

There is also every indication that the egg price will improve somewhat from this present level. Six to eight cents a dozen would give quite a different aspect to this situation.

If I can find anything more we can do within the law, I will advise you.

Sincerely yours,

J. A. MCCONNELL,
Administrator.

Mr. Speaker, if there is not a healthy adjustment—and I hope there will be—we shall have to deal vigorously with this problem.

FARM PROSPERITY A MUST

Given good weather conditions from now on in, our farmers generally should have a good year. It is essential to the prosperity of all of us that farm income should be reasonably stable.

I am satisfied, however, that so far as legislation is concerned, this Congress has done a good job, which will prove to be of real benefit.

COMMITTEE ON ARMED SERVICES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight to file a report on S. 3458.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

APPOINTMENT OF OFFICERS OF THE REGULAR NAVY AND MARINE CORPS

Mr. ARENDS. Mr. Speaker, I call up the conference report on the bill (H. R. 6725) to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2432)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6725) to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1 and 2.

L. C. ARENDS,
PAUL W. SHAFER,
LEROY JOHNSON,
JAMES E. VAN ZANDT,
CARL VINSON,
PAUL J. KILDAY,
L. MENDEL RIVERS,
Managers on the Part of the House.

LEVERETT SALTONSTALL,
FRANCIS CASE,
JAMES H. DUFF,
JOHN C. STENNIS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6725) to extend the authority for the appointment of certain officers in the Regular Navy and Marine Corps, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The first section of the Senate amendment would have empowered the Board for the Correction of Naval Records to review the case of nonpromotion of any officer holding the rank of commander in the Regular Navy, active or retired, or lieutenant colonel in the Regular Marine Corps, active or retired, that occurred under the wartime panel system of promotion in the Regular Navy or Regular Marine Corps between January 1, 1942, and August 7, 1947, inclusive, and to recommend appropriate advancement in grade or rank if there was in the opinion of the Board, any error, administrative delay, oversight, or injustice that caused the officer concerned to fail of an advancement in grade or rank which would otherwise have been made. The officer concerned would have been required to request such a review within 6 months of the date of approval of the act. In the case of an officer below the grade of commander or lieutenant colonel, the Board for the Correction of Naval Records, or such other appropriate board or boards as may have been appointed or designated by the Secretary of the Navy would have been authorized to function in the same manner and for the same purposes as in the case of commanders or lieutenant colonels. The President would have been authorized to submit to the Senate the name of any officer recommended by the Board for promotion to a higher grade while any advancement within grade recommended by the Board would have been effected forthwith by the Secretary of the Navy. No advancements to grades higher than captain or colonel were authorized. The pay and allowances of an officer who was advanced would have been based upon the grade or rank to which advanced and would have been computed from the date when he would have been advanced in normal course but for the error, administrative delay, oversight, or injustice which caused him to fail of advancement.

Section 2 of the amendment, in effect, would have authorized the promotion to the grade of captain of two retired commanders, United States Navy, who met either of two detailed sets of qualifications, and would have given them, retroactively, pay and allowances based on the grade of captain, computed from the date the officers next junior to them were promoted to captain.

The Senate receded from its amendment to the House bill.

The House managers were of the opinion that the Senate amendment, if enacted into law, would establish a precedent which might well impugn the integrity of the entire Navy and Marine Corps promotion system. While the amendment applied only to the panel system which operated during World War II, it might well be used as a basis for seeking similar reviews for officers who have failed or will fail of selection under the 1947 Officer Personnel Act.

The amendment would also have automatically promoted two officers who failed of promotion during World War II.

The House managers can find no present justification for the enactment of legislation which by its terms would result in the automatic promotion of two officers to the grade of captain with pay retroactive to the date that officers junior to them were promoted to the grade of captain. Such action would of course establish a precedent for many similar bills thus creating a review system in the Congress which could only have the effect of undermining the objectivity and finality of the promotion systems established for each of the armed services. To overcome this objection, there must be clear, undisputed evidence of substantial error and injustice.

L. C. ARENDS,
PAUL W. SHAFER,
LEROY JOHNSON,
JAMES E. VAN ZANDT,
CARL VINSON,
PAUL J. KILDAY,
L. MENDEL RIVERS,
Managers on the Part of the House.

Mr. ARENDS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks was granted to:

Mr. REED of New York and to include extraneous matter.

Mr. JENKINS and to include additional matter.

Mr. SIEMINSKI in three instances.

Mr. SHELLEY in three instances and to include with his remarks certain additional matter.

Mr. MILLER of Maryland.

Mr. PRICE.

Mr. YORTY.

Mr. HESELTON to revise and extend the remarks he made in the Committee of the Whole today and to include extraneous matter.

Mr. LIPSCOMB.

Mr. DONOHUE and to include extraneous matter.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4854. An act to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division of the Chief Joseph Dam project, Washington;

H. R. 6725. An act to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps;

H. R. 6788. An act to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes;

H. R. 7434. An act to establish a National Advisory Committee on Education;

H. R. 7601. An act to provide for a White House Conference on Education;

H. R. 8571. An act to authorize the construction of naval vessels, and for other purposes;

H. R. 9040. An act to authorize cooperative research in education; and

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 252. An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury;

S. 2380. An act to amend the Mineral Leasing Act of February 25, 1920, as amended;

S. 2381. An act to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain; and

S. 2759. An act to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, and for other purposes.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, July 23, 1954, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1761. A letter from the Assistant Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease for the month of May 1954, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

1762. A letter from the Under Secretary of the Navy, transmitting a report of the number of professors and instructors and the amount of compensation for each employed by the United States Naval Postgraduate School during the fiscal year 1954, pursuant to section 3 of Public Law 303, 80th Congress; to the Committee on Armed Services.

1763. A letter from the Acting Secretary of the Navy, transmitting a draft of legislation entitled "A bill to amend the Fair Labor

Standards Act of 1938, as amended"; to the Committee on Education and Labor.

1764. A letter from the Acting Comptroller General of the United States, transmitting a report on audit of Rural Electrification Administration, Department of Agriculture, for the fiscal years ended June 30, 1951 and 1952, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JACKSON: Committee on Foreign Affairs. Report pursuant to House Resolution 113 pertaining to Latin American technical cooperation; without amendment (Rept. No. 2442). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 5301. A bill to amend and supplement the reclamation laws to provide for Federal cooperation in non-Federal projects, and for other purposes; with amendment (Rept. No. 2443). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. S. 541. An act to extend detention benefits under the War Claims Act of 1948 to employees of contractors with the United States; with amendment (Rept. No. 2444). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 660. Resolution for consideration of H. R. 7840, a bill to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act; without amendment (Rept. No. 2445). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 661. Resolution for consideration of H. R. 9434, a bill to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy; without amendment (Rept. No. 2446). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 662. Resolution for consideration of H. R. 9924, a bill to provide for family quarters for personnel of the military departments of the Department of Defense and their dependents, and for other purposes; without amendment (Rept. No. 2447). Referred to the House Calendar.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. H. R. 9115. A bill to provide that contributions received under Public Law 485, 80th Congress, for the construction of a merchant marine chapel shall be invested in Government obligations pending their use for such construction; without amendment (Rept. No. 2448). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. H. R. 9584. A bill to protect the rights of vessels of the United States on the high seas and in territorial waters of foreign countries; without amendment (Rept. No. 2449). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. H. R. 9987. A bill to amend certain provisions of title XI of the Merchant Marine Act, 1936, as amended, to facilitate private financing of new ship construction, and for other purposes; without amendment (Rept. No. 2450). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. S. 2420. An act to amend section 32 of the Trading With the Enemy Act, as amended; with amendment (Rept. No. 2451). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN of Michigan: Committee on Government Operations. H. R. 9406. A bill to provide for the conveyance of certain real property to the town of Beaufort, N. C.; without amendment (Rept. No. 2452). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 10009. A bill to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes; without amendment (Rept. No. 2453). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES of Kansas: Committee on Post Office and Civil Service. S. 2665. An act to amend the Classification Act of 1949, as amended, and the Federal Employees Pay Act of 1945, as amended, and for other purposes; with amendment (Rept. No. 2454). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 9997. A bill to amend the Tariff Act of 1930 to provide that the value of imported hops shall be computed, for purposes of determining the applicable rate of duty thereon, as of the date of purchase; to the Committee on Ways and Means.

By Mr. BATES:

H. R. 9998. A bill to amend the Tariff Act of 1930 with respect to the duties applicable to certain prepared fish; to the Committee on Ways and Means.

By Mr. BEAMER:

H. R. 9999. A bill to amend the Railroad Retirement Act to provide that the annuity of the widow of a deceased employee shall not be reduced on account of any benefits to which she may be entitled under the Social Security Act; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of Illinois:

H. R. 10000. A bill to amend section 284 of title 18 of the United States Code relating to representational activities of former employees; to the Committee on the Judiciary.

By Mr. BERRY:

H. R. 10001. A bill to change the name of the Fort Randall Reservoir in the State of South Dakota to "Lake Evans"; to the Committee on Public Works.

H. R. 10002. A bill to provide for the erection of a monument to Chief Red Cloud on the Pine Ridge Indian Reservation; to the Committee on House Administration.

By Mr. DONOHUE:

H. R. 10003. A bill granting the consent of Congress to certain New England States to enter into a compact relating to higher education in the New England States and establishing the New England Board of Higher Education; to the Committee on Education and Labor.

H. R. 10004. A bill to provide for emergency Federal financial assistance to the States and Territories in the construction of public elementary and secondary school facilities urgently needed because of overcrowding, and to encourage full and efficient use of State and local resources in meeting school construction needs, and for other purposes; to the Committee on Education and Labor.

By Mr. FRELINGHUYSEN:

H. R. 10005. A bill to amend section 112 (b) (7) of the Internal Revenue Code relating to the making and filing of elections; to the Committee on Ways and Means.

By Mr. JENKINS:

H. R. 10006. A bill to amend section 421 (d) (1) (D) of the Internal Revenue Code of 1954, and for other purposes; to the Committee on Ways and Means.

By Mr. LIPSCOMB:

H. R. 10007. A bill to authorize the Secretary of the Treasury to prescribe regulations relating to the qualifications of persons who assist taxpayers in the determination of their Federal tax liability, and for other purposes; to the Committee on Ways and Means.

By Mr. MATTHEWS:

H. R. 10008. A bill to provide that checks for benefits provided by laws administered by the Administrator of Veterans' Affairs may be forwarded to the addressee in certain cases; to the Committee on Veterans' Affairs.

By Mr. BYRNES of Wisconsin:

H. R. 10009. A bill to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes; to the Committee on Ways and Means.

By Mr. GARMATZ:

H. R. 10010. A bill to amend title 9, United States Code, entitled "Arbitration," so as to provide for correction of defects and omissions in the present law regulating arbitration, for judicial review of questions of law arising in arbitration proceedings, and for other purposes; to the Committee on the Judiciary.

By Mr. MARTIN of Iowa:

H. R. 10011. A bill to amend section 112 (f) of the Internal Revenue Code to provide that the sale of cattle necessitated by drought conditions shall be deemed an involuntary conversion of property; to the Committee on Ways and Means.

By Mr. O'NEILL:

H. R. 10012. A bill to amend section 201 of the Immigration and Nationality Act, so as to provide that all quota numbers not used in any year shall be made available to immigrants in oversubscribed areas in the following year, and for other purposes; to the Committee on the Judiciary.

H. R. 10013. A bill to admit 50,000 immigrants, natives and citizens of Italy; to the Committee on the Judiciary.

By Mr. SIMPSON of Pennsylvania:

H. R. 10014. A bill to amend the Internal Revenue Code of 1939 with respect to deductions from gross income of amounts contributed to employees trusts; to the Committee on Ways and Means.

By Mr. BUDGE:

H. J. Res. 567. Joint resolution establishing a joint congressional committee to study yield insurance programs for certain agricultural commodities; to the Committee on Rules.

By Mrs. FRANCES P. BOLTON:

H. Con. Res. 261. Concurrent resolution expressing the sense of the Congress with respect to the control of atomic energy and its derivatives; to the Committee on Foreign Affairs.

By Mr. MACHROWICZ:

H. Res. 663. Resolution to affirm the American people's opposition to the Communist enslavement of Poland and other captive nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRETELLA:

H. R. 10015. A bill for the relief of Nicola Teodosio; to the Committee on the Judiciary.

By Mr. DORN of New York:

H. R. 10016. A bill for the relief of Edward L. Raymond; to the Committee on the Judiciary.

By Mr. FORRESTER:

H. R. 10017. A bill for the relief of William T. Dorminy; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 10018. A bill for the relief of Honorato Carlos Dizon; to the Committee on the Judiciary.

H. R. 10019. A bill for the relief of Mrs. Elizabeth Goodall; to the Committee on Post Office and Civil Service.

By Mr. KILDAY:

H. R. 10020. A bill for the relief of Sister M. Conleith, Ellen Agnes Cousins; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 10021. A bill for the relief of Zeynep Hesna Turkkan; to the Committee on the Judiciary.

By Mr. PHILLIPS:

H. R. 10022. A bill for the relief of Armando Alfaro-Arciniega; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 10023. A bill for the relief of Mrs. Lina Gemora Ray; to the Committee on the Judiciary.

H. R. 10024. A bill for the relief of Salvador Guillermo Chofre, Mercedes Viray Chofre and Miguel Jesus Chofre; to the Committee on the Judiciary.

H. R. 10025. A bill for the relief of Pablo Ruiz de Alda, Maria Dolores Gomez Ruiz de Alda, Ana Maria Ruiz de Alda, and Antonio Ruiz de Alda; to the Committee on the Judiciary.

By Mr. THOMPSON of Louisiana:

H. R. 10026. A bill for the relief of Mrs. Esther Reed Marcantel to the Committee on the Judiciary.

By Mr. TOLLEFSON (by request):

H. R. 10027. A bill to authorize the President to place Paul A. Smith, a commissioned officer of the Coast and Geodetic Survey, on the retired list, in the grade of rear admiral (lower half) in the Coast and Geodetic Survey, at the time of his retirement, with entitlement to all benefits pertaining to any officer retired in such grade; to the Committee on Merchant Marine and Fisheries.

PETITIONS, ETC.

Under clause 1 of rule XXII,

1113. The SPEAKER presented a petition of the president, National Rural Electric Cooperative Association, Wausau, Wis., urging the clarification and satisfactory amending of the bills H. R. 9757 and S. 3690, which was referred to the Joint Committee on Atomic Energy.

EXTENSIONS OF REMARKS

Need for Government Support for Merchant Marine and Shipbuilding

EXTENSION OF REMARKS
OF

HON. JOHN F. SHELLEY
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1954

Mr. SHELLEY. Mr. Speaker, debate on the Wigglesworth amendment to the supplemental appropriation bill which passed the House on July 20 showed that there is a great lack of understanding on the part of many Members of the House regarding the basic facts about the American maritime industry. The debate also showed a lack of knowledge concerning the laws which Congress has passed to give support to our merchant marine and our shipbuilding industry, and the reasons why those laws are necessary from a purely selfish standpoint—selfish on the part of the American people as distinguished from the maritime industry itself. The ignorance which was displayed on the floor of the House while we debated the wisdom of putting shipbuilding funds back in the bill would be pardonable in the average American. But it seems to me that those who are legislating on these matters in appropriations bills, if they are not content to accept the judgment of the House committees having jurisdiction, should be more familiar with the problems with which they are dealing and with the history and purpose of the Merchant Marine Act of 1936 in providing at least a partial solution to those problems. The frequent references to "boondoggling" which we heard applied to the vital Government supported shipbuilding program prove that this familiarity is lacking. For that reason I have decided to insert in the RECORD a series of remarks reviewing certain phases of our shipbuilding history and intended to show that the dollars we appropriate to build ships are far from wasted, but are actually a sound and necessary investment for the Government and for the American people. I trust that the points I bring out will have educational value, will perhaps persuade some of my colleagues that when similar requests for funds are brought to the House in the future they should think twice before opposing them.

Typical of the many loose statements we have heard in the debate on the supplemental appropriation bill, Mr. Speaker, was the remark that neither the A. F. of L. or the CIO supported these shipbuilding fund requests. I know personally that nothing could be further from the truth and that the major unions from both organizations whose members are employed in the shipyards or related fields have consistently supported these appropriations and have reiterated that position in connection with the bill we just amended. In fact, President Meany, of the A. F. of L., and President Reuther, of the CIO, have asked for the program in addition to the shipyard unions.

The ship construction differential subsidy provisions of the Merchant Marine Act of 1936 were enacted for the very sound reason that the experience of many years had proved beyond doubt that the American shipping industry by itself could not afford to have ships built in American shipyards, in competition with low-cost foreign yards. We had spent $2½ billion during the World War I period in a hurried and confused effort to rebuild a shipbuilding industry which had been allowed to die in the late 19th and early 20th centuries. Despite that $2½ billion we were unable to get any new vessels off the ways in time to help win that war—concrete proof that the few millions we are asked to spend now to preserve the industry are not wasted. With a large fleet of vessels on our hands after World War I, the tardy product of the war effort, it was not until the thirties that the growing obsolescence of that fleet forced a hard look at our entire maritime industry on the part of Congress, although some legislative attempts had been made in the meantime to encourage private construction of ships with little result. The Merchant Marine Act of 1936 was the result of several years of study by congressional committees. Results since that time have proved its value beyond question, especially in that, although the shipbuilding program it provided hardly had time to get under way before World War II was upon us, by the date of Pearl Harbor the subsidized shipping lines had 146 vessels built or building under its provisions which were quickly requisitioned by the Government. The so-called Harvard report prepared in 1945 for the United States Navy and the Maritime Commission stated:

> Because of the 1936 Merchant Marine Act, the United States had both a nucleus of modern merchant vessels before the disaster at Pearl Harbor in December 1941 and the machinery for greatly expanding ship production to meet the extraordinary requirements of World War II.

So this "boondoggling," as we have heard it called, was a major instrument in preventing a far greater disaster than Pearl Harbor—the possible loss of the war for lack of shipping in its early stages. Twelve billion dollars was spent by the United States Government during the war for construction of commercial-type vessels, and for putting up and restoring the shipyards in which to build them. We not only had to build ships in a hurry, but because of our improvidence in between wars many of our existing shipyards were in such a state of decay that they could not be quickly rehabilitated, and we had to funnel hundreds of millions of dollars into creating new yards on all coasts and on the Great Lakes to get ship construction going in the fastest possible time. Had our shipyards been more active during the prewar years, and had we spent a little money to keep more of the yards on

minimum production schedules to prevent their rusting away and to keep modern ships coming off the ways, it has been estimated that as much as $8.5 billion of the $12 billion spent during the war years might have been saved. Skyrocketing costs, shortages of material and labor, and lack of a nucleus of trained shipbuilders all contributed to the tremendous loss of time and money resulting from our unpreparedness.

Certainly if we had any common sense we would not let that happen again. But those who talk now of Government-supported shipbuilding programs as "appalling waste" or as a WPA program should learn that our private shipyards now have less than half as many people employed as they did in 1941. Our war-built fleet is obsolescent in economic terms and is actually obsolete when we consider a possible wartime need for fast modern vessels to evade the huge fleet of Russian submarines. Remembering the lessons of World Wars I and II, it seems to me that if we have any regard at all for our national security, we should be doing everything possible to encourage private shipping operators to build new and modern ships under the 1936 act provisions rather than refusing to honor the Government's contractual obligations to help them do so.

As I have said, the ship-construction program under the act had hardly begun when World War II began and the Government took over the entire shipping industry, thus suspending the act for the war period. At the same time all of the resources of the shipbuilding industry were diverted to the Government's shipbuilding needs and large new shipyards were hurriedly built for Government account, involving the tremendous additional expense I have mentioned. It was not until 1947 that the Government permitted our shipping lines to get back into something approaching a normal peacetime operation, and again gave the ship-construction features of the Merchant Marine Act a chance to work.

In the immediate postwar years new construction was not a vital problem since the war-built fleet was in process of being sold or placed in our reserve fleet. Ships which had been requisitioned from private shipping lines were being reconverted for peacetime use and returned to their owners. Many such vessels had been lost through enemy action and were replaced by their equivalent from the war-built fleet. This delayed demobilization incidentally cost the shipping industry tens of millions of dollars in postwar profits which might have been realized had they been allowed to function freely.

In view of the above facts, Mr. Speaker, those who have severely criticized the provisions of the Merchant Marine Act of 1936 regarding Government support for shipbuilding programs, and have taken cracks at the cost to the Government of some of the ships which have been built, should bear in mind that the act has been in actual operation for only a few prewar and postwar years. The ships built before the war and building at the time of Pearl Harbor saved the United States Government so much in terms of dollars and cents alone that it is fantastic to question the value received for the few dollars spent by the Government in their construction. It has been estimated that the availability of these vessels to the Government during the war saved us $500 million in charter costs alone. Up until December 21, 1952, the total subsidy liability of the Government on the 247 ships constructed and sold under construction-differential subsidy provisions of the act during the entire period of its existence amounted to only approximately $425 million. This includes both prewar and postwar vessels. As of December 31, 1951, the net cost to the Government, taking into account wartime requisitioning of vessels, amounted to only $88,311,326. This is surely a small price to have paid for the immeasurable advantages the ships gave us. On vessels built since the war a great deal of criticism has been leveled at the amounts the Government paid for aiding in the construction of the three great passenger liners, the *United States*, the *Independence*, and the *Constitution*. As I pointed out the other day lack of such troop-carrying vessels during the war cost us tremendous sums of money in payments to our allies for use of their vessels for that purpose. We now have those vessels available for that essential service. The only objection which can legitimately be raised on this score is that more of them have not been built, which brings me to the issue of construction of the four passenger-cargo ships for Grace Lines and Moore-McCormack.

While the funds for these vessels have now been voted by the House over the objections of the leadership of the Appropriations Committee, it is disturbing to me and I am sure it is disturbing to the industry that the committee majority apparently does not recognize the vital importance of this construction to the national defense, nor do they recognize the legal and contractual obligation of the United States Government to aid in the construction of these ships. Operating-differential subsidy contracts with the Government, under which the lines operate the ships which these vessels are designed to replace, require that the companies must replace them when they reach 20 years of age. These contracts were signed under authority of several sections of titles V and VI of the Merchant Marine Act requiring replacement of overage ships. All of the vessels to be replaced are well over that age. For well over 2 years the 2 companies concerned have been seeking to get the Government through the Maritime Administration to comply with the legal requirements and sign contracts for construction of the replacement vessels with the aid of construction-differential subsidy funds. The act requires that new ships be built to replace 20-year-old vessels for 2 reasons. First, continued operation of obsolete vessels is bound to be inefficient and costly. Such operation would increase the costs to the Government of operating-differential subsidies. Second, and more important from our point of view, the entire purpose of the Merchant Marine Act is to keep available to the United States for national security reasons a self-sufficient fleet of modern vessels for possible wartime use. Keeping 20- or 25-year-old vessels on the seas does not serve that purpose. Construction of new vessels does, and serves the additional purpose of keeping shipyards activated for further construction and expansion if and when the wartime need arises. The framers of the act knew what they were doing when those requirements were written. It is unfortunate that we must now fight to put the provisions into effect whenever expenditure of a few dollars is involved. I trust that the Members of the House who have opposed these expenditures in the well intentioned belief that they are serving the cause of economy by so doing will give some consideration to the thoughts I have expressed here so that in the future they will be more sympathetic to ship construction money requests.

Mr. Speaker, I expect to insert into the RECORD in the near future additional remarks on the purposes and operation of the Merchant Marine Act of 1936. In so doing I will attempt to answer criticism of the manner in which other provisions have operated. I will appreciate the attention of the Members to those future remarks in the interest of preserving and restoring the vital fourth arm of our national defense—the American merchant marine.

One Hundred Years of Service

EXTENSION OF REMARKS
OF
HON. ALFRED D. SIEMINSKI
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1954

Mr. SIEMINSKI. Mr. Speaker, I am pleased to note the forthcoming 100th anniversary of the founding of St. Mary's Roman Catholic Church in Jersey City, N. J.

St. Mary's has served the downtown section of Jersey City for all of these 100 years. It has nurtured and guided great men. It has developed thousands of wonderful Americans. It has given to four wars, noble and courageous sons.

St. Mary's is the first church in America that was dedicated to the dogma of the Immaculate Conception of the Blessed Virgin Mary, and on December 8, 1954, its wonderful parishioners and old friends will celebrate this anniversary. They have much in common during the close of this Marian Year.

St. Mary's was the first church in Jersey City to found a hospital, long before any municipal hospitals ever existed, and strangely enough the first 50 patients were orphans of Union soldiers during the Civil War.

The pastors and clergy that have served St. Mary's have been wonderful men richly endowed and dedicated for God's service. The heritage that has been left to those who remain is one of service and dedication to God.

Today the pastor of St. Mary's is the Reverend John Henry Byrne, a man like

his predecessors, humble and assisting, always.

That God may continue to shower His blessings on St. Mary's faithful clergy and parishioners is the wish of all of us who know of the service His church has given to the people of Jersey City.

What the Veterans' Administration Means to Local Communities

EXTENSION OF REMARKS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1954

Mr. JENKINS. Mr. Speaker, the Administrator of the Veterans' Administration, Harvey V. Higley, issued a statement which shows the important part the Veterans' Administration plays in the economic life of virtually every community in the State of Ohio.

The facts are so significant that this information should be of interest to the veterans and other citizens of Ohio, and to the people, generally. Under leave to extend my remarks, I want to review what he has to say.

Mr. Higley said approximately 95 cents of every tax dollar that the Veterans' Administration receives in any year goes back to the local communities in the form of cash or other benefits to veterans, their widows, or orphaned children.

The remaining 5 cents goes for the cost of administering Veterans' Administration. It is paid out in salaries and other expenses that are necessary to distribute the 95 cents in direct and indirect benefits to veterans or their dependents.

Mr. Higley said that because most of VA's employees work and live in local communities across the Nation, the salaries they receive from the 5-cent cost of operation are spent locally and thereby benefit the communities directly.

In the last year for which the Veterans' Administration has figures—July 1, 1952, to June 30, 1953—the State of Ohio received $199,600,000 in direct and indirect benefits to veterans or their dependents. That does not include certain life-insurance payments and a few other expenditures of a minor nature which cannot be broken down by States.

Of this amount, $123,600,000 was paid in cash to 177,000 living veterans or dependents of deceased veterans in the form of compensation or pension payments.

The remainder covered such benefits as GI bill education or training, vocational rehabilitation for the disabled, hospitalization, medical care, death indemnity, burial benefits, and the like.

Mr. Higley said the Veterans' Administration benefits the local communities of Ohio in another way. The GI loan program, he said, has brought the State of Ohio and its local communities many tax dollars in the 169,500 GI home loans totaling over $1,156,000,000 made to date.

The GI bill education and training program also has made its contribution to the general welfare of Ohio's local communities, Mr. Higley said. He explained this program not only has raised the general educational level of each community, it also has increased the taxes that GI bill trainees are paying from the higher earning power resulting from their training, according to a Census Bureau study.

The Veterans' Administration medical program, while of direct benefit only to veterans, has been recognized and is still being recognized for its contribution to the improved standards of medical care everywhere, Mr. Higley said.

In the treatment of tuberculosis alone, Mr. Higley added, VA has played an outstanding part in reducing the Nation's TB death rate since the end of World War II.

In short—

Mr. Higley said—

the Veterans' Administration is your good neighbor in every aspect of your community life—economically, educationally, medically, and taxwise.

But Not Ireland

EXTENSION OF REMARKS
OF
HON. JOHN F. SHELLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1954

Mr. SHELLEY. Mr. Speaker, an editorial recently appeared in the San Francisco Examiner commenting on the attitude of Sir Winston Churchill toward the application of his statement that free peoples, divided against their wills, should have free elections to regain their unity. Mr. Churchill made it very plain that Ireland was not included. Hence I ask, "and why not Ireland?"

The London Parliament divided Ireland in 1920, although it was opposed by the entire population of Ireland at that time. The partitioning of Ireland has been the pattern used in partitioning Germany, Austria, Korea, and now Vietnam. Mr. Churchill believes that it is wrong for other nations to divide and partition free nations, but somehow it is right for Britain to enforce partition in Ireland. If partitioning of a free nation is an evil, and none will deny that it is, then why not root out the evil at its source, namely, in Ireland.

Idealistic statements make excellent reading, but leave their hearers unimpressed when the ideals are not to be applied equally and forthrightly. So long as partition continues as a prototype in Ireland it is folly to mouth platitudes about the evils of partition elsewhere. If Mr. Churchill means what he says, if he would leave one outstanding act of integrity in diplomacy as a memorial to his name, then let him initiate the removal of the nefarious border in Ireland and bring about the unity of this country, which more than any other is geographically and ethnically one. When Ireland is united, then and then only will we be able to put confidence in the statements of Mr. Churchill and give credence to the musical mouthings of pleasing platitudes with which his speeches ring.

The argument in favor of the unity of Ireland is so well set forth in the editorial of the San Francisco Examiner, that I desire to make it a part of these remarks. The editorial reads as follows:

BUT NOT IRELAND

For a sardonic commentary on the practical application of an ideal, we call your attention to the reaction of Winston Churchill to a suggestion that the partition of Ireland be put to a vote in a free election.

One of the points in the declaration coming out of the Washington meeting of President Eisenhower and Sir Winston was that they would seek to achieve unity in free nations divided against their will by free elections supervised by the United Nations.

If such an election were held, the 26 counties of the Irish Republic would, of course, vote overwhelmingly to end partition.

But the interesting thing is this: There is a strong feeling also against partition in the six countries of northern Ireland, which is part of the British Empire.

As we understand it, and we think our facts are right, about 35 percent of the people of northern Ireland are against partition. When you come to the border counties, the people of Armagh and Fermanagh are preponderantly against partition, as also are the people of the southern half of County Down and the western half of County Tyrone.

So Cahir Healy, Irish Nationalist Member of Commons, worked the squeeze on Mr. Churchill the other day. Would he support the principle of free government for countries whose people wanted it, asked Mr. Healy?

Certainly, said Sir Winston.

Well, continued Mr. Healy, would he undertake to apply the principle to Ireland?

He would not, said Sir Winston, the terms of the principle were not applicable there.

It is curious, sometimes, what happens when ideals and self-interest meet.

Unified Ireland Essential to National Defense

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1954

Mr. PRICE. Mr. Speaker, one of the most strategic positions in the world today is Ireland, sitting as it does where it may be used as a base to protect the Atlantic shipping lanes, so essential to our national defense.

It is essential to our ability to defend ourselves that this strategic bastion be strong; and to be strong Ireland should be unified.

Whereas the United States cannot force the unification of Ireland, we can lend our great influence to that achievement. One way to accomplish this would be for the Congress to reaffirm the position taken by the 65th Congress in 1919, when we supported the right of the people of Ireland to determine the form of government under which they desire to live.

We can do this by passing the Fogarty resolution, which has long been pending. A discharge petition has been filed to bring the Fogarty resolution before the House. I was one of the first Members

to sign this petition. I urge my colleagues to sign it, so that we may place the prestige of the House of Representatives behind a unified Ireland, which would be of immeasurable benefit to our national security.

Once Was Too Often

EXTENSION OF REMARKS
OF
HON. EDWARD T. MILLER
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1954

Mr. MILLER of Maryland. Mr. Speaker, approximately 6 years ago, the 80th Congress was winding up its work. The accomplishments of that Congress had been outstanding. The 80th Congress had provided adequate national defense; balanced the budget; paid billions on the national debt; given substantial relief to the overburdened taxpayers; reversed the trend of inflation; eliminated price controls and many of the wartime measures that had hampered and harassed business. It enacted over Presidential veto the Taft-Hartley law, which was to bring about vastly improved labor-management relations; initiated the investigations which landed Alger Hiss and other traitors in prison and led to the exposure of grafters, petty chiselers, and purveyors of special privilege.

The 80th Congress set up the Hoover Commission and laid the groundwork for a more economic and efficient government, and exposed to the white light of public opinion the recipients of mink coats and deep freezers.

In spite of this outstanding record, accomplished in the face of fierce opposition on the part of entrenched bureaucrats and selfish politicians, the New Deal-Fair Deal partisans and left-wing pinks began a smear campaign which labeled the 80th Congress a "do-nothing Congress," and the "second worst" in the history of the country.

False as were these charges, long and continued repetition sufficiently confused the thinking of enough voters to send down to defeat many fine Members of that Congress. The result was a change in legislative leadership, disastrous to the American people and to the Nation. Once again we were turned back on the road of deficit spending to such an extent that to this date we have not been able to achieve a balanced budget.

Members of the 80th Congress, absorbed in the needs of the moment, failed adequately to inform the people of the splendid record of accomplishments. This failure cost our country dearly. Already the same left-wing forces and political adversaries have initiated a similar smear against the present Congress.

We cannot afford a similar catastrophe in this year of 1954. It behooves us to rise above modesty and to proclaim proudly and loudly to the American people the story of the great accomplishments of this 83d Congress in cooperation with the present administration. We should see to it that the rank and file of American citizens are acquainted with the legislative performance of the past 2 years; legislation designed to advance President Eisenhower's program for the building of a stronger America where every citizen has reason for bold hope, where effort is rewarded and prosperity is shared.

We should point out that under this program the Nation has not been engulfed in the depression so glibly forecast by the prophets of doom. Over 62 million people are gainfully employed; in 1953 the gross national production amounted to a billion dollars a day; inflation has once more been checked; over $12 billion was saved during the first 17 months of this administration out of the planned spending of the last administration. The biggest tax cut ever made in the history of this or any other country—nearly $7½ billion—was effected this year and dozens of inequalities and inequities in the tax laws have been wiped out by the first general overhauling in 78 years. This Congress has enacted the most far-reaching Federal-aid highway program in history; abolished over 200,000 unnecessary Federal jobs; increased unemployment compensation coverage; expanded hospital construction; ended the tidelands controversy and restored the offshore lands to the States.

It has moved to get the Government out of competition with private business, and provided for the sale of the federally operated synthetic rubber industry. The groundwork has been laid for revising the atomic energy law, looking to peaceful application of scientific developments.

A new Hoover Commission has been set up and 12 reorganization plans adopted in the interest of greater economy and efficiency. Laws have been passed making it possible more effectively to combat communism and subversion at home. Successful prosecutions and deportations have greatly increased the hazards of treason and subversion, and more than 2,400 security risks have been eliminated from Federal jobs. Great improvements and increased benefits have been provided in broadened social security. A constructive agricultural program has been enacted, including a plan for a $1.3 billion farm surplus disposal abroad. Veterans benefits have been increased and our armed services and national defense streamlined and strengthened giving us more security for less money.

Mr. Speaker, I have mentioned only some of the headlines. The 83d Congress has made an outstanding, brilliant and constructive record, second to none.

We should make these facts and accomplishments clear to the American people. This Congress has been guided by the same leadership which led the 80th Congress. The greatest mistake made then, I believe, was the failure to make clear to the American people what had been performed. We must not repeat this mistake. It was so expensive that once was too often.

H. R. 8300

EXTENSION OF REMARKS
OF
HON. GLENARD P. LIPSCOMB
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1954

Mr. LIPSCOMB. Mr. Speaker, as the passage by Congress of H. R. 8300 becomes imminent, we should be more aware than ever of the taxpayers' need for professional help in the determination and settlement of his Federal tax liabilities. Although the Internal Revenue Code of 1954—H. R. 8300—will result in simplification and improvement of the administration of the tax code, it contains a multitude of changes which in themselves will result for a time in considerable confusion for the taxpayer. In order to take full advantage of the tax relief Congress intended them to have, many individuals are going to require professional advice. At least until the new regulations become settled, an abnormal number of disputes can be expected to arise between the Commissioner and the taxpayer. Again, it is imperative that the taxpayer have competent representation when such disputes arise.

In March of this year Commissioner of Internal Revenue T. Coleman Andrews stated that the Government receives 65 million returns a year and at least 10 percent of the taxpayers submitting these returns get professional help. He also indicated that many others probably need such help but they either do not recognize the need or they cannot afford it. It is apparent that it is to the interest of the United States to encourage professionally competent persons to engage in such work. To the extent that such professionals are available, the Government profits from a collection process which is efficient, economical, and equitable. This is recognized by Commissioner Andrews. In a talk delivered in Texas last year the Commissioner made it very clear that his agency wishes to encourage those who render such services. I quote Commissioner Andrews:

> Now, my friends, in a system such as we have we cannot for 1 minute admit that anyone may restrict the right to practice before the Internal Revenue Service. There are too many people subject to our laws; there are too many tax returns that have to be filed, and there are already too few of us who are qualified to help. We cannot under any circumstances reduce the number who are qualified. Rather, we think that to the fullest extent possible, the right to practice ought to be extended rather than restricted.

The very success of the Internal Revenue Service depends on maintaining this attitude on who may help the taxpayer and the Government in this monumental task.

Recently this matter of who is qualified to render professional assistance to a taxpayer in settling disputes which may arise in the course of determining his tax liability has been thrown into a state of confusion by certain State court decisions. Apparently the State courts are

not certain just what functions may be performed by agents enrolled to practice before Treasury. What has in the past been considered well within the scope of the legitimate activities of an enrolled agent has recently been held by a California court to be the unauthorized practice of law.

The purpose of H. R. 10007, which I have introduced, is to grant the Secretary of the Treasury authority to promulgate regulations which will clearly define who may represent a taxpayer in the course of any administrative conferences which may arise in determining his tax liability. If we are to give the Secretary of the Treasury and the Commissioner of Internal Revenue the administrative latitude they need in collecting the taxes required to finance the Government of the United States, it is imperative that the Congress grant this authority.

The Men's Apparel Industry of Philadelphia

EXTENSION OF REMARKS
OF
HON. JAMES H. DUFF
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES

Thursday, July 22, 1954

Mr. DUFF. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement I have prepared on the men's apparel industry of Philadelphia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DUFF

For two and a half centuries, the men's apparel industry of Philadelphia has served the Nation in peace and in war. In this year of its auspicious 250th anniversary, I take this opportunity to salute its long and continuous production record, an event which is being commemorated in cities all over the country and which is being given official recognition in the largest city of my own Commonwealth of Pennsylvania.

Long before our forefathers met in Philadelphia to found this great Republic, the American clothing industry came into existence in a few small shops on the shores of the Delaware River. In the intervening centuries it has developed into a $200,000,000-a-year industry, providing work for 10 percent of the entire industrial labor market of the Greater Philadelphia area.

There is not a city, large or small, through the vast expanse of our land, where Philadelphia-made men's apparel is not sold. The industry's progress and prosperity has been tied in closely with the national economy. Its harmonious employee-employer relations, uninterrupted for a quarter of a century has provided a happy pattern for all other industrial areas.

This industry provided uniforms for General Washington's army and in every war in which our country has since engaged. Its peacetime production has grown in step with the development of our Republic and today, as it observes its 250th birthday it is at the peak of its quality production.

It is a record of which this industry is justly proud and I hope all Americans will join in my sincere salute to the men and women who have made it great and to Philadelphia which nurtured so well its growth.

The Merchant Marine Act, 1936

EXTENSION OF REMARKS
OF
HON. JOHN F. SHELLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1954

Mr. SHELLEY. Mr. Speaker, continuing the remarks I addressed to the House on July 20, defending the need for Government support for shipbuilding programs and explaining the purposes of the Merchant Marine Act of 1936, I wish to comment on certain often repeated criticisms of the act's operations—criticisms which I believe to be unmerited and unjust.

My remarks today will deal with attacks that are continually made on the construction-differential subsidies paid for ship construction by private shipyards under the terms of the 1936 act, and on the operating-differential subsidies paid to subsidized shipping lines operating on trade routes on which it has been determined that it is essential to the United States that regularly scheduled commercial sailings be maintained. A principal burden of such attacks is a complaint that—somehow and in some never completely explained way—American maritime labor is profiting outrageously at the expense of the American taxpayer from the subsidy payments made to the shipping lines and to those who contract to build ships under the Merchant Marine Act. In my opinion, those attacks are aimed not so much at the principles upon which these subsidies are based, as they are aimed at the traditional high standard of living enjoyed by American workmen as a result of receiving a decent living wage. That standard of living is the main basis of the continued economic prosperity of the United States. It is asinine to demand or expect that we can keep a merchant marine on the seas, manned by American seamen, without paying them wages which will enable their families to live as well as their neighbors. It is equally foolish and unjust to expect to keep our essential shipyards operating with crews of skilled American workmen unless we enable shipbuilding firms to pay their men a scale of wages competitive with those paid in other industries employing men with the same skills.

Realizing the vital importance of building our merchant marine around a hard core of citizen seamen, the authors of the Merchant Marine Act of 1936 wrote into section 301 of the act a requirement that subsidized shipping lines pay their seagoing personnel a minimum wage scale and provide a minimum standard of working conditions for the officers and crews, and requiring also that all of the licensed officers and at least 90 percent of the crews of all vessels built with construction-differential subsidy aid or operated under operating-differential subsidies be American citizens. Section 603 (b) of the act provides that the amount of operating-differential subsidy paid the subsidized shipping lines shall include the "excess of the fair and reasonable cost" of wages and subsistence of officers and crews over the estimated fair and reasonable cost if the vessel were operated under the registry of foreign countries whose vessels are competing therewith. Section 502 (b) of the act, in a similar effort to encourage maintenance of domestic shipyards and trained shipbuilding personnel, provides for payment of a similar subsidy, the construction-differential subsidy, to cover the excess costs of building ships in American yards as compared to the estimated cost of construction in foreign yards. The cost differentials include, of course, the higher American standard of wages paid our shipyard workers.

Mr. Speaker, if it were not for the higher cost of every phase of ship construction and ship operation using American-made materials and American labor as compared with foreign costs, we would not need the Merchant Marine Act of 1936 or any form of encouragement to private industry to keep an adequate merchant marine and an adequate shoreside industry to keep it afloat. Free private American enterprise would do the job. But neither American businessmen nor American workmen are dumb enough to invest their funds or invest their time in an enterprise from which they can expect no adequate return. People in the maritime industry, like those in any other industry or in any other profession, have every right to expect a fair return from their investment, or a fair living from their labor. If that return is not forthcoming they have every right to turn to other fields.

Experience and commonsense both tell us how disastrous the abandonment of the American merchant marine would be to our national security. The provisions of the Merchant Marine Act which I have mentioned were designed to prevent that abandonment. Until someone comes up with a better plan, it behooves us to ignore the false prophets of doom who attack the provisions, and to implement and strengthen them instead.

Mr. Speaker, those who attack the higher wages paid American seamen and American shipyard labor as compared to foreign wages should examine their own consciences before shooting off their mouths. Let us consider some examples in this regard: For instance, American seamen's wages have been attacked on the ground that they are four times those paid British seamen in comparable jobs. But an American Congressman receives a $15,000 a year salary as compared to the $2,800 a year received by a Member of the British Parliament, more than 5 times as much. I do not hear any arguments that we should gear our salaries to the scale of the British Parliament, and I think we can all agree that there would be no sense in so doing. How does the case of the American seamen or shipyard worker differ from ours?

The American merchant marine is universally recognized as being the fourth arm of our national defense. As Fleet Admiral King said in November of 1945 in evaluating the part the merchant

marine had played in the successful war effort:

A large merchant marine is not only an important national resource; it is, in being, an integral part of our country's armed might during the time of crisis.

We do not expect our general or our admirals, our captains or colonels, or our other officers and enlisted men to take the same pay received by the British or by the members of the armed forces of any other foreign country. Neither do we determine their pay scales by any comparison with foreign wages—they are established on the basis of what is required by the American standard of living and the need to induce qualified personnel to join the services and to continue in them as a career. Why should we try to set any other standards for the members of the American merchant marine and the people employed in its supporting establishments?

The subsidies paid to American farmers are not based on any formula involving a form of parity with foreign agricultural prices—they are determined both at present and in proposed legislation on a system of maintaining for farm income an equitable relationship with the general cost of living in America. What sound reason is there for those who support this subsidy to those engaged in the essential job of farming to attack subsidies for the no less essential jobs of building and sailing ships?

We have a long-established system of tariffs and import duties levied against the industrial, mining, and agricultural products of cheap foreign labor as a means of protecting American industry and American workingmen in those fields against undue competition from that source. This protection, highly questionable in the case of many nonessential industries, places the Government in the position of imposing indirect subsidy payments on the American consumer for the benefit of protected industries. Yet those who are the most rabid supporters of high protective tariffs and who most strongly oppose the principle of reciprocal trade are all too frequently the same people who hamstring the appropriations for subsidies to the essential merchant marine and the maritime industry. The subsidy provisions of the Merchant Marine Act have been called tariff operations in reverse. They are the law of the land just as much as are the laws imposing tariffs. I do not see how refusing to appropriate the necessary funds to carry out maritime subsidy law can be justified any more reasonably than our customs collectors would be justified in refusing to collect the tariffs and duties due on foreign imports.

Mr. Speaker, the proposition is as simple as this: Our national security depends on maintenance of an adequate, modern maritime industry here in the United States. This has been proven in two wars. In the face of low-cost foreign competition such an industry cannot be maintained unless American businessmen and American wage earners in the industry receive just compensation for their investments and their labor. Foreign competition makes it impossible to insure such compensation without Government aid. The Merchant Marine Act of 1936 subsidy provisions were written into law to provide that aid on a reasonable basis and as a result of long study. Study after study by Commission after Commission has produced no more effective way of meeting the problem. The provisions of the act, for want of a better substitute, are still in full force and effect. The act as written contains provisions to protect against abuse if properly administered. Refusal to permit the act to operate is an inexcusable evasion of congressional and executive responsibility to maintain the security of the United States, and should not be tolerated either by the Members of this House or by the people of the United States.

In further support of that position I am preparing an additional statement with regard to other phases of the overall problem of keeping a modern merchant marine afloat. This statement will appear in the CONGRESSIONAL RECORD within a few days. In the meantime I urge that those of my colleagues who may have questioned the need for maritime subsidies in the past do some soul-searching and serious thinking on the problem in the light of these remarks and those I inserted in the RECORD on July 26.

The Atomic Energy Bill

EXTENSION OF REMARKS

OF

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1954

Mr. DONOHUE. Mr. Speaker, it is said hereabouts that the atomic energy bill will soon be considered in the House and that only 2 days will be allowed for debate and discussion.

The bill is compiled of some 107 pages of technical provision and complex phraseology. It affects a $12 billion investment of the American taxpayers and whatever final law we enact will reach into the destiny of many generations to come.

It is, therefore, my earnest hope and plea that the leadership will insure that no restriction of time be placed upon discussion of perhaps the most vital subject yet to be presented to this Congress or indeed any other Congress.

As the bill now reads it is objectionable to me, and I think a great many others, primarily because it negatives the nonpartisan public-power policy of this country that has been developed since 1902. That occurs because of the current absence in the measure of any reliable safeguard against exploitation of atomic power by private utilities. It practically forbids the Atomic Energy Commission to operate in the commercial power field which simply means that the taxpayers will have to pay for further experimentation, from which the private utilities will ultimately benefit.

There are many deficiencies in the bill as it now stands but, in the public interest and recognition of the tremendous amount of money that has come out of the average taxpayer's pocket, two major improvements must be inserted in the act before, in my judgment, it should be approved.

The present patent provision must be corrected to insure that no atomic development monopoly can be established by those few firms privileged to carry out the original atomic energy research under Government contract and subsidy.

The provision restricting the Atomic Energy Commission from producing atomic power for Government-operated plant uses and also making it available for public consumption through rural electric cooperatives and municipal agencies must also be removed in deference to the power-consuming public and protection against unjust profiteering.

I sincerely remind the Members of this House that a heavy moral obligation rests upon us with respect to this particular legislation. Let us give this vitally important subject the long and careful and serious consideration it warrants. We can do no less to merit the continuing trust and confidence of the people who sent us here to legislate for the general welfare.

Impounded California Tidelands Funds Should Be Released by Justice Department.

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1954

Mr. YORTY. Mr. Speaker, although the so-called tidelands controversy has long since been settled by legislation which was upheld by the Supreme Court, the Federal Government is still holding approximately $25 million which rightfully belongs to the State of California. These impounded funds should be released to California without further delay.

The attorney general of California has diligently sought release of these funds. They are reported to be on deposit in banks where they draw no interest. Whether or not this is true, California is being deprived of funds to which the people of the State are the rightful owners. Unless the funds are released to California without further delay, I shall ask the Judiciary Committee of the House to investigate the reason for the dilatory tactics of the Justice Department.

The Eagle and the Storm

EXTENSION OF REMARKS
OF
HON. ALFRED D. SIEMINSKI
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1954

Mr. SIEMINSKI. Mr. Speaker, the new 4-cent airmail stamp, to be issued by the Post Office in September, for use on post cards, underscores the significance of the American spirit and recalls a legend of the eagle and the storm.

Displayed in the Washington Post and Times Herald on Friday, July 23, 1954, the new airmail stamp shows a beautiful uncrowned, bald-headed American eagle in powerful flight, high in the clouds. It moves with an ease that arrests the eye.

Legend has it that when severe storms come, some birds flee in fright to hide in the lee of any convenient shelter. Others continue head on into the wind, flying until exhausted. The American Eagle, symbol of our Nation, spirit of our people, soars above the storm and keeps going.

The Post Office is to be congratulated for issuing a stamp which underscores so well the American spirit.

Highlights of the Republican Tax Revision Bill

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1954

Mr. REED of New York. Mr. Speaker, the Republican tax revision bill, H. R. 8300, which I sponsored and which is now to become law, is the most monumental legislative undertaking in the history of the Congress.

It is the first comprehensive revision of the internal revenue laws since before the turn of the century and the enactment of the income tax.

Approximately a half a million man-hours of work have gone into this gigantic achievement.

Over 3,000 changes in the revenue laws are contained in the tax revision measure. In general, the purpose of these changes has been to remove inequities, to end harassment of the taxpayer, and to reduce tax barriers to future expansion of production and employment.

The new law closes over 50 loopholes through which taxpayers today can avoid paying their fair share of taxes.

The new law contains $827 million relief for individuals and $536 million relief for business. In addition, the new law will extend the present 52 percent corporate income for 1 year which means an additional $1.2 billion tax on business. This increased tax on business practically pays for all of the tax relief granted so that the net cost to the revenue will be only $163 million.

Without attempting to give a technical interpretation, the following represents some of the highlights of the new tax law. These changes in general are effective last January 1 so that the taxpayers will receive the benefit from them this year.

DEPENDENTS

First. A parent can claim a deduction of $600 for each child regardless of the child's earnings if the child is under 19 and the parent continues to furnish more than half the child's support.

Second. A parent can also claim the $600 dependency deduction for a child over 18 regardless of the child's earnings if the child is attending school or college, or receiving on-the-farm training, and the parent continues to furnish more than half the child's support.

Third. An aged parent or other dependent cared for by several members of a family can be claimed as a deduction by one of the members of the family.

Fourth. A taxpayer can claim a $600 dependency deduction for a foster child.

Fifth. A taxpayer can claim a $600 dependency deduction for a child awaiting adoption.

Sixth. A taxpayer can claim a $600 dependency deduction for any other person, regardless of relationship, if the taxpayer supports that person in his home.

Seventh. A taxpayer can claim a $600 dependency deduction for a cousin who is institutionalized because of physical or mental disability.

Savings to taxpayers, $85 million.

CHILD-CARE EXPENSES

First. Single working parents, such as a widow, are allowed a deduction up to $600 for the expense of child-care for children up to 12 years of age.

Second. The same deduction is allowed for a married woman who must work because her husband is incapacitated.

Third. The same deduction is allowed with respect to any dependent, regardless of age, who is mentally or physically incapable of caring for himself.

Fourth. A similar deduction is allowed a married woman if the combined income of her husband and herself does not exceed $5,100.

Savings to taxpayers, $130 million.

MEDICAL EXPENSES

First. Medical expenses can be deducted when they exceed 3 percent of income, instead of 5 percent as under present law.

Second. Example: A family with $3,000 gross income and medical expenses of $150 will be able to deduct $60. The same family can deduct nothing today.

Third. The bill doubles the present maximum limit on the amount that can be deducted.

Savings to taxpayers, $80 million.

HEAD OF FAMILY

First. A single taxpayer who has a dependent son or daughter will be entitled during the first 2 years after the death of his spouse to the same income-splitting privilege as is accorded married couples.

Second. A single individual can receive half the benefits of income splitting if he has a dependent parent and if the taxpayer maintains a household for the father or mother.

Savings to taxpayers, $11 million.

RETIREMENT INCOME CREDIT

First. All retired people 65 and over, including schoolteachers, firemen, policemen, and civil servants, will in effect be exempt on all retirement income up to $1,200. This will mean a tax reduction for these retired people of up to $240 a year.

Second. Example: A retired single individual over 65 who has a total retirement income of $3,000 today pays about $300 in income tax. Under the bill, his tax is reduced to $60—a saving of $240.

Third. The same exemption will extend to individuals under 65 if they receive a pension from a public retirement system, such as do teachers.

Savings to taxpayers, $141 million.

CREDIT PURCHASES

The bill allows a deduction for interest up to 6 percent on installment purchases.

Total saving to taxpayers, $10 million.

CHARITABLE CONTRIBUTIONS

The bill increases from 20 to 30 percent the allowable deduction for charitable contributions to churches, hospitals, and educational institutions.

Total saving to taxpayers, $25 million.

AID TO FARMERS

First. Deductions up to 25 percent of farm income are allowed for soil and water conservation.

Second. The bill permits more rapid write-off of the expense of farm machinery, equipment, and construction.

Third. Removes tax on the proceeds of the sale of cattle when the sale is necessitated by disease.

Savings to taxpayers, $10 million.

SICKNESS AND ACCIDENT PLANS

First. Premiums paid by employers to health and accident plans will not be taxable to their employees.

Second. All accident and health benefits paid as reimbursement for actual medical expenses to employees, their wives, or children, are completely exempted from tax.

Third. Payments to employees for loss of wages due to injury or illness are exempted up to $100 a week.

Savings to taxpayers: No estimate possible.

DEATH BENEFITS

The bill exempts all death benefits up to $5,000 paid by an employer to the widow or other beneficiary of an employee.

Savings to taxpayers: No estimate possible.

PENSIONS AND ANNUITIES

In addition to the $1,200 exemption extended to retirement income, the bill also provides a simpler method for taxation of pensions and annuities, ends annual 3-percent tax paid on annuities and provides instead a method of computing tax on basis of cost divided by years of life expectancy.

Savings to taxpayers, $10 million.

DIVIDEND CREDIT

First. Excludes first $50 in dividends from taxation and provides a credit against tax equal to 4 percent of the balance.

Second. Example: An individual with $50 or less in dividends from his savings will be entirely exempt from tax on that amount.

Third. Example: An individual with $250 in dividends from his savings will exclude the first $50 entirely, and then reduce his total tax by $8—4 percent of the balance of $200.

Savings to taxpayers, $204 million.

DEPRECIATION

The bill will permit the more liberal writeoff of the cost of new equipment. For example, in the first year of life of new equipment, the taxpayer will be able to write off twice the amount now allowed.

Savings to taxpayers, $375 million, of which $75 million represents savings to individuals such as farmers, shopkeepers, and salesmen.

DECLARATIONS OF ESTIMATED TAX

The requirements are eased for filing declarations of estimated tax. Upward of a million taxpayers will be relieved of the present requirement for filing.

FILING TAX RETURNS

Tax returns will be due April 15 instead of March 15, giving taxpayers 1 additional month in which to prepare their final tax returns and make their final tax payments.

RESEARCH AND EXPERIMENTATION

The bill grants taxpayers an option to either deduct as an expense or to amortize research and experimental expenditures.

No revenue estimate possible. The provision is designed to encourage business research with the objective of creating new products, new processes, and new jobs.

METHODS OF ACCOUNTING

The bill brings tax-accounting rules into harmony with business accounting, thereby eliminating to a great extent the necessity for taxpayers to maintain two sets of books. It provides realistic computation of net income for tax purposes in conformity with sound business practices.

Savings to taxpayers, $47 million.

DEPLETION

The bill increases the rate of percentage depletion on a variety of critical and strategic minerals in order to encourage the development of domestic sources of supply.

Savings to taxpayers, $34 million.

PARTNERSHIPS

First. The bill adopts comprehensive provisions concerning the tax treatment of partners and partnerships in order to remove confusion of existing law. Principal objectives are simplicity, flexibility, and equity between partners.

Second. Certain proprietorships and partnerships are given the option to be taxed as corporations.

Savings to taxpayers, $20 million.

INVENTIONS

The bill extends capital-gains treatment to proceeds realized by an inventor on the sale or exchange of a patent.

No revenue estimate possible. The new provision is designed to encourage invention and thereby promote a healthy economy and an improving standard of living.

NET OPERATING LOSS

The bill extends the net operating loss carryback to 2 years and makes certain other adjustments.

Savings to taxpayers, $120 million.

LIFE INSURANCE

The bill lessens the estate tax on the proceeds of certain life-insurance policies.

Savings to individual taxpayers, $25 million.

CONSOLIDATED RETURNS

The bill removes the 2 percent penalty tax with respect to consolidated returns filed by regulated public utilities.

Savings to taxpayers, $35 million.

IMPROPER ACCUMULATIONS

The bill eases the penalty tax on certain accumulated earnings in order that business, especially small businesses, may have greater freedom in retaining their funds for legitimate business purposes.

Savings to taxpayers, $10 million.

CORPORATION INCOME TAX

The bill extends for 1 year the present 52 percent corporation income tax.

Total increase in revenue, $1.2 billion.

REPUBLICAN ACTION FOR TAXPAYERS

The 10 percent reduction in Federal income taxes which went into effect last January 1 saves individual taxpayers a total of $3 billion annually. This tax cut would not have been possible if the Congress and the administration had not cut the Truman budget for fiscal 1954 by $12 billion.

Nor would the $2 billion tax saving by elimination of the excess-profits tax have been possible without this budget cutting.

The Republican excise-tax reduction law saves taxpayers an additional $1 billion.

The tax revision act will save taxpayers $1,400,000,000.

A total of $827 million of this tax saving is for individuals. The remainder, $536 million, is tax relief for business.

The overall tax-cut program will save $7,400,000,000. Of this amount, individuals receive an overall total tax saving of $4,700,000,000. The tax savings so far surpass any previous total in the history of Congress.

Mutual Security and the Spirit of Forty-Nine

EXTENSION OF REMARKS

OF

HON. ALFRED D. SIEMINSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1954

Mr. SIEMINSKI. Mr. Speaker, what sense of security did the 49'ers have in their rush to the West?

Did their sense of reward override the risk of ruin?

Does the sense of reward in the bill soon to come before the Congress on mutual security override the risk of ruin?

Would the cry "anti-Communist" or "offensive for peace" have spurred the rush to the West that helped to develop the United States in 1849?

In presenting this bill for approval of the House, do we play the chords that propel men to greater things?

There is literature that holds that the gold rush of 1849 choked Communist dogma in the United States, then being sown in Germany and France as well, by Marx and Engels. This same literature holds that Communist dogma was kept in its crib in America for the next century, from 1848 to 1948, because of the swift economic development of the United States. Depressions were overcome, labor was enlightened, and America fought on moral grounds, hence, Communist dogma produced little that was revolutionary to America. The wheels of government cared for the justified grievances of men, correcting them.

Is it proper to say that Americans were so busy, in 1849 and later, developing their lands and filling out their lives that communism had scant chance?

What would have happened had gold and its discovery not added impact to the development of the West?

Overlooking the embargo placed against our wheat in 1816 by the British, thus forcing our people to move westward, to develop markets, some literature would hold that were it not for the gold rush, in 1849, America would have been in ferment as was Europe—Germany, England, and France—and that Communist doctrines would have taken hold in the United States as they did in Russia and as they try to do in many parts of the world where vacuums in the life of men and nations develop.

It is interesting to note however, that in 1848, in Germany and France, industrial strife set in. Economics and the working conditions of man was a foremost topic of the people in their quest to live.

In America, at about that time, John C. Calhoun argued for the right of the South, on its terms, to compete with the North. A few years later war broke out between the States.

The working conditions of man were taking on more and more importance. For in the early 1890's a famous encyclical warned man to make economies his servant, not his master, warned man to run his industrial plant to the fullest measure of man's benefit, not to make man a slave of his industrial plant.

Then came a great war, the war of 1914.

Then came depression and another famed encyclical on the conditions of man in the early thirties.

Then there was another war, the war of 1939, and again the war of 1950 with Korea and Indochina now history.

What is next?

Is there a lesson in the items above, and if so, can they guide the free world to roll up an impact such as the 49'ers and the pioneers had on America? They

sensed reward that overrode the risk of ruin.

Would it be correct to say that one can gage the extent of the success of the mutual-security bill by the degree to which it can help others develop and defend their lands and resources for a fuller life as free as possible of pain and suffering?

Does the mutual-security measure hold out for people a sense of reward that overrides the risk of ruin? Or does it appeal to people to crouch in fear in shelters with their weapons because the Reds are coming?

If the mutual security bill, soon to be voted on by the Congress, does not hold out the hope for more and more people, by their own effort to do and own more and more in greater safety for themselves and their families, to the greater prosperity of their Nation, then it avails little to label the bill "anti-Communist" or an "offensive for peace." They would have been strange words to the 49'er and the pioneer. They loved life. Fought and died for it because they loved it.

There is the gold of life in the mutual security bill, Mr. Speaker. It must be refined and brought out so that the sense of reward it holds for freemen everywhere will override the risk of ruin.

Why does not the mutual security bill include in it, Mr. Speaker, a provision enabling the United States to have in motion a continuing series of expeditions to Antarctica at a cost of about $1 million each expedition?

Surely the sense of reward for the United States in the venture overrides the risk of ruin. There is precious land on Antarctica. There are wonderful statements on the project which have been presented to the Congress in several hearings. I think of two. This year, before the other body, less than a month ago, by Capt. Finn Ronne who made an expedition there in the late forties and who was executive officer to Admiral Byrd on the admiral's famed expedition to Antarctica. The other statement was presented in the 1954 hearings on mutual security by Miss Elizabeth A. Kendall, taxpayer, citizen, U. S. A.

We should put a rider to this effect in this year's bill, Mr. Speaker.

SENATE

FRIDAY, JULY 23, 1954

(Legislative day of Friday, July 2, 1954)

At the expiration of the recess the Senate reassembled.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Utah [Mr. BENNETT] will offer the prayer.

PRAYER

Mr. BENNETT. Our Father in heaven, as we resume our work after this brief pause, we come before Thee to ask Thy blessing upon our labors and upon ourselves. We ask, for ourselves, continued protection from accidents and impairments of health that would diminish our efficiency. We ask, for our labors, that our minds may be clear, that we may approach our tasks with singleness of heart and sincerity of purpose, and that the problems that lie before us may be solved in a manner which will be for the best and the highest good of our beloved country. Be with us during the hours of this day as we attend to our tasks. We pray in the name of Thy Son, Jesus Christ. Amen.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. The Senator from California.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the reading of the journal of the preceding day be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that we may have the usual morning hour—parenthetically, a very early morning hour—under the usual 2-minute limitation on speeches.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, would this be a good time to call up the conference report on housing? [Laughter.]

Mr. KNOWLAND. If the Senator will yield, I suggest that the report be withheld for the time being.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

APPOINTMENT OF ADDITIONAL COMMISSIONED OFFICERS OF THE REGULAR ARMY

A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes (with accompanying papers); to the Committee on Armed Services.

TRANSFER OF FIRE-FIGHTING BOAT TO CITY OF GULFPORT, MISS.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, on the proposed transfer of a fire-fighting boat to the city of Gulfport, Miss.; to the Committee on Armed Services.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938

A letter from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend the Fair Labor Standards Act of 1938, as amended (with an accompanying paper); to the Committee on Labor and Public Welfare.

RELIEF OF CERTAIN MEMBERS OF THE ARMED FORCES

A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation to provide relief of certain members of the Army, Navy, and Air Force, and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

YAM LAU—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Yam Lau, which was recently transmitted to the Senate, involving the provisions of section 4 of the Displaced Persons Act of 1948; to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by Waltham Post 2152, Department of Massachusetts, Veterans of Foreign Wars of the United States, Waltham, Mass., favoring the establishment of a State Department Academy similar to West Point and Annapolis for the proper training of qualified leaders for the diplomatic service; to the Committee on Foreign Relations.

Resolutions adopted by Local No. 1466, United Steel Workers of America, Bessemer, Ala., favoring the enactment of Senate bill 3553 and House bill 9430, relating to the unemployment-insurance program; to the Committee on Finance.

OPPOSITION TO FREIGHT-RATE INCREASE LEGISLATION

Mr. WILEY. Mr. President, I have received from a number of businessmen in my State, messages opposing any effort which may be made to steamroller through quick freight-rate increase legislation in connection with proposed trip-leasing legislation. One such message comes from the manager of the public affairs department of one of Wisconsin's great stores, Ed. Schuster & Co.

I send to the desk the text of this representative message and ask unanimous consent that it be printed at this point in the RECORD and be thereafter appropriately referred to the Senate Interstate and Foreign Commerce Committee.

There being no objection, the message was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

ED. SCHUSTER & CO., INC.,
Milwaukee, Wis., July 22, 1954.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: We are definitely opposed to the passage of the quick freight-rate increase bill S. 1461 which we understand may be tacked on to the trip-lease bill, H. R. 3203, as an amendment. This would mean that all of those who oppose bill S. 1461 would have no chance to be heard in opposition to it and certainly the opponents should be granted that right.

We understand that S. 1461 would force the Interstate Commerce Commission to grant carriers general increases in rates within 60 days of their application. No hearing would be scheduled prior to granting the increase to determine whether or not the increase was justified. We cannot see the logic of granting an increase without a hearing and then placing the burden on those who pay the freight to prove the increase, already granted, was not justified.

We will greatly appreciate your checking into this situation and doing all possible to prevent the passage of such unfair and illogical legislation. Certainly your office should not be burdened with the appeals

of your Wisconsin friends who would be adversely affected should bill S. 1461 become a law.

Yours very truly,

S. E. OGLE,
Manager, Public Affairs Department.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Labor and Public Welfare:

S. 3393. A bill authorizing the Administrator of Veterans' Affairs to convey certain property to Milwaukee County, Wis.; without amendment (Rept. No. 1978).

By Mr. WILEY, from the Committee on Foreign Relations:

H. J. Res. 257. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the First International Instrument Congress and Exposition to be held in Philadelphia, Pa., from September 13 to September 25, 1954; without amendment (Rept. No. 1979).

By Mr. BEALL, from the Committee on Banking and Currency, with amendments:

S. 3400. A bill to authorize the issuance of commemorative medals to certain scientific and educational societies of which Benjamin Franklin was a member in observance of the 250th anniversary of his death (Rept. No. 1980).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 23, 1954, he presented to the President of the United States the following enrolled bills:

S. 252. An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury;

S. 2380. An act to amend the Mineral Leasing Act of February 25, 1920, as amended;

S. 2381. An act to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain; and

S. 2759. An act to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ:

S. 3795. A bill for the relief of Nejdet Irfan Evin; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (for himself and Mr. NEELY):

S. 3796. A bill to provide for the appointment of the heads of regional and district offices of the Post Office Department by the President by and with the advice and consent of the Senate; to the Committee on Post Office and Civil Service.

By Mr. MAYBANK:

S. 3797. A bill to authorize the Administrator of Veterans' Affairs to reconvey to Richland County, S. C., lands surplus to the needs of the Veterans' Administration hospital reservation, Columbia, S. C.; to the Committee on Labor and Public Welfare.

By Mr. MUNDT:

S. 3798. A bill to provide for the issuance of a special postage stamp in commemoration of professional entomology; to the Committee on Post Office and Civil Service.

DEVELOPMENT OF PRIVATE AVIATION

Mr. BRICKER submitted the following resolution (S. Res. 292), which was referred to the Committee on Interstate and Foreign Commerce:

Whereas the aviation industry in the United States since its inception 50 years ago has grown to be the second largest industry in point of number of people employed in manufacturing; and

Whereas air transportation has shrunk distance between countries so that every nation is now our next door neighbor; and

Whereas world markets and tourist travel have expanded enormously and new products formerly inaccessible are now readily available to all; and

Whereas the airplane has become the prime factor in defense strategy and in addition to being a deterrent to war, aviation, as a tool to national policy is the leading participant in our effort to maintain peace; and

Wheres consequently it is essential that the aviation industry be maintained so as to assure continuous healthy growth; and

Whereas the continued growth of aviation is dependent upon the establishment and maintenance of a large resource pool of personnel who can be utilized to fill the needs of the various segments of the aviation industry; and

Whereas since the termination of World War II, there has been no concerted or organized training of most types of aviation personnel needed to fulfill the manpower demands of our aviation policy and as a result there has been a gradual decrease in the supply of aviation manpower as indicated by statistics compiled by the Civil Aeronautics Administration and other sources which have disclosed:

1. Continuous and alarming reduction in number of pilot approvals of all classes (student, private, commercial, airline transport, and flight instructor) since 1948.

2. Continuous and alarming reduction in number of mechanics or technicians approvals since 1949.

3. Continuous reduction in original and additional ground instructor ratings since 1949.

4. Continuous and alarming reduction in hours of instructional flying since 1947.

5. Continuous reduction in number of fixed base operators since 1948.

6. Continuing lack of adequate number of trained aeronautical engineers, aerodynamicists, physicists, and other technical personnel: Now, therefore, be it

Resolved, That in view of the critical manpower needs of the aviation industry and the need to reverse the downward trend of persons becoming interested in aviation and because of its day-to-day contact with the civilian training facilities and its experience in supervising the training activities of various schools and other aviation industry organizations, the Civil Aeronautics Administration is hereby requested and directed to assume the responsibilities of leadership and direction in the formulation and implementation of a national plan designed to capture and hold the interest of American youth in aviation careers, and to assist others in the preparation of school curricula to provide theoretical training and practical aviation experience and to develop incentives to achieve that end; to cooperate with and coordinate the activities of both national and local sponsor groups in the promotion of all aspects of aviation training, and to develop ways and means to promote general interest in aviation in the various communities throughout the country.

REVISION OF THE ATOMIC ENERGY ACT OF 1946—AMENDMENTS

Mr. SPARKMAN submitted amendments intended to be proposed by him to the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. HUMPHREY submitted amendments intended to be proposed by him to the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF SECTION 345 OF REVENUE ACT OF 1951—AMENDMENT

Mr. FERGUSON submitted an amendment intended to be proposed by him to the bill (H. R. 6440) to amend Section 345 of the Revenue Act of 1951, which was referred to the Committee on Finance, and ordered to be printed.

NOTICE OF HEARING ON NOMINATION OF CHARLES SWANN PRESCOTT TO BE UNITED STATES MARSHAL FOR THE MIDDLE DISTRICT OF ALABAMA

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 30, 1954, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Charles Swann Prescott, of Alabama, to be United States marshal for the middle district of Alabama, Vice Benjamin Franklin Ellis, removed. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Missouri [Mr. HENNINGS].

NOTICE OF HEARING ON S. 675, TO EXTEND STOLEN PROPERTY ACT TO TRAILERS AND SEMITRAILERS

Mr. LANGER. Mr. President, on behalf of a subcommittee of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, July 29, 1954, at 10 a. m., in room 424, Senate Office Building, on S. 675, a bill to amend section 2312 of title 18 of the United States Code so as to extend the punishment of the transportation of stolen motor vehicles in interstate or foreign commerce to trailers or semitrailers, and for other purposes. At the indicated time and place all persons interested in the proposed legislation may make such representations as may be pertinent.

SCHOOL CONSTRUCTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I have received, signed by a number of associations and individuals concerned about the legislation for school construction that is on the calendar.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 21, 1954.*

Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

Following is the text of telegram sent today to President Eisenhower:

"The people of the United States possess no more precious national treasure than the children enrolled in our schools. To safeguard this resource and to meet the demands of increasing enrollments and rising birth rates our schools must have more classrooms. We believe that emergency funds should be provided to States and localities whose educational needs far surpass their available fiscal resources. For this reason we respectfully urge you to request Congress to give favorable consideration to emergency public school construction bills introduced by Senator COOPER and 10 other Senators and by Representative FRELINGHUYSEN. Letter follows requesting personal interview with group representing the signers of this message.

"American Association of School Administrators; American Association of University Women; American Federation of Teachers; American Library Association; American Parents Committee; American Vocational Association; Congress of Industrial Organizations; Cooperative League of U. S. A.; Council of Chief State School Officers; Department of Classroom Teachers, NEA; Department of Rural Education, NEA; Friends Committee on National Legislation; Jewish War Veterans of the United States; National Association of Secondary School Principals; National Congress of Parents and Teachers; National Council of Jewish Women; National Education Association; National Grange; National Jewish Welfare Board; Order of Railway Conductors."

J. L. MCCASKILL,
Director, Division of Legislation and Federal Relations, National Education Association.

FIRST TURN—ADDRESS BEFORE THE MORNING HOUR

Mr. BENNETT. Mr. President, during the early days of the week, it has been my custom to make a 2-minute presentation during the morning hour. I have such a manuscript prepared, but, in view of the lateness of the hour, I ask unanimous consent that it may be printed in the RECORD at the conclusion of these brief remarks.

There being no objection, Mr. BENNETT's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BENNETT

FIRST TURN

On Wednesday in discussing the pioneer pattern of irrigation "shares" and "turns," I pointed out how this had already been carried out in the program for the development of the full water potential of the Colorado River. Under that pattern the share of the lower basin States was set at a firm 7½ million acre-feet per year, averaged out at 75 million acre-feet in every 10-year period. But what has proved to be of greatest value, they have had the right of "first turn" in projects authorized and built, with a full 25-year head start.

I wonder if our downstream neighbors really realize just what this has meant to them? On the lower Colorado alone, under national reclamation law, approximately 450 million has been invested for the development of water and power for Arizona, California, and Nevada; and when you add to that an investment in reclamation of equal magnitude on other rivers in those States, you have the very impressive total of $894 million.

But this is only half—or less than half—of the story. If these same projects were built today, at current prices, they would cost $1,825,000,000. In other words, the privilege of having "first turn" has saved our downstream neighbors a billion dollars—a billion which they will not have to pay back or pay interest on.

If the upper Colorado development project is authorized and built, we will have to pay back twice as much as they must do for equal value. There are three ways in which our friends down-river might look at this with us. First, if the development of both ends of the river had begun in the 20's, the costs of each would have been approximately equal as our share of the water is. Second, at the prices of the 20's there would be no question of "economic feasibility." And third, even at today's prices, we can build the initial phase of the program on the upper river for the billion saved by the lower basin because they had first turn.

I submit for printing in the body of the RECORD as part of my remarks, a tabulation of the reclamation expenditures in the lower basin and their present values.

The tabulation is as follows:

Reclamation expenditures in lower Colorado River Basin States, through June 30, 1953

	Actual expenditure	Present value (based on Engineering News-Record index)
Arizona	$65,812,812	$190,276,400
Arizona-California	[1] 45,727,310	94,174,900
Arizona-Nevada-California	[1] 337,196,753	701,356,700
Total	448,736,875	985,808,000

[1] Because of the physical location of certain structures, such as Hoover Dam, expenditures cannot be readily separated between or among States.

In addition to lower Colorado River expenditures, the following amounts have been expended elsewhere in those States:

	Actual expenditure	Present value (based on Engineering News-Record index)
California	$433,998,206	$792,421,300
Nevada	10,972,537	43,978,100
Nevada-California	1,073,410	3,327,600
Total	446,044,153	839,727,000
Lower Colorado River	448,736,875	985,808,000
Total	894,781,028	1,825,535,000
Estimated cost, initial phase, upper Colorado River development		972,356,000

INTERNATIONAL TELEVISION—UNLIMITED HORIZONS OF THE FUTURE

Mr. WILEY. Mr. President, I have long been interested in the enormous potentialities for the development of international television. Through the miracle of regional and possibly global transmittal of films and live pictures into homes, offices, factories, farms, and public squares throughout the world mankind is offered a golden opportunity of almost unlimited horizons. It is an opportunity to help improve standards of living—to stimulate education and culture—to improve trade, to increase understanding—and to spread the truth concerning the epic battle of the forces of the free world against Communist dictatorship.

I send to the desk now a review statement which I have prepared, with appended material, on this subject.

I ask unanimous consent that these items be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection the matter was ordered to be printed in the RECORD, as follows:

THE VAST VISTAS OF INTERNATIONAL TELEVISION

On Monday, July 19, the House of Representatives at long last approved an important bill, Senate Joint Resolution 96, which sets up a nine-man International Telecommunications Commission.

Creation of such a Commission had been recommended last year by the Hickenlooper subcommittee of the Senate Foreign Relations Committee. I feel sure that this Commission will contribute very significantly to the objective of international telecommunications advancement which I am setting forth today.

I should like to quote from our Senate Report No. 602 which, I might point out, was printed on July 18 last year. Since then, great technical advances in international television have, of course, occurred:

"The past decade has witnessed a phenomenal growth in the technology and use of television and other means of telecommunications. It is now possible, with existing engineering knowledge, to construct regional telecommunications networks which would link the following regions in instantaneous television communication: The United States and other North Atlantic countries; the United States and Latin America; the western Pacific; southern and southeast Asia; and the countries of the Mediterranean. The day of worldwide television, from an engineering standpoint, is fast approaching.

"This new and rapidly developing instrument of communication can be of inestimable value in carrying out the foreign policies of the United States. Over 50 nations are already in the process of developing television networks. The number of television sets in use abroad has increased from 500,000 in 1950 to over 3 million in 1952. Within a few years, the worldwide potential television audience may number as many as 400 million people.

"As a medium of the overseas information program, television, if properly developed, could contact far vaster audiences than is now possible with the shortwave broadcasts of the Voice of America. And it could contact them more effectively. The combined visual-audio impact of television makes it an ideal medium for the exchange of ideas with other countries and for the dissemination of information about this country and its policies. As an educational instrument, moreover, television holds great promise as a device to help overcome illiteracy and to alleviate the agricultural and sanitation problems in the underdeveloped areas. Television, in short, could become a tremendous force for the growth of international understanding, international trade, and international peace.

"The United States has spearheaded the technical development of television. Other countries are seeking our advice and guidance in developing their own television networks. If there is a default of our leadership in this field, television will develop haphazardly among the free nations, thereby making increasingly difficult, if not impossible in a technical sense, the ultimate linking of these nations through this new and vital means of communication. Initiative on our part now, on the other hand, will not only encourage a rational development of international television but it will probably insure a place for United States information telecasts on the networks of other countries as they come more fully into operation.

"There is a need to move promptly in this field. The U. S. S. R. has already established uniform telecasting standards among the countries of the Soviet bloc and is reported to be planning the installation of transmitters capable of delivering television signals to many free nations.

"The immediate requirement is for a thorough study of the developments to date in international telecommunications and for an exploration of the problems and prospects of establishing international cooperation in this field. Such a study and exploration is essential if we are to design national policies which will safeguard and advance the interests of the United States both in the peacetime and emergency use of this instrument of international contact."

REPORT BY HOUSE COMMITTEE ON COMMISSION BILL

House Report 1049, filed by the Foreign Affairs Committee on July 30, 1953, on behalf of Senate Joint Resolution 96, added:

"The United States is already linked to the other regions of the world by shortwave and cable. It is now believed feasible from an engineering standpoint to link the United States with the other parts of the world by communications which could be used for television as well as other types of instantaneous communications and that would supplement existing facilities. Technicians are presently considering a plan for transatlantic television called NARCOM—North Atlantic Relay Communications System."

BARRIERS TO BE OVERCOME

As we ponder the potentialities of world television linkage, it is clear that there is a mass of technical details to be overcome. There is a tremendous economic problem in the form of heavy financial costs. The language barrier is an everpresent obstacle, but it is hardly insuperable. The complex problems of the differing nature of the various transmitting and receiving facilities, the problem of geographic obstacles—these are but a few of the barriers still ahead.

Nevertheless, it is clear that with ingenuity, with enterprise, with diligence, there is not one of these problems which cannot be and will not be overcome successfully.

We must raise our visibility, and rise to this challenge.

Already, national television is advancing by leaps and bounds.

INTERNATIONAL TELEVISION GROWTH

Let me set forth now a few basic facts with regard to the growth in national and international television:

1. It is estimated that some 74 TV stations are on the air in 24 countries outside the United States, and that 5 million sets are in operation.

I might point out that by way of contrast, the United States has 379 stations and 30 million sets.

The United States has 85 percent of the world's 459 stations, and 86 percent of its 35 million sets. Of our own total of 379, 3 are in Hawaii, and 2 each in Alaska and Puerto Rico.

2. Great Britain, which started television on a regular basis in 1936—3 years before our own country—has the second strongest television setup, with 7 stations reaching 95 percent of the country, and with nearly 3½ million sets in use.

3. Our energetic good neighbor to the north, Canada, which did not get into television until mid-1952, is moving up very rapidly. It now has 9 stations and approximately 750,000 sets. It is scheduled to have 23 stations by late autumn.

4. West Germany is developing its television at a fast pace. Nine stations are already in operation; 27 are in the works. Two hundred thousand sets are scheduled for production this year.

Elsewhere in Europe there are 3 stations in France, 3 in Italy, 2 in the Netherlands, 2 in Switzerland, 1 each in Belgium, Denmark, Sweden, and Norway.

LATIN-AMERICAN VIDEO

5. Our good neighbors to the South enjoy 24 stations in 6 countries with many more on the way. Cuba leads with 150,000 sets and 10 stations. Habana has 5 stations, topping any city in the world outside the United States. Only our own Los Angeles and New York City, with 7 stations each, have more video outlets.

There are 5 stations in Mexico, 4 in Brazil, 3 in Venezuela, and 1 each in the Dominican Republic, and Argentina. Colombia has a station which will come on the air later this year.

6. I might point out, incidentally, that, according to the annual 1953–54 "Telecasting Yearbook-Marketbook Issue," in describing foreign television audiences, the fact is cited that the number of people viewing each set is very considerable.

"According to current reports, in areas abroad where television is new, the number of viewers per set is large, because of the gangingup habit. Sometimes this number may be 10 to 15 viewers per set. In certain South American areas, large-screen projection sets are put up in public places, it is reported. Community viewing groups are said to be well established in many small villages in France, a project backed by the French League for Education," says the Yearbook.

START OF EUROVISION NETWORK

7. In connection with European television, I might point out that TV there is virtually all government-operated. The United Kingdom may change that pattern next year so as to permit privately owned stations in competition with the government-sponsored British Broadcasting Corp.

A great European milestone was achieved when, on June 6, His Holiness, Pope Pius XII, inaugurated "Eurovision"—a hookup of 8 European countries. They included Britain, Italy, France, West Germany, Belgium, the Netherlands, Switzerland, and Denmark.

The Pontiff spoke in five languages; Italian, French, German, and Dutch. He praised the technical skill that made the link between 44 transmitters and more than 80 relay stations possible. He urged television networks to be selective in their programs, and to "spurn entertainment that caters to baser human instincts."

"Only if decency and good taste are respected," he said, "Will television maintain its brilliant promises."

The exchange of television programs by European countries should be "a symbol and promise of union, should let the European nations learn to know each other better, let them open their deeper feelings to others, and their desire for understanding and cooperation."

Vatican officials said that never before in church history had so many persons simultaneously seen a Pontiff. Estimates of the viewers of the opening program in western Europe ranged from 8 million to 20 million.

A month-long exchange of television programs among the 8 countries was thereby opened. Each of the 8 nations contributes programs on 1 day.

Local-language commentaries are given in nations foreign to the program source, with guide commentaries sent by separate lines in some cases. This service requires a complex network of sound channels, described by BCC as a "greater complication than the vision network." An international coordination center is located at Lille, France.

SOVIET ADVANCES

8. Now, what about the Soviet Union and the Iron Curtain countries? We can be certain that the Soviet totalitarians who out-Goebbel Goebbels in their use of propaganda through every communication medium, are not going to be asleep on this or other fronts.

The Russians report that they now have stations in five cities and about a quarter of a million sets in use. (Apparently once again, dictatorship has not proven as productive and fruitful as has democracy.) The Russians say they hope to have a million more sets within a year. The Moscow station operates 6 hours a day, 6 days a week.

With all entertainment under government control, Russian TV on occasion picks up plays, ballet, movies, and so forth.

Other Iron Curtain countries that have TV, largely on an experimental basis, include Poland, Czechoslovakia, and East Germany, with a single station each. The Russians, incidentally, have recently claimed that color television will begin in their country in early November.

UNESCO CONFERENCE

9. According to the latest issue of Variety, the United Nations Educational, Scientific, and Cultural Organization recently arranged for TV directors and producers from 12 different nations to meet in London to "swap" ideas and experiences in the first study course for producers and directors of educational and cultural television programs. It might be noted, incidentally, that the Kremlin sent 2 delegates—1 from Russia, another from the Ukraine. This is the first time that anyone from Soviet television had ever attended a television parley outside of the U. S. S. R. Russia, as a matter of fact, only joined UNESCO last April.

CONCLUSION

10. International television is obviously no panacea for problems of international misunderstanding.

A great medium such as this can be abused nationally or internationally. It can be used for harmful purposes, just as radio, the press, or any other medium can be abused with the messages of falsehood or hatred.

It is clear, however, that there are noble potentialities for good inherent in the medium; and with America's selflessness, with its dedication to truth, with its technical genius, there is every reason why we should be in the forefront of helping other nations advance rapidly to their television horizons.

By careful mutual, voluntary planning now, a great deal of technical confusion can be saved later on.

The American broadcasting-telecasting industry is the envy of the world. The miracle of free enterprise has unlocked men's talents in this medium, as in countless other fields to a greater degree than ever before, anywhere on earth.

I trust that by means of the newly enacted Senate Joint Resolution 96, and by other means, United States telecasting leadership, together with educational and other leadership, will help realize the fullest potentialities of international television.

VOICE OF AMERICA AND WORLD TELEVISION

I append at the end of these remarks the text of an article from the May–June 1954 issue of Television Opportunities, describing an interview with the Director of the Voice of America on this vital subject.

In connection, too, with our overseas information program, I reprint now the text of a telegram which I received today from Mr. Edward L. Bernays, who has long been active in international information work. I had been pleased to invite him and other prominent individuals interested in the commercial, educational, and other facets of this problem to favor my colleagues and myself with their observations.

TELEGRAM FROM EDWARD L. BERNAYS

NEW YORK, N. Y., *July 23, 1954.*

Senator ALEXANDER WILEY,
Chairman, Foreign Relations Committee, Senate Office Building:

I have often noted the tragic results that come from apathy, misunderstanding or ignorance of the true position of the United States among other peoples and have frequently advocated a bold, broad program of information about us to the peoples of the world.

For these and other reasons fraught with the national interest, I congratulate you as chairman of the Foreign Relations Committee and Senator HICKENLOOPER as chairman of your subcommittee, on bringing into being the commission on governmental use of international television communication. Passage of enabling legislation by the House and Senate means a great step forward for the United States in its international relations.

In setting up a blueprint for offensive and defensive action by the United States in the field of ideas, such a commission will be vital. May I add that my own experience going back to the United States Committee of Public Information during World War I and my close association since then in peace and war with all fields of communication and public opinion generally are completely at your disposal. I accept your invitation to file with your committee counsel Julius N. Cahn information and suggestions bearing on this subject and feel honored to participate with you in this great national project.

EDWARD L. BERNAYS.

[From Television Opportunities for May–June 1954]

WITH UNITED STATES INFORMATION AGENCY FILMS ON INTERNATIONAL TV "WE HAVE AN UNBEATABLE WAY OF TELLING OUR STORY"—J. R. POPPELE, DIRECTOR, VOICE OF AMERICA, STATES THERE WILL BE A POTENTIAL AUDIENCE OF 50 MILLION IN 3–5 YEARS IN 52 COUNTRIES—BELIEVES TV DEVELOPMENT BEHIND IRON-BAMBOO CURTAINS WILL GIVE SOVIET "A NEARLY PERFECT MEDIUM FOR CONTROLLED THOUGHT"

(By Lawrence Levey)

Jack R. Poppele, director of Voice of America, United States Information Agency, believes that international television has tremendous potentials for spreading democracy's message and giving peoples closeup views of the free way of life, as well as being a medium of great aid to underdeveloped areas of the world where inhabitants can acquire technical know-how to improve their living standards.

The truth about America, he asserted, must reach the fringe areas of the Iron Curtain showing evidence of Communist penetration. "We are in this area with radio, but we must also be there with TV as soon as possible in order to get in on the ground floor as each new television service begins. If we can get in on the ground floor with the United States Information Agency's TV features, we are going to have an unbeatable way of telling our story.

He revealed that the information agency had received reports that the Soviet Union intends to make maximum use of TV as "a molder of public opinion, and as a propaganda weapon."

MEDIUM TO CONTROL THOUGHT

He continued, "The future development of TV behind the Iron and Bamboo Curtains seems to indicate that the Soviet Union will have in its hands a nearly perfect medium for controlled thought."

While it is not known at present how to get the TV signal of an outside telecast into Russia to compete with Soviet pictorial portrayal, the immediate problem is taking advantage of new audiences that expanding international TV service makes available.

This audience, declares Poppele, is composed of friends and also of neutrals "who wish to stand aside while others determine whether or not the world will be free or Communist-enslaved; and also of our enemies who have fallen for the Communist propaganda line."

Poppele is a radio and TV broadcasting pioneer with more than 30 years of experience in the electronics field. He has seen the crystal set develop from an earful of faint sound to international volume capable of affecting the lives, habits, and thinking of whole populations.

He supervised technical planning of the first broadcasting from the United States to London in 1923. Since then, and until his connection with the Voice of America, he had devoted his broadcasting efforts continuously to WOR radio and the Mutual Broadcasting System where he was vice president supervising the work of more than 150 electronic engineers and technicians. He also supervised construction of WOR-TV, transmitting its first signal to millions of viewers in the metropolitan area.

SHOW SO AS TO KNOW

A close student and observer of all aspects of TV, from equipment installation through programing to ultimate audience reactions, Jack Poppele is a firm believer in international TV, with its forceful impact to show so as to know; in its facility to convey pictorial information and create impressions; in its ability to prove by sight what is declared by voice. He believes that international TV, used along and counteracting lines, can complement and supplement the Voice of America in its free world work.

Declared Poppele, "We are all aware of the phenomenal growth of TV in this country, and the fact that there are nine times as many TV sets here as in the rest of the world."

"In 1950, there were only 5 foreign countries with TV service broadcasting to only 500,000 receivers. By the end of last year, there were 23 countries and 3,500,000 receivers with an estimated audience in Europe, Latin America, and the Far East of 25 to 30 million viewers."

He said that United States Information Agency surveys showed that during the next 3 to 5 years, 52 countries will be regularly or experimentally engaged in TV broadcasting. There will be at least 6 million receivers and a potential audience of 50 million viewers.

He continued:

"In Europe, 8 countries have been linked up for TV despite the fact that 6 different languages are spoken, and 4 different systems of telecasting are being used, the whole calling for a complicated method of conversion of image.

"We in the United States are behind the Europeans in intercountry linkage, despite the fact that in the Western Hemisphere we also have a solid land mass, and much more extended electronic facilities; almost a 100-percent compatible system of telecasting, and only 3 languages, English, Spanish, and Portuguese, requiring intercountry translation."

SLOW GOING

"With nearly all countries of the Americas broadcasting along compatible lines, and receivers requiring adaptation only in voltages and cycles, it would appear that we are proceeding at tortoise pace, compared with European countries, in interconnecting the Americas by TV and corollary services such as telephony, telegraphy, etc., by modern microwave radio relay."

He revealed that overseas TV impact, "if anything, is greater than what we have experienced in the United States." The Casablanca station in French Morocco which has only been on the air for 3 months has asked the Information Service for an hour's program material a day. "With our present service, we will have great difficulty in filling that request."

In the Americas, as well as other countries, kinescopes of important leaders visiting the United States could be taken, then sent to TV stations in the Caribbean and South America areas for telecasting as special events. Full coverage of visits can be effected by use of film. Trade and commerce would likewise be helped through interchange of telecasts either by film or live when the Americas are linked up on an intercountry basis.

A great many students of diverse nationalities are studying in United States universities and colleges. Filmed accounts of their impressions of the United States televised on stations of their own countries would do much to bring about better understanding between peoples, and help change erroneous impressions about the United States. Coming from their own nationals who appear on the TV screen, supplemented by other pictorial proofs, there can be no better way of imparting the truth and democracy's principles, and the way a free people live under a free system of government.

FAR EAST AND ASIAN IMPACT

Poppele believes there should be more thinking along lines of inter-Americas television. Every country has special events, sports, music, festivals, etc., of interest to every other country. Competition in sports would be of great appeal to populations south of the border.

As powerful as the impact of TV has been in Europe and Latin America, Poppele maintains that the medium will be even more effective in the Far East and Asia.

"Results already achieved in Japan and the Philippines," he declared, "clearly show that public reaction is far more enthusiastic in the uneducated areas of the world as opposed to the more sophisticated regions.

"Plans for introduction of TV in Thailand, Indonesia, and India open untold opportunities for the United States Information Agency's overseas TV effort to reach an ever-expanding audience.

"Through USIA TV films and kinescopes, it will be possible in a relatively short time, to augment greatly the free exchange of ideas and information, thus strengthening the bonds of friendship among the free nations and building their will to resist Communist infiltration and aggression."

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, I am about to propound another unanimous-consent agreement, which is the one that was first propounded, I believe, either last Thursday or Friday, and the only change in this from the one that

was proposed then is that the date, "Tuesday, July 20," is stricken, and it reads "Monday, July 26," to conform with the calendar, which has changed in the meantime; and then the 2 hours of general debate has been increased to 4 hours. But before propounding the unanimous-consent request, in order that both the majority and minority may have the opportunity of gathering up such of their absent Members as may be interested in any proposed unanimous-consent agreement, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Eastland	Martin
Barrett	Ferguson	Millikin
Beall	Flanders	Monroney
Bennett	Goldwater	Mundt
Bowring	Hendrickson	Payne
Bricker	Hickenlooper	Potter
Bridges	Holland	Purtell
Burke	Humphrey	Reynolds
Bush	Ives	Saltonstall
Butler	Jenner	Schoeppel
Capehart	Johnson, Tex.	Smith, Maine
Carlson	Johnston, S. C.	Smith, N. J.
Case	Kilgore	Thye
Clements	Knowland	Upton
Cooper	Kuchel	Watkins
Cripps	Langer	Wiley
Daniel	Long	Williams
Dirksen	Magnuson	Young
Dworshak	Malone	

Mr. CLEMENTS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Louisiana [Mr. ELLENDER], the Senators from North Carolina [Mr. ERVIN and Mr. LENNON], the Senator from Delaware [Mr. FREAR], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Iowa [Mr. GILLETTE], the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senator from Arizona [Mr. HAYDEN], the Senators from Missouri [Mr. HENNINGS and Mr. SYMINGTON], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from Washington [Mr. JACKSON], the Senator from Colorado [Mr. JOHNSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. KERR], the Senator from New York [Mr. LEHMAN], the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Nevada [Mr. MCCARRAN], the Senator from West Virginia [Mr. NEELY], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, on behalf of the minority leader and myself, I send to the desk a proposed unanimous-consent agreement, and ask that the clerk read it for the information of the Senate.

The Chief Clerk read the proposed unanimous-consent agreement as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That following the morning business on Monday, July 26, during the further consideration of S. 3690, to amend the Atomic Energy Act of 1946, as amended, and for other purposes, debate on any amendment or motion (including appeals) shall be limited to not exceeding 2 hours, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the Senator from Iowa [Mr. HICKENLOOPER] in the event he is opposed to such amendment or motion; otherwise, by the mover and the minority leader or some Senator designated by him: *Provided*, That no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further*, That debate upon the bill itself shall be limited to not exceeding 4 hours, to be equally divided and controlled, respectively, by the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Texas [Mr. JOHNSON].

The PRESIDING OFFICER. Is there objection?

Mr. MONRONEY. I object.

Mr. KNOWLAND. Mr. President, if the Senator will withhold his objection for a moment——

Mr. MONRONEY. I shall be glad to reserve my objection.

Mr. KNOWLAND. I should like to ask the distinguished Senator from Oklahoma whether he would be willing to agree to a unanimous-consent request that the time for general debate on the bill itself be increased from 4 to 6 hours?

Mr. MONRONEY. Mr. President, much as I should like to accommodate the distinguished majority leader, who has shown his willingness to cooperate, in the light of the fact that a cloture motion has been filed, and the majority leader has availed himself of that opportunity to limit debate, I do not feel that I can consent.

Mr. KNOWLAND. If the Senator from Oklahoma will pardon me, the majority leader, as the Senator may know—he was here at the time—did not propose or even submit the resolution for cloture until a series of attempts had been made to get a unanimous-consent agreement on individual amendments, and also unanimous-consent agreements on the bill; and we would have been prepared to greatly expand the original proposal, in 1 case, from 2 to 4 hours, if there had been any suggestion that it be extended beyond that time. So I want the record to be perfectly clear that the majority leader felt that cloture should not be used except as a last resort, but it seemed that the majority leader had been put in a position where he had to use the last resort. If we could have a unanimous-consent agreement, of course, the unanimous-consent agreement itself would be far more liberal than the cloture provision.

Mr. MONRONEY. For the reason heretofore stated, unless the majority leader wishes me to withhold my objection further, I renew my objection.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. HICKENLOOPER. Mr. President, I call up the amendment I have at the desk, and ask to have it stated as the pending question.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 82, in line 17, after "ployed" it is proposed to insert "(1)."

On page 82, in line 19, before the period, it is proposed to insert a comma followed by "or (2) for the construction or operation of facilities for the commercial production of electric power, or other useful forms of energy, derived from the utilization or production of special nuclear material other than that power or useful energy produced or derived incidental to research and development activities authorized under section 32."

Mr. HICKENLOOPER. Mr. President, I have no desire to proceed further with the amendment this morning. I take it that the pending question is on agreeing to my amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa.

Mr. HUMPHREY. Mr. President, will the amendment of the Senator from Iowa be printed, so that copies will be available to all Senators?

Mr. HICKENLOOPER. Yes. I think I should not discuss the amendment until copies of it are available. I wish to have the amendment be the pending question.

Mr. KNOWLAND. Mr. President, I should like to ask a question, and then I shall yield the floor.

In view of the proposed unanimous-consent agreements which have been submitted, I wonder whether any Member on either side of the aisle is prepared to submit a proposed unanimous-consent agreement which will more nearly meet the desires of various Members regarding further debate on the pending bill, so we could conclude debate on it, and thereafter the Senate could proceed in orderly fashion to consider the other proposed legislation that is facing us.

Mr. HUMPHREY. Yes, Mr. President; I will accommodate the majority leader.

I ask unanimous consent that all sections save the ones pertaining to the matter of international cooperation for the use of atomic energy be stricken from the bill.

Mr. KNOWLAND. Of course, Mr. President, that is not a unanimous-consent request in regard to the time for further debate on the bill.

Mr. HUMPHREY. But if my proposal is agreed to, a great deal of time will be saved.

Mr. KNOWLAND. Of course, the Senator from Minnesota has a right to offer such an amendment at the proper time.

Mr. President, I yield the floor.

THE FARM PROGRAM

Mr. EASTLAND. Mr. President, in 1952, when speaking in southern Minnesota, the present President of the United States, then the candidate of the Republican Party for election to that high of-

fice, made a statement regarding parity for agricultural commodities. He then took the position that 90 percent of parity was inadequate, and he criticized the Democratic Party for advocating, as a support price for agricultural commodities, only 90 percent of parity.

Mr. President, I shall discuss in some detail the farm program. I believe that the Republican Party should keep its obligations. It has committed itself to the farmers of the United States to support agricultural commodities at 100 percent of parity.

FARM PROBLEM STILL UNSOLVED

Since 1920, the greatest domestic problem in the United States has been the farm problem. After 25 years it remains unsolved. Our failure to solve it has caused more poverty and suffering in this country than any other one thing or combination of things except war itself. It is true, Mr. President, the present abnormal conditions due to the last war act as an opiate to deaden the pain of the disease. However, America still suffers from it. The same conditions that caused it are still present. The malady has not been arrested; but because of our greatly expanded productive capacity due to the war, it will set in with devastating effect to American agriculture in the postwar period unless measures are taken to cure it.

Mr. President, millions of words have been spoken; a great number of laws have been passed; billions of dollars have been spent; thousands of people have been hired—all in a vain attempt to cure the disease. But all of it has failed because no concerted attempt has been made to remove the causes of the trouble. The causes are agricultural surpluses. Acreages have been reduced. The surpluses are still piled up. This illness will be fatal unless necessary, sensible, and practical measures are taken to move farm products into consumption. In fact, Mr. President, we produce for consumption; and under our capitalistic system, the producer is entitled to a price for his product which will yield to him a profit. Because of this surplus, the American farmer has not for 25 years, on an average, received for his product a price sufficient to support his family at a decent American level. The cause of the disease is the surplus; and until measures are taken to move that surplus into consumption, and at the same time give to the farmer a decent price for his product, the disease, with its attendant poverty, debt, low living standards, and human suffering, will continue and intensify.

It is no solution to simply reduce acreages, when surpluses pile up. We must remove the cause of the surplus. A starving and ragged world is in need of all that we can produce. To simply reduce the acreage is suicidal. It has not solved the farm problem, and it never will. The channels of world trade must be reopened if agriculture is to be benefited.

WORLD PEACE RESTS ON AN ECONOMIC FOUNDATION

Today, we in America stand at the crossroads. The American people and the peoples of all the world look to the American Congress for leadership. The hopes, the prayers, the aspirations of mankind go with our deliberations. The welfare of unborn generations, the future of the modern world, is in our hands. We are pledged to set up a peaceful and well-ordered world. We are pledged to set up a world organization which will banish the tears, the suffering, the horrors of war. We must so organize the world that mankind will live in peace for generations yet to come. Peace, prosperity, human happiness are impossible unless the world is so organized that all mankind will have access to the raw materials and resources of the earth. Political rights and democracy do not dwell with men who are poverty stricken and hungry. There must be no have-not nations if the postwar world is to be a world of peace.

Mr. President, American agriculture must not be permitted to return to the threadbare thirties. We must not permit the farmers of this country again to suffer the abject poverty which was their lot from the great depression until the present tragic catastrophe. As has been well said, the only self-contained community is a graveyard, and world peace is an impossibility without world trade. A political organization of the nations of the earth to prevent aggression and enforce the peace cannot succeed unless it is founded upon economic freedom, which means the removal of the barriers which prevent the flow of world commerce. World trade is necessary to make mankind prosperous and contented. Unless we restore world trade, there is absolutely certain to be a third world war. This is the decision, Mr. President, that America must make. We must promote and encourage world trade. We must accept foreign goods in the United States. Any sacrifice that we make is cheap if by so doing we secure permanent peace. Unless we follow the road to world prosperity, the blood, the tears, the sacrifices of the American people will all have been in vain. In fact, Mr. President, it is the purpose of legislative bills now pending to promote the necessary expansion of world commerce in such a way as not to injure American industry and not to reduce the American price level, but to remove agricultural surpluses, for the welfare of the Nation and the prosperity of the world. It will give the nations of Europe the food and fiber so necessary for their prosperity.

Americans too often forget how the loss of our foreign markets resulted in 12 long years of declining farm prices. They forget that our pre-1930 cotton export market created more employment than WPA or PWA provided at their peak.

We have normally in the United States, Mr. President, a surplus-producing agricultural machine. The economists tell us that it takes 2½ acres of productive soil to produce the food and fiber necessary to support a human being at decent living standards. The United States today has 16 acres of land per capita, a large portion of it productive. American agriculture cannot prosper if it can produce the food and fiber for only the people of the United States. Sixteen acres of productive soil per capita, where 2½ acres is all that is necessary to support a human being, means simply that agriculture must export or die. The last war has still further greatly expanded the productivity of this agricultural machine. Our agricultural production today is 33 percent above the 1935 to 1939 average. It is now more necessary than ever that we regain export markets. Our markets must be world markets. Our customers must be mankind. If the American agricultural industry is to produce only for the domestic market, as it is now doing except for foreign economic aid, then it is faced with bankruptcy; industry is faced with shutdowns; the industrial worker is faced with unemployment; and the country is faced with depression. It is certainly a fundamental fact in our economy that when the farmer cannot buy, the industrial worker cannot work. Furthermore, this domestic market will be much smaller in the postwar era when consumption and production go back to normal standards.

CAUSE OF THE FARM PROBLEM

Mr. President, what is the solution; how will the bill I am discussing cure this situation; and what will be the result in the United States if the bill is enacted into law? The answer, of course, is that we must regain our export markets. But what is the cause of the loss of those markets and what is the remedy? There is one fundamental cause of the loss of these markets, and that cause is the protective tariff. Any relief must come through the tariff. It is possible to give agriculture relief, as this bill does, without repealing the tariff and without injury to the price levels of American industry or the wage scales of industrial labor.

Mr. President, how has the tariff cost American agriculture its export markets? Trade is a two-way street. It is fundamentally an exchange of commodities. There is only one way that a person can buy anything and that is through the sale of commodities or personal services. Foreign nations, with the exception of Britain and Russia, have little gold, and the only way they can pay American agriculture for its products is through the sale to us of their products. By the sale to us of their commodities is the only way they can get the dollars to pay the American farmer for his surplus production of cotton, wheat, lard, pork, and other farm products.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield for a question.

Mr. LONG. I was interested in hearing the Senator make the statement that we could trade only for dollars. But is it not true that there is a possibility of bartering certain commodities?

Mr. EASTLAND. Oh, certainly.

Mr. LONG. Is it not true that some nations, which could not acquire currency with which to do business on the world markets, have found it possible to acquire all the things they needed by means of bartering?

Mr. EASTLAND. By means of barter, certainly. Of course, that is very evident. I am speaking about a bill, now pending in the Senate, which would provide a free flow of commodities, and would remove the tremendous surpluses which now exist in this country, and which cause American farmers to face bankruptcy.

Many of these nations are industrial nations. In fact, the great markets, the necessary markets, for our surplus farm production are the industrial nations of the earth. They are nations which produce manufactured goods identical to manufactured goods produced in the United States. These nations urgently need raw cotton. They desire and prefer the American product. They desperately need wheat, wool, rice, lard, pork products, and fruits produced in the United States. In fact, the Continent of Europe, overpopulated and with a shortage of resources, has depended for generations on the farm products produced by our surplus-producing American agricultural machine. There is a desperate, urgent necessity that they receive these products from us. That they receive raw materials for their industries and food for their populations is necessary if they are to prosper. Mr. President, it is vital that they receive this food and fiber from American farms if America is to be prosperous. In fact, world prosperity and peace in the future depend upon whether or not we trade with and exchange commodities with them. And this means that we must take their industrial products—take what they have to sell—even though those products are identical with products manufactured in the United States. Through trade is the only way they can acquire the dollar exchange necessary to purchase and remove the agricultural surplus which for many years has brought poverty and suffering to the farmers of America. Under this bill we can do that without injury to, but with great benefit to, American industry.

There is another condition which grows out of the tariff that must also be solved before agriculture will be materially benefitted. Our tariff rates on incoming dutiable goods averaged 59 percent in 1932 under the Hawley-Smoot tariff. No reciprocal trade agreements were made with certain foreign industrial nations. With others, reciprocal trade agreements did not go into effect until so shortly before the war that their influence was not felt. The result is that the price level for finished manufactured goods of many types in the United States is still from 40 to 60 percent higher than the world price level. This has artificially increased from 40 to 60 percent the cost of such goods which the farmer must buy. It has lowered his standard of living. It has placed him at a disadvantage in competition with foreign agriculture. To compensate him the Government, through commodity loans of the Commodity Credit Corporation, has initiated a loan program which artificially holds up the price of American farm products above the world price level. By our acreage reduction program we have attempted to reduce production to American needs. By holding the price of our products above the world price we drive foreign purchasers away. They, of course, purchase their requirements where they can be purchased the cheapest. American cotton today is worth, roughly, 26 cents per pound more than the world price. Other farm products are also held artificially higher than their world prices. These artificial prices are necessary because the farmer must pay artificial prices for the industrial products which he must purchase. It is only justice to hold the price of American farm products at these levels. This program, however, in the long run will be fatal because no provision is made to move these farm products into consumption. To reduce the acreage is no answer. Surpluses still pile up and we still further reduce the acreage. This causes unemployment and will bankrupt agriculture, for under these policies all export markets, in time, will be swept away and we will only produce for domestic consumption.

FULL PARITY EXPORT PLAN EXPLAINED

Mr. President, what does this full parity export bill provide? It provides that all import duties paid under the Tariff Act of 1930, as amended, upon any article imported into the United States or any of its possession shall be refunded, if an amount equal to the sum of the value plus import duties is used by the importer or his assignee to purchase and export surplus agricultural commodities produced in the United States. The act simply means that import duties paid to get foreign-manufactured goods into the United States will be refunded, provided the value of the goods at the world price level plus the tariff duties paid to get them into this country are used to purchase agricultural commodities, of which the United States has a surplus.

Let me give an illustration. If certain foreign goods of the value of $100,000 at the world price level reach the port of New York, there will be roughly due on those goods tariff duties of $60,000. Sixty thousand dollars will be due for the reason that in the aggregate our duties total 60 percent. When this sum is paid and these goods are delivered into the United States, there will be an investment in those commodities of $160,000. Goods of the value of $100,000 abroad cost $160,000 when the tariff is paid and they are delivered in this country. In the United States, however, these identical goods are worth in the markets roughly $160,000 instead of their $100,000 value abroad for the reason that our domestic price level for many manufactured commodities is approximately 60 percent higher than the world price level. They can readily be sold in the United States for this amount. We tell the foreigner, or the importer, whoever he may be, "Use this $160,000 to buy for export American agricultural products, of which we have a surplus, and we will refund you the $60,000 in tariff duties that you have paid to get these commodities into this country." As I have said, Mr. President, trade is but the exchange of commodities, and the key to this whole thing in the purchase of foreign goods at the American price instead of the world price, which enables the sale of surplus farm products for export at the American price or parity price. By increasing the price of foreign goods to the American price we enable the foreign purchaser to buy our surplus farm products at the American price level. This is an exchange of commodities at the American price level and at the American standard of living. No cheap foreign goods can come in to saturate the American market and lower the wage scale and living standards of Americans whether they be employed in industry or agriculture.

Mr. LONG. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. LONG. Do I correctly understand the Senator's argument to be that the United States should take the money which is collected in tariffs and use it to subsidize our exports?

Mr. EASTLAND. No, that is not what I said. What is proposed simply boils down to this: That industrial goods can come into this country without the payment of duty, provided the dollar exchange acquired from the sale of those goods in the United States is used to purchase farm commodities which are in surplus supply. Does that answer the distinguished Senator's question?

Mr. LONG. I thank the Senator.

Mr. EASTLAND. Under this system the British could pay the American cottongrower a parity price or 22 cents per pound. This is true of all surplus agricultural commodities. It bridges the gap betwen the higher American price level and the world price. It obviates the necessity of a two-price system. Instead of permitting the price of American farm products to fall to the low world level and impoverish our farmers, we raise the value of foreign goods imported in this country to the American level and thus enable these foreign goods to buy American farm products at the American level of prices. Remember, Mr. President, trade is the exchange of commodities. A foreign nation must sell its goods or services to get the money to purchase our products. Raise the price of these same goods to the American price and they will buy farm products at the American level.

Furthermore, we protect the domestic price structure for industrial goods and thus protect industrial jobs. With this bill enacted into law it becomes to the farmers' interest to protect the American price structure for industrial goods, because the maintenance of this price structure enables him to get parity prices or higher than world prices for his products. He will get parity or higher than world prices no matter whether these products be sold for foreign or domestic consumption. In other words the American farmer will secure parity or higher than world prices for all his production regardless of where it is sold. It obviates the necessity of and the argument for the unsound two-price system.

This measure, Mr. President, is a certain cure for the farm problem. It is a cure for the problem of the surplus because it establishes an exchange of commodities and provides the necessary

dollar exchange for foreign nations to purchase our products; and further, it provides them with dollar exchange sufficient to pay parity for American farm products.

Mr. President, this measure is in no sense a subsidy. It is not a subsidy because the goods would never have come into the United States in the first place and the refunded tariff revenues would never have been paid if the importer or shipper had not known that the tariff duties paid would be refunded upon the purchase of surplus agricultural commodities. In fact, the object in their shipping their goods here is to acquire the wheat, cotton, and other commodities so necessary for their welfare. The ability to acquire them by the sale of their goods is the whole object of the transaction and the payment of the tariff duties was not made with the intention that it would remain in the Treasury, but with the purpose and intention of getting it back. The bill will cost the Treasury nothing. In fact, by raising farm income it will place millions of new tax dollars into the Treasury of the United States.

AMERICAN INDUSTRY SAFEGUARDED

Mr. President, the crux of this whole situation is the importation of foreign industrial goods into the United States to pay for our exportable surplus of farm products. By it foreign countries acquire the essential dollar exchange to purchase farm surpluses. I full well realize that there is grave fear in every segment of American business and labor that the importation of foreign manufactured goods will destroy the American standard of living and impoverish our country. I do not feel that these fears are well grounded. Frankly, I am violently opposed to our present tariff structure. However, Mr. President, there are adequate safeguards for the high-tariff men in this measure. Every single manufacturing industry is protected. Not one industrial price level will be reduced. No industry and no industrial worker will be injured. No such thing could happen if this bill were enacted into law. In the first place the goods come in as I have shown at the American price level. In the next place the total amount of foreign manufactured goods that can come into America under this bill is limited to the amount necessary to buy up our peacetime exportable farm surpluses of wheat, cotton, lard, pork products, fruits, tobacco, and rice. Finally, the imports of every type of manufactured goods can be held to prorated quotas if it should be deemed necessary. Why, if under this plan enough goods came into America each year to purchase the normal exportable surpluses of these commodities, it would only equal 2 percent of the normal business of this country, not enough to depress the prices of a single American product, not enough to throw a single American industrial worker out of work, not enough to injure American business. Furthermore, not one dollar of America's cash buying power for American manufactured goods is sent abroad, only our surplus agricultural commodities are used as payment for foreign goods. American industry will not lose a single dollar of American business, because we increase our foreign trade sufficiently to absorb our peacetime crop surpluses. American industry will not lose but will gain enormously by the increased rural demand for American manufactured goods that will result once the price-depressing poverty-producing crop surpluses have been eliminated from the country.

LABOR'S STAKE IN RURAL PROSPERITY

Mr. President, American labor has a great stake in the enactment of this legislation. It means full employment for Americans. This bill, by removing the surplus agricultural production will greatly increase the purchasing power of the millions who farm in this country. It means new markets for industrial goods. It will mean a very great increase in the consumption of industrial commodities. Consumption means production and production means jobs. Agricultural surpluses in normal times are, as everyone knows, price destroying and reduce the purchasing power of the millions who engage in agriculture for their livelihood. Remove the surpluses, increase agricultural purchasing power by billions of dollars and you have a tremendous market for the products of American industry. It takes the purchasing power of American agriculture to make the wheels of industry spin. When agriculture cannot buy, the industrial worker cannot work. And when we make agriculture prosperous, as this bill will do, we also make prosperous the industry of the country.

During the great depression we learned a tragic and expensive lesson. America alone cannot be prosperous. Our prosperity depends absolutely upon world prosperity. The American people alone cannot be prosperous in a world of poverty and rags. When we purchase the products of our neighbors across the seas we make it possible for them to purchase American products—the food and fiber which is necessary in order for them to have the necessities of life. Trade begets trade. It is an expanding thing. When markets are found for our surplus agricultural production the purchasing power of our own farmers is increased, and when we buy the products of foreign industrial nations we increase their purchasing power and the expanding world trade thus created will be a great boon to American industry.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. UPTON in the chair). Does the Senator from Mississippi yield to the Senator from Louisiana?

Mr. EASTLAND. I yield for a question.

Mr. LONG. Has the Senator prepared an amendment to carry out the details of the program he has in mind?

Mr. EASTLAND. Yes; I have.

Mr. COOPER. Mr. President, will the Senator from Mississippi yield?

Mr. EASTLAND. For a question.

Mr. COOPER. Will the Senator yield for a comment?

Mr. EASTLAND. No; I do not propose to lose the floor.

Mr. COOPER. May I ask a question, then?

Mr. EASTLAND. The Senator may ask a question.

Mr. COOPER. Would not the Senator agree that his suggestion, contrary to many of the suggestions being made today on the farm problem, goes to the real roots of our farm problem, rather than being merely a discussion of the troubles we are in today?

Mr. EASTLAND. Yes.

Mr. COOPER. I should like to say——

Mr. EASTLAND. The Senator must ask a question.

Mr. COOPER. I compliment the Senator on his discussion of the roots of the problem.

Mr. EASTLAND. I thank the distinguished Senator from Kentucky. He is one Republican who realizes that the great masses of the people of this country have rights, and he has attempted to benefit the great masses of our people, which is certainly foreign to the program and policies of the Republican Party from the days of Abraham Lincoln down to the present time.

Mr. President, I wish there were more Republicans in Congress—if we have to have some of them—like the distinguished Senator from Kentucky. I believe our country would be much better off. I am sure the South would be much better off, and I am of opinion that the great masses of the American people would greatly benefit.

WHAT THE FULL PARITY EXPORT PLAN WILL DO FOR THE COTTON FARMER

By restoring the cotton acreage of the South from its present low level of 20 million acres to a level of 30 million acres which it will certainly do because of the increased exports of American cotton, and by continuing the present high per-acre yields arising from improved methods of production, the South could easily produce an average of 15 million bales of cotton per year. Domestic consumption will absorb about 9 million bales, leaving 6 million bales for export. The entire 15 million bales would bring the parity price if the full parity export plan were in effect.

Let us assume that parity in the post-war era continues at its present level of approximately 22 cents. Fifteen million bales at 22 cents per pound means a value of $1,650,000,000 for 1 year's cotton lint production.

The income of the South from cotton lint from 1935 to 1939 averaged $640 million per year, or only about 39 percent as much. Increased income in the South from cotton due to the full parity export plan would, therefore, be $1,010,000,000 per year.

Under the AAA, agricultural conservation, and parity payment programs total benefit payments of all types to cotton farmers from 1933 to 1939, inclusive, came to $1,093,000,000. Thus the full parity export plan would give the cotton farmers in 1 year approximately as much gain over their average prewar income as they got from the Government in benefit payments during this entire 7-year period and do so at no cost to our Government. Such is the superiority of full economic health based upon abundant natural circulation of goods as compared to economic jaundice

caused by the tariff with life sustained only by shot-in-the-arm benefit payments.

Assuming that each of the major cotton-producing States continues to produce its prewar percentage of the total amount of cotton raised, this would mean an annual gain in income from cotton for each cotton State as follows:

Texas	$252,000,000
Mississippi	145,000,000
Arkansas	100,000,000
Alabama	89,000,000
Georgia	85,000,000
South Carolina	67,000,000
Louisiana	59,000,000
North Carolina	45,000,000
Oklahoma	39,000,000
Tennessee	36,000,000
California	36,000,000
Missouri	25,000,000
Arizona	13,000,000
New Mexico	9,000,000

Please note that these figures do not constitute total income from cotton, but simply the increase in income from cotton over the prewar standards.

Worked down to the average individual farmers, the general average will be $920 more cash money per year for the average cotton farmer in Texas; $550 more cash money per year for the average cotton farmer in Mississippi, where the farms are smaller; $650 more cash money per year for the average cotton farmer in Arkansas; $440 more cash money per year for the average cotton farmer in Alabama; $500 more cash money per year for the average cotton farmer in Georgia; $600 more cash money per year for the average cotton farmer in South Carolina; $500 more cash money per year for the average cotton farmer in Louisiana; $430 more cash money per year for the average cotton farmer in North Carolina; $450 more cash money per year for the average cotton farmer in Oklahoma; $450 more cash money per year for the average cotton farmer in Tennessee; $1,500 more cash money per year for the average cotton farmer in Missouri; $6,800 more cash money per year for the average cotton farmer in California; $9,000 more cash money per year for the average cotton farmer in Arizona; $3,000 more cash money per year for the average cotton farmer in New Mexico.

All three of the last-named States have a relatively small number of cotton farmers who own large plantations.

In summary, this works out to an average gain in income to individual cotton farmers all over the United States of $635 per year.

And this gain is not based upon a return to the 40 million acres that were planted in cotton in the 1920's, but upon a return to only 30 million acres.

The full parity export plan will bring the abundant life, economically speaking, to the American cotton farmer, and do it, not by legerdemain, but simply by moving cotton into consumption—thereby insuring not merely market, but price as well.

Now, Mr. President, in discussing what this proposed legislation will accomplish for the cotton farmer I used the present parity price of 32 cents per pound. To be perfectly fair this does not take into consideration price reductions which may be necessary to meet the competition from rayon and other synthetic fibers. Cotton and synthetics will fight it out on quality and price. Frankly, I am not alarmed over competition from these products. My concern is to remove the cause of agricultural poverty and that very thing this bill will do.

WHAT THE FULL PARITY EXPORT PLAN WILL DO FOR THE WHEAT FARMER

Mr. President, by restoring the wheat acreage of the Nation from its 1935–39 level of 56 million acres to its normal level of 60 million acres, and by continuing an average production level of 15 bushels per acre, as may conservatively be assumed, this Nation could produce an average of 900 million bushels of wheat per year. Domestic consumption would absorb about 700 million bushels, leaving approximately 200 million for export. Under the full parity export plan, the entire 900 million bushel crop would bring our wheat farmers the parity price.

Let us assume that parity in the postwar era continues near its present level of $1.52. Let us round that to $1.50. Nine hundred million bushels of what at $1.50 means an average annual value of $1,350,000,000 for the Nation's wheat crop.

The income of all the wheat farmers of the Nation averaged only $607 million per year in the 1935–39 prewar base period—or less than half as much. Increased income to our wheat farmers due to the full parity export plan would, therefore, amount to $743 million per year.

Under the AAA, agricultural-conservation, and parity-payment programs aggregate Government benefit payments to all wheat farmers from 1933 to 1940 inclusive totaled $694 million. Thus the $743 million gain which the full parity export plan would give our farmers in 1 year is more than they received in 8 years of benefit payments—and the money would not come out of the Federal Treasury.

Let us break down this $743 million gain to the Nation's wheat farmers into gain by individual States.

Assuming that the great wheat producing States continue to produce the same proportion of the Nation's wheat in the postwar era, as in our prewar 1935–39 base period, the full parity export plan would mean an annual gain in income of $123 million to the wheat farmers of Kansas, $51 million to the wheat farmers of North Dakota, $47 million to the wheat farmers of Oklahoma, $45 million to the wheat farmers of Nebraska, $44 million to the wheat farmers of Ohio, $41 million to the wheat farmers of Washington, $40 million to the wheat farmers of Illinois, $33 million to the wheat farmers of Missouri, $30 million to the wheat farmers of Montana, $30 million to the wheat farmers of Indiana, $28 million to the wheat farmers of Minnesota, $27 million to the wheat farmers of Texas, $22 million to the wheat farmers of Pennsylvania, $21 million to the wheat farmers of Idaho, $17 million to the wheat farmers of South Dakota.

Please note that these figures do not indicate total income from wheat, but simply the increase in income possibly over the prewar standard.

Worked down to the individual farmer of each of these States, this means $1,260 more cash money per year to the average wheat farmer of Kansas because of the full parity export plan, $800 more cash money per year to the average wheat farmer of North Dakota, $920 more cash money per year to the average wheat farmer of Oklahoma, $777 more cash money per year to the average wheat farmer of Nebraska, $360 more cash money per year to the average wheat farmer of Ohio, $3,200 more cash money per year to the average wheat farmer of Washington where the wheat acreage is very large, $630 more cash money per year to the average wheat farmer of Illinois, $400 more cash money per year to the average wheat farmer of Missouri, $1,200 more cash money per year to the average wheat farmer of Montana, $400 more cash money per year to the average wheat farmer of Indiana, $350 more cash money per year to the average wheat farmer of Minnesota where the wheat fields have shrunk in size because of dairying, $1,000 more cash money per year to the average wheat farmer of Texas, $270 more cash money per year to the average wheat farmer of Pennsylvania, $900 more cash money per year to the average wheat farmer of Idaho, $400 more cash money per year to the average wheat farmer of South Dakota.

In summary, this works out to an average of $536 per year for the average wheat grower in the United States—and this includes many very small producers, since wheat is grown in every State in the Union except Florida.

Let me remind the Senators from the great Pacific Northwest: This bill is vital for the prosperity of your wheat growers because it will enable us to export wheat; and most, if not practically all, of the wheat grown in your States is grown for export.

WHAT THE FULL PARITY EXPORT PLAN WILL DO FOR THE CORN PRODUCERS

Mr. President, by restoring the corn acreage of the Nation from its 1935–39 level of 92 million acres to the 100 million acreage previously considered normal, and indeed often surpassed prior to 1933; and by continuing present high average per-acre yields, resulting principally from the growing of hybrid corn, total United States production of corn would average 3 billion bushels a year. It actually surpassed that in 1942, 1943, and 1944, with less than 100 million acres in production. We can safely assume an average crop of 3 billion bushels, therefore, with full acreage restored and with the average production of recent years, namely, 30 bushels an acre, maintained.

While most corn is marketed on the hoof, rather than as a cash crop, I should like to speak now in terms of the potential value of the entire crop, since our farmers get their money out of it in one way or another.

Under the full parity export plan, these 3 billion bushels of corn, whether marketed directly or indirectly, would in effect bring the full parity price.

Let us assume that corn remains at its present parity of $1.50 in the after-war

period. This means a value of $3,300,000,000 for the average annual United States corn crop.

From 1935 to 1939 the annual value of the total United States corn crop averaged only $1,430,000,000 per year, or less than half as much. Full acreage plus full parity—both obtainable under the full parity export plan—would add $1,870,000,000 annually to the value of the United States corn crop.

Under the AAA, agricultural conservation, and parity payment programs, total Government benefit payments to corn farmers from 1934 to 1942, inclusive—including the corn-hog AAA payments—came to $1,256,000,000, or only two-thirds as much as the gain in crop value the full parity export plan would give them in 1 year. It would take approximately 15 years of Government corn benefit payments to equal the $1,870,000,000 gain in crop value that the full parity export plan would give in 1 year.

Let us reduce this $1,870,000,000 annual increase in the value of the corn crop, and see how much gain it would represent for each major corn-producing State. It would mean $294 million annual gain to the State of Iowa, $263 million annual gain to the State of Illinois, $127 million annual gain to the State of Indiana, $121 million annual gain to the State of Ohio, $106 million annual gain to the State of Minnesota, $75 million annual gain to the State of Missouri, $64 million annual gain to the State of Wisconsin, $64 million annual gain to the State of Texas, $62 million annual gain to the State of Nebraska, $59 million annual gain to the State of Tennessee, $57 million annual gain to the State of Kentucky, $53 million annual gain to the State of Pennsylvania, $47 million annual gain to the State of North Carolina, $45 million annual gain to the State of Michigan, $45 million annual gain to the State of Alabama, $42 million annual gain to the State of Georgia, $41 million annual gain to the State of Mississippi, $32 million annual gain to the State of Arkansas, and proportionate gains for other States, for every State in the Union is a producer of corn.

Remember, Mr. President, the preceding figures were not for the total potential value of the corn crop, but simply for the potential gain in the value of the corn crop.

Mr. LONG. Mr. President, will the Senator from Mississippi yield for a question?

Mr. EASTLAND. I yield for a question.

Mr. LONG. Is it not also true that these billions of dollars of gains to our farmers would also represent gains for all the peoples of the world who need this food and fiber?

Mr. EASTLAND. That is correct.

Mr. LONG. Is it not also true that that would help solve many of their problems, while at the same time it would also solve the problems of the American producers?

Mr. EASTLAND. Yes. It would also help solve the problem of communism.

Mr. President, let us work this, too, down to the individual corn producer in each major corn State. The full parity export plan would mean the following gains to individual corn producers: $1,500 annually to the individual corn producer in Iowa, $1,400 annually to the individual corn producer in Illinois, $850 annually to the individual corn producer in Indiana, $650 annually to the individual corn producer in Ohio, $700 annually to the individual corn producer in Minnesota, $400 annually to the individual corn producer in Missouri, $400 annually to the individual corn producer in Wisconsin, $220 annually to the individual corn producer in Texas, $600 annually to the individual corn producer in Nebraska, $300 annually to the individual corn producer in Tennessee, $270 annually to the individual corn producer in Kentucky, $400 annually to the individual corn producer in Pennsylvania, $180 annually to the individual corn producer in North Carolina, $300 annually to the individual corn producer in Michigan, $200 annually to the individual corn producer in Alabama, $170 annually to the individual corn producer in Georgia, $150 annually to the individual corn producer in Mississippi, $160 annually to the individual corn producer in Arkansas.

The gain to each farmer would depend, of course, upon the size and productivity of his corn acreage.

For the United States as a whole—and this includes a great many small corn producers from every State in the Union—the average gain per individual corn producer would be $419. Many of the same farmers would share other substantial cotton, wheat, tobacco, rice, or other gains possible under the full parity export plan. The sum total of these gains would work an economic revolution in the South and West.

WHAT THE FULL PARITY EXPORT PLAN WILL DO FOR THE HOG PRODUCERS

Mr. President, the potential increase in the value of the corn crop under the full parity export plan is closely paralleled by the increase in the value of hog production. Inasmuch as it is in the form of pork and pork products that most farmers get the larger share of their money out of their corn, and inasmuch as it is in the form of lard and other pork products that our surplus corn must be largely exported, I should like to give the figures for hogs, as well, with the understanding, of course, that there is considerable overlapping between these figures and the figures I have just given for corn.

The full parity export plan would mean the following gains per average hog producer in each State:

	Gain per year
Iowa	$1,450
Illinois	920
Indiana	900
Nebraska	800
Minnesota	700
Ohio	660
South Dakota	520
Wisconsin	500
Missouri	430
Kansas	430
Michigan	300
Kentucky	200
Oklahoma	200
Tennessee	180
Georgia	160
Texas	150
Mississippi	75

And for the average hog producer of the United States as a whole, a gain of $374 per year.

Substantial as these gains are, they are smaller than the gain for corn. But it must be remembered that corn as grain or ensilage is also fed to poultry, beef cattle, and to dairy herds. Under the full parity export plan, substantial gains would come to producers of all these important products of our farms.

WHAT THE FULL PARITY EXPORT PLAN WILL DO FOR THE TOBACCO PRODUCERS

Mr. President, the tobacco producers would also greatly benefit from the enactment of this bill. Here are the figures:

By restoring the tobacco acreage of the Nation from its low 1935–39 average of 1,640,000 acres to its normal average of about 1,800,000 acres, and by continuing present per acre yields, total United States production of tobacco would average 1,710,000,000 pounds per year.

This entire 1,710,000,000 pounds of tobacco would bring parity prices if the full parity export plan were in effect.

Assuming that tobacco parities remain the same in the future era as today, this means an annual average value of $522 million for the United States tobacco production, as compared to an average of only $277 million in the 5 years before the war. Increased income to the tobacco farmers, due to the full parity export plan, would therefore be $245 million a year.

Under the AAA, agricultural conservation, and parity payment programs, total benefit payments to the Nation's tobacco growers from 1933 to 1943, inclusive, came to only $153 million, or an average of $14 million a year. It would take the Government benefit payments of 17 years to give the tobacco farmers of this Nation as much as they will gain in 1 year under the full parity export plan.

Such, Mr. President, is the superiority of plain, unhampered production and buying and selling over crop reduction programs and benefit payments.

Let us break down this $245 million per year gain of United States tobacco growers and show the gain by States:

North Carolina tobacco growers would gain $83 million per year.

Kentucky tobacco growers would gain $60 million per year.

Virginia tobacco growers would gain $22 million per year.

South Carolina tobacco growers would gain $19 million per year.

Tennessee tobacco growers would gain $19 million per year.

Georgia tobacco growers would gain $15 million per year.

Connecticut tobacco growers would gain $11 million per year.

Florida tobacco growers would gain $9 million per year.

Let us break this gain down into extra cash money per year for the individual tobacco growers in different States.

The full parity export plan would give $570 more cash money per year to the average tobacco farmer of North Carolina, $470 more cash money per year to the average tobacco farmer of Kentucky, where the average planting is smaller, $470 more cash money per year to the average tobacco farmer of Virginia, $640

more cash money per year to the average tobacco farmer of South Carolina, $280 more cash money per year to the average tobacco farmer of Tennessee, where the average planting is less than 2 acres, $420 more cash money per year to the average tobacco farmer of Georgia, $9,600 more cash money per year to the average tobacco farmer of Connecticut, where the plantings average 15 acres and where a very expensive type of tobacco is produced, $1,400 more cash money per year to the average tobacco farmer of Florida, $400 more cash money per year to the average tobacco farmer of Maryland, $3,800 more cash money per year to the average tobacco farmer of Massachusetts, $700 more cash money per year to the average tobacco farmer of Pennsylvania, or $500 more cash money per year to the average tobacco farmer of the entire United States.

Mr. President, the same startling gains possible under the full parity export plan in the case of the major crops are also possible in the case of the so-called minor crops.

WHAT THE FULL PARITY EXPORT PLAN WILL DO FOR THE RICE PRODUCERS

Let us examine the case of rice, which is produced almost wholly by four States: Louisiana, Texas, Arkansas, and California.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield for a question.

Mr. LONG. Does the Senator from Mississippi intend to discuss the rice problem, which presently is so pressing to the four principal States which produce rice?

Mr. EASTLAND. Yes; I propose to discuss how they would be affected if the bill were enacted.

Mr. LONG. Does the Senator realize that those States are suffering increasing distress, day by day, as Cuba increases its own rice production?

Mr. EASTLAND. Yes, I know that. There has been a tremendous expansion of rice production in Mississippi, especially in the particular area where I live. I think I can tell the Senator from Louisiana that I know something about the problem. In an area where, 5 years ago, there was practically no rice production, we now have 150,000 acres in production.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. EASTLAND. I yield for a question.

Mr. LONG. Is the Senator aware of the fact that during the last year the parity price for rice fell from around 120 percent of parity to about 76 percent of parity?

Mr. EASTLAND. I did not know that figure, Mr. President; I am glad to have the information.

If Indochina should fall, and should be taken over by the Communists, I think there would be, from what I know about the matter, a very substantial increase in the price of rice in this country.

Mr. LONG. Mr. President, will the Senator further yield for a question?

Mr. EASTLAND. I yield for a question.

Mr. LONG. Is not the Senator aware of the fact that if the Communists take northern Indochina, they will use the surplus rice from that area to deprive us of much of the market we already have?

Mr. EASTLAND. I do not agree with that. I think that they badly need rice themselves. I think it would shift part of our production to Japan. I think it would stave off rice quotas for the year 1955, and would permit an expansion of the rice acreage in this country.

Mr. LONG. Is the Senator aware of the fact that Cuba, which was one of our main customers for rice, is now greatly expanding her rice production?

Mr. EASTLAND. Yes, I know that Cuba has been expanding her rice production. I do not think, however, that Cuban competition—her normal trade relationship—can cope with production in this country. I do not think they can produce the product as cheaply as we can. I have been in Cuba a number of times. I do not believe the soil there is as good as the soils in Mississippi, Louisiana, Arizona, Texas, and California.

Mr. President, like wheat, rice is one of our most heavily exported crops.

The annual value of the rice crop of this Nation during the 1935–39 prewar base period averaged only $36 million per year because rice was so far below parity.

If we merely continue present rice acreages and yields and secure parity for our rice growers in the postwar years as will be possible on the entire crop—both the domestically consumed and the exported portions—under the full parity export plan, we will raise the value of the rice crop to $100 million per year. This is a gain of $65 million per year.

Mr. President, Government benefit payments have been made to the rice growers of this Nation for the past 9 years. During these 9 years they have totaled $27 million.

The full parity export plan would increase the income of the rice growers of this country $65 million in one year. Government payments have been $27 million in 9 years. It would take the benefit payments of 16 years to do as much for the rice growers as the full parity export plan would do in 1 year.

INADEQUACY OF BENEFIT PAYMENTS

Mr. President, I am not belittling benefit payments. They were a lifesaver thrown to our farmers in a time of crisis. They enabled our farmers to survive. But they have been simply an emergency device. They have never made our farmers prosperous. There is a great difference between survival and prosperity. The full parity export plan will enable our farmers to take full advantage of the natural agricultural wealth of this Nation—of the natural agricultural export position of this Nation—and to become thereby fully as prosperous in peacetime as they are now.

The tremendous superiority of full production plus parity price—both possible under the full parity export plan—over benefit payments is shown by the fact which I have now demonstrated, that:

In the case of cotton it would take the benefit payments of 7 years to equal the gain that the full parity export plan would give in 1 year.

In the case of wheat it would also take the benefit payment of 8 years to equal the gain that the full parity export plan would give in 1 year.

In the case of wheat it would also take benefit payment of 15 years to equal the gain that the full parity export plan would give in 1 year.

In the case of tobacco it would take the benefit payments of 17 years to equal the gain that the full parity export plan would give in 1 year.

In the case of rice it would take the benefit payments of 16 years to equal the gain that the full parity export plan would give in 1 year.

These computations are made on the basis of present parity prices.

Let us enact legislation that will give our farmers the prosperity which is really their due, and which with their hard labors and long hours they abundantly earn.

But, Mr. President, let us proceed to note what the $64 million gain in income to the rice growers of this Nation possible under the full parity export plan will mean to the individual rice growers of the four great rice-producing States.

It will mean an annual gain in income of $3,400 to the average rice grower of Louisiana.

It will mean an annual gain in income of $15,000 to the average rice grower of Texas.

It will mean an annual gain of income of $6,000 to the average rice grower of Arkansas.

It will mean an annual gain in income of $17,000 to the average rice grower of California.

It will mean an annual gain of $5,000 to the average rice producer throughout the entire United States.

There are less than 10,000 rice producers in the United States. That is why the individual gains are so high. But they deserve parity like all other farmers and they deserve the right to produce, just as much as urban labor deserves the right to work.

WHAT THE FULL PARITY EXPORT PLAN WILL DO FOR THE APPLE PRODUCERS

Mr. President, I have concluded my analysis of the gains possible to the cotton, wheat, corn, hog, tobacco, and rice farmers of the United States. These farmers have all had their lot ameliorated to some degree by benefit payments. But there are producers of other crops in this country who produce an exportable surplus, yet have had virtually no benefit payments. I refer to the fruit growers of America. They have suffered a reduction from normal income as severe as many of the larger farm groups already mentioned.

Because so many different kinds of fruit are produced, I have had to confine myself to two of the major kinds: apples and oranges. Yet gains similar to what I am about to show for the producers of these two fruits would be secured by other fruit farmers as well.

Assuming no change in the production of commercial apples—that is, in the acreage or yield—but simply by giving our apple producers a parity price for their fruit, the full parity export plan will add $118 million annually to the income of the apple producers of this country as compared to their average income during our 1935–39 base period. During this base period their average income was only $90 million. If they could get parity prices after this war, their income would total $208 million, or a gain, as aforesaid, of $118 million per year.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield for a question.

Mr. GOLDWATER. I should like to ask the Senator from Mississippi if he realizes that I am not leaving because I am not interested in his dissertation, for I find it to be most elucidating. I trust the Senator realizes that the arms of Morpheus beckon, and I must answer the call.

Mr. EASTLAND. I congratulate the Senator from Arizona. He can sleep in peace, because I shall hold the floor for several hours. At the end of my speech, I shall suggest the absence of a quorum, and shall have the Senator awakened.

Let us see what this would mean in increased annual income to the individual orchardists of our leading apple-producing States:

Consider the great apple-producing State of Washington. It would mean an annual gain in income of $5,800 to the average individual commercial apple producer of that State.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. Yes, I yield for a question.

Mr. THYE. Inasmuch as I am just taking over the responsibility of the position of acting majority leader, I am interested in the Senator's remarks about increased apple production. So that I may understand the Senator's thought, in what manner would the Senator increase apple production?

Mr. EASTLAND. I may say to the distinguished Senator from Minnesota that I have been speaking on the general subject of agriculture for about an hour and a half.

We are talking about a program to expand markets, to expand the exports of surplus farm productions, and we have just gotten to the apple and orange feature. We have discussed wheat, corn, cotton, and rice.

Mr. THYE. I merely wish to say that this enlightens me. I shall now be able to follow the general thought the Senator is expressing in his speech.

Mr. EASTLAND. If the Senator will listen to a few remarks I shall have to make a little later, about the Supreme Court, the question of school segregation, and a resolution I have to amend the Constitution to curb the Court, I think the Senator will be a well-educated man when the sun rises in the morning.

Mr. THYE. I thank the distinguished Senator from Mississippi for making this explanation to me, because I shall find it more pleasant to follow his statement from now on.

Mr. EASTLAND. I desire to educate the distinguished Senator. There is a great crisis in this country, and I want the help of the Senator in passing my joint resolution, and if he will follow me closely and grasp the significance of what I say, I am sure he will join me as a sponsor.

Mr. THYE. If the Senator will yield further——

Mr. EASTLAND. For a question. I do not wish to lose the floor.

Mr. THYE. I ask unanimous consent that the Senator shall not lose the floor, I shall have to wait until he makes his explanation before I tell him whether I will join in the joint resolution.

Mr. EASTLAND. If the Senator will follow what I have to say he will be a well-educated man when the sun rises in the morning.

Mr. THYE. I shall follow the Senator.

Mr. EASTLAND. Take New York, our second greatest apple-producing State: It would mean an annual gain in income for the average individual apple producer there of $2,700.

Differences in gain are due, of course, to differences in average size and average productivity of the orchards in different States.

The distinguished acting majority leader, the Senator from Minnesota [Mr. THYE], has already violated his word. He told me a few moments ago that he would carefully follow everything I had to say, and I notice he is now reading a newspaper and talking. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). The Senate will be in order.

Mr. EASTLAND. I ask the attention of the acting majority leader. He must carefully follow everything I say. I want to educate him by morning.

Take the State of Virginia, third among our great apple-producing States: The full parity export plan would mean a gain in income of $1,200 per year to the average producer of apples in this State.

Take Pennsylvania, our fourth greatest apple-producing State: It would mean a gain of $1,400 to the average apple producer in Pennsylvania.

Take Michigan, fifth in commercial apple production: It would add $880 to the annual return from apples to the producers there.

Take Ohio, next in importance: It would add $800 to the average commercial apple producer's income in Ohio.

Take California: It would mean a gain of $1,800 to the average individual apple grower there.

In West Virginia: It would mean a yearly gain of $1,400.

In Oregon: A yearly gain of $3,500 to the average individual commercial apple grower.

For the United States as a whole: A yearly gain of $1,400 to the average commercial apple grower.

Mr. President, all these potential gains are due simply to the difference between present parity and the subparity prices which prevailed from 1935 to 1939. They are based on no assumption of increased apple production. Yet we must increase our apple production. We have just built the world's largest dam in the greatest apple-producing State in the Union. Grand Coulee will irrigate an area approximately the size of Connecticut. But our apple producers, our skilled orchardists, cannot afford to put even a portion of this area into additional apple orchards if they cannot get parity for what they already produce. If Grand Coulee is to prove a profitable investment, we must be able to export more apples. This we can do under the full parity export plan, and we can get parity for all we export—just as we can for all we consume domestically. The full parity export plan is essential to the success of the Grand Coulee project. It will make this great dam a bonanza to the State of Washington. Without the full parity export plan, Grand Coulee will simply add to our price-depressing surpluses in many lines.

WHAT THE FULL PARITY EXPORT PLAN WILL DO FOR THE ORANGE PRODUCERS

Now, Mr. President, let us take a look at oranges.

The average annual value of oranges from 1935 to 1939 was $72 million. This does not include other citrus crops.

Orange production has been running about 85 to 90 million boxes in recent years. It will reach 100 million boxes when new orchards come into production. A parity price for a crop this large, assuming the continuation of current parity, would mean a value of $202 million for the total orange crop—a gain possible under the Full Parity Export Plan of $130 million per year.

Let us see what this also means in terms of cash money—extra cash money—per year for the average orange grower in different States. As in the case of rice, there are only 4 major producing States: California, Florida, Texas, and Arizona.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. EASTLAND. I yield for a question.

Mr. LONG. Has the Senator overlooked the fact that a considerable number of oranges are produced in the sovereign State of Louisiana?

Mr. EASTLAND. The Senator is correct; some of the finest, indeed, I think the finest, are produced in Plaquemines Parish, south of New Orleans; but I do not think the Senator would say that the State of Louisiana is a major orange-producing State.

Mr. LONG. We are very proud of our oranges, and produce a considerable number.

Mr. EASTLAND. The Senator should be proud of them; but Louisiana is not one of the major orange-producing States.

To the average orange grower the full parity export plan would mean a gain of $3,400 per year in California; the full parity export plan would mean a gain of $2,300 per year in Florida; the full parity export plan would mean a gain of $920

per year in Texas; the full parity export plan would mean a gain of $990 per year in Arizona.

This is from oranges only and does not include all citrus fruits, which might raise these figures 50 percent.

Mr. President, the full parity export plan will do as much for the fruit farmers of this country as it will do for the cotton, wheat, corn, tobacco, or rice farmers.

WHAT THE FULL-PARITY EXPORT PLAN WILL MEAN IN TERMS OF GROSS AND NET FARM INCOME

The total value of these seven crops—cotton, wheat, corn, tobacco, rice, apples, and oranges—hogs being omitted because of the considerable duplication with corn—averaged only $3,152,000,000 per year in the 1935–39 base period. Full production and parity price—both possible under the full-parity export plan—would raise this income to $7,316,000,000. That means a gain of $4,164,000,000 to the farmers of America each year because of the full-parity export plan.

What would that mean to American industry in terms of restored and sustained buying power for their products?

Let us reduce these figures to the individual average American farmer. There were 6,097,000 farms in America in 1940, according to the census. The average gross income of these 6 million farmers in the 1935–39 base period came to only $1,610 per year. That incredibly low income is gross income, Mr. President, per farm family. It includes food consumed on the farm; it includes all benefit payments; it includes even the computed rent on farm dwellings. I wish every Member of this Senate would file away in his mind a figure of such prime significance—$1,610, the average annual gross farm income in the 1935–39 prewar base period of America's 6 million farmers. In the meagerness of this one figure we have the gravity of the farm problem summarized.

Now let us see what the full-parity export plan would do to ameliorate this abject poverty. Computed on a basis of only these seven crops, it would add $683 per year to the average income of every American farmer—raising the total gross income from $1,610 to $2,293.

Yet this gain of $683 per average farmer is computed from only seven crops comprising only one-third—almost an exact third—of the total value of United States farm production. Since similar gains on other farm products would be made under the full-parity export plan—not from such large exports in every case as from assurance of parity price—it is safe to assume that these other gains would raise the average annual gross farm income of this Nation to not less than $3,000 per farmer.

Now let us break these figures down to the irreducible unit—the net farm income per farm family in the base period of 1935 to 1939 and the net gains possible under the full parity export plan.

Total net income for all the farmers of America came to $5,324,000,000 per year on the average from 1935 to 1939. Divided among America's farm families, this came to $827 per farm family. Mr. President, I ask the Members of this Senate to keep this figure in mind: $827—the average net farm income per farm family in the 1935–39 base period. Anyone who wishes to perpetuate so low a net farm income cannot be called a friend of the farmer, or an advocate of economic justice.

I have already shown how full parity will raise the gross income of the average United States farm family from $1,610 to at least $3,000. Since approximately three-fourths of this gain, viewing the overall picture of all crops, is due to the realization of parity and the remainder to increased production and export, the net gain to our farmers will be relatively greater than the gross gain, because the achievement of parity prices does not add anything to the cost of production. We may, therefore, conservatively estimate that the net income of the average United States farm family will go up from $827 to not less than $2,000. This, then, Mr. President, is the sum and substance of what the full parity export plan can do for the United States farmer: it will raise his average net income from its prewar level of only $827 to not less than $2,000.

The "Abundant Life" will then begin to leave the realm of rhetoric and enter the realm of mathematics. It will begin to jingle in the pockets of the millions hitherto ill-fed, ill-clothed, ill-housed. Our factory workers will sense it in want ads calling for their services. Sixty million jobs, Mr. President, can be insured for the worker by insuring prosperity for the farmer. This is full parity export plan provides the means to do.

Mr. President, at this point I ask unanimous consent to insert a table showing total gains to each State from the seven aforementioned crops possible under the full parity export plan.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Annual gain per State possible from 7 crops under the full parity export plan

[In millions of dollars]

State	From—							Total for State from 7 crops	State	From—							Total for State from 7 crops
	Cotton	Wheat	Corn	Tobacco	Rice	Apples	Oranges			Cotton	Wheat	Corn	Tobacco	Rice	Apples	Oranges	
Maine	.....	.....	.....	.....	.....	.....	.....	.....	North Carolina	45	7	47	83	.....	.....	.....	182
New Hampshire	.....	.....	.....	.....	.....	.....	.....	.....	South Carolina	67	1.8	23	19	.....	.....	.....	111
Vermont	.....	.....	.....	.....	.....	.....	.....	.....	Georgia	85	1.8	42	15	.....	.....	.....	144
Massachusetts	.....	.....	.....	3	.....	.....	.....	3	Florida	2	.....	.....	9	.....	.....	50	61
Rhode Island	.....	.....	.....	.....	.....	.....	.....	.....	Kentucky	.....	7	57	60	.....	.....	.....	124
Connecticut	.....	.....	.....	11	.....	.....	.....	11	Tennessee	36	4.5	59	19	.....	.....	.....	119
New York	.....	8	.....	.....	.....	15	.....	23	Alabama	89	.....	45	.....	.....	.....	.....	134
New Jersey	.....	1.5	.....	.....	.....	.....	.....	1.5	Mississippi	145	.....	41	.....	.....	.....	.....	186
Pennsylvania	.....	22	53	4	.....	9	.....	88	Arkansas	100	.7	32	.....	9	.....	.....	142
Ohio	.....	44	121	.....	.....	5	.....	170	Louisiana	59	.....	23	.....	20	.....	.....	102
Indiana	.....	30	127	.....	.....	.....	.....	157	Oklahoma	39	47	24	.....	.....	.....	.....	110
Illinois	.....	40	263	.....	.....	.....	.....	303	Texas	252	27	64	.....	13	.....	5	361
Michigan	.....	18	45	.....	.....	7	.....	70	Montana	.....	30	.....	.....	.....	.....	.....	30
Wisconsin	.....	2	64	.....	.....	.....	.....	66	Idaho	.....	21	.....	.....	.....	.....	.....	21
Minnesota	.....	28	106	.....	.....	.....	.....	134	Wyoming	.....	2	.....	.....	.....	.....	.....	2
Iowa	.....	10	294	.....	.....	.....	.....	304	Colorado	.....	12	.....	.....	.....	.....	.....	12
Missouri	25	33	75	.....	.....	.....	.....	133	New Mexico	9	2	.....	.....	.....	.....	.....	11
North Dakota	.....	51	.....	.....	.....	.....	.....	51	Arizona	18	1	.....	.....	.....	.....	1	20
South Dakota	.....	17	24	.....	.....	.....	.....	41	Utah	.....	5	.....	.....	.....	.....	.....	5
Nebraska	.....	45	62	.....	.....	.....	.....	107	Nevada	.....	.4	.....	.....	.....	.....	.....	.4
Kansas	.....	123	28	.....	.....	.....	.....	151	Washington	.....	41	.....	.....	.....	27	.....	68
Delaware	.....	1.5	.....	.....	.....	.....	.....	1.5	Oregon	.....	17	.....	.....	.....	3	.....	20
Maryland	.....	8	17	2	.....	.....	.....	27	California	36	17	.....	.....	7	4.7	77	142
Virginia	2	10	36	22	.....	10	.....	80									
West Virginia	.....	3	.....	.....	.....	4	.....	7	United States	1,010	743	1,870	245	48	118	130	4,164

VALUE OF PLAN TO CATTLE AND WOOL PRODUCERS

Mr. EASTLAND. Mr. President, in addition to the farm commodities which I have enumerated in which we usually produce a surplus in the United States, there are two other great American farm products which, due to expanded war production or conditions growing out of the war, will vitally need the principles of this bill in the postwar era. I refer to cattle and wool. We normally do not have surplus cattle production in the United States; however, this industry has shown great expansion in the past 14 years. With the exceptions of Texas and Oklahoma, there were in the Southern States, in 1930, 9,313,000 head of cattle. In 1944 in these same States there were 13,851,000 head of cattle, or an increase in cattle population of 48.7 percent. In addition, the livestock population of Texas and Oklahoma in this same period increased 2½ million head. Excluding Texas and Oklahoma, there are in the South today, Mr. President, from Arkansas and Louisiana to Maryland, more cattle than

there are in all the Western States from Montana to New Mexico to the Pacific. In addition, the hog population of the South has increased 70 percent since 1930. In spite of this terrific increase, the livestock industry in the South is still in its infancy. We have long grazing seasons and fertile soil, and within the next few years there will be a much greater increase in southern livestock production. The American beef consumption, today and normally, about equals domestic production. In the postwar era, due to our continually expanding production, we will become a surplus beef producer. This surplus will destroy the price structure for meat. It will impoverish the cattle producers just as surplus production has impoverished the other surplus agricultural producers of the Nation. Its effect upon our economy will be tragic. A hungry world needs this increased beef production. The only solution is to sell the surplus abroad. This will enable the cattle producers of America to remain prosperous in the postwar era.

Now, Mr. President, take the case of wool. On September 1, 1944, our wool surplus was 669 million pounds. These wool stocks are 231 percent of normal. We have on hand today a tremendous surplus of 1½ years' domestic wool production. When the war is over this gigantic wool surplus will glut the market and destroy American wool values. There is only one solution, and that is to move this wool into export. This will protect the American wool grower. It will save him from great loss. But how can it be exported? Only by accepting foreign goods in payment. This measure, if enacted into law, will permanently solve the problem.

VALUE OF PLAN TO UNITED STATES SHIPPING INDUSTRY

Mr. President, in addition to the gains that would accrue to our farmers directly and to American industry indirectly because of the full parity export plan, there is still another type of gain. I refer to the increased income of United States shippers, once the peacetime agricultural export business of this Nation is restored.

Let me present some figures to show the extent of this gain.

Take cotton: during the 1935–39 base period our cotton exports averaged 5,300,000 bales per year. Under the full parity export plan they would average 9 million. This gain of 3,700,000 bales is the equivalent of 925,000 cargo tons.

Take wheat: during the 1935–39 base period our wheat exports averaged only 63 million bushels per year compared to the traditional 200 million bushels export which will again be possible under the full parity export plan. This gain, amounting to 137 million bushels, is the equivalent of 3,699,000 cargo tons.

Take corn: our exports of this commodity from 1935 to 1939 averaged 44 million per year—only 1.3 percent of our total production. Under the full parity export plan we could readily export 200 million bushels of corn for feed purposes which would still be only 6 percent of our total production. Yet this would mean a gain of 3,900,000 cargo tons to the United States shipping industry.

Without going into so much detail, let me summarize the gains to shippers that would result from increased export of other agricultural commodities under this plan.

Restoring the export of pork and pork products—which means principally lard—to the 1920–25 level will mean an increase of 488,000 cargo tons. Gains through increased rice export will equal 200,000 tons. Through increased tobacco export in peacetime, 33,000 cargo tons. Gains from increased export of fruit, other grains, poultry and eggs, dairy products, and all other agricultural commodities, will aggregate not less than 1 million cargo tons, making a total of 10,145,000 cargo tons of additional export business for United States shippers. When we add a conservatively estimated 2 million tons of foreign manufactured goods imported in exchange for these exports, we get a grand total of 12 million tons of additional shipping for the United States shipping industry possible through the full parity export plan.

Mr. President, at a time when we are concerned about the postwar employment of thousands of young men now serving as merchant seamen and the postwar disposal of hundreds — yes, thousands—of merchant vessels constructed during this war, here is a constructive proposal: First, pass legislation to insure a restoration of United States export business. This will mean the salvage of many of our ships, the employment of thousands of merchant seamen, profits for our shipping companies, and prosperity for American agriculture and industry.

FOREIGN DEMAND FOR AMERICA'S CROP SURPLUSES

Mr. President, it is recognized that a 10-percent crop surplus will depress the price of that commodity as much as 20 percent. The price-depressing effect of the surpluses is one of the principal reasons that necessitate export. Normally more than 50 percent of the cotton crop is grown for the foreign market. Aside from cotton, our annual crop surpluses are relatively small. These surpluses are large enough to depress prices at home but not so large but that a ready demand exists abroad for all we can produce beyond our domestic needs. The tremendous proportion which the surplus problem assumed in our cotton in past years was not, therefore, because of the difficulty raised by the surplus on an annual basis, but because of the cumulative effect of the surplus problem. We permitted surpluses to pile up year after year and each year we reaped the total price-depressing effect of all the surpluses which have accumulated throughout the years. If we had faced the problem on an annual basis and exported each year's surplus as it was produced, our problem would have been modest indeed. The world always has needed and always will need every surplus pound of crop commodities America can produce. In peacetime, if this bill is enacted, agricultural surpluses produced in the United States will, on the average, total $2¼ billion in value, of which about 1 billion would be cotton and the remainder various foods. Two and one-fourth billions of dollars worth of American surplus food and fiber divided annually among 450 million Europeans comes to only $5 per capita per year, or 1¼ cents per day per capita. Could anyone say that Europe does not need 1¼ cents per capita per day of America's cotton and America's peacetime surplus food supply?

These sums are insignificant; yet these insignificant amounts stand between American agriculture and prosperity. They stand between happiness in the United States and peace in Europe.

Mr. President, this bill will remove from American agriculture the devastating hand of bureaucratic control. It will prevent the regimentation of the farmers of this country. It will in time remove the necessity for acreage restriction, and will create in America and abroad an era of bountiful prosperity. The doctrine of scarcity has failed. It means regimentation. It means bureaucratic control. It means unemployment and poverity; and furthermore, it means totalitarianism and war.

These are the fundamental issues at stake in the fight to reopen the avenues of world trade and create a prosperous world, which is necessary for the preservation of peace. This measure, in my judgment, more than anything else, will banish poverty from our country.

Mr. President, if the bill does not pass, and if the South loses permanently her export for outlets for cotton, then millions of acres of fertile soil will be diverted to the production of livestock, grains, and dairy products, in competition with the production of the farmers of other sections of the country. This trade war will be suicidal to the entire economy of our country. A 10-percent increase in the production of any commodity means a 20-percent decrease in the price of that commodity. A 20-percent reduction in normal agricultural prices would bankrupt the agricultural producers of that commodity within the entire United States. This is the great stake that all Americans, regardless of the section in which they live, have in the recapture by the South of her export-cotton markets. This bill solves the question. It solves it with justice to every business and to every American.

INADEQUACY OF RECIPROCAL-TRADE AGREEMENTS

Mr. President, I have no quarrel with the efforts made to reduce trade barriers by the reciprocal-trade-agreement system. This system is a step in the right direction, and I shall vote to continue this program. I shall vote to authorize the State Department to reduce tariff duties more than the 50 percent now authorized in the act. But let no one be so naive as to believe that this program will solve the farm problem. Let no one be so naive as to believe that this program will reopen the now clogged avenues of world trade. To be perfectly candid, this program has been administered, since its inception, to benefit American industry, not American agriculture. The treaties negotiated have largely been with South American countries, producers of raw materials, the competitors of the farmers of America.

These treaties have largely been negotiated to take in competitive farm products to pay for and to increase the export markets for industrial goods.

Mr. President, the treaty program has failed agriculture; and agriculture needs other channels to accomplish what these treaties have failed to accomplish. There is absolutely no conflict between this program and the reciprocal trade treaty program. The program embodied in this bill can, and should, work hand in hand with the reciprocal treaty system.

CONCLUSION

Mr. President, the soil of America is fertile. Our farmers are intelligent. They have built the greatest agricultural empire in the history of the world. In creating this empire they have surmounted the greatest hardships, the greatest obstacles which ever confronted any people. The present protective tariff is the greatest discrimination ever fastened upon any people, anywhere. It has cost the farmers of America billions of dollars. By depriving them of their export markets and causing surpluses to pile up, and by artificially increasing the prices of the things the farmers must buy, it has lowered the standard of living and has impoverished the man who tills the soil for his livelihood. It has deprived the farmer of the fruits of his labor. It has done this to benefit a few industries on the Atlantic seaboard. By this blind greed, they have impoverished the country, caused mass unemployment, human suffering, and pushed the world into the abyss of war. Yes, like Samson, they have pulled down upon themselves the pillars of the temple.

It is my candid judgment, Mr. President, that the tariff has impoverished 100 men for each 1 it has enriched. It is time for these discriminations to cease. Our protective tariff system is the greatest discrimination of the modern age. It is time that all Americans be placed upon the same plane of economic equality before the law. It is time that all Americans have equal opportunity to enjoy the fruits of their labor. This measure will remove the tariff discrimination; it will safeguard the private enterprise system in America. It will make America strong and free. It will remove permanently the regimentation and bureaucratic control of agriculture. With it our expanding, job-giving agricultural production will become a blessing, instead of a tragedy. This bill will herald in the postwar world the greatest era of prosperity for all men, whether on farm or in factory, that we have ever seen in America; and it will permit the bounties of American production to move to the hungry and the naked of the earth. It will reopen the channels of world trade. It will mean peace and prosperity throughout the earth.

Mr. President, in September of 1952, General Eisenhower, then running for President, told the farmers of this country that he wanted them to receive not 90 percent of parity but full parity.

Tonight, when I had an abundance of time available, I have recapitulated a speech which I made in this Chamber about a decade ago, in order to show the President what he promised the farmers. However, the figures I have used must, of course, be adjusted to current price levels resulting from the altered value of the dollar and other factors affecting parity. It looks as if the President did not quite realize what he was promising.

However, full parity for the farmers can be realized if the Republicans will discard their attitude of defeatism, and will resort to a policy of export which will become feasible if we open a gateway in our tariff wall, so that foreign nations can acquire adequate dollar exchange.

Since the President has said he wants the farmers to get full parity, I think the farmers ought to know what full parity means, as compared to 75 percent of parity on a curtailed acreage.

Mr. President, I hold in my hand a very fine article entitled "A Guide to Better Policy for Agriculture." The article is a very enlightening one, and it will enlighten the Senate. In particular, the article will enlighten the distinguished senior Senator from Minnesota [Mr. THYE], the acting majority leader as of the moment.

Mr. President, this article was written by Dr. Theodore W. Schultz, chairman of the department of economics, University of Chicago; former editor, Journal of Farm Economics; economic consultant to various Federal agencies; author of the Economic Organization of Agriculture, and other books and articles.

In the article, Dr. Schultz writes as follows:

To many city people the term "farm policy" is only another political issue, a troublesome one frequently mentioned in their daily newspapers. Actually, whether or not they pay attention to it, the Nation's farm policy is not restricted to the interest of farm people. It should concern city people hardly less, since it affects them not only in terms of the food they buy but through the widely felt effects it has on the whole economy.

Certain terms such as "full parity," and "flexible price supports" have been so much used in the political struggle that they have become fighting words—issues on which one is expected to take a firm affirmative or negative stand. It is not the purpose of this article to join the fight on behalf of one side or another. Rather it is to clarify what it is that we really want in the way of a farm program, and, more especially, to try to find out where we are headed.

Policy for agriculture should, I feel, have two central objectives: To provide a framework for the satisfactory use of agricultural resources and to develop institutions which will permit farmers to achieve a welfare position on a par with other major groups in our national community.

These two basic objectives are not easy to define; they are even harder to translate into policy measures. They will, however, become clearer and more meaningful as we look at the main aspects of the agricultural situation.

SOME MAJOR MISCONCEPTIONS

Public discussion of agricultural problems has become a tangled mixture of fact and fancy. Let us consider, to begin with, some of the most widely circulated of the misconceptions.

That the rapidly growing population of the United States can promptly absorb whatever excess food-producing capacity there now exists in agriculture.

This line of reasoning has come to characterize the editorial position of many metropolitan papers, as well as urban discussions generally. The statement, however, is false if "promptly" refers to the next 2 or 3 years. There are two ways of gaging the current imbalance: the 30 percent loss in foreign outlets for United States farm products since 1952, and the vast stocks of farm products already accumulated by the Commodity Credit Corporation (CCC).

The United States population increased by 2.7 million from mid-1952 to mid-1953. At this rate, the population increase in the next 3 years would come to a little over 8 million. Add this to the present population of 161 million, and the increase for the next 3-year period turns out to be only 5 percent. These few months are hardly enough to absorb the excess output of food on hand and in prospect. Meanwhile, agricultural production can be expected to forge ahead as new techniques are more fully and widely adopted by farmers. Our population may expand by as much as one-third during the next 20 years, but the prospect of a population of 215 million, say in 1975, has little relevance to the current imbalance, represented by the more than $5 billion worth of commodity stocks of the CCC.

That somewhere along the line, in the not too distant future, our growing demand for food will outrun the growth in the food supply:

This statement reflects an age-old fear. The specter of hunger still haunts us, and it is understandable in view of the many millions of hungry people over the earth.

But the statement as it stands has a very low probability of being true. If one limits the horizon to, say, 1975, and to a population increase of one-third, there are many convincing reasons—some of which will emerge in the following pages—for the belief that United States food supplies will easily outdistance the expanded food demands. Agriculture's Capacity To Produce, United States Department of Agriculture bulletin published in June 1952, leaves little doubt on this point.

That the principal limitation on the expansion of agricultural production is in the limited availability of farmland:

Many discussions of the role of land in agriculture underemphasize other factors, including human beings, capital, and—of increasing importance—new and better techniques of production in farming. One of the major achievements of our economic development has been the extent to which we have freed ourselves from the limitations which land places upon agricultural production.

Farmers in the United States are using no more land for crops now than they did in 1920—about 400 million acres. Farm output, however, has been increased by nearly 60 percent since 1920. Hybrid corn is a land-saving technique; so is the use of more and better fertilizers; and so are hundreds of other new farming techniques. To point out that the "niggardliness of nature" does not characterize the role of land in food production in the United States (although it still does in most poor countries) is not to imply, of course, that we can afford to use our good farming land wastefully, or give scant attention to how badly it erodes or is otherwise impaired by its users.

That farming is a preferred occupation because it represents a way of life for which people are willing to forego substantial money income:

This notion about occupational preferences reflects mainly the delayed nostalgia of urban people who as youths left rural homes and who, looking back, overglamorize their early years; or the wistful dream of those who never lived on farms and who identify their vacation pleasures in the open country with farming.

Farm life certainly has advantages, but it also has disadvantages in social facilities, hours, and working conditions as compared

with many other major occupations. In the areas where farm people are not isolated but are located close to and among small and large industrial centers, the considerable migration from farm to factory, and the relatively small migration in the opposite direction, makes it clear that farming is not widely considered a preferred occupation.

That farm families find themselves on the lower rungs of the national income ladder: This misconception is widely held, and many statistics compiled and issued by the United States Department of Agriculture keep it alive.

Many farm families are poor—very poor indeed, by American standards. Five hundred thousand Negro farm families, Mexican farm families in the Southwest, and about a million more small farmers throughout the country (roughly two-thirds of them in the South) are far down the income ladder. It is worth noting, parenthetically, that these really poor farm families are virtually bypassed by existing farm programs. Farm price supports are certainly not a corrective for their low farm production and consequent poverty.

But a great many farm families are far from poverty-stricken. On the contrary, the personal incomes of most farm families (either tenants or owners) operating farms in the main commercial areas—in the corn belt, in the milk sheds, in most of the plains areas, and from the East across the Middle West to the Far West—place them on or above the middle rung of our national income ladder. While few of them are rich, they are far from being poor.

Reliable data on the personal incomes of farm people are not available; what is available is incomplete and inaccurate. This fact is well known to many farm spokesmen who, nevertheless, often take the cavalier attitude—when it serves their purposse—of "let the layman beware." Actually, the use of statistics which are derived from lumping the income of all farm families, those in the poor farm areas with those in areas of prosperity, can lead to grave injustices. This happened in the agriculturally prosperous forties, when pleas for price legislation and Government payments to help farmers were based on the low average farm income that the misleading statistics produced; the actual help, however, was given not to the poor, but to those well up on the personal income ladder. This is not to say, of course, that no farm assistance programs are needed to help the farmer cope with price and income fluctuations; such help is required for reasons other than the relative level of the normal income of farm families.

HOW DID WE MANAGE?

Any appraisal of United States agricultural policy must take into consideration both the long-run and the immediate future. The central considerations involve such matters as the way that resources are employed in agricultural production, and the welfare position which farm people achieve over the decades.

At the midcentury conference on resources for the future, I called attention to some of the major lessons to be drawn from the experience of the last 50 years, which should serve to guide us in policy during the second half of this century.

As a working basis, let us assume that 50 years from now the United States will be in a position to produce enough food to provide for the following: (1) Better diets and a substantial increase in the per capita consumption of food for a population of 320 million (double the present population); (2) a net volume of food exports of the same size as today; and (3) enough surpluses to worry the then Secretary of Agriculture. Let us assume that all of this can be done at a unit price at the farm below the present level in relation to other prices.

To provide enough food at prices that will satisfy all of these conditions may appear to be a most drastic set of requirements. In relative terms they are, however, the conditions that the expanding supply of food has satisfied during the last 50 years. The population has doubled. We have upgraded our diets a great deal. We have been exporting as much food in recent years as we did in 1901, 1902, and 1903, and the CCC has accumulated enough stocks to give the Secretary of Agriculture real concern, with farm prices now standing at about 90 percent of parity.

We did then meet these conditions during the first half of this century. How did we manage?

Did farmers in the United States achieve the remarkable increase in the supply of farm products by working harder and staying at it longer hours? The answer, of course, is, "No." Hours per day on the farm have dropped, as they have in other occupations, and the work has become much easier.

Was there a big element of luck—no bad weather, no insects, no diseases, and the like? United States agriculture has had its full quota of all of these.

Was it the exploitation of abundant virgin land? To some extent; yes. We did add substantially to our cropland from 1900 to 1920, but not since then, and, as has already been indicated, farm output has increased nearly 60 percent since 1920.

Was it the two world wars that made us invest in our farms and greatly expand agriculture? The two war periods did many things to the economy and agriculture was not spared. But the effects do not explain the growth in supply of the fundamental factors affecting agricultural production.

How did we manage?

Satisfactory data measuring farm outputs and the inputs—that is, the labor, capital, and land—employed by farmers are not available for the years before 1910. The remarks which follow are restricted, therefore, to developments which can be measured, covering the period from 1910 to 1950.

The first and most important answer to the question "How did we manage?" is provided by the remarkable advance in techniques of production. These new techniques have saved labor; they have saved capital; they have saved land. While the output of our farms rose 75 percent from 1910 to 1950, only 14-percent more resources—combination of land, labor, and capital—were required to produce it.

Such information as is available suggests that these technical advances in United States farming have been neutral—that is, they have not favored any factor of production; they have saved labor about as much as they have saved land and other capital forms. Along the way, of course, much substitution has taken place, induced by changes in the relative prices of these factors, especially by the sharp rise in the price of agricultural labor relative to land and capital.

Where did these many new techniques come from? Have they emerged out of the "trial and error" of farming? The answer is no. They have come mainly from the 48 Agricultural Experiment Stations and out of the research work of the United States Department of Agriculture.

Clearly, we planned wisely and well when the Federal Government, joined by the several States, organized and financed from public funds a vast network of agricultural research agencies. This research has become a large public enterprise cost over $100 million a year. There can be no doubt that it has paid off handsomely.

A second explanation of the achievements of United States agriculture is the willingness and ability of United States farmers to adopt new techniques even when this has meant giving up traditional ways of farming.

Agricultural research, no matter how many new techniques it discovers, cannot improve agricultural production one iota unless and until farmers know about them, believe they are worth trying, and are willing to try them.

It is not an accident that farmers in the United States are less tradition-bound than are farmers in other parts of the world. The country's broad public education system of many decades standing, rural delivery of the mails, rural electrification, improved rural roads, rural telephones, and other means of communication, have made it possible for farm people to participate in the main stream of our national life. Consequently, farmers here have not been isolated into a peasantry, as they have elsewhere.

The Agricultural Extension Services, a Federal-State public function, have proved their worth many times over, and they now stand as one of the most important social inventions serving rural people ever devised.

The Soil Conservation Service is another organized effort to inform farmers on one aspect of farming, and to induce them to improve their soil-using practices. The fact exists—and too much is sometimes made of it—that there is some overlapping of the Agricultural Extension Service and the Soil Conservation Service. More important are the serious gaps in their respective programs; for one thing, neither of them is doing a satisfactory job in helping the poorer United States farmers.

A third answer to that question, "How did we manage?" lies in the many attempts to make the capital market function satisfactorily in serving agriculture. An array of governmental agencies has been created for this purpose, including the Farm Credit Administration, the late Farm Security Administration, and the Farmers' Home Administration. Their contributions, as well as those of private individuals and agencies, have been numerous.

Thus, we have come off very well in the last 50 years. But there have also been mistakes and opportunities lost. Among the most important are these:

The South, until fairly recently, has been bypassed. This mistake is being corrected, although all too slowly.

Agricultural research and educational services for farm people in the intermountain area have been relatively inadequate. Probably as a result, the technical advances in this area have been far less than in other major agricultural areas of the United States.

There is much misuse of agricultural land that is directly attributable to our primitive landlord-tenant laws, customs, and related arrangements. Here we should have taken, long before this, a leaf out of the experience of Great Britain, Denmark, and other western European countries. Our legislation and legal institutions for the handling of the complex property relationships that characterize farming bespeak a backward people on this count.

In view of the very high rate of demonstrable returns on funds spent for agricultural research, present appropriations are altogether too small. Furthermore, too little attention is given to fundamental research—as distinct from the developments in technique which grow out of the research. It is easy to lose sight of the fact that many of the basic discoveries from which agricultural production has benefited are not made in the experiment stations but by research scholars supported (all too inadequately) by private universities and research centers. For example, the basic principle of hybridization as applied to corn was worked out in just that way.

The way both the labor market and the capital market have functioned leaves much to be desired. About 1,500,000 farm families operate undersized, low-production farms; they combine too little capital with their labor, and they are situated in areas

where the capital and labor markets have performed very badly indeed. Even 15 years of full employment in the economy have not provided a remedy, although they have substantially cleared the decks of underemployed labor in the main commercial areas. The earnings of farm people for their labor are essentially on a par with the earnings of comparable individuals in other major occupations in most of the Corn Belt, much of the Plains area, and major milksheds, and in most of the Far West and intermountain areas. The exceptions, however, are still large and very important.

LONG-RUN POLICY

What, then, should our long-run policy for agriculture be, looking ahead 1, 2, and more decades?

Clearly, the United States has an excellent record in improving over the years the production possibilities and use of resources in farming, the first of our two central objectives. There is only one major exception, represented by the number of farm families who produce so little.

We need to continue to improve the productive arts in farming. This means, among other things, more fundamental research and more experimentation alike.

The misallocation of resources in United States agriculture, represented by the 1,500,000 bottom-of-the-ladder farm families, is, to be sure, of long standing. But all the political fury about agricultural price supports should not be interpreted as a concern about the welfare of this large group. They are included in the statistics, where they create a low-average farm-family income, but they are left out of farm legislation. Too many of them are Negroes and Mexicans, and the rest "poor whites," who are always underrepresented in farm organizations and in Congress.

The capital and labor markets have not functioned satisfactorily over the years in the areas where these 1,500,000 low-production farms are concentrated. A long list of measures, which cannot be elaborated here, should be undertaken to improve the functioning of these two markets.

So far as our second central objective is concerned, we have made it possible for most farm people to achieve a welfare position on a par with other major groups in the national community. But, just as clearly, we have failed in the case of the 1,500,000 farm families who still live under such backward conditions that one can find their counterparts only in the poorer underdeveloped countries.

The United States has undertaken many programs to break the isolation that normally engulfs farm people everywhere. But these need to be broadened and enlarged. The soil-conservation approach, for example, has much merit, but it does not serve adequately the isolated, low-production farms. Facilities related to communication—roads, electrification, the mail, telephones, television—all require attention. Public education in many rural areas is still far below par.

POLICY FOR SHORT PERIODS

Policy to help agriculture cope with a drastic depression (such as the depression in the thirties), with war and defense and inflation, and with a large contraction in foreign demand, has not come off nearly so well as has policy to increase the production possibilities of agriculture over the decades. The ever-normal granary to even out good and bad crops has not worked well in practice. Nor can one easily forget how surplus supplies of potatoes, eggs, and butter have sometimes been wasted. From time to time acreage restrictions and marketing quotas have been imposed on particular crops. Some farmers have benefited from commodity loans on their crops, some from direct Government payments, some from export subsidies, and some from Government purchases of particular farm products.

To take a bearing on policy in this area, let us sketch, in a few strokes, the present scene.

Is agricultural production seriously out of line with demand?

The answer is clearly "No." Supplies are on the long side; one might estimate they are long by about 5 percent, mainly as the result of the drop in foreign demand. Although the foreign market for United States farm products has declined about 30 percent as major producing areas have recovered from the war, this does not mean that there has been a breakdown in foreign trade; on the contrary, international trade in food and other farm products is basically healthier now than at any time since the war.

It should also be noted that the current 5-percent overproduction would exist even with a strong demand for food throughout the United States economy.

Are the resources used in agriculture—the land, the labor and the capital—very much out of adjustment?

This question is best broken into several parts. As we have noted, agricultural production is somewhat too high for existing domestic and foreign demands. While the overall maladjustment is small, if it is not corrected—or, what is worse, if more of it accumulates as more new techniques are adopted in farming, and capital and labor do not adjust—the imbalance could become serious economically.

Some individual products are, however, substantially out of line. Wheat currently heads the list. In terms of its value, wheat is overpriced fully 20 percent. Cotton is also overpriced appreciably. Although CCC stocks of corn are fairly large, corn is less out of line—pricewise, about 5 percent. The lower support price on butter may soon correct most of the imbalance in dairy products.

One last question: Is the postwar transition about completed for United States agriculture?

The answers already given suggest that the transition is not entirely over. But there are, in addition, the large stocks of the CCC which now represent in value terms about one-fifth of a year's supply (over 5 billion dollars' worth). These stocks are certainly not unimportant in their effects on farm prices.

The large, frequent fluctuations in farm prices are the hard core of the price and income problem facing farm families. Most farm families simply do not have the necessary financial reserves to cope with the price fluctuations that characterize most farm products.

This key problem must be seen in relation to our strong public preference for the family-size farm as the basic operating unit in agriculture. Any major United States corporation could readily hold enough assets to weather ups and downs of the kind that normally characterize farm prices in free markets. The family farm is not strong enough financially to do so. But public policy clearly prefers the family farm and it is therefore necessary to find some way of reducing the price uncertainties to which farmers are subject.

There are, however, better ways to help farm families cope with these price uncertainties than the present policy. Here are two phases of it which, in my opinion, should be corrected:

1. Acreage controls and marketing quotas are unnecessary and undesirable. During the last 21 years, acreage controls on some major crops have been imposed 8 times. Except in the case of tobacco, they have had little effect in restricting production. Actually, they are not much more than a nuisance to farmers.

Production should be guided by prices, not by acreage allotments and quotas, because acreage allotments and quotas, when they are at all effective, distort the use of resources employed in farming and thus are inconsistent with the first of our two central objectives.

2. Farm price supports based solely on past price relationships are unsatisfactory. Cost conditions change over the years. The demand for some farm products increases substantially, for others less so, and for still others it actually decreases. Therefore, when past price relationships are imposed on the present and future, they soon distort agricultural production and the use of farm products.

It has already been pointed out that existing price supports overprice wheat fully 20 percent, cotton a little less so, and corn about 5 percent. The price of butter, clearly, has been far out of line. The dead hand of the past is an unsatisfactory guide to what future prices should be to balance supply and demand in a developing economy.

What is needed is a system of forward prices—that is, prices should be set on crops before they are planted and on animal products before new production plans are made—with eyes firmly fixed on the normal value of each farm product. By normal value is meant the price which will clear the market over the years, taking account of changes in supply and demand conditions as these emerge.

In the case of storable farm products, storage and commodity loans could play a major role in the administration of forward prices. In the case of perishable farm products, however, some income payments are required.

A system of forward prices would not be wholly free of difficulties. It could, however, sufficiently reduce the price uncertainties in farming so that a typical farm family could cope with them. And it would free the channels of trade very substantially, thus freeing, once more, our foreign trade in farm products. Such maladjustments in resources as exist in wheat, cotton, and corn, and such overt waste as we have had in butter and other perishables, would not need to occur. Moreover, the production efficiency of United States agriculture would be further enhanced by the reduction in price uncertainties which forward prices could achieve.

There are some statements in Dr. Schultz' article with which I disagree, I shall leave it for a moment and go into another question, which is of prime importance to this country.

The Supreme Court of the United States, in my judgment, is not judicially honest. I think it is imperative that the power of this court be curbed. I think the salvation of Americanism lies in returning to the people in the communities of the country the control of their local affairs. That control largely has been held in Washington, increasingly through decisions of the Supreme Court.

I think it was an incredible thing that the Court, in rendering its school-segregation decision, should cite as authorities books on psychology and sociology written by certain persons in this country. Of course, these persons are not legal authorities. They have nothing to do with the law. It is especially bad, Mr. President, when the authorities cited are persons who are far to the left, who are leftwingers of the first order.

I submit that there would be nothing in the future to prevent the Supreme Court from citing the works of Karl Marx as authority for its decisions. It

is interesting to notice who the sociologists and psychologists who were cited are.

The Court cited, first, Prof. Theodore Brameld, author of one of the books. Professor Brameld was a scholar with the Institute of Pacific Relations. The Institute of Pacific Relations was investigated by the Subcommittee on Internal Security of the Senate Committee on the Judiciary for many months, and it was found to be a Communist-run and Communist-directed organization which engineered the betrayal of China to communism.

Professor Brameld is the author of a book entitled "The Philosophic Approach to Communism." As I have said, Professor Brameld is a scholar who was associated with the Institute of Pacific Relations, which was a Communist-front organization.

The next person is Edward Franklin Frazier, a professor of sociology at Howard University, a socialistic Negro college in the Nation's Capital.

Another author cited is Kenneth Bancroft Clark, who received his A. B. degree at Howard University, and is now professor of psychology at Hampton Institute, a Negro college at Hampton, Va.

Clark was a Rosenwald fellow in 1940 and 1941. In 1944 and 1945, he was a research associate of the commission on community interrelations of the American Jewish Congress.

The next is Gunnar Myrdal. He is the author of one of the textbooks cited by the Supreme Court. He is a Swedish Socialist politician, and a sociologist who has spent several years studying the Negro in America under the auspices of the Carnegie Foundation, which was recently under investigation by the House of Representatives because of radical control.

Dr. Keith Kotinsky was another person who was cited. Dr. Kotinsky was a leading member of the Progressive Education Association, and is a well-known antisegregationist. I think that that association is suspect.

Max Deutscher and Miss Witmer, who collaborated with Dr. Isidor Chein and Dr. Ruth Kotinsky appear to be more obscure as far as biographical dictionaries are concerned.

All the authorities cited, however, as far as they can be identified, have veered far to the left in their associations and writings.

To depart from legal precedent and cite psychological and sociological works as authorities for its decision as the Court has done is itself completely unjustifiable, but to ignore the opinions of the majority of Americans and cite only the opinions of spokesmen for racial minorities and pressure groups far to the left is a demonstration of gross partiality. In my judgment, the decision of the Supreme Court was manifestly fraudulent.

Mr. President, I hold in my hand an issue of the Augusta Courier, published in Augusta, Ga. This issue is dated June 28, 1954, and contains a very fine editorial written by Roy V. Harris, who is one of the leaders of public affairs and one of the leading men in public life of the State of Georgia, a man who thinks correctly and very soundly. I shall read Mr. Harris' editorial for the education of my good friend from Minnesota, the acting majority leader.

The editorial is entitled "Strictly Personal." Mr. Harris says:

STRICTLY PERSONAL

(By Roy V. Harris)

Even the buzzards who have been clamoring for the Supreme Court to destroy segregation are finding now that the implications of the Supreme Court decision are even more than they can stomach.

Some of these buzzards are beginning to find out that they have fallen into a trap and they have a decision based on a line of reasoning which they don't like.

Even the old Saturday Evening Post is crying because the Supreme Court didn't base its decision on the Constitution of the United States instead of upon the writings of a few crackpot sociologists and psychologists.

In its issue of June 19, 1954, the Saturday Evening Post said:

"The Court might well have based its decision exclusively on the Constitution without the precedent which Chief Justice Warren established by citing, along with a few legal cases, works like Effect of Prejudice and Discrimination on Personality Development, by K. B. Clark, and Personality in the Making, by Witmer and Kotinsky."

And amidst their tears they also quote from the Washington correspondent of the New York Times, James Reston, who wrote:

"Relying more on the social scientists than on legal precedents—a procedure often in controversy in the past—the Court insisted on equality of the mind and heart rather than on equal school facilities."

And in this editorial, the Saturday Evening Post wallows in its own tears when it laments that Chief Justice Warren said that separate schools for colored people generate "a sense of inferiority which affects the motivation of a child to learn."

At that point I submit that white children also have rights, and that the tensions and frictions generally found in an interracial school certainly will have a bad effect on a white child, and in my judgment will interfere with the white child's ability to learn. But white children got no consideration from the politicians who now compose the Supreme Court. They care nothing about the rights of our white children. They are simply the spokesmen, the stooges, for pressure groups, and I would not be surprised if some of the judges had not been appointed specifically in order to carry out the wishes of racial pressure groups.

What we must have is some great lawyers on the Court. The disgraceful condition which now prevails on the Court must be rectified.

When the Mississippi election is over, I shall make a number of speeches over this country and help set up an organization to oppose the present Court, to oppose the CIO, to oppose the NAACP, to oppose the pressure groups which now control the Court, and to publicize an amendment to the Constitution of the United States which will curb the powers of the Court.

Mr. President, such an amendment has been drawn. It provides that there shall be preserved to the States full control of health, education, marriage, and good order within a State. It is very necessary that it be adopted in order to return us to the real principles of Americanism upon which this Government was founded.

In the organization we are also going to carry on our banner the doctrine of free enterprise, and we are going to fight the Socialist groups which are attempting to socialize American industry and the great medical profession in this country.

We have to go into the north, and carry the fight into every section of the United States. What divides the two areas of our country is that in each area the people think that those in the other area do not think as they do, when in reality we all think alike, excepting certain small pressure groups. I believe that there is a very fine chance to succeed in amending the Constitution as I have suggested.

Now, Mr. President, I shall proceed with Mr. Harris' editorial. He says:

Now, why do they finally cry over this decision?

Well, they are just beginning to wake up.

They are just now finding out that the Supreme Court decision was not justified by either the Constitution or the precedents of the past. To find something to base their decision on, the Supreme Court Justices had to dig down in a few books written by crackpot sociologists and psychologists and come up with a decision.

Now here's why the Saturday Evening Post cries. But, let's let you read what they say. Here it is:

"However, it is also true that the fact that A lives in a bigger house than B can engender a feeling of inferiority in the latter. Reliance on sociology alone, particularly in view of the socialistic thinking of many modern sociologists, might well establish the doctrine that equal protection of the laws necessitates equal housing facilities, equal incomes, and parity in motor-vehicle horsepower."

Mr. President, that is a very logical statement. I think there is more substance in it than there is in the Court's decision. When one man has a bigger house than another, a finer home than another, when one man lives in a mansion and another lives in a cabin, it could cause a feeling of inferiority on the part of the man in the cabin, and therefore under the 14th amendment to the Constitution he is entitled to the equal protection of the law, and therefore there must be equal housing, equal income, and all people must be put on a parity in economic matters.

I proceed with the editorial:

Now you see the trap that the private enterprise advocate in the person of the Saturday Evening Post has fallen into.

They are just waking up and they are about to realize that eventually they will have to wallow in the slime which they created like a big, fat pig wallowing in the filth of his own pen.

It is no more than this bunch of buzzards deserve. But it is awful to contemplate when we know that this bunch of buzzards have dragged all the rest of us down by this kind of a crazy line of reasoning.

Now, the Supreme Court ought to do something about me. I think I have been badly discriminated against and I once had a bad inferiority complex.

I can remember 'way back when I was a small kid along between 1900 and 1906 or 1907 when I lived 'way out in the sticks. Occasionally, we went to town in a buggy or in the old surrey with my father and we

stood around town looking at all the folks who lived in town. I thought that they were all way above me and all I had was a nickel to get a bag of gumdrops and I had a bad inferiority complex.

We later moved to town and some of the town kids looked down upon and made fun of the young kids from the sticks.

I went to school when we moved to town under these conditions but my sense of inferiority didn't affect my motivation to learn. Instead, it created within me a dogged determination to show these young upstarts something.

As I go back in my mind over the period of the last 50 years and think about those who made fun of us who happened to be children from the sticks, I can hold no resentment against them and I am glad they did it.

I can say that because we have done better than those who laughed at us and we have been luckier than those who laughed at us. Somehow, I believe that the fun they poked at us gave us a motivation that we would not have had and created within us a dogged determination to get ahead.

Now I tell you this story which applied to me and my brothers and sisters for the sole purpose of showing you how ridiculous the Supreme Court decision is.

According to the Supreme Court decision, we were discriminated against and were entitled to go to court and do something about it. But what could have been done?

Now, the whole idea illustrates how ridiculous it is for the Supreme Court of the United States to undertake to create a state of equality of the mind and heart throughout all of the 160 million people in this country.

How many white people are discriminated against today? How many can gain admittance to the fine country clubs and golf clubs over the country? How many of you could become a member of the Augusta National where the President of the United States belongs and where he comes to play golf and relax with his millionaire cronies?

Now aren't you discriminated against when you are kept out of the Augusta National Golf Club?

Following the line of reasoning of the Supreme Court decision, you and I ought to sue Ike and the Augusta National for discriminating against us.

Frankly, I couldn't sue them because it does not create within me an inferiority complex because I am so discriminated against. I have lived through such a turbulent career and have had such a hard time until I have finally found out some of the facts of life. And I now don't give a d—— about belonging to such organizations.

I have no objection to their existence. They are fine. I like to see them and I like to see those who are able, be able to enjoy such. I am proud that Ike comes here for his vacation and to find some rest and relaxation from his worries.

But the point I am trying to drive home is the ridiculousness of the line of reasoning which led to this Supreme Court decision.

A lot of people have inferiority complexes because a lot of other people have bigger houses and better homes than they do. So, following the same philosophy involved in this Supreme Court decision, the Supreme Court should now see to it that everybody has the same size house.

Likewise, it is discrimination against me that I am forced to drive a Chevrolet, and a lot of other people are driving Cadillacs.

Now, when is Chief Justice Warren and the Supreme Court Justices going to furnish me with my Cadillac so that I will not have a feeling of inferiority when all these Cadillacs pass me by?

Now, here is where we are headed, and the Saturday Evening Post sized it up thusly:

"The rise of the sociology textbook on the horizon suggests the possible beginning of judicial toleration for the notion that the reserved rights of individuals as guaranteed in the Bill of Rights could be subordinated to policies which a majority might think 'socially' necessary. Such doctrine would break down an important roadblock to the socialization of the United States, which nobody, including the nine Justices of the Supreme Court wants."

At that point, I am not certain that the Justices of the Supreme Court do not want to socialize this country. I think, Mr. President, it is manifest that they do, because they adopted in that decision a line of reasoning that would give them power to do anything. In fact, the greatest grasp of power that has occurred in the history of the Government of the United States was when they overruled the whole line of cases supporting equal facilities—cases which run back for years and years—and adopted the premise of judicial construction, that a constitutional provision can have a flexible meaning; that the 14th amendment could mean one thing back in the 1890's, and have another meaning today—a meaning that the Court would fit what the Court considers the conditions that exist at this time. That means that all power in this country resides in the Supreme Court of the United States. The bed rock of judicial interpretation of the Constitution; in fact, one of the great things that protects the stability of our institutions is that in the case of the Constitution or any law whose meaning is fixed when it is adopted it is impossible to have one interpretation one year, and another interpretation another year. So Mr. Harris goes on to say:

Now, Chief Justice Warren and those who sit on the Supreme Court bench with him have catapulted us further toward socialism in this one decision than all of the other forces and circumstances put together during the last 100 years.

Something must be done to curb the unbridled license and ruthlessness of the Supreme Court and in this connection even the Saturday Evening Post says:

"Somebody is certain to remind the Justices that even social progress will be better safeguarded if Congress reads the sociology textbooks, since it is Congress which passes the laws."

So, it looks to me as if I will continue to have my feeling of inferiority until the Supreme Court gives me the nicest house in town and my Cadillac.

Suppose you write your Senator and Congressman and demand yours now. Don't wait until you are dead with old age. Get it while you can enjoy it.

Most of these writers on sociology are Socialists anyhow and what are we going to do when the Socialists say that it is necessary that we have socialism and everybody have the same things?

That is where the decision leads to and it creates a serious situation in this country.

It is time that the Saturday Evening Post and a lot of other dumbbells wake up and realize that all of this claptrap is leading us into socialism at a mile a minute.

And don't forget that communism is the Russian style of socialism. Socialism means government ownership and operation with everybody working for the government. Communism simply means that you have socialism with a one-party system and a little handful of dictators running the party.

When everybody works for the government and the government can assign you to a job and a place to live, then who is going to vote against the government? It can't be done.

That, my friends, is the Russian style of socialism. Communism is the inevitable result of socialism.

A lot of people in Georgia have been calling people like me demagogs, race haters, race baiters, and everything else. It is about time that you realized we have been telling you the truth.

That was a very fine paper by Mr. Harris. It was eminently correct. The same paper, Mr. President, quotes an editorial from the Hattiesburg American under date of May 31, 1954. The Hattiesburg American is a very fine newspaper published at Hattiesburg in the State of Mississippi, a city of which we Mississippians have always been proud.

The CIO recently put up $75,000 for the NAACP. It financed lawsuits in an attempt to force integration of the races in southern schools. A part of that money has been earmarked for the State of Mississippi, and I understand that a suit is now being prepared against the city of Columbus, in Loundes County, in my State.

Mr. President, I wish to report a fact. They have their decision; but at no time in the foreseeable future will there be a single racially integrated school in the State of Mississippi. That is something that is not desired by either race. But, whether desired by either race or not, it is something that the white race will not permit under any conditions; and there is not the power of compulsion on the part of the Federal Government to compel it. The Federal Government has no such power.

The problem shapes up something like this:

The Negroes say they are prepared to go to court to have the segregation decision enforced. What happens when they go to court? The judges, the court officers, the people who will compose the juries are Mississippians. If a criminal charge is filed, the Federal district court grand jury will have to consider it. Is any Mississippi citizen, white or black, so stupid as to believe that such a grand jury will return an indictment? If the grand jury were called up before the United States Supreme Court itself and reprimanded, the jury foreman would reply about as follows: Your Honors, we will have to indict ourselves, if necessary, because we will continue to refuse to bring in an indictment in this case or any case like it.

Mr. President, here is what woud happen. This Court has legislated an additional civil right—the right of a child to attend an unsegregated school. When there is compulsion or if someone uses compulsion to deprive that child of that right, probably the Department of Justice would eventually present the matter to a grand jury. The grand jury would sit in Mississippi and what would happen in Mississippi would happen in most of the other Southern States. To begin with, no grand jury would return an indictment; or, if an indictment were returned, there is no trial jury that would convict. The Federal Government does not have power to enforce the decision. In our Government, all power rests in the sentiment of the people in

the local communities, and Americans have always handled their local affairs.

Mr. President, the Negro race has made tremendous progress. All of us are proud of the very great progress the Negroes have made. The schools for the Negroes are constantly improving. As the income of the South has increased, as prosperity has returned, we have spent considerable sums of money on Negro education. But this Court has struck a very great blow to the forward march of Negro education. However, I think that forward march will continue. I think the race will continue to make tremendous progress, but based upon segregation and separate, but equal, facilities.

Mr. President, on May 27, I spoke in the Senate on the decision of the Supreme Court. I was amazed at the amount of mail I received from all over the United States, following that speech. With a handful of exceptions, largely from Harlem—and we received several thousand letters—every one of those letters was in agreement with the position which Southern people take. That shows the nationwide distrust of the Court in all its racial agitation.

Mr. President, I think that before the rendering of that decision the Supreme Court, as now constituted, had sunk to an all-time low, in terms of public confidence and public esteem. The caliber of the judges is a joke among the legal profession of this country. I judge that we could pick out nine justices of the peace in almost any area of any State, and place them in the judicial robes of the Supreme Court, and they would make better Supreme Court Justices than the ones we have over there now.

Mr. President, I am going to read some of the letters to which I have referred.

The first comes from Hollywood, Calif., and reads in part as follows:

You are to be commended for your speaking out against the Supreme Court decision on segregation in schools. In the CONGRESSIONAL RECORD of May 27, 1954, page 7252, you mentioned the decision was based on the writings of Brameld, McIver and Gunnar Myrdal. Since you did not bring out the background of these people, I thought you may be interested to learn of their records.

Gunnar Myrdal, I understand, wrote the official statement on race for UNESCO. There is a whole series of these pamphlets on race, which can be obtained from the State Department or the United Nations. UNESCO, as you know, has the identical philosophy found in Karl Marx's teachings and it was interesting to read that you said the decisions may in the future be based on Karl Marx. You could as well have said, and been able to prove it, that indirectly, through contemporary interpreters, the decision against segregation is based on the writings of Karl Marx.

McIver has a very bad record of pro-Communist activities in education. I believe this would be available through the House Un-American Activities Committee.

If the Brameld you mentioned is Theodore Brameld, he has been very busy pressing communism into our educational system. A speech by your colleague, PAUL W. SHAFER, of Michigan in the House of Representatives, Friday, March 21, 1952, gives the following:

Page 27 of reprint: "One of the most vigorous advocates of collectivism-through-the-schools during the past 20 years has been Dr. Theodore Brameld, professor of education at New York University. Dr. Brameld held that realistically minded teachers might profit by greater acquaintance with Marx. While disclaiming advocacy of Marxism, Brameld pointed out that 'several of his'—Marx's—'basic postulates are likewise those of a considerable group of progressive educators,' especially his belief 'that the profit system is the root of our social troubles' and his insistence 'that collectivism has to replace it.'" (Karl Marx and the American Teacher, Social Frontier, November 1935, pp. 53–56.)

There is more on Dr. Brameld's desire to turn our society into a Marxian society. The bibliography includes this: "American Education and the Social Struggle, Theodore Brameld, Science and Society—a Marxian Quarterly, fall 1936."

So, Mr. President, we see that the Supreme Court rendered that decision and used as authority for its judgment, as authority for an interpretation which it placed upon the 14th amendment to the Constitution of the United States, the works of a few Communists or near-Communists. That is a disgraceful procedure. Certainly it is the duty of the House of Representatives carefully to study the question whether the Justices have not flagrantly violated their official oath and their public duty.

Mr. President, let me read from another letter—this one coming from a college professor. I think he is a very able man. He is connected with the University of South Carolina. I shall not release his name or the names of any of the other writers of the letters to which I am referring, although their names are available to anyone who desires to see them.

This letter is dated May 29 and reads, in part, as follows:

I wish to take this occasion to express to you my very sincere appreciation for your definite and forthright statement, as quoted in the local press, that "there will be no compromise"——

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Will the Senator from Mississippi speak louder? The Chair cannot quite hear.

Mr. EASTLAND. Mr. President, I was speaking louder. If the distinguished Presiding Officer cannot hear, I am sorry.

I continue to read, Mr. President:

"There will be no compromise. The South will retain segregation."

I trust that the good white citizens of Mississippi will back you 100 percent in this declaration and that intelligent people everywhere throughout the South will derive from it the inspiration, courage, and determination now so desperately needed to meet what may very well be considered an impending crisis.

After 20 years of teaching in the public schools, colleges, and universities of 7 of our Southern States, it is my firm conviction that segregation of the races, at least in our public grade and high schools, must not be abandoned; certainly not on any arbitrary, overall basis.

Mr. President, it will not be abandoned.

The professor continues:

Basically and primarily, segregation is a social problem and its elimination throughout the South ultimately might well jeopardize the racial integrity of the largest and finest racial segment of our national population. The continued existence of southern white civilization depends, in my opinion, on how the South reacts in this crisis.

With due apology, let me add that I am by accident of birth a northerner, having been reared in rural western New York State. My family is of New England, Anglo-Saxon ancestry, but my devotion to the South today is 100 percent.

I wish it were possible for me to be of some real, effective service in helping to meet the challenge of the recent abortive Supreme Court decision, and I shall welcome any suggestions that might occur to you.

Mr. President, down in the South there reside hundreds of thousands of people who formerly lived in the northern States. In my State, some of our finest citizens have moved from the State of New Jersey, the State of the present Presiding Officer of the Senate [Mr. HENDRICKSON]. Without exception, among those hundreds of thousands are to be found the strongest champions of the society, the culture, and the racial institutions of the South, which are built upon segregation. When they have an opportunity to observe and to realize the conditions in the North at first hand, they know that the conditions in the South, racially, are a great improvement over conditions in New Jersey, New York, and in other eastern States. They know that the position which the South takes is right, and that under it there are good racial relations. We do not have the racial prejudice and the religious prejudice which are found in other areas of the country. For that reason, the strongest champions of southern institutions, southern culture, and southern tradition are persons who were born and reared in the Northern States, but who have moved into the South. When I first left the South, I was a grown man, and I was amazed at the amount of racial and religious prejudice which I found in the East. I had never heard of such prejudice in the Southern States.

Mr. President, we do not intend to permit a crowd of parasitic politicians, who now sit on the Supreme Court bench, to destroy those great institutions and the great culture which are now in full flower in the Southern States—the culture of the Anglo-Saxon.

Mr. President, I have before me a letter from a prominent Baptist preacher, under date of May 30, 1954, which reads as follows:

DEAR SENATOR EASTLAND: Not only your own State of Mississippi, but Florida, Georgia, South Carolina—in fact, all the 17 States that have segregation—will stand behind your amendment to preserve the rights of the States to regulate their own affairs, their health, their morals, their education, and their marriages. If the States have no more rights under this newfangled doctrine of left wing Democrats and Republicans—so called—if we're to be denied the simplest liberties on the basis of political expediency—then it's high time we face the issues and do something about it. I do hope that you press this matter of State rights with all the power at your command.

As an old Army chaplain, disabled in World War I, and a Baptist pastor for 50 years, I think I am still able to make some contribution to the cause of liberty; and if I may say so, I don't think I'm too old to join with those who are willing, if necessary, to take up where Robert E. Lee left off on that memorable day at Appomattox.

Just remember that you're not fighting alone. Newspaper editors, politicians, and

so-called leaders who have advised that the South remain calm, will wake up to the fact, once this political decision goes into action, that this calm business they're tossing about will prove to be "the calm before the storm." The storm is in the making, no mistake about that, and it's due to explode most any time in the future.

Mr. President, that is a correct statement. If pressure is attempted, if force is attempted, there will be a storm. This is a matter that cannot be enforced by the Federal Government.

I have before me a letter from a person in Cleveland, Ohio, under date of May 29, 1954, which reads as follows:

DEAR SENATOR EASTLAND: We are greatly interested in the Plain Dealer article quoting your stand in the Senate May 27 with regard to the recent Supreme Court ruling to do away with segregation. We commend you and urge that you continue your firm stand on States' rights.

We believe this ruling goes far deeper than appears because ultimately other issues will be decided by this same Court which will do away with States rights completely. The United Nations' hidden powers follow this line.

If there were not so many people who don't think right, the Bricker amendment would have been passed. We do not believe in giving the President and his appointees a blank check.

We are taking the liberty of enclosing excerpts from articles pertaining to the McCarthy case since you refer to Alger Hiss in the article mentioned above. This seems like a parallel situation making it a crime to expose traitors.

We do strongly urge that you lend support to Senator MCCARTHY—he is getting precious little from his Republican colleagues. We think he is an outstanding American patriot doing wonderful work and all he receives is jibes, smear, and abuse all the way down the line.

We believe the following old quotations are in good order today.

"The will of the people is the only legitimate foundation of government; and to protect its free expression should be our first object." (Thomas Jefferson.)

That, Mr. President, can be the only legitimate foundation of a government—the will of the people. The will of the people is the only foundation of the American Government. The will of the people is the foundation which makes a decision of the Court worth the paper it is written on. Because the segregation decision is not supported by the will of the people of the Southern States, it is a nullity, it is a fraud.

The writer of the letter from Cleveland continues:

"No government can be long secure without a formidable opposition." (Disraeli.)

Please keep up your "formidable opposition" when your States' rights are being usurped.

I think the Supreme Court is in a formidable position. It has usurped all the powers of the Government. The Congress of the United States is secondary. As I have said, the greatest grab of power in the history of this country was when, in the segregation decision, the Court adopted the premise that the Constitution can have a flexible interpretation; that it could have had an interpretation at the time it was adopted, and then could have a different interpretation years later. Mr. President, that is a rule of construction which jeopardizes all the rights of this Government.

The Constitution cannot have one interpretation one year and another interpretation another year with a Court to determine which is correct. That would mean that the Court would be the policy-making branch of the Government. That would make the Court the dominant branch of the Government. It would mean that the Supreme Court was the real ruler of this country. Yet it cannot go far enough to go down into the communities and force its will upon an unwilling people. It does not have the power, under our system of government, to do that.

Mr. President, I wish to return to the Augusta Courier. An editorial is quoted there from the Atlanta Journal, dated June 16, 1954, which reads:

The State board of education has pledged formally not to spend any money on nonsegregated schools. The board says in the resolution written Tuesday that it will void all commitments and allotments to any school system which fails to maintain separate schools for white and colored races.

The resolution actually is not a new statement of policy occasioned by the recent United States Supreme Court decision, but a restatement of policy already written in the Georgia law.

The general assembly provided in the appropriations act, passed early in 1953, that State funds cannot be paid to any county or independent school system or to any unit of the university system in which segregation is not maintained.

The law is based on the separate school clause of the State constitution and was passed in anticipation of possible Court action that might force some school system or university system unit in Georgia to end segregation.

The State board of education's resolution was, technically, unnecessary, since the appropriations act would automatically take care of any situation arising.

Nevertheless, the board's action is useful. It serves to refresh Georgians' memories on provisions of the appropriations act. It shows also that the board is aware of its obligations under State law and intends to uphold the law. Citizens naturally expect this of a State agency.

There are other aspects of the situation which might well be pointed out in the interest of clarity:

First, that the appropriations act, as now written, would not stop all State funds for all public schools in the event school segregation is ended somewhere in Georgia. It would stop only funds going to the particular, individual county or independent system, or university system unit, where segregation actually was discontinued.

Second, that school building funds would not be withheld in any circumstances, even from the nonsegregated system. This is State law; it also is the State board of education's policy as defined in the resolution.

This provision protects Georgia's great school building program and assures the soundness of bonds issued by the State school building authority. This program, designed to raise the level of all public-school facilities in Georgia, both white and Negro, may prove to be one of the State's greatest aids in meeting segregation problems.

Third, that budget increases voted by the State board—$7,401,869 for the next fiscal year—are not made necessary by the Supreme Court ruling. There are normal, automatic increments arising under the minimum foundation program.

The State board of education is proceeding under the law. The Georgia Education Commission, which is specifically charged with recommending ways for Georgia to meet school segregation problems, also is proceeding according to law.

This is the orderly working of government, and a pattern worth maintaining as the State faces the difficult decisions ahead.

Mr. President, I think I know conditions in the State of Georgia, and I do not believe the State of Georgia is about to permit a single one of the schools to be racially integrated. The Governor of Georgia has stated that he would use the police power, which is inherent in the governor of every State, to prevent the mixture of children of both races. Instead, he said he would call out the National Guard if necessary. Of course, the National Guard is an agent of the police power of the State. It is part of the police power of the State. It is the duty of a governor of a State to maintain peace and tranquillity in a State. Could the governor be cited for contempt by the Court if in the exercise of the State's police power he called out the National Guard and decided that in order to prevent trouble and to preserve peace it was essential to segregate the races in the school system? Of course he could not be cited for contempt. If he did not preserve peace and tranquillity, if he did not use the police power to do that, he would be subject to impeachment by the legislature.

Mr. President, I think there is the inherent police power in every State so that if there is a legislative finding that segregated schools are necessary to prevent trouble, to preserve peace and good order within the State, that is a legal basis for segregating the races, when the fact actually is that segregation must be had in the schools in order to prevent trouble arising.

Mr. President, here is another letter I have received, from Portsmouth, Va., dated May 29:

I wish I could greet you in person and with a fine handclasp express my hearty congratulations to you on your stand in regard to the despicable injustice that has been done the southern people. Thank you for your fine efforts to protect us. All power to you.

Many express amazement that the decision was unanimous. To me there is only one explanation. I firmly believe somebody was bought.

There is something to that statement, because one of the Justices took a cash award of a thousand dollars from an organization which was interested in segregation legislation. In my opinion that was a terrible thing. The conclusion of tainted justice is in evidence when a member of this country's highest judicial tribunal will take a cash award from a group that is interested in promoting suits in his Court.

I also think it is a very horrible thing that judges will be wined and dined and will accept plaques and awards of merit from pressure groups which are promoting cases in courts which come under them. There are two Justices who were banqueted and wined and dined in Washington by a Communist-front organization. I will go stronger than that; the Southern Conference for Human Welfare was a Communist organization. Yet it gave a big banquet to one of the

Justices at the Statler Hotel here in Washington, and cited him for the very fine work he had done for civil rights.

Mr. President, I proceed with the letter from this very fine lady:

My father was in the Confederate Army for the full 4 years; my mother was an ardent southern gentlewoman; many of our relatives were in the Confederate Army, so I naturally resent the dishonorable and iniquitous decision of the Court. With all my strength and being I denounce and oppose it.

At a recent meeting of the WDC, of which I have the honor to be a member, I had the opportunity to express my indignation and resentment. I did, in no uncertain terms.

With best wishes for your success, I am.

Mr. President, here is a letter I have received from Denver, Colo.:

DEAR SIR: Hold the line. Our Supreme Court has become a Red court. We now have a Red court, not a United States Court. It is a Court of compulsion, not a court of law. We have segregation of religion, wealth, social status, etc., etc. The vengeful Red rattlesnakes will next convince the Court to abrogate these conditions. We must not allow these things. Roosevelt caused much of this trouble when he broke bread with the Red countries in the year 1933. He gave them the green light to conquer the world.

We are now reaping the harvest. The black race or any race may have their own schools, churches, hotels, or what not. The Constitution is not stopping them. No one is stopping them. The Red Bolsheviks aim to destroy Christianity and America. Keep the South together.

Respectfully yours.

Mr. President, these people are getting unnecessarily alarmed. We are not about to have a mixture of the races in the schools in the South. We have handled our affairs, and will continue to handle them, Court or no Court. As I have said, we can handle them in a legal manner under the police power that is inherent in every State, but regardless of what the Court says, southern people are going to handle those questions.

Mr. President, the hour of 6 o'clock having arrived, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

The Chair recognizes the Senator from Washington.

Mr. MAGNUSON. Mr. President, first I should like to ask unanimous consent that I be placed on the quorum call. I did not hear my name called.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. MAGNUSON. Mr. President, may I expound a parliamentary inquiry?

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. MAGNUSON. What is the pending question before the Senate? Is it the so-called Hickenlooper amendment?

The PRESIDING OFFICER. The Chair advises the Senator that that is correct.

Mr. MAGNUSON. May I ask that it be read?

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed by Mr. HICKENLOOPER, on page 2, line 17, after "employed", to insert "(1)."

On page 82, line 19, before the period, to insert a comma and the following: "or (2) for the construction or operation of facilities for the commercial production of electric power, or other useful forms of energy, derived from the utilization or production of special nuclear material other than that power or useful energy produced or derived incidental to research and development activities authorized under section 32."

Mr. MAGNUSON. Mr. President, numerous amendments have been suggested to the bill now before the Senate, including the one just read, offered by the distinguished Senator from Iowa. I desire to address myself for a brief time to amendments suggested by a distinguished member of the Joint Atomic Committee, Mr. HOLIFIELD, which he proposed to the House, and which were printed in the CONGRESSIONAL RECORD of July 19, 1954, at page 10956. Mr. HOLIFIELD expressed great concern about the provisions of the pending measure, and as many Members of the Senate know, Mr. HOLIFIELD and Mr. PRICE, another Member of Congress, have expressed themselves in no uncertain terms in minority views submitted by them, and appearing in Senate Report No. 1699 on the pending bill. Although we have had small opportunity to read the whole report, I know that most of us have read the separate views of these two members of the committee in suggesting certain amendments to the pending legislation.

In their minority views Representatives HOLIFIELD and MELVIN PRICE, dwell on a matter which has not been discussed as much in this debate as have power matters, patent matters, and contract matters. In their separate views they refer to what is termed "international activities" in this new field we call, colloquially, "atomic energy."

I wish to quote, so that the RECORD may be clear; because I do not think these matters have been placed in the RECORD, at any point in the whole debate. In fact, I am sure of it, for I have checked all the RECORDS since the debate began about 3 days ago. The two Representatives to whom I have referred, who are members of this joint committee, and who sat through all the deliberations, all of the hearings, and heard all the witnesses, submitted very succinct and cogent views which I think have not been considered by the Senate during this debate.

Their views relate to the "International Activities," in regard to this very important matter. Mr. President, I wish to quote from their views, because I think what they state, after listening for weeks and months and evaluating all the testimony, is important. It seems to me it is definitely important for us to consider their views on this important subject.

So, Mr. President, in Report No. 1699 on Calendar No. 1710, Senate bill 3690, we find the following on page 100, under the heading, "Separate Views on International Activities." I point out that these are the separate views of the Senator from Rhode Island [Mr. PASTORE], and subscribed to by Representative HOLIFIELD and Representative PRICE, two Members of the House of Representatives:

SEPARATE VIEWS ON INTERNATIONAL ACTIVITIES

I have been impressed by the spirit of patriotic unselfishness and the display of bipartisanship demonstrated by the committee and its staff through the long days spent in preparation of this bill.

The atomic-energy program is both highly technical and complex. The framers of this law had to examine and understand the past and present complexities of nuclear energy activities and try somehow to predict the future. Issues arose which went to the very roots of individual, political, and economical philosophies, and yet these were resolved by the members of the committee in a spirit of compromise and good will which is the very essence of our democratic legislative process. The difficult questions of compulsory licensing of patents, of antitrust provisions, and of licensing and regulatory provisions were settled in this fashion.

I am frank to state that several portions of this bill do not have my unqualified endorsement, but I am compelled to join the majority in its favorable report on S. 3690 because, on balance, the compromises reached have been for the greater good, and I can accept—as should any reasonable man in a position of responsibility—something less than what I think is perfect in each of its parts if the whole structure is worth while.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield to me for a question?

The PRESIDING OFFICER. (Mr. KUCHEL in the chair). Does the Senator from Washington yield to the Senator from Montana for a question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. The Senator from Washington is discussing some of the proposed amendments to the act, suggested by two Members of the House of Representatives who have indicated a great interest in this measure. Is not that correct?

Mr. MAGNUSON. Yes. I say to my friend, the Senator from Montana, that I am discussing what are distinctly labeled Separate Views on International Activities, as those separate views relate to the international aspects of the pending bill.

Mr. MANSFIELD. I see.

Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. I should like to ask a question about a portion of the bill although the amendment was rejected—namely the proposed Dixon-Yates contract. Can the Senator from Washington state just how much of their own money the Dixon-Yates group are putting into the proposed contract—which

I understand has not yet been drawn up; and I doubt that it has been seen by anyone?

Mr. MAGNUSON. I only know what two members of the Joint Committee on Atomic Energy have stated about the contract. However, I hope the Senator from Montana will bear with me while I refer to the CONGRESSIONAL RECORD, because as shown by the RECORD of Wednesday, July 21, the same two members of the Joint Committee on Atomic Energy participated in the debate on this subject in the House. In particular, let me now refer to Representative HOLIFIELD, the distinguished Representative from California, who is shown not only to have entered into the colloquy with numerous other Members of the House of Representatives, but also to have engaged in a long discussion of the contract, in the course of which he quoted various figures.

After reading the entire discussion, my impression is that this contract is somewhat like the lease-purchase bill which was passed by Congress a few weeks ago. I refer to the fact that if a certain amount of money is invested, a substantial return on it will be guaranteed. In other words, although the figures I cite may not be correct, I understand that for an investment of approximately $4 million or $5 million, this firm would achieve a contract which would pay 9 percent—and I shall be glad to have the Senator from Montana correct me if I am in error—for a period of 25 years on the investment and the 9 percent would be guaranteed, and would be free from taxes.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. Yes. First, however, I would say that a guaranteed return of nine percent would be a fairly good investment. I think the Senator from Montana and I and other Members would like to go into that sort of business, ourselves.

Mr. MANSFIELD. Yes, any time.

Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Is it not true, as the Senator from Washington has pointed out, that the only money put up by the Dixon-Yates concern amounts to a little more than $5 million?

Mr. MAGNUSON. I think that is correct.

Mr. MANSFIELD. Is it not true that the Government of the United States will guarantee them a 9-percent return for the next 25 years?

Mr. MAGNUSON. Yes; and without taxes.

Mr. MANSFIELD. Yes; that was to be my next question, let me say.

Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. In addition to the $5 million which the Dixon-Yates group will put up, bonds somewhat in excess of $100 million in amount will be floated throughout the country. Furthermore, as I understand, the taxes on the entire investment—both State and local taxes, as well as Federal taxes—will be taken over or paid by the United States Government. Is that correct?

Mr. MAGNUSON. That is my understanding of the contract. Of course, that would result in adding to the 9 percent; for when taxes are added, I think the return would be rather close to 20 percent, generally speaking, on the comparatively small amount of money put up.

Mr. MANSFIELD. That is not bad in any league, is it?

Mr. MAGNUSON. I do not know anywhere else in the world where one could obtain such a return.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Is it true that at the end of 25 years, the entire plant would be turned over to the Dixon-Yates concern, which then would be able to use it in any way it might see fit?

Mr. MAGNUSON. Yes. Not only is there the question of the return on the investment under the contract—a return which in my opinion is unconscionable—but just imagine what control, power, and authority a group of this kind would have.

Suppose that source of power—electric power from atomic energy—is developed commercially. The scientists tell us that is possible. In that event, consider what power that group would have over the entire geographical area in which the plant would be located, for that group would then be able to determine who would get the power and who would not get it. In other words, if the Senator from Montana and I were going there to begin a business, that group could say they would not let the Senator from Montana have the power, but that they would let me have the power. Under this bill there will be absolutely no safeguards at all, except in the case of the amendment which was adopted earlier today.

Mr. MANSFIELD. Yes. In fact, the Senate has adopted two amendments which in some degree provide safeguards. They were the amendment of the Senator from Iowa [Mr. GILLETTE] and the amendment of the Senator from Colorado [Mr. JOHNSON].

Mr. MAGNUSON. Yes. But I have serious doubts about what will happen to the amendments when they reach the conference.

Mr. MANSFIELD. Does the Senator from Washington mean the amendments may have been accepted too readily, with the idea in mind that when they reached the conference committee, they would be eliminated?

Mr. MAGNUSON. I hope that is not true, but I shall be very much interested in seeing how the bill reads when it is returned from the conference committee.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Why was the Dixon-Yates concern selected from among all other concerns interested in the possible production of electricity from atomic energy in reactor plants? Why was the Dixon-Yates concern selected and given this juicy plum, although the representatives of the Dixon-Yates group who appeared before the joint committee had to admit, in the course of their testimony before the joint committee, that they did not know what the specifications of the contract were. Why was this particular concern given that particular bonanza?

Mr. MAGNUSON. I cannot answer the Senator from Montana. I have no idea why the Dixon-Yates concern was given the contract. I have some suspicions, but I do not think suspicions should be discussed on the floor of the Senate. Instead, I prefer to confine my remarks to the facts.

Mr. MANSFIELD. I hope the facts in regard to this matter will be laid before us before the debate is concluded.

Mr. MAGNUSON. I think they will be, because probably Representative HOLIFIELD and Representative PRICE will obtain the facts before the final vote is taken in the House of Representatives, because they were in a position to obtain the facts regarding why this group was selected. As I understand, the group is a sort of a holding company of private power interests in that particular area, which is beyond the geographical confines of the TVA; it is across the river, at West Memphis, Ark.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Is it not true that another group—the so-called von Treskow combine—offered to do the same thing for the United States Government, at a price somewhere in the vicinity of the $90 million to $100 million the Dixon-Yates concern is going to receive?

Mr. MAGNUSON. I understand two concerns were involved. I cannot state definitely which concern made the most attractive offer, insofar as dollars are concerned. I do not know what the figures are. But I understand that two concerns were involved.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Is it not true that there is only one Republican Senator from the entire TVA area?

Mr. MAGNUSON. I have checked on that, and I believe the Senator from Kentucky [Mr. COOPER] is the one of whom my friend, the Senator from Montana, is speaking now.

Mr. MANSFIELD. Exactly, the able Senator from Kentucky [Mr. COOPER].

Mr. MAGNUSON. Yes; JOHN COOPER.

Mr. MANSFIELD. He is one of the most distinguished Members of this body, and is a stalwart soldier in the ranks behind the President of the United States.

Mr. MAGNUSON. Yes.

Mr. MANSFIELD. Mr. President, if the Senator from Washington will yield for a further question, let me inquire of him, What is the position of the Senator from Kentucky in regard to the Dixon-Yates contract?

Mr. MAGNUSON. After reading the very excellent speech made 3 days ago, I believe, by the Senator from Kentucky, I received the distinct impression that

he was strongly opposed to the contract.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield to me for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Does the Senator from Washington know whether the Senator from Kentucky has had a chance to discuss this matter personally with the President of the United States?

Mr. MAGNUSON. All I know about that is what I read this morning in the Washington Post and Times Herald, in which it is stated that the distinguished Senator from Kentucky [Mr. COOPER] went to the White House to plead with the President of the United States in regard to this matter. The newspaper article states that the Senator from Kentucky tried to dissuade the President from going ahead with this contract. Incidentally, that would be done by means of an Executive order, although the Atomic Energy Commission is supposed to be an independent body, independent of all of us, and it was so created under the leadership of our good friend, the late Senator Brien McMahon.

At any rate, I understand that the Senator from Kentucky went to the White House. I wish to state that all I know about the matter is what is set forth in the Washington Post and Times Herald. From the article in that newspaper, I learned that the Senator from Kentucky was sitting there—I think the word "sitting" is used in the article—and that he was told that the President had made up his mind regarding this matter, and that the distinguished Senator from Kentucky should see Mr. Shanley, one of the President's assistants—which the Senator from Kentucky did. Apparently the President did not even want to see the Senator from Kentucky.

Mr. MANSFIELD. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Does the Senator think that the President knows what he has sent to the Congress to consider, so far as this particular contract is concerned? Does the President understand all the implications contained therein? Does he understand, in effect, that what he is doing is helping to create a form of monopoly, which is the very antithesis to the idea of private enterprise, in which we all so firmly believe?

Mr. MAGNUSON. I cannot believe that he does; but in the past 18 months so many things have happened at the other end of the Avenue, that I would not be surprised.

Mr. MANSFIELD. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. It is my understanding that at a press conference a day or so ago, the President gave the impression that he did not know that three of the Atomic Energy Commissioners had expressed great dissatisfaction with the proposal to turn over this monopoly to the Dixon-Yates group. Certainly the President should have known, because why, otherwise, I ask the Senator from Washington, did he have to issue a directive in effect forcing the Commission to agree to do what he told it he wanted it to do?

Mr. MAGNUSON. I do not know what the President did or did not know; but surely the implication of a directive, ordering someone to do a certain thing, would be that the President must have known that the Commission itself was against this type of contract; otherwise he would not have had to intervene and issue a directive.

Mr. MANSFIELD. Exactly.

Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. I think——

Mr. KNOWLAND. Mr. President, I do not like to make a point of order, but I believe the rules require that a Senator may yield only for a question.

Mr. MANSFIELD. I am only asking questions, I assure the distinguished majority leader.

Is it not true that the rollcall vote among the members of the Atomic Energy Commission was 3 to 2 against the Dixon-Yates contract? And is it not further true that on that rollcall Chairman Strauss and Commissioner Campbell, both Eisenhower appointees voted to give the contract to Dixon-Yates, and that Commissioners Murray, Smyth, and Zuckert, all Democratic appointees, I will admit, voted against the contract?

Mr. MAGNUSON. My understanding is that that is exactly what happened.

I do not have any formal report from the Commission, but there have been several news articles on the subject. I have in my hand one which points out the very fact which the Senator from Montana suggests: that surely, if the Commission had approved of this proposal, there would be no need for the President of the United States to issue a directive to overrule the Commission, and to say, "You do this. You make this contract."

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Is it not true that by issuing a directive of this kind, the President, in effect, says to the AEC, "You are no longer an independent agency, if you disagree with me or with my advisers. You will do what I want you to do, and I will issue a directive to that effect."

Mr. MAGNUSON. Apparently that is what happened in this case.

Mr. MANSFIELD. Mr. President, will the Senator further yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Why not transfer the AEC to the White House, or to the old State Department building across from the White House, because that would make it appear to be an arm of the Presidential Office, instead of the type of independent agency created by Congress at the time of the passage of the McMahon Act?

Mr. MAGNUSON. If that sort of thing is to happen, I may say to the Senator from Montana, probably there should be an amendment offered to the bill, to make the Atomic Energy Commission not an independent agency, but a part of the executive branch of the Government.

Mr. MANSFIELD. I think that would be better.

Mr. MAGNUSON. Following the suggestions made and the questions asked by the Senator from Montana, I wish to read into the RECORD an article published in the Washington Star on the matter of the contract. The article was written by a well-known commentator and is entitled, "Is Eisenhower Briefed on AEC?"

The subheadline is: "Press Conference Attitude on Power Controversy Shows Lack of Knowledge on Majority Stand."

I think the Senator from Montana has brought out the fact that there was a majority which stood against the issuance of the contract. The article says:

> President Eisenhower himself now has raised another momentous question in connection with the controversial private utility contract he has ordered—

I underline the word "ordered"—

> the Atomic Energy Commission and TVA to sign. It is whether he is getting the proper information to make the far-reaching decisions which are his remorseless daily portion. At his press conference he was invited to discuss his attitude toward the question of whether the President has the power to order—

And this is what the Senator from Montana has so cogently brought out—

> independent agencies to take action that their administrators or a commission majority oppose. He was reminded that a major point in the current Senate debate arose out of testimony before the Joint Atomic Energy Committee, that three—

And this bears out what the Senator from Montana has said—

> AEC Commissioners opposed signing the moot contract. The President disclosed that he did not know the AEC majority had opposed the contract. He describes that information as "a premise."

I shall stop quoting from the article at this point. It seems to me that if the White House wants to know what is happening in any commission or agency of the Government, it would simply be a matter of picking up a telephone or sending a messenger to get a record of what happened in the Commission. The White House is entitled to such information, and it can get it very easily. I repeat:

> The President disclosed that he did not know the AEC majority had opposed the contract. He described that information as "a premise."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Is the President aware of the fact that one Republican Senator, who comes from the Tennessee Valley area, is also opposed to the Dixon-Yates contract? Or is that only a premise?

Mr. MAGNUSON. I do not know whether it is a premise with the President or not, but he had an excellent opportunity to find out. Our good friend, the distinguished junior Senator from Kentucky, went to the White House, hoping he might have an audience with the President. Apparently the President did not even want to discuss it with him, let alone discuss it with the members of the Atomic Energy Commission, because he said he did not know what their action was.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. On the basis of the implications raised, is it not possible that the palace guard at the White House is in reality the organization which wields the power in governing this democracy?

Mr. MAGNUSON. Apparently in this particular instance it is literally a palace guard, because the President said it was "a premise."

This is one of the most important contracts ever suggested in a Government agency. It might affect the lives of the American people for generations to come. Yet apparently the President of the United States did not even know what this independent commission had done in the matter; and apparently, from the newspaper reports this morning—I do not quote verbatim from the Washington Post and Times Herald—I recall distinctly reading that the President did not even want to discuss the matter with the distinguished Senator from Kentucky.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Is it not true that under Democratic administrations, a Democratic Senator, at almost any time, could go to the White House and see the President of the United States?

Mr. MAGNUSON. Speaking from experience, that is true; and I think most Republican Senators could, too, if they had something to discuss with the President of the United States which involved the lives of the people and the whole future of the area they represented. I am sure they could get an appointment. I must say that sometimes they might have to wait. The President might say, "I can't see you tomorrow, but I will see you on the next day at 3 o'clock." But apparently our good friend, the distinguished Senator from Kentucky [Mr. COOPER], went to the White House with his hat in his hand, and the President said, in effect, "I am not concerned with speaking to you about this matter."

Mr. MANSFIELD. Mr. President, will the Senator further yield for a question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Then, I take it that the assumption of the able Senator from Washington is that perhaps once this bill is passed, if it is passed, at that time the distinguished Senator from Kentucky may get an opportunity to talk it over with the President; is that correct?

Mr. MAGNUSON. He might go to the White House for the ceremonies in connection with the signing of the bill. Those who are interested in bills go to the White House for the signing, and get pens with which the bill was signed. There are separate pens, and everybody is given a pen.

It seems to me that this is a matter which the President should not describe as a premise. He should know, in a matter so important as this, exactly what the Atomic Energy Commission has done.

Let me continue to read the article. I shall have to repeat a little of it to get it in order.

The President disclosed that he did not know the AEC majority had opposed the contract. He described the information as "a premise."

Then the article continues:

It is not a premise, but a fact, testified to in public hearings, and carried on the front pages of the Washington newspapers that he is said to read.

I do not think we should expect the President to read all the newspapers in Washington. Nevertheless, this was a matter which apparently had wide publication, and surely could not be a premise. If the President did not see it, he must have been sleeping somewhere. Certainly there must be persons in an organization such as the White House organization, which must keep abreast and keep the President advised of these matters.

The article goes on to say:

Had an AEC majority not opposed the contract, it would not have been necessary for the President, through the Budget Bureau, to order the AEC to sign it. AEC has two other contracts with private utilities.

That is what the Senator from Montana suggested.

Had the AEC approved of this proposal, it would not have been necessary for the President of the United States to do anything or to order anyone to do anything. Apparently they do not approve of it.

I continue to read from the article:

Two of the protesting AEC Commissioners described their reservations in a formal letter—

I emphasize the word "formal"—

to the Budget Bureau. The new contract seemed to them "incongruous." "roundabout," and a perversion of their "sober primary mission."

I do not know what words could be plainer than those.

The President indicated that he thought he had an opinion from the Attorney General in the matter. Though his language was very involved—

Sometimes one has to become involved, when he is President of the United States—

he appeared to feel that he was merely accepting a responsibility that he said lots of people would like to get out of.

That is probably true.

On July 11, last, Attorney General Brownell was asked on a telecast, Meet the Press, whether he had given his approval to the contract now so bitterly debated. The Attorney General replied categorically, "No; that has not come to the Department of Justice in any way."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Did the Senator say July 11?

Mr. MAGNUSON. July 11.

Mr. MANSFIELD. Is it not true that that was just 12 days ago?

Mr. MAGNUSON. Yes; that was just before the pending bill was thrown into the Senate.

Mr. MANSFIELD. Is it not true that this is about the ninth calendar day this bill has been before the Senate?

Mr. MAGNUSON. I am a little confused about legislative and calendar days. I appreciate what the majority leader was trying to do so as to get the calendar days and the legislative days straightened out, but I am still a little confused as to a calendar day and a legislative day. But if the Senator from Montana, who is an expert parliamentarian, says this is the ninth calendar day, I will agree with him.

Mr. MANSFIELD. It is true that it is either the 9th, 10th, 11th, or 12th calendar day, meaning a calendar day comprising 24 hours?

Mr. MAGNUSON. Yes.

Mr. MANSFIELD. So that would indicate that if the Attorney General of the United States, Mr. Brownell, stated on Sunday, July 11, that this had not been referred to him, the chances are that if it was referred to him in the 2- or 3-day interval before this bill reached the Senate, he must have done some pretty fast thinking and some rapid calculating in order to bring about the approval of what was issued by the President.

I think this is entitled to a good deal more consideration, and I wish the Senator would ask the Attorney General, or have someone do it for him, to give us an opinion as to whether he actually did approve this contract, as the President indicated; and if so, when?

Mr. MAGNUSON. If he has, I think probably the Attorney General is in about the same position many Members of the Senate are in a matter of this kind. Here is an amendment on the desk and the amendment is on page 82 of the bill. That is somewhat indicative of what this bill is—a 104-page bill dealing with the most important thing probably before the Congress, or any piece of legislation of the whole decade. If the Attorney General, on July 11, says categorically, "No; that has not come to the Department of Justice in any way," I do not know how the Attorney General could make any decision in the matter—any wise decision or any sober decision—any more than some of the Senators who are now on this floor, who suggest to the majority leader and the other side of the aisle that there need be no haste about this bill.

There are many things we would like to bring up, much legislation which is important, but this is a bill which has so many ramifications that we strongly suggest and plead that it should be laid aside until we have greater opportunity to study it.

I was in the cloakroom on a telephone call at the time, but I understand that the majority leader said tonight, after he had propounded a unanimous-consent request, "If there is anyone on either side of the aisle, either this side or the other side, who has a unanimous-consent request to propound, I should be glad to hear it." I came in when that happened and the distinguished Senator from Minnesota said, "I will propound a unanimous-consent request. I ask unanimous consent that we strike out

all portions of the bill except the so-called international aspects." The majority leader rightly said, "That does not deal with the time element." Had I been here, I would have asked unanimous consent—and I suppose I can still do it, but I will not do it until I get through with what I have to say—that we postpone the pending bill, and proceed immediately, first, to the farm bill, to the tax bill, to the housing conference report, and to other pieces of legislation which all of us agree are important and should be passed. I should like to know where the objection would come from. It will not come from this side of the aisle because we are ready to proceed with those measures. But we are not ready with this bill because, in all seriousness—and I am not talking merely for the sake of talk—this involves the whole Federal power program; and if the majority leader wants a unanimous-consent request, I would propose that now we lay this bill aside and proceed with the pieces of important legislation which the majority leader suggests we are holding up because of the discussion on the pending bill.

I would like to know who would object. There will not be any objection on this side of the aisle. I would not make the request until I called for a quorum, but if the Senator wants a unanimous-consent request, and if someone is saying we are holding up legislation, we will agree tonight to proceed Monday morning, or tomorrow, with every single piece of legislation the majority leader says we are holding up. I do not think there would be an objection. I cannot speak for other Senators, but I doubt there would be an objection.

Why we have to go ahead with this bill I do not know. I have a rough idea, but if I had been here, I will say to the Senator from California, I would have proposed a unanimous-consent request that we lay the pending bill aside and proceed with every single piece of legislation he has enumerated, because I think we should go ahead. I want to get to the west coast just as fast as does the Senator from California. When the whistle blows here I will be on my way. But I think this is a bill that should not have been brought to the floor of the Senate in the way it was brought here. I pointed out yesterday that the day the report was submitted the bill was presented.

Now let me proceed with what the Senator from Montana and I were discussing. Should I propose the request now?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. Perhaps later in the day I shall be glad to propose a unanimous-consent request that we lay the pending bill aside and take up every single piece of legislation which the majority leader says we are delaying on a day certain, with debate limited.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Why does not the Senator put the proposal to the distinguished majority leader, the Senator from California?

Mr. MAGNUSON. I do not think it would be fair. We have been here now about 36 hours, I believe, and I think the Senator from California needs time to think about the proposal, and have a discussion with the Senator from Michigan [Mr. FERGUSON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Kentucky [Mr. COOPER], the Senator from North Dakota [Mr. LANGER], the Independent Party, and others, and see what he can do.

Let me go ahead with this article about the contract. I pointed out that—

> On July 11 last, Attorney General Brownell was asked on a telecast, Meet the Press, whether he had given his approval to the contract now so bitterly debated. The Attorney General replied categorically, "No; that has not come to the Department of Justice in any way."

The article then goes on with the President's press conference last week. First the President said he did not know about the AEC action, that it was a premise. Then he said he had discussed the matter. He said he had an opinion from the Attorney General. The article says:

> The President concluded by saying that he did not believe that the AEC was an independent commission in the sense that the Interstate Commerce and the Federal Communications Commissions are. It is something he said that he was compelled to take action on over which to exercise supervision.

In other words, he said that whatever the laws says apparently does not make much difference, that he feels this was the kind of matter concerning which somebody had to tell him what to do. This is what the law says—and I still think we are a government of law:

> Actually the AEC was established by the Congress with the hope and aim of making it the most sensitive agency of Government, more independent than any other.

I need not quote the law. I think it has been quoted in this debate on many occasions, and this is a correct statement of it.

> To protect it from Congress itself and all other interference, a special joint committee was established to be its political shield and its mentor.

I think the distinguished Senator from Tennessee and my colleague from Washington read the terms of the act in which we established the Commission to be exactly that kind of an agency.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Does the Federal Power Commission or the Interstate Commerce Commission have a select joint congressional committee to keep an eye on it, to look after its affairs minutely and in detail?

Mr. MAGNUSON. No.

Mr. MANSFIELD. Would that not indicate, then, that so far as the Atomic Energy Commission is concerned, it is a creature of the Congress, and that we have a committee which supervises it and watches it and exercises a degree of control over it?

Mr. MAGNUSON. It was literally meant to be an arm of Congress, without any interference by the Executive. Does the Senator think any Executive of the United States would dare, for instance, to tell the Federal Power Commission what the rates should be in a given area of the United States? Of course not. Here is a commission set up to be literally much more independent and more sensitive, and yet apparently under this contract ordered to do certain things.

Mr. MANSFIELD. Is it not true that the people of the United States have a $12 billion investment in the atomic energy project?

Mr. MAGNUSON. Not only $12 billion, but probably their whole future.

Mr. MANSFIELD. Exactly. And is it not true that on the basis of the bill we are considering today, we are in effect asked to establish a monopoly, with the Dixon-Yates contract as a part, by means of which a high guarantee is made of a return on an investment, and is it not true that the United States Government is going to pay the State, local, and Federal taxes of this Dixon-Yates combine, if this bill is approved by the Congress? Whoever heard of such a thing before?

Mr. MAGNUSON. I do not think anyone did, and if any small contractor furnishing the Government with any kind of a commodity should have a contract with the same terms that are proposed in the Dixon-Yates contract, I am sure every committee in Congress would want to investigate it, and denounce the whole contract. Yet this contract was over and above the heads of the Atomic Energy Commission, and the Chief Executive directed that it be signed.

Let us see what the AEC was established for. I think I have to repeat.

The President apparently concluded by saying that he did not believe the Atomic Energy Commission was an independent commission in the sense that the Interstate Commerce Commission or the Federal Power Commission are.

I know something about the act establishing the Atomic Energy Commission, for I had the good fortune to participate in drafting it with the late distinguished Senator from Connecticut, Brian McMahon, I also know a great deal about the Federal Communications Act and the Interstate Commerce Commission Act, because I have been a member of the committee having to do with those agencies. We took particular pains in the McMahon Act to make this very Commission more independent than the other Commissions. All one has to do is to read the act.

Mr. MANSFIELD. Will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. How can this Commission be independent if the President of the United States, at his discretion, can issue a directive to them in spite of their opposition and tell them what to do? That smacks to me of dictatorship and authoritarianism.

Mr. MAGNUSON. Of course there can be that sort of thing, but apparently the President says he does not believe this is an independent agency. I

do not know who his legal advisers are. All one has to do is to read the act. I do not have it here with me, but I imagine it is in the hearings, and all one has to do is to read it, because I recall, although we have made the CAB, the FCC, the Interstate Commerce Commission and Federal Trade Commission all arms of Congress, not subject to Executive order, we deliberately went further in the Atomic Energy Act, as pointed out in this article, and made the Commission, a most sensitive agency, not only an independent arm of the Congress, but appointed a joint committee to protect its independence.

Mr. MANSFIELD. Mr. President, will the Senator yield further for a question?

Mr. MAGNUSON. Yes.

Mr. MANSFIELD. The Senator made the statement that he did not know who the legal adviser was. Is it not true that the Attorney General of the United States is supposed to be the President's legal adviser?

Mr. MAGNUSON. I think all the Presidents of the United States also have their own legal advisers in the White House. I think it is very necessary to have a legal adviser there, because so many things come up—bills, for instance. Right now, I suppose there are many bills at the White House which could not be forced through the mill of the Attorney General's office, but which the legal staff of the White House, proper, as distinguished from the Attorney General, handle. In this case, on a contract of this importance, I may say to the Senator from Montana, the Attorney General, on July 11, just shortly before the bill showed up here—this bill of almost 100 pages involving the whole future of the United States—said, "No, that has not come to the Department of Justice in any way."

Mr. MANSFIELD. If the Senator will yield, it it not true that, if anyone should have been called upon to pass an opinion on a bill of this nature, it should have been the President's own creature, the Attorney General of the United States.

Mr. MAGNUSON. Oh, yes, and the great staff of very competent lawyers every Attorney General of the United States has. But apparently nothing was done there, and what I cannot understand, I want to say to the junior Senator from Montana, is how this happened to come into this Congress the way it did, on such short notice.

We should feel that this is the most important piece of legislation in a decade, involving as it does our whole Federal power policy. That is important to us in the section from which the Senator and I come. We have spent years in building that policy. Why should we be accused of delaying it, when we think it is important enough to look at it, and to take a second look, and a third look, be able to study it and to know about it? We had no notice of this bill. The report came in, but I pointed out yesterday, the exact dates when the report came in. No one had a chance. Even the members of the committee, itself, say they do not understand it, yet we are accused of stalling the so-called New Look legislation program.

Congress has been here for almost 18 months during this administration. Where has the rest of the program been all that time?

As I say, I will be glad, perhaps at the suggestion of the majority leader, to submit a unanimous-consent request that we lay this bill aside and take up every single piece of the so-called New Look program.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. We will take a new look at the New Look.

Mr. MANSFIELD. The Senator means we will reappraise it?

Mr. MAGNUSON. Reappraise it, yes.

Mr. MANSFIELD. Mr. President, will the Senator yield further for a question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. I may say it seems a little odd, to me at least, that we have this rush of legislation, as we did last year, at the end of the session. Why, for example, do we have to have this particular measure before us at the last minute? Why, if my understanding is correct, do we have to look forward to a request by the Secretary of the Treasury next week, asking the Senate to raise the debt ceiling?

Why, last year, did the administration send to the Congress during the last week of the session a request that the debt ceiling be raised? Of course, as the Senator well knows, while the House passed such a bill, because of the activities of certain Democratic Senators, the Senator from Georgia [Mr. GEORGE], the Senator from Virginia [Mr. BYRD], and others, it was held up and not passed in the Senate. May I ask the Senator, does he have any idea why all these tremendously important pieces of legislation have to be dumped into our laps at the last moment?

Mr. MAGNUSON. I think the reason is that, after we have been in session all these months—in two sessions of the Congress—we are getting near the end, and, as in the case of the end of the baseball season, the players are now looking for their new contracts. In this case they are looking for their contracts with the people of the United States, but they have looked around and found that the batting average was pretty low, and so they have decided, "We have got to try to swing and hit and do everything we can." The trouble is, instead of hitting some home runs in this particular case, this particular one is a foul ball; but they will probably say, "Why, one of the major accomplishments of this Congress was to pass an important atomic energy measure." The present act is on the books, and there is no rush about this bill. The average person on the street does not understand the ramifications and technicalities of the bill; and that is understandable, because you and I, Mr. President, do not understand half of them, and we have not had the time to look at it; so we could understand it.

But there must be a record made. A former President of the United States by the name of Harry Truman, in 1948, went back and forth across the country saying, "Look at the record," and we know what happened. I am sure that no political party, either Democrat or Republican, wants a failure; so such stuff as this bill has got to be shoved in here and passed so that it may be heralded as a great accomplishment. It is like the taxpayer who seeks a compromise on the tax bill. The conference report on that bill is coming in at any time, and I asked a good friend of mine, whom we all know, "What did you do in conference?" The bill was 400 pages, was it not?

Mr. MANSFIELD. Eight hundred and some pages.

Mr. MAGNUSON. Eight hundred and some pages? Eight hundred pages in the tax bill. I said, "There are a lot of things in the bill, but is there one thing for the fellow on the street?" "Well," he said, "yes, there is. There is something in there about working mothers who get an extra exemption." And he said, "That is all."

Mr. MANSFIELD. Why do they not have baby sitters while they are working?

Mr. MAGNUSON. They should have something like that. I said, "I want to know." I cannot figure it all out. But, I said, "Is there one thing in there for the fellow on the street?" He said, "Only what I have said," he was a member of the conference, and was not a Democrat.

Mr. President, let me proceed. The President of the United States suggested that he did not think the AEC was an independent commission, in the same sense as was the Interstate Commerce Commission or the Federal Communications Commission. Of course it is not, in the same sense, at all. The law provides that it shall be more independent. Actually, the AEC was established by Congress with the hope and aim of making it the most sensitive agency of Government, more independent than any other, and to be protected from Congress itself, and from all other interference, including Executive interference. So a special joint committee was established, to be its political shield.

There is another indication which I read in another newspaper. This is another account of how the Senator from Kentucky [Mr. COOPER] apparently was treated at the White House in connection with this issue. He is the only representative from that area. I hope they have not conceded Barkley's election yet.

Here is what it says:

All this and much more, the President might have learned just before his press conference, from a trusted friend; and the only Republican Senator from the TVA area, the Senator from Kentucky [Mr. COOPER]. The Senator from Kentucky never consulted prior to the President's order, climaxed a long and patient effort to resolve the situation by waiting from 10 to 11 o'clock in the White House anteroom, closed off, and not a word from General Eisenhower before the President met the press. The staff could not seem to find the right door. Well, it is an oval room.

Senator COOPER had earlier and vainly talked to Presidential Assistant Adams, Budget Director Hughes, Counsel Schenley, AEC Chairman Strauss, and AEC General Manager Nichols, this week, and a Senator warned an AEC Commissioner—

This is a quotation—and I do not know whether it is true or not, but it says—

warned an AEC Commissioner's son, "Yes, you have everybody's respect. You have been shielded from political hazards. Now, you are fair game for everybody."

I think that sums it up.

I do not question the motives, but if any executive can take an independent agency and order it to do something, then we might as well abolish it and make it a part of the executive department.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. If what the distinguished Senator from Washington just read is true, it seems to me a shameful happening, that a Senator of the United States, and probably of the President's own party, one of his most stalwart defenders over the years, on a question of vital importance to his people and to his future, was not able to break through the "palace guard" to see the President of the United States. Who, I ask the Senator, is running the United States from the White House? If a Senator of the caliber of the able and distinguished Senator from Kentucky has to cool his heels in the anteroom and cannot get by this group of remarkable men, who could get in to the White House to see not only the man who is the particular head and the actual titular head of his party, but also the President of the United States?

Mr. MAGNUSON. I have no knowledge as to why he was not able to see the President. It may be that the President did not know he was there. But if the President did not know he was seeking an appointment to discuss this vital matter, perhaps that is typical of the situation regarding the whole bill. Apparently the President is not too well informed about it. According to the article I read in the Washington Post and Times Herald of this morning, the distinguished Senator from Kentucky [Mr. COOPER] sat there for a considerable length of time, but was unable to see the President. Certainly someone must have told the President that the Senator, a member of the President's own party, was there to see him. If not, then the remarks of the Senator from Montana about the "palace guard" must be correct.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. According to the newspaper articles I have read, ever since the administration came into power, a good many Members of the House and the Senate have not been treated with the respect they regard as their due in the matter of patronage and similar matters—and all because of the attitude of the "palace guard." I understand that situation has caused a certain amount of dissension and discussion. Would not it be reasonable to assume that this is further evidence—in this instance, in connection with the efforts of the distinguished junior Senator from Kentucky to see the President—that the activities of the "palace guard" will result in further dissension and dissatisfaction within the ranks of the Grand Old Party?

Mr. MAGNUSON. I agree with the Senator from Montana. I have little or no knowledge of the ramifications of the group that may be dispensing patronage. But I know it is impossible for anyone who even thought he might vote the Democratic ticket in times past to get even near the front door in this situation; and that remark goes for international matters also. We Democrats had many faults and made many mistakes; but at least we had one political virtue, which history will record: In matters that should be completely bipartisan or nonpartisan—although I believe "bipartisan" is the better word to use, for I do not believe it possible to find anyone who is completely nonpartisan—we consulted with both sides. In fact, under Democratic Presidents, almost all the persons who now are running the Republican foreign policy were consulted and given high-level policy positions.

On frequent occasions I have suggested that at least one Democrat should be included in the administration's councils. After all, Mr. Eisenhower and Mr. Dulles were brought along by the preceding administration, and were included in its councils.

Mr. MANSFIELD. And Eisenhower was educated at West Point.

Mr. MAGNUSON. So I think such cooperation would be very helpful.

Let me inquire whether the Senator from Montana remembers the 1952 campaign——

Mr. MANSFIELD. I will never forget it.

Mr. MAGNUSON. The Republicans wanted to hang Truman and Acheson in effigy, all over the country. Well, perhaps Truman and Acheson made some mistakes——

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield to me for a question?

Mr. MAGNUSON. I am reminiscing about recent history.

Mr. MANSFIELD. I wish to reminisce with the Senator from Washington.

Mr. MAGNUSON. Does anyone doubt that mistakes were made? Of course mistakes were made. But in 1952, the country was told again and again about the terrible architects of the Democratic administration's foreign policy. And, Mr. President, do you know who the architects were? They were Mr. Roosevelt, Mr. Truman, Mr. Dulles, Mr. Eisenhower, and Mr. Vandenberg. Certainly mistakes were made, but the problems were most complex. Yet the Republicans campaigned against policies that in large part were written by Republicans.

So I think Mr. Acheson could help Mr. Dulles a little, now.

Mr. MANSFIELD. I should think Mr. Dulles would appreciate Mr. Acheson's help, too.

Mr. MAGNUSON. Yes; I think Mr. Dulles needs some help.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for a further question?

Mr. MAGNUSON. I yield for a question.

Mr. MANSFIELD. Returning to the subject the Senator from Washington was discussing—in reference to the palace guard—it would appear to me—and I am asking the Senator from Washington whether he would agree with me—that sometimes the Democrats have a run of luck, and that one of the things we should be thankful for now is that we have no patronage.

Mr. MAGNUSON. Yes.

Mr. MANSFIELD. Because, with no patronage, we have no troubles like the ones our friends on the other side of the aisle have now.

I was glad to note that the distinguished Senator from Washington was reminiscing—and I should like to have him permit me to ask a question at this point—about bipartisanship and about such men as Knox, Vandenberg, Dulles, Eisenhower, and many, many others who helped Democratic administrations bring into being a bipartisan foreign policy.

If I correctly understood him, the Senator from Washington expressed a little disappointment that the Republicans were not contacting Democrats at the present time, and I believe he stated that the Republicans should have at least one Democrat included in their councils.

I should like to tell the Senator from Washington that the Republicans do have one Democrat who is representing them in their foreign policy, and that is David Bruce, who used to be an Under Secretary of State, and formerly was our Ambassador to Paris, and now is a roving Ambassador in Europe for the present administration. He is a very good man, but he is the only representative of our party whom the administration is using in a position of importance at the present time.

I appreciate that the promises made by the administration in 1952 in the field of foreign policy are at long last coming home to roost.

So I wish to say to the distinguished Senator from Washington, who is making such an excellent address this morning about the matter at hand, that I agree with him in many respects; and I hope he will continue to bring home to the people of the country, as he has done during the past almost 20 years of his service in either the House of Representatives or the Senate, the case that must be stated and the record that must be made, so that the American people will know just what this bill contains, just what the loopholes are, just what the possible effects may be.

I am delighted that the program of education and elucidation that is being carried on by Senators on this side of the aisle, aided nobly by the junior Senator from Kentucky [Mr. COOPER], on the other side of the aisle, is beginning to bear fruit.

So I hope the Senator from Washington, will, as he has already indicated, go into the matter in detail, and will bring out all the possibilities, so that we shall have a chance to discuss them fully and to inform the American people just what this bill entails.

Mr. MAGNUSON. Mr. President, I thank the Senator from Montana for his

remarks. Let me say that I shall be very happy if I am able to illuminate this matter in a helpful way, although I am sure I shall not be able to do so in greater degree than the distinguished Senator from Montana did when he aided both the Congress and the people of the country by his excellent speech, of a few days ago, on foreign policy.

Mr. President, the Dixon-Yates contract has been discussed many times in the Senate. I had begun to discuss a matter which has not been discussed nearly as much as have the cancellation clause, the license features, and the power features of the pending bill. So I can think of no better time to address myself to the Separate Views on International Activities, which have been so well prepared by our distinguished colleague, the Senator from Rhode Island [Mr. PASTORE], and are subscribed to by the distinguished Congressman from California, Representative HOLIFIELD, and the distinguished Congressman from Illinois, Representative PRICE. These are their Separate Views on International Activities. I have previously read the first paragraph, and at this time I wish to continue with the reading, so that the RECORD will contain more of the views of these three distinguished Members of Congress, who are members of the Joint Committee on Atomic Energy, which was set up to guide and protect the Atomic Energy Commission, this independent agency.

I read further from their Separate Views on International Activities:

But to compromise on anything of deep principle is personally and morally repugnant to me. Therefore, in all conscience, I must append a statement of my views on the all-important matter of international cooperation.

I urge that section 124 of the bill be struck, and that the words "group of nations" be inserted in sections 11b, 54, 57, 64, 82, 103, 104, and 144 to make those sections read as in the committee print of May 21, 1954.

I have not taken this position lightly; I take it because I believe the very existence of our civilization depends on our finding some way to end safely the mounting atomic and hydrogen armaments race which bodes to annihilate man and all his works. To my mind, the key to finding such a solution lies in the hearts of men of good will everywhere; it is a solemn duty for us, the most powerful Nation on earth, to seize the initiative in bringing about a renascence of the cooperative spirit of common humanity that is needed to solve the basic causes of war—want, hunger, poverty, and disease. President Eisenhower gave voice to these thoughts when he addressed the United Nations General Assembly last December. There he boldly outlined a plan to bring the great benefits of atomic energy to mankind everywhere. To my mind, in this address the President did what we must now do—he rose to meet the basic problem head on. His approval gave heart to all.

In testimony before the joint committee on June 3, 1954, the Secretary of State, Mr. John Foster Dulles, made some highly important comments on the subject of international arrangements for the sharing of atomic knowledge.

"As I see it, a main purpose of the proposed legislation is to do just that—'to increase our emphasis on the peaceful uses of atomic power at home and abroad.'

* * * * *

"We cannot any longer adhere to the theory that knowledge, because it is capable of use for destruction, must be denied for uses of construction."

To that we all agree as a general proposition. But what we disagree with is how it is going to be used, who is going to use it, what sort of monopoly of power it is going to create for a privileged few. If it is to be used for the benefit of everybody, the man on the street and the common man, that is fine. But the bill before us does not provide for that.

Mr. Dulles continues by saying:

By amending the Atomic Energy Act now as proposed, we will be laying some of the groundwork for a future era of peace when atomic energy inevitably will be doing constructive work in the world.

With that we can generally agree. Of course we want to do that. But we want to do it equitably and justly, so that all the people will be benefited, not merely a few.

Three circumstances, (1) the developing Soviet program, (2) our dependence on foreign uranium, and (3) legitimate hopes for nuclear power abroad, combine to create the need to amend the international cooperation provisions of the Atomic Energy Act of 1946.

* * * * *

Other countries are making progress in atomic power technology. There is a growing tendency for certain raw materials supplying nations which are not industrially well advanced to turn to such other countries for nuclear power information because they have been disappointed by our inability to give them significant help. It is clear to me that if this trend continues the interests of the United States will be seriously and detrimentally affected. There is no need here to emphasize how important it is for us to stay ahead of the U. S. S. R. in providing knowledge of how to put atomic energy to peaceful uses.

In extending abroad, under proper security safeguards, the evolving technology of atomic energy for peaceful purposes, we shall tighten the bonds that tie our friends abroad to us, we shall assure material resources that we need, and we shall maintain world leadership in atomic energy—leadership which today is such a large element of our national prestige.

* * * * *

In modernizing our atomic-energy law I feel that we will be taking three steps in the direction of peace: First, we will be increasing the deterrent factor represented by our weapons stockpile by the provisions we have requested permitting us to integrate certain tactical weapons information into our foreign military planning. Second, by being able to give our friends abroad atomic energy information and material, we shall be strengthening our capacity to build the raw material base on which our entire atomic energy program rests; and, third, we will be strengthening the ties which unite the free nations by a sense of fellowship.

* * * * *

Perhaps most significant of all, however, are the hundreds of millions of people in the world who, having heard of the promise of atomic energy, wait eagerly to see if there are benefits in it for them in addition to the military shield which has held off the aggressive forces of Soviet communism for almost a decade. The military atom is a fearsome thing even to those who owe their liberties to it. The constructive uses of atomic energy could promote both peace and plenty, and so holds a special place in man's dream of the future.

The bills which your committee is considering need to be enacted if our Nation is to serve its own interests and at the same time to show the world anew that our national interests harmonize with the interests of men everywhere.

The Separate Views on International Activities, after setting forth Secretary Dulles' general statement, with which we can all agree in generalities, continues as follows:

I believe the Secretary of State, clearly and forcibly, pointed out that the provisions of the bill which are most important to our very survival are those that treat with international cooperation. I share that view.

I also believe that the development of atomic power in this country is important. Coming from an area of the United States which has high-power costs and no foreseeable way of reducing these costs except by the speedy development of this new, primordial source of energy, I believe I am as aware as any man of the responsibilities of this Congress to provide fully for the fastest development of atomic energy for peacetime uses in this country.

The United States Government has expended many billions of dollars in the development of its atomic program.

I interpose there to say that, while I believe the Senator from Montana knows the figures better than I do, it is well over $12 billion. I continue to read:

While the primary purpose of this was the creation of armaments, there were secondary discoveries and advancements of importance in the peacetime uses of nuclear power. Despite this activity, the field of peacetime development is still embryonic. To hasten advancement in this art, it is being proposed to Congress that the private business community of the United States be allowed to share in the opportunities of developing useful applications of what has been but barely touched on in our Government monopoly of the field. In this we can say that the greater good is in making available to the people of the United States at the earliest moment the fruits of such combined Government and private development.

Of course we agree with that. That is exactly what we want. We want to make the greatest good available. That is why so many of us are proposing amendments to the bill. We want to make the greatest good available to the greatest number, not to a special few. The report continues:

We can hardly say that permitting friendly nations to collectively share in some small part of our knowledge for the purpose of the peace and good of all mankind is not equally advantageous.

Our responsibilities transcend our national borders.

With that we can agree.

We have developed materials, knowledge, and techniques which, if exploited fully for the benefit of all mankind, will redound not only to our international credit, but more importantly to the establishment of peace and prosperity in all portions of the globe. We are not alone in this race for atomic-power development. Twenty nations, as the majority report points out, are embarked upon atomic development programs. Not the least of these programs is that of the Soviet Union which now stands second in world effort on the searching out of the atom's secrets. Coupled with this is the fact that we and the free world are joined against the Soviet Union in a competition for the minds and souls of men. This competition will not be won by words, but by deeds. Consider the effect on the downtrodden of Asia, for example, if the Soviet Union should seize the initiative in bringing to these power-

starved nations the great benefits of atomic energy. I say on that day we shall have lost the battle.

It is argued that our national security is in greater jeopardy if we deal with a group of nations as against dealing with one nation at a time, in transmitting information on peacetime developments of atomic energy. I find it very difficult to reconcile this distinction and I would further point out that this is not so, for the information with which we are here concerned is of a low degree of sensitivity and is far removed from the area of information on atomic weapons and atomic production that we must carefully circumscribe.

It is argued by the majority that S. 3690 offers, in section 124 a possible mechanism for the President to employ in bringing to reality his great plan for spreading atomic blessings to all. I maintain that the bill as presented does little more than restate the powers he already has under the Constitution and existing law. It is no more than an indication—and a half-hearted indication at that—of congressional encouragement. It is, to my mind, inadequate and I urge favorable consideration to the amendment on this subject which I will introduce on the floor of the Senate.

I wish to depart from the separate views. Here again is another potent, cogent reason for not pushing or hurrying the bill through Congress. Here are the separate views of the minority even on international questions. They say that under present law what is sought to be done in the bill can be done anyway. I have always believed that the only reason why the bill is being pushed is that the private power interests see a chance to get back into the saddle and again create a monopoly. Even the separate views on international activities say that.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes; I yield.

Mr. MANSFIELD. Is it not true that in the CONGRESSIONAL RECORD for Monday, July 19, 1954, page 10964, the following is stated in the remarks of Representative HOLIFIELD:

"The present proposal would create a situation whereby the AEC would be contracting for power not 1 kilowatt of which would be used in connection with the Commission production activities (hearings, pt. II, p. 958)."

The scheme is for the Commission to maintain its present firm contract for TVA power to run the Paducah plant while contracting for some 600,000 kilowatts of additional power to be delivered by the private-utility group to the TVA for service in the Memphis area, several hundred miles away from any atomic-energy installation. In other words, the AEC would become a power broker, purchasing power it does not need for an area far removed from its activities. The TVA would be forced into buying the power from the private group through AEC instead of building its own plant to serve the Memphis area.

Over the life of the contract the taxpayers would foot a bill of at least $90 million over and above the cost of power that TVA could produce itself. The $90 million figure is the AEC's own estimate; the TVA estimate is that this new proposal would result in $140 million added cost to the taxpayers.

The members of the Commission and their General Manager struck us as rather shamefaced about the whole business when they came before the committee. They said in effect: "This proposal did not originate with us. We don't like it, but higher authority has decreed it, and we will be good soldiers and carry out orders."

Continuing, Mr. HOLIFIELD says what I shall read.

Mr. MAGNUSON. Let me interrupt there a minute. When we talk about being good soldiers, I know there are generals who order privates, but the AEC does not belong to that army. It belongs to Congress.

Mr. MANSFIELD. That is what the Senator thinks.

Mr. MAGNUSON. Congress made it a point to say that if anybody was going to suggest that they were generals, they should not belong to that army, but apparently they reached out in another group.

Mr. MANSFIELD. Now, if I may continue with the original question, which I am still asking the Senator from Washington, let me repeat that Mr. HOLIFIELD said:

The General Manager testified that the proposal "originated in the Bureau of the Budget as an administrative policy." He cited instructions received from the Bureau of the Budget to proceed with negotiations looking toward a definitive contract, despite his advice to the Bureau "that the Commission did not agree on the wisdom of AEC entering into this type of contract"—hearings, part II, pages 946 and following.

Has the Senator seen this part of the statement by the able Representative from California [Mr. HOLIFIELD], which appears in the RECORD of Monday, July 19, 1954, at page 10964?

Mr. MAGNUSON. I have not read that portion. I have the Monday RECORD here, but it includes also a statement as to amendments.

But on Wednesday following that, the distinguished Representative from California [Mr. HOLIFIELD], as appears on page 11304, discussed the contract further, and I quote from that page of the RECORD:

The SPEAKER. Under the previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 60 minutes.

Mr. HOLIFIELD. Mr. Speaker, I hold in my hand some excerpts from the news ticker dated as of today, July 21.

Chairman Strauss and Commissioner Campbell were the only Commission members who did not object; in fact, Mr. Strauss had been appraised of the Bureau's intentions at least a month before the matter was brought up at a Commission meeting. The meeting in question was held January 19, 1954, 2 days before the budget message of the President was presented to the Congress, stating that "arrangements are being made to reduce, by the fall of 1957, existing commitments of the Tennessee Valley Authority to the Atomic Energy Commission by 500,000 to 600,000 kilowatts." The arrangements involving discussions with the interested utility group, had been going on at least since early December of 1953, and when finally revealed did not propose to reduce existing TVA commitments to AEC but compel the TVA purchase of new and additional power from private sources.

I never heard of Dixon-Yates before, but I understand they are a sort of holding company.

Mr. MANSFIELD. A sort of Insull type of company?

Mr. MAGNUSON. Something like that.

Mr. GORE. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. GORE. Will not the Senator observe that for the past several minutes there has not been a single member of the Republican Party on the floor of the Senate?

Mr. MAGNUSON. For a minute there was not. As a matter of fact, until the distinguished Senator from Tennessee came in, this was a purely west coast family affair, including the distinguished occupant of the chair. But we are glad to have Tennessee show up, because the problem involved in the pending bill affects us just exactly as it affects the TVA.

Mr. KNOWLAND. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. KNOWLAND. Does not the Senator from Washington think the Senator from Tennessee looks far more refreshed than some of the rest of us do at this point? [Laughter.]

Mr. MAGNUSON. Yes, I do, and I suspect where he has been.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GORE. Does the Senator from Washington not think that during this prolonged period when no Republican Member of the Senate was present on the floor the Democrats showed their cooperative spirit, their tolerance, and forbearance, by resisting the temptation to move that the Senate recess until 12 o'clock noon today?

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I should like to agree with the Senator from Tennessee, and then I will yield.

Mr. KNOWLAND. I merely wish to ask if the Senator will permit me, if the Senator does not know that despite the fact that there was not a Republican on the floor for a half a minute when I was called to the door by a newspaperman, under the rules of the Senate the occupant of the chair, my distinguished colleague from California, loses none of his rights as a United States Senator to suggest the absence of a quorum?

Mr. MAGNUSON. The Senator from Washington knows that all too well. Some years ago I was in the chair as the distinguished Senator from California is now, and the leader of the Independent Party was making a speech about this hour in the morning and there was no one on the floor but the occupant of the chair and the leader of the Independent Party who was making the speech. The Senator from North Dakota [Mr. LANGER] came in and started to make a speech, and the Senator from Oregon asked the Senator from North Dakota if he would yield for a unanimous-consent request. The Senator from North Dakota said he would be glad to, and he yielded. The Senator from Oregon said:

"Mr. President, I ask unanimous consent to pass H. R. 1278, H. R. 1679, and" and he enumerated about 10 bills, and moved that the amendments be considered and that there be a third reading. The bills embraced the whole civil rights program. [Laughter.] I did not know exactly what to do, but at that time the

gentleman who was our majority leader, Senator McFarland, came in the door, and I said "Object," and he said, "I object," and that stopped it.

I suddenly discovered then from the Parliamentarian that when one Senator sits in the chair he loses none of his rights as a Senator. He can make a speech if he desires; and we heard one today.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield

Mr. MANSFIELD. I think that in order to keep the record straight it should be said that the full delegations from Washington and California have been here for a good many hours. Would the Senator agree with me on that?

Mr. MAGNUSON. Yes. We have a great deal of interest in this.

Proceeding further with the contract that was mentioned by the Senator from Montana, I think Representative HOLIFIELD discussed it on Monday and on Wednesday he went on further and got 60 minutes from the House of Representatives by unanimous consent.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GORE. Does the Senator from Washington not think that the Atomic Energy Commission is not only an independent agency, but because of the terms of the act creating the agency a super-independent agency?

Mr. MAGNUSON. Of course, any one reading the law will agree to that. I happened to be a member of the Senate when the law was drawn up, I participated in some respects with the late Senator Brian McMahon of Connecticut in drawing up the law. We were not only trying to make it a more independent agency than the Federal Communications Commission or the Interstate Commerce Commission and other commissions, but we sought to protect it from interference by establishing a joint committee in the Congress. Anyone reading the law would know that.

Mr. GORE. Were not the terms and tenure of office of the Commissioners definitely fixed under the act at a particular period, and was it not established that their removal could be accomplished only as a result of specified causes set out in the act?

Mr. MAGNUSON. That is my understanding of the act.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I shall in a moment. I want to say further to the distinguished Senator from Tennessee that if the article is accurate, the President has said that there are times when he is compelled to exercise his authority over commissions. These commissions are arms of Congress. The Executive has nothing to do with their actions. Can anyone imagine any President of the United States telling the Federal Power Commission, during its deliberations, what rates to establish for a certain geographical area? All Congress has done is to say to the President of the United States that the President shall make the appointment of Commissioners, subject to the advice and consent of the Senate.

Mr. GORE. Can the Senator from Washington imagine the President of the United States not only ordering an independent commission to sign a contract, with which it disagrees, but telling that commission what the terms of the agreement shall be?

Mr. MAGNUSON. And saying, "Do it, or else."

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield to the Senator from Montana.

Mr. MANSFIELD. Does anyone know what the terms or specifications of the contract really are?

Mr. GORE. Though the senior Senator from Washington may not be acquainted with all the terms of the contract, does he not know the President specified the group must be given tax immunity?

Mr. MAGNUSON. Yes. Apparently that was a part of the proposal. I think the Representative from California, in his discussion on Wednesday, July 21, went into that whole matter, following his very complete and detailed discussion in the Monday CONGRESSIONAL RECORD, to which the Senator from Montana referred.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. I am delighted that the Senator from Tennessee is now present on the floor. Has anyone ever seen the contract which has been mentioned, and in which supposedly the Dixon-Yates group on the one hand and the AEC on the other are interested? I should like to know if the contract is in existence. Has the contract been drawn? Does anyone know what the specifications are? I am trying to find out some information. Is there a contract?

Mr. MAGNUSON. I cannot answer that. I do not know.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Tennessee.

Mr. GORE. Does the Senator not know, nevertheless, that the Commission has been ordered to negotiate such a contract with specified terms and conditions under which there would be no competition, and this direction is made over the objection of 3 of the 5 Atomic Energy Commissioners?

Mr. MAGNUSON. I will say to the Senator frrom Tennessee that is apparently what has happened, although I am not familiar with the details. The Commission was ordered to sign a contract in which there were set forth certain general proposals, which included the suggestion of a tax free amount, a 9 percent return, and certain other features.

Mr. MANSFIELD. And a 25-year limitation.

Mr. MAGNUSON. A 25-year limitation, and other proposals. I do not know that any one has ever seen the contract, legally drawn and specifying certain terms. I do not know that.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield to my colleague.

Mr. JACKSON. To follow up the question of the independence of Government agencies, I was wondering if the Senator had had an opportunity to read an article which appeared in the Portland Oregonian under date of Friday, June 25, 1954, By Mervin Shoemaker, one of the outstanding newspaper reporters in the Northwest.

Mr. MAGNUSON. No; I have not.

Mr. JACKSON. This is an article in which Mr. Shoemaker had an interview with Mr. Jess Gard, Republican National Committeeman from Oregon, and I should like to quote in part from this article, and then ask a question:

> National Committeeman Jess Gard had soothing words for those who had thought patronage wheels turned too slowly.
>
> "Within a few days," he said, "we will have changed all the top jobs in Bonneville"—

Referring to Bonneville Power Administration—

> "I think the new chief engineer will be named this week. Little by little we're getting down to the department heads and stenographers. We want to replace them," he said.

Is it not true that the Civil Service Commission is supposed to be a sort of independent agency in the executive branch of the Government, an agency set up to protect the rights of employees under existing statutory law?

Mr. MAGNUSON. Of course, the Civil Service law was designed to protect civil service employees; but apparently the sort of dictatorship that dictated the Dixon-Yates contract is going to be applied down the line to all the other Government agencies.

Mr. JACKSON. In other words, we are going all the way from the Dixon-Yates contract to stenographers in the Bonneville Power Administration.

Mr. MAGNUSON. I will say to my colleague that President Eisenhower has said there are times when he is compelled to exercise his authority over commissions.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield to the Senator from Tennessee.

Mr. GORE. I wonder what compelled the President or who suggested the proposal regarding the Atomic Energy Commission?

Mr. MAGNUSON. I cannot answer that. I have an idea as to who compelled him or who may have suggested the proposal. I think I may have referred to who may have suggested those provisions of the bill in my remarks yesterday.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield to my colleague.

Mr. JACKSON. Is it not true that the Republicans for 20 long years have denounced the Democrats for concentrating too much authority in the executive branch of Government? Was not that one of the main themes in their campaign oratory?

Mr. MAGNUSON. Yes; my colleague is correct, because on many occasions we have heard the hue and cry up and down the land of the concentration of bureaucratic power in Washington, bureaucrats running the country, States' rights, and everything else. Now those in power are not concerned about the bureaucrats; they just dictate.

Mr. JACKSON. Will the Senator yield further for a question?

Mr. MAGNUSON. I yield.

Mr. JACKSON. Is it not true that they attempted to make much of the famous Humphrey case? Mr. Humphrey had been serving on the Federal Trade Commission and was removed by Mr. Roosevelt. Was that not denounced as an arbitrary act on the part of the President?

Mr. MAGNUSON. Yes. He came from our State, the State of Washington.

Mr. JACKSON. Yes. As a matter of fact, Mr. Humphrey won his case in the Supreme Court. The Supreme Court held that he had the right to stay in office during the tenure of his appointment, subject, of course, always to the rule of good behavior. He could be removed for misconduct or failure to carry out his duties. Now we find this administration completely ignoring the statutory direction by Congress to maintain these agencies on an independent basis. Is that not true?

Mr. MAGNUSON. That is correct. Apparently it is not only correct, but it has been demonstrated in the action of the Executive with regard to the so-called Dixon-Yates contract.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield to the Senator from Montana.

Mr. MANSFIELD. Mention of the Supreme Court by the distinguished junior Senator from Washington brings to mind a question, if I may ask it of the able senior Senator from Washington.

Mr. MAGNUSON. Yes.

Mr. MANSFIELD. Does he not think that if the bill is passed, the Dixon-Yates proposal contained in it should be taken to the courts so that the constitutionality of the question could be once and for all decided, and the rights of the President and the Congress clearly defined?

Mr. MAGNUSON. I am extremely glad that the Senator from Montana has mentioned that matter, because as a lawyer, and I am sure many other Senators who are lawyers think the same way, I seriously question the right of an Executive to direct a so-called independent agency, the Atomic Energy Commission, to enter into a contract. I am sure that if my interpretation of the AEC law, or the McMahon Act, which created the AEC, is correct, the courts would rule that the President has no such authority, and it was never intended, under the act, that he have such authority.

Mr. MANSFIELD. I agree with the statement of the able Senator. Will the Senator yield for a further question?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Was not the Senator shocked by the statement which was referred to by his colleague and attributed to the Republican national committeeman for the State of Oregon that politics is entering the Bonneville Power Administration? In Montana in that office we have only one stenographer, one field man, and one manager. I do not know at the present time, and have never known, what the politics of those persons is, and I am not interested in that question so long as they do a good job. But if the spoils system is going to be used, I am afraid it will enter into other power administrations, because Bonneville is comparable in many respects to the TVA. If that happens, I think we shall be going a long way in the wrong direction. The fact that the committeeman has stated that even stenographers were going to be appointed on the basis of their politics leads me to ask why we have a civil service and a Civil Service Commission.

Mr. MAGNUSON. I not only agree with the statement of the Senator from Montana, but I think that what the Republican national committeeman, or State chairman——

Mr. JACKSON. Republican national committeeman, Mr. Jess Card.

Mr. MAGNUSON. I think what he has stated applies not only to the Bonneville Power Administration, but to any other agency of the Government. I think that is not only a violation of the civil-service laws, but I do not know what else they have been doing. If they really want to get rid of someone who has the protection of the civil-service laws, they abolish the job. Six months later one finds that the same job exists under a different name, and that the same duties are involved, but that they have picked out a different person to hold it.

I should like to continue, if I may, with my discussion of the Dixon-Yates contract. I have quoted the news release on July 21 regarding Mr. Eisenhower's statement, and I was somewhat shocked, as was the distinguished Repreresentative from California—and I think he is quoted correctly, and I am sure he is—at the President's saying there are times when he is compelled to exercise authority over commissions, in this particular case, the Atomic Energy Commission, when it is not a creation of the executive department at all. It is one of the most sensitive arms of Congress, and responsible directly to the Congress. Mr. HOLIFIELD goes on and says, and I feel somewhat as he did:

Mr. Speaker, I could hardly believe my eyes when I read this excerpt from the news ticker tape today. I do not know who is advising the President in regard to the independence of the Atomic Energy Commission, and I would be the first to say that the President had been conferred certain authority in the Atomic Energy Act of 1946 as amended. But that authority is specifically spelled out in the Atomic Energy Act, and it goes to the point of granting to the President the right to appoint the members of the Commission and to designate one of them as chairman.

That is what authority he has. I continue reading:

I want to comment at this time that the members of the Atomic Energy Commission must be confirmed by the Senate and that they serve for terms of 5 years. At the beginning these terms were staggered so that none of the 5 terms would expire at any one time.

Then there are certain prerogatives in the act. The President can appoint a general advisory committee for terms of 6 years each, and this committee is usually composed, has been in the past, of scientists. The scientists, of course, act in an advisory capacity.

Then there is another section of the Atomic Energy Act of 1946 which provides that once each year the President shall set for production purposes, the amount of special nuclear material. That is the substance from which atomic hydrogen weapons are made. He sets the amount.

Then there is still another section of the bill which grants to the President the authority to transfer from civilian hands to the military atomic weapons when they are needed to be transferred for the defense of the Nation.

That authority also comes under the War Powers Act when we have an emergency.

That particular provision was written in especially so that no trigger-happy general could take one of these atomic bombs and start dropping it anywhere in the world and start an atomic war.

We wrote that provision in because we realized that the atomic weapon so far exceeds in capacity to destroy normal weapons that we must put a solemn obligation on the President that the President and the President alone can designate when and where an atomic weapon is to be used.

That is the war weapon.

I continue reading:

But the general provisions of the act were written by the Congress to guide the Atomic Energy Commission and with these exceptions I have noted, with possibly 1 or 2 other minor exceptions—

I interpose at that point to say I have read the act, and I do not see any other exceptions—

they apply to the Atomic Energy Commission as an independent commission set up just like any other independent commission is set up under the statutes enacted by the legislative body into law. I think that this is one of the most astounding statements I have ever heard of to cast a reflection upon whether the Atomic Energy Commission is an independent commission or not.

Then Mr. JONES of Alabama asked Mr. HOLIFIELD to yield. Mr. HOLIFIELD yielded, and Mr. JONES then said:

Mr. JONES of Alabama. As I understand the proposition, the President by the exercise of his Executive authority if he had a mind to could order all Executive functions to be handled by the Atomic Energy Commission. If he could tell them to make a contract with the Tennessee Valley Authority why could he not say, "Carry out all other Executive directives and fiats."

Mr. HOLIFIELD. As far as I can see, that statement would apply equally to other duties and responsibilities of the Atomic Energy Commission as outlined in the statute. But if we are to accept the President's statement it would go far beyond that, and allow the President to also order them to do things which are not outlined in the statute, such as the negotiation of the definitive contract with the Dixon-Yates people.

Mr. JONES of Alabama. I read from the press release:

"There are times when he is compelled to exercise his authority over the Commission."

Is not that statement within itself an acknowledgment that there is no authority for AEC to make a contract with the Tennessee Valley Authority?

Mr. HOLIFIELD. Well, it might apply to that.

Mr. JONES of Alabama. If they did not make a contract with TVA would they be derelict in any responsibility that the AEC has under existing law?

The colloquy between Mr. JONES and Mr. HOLIFIELD is along the same lines as has been pointed out heretofore, that no authority can be seen for the President to direct the Atomic Energy Commission to do anything except as enumerated, wiht a very few exceptions, but he surely cannot direct them to sign a contract.

Mr. President, I wish to read further from the colloquy between Representative JONES of Alabama and Representative HOLIFIELD. This colloquy between them is similar to other colloquy to which reference has previously been made in the course of this debate:

Mr. HOLIFIELD. I want to read another excerpt from the ticker tape that goes as follows:

"The President said it had long been his policy to change his plans if someone showed him a better way of accomplishing his purpose."

I will come back to that sentence later.

"He then said that his action on the power contract was motivated by fear of the consequences of continued Government power development in one area of the country without providing similarly for the redevelopment of other river basins."

I shall pause here, for there is a point I wish to make.

Mr. GORE. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. I yield.

Mr. GORE. Does the senior Senator from Washington think any good purpose has been served by the two all-night sessions which the majority leader has forced upon the Senate?

Mr. MAGNUSON. I do not know. The pending bill is so important that I think the people of the United States should be informed about it. Of course, I do not suppose it matters particularly whether I speak on the bill in the morning, in the afternoon, or at night. However, I believe that at this time the people are beginning to understand the vast implications and effect the bill may have upon their whole future.

Let me point out that if the bill had been shoved through, so to speak, under the schedule of the Republican Policy Committee, some of the very important perfecting amendments which have been adopted during the past few days would not have been adopted.

Mr. GORE. Then the Senator from Washington takes the position, does he, that a good purpose has been accomplished by the debate, in that the American people are now alerted to this attempt to give away atomic power?

Mr. MAGNUSON. I am sure the people have become alerted to that situation, because there has been a generous amount of newspaper coverage of this matter.

I know that in the section of the country that is represented by my colleague and myself—a part of the country where power is so important—there is now a much better understanding of the meaning of the bill in regard to the development of hydroelectric power and other forms of power.

Mr. GORE. If that is the correct interpretation of the effect of the debate which has occurred during these long sessions, does not the Senator from Washington agree that the debate could have been held—if not during normal hours, at least during reasonable hours?

Mr. MAGNUSON. Of course. I do not think it serves any good purpose for the Senate to keep such very long hours.

As the Senator from Tennessee knows, yesterday afternoon I made a fairly long speech. I wanted my views to be a matter of record before Congress adjourned. Inasmuch as it seemed that the Senate was going to remain in session, I thought that was a good time for me to make that speech about the pending bill, which involves the field of power and the situation in the future.

But I do not think such very long sessions serve a useful purpose. I have been a Member of the Senate for a number of years; and, in the long run, I have never found that such unusually long sessions accomplish a great deal. Toward the end of the session, fairly long hours are to be expected, of course—perhaps even from 10 a. m. to 10 p. m.

Mr. GORE. But does the Senator from Washington think it is worthwhile to have sessions lasting to midnight or long past midnight? Does he think such sessions serve a useful purpose?

Mr. MAGNUSON. No. Before the Senator from Tennessee entered the Chamber, I referred to the fact that during the night the majority leader submitted a proposed unanimous-consent agreement in regard to the further consideration of the bill, but that proposal was objected to.

Then the majority leader asked whether any other member of the Senate would care to suggest a proposed unanimous-consent agreement—in view of the fact that the one he had suggested had been objected to. Thereupon the Senator from Minnesota [Mr. HUMPHREY] said he would ask unanimous consent to strike out all the sections of the bill except the so-called international sections, and then, after passing the bill as thus amended, have the Senate proceed to consider some other proposed legislation.

Mr. CARLSON. Mr. President, will the Senator from Washington yield at this point?

Mr. MAGNUSON. I shall yield in a moment.

During the night I suggested to the majority leader that if I had had a chance to propose a unanimous-consent agreement, I would have suggested that the pending bill be laid aside, and that the Senate proceed on a day certain to consider every piece of proposed legislation which the majority leader says is being held up by this debate—for instance, the farm bill, the tax bill, the conference report on the housing bill, and the two remaining appropriation bills. I said I would favor having the Senate fix a date certain for taking up each of them.

Mr. GORE. Whose decision was it to have the Senate hold such long sessions? Was not that the decision of the majority leader?

Mr. MAGNUSON. Yes.

Of course, I know we wish to reach the farm bill. I know that my friend, the Senator from Kansas [Mr. CARLSON] appreciates, as I do, that there is a farm problem, and that the existing farm legislation expires on the 31st of December, I believe. Is not that correct?

Mr. CARLSON. That is correct.

Mr. MAGNUSON. Of course, we must vote on the tax bill and the other bills that are so important; and it would be well to set a date certain for them. But why is it necessary to dispose of the atomic-energy bill first?

Mr. GORE. Does the Senator from Washington think the Senate should be forced to do something wrong, in order to have the privilege of doing—thereafter—some good things?

Mr. MAGNUSON. I think we can do the good things and not do the wrong ones, and I think we can reach a unanimous-consent agreement about that tonight.

Mr. GORE. Who has the responsibility of holding the employees of the Senate and the pages here for 48 hours?

Mr. MAGNUSON. I suppose that is the responsibility of the majority leader. I must say, in all fairness, that we ourselves held the Senate in session for long hours when we had the leadership.

Mr. CARLSON. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. CARLSON. Was not the Senator from Washington present last evening when the majority leader requested unanimous consent to adjourn the Senate, in connection with attempts to reach a sort of gentleman's agreement rather than to use hours and hours in further debate—in short, to have each amendment debated for a certain number of hours, and then have the Senate adjourn today?

Mr. MAGNUSON. Yes; I was present when that occurred. However, let me point out, for instance, that I was one of the cosponsors of the so-called preference amendment. I would not agree to a request for unanimous consent to limit debate on that amendment.

My distinguished colleague from the State of Washington [Mr. JACKSON] made a speech for approximately 2 hours on that point alone. He did that to enlighten the Senate regarding the meaning of the preference amendment. It turned out that that amendment was accepted by the chairman of the committee.

However, there are so many important amendments, and this is so important, that certainly we should not attempt to take precipitate action. Just consider the number of amendments, Mr. President.

Mr. GORE. Does not the Senator from Washington realize that the Senators on the other side of the aisle wanted to jam through the bill in the course of one all-night session?

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. CARLSON. I am sure the Senator from Washington will admit that every effort was made by the majority leader; he pleaded with the Senators who are

leading this fight; he did everything he could to get them to reach an agreement. Finally, in desperation, he had to file a cloture petition—which certainly no one likes. But obviously, in connection with the functioning of this important legislative body—the most important legislative body in the world—we must have some rules and we must operate with some responsibility, instead of permitting attempts to be made to destroy all the important measures that are awaiting action by the Senate.

Mr. MAGNUSON. Mr. President, no Member of the Senate is attempting to destroy the important measures. Can the Senator from Kansas tell me why there is the rush to have this bill acted on?

There is no rush on this bill. There is less rush on this bill than there has been on almost any other important bill to come before the Senate during my entire service in Congress.

Why, Mr. President, the report on the bill was made 1 day, and debate on the bill on the floor of the Senate was set for the following day. This bill is 104 pages long, and involves the whole Federal power policy of the country and the whole future welfare of the country.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GORE. The majority leader threatened us all day yesterday with a cloture petition, which he had in his pocket. He has not been able to win a vote on it, because we will beat him on it, as we will beat him on the bill.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. Of course, I know it is not possible to keep time on everything, but we did take a whole month on the Bricker amendment. There are international matters that will have to be considered and the farm bill will also come up. I know those other matters will be brought up. No one knows better than the Senator from Kansas that the farm bill is important legislation. He has worked hard on the whole program. We know we have all those things that we should do. However, why bring up this matter when no one has had any expectation of what it was going to do? If there had not been one other Senator on the floor I would have stood for 48 hours on the floor talking against it, if I were able to do so.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CARLSON. The distinguished Senator from Washington has mentioned the Bricker amendment. I sat through all that debate. We have already spent more time on this bill than we spent on the Bricker amendment, in terms of hours and pages in the RECORD.

Mr. MAGNUSON. The fact of the matter is that it comes down to this. Congress has been in session since January 1953. This is July 1954. Congress has been in session approximately 18 months. We have had all kinds of time to discuss the question. However, in the last 10 days we are supposed to pass on a bill that involves the most important legislation that this Congress has ever had to handle.

There are features of the bill which change the whole Federal policy and affect the whole future welfare of our people. I would not care if I were doing it all myself. I would still speak against the bill, because it so vitally affects the lives of my people in the State of Washington and throughout the Pacific Northwest. Why rush trying to pass it now? Why the rush should be put on now to pass it, I will never know.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GORE. Will not the Senator state emphatically whose responsibility it is to fix the program of the Senate? Upon whose shoulder rests the responsibility for setting up the legislative program?

Mr. MAGNUSON. It rests on the Republican policy committee.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. It does not rest on one individual. It rests upon the whole Republican policy committee. I believe the Senator from Michigan [Mr. FERGUSON] is chairman of the committee. I am sure that the Senator from Kansas [Mr. CARLSON], who has great influence on all committees, has influence on that committee also.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CARLSON. The Senator from Kansas does not happen to be a member of the policy committee. I believe a correct statement has been made, though, that it is the duty of the Republican policy committee to set the legislative program. It is its duty to carry it out and to use every parliamentary procedure it can to do so. If the Senator and his associates want to block the Senate from coming to a vote, that is what they are doing.

Mr. MAGNUSON. Mr. President, if there is a bad bill in the Senate I will do all within my means to kill it. This is one of the worst bills that has ever been presented to Congress. I am doing all I can to kill it. I believe there is a necessity for reviewing the Atomic Energy Act. We have had some experience with it since 1947. It is a very important subject, and no doubt we could perfect the act and do a lot with it. In one feature of the bill alone, in section 44, dealing with byproducts, there is not a single safeguard thrown around that provision. It would be possible to sell power and to create the biggest private power monopoly of all times.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Certainly, I will not vote for such a bill. I would like to be able to spend, not 48 hours but 148 hours if it is a bad bill. I do know that there is no need for rushing the bill. The bill can be put aside at any time that the Republican policy committee sees fit to do so. All the committee has to do is to bring up any other legislation, and we will agree to vote on it on a day certain. I know there is other legislation that must be passed.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GORE. Does not the Senator know that under the terms of the pending bill, by which fissionable material would be licensed to certain big corporations for use, that we could be bound to pay more for the byproduct than the Government would receive for the principal products which it could sell?

Mr. MAGNUSON. Of course that is correct. Another important feature is the matter of rates in the bill. What is the public going to be charged? The public owns these resources. The public has spent about $12 billion on this project. Someone has estimated that it has cost every family in the United States $300. The public owns this entire undertaking. This project does not belong to any special or privileged group. What will the public be charged for the benefits? There is nothing in the bill that regulates the rates. I know that when my distinguished friend, the Senator from Kansas [Mr. CARLSON] was Governor of Kansas, he had a State regulatory public utility body in his State. I think we are dealing with something that is all important, and I think we are dealing with it too hastily. Under those circumstances, what could we do except to stand up and say what we thought about this thing? We had no choice.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GORE. Is it not true that the choice was between permitting the leadership to ram this bill through in an all-night session or debating the bill to the extent that we believe is necessary.

Mr. MAGNUSON. It was not a choice. It was not just the Senator's idea, or my idea. It was the idea of a great many Senators on both sides of the aisle.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JACKSON. Is it not true, as a result of this long discussion of the bill, that we have been able to adopt two amendments that will have far-reaching effects insofar as protection being afforded to the people of this country is concerned, namely, the power amendment offered by the Senator from Colorado [Mr. JOHNSON] and also the preference amendment offered by the Senator from Iowa [Mr. GILLETTE].

Mr. MAGNUSON. And by the Senator from Washington [Mr. JACKSON] and myself.

Mr. JACKSON. That is correct. Is it not true that we are having votes on various provisions of the bill as we have gone alone, and after discussion. Is that not true?

Mr. MAGNUSON. Of course that is true. I know my colleague agrees with me, and I know the Senator from Tennessee and the Senator from Kansas agree with me that if we had gone back home and the people had woke up to the fact that we had not attempted to put at least those two amendments on the bill they would have said, "Where were you, when it was necessary to protect our resources of $12 billion in this

project, that belongs to all the people of the United States?"

Mr. GORE. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. GORE. Is it not the Senator's opinion that except for the fight that we have made on this bill, the Johnson amendment would never have been adopted?

Mr. MAGNUSON. Of course not. Neither would the preference amendment have been adopted.

Mr. GORE. If we had passed the bill in the first all-night session the majority leader forced upon the Senate, we would not have passed the Johnson amendment and the other amendments which we have adopted.

Mr. MAGNUSON. Of course the Senator from Tennessee is right. I want to conclude my remarks, if I may. I was speaking about the Dixon-Yates contract. Most of that matter has been placed in the RECORD by Representative HOLIFIELD, of California. It can be found on pages 11304 to 11307, and on pages 11308 and 11309 of the CONGRESSIONAL RECORD.

I shall not finish the reading of the separate views on the international activities, but I expect, before the debate ends, to read the separate views of Representative HOLIFIELD and Representative PRICE on this whole matter, because those views have not been fully placed in the RECORD. They are a part of the report, and they point out many features of the bill. I just wish to sort of firm up what the Senator from Tennessee [Mr. GORE] has said. I read from the separate views of those able gentlemen. They wanted to discuss these many headings in the bill:

The legislative setting. We discussed that here tonight. They criticized the rush.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. GORE. If the Senator will permit me to suggest, I note that he is still talking of the debate now as being tonight. Will he not observe from the clock that it is 20 minutes to 9 a. m. Friday?

Mr. MAGNUSON. I will refer to it as this morning.

One is the legislative setting. The others are the following:

2. Questionable form and timing.
3. Evasion of 7–B report.
4. Placing AEC Chairman on pedestal.
5. Withholding information from Commissioners.
6. Overriding the Commission's will.
7. Limiting AEC power production.
8. Inadequate power licensing provisions.
9. Need for division of civilian power application.
10. "Passing the buck" on monopoly prevention.
11. Limiting access to patents.
12. Built-in subsidy feature.
13. Omission of labor-management provision.
14. Complicating international arrangements.
15. Increasing military posture.

There are 15 things wrong with this bill alone. We are expected to pass the bill, as my friend from Tennessee has said, in an all-night session.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BUTLER. The Senator has stated that we were expected to pass the pending bill in an all-night session. Does he not know that prior to the first all-night session the bill had been under debate for many days? At least a week?

Mr. MAGNUSON. One and a half days.

Mr. BUTLER. One and a half days? A statement was made on the floor a short time ago that the bill had been debated at that time for a time equal to the debate on the Bricker amendment.

Mr. MAGNUSON. One amendment had been debated, as I recall.

Mr. BUTLER. The bill and amendments had been discussed and debated on the floor of the Senate for more time than was spent in the whole Bricker amendment debate, it was said.

Mr. JACKSON. Mr. President, will the Senator yield at that point?

Mr. MAGNUSON. I do not have the figures on that point, but I believe the Senator is begging the whole question. I do not care whether the Bricker amendment was debated 2 weeks or 2 months.

Mr. BUTLER. I did not bring up the Bricker amendment debate. The other side brought it up. I say that this bill is being filibustered, and the Senator knows it is being filibustered. The other side of the aisle would hold us responsible for running the people's business, yet it undertakes to tell us what bills shall be brought up and what bills shall not be brought up. We are the party charged with responsibility; we have assumed that responsibility and will discharge it faithfully.

Mr. MAGNUSON. Of course the Senator's party has the responsibility.

Mr. BUTLER. We have assumed the responsibility; we bring legislation up we deem proper. If you do not like that legislation, you can always vote against it, but at least let us vote.

If the Senators on the other side of the aisle will let this bill come to a vote, they may beat it. But they will not let it come to a vote because they are afraid it may pass. The Senator from Washington just said that any bill he did not like he would not let come to a vote. The majority of the American people, in my opinion, like this bill, and if the Senator will give their representatives a chance to express their opinion, the bill I think will pass.

Mr. MAGNUSON. Is the Senator from Maryland asking me a question?

Mr. BUTLER. I have been here for more than 36 hours, and I am getting very tired.

Mr. MAGNUSON. That is all right; but every time someone on this side of the aisle wants to make a speech, some Republican will say he cannot yield except for a question.

Mr. BUTLER. Let me ask this question——

Mr. MAGNUSON. I shall not yield now for a question, because I want to answer the Senator from Maryland.

Of course, the Republicans are in the majority, and they can bring up any type of legislation they think is important. I just happen to think that this bill is too important to pass in the closing days of the session with the small amount of discussion that was intended to be had on it. I think it is the most important bill we have had before us since I have been a Member of the Senate, and that has been quite a while. The bill should have full debate. It came to the Senate under very amazing and peculiar circumstances. There is no rush for the passage of the bill; there is no hurry. It involves too many ramifications for the whole body politic of the Nation. I shall see that it has full debate. I do not care whether it is called a filibuster or what it is called.

Mr. BUTLER. Mr. President, will the Senator from Washington yield for another question?

Mr. MAGNUSON. I yield for a question.

Mr. BUTLER. Does the Senator believe that any man in the United States could have been more reasonable, more receptive to any reasonable proposition, than was our distinguished and able majority leader last night? He stood on the floor of the Senate and pleaded with Senators on the other side of the aisle. Look at his words. He expressed no desire to cut off debate; he did ask that you place some limit on it so that the people's business could go forward. That offer was consistently refused. I say that is not responsibility. The minority has some responsibility to the people, and I think they must assume it.

Mr. MAGNUSON. Is that a question?

Mr. BUTLER. Does the Senator think there was anything unreasonable in the majority leader's request?

Mr. MAGNUSON. Of course I think it was not unreasonable, but we want more time to debate the bill.

Mr. BUTLER. But the Senator would not say how long a time he wanted?

Mr. MAGNUSON. What the Senator from Maryland thinks is reasonable and what I think is reasonable may be different.

Mr. BUTLER. If the Senator had stated what he thought was reasonable, it would probably have been accepted.

Mr. MAGNUSON. The Senate agreed to 2 important amendments the day before, and maybe 1 yesterday.

Mr. BUTLER. I know the Senator from Washington is an excellent and very able man. I have worked with him in committee and on the floor. He knows we pass an amendment every now and then to give some appearance of dispatching the public business. But if there is any way to beat this bill, the Senator from Washington will try to do it at any expense. Let us be honest about it.

Mr. MAGNUSON. Not at any expense. I said that we could lay this bill aside to vote on at a date certain, and pass the balance of the program.

Mr. BUTLER. The Senator is willing to have a unanimous-consent agreement that we abandon the leadership of the Senate and let him take it over. He will not get such an agreement.

Mr. MAGNUSON. I have no desire to take over the leadership of the Senate.

Mr. BUTLER. No; the Senator just wants to say when a bill shall come up and how much debate will be had on it.

Mr. MAGNUSON. I want to take all the time I think is necessary.

Mr. BUTLER. But the Senator is willing to stand up night after night and day after day and fight this bill. Let us get down to cases and say honestly, "Yes, gentlemen; we are conducting a filibuster and we are going to use every means at our disposal to defeat this bill."

Mr. MAGNUSON. Is that a question?

Mr. BUTLER. I am through. I shall now go and get some breakfast. [Laughter.]

Mr. MAGNUSON. I have spoken on this bill, I think, about 4 hours. With a bill of this magnitude and of such importance, I probably could discuss it 40 hours, as an individual. I am not alone in this fight. There were enough Senators yesterday to pass an amendment to the bill with which the Republican leadership and policy committee did not agree.

Mr. SPARKMAN. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. I yield for a question.

Mr. SPARKMAN. I wonder if the distinguished Senator from Washington saw in the press a few days ago the reported statement of the majority leader that this bill was going through without amendment.

Mr. MAGNUSON. Regardless.

Mr. SPARKMAN. Have we not a perfect right to take a bad bill and try to make a good bill out of it?

Mr. MAGNUSON. We not only have the right, but the duty and the obligation to the people to do that.

Mr. SPARKMAN. Is that not what we are doing?

Mr. MAGNUSON. That is not only what we are doing, but what we have done.

Mr. SPARKMAN. Has there been any effort to stall off a vote on the several amendments?

Mr. MAGNUSON. So far as I know, there has been no such effort.

Mr. SPARKMAN. Have not amendments been coming up? As a matter of fact, yesterday when we announced we were ready to vote on an amendment, is it not true that considerable time thereafter was taken up by Members on the other side of the aisle in discussing that very amendment?

Mr. MAGNUSON. Of course.

Mr. SPARKMAN. But that was not filibustering?

Mr. MAGNUSON. No.

Mr. JACKSON. Is it not true that as a result of our discussion on the floor of the Senate for the past many hours we have been able to make some fundamental changes as a result of the yea and nay vote yesterday on the amendment offered by the distinguished senior Senator from Colorado?

Mr. MAGNUSON. My colleague is correct. I have heard statement after statement from those handling the bill that this is a bill that is going to pass without amendment and that we are going to get it through before the week is out.

Mr. GORE. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. I yield.

Mr. GORE. Is it not a fact that in the late hours of last evening, when some Senators, including the junior Senator from Tennessee, were having to take some rest after 36 consecutive hours on the floor, the Republican leadership demonstrated the kind of consideration they wanted to give to amendments? An amendment important to this bill was laid on the table, which means it is not subject to debate or consideration other than to vote to kill it. That is the kind of consideration the Republican leadership wants to give amendments to this bill, as announced by the majority leader when he said no amendments were going to be accepted and that we could pass the bill in one night session.

Mr. MAGNUSON. That is correct. I think what will prove we are right is that we passed an amendment by a majority vote of the Senate.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. GORE. Is that not a demonstration of the kind of consideration and the kind of action which we expect and desire to bring to bear with reference to this bill, as compared with the kind of action the Republican leadership wants to give to an amendment, by moving to lay it on the table with no debate, leaving the bill completely unchanged, and giving power produced by the atom away in a one-night session?

Mr. MAGNUSON. A bill of this magnitude and importance should have a full debate. We could have had this bill before us in April or in March and have devoted a couple of weeks during regular hours in the Senate discussing it sanely and wisely in all its ramifications. But, no; the leadership, in the past 2 weeks, tries to put the whole program through—the farm bill, the tax bill, the atomic energy bill, social security. We have been here 18 months and have had time to do some of those things. This is the most important and the one about which we know the least. We have to perfect the bill, which is our obligation, and I think we have done very well with it. I am not so naive as to think the conference committee will accept some of the Senate amendments. Some amendments are accepted very quickly to get a measure through. I do not know why they want to do that. I think it is too important. If the bill is put over—and there is no rush for it—until January, and if the leadership will bring in the bills in connection with the "New Look" program, we can vote on them and get out of here a week from tomorrow.

Mr. JACKSON. Mr. President, will my colleague yield for a question?

Mr. MAGNUSON. I yield.

Mr. JACKSON. Is it not true that the section with reference to exchange of atomic information with our allies is one section that could be worked out? That is the only one that requires immediate action. As a matter of fact, the provisions relating to atomic reactors, and so forth, can be carried out under existing law.

Mr. MAGNUSON. Of course. They can be carried out in the light of experience. The law was passed in 1946, I believe. But here is a whole fundamental change in the power policy of the Nation. There are many other fundamental changes.

Mr. CARLSON. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. CARLSON. Does not the Senator remember that the majority leader asked unanimous consent, in fact, pleaded with the author of the amendment and with the Senate? He did not place any time limit on it. Objection was made, and he had only one thing to do, and that was to move to lay the amendment on the table.

Mr. MAGNUSON. Let me ask one question of the Senator from Kansas. He is a fair man. What is the rush about this bill? I still do not have an answer to that question. I have received no answer from the Senator from Iowa [Mr. HICKENLOOPER]. I can understand, when there is a time limit in connection with an expiration date, that we should act quickly, but the Nation does not care if we do not get out a week from tomorrow.

Mr. CARLSON. The distinguished Senator from Washington has been here for many years, and I have had the privilege of serving on the House side, and so has he. He knows that at the conclusion of a session legislation piles up. The country needs some of this legislation. It needs the farm bill, the tax bill, and other important legislation. If we do not make some plans to get the legislation through, of course——

Mr. MAGNUSON. Let us get the farm bill and the tax bill here. They are important legislation, and I am perfectly willing to do all I can to pass them. But why is the pending bill here ahead of those bills? I have never had a satisfactory answer to that question. I think I have asked it not once but ten times. We shall not find anyone objecting to passing the farm bill. Such bills are old chestnuts. We know the farm problem; we have worked with it for years. But this bill contains something new. We have debated the tax bill, but it will come back to us. The social security bill is ahead of us. We have forgotten more about social security than the Senators on the other side of the aisle will ever know about it.

Those things are important. I know that when the whistle blows I shall go to the west coast as fast as I can get there, and the Senator will be going home to Kansas.

Mr. CARLSON. Does the Senator have any notion that we can pass the farm bill without any objection?

Mr. MAGNUSON. I think there will be a full discussion of it, but I do not think there will be——

Mr. CARLSON. There might be a filibuster.

Mr. MAGNUSON. Oh, no.

Mr. JACKSON. Mr. President, will my colleague yield for a question?

Mr. MAGNUSON. Yes.

Mr. JACKSON. Is it not true that there is a good deal of opposition to the administration's farm program, not only from the Democratic side of the aisle but from the Republican side of the aisle? I do not want to refer to any specific Senator; but is that not a fact?

Mr. MAGNUSON. I have been reading about that. I am not a member of the Committee on Agriculture and Forestry, but I think there is a great division in the minds of Republicans regarding the farm program. That is a matter on which we shall vote.

Mr. SPARKMAN. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. Yes.

Mr. SPARKMAN. Is it not true that the opposition to that program in the House was led by a very distinguished Representative from the home State of the acting majority leader, Representative HOPE of Kansas, who is chairman of the House Agriculture Committee?

Mr. MAGNUSON. Yes. He is a good friend of mine.

Mr. SPARKMAN. He is a very able gentleman.

Mr. MAGNUSON. Mr. President, I want to close with this simple reference to the charges that we are trying to stop the passage of necessary legislation. That is just so much bunk, because we are willing to vote on all these measures. But we still have not had an answer to the question, Why this bill now, and why the necessity to push it through?

Mr. SPARKMAN. Mr. President, will the Senator from Washington yield for another question before he yields the floor?

Mr. MAGNUSON. Yes.

Mr. SPARKMAN. Is it not true that there are 5½ months remaining for Congress to act? There is no requirement, is there, that we fold our tents next Saturday night?

Mr. MAGNUSON. No.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I have the floor. I think the Senator from Alabama and I would personally like that, but I do not think it is a must that we do that.

Mr. SPARKMAN. Does the Senator agree with me that, much as we would like to get home to our constituents, we do not want to go home with the feeling that we have let them down on the most important piece of proposed legislation before Congress this year?

Mr. MAGNUSON. I know, and I know my colleague, who shall start speaking in a few moments, will agree with me, we must examine carefully the proposed legislation, which would change the whole power policy of the Government, which is so important to the Northwest, and that we should vote for amendments which would make a better bill. I know people in our State otherwise would ask, "Why do you want to change our way of life? Are you going to create more monopoly in the future?" We would not dare go home unless we did our best to look after their interests.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Michigan.

Mr. FERGUSON. Does the Senator say the question which is now being talked about in the Senate—I would not say debated, but talked about—has not been debated for several years? Has there not been a group of Senators making long speeches at intervals on the question of Government and monopoly?

Mr. MAGNUSON. Surely, and there have been books written about the question.

Mr. FERGUSON. Has not the question been discussed time and time again on the floor of the Senate?

Mr. MAGNUSON. The subject has been debated on the floor of the Senate. I know the Senator from Michigan has debated it. The Senator from Washington also has. We have debated it in general terms. There has never been a bill like this before the Senate. The Senator from Michigan and I have been in Congress about the same length of time. There has never been a bill like this before Congress in that time.

Mr. FERGUSON. Not in its exact terms, or the bill would not be before the Senate at this time.

Mr. MAGNUSON. There has never been a bill with such ramifications in it as there are in the bill now before the Senate. The McMahon bill was before Congress at one time, and it kept the development of atomic energy under Government control, but this bill has not been before Congress.

Mr. FERGUSON. How many hours does the Senator from Washington really think should be spent in debate on the bill?

Mr. MAGNUSON. All told, the Senator from Washington has taken about 6 hours. If 45 Senators took 6 hours each——

Mr. FERGUSON. The Senator from Michigan has offered an amendment to the bill, and he probably spent 10 minutes speaking on it. There probably were 20 hours spent on it by the opposition, but that time was not spent merely discussing the amendment.

Mr. MAGNUSON. The bill is over 100 pages long, and there are 40 amendments. The bill would change the whole power policy of the United States.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I am sure I do not take too much time of the Senate.

Mr. FERGUSON. The Senator from Michigan is not criticizing the Senator from Washington.

Mr. MAGNUSON. If we examined into the question of who took the time of the Senate, I think I would be near the bottom of the list.

Mr. FERGUSON. I think that is true. The Senator from Michigan is not criticizing the Senator from Washington, because he usually keeps on the subject.

Mr. MAGNUSON. The bill before the Senate is a very important one, and affects the rights of people in my State. It is the most important proposal that has ever come before Congress in my 18 years as a Member of Congress. It may not be important to the people of Michigan——

Mr. FERGUSON. It is.

Mr. MAGNUSON. When one talks about power out in my country, he is talking about something important.

Mr. FERGUSON. It is an important matter to the people of Michigan. There are 5 different firms in Michigan, and 1 outside Michigan, which have funds amounting to about $2 million ready to use in helping develop atomic power as a private-enterprise business. So the Senator from Michigan, as well as the people of Michigan, are very vitally interested in the subject.

Mr. MAGNUSON. Of course, I think the Senator from Michigan is vitually interested. He agrees with the principles set forth in the bill; I do not.

Mr. FERGUSON. Then why can we not debate the merits of the bill? I am sure the Senator from Washington and I can.

When one agrees with the principle of a bill, he is not going to say much about it. He merely has to say, "I agree. Amen." But when one does not agree with the principle of a bill, when one thinks it is going to turn the whole power development facilities of the United States over to private monopoly, he is going to stand on his feet and talk about it, even if it takes 60 hours.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. JACKSON. Does the Senator think time is wasted when, after an extended discussion with reference to the preference amendment and the public-power amendment, we were able, by a vote of 45 to 41, to adopt that amendment? Was that time wasted?

Mr. MAGNUSON. I do not think the time was wasted.

Mr. FERGUSON. Does the Senator say that the debate was merely on that particular amendment?

Mr. JACKSON. I will say to the distinguished Senator from Michigan that he can look at the RECORD, and he will discover that I talked for about 5½ hours yesterday solely on the preference amendment.

Mr. FERGUSON. I am talking about the debate as a whole. I ask my colleague to look at the RECORD as a whole and see whether the debate was on the amendment only.

Mr. JACKSON. The debate was predominantly on the amendment. As a result of that debate, we were able, by a vote of 45 to 41, to write the provisions of the amendment into the bill.

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from Washington yield?

Mr. MAGNUSON. I yield to my colleague. He is asking the Senator from Michigan if that is not a fact.

Mr. JACKSON. That was a senatorial question.

Mr. FERGUSON. If the Senator were to make a senatorial answer to that senatorial question, he would probably take 2 hours.

Mr. JACKSON. I am sure the debate would be on the subject.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield to the Senator from Alabama for a question.

Mr. SPARKMAN. Based on the statement which the Senator made a few minutes ago, I think it is important that the fact be emphasized that it is easy for Members on the other side of the aisle to say we have consumed time, because they are generally in accord with the bill. Standing behind their gallant leader, they have been looking forward to jamming a bill through without amendment. Is that not the situation, and is there not a responsibility on Senators opposing the bill to point out the weaknesses of the bill? Is that not what we have been doing?

Mr. MAGNUSON. I agree. This is part of the same pattern. This is the great crusade on the march.

Mr. SPARKMAN. The proponents of the bill thought they were going to see a great giveaway.

Mr. MAGNUSON. This is the great crusade on the land, in the air, on the sea, under the ocean, and now it is reaching atomic heights. We gave away the submerged oil lands. We are financing certain ship construction 100 percent. We are going to merge all the airlines in a great big monopoly. The lease purchase bill was passed, which will cost the American taxpayers about three times what it would have cost the Government to construct the buildings outright. Instead, contracts are going to be let for the benefit of builders. We did not have the courage to ask for appropriations for such construction. That is part of the great crusade on land, in the air, on the sea, and it is being proposed to give away the means for using atomic energy. I am going to stand on my feet. I do not care what the Senator from Michigan or the Senator from California calls it. If they call it a filibuster, it makes no difference to me. I know what my people think. I have the duty of representing them, because if the purposes of the bill are carried out we will have the greatest power monopoly this country has ever seen.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Tennessee.

Mr. GORE. The senior Senator from Michigan has stated that six big companies in Michigan would benefit from the passage of the bill.

Mr. FERGUSON. Not benefit.

Mr. GORE. That illustrates the difference of the philosophy of the two fighting groups. Would there be any benefits accruing to a small business in the State of Washington, to the public power associations, the REA's, and the municipally owned power systems, in the way the six companies in the State of Michigan would be benefited? We must protect the other segments of our population.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield for a question.

Mr. FERGUSON. That is an example of the way some people approach the question——

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. Is that a question?

Mr. FERGUSON. It is a senatorial question.

The PRESIDING OFFICER. The Senator from Washington has yielded for a question.

Mr. FERGUSON. That is the way certain persons approach the question. Private enterprise is seeking to enter the project and develop it not for the company alone, but for the entire United States and for every consumer in the United States. If the Federal Government is not to do the job, and if private enterprise, whether it be a partnership, individuals, or corporations want to develop it and do a certain task for the benefit of increasing the standard of living of people in the United States and in the world, that is to be condemned. If the Federal Government is to do it, that is perfectly all right. I say that a Government monopoly is just like a private monopoly.

Mr. President, as a part of my question, I ask unanimous consent to have an editorial which appeared in the Evening Star printed in the RECORD.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. MAGNUSON. I yield for that purpose.

Mr. FERGUSON. I should like the editorial to appear in the RECORD as a part of a senatorial question.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREE ENTERPRISE AND THE ATOM

Senators LEHMAN, MORSE, MURRAY, and a number of their like-minded colleagues have not won any credit for themselves with their extravagant attack on the much-needed move to amend the Atomic Energy Act of 1946 in order to encourage greater participation by private enterprise in the development of nuclear power for industrial and other nonmilitary purposes.

From listening to these gentlemen—all members of the self-styled "little band of liberals" in Congress—one gets the impression that they honestly believe that our thoroughly outmoded 1946 law cannot be so amended without resulting in a giveaway of "such proportions as to dwarf the imagination." But at the same time, even if he has only some rudimentary knowledge of the facts involved, one also gets the impression that the Senators are talking through their hats in a way that makes the mind reel with wonder over how silly and how reckless our elected representatives can become when they give free rein to their doctrinaire prejudices.

For the amendments in question—amendments whose substance has been vigorously and unanimously endorsed by the five-member Atomic Energy Commission—do not open the road to anything even remotely comparable to a so-called giveaway. Their sole purpose, actually is to speed up our country's progress toward the achievement of economically feasible nuclear power through projects like the one now being undertaken by the AEC in cooperation with the Duquesne Light Co. of Pittsburgh—a history making 60,000-kilowatt project in which the company is relieving the American taxpayer of a considerable burden by agreeing to pay about $30 million of the costs that the Federal Government would otherwise have to bear in carrying out the enterprise.

Nationally and internationally, of course, with just such projects as this, it is of utmost importance for the United States to do everything possible to achieve world leadership as soon as it can in harnessing the atom in a way that will enable nuclear power to compete on a relatively equal footing with the conventional sources of energy in producing electricity, running factories, illuminating cities, etc. But this goal is something that cannot be attained by the AEC working alone behind a wall of secrecy, with private enterprise frozen out of the picture and left doing little or nothing on the sidelines—a point that has been well and repeatedly emphasized by Commissioner Thomas E. Murray and numerous other experts.

Thus, as Mr. Murray put it some time ago, "Just as I am convinced that initially the Federal Government must sponsor and finance full-scale power-reactor development, so I am equally convinced that such sponsoring and financing will fall far short of what is needed unless there are enlisted in this cause the cost-cutting drives, the know-how, skills, and competition of many segments of America's business and industry." And it is primarily for that reason that the current steps have been taken to amend the 1946 law to provide incentives to free enterprise as regards such things as atomic investments, leasing arrangements, patent rights, and ownership of certain facilities.

Accordingly, in opposing all this with the completely specious giveaway charge, Mr. LEHMAN and his group have in effect called for a continuing Government monopoly that would result—as the AEC itself has unanimously warned—in deplorable and perhaps very dangerous delays in the development of American nuclear power for peacetime purposes. Happily, however, most Members of Congress—a good, solid majority—seem to have vision enough to vote against such delays by voting for the speedup amendments.

Mr. MAGNUSON. I do not disagree with the Senator from Michigan. I think a private enterprise has a place in the picture, but we are dealing in the bill with the public. Under the bill we would permit private companies to take advantage of nuclear energy, which was developed by the Government. There should be some safeguards. We should regulate what rates are going to be charged. We should provide that such power would be supplied to public bodies first, and make sure there is a preference clause in the bill. That is all we want.

Mr. FERGUSON. Does not the Government also exploit under a monopoly, the same as do private persons? That is why the antimonopoly laws and the antitrust laws were enacted.

Mr. MAGNUSON. I do not care to go into that question.

Mr. FERGUSON. But some persons say that such restrictions do not apply to Government.

Mr. MAGNUSON. I agree that the Government can be just as bad. All we are trying to do is make both the Government and private companies good.

Mr. FERGUSON. That is all we are trying to do. That is all the Senator from Michigan has tried to do.

Mr. MAGNUSON. I do not think the bill does that, so we disagree.

Mr. FERGUSON. We disagree.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I am ready to yield the floor.

Mr. JACKSON. I merely ask the Senator to yield for a question.

Mr. MAGNUSON. I yield.

Mr. JACKSON. Is it not true that from the very inception of the atomic energy program—and we are going back to 1941 and 1942—the Federal Government has made available the services of the great private corporations of this country in the operation of the atomic energy program?

Mr. MAGNUSON. The junior Senator from Washington is correct. I want to yield the floor, and I did not hear the question, but, knowing the wisdom of my colleague, I am sure the question he asked is correct in this instance.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. MAGNUSON. I yield.

Mr. FERGUSON. If the Senator from Michigan had asked the same question as was asked by the junior Senator from Washington, the senior Senator from Washington would probably have answered in the negative, even though he did not hear the question.

Mr. MAGNUSON. In answer to that question, if the Senator from Michigan had asked me a question on the particular bill before the Senate, I probably instinctively would have said, "No," because I think he is wrong regarding the bill, and I think my colleague is right regarding it.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. JACKSON. Following up the affirmative answer which my colleague gave to my previous question, is it not a fact that the large corporations which have participated in this program—and I may say they have done an outstanding job—include the biggest corporations of America, such as American Telephone & Telegraph Co., General Electric, Westinghouse, Du Pont, Union Carbide, which companies represent the very best in American big business? Is that not true?

Mr. MAGNUSON. That is true.

Mr. JACKSON. Is it not true that they have done a fine job?

Mr. MAGNUSON. Yes.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FERGUSON. Is it not true that if it had not been for the skill and the talents of persons in those corporations, atomic energy might not have been developed?

Mr. MAGNUSON. The Senator is correct.

Mr. FERGUSON. The Senator has finally said that the Senator from Michigan is correct.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BUTLER. Who can do the job in such a field? The corner groceryman or the peanut vendor? It takes large capital and large business and business know-how to do the job.

Mr. MAGNUSON. The Senator from Maryland asked me a question. I think the job does take big business and big business know-how to do the job. I merely want to be sure that when they do the job the persons for whom they are doing it receive some equity and justice. That is all I am trying to make sure is done.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. JACKSON. Is it not true that we agree that the big companies have done a fine job in that respect?

Mr. MAGNUSON. Of course.

Mr. JACKSON. Is it not true that as a result of the opportunity which the large corporations had to participate in the program, they have been given an advantage over thousands and thousands of small business concerns, in that the large corporations have the know-how which has been built over a period of 10 years during their participation in the program? Is that not true?

Mr. MAGNUSON. Of course, that is correct.

Mr. JACKSON. Is it not true that what we are interested in doing is seeing to it that all private enterprise has an opportunity to come into the program on a fair, just, and equitable basis, in order to prevent a monopolization of this all-important power resource?

Mr. MAGNUSON. That is correct.

Mr. JACKSON. Does anyone disagree with that? We are dealing with "yes" answers. Does the Senator from Michigan disagree with that?

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield to the Senator from Alabama. I hope I won't be accused of filibustering when I am asked all these questions.

Mr. SPARKMAN. I take it that the Senator from Washington is pleased that finally he could answer the question of the Senator from Michigan in the affirmative.

Mr. MAGNUSON. Oh, yes. The Senator from Michigan and I agree on many questions, but on this subject we differ.

Mr. SPARKMAN. Does the Senator from Washington not agree with me that we are not making an effort to push private enterprise out of the picture? We recognize the absolute necessity of private enterprise being in the picture, but due to the fact that such projects can be handled only by the investment of tremendous sums of money, if some kind of safeguards are not provided for small business and average business, which in fact comprise almost every business in the country, we will all be at the mercy of big business, who are the only ones that can spend the large sums of money necessary to enter such projects.

Mr. MAGNUSON. The Senator is correct. What we are suggesting is now in practice in every State of the Union, when we deal with the resources of this country. Every State has regulatory bodies, because there may be an abuse of the power which such persons have. I do not say that because a private corporation is involved, it would abuse its power, but the proposal does lend itself to a monopoly which would in the long run not only not be for the benefit of the people of the country, but would almost control the economy of the country.

Mr. SPARKMAN. The Senator from Washington was a Member of the Senate when the original atomic energy bill was passed. He recalls the long drawn-out fight we had in trying to get the bill enacted into law, and that the same problems were involved at that time. Is it not true that Congress decided that, because of the tremendous importance of this matter, the Government itself should keep a controlling hand in it?

Mr. MAGNUSON. Not only did the Congress almost unanimously decide that, but the bill was gone over sentence by sentence, because it was felt that in dealing with a potential force, the ramifications of which we could not comprehend.

We should not place that power in the hands of those who could abuse such power.

Mr. SPARKMAN. Is it not true that after that point was decided, the big question then was not as between government and private enterprise control, but as between civilian and military control of that resource within the Government, and that Congress decided to place safeguards as against the military and placed the control in civilian hands?

Mr. MAGNUSON. I think we wisely kept that control in civilian hands. The next big question was whether the Government or private enterprise should control that resource.

Mr. SPARKMAN. The Senator may remember that I was a Member of the House of Representatives at that time and a member of the Military Affairs Committee which handled the legislation. Let me ask the Senator my next question. This discussion reminds me that that action was taken in the late hours of the night, about midnight, as a matter of fact, when a motion was offered by the majority to lay on the table an amendment which was being debated, and debated actively on the floor of the Senate. Does the Senator from Washington recall any past action of that high-handed type in stopping legitimate legislation and legitimate debate on the floor of the Senate?

Mr. MAGNUSON. I do not. Surely I have no recollection of any such legislative activity on a bill or amendments to a bill of this importance.

Mr. SPARKMAN. One more question and I will help the Senator to yield the floor if that is his wish.

The Senator made some reference to the fact that we could have had this bill up in the early months of this session. But does the Senator remember that at that time we had up the famous Bricker amendment?

Mr. MAGNUSON. Yes.

Mr. SPARKMAN. Over a period of 5 weeks.

Mr. MAGNUSON. Yes.

Mr. SPARKMAN. It happened that the distinguished majority leader was in opposition to that amendment. Did he at any time set up any such timetable or schedule as has been set on this bill, even though that debate went for 5 weeks, whereas this has been going for only about 10 days?

Mr. MAGNUSON. Oh, it has been 18 months, and we have never had a timetable.

This bill is too important. It should be put over until January, until we come back; or we should go on at the end of the session for as long a time as it takes to pass this bill.

On some of these other bills it is their fault that they have not brought up the bills which should be passed, like the farm bill, and the tax bill, and the other measures.

Mr. SPARKMAN. After all, the job of scheduling legislation is a responsibility——

Mr. MAGNUSON. Which is not ours.

Mr. SPARKMAN. Of the majority.

Mr. MAGNUSON. Of course.

Mr. SPARKMAN. May I ask one further question of the Senator?

During those long 5 weeks of debate on the Bricker amendment, did the distinguished majority leader or any member of the Republican side of the aisle ever move to lay on the table a single one of the amendments? The amendments were actively debated as offered to that measure.

Mr. MAGNUSON. I do not recall.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. FERGUSON. Does the Senator not appreciate that when the Bricker amendment was before the Senate the Senate had just returned to the second session and that bills were pending before the committee to be developed and were being developed, and the important question involved in the Bricker amendment was being debated on the floor of the Senate while the committees were working on other bills.

The committees were working on the farm bill and the tax bill, revising the revenue law that had not been revised for 50 years. An enoromus job has been done by the committees of the Senate and the House of Representatives.

The Bricker amendment was debated for many days in what are called normal sessions——

Mr. MAGNUSON. Many weeks.

Mr. FERGUSON. But as the distinguished Senator from California showed last night, more hours up to midnight last night have been spent on this bill than all the time spent on the Bricker amendment.

Mr. MAGNUSON. In answer to my friend from Michigan, I do not think that proves anything: "More hours."

Mr. FERGUSON. It proves that the Senate of the United States——

Mr. MAGNUSON. This bill is much more important in my opinion than the Bricker amendment. I do not think it proves anything: how many hours. I do not think how many hours are spent on a bill is important at all.

It is a question of what individual Senators think about it.

Mr. FERGUSON. Whether or not it is debated; that is the test.

Mr. MAGNUSON. Yes.

Mr. FERGUSON. And the debate on the Bricker amendment, as I recall it——

Mr. MAGNUSON. Was not limited.

Mr. FERGUSON. No; but it was on the merits of the various proposals in the Bricker amendment, which were vital to the foreign policy of the United States of America, and foreign policy affects domestic policy.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. In a moment.

I am sure the Senator would not suggest or imply that this bill is not vital.

Mr. FERGUSON. No; the Senator from Michigan is not making such a statement.

Mr. MAGNUSON. No.

Mr. FERGUSON. I am saying this bill is vital, but we should keep to the merits of the bill.

Mr. MAGNUSON. I do not think the Senator——

Mr. FERGUSON. I am not accusing the Senator from Washington of not keeping to it.

Mr. MAGNUSON. I do not think the Senator will imply that the debate on this bill all these hours has not been on the merits, with 1 or 2 exceptions.

I think the distinguished Senator from Missouri [Mr. HENNINGS] talked about the farm situation yesterday, but on the other side of the aisle the distinguished Senator from Utah has talked about irrigation. I think it is six one way and a half dozen the other of those speeches which have been made not germane to this bill.

Mr. FERGUSON. Will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. FERGUSON. The Senator from Utah occupied 2 minutes in his remarks in the Senate.

Mr. MAGNUSON. I meant the other day. I have seen the Senator from Michigan—and I know the Senator from Washington has done it on many occasions—speak on subjects not germane to the subject under discussion. That is not unusual. I think 98 percent of whatever has been said on the floor of the Senate since this bill has been brought up has been germane to the subject of this bill.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Rhode Island.

Mr. PASTORE. Does the Senator think that the country cares too much whether the Senate goes home or the Congress goes home on July 31 or August 15, provided that when it does go home we have an atomic-energy law which will best serve the public interest?

Mr. MAGNUSON. Of course the Senator from Rhode Island is right. I never could appreciate the drive for some sort of a deadline on July 31. I have been in Congress when it has been in session the entire year. I served in one Congress which did not adjourn, I think, until midnight of December 31.

Mr. SPARKMAN. Mr. President, will the Senator yield——

Mr. MAGNUSON. I think the Senator from Rhode Island, a distinguished member of the joint committee, is perfectly right. This bill is too important to go through like a snap of the finger. It is more important to the people than any bill we have had up this session. If there is a deadline on the other bills, let us get them through, and let us go to the people of the country with this bill in such form that it will be fair and just to them.

Mr. PASTORE. Mr. President, will the Senator further yield?

Mr. MAGNUSON. It is going to affect our lives for the next generation.

Mr. PASTORE. Will the Senator further yield?

Mr. MAGNUSON. Yes, I yield to the Senator from Rhode Island.

Mr. PASTORE. As a matter of fact, we have not come yet to the amendment which concerns the pooling idea under the international cooperation aspect of the bill.

Mr. MAGNUSON. That is correct.

Mr. PASTORE. Right there we have the very crux of our relationship with the foreign countries of the world. There I think we have something that is even more important than the Marshall plan or the 4-point program. What does this bill do? This bill, as it comes to the Senate, provides that the President of the United States, under certain safeguards, can deal with one nation, but the President of the United States cannot deal with a group of nations under the same safeguards, because there are those in the Senate of the United States—and I regret to say there are too many of them—who feel that we can trust the President in dealing with 1 nation, but we cannot trust him in dealing with 2 or more.

There we defeat the very philosophy of collective security, which has been the bulwark of our foreign policy.

I say to the Senator from Washington, if we were to debate that issue from now until doomsday we would not be wasting the time of Congress. I believe in that regard we should supplement the very fine idea the President of the United States enunciated on December 8, 1953, at the United Nations. If we do nothing else, Mr. President, than fortify the arm of the President of the United States in carrying out that idea, and not disappoint the philosophy of collective security, every hour spent in so doing, whether it be 9 o'clock in the morning or 2 o'clock in the morning, will be justified.

Mr. MAGNUSON. Mr. President, the Senator from Rhode Island is correct. As he points out, we have not even come to that important point.

Mr. PASTORE. Of course not.

Mr. MAGNUSON. I read in the RECORD this morning the Senator's very excellent views. He raised an important point that we have not come to yet, and yet we are being chided, and being told that we should take this bill as the Republican Policy Committee wants to give it to us, and just pass it, and then we can go home.

Mr. PASTORE. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I yield.

Mr. PASTORE. To show how ridiculous all this is becoming, I refer the Senator to section 124 of the bill.

Mr. MAGNUSON. It is a very long bill. I shall have to find that section.

Mr. PASTORE. It is section 124.

Mr. MAGNUSON. I wonder how far I have to go back in the bill.

Mr. PASTORE. I will give the Senator the page number. It is page 53.

Mr. MAGNUSON. That is half way through the bill.

Mr. PASTORE. This is what is provided in section 124. We are talking about the international atomic pool. The section reads:

> The President is authorized to enter into an international arrangement with a group of nations providing for international cooperation in the nonmilitary applications of atomic energy and he may thereafter cooperate with that group of nations pursuant to sections 54, 57, 64, 82, 103, 104, or 144a.

Before we know what an international agreement is we must go back to the definition. The definition is given under subsection i or subsection k. Therefore we must go back to that subsection. It is subsection k, on page 7. It reads:

> k. The term "international arrangement" means any international agreement hereafter approved by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include any agreement for cooperation.

We now come back to section 124. The authors of the bill are not satisfied yet.

Mr. MAGNUSON. I assume that on page 7 appears the definition of what an international agreement is.

Mr. PASTORE. That defines an international agreement. On page 53 the bill refers to an international agreement under section 124. Therefore, an international agreement means an agreement that has to be approved by Congress, or it means a treaty, which means that it has to be ratified by a two-thirds vote of the Senate. Let us go back to section 124. That refers to the pooling. That is the idea that President Eisenhower talked about on December 8.

Mr. SPARKMAN. He did not speak about this section of the bill.

Mr. PASTORE. He spoke about the pooling idea. That is what he talked about. There is no pooling idea under this section. This makes it even more cumbersome than it is under the present law.

Section 124 provides that before the President can deal with more than one nation he must comply with section 124. Section 124 reads:

> SEC. 124. International atomic pool: The President is authorized to enter into an international arrangement with a group of nations providing for international cooperation in the nonmilitary applications of atomic energy and he may thereafter cooperate with that group of nations pursuant to sections 54, 57, 64, 82, 103, 104, or 144 a.: *Provided, however,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123.

They are not even satisfied in going that far. They put another stumbling block in his way:

> *Provided, however,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123.

What does that mean? That means that after a treaty is entered into the President must come back under section 124. The procedure is being made even more cumbersome than under the present law. Then it is necessary to come back under section 123. Again they are making it even more cumbersome than under the present law. What do we find under section 123? What do we have to do after we have a treaty? I believe that provision is absolutely unconstitutional, because when a treaty come to the Senate and is ratified by two-thirds of the Senate of the United States, it supersedes existing statutory law. However, the framers of the bill are not satisfied. They must put another stumbling block in the President's way. So, under section 123 they lay it all out. What is necessary? What is provided under section 123?

Is it not a fact that under section 123 it is necessary to get the Commission's approval on nonmilitary cooperation, and the Defense Department must approve the proposed agreement for cooperation—we are now dealing with a group of nations—and therefore, is it not a fact that it is necessary to spell out the terms, conditions, duration, nature, and scope of the cooperation?

Is it not a fact that under section 123, subparagraph 2, it is necessary to go a step further to get a guaranty by the cooperating party that security safeguards and standards as set forth in the agreemeent for cooperation will be maintained?

Is it not necessary that there is a third requirement, namely, a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose?

Is it not a fact that there is a fourth proviso, namely, a guaranty by the cooperating party that any material or any restricted data to be transferred pursuant to the agreemeent for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation?

I ask Senators to listen to this.

Mr. MAGNUSON. They have put in some other provisions too.

Mr. PASTORE. That is correct.

Mr. FERGUSON. Mr. President, I call attention to the fact that the Senator from Rhode Island has about 30 barrels in his questions now.

Mr. PASTORE. I will put 60 barrels in it, if necessary, because there are 60 barrels in the law. Is it not a fact that we then come to subsection b. Apparently the authors of the bill are not satisfied with four barrels; they add another barrel in the form of subsection b. Is it not a fact under subsection b there is a further requirement that after a treaty is entered into or an agreement is reached and approved by Congress, and after "the President has approved and authorized the execution of the proposed agreement for cooperation"—all this after a treaty—"and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security——

Mr. JACKSON. Mr. President, is it not a fact that this bill is so bad that President Eisenhower may have to veto it?

Mr. PASTORE. Is it not a fact that the President of the United States has to make a determination in writing after an agreement has been approved, in dealing with a group of nations, that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security?

Is it not a fact that after all those things have been done the authors of the bill are still not satisfied, and we come to subsection c?

Is it not a fact that the proposed agreement for cooperation, together with the approval and the determination of the President, must be submitted to the joint committee and a period of 30 days must elapse while Congress is in session, and that in computing such 30 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days?

Is it not a fact, Mr. President, that after we have complied with section 124, which spells out a treaty and the international procedure, by having it submitted to both branches of Congress, we must come back, in dealing with a group of nations, and comply with all the other barrels, as intimated by the distinguished Senator from Michigan [Mr. FERGUSON], which are spelled out in section 123?

Mr. MAGNUSON. That is what it says here. [Laughter.]

Mr. PASTORE. I take it that the answer of the distinguished Senator from Washington is in the affirmative.

Mr. MAGNUSON. Yes.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. FERGUSON. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 8932. An act to reclassify dictophones in the Tariff Act of 1930; and

H. R. 9936. An act making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 260) authorizing the printing of additional copies of the conference report on H. R. 8300, to revise the revenue laws of the United States, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred, as indicated:

H. R. 8932. An act to reclassify dictophones in the Tariff Act of 1930; to the Committee on Finance.

H. R. 9936. An act making supplemental appropriations for the fiscal year ending June 30, 1955, and for other purposes; to the Committee on Appropriations.

EIGHTIETH BIRTHDAY ANNIVERSARY OF FORMER PRESIDENT HERBERT HOOVER — INDEFINITE POSTPONEMENT OF CONCURRENT RESOLUTION

Mr. SMITH of New Jersey. Mr. President, on July 21, the Senate adopted Senate Concurrent Resolution 96, to extend the greetings and felicitations of Congress to Hon. Herbert Hoover on the 80th anniversary of his birth, August 10, 1954, which was adopted by the House on July 22. That completes legislative action on that resolution. But on July 21 the House also adopted House Concurrent Resolution 258, an identical resolution to Senate Concurrent Resolution 96. The House concurrent resolution is now on the desk. I, therefore, ask that the House concurrent resolution be indefinitely postponed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey? The Chair hears none, and it is so ordered.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. JACKSON. Madam President——

The PRESIDING OFFICER (Mrs. BOWRING in the chair). The Senator from Washington is recognized.

Mr. JACKSON. Madam President, the debate which has transpired in the Senate thus far on the amendments to the Atomic Energy Act of 1946 have brought forcefully to the attention of the Senate and to the people of America several fundamental considerations which must be kept firmly in mind at all times. These basic principles are particularly important to those of us who are entrusted with creating legislation dealing with this significant new source of energy, an energy source, which, when fully developed, will undoubtedly have a profound effect on the lives of all of us and of many future generations.

The fundamental considerations which I believe should motivate our decisions are as follows:

First. Atomic energy is a resource which was developed in the first instance by the United States Government, from funds made available by the taxpayers of America.

Second. This resource will continue to remain a province of the Federal Government, for under the 1946 act and the proposed amendments, the Federal Government will continue to retain ownership to nuclear materials.

Third. The Government should have the right to use this new source of energy in furthering the welfare of the people of America, and it should also be permitted to issue licenses for the use of this resource to private individuals and organizations. However, such licensing should be under conditions which will protect the people's stake in this invaluable new resource developed by our Government.

I am extremely pleased that, in recognition of the first and second fundamental principles which I have described above, the Senate yesterday adopted an amendment which would permit the Federal Government itself to use these nuclear materials for the production of electric power. The Johnson amendment, as I noted last night, is urgently necessary if the benefits of this resource are to be made available as widely as possible, and with the maximum benefits accruing to the people. Furthermore, in light of the fact that the Atomic Energy Commission today is the largest single consumer of electric power in the world, the Government must be permitted the option of producing its own needs for electricity.

Now that we have given the Federal Government adequate authority to proceed with a program of peacetime development of atomic energy for the production of electric power, it is imperative that we look carefully at the controls which the Government should exercise in issuing licenses for this resource to private individuals or corporations.

If the Federal Government does not use this resource in the first instance, the American people cannot expect anything less than that the Congress establish adequate safeguards to insure that there is no exploitation of this resource by those who are licensed to use it.

Fortunately, in considering legislation for licensing the use of nuclear materials, we can draw upon the experience of the Congress in establishing licensing procedures for another valuable resource—the navigable waters of the country.

May I remind Members of the Senate that, until the Federal Water Power Act of 1920, the history of the use of our navigable waters by private corporations was fraught with exploitation of this valuable resource. Now that we are confronted with the likelihood of issuing licenses for the use of a new resource which may well dwarf in importance our navigable waters, I believe it is imperative that we study briefly the history of the developments which led up to the enactment by Congress of the Federal Water Power Act, and the subsequent steps taken by Congress to preserve our water power resources in the interest of all the people of America. In reviewing the history of the regulation and control of our water power resources, I believe we can find valuable guidelines to follow in establishing procedures for the licensing of this new resource, atomic energy.

As I noted earlier, under the powers granted or implied in the Constitution of the United States, the Federal Government has control over navigable streams and their tributaries. Yet, for a hundred years after the Constitution was adopted, Congress left the regulation of water power entirely to the States.

Before the long-distance transmission of electricity had revolutionized the situation, water power was regarded almost altogether as a local question. Fall River, Lowell, Lawrence, Manchester, Niagara Falls, and other manufacturing centers owed their superiority to water power. But it is significant to note that in all these developments, power could be used only close to the water which produced it.

Federal stream regulation at its beginning had to do chiefly with preventing or removing obstructions to navigation. That was the purpose of the River and Harbor Act of 1884, which authorized the Secretary of War to remove unauthorized obstructions, including dams, bridges, and causeways.

The act of 1884 was followed by the River and Harbor Act of September 19, 1890, which forbade the creation of any obstructions, not affirmatively authorized by law, to the navigable capacity of any waters, in respect of which the United States has jurisdiction.

In 1891 Congress granted free rights-of-way through the public lands and reservations for canals, ditches, and reservoirs. In 1896 it extended these rights to "any citizen or association of citizens of the United States for the purpose of generating, manufacturing, or distributing power."

In the act of 1901, however, a significant advance was made in the regulatory control established by the Congress. This act empowered the Secretary of the Interior to permit rights-of-way through the public lands and forest reservations "for electrical plants, poles, and lines for the generation and distribution of electric power." It also empowered the Secretary to regulate the use of such rights-of-way and to revoke any permit when he saw fit. That was highly important, for a revocable permit meant that the title to the land remained in the Government.

Under the act of 1901, the Secretary of the Interior issued regulations which related to filing applications for permits. But the Secretary never issued any formal permits. The practice consisted merely in making an endorsement on the map of the project that was submitted.

Licenses issued by Congress under the act of 1901 gave away enormously valuable power sites, without a charge and without a time limit—forever, and for nothing. The first sign of change came when President Theodore Roosevelt in 1903 vetoed a bill to make a present of the now famous Muscle Shoals power site to private interests, and thereby kept the door open for TVA.

Gifford Pinchot, former Republican Governor of Pennsylvania, and one of this Nation's great leaders and pioneers in the field of conservation, has stated that until 1905, when the first steps were taken to bring about effective regulation and control by the Government of the

right to erect and maintain power dams, the custom of Congress to give away these extremely valuable rights continued unbroken.

In an article which appeared in the December 1945 issue of the George Washington University Law Review, former Governor Pinchot observed—

> Unless some other interest happened to be after the same power site, all that was necessary was to get a bill introduced in Congress and sit by and watch it pass as a matter of course.
>
> This timeworn habit of Congress to give away the public property, was of course, wholly unnecessary and wholly without excuse.

Its only possible justification, aside from the pressure of the power interests, lay in the ancient bureaucratic shibboleth, "we have always done it that way."

As we shall see later, Governor Pinchot's remarks about the giving away of power sites to private interests has a particular applicability to the situation presently confronting the Congress.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield for a question?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. MANSFIELD. Is it not true that former President Theodore Roosevelt and former Governor Gifford Pinchot, of Pennsylvania, were both prominent and outstanding Republicans?

Mr. JACKSON. The Senator is correct—and both great Americans.

Mr. MANSFIELD. Is it not true, further, that they were great conservationists and realists when it came to protecting the natural resources of the American people?

Mr. JACKSON. Yes. The American people owe a great and outstanding gratitude to them and to the invaluable contributions made to our conservation program, under the leadership of President Theodore Roosevelt; and included in that leadership was his Chief Forester, as I recall, Mr. Gifford Pinchot, of Pennsylvania.

Mr. Pinchot was the man who was responsible for the setting up of our great national forests; and as a result of his efforts, we were able to set aside vast sections of our domain for forest purposes, so that today we have a sound forest conservation program based on the principle of sustained use.

Mr. HILL. Will the Senator yield for another question?

Mr. JACKSON. I yield.

Mr. HILL. Does the Senator know whether Mr. Pinchot was called a filibusterer because he was trying to protect the public interest?

Mr. JACKSON. Whenever one attemps to protect the public interest, all sorts of terminology will be thrown at him; and the mildest of those terms would be, certainly, "a filibusterer."

Mr. HILL. Mr. President, will the Senator yield for another question?

Mr. JACKSON. I yield.

Mr. HILL. Is it not true that if such a person was not called a filibusterer, he was called something that would connote the idea that he was not doing it in the public interest—simply because he was trying to protect the public interest?

Mr. JACKSON. The Senator is correct.

Mr. MANSFIELD. Will the Senator yield for a question?

Mr. JACKSON. Yes.

Mr. MANSFIELD. Did not the Senator say, in effect, that Mr. Pinchot wrote an article for the George Washington University Law Review, a few years ago, in which he stated that for a certain length of time, laws taking from the people the control of the natural resources of the country, were passed by Congress with monotonous regularity?

Mr. JACKSON. The Senator is correct.

Mr. MANSFIELD. Is not the fact of the situation that when he asked some Members why they did these things, the answer was, in effect: "It has always been the custom"?

Mr. JACKSON. The reply was, "We have always done it that way."

Mr. MANSFIELD. Would the Senator care to explain to the Senate why this "New Look" in the giving away of natural resources has come into vogue with this new administration?

Mr. JACKSON. It was just a little bit of an "old look," or it is a "new look" at an old technique they have used in the past, not just prior to Theodore Roosevelt, but also during the 1920's, when we had some very bad situations in the field of natural resource development.

I think it is very clear that the program the administration is following in turning over these natural resources to private groups is a repetition of the program to which Mr. Pinchot referred—a program existing prior to Theodore Roosevelt's administration.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. JACKSON. Yes.

Mr. MANSFIELD. One of the things I have not been able to understand in this measure is that the Dixon-Yates company is given such a preferred position, and that the Government is guaranteeing it 9 percent on its investment, and that the company will have a 25-year contract, but no one knows what that contract contains.

No one has seen that contract. Even the Dixon-Yates group, according to testimony before the committee, did not know what the specifications were. Furthermore, under the contract, the Federal Government is going to pay local and Federal and State taxes, and that will go on for 25 years.

But that is only one part of this bill. I should like to know why the Dixon-Yates group are getting this preferred treatment.

I should like to know why the Government is guaranteeing a 9 percent return on their investment. I should like to know why there is no contract—or, at least, no one knows the specifications.

I should like to know why these terms are being forced on them, on the basis of this magnificent return. Actually, it will be more than 9 percent. As I say, the Government is to pay the State, local, and Federal taxes.

I should like to see a copy of the contract. I want to know what we are getting into. I should like to know why this company is getting such preferred treatment.

Mr. JACKSON. The Senator has made some very important remarks and has raised some very important questions in connection with this matter.

The administration calls this a private contract, and speaks in terms of private enterprise. The amazing thing is that in that contract—the contract that no one knows very much about—we know there is a provision for the violation of almost every rule that applies to private enterprise.

Private enterprise, as we all know, presupposes competition. But no competitive bids have been called for in connection with this contract.

Private enterprise presupposes that it must fight for its profit. Private enterprise in this country is not guaranteed a profit.

The distinguished junior Senator from Montana has established that the Dixon-Yates group are guaranteed a profit. We have looked into it.

Then there is a further provision, apparently, that they do not have to pay local taxes or, rather, that they are to be reimbursed for them.

What private enterprise in this country, what man engaged in business, does not pay local taxes?

It is quite apparent, when we add up all the features of this contract, that in it we have the finest possible assortment of special privilege; and all that has been granted to this company.

Who would not want to participate in such a program? Who would not want to participate in a contract by which his taxes would be paid, and his profits would be guaranteed, and he would have a long-term period of operations in which to enjoy all that?

I would say that we have reached the golden age of the millennium insofar as localized prosperity is concerned, that is, the prosperity that can go on for the life of a 25-year contract.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JACKSON. Yes.

Mr. HILL. Is the contract written in such a way that it need not be competitive, with only one concern in it, the Dixon-Yates combine?

Mr. JACKSON. I thought there would be competitive bidding. I should think that is the basis of the difficulty.

In view of all the big-business friends of the administration, I should think that some of the other companies—some of the big companies—would be mighty jealous of the special arrangement being made for the Dixon-Yates Co.

Mr. HILL. Mr. President, will the Senator yield for another question?

Mr. JACKSON. Yes.

Mr. HILL. In view of the fact that in the last 3 years so many of our boys have fought and suffered on foreign battlefields, and so many of them were forced to die, and others to have their bodies broken, while others here at home have experienced the staggering effect of the excruciatingly heavy burden of taxation, will the Senator state why

the Dixon-Yates Co. group should be put in such a preferred position, and not have to carry its part of the burden, not have to pay its taxes, but on the other hand, have the people of the United States, through the Government of the United States, pay its taxes?

Mr. JACKSON. There is absolutely no justification for this contract. It is an unbelievable raid on the Treasury, and possibly it constitutes a violation of law.

I sincerely hope there will not be a repetition of an agreement of this type on the part of the Government with any private concern.

Mr. MANSFIELD. Mr. President, would the Senator yield for a question?

Mr. JACKSON. I am happy to yield.

Mr. MANSFIELD. In order to bring this message home to the American people, I think we have to repeat again and again the idea behind the proposal being made at this time.

I wonder if the distinguished Senator from Washington would agree with me that this is not encouraging private enterprise, but it is encouraging private monopoly.

Mr. JACKSON. The Senator is absolutely right. It violates every rule of private enterprise.

Mr. MANSFIELD. It rules out competition.

Mr. JACKSON. That is right. The trouble is that some people talk constantly about private enterprise, but what they are really talking about is private monopoly.

Mr. MANSFIELD. Exactly.

Mr. JACKSON. There is a vast difference between a private monopoly which is a utility and has no competition and the man who is in business, or the big corporation which is in business, facing heavy competition day in and day out.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. JACKSON. I am happy to yield for a question.

Mr. MANSFIELD. Is it not true that the Senator for many years was a member of the Joint Committee on Atomic Energy?

Mr. JACKSON. Yes; I served 4 years on the Joint Committee on Atomic Energy in the House.

Mr. MANSFIELD. Is it not true that 3 of the 5 Atomic Energy Commission members expressed themselves in strong terms of disapproval against this proposal affecting Dixon-Yates?

Mr. JACKSON. It is my understanding that 3 of the 5 Commissioners refused to approve the contract.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, is it not true that the President of the United States, by a directive, overrode a majority of the members of the Atomic Energy Commission and directed that this contract, which nobody has seen—about which nobody knows anything—be put into effect.

Mr. JACKSON. It is my understanding that the President did issue an order directing the Commission to enter into this contract. It is an unheard of request from the President to direct an independent agency of the Government to do that which Congress has determined is exclusively within its discretion.

Mr. MANSFIELD. Not only unheard of, but highly dangerous, I will say to my friend from the State of Washington.

Mr. JACKSON. It is my understanding that the General Accounting Office issued a statement saying that the contract in all probability was illegal.

I might add there is one other feature in the Dixon-Yates contract that has been referred to here——

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I would be happy to yield for a question.

Mr. KNOWLAND. Does the Senator not know that the direction was not to approve a contract, but was merely a direction to negotiate a contract, which is entirely a different thing.

Mr. JACKSON. I will say to the Senator I think we are quibbling over words. This is an independent agency of the Government and the President, when he says that the agency shall be directed to enter into a contract, is directing it. What is the difference so far as all practical considerations are concerned?

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield for a question.

Mr. KNOWLAND. There is a vast difference, because the Senator is assuming that certain items will be in the contract which may not necessarily be in the contract at all. If they had been handed a contract and told to "Sign this; adopt it," that would be one thing, and that is the implication which is being given. They were told merely to enter into negotiations for a contract, which is vastly different.

Mr. JACKSON. The junior Senator from Washington is not so naive as to think that something was not hatched up over yonder and all pretty well worked out, to be brought over to the Commission to be signed and formulated.

The junior Senator from Washington has the idea that there were some discussions on this, probably outside of the Atomic Energy Commission, as well as within a certain area of the Atomic Energy Commission, before the directive came from the President of the United States to negotiate a contract.

I will say in fairness to the President of the United States that I think he got some bad advice. I think the President probably assumed that what he was requesting was within his prerogatives as President of the United States. I believe it is unfortunate for any President to be put in that kind of position.

The Atomic Energy Commission was created by law as an independent agency of the Government. The Republicans made much—and they proved to be right—of that when President Franklin Roosevelt removed Mr. Humphrey as a member of the Federal Trade Commission, when they said the President was violating the independence of that agency.

The Supreme Court of the United States sustained Mr. Humphrey's position and he was given his back pay.

I think when we established these agencies as independent instrumentalities within the executive branch of the Government that we ought to carry through on that philosophy and that we should not violate the spirit of it.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JACKSON. I yield for a question.

Mr. HILL. Is it not true that at the meeting of the Joint Committee on Atomic Energy on June 17 and June 18 the Atomic Energy Commission Chairman, Admiral Strauss, and the manager of the Atomic Energy Commission, General Nichols, presented to that Commission the main provisions of this proposed contract?

Mr. JACKSON. It is my understanding that there was some discussion referring to the general terms of the contract. It was my further understanding that while some members of the joint committee requested a copy of the contract which was to be negotiated and signed by the contracting parties they were not able to get it.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am happy to yield for a question.

Mr. KNOWLAND. Does the Senator not recognize that under the Constitution, article II, the executive power of the Government is vested in the President of the United States—and insofar as it is an Executive responsibility, I believe that he has the power to take the action which was taken? Certainly if there were even any question of doubt on it, the action by this body by an overwhelming vote would remove any such doubt.

Does the distinguished Senator from Washington question that the Constitution gives the President of the United States the executive power?

Mr. JACKSON. I will answer the distinguished majority leader's question very simply. The section of the Constitution to which the Senator has referred, in its bare language, is meaningless unless there are considered with it the host of decisions by the Supreme Court interpreting that section.

Would the senior Senator from California, the majority leader, say that under that provision the President under his executive power can remove any member of an independent agency? Of course, he cannot. That argument was made by the Democrats, and the Democrats were wrong.

I am trying to be fair about this. I think that that section has to be read in the light of the Supreme Court decisions.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. KNOWLAND. Was the Senator on the floor at the time the distinguished Senator from Iowa made the statement, which is a statement in accordance with the facts, that in the case of development of the hydrogen weapon the President of the United States took the action to have the Commission go ahead when actually a majority of the

Commission had voted contrary to that? If he did not have the power to do this, he would not have had the power to do that.

Mr. JACKSON. The distinguished majority leader I am sure will recall that some of us were on the joint committee at the time when some of these momentous decisions were made. The action taken by the President of the United States, in connection with the hydrogen bomb, came within specific provisions of the McMahon Act. As the Senator knows, the President of the United States under the McMahon Act, the existing law, has the authority to take certain steps with reference to weapons material in the atomic energy program.

The President of necessity must have authority to deal with that phase of the atomic energy program which relates to the military atom.

If the distinguished majority leader wants to make the argument on the basis of that precedent, I think he might find himself to be not on all fours with the situation with reference to the Dixon-Yates contract. The President under the Constitution is Commander in Chief of the Army and Navy, as the Constitution states. Now, of course, it includes the Air Force and other branches of the military establishment. I think the distinction in that situation is clearly different.

This particular proposal, the Dixon-Yates contract, as I view the present Atomic Energy Act, involved a discretionary decision on the part of the Commission. I think this administration is flying in the face of the decision in the Humphrey case, in which the Supreme Court established the independence of these agencies back in the early 1930's.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JACKSON. I yield for a question.

Mr. HILL. Is it not true that the Dixon-Yates proposal has nothing on earth to do with nuclear weapons?

Mr. JACKSON. The Senator is absolutely correct. It has nothing to do with the atomic energy program.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JACKSON. I shall be happy to yield.

Mr. HILL. Is it not true that the Dixon-Yates proposal has nothing whatever to do with anything connected with the atomic energy program?

Mr. KNOWLAND. Mr. President, will the Senator yield for one question at that point?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. KNOWLAND. Does not the distinguished Senator from Washington, who served on the committee as I did and still do, for that matter—though he left it, unfortunately, when he left the House—agree that without an adequate supply of power we would not have an atomic-energy program?

Mr. JACKSON. The Senator is absolutely correct. If it had not been for the farsighted efforts of a previous administration in building the big power projects, which were so violently opposed by some persons—I exclude the distinguished majority leader—as being socialistic, we would not have had the great plutonium plant at Richmond, Wash., known as the Hanford atomic energy works, and we would not have had the great gaseous diffusion plant at Oak Ridge, Tenn.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. KNOWLAND. I am certain the Senator from Washington does not want this debate to get on purely a partisan basis; so does he not agree that there was public-power development under both the reclamation laws and other statues prior to March 4, 1933, when the Roosevelt administration came into power? He is not suggesting to the Senate, is he, that all developments along these lines sprang like Minerva, full grown at that point?

Mr. JACKSON. The distinguished majority leader is entirely right, but I must say to him that if he had followed my remarks—unfortunately he was not able to be on the floor—he would know I have lauded and praised Theodore Roosevelt and Gifford Pinchot.

I only wish that the present Republican administration would have the foresight to accept the views on this subject expressed by them 50 years ago.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. Let me complete this thought.

During the 1920's the Republican administration abandoned Theodore Roosevelt's policies. It was President Herbert Hoover who vetoed the TVA proposal. If they had gone forward in 1929 or 1930 when the project was up, we would have been in better shape to deal with the great programs involving our power resources.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. KNOWLAND. Mr. President, I should like to ask the Senator whether he does not recognize the fact that the great Boulder Dam project was brought into being by a prior administration to that of Franklin D. Roosevelt, and under a subsequent administration to the Teddy Roosevelt administration?

Mr. JACKSON. I think it must be said that Representative Swing, of the Senator's State——

Mr. KNOWLAND. A Republican, I might add.

Mr. JACKSON. I am making some very nonpartisan Democratic remarks, I remind the Senator from Washington. Hiram Johnson——

Mr. KNOWLAND. A Republican, I might add.

Mr. JACKSON. Yes; but a great supporter of Teddy Roosevelt. He was so liberal that the Republicans kicked him out of the party.

Mr. KNOWLAND. Oh, no; he was my predecessor.

Mr. JACKSON. Am I correct in my understanding of history that Hiram Johnson ran with Teddy Roosevelt?

Mr. KNOWLAND. No. If the Senator will yield for a question——

Mr. JACKSON. Did he not support Roosevelt on the Bull Moose ticket?

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. KNOWLAND. Did the Senator hear in the majority's leaders' remarks any suggestion that Hiram Johnson had not run with Teddy Roosevelt? He left the party to become the Vice Presidential candidate with Teddy Roosevelt, but he returned to the Republican Party, and later he became the candidate for the Presidency at the Republican convention in 1920. He was not successful, but he did return to the Republican Party. I do not want to get into a partisan debate. I merely would like to ask one final question.

Did I not understand the Senator to say that without an adequate supply of power we would not have had the tremendous atomic development that has taken place in this country?

Mr. JACKSON. The Senator is correct. I believe it should include, as the distinguished majority leader knows—and it is no secret—that in the plutonium operation we need both. We need water at a certain temperature, and an abundance of it, plus power. There are two factors. In the gaseous diffusion operation we need a greater power factor than with plutonium.

Mr. KNOWLAND. Will the Senator yield for another question?

Mr. JACKSON. I am happy to yield for a question.

Mr. KNOWLAND. Directing our attention to the Oak Ridge development in the Tennessee Valley Authority as a specific example, would the Senator agree or would he not agree that the atomic development, which is one of high security, would have a call as a priority customer or whatever power it needed from the TVA?

Mr. JACKSON. The Senator is correct. That is true under existing law.

Mr. KNOWLAND. Mr. President, will the Senator yield for another question?

Mr. JACKSON. I am happy to yield for a question.

Mr. KNOWLAND. Is it or is it not a fact that, under the present TVA setup, the TVA itself has contracts with private utilities to supply a part of the power which it receives at wholesale and distributes it—what I might call, in the parlance of an individual who is not very well versed in the intricacies of the electrical industry—at retail?

Mr. JACKSON. There is some kind of exchange arrangement.

Mr. KNOWLAND. Mr. President, does the Senator from Washington—and I may say that I have a very high regard for his ability and his interest in these problems—know of any way under the sun in which we can trace a kilowatt that comes from a privately owned utility, in power which is being purchased by the TVA, and follow it through the system to the point of delivery?

Mr. JACKSON. Of course not. It is commingled, and in order to get the maximum efficient use of power generated at any one spot it is necessary to

work out a pooling of that power so that there is no wastage in the delivery of it. Incidentally, that practice, I will say to the distinguished majority leader, is followed in the Northwest, where we pool our power, both public and private, in order not to waste any power generated by either public or private facilities.

Mr. KNOWLAND. Mr. President, will the Senator yield for another question?

Mr. JACKSON. I am happy to yield for another question.

Mr. KNOWLAND. I do not mean to be facetious, because both the Senator and I know that this could not happen. However, I merely wish to underscore this point. Will not the Senator agree with me, in view of his statement, that there is no possible way of tracing a kilowatt, whether it is privately manufactured by the firms now supplying power to the TVA, or is manufactured in a TVA completely owned plant, or manufactured in the new proposed plant, under the proposed contract to be negotiated, which is under discussion?

In other words, is it possible to trace any of those kilowatts in the way that it is possible to trace things in medicine or agriculture? In other words, it is possible to use radium isotopes and trace certain things which would be of value, but is it possible to put a radium isotope in a powerline and tell where the power is ultimately going? In view of the statement of the Senator from Alabama [Mr. HILL], does the Senator from Washington not agree with me that under those circumstances, for the Senator from Alabama to say that this contract has no possible connection with atomic energy just does not hold water?

Mr. JACKSON. The junior Senator from Washington would say that certainly it is not possible to take isotopes, so to speak, and trace a publicly manufactured kilowatt and distinguish it from a privately manufactured kilowatt. The junior Senator from Washington would say, however, that it is his understanding that the Atomic Energy Commission has made no attempt to justify this contract on the basis that the plant to be built was needed in the atomic-energy program. The junior Senator from Washington has the idea that when the Fulton steam plant was omitted from the budget by the present administration, this administration probably had had some suggestions from the private power companies as to how they could build a plant to provide the power.

The junior Senator from Washington has the idea that the private power companies wanted to work out a good contract—and I do not blame them—so that they could build these facilities and make a good profit, which is their right, if they could get the Government to enter into such a contract.

The junior Senator from Washington has the further hunch that some legal sharpsters looked around to find a Government peg on which to hang a contract. The junior Senator from Washington has the hunch that they canvassed the bureaucratic area and discovered that a contract could be worked out with the Atomic Energy Commission to build these facilities, not for the benefit of the atomic program, but in order to overcome the heat—and I do not mean electrical heat, but the political heat—in Tennessee. I am trying to be candid and fair about this, but the Democrats have been criticized for 20 years for having agencies and divisions within the executive branch that were always usurping authority. That was the charge that was made.

Again trying to be candid, by no stretch of the imagination can I foresee how it is possible to enter into this kind of contract with the Atomic Energy Commission. I am sure the distinguished majority leader will agree with me when I say that the big problem that we have had in the joint committee was the problem of having so much of the time of the Atomic Energy Commission taken up with collateral matters, to the point that they did not have enough time to spend on their primary objective, which is the splitting of the atom.

We were all critical, both Republicans and Democrats alike, on the Joint Committee, of the Commission's involvement in these community projects. They owned the town of Oak Ridge. They owned the town of Richland, Wash., and they owned Los Alamos. We all felt, not as a matter of partisanship, but as impartial members of the committee—and I think all the members of the Joint Committee tried to be fair and impartial, without regard to partisanship—that the Commission should get out of these collateral businesses.

This country is in grave danger, and if we are to survive we have to stay on top of the atomic stockpile and on top of the hydrogen stockpile. I think we should do everything possible to encourage the Atomic Energy Commissioners and their staff to stick to the primary directive which Congress has given to them. I think it is a great mistake to get the Commission involved in a private power feud, or a public power feud, or whatever we want to call it. As a lawyer, and without regard to any partisanship, I cannot for the life of me understand how the Commission got into this kind of matter.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield for a question.

Mr. BENNETT. Does the Senator think that the vote yesterday, which put the Atomic Energy Commission directly into the public power business, is a continuation of this involvement which he deprecates so definitely?

Mr. JACKSON. It is an entirely different point. The Atomic Energy Commission is in the electric power business because we cannot at all times separate the military atom from the peaceful atom. The truth is that an atomic reactor is an electric powerlant, or what we call a single-purpose electric power reactor. It was as a result of the military effort to build a reactor for a submarine that we are now able to get under way with the first stationary atomic powerplant in Pittsburgh. The Duquesne Power & Light Co., in conjuction with Westinghouse, is building the facility, with the aid of the Federal Government.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am happy to yield for a question.

Mr. KNOWLAND. Would not the Senator agree with me—to take a not exactly parallel case but one which might be considered to have some similarity—although the aviation industry got its big start in World War I, and its development was aided by World War II, would the Senator, by the same reasoning, say that because the Government advanced the cause of aviation we should have a Government-operated and Government-run aviation industry both in production and in transportation?

Mr. JACKSON. Of course not. I think the question is based on a false premise. The reason why we need to give to the Atomic Energy Commission a directive to go ahead and build a powerplant is because we do not have sufficient information at this time to tell private enterprise in this country, particularly the smaller companies, to go ahead and take the risk. Westinghouse can do it, General Electric can do it, and some other large companies can do it. But the truth is there are many small firms in the small, million-dollar class that would not be able to do that job.

I modify my previous statement. I believe General Electric has taken the position that it does not want to build a private atomic power reactor at this time until more adequate information is available as to the feasibility of certain types of electric power reactors. The whole idea of the Government entering this field and following through on it is for the purpose of developing prototypes so that later on private companies which could not afford risks involving $100 million or $200 million will be able to enter the field.

I am not one who wants all public power in this country, any more than I want all private power. When we are dealing with a monopoly, I think the best thing in the world is to have a good yardstick. I think the power program which we have been building down through the years has been astounding.

Mr. KNOWLAND. Mr. President, will the Senator from Washington yield for a question? I have to leave the floor, and I assure the Senator that I shall read his speech.

Mr. JACKSON. I yield for a question.

Mr. KNOWLAND. Will the Senator not agree with me that not only in the Tennessee Valley area, not only in the development of atomic power, not only in the development of our great resources, we should have a yardstick? But does not the Senator agree that it should be an honest yardstick, not a rubber one; one by which we can truthfully measure what each of these projects is costing the taxpayers? And then, as a matter of policy, does not the Senator agree that with those facts developed by an honest yardstick, Congress, as a policymaking body of the Government of the United States, can make its determination?

Mr. JACKSON. I think that is correct; and I think we can get together on a particular yardstick. I will take the

yardstick laid down by Theodore Roosevelt, the best public power man we ever had; and I am sure the Senator will agree with me, just as I agree with the fine type of attitude taken by one of the great governors of this country, Governor Warren, of California, who did more to develop a sound program—I am not talking about a "screwball" power program—than any man we have had in the West.

Mr. KNOWLAND. Mr. President, will the Senator yield for another question raised by the Senator's observation a while ago to the effect that when the question of the so-called Johnson amendment came up it was stated that the amendment was needed to develop electrical energy by using the atom. Does the Senator not agree that insofar as research and development and the building of powerplants in order to gain the necessary information is concerned, under the existing atomic energy law the Atomic Energy Commission has all the authority it needs to go ahead with the program, and the difference between that and the amendment offered by the distinguished Senator from Colorado is that the amendment of the Senator from Colorado permits them to go into the commercial power business? Does the Senator not agree that that is the difference between the existing law and the amendment offered by the distinguished Senator from Colorado?

Mr. JACKSON. Not quite. It is my understanding that the pending bill is a complete rewriting of the McMahon Act, and under it the Atomic Energy Commission will have less power than it has today.

I want to follow up one very important point in connection with the distinguished majority leader's question.

The real problem is a realistic one. Small firms in this country have not had the benefit—and there was no way of avoiding that—which has been enjoyed by large companies which have already participated in the program and have acquired the know-how. I am not being critical of those large companies. If it had not been for General Electric, Westinghouse, du Pont, Union Carbide, Dow Chemical, and a host of other companies, it would not have been possible to develop the military atom or the peaceful atom. I am merely saying that I think we should find a way in which we can strike a balance so that smaller companies can come in on a somewhat equal footing. I do not think it is possible for us to design an amendment to the present law or to pass a law that would put all private companies or municipalities, or even public bodies, on the same equal footing. I do believe we have the responsibility of trying to find an answer to the problem.

Mr. KNOWLAND. I wish to thank the distinguished Senator from Washington for the information and for the helpfulness to me in the exchange of views.

Mr. JACKSON. May I compliment the distinguished majority leader for his very fine contribution to this colloquy? I wish to say that in the field of public power I do not know of a situation that I can recall where we ever had a dispute on power projects in the West. We in the West are very proud of the fine attitude of the distinguished majority leader in connection with the development of public-power projects. The governor of his State was one of the great leaders in the development, and pushed, along with many others, the development of the great Central Valley project which has meant so much to both public distribution agencies and private distribution agencies in the State of California.

Mr. KNOWLAND. I thank the Senator from Washington.

Mr. LEHMAN. Madam President, will the Senator from Washington yield for a question?

Mr. JACKSON. I yield for a question.

Mr. LEHMAN. Is it not a fact that the amendment which was adopted yesterday, the so-called Johnson amendment, was in no way a mandate to the Atomic Energy Commission, nor did it contain any direction to the Atomic Energy Commission to go into the power business?

Mr. JACKSON. It is my understanding that it vested in the Commission a discretionary authority to exercise certain rights and powers in the public interest. I believe that is an authority which should be given to the Commission in order to find a reasonable balance in the development of the peaceful atom.

Mr. LEHMAN. Madam President, will the Senator yield for another question?

Mr. JACKSON. I am happy to yield.

Mr. LEHMAN. Is it not a fact that the amendment which was agreed to yesterday merely removed the prohibition which was contained in the pending bill which would have prevented the Atomic Energy Commission, under all circumstances, from proceeding at any time, without coming to Congress to market the power generated?

Mr. JACKSON. The distinguished Senator is correct. The difficulty of this pending bill is that it repeals the very fine authority that exists in the present law. The McMahon Act has already made possible the development of a peacetime electric-power reactor in Pittsburgh, Pa., the first electric atomic power reactor in this country. It came as the result of authority in the existing law which made it possible for the Atomic Energy Commission to enter into a contract with the Westinghouse Electric Co. and the Duquesne Power & Light Co., of Pittsburgh. I would much rather have the present law than to have hardly any provision in the proposed bill as it came from the committee, with the exception of some of the sections relating to the international exchange of atomic information.

Mr. LEHMAN. Is it not a fact that the provisions of the proposed Dixon-Yates contract, as reported to us, guarantee a definite profit to the company?

Mr. JACKSON. I will say to the Senator that it violates every rule of private enterprise. The company is to be reimbursed for all taxes—something that no other private company can enjoy—and has a guaranteed profit of 9 percent, I believe. It has the benefit of enjoying that profit for a period of 25 years.

Mr. LEHMAN. Madam President, will the Senator yield further?

Mr. JACKSON. I yield.

Mr. LEHMAN. Is it not also a fact that in addition to guaranteeing a profit and in addition to paying all the taxes, the proposed contract contains very generous conditions with regard to cancellation at some later date, I believe, amounting to as much as $40 million.

Mr. JACKSON. I believe there is a windfall cancellation provision in the proposed contract.

Mr. LEHMAN. I should like to ask one more question. Under those circumstances, is it not a fact that the Dixon-Yates contract, contrary to any other contract with which I am familiar, guarantees a windfall to which the distinguished Senator from Washington has referred, and yet it does not involve any risk whatsoever on the part of the contractor?

Mr. JACKSON. As I said earlier, the contract violates every rule under which private enterprise operates. The very basis of private enterprise is competition and risk and all that goes with it. In this contract, there is no competition, and there is no risk, because the company is guaranteed a profit, and does not even have to pay taxes. We have reached a sort of millenium in the 20th century when a company does not have to pay taxes.

COMMITTEE MEETING DURING SENATE SESSION

Mr. BENNETT. Madam President, will the Senator from Washington yield to me for a unanimous-consent request?

Mr. JACKSON. I yield, provided I shall not lose the floor.

Mr. BENNETT. Madam President, I ask unanimous consent that the Subcommittee on Investigations of the Government Operations Committee may sit during the session of the Senate today.

Mr. JACKSON. Reserving the right to object, I am a member of the committee. When do they plan to meet?

Mr. BENNETT. The acting majority leader has been informed that the meeting has been set for 2:30 this afternoon.

Mr. JACKSON. I have no objection.

Mr. ANDERSON. At or after 2:30 this afternoon?

Mr. BENNETT. I shall be happy to limit the request by asking that the subcommittee may be permitted to meet at or after 2:30 this afternoon.

Mr. GORE. Will the Senator amend his request?

Mr. BENNETT. I am informed that the request has been cleared with the minority leader. If an amendment is necessary, I withdraw the request.

Mr. JACKSON. That is not necessary.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. JACKSON. Madam President, I am sorry that the distinguished majority leader is not on the floor at this time. I made reference earlier to the fact that the President directed the Atomic Energy Commission to negotiate a contract with a private contractor. The distinguished majority leader stated in justification of that exercise of alleged authority by the President of the United States that it was comparable to the authority exercised by President Truman in January of 1950, when he directed the Commission to proceed with the hydrogen bomb. I stated earlier in the debate and in the colloquy with the distinguished majority leader that the analogy was not a correct one, that in the case of the hydrogen bomb the President was acting pursuant to specific authority provided for in the Atomic Energy Act of 1946, known as the McMahon Act. I should like to read into the RECORD at this point section 6 of that act, which relates to the authority of the President with reference to atomic weapons:

SEC. 6 (a) Authority: The Commission is authorized to—

(1) conduct experiments and do research and development work in the military application of atomic energy; and

(2) engage in the production of atomic bombs, atomic bomb parts, or other military weapons utilizing fissionable materials; except that such activities shall be carried on only to the extent that the express consent and direction of the President of the United States has been obtained, which consent and direction shall be obtained at least once each year.

Another forward step in the development of policies relating to the control of our water resources was taken on March 14, 1908, when President Theodore Roosevelt appointed the Inland Waterways Commission. In his letter to the members he said:

Works designed to control our waterways have thus far usually been undertaken for a single purpose, such as the improvement of navigation, the development of power, the irrigation of arid lands, the protection of lowlands from floods, or to supply water for domestic and manufacturing purposes. While the rights of the people to these and similar uses of water must be respected, the time has come for merging local projects and uses of the inland waters in a comprehensive plan designed for the benefit of the entire country. Such a plan should consider and include all the uses to which streams may be put, and should bring together and coordinate the points of view of all users of waters.

The report of the Inland Waterways Commission was based on two fundamentally important principles:

First. That every river system is a unit from its source to its mouth and should be treated as such.

Second. That plans for any use of our inland waterways should take account of the purification of the waters, the development of power, the control of floods, the reclamation of lands by irrigation and drainage, and all other uses of the waters or benefits to be derived from their control.

The Tennessee Valley Authority and our present-day system of multi-purpose projects is a direct descendant of these two principles.

The principles of Government control of power on the national forests, established by the Forest Service, were thoroughly approved by Theodore Roosevelt. On April 13, 1908, he gave public proof of his approval by vetoing a bill to turn over important power sites on the Rainy River, a boundary stream between the United States and Canada, without the safeguards the service had developed.

In that veto, that great Republican President, Theodore Roosevelt, made some highly important stipulations, which again should be considered in the context of the legislation now pending before the Senate. President Theodore Roosevelt declared that a time limit should bet set for the termination of the grant, that a charge should be paid to the Government for the privileges received, that power sites should not be held undeveloped for speculative or other reasons, and that already the evils of monopoly were becoming manifest.

The Rainy River veto created consternation among the water power grabbers—

Governor Pinchot declared—

but there was nothing they could do about it.

Nine months later, on January 15, 1909, just before he went out of office, in his veto of the James River bill, Theodore Roosevelt reaffirmed the principles of the Rainy River veto, and announced that he would sign no power bill which did not contain a charge and a time limit.

The President asserted that—

The great corporations are acting with foresight, singleness of purpose, and vigor to control the water powers of the country. They pay no attention to State boundaries, and are not interested in the constitutional law affecting navigable streams, except as it affords what has been aptly called a "twilight zone" where they may find a convenient refuge from any regulation.

And President Theodore Roosevelt concluded in that message:

I esteem it my duty to use every endeavor to prevent the growing [power] monopoly, the most threatening which has ever appeared, from being fastened upon the people of this Nation.

Mr. GORE. Madam President, will the Senator yield for a question?

Mr. JACKSON. I yield for a question.

Mr. GORE. Is not the pending question before the Senate an amendment offered by the Senator from Iowa, vice chairman of the Joint Committee on Atomic Energy, and a majority member who is leading the debate for the proponents of the bill?

Mr. JACKSON. I believe it is the pending amendment.

Mr. GORE. Did the Senate not spend about 18 to 20 hours—I do not know the exact number of hours—in debate on the Johnson amendment?

Mr. JACKSON. We spent a lot of time on the Johnson amendment. I think it was time well spent. I know I talked about 2 hours in support of the Johnson amendment, and the preference amendment, which I believe was offered by the distinguished Senator from Iowa [Mr. GILLETTE]. As a result of the efforts made by many of us on the floor, we were successful, by I believe a 45-to-41 vote, in agreeing to the Johnson amendment. After that rollcall victory, the other side willingly accepted the inevitable, the preference amendment.

Mr. GORE. But will not the junior Senator from Washington agree that the Hickenlooper amendment, which has for its purpose the nullification of the Johnson amendment open up anew the question of the necessity and advisability of the Johnson amendment and the issue and the principle involved therein?

Mr. JACKSON. The junior Senator from Washington has not had an opportunity to read the Hickenlooper amendment, but if it proposes to do what the distinguished junior Senator from Tennessee has stated, of course it will completely annihilate the action taken by the Senate in agreeing to the amendment of yesterday.

Mr. GORE. That being true, does not the Senator think it is necessary to give consideration to the Hickenlooper amendment if it is calculated to have such a far-reaching effect, and undo what the Senate did yesterday?

Mr. JACKSON. Certainly we made great progress yesterday as a result of our efforts. Our task here is to continue to do a good job in an effort to get a decent bill, if that is possible. It is also our job to oppose amendments which will not further the purpose of having passed a good bill in the public interest.

Mr. HILL. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the distinguished Senator.

Mr. HILL. For practical purposes, is not the Hickenlooper amendment really an attempt to nullify the Johnson amendment, which the Senate adopted on a yea-and-nay vote yesterday?

Mr. JACKSON. It is my understanding, based on what the distinguished junior Senator from Tennessee has stated, it has that purpose. I have not had the opportunity to read the amendment.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from New Mexico.

Mr. ANDERSON. If it were provided that funds of the Commission should not be employed in the construction or operation of facilities licensed under section 103 or 104 except under contract or other arrangement entered into pursuant to section 31, and if there were added to that provision an amendment which read "or (2) for the construction or operation of facilities for the commercial production of electric power, or other useful forms of energy, derived from the utilization or production of special nuclear material other than that power or useful energy produced or derived incidental to research and development activities authorized under section 32," would the Senator not agree that that would be a complete nullification of the Johnson amendment?

Mr. JACKSON. Offhand, it certainly sounds as though it would have that exact effect. I think we made real progress yesterday by obtaining approval of the amendment offered by the distinguished senior Senator from Colorado

[Mr. JOHNSON], and the subsequent approval of the preference amendment offered and approved by the Senate, which was offered, I believe, by the distinguished junior Senator from Iowa [Mr. GILLETTE].

Mr. ANDERSON. Was not the able Senator from Washington a member of the Joint Committee on Atomic Energy when he was a Member of the House of Representatives?

Mr. JACKSON. The Senator is correct. I was a member for 4 years.

Mr. ANDERSON. Did he not have the opportunity then to become well acquainted with the senior Senator from Iowa? Would he not agree that the Senator from Iowa is a forthright person and probably would be the first person to admit that the purpose of the Hickenlooper amendment is to nullify the Johnson amendment?

Mr. JACKSON. I know that the distinguished senior Senator from Iowa [Mr. HICKENLOOPER] is a very honest, forthright, and able legislator who would be most candid on any question relating to the interpretation of his amendment.

Mr. ANDERSON. I can say I have discussed it with the Senator from Iowa. I think he would agree it is intended for that purpose. I appreciate the fact that he is that forthright about it.

Mr. JACKSON. Mr. President, I should like to quote again the statement of President Theodore Roosevelt in his message which has been referred to:

> I esteem it my duty to use every endeavor to prevent the growing (power) monopoly, the most threatening which has ever appeared, from being fastened upon the people of this Nation.

Need I remind the Senate that this statement, though it is so appropriate in connection with the events transpiring today, was in reality made some 50 years ago by President Theodore Roosevelt, a Republican?

In 1910 the second general dam bill limited the life of power permits to 50 years, provided for a charge, and for the recovery of the privilege by the United States.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. ANDERSON. Would not the Senator think it better to say, "The second bill for the construction of the dam," rather than the "second general dam bill"?

Mr. JACKSON. If we are on dams, we had a little colloquy on that subject on the tidelands bill. As I recall, I asked the question as to what we were going to call one of the dams in the West which the administration had been tinkering with, and the Senator from Minnesota [Mr. HUMPHREY] said:

> I think we ought to call it "the let-the-public-be-damned bill."

That is why I happened to get into this "dam business."

Mr. GORE. Does the Senator mean, "into the business regarding dams"?

Mr. JACKSON. I think the Senator may be right, but I do not want to be held down to that. I think we need great latitude in the interpretation of these questions when we give full ventilation to problems so comprehensive and far reaching as those growing out of the splitting of the atom.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. GORE. Could the administration and the Republicans in the Senate raise serious question about taking some latitude with the meaning of a word when they so stretch the words "in connection with" as to give legal authority to a plant in southeastern Arkansas which had no direct relation to the Atomic Energy plant at Paducah, Ky.?

Mr. JACKSON. I will say to the distinguished junior Senator from Tennessee that after they entered into the contract with the Dixon-Yates group under the cloak of the Atomic Energy Act I think we might be prepared for almost anything. I think we can expect anything as a result of that contract.

Mr. ANDERSON. Mr. President, will the Senator from Washington yield for a question?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. ANDERSON. Does he not think that the Atomic Energy Commission itself would be better engaged in splitting atoms than in splitting hairs in this situation?

Mr. JACKSON. The distinguished junior Senator from New Mexico is so right.

I stated a little earlier in response to a question from the distinguished majority leader that the big problem we have had in the Atomic Energy Commission is that in the past they have been bogged down with a lot of collateral administrative duties such as the administration of the towns of Oak Ridge, Los Alamos, Richmond, Washington, and so on.

The assignment of the Atomic Energy Commission, in order to be effective and carry out the directive of the Congress of the United States, should be in the field of splitting atoms. When I say "splitting atoms," I do not mean merely the military atom, but I mean the peaceful atom as well.

As we know, and as the distinguished junior Senator from New Mexico knows, it is difficult at times to distinguish and isolate and tag and separate the peaceful atom from the military atom.

Is it not correct that the atomic engine which is going into the *Nautilus* paved the way and is paving the way for the first atomic-electric powerplant which is being constructed at Pittsburgh, Pa., in conjunction with the work of the Westinghouse Electric Co. and the Duquesne Power & Light Co.? Is that not correct?

Mr. ANDERSON. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. ANDERSON. I have difficulty answering and staying within the question, but I am sure that it is correct.

What I wanted to ask the Senator was this: When he referred to duties such as the administration of towns, I wonder if he noticed when the very able Chairman of the Atomic Energy Commission went to Los Alamos a few days ago, where I hoped he might have a chance to visit with the distinguished scientists who have done so much in the development of nuclear weapons, that he was immediately confronted with the question of whether Los Alamos should be an open city or a closed city?

I mean by that whether the gates should be opened so that the public could come in and interview people and try to sell them magazines and vacuum cleaners and devises of that nature.

Does he know that the persons who objected to it becoming an open city did so because they were afraid that all sorts of people would be rushing in questioning them about their views on various matters, and they would have had a difficult situation?

He was the Chairman of the Commission, with important duties, going forth to struggle with that very important question. Does that not illustrate the very thing the Senator is talking about, when he says the Commission is spending time on matters which are administrative details, and the country would be favored if they did not have to do it?

Mr. JACKSON. The Senator is so correct.

I know when I served on the Joint Committee on Atomic Energy that was one of the biggest headaches we had, and we spent a lot of time on the subject of the administration of towns.

The Senator knows that if the Government—in this case the Atomic Energy Commission—is going to take over the administration of a city, it is going to have to deal with everything from dogs barking at night to paving streets and providing homes and all the complications and ramifications of everyday living.

Those who are engaged in the work of splitting atoms, both peaceful atoms and military atoms, should be spending all their time in that area and not be bogged down with a lot of collateral subjects.

Now, we find the Commission being told that they must get into another collateral area—going into the power business and acting as a broker for a power company in the distribution of electric power in the Memphis area.

I should think that this administration would do its best to try to make the functions of the Atomic Energy Commission more businesslike insofar as the atom is concerned.

Mr. ANDERSON. Mr. President, will the Senator yield for a further question?

Mr. JACKSON. I yield for a question.

Mr. ANDERSON. Would not the Senator think it would have been fortunate, indeed, if the Atomic Energy Commission could have been spared the hurt of this debate over the Dixon-Yates contract into which the Commission has been dragged? Would he not have thought it desirable to leave that Commission out of this whole controversy, and does he not think this bill might have made better progress if the whole Dixon-Yates controversy had been completely left out of it by the decision of those who have the responsibility on this floor?

Mr. JACKSON. I am sure that the members of the Atomic Energy Commission, I am sure that the majority side of the aisle, I am sure that the White House and the Republican administration all down the line are probably aware by now of the great mistake they made in dragging in the Dixon-Yates contract into the office of the Atomic Energy Commission. I think much of the controversy on the subject we are dealing with, which is so important to the people of this country, could have been avoided. The International Section, which is one we can pass and dispose of, because it is so important to national security, could have been acted on; and we would be in much better shape if the mistake had not been made, the mistake of going into an entirely collateral subject.

Mr. ANDERSON. Mr. President, will the Senator yield further there?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. ANDERSON. Does he not realize that the pending question, the Hickenlooper amendment, which was designed to nullify the Johnson amendment, will result in prolonging the debate when the amendment has very little to do with the day-by-day business of the Atomic Energy Commission? Does he not feel that once the Johnson amendment was adopted, after, as was pointed out, some 18 or 20 hours of debate, we would have been well advised to let the matter rest there?

But, as the Senator from Tennessee has said, it seems that calf has to be licked all over again now.

Why? Because it might be that the Atomic Energy Commission could build a plant down there and thereby make Dixon-Yates' plant unnecessary.

Does it not think that illustrates how these collateral issues prevent us from acting on the things which the President of the United States said he would like to see in this bill?

Mr. JACKSON. I could not agree more with what the Senator has just said in his very fine question.

Mr. ANDERSON. Does he know of any instance of the President of the United States asking us to get into some of these fields?

Mr. JACKSON. I know of no request from the President of the United States for such authority.

Mr. ANDERSON. He did send here, did he not, two pieces of proposed legislation? He certainly did not send any proposed legislation on certain international questions which have now come up.

Mr. JACKSON. The Senator is absolutely right.

Need I remind the Senate that this statement—referring to the statement I made a little while ago, quoting President Theodore Roosevelt—though it is so appropriate in connection with the events transpiring today, was in reality made some 50 years ago by President Theodore Roosevelt. President Theodore Roosevelt said it, and I want to quote again what he said some 50 years ago. I quote from his message:

I esteem it my duty to use every endeavor to prevent the growing (power) monopoly, the most threatening which has ever appeared, from being fastened upon the people of this Nation.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am happy to yield for a question.

Mr. DOUGLAS. Is it not true that it was under the administration of Theodore Roosevelt that the preference clause was written into the water power and irrigation acts?

Mr. JACKSON. The junior Senator from Washington, if his recollection serves him correctly, would state that the amendment to the Reclamation Act of 1902 passed in 1907, provided that the surplus electric power over and above that required for the pumping of irrigation water from the multipurpose dams in the West was to be first sold—I give the exact words—for municipal purposes. It is my recollection that this became the genesis of the preference clause as we know it today and as it is included in Section 5 of the Flood Control Act of 1944, in the Bonneville Project Act, and in the Tennessee Valley Act.

Mr. DOUGLAS. Mr. President, does the Senator yield for a further question?

Mr. JACKSON. I am happy to yield for a question.

Mr. DOUGLAS. Is it not a matter of lamentation that our friends on the other side of the aisle have departed so much from the tradition of Theodore Roosevelt in that matter?

Mr. JACKSON. I could not agree more with my distinguished friend. I point out that we have received from Theodore Roosevelt the sound guide lines to follow in administering this great atomic power resource.

Statements which that great President made 50 years ago, and the philosophy laid down, are clearly applicable to the problem that is now before the Senate.

Mr. DOUGLAS. Mr. President, does the Senator further yield?

Mr. JACKSON. I am happy to yield to a question.

Mr. DOUGLAS. Mr. President, is it not true that there was another great Republican working alongside of Theodore Roosevelt, namely, Gifford Pinchot, who at the time was chief forester, but who later was elected Governor of Pennsylvania over the opposition of the Republican organization in Pennsylvania?

Is it not true that Gifford Pinchot supported this policy with his full strength?

Mr. JACKSON. Yes; Gifford Pinchot is the father of our modern day forestry program. It was Gifford Pinchot, in conjunction with President Theodore Roosevelt, who was successful in setting up our vast system of national forests, which in turn has made possible a sustained program in our forestry conservation effort.

I believe it can be said without one speck of partisanship that the great conservation programs that were undertaken at the turn of the century can largely be traceable to the vigilance, energy, and foresight of President Theodore Roosevelt on the one hand, and his able right arm, Governor Ponchot, on the other.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am happy to yield for a question.

Mr. DOUGLAS. Is it not true that we of the Democratic Party are not only glad to pay tribute to those men, but, what is more important, we try to carry out those policies in a modern way?

Mr. JACKSON. The Senator from Illinois is entirely right. I do not believe it is a partisan matter. It should not be. Unfortunately, however, the Republicans from time to time fail to follow the wise leadership of Theodore Roosevelt.

He found it necessary, if my recollection of history serves me correctly, to leave the Republican Party in 1912. I believe Governor Pinchot more or less left the Republican Party at a later date. He was with the Bull Moose movement in 1912. Gifford Pinchot was later elected Governor of Pennsylvania on the Republican ticket.

I believe, however, that he found in the late 1920's and early 1930's, prior to the oncoming of the Democratic administration, that the Republicans were not following a wise policy in conservation. I believe, if my recollection of history is correct, that Gifford Pinchot in his later years supported the administration of Franklin D. Roosevelt and the Democratic resources policies of the previous 20 years, prior to his death.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. JACKSON. I am happy to yield for a question.

Mr. DOUGLAS. Is it not a source of lamentation to find most of our friends on the other side of the aisle opposing these policies which were started by these two great Republicans.

Mr. JACKSON. I am sorry to say that they have shifted from the wise policies of President Theodore Roosevelt. Not all of them, however, have shifted, and I am sure that with further discussion of this subject and all that it implies, we can gain a few more recruits over those we have gained already.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JACKSON. I am happy to yield for a question.

Mr. DOUGLAS. Is it not true that our friends on the other side of the aisle are good Americans and wish to do the right thing, but it is only that they lack information?

Mr. JACKSON. And insight into this issue. I am sure that they are going to gain much by the information that will be forthcoming in explanation of the amendments that are pending, and those that will be offered, to make this bill more in keeping with that great Republican President, Theodore Roosevelt.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JACKSON. I am happy to yield for a question.

Mr. DOUGLAS. Going back to his own boyhood, does the Senator from Washington remember that at times his mother and the family doctor would administer distasteful doses of medicine, which ultimately were beneficial to the body of the recipient?

Mr. JACKSON. Does the Senator refer to castor oil? I have some recollection in that connection.

Mr. DOUGLAS. Or sulfur and molasses.

Mr. JACKSON. I recall castor oil. I do not recall the sulfur and molasses.

Mr. DOUGLAS. Is it not possible that our friends on the other side of the aisle may object to the heavy doses of information and education which we are administering to them, but ultimately, does not the Senator from Washington believe that the doses will be good for their souls, and our friends will bless us for helping them?

Mr. JACKSON. I am sure they will. If everything else fails, we all believe in the right of redemption, although we do not want to have to rely at this point on the right of redemption. I hope we will not have to invoke the right of redemption. We hope they will be able to see the importance of these amendments, to perfect the bill and to make it a bill that will be acceptable in the public interest.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. JACKSON. I am happy to yield for a question.

Mr. DOUGLAS. To put the remarks of the Senator from Washington in theological terms, do I understand that he prefers conversion to later redemption or punishment?

Mr. JACKSON. Yes; and perhaps we will require only conversion, not baptism.

I continue with my prepared remarks.

In 1910 the second general dam bill limited the life of power permits to 50 years, provided for a charge, and for the recovery of the privilege by the United States. But these provisions were vague and indefinite, and made little improvement over those contained in the first general dam bill of 1906.

In 1912 the power interests and their friends in Congress staged a daring raid—

Governor Pinchot has written.

Without hearings and without warning, the House Committee on Interstate and Foreign Commerce reported an omnibus waterpower bill which would have authorized 17 private power projects, without a charge and without provision for Government regulation. Large waterpower interests would have controlled more than half of the grants proposed. Before, however, this piracy could be put through the House—

Governor Pinchot related—

President Taft's Coosa River veto, based on the ground that no provision was made for a charge, broke it up.

Continuing to quote from Governor Pinchot:

For the next 8 years a bitter fight raged in Congress between the power interests, eager for plunder, and the supporters of the principles laid down by the Forest Service and by Theodore Roosevelt in his epoch-making vetoes. The Adamson bill, the Ferris bill, the Shields bill, and the Myers bill, some good, some bad, were introduced, fought for, and failed of passage. The most dangerous of these was the Shields bill, behind which all the power of the great special interests was concentrated. After a long and bitter conflict, in the end it also was defeated.

In 1918, President Woodrow Wilson took a hand by creating a committee on waterpower, and an administration bill was introduced in the Congress. Two more years followed before the bill became law on June 10, 1920.

The Federal Water Power Act of 1920 marked a great advance, although this bill, too, had its shortcomings. The Federal Water Power Act established the Federal Power Commission, which at that time consisted of three men, the Secretaries of War, Interior, and Agriculture.

Under this statute the Commission was empowered to issue licenses for a maximum of 50 years and attach to them a number of specified conditions, as well as others not inconsistent with the act. The Commission also could regulate the rates, services, and securities of the licensees under limited circumstances, prescribe and supervise their accounts, and determine the net investment in their projects as the basis of payment in the event of Government "recapture" at the end of the license period. The authority to conduct comprehensive investigations of the Nation's waterpower resources likewise was entrusted to the Commission.

The Federal Power Act of 1935 not only amended the original law in several respects, but also filled the gap in control of interstate electricity movements resulting from the ruling of the United States Supreme Court in 1927 against the constitutionality of State control of interstate wholesale sales. The Commission was vested with authority over the rates, services, securities, accounts, mergers, and other intercorporate affairs of all persons owning or operating facilities for the transmission or wholesale sale of electricity in interstate commerce.

In 1938, a somewhat similar, although less extensive, authority was vested in the Commission over the interstate transportation and wholesale sales of natural gas.

Now that we have traced the history of the Federal Power Commission and the reasons which impelled Congress to establish such an agency to safeguard the rights of the people to a basic natural resource, let us examine the functions which have been delegated to this Commission. We must do so, I feel, to determine whether some of the same functions and procedures which have been assigned to the Federal Power Commission should also be delegated to the Atomic Energy Commission insofar as its obligations in the field of nuclear power development are concerned.

A scrutiny of the Federal Power Act indicates clearly that it provides a complete set of principles and procedures for protecting the public interest in connection with the licensing of non-Federal waterpower development. The more important principles are as follows:

First. In order to safeguard the preference right of States and municipalities, the act makes it mandatory for the Commission to give written notice of a private application for a preliminary permit or a license to any State or municipality likely to be interested in or affected by such application.

Mr. DOUGLAS. Mr. President, will the Senator from Washington yield for a question?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. May I ask the Senator whether there is a similar safeguard in the atomic energy bill which is now before the Senate?

Mr. JACKSON. There is no such similar provision. I shall relate the provisions in the Federal Power Act in order to point out the need for similar protection in this bill. The Federal Power Act, of course, relates to hydroelectric power. This bill, in part, relates to atomic electric power. I think the historical development of the Federal regulation in the hydroelectric power field can be used in a most beneficial way in trying to get the proper kind of protection into this bill.

I continue with my remarks.

A preliminary permit may be sought to maintain a priority of application for a license during the period required to make the examination, surveys, and financial arrangements necessary to support the license application.

Second. The act provides the basic conditions which shall be attached to all licenses, including the following:

A. The project must be best adapted to a comprehensive scheme for the use of the resource for all purposes, including development of power.

B. No substantial alteration or addition to the project shall be made without prior approval of the Commission.

C. The licensee shall maintain the project works in an adequate condition of repair, including all necessary renewals and replacements, and shall establish and maintain adequate depreciation reserves.

D. After the first 20 years of operation, the licensee must put a specified portion of any excess profits over a fair return upon actual legitimate investment in the project in an amortization reserve to be held until termination of the license, or applied from time to time in reduction of net investment.

E. The licensee shall pay the United States certain specified annual charges.

F. Combinations, agreements, arrangements, or understandings to limit the output of electricity, restrain trade, or to fix, maintain, or increase rates are prohibited.

Third. The act provides in section 19 that a private licensee engaged in public service shall agree as a condition of the license to abide by reasonable regulation of its services, rates, and security issues either by a State commission or, where there is no State regulation, by the Federal Power Commission. It provides further, in section 20, that when project power or any part thereof enters interstate or foreign commerce "the rates charged, and the service rendered by any such licensee, or by any subsidiary corporation, the stock of which is owned or controlled directly or indirectly by such licensee, or by any person, corporation, or association purchasing power from such licensee for sale and distribution or use in public service, shall be reasonable, nondiscriminatory, and just to the customer."

All unreasonable, discriminatory, and unjust rates or services are prohibited and declared to be unlawful and, lacking State commission jurisdiction, the Federal Power Commission is given jurisdic-

tion over such rates and services as constitute interstate or foreign commerce.

Fourth. By the final paragraph of section 20, a licensee is precluded from claiming any value for its project or projects for ratemaking purposes in excess of net investment or fair value, whichever is the least. In section 3 of the act "net investment" is defined as follows:

"Net investment" in a project means the actual legitimate original cost thereof as defined and interpreted in the "classification of investment in road and equipment, of steam roads, issue of 1914," Interstate Commerce Commission, plus similar costs of additions thereto and betterments thereof, minus the sum of the following items properly allocated thereto, if and to the extent that such items have been accumulated during the period of the license from earnings in excess of a fair return on such investment: (a) unappropriated surplus, (b) aggregate credit balances of current depreciation accounts, and (c) aggregate appropriations of surplus or income held in amortization, sinking fund, or similar reserves, or expended for additions or betterments or used for the purposes for which such reserves were created.

From the above it is crystal clear that, in addition to providing a prior right of public development by either Federal, State, or municipal governments, together with the right of condemnation at any time or recapture for public operation at the conclusion of the license term, the authors of the Federal Water Power Act in 1920 were determined to set up every possible regulatory safeguard for the public interest in good service at the lowest possible rates.

To assure the Federal Power Commission the necessary accounting tools to enforce this strict regulation, section 4 (f) of the act authorizes and empowers the Commission, irrespective of whether or not the licensee is engaged in interstate commerce, to prescribe rules and regulations for the establishment of a system of accounts and for the maintenance thereof by licensees.

In this connection the Commission is further authorized and empowered "to examine all books and accounts of such licensees at any time; to require them to submit at such time or times as the Commission may require statements and reports, including full information as to assets and liabilities, capitalization, net investment and reduction thereof, gross receipts, interest due and paid, depreciation and other reserves, cost of project, cost of maintenance and operation of the project, cost of renewals and replacements of the project works, and as to depreciation of the project works and as to production, transmission, use and sale of power; also to require any licensee to make adequate provision for currently determining said costs and other facts.

From the above, it can be seen that the Congress has taken pains to spell out in detail the necessary safeguards to the public which should be recognized by the Federal Power Commission in protecting the rights of the public.

Mr. GORE. Mr. President, will the Senator from Washington yield for a question?

Mr. JACKSON. For a question.

Mr. GORE. What justification is there in the mind of the junior Senator from Washington for having all power from hydroelectric and steam plants generally, subject to the rates and other regulations of the Federal Power Commission, while exempting completely from such regulation electricity developed from atomic energy?

Mr. JACKSON. There is absolutely no justification for such a decision. The reference I have made in my remarks during the past few minutes to the Federal Power Commission gave the history of the licensing provisions in the Federal Power Act provide sound guides which can be and should be followed in connection with the administration of atomic electrical power.

I think the wealth of experience we have had over many years in the hydroelectric power field, the regulation of rates, the granting of preference to certain customers, and all the other sound policies which have been worked out as a result of long debate and discussion, can be most helpful if we apply them to the issue now before the Senate. The experience we have had in the hydroelectric power field has been an invaluable one. We have learned what can happen to the great natural resources of this country if they are not properly protected.

I would hope that the least we could do would be to expand some of those sounder principles of the past to the administration of the hydroelectric power program and the administration of the Electric Power Act.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield for a question.

Mr. GORE. If the Senator concedes that there is no justification for a complete exemption of electricity generated from atomic power from regulation by the Atomic Energy Commission, what justification can he find for the virtual exemption from the antitrust laws?

Mr. JACKSON. There is absolutely no justification.

Mr. GORE. What justification is there for the provisions in the bill relating to domestic development?

Mr. JACKSON. The only justification in the bill is that the proponents are trying to turn over, in my judgment, this important and most powerful source of energy, which should be used for the good of mankind, to a small group of private monopolists. I think if we permitted it to happen, we would be doing the worst possible thing for the country and for our private enterprise system. The bill as it now stands will favor the big companies, which have been working on the atomic energy program for the past 12 or 13 years. The big companies have a tremendous advantage over the smaller corporations, in that they have the know-how, which they have gained as a result of acting as the directors for the Atomic Energy Commission in the production of plutonium and uranium 235. I do not think it is fair to permit that advantage to be frozen. I believe that other firms which have not had an opportunity should be given a chance to come into the program on a somewhat equal footing. I am not belittling the efforts of the big companies. I think they rendered a great patriotic service when they agreed to participate in the operation of the atomic energy plants.

While those companies did not reap large profits dollarwise, they did reap some long-range profits in that they were able to acquire valuable information in the running of reactors, which are nothing more than the foundation or the basis for the development of an electric powerplant.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I yield for a question.

Mr. MANSFIELD. I should like to ask the distinguished Senator from Washington if any of the companies which contracted with the Government have suffered any financial losses.

Mr. JACKSON. The firms that have contracts with the Atomic Energy Commission for the operation of atomic energy plants are operating, for the most part, and have in the past operated, on a reimbursable basis.

Mr. MANSFIELD. On a cost-plus basis?

Mr. JACKSON. On a cost-plus basis plus a very nominal fee. The fee which such companies have been receiving is quite nominal. However, the real reward to those companies comes from the fact that they have had the opportunity in the past to acquire the know-how, through the experience of operating the atomic energy facilities. With that tremendous backlog of know-how, they are in a most advantageous position, now that we are about to move in and develop fissionable material for peacetime uses.

Mr. MANSFIELD. I should like to ask the Senator from Washington this question while the Senator from Tennessee [Mr. GORE] is present on the floor. The Senator from Washington mentioned the know-how which these companies acquired because of the contracts entered into between them and the Atomic Energy Commission. Does the Senator mean by the term "know-how" the development of patents, exclusive patents, which they have kept unto themselves, and which they would not release to the market, and which may at the present time give them a very positive superiority over corporations which might in the future become competitors? Does the Senator have that factor in mind?

Mr. JACKSON. It is my understanding that under the present law the companies would not be able to turn over patents which have been acquired through the operation of this program. However, I should like to make it clear that there is something more important than the actual formal patent itself, and that is the know-how which those companies have available in the form of their plant personnel. The plant personnel can be far more valuable than formal, written patents. Firms have the capacity to apply for an untold number of patents under the new proposed law, which would given such companies a tremendous advantage. They would be able to patent a number of processes, not because they would suddenly acquire them

under the new law, but because through the years they have built up the scientific talent and capacity to do much in the atomic field that other companies were not able to do, because other companies have not had the invaluable experience in the operation of atomic energy plants.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. JACKSON. I yield for a question.

Mr. MANSFIELD. Is it not a fact that the patent question is one of the most controversial in the atomic energy field? Is it not a further fact that a few large industrial corporations, as contractors with the AEC, have acquired an overwhelming head start over would-be competitors as a result of the know-how which they acquired, having been on the inside?

Mr. JACKSON. The Senator is absolutely correct.

Mr. MANSFIELD. Is it not our duty to see that no unjustifiable use will be made of such advantages?

Mr. JACKSON. I think without doubt the patent provision is one of the most important in the bill. The patent production could well give tremendous advantages to certain private corporations over other competitive private corporations, forgetting entirely the interest of the public as a whole.

Mr. MANSFIELD. Will the Senator yield further for a question?

Mr. JACKSON. I yield for a question.

Mr. MANSFIELD. Does the Senator have any information about the hearings covering the measure which were had before the joint committee, which would indicate that certain companies have been able to acquire preference, which they have kept to themselves and off the market, and which, if that is true, would give those companies a tremendous head start over would-be competitors in the future?

Mr. JACKSON. I think it is only human nature that they undoubtedly will have some preference in patents which they have not applied for, but which they could apply for in the event the bill is enacted into law.

Mr. MANSFIELD. Is it not a fact that under the original McMahon Act, as far as preferences were concerned, testimony was given by Mr. Casper Ooms, who was at that time Commissioner of Patents, that it was sought to protect the great public interest?

Mr. JACKSON. The Senator is correct.

Mr. MANSFIELD. It is to be hoped that if the bill becomes law, the public interest will still be maintained.

If the Senator will yield for another question, I should like to ask him if he can tell us what he thinks of the increase in the military posture in the personnel activities of the Atomic Energy Commission.

Mr. JACKSON. The military posture?

Mr. MANSFIELD. I ask that question on the basis of the statements made by the Senator from Rhode Island [Mr. PASTORE], who tried to point out earlier this morning the increasing dependence being placed in the hands of the Secretary of Defense.

Mr. JACKSON. I think it is most important that the Commission retain its civilian authority to deal with the military use of atomic power. Insofar as the production of fissionable material is concerned, I think the big responsibility should remain in the Commission. There is a growing danger, however, that the bill has loopholes in it by which the military could get control of the material beyond that which we in this country would like to see happen. Obviously, the big job for the military, so far as atomic and hydrogen weapons are concerned, is to provide effective deliverability and the most effective means of getting the atom and hydrogen material to a military target in time of war. I think it would be a mistake, however, to permit the military to take over the production and operation of fissionable material plants.

Mr. MANSFIELD. If the Senator will yield further, I should like to ask him this final question for the time being: I take it the Senator's opinion is that the McMahon Act, which originally adhered strongly to the principle of civilian control, should still be the paramount factor in the discussion and consideration of any bill affecting the rights of the Atomic Energy Commission?

Mr. JACKSON. I think the years have indicated the wisdom of the decision made by the Congress in granting and keeping and maintaining civilian control over atomic power.

These are public interest provisions which have been painstakingly devised by Congress over the past half century.

Now, let us measure the safeguard provisions of the pending bill against those contained in the Federal Power Act. We find, according to the separate views of Congressmen HOLIFIELD and PRICE, that the bill, as it was reported out of the committee, lacked at least six essential safeguards contained in the Federal Power Act:

First. Safeguard for the prior right of Federal development of the resource in any specific case where this will best serve the public interest.

Second. Safeguard for the prior right of public bodies and cooperatives, as against a private applicant for a license for any specific development of the resource.

Third. Safeguard for the right to public hearing in connection with any application, with a specific provision for admission of interested States, State commissions, municipalities, representatives of interested consumers or competitors as parties.

Fourth. Safeguards for the right of Federal or other public recapture of any development by a private licensee at the end of the license period on payment of no more than the licensee's net investment in the project.

Fifth. Safeguards for reasonable rates to consumers by provision requiring licensees as a condition of any license to agree to Federal regulation where States have provided no regulation of electric rates, with further provision that in any rate proceeding the licensee can claim no more than net investment in the development for rate-base purposes.

Sixth. Safeguards for the preferred position of public and cooperative electric systems to obtain power supply from Federal development of the resource.

It is gratifying that, since late yesterday afternoon, the Senate had adopted amendment which would correct four of the deficiencies noted above.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I yield for a question.

Mr. GORE. Is it not worthy to note the contrast in the kind of consideration which the junior Senator from Washington advocates and that which the majority leader advocates, to point to the deliberate consideration of the Johnson amendment and its adoption during the normal hours when men labor by a vote of 45 to 41, and the motion last night not to consider but to lay on the table, thus pigeonholing without consideration a worthy amendment to protect the interests of the public in this vital program.

Mr. JACKSON. I believe there has been complete vindication of our efforts to discuss these pending amendments at length in order that the public can fully understand and appreciate what they have at stake. I think the fact that we were successful yesterday on the two amendments—one by a yea and nay vote and the other by an acceptance vote—demonstrates that what we are doing here is in the best interests of the people of the country. I think as we proceed we will have more votes, and we hope that we will be able to improve this bill to the point where it may be acceptable for final passage.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield for a question.

Mr. GORE. Is it not a fact that those of us who are waging this fight for the protection of the people's interests in atomic energy are willing to bring amendments to a vote when the issues have been properly presented?

Mr. JACKSON. The Senator is correct.

Mr. GORE. Have we not demonstrated that?

Mr. JACKSON. The record completely corroborates the distinguished Senator's statement. We have done exactly that.

Mr. GORE. What kind of consideration do the Republicans want to give to amendments? What public statement did the majority leader make with respect to amendments to this bill?

Mr. JACKSON. I do not recall his statement. Maybe the distinguished junior Senator could advise me of that. I missed it.

Mr. GORE. The junior Senator from Tennessee remembers reading that the distinguished majority leader would accept no amendments to this bill: take it or leave it; up or down; pass it in one all night session. We were to do this because there was a farm bill waiting, a social security bill waiting, and a tax bill waiting.

What is to prevent the majority leader from laying this bill aside?

Mr. IVES. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Washington yielded for a question.

Mr. IVES. That was going to be my point of order.

The PRESIDING OFFICER. The Senate must proceed in order.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I yield for a question.

Mr. GORE. What is there to prevent the majority leader from laying the controversial features of this bill aside and proceeding to the consideration of the social-security bill or the farm bill or the tax bill? Would he not have the support of the junior Senator from Washington in such a move?

Mr. JACKSON. There is nothing to prevent such a move.

I would say in any event the international section of this bill should be acted upon without delay. I think it should have been brought in as a separate bill, because it is pretty much unrelated to the other provisions of the pending measure.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JACKSON. I shall be happy to yield.

Mr. ANDERSON. Does not the Senator recall there was evidence put into the record to show that the Atomic Energy Commission had submitted separate proposals regarding atomic energy in the international field and they were disregarded by the committee?

Mr. JACKSON. It is my understanding that initially the international phase of the atom was to be treated separately. I think it would have been much better to keep the national atom out of the international atom in this debate. I think they should have been brought in separately.

By passage of the Johnson amendment, the Atomic Energy Commission or other governmental agencies already empowered by law to engage in the production of electric power have now been given the right to construct commercial electric generation facilities, where authorized to do so by the Congress. This will provide the much-needed yardstick plants which are essential if this new energy source is to be made available to the electric consumers at the lowest possible rates.

By adoption of an amendment by my colleague, the able junior Senator from Minnesota, local public agencies and rural electric cooperates have been given a preference in receiving licenses for the construction of nuclear reactors for the commercial generation of electric power. This provision is in harmony with the basic philosophy governing the development and utilization of our natural resources, a philosophy which provides that the public, through its nonprofit agencies, shall have prior access to public resources.

Two other amendments sponsored by Senator HUMPHREY protect the rights of local public agencies and rural electric cooperatives to hearings on applications for licenses for nuclear power facilities and also establish the procedures to be followed by the Commission in processing such applications.

Mr. HICKENLOOPER. Mr. President, will the Senator yield at that point?

Mr. JACKSON. I shall be happy to yield for a question.

Mr. HICKENLOOPER. Is the Senator aware that the bill already contained those provisions, and that the amendment of the Senator from Minnesota added nothing to the already provided-for opportunities for notice of hearing to these groups, and it was only adopted because the Senator from Minnesota felt that it spelled out a little more clearly the right which was already in the bill?

Mr. JACKSON. I assume in accepting the amendment there was some recognition. I believe the amendment was accepted, was it not; offered and accepted?

Mr. HICKENLOOPER. It was not resisted. I want to make clear that those provisions were already in the bill, but it was thought that the amendment clarified them a little bit, so it was not a new provision in the bill at all, but the effect was a clarifying statement, which satisfied some people who felt it was not clear enough.

Mr. JACKSON. I appreciate the distinguished senior Senator's statement. I know he has spent a lot of time on this bill, and I am not disputing his statement.

Mr. HICKENLOOPER. Merely to clarify the RECORD, will the Senator yield for a further question?

Mr. JACKSON. For a question, yes.

Mr. HICKENLOOPER. The proposal to provide some clarification of the notice procedure was accepted. The portion of the amendment which provided for hearings was withdrawn after it became apparent, by explaining the provisions of the bill, that hearings were in fact provided for in the bill.

I did not want to leave the connotation that the committee had failed to consider the question of notice and hearing and provide for it in the bill.

Mr. JACKSON. What I am about to say is what I have in mind in connection with this particular point.

Through the adoption of these amendments, applicants for nuclear powerplants will be required to follow the same time-tested procedures as those required under the Federal Power Act by applicants for hydroelectric power projects.

And, as a result of the adoption by the Senate yesterday of an amendment sponsored by Senator GILLETTE and others, local public agencies and rural-electric cooperatives will be accorded a preference in the marketing of electric energy produced by federally owned nuclear power reactors.

However, Mr. President, there are still other safeguard provisions which must be adopted by the Congress if this important legislation is adequately to protect the public's interest in this resource.

In our review of the Federal Power Act, we have noted that one of the important provisions of that act is that the Federal Government retains the right to recapture a facility at the expiration of the term of the license. This provision is contained in section 14 of the Federal Power Act, which stipulates that upon not less than 2 years' notice in writing from the Commission, the United States shall have the right upon or after the expiration of any license to take over and maintain and operate the project.

Before taking possession of the facility, the United States is required to pay the net investment of the licensee in the project "not to exceed the fair value of the property taken." The Federal Power Act further provides that the net investment of the licensee in the project or projects taken over by the Government shall be determined by the Commission after notice and opportunity for a hearing.

These provisions were inserted by the Congress in the Federal Power Act in recognition of the fact that the United States continues to retain ownership of a power site even though it licenses a private company or non-Federal agency to the use of such a site. The Federal Government does not in any sense give up its rights to power sites by the leasing of such sites to private companies, just as the owner does not give up the ownership of a house when he leases it for a period of years.

Just as the recapture provision is equitable and necessary in the case of hydroelectric power sites, it is equally applicable in the field of nuclear energy.

For it should be borne in mind that the Government retains ownership of the fissionable materials, just as it retains ownership of the hydroelectric power sites. Moreover, as contrasted with the hydroelectric power sites, the fissionable materials have been produced in the first instance by the Federal Government.

Inasmuch as the Federal Government, under the pending bill is authorized to issue licenses not to exceed 40 years for the use of nuclear materials in the generation of electric power, the same recapture provisions which are contained in the Federal Power Act should be made applicable in the field of atomic energy.

This is provided in the following amendment which has been introduced by the Senator from Minnesota [Mr. HUMPHREY]:

On page 44, before the period in line 3, add the following provisio: ": Provided, That upon not less than two years' notice in writing from the Commission the United States shall have the right upon and after the exporation of any license to take over and thereafter to maintain and operate any facility or facilities for the utilization of special nuclear material for the generation of electric energy on payment of the net investment of the licensee in such facilities, with severance damages, if any, in general accordance with the terms of section 14 of the Federal Power Act: *Provided further*, That if the United States does not exercise its right to take over the facility or facilities on the expiration of any license, States, municipalities, and cooperatives shall have a prior right of acquisition on the same terms in connection with the issuance of a new license for such facility or facilities.

It will be noted that this amendment contains the same procedures for recapture as are included in the Federal Power Act. The Commission is required to give not less than 2 years' notice in writing of its intention to take over such facilities at the expiration of the license, and the method of compensation is the same as that prescribed in the Federal Power Act.

Furthermore, the Federal Power Act—like the Humphrey amendment—provides that if the United States does not exercise its recapture rights, a prior right of recapture is granted to States and municipalities.

Another safeguard to the public which must be provided in the pending legislation is adequate rate control by the Federal Power Commission. As pointed out in the separate views of Representatives HOLIFIELD and PRICE in House Report No. 1699:

> Aside from section 271, providing that nothing in this act shall affect the authority or regulations of Federal, State, and local regulatory agencies, it is barren of any recognition of the public interest in securing electric energy from this new resource at the lowest possible rates. Experience has shown clearly that such regulatory authority is entirely inadequate to protect the public interest in electric power developed from public resources, unless supplemented by specific standards governing licenses and the availability of public or cooperative competition in the distribution of electric energy.

The amendment by the Senator from Minnesota [Mr. HUMPHREY] is essential if we are to be assured that the savings resulting from the development of nuclear power are to be passed on to the ultimate consumer.

It will be noted that the amendment to which I have just referred makes the licensees of the Atomic Energy Commission subject to the provisions of sections 301, 302, 304, and 306 of the Federal Power Act. So that Members of the Senate might have an opportunity to examine the carefully prescribed procedures which are contained in these provisions of the Federal Power Act, I will refer to them briefly, as follows:

> (e) Every licensee under this act, holding a license from the Commission for a utilization or production facility for the generation of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306 thereof and to such other provisions of the Federal Power Act as provide for the enforcement of the regulatory authority of the Federal Power Commission with respect to licensees for development of waterpower.

Another amendment which is imperative is the following, likewise sponsored by the Senator from Minnesota [Mr. HUMPHREY]:

> On page 89, line 9, change the period to a comma and add the following words: "and no construction permit shall be issued by the Commission until after the completion of the procedures established by section 182 for the consideration of applications for licenses under this act."

As the bill now stands, the Atomic Energy Commission could issue a permit for the construction of a nuclear power facility before a license is finally granted by the Commission. If this procedure were followed, a licensee could proceed with construction of a facility and invest large sums before the Commission had an opportunity to complete the processing of the license application.

Under such a procedure, the Commission could completely circumvent the carefully devised provisions of the bill relating to the issuance of licenses, for it is doubtful whether the Commission would fail to issue a license to a corporation which had already made substantial investments in a plant, pursuant to the authority granted it by the construction permit.

The amendment by the Senator from Minnesota which I have quoted above is therefore essential if we are to prevent the circumvention of the license procedures contained in the act.

Mr. President, in all this vast bill of 19 chapters and 104 pages there are no more controversial and complex provisions than those relating to patents. We are torn between providing the incentives of private patents and protecting the interest of the American people in their $12 billion investment in atomic energy research and development by insuring against exploitation of a national resource.

Since we are only on the threshold of our atomic development, and because one of the purposes of the act as stated in section 1 b. as to "strengthen free competition in private enterprise," I believe that we can generally agree on the desirability of some limitation on the issuance of private patents, which are essentially grants of private monopolies. I am aware that some voices have been raised in cries of "socialism," and that it has even been contended that any compulsory licensing of patents is unconstitutional, but it seems to me that it is only the better part of discretion to attach some strings to any private privileges we grant in the atomic energy field at this stage of the game.

The present law, the Atomic Energy Act of 1946, or the McMahon Act, provided for patents on nonmilitary atomic inventions, but it required a form of compulsory licensing of these patents. The Atomic Energy Commission and its licensees could use any such inventions, with reasonable compensation to the owner.

President Eisenhower, in his message to Congress last February, made a strong case for private patents. Yet he was compelled to add this cautionary note—I quote from the President's message of February 17:

> Until industrial participation in the utilization of atomic energy acquires a broader base, considerations of fairness require some mechanism to assure that the limited number of companies, which as Government contractors now have access to the program, cannot build a patent monopoly which would exclude others desiring to enter the field. I hope that participation in the development of atomic power will have broadened sufficiently in the next 5 years to remove the need for such provisions.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. JACKSON. I am glad to yield for a question.

Mr. DOUGLAS. Is it not true that a great deal of work in the development of atomic energy has been conducted by private companies operating under contracts with the Atomic Energy Commission?

Mr. JACKSON. The Senator from Illinois is entirely correct. Virtually all the work of the Atomic Energy Commission has been carried on through its contractors. I will say that these private contractors have done an outstanding job. They include such great firms as General Electric, in my own State, where they operate the Hanford Plutonium Works; in the State of Tennessee, where, I believe, Union Carbide operates the great gaseous diffusion plant at Oak Ridge; and in South Carolina, the Savannah River Plutonium Works, which is being operated, I believe, by Du Pont.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Is it not true, however, that the cost of these enterprises has been wholly underwritten by the Government of the United States, acting for the people of the United States?

Mr. JACKSON. It is my understanding that most of the contracts with private companies stipulate that the company shall be reimbursed for all its expenses, and, in addition, the company receives a nominal fee. I believe the fees in practically every instance have been very nominal indeed.

Mr. DOUGLAS. Is it not true, therefore, that the experimental work which is conducted in these laboratories has been paid for by the people of the United States?

Mr. JACKSON. There is no question about that. I assume the reason why the President made reference in his special message to the Congress is the fact that it is well known that the large contractors who have been operating atomic energy facilities for the Federal Government have a tremendous advantage over other private corporations in that they have acquired over many years that which is a most invaluable asset that could not be acquired by any private corporation in this field, namely, the know-how to operate an atomic electric powerplant or other atomic energy facility.

Mr. DOUGLAS. Is it not true that if the ordinary unrestricted procedures with respect to patents were to be adopted, the concerns which have been on the inside would then be able to take out patents which would close the field to other concerns?

Mr. JACKSON. The Senator is entirely correct. It would be, in effect, granting an unfair competitive advantage to those companies which have been participating in the atomic energy program as contractors. It would, in addition, in my judgment, be tantamount to granting a monopoly patent to those firms. It would have a serious and a most detrimental effect on any hoped-for competition in this all-important field of atomic energy development by private enterprise in the United States. We would have laid a foundation for a monopoly in this field by a

few companies before the program had really been given a chance to be developed by other private firms.

Mr. DOUGLAS. Is it the contention of the Senator from Washington that this would have been done with public funds?

Mr. JACKSON. The Senator is entirely correct. The program has been developed with public money.

Mr. DOUGLAS. Is it the contention of the Senator from Washington that since the experimental and developmental work has been done with public funds, it should be thrown open to various firms in industry and to the Government, if the Government conducts work in this field?

Mr. JACKSON. I think it is reasonable to say that the firms which have been doing this work for the Government should act as trustees of this information and know-how for the benefit of all private firms in the country. We lawyers would say that we might impose what we call a constructive trust in this situation, recognizing that they are not formally trustees, but we would say they were in fact trustees, although they did not agree to it, because they have had in their position valuable information which should be held in trust for all the people of the United States owing to the fact that the information was made available in large measure by public funds for development by the Federal Government of these atomic energy facilities.

Mr. DOUGLAS. Mr. President, will the Senator from Washington yield for a further question?

Mr. JACKSON. For a question.

Mr. DOUGLAS. Is it not true that in addition to the work directly conducted by the various companies under contract, there is a considerable number of scientists employed directly by the Government in theoretical work, and there is another large market for the services of those scientists in private industry?

Mr. JACKSON. The Senator is entirely correct. It creates quite a problem in many instances for the Atomic Energy Commission. The problem relates to the fact the scientists working for the contractors and reimbursed with public funds get salaries comparable to those paid in private industry. On the other hand, the scientists who work directly for the Atomic Energy Commission get paid in accordance with Federal pay scales which are out of proportion to the pay given to some people in private industry.

Mr. DOUGLAS. Is there not, therefore, a further continuing erosion in the number of scientists in governmental employ who are being induced to move into private industry?

Mr. JACKSON. There is no question about that. The lure is such that competent scientists who are interested in bettering conditions for their families naturally are going to work for private firms when they can receive a much larger reward.

Mr. DOUGLAS. If there were no restrictions upon patents, would not the private company be able to induce governmental scientists to come into its employ, and then have the private company patent the discoveries and inventions which these men have made as governmental employees?

Mr. JACKSON. I think that certainly is a distinct possibility. There is no question about it.

Mr. DOUGLAS. Is the Senator from Washington acquainted with the history of the so-called Selden patents in the automotive industry?

Mr. JACKSON. I have heard about those cases. I am not familiar with the details of them.

Mr. DOUGLAS. Is it not a fact that what gave the automotive industry its great forward development was the decision that the Selden patents became the joint property of all concerns in the industry, and that it was this which really enabled the automotive industry to go forward?

Mr. JACKSON. If the courts made such a decision, there is no doubt that it provided a great stimulas to all industries in that field; all private companies, I mean.

Mr. DOUGLAS. Am I correct in my understanding that even the limited provision for the pooling of patents provided for in this bill was objected to by the chairman of the Joint Committee on Atomic Energy, Representative COLE of New York and Representative VAN ZANDT, of Pennsylvania?

Mr. JACKSON. I believe the answer is contained in the story found on the subject of patents which appears in the report accompanying the bill. The separate views on page 99 are signed by Representative STERLING COLE and Representative VAN ZANDT, both Members of the House and members of the Joint Committee on Atomic Energy, Mr. COLE being the chairman of that joint committee.

Mr. DOUGLAS. Mr. President, will the Senator from Washington further yield?

Mr. JACKSON. For a question.

Mr. DOUGLAS. Is it not reasonable to comment, therefore, that the limited pooling of patents provided for in this bill is in a sense a compromise between the views of Representatives COLE and VAN ZANDT, who wanted no pooling at all, and others who felt that a more thoroughgoing system of pooling was needed?

Mr. JACKSON. That would appear to be the case.

Mr. DOUGLAS. Is it not true that the pending bill merely provides for compulsory licensing up to 1959, and thereafter the ordinary system of patents will be in effect?

Mr. JACKSON. That is my understanding, and I think that very clearly the provisions in the bill do not provide the protections which should be contained in the bill with reference to patents.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. UPTON in the chair). Does the Senator from Washington yield to the Senator from Illinois?

Mr. JACKSON. I yield for a question.

Mr. DOUGLAS. Does not limitation on compulsory licenses mean that companies in the possession of vital information, discoveries, and inventions could withhold the use of this material for its patenting for 5 years, and then patent it after 1959 and have exclusive possession of the information?

Mr. JACKSON. I pointed out earlier that that was one of the real dangers in this bill. Certainly, companies that have been engaged in the production of fissionable material for the Commission and doing research work, have acquired a lot of knowledge that can be patented later on to the advantage of the firms concerned and to the disadvantage of the public interest.

Earlier this year, bills introduced by the sponsors of the present bills—S. 3323, by Senator HICKENLOOPER, and H. R. 8862—would have permitted private patents in the nonmilitary atomic energy field with no requirement to license others to use such inventions. Patent features of these bills were sharply attacked in hearings before the joint committee. One witness, Gilmore Tillman, Los Angeles attorney representing the Los Angeles department of water and power and the American Public Power Association, warned that the patent provisions of the bill "would afford opportunity for the creation of a monopoly on a scale never before known in America." Mr. Tillman explained:

> We believe that the holder of a basic patent enabling him to bring costs other than fuel to a level comparable with those of a conventional plant could dominate and monopolize the electric utility industry in the United States.

The pending bill was introduced at the close of the hearings before the joint committee, and it provides for a limited form of compulsory licensing of patents for roughly the next 5 years in line with the suggestion of President Eisenhower.

Mr. DOUGLAS. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. DOUGLAS. Thereafter it is against the proposal of the President.

Mr. JACKSON. The Senator is entirely correct.

A comparison of its patent provisions with the present law reveals some differences which should be examined carefully.

In both the present law and the proposed legislation, patents may be licensed when they are declared "to be affected with the public interest." A clue to the different patent provisions spelled out in succeeding paragraphs is contained in the opening clause of the law and the bill.

Section 11 (c) (1) of the McMahon Act states:

> It shall be the duty of the Commission to declare any patent to be affected with the public interest if (A) the invention or discovery covered by the patent utilizes or is essential in the utilization of fissionable material or atomic energy; and (B) the licensing of such invention or discovery under this subsection is necessary to effectuate the policies and purposes of this act.

The comparable section, section 152 (a) of the present bill, reads:

> The Commission may, after giving the patent owner an opportunity for a hearing, declare any patent to be affected with the

public interest if: (1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this act.

Under the present law, it is the duty of the Commission to make this vital determination permitting patents to be licensed, but the proposed bill merely makes it discretionary with the Commission, and then only after consulting with the patent holder. If this declaration is a necessary preliminary to the licensing of patents, and it is provided for in both the bill and the law, then it seems to me that this function should be made mandatory rather than left to the discretion of the Commission.

Similarly, great, new discretion is left to the Commission in the bill by the phrase "primary importance." Thus, under the present law, the requirements for licensing are that the patent utilize or be essential in utilizing atomic material and necessary to effectuate the policies and purposes of the act. But the present bill would require that the patent be of "primary importance" both in production or use of atomic materials and in effectuating the policies and purposes of the act.

Today, the law states that when a patent has been found to be affected with the public interest, any licensee of the Commission "is hereby licensed to use the invention or discovery covered by such patent." Compare this simple, straightforward statement in the present law with the imposing and tedious language of the present bill. Instead of being licensed as provided by the existing law, the Commission licensee is merely granted permission to apply for a license after the patent is declared to be "affected by the public interest." Section 152 c, d, e, and f of the present bill seems clearly designed to discourage rather than promote or even facilitate the utilization of patents which the bill purports to make available. A qualified person who wishes to use a patent may do the following, and here I quote from section 152c:

Any person * * * may at any time make application to the Commission for a patent license for the use of an invention or discovery useful in the production or utilization of special nuclear material or atomic energy covered by a patent. Each such application shall set forth the nature and purpose of the use which the applicant intends to make of the patent license, the steps taken by the applicant to obtain a patent license from the owner of the patent, and a statement of the effects, as estimated by the applicant, on the authorized activities which will result from failure to obtain such patent license and which will result from the granting of such patent license.

Continuing the following paragraphs of the bill:

d. Whenever any person has made an application to the Commission for a patent license pursuant to subsection 152—

(1) The Commission, within 30 days after the filing of such application, shall make available to the owner of the patent all of the information contained in such application, and shall notify the owner of the patent of the time and place at which a hearing will be held by the Commission;

(2) The Commission shall hold a hearing within 60 days after the filing of such application at a time and place designated by the Commission; and

(3) In the event an applicant applies for two or more patent licenses, the Commission may, in its discretion, order the consolidation of such applications, and if the patents are owned by more than one owner, such owners may be made parties to one hearing.

e. If, after any hearing conducted pursuant to subsection 152d, the Commission finds that—

(1) The invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy;

(2) The licensing of such invention or discovery is of primary importance to the conduct of the activities of the applicant;

(3) The activities to which the patent license are proposed to be applied by such applicant are of primary importance to the furtherance of policies and purposes of this act; and

(4) Such applicant cannot otherwise obtain a patent license from the owner of the patent on terms which the Commission deems to be reasonable for the intended use of the patent to be made by such applicant; the Commission shall license the applicant to use the invention or discovery covered by the patent for the purposes stated in such application.

f. The Commission shall not grant any patent license pursuant to subsection 152e for any other purpose than that stated in the application. Nor shall the Commission grant any patent license to any other applicant for a patent license on the same patent without an application being made by such applicant pursuant to subsection 152c, and without separate notification and hearing as provided in subsection 152d, and without a separate finding as provided in subsection 152e.

Mr. President, I submit that the language of the present bill throughout section 152, relating to nonmilitary utilization of patents and inventions, is designed to discourage the would-be user of patents from making application for their use in the first instance, and, if he does apply, from receiving permission to use them. The purpose of these provisions in both the existing law and present bill is to permit licensing of certain patents in the atomic energy field. This is achieved with brevity and clarity in the present law. On the other hand, the proposed legislation appears more likely to frustrate this worthy purpose rather than to accomplish it.

The McMahon Act contains an important section relating to patents which is completely ignored in the bill. It is section 11 (b) which is as follows:

(b) Use of inventions for research: No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the conduct of research or development activities in the fields specified in section 3. Any rights conferred by any patent heretofore granted for any invention or discovery are hereby revoked to the extent that such invention or discovery is so used, and just compensation shall be made therefor.

Mr. President, I ask unanimous consent that section 3 be inserted at this point in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 3. (a) Research assistance: The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below by private or public institutions or persons and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, and loans) for the conduct of research and development activities relating to—

(1) nuclear processes;

(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

(3) utilization of fissionable and radioactive materials for medical, biological, health, or military purposes;

(4) utilization of fissionable and radioactive materials and processes entailed in the production of such materials for all other purposes, including industrial uses; and

(5) the protection of health during research and production activities.

The Commission may make such arrangements without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and may make partial and advance payments under such arrangements, and may make available for use in connection therewith such of its equipment and facilities as it may deem desirable. Such arrangements shall contain such provisions to protect health, to minimize danger from explosion and other hazards to life or property, and to require the reporting and to permit the inspection of work performed thereunder, as the Commission may determine; but shall not contain any provisions or conditions which prevent the dissemination of scientific or technical information, except to the extent such dissemination is prohibited by law.

(b) Research by the Commission: The Commission is authorized and directed to conduct, through its own facilities, activities and studies of the types specified in subsection (a) above.

Mr. JACKSON. Mr. President, the intent of this section is to prevent patent rights from blocking or delaying our vital research program in the many fields opened up by the harnessing of atomic energy. Does anyone feel that patents should be allowed to interfere in any way with our pursuit of scientific research and development in this field? I am sure the answer is no, but I find no safeguard against this undesirable possibility in the present bill. Certainly this wise provision of the present law should be retained.

Section 152 h. of the present bill states that the patent licensing provision "shall apply to any patent the application for which shall have been filed before September 1, 1959." In other words, no licensing will be required for nonmilitary atomic patents under terms of this proposed legislation after September 1, 1959, or some 5 years hence. There is no comparable provision in the McMahon Act.

The arbitrary determination that 5 years from now, on September 1, 1959, it will be good policy and in the public interest suddenly to abandon all compulsory licensing of nonmilitary atomic in-

ventions is not simply a prediction on the part of the author of the bill that we shall enter into a new era upon that fateful day 5 years hence. Rather, Mr. President, it is a clear declaration that we intend to abandon a vital safeguard against monopolistic exploitation of a great, new public resource.

Apparently the 5-year provision stems from President Eisenhower's message in which he said:

> I hope that participation in the development of atomic power will have broadened sufficiently in the next 5 years to remove the need for such provisions.

Note he said "I hope." If the President meant that he hopes that within five short years we shall have reached a point where atomic development and industrial applications of atomic energy are so far advanced that we need no longer to make special provisions to protect us from atomic monopoly by a few groups, then I am sure that we can all join in that hope. But I do not think the President was forecasting that this would necessarily be the case, nor, I fear, do I dare make such a prediction.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield for a question.

Mr. GORE. What period of time is necessary in order to be able to build a reactor of the size and magnitude necessary to produce electricity in commercial quantities?

Mr. JACKSON. I assume that the type of reactor which could be used to demonstrate the efficient operation of a facility should be of a capacity of about 250,000 kilowatts. I should think it would take a minimum of 3 and possibly 5 years to build such a reactor, certainly not less than 2 years.

Mr. GORE. If such a period of time is necessary—and I believe the period is now recognized to be possibly 5 years—the period provided for in the act would appear to be insufficient, would it not?

Mr. JACKSON. I think it is quite clear that the 5-year period specified in the act is pretty much a speculation. I certainly think that it would be much more wise to remove that provision. At a later date Congress will have to take a look at the law. It will then be in a better position to determine what changes should be made.

Mr. GORE. Why should the Congress, now, before knowing what the conditions with respect to patents will be 5 years from now, undertake to close the door at this time, when we are but on the threshold of this vast development.

Mr. JACKSON. I think it would be a great mistake if this bill passes with the present patent provisions in it.

Mr. GORE. With patents resulting from ideas and ideas from the minds of men, what assurance would we have that there would be no uncertainty about just when an idea germinated and just when it came to fruition. We might very well find that immediately, or soon after we pass this bill, with a date fixed at 5 years from now—I believe it is September 2, 1959, is it not?

Mr. JACKSON. September of 1959, anyway.

Mr. GORE. We might find that a plethora of new ideas would come to fruition which may have germinated under Government employment at a period of time when the rightful products of the minds of those men would belong to the people of the United States.

Mr. JACKSON. I think the distinguished junior Senator from Tennessee is entirely correct. I think it would be a disastrous situation if on September 1, 1959, this whole section of the law would be thrown wide open to these people who have had a tremendous advantage so far as patents are concerned during the past many years of the atomic energy development program.

Only a few months ago, Mr. President, the Atomic Energy Commission announced a new program for the construction of a series of new reactors of several different types. This program is to take 5 years. When it is completed, we shall certainly know more about the economic and engineering possibilities of atomic power. We shall not, however, necessarily be prepared to cast off all civilian wraps and declare the atomic age is a fait accompli.

In testimony before the Joint Committee on Atomic Energy, Samuel B. Morris, general manager and chief engineer of the Los Angeles department of water and power, and chairman of the American Public Power Association's atomic-power policy committee, commented as follows:

> In view of the number of reactors authorized and under construction for AEC, the cooperation being entered into by public utilities and private industry, and the fact it is generally expected that at least 5 or 6 years will elapse before full results from these new developments in the production of electric power from atomic energy will be known and available, it would appear prudent to await a report from AEC on whether, in its opinion, any industrial, commercial, or other nonmilitary use of special material or atomic energy has been sufficient to be of practical value.

Mr. MORSE. Mr. President, will the Senator yield for a few questions?

Mr. JACKSON. I yield for a question.

Mr. MORSE. Was the Senator from Washington aware of the fact that prior to the President's press conference the day before yesterday the President was unaware of the fact that three members of the Atomic Energy Commission were opposed not only to the Dixon-Yates contract, but seemed to have other reservations in respect to this legislation.

Mr. JACKSON. I saw something in the paper about it. I did not have an opportunity to read the report of the press conference in its entirety.

Mr. MORSE. Has the Senator from Washington been advised that Miss Doris Fleeson, a very able newspaperwoman, asked the President if he were aware of the fact that three members of the Atomic Energy Commission, constituting a majority of the Commission, did not approve of the contract, and he admitted in reply to that question that he was not aware of it?

Mr. JACKSON. I know that Doris Fleeson can ask some very penetrating questions.

Mr. MORSE. Would the Senator from Washington be surprised if I told him that it is a fact that the President at that press conference admitted that he did not know a majoriy of the Atomic Energy Commission was opposed to the contract?

Mr. JACKSON. I would certainly be surprised. I would assume that no President would attempt to in effect ram down the throats of a Commission something on which the majority of the members were opposed, as to negotiating such a contract.

Mr. MORSE. Would the Senator from Washington be surprised to learn that at that same press conference the President indicated that he would be more inclined, anyway, to rely upon an opinion of the Attorney General; and left the impression with the reporters that he had an opinion from the Attorney General approving his order?

Mr. JACKSON. I said earlier in response to a somewhat similar question that I thought the President got some bad advice, both legal and otherwise, when the order was issued by him for the Commission to negotiate a contract with this private firm.

I will say this in fairness: I think the action of the President was probably predicated upon the advice he received. He, no doubt, had no idea that the particular directive to the Department was in violation of every principle of law and of good, sound administrative practice.

Mr. MORSE. Is the Senator from Washington aware of the fact that not so many days ago the Attorney General of the United States, Mr. Brownell, appeared on the Meet the Press program and indicated on that program that this matter had not as of that time been referred to the Department of Justice? That was the date of July 11.

Mr. JACKSON. I am surprised that the Attorney General had not been called in on this contract. It involves some unique legal principles, to say the least.

I am further advised that the General Accounting Office raised some question about the propriety of the proposed negotiation directed by the President.

Mr. MORSE. Will the Senator from Washington take my word for it when I tell him that the Attorney General, on the Meet the Press program, did indicate very clearly that this matter had not been as of that date, July 11, referred to the Department of Justice?

Mr. JACKSON. I certainly will. I am very surprised to hear it.

Mr. MORSE. Does the Senator from Washington agree with me that these recent disclosures as to the lack of information on the part of the President of the United States, as to the implications and consequences of his course of action, raise an obligation on the part of the leadership of the Senate of the United States to apprise the President of the United States as to what the facts are with respect to this bill and what the major objections of those of us fighting this bill are?

Mr. JACKSON. I think it demonstrates very clearly the need for letting the people of this country know the full import of what is contained in this bill

and what has been going on, such as the Dixon-Yates proposal.

Mr. MORSE. Does the Senator from Washington agree with me that it also raises a very important obligation that the President be informed as to what is involved in this bill and what those serious consequences will be?

Mr. JACKSON. I think that certainly the President should take a new look at some of the advice that he is getting from some advisers.

I sincerely believe—I say again in fairness to the President—that he received some bad legal advice. I think it was not only bad legal advice, but it was poor judgment on the part of the people who presented him with such a directive. We know as a practical matter that these directives do not originate with the President. They come in through the departments. The proposals are then submitted to the President. He is advised that he can do so-and-so. The President has to rely on someone in order to administer the affairs of his office. In this instance I think it is the result of very, very bad advice that he received from someone in the executive branch of the Government.

Apparently, if what you say is true, as to what took place at the press conference, it is quite apparent that he relied heavily, if not exclusively, on what someone else told him.

Mr. MORSE. Does the Senator from Washington agree with me that if it is true that on July 11, when the Attorney General spoke on the Meet the Press program, this matter at that time had not been submitted to the Department of Justice, it was then unfortunate that this bill should have been raised on the floor of the Senate the very next day for debate and consideration?

Mr. JACKSON. I think the junior Senator from Oregon is entirely correct. I think it corroborates completely the position we have taken not only in connection with the bill but in connection with this so-called Dixon-Yates contract.

Mr. MORSE. Does the Senator from Washington agree with me that there is certainly a basis for the surmise, at least, that some barrier exists between the President and his advisers down at the White House which is keeping out the facts and information the President ought to know about this bill and his course of action in respect to the bill?

Mr. JACKSON. Well, I think he needs one good adviser to keep him away from some other advisers.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. JACKSON. I would be happy to yield for a question.

Mr. MORSE. Does the Senator recall, or will this help refresh his memory, a great historic incident which occurred in the year 1913 when the Federal Reserve Bank Act was before the Congress, in the administration of Woodrow Wilson, and a difference of opinion over that bill developed between the Congress and the then President of the United States? Does the Senator from Washington recall that?

Mr. JACKSON. The Senator from Washington was only 1 year of age at that time.

Mr. MORSE. Does the Senator recall the Federal Reserve bank bill fight as a result of his study of American history?

Mr. JACKSON. I knew that the former dean of the Oregon Law School would bring up the historical part of it.

I remember distinctly the great reforms, of course, which were enacted during that period starting in 1913 and going through 1916, during the first administration of Woodrow Wilson. Frankly, I do not recall the specific controversy.

Mr. MORSE. Would it be of help to the Senator from Washington in considering the parliamentary situation which now confronts the Senate of the United States if I advised him that at that time Robert L. Owen of Oklahoma was the leader in the fight on the Federal Reserve Bank Act in the Senate, and Carter Glass, of Virginia, then chairman of the House Committee on Banking and Currency, was the leader in the House?

When differences of opinion developed between Woodrow Wilson and the Congress, and the Congress and the White House were at loggerheads, as we are today on this bill, the suggestion was made and carried out that the President confer with leaders of the Congress who opposed his bill as well as those who favored it. It was felt that such a conference and several were in fact held by Wilson would help iron out some differences of opinion over the bill and produce some changes. Would it interest the Senator from Washington to know that as a result of such conferences Wilson came to have a better understanding of certain objections to his bill and men such as Glass and Owen and the others in the Congress were in a better position to secure the passage of the bill with some modification?

As a result of such conferences with Woodrow Wilson, a composition of the differences was reached with the result that we now have the Federal Reserve Bank Board Act on the statute books.

Does the Senator believe that a similar procedure of calling a conference with the President over the weekend might be helpful to the President of the United States, and would be an act of statesmanship on the part of all concerned?

Mr. JACKSON. I think a conference would be most helpful. Many of us have gone out of our way to help the President on some of his programs when we have felt that he was engaged in undertaking what we thought was in the best interests of our people.

I am not a petty partisan, and would not want, for the sake of partisanship, to oppose our President, just for the sake of opposition. I believe that conferences and discussions of matters in which there is a substantial misunderstanding can always be helpful.

Mr. MORSE. Mr. President, will the Senator yield for one more question?

Mr. JACKSON. I am happy to yield for a question.

Mr. MORSE. In view of what has just been stated—and I completely agree with the spirit and the intent of what he has said—does the Senator believe that those of us who are opposing the President of the United States on this bill owe it to him and owe it to the country to make certain that the President thoroughly understands our differences of opinion? Is it not only fair that the President should have an opportunity to modify his views in line with what we might point out to him, because, as evidenced by what was brought out in the press conference, he did not even know that a majority in the Atomic Energy Commission were not in favor of the order that he had issued in regard to the Dixon-Yates contract?

Mr. JACKSON. I think it would be helpful, and I think that is true.

Mr. MORSE. Mr. President, will the Senator yield for one final question?

Mr. JACKSON. I yield.

Mr. MORSE. In view of what the Senator from Washington has stated, does he feel that there is merit in the suggestion that I have made, to the extent that the majority leader of the Senate should give consideration to it, to wit, that over this weekend a committee representing those in favor of the bill and those opposed to the bill have a conference with the President of the United States, so that the country will know that at least the President has been thoroughly briefed as to the issues that have caused us to come to loggersheads over this bill and to take the position that it shall not pass in its present form?

Mr. JACKSON. As a suggestion, I think it would be helpful. Of course, it is up to the majority leader to make that decision.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. JACKSON. I am glad to yield for a question.

Mr. MORSE. The Senator understands, does he not, that I am perfectly aware of the fact that all we can do is to make helpful suggestions, or at least suggestions that we think are helpful, and to give notice to the majority leader that there is a group of us who believe that we are making a historic fight to protect the interests of American boys and girls for decades to come, and to protect them from the loss of the heritage of the great atomic-power resources that belong to all the people of the United States, who have invested more than $12 billion in them.

Mr. JACKSON. The Senator from Oregon is entirely correct.

As provided under section 7 (b) of the Atomic Energy Act of 1946. It does not appear, pending such report to the President and his transmittal to the Congress with his recommendation, that there should be such sweeping changes in policy as to make discoveries in this field subject to private patents and to private monopoly. This is particularly true in view of the $12 billion previously expended by the people of the United States through their National Government as compared to a few million dollars by private industry which through ownership of patents might set up a roadblock and exact tributes from the 160 million people who have already invested so heavily in atomic-energy know-how.

We may be optimistic or pessimistic about the prospects for atomic power and other atomic developments, but none

of us seems to me to be so gifted as to be able to predict the state of our atomic energy program a year or two from now, let alone 5 years from now. Perhaps we shall find that 5 years is too long a period to wait before we permit atomic inventions to be patented under the usual patent laws. Or, as I would be inclined to feel at this moment, perhaps we shall not wish to take this step so soon as 5 years from now. But why should we speculate? There is no necessity to write a deadline into our atomic energy law for any of its provisions. Future Congresses can amend any law we pass, and I do not see the necessity for attempting to forecast our atomic progress in this fashion.

Mr. President, the patent provisions of the present bill are so complex, and, in my opinion, are so inferior to those of the McMahon Act, that I believe thorough consideration should be given to substitution of the McMahon Act patent provisions for those of the pending bill.

Not only are the present patent provisions adequate but by preserving these carefully worked out provisions at the present time, the Congress could have occasion at the next session to consider more carefully this highly important and controversial question. In the interim, further study of this problem could be made by the Joint Atomic Energy Committee.

Although no such amendment has yet been introduced, I am giving further thought to this matter and will probably introduce shortly an amendment which will substitute the McMahon Act patent provisions for the applicable provisions of the Cole-Hickenlooper bill.

As I have stated earlier, the bill presently before the Senate is one of the most important to be considered in the past decade. Although it has been greatly improved by the amendments which have been adopted thus far, additional amendments which I have discussed this morning are imperative if the public interest is to be preserved and if we are to take advantage of the lessons we have learned—many at great cost—in the development of our Nation's resources.

Mr. President, I yield the floor.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

Mr. THYE. That is exactly what I had intended to suggest.

The PRESIDING OFFICER (Mr. UPTON in the chair). The secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Daniel	Holland
Anderson	Dirksen	Humphrey
Barrett	Douglas	Ives
Beall	Dworshak	Jackson
Bennett	Eastland	Jenner
Bowring	Ervin	Johnson, Colo.
Bricker	Ferguson	Johnson, Tex.
Bridges	Flanders	Johnston, S. C.
Burke	Frear	Kennedy
Bush	Fulbright	Kerr
Butler	George	Kilgore
Byrd	Gillette	Knowland
Capehart	Goldwater	Kuchel
Carlson	Gore	Langer
Case	Green	Lehman
Chavez	Hayden	Lennon
Clements	Hendrickson	Long
Cooper	Hennings	Magnuson
Cordon	Hickenlooper	Malone
Crippa	Hill	Mansfield
Martin	Payne	Sparkman
Maybank	Potter	Stennis
McCarran	Purtell	Symington
McCarthy	Reynolds	Thye
Millikin	Robertson	Upton
Monroney	Russell	Watkins
Morse	Saltonstall	Wiley
Mundt	Schoeppel	Williams
Murray	Smathers	Young
Neely	Smith, Maine	
Pastore	Smith, N. J.	

The PRESIDING OFFICER (Mr. FERGUSON in the chair). A quorum is present.

Mr. KNOWLAND. Mr. President, I wanted a live quorum, so that I might propound another unanimous-consent request. This unanimous-consent request, as I stated last night, or early this morning, is the same unanimous-consent request which was submitted on Thursday a week ago. The only change which has been in it is the change of the date to Monday, July 26, and the time for the general debate was changed from 2 to 4 hours. I had offered the unanimous-consent request, after consultation on both sides of the aisle, on behalf of the distinguished minority leader, the Senator from Texas, and myself; this is being offered on behalf of both of us.

Mr. President, I send the unanimous-consent request to the desk and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The Clerk will read the proposed unanimous-consent request for the information of the Senate.

The Chief Clerk read as follows:

Ordered, That following the morning business on Monday, July 26, during the further consideraiton of S. 3690, to amend the Atomic Energy Act of 1946, as amended, and for other purposes, debate on any amendment or motion (including appeals) shall be limited to not exceeding 2 hours, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the Senator from Iowa [Mr. HICKENLOOPER] in the event he is opposed to any such amendment or motion; otherwise, by the mover and the minority leader or some Senator designated by him: *Provided*, That no amendment that is not germane to the subject matter of the said bill shall be received; *And provided further*, That debate upon the bill itself shall be limited to not exceeding 4 hours, to be equally divided and controlled, respectively, by the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Texas [Mr. JOHNSON].

Mr. KNOWLAND. Mr. President, I should like to make a brief explanation. We have gone through a long period of debate. Whether we take the estimates which I now must admit were somewhat optimistic, in view of the circumstances, that we would abide by the LaFollette-Moroney Act and adjourn sine die on July 31, or whether we take the general estimate of the distinguished minority leader, that the date may be August 15—take whichever date we like—the fact remains that we would be within the last 3 weeks of the session, with a heavy schedule of legislation.

Mr. President, it seems to me, as I pointed out last night, that we have a heavy responsibility upon us. I think the country expects us to go about our legislative business. The Members of the Senate on both sides of the aisle—at least a number of them on both sides of the aisle—have been rather diligent in their attendance on the sessions of the Senate. They had hoped to be able to come to some decision on these policy matters. We shall always differ as to the advisability of certain amendments or of certain proposed laws, but the normal system of representative government in this great body in which we have the honor to serve is that after a period of debate and discussion a vote shall be had so that the representatives of the 48 sovereign States may have an opportunity to cast their votes in the representative constitutional way by a majority determining what is the will of the Senate. That is representative government.

The other basis is that a group of Senators feel they have within their hands the power, by the use of the filibuster, to prevent the Senate of the United States from voting and making a policy determination, and by their action to prevent decisions from being made.

Mr. President, I am prepared, if this unanimous-consent request is entered into, to suggest that we then proceed with the debate to a reasonable hour this evening. We would then recess until 11 o'clock tomorrow morning. We would have a call of the calendar on Saturday of bills to which there is no objection, and a fairly short Saturday session. We would then recess until next Monday, when the unanimous-consent agreement would come into effect.

I have tried to present what I believe to be a reasonable suggestion to the Senate of the United States. I hope it will not be necessary that we continue in session again all day and all night tonight, and all day tomorrow up until midnight tomorrow night. We will not in any event have a session of the Senate on Sunday. But if we do not have unanimous consent we shall begin the operation again on Monday next.

In the light of all the circumstances, unless it is a case of sheer obstructionism, it seems to me that we should be able to get this type of a unanimous-consent agreement in operation. I have tried to get consent agreements on individual amendments; I have tried to get consent agreements on a group of amendments; I have tried to get consent agreement such as the one being presented now. I have tried to get the Senate to debate amendments on their merits and then let the Senate come to a vote. It was only after failure to be able to achieve any of those results that I took the action, which was personally distasteful to me.

I said, briefly, last night, that when I first came to the Senate I had an entirely different view of the cloture situation from that which I have since come to have. I recognize why so many Senators feel deeply that cloture should not be used except as a last resort. At one time I favored a mere majority cloture. I no longer favor a mere majority cloture. I recognize that under normal circumstances, in the early days of a session, in January or February or March or April or May, it would be inadvisable, except in the most extreme circumstances, even to use the cloture rule with the two-thirds vote protection which it has but it seems there comes a time in

the Senate of the United States when this great body is paralyzed, when it is prevented from conducting the people's business.

Under the rules of the Senate itself, with the protection of a two-thirds vote, even those who are definitely opposed to cloture can feel that the time has come when, in the interest of the conduct of the public business, they themselves can support cloture, when they would not support it under any other condition.

It is either that, or we completely surrender the legislative functions of the Senate of the United States into the hands of those who will willfully try to prevent the Senate of the United States from functioning. The issue is just that simple.

I appeal to the Senate of the United States. I hope we may be able to agree. Such an agreement as I have proposed will permit us to have a short session tomorrow, with a calendar call on Saturday. We shall recess over Sunday and come back on Monday with a reasonable proposal which will permit debate. We will have a fairly full attendance of the Senate and I believe we can accomplish the people's business.

I yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. I am going to ask the Senator, if, in the interest of harmony and the expedition of business, in an attempt to dispose of the matter, the majority leader would be agreeable to having the so-called Hickenlooper amendment, which is the pending question, withdrawn. The amendment has for its purpose and its effect completely changing the decision which the Senate made yesterday, and which the Senate voted not to reconsider. Would the Senator be willing to withdraw the pending amendment in the interest of expeditious procedure?

Mr. KNOWLAND. Of course, I think the Senator from Colorado understands that this is the first time of which I have knowledge that suggestion has been made. I do not control that situation. The amendment was offered by the Senator from Iowa [Mr. HICKENLOOPER], and I certainly have no control over what his decision might be with regard to that suggestion.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Minnesota.

Mr. HUMPHREY. The Senator could move to lay that amendment on the table. That precedent was established last night.

Mr. KNOWLAND. Yes; that could be done.

Mr. HUMPHREY. The second point I should like to mention to the Senator is that I have had the opportunity to enjoy what the majority leader himself has, a few hours of rest. The blitzkreig tactics which were employed in the Senate last night suddenly occurred to me. Not a Senator on this side of the aisle was consulted as to many motions which were made with staccato-like effect in this Chamber. Time after time those of us who were present to debate the amendment were placed on the spot. There should have been a consultation with those of us on this side of the aisle on all those matters. After an opportunity to reflect upon the maneuvering tactics which were employed, I learn there was no prior consultation. The Senator from Minnesota said he was anxious to proceed with action on the amendments. He said we had four amendments we were prepared to discuss in order, and vote upon, after due consideration and debate.

The tactics employed were what I might call those of political embarrassment, offering a unanimous-consent agreement, and then stretching it to insignificance by asking, "Would you take 6 hours? Four hours?" The obvious truth is that the Senator from Tennessee [Mr. GORE], who has been a leader in the fight, and the Senator from Alabama [Mr. HILL], who has been a significant tower of strength in this battle, were not present on the floor at that particular time. That fact was clearly understood by everyone in the Chamber. If steamroller tactics are going to be employed, believe me, there is going to be trouble.

I did not sleep as long as I should have liked to, but I have slept enough to realize that heretofore the pending business has been laid aside. The Senate has, many, many times, laid aside the pending business to take up important legislation. The information on that score is being compiled by the Library of Congress, and will soon be available. I refer, in that connection, to the so-called Bricker amendment, to which the President was opposed.

The majority leader talks about the President's program. How did the majority leader stand with regard to the President's program vis-a-vis the Bricker amendment? The consideration of that measure was laid aside, not once, but many times, so that the Senate could proceed to the consideration of appropriation bills.

If the majority leader now finds himself in a logjam, there is only one thing to do. The majority leader is in control of the logs. Let him move them out of the way of the stream of legislative procedure.

The proposal before us is not part of the President's program. When did the atomic energy program become a vital part of his program? I understood the President's program included farm legislation. The President's program is down the hatch already, so there need be no worry about that. The bill now before the Senate is not part of the President's program. The farm bill was reported by the committee by a vote of 8 to 7.

Mr. KNOWLAND. If the Senator is under a misconception that the atomic energy bill is not part of the President's recommendations, he can disabuse his mind of that. I spoke with the President as late as 1 hour ago.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from New Mexico.

Mr. ANDERSON. I may suggest to the able majority leader that, in my opinion, the one feature that is holding up action on the bill is the Dixon-Yates contract. That problem is not going to be solved easily. In my opinion, there will not be an atomic energy bill until there is a recognition that the Dixon-Yates proposal is an illegal and improper contract. Unless something is done about it, this tide will not be quickly stemmed. If the majority leader desires to make progress, that wholly extraneous provision should be taken out, so we can then proceed to take action on the atomic energy bill without that controversial provision.

Mr. KNOWLAND. The Senator recognizes that the Senate itself, by a substantial majority, passed on at least that policy question the other day, does he not?

Mr. ANDERSON. I do not question that. It is the insistence of keeping in the bill a provision which was not asked for by the President of the United States that keeps the bill tied up. While I do not criticize what is being done, I simply say that so long as that provision stays in the bill, unless there is an absolute demand that it stay there, no one will compromise. It is a matter that is completely extraneous to the bill, and no progress will be made until it is taken out of the bill.

Mr. KNOWLAND. I have tried to be reasonable. In my judgment the proposed legislation will not be laid aside. If the Senate desires to stay 1 week, 2 weeks, or 3 weeks longer, that is within the judgment of the Senate of the United States, which will make its own judgment in that matter, but it is not proposed to lay the measure aside.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, reserving the right to object, I shall comment briefly on some of the observations of the majority leader. I wish to point out that there are sincere differences of opinion in the Senate of the United States between two groups of very sincere Senators. Those of us who are opposed to the bill feel that we are confronted with one of those historic challenges that come to men serving the people of the United States only on rare occasions.

We are fighting to prevent a giveaway of the people's heritage in the atomic energy power development program. Let us imagine a hypothetical situation to illustrate my point. Suppose that after the Louisiana Purchase that vast territory bought with the taxpayers dollars had been turned over to 2 or 3 large land companies in the United States. Suppose a bill had been introduced in Congress at that time to give a few land companies what would have amounted to a monopolistic control over the Louisiana Purchase. The people of the United States would have seen through such a grab and they will see through this one. We do not propose to give away what we consider to be a rich heritage belonging to future generations of Americans, which is exactly what will happen if this atomic energy bill passes. There are deep differences in convictions about the effects of this bill. Many of us believe it to be a horrendous piece of legislation. We intend to continue to

discuss the bill, with more than 40 amendments to it, still to be presented to the Senate, until the Senate has an opportunity to be fully informed on the facts. We propose to discuss it until the President of the United States has an opportunity to be fully informed on the facts. We intend to debate it until the American people come to understand the basic issues involved in the legislation.

They are coming to understand those issues very rapidly, because the responses received by us from the American people across the country leave no room for doubt that those fighting against the passage of this giveaway bill are beginning to receive widespread public support. Once the public comes to understand the issues of the bill, it is our conviction that the Senate of the United States will eventually come to stand behind us and proceed to amend the bill in many particulars so as to protect the public interest.

In a colloquy with the Senator from Washington [Mr. JACKSON] earlier this morning, I said that there was an interesting historical precedent involving another conflict between the Congress and White House over a major piece of legislation that was resolved in a very statesmanlike way. It occurred in the administration of Woodrow Wilson. Let us go back through the pages of American history to 1913, when there was pending before the Congress the Federal Reserve Bank Act. Woodrow Wilson found himself at loggerheads with the Congress over the passage of the Federal Reserve bank bill. Robert Owen, of Oklahoma, was the leader in the Senate, being chairman of the Banking Committee, and Carter Glass, of Virginia, was the leader in the House, being chairman of the Banking and Currency Committee of the House. It developed that the President was in grave danger of being defeated on the bill if it ever did come to a vote during the summer of 1913. There was much talk about killing the bill by delay and prolonged debate. He was urged by his advisers to confer with those who were opposed to his bill, as well as those who favored it. He did just that with the result that many misunderstandings were ironed out and fair and sound compromises were agreed upon.

Part of our difficulty in connection with the atomic energy bill I am convinced is that the President of the United States does not understand its dangerous implications. He is not to be criticized for that. The reason he does not understand some of its bad features is that apparently a barrier has been set up by his advisers, who have kept from him information he ought to know. That fact came out very clearly in a recent press conference, when Doris Fleeson, a very able newspaperwoman, asked the President to explain his position on the bill in view of the fact that a majority of the Atomic Energy Commission had opposed his order with regard to the Dixon-Yates contract. The President confessed he did not know that. He was not even aware that a majority of the Atomic Energy Commission itself is opposed to the order directing the Commission to enter into a very undesirable contract with Dixon-Yates. Then the President recovered, shall we say, or tried to recover at the press conference by saying that, after all, he would depend upon the legal opinion of the Attorney General of the United States. He left the impression on the newspaper people that he had an opinion from the Attorney General supporting his Dixon-Yates order. Some of us would like to know the reasoning of any such legal opinion from the Attorney General if it in fact exists. As I recall it, on July 11, the Attorney General on the Meet the Press program, indicated that the White House had not requested the Department of Justice for an opinion on the Dixon-Yates directive. If the President received an Attorney General's opinion, he apparently got it after July 11. I repeat, some of us would like to know the legal basis for that opinion, if the Attorney General gave it.

Out of a desire to be constructive and affirmative in my approach to this legislative impasse, I suggested this morning, in my colloquy with the Senator from Washington, that what the leadership ought to do is what was done in 1913, when a somewhat similar conflict existed between the White House and the Congress over the Federal Reserve bank bill. In that conflict it looked as though the Congress was going to be tied up for weeks. As I have said before leaders in the Congress advised the President to confer with representatives of both sides to that dispute and such conferences resulted in a composition of the differences.

As a result of that composition the Federal Reserve Bank Act was passed on December 23, 1913. In my judgment, history records that if that composition had not been entered into between the President and the Senate of the United States, the act would never have been passed.

I think it is a great mistake for men with responsibilities such as ours to get into a contest of endurance. We are headed straight into such a contest unless the President and the leaders on both sides of this dispute work out some statesmenlike compromises of our sincere differences. Let me say good-naturedly that there is a determination to see that contest through to the tiring end on the part of those of us who believe that the bill in its present form threatens the welfare of the American people by giving monopolistic control of the atomic power program to a few private utility combines. We believe that we make no sacrifice of any significance, as far as we personally are concerned, by fighting to the bitter end in what we honestly believe is a historic battle in defense of the public interest. We feel that in this fight we are right and that the legislative history of the Senate will prove it. We think the misinformation which exists in regard to this bill must be cleared up by extended debate. We believe that the bad features of the bill are so detrimental to the future welfare of this country that we must stand on this parliamentary line and fight under the motto, "This bill shall not pass," in its present form. It must not pass until amended if we are to protect the heritage of future generations of American boys and girls in their rights to an atomic energy program that serves the interests of all the people rather than the monopolistic greed of a few private utilities. I ask the question: What is wrong with the month of August for Senate sessions? The month of August is as good as any other month in which to transact the people's business. The political campaigns do not start really in earnest until after Labor Day, and we have all of August to pass a legislative program. There is no haste in fact called for in considering this bill.

But, Mr. President, first we have to awaken the American people as to the dangerous implications of this atomic-energy bill.

I think I can speak for the group which is making this fight against the bill, Mr. President, when I say it is our general point of view that, after all, the only segment of this bill which needs to pass during this session of Congress is the so-called international segment, it is that portion of the bill that constitutes the principal feature of the President's program on atomic energy. That is the thing the President has indicated above all else he thinks to be of utmost importance in respect to atomic-energy legislation. The testimony at the hearings proves that there is no real need for early action on the rest of the bill.

The testimony before the joint committee by Commissioner Murray himself points out that these reactors on a commercial basis will not be ready for operation until the year 1965. Why then the haste with this bill? Some of us fear the reason for the haste is that some people want to get into the "grab bag" as soon as they can. They want to get their vested interests rooted deeply into the atomic-energy program so that it will be turned over to a private monopoly combine in this country.

We say, Mr. President, we are not going to let that happen without the greatest historic fight ever made in the history of the Senate of the United States, right here on the floor of the Senate and right now. If the administration wants that fight, let us have it. But if the administration wants to meet with us and see what our point of view is and find out to what extent there may be an area of agreement, and find out to what extent we may come to agreement as to some deletions in this bill then let it be clear that we are ready. We are ready to proceed to pass the President's international atomic-energy program. We stand ready and willing to consult and try to compose our differences. But we are not going to be intimidated, Mr. President, by any threat of 24-hour sessions. We are ready to take on the 24-hour sessions. However, if this administration forces us into that kind of a fight, it walks out on its obligations of statesmanship.

I object to the unanimous-consent request.

Mr. KNOWLAND. Mr. President, will the Senator withhold his objection for one moment?

Mr. MORSE. I will withhold the objection.

Mr. KNOWLAND. Does the distinguished Senator from Oregon now take the position that unless the Senate of the United States bows its head to this new Morse formula and unless the President of the United States bows his head to this new Morse formula, the Senate of the United States is not going to be able to function as a legislative body?

Mr. MORSE. Mr. President, I am perfectly aware of the fact that the majority leader is very tired. I do not intend to engage in any personal recriminations with the majority leader.

I only reply to him by saying that the Senator from Oregon is going to stand firm on the parliamentary rights in the Senate of the United States accruing to each Senator who is opposed to this bill. It is a legislative monstrosity.

We have made our decision, Mr. President, that we have a tremendously important patriotic duty from the standpoint of the obligation we owe to our constituents to fight for our independence of judgment in the Senate on the merits of the issues as we find them. We think this bill is so important to the future welfare of the country, Mr. President, that we are going to fight to prevent its passage unless it is amended in ways that will protect the public interest. I have a feeling that if the President at the White House understood the sincerity of our point of view and the reasons for our differences he would react as Woodrow Wilson reacted in 1913.

That is my answer to the Senator from California. Unless someone wants me to withhold my objection a moment for comment——

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. Is the Senator aware of the fact that at a very early hour this morning the junior Senator from Minnesota made the unanimous-consent request that we extract from this bill all portions other than those which dealt with the international cooperation aspect of the measure?

Mr. MORSE. I have understood that.

Mr. HUMPHREY. And that we proceed forthwith on those particular sections?

Mr. MORSE. I was not here at the time. I was home getting some sleep, because I intend, if necessary, to hold the floor tonight during the night. But I understood when I reached the floor that the Senator made that proposal, and I want to say I think it was a statesmanlike proposal.

Mr. HUMPHREY. Will the Senator yield for a further question?

Mr. MORSE. I yield.

Mr. HUMPHREY. Was the Senator aware that as of yesterday we were proceeding in an orderly manner with the consideration of amendments; first the Johnson amendment, second the Gillette amendment, third the Humphrey amendment, fourth another amendment suggested by the junior Senator from Minnesota, fifth another amendment which was within the stages of being finally acted upon; when the unusual tactic of moving to lay it on the table was employed?

Mr. MORSE. I understand that. I would call that a phase of a parliamentary war.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. MORSE. I yield.

Mr. HUMPHREY. Is the Senator aware of the fact that Section 7 (b) of the Atomic Energy Act, known as the McMahon Act, reads as follows:

> The Commission shall prepare a report to the President stating all the facts with respect to such use, the Commissioner's estimate of the social, political, economic, and international effects of such use and the Commission's recommendations for necessary or desirable supplemental legislation.

Mr. MORSE. No such report was filed.

Mr. HUMPHREY. The Senator is aware of the fact that no such report has been filed?

Mr. MORSE. No such report has been filed. I pointed that out in a radio broadcast to the American people this morning.

Mr. HUMPHREY. The Senator is very astute and an able attorney. In the mind of an able attorney does the word "shall" not indicate a directive or a mandate?

Mr. MORSE. I think it placed a mandatory obligation upon the President.

Mr. HUMPHREY. Is the Senator aware of any such report that preceded the consideration of this legislation?

Mr. MORSE. No. No such report was filed.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. If there are no objections I yield to the Senator from New Mexico.

Mr. ANDERSON. There has been a great deal said about speeding up action on this bill. We spent about 18 hours disposing of the Johnson amendment. Because that was not satisfactory to the majority, even though a majority voted for it, now we have the Hickenlooper amendment, which completely negates the Johnson amendment. Of course, from the parliamentary standpoint it is an ideal situation for us, because the Hickenlooper amendment cannot be disposed of now unless the majority leader moves to lay it on the table. Of course that is an ideal situation for us, but it does involve more than 18 hours of the same sort of debate we had when we were making headway, and adopting an amendment every hour and a half.

I suggest that the Hickenlooper amendment increases the time required for this debate.

I should like to ask the Senator from Oregon, who says he is going to occupy the floor tonight, to make sure he has a priority. There are other Senators who have the same feeling.

Mr. MORSE. As I said, I am merely a private in the rear ranks and I am willing to serve.

Mr. President, I object.

The PRESIDING OFFICER (Mr. FERGUSON in the chair). The objection is heard.

Mr. HICKENLOOPER. Mr. President.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HICKENLOOPER. I withdraw my amendment.

The PRESIDING OFFICER. Are there any further amendments to be offered?

Mr. PASTORE. Mr. President, I call my amendment, 7–14–54–A.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 53, line 17, it is proposed to strike out section 124.

On page 6, line 1, after the word "nation", to insert ", group of nations."

On page 29, line 11, after the word "nation", to insert "or group of nations."

On page 29, line 14, after the word "nation", to insert "or group of nations."

On page 34, line 12, after the word "nation", to insert "or group of nations."

On page 34, line 14, after the word "nation", to insert "or group of nations."

On page 40, line 6, after the word "nation", to insert "or group of nations."

On page 40, line 8, after the word "nation", to insert "or group of nations."

On page 52, line 7, after the word "nation", to insert "or group of nations."

On page 57, line 10, after the word "nation", to insert "or group of nations."

On page 57, line 11, after the word "nation", to insert "or group of nations."

Mr. McCARRAN. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

This is a multiple amendment. Does the Senator desire to proceed and have it considered en bloc?

Mr. PASTORE. I desire to have it considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing en bloc to the amendment offered by the Senator from Rhode Island.

Mr. PASTORE. Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. The part of the bill to which my amendment is directed, Mr. President, I deem to be the very crux of the bill which is now being considered by the Senate of the United States.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PASTORE. On December 8, 1953, the President of the United States read a speech before the United Nations which I feel electrified the entire world. The American people responded to that speech with approbation.

For the first time in the United States, for the first time in the world, a man made a suggestion which in my humble opinion could end the cold war. In essence, the President of the United States offered to the entire world the opportunity of pooling some of the knowledge which we have acquired in atomic energy, some of the special material which we have developed in order that we might lift from poverty and from squalor the downtrodden people of the world. He

suggested at that time an international pool whereby we could pool our resources, pool our knowledge, pool our know-how so that one day we might achieve this goal of developing atomic energy for peacetime industrial uses.

During the time that this bill was being considered by our committee, the one thought which was uppermost in the minds of all the members of the committee was the fact that we were considering this legislation in order to carry out the idea of the President. Mr. President, I say to the Members of the Senate that the bill now before us falls short of that mark. As a matter of fact, it makes the achievement of that goal more cumbersome than under the present law, and to that extent makes it more difficult for the President of the United States to carry out his glorious idea.

We are saying in effect, under section 123, Mr. President, that if the President of the United States intends to deal with one nation he can do so under the provisions of section 123.

I submit to the Members of the Senate there are ample safeguards under section 123 which would permit the President of the United States to deal effectively not only with one nation but with a group of nations. I want to enumerate those safeguards to the Members of the Senate. I am referring now to section 123, Mr. President. Section 123 appears on page 52 of the bill and specifies as follows:

No cooperation with any nation or regional defense organization pursuant to sections 54, 57, 64, 82, 103, 104, or 144 shall be undertaken until—

Mind you, Mr. President, these are the safeguards which are provided under the law in allowing the President of the United States to deal with one nation or to deal with a regional defense organization on military cooperation.

a. the Commission or, in the case of those agreements for cooperation arranged pursuant to subsection 144b—

Which have to do with military cooperation—

the Department of Defense has approved the proposed agreement for cooperation, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation—

This is the first safeguard.

(2) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained—

This is the second safeguard.

The third is a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose.

This is the third safeguard.

The fourth safeguard is a guaranty by the cooperating party that any material or any restricted data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation.

Subsection (b) reads as follows:

The President has approved—

This is another requirement—

The President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security.

Subsection (c) reads:

c. The proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the joint committee and a period of 30 days has elapsed while Congress is in session (in computing such 30 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days).

The provisions of section 123 which I have just read are the safeguards that are provided under this bill in allowing the President of the United States to deal in the field of international cooperation with one nation. This is in the case of only with one nation, Mr. President. He may deal with one nation under section 123. When it comes to the point of dealing with two nations or when it comes to the point of giving efficacy to the pool idea—because it is impossible to have a pool idea if we deal with only one nation—the President of the United States cannot deal with such a group of nations excepting as provided in section 124.

The President of the United States, when he spoke before the United Nations General Assembly, never intended that an agreement should be made only with one nation. I am sure he had in mind that there might be several nations.

In the event the President should deal with a group of nations, what is necessary for him to do under the bill? Let me read section 124. It reads:

The President is authorized to enter into an international arrangement with a group of nations—

At this juncture, Mr. President, I should explain to the members of the Senate what is meant by an international arrangement. For a definition of what constitutes an international arrangement are contained in subsection (k) of section 11, on page 7. That definition reads:

k. The term "international arrangement" means any international agreement hereafter approved by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include any agreement for cooperation.

In other words, in simple terms section 124 means that if the President of the United States is to carry out his international pool idea—and that is what he was talking about in his speech to the United Nations on December 8, 1953—if he is to carry out his international pool idea, he must come to Congress, either by way of a treaty, which he can do today even without the passage of this bill, or he must come to Congress by way of an international agreement passed by both Houses of Congress, which he can also do today under the McMahon Act.

Therefore I ask what it is that we are doing through the mechanism of this bill? We are doing nothing at all. We are expressing a pious hope that there shall be an international pool. Yet when it comes to giving the President of the United States the authority to do so, we say to the President we will make it a little harder for you to do it under this bill than under the existing law.

I submit to the Members of the Senate that, under the McMahon Act, which is the law of the land today, the President of the United States can do everything that this proposed legislation would give him authority to do, and in an easier way at that.

I shall explain why.

Under section 124, we not only compel the President of the United States to come here by way of a treaty, which must be ratified by two-thirds of the Senate, or he must not only come here with an international agreement, which must be approved by both Houses of Congress, but after he has done all of this, he must comply with an additional proviso specified under section 124, as follows:

Provided, however, That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123.

In other words, Mr. President, we are going to make it so tough for the President of the United States that he might never enter into an international pool agreement.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. Is it not true that the urge for this legislation really grew from the President's message of December 8, 1953, which centered around the idea of an exchange of information, and that his idea, as promulgated then, is virtually omitted from the pending bill?

Mr. PASTORE. I will go a step further. I will say that the very hypocrisy of the bill lies in the fact that we are told we should act upon it because it carries out the President's pool idea. When we strip it of all its hypocrisy, the fact emerges that we make it harder for the President to carry out his international pool idea under this bill than under the existing law. Does that answer the Senator's question?

Mr. SPARKMAN. Mr. President, will the Senator yield further?

Mr. PASTORE. I yield.

Mr. SPARKMAN. I ask the Senator if he heard the statement made a few minutes ago by our distinguished and genial majority leader, in which he very strongly affirmed that this was a part of the President's program.

Mr. PASTORE. I did not hear the statement, but let me answer the question in this way.

Mr. SPARKMAN. The Senator probably guesses the other part of my question, and that is, Does this bill bear any more relationship to the President's program on atomic energy than the miserable extension of the Trade Agreements Act for less than a year bore to the President's bold program on foreign trade,

in connection with which he said that not less than a 3 years' extension would be required?

Mr. PASTORE. Let me put it this way. The way the bill is presently written, insofar as international cooperation is concerned, it is a slap in the face to the idea expressed by the President of the United States. When we boil it all down to its fundamentals, it is a repudiation of the good will that was expressed by the President of the United States when he spoke before the United Nations on December 8.

Let me tell the Senator why I say that. We held a meeting of the Joint Committee on Atomic Energy in the latter part of May, and we invited to that meeting Mr. Murphy, of the State Department, and he was accompanied to the meeting by a Mr. Smith, an attorney in the State Department. I believe it was I who asked the question whether Mr. Murphy was satisfied that the provisions of the bill carried out the President's program.

His answer, in substance, was, "Yes, if it deals with only one nation. If you get into the pool idea, I think you should say something about a group of nations."

As a result of that meeting we amended the bill by spelling out group of nations. We wrote that provision into the bill. The committee print of May 1954 shows that "group of nations" was a part of section 123.

Mr. BRICKER. Mr. President, will the Senator yield for a question?

Mr. PASTORE. I yield.

Mr. BRICKER. Mr. President, will the Senator from Rhode Island agree that the President of the United States in his speech before the General Assembly and in his presentation to Congress never asked for the authority to make an international agreement with a group of nations without submitting the agreement to the Congress for ratification, or to the Senate, if a treaty?

Mr. PASTORE. No; I will not agree to that.

Mr. BRICKER. Let me read to the Senator and ask him if it is true this is the statement of the President to the General Assembly:

> I would be prepared to submit to the Congress of the United States, and with every expectation of approval, any such plan.

It is the clear inference that the President of the United States, in working out his atomic-pool idea, expected to submit it to the Congress of the United States for ratification, for authorization, or approval. Is that not true?

Mr. PASTORE. I can best answer the distinguished Senator from Ohio by asking him a question in return.

Mr. BRICKER. Will the Senator answer my question? Then I shall be happy to answer his question in return.

Mr. PASTORE. I am answering the Senator's question. If we adopt my amendment and insert "group of nations" after the word "nation" in the places indicated, the President of the United States under section 123 will have to submit his plans to Congress. Will the Senator from Ohio deny that?

Mr. BRICKER. I deny it categorically. Under section 123 there are certain prerequisites that the President has to do before he submits it. However, the agreement, if he complies with those prerequisites, becomes the binding law of the land, and the Congress has no way of looking at it, and it cannot amend it, and it cannot disapprove it. In other words we would give carte blanche authority to the President of the United States to enter into international cooperation with a group of nations, which at the present time, let me advise the Senator from Rhode Island, includes, by invitation, the Soviet Union.

As a Senator of the United States I do not want—and I do not think the Senator from Rhode Island does either—to give away the responsibility that I assumed as a Senator under the Constitution to have the Senate ratify a treaty, or the power of Congress to look at an executive agreement that one man enters into with a group of nations.

Mr. PASTORE. Let me say that I trust President Eisenhower more than the Senator thinks and more than he does.

Mr. BRICKER. I trust President Eisenhower and I trust every President within his proper responsibility under the Constitution. I likewise trust the responsibility of the Members of this body and the Congress of the United States. We have that responsibility under the Constitution. All I want to do is to keep the powers of the President and the powers of Congress within their respective spheres, as was planned and given to them under the Constitution.

I have one more question to ask of the Senator.

Mr. PASTORE. Before the Senator gets to the question, inasmuch as I have the floor, let me address this question to the Senator from Ohio.

The PRESIDING OFFICER (Mr. FERGUSON in the chair). Does the Senator refuse to yield?

Mr. PASTORE. No; I do not refuse to yield.

Before I yield, however, let me submit this question to the distinguished Senator from Ohio. Is it not a fact that insofar as dealing with a group of nations is concerned, the President of the United States has the same authority today under existing law as under the bill we are considering?

Mr. BRICKER. I may say that that is all the President of the United States ever asked for.

Mr. PASTORE. Does the Senator from Ohio answer my question in the affirmative?

Mr. BRICKER. Practically that is true, with the exception of cooperation with a single nation under section 123.

Mr. PASTORE. I am talking about a group of nations.

Mr. BRICKER. That is right. I may say for the benefit of the Senator that that is the way it ought to be. That is the way the President asked for it.

Mr. PASTORE. In other words, the Senator is telling me that when it comes to the proposition of dealing with a group of nations, we do not need any law.

Mr. BRICKER. I think that is practically true.

Mr. PASTORE. Then why are we wasting all this time, and why are we telling the people of the United States that this carries out the international pool idea? If we do not need the law, is that not where the hypocrisy lies?

Mr. BRICKER. There is no hypocrisy. The Senator from Rhode Island was the only member of the committee, as he remembers, who even suggested that "group of nations" be left in the bill or should be put back in the bill.

Mr. PASTORE. Is it not fortunate that President Eisenhower has one Democrat who agrees with him?

Mr. BRICKER. Let me read to the Senator what the President said to Congress in the presentation of this matter. This is the recommendation:

> These recommendations are apart from my proposal to ask a new basis of international cooperation in the field of atomic energy, as outlined in my address to the General Assembly of the United Nations last December. Consideration of additional legislation which may be needed to implement that proposal should await development of areas of agreement as a result of our discussions with other nations.

Those discussions are going on now. Is not that the statement of the President in his message?

Mr. PASTORE. That is precisely my point. The Senator is talking about having to come to Congress. If we take the premise that all this bill does is what the President can do now, without coming to Congress, why did the President have to make that speech at all?

Mr. BRICKER. That is exactly what he asked.

Mr. PASTORE. Naturally. He was asking for more than he now has, and this bill gives him less.

Mr. BRICKER. I submit to the Senator that the President said he wanted exactly what we are providing in this bill. We have given him authorization to negotiate. We have given him additional authority, and we have denied to him, as we should, the power to enter into an international pooling of this vital material with a group of nations. I am sure the Senator would agree that we were carefully protecting the interests of the United States when we authorized licensing for the production of power for our people, but said, "You cannot pass title to this vital material, this valuable source of energy. The material and the title must be left in the United States."

The Senator from Rhode Island would give the President of the United States authority to take this vital material, which may mean the preservation of the peace of the world, and give title to a group of nations without any reservation or without any power or authority to get it back. That is what the Senator's amendment would do. That is what I as a Senator never want to see done. I want the Senate and the Congress of the United States to keep in constant touch with our international responsibility and never give up the treatymaking power to a single individual. In the statement which I have read the President of the United States never

asked for such authority or power. I should be very much surprised if he ever will ask for it.

Mr. PASTORE. When we reduce the argument which has just been made by the distinguished Senator from Ohio to its logical conclusion, what does it amount to? It amounts to this, that we can trust the President of the United States in dealing with one nation under certain safeguards spelled out in section 123, but when it comes to dealing with two nations we cannot trust him. Is not that the substance of the Senator's statement?

Mr. BRICKER. That is not the substance of it at all. I want to say for the benefit of the Senator from Rhode Island that the Senator from Ohio is not particularly enthusiastic about giving such authority to the President. When we come to deal with a group of nations, a multilateral treaty is a far different thing from a bilateral treaty or a bilateral executive agreement. When an arrangement is made with a group of nations we cannot have the materials under control. When we are dealing with one nation we have them under control. The weakest link, security-wise, becomes the strength of the organization of the group of nations. In dealing with one nation, we do not have that element of danger entering into the situation.

Mr. PASTORE. I am a little bit afraid that the Senator does not believe in the international pool. If he were the President of the United States, he never would have made that speech on December 8, 1953, before the United Nations.

Mr. BRICKER. I thoroughly approved the speech and the idea of international cooperation for peaceful purposes. God knows, if this power source material is turned to destructive purposes, the civilizations of the world can be destroyed. The Senator knows that. We have a tremendous source of power, and I hope and pray it will be turned to peaceful uses not only in the United States, but around the world, where the energy is so much needed.

I do not intend to vote to give up my responsibiilty to say what kind of an arrangement is made, with what nation it is made, and how the material is going to be used, because—and I think the Senator will agree with me—that if we pass title to this very precious, powerful material to an international pool, it is completely out of our control. We have not yet been willing in this bill to go—and the President has not asked us to go—to that extent in transferring this power for the utilization and the betterment of the people of the United States.

Mr. PASTORE. Mr. President, on the question that we have never been asked by the President to do anything, let me touch on that for a moment. As I have already said, in the latter part of May we had an executive session at which Mr. Murphy, of the State Department, appeared in connection with this bill together with Mr. Smith, of the State Department; then the question came up at that time as to whether the legislation would lend itself to the international-pool idea expressed by the President at the United Nations on December 8. It was after that meeting that we amended the bill, and it appeared in the committee print of May. On the 3d day of June, Mr. President—and I address myself to the Senator from Ohio on this, because I think it is important—in open hearings the Secretary of State, Mr. John Foster Dulles, appeared before the committee to speak on the international aspects of the bill. At that time the bill provided for "group of nations" in section 123. Secretary of State Dulles said, in substance, at that time, "It appears to me that the legislation as now drawn will carry out the President's international-pool idea."

When we had a meeting on June 27 we struck out the phrase "group of nations." We emasculated the provisions on the section approved by the Secretary of State, a Republican Secretary of State.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. PASTORE. I shall yield when I finish my thought. We took the language out, and after we took it out we did not call the Secretary of State back before the committee to find out whether the change would carry out the President's idea. If we had called him back, we might have gotten the wrong answer for some of the members of the committee. So we did not bother to call him back. He had already told us he thought it was adequate to carry out the President's pool idea. But when we took the language out, we did not call Mr. Dulles back.

Mr. BRICKER. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. BRICKER. The language providing for a group of nations was not in the original bill, was it?

Mr. PASTORE. No; it was put into the bill in May after Mr. Murphy, of the State Department, appeared, after the first part of May.

Mr. BRICKER. It was taken out, but the President's message never asked for any such authority or responsibility.

Mr. PASTORE. Not for that reason. It was taken out because the Senator from Ohio made the motion to take it out.

Mr. BRICKER. And that was agreed to by all Members except the Senator from Rhode Island.

Mr. PASTORE. I was opposed to it. Some members of the committee were not there.

Mr. BRICKER. The Senator from Rhode Island wants to take the guidance and the advice of an assistant Secretary of State, rather than the words of the President of the United States. That is what it sums up to, is it not?

Mr. PASTORE. Oh, no; by no stretch of the imagination. I have not been in conversation with the President of the United States since he invited me to a luncheon a long, long time ago. He does not discuss matters with me, and I do not expect him to do so. But I would assume that when the Secretary of State comes to testify, he is speaking for the President. I do not think he is speaking for the Senator from Ohio. He is talking for the President of the United States.

Mr. BRICKER. Following the line of reasoning and the thought of the President as expressed in his speech to the United Nations, and in his presentation to the Congress, I did not seek to have the Under Secretary of State appear before a committee and ask us to violate our constitutional responsibility and go beyond what the President of the United States requested in his speech to the United Nations, and in his address to the Congress of the United States. He specifically said—and I do not think the Senator from Rhode Island can disagree with this—that when the pooling arrangement is arrived at, he will submit to the Congress, with hope of approval, any such plan of international pooling. It is as clear as the English language can be written.

Mr. PASTORE. If we violate the Constitution of the United States in allowing the President of the United States to deal with a group of nations, unless it is done by treaty, do we not violate the Constitution of the United States when we allow him to deal with one nation? When we are talking about a principle, is not the answer the same?

Mr. BRICKER. There is a great difference in principle. As I said before, I am not enthusiastic about the responsibility for a bilateral treaty or arrangement without Senate approval. I was glad to go along with the President of the United States in insisting on our doing something in the international field, but I do not want to pass title to a foreign nation or to any foreign group when we could not get it back or have any control over it, because there would probably be 5, 6, 7, 8, or 10 nations involved. Under the Senator's provisions, the President of the United States would be given authority to deal with the United Nations, and they cannot keep secrets, as the Senator well knows. The President would be authorized to deal with any south Asian arrangement that might be entered into, and to deal with all the South American countries, and the Congress of the United States could do nothing about it, because we would have waived our responsibility and said, "You go ahead and do anything you like with this material which will some day prove to be a boon to humanity and may preserve the peace of the world"—as I believe it has for the past 5 or 6 years. I do not want to go that far. The other Members, except the Senator from Rhode Island, did not want to go that far.

Mr. PASTORE. Sometimes the Senator can dramatize his logic. If we take the logic which has just been expressed by the Senator from Ohio that we can trust the President to deal with one nation without a treaty, but not so if he deals with a group of nations. Then the President of the United States could deal with Russia alone and can do so without a treaty, but if he seeks to deal with Canada and Great Britain at the some time, he must act by way of a treaty. Is not that true?

Mr. BRICKER. No; it is not true.

Mr. PASTORE. All right. Let the Senator give me his answer.

Mr. BRICKER. Under section 123, the Senator well knows that the President of the United States has to do certain things prerequisite to his entering into an international operation.

Mr. PASTORE. That is my whole point.

Mr. BRICKER. England has been in pretty close touch with us, and so has Canada. The President of the United States would never enter into such an arrangement with Russia, but Russia has been invited into this group of nations, and I do not want her brought in. It was because of such things as that the Constitution provides for Senate ratification of treaties.

Mr. PASTORE. I am only thinking what the President might do if we follow the logic of the distinguished Senator from Ohio, because he has already said that he is perfectly willing to go along with a provision which will allow the President to deal with 1 nation without a treaty, but if he is going to deal with 2 nations there must be a treaty or an agreement approved by both branches of the Congress. The only hypothetical question I propounded to the distinguished Senator was this, that if the one nation should happen to be Russia, the President could deal with it, under this bill, without having a treaty, but if the two nations with whom the President was going to deal were Great Britain and Canada, there would have to be a treaty. Is not that a laugh?

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BRICKER. Does not the Senator understand there are certain nations in the world with which we must deal with regard to material and armament, and that it would be advantageous for the President to deal with those nations singly; but that the atomic-pool idea is entirely different?

Mr. PASTORE. Why could the President not deal with those nations by way of treaty?

Mr. BRICKER. He could. I would agree that he do it in that way. There is reason for conceding that responsibility to the President when we are dealing with 1 or 2 nations.

Mr. PASTORE. If the Senator had his way, would he say that they should all come in by way of treaty?

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Oklahoma.

Mr. MONRONEY. I may ask the Senator if the main trouble with the international section is not the fact that we spent 2 months in the earlier part of the session with the Bricker amendment No. 1, and the amendment combines Bricker amendment No. 2 in the international section?

Mr. PASTORE. If one were to take a microscope and read between the lines of this section he would see "Bricker amendment" all through the international agreement provisions. That is what is said here. That is what it is. Let us not kid ourselves about it. That is what I am trying to say. That is the hypocrisy of this whole thing.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BRICKER. If that be hypocrisy, the Constitution of the United States is likewise hypocritical. All this does is to comply with the Constitution of the United States, and to ask the President do likewise, and see that the Senate carries on its responsibilities.

Mr. PASTORE. I have not lived as long as the Senator from Ohio, but my respect for the Constitution of the United States is as full as his. I have a reverence for the Constitution of the United States and everything that this blessed land stands for. We should not dramatize this question with a sense of fear. The information we are talking about is not the information for making the atom bomb. Let us not frighten the American people. The material we are talking about is not the material that is going to be put together to make an atom bomb. If that were the case, no President of the United States—and I do not care who he might be, a Democrat, a Republican, or even an Independent—would ever allow the security of this country to be jeopardized. That cannot be dramatized with a sense of fear that if this proposal were carried out we would be giving away all our atomic secrets. That question is not involved, and the distinguished Senator from Ohio knows it. All we are trying to do through the President's plan is virtually to build up an atmosphere of friendship throughout the nations of the world. All we are trying to say to them is "If you do not have the waters to develop hydroelectric power, if you do not have the coal with which to generate electricity, and if you do not have the oil, perhaps we will show the way. Maybe we will bring you to that dawn of peace and prosperity. Maybe we will help you to put clothes on unclothed children. Maybe we will help you to grow wheat. Maybe we will help you to turn the wheels of your industry and machinery, so that one day you can flourish and prosper and take your proper position in the world."

That is what the President of the United States said to the world on December 8. That is all he intended to say. He did not intend to give away the atomic secrets of the United States of America. If we put my amendment in the bill, certainly that will not be done. Let us stop putting the Bricker amendment into every piece of legislation that comes before the Senate.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BRICKER. That would only be writing the provisions of the Constitution into the bill. If the Senator from Rhode Island disapproves of that, let him say so.

Let me ask the Senator from Rhode Island if that is not the same material that is used in making bombs?

Mr. PASTORE. Yes, it is.

Mr. BRICKER. Could it not be utilized for that purpose if it got out of our possession and some enemy got control of it.

Mr. PASTORE. If the enemy got enough of it, yes.

Mr. BRICKER. Is that fact not sufficient to say we ought to be on guard?

Mr. PASTORE. Does the Senator not think we are on guard, under the provisions of section 123?

Mr. BRICKER. I do not think there are sufficient safeguards when it comes to pooling.

Mr. PASTORE. Then why do we not take the word "nation" out?

Mr. BRICKER. I am not enthusiastic about it at all. I have said that time and time again in the committee and on the floor. However, since there are certain situations where it would be to the best interest of our country for the President of the United States to deal with a nation, and I could name those nations as well as the Senator from Rhode Island could, with the safeguards of section 123, we can assuredly go ahead. However, when it comes to giving authority to make an arrangement to deliver title, information, and everything else, as the bill authorizes, to nations, whoever they might be, whether the United Nations, the Organization of American States, or others, and when it comes to delivering fissionable material, with all the information in regard to its utilization—and there is very little distinction between utilization for the bomb and for other purposes—I want to comply with the President's desire to submit that to the Congress, when the dealings have been finally concluded. He wants to submit it to the Congress, in order to comply with the Constitution. As he said, in one of the most important speeches he made on the matter, it is our responsibility to take a look at that arrangement and see whether or not it guards our interests well enough. It is a beautiful picture, and I agree that if we could bring the world to a higher standard of living, I would want to do it, but in doing it, I do not want to impair or threaten the shores of the United States. I want to keep intact the power of this country to preserve, not only the integrity of the United States, but more than that, join with the Senator in being able to bring to the world a more peaceful and productive way of life.

Mr. PASTORE. Mr. President, let us not have a mistaken notion about the fact that we all want to protect the United States. We all want to protect our security. I do not think we have to belabor that issue. When we talk about transferring information or when we talk about transferring special material, the President of the United States knew about that when he suggested the international-pool idea. When we transfer the knowledge, or the small amount of special nuclear material, it is going to be transferred, whether we do it by way of treaty, or under section 123. It will be transferred. So this question cannot be dramatized with the argument of fear. Along the line, someone will have to be trusted. Naturally, there will be all the proper safeguards provided by the law, and they are provided under section 123. We will be saying to the President of the United States, "You just cannot pick up the telephone and invite the leaders of

both parties to come to the White House and say, 'I guarantee to you that in the transfer of this needed material, we are going to protect the security of this Nation.'"

We are providing that we must have from him a determination in writing. He has to sit down at his desk and write, according to section 123, that anything we do will not jeopardize the security of this land of ours. What more do we want? Whom do we distrust? What is really our fear, if it is not just to set up road blocks and impede the international-pool idea? If a person is against the international-pool idea, he ought to stand up and say so. But one should not blow hot and cold, and talk out of both sides of his mouth at the same time. He is either for it or against it. The Senator may talk from now until doomsday, and he will not change that fact at all, because if we maintain that the President of the United States does not defeat the provisions of the Constitution when he deals with one nation, then by the same token he does not defeat the purposes of the Constitution when we allow him to deal with two nations. The only trouble is that if we get beyond one nation, we get into a pool, and no one ever saw a pool where only one nation was in it. Two or three nations are needed in order to have a pool. When we make it difficult to arrange a pool, we in effect say we are going to retard the glorious idea which was expressed by the President of the United States. All I am proposing is that we enable the President to carry out his idea.

I do not know how the Senator is going to act on the proposal, but I am one who wants to raise the hand of the President for his idea. I think it is wonderful. The challenge of our day is to beat Russia in the race.

Only a short while ago I read a newspaper report originating in London to the effect that the Soviet Union has already produced a generator of 20,000 kilowatts. Some people may ask if that is true. Well, we know Russia had a thermonuclear explosion. We know she had an atomic bomb explosion. If she had these two, believe me, she has this one. If we do not get there first, we are going to lose the world. We are going to lose the leadership in the world. I say, let us not shackle the President of the United States. Let us not tie his hands and feet and throw him to the wolves. The time has come to help him. The time has come to prove to the world that we are behind President Eisenhower, and we want to do all we can to carry out his international pool idea. I do not see how my amendment harms the bill, because there is not a blessed thing that the President can do in promoting his pool idea if the bill is passed that he cannot do now under existing law.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BRICKER. The President has said that he would be prepared to submit to the Congress of the United States, and with every expectation of approval, any such plan. That is all we ask him to do. Later he said his presentation to the United Nations was entirely outside of the pooling idea, and that consideration of additional legislation which may be needed to implement that proposal should await development of areas of agreement as a result of our discussions with other nations.

I merely ask that the Senate comply with what the President suggested. We would be following the President's plan when we take the group of nations out and not follow the Senator's proposal.

Mr. PASTORE. I submit to the distinguished Senator from Ohio that the President has not sent anything up on this point. The President has not sent anything to the Congress up to this day so far as I know.

Mr. BRICKER. Mr. President, will the Senator yield again?

Mr. PASTORE. I will yield in a moment. But, after all, the President reads of the proceedings of the Congress, too.

The President knows what is going on, at least I hope he knows what is going on. He must have a copy of this bill on his desk. We have been talking about atomic energy now almost to the point of weariness on the part of our majority leader. Do not tell me that the President of the United States does not have a copy of the bill on his desk. If he has a copy of the bill on his desk, he picks it up and says: "Oh, my. Where are my friends?" And then he looks at that little amendment Senator PASTORE put in and says: "There he is all by himself; the little fellow from Rhode Island."

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BRICKER. The Senator has paid no attention at all to what the President said. The President has not asked for the amendment of the Senator from Rhode Island at any time. The President said:

> When I am ready through my negotiations I will send this agreement down to the Congress in the hopes of ratification, and when we complete the arrangements and dealings with other nations in regard to a pool I will send them down to the Senate of the United States as a treaty or the Congress of the United States for ratification.

The President of the United States took an oath to obey the provisions of the Constitution, and that is in compliance with his responsibility. He asks for no more. I for one do not want to give him powers that we ought to retain for ourselves and which he never asked to have.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Oklahoma.

Mr. MONRONEY. May I compliment the distinguished junior Senator from Rhode Island for so clearly focusing this issue of the lack of definite affirmative support of the President that this abbreviated international section gives.

I should like to ask the distinguished junior Senator from Rhode Island, as a member of the Joint Atomic Energy Committee, if in this bill all sequences leading toward the military use of atomic energy or other fissionable or gaseous materials are not strictly prohibited?

Mr. PASTORE. For the development of an atomic weapon?

Mr. MONRONEY. Indeed.

Mr. PASTORE. Of course.

How foolish can we get? Does anybody on this floor seriously feel that either the Congress of the United States or the Secretary of State or the President of the United States is going to go out of his way to teach Russia how to make the bomb? What are we talking about? Of course not.

All we are talking about here is the information which is necessary for the peacetime industrial development of atomic energy. That is what we are talking about. Nobody is going to help the Russians put the bomb together.

I would be the first one to object. As a matter of fact, I do not want to flatter myself, for I believe everyone would object. One hundred and sixty-five million Americans would resent that.

Mr. MONRONEY. So this bill is as carefully safeguarded against the transference of any military or destructive know-how as the human mind and the human hand can write. Is that not true?

Mr. PASTORE. Absolutely.

Mr. MONRONEY. So the only thing that might pass in a treaty with a group of nations—since it is being insisted that the document should come before the Senate for ratification—is not fissionable material, of which Russia is known to have a stockpile perhaps exceeding our own. Russia is perfectly capable of spreading behind the Iron Curtain or any other part of the world in an effort to bring others under her sphere of influence.

The adoption of the President's idea is the great bright shining hope. It is the one weapon we have found this year in the cold war which might be effective. Russia is perfectly capable of beating us to the development of this great idea of an atomic pool if we close our eyes and if we tie the hands and if we bind the legs of the President to give leadership in this great race toward winning the hearts and minds of men to the peaceful cause of freedom. Is that right?

Mr. PASTORE. The Senator from Oklahoma is absolutely right. Let me make this joinder to the very eloquent statement he has made: Woe be to us and woe be to the free world the day Russia is allowed to beat us in this race. Woe be to us, because as bad as the picture is now, it will be blacker than midnight if that ever happens.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. As I understand the Senator's amendments, what he has in mind is that section 124 is superfluous and unneeded, and it authorizes nothing the President does not already have under his constitutional authority as President; and section 123, instead of limiting the matter of cooperation with other nations to a single nation, the Senator would seek to expand to include a group of nations, which is what section 124

would do if it were left in the bill; is that correct?

Mr. PASTORE. That is absolutely correct. It was there once before. I do not take credit for the originality of this. I will admit it was actually the offspring of the questioning that went on between the Under Secretary of State and myself, as to whether or not the bill was adequate enough to carry out the President's idea. I will have to plead guilty to that.

But we wrote it into the bill. It appeared in the committee print of May. It was in the bill at the time Secretary of State Dulles testified before us, when he said he thought this would do the job. We took it out after that. We have not consulted with him since. We do not even know if this embarrasses the United States in the eyes of the world. We do not even know that. All we know is that some people think we can trust one nation but we cannot trust the President to deal with a group of nations.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. PASTORE. I yield.

Mr. HUMPHREY. The Senator of course has made quite clear the security precautions which have been taken by existing law, the McMahon Act and other laws, insofar as the transfer of information is concerned pertaining to the atomic energy information for military weapons. That is as tight as it can be made. At least it is to the best of our ability, through what legal staff we have or competence we have, to protect the security of our country.

Let me come to this point: There has been colloquy here about the danger of Russia again getting something from us. What about the United States getting something from Norway, for example? The information I have read is that the Norwegians have made substantial progress in the field of fissionable material and the use of it for peaceful purposes.

What about the Swiss? What about the Belgians? What about the Danes? By the way, may I say that if we had followed the logic of the Senator from Ohio [Mr. BRICKER], we would never have gotten the atomic bomb, because the atomic bomb was not put together by Pocahontas and Miles Standish. There were people like Fermi, from Italy, and men like Einstein, from Germany, and the great Danish scientist, Borg. They were men who came to this country and pooled their information to make possible the military bomb.

What the Senator from Rhode Island is asking is that we pool some of the information to make possible the blessing of the civilian use of atomic energy.

It appears to me we Americans are becoming somewhat egomaniacs, or egocentric. We think we have a monopoly upon all wisdom. I would think it is about time we recognized that the greatest achievement of our time in the realm of science was not stamped "100 percent American." As a matter of fact, it came from some refugees. We were blessed by the stupidity of Hitler, who drove from the midst of the Germans great scientists. We were blessed by the stupidity and ignorant attitudes of Mussolini, who drove from Italy a man like Fermi.

I say if it had not been for these great men of intellect, we would not have the advance we now have in the field of atomic energy.

Yet now, as the Senator so aptly said, every time a bill comes up——

The PRESIDING OFFICER. Has the Senator from Rhode Island yielded the floor?

Mr. HUMPHREY. Every time we have to write in the Bricker interpretation of the Constitution.

Mr. PASTORE. I yield for a question.

Mr. HUMPHREY. Is it not a fact, I ask the Senator from Rhode Island, that we must rely under our constitutional system for international engagements and arrangements upon the President? In view of that, is it not a fact that there seems to be more support on this side of the aisle for a Republican President? Is it not a fact that we are trying to support his program? And is it not a fact that it might be well, in view of all the admonitions we have had thus far about supporting the program, that we get busy and support the program of the President as endorsed by the Senator from Rhode Island [Mr. PASTORE]?

Mr. PASTORE. If I did not know the Senator from Minnesota as well as I do, I would say that he is asking me a leading question.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BRICKER. Would the Senator from Rhode Island and the Senator from Minnesota carry that same stanch support into the next campaign?

Mr. PASTORE. Oh, we will. Postively. We certainly will.

Mr. HUMPHREY. Indeed we will.

Mr. President, we will go around the country and remind the people of America we helped the President against the Bricker amendment.

The PRESIDING OFFICER. Has the Senator from Rhode Island yielded?

Mr. HUMPHREY. He did not need to yield.

Mr. PASTORE. I yield for a question.

The PRESIDING OFFICER. The Senator from Minnesota has not been recognized.

Mr. PASTORE. Mr. President, if the American people through the President's great idea, enunciated by him on December 8, 1953, are able to carry out this international pool idea, I firmly believe we will dwarf the effects of the Marshall plan, we will dwarf the effects of the point 4 program, because here we will be helping people to help themselves. We will be giving them this energy, or we will be giving them the idea to manufacture the energy, especially in those countries where they do not have the waterpower, the oil, or the coal to manufacture electric power.

When the President spoke before the United Nations on December 8, he electrified the world. It was a great and glorious idea.

I say to the Members of the Senate: Let us do nothing to weaken the efficacy of that idea. The world is waiting for leadership. We have the opportunity. The challenge is ours. Let us meet that challenge. Let us uphold the hand of the President of the United States, and let us amend this law to carry out his idea.

Mr. President, I yield the floor.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. KNOWLAND. Mr. President, I am about to propound a unanimous-consent request. I send it to the desk. But prior to its consideration, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will state the proposed amendment first.

Mr. KNOWLAND. Very well.

The PRESIDING OFFICER. The clerk will read the unanimous-consent request for the information of the Senate.

The Chief Clerk read as follows:

Ordered, That any debate on the amendment 7-14-54-A to S. 3690 submitted by the Senator from Rhode Island [Mr. PASTORE], including any amendment or motion submitted thereto, shall be limited to not exceeding 2 hours, to be equally divided and controlled, respectively, by the Senator from Rhode Island [Mr. PASTORE] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Maybank
Anderson	Goldwater	McCarran
Barrett	Gore	McCarthy
Beall	Green	Millikin
Bennett	Hayden	Monroney
Bowring	Hendrickson	Mundt
Bricker	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Crippa	Kilgore	Smith, N. J.
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Dworshak	Lehman	Thye
Ervin	Lennon	Upton
Ferguson	Long	Watkins
Flanders	Magnuson	Wiley
Frear	Malone	Williams
Fulbright	Mansfield	Young
George	Martin	

The PRESIDING OFFICER (Mr. FERGUSON in the chair). A quorum is present.

Mr. KNOWLAND. Mr. President, again for the information of the Senate I ask the clerk to read a proposed unanimous-consent request.

The PRESIDING OFFICER. The clerk will read the unanimous-consent request.

The Chief Clerk read as follows:

Ordered, That any debate on the amendment 7-14-54-A to S. 3690 submitted by the Senator from Rhode Island [Mr. PASTORE], including any amendment or motion submitted thereto, shall be limited to not exceeding 2 hours, to be equally divided and

controlled, respectively, by the Senator from Rhode Island [Mr. PASTORE] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. GORE. Mr. President, reserving the right to object——

Mr. McCARRAN. Mr. President, may we understand what the unanimous-consent request means?

Mr. KNOWLAND. It means that on the amendment offered by the Senator from Rhode Island [Mr. PASTORE], the Senate would agree to a limitation of debate of 2 hours, to be equally divided and controlled, respectively, by the Senator from Rhode Island [Mr. PASTORE] and the Senator from Iowa [Mr. HICKENLOOPER].

Mr. McCARRAN. It addresses itself entirely to the amendment?

Mr. KNOWLAND. It addresses itself entirely to the amendment offered by the Senator from Rhode Island.

Mr. PASTORE. I have no objection.

Mr. GORE. Mr. President, reserving the right to object, the junior Senator from Tennessee understands that the senior Senator from Mississippi [Mr. STENNIS] is asking for recognition on the amendment. If the distinguished majority leader will withhold his request until the senior Senator from Mississippi has concluded his address on the amendment, possibly the agreement will be entered into.

Mr. KNOWLAND. I regret that I am unable to do that. There will be some time which the Senator from Rhode Island may wish to yield to the Senator from Mississippi. I am not in a position to modify the request.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished junior Senator from Virginia.

Mr. ROBERTSON. The junior Senator from Virginia, of course, is not going to object. I should like to say that what is involved in the amendment was fully discussed last night. Those of us who were here heard the arguments made, and those who have read the RECORD know them.

The amendment has been discussed for several hours today, as well, under the unanimous-consent agreement, additional time would be allowed for debate on it. It is a good amendment and I hope it will be adopted. However, the important thing is that the Senate vote on the amendments and dispose of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. GORE. Reserving the right to object, if the distinguished majority leader will modify his request so as to include the speech by the senior Senator from Mississippi, so far as the junior Senator from Tennessee is concerned there will be no objection. I know of no other Member on this side of the aisle who wants to speak on the amendment.

Mr. KNOWLAND. I appreciate the Senator's statement, but I am not able to modify the request. It is expected that the Senate will be in session all night. If the unanimous-consent agreement is entered into, the debate will run until 20 minutes to 6. Certainly the distinguished senior Senator from Mississippi will have an opportunity to make his speech at that time, if indeed there is not sufficient time for him to make his speech within the 2 hours provided for in the unanimous-consent agreement.

Mr. STENNIS. Mr. President, reserving the right to object, it seems that the discussion has centered around my speech. I have prepared some remarks on some phases of the bill in which I am especially interested, with suggestions that will revolve around the Pastore amendment. I had in mind speaking for an hour and 15 minutes or an hour and 20 minutes, or perhaps an hour and 30 minutes. I do not know what questions I may be asked. I am ready to vote, so far as I am concerned, as soon as I have completed my remarks. I object to the 1-hour limitation to each side.

Mr. KNOWLAND. Mr. President, I move that the amendment of the Senator from Rhode Island [Mr. PASTORE] be laid upon the table.

Mr. PASTORE. I object.

The PRESIDING OFFICER. Does the Chair understand that objection was made to the unanimous-consent request?

Mr. KNOWLAND. I move that the amendment of the Senator from Rhode Island be laid upon the table.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Mississippi [Mr. STENNIS] has objected?

Mr. STENNIS. I object.

The PRESIDING OFFICER. Objection is heard to the unanimous-consent agreement.

Mr. KNOWLAND. Mr. President, I move that the amendment of the Senator from Rhode Island be laid on the table.

Mr. HUMPHREY. Mr. President, will the Senator from California withhold his motion?

The PRESIDING OFFICER. The motion is not debatable.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. KNOWLAND. I yield for a question.

Mr. HUMPHREY. The Senator will recall that last evening——

The PRESIDING OFFICER. Does the Senator from California withhold his motion?

Mr. KNOWLAND. No.

The PRESIDING OFFICER. No debate is permitted. The question is on agreeing to the motion of the Senator from California.

Mr. GORE. Mr. President, a point of order. The senior Senator from Mississippi had been recognized.

The PRESIDING OFFICER. He had not been recognized.

Mr. GORE. He was recognized. He was standing on his feet.

The PRESIDING OFFICER. The Chair rules that the Senator from Mississippi had objected, and that ended the matter. That took him from the floor. The Senator from California [Mr. KNOWLAND] is recognized.

Mr. KNOWLAND. Mr. President, on my motion, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Maybank
Anderson	Goldwater	McCarran
Barrett	Gore	McCarthy
Beall	Green	Millikin
Bennett	Hayden	Monroney
Bowring	Hendrickson	Mundt
Bricker	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Crippa	Kilgore	Smith, N. J.
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Dworshak	Lehman	Thye
Ervin	Lennon	Upton
Ferguson	Long	Watkins
Flanders	Magnuson	Williams
Frear	Malone	Young
Fulbright	Mansfield	
George	Martin	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from California to lay on the table the amendment of the Senator from Rhode Island [Mr. PASTORE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DANIEL (when his name was called). I have a pair with the Senator from Idaho [Mr. WELKER]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore I withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFF] and the Senator from Idaho [Mr. WELKER] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. McCLELLAN] are absent on official business.

I announce further that if present and voting, the Senator from Oregon [Mr. MORSE] would vote "nay."

The result was announced—46 yeas, 41 nays, as follows:

YEAS—46

Aiken	Dirksen	Mundt
Barrett	Dworshak	Payne
Beall	Ferguson	Potter
Bennett	Flanders	Purtell
Bowring	Goldwater	Reynolds
Bricker	Hendrickson	Saltonstall
Bridges	Hickenlooper	Schoeppel
Bush	Ives	Smith, Maine
Butler	Jenner	Smith, N. J.
Byrd	Johnson, Colo.	Thye
Capehart	Knowland	Upton
Carlson	Kuchel	Watkins
Case	Malone	Williams
Cooper	Martin	Young
Cordon	McCarthy	
Crippa	Millikin	

NAYS—41

Anderson	Hill	Mansfield
Burke	Holland	Maybank
Chavez	Humphrey	McCarran
Clements	Jackson	Monroney
Douglas	Johnson, Tex.	Murray
Ervin	Johnston, S. C.	Neely
Frear	Kennedy	Pastore
Fulbright	Kerr	Robertson
George	Kilgore	Russell
Gillette	Langer	Smathers
Gore	Lehman	Sparkman
Green	Lennon	Stennis
Hayden	Long	Symington
Hennings	Magnuson	

NOT VOTING—9

Daniel	Ellender	Morse
Duff	Kefauver	Welker
Eastland	McClellan	Wiley

So Mr. KNOWLAND's motion to lay on the table the amendment of Mr. PASTORE was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 22, 1954:

S. 1276. An act to amend the Bankhead-Jones Farm Tenant Act, as amended, so as to provide for a variable interest rate, second mortgage security for loans under title I, and for other purposes; and

S. 3378. An act to revise the Organic Act of the Virgin Islands of the United States.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had insisted upon its amendment to the bill (S. 2670) to provide for the termination of Federal supervision over the property of certain tribes, bands, and colonies of Indians in the State of Utah and the individual members thereof, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. D'EWART, Mr. DAWSON of Utah, and Mr. ASPINALL were appointed managers on the part of the House at the conference.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. CARLSON, from the Committee on Post Office and Civil Service:

Two hundred and twenty-five postmasters.

NOTICE OF CONSIDERATION OF CERTAIN NOMINATIONS

Mr. WILEY. Mr. President, the Senate received today the nomination of William F. Russell, of Connecticut, to be Deputy Director for Technical Services, Foreign Operations Administration. I give notice that this nomination will be considered by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

Mr. WILEY. Mr. President, the Senate received today the following nominations:

The following-named Foreign Service officers for promotion from class 3 to class 2:

Daniel V. Anderson, of Delaware.

Peyton Kerr, of Virginia.

The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:

Howard L. Boorman, of the District of Columbia.

Nathaniel Davis, of New Jersey.

Ralph J. McGuire, of the District of Columbia.

G. Alonzo Stanford, of Michigan.

John Patrick Walsh, of Illinois.

Lawrence H. Berlin, of Illinois, for promotion from Foreign Service officer of class 6 to class 5.

John N. Hamlin, of Oregon, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

William E. Cole, Jr., of New York.

Murat W. Williams, of Virginia.

D. Chadwick Braggiotti, of Connecticut, for reappointment in the Foreign Service as a Foreign Service officer of class 3, a consul, and a secretary in the diplomatic service of the United States of America, in accordance with the provisions of section 520 (a) of the Foreign Service Act of 1946.

The following-named persons for appointment as Foreign Service officers of class 3, consuls, and secretaries in the diplomatic service of the United States of America:

John M. Kennedy, of Virginia.

Vernon L. Phelps, of Illinois.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

Charles T. Cross, of Virginia.

Richard A. Godfrey, of Kentucky.

Robert E. Read, of New York.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Laurence E. Ainsworth, of California.

James W. Mahoney, of Indiana.

Robert T. Murphy, of Connecticut.

Robert G. Shackleton, of Ohio.

Francis R. Starrs, Jr., of California.

I give notice that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

ADDITIONAL EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following additional letters, which were referred as indicated:

AMENDMENT OF LAW RELATING TO INSPECTION OF MEATS FOR EXPORTATION

A letter from the Assistant Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 6 of the act, of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON MICHAUD FLATS PROJECT, IDAHO

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the Michaud Flats project, Idaho (with accompanying papers); to the Committee on Interior and Insular Affairs.

MAINTENANCE OF THE MERCHANT MARINE ACADEMY—STATEMENT BY SENATOR BUTLER

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared my me in connection with the bill (S. 3610) to provide for the maintenance of the Merchant Marine Academy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER

Because of the great amount of interest evidence in the bill S. 3610, to provide for the maintenance of the Merchant Marine Academy, I thought it desirable to report promptly the views of your subcommittee handling the matter.

The bill, introduced by the distinguished senior Senator from Wisconsin, Senator WILEY, with the two Senators from New York, Senator IVES and Senator LEHMAN, as cosponsors, was referred to the Senate Water Transportation Subcommittee on June 18, and a public hearing was held on July 8.

S. 3610 would amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide that the Secretary of Commerce maintain a Merchant Marine Academy at King's Point, N. Y., for the instruction and preparation for service in the merchant marine of selected persons as officers. Appointments to the Academy would be made by the Secretary of Commerce from nominees of Members of Congress, by competitive examination. The bill would provide that cadets be appointed midshipmen in the Naval Reserve and upon graduation be commissioned as ensignes in the Naval Reserve.

Cadets at the Academy would be entitled to the same pay and allowances as midshipmen at the United States Naval Academy. They would be given training on Government-owned and subsidized vessels, and for instruction purposes, in shipyards, plants, etc., under rules and regulations prescribed by the Secretary of Commerce.

The list of advocates at the morning and afternoon sessions of the hearing was impressive. The able Senator from New York, Senator IVES, and Congressman DEROUNIAN, in whose district the King's Point Academy is situated, testified vigorously and effectively in support of the bill. Other Members of the House who testified, strongly endorsing the bill, were Congressmen KEOGH, BECKER, and WAINWRIGHT, of New York. Also urging enactment were representatives of the Alumni Association of the Merchant Marine Cadet Corps, Inc., the parents and friends of the Merchant Marine Cadet Corps, Inc., the Director, Recruiting Division, Bureau of Naval Personnel, who, however, stated that the Navy would oppose a mandatory commissioning of all graduates.

Letters or statements urging passage of the bill were filed by Senators WILEY, LEHMAN, CASE, BENNETT, and BEALL; by the American Merchant Marine, Inc.; by the Association of American Shipowners, the Pacific American Steamship Association, and by other interested parties and organizations.

Appearing in opposition to the proposal was a representative of the Maine Merchant

Marine Academy, and a statement was filed by the Conference of American Maritime Unions (1 union dissenting), opposing the bill, and recommending instead the reactivation of the 2 discontinued merchant marine up-grading schools at Sheepshead Bay, N. Y., and Alameda, Calif. Following the hearing, a joint letter was filed by Senators SMITH and PAYNE, of Maine, quoting the Department of Commerce opposition and urging that no action be taken on the bill at that time.

A report on the bill from the Department of the Navy, which, because of insufficient time, had not been cleared by the Bureau of the Budget, but which had been coordinated within the Department of Defense, strongly opposed the requirement that cadets at the Merchant Marine Academy be appointed midshipmen and, upon graduation, be commissioned as ensigns in the Naval Reserve. However, the Defense Department witness stated emphatically at the hearing that, with this exception, the Navy Department was anxious to have the bill enacted at this session.

The subcommittee later was informed that the official Navy position would conform to the position expressed by Secretary of Commerce Sinclair Weeks, in the Department's official report on the bill. Secretary Weeks recommended "that no action be taken on the measure before your committee at this session of Congress."

As reason for this recommendation, Secretary Weeks stated:

"A preliminary study of the training of merchant officers, particularly at the United States Merchant Marine Academy, King's Point, N. Y., has been undertaken by the Maritime Administration. From this it appears that a survey should be made of such cadet training program's facilities in relation to other comparable United States Government-supported or assisted program and facilities, such as the United States Coast Guard training. This may point the way to consolidation or other changes which would simplify and reduce the Government expense of maintaining federally supported or assisted educational and training activities for merchant marine officers and comparable personnel.

"I have recommnded the appointment of a board to examine these problems and recommend a practical course of action to the Secretaries of Commerce and the Treasury. * * * It is contemplated that the results of the study with recommendations can be ready for consideration in the next Congress.

"The Bureau of the Budget has advised that there would be no objection to the submission of this report to your committee."

Were it not for the position taken by the Secretary of Commerce, concurred in by the Bureau of the Budget and subsequently by the Navy Department, I believe we would be disposed to give most sympathetic consideration to this measure during this session. But any immediate action would certainly seem permature in view of the point raised.

However, the subcommittee feels strongly that the study and its evaluation by the board, recommended by the Secretary of Commerce, should be completed as soon as possible and practicable. We also feel that no action should be taken, administratively or otherwise, to effect any restrictive changes in the present status of the King's Point Academy or the State Maritime Academies in New York, Maine, Massachusetts, and California, or to lessen their effectiveness or liminish the scope of their present activities.

We feel that this is due the young men who have entered in good faith upon their course of studies in these institutions, as well as to their families, and to the very efficient corps of professors and instructors who, from all reports, have done a most excellent job of turning out well-qualified merchant marine officers who have served their country faithfully in peace and war.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. STENNIS. Mr. President, a large part of my remarks on this bill will be addressed to what I consider to be the most immediate and for the time being the most far-reaching part of it. I refer to the pooling arrangement, the international power pool of atomic energy, largely as proposed by the President of the United States when he addressed the United Nations Assembly on December 8.

Mr. President, with the permission of the Chair, I will suspend until the Senate is in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. STENNIS. Mr. President, I believe that a quarter of a century from now those who may look back to the 83d Congress will reach the conclusion that this bill was the most important and far-reaching measure considered by that Congress. I regret the atmosphere was so rough here that there was no more debate with reference to the amendment of the Senator from Rhode Island [Mr. PASTORE], because I believe the subject to which it related is of far-reaching consequence. It is a subject which many of us have not had a chance to study as fully as we should have. I know I have not. It is one of the keys to the important question of the Presidential power.

Mr. President, I first became interested in this bill by applying myself particularly to one phase of it, an unfortunate phase, which applied to my area of the country especially, and that is the so-called steam plant proposal. That led me into other phases of the bill. It made me realize what tremendous consequence it has and to understand why it is the most important bill on the calendar.

I am not here grieving about a vote which was taken on that matter in which I was especially interested. I am still deeply concerned about it, of course, but I am not here airing a grievance about that. However, because of that I became interested in the pooling arrangement provision in the bill.

I further became interested in the domestic policies which are reflected in this bill, and I reached the very definite conclusion that what we should do with reference to this subject matter is to separate the international agreement provisions of the bill, consider them, agree on the final form they should take and go on and pass that part of the bill now so that the President may have this power and be able to start his negotiations and his planning, because it will take quite a bit of planning and some years for it to bear fruit anyway. I think we ought to take that part of the bill and put it into final form in accordance with our best judgment, and forthwith pass it after reasonable debate, and lay aside the highly controversial provisions affecting domestic policy until January.

I have gone into the bill enough to know, Mr. President, that even one major phase of it is beyond what a man can comprehend from a brief study.

It is impossible to explain fully the phases of this bill on the floor of the Senate, even by those who are versed in the subject. It is impossible by a night's reading or a few hours' reading or a few hours' reading from day to day really to have an understanding knowledge of the various far-reaching features of the bill, a knowledge conclusive enough to vote on them with any confidence whatsoever to their correctness.

I refer in that connection to provisions affecting domestic policies, to major items like the licensing of non-Federal agencies in producing and selling atomic power. That within itself is one of the most far-reaching subjects we could possibly pass upon.

One of the other domestic policies is the plan of preventing the establishment of monopolies. Keeping monopolies under control is a very difficult subject, or keeping the situation under control so that monopolies will not develop. They will inevitably, of necessity, develop in this field unless proper safeguards and regulations are prescribed.

The third domestic issue I find in this far reaching bill is the subject of limiting and controlling the patents which are involved in the innumerable phases of the development of atomic energy, going to all kinds of instrumentalities and processes which I do not know about and cannot describe. There is an illimitable field there.

I was so impressed with that that I recall vividly a speech I heard some 10 or more years ago before a bar association, in which the speaker pointed out that through the control of patents tremendous power was exercised in the field of eyeglasses. The grinding of the lens is a comparatively simple matter, and they can be obtained at a very low rate of cost, or could at that time. But there was the control of the patents on the frames, and that relatively simple item had gotten beyond the law at that time or beyond control, and there was created a really serious economic aspect, so to speak, in that area of business.

Think of the tremendous consequences of a failure to provide the right policy.

In my reading on this subject last night I was reminded of the situation at the beginning of World War II, in connection with the I. G. Farben Co., of Germany. Since then I have seen the tremendous office building they have there, which I think is in Frankfurt. I remember the international complications which ensued and the disadvantages we suffered in America in our war effort because of the inadequacy of our law with reference to patents affecting such vital matters.

So I am fully convinced that the domestic phases of this bill ought to lie over on the table, so to speak, so that scientific men, men trained in various kinds of law, and experts of various kinds may have a chance to study those

provisions and study the report which has been submitted, both the majority report and the minority views.

Then for the first time I am sure the Congress would have a real chance to pass intelligently on these complicated subjects, with any confidence whatever in the soundness of the conclusions and the soundness of the position we will finally have to take, either "yes" or "no" on those major provisions.

I am planning now to have an amendment drafted which will present to the Senate, after some reasonable debate, the direct question of passing the sections of the bill covering the so-called international pooling arrangements and agreements, and investing the President of the United States with this power, with such limitations as we may agree upon. Let that part of the bill go into effect now, and let the negotiations be started, because I agree heartily with the sentiment so well expressed by the Senator from Rhode Island [Mr. PASTORE] when he said that the message of the President of the United States last year on December 8 was one of the few things which gave the world hope. I believe it is a basis upon which something constructive can be built not only in the atomic-energy field, but in the field of world statesmanship and world order and world peace. It is something which has the possibility of reaching into every home. Although we all at times have some misgivings and uncertainty about international agreements—the the way is dark, especially in places—I am so impressed with the possibilities of this plan that I am willing to take whatever chance may be involved and go on and wrap this authority up, trust it to the President of the United States and his advisers, and see what can be done along this line.

Mr. President, in reference to the pooling of atomic energy and the international aspects, I remember that when I graduated from college I had taken a good deal of chemistry in a school of science in 1923, and the dean of that school—one of the great men I have come in contact with, and a very able teacher—told us in the last lecture in advanced chemistry:

> Not in my day but perhaps in your day—
>
> Referring to his students—
>
> the scientists will split the atom and we will have atomic energy.

That was in 1923.

I went back to see him in 1945, after Hiroshima. On that visit I reminded him of what he had said to me in 1923. In the course of the conversation he said, "Well, there is one thing about it; it will never be kept a secret. We shall never be able to keep the secret of how atom splitting is done, because, as in the field of medical knowledge, so in the case of scientific knowledge: the information will get out."

And, Mr. President, despite all we tried to do to keep these matters for our own benefit, that elderly gentleman's prediction has proved to be correct. It has turned out that he knew so well about what he was saying.

Of course, I do not say we should abandon all efforts to have the things that affect our security kept within limits insofar as concerns making information about them available. But my point is there is no such thing as absolute secrecy in regard to keeping secret, available only to ourselves, this information and ability and know-how. Perhaps we are not taking as much of a chance as we would seem at first glance to be taking when we try to put this information and knowledge to constructive use and when we try to share it with others.

Therefore, Mr. President, I am willing to vote in favor of the part of the bill which confers that authority upon the President. I think we would be making a mistake if we did not confer upon the President the authority to start this process in motion.

Mr. SPARKMAN. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDING OFFICER (Mr. CRIPPA in the chair). Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. STENNIS. I am very glad to yield to the Senator from Alabama.

Mr. SPARKMAN. As a matter of fact, is it not true that in his address of December 8, 1953, to the United Nations, President Eisenhower placed special emphasis upon this so-called international pool? Is it not further true that in his message to Congress in February 1954, in which President Eisenhower again asked for legislation on this subject, he placed major emphasis upon the international aspects of the matter?

Mr. STENNIS. Yes; the Senator from Alabama is entirely correct. In that connection, and according to the report on the bill, when the President's message came to us, there came soon thereafter two bills—not a one-package arrangement, but two bills. One dealt with international agreements, and gave the President authority regarding the power pool, so to speak. The other bill dealt with the so-called domestic questions, which have caused so much debate.

Mr. SPARKMAN. Mr. President, will the Senator from Mississippi yield further to me?

Mr. STENNIS. I am glad to yield.

Mr. SPARKMAN. Has the Senator from Mississippi had the privilege of seeing the bill the President sent—in other words, his suggestions for legislation?

Mr. STENNIS. I made some effort this morning to obtain a copy of that bill. But in the rush of other matters—having to go to a committee hearing—I was not able to determine the number of the bill or to find whether the bill ever was introduced. I should be glad to have information on that point.

Mr. SPARKMAN. Certainly the Senator from Mississippi will agree, will he not, that that bill has not been made available by way of general distribution to the Members of Congress? If I may make a suggestion to the Senator from Mississippi, let me say it is my understanding that that bill has never to this very day been introduced; and, furthermore, that the only way a Member of the Senate is able to see the bill is to request and obtain from the Joint Committee on Atomic Energy permission to see it.

Does the Senator from Mississippi know how broadly the pending bill digresses from the program recommended by the President of the United States?

Mr. STENNIS. No; I do not know how much it digresses. But it would certainly be interesting to have that information revealed, because I take very seriously the recommendations which were made by the President of the United States in his speech of last December, and I certainly would like to see the provisions of the bill that finally embodied his ideas. A comparison between that bill and the pending bill is certainly one we should make.

Mr. HICKENLOOPER. Mr. President, will the Senator from Mississippi yield to me for a question?

Mr. STENNIS. I yield.

Mr. HICKENLOOPER. Is the Senator from Mississippi aware that I placed in the CONGRESSIONAL RECORD, almost a week ago, the two bills as they came from the Atomic Energy Commission with the recommendations of the Commission? I placed in the RECORD the original bills, verbatim. So they are in the RECORD, and have been for some days.

Mr. STENNIS. We were discussing the two bills embodying the recommendations of the President.

Mr. HICKENLOOPER. Yes; two bills. They did not come from the President. The President did not send them to us, except as they came from the Atomic Energy Commission as a suggestion of the administration. When those bills had not been made available, I requested them immediately and received two copies; and the Senator from Mississippi will find them printed verbatim in the RECORD.

Mr. STENNIS. Were they ever introduced?

Mr. HICKENLOOPER. They never were introduced in the Senate, but they came to the Joint Committee.

Mr. STENNIS. That explains why they are not available.

Mr. HICKENLOOPER. But they are available in the RECORD.

Mr. STENNIS. I mean why they are not available from the Document Room.

Does the Senator from Iowa recall the date when they were printed in the RECORD?

Mr. HICKENLOOPER. I will find the date, and will tell the Senator from Mississippi.

Mr. STENNIS. I thank the Senator from Iowa.

Mr. President, the information we have just developed supports the logic of our position. I am convinced that this double question should not be submitted to the Congress, particularly in view of the fact that one phase of the double question has so many different aspects. But I am convinced that these matters should come before us by way of separate bills, so that Congress could decide as to each one as it saw fit, and then could proceed to consider the domestic aspects of the matter, so that those who have been familiar with the policies and various differences of opinion would have a full chance to digest the meaning of the bills. So far

as I am concerned, I have not had such a chance, and I shall not have between now and the end of the session.

Mr. LEHMAN. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I am glad to yield to the Senator from New York.

Mr. LEHMAN. Is the Senator from Mississippi familiar with the fact that 10 days or 2 weeks ago, I submitted an amendment in the nature of a substitute, which would do very much what the distinguished Senator from Mississippi is now suggesting—and I am indeed very glad he is suggesting it—in that the amendment incorporated almost exactly the original language of the President, insofar as the so-called international exchange parts of the bill are concerned, but deleted all other parts of the bill?

Mr. STENNIS. That is a very fine plan, in my opinion, and is in line with my conclusion, based upon what study there has been a chance to make since debate on the bill began.

Mr. LEHMAN. Will the Senator from Mississippi yield for another question?

Mr. STENNIS. I am glad to yield to the Senator from New York for another question.

Mr. LEHMAN. I wonder whether the Senator from Mississippi will give serious thought to joining with me in sponsoring proposed legislation to this effect which would be agreeable to the Senator from Mississippi, and which necessarily would have to be amended in view of recent developments.

Mr. STENNIS. As a result of my efforts since last evening, I have been trying to have prepared an amendment to the pending bill—an amendment picking out the sections which would be applicable. I certainly would have to have expert advice about that—in order to put together, so to speak, the provisions which would apply to that complicated subject.

My attitude was, after study, that the form of the bill as reported from the committee seemed to embody more a middle-of-the-road approach to that matter. I would not favor extending the bill so far as some would, nor would I favor limiting it as much as some would wish. But I think that such an amendment would be very desirable in connection with our efforts regarding that subject matter, and I appreciate very much the attitude of the Senator from New York. Perhaps if there is time to do so, we could work out something along that line.

Let me also say that I appreciate the action of the Senator from Iowa in placing in the RECORD the original bills on this subject.

Mr. President, I have been concerned, and I have been trying to go somewhat into the situation, in reference to the pooling of atomic information, so far as the military aspects of the subject are concerned.

Mr. HICKENLOOPER. Mr. President, will the Senator from Mississippi yield again to me?

Mr. STENNIS. I am glad to yield to the Senator from Iowa.

Mr. HICKENLOOPER. The Senator from Mississippi will find the two pieces of recommended legislation—they are not bills; they were sent in bill form to the joint committee—in the CONGRESSIONAL RECORD of July 17, 1954. I placed them in the RECORD for that day, and they appear in that RECORD, beginning on page 10801.

Mr. STENNIS. I certainly thank the Senator from Iowa for that information.

Mr. HICKENLOOPER. The Senator from Mississippi will find on page 10801 of the CONGRESSIONAL RECORD for July 17, 1954, the outline of an act relating to encouraging "the development of peacetime usage of atomic energy"; and, beginning on page 10804, he will find the suggested draft of a bill on international exchange, and so forth. One follows the other; they are printed consecutively.

Mr. STENNIS. I thank the Senator very much. I shall certainly try to follow them up and compare them with the provisions of the pending bill as reported by the committee, because I have studied the bill enough to know that the committee has done some very good work on this subject and has approached it in a very fine manner. The members of the committee themselves understand the major phases of the bill. I was not suggesting in my remarks a while ago that they do not. But the average Member of the Senate, as is the situation certainly with the junior Senator from Mississippi, probably has not begun yet to catch the far-reaching implications. I think it would take time, consideration, and study on the part of experts who are well versed in the kindred subjects, as well as the major subject itself, to be able to give us a cross section of advice as to what would be the practical operation and effect of the bill.

The committee is familiar with the wording of the provisions so as to be able to calculate the effects of the bill on our economy, with reference to patent control, the monopoly features, and the licensing effect of the proposal.

As a part of the question of the international effect, I have been particularly interested in section 144, which is entitled "International Cooperation." The language of this section has been very carefully drawn.

I might say that a few minutes ago I was really not going to speak in favor of the Pastore amendment, as might have been thought by the majority leader, who was quick to cut off debate. As I saw the subject, I was not in favor of the adoption of the Pastore amendment, but was willing to rest, for the time being, on the provisions of the bill itself, as now written and reported by the committee, on that far-reaching subject, although I should certainly hope that in the operation of the law the wisdom of the Pastore amendment would soon prove that it would be well to have it enacted.

I return to page 57 of the bill, section 144, entitled "International Cooperation."

I wish to point out the exact and very careful language which has been chosen, because much criticism has been directed to this part of the bill, and a great deal of anxious concern has been expressed on the floor as to whether there should be granted, even to the President of the United States, the authority to share the atomic energy pool, or any phases of it, including secrets, under any circumstances whatsoever.

I wish to call special attention to the provision of section 144, subdivision (b), beginning on page 58, as follows:

The President—

The power is in the Chief Executive—

may authorize the Department of Defense—

Of course, that means the Secretary of Defense. First, the power is vested in the President, giving him discretionary authority to authorize the Department of Defense—

with the assistance of the Commission—

Referring, of course, to the Atomic Energy Commission—

to cooperate with another nation or with a regional defense organization to which the United States is a party.

That brings in, with reference to military matters, the Pastore amendment. It is already written into the bill, so far as this section of the military program of cooperation is concerned.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield.

Mr. KERR. Would the Senator advise us from what document he is reading?

Mr. STENNIS. I am reading from the bill itself, S. 3690, Calendar No. 1710, and was referring particularly to page 58, line 4, which relates to the power which is granted, under the terms of the bill, to the President with respect to international cooperation in military matters.

Mr. KERR. I thank the Senator.

Mr. STENNIS. I may point out that the bill grants authority, as follows:

The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation—

That is with any single nation with whom he may see fit to cooperate—

or with a regional defense organization to which the United States is a party.

As I understand, that means that he has such authority with reference to regional defense organization to which the United States has become a party through some form of treaty which has been ratified by the Senate by the necessary two-thirds vote. That would apply particularly to NATO, for instance. Certain matters, or certain restricted data, could be shared, if it were confined to the following plans or projects:

1. The development of defense plants.
2. The training of personnel in the employment of and defense against atomic weapons.

I think the President is authorized now in that respect, but it is absolutely essential and necessary, in our concept of national defense, and the defense of those with whom we are allied, that there be a tremendous program of training of personnel. We have men from our own services all over the world. I know a great many of them have been trained at Keesler Field, at Biloxi, Miss., and they are working in cooperation with men in the service from other nations. We necessarily must use them in connection with the defense against atomic

weapons. That is a power which, if it is not already clear the President has, certainly should be cleared up and extended now.

3. The evaluation of the capabilities of potential enemies in the employment of atomic weapons.

That, of course, is a related subject. That power extends while such other nation or organization is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and the security.

Another provision is:

Provided, however, That no such cooperation shall involve communication of restricted data relating to the design or fabrication of atomic weapons except with regard to external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof, but not including any data in these categories unless in the joint judgment of the Atomic Energy Commission and the Department of Defense such data will not reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon: *And provided further,* That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123.

I point that out because I think these matters should be considered in some detail, so as to illustrate how carefully the language has been developed to provide proper restrictions and safeguards as they relate to the sharing of atomic-energy weapons and atomic-energy information.

This is a very serious question indeed, one as to which we might run by some warning lights or some red lights.

Section 123, the section referred to in subparagraph (3) of section 144, refers back to page 52 of the bill, line 6, section 123, entitled "Cooperation With Other Nations." That pertains to some of the authority to deal with civilian matters.

I wish to point out also the rest of the authority granted in the same section, which begins on page 57 of the bill, line 8, entitled "International Cooperation":

(a) The President may authorize the Commission to cooperate with another nation and to communicate to that nation restricted data on—

(1)—

This would be the application of the Pastore amendment, which has already been rejected. It would have extended considerably the authority, and would have inserted at the proper place the words "or nations" following the word "nation." But the authority with reference to restricted data pertains only to—

Refining, purification, and subsequent treatment of source material;

(2) Reactor development;

(3) Production of special nuclear material;

(4) Health and safety;

(5) Industrial and other applications of atomic energy for peaceful purposes; and

(6) Research and development relating to the foregoing.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. HILL. Is it not true that under the Pastore amendment, had it been adopted, the President might have dealt with more than one nation in relation to the matters which the Senator has been explaining?

Mr. STENNIS. The Senator from Alabama is correct. The Pastore amendment, briefly, would merely have added, after the word "nation," the words "or groups of nations," in something like 12 or 15 different places in the bill, thus spreading the authority beyond the pattern of merely dealing separately with one nation, as the Senator from Alabama has pointed out so well.

Mr. HILL. Mr. President, will the Senator yield for another question?

Mr. STENNIS. I yield.

Mr. HILL. In other words, if the bill passes with the language as now written, the President could not deal with more than one nation at any one time in any one agreement. Is that not correct?

Mr. STENNIS. That is correct.

Mr. HILL. There would be a separate agreement for each nation. Is that correct?

Mr. STENNIS. Yes; that is true. The bill now reads:

The President may authorize the Commission to cooperate with another nation and to communicate to that nation restricted data.

Mr. HILL. Mr. President, will the Senator further yield for a question?

Mr. STENNIS. I yield.

Mr. HILL. Does the Senator know of any particularly compelling reason why the power of the President should be so restricted or limited in this regard?

Mr. STENNIS. I think the Senator from Alabama had to leave the floor when I discussed that question briefly a few minutes ago. This is one of the points as to which there is a difference of opinion, but it seemed to me that in the first pattern of granting such authority, it could well rest on the plan as set forth in the bill itself. Let the agreements originate with one nation here and one nation there, for the time being. In the light of developments as a result of such agreements, additional authority might be granted, certainly in the event there was anything successful to report in the way of developments or achievements in conferences along that line.

The Senator from Alabama has done very well to raise that question, but that matter has now been voted on, and could not be brought up again unless, in some way, it might be found applicable to some other section of the bill.

Mr. President, continuing my remarks now with reference to paragraph (a) of section 144 line 21, at page 57:

Provided, however, That no such cooperation shall involve the communication of restricted data relating to the design or fabrication of atomic weapons: *And provided further,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123, or is undertaken pursuant to an agreement existing on the effective date of this act.

This again refers to the rival section of 123, and gives the additional safeguards, the title of that being "Cooperation With Other Nations."

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield.

Mr. HILL. Is it not true that on February 17 last the President of the United States sent to the Congress a message about the Atomic Energy Act of 1946, the basic act?

Mr. STENNIS. Yes; the Senator is correct about that.

Mr. HILL. Is it not true that in that message the President said:

In this atmosphere the Atomic Energy Act was written. Well suited to conditions then existing, the act in the main is still adequate to the Nation's needs.

Mr. STENNIS. Yes.

Mr. HILL. Is it not true, addressing myself now to the international phase of this basic act, the McMahon Act of 1946 is, as the President says, adequate to the situation today?

Mr. STENNIS. Well, the question is whether it is adequate to the situation today.

Mr. HILL. With perhaps need for change with reference to the international situation.

Mr. STENNIS. As far as the Senator from Mississippi knows, the answer to that question is "Yes."

I said a while ago we had a great deal of effective cooperation. Now, in military planning and our defense planning, continental defense, and in strategic air—and I am not disclosing anything prohibited—that cooperation has been very successful.

Mr. President, my familiarity with that cooperation, so to speak, actually having seen some of it being carried out on the ground, is doubtless what encourages me to support the proposal to grant this power to the President. It encourages me to see how important it is, from my point of view, at least, to give this power now. I am interested in seeing that this part of the bill should be favorably considered now and put into motion.

Now, Mr. President, I want to suggest some additional thoughts on the idea of Secretary Dulles testifying before the committee. I do not have the ready reference here to Secretary Dulles' actual quotation, but I know he made a very strong point in his testimony to the effect that this plan would strengthen the ties that unite nations through fellowship. In some circles that is not exactly sneered at now, but it is discounted somewhat because of some failures on the surface, because plans have not worked out as well as we expected because of disagreement, to some extent, in the operation of the United Nations.

Let me say, Mr. President, that those of us who have had a chance to visit other nations and come in contact with the people there, talking to the people in the street, not just diplomats, and those of us that have come in contact with the people in the stores, at the crossroads, out on the farms and in the fields, the so-called little people, realize perhaps more than others how much people throughout the world, though I am not an idealist, are looking to the United States of America for some kind of leadership, not just a giveaway program, but some kind of leadership, along the lines of constructive plans for benefiting their economic way of life.

Anything that we can do to bring other nations in with our own Nation to benefit by atomic power, when it has gotten into more practical use, will be one of the best and most far-reaching investments we could possibly make.

One thought that comes to my mind repeatedly on that subject did quite a bit to get me out of a semi-indifference is the question, Suppose the Soviet and their satellites beat us to some plan of that kind, or get their first, with some construction plan or something definite for these people? That is one of the big things facing us in planning for the next quarter of a century, and is something that we cannot overlook, and I based my studies of this subject, the contemplation of a huge atomic energy program for Russia, and that was about all.

However, I have come to realize that there are more than 20 nations now which have an atomic power program of one kind or the other. They are not major programs, and may not have accomplished much, but there are some 20 nations which have some kind of atomic energy program; at least they know enough about it to be dealing with the subject, and doubtless they are making some progress with it.

So we know now that we can delay no longer, on our program of cooperation, or mutual aid, or international pooling, or whatever it may be called, with reference to dealing with atomic energy, so far as it pertains to civilian life. In the military division, we are driven to strengthening ourselves by the stark laws of necessity, and that is another reason why I am convinced that the President's power should be greatly expanded.

With reference to this so-called pooling or the international concept of atomic energy, Mr. President, I wish to refer briefly to page 103 of the report that has been filed on the bill. It refers to section 123 of the bill, to which I called attention a few moments ago.

I emphasize this because I feel that in the minds of many that there is a conclusion that perhaps after all we might better postpone the pooling agreement, the pooling or planning of international cooperation, until things straighten out, or clear up, at least. I read from the report:

> Section 123 of the bill contains carefully drawn conditions under which the Government is authorized to cooperate bilaterally with another nation in the field of peacetime development of atomic energy or with a regional defense organization on tactical uses of atomic weapons. These stringent safeguards are:
>
> 1. The agreement for cooperation must include (a) the terms, conditions, duration, nature, and scope of the cooperation; (b) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement will be maintained; (c) a guaranty by the cooperative party that any material to be transferred will not be used for atomic weapons or for any other military purpose—

The meaning is very clear. This grant of power is not going to cross the lines, the military with the civilian, because one of the express provisions and the safeguard here is the guaranty by the cooperative party that any material to be transferred will not be used for atomic weapons or for any other military purpose. The report continues—

> (d) a guaranty by the cooperating party that any material or any party or any restricted data to be transferred will not be further transferred to any unauthorized person or beyond the jurisdiction of a cooperating party.

Now we come to the second part of the safeguards:

> 2. The agreement for cooperation must be approved by the Commission or, in the case of a transfer of military data, the Department of Defense.
>
> 3. The President himself must approve the agreement for cooperation and he must also determine in writing that the performance of the agreement for cooperation will promote and will not constitute an unreasonable risk to the common defense and security.

That provision is written that the President himself must approve the agreement, and must determine it in writing. The Senator from Mississippi thinks that is an almost intolerable burden to impose on the President of the United States, personally, along with the others he has to bear. But he chose to recommend that. I emphasize it here to show how far the writers of this law have gone in laying down safeguards at every point. They go as far as human ingenuity and resourcefulness can go, and they cover up and protect against everything, except the frailty of human nature itself, against which there is no absolute guaranty.

The report continues:

> 4. The proposed agreement for cooperation, together with the President's approval and determination, must lie before the Joint Committee on Atomic Energy for 30 days while Congress is in session.

The device resorted to there is to insure information being furnished to the joint committee, and to the legislative branch of the Government. It does not give power to veto or curtail.

However, to make an agreement effective, it must lie before the Joint Committee for 30 days while Congress is in session. The idea is, of course, that there would be a chance for Congress to act should they think that legislation was desirable.

Mr. HILL. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. HILL. In case Congress were in recess, as it is at times, what would be the effect of the provision?

Mr. STENNIS. The Senator from Mississippi thinks the effect of the provision, as written and understood by him, is that the proposed agreement would just not come into effect, and not be binding, and the President would not act on it until it had lain before the joint committee for at least 30 days while Congress was in session, giving the Congress a chance to say "nay, nay."

Mr. HILL. I understand the Senator to say, in essence, that the agreement would lie dormant, so to speak, until Congress came into session, and then could not become effective until 30 days had expired after the reconvening of Congress.

Mr. STENNIS. Those who drafted the bill were very careful about that, and there is an additional safeguard—and a very effective one—with reference to this tremendous grant of power. I believe, Mr. President, that this is the most stringent limitation and the strictest supervision of power the Senator from Mississippi has ever seen laid down as a pattern to guide the President of the United States. In spite of all that, the proposal has to come back and lie on the table before the joint committee for the 30 congressional days, we might say, to give the legislative branch of the Government a chance to take a look and to determine whether or not any legislation on that particular subject would be desirable.

Mr. President, I could speak on and on indefinitely about the many, many restrictions regarding the agreements. I think the safeguards with which this power has been encased are fine and effective—affecting the authority to the President, or the authority to the Commission, or to the Department of Defense, where the Department of Defense shares in it. I could cite instance after instance of safeguards that are stacked around the bill by this grant of power, so that, all in all, the Senator from Mississippi is convinced beyond all reasonable doubt that the provision granting the power is a safe and sane provision.

Even though we are reluctant to grant authority of the kind here involved—world affairs being as shaky and uncertain as they are—even though we are very slow to grant authority, I think we are at the point where it is almost necessary that it be done, and it is certainly wise to do it, and I think it will bring very fruitful results.

Of course, we believe that the President and his advisers would be more than careful in exercising this grant of authority, and would use it for a while at least on a more or less experimental basis.

Mr. HILL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. STENNIS. I will be glad to yield in a moment. On that basis, I believe that, in the course of a few years, or perhaps in less than a year, we would be extending that authority. I am glad to yield now to the Senator from Alabama.

Mr. HILL. The distinguished Senator from Mississippi is a member of the Armed Services Committee?

Mr. STENNIS. The Senator is correct.

Mr. HILL. Is it true that, as a member of that committee, he has had some insight into the matter of atomic or nuclear weapons?

Mr. STENNIS. We have various reports from time to time with reference to these very potent weapons; and what recommendations I could make to the Senate would be based on a background of knowledge along the line of that general subject matter.

Personally, I have not asked to be shown where the atomic bombs were; I did not care to know exactly where they were, or when they were being moved. I

have some knowledge of their location; but I am more familiar with the plan and the program, some of the problems that go with the practical handling of these weapons, the practical plan of safeguarding them, and the practical method of cooperation that is necessary. No nation can be so foolish, in this day and time, as to think that it can carry on an atomic-energy program solely for the benefit of itself, or that it can protect itself with atomic bombs or hydrogen bombs, without the cooperation—the absolute cooperation—of other nations in many parts of the world. It is necessary to train them and tell them, and to get their active participation; otherwise we will have no bases, no airfields, no landing places, no stopping place, and no beginning place. The other nations necessarily are going to require that they be in on these matters and have this information; otherwise, we will not be granted landing rights and police protection, so far as that goes, or any other rights.

We cannot go to a nation and say, "We demand a place here for our base; we demand the right to store bombs; we demand the right to refuel here." Those things cannot be obtained by demanding them; they are obtained by permission, and the permission carries with it the idea of benefit to the nation we are asking to cooperate with us. So, in a strict military sense, perhaps the President has the authority to carry out a great deal of this military cooperation; but the same nations that cooperate with us so fully and effectively in military missions in the same breath says, "If we are worthy enough of your confidence to help you in your military program, then we are worthy enough of your confidence for you to share with us, in the civilian program, some of the advantages and benefits that you have from your superior position in the atomic energy field."

We have gone about as far as we can go, in the opinion of the Senator from Mississippi, with reference to an effective military program of cooperation and effective national defense, without the other plan which at least gives the President of the United States authority to begin, at least, a program of extending cooperation in the civilian uses of atomic energy. We may not like it, but as a necessary part of that program, we are going to have to extend them certain information with reference to tools and machines, and with reference to the actual reactors and other instruments, the names of all of which I do not pretend to know.

So, Mr. President, by way of summing up, the Senator from Mississippi is firmly convinced that on the military side, consistent with our defense needs the sharing of atomic energy, weapons, and planning is necessary. Likewise communication of information with reference to training personnel with reference to planning mutual defenses is necessary. On the civilian side—and, in large measure, the two go together—we cannot much longer postpone the day, when we will share with our allies, whom we otherwise find worthy of confidence, some of the possibilities of what I might call civilian atomic energy.

I want to make it clear that no one is expecting a great production of atomic power for civilian use within the next year, 2 years, or 3 years, although probably it will come much faster than may be anticipated, as did the development of the hydrogen bomb, for instance, and as did the development of other forms of atomic energy, which came much faster than we had even dreamed was possible.

Mr. President, I want to turn very briefly to what I shall call the domestic provisions of the bill, particularly with reference to the provisions regarding the power to issue licenses. I refer, now, on that subject, to page 120 of the separate views of Representative HOLIFIELD and Representative PRICE on H. R. 9757.

In the separate views there is a very fine discussion under the title of what the authors call inadequate power-licensing provisions. I am certainly not an expert on this subject, but I want to point out what has been the accepted law for a good number of years, namely, the Federal Power Act and the protection it affords. That law prescribes how hydroelectric resources may be used. As bearing on that subject, and somewhat analogous to it, I want to put into the RECORD these six safeguards to which I referred, appearing on page 121 of the Separate Views:

1. Safeguard for the prior right of Federal development of the resource in any specific case where this will best serve the public interest.

I do not suggest that all of these safeguards should apply to the power-license provisions; but, within the limits that may be reasonable at the time, they should apply to private enterprise when it enters into the development of this tremendous field.

I think the accumulated capital of this Nation has a fundamental right to go into this field of investment, that it has a right to seek out a reasonable chance to make dividends and make progress in developing this marvelous resource; but I also know that there absolutely must be safeguards, since, of necessity, it is going to be a field of monopoly; and I think most of those who may get into this business will be in favor of having the safeguards, and will not want this to be a cutthroat runaway proposition.

2. Safeguard for the prior right of public bodies and cooperatives, as against a private applicant for a license for any specific development of the resource.

We have observed certain language in this bill that writes in certain provisions; I do not know how they stack up with reference to the Federal Power Act; but something along this line has been written into the bill:

3. Safeguards for the right to public hearing in connection with any application, with specific provision for admission of interested States, State commissions, municipalities, representatives of interested consumers or competitors as parties.

That is a very, very valuable safeguard for the protection both of the applicants and of the people, as well as to the Government.

5. Safeguards for reasonable rates to consumers by provision requiring licensees as a condition of any license to agree to Federal regulation, where States have provided no regulation of electric rates, with further provision that in any rate proceeding the licensee can claim no more than net investment in the development for rate base purposes.

I think we would have to have a rather liberal provision with reference to these matters. The program may not come into practical application for many years to come. But we are writing a basic law, and we certainly should have provision made to cover safeguards of that nature.

6. Safeguards for the preferred position of public and cooperative electric systems to obtain power supply from Federal development of the resource.

There is written into the bill something about that subject matter. I do not know just how it would apply. I do not like the term "preference clause" as used, implying that we are preferring one citizen over another, or one group of citizens over another group. That is not the proper meaning of the term "preference clause," as used in this proposed legislation.

Preference for the various bodies, which do not have their own sources of electricity, only means that they will not be cut off, that they will not be discriminated against, but will have a fair chance to get their reasonable share of the current that is produced, and that it shall be at a fair rate, and not at a discriminatory rate.

So those safeguards, as applied in our Federal Power Act, should have more or less their counterparts in the case of a major part of the power and licensing provisions of the pending bill. Frankly, I am unable to say how far this measure goes in including such provisions. I do not have anyone to whom I can refer, in order to obtain an opinion on that subject. I notice that the report was filed as late as June 30, and that has left precious little time, in view of our other responsibilities and duties, in which to be advised regarding that complicated matter.

I refer to that as one of the reasons why I think the parts of the bill dealing with licensing should be carried over to the first of next year. Then there will be a chance for those who know about these subjects to give the Congress the benefit of their opinions. If no adverse opinions regarding those sections come to us, that fact would be convincing to me that there was no substantial objection to those provisions of the bill, and, therefore, I would be able to vote with a great deal more confidence for the provisions that are in the bill now, because then I would know that those who were in a position to understand the subject had had a chance to examine the bill and were not able to advise me of any criticism, or at least were not able to impress me with the force of any criticism that might be made.

But at this time I do not have enough information on the subject to be able to vote with confidence either "yes" or "no" on that point.

Mr. GORE. Mr. President, will the Senator from Mississippi yield for a question?

Mr. STENNIS. I am glad to yield.

Mr. GORE. With the example of the stretching of the meaning of a phrase beyond any reasonable interpretation or beyond the intent of Congress, does the Senior Senator from Mississippi think that doubts regarding the provisions of the bill can reasonably be resolved in favor of the bill?

Mr. STENNIS. Of course, the general rule of construction is that any doubts are resolved against the one who wrote the language. So in this case, any doubts are to be resolved against the proposals to confer the power. That is the old rule of construction that I learned in law school.

However, in modern interpretations we have gone far afield, and very far from that rule, which heretofore we have had as a guide for our conduct. Nowadays authority granted is usually stretched or extended, rather than narrowed or confined.

Mr. GORE. Mr. President, will the Senator from Mississippi yield further?

Mr. STENNIS. I am glad to yield.

Mr. GORE. In addition to the general rule of construction, when viewing the matter from a practical standpoint, in the opinion of the Senator from Mississippi can we safely, with confidence, and without reservation, vest further great powers without having the greatest of doubt as to their misuse and misconstruction?

Mr. STENNIS. As I said, present-day interpretations are all on a vast scale, and the stakes are high. I think Congress has fair warning to be on guard and on notice that any authority that is granted will be most generously used by the grantee; and that if we fail to write restrictions into the bill—and let me say I do not know what restrictions to write on this subject—it will be felt that we did not wish to write any restrictions into the bill. Of course, there is some logic to such a position. However, the subject is so far reaching that the bill should be carried over, so that more minds can have a chance to study the matter and to point out errors or dangerous possibilities.

Mr. GORE. What bad result does the senior Senator from Mississippi think could possibly flow from a more deliberate consideration of the bill, particularly its domestic features, in January and February?

Mr. STENNIS. I am unable even to imagine that any bad results whatsoever could possibly flow from such a delay. As a matter of fact, it is not expected, as I understand, that it will be reasonable to grant these licenses at any time within the next few months. In other words, as I understand, the pattern which has been laid down is that it would be years before there would be any practical use to which it might be put.

Of course, it may be said, "Well, Congress can change the law, if it is found that an error has been made." Fortunately, that is very true. However, once the form is set up and the concrete is poured, so to speak, it is difficult to change the design. Similarly, in this case, once a bill is passed—and perhaps vested rights would accrue under the bill, as passed—it often is very difficult to change the law; and sometimes it is downright illegal to make a change in it, because of vested rights which by that time have accrued.

So the only proper course we can take in this instance, in line with our responsibilities, is to be fairly certain before we act. That is my plea to the Senate: That we defer forming the pattern and pouring the concrete; that we do not let the concrete set up until we have a chance to go further into the matter, by way of study.

Mr. GORE. Mr. President, will the Senator from Mississippi yield further to me?

Mr. STENNIS. I am glad to yield.

Mr. GORE. If the Senator from Mississippi is unable to see any bad results which would flow from postponing until January the consideration of the domestic phases of the bill; but if, on the other hand, the Senator from Mississippi believes there is a possibility that grave error might be committed by passing the bill now, what good reason can the Senator see for bringing up the bill in the last days of July, and then, when adequate consideration is demanded, for having it said that to take time for adequate consideration will result in holding up action by the Senate on other proposed legislation? Whose responsibility is that?

Mr. STENNIS. If, when the bill is reported, there is no urgent need for its enactment quickly, and if Members raise reasonable points about far-reaching provisions of the bill, it may be very reasonable to carry the bill over.

I remember that last year I was very much interested in a matter regarding proposed legislation referring to the Reciprocal Trade Act. The President of the United States was interested in the subject, and he talked in terms of affirmative legislation. But that measure was carried over until this year, and another study was made—and a very good study, although the subject matter is controversial. But a thorough study was made of it. There was a division of opinion because men differ in their views on that subject. Another recommendation was that the existing legislation be reenacted. However, that recommendation, too, was carried over.

So there is abundant precedent, especially when the matter involved is not urgent and does not demand immediate action—in other words, in the case of matters similar in that respect to the one we are discussing now.

Frankly, I have been somewhat surprised at the insistence on having this proposed legislation considered on a take-it-or-leave-it basis or on a now-or-never basis, although, as I have said, I favored passage of the bill insofar as it provided for giving the President authority in reference to international agreements.

I have watched the legislation in this field for some 2 or 3 years because I felt the subject was one which ought to be considered, and that eventually a bill should be passed, but that the procedure should be by way of taking action on one part at a time.

But when there is a demand that a bill be passed within less than 2 weeks or 1 month after the report came out, I feel that such a demand is beyond reason; and, in my opinion, I would be called upon to violate the rules of safety if I were asked to vote on the bill now.

Mr. HUMPHREY. Mr. President, will the Senator from Mississippi yield to me?

Mr. STENNIS. I am very glad to yield.

The PRESIDING OFFICER. Does the Senator from Mississippi yield for a question?

Mr. STENNIS. The Chair is correct; I yield for a question.

Mr. HUMPHREY. Do I correctly understand the Senator from Mississippi to state that the committee report on the bill was, according to his information, available on June 30?

Mr. STENNIS. I was reading from the face of the report: "June 30 (legislative day, June 22), 1954."

Mr. HUMPHREY. Mr. President, will the Senator from Mississippi yield further?

Mr. STENNIS. I am glad to yield.

Mr. HUMPHREY. Is the Senator from Mississippi familiar with the fact that the hearings on the bill were not made available until July 9, 1954; and that printed copies of the report to which the Senator from Mississippi has referred were not placed on the desks of Senators until the afternoon of July 13, 1954; and that on the same day debate on the bill opened?

Mr. STENNIS. I was really not familiar with the date when the hearings were available, because I really did not have a chance to ask for the hearings, but I had understood that they were not available until just about the time when the debate started.

Mr. HUMPHREY. Mr. President, will the Senator from Mississippi yield further to me?

Mr. STENNIS. I am very glad to yield for a question.

Mr. HUMPHREY. Is it not rather unusual that in the case of this measure, which is of such apparent importance, and in regard to which there seems to be such persistent determination to have it passed, the committee report on the bill should be made available to the United States Senate on July 13; and that the Senate immediately proceeded to debate the bill—with the admonition on the part of the majority leader that there would be a 1-day, 2-day, or 3-day debate?

Mr. STENNIS. I think this language is very unusual and very regrettable for a bill of this magnitude, having such far-reaching consequences, in a field about which we have so little general information. We simply have to paddle along without any compass or guide, without any gage or line of experience, in this broad, vast field. There may be a precedent for it in passing other bills, but I cannot recall one now of such far-reaching consequences as this bill has, where we are rushed in having to answer yes or no on the major provisions and on final passage of the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. STENNIS. I yield.

Mr. HUMPHREY. Would the Senator from Mississippi agree with me that as to a measure which is primarily directed toward the production of electrical energy from nuclear power, one would expect to include what normally would be legislative consideration and precautions, such as a preference clause?

Mr. STENNIS. I think so. I covered that, in part, while the Senator from Minnesota was detained on other matters, but I should think certainly that that is one of the elemental factors which should be considered. I would not seek to include a preference clause for any group or any individual, but merely to prevent discrimination against those who do not have this source of power.

Mr. HUMPHREY. Is it not true that the so-called preference clause came into being, not on the basis of seeking special privilege for any particular group, but of seeking protection, equality of treatment, equality of access to electrical energy by farm and rural electrification cooperatives, and for public bodies and power districts, and the smaller private utilities? Is that not the case?

Mr. STENNIS. That is the origin of the clause. As I say, it is to prevent discrimination. But I said a while ago that we have already voted into the bill some provisions on that subject. The fact that the Senate did accept those provisions, and then in a vote yesterday afternoon, included another major provision, certainly shows that even with our limited knowledge, the majority of the Senate did not feel like taking the bill lock, stock, and barrel, as it was written, although the committee did a good job in trying to write a good bill.

Nevertheless, we see in this instance the fallacy of committee leadership. I say this with all deference. The committee themselves are familiar with the subject. They cannot realize what little chance Senators not on the committee have had to get at the meaning of the far-reaching provisions.

I emphasize again that this is no ordinary bill. It is an extraordinary bill, on an extraordinary subject, in extraordinary times. We are not legislating for the time being on the domestic phase of the bill, but we are setting a pattern which will harden, in which there will be vested rights a quarter of a century from now.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. STENNIS. I yield.

Mr. HUMPHREY. Is it not true that in the field of production of electrical energy, by its very nature, whether private utility or public utility business, it finally evolves itself into what one might call a public service authority for the particular commodity—electrical energy?

Mr. STENNIS. Of necessity.

Mr. HUMPHREY. Of necessity.

Mr. STENNIS. It is not practical to have competing electrical systems generating for distribution. It is more economical for the consumer that a monopoly be granted. But there must necessarily be safeguards and restrictions if there is to be a monopoly.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. STENNIS. I yield.

Mr. HUMPHREY. If that is the case, and I surely agree with the Senator, is it not, therefore, all the more important that when we are legislating in an area in which the public interest is so evident, where the public investment is at the rate or the aggregate total of approximately $12 billion of the taxpayers' money, there should be incorporated in the legislation, at least, the acknowledged and time-tested experience, rules, and regulations which are necessary and which have been proved necessary to protect the public welfare?

Mr. STENNIS. The Senator is eminently correct.

I do not think we would be discharging our duty, even in a slight way, if we did not acquire enough knowledge and understanding of the subject matter to have, at least, an opinion, so that we can vote yes or no, or vote the question up or down. Speaking only for myself, I find myself, with reference to the measure, almost in the dark; although with more time the subject could be talked out, the reports could be studied, and the views of the various Members could be obtained and compared, to obtain sufficient information so as to have some kind of opinion about the subject.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. STENNIS. I yield.

Mr. HUMPHREY. Would the Senator say that his experience has been somewhat as my experience has been, that in the early stages of discussion on the bill there was apparently not too much interest demonstrated, but as the debate progressed it seems as if new areas of interest and inquiry were opened up and that we found many of what might be called limitations or weaknesses within the language of the bill?

Mr. STENNIS. I think the Senator is eminently correct in that statement. Speaking from my own experience, I began to work on the bill through a special, semilegal matter, and realizing then how far-reaching it was on other subjects in that connection then in preparation, I asked a very able lawyer, a member of this body, 2 or 3 days ago simply to read, if he would, the section which was in controversy, namely, section 164, page 79. I asked him if he could take 10 minutes to read that section and to see what his conclusion was from a lawyer's standpoint, to the extent of the authority.

The Senator apologized and said that he was so busy, he was so tied up in conference, on a major committee of which he is the senior member, holding hearings on an important bill, that he could not take even 10 minutes to read one section which covers less than one page of a bill which, all together, contains more than 100 pages.

He finally voted against extending the provision of that section. I am certain that he never got a chance to go into the question very much.

This very clearly illustrates to me the tremendous pressure under which we are now operating for time, and it also emphasizes the far-reaching consequences of the different sections of the law.

Mr. HUMPHREY. Will the Senator yield for a further question?

Mr. STENNIS. I yield.

Mr. HUMPHREY. The Senator from Mississippi is an experienced lawyer. He is skilled in the art of legislation. He is held in the highest esteem by his colleagues. I ask the Senator from Mississippi, is it unusual or is it beyond established precedent that when the United States Senate or, in fact, any other legislative body, gets to a point in the discussion of a measure such as the one now before the Senate, where it appears that there will be very little or no progress made because of circumstances which are manifold and diverse, we promptly set aside the pending measure until tempers might cool, until there is a period of time in which to work out some of the difficulties and to proceed with other business which is on the calendar? Is that not true?

Mr. STENNIS. The Senator is correct. That has been done many times since I have been in the Senate, and it is accepted procedure. In fact, I think it is necessary procedure in the legislative channels, with its complications of disposing of legislation and pressure for certain, immediate action. There is nothing unusual about such a procedure. In fact, it should be done many times, and I think it should be done in this case.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. STENNIS. I yield.

Mr. HUMPHREY. Is it not the established practice, in fact, by the rules of the Senate that when a conference report is ready for action, regardless of what is the pending business, and regardless of its importance, or its consequences, or regardless of the duration of the debate, the pending business is set aside, and the conference report becomes a matter of privilege and priority?

Mr. STENNIS. It is a matter of privilege and priority under the rules of the Senate.

Mr. HUMPHREY. That is correct.

Mr. STENNIS. Automatically it comes up, and all that any Senator need do is to secure recognition for that purpose. No power then can stop the conference report from being taken up. That is a very reasonable rule, too.

Mr. HUMPHREY. Mr. President, will the Senator further yield for a question?

Mr. STENNIS. I yield.

Mr. HUMPHREY. Would it not be fair to say that that rule was adopted, and is now the practice of the Senate, because it was recognized by those who made the rule and who live by it, that there are times when a pending measure may be in a situation where, to hold back action on a conference report might very well slow up the whole process of the Government?

Mr. STENNIS. The Senator is eminently correct. To fail to yield to take up a conference report, with all deference to the majority leader, especially at this session, I think is a grave mistake as it applies to this particular bill, especially when there seems to be pretty general agreement that there could be dis-

position of the so-called international agreement or international pool provision within a very short time, after a little further debate and explanation. That would dispose of that part of the bill, and the other part could be taken up early in January.

Mr. HUMPHREY. Mr. President, will the Senator yield for a further question?

Mr. STENNIS. I yield.

Mr. HUMPHREY. The Senator has referred to the section of the bill which pertains to international cooperation, the pooling of knowledge concerning atomic development for civilian purposes. Does the Senator recall that even in this instance, even in this limited area of the bill, the President has asked for legislation? Does the Senator recall that the President has asked for specific legislation in this area?

Mr. STENNIS. There were two bills which were considered, as was said in the debate earlier. I do not know that they came directly from the President, but they came from the Commission, at least. There was a separate bill on the international power provision, or the pooling of atomic information and effort. The other bill related to amendments to the McMahon Act, pertaining to domestic questions. I do not know that the President, except from what the majority leader has said recently, has been urging and pushing the pending bill.

Mr. HUMPHREY. Mr. President, will the Senator further yield for a question?

Mr. STENNIS. I yield.

Mr. HUMPHREY. Is it not possible now, under the terms of the McMahon Act and under the Presidential powers as outlined in the Constitution, relating to his powers as Chief Executive and as our spokesman in foreign affairs, together with his treatymaking powers, for the President to enter into negotiations to arrive at a treaty and to have the treaty come before the Senate for advice and consent?

Is it not possible, under that procedure, for the President to proceed with the sharing of atomic energy materials and information with other countries and, at the same time, to permit the Senate to exercise every possible precaution and to offer all the advice which it is capable of giving?

Mr. STENNIS. That is an avenue of approach open to the President which could be made very effective. I think, however, that it would be better, as for that part of the subject matter, for the Senate to proceed to pass that part of the bill because it would be a worldwide gesture and it would have worldwide implications in my opinion. I am not for the bill simply for that reason, but I think it is one of the wholesome results which would flow from its passage. That is why I favor acting on that part of the bill now.

Mr. HUMPHREY. Mr. President, will the Senator further yield for a question?

Mr. STENNIS. I yield.

Mr. HUMPHREY. In other words, it is the view of the Senator from Mississippi, in order to comply to the utmost with the express program of the President in the field of international exchange of atomic energy information for civilian uses, that we should act upon this important section of the bill which singles out in more clearcut and understandable language the compelling arrangement of exchange of information with respect to atomic energy for civilian purposes under the direction of the President. That is the Senator's views?

Mr. STENNIS. Those are my very strong views on that subject. I believe that the President has power and authority now, under the Constitution, to work out these agreements in some matters with other nations. The Senator from Mississippi has been to these countries, and has seen some of the operations of these plants, but at the same time, the same people whose cooperation we have in military defense, feel very strongly that they are entitled to the same cooperation within the civilian area with reference to the benefits and the possibilities of Atomic Energy. On that point, the President's hands are tied. As the Senator from Minnesota knows, he cannot, except on a strictly military basis, make an exchange. He just cannot function, except, as the Senator from Minnesota said, through a treaty. As a member of the Armed Services Committee, I know that the passage of the part of the bill with reference to the international pattern of atomic energy will help tremendously psychologically, and help us in a way militarily in our dealings with the great many other countries which desire our help.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair will point out——

Mr. HUMPHREY. I was about to ask a question. I ask the Senator from Mississippi this question: Is it the feeling of the Senator from Mississippi that the amendment proposed by the distinguished junior Senator from Rhode Island would have been a desirable amendment, one that would have strengthened the hand of the President of the United States in the movement he has outlined?

Mr. STENNIS. The Senator from Mississippi thought that the Pastore amendment certainly should have been debated more, but the conclusion of the Senator from Mississippi was, after studying the question rather rapidly, that perhaps it was better to go along now with the present framework of the bill as brought out by the committee. Let the President initiate the programs and the plans with the individual nations on the civilian side of the ledger, and in the course of a year or two at most, we would come back and adopt the Pastore amendment, which had a great deal that could be said for it, and we would adopt this amendment to the present law. That was the conclusion of the Senator from Mississippi on the subject.

I find that the subject matter was presented in a most masterful way by its author in debate this afternoon. It was tragic it was not debated further for the benefit of the public, as well as some of the Senators.

Mr. HUMPHREY. I will ask the Senator to yield for a further question.

Mr. STENNIS. I am glad to.

Mr. HUMPHREY. Is it the view of the Senator from Mississippi that that section of the bill as now written should have been acted upon and the amendment of the Senator from Rhode Island should have been adopted? Is that the Senator's view?

Mr. STENNIS. That is my view.

Mr. HUMPHREY. Let me ask the Senator another question. Is it not rather unfortunate that as we were proceeding with what I considered to be one of the most brilliant debates we have heard, we were interrupted by a procedural request, which could result in but one thing, to disturb the sequence of debate?

Mr. STENNIS. The Senator from Mississippi was asking to be recognized so he could speak on the amendment, and I was going to speak against it. As far as the result of the vote was concerned, with certainly a very serious principle involved, I think it is regrettable, because it was one of the vital points and one of the most far-reaching points in the entire bill.

If this part of the bill ever becomes law, the international pooling will either be a complete failure, or, within a very short time, we will have to adopt the Pastore amendment.

Mr. HUMPHREY. Will the Senator yield for a further question?

Mr. STENNIS. I am glad to yield.

Mr. HUMPHREY. Is the Senator from Mississippi aware of the fact that two amendments of real importance have been debated and voted upon, first, the Anderson amendment, and, secondly, the Johnson amendment, and, may I add as a supplement, a third amendment, the Gillette amendment, and that these amendments were adopted under the normal rules of debate, and that Members of the Senate were heard and proceeded to cast their votes?

Mr. STENNIS. Yes; the Senate has voted much more rapidly on major provisions of the bill with the fairly relatively limited debate we have had as compared with the subject matter than we have had on many matters since the Senator from Mississippi has been a Member of the Senate.

I heard the word "filibuster" used. That is a term none of the Members of the Senate embrace freely, but I do not think this can be called a real, true filibuster as long as the Senate is voting on other matters, major matters, every day, and particularly since the majority of the membership is agreeing to amendments that are contrary to the provisions of the bill. I realize that debate is having some effect in bringing additional light on the subject matter.

Mr. HUMPHREY. I desire to make a further unanimous-consent request, and I wish to make a correction in the RECORD, and I cannot make it indirectly, but it must be an affirmative statement of not less than one-half minute.

Mr. STENNIS. Mr. President, the Senator from Minnesota asks unanimous consent that he be permitted to use one-half minute to make a correction of the RECORD.

Mr. HUMPHREY. I made a mistake in reference to the Anderson amendment. I noticed the Senator from Florida nodding his head, and I should have said it was not adopted. It was

merely voted on. I want the RECORD to show that.

Mr. STENNIS. It was disposed of on its merits by a rollcall vote.

Now, Mr. President, before we leave that subject, I may say that I was asked a question some time ago by the Senator from Tennessee, I believe it was, with reference to the interpretation of one section of the bill. I think it is a matter we all ought to realize, that there has grown up over the years a practice of giving a very, very liberal interpretation to every statute that has put power in the hands of an Executive.

I think we really see, and in my own instance, I do, that where men are vested with authority from a legislative body they are scrupulous to exercise that power, and they would get rulings of the Attorney General, and they would come back to the legislature for additional wording whenever there was doubt. I do not say this critically of the President of the United States, because he has so much to do and so many things he must look after, but he will be responsible. I have stated many times, that no President can possibly know of his own personal knowledge over 5 percent of the power he has to exercise day after day after day.

However, I think that has caused bureaucracy to grow in the various departments, and the trend is far too common, and I was very much depressed, myself, to see the interpretation placed on this section with reference to building up the steam plants. I am not rearguing that case, but I was very much depressed to see the strong trend of interpretation that was resorted to in order to justify the necessary power to carry out that plan, and I believe that trend has developed in an alarming way.

The point I make now is that when we pass on legislation we need not doubt whatever we grant, because it is going to be interpreted generously to the grantee, and we therefore are charged with the responsibility of weighing this language, language which we really do not have time to weigh with the rush made to pass the bill.

One of the facts in which I was very much interested was one that pertained to the prevention of monopoly. I remember President Theodore Roosevelt was the first President by whom I was greatly impressed. He was called the trust buster, and as a young law student I studied about some of the cases he was responsible for originating. I followed that through with a great deal of interest, not as an expert on antitrust law, but I have many, many times thought about what a different Nation we would have here in the United States if we had taken what we might call the European view with reference to the trusts and the combines, and the various organizations through which free trade is handled. We took the opposite view, and that is one of the things, I think, that made America great, and made America strong, and in my book we could not erect a finer monument to Theodore Roosevelt.

There is naturally some monopoly which grows with the lack of competition, but there is one provision I find in section 7 of the McMahon Act, which reads in part as follows:

> Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of fissionable material or atomic energy which appears to have these results.

Mr. President, as I understand it, in this bill a great part of the protection in that section is deleted from the law, and the other approach is taken, that it is necessary to prove that the licensee is violating the antitrust laws.

Section 105a of H. R. 9757 would permit the Commission to suspend or revoke licenses only after a court of competent jurisdiction has passed on the licensee being a guilty party under the antitrust laws, and it seems to me that the Commission locks the barn after the horse is stolen. The procedure being cumbersome, sometimes extending over the years, with eventually no final adjudication of the antitrust question, it would have little effect on competitive enterprise. However, there will be many instances where there will be far-reaching effects of this law, where there will have to be competition. This bill, as the Senator from Mississippi understands it, puts the burden, not on the Commission that grants the licenses, of determining whether competition would be destroyed, but it puts the burden on the Attorney General, later to prove in a court of competent jurisdiction that there has been a violation of the antitrust law. As the writer of this report says, that "locks the barn after the horse is stolen," and points out very markedly the way to another one of the very far-reaching provisions of this bill, which requires the most minute inspection, and the weighing and determination of different legal minds with different approaches to this subject.

Mr. President, I do not wish to detain the Senate longer, but I should like to mention very briefly a subject on which I shall be able to barely touch the surface; and that is with reference to the patents that are going to be allowed to come into being with reference to machinery, with reference to manufacturing atomic energy, and with reference to the other devices that go with it.

There is going to be a process of issuing the patents. The question of patent is something, as I say, that I did not have an opportunity to go into. I do not know what the "ground rules" are in the bill, but, as I stated earlier, I remember that at the beginning of World War II in Europe in 1939, the very fine newspaper and magazine articles with reference to I. G. Farben Co. and other companies and cartels which, through defects in our patent law, had obtained control of certain materials vital to our security and defense. They were under monopoly control, and for some time the world had not been able to get those items and did not know how to make them, did not know how to make the machinery, and the world was in absolute need, all of a sudden, of literally thousands and thousands of such items. I thought then that we would certainly never again fall into such a pit.

I do not know much about the patent provisions of this bill. I am neither presuming nor assuming the work, but I feel satisfied that this feature of the bill should receive most careful scrutiny on the part of competent and able patent lawyers and men otherwise trained with reference to the far-reaching implications involved. I understand that through the patent laws it is possible to control production of elemental items, such as the frames for the eyeglasses we wear; that it is possible to control the production of all kinds of machinery, and really to control all kinds of things needed by the Government, against its wishes.

The Government has had to go into the business of demanding patent rights from companies before awarding them a contract, and demanding the patent right from skilled workmen before letting them have jobs. We have a great number of those subject matters that we handle not so much in detail, but in a general way, in the Armed Services Committee; so much so that I know that this is a subject which should be most exhaustively considered and most exhaustively treated, and really and fundamentally understood before we enact the law in this new field.

We are now going out into private enterprise. We are going out on uncharted seas without a compass, in the patent provisions of the bill, affecting machines and development in various fields. It is one of the most vital and important subjects contained in the entire bill; and I have not heard it discussed much, from a legislative standpoint. There is not much illumination the Senator from Mississippi, at least, can derive from the report on the bill. That is another reason why I am unwilling that we simply swallow these domestic provisions, lock, stock, and barrel. We cannot afford to do it, in the discharge of our duties.

Now, very briefly, by way of summary—and, Mr. President, when there shall have been reasonable debate on any amendment, I shall be ready to vote on it when this bill shall have been fully discussed, I think we ought to send it back to the committee, or to strike out at least the domestic provisions, for the reasons I have tried to outline. But I think we ought to pass—and I believe a great majority of the Members of this body are willing now to pass—the provisions of the bill relating to the international pooling arrangements regarding atomic energy.

I think we ought to pass that for two primary reasons. The first is a military reason. Even though the President of the United States already has power under the Constitution to enter into a great number of very extensive arrangements regarding the storing and handling and everything else in connection with atomic weapons from a military stand-

point, he should have authority to deal with the same nations in respect to what I shall call civilian atomic energy, because when we seek in other countries to establish bases, our landing fields, and storage for airplanes and other military supplies, equipment and ammunition, they think, and they say to us—and they have a right to do so—that if they are worthy of being partners with us with respect to military bases, then they are worthy of being considered partners when it comes to the civilian aspects of atomic energy. I say "being considered" because I would not extend it to all nations where we have some military bases; though I do not think we can continue indefinitely on a successful military program with reference to these related questions, unless, with many of these nations, we are at least willing to consider extending the hand of cooperation into what I call the civilian field of atomic energy.

I trust that part of the bill can be passed, and the rest carried over for further proper consideration.

Mr. President, I yield the floor.

Mr. KERR. Mr. President, I send to the desk an amendment and ask that it be read for the information of the Senate. At the conclusion of my remarks, I shall offer it.

The PRESIDING OFFICER (Mr. PURTELL in the chair). The clerk will state the amendment.

The CHIEF CLERK. On page 63, beginning with line 18, it is proposed to strike out all through line 6 on page 67, and insert in lieu thereof the following:

(2) any person to whom a license has been issued under sections 53, 62, 63, 81, 103, or 104, or to whom a permit or lease has been issued under section 67, is hereby licensed to use the invention or discovery covered by such patent to the extent such invention or discovery is used by him in carrying on the activities authorized by his license, permit, or lease.

(c) The owner of the patent shall be entitled to a reasonable royalty fee for any use of an invention or discovery licensed by this section. Such royalty fee may be agreed upon by such owner and the licensee, or in the absence of such agreement shall be determined by the Commission pursuant to section 156c.

On page 67, line 9, strike out "patent".

On page 67, line 10, strike out "subsection 152 b. or 152 e.", and insert in lieu thereof "section 152."

On page 67, line 11, strike out "patent".

On page 68, beginning with line 7, strike out all that follows "Commission" down to and including "152 a" in line 8.

On page 69, line 3, strike out "or 152 e., or any patent licensee thereunder."

On page 69, lines 23 and 24, strike out "as provided for in subsection 152 b. or 152 e."

Mr. KERR. Mr. President, I offer the amendment, and I now wish to address a few remarks to its provisions.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield to the Senator from Alabama for a question.

Mr. HILL. Will the Senator ask unanimous consent that I be permitted to suggest the absence of a quorum, without his losing the floor thereby?

Mr. KERR. I would make the request on that basis.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BUTLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR. Mr. President, section 152 of the committee bill deals with the compulsory licensing of patents secured in the atomic energy field. Under this bill, it is very difficult, or even impossible, to have cross-licenses, or to have use by any other than the owner of the patent. The Atomic Energy Commission may declare a patent to be affected with the public interest, only provided two conditions are met. First, the AEC must find that the invention patented is of primary importance in the production or use of special nuclear material or atomic energy. Second, it must find the idea patented of primary importance to the purposes of the act.

When a patent is declared affected with the public interest, then the Commission is licensed to use it. But all others who seek to use it must first apply to the Commission for a license.

The Senate will note that the act sets up a double hurdle of "primary importance"; and that when these hurdles are cleared, the affection with public interest is permissive—the Commission may so find, but it is not compelled to do so. The term "primary importance" is subject to wide interpretation.

When one licensed to undertake development of commercial aspects of atomic energy attempts to secure a license to use a patented discovery or invention, he faces a triple "primary importance" hurdle. First, he must get the patent past the two "primary importance" hurdles necessary to have it declared affected with public interest. Then he must convince the Commission that it is of primary importance to the activity he is undertaking under a Commission license. He must set forth the use he intends to make of the patented process, prove that he needs it, prove that he will be injured without it, prove that its use is of primary importance to furtherance of the purposes of the act, and then convince the Commission that he cannot otherwise secure use of the patent from the owner on reasonable terms. This proof and these efforts on the part of the license applicant must stand up in a hearing against the probable opposition of the patentholder.

Actually, a double hearing is provided for the objections of the patentholder. He is provided a hearing before the patent can be declared affected with public interest, and another hearing before the patent is licensed to an individual or corporation other than the Commission.

It is not difficult to conceive of inventions which might not pass the triple "primary importance" hurdle, yet might still be important. And it is entirely possible that a discovery might be of very great importance to a small business, but not of primary importance to the Commission or the atomic field generally.

The language of the section sets up unnecessary hurdles, and may make the procedure so cumbersome as to render compulsory licensing ineffective. Thus, Mr. President, is monopoly born, and made legal by this act.

Mr. President, it is the purpose of the amendment of the Senator from Oklahoma to delete that language from the bill, and to substitute for it language which would maintain the present law, as it was enacted by means of the so-called McMahon bill.

Mr. President, under the McMahon Act, no private monopoly is possible. The Government alone controls what benefit the Government itself may derive or receive from a patent and what it will cost the Government to receive the benefit of patents which may be secured by citizens—persons, individuals or corporations. Under the pending bill, as written, monopoly cannot be avoided; and if the bill becomes law, private industry will determine what the improvements and their benefits will cost the Government.

Mr. President, I hope this amendment will be adopted. I hope it will be adopted for what I conceive to be the general welfare.

I am of the opinion that if this bill, as written, becomes the law, it will also become the last will and testament of the present national Republican administration. Mr. President, I am convinced that the Dixon-Yates contract, if implemented, will eventually be recognized for what it is—as a gift in contemplation of an early demise. I think that, as such, it could be held to violate the basic principle of law which forbids such a transaction.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Oklahoma yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from South Carolina?

Mr. KERR. I yield for a question.

Mr. JOHNSTON of South Carolina. I believe the Senator from Oklahoma is a lawyer. So let me ask him what a will is. It is something that carries on after a person's death, is it not?

Mr. KERR. Yes. And I can conceive of this will being, in effect, somewhat as follows:

Being of sound mind and body, and conscious of the uncertainties of life and the certainty of death, I, the present national Republican administration hereby declare and publish this, my last will and testament:

To a very few mighty and powerful corporations, I bequeath the sole and exclusive opportunity to reap all the benefits of the peacetime development of atomic power.

Mr. JOHNSTON of South Carolina. Now let us get down, for a minute, to the realities in politics.

Mr. KERR. Does the Senator from South Carolina wish to ask a question?

Mr. JOHNSTON of South Carolina. The Senator from Oklahoma realizes that the South is Democratic and will never vote Republican again; is not that true?

Mr. KERR. I yield to the Senator from South Carolina, to permit him to ask a question. [Laughter.]

Mr. JOHNSTON of South Carolina. Is that not true?

Mr. KERR. I believe so.

Mr. JOHNSTON of South Carolina. And if the West and the Southwest receive from the present administration a stab in the back with a dagger, what will happen in that connection insofar as the position of the West and the Southwest is concerned?

Mr. KERR. The West and the Southwest are, in my opinion, more conscious than ever before of the present benefits of power and the need for power, and of the dangers with which they are threatened by the present leadership of the administration in power and of its leadership in the Congress. For that reason, the people of the West and the people of the Southwest will undertake to reinforce their position so far as regards having provision made for safety in respect to the use of atomic power; and in view of the attitude of the present administration in that connection, I predict that the campaign this year and the campaign to be held 2 years from now will clearly result in a Democratic Congress and a Democratic administration.

Mr. JOHNSTON of South Carolina. I should like the Senator to answer this question. Are not the New England States considered to be Republican?

Mr. KERR. In part, I must admit that I fear that question would have to be answered in the affirmative.

Mr. JOHNSTON of South Carolina. May not some of those States be considered to be Republican States because they have done away with everything in regard to public power? Is it not true that they have no public power?

Mr. KERR. So far as I know, Mr. President, they have little, if any, public power.

Mr. JOHNSTON of South Carolina. Is it not true that they have cut their own throats by having in the Northeastern States, the highest power rates in the United States?

Mr. KERR. Mr. President, my information is that at this time they are compelled to pay higher rates for power than are paid in any other area of the Nation.

Mr. JOHNSTON of South Carolina. Is it not true that when people are building industries, they want cheap power?

Mr. KERR. Not only people who are seeking an opportunity to build industries, but also those who are trying to provide themselves with power for rural electric cooperatives and municipalities are compelled, by economic necessity, and by the knowledge that it can be had with great desire and purpose to obtain low-cost power.

Mr. JOHNSTON of South Carolina. What has happened to the New England States with regard to industry in the past 20 years?

Mr. KERR. That is, of course, a question as to which I may not be sufficiently informed as to give a comprehensive, direct answer.

Mr. UPTON and Mr. SPARKMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. KERR. I yield to the Senator from New Hampshire for a question.

Mr. UPTON. There has been some reference to the absence of cheap power in the New England States. Will the Senator from Oklahoma tell me where in the New England States there is any possible source of cheap power?

Mr. KERR. I have traveled over the great, fascinating, attractive area to which we have been referring. I have seen there streams and rivers which, in my judgment, if harnessed, would create a great amount of hydroelectric power. I am certain the distinguished Senator from New Hampshire is even more familiar with the physical terrain and features of that fine area.

I say to him that, in my judgment, if a search were made of the area, an abundance of opportunities for producing cheap hydroelectric power could be found.

I remember that in 1952, at the request of a number of New England Senators, legislation was passed that would authorize the President of the United States to set up a study commission whose task, as given to them, was to make a comprehensive survey of the water resources of the New England area, with the objective in mind to develop, on the basis of information ascertained, a plan for the conservation of both soil and water, and for the development of hydroelectric projects. I am not sure but that the Commission is presently engaged in the task of making that survey.

I hope that one day Congress might have the benefit of the Commission's report, and that it will bring us information of a number of opportunities in the area from whence the Senator from New Hampshire comes, for the development of hydroelectric power.

Mr. UPTON. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield.

Mr. UPTON. Is the Senator familiar with the report of the Federal Power Commission, Bureau of Power, issued as of February 1946, with costs revised as of May 1947, which deals specifically with the possibility of power development for New England?

Mr. KERR. I am not familiar with the document.

Mr. UPTON. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield.

Mr. UPTON. Is the Senator familiar with the statement contained in the report by the Federal Power Commission, as follows:

> The St. Lawrence project is the only available source of such low-cost power in the market area and its output can compete on an even basis with cheap power sources in the Northwest and elsewhere.

Does the Senator agree with that statement?

Mr. KERR. I do not agree with the statement. If I agreed with the statement, I would not have taken the part which I have taken in securing the passage of legislation which set up the study commission to which I have referred, whose task, as assigned to it, was to find and report the additional possibilities in that great area for the development of hydroelectric power.

Mr. UPTON. Has the Senator from Oklahoma ever examined this report of the Federal Power Commission?

Mr. KERR. I have told the Senator from New Hampshire that I was not familiar with the report. But I would not be bound by a document merely because it was official and ancient, if I thought it were based on error or inadequate information. I say to the distinguished Senator that if Congress in 1954 were bound by statements of what could not happen, which were made 10, 15, or 20 years ago, we would not be debating the question of what to do with atomic power, or how to handle it, because certainly, in my mind, the best educated, a few years ago, thought it to be an impossible situation.

Mr. UPTON. Mr President, will the Senator yield for a further question?

Mr. KERR. I yield.

Mr. UPTON. I have one further line of inquiry, if the Senator from Oklahoma will indulge me. Reference was made, in the course of his colloquy with the Senator from South Carolina [Mr. JOHNSTON] as to the course or trend of industry in New England. Is the Senator familiar with the difference between the average per capita income in New England and the average per capita income in the Southeastern States?

Mr. KERR. I am familiar with the fact that there is a great difference in the per capita income of the States of New England and in some States not only of the Southeast, but also of the Southwest.

Mr. UPTON. Would the Senator from Oklahoma agree that the average annual per capita income in New England, in 1952, was $1,749, and that in the Southeast it was $1,121?

Mr. KERR. I should like to answer the Senator's questions one at a time. If the Senator tells me that the average annual per capita income for New England in 1952 was $1,749, I would accept the figure as being accurate.

Mr. UPTON. And $1,121 in the Southeastern States.

Mr. KERR. If the Senator tells me that that is official information, I would not dispute it.

Mr. UPTON. These figures are according to the statistics published by the Department of Commerce.

Is the Senator familiar with the per capita income in New England, as compared with the per capita income in South Carolina?

Mr. KERR. I am aware of the fact that it is greater in New England than it is in South Carolina.

Mr. UPTON. Would the Senator accept the figures of the Department of Commerce in 1952, that the average per capita income in New England was $1,530, and in South Carolina, $1,099?

Mr. KERR. I would not dispute that if the Senator tells me that is the situation.

Mr. UPTON. Is the Senator familiar with the fact that labor in South Caro-

lina is not organized as it is in New England?

Mr. KERR. I am familiar with the fact that labor is organized both in New England and in South Carolina. I am of the opinion that probably labor is more highly and generally organized in New England than it is in South Carolina; but I am of the opinion, further, that South Carolina has a considerable portion of organized labor and that, in the judgment of the Senator from Oklahoma, South Carolina will continue to have not only what it now has, but more.

Mr. UPTON. Does the Senator from Oklahoma know whether South Carolina recently has enacted a right-to-work statute, outlawing the union shop and the closed shop?

Mr. KERR. I am not familiar with the situation, whether it is correct or incorrect. I wish to say, in my judgment, that power developed and controlled by a program such as that provided for in my amendment will give to the great area we call New England an opportunity for the development of power as cheap as power can be produced in any other area of the Nation.

But I say to the distinguished Senator from New Hampshire that if the bill should be passed as it is now before the Senate, which, in my opinion, will grant a virtual monopoly to a very limited number of powerful corporations, then the great opportunity which I conceive to be available to this Nation, including New England and the Southeast alike, to have cheap power through atomic energy, will either be impaired or delayed or destroyed.

Mr. PURTELL. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. PURTELL. It is true that there are areas in this country which have cheap power, and they also have cheap labor, unorganized labor. I do not think it is proper to draw a comparison between the cheap-labor sections of the country and New England. May I call attention to the fact that in New England we have a very high standard of living for our workers.

Mr. KERR. The Senator from Oklahoma has said nothing which contradicts the statement of the Senator from Connecticut, nor did the Senator from Oklahoma attempt to draw a comparison. The only thing I did was to answer questions asked by the Senator from New Hampshire in which the Senator from New Hampshire asked me if I was aware of the difference in per capita income as between the Northeast and the Southeast.

I may say to the distinguished Senator from Connecticut that if the comparison was drawn it was drawn by the Senator from New Hampshire, not by the Senator from Oklahoma.

Mr. PURTELL. The Senator from New Hampshire, if I remember correctly, rose because of a remark made by the Senator from Arizona about a decline in the industry of New England. Let me say that one of the reasons perhaps why there has been some movement of industry away from New England has not been cheap power; it has been cheap, unorganized labor which is available elsewhere, and it has been encouraged by cheap, unorganized labor so that some industries perhaps have been asked to settle there. It has not been cheap power. I might say to the Senator.

Mr. KERR. The distinguished Senator from Connecticut labors under a dual illusion. In the first place, he seems to think that the Senator now occupying the floor is the Senator from Arizona. Great as is that marvelous State and much as I would cherish the opportunity to represent it here, such is not the situation.

The second illusion, or delusion, under which the distinguished Senator seems to labor is that the Senator from Oklahoma made a statement that New England had lost industry.

The Senator from Oklahoma was asked the question as to whether New England had lost industry because of too high a cost of power. In answer to the question the Senator from Oklahoma said he did not have the information with which to answer the question. I regret that the Senator from Connecticut either misunderstood what was said while he was here, or else arriving on the scene of action far too late, and without knowing the information by firsthand, he probably accepted a suggestion made by another Senator, thus arriving at an erroneous conclusion, which was the basis of his statement, thus proving that he was in a state of delusion as to what the Senator from Oklahoma had said.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. SPARKMAN. Is not the Senator from Oklahoma pleased to learn from the genial, able, and distinguished Senator from Connecticut that the migration of industry from New England is not due to low-cost power? Also, does not the Senator remember that when President Eisenhower said that TVA was creeping socialism, he used as a fact to attack TVA reports which he said he had that New England industry was migrating to the Tennessee Valley, because of the cheap power afforded by TVA? Does not the Senator join with me in rejoicing that the Senator from Connecticut has now set the record straight?

Mr. KERR. I am indeed glad to have the record set straight by the Senator from Connecticut, or by any other Senator. But although the President of the United States has said that industry has migrated from New England, I must say that my impression is that there is more industry in New England today than there ever has been. That is my impression. I have been in the great States of New England. I have read statements in the press and by chambers of commerce that New England has more industry today than it ever had, and that the amount of industry is increasing. So far as I am concerned, I must say that I accept those statements as being factual. I am certain that if the Senator from Connecticut wants to correct that information, regardless of what the cause may be, he will have made a contribution to the knowledge of the Senator from Oklahoma and to the record of this debate.

Mr. SPARKMAN. Mr. President, will the Senator yield for a further question?

Mr. KERR. I yield.

Mr. SPARKMAN. I wonder if the Senator has understood, as I have, that the home State of the distinguished Senator from Connecticut is the most heavily industrialized State in the Union.

Mr. KERR. I am impressed that it is one of the most heavily industrialized, and it may be the most heavily industrialized, but I will not undertake to answer the question in the affirmative, but I will accept the statement of my friend that it is one of the most heavily industrialized.

Mr. SPARKMAN. I should like to ask the Senator from Oklahoma, while the Senator from New Hampshire is on the floor, and he can revert back to the exchange had between the Senator from Oklahoma and the Senator from New Hampshire, who mentioned the study we authorized.

Does the Senator recall that at that time—I believe the study was made in 1949—I was a member with him of the Public Works Committee, and I was a member of the subcommittee that studied this particular proposal?

Mr. KERR. I do remember that quite well.

Mr. SPARKMAN. I wonder if the Senator from Oklahoma remembers some of the evidence presented to us then, much more recent than the Power Commission study, to the effect that our granting of undeveloped power in New England—I do not remember all the streams, but I remember the Kennebec and the Penobscot.

Mr. KERR. And the Connecticut River.

Mr. SPARKMAN. Yes; right through the heart of the State, so well represented by the able Senator from Connecticut.

I am not sure whether the Merrimac River still is an undeveloped resource.

Does the Senator also remember that in this session of Congress we adopted a resolution asking for a restudy of one of the greatest power potential projects in the whole world, Passamaquoddy, or the general area we usually refer to as Passamaquoddy?

Mr. KERR. Yes; I am familiar with that, and I want to say a word further with reference to the development of power in New England.

I have been there and stood on the banks of the streams, and I have seen the water flow down the channel in volume and at rates of speed which caused me to have an attitude of desiring to congratulate that area upon the immense potentialities which it seemed to the Senator from Oklahoma that water had for the development of hydroelectric power.

As the Senator from Oklahoma, I want to say I have felt more confident of the power potentialities of the waters of the streams of New England than some of her own representatives seem to have felt.

I want to say further, Mr. President, as a member of the Public Works Committee of the Senate, I will be glad to cooperate in any way possible to develop the

information which would enlighten the distinguished Senator from New York with reference to the potentialities of other areas and their streams and rivers for the production of hydroelectric power.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from New York.

Mr. LEHMAN. I wonder whether the Senator from Oklahoma recalls some statistics I have given to him which completely refute the claims of the Senator from Connecticut and the Senator from New Hampshire with regard to the importance of low-cost power.

Mr. KERR. I might say to my friend from New York that I am not familiar with the statistics to which he refers, but I would accept his statement, with reference to what they show.

Mr. LEHMAN. I wonder whether he will recall that I pointed out that the cost of power in New England and in New York was substantially twice as high as the cost of power on the Pacific coast, and in certain other sections of the country, which had low-cost power, and at the same time because, I believe, of the high cost of power, the consumption of power in these areas was less than half as great as in the low-cost areas of the country?

Mr. KERR. Mr. President, I can well visualize that situation, because I am aware of the fact that, based on statistics and information, the cost of power in New England is more than twice, to industry, REA, cooperatives and others, what it is to the Pacific Northwest, the Tennessee Valley and other areas of the country.

Mr. LEHMAN. Would the Senator yield for another question?

Mr. KERR. Yes.

Mr. LEHMAN. Does he recall the fact, which has been so frequently discussed, that there is a most direct and close relationship between the cost of power and the consumption of power, and that as the cost of power goes down the consumption goes up, to the benefit of industry and to the benefit of the public utilities?

Mr. KERR. Mr. President, it is certainly apparent, in fact, most apparent, that the consumption of power increases as the cost of power decreases, because, with every percentage point of decrease in the cost of power the opportunity for industrial use and the opportunity for home use and the opportunity for the multiple uses of power increases.

Mr. LEHMAN. Will the Senator yield for another question?

Mr. KERR. Yes.

Mr. LEHMAN. I wonder whether the Senator has heard discussed on the floor of the Senate the fact that, if a great natural resource like Niagara were developed and made available to consumers at much lower cost for power, it would greatly help the entire area which it serves, not only including New York but parts of Ohio itself, and in the case of the St. Lawrence a very substantial part of New England?

I do not know whether I asked the Senator this question yesterday.

Mr. KERR. The Senator from Oklahoma is quite aware of that and, for that reason, has done what he could to help enact legislation for the development of power from the St. Lawrence and Niagara Rivers; as the Senator from New York knows, when available hydroelectric power is developed, it represents a vital resource to the area and to the Nation, not only for peacetime development, not only for industrial development, not only for home comfort and better living, but also for the national security and wealth of the Nation.

Mr. LEHMAN. I want to take this opportunity to thank the Senator from Oklahoma for his great contribution.

Mr. KERR. And I thank the distinguished Senator from New York.

Now, Mr. President, I should like to call attention to an item on the first page of the Washington Post and Times-Herald. The headline reads as follows: "But the Deal Is Off—Air Force Auctions 50 Tons of Silver as Old Brass." It is by John G. Norris, staff reporter, and reads:

> Seven tons or more of sterling silver wings—enough to pin on all Air Force fledgling fliers for perhaps the next quarter century—were mistakenly sold at auction Tuesday.
>
> Red-faced Air Force officials explained yesterday that the tarnished flight insignia and some 45 tons of silver-plated medals and emblems were erroneously listed for sale as surplus brass.
>
> Deliveries to purchasers have been held up pending an investigation and the Air Force says the sales will be canceled. Federal law bars the armed services from selling silver and gold as surplus.

I must say that is a rather unique development that the Air Force would sell sterling silver as surplus tarnished brass.

I want to say, Mr. President, first, that it was unlawful, and second, that when they sold sterling silver mistakenly for tarnished brass they immediately moved to rescind the sale, to call it off. But that is not the situation with the Republican leadership of this Congress, Mr. President, with reference to the proposed grant in this bill—not just sterling silver, and not on the basis of a public auction.

The Air Force tried to get as much as they could for what they were selling at a low price, but it appears under the terms of this bill, Mr. President, the Congress would direct the Government of the United States to give something away.

Mr. BUTLER. Will the Senator yield?

Mr. KERR. I will yield to the Senator from Maryland in a moment.

Mr. BUTLER. I should like to know how much monetary silver the Government has now?

Mr. KERR. From the information I have, 2½ billion dollars in monetary silver. I had an engineer who is more or less associated with my office look up the facts to find out how much that might weigh. There are about 64,000 tons of silver to the billion dollars, and 2½ billion dollars worth of silver would weigh something over 120 or 130 thousand tons.

Mr. President, I now have the figures. I see that I was mistaken. That shows the error a man speaking from memory can make. I see that it takes 46,000 tons to make a billion dollars, so that two and a half times that, Mr. President, would make it 115,000 tons of silver that our Government owns in the form of monetary silver.

Under the terms of the pending bill we will give away that which costs four or more times that much, not as tarnished brass, not at public auction, not to the highest bidder, but to the limited few, Mr. President, who, under economic and physical facts, are well known to all.

Mr. BUTLER. Will the Senator further yield?

Mr. KERR. I want to say, without reading this, again, that the red faces of the Air Force when they discovered their error were nothing as compared to the red faces of those who are responsible for the pending proposal, if they get away with this giveaway.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. KERR. Yes.

Mr. BUTLER. I have not read the article, but will the Senator say whether or not the silver had been struck off into medals, or was it in bar form?

Mr. KERR. I do not know what difference it makes, but I will read it to the Senator.

Mr. BUTLER. It makes a lot of difference to me. I would like an answer. If the Senator does not want to answer I will take my seat.

Mr. KERR. I would not have my distinguished friend sit down without getting an answer to any question on his mind.

Mr. BUTLER. I would like to have the answer.

Mr. KERR. The article says: That some 45 tons of silver-plated medals and emblems were erroneously listed for sale as surplus brass. Deliveries to purchasers have been held up pending an investigation, and the Air Force says the sales will be canceled.

Now, the first part I read—and I will repeat it for the distinguished Senator—says:

> Seven tons or more of sterling silver wings—enough to pin on all Air Force fledgling fliers for perhaps the next quarter century—were mistakenly sold at auction Tuesday.
>
> The red-faced Air Force officials explained yesterday that the tarnished insignia and some 45 tons of silver-plated medals and emblems were erroneously listed for sale as surplus brass.

Does what I have read answer the Senator's question?

Mr. BUTLER. It may satisfy a Democrat. Does not the Senator think it quite reprehensible that the last administration should have bought so much in the first instance? I think it was said that the medals and so forth would be enough for 25 years.

Mr. KERR. Mr. President, I do not know whether the distinguished Senator from Maryland can find anything to relieve the redness of his face in that question. I must say to him that it would seem to me that that is quite a little supply of silver wings and flight insignia, of medals and of emblems.

Mr. BUTLER. Will the Senator tell us——

The PRESIDING OFFICER (Mr. BRICKER in the chair). Does the Senator from Oklahoma yield to the Senator from Maryland?

Mr. KERR. Let me answer one question at a time.

I would not even deny the Senator from Maryland the right to ask whether it was not too much to have on hand, nor would I too greatly dispute a statement by him that it might be, but I must say to him, regardless of that fact, it does not excuse the lack of knowledge on the part of those who would sell sterling silver under the designation of "polished brass."

Mr. BUTLER. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Maryland?

Mr. KERR. I yield for a question.

Mr. BUTLER. The Senator's answer is not an adequate excuse for those who so recklessly used the taxpayers' money in the first instance, to buy 300,000 pairs of wings for 9,000 fliers. Did they expect to be continuously at war?

Mr. KERR. Mr. President, if the distinguished Senator can get any comfort out of that thought, I say he is welcome to it.

And if he stands on this floor and criticizes what he refers to as an error of judgment with reference to buying too much, I want to ask him what he thinks the people of the country are going to say in the future, if, either in a blackout or in a moment of misguided judgment, we pass a bill which will be a giveaway of that which has been developed through an expenditure of $12 billion of the taxpayers' money, for research to the limited few who could possibly benefit under the terms of this bill?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Illinois.

Mr. DOUGLAS. Does the Senator from Oklahoma, who is a great biblical student, remember the words of the Apostle Paul, when he said something about "becoming a sounding brass or a tinkling cymbal"?

Mr. KERR. Ah, Mr. President, well do I remember those words; and I remember more or less the application of them. We can even visualize the great mind of my friend from Illinois as, by association, he thinks about the success being given us on the other side of the aisle, he was reminded of the words, "sounding brass and a tinkling cymbal."

Mr. MONRONEY. Mr. President, would the Senator yield for a question?

Mr. KERR. I yield to my colleague for a question.

Mr. MONRONEY. I wish to inquire whether it would occur to my distinguished senior colleague that the $12 billion which he mentioned as the investment of the people of the country was merely the cost that went into the discovery of wealth which now belongs to the people of America, and which is many times the original investment, to discover the secret of the atom?

I ask my distinguished senior colleague, if perhaps the $12 billion investment, which resulted in the discovery and the breaking of the secret of the atom for the first time in world history, now that we have the secret and the knowledge of the atom, and the discovery rights belong to all the people of America, if perhaps—and I have used this several times in this debate—if perhaps the actual value of the production facilities, of the know-how, of all of the equipment, may not have added more than $275 billion to the net capital worth of all the people of America?

I believe we have an investment that will pay dividends to people of America in the years to come, perhaps far exceeding the entire amount of the national debt, which today is currently near $275 billion.

So it seems to me that not only is the $12 billion original risk capital involved, but perhaps when we think of the giveaway that is proposed by this measure, it may be that we are talking about a net capital worth exceeding $275 billion that belongs to all the people of America.

Mr. KERR. Mr. President, I thank my distinguished colleague for that question, and wish to respond in an emphatic affirmative. There is no question in the mind of the senior Senator from Oklahoma that what we may seek for the peacetime development of comfort and progress and industry and wealth, in our Nation, is to be found in the discovery and the development of the uses of atomic power.

Mr. President, we have had before the Senate——

Mr. MANSFIELD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield for a question?

Mr. KERR. I yield for a question; yes.

Mr. MANSFIELD. Does the Senator see any parallel between the Air Force making an error in selling silver for brass, and the President's making a statement to the press, on day before yesterday, that, in effect, it was news to him that a majority of the Atomic Energy Commission had disapproved the idea of awarding a contract or entering into negotiations with the Dixon-Yates concern.

Mr. KERR. Mr. President, I see a very, very distinct similarity there. In the press item to which I referred, which, I must say, quite intrigued me, the Air Force discovered its own error, and moved as expeditiously, I am sure, as the circumstances would warrant and permit, to correct it.

I was quite surprised to find two things about what I understand the President said in his press conference. Number one, that the Dixon-Yates contract would be implemented and authorized by action of the Senate, over the objection of the members of the Atomic Energy Commission. I was quite surprised to find that information as to their position had not been given to the President of the United States. I can understand, Mr. President, how he would not have the information, unless they told him. I have a great respect for his ability, his patriotism, and his purpose. I am sure that the country would be better served if those seeking to promote either the Dixon-Yates contract or the provisions of this bill—which would make it practically impossible for anyone except a very limited few powerful corporations to have an opportunity to develop the peacetime uses of atomic fuel—were to discuss those proposals with the President, either before making a contract or slugging this proposed legislation through the Congress of the United States.

My colleague referred to the amazing value of atomic power, in its use and development. Mr. President, the imagination of man does not yet permit him to contemplate its value. I started to refer to the great area of Alaska, hundreds of thousands of square miles, vast areas of which are covered by glaciers. We know that along the western shores of Alaska the warmth of the waters of the Japanese current is carried to its shores, creating a climate which makes that one of the most productive areas of the world. Who knows, Mr. President, but what the utilization of atomic power may one day be able to create a similar environment for the hundreds of thousands of square miles of the glacier-covered area?

Who knows, Mr. President, but what the development of atomic power may speed the day when water from the ocean can be quickly converted into water that will be usable for human consumption and industry and irrigation? Who knows, Mr. President, but what a giant atomic reactor may not in the foreseeable future change the very climate of the desert? Who knows, Mr. President?

The senior Senator from Oklahoma does not know, but he stands in awe as he contemplates the possibility; and, Mr. President, he is astounded beyond words to decry language in this bill which would in effect create a virtual monopoly for a limited few powerful corporations, who, as far as I know, have not even sought it, and would give them the control of the vast peacetime potentialities of the amazing thing we call atomic energy.

We call it atomic energy, and we speak about its potentiality. Why, Mr. President, man in his research thus far has but cracked the door to the secret chamber of scientific knowledge and potentiality which, when explored and discovered, will enable men literally to imitate the ancient god that stood on the mountains and hurled the thunderbolt of lightning, only he will not be limited in his activity and his power to hurl the lightning bolt of destruction: he will be enabled to harness the lightning, that mighty source of power, for uses which will literally transform the frozen tundras and glacial-covered areas of the arctic north, to a physical environment and climate that will be productive of things required by men and which will also change the climate of the desert which will be enabled to blossom as the rose.

We have a great responsibility, Mr. President, as being in control of the use of this mighty agency for a better way of life, not only for the people of

this country—North, East, South, and West—but also in our relationship with the free world.

Mr. President, who would profit by the provision of the bill which thus would permit to but a few the opportunity for this development? The Atomic Energy Commission would not profit. Its position then would be worse than it is now, under the McMahon bill. The applicants who would seek to be permitted to be licensees of a patent, in order that they might add their productive capacity and their brains and their productive facilities to the development of this resource, would not be benefited by this provision of the bill. Their position would, instead, be more difficult. Their opportunity to make use of this magic power would be more limited. But the holder of the patent and the ultilization of a patent by the owner would be limited—and then only slightly limited—only for the next 5 years. Thereafter, there would be no limitation.

Imagine, if you will, Mr. President, the position of a corporation or a person or an identity who, 5 years from the passage of this measure, or beyond September 1959, would make a vital discovery with reference to the development and use of atomic energy, and would patent it. Mr. President, the value of all the patents, combined, yet issued by the Patent Office would pale into insignificance, compared to the possible value of one such patent.

Mr. President, can you imagine that Congress would pass a law which would make it possible for that situation to develop? Can you imagine that the Senate would seriously consider a proposal which would make that the only possible result—because when this bill is passed, if it is, as written, the Government of the United States would no longer have ownership of that patent; the Atomic Energy Commission, insofar as nonmilitary uses are concerned, would have no ownership of that patent. He who would thus be so fortunate would be the one who, alone, would own and profit from the patent.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. KERR. I yield to the Senator from Tennessee for a question.

Mr. GORE. The able senior Senator from Oklahoma referred to the facts of life relating to this particular development, and I believe he described them as known to all. Did he mean to indicate by that, that under the development of this program, only a few companies would be in a position, with the know-how, to apply for patents within a reasonable period of time?

Mr. KERR. Mr. President, no other conclusion can be drawn from the facts with which we are face to face today. Imagine, if you will, Mr. President, the limited few who have developed ability in this field of endeavor. Consider, if you will, Mr. President, how they have developed it. They have developed it through the use of public funds. They have developed it through contracts of exclusive privilege with our Government.

It has been said that the safety of our Nation depends upon the fact that we are from 1 to 5 years ahead of Soviet Russia in the development of the use of atomic power. I do not have sufficient knowledge to be able to verify or dispute that statement. However, I accept it as a logical premise. Then, Mr. President, ask yourself this question: How far ahead of industry or of individuals generally in our country are the limited few who have, over the past decade, or longer, had great programs of research and scientific exploration and development under way, with Government funds? Imagine, Mr. President, how far ahead they are of anyone else; and then you can contemplate the absolute impossibility that anyone situated otherwise would be able to have anything more than the remotest chance of being able to develop anything in this program.

Mr. HILL. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. KERR. I yield.

Mr. HILL. Is it not true that the Government of the United States has paid for all the cost of this development?

Mr. KERR. Yes; all the cost and all the profit.

Mr. HILL. Yes.

Mr. KERR. That is absolutely true.

Mr. HILL. Is it not true that these companies have not only obtained the know-how and this big advantage over the other fellow, but they got it with the Government paying them all the costs and also paying them a profit for everything they have done?

Mr. KERR. That is absolutely correct, Mr. President.

Mr. President, I ask, why rush, in the closing days of this session, to give it away? We shall still be sovereign when we return in January. If, when we return, our hearts are pierced with regret that we have let pass this great opportunity to give this away, we could rectify that next January; we could give it away then. [Laughter.]

But, Mr. President, I remind Senators of this irrefutable fact: If we give it away this July, we cannot recapture it next January.

So why all this hurry, Mr. President? We have done pretty well, this session, in the field of giving things away. [Laughter in the galleries.]

The PRESIDING OFFICER. The Senator from Oklahoma will suspend.

Let the Chair admonish the occupants of the galleries that there must be no demonstrations, either of approval or of disapproval, on the part of the occupants of the galleries. Otherwise the Chair will be compelled to order the galleries cleared.

The Senator from Oklahoma may proceed.

Mr. KERR. I thank the Chair.

Mr. President, I remind the Senate that this situation may have the salutary effect of making the Members put a brake on themselves, for otherwise, after adjournment, we might continue that habit—once formed—with reference to our own business. [Laughter.]

Mr. President, I think we should give ourselves a chance to spend 1 month here without taking positive action on our part in giving this away. Regardless of what anyone may have claimed about what we have been the donor of in the past, the action now contemplated would be the climax of them all.

Mr. President, why hurry? The opportunity will not be forever lost. We might even wait a few more days to see how other elections come out, so that any Senator who is rushing into this because of a fear that he might not be here next January would be able to be reassured in that regard.

The Senator from Oklahoma has received such reassurance, Mr. President, and he fully expects to be here next January. I would hate to think I had returned here to a well that was empty, to a pitcher that was broken, to a bin from which every grain had been scratched and then thrown from the tallest turret into a whirlwind.

We have a solemn responsibility in regard to this bill. This Government has certain vested property rights in atomic energy and its development and use. What justification can there possibly be for this extravagance?

Mr. President, I listened for a long time to statements made in this body, some few of which came from Members on this side of the aisle, and many of which came from Members on the other side of the aisle, about what this Government was giving away in this corner of the globe and in that corner of the globe. I wish to say that I have never seen anything that begins to compare with the immensity of this asset, that we seem to be under such inward compulsion to divest ourselves of. We paid for it; we own it. And will our faces be red if we wake up, after what seems to be a frenzy of self-delusion unequaled, and realize that in a moment when we yielded to an urge within us, not based on reason, we literally threw away an asset of such incalculable value?

Mr. HENNINGS. Mr. President, will the Senator from Oklahoma yield to me?

Mr. KERR. I yield for a question.

Mr. HENNINGS. The distinguished Senator from Oklahoma is making an exceedingly able address. He sat here for a good many years, during the ascendency of the Democratic Party, when the present majority was the minority. We recall, do we not, that the then minority were the self-proclaimed conservators of the Nation and its funds, in respect to both domestic and foreign appropriations?

Mr. KERR. Mr. President, that strikes a strangely familiar note in my mind.

Mr. HENNINGS. To what does the Senator from Oklahoma attribute this gesture of seeming largess on the part of the Republican Party, now that it has come into power, with reference to this matter? I ask this question in view of the keen perception and outstanding ability of the Senator from Oklahoma to penetrate the minds of others and determine their motivations. How does the Senator from Oklahoma interpret this gesture on their part?

Mr. KERR. Let me say that I covered that point earlier in my remarks——

Mr. HENNINGS. I am sorry, Mr. President, and I beg the Senator's par-

don. I regret that I was not in the Chamber when he spoke on that point.

Mr. KERR. However, I shall be glad to repeat that part of my remarks.

I have determined to my own satisfaction that such a gesture of largess is either a gift in contemplation of an early demise or it is in pursuance of an ironclad purpose, while yet living and in control of their political faculties, to make and publish this, their last will and testament.

Mr. HENNINGS. Of course the Senator from Oklahoma is aware that in law—certainly as respects tax law—the making of a gift in contemplation of death has certain effects not always contemplated by the donor.

Mr. KERR. That is correct.

Mr. HENNINGS. And frequently disappointing to the donor if he should live to witness the effects of his largess in attempting to give away property. In other words, it is subject to very heavy taxation.

In this case I say this measure constitutes a last will and testament, as follows: "I hereby bequeath to a few powerful, mighty corporations, all the right, title and interest of this Government in and to the future potentialities of the peacetime development and value of atomic energy."

So, Mr. President, I think we would do the Members across the aisle a great service if we were to save them from that rash act. Who knows, Mr. President? They may survive the November elections. [Laughter.]

It may be that they will still be in a position to give this great asset away next January; and if they are not, it might be that not only would the country be best served, but think of the delight they would have through the future years in contemplating their possible return to power, when they would still have the opportunity to give this resource away.

I urge consideration by the Senate of this amendment. The amendment would delete those provisions from the bill, and would keep as a part of the law the basic principles of the McMahon Act, under which great progress has been made, under which we have come to the position where, if we pass the bill, we shall have made the greatest gift in the history of the world.

I say now that it might be an error for the Republican Party to be in such a great hurry, because the resource might be worth twice as much 2 years from now; and then, by a simple act of legislation, they could give away twice as much as they realize they are giving away this year.

Why darken the dying days of this administration by compelling the execution of this last will and testament?

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. HUMPHREY. The Senator undoubtedly has heard the comment made again and again by representatives of the Republican Party that the debate upon this measure is holding back such important legislation as the farm bill, the social security bill, the mutual security bill, and other proposed legislation. Does the Senator recall anything which was holding back the Republican leadership from reporting a farm bill at least 2 months ago?

Mr. KERR. Mr. President, I wish to say to the great Senator from Minnesota that had that been done, and had a reasonable bill been passed, and then vetoed, Congress might have had an opportunity to pass it over a Presidential veto.

Mr. HUMPHREY. The Senator undoubtedly, despite his very busy days, has had an opportunity to glance at the headlines in the press, which has carried the massage that has been self-propelled from this Chamber, that the administration's farm bill is being held back by the debate on the atomic energy bill.

Perhaps the Senator from Oklahoma could give us a little advice as to exactly what farm bill is before the Senate. Is the Senator aware of the fact that the administration's farm bill is hung up somewhere in cold storage, and that no farm bill is available for the consideration of the Senate?

Mr. KERR. There is before the Senate a farm bill which, if I understand correctly, is not claimed by any personality or element of the administration. If its father is in the White House, he has disavowed it. If its mother is in the great building of the Department of Agriculture, she has publicly disavowed it and held it up to ridicule and scorn. So would it matter if our action delayed for another day or two that which has been held up for months? Who knows?

As anxious as I am to see the consideration and passage of a farm bill which will do equity to the farm people of this country, I am even as anxious to see that Senators give full consideration to the immensity of the gift we are about to be compelled to make, a gift of so much to so few.

Mr. HUMPHREY. Has the Senator been touched by the sudden efforts for the welfare of the farmer, as we have debated the atomic energy bill? Has the Senator reflected upon the fact that as the bill was reported to the Senate, it had forgotten one of the great farm programs of America, namely, the rural electric cooperatives? No provision was made for their sharing in this great asset of the people.

Mr. KERR. The Senator is correct. I wish to say publicly, here and now, so far as I am concerned, that if the majority leader will propose it, I will seek to secure the approval of a sufficient number of Senators on this side of the aisle to make it possible to pass the farm bill as reported by the committee, without taking much of the time of the Senate.

Mr. HUMPHREY. The distinguished Senator from Oklahoma is experienced in the art and skill of legislative procedure. Does the Senator recall, in his experience, both as a governor and as a United States Senator, that when proposed legislation has run into what one might call road blocks, it has been set aside, and other proposed legislation has been offered to supplant that which has seemed to be getting nowhere. Does the Senator recall such experiences in this Chamber?

Mr. KERR. Oh, yes, the Senator from Oklahoma recalls those experiences.

Mr. HUMPHREY. Is the Senator aware of the fact that while the Senate was debating the so-called Bricker amendment, which was not on the President's program or agenda, on four separate and distinct occasions the Bricker amendment was set aside, according to the Legislative Reference Service, in order to take up other measures?

Mr. KERR. The Senator from Oklahoma is aware of that fact.

Mr. HUMPHREY. Is the Senator from Oklahoma aware of the fact that the so-called Bricker amendment was set aside four distinct times by the majority leader, so that the Senate might take up other proposed legislation?

Mr. KERR. The Senator from Oklahoma is aware of that fact.

Mr. HUMPHREY. Is the Senator from Oklahoma aware of the fact that we have the same majority leader, who undoubtedly, through the skill he has now developed from such experiences of four successful attempts at setting aside the Bricker amendment, might still be able and capable, if he were but willing, to set the atomic energy measure aside, so that the Senate could take up the much-heralded farm bill now?

Mr. KERR. I am certain the distinguished majority leader is aware of the opportunities and the potentialities in that regard.

Mr. HUMPHREY. Is the Senator from Oklahoma aware of any grassroots outcry for the passage of the pending measure, except the grassroots outcry which may be coming from out of the office buildings on Park Avenue, Fifth Avenue, Broad Street, and Wall Street?

Mr. KERR. In answer to that question, I wish to say that I have never seen so much legislation in my life for which there is so little general demand as there is for the bill now before the Senate.

Mr. HUMPHREY. Is the Senator aware of the fact that the Atomic Energy Commission itself never even published a report, which it is required to do under the law, before it enters upon such a major modification of the Atomic Energy Act as is contained in the pending measure?

Mr. KERR. The Senator from Oklahoma is of the opinion that the Atomic Energy Commission either did not have the opportunity to make a recommendation, or did not have the attitude to make a favorable recommendation. The Senator from Oklahoma does not make that statement on the basis of a communication or knowledge at the hands of the Atomic Energy Commission, but this is the impression the Senator From Oklahoma has on the basis of information which he has.

Mr. HUMPHREY. Is the Senator from Oklahoma aware of any large mass of mail, telegrams, teletype messages, smoke signals, semaphore code signals, or any other means of communication, which has indicated to the Members of the United States Senate that the people of America are demanding that this measure be passed?

Mr. KERR. The people of Oklahoma who have written me about this subject—and there is no small number of them, but quite a few—are amazed and astounded as they learn of its provisions, and of the fact that the United States Senate is seriously considering passing the bill.

Mr. HUMPHREY. Is the Senator from Oklahoma aware of the resolution passed unanimously at a meeting of the board of directors of the National Rural Electric Cooperative Association, as of July 21, 1954, at Wassau, Wis., to the effect, first, of comending those of us who are fighting the measure; and, second, urging that we continue the battle until the inequities of the proposed legislation are remedied and until the public interest is protected?

Mr. KERR. The Senator from Oklahoma is perfectly well aware of the action, and has had repeated reminders of it from the leadership and membership of the REA in Oklahoma.

Mr. HUMPHREY. Has the Senator from Oklahoma, in his broad understanding of the legislative procedure and the legislative history of this great august Chamber of the United States Senate, known of occasions within rerecent years when the Senate has stayed in session beyond the date of July 31?

Mr. KERR. Oh, the Senator from Oklahoma well remembers those occasions, and he is fully prepared for the imminent repetition of them in this year of 1954.

Mr. HUMPHREY. Does the Senator feel that it would be appropriate and fitting that at this moment we should pay tribute to those great Republican leaders, some of whom are still in the Chamber, who by their wit, charm, intelligence, ability, strategy, and obstructionism kept the Senate in session in other years as late as October?

Mr. KERR. The Senator from Oklahoma has had a disposition to forget the faults of his friends; but since the distinguished Senator from Minnesota has refreshed my memory, I must say that it does have a familiar appearance, and I am forced to the conclusion that the answer is in the affirmative.

Mr. HUMPHREY. Would it not be fair to assume that a number of distinguished Senators who, in the years 1949, 1950, and 1951, by their diligence, by their efforts, and by their desire for full consideration of proposed legislation, kept the Congress in long sessions, beyond the date of July 31, did so because they believed it was in the public interest, and did so because they felt it was absolutely essential that there be the fullest consideration of legislative proposals?

Mr. KERR. I am certain that the effort referred to by my colleague and friend, the Senator from Minnesota, was inspired solely by the purpose to serve the public welfare. I well remember those days, when the halls of the great Capitol, and this very Chamber itself, rang with the eloquent words spoken against what were alleged to be extravagances and giveaways.

But, Mr. President, never at any time in its history did the Democratic Party contemplate the possibility of the day ever arriving when the Congress of the United States would have the power to be so extravagant in an attempt to giveaway as is evidenced by this bill, as it refers to the purpose of those who seek to enact it.

Mr. HUMPHREY. Does the Senator from Oklahoma recall that in days gone by, particularly in the late 1930's and early 1940's, yes, even in the 1950's, our friends on the other side of the aisle have frequently branded the Democratic Party as being imbued with the spirit of Santa Claus, of giving things away? Is it possible, may I ask the Senator from Oklahoma, that the Republican Party is now attempting to outdo us, and to make Santa Claus look like Scrooge?

Mr. KERR. Ah, but with this difference—with this great, fundamental difference: The vast gifts of generosity that the Democratic Party brought about were with reference to the many, and to making a better opportunity available to all the people. This extravagance, of which we complain, is an attempt to make a gift to a number less than the fingers on the Senator's two hands—a gift to the few, at the expense of the many.

Mr. President, my judgment was that the acts of the Democratic Party, complained of by our friends on the other side of the aisle as being too generous, had this great redeeming factor: They were essentially made to the rank and file of the people of the United States. There has not yet been a claim made, and I doubt that it will be made, that this contemplated act of extravagant generosity will be beneficial to more than a very limited few—and there lies one of its great faults and weaknesses.

Mr. HUMPHREY. The Senator is undoubtedly aware of the many admonitions which the Nation has received as to what happens to the moral fiber of those who are recipients of undue gifts, gifts in great abundance and of great extravagance. Is the Senator not concerned as to what might happen to the moral fiber of the handful of corporations which will be the recipients of the people's resources, to the tune of about $12 billion?

Mr. KERR. I have contemplated that feature of the picture, but with far less concern than I have contemplated the damage to the country generally as a result of the bill. I must say that I cannot find it in my heart to blame those few who wait expectantly at the doors of Congress for this contemplated and promised handout, motivated by the ordinary impulses of human nature. They probably have the attitude of a great capitalist who once, when asked how much he wanted, said, very modestly and demurely, "Just a little more." I am sure that if the corporations were pressed to answer, that would be their answer.

I wish to say to my friend, the Senator from Minnesota, and to the Members of this body: Those who receive the benefits of this bill, if we pass it, will be the most shocked of any persons in the history of the country, to have received so much for nothing at the hands of the Government. I will say it will be 50 years before the average citizens and probably 25 years before the recipients become remotely aware of the stupendous nature of what it is we are trying to push out the door into their hands.

Mr. President, we do not have to do it in too big a hurry. We do not have to do this by July 31. We do not have to do it by August 15.

I want to say we will still have the power to give this away next January.

We should give ourselves and the people of the United States the benefit of further serious consideration of what there is involved in the section of the bill which the Senator from Oklahoma seeks to eliminate by his amendment.

Mr. HUMPHREY. Will the Senator yield?

Mr. KERR. Yes.

Mr. HUMPHREY. It may be that those who are now in such undue haste and desire to give these great resources away without proper safeguards in the public interest, will not have enough votes come next January to be able to deliver the gift which is almost now on the threshold of those who would be the beneficiaries.

Mr. KERR. I may say to my great friend that is the only consideration I can conceive of that would cause this precipitate action, but he referred a while ago to the possibility that they may be in power in January; there is always the possibility of another blackout of the American people, and the Republicans being returned to power. In that event they would still hold control of this great resource, and think of how much fun they could have in giving it away then.

Mr. HUMPHREY. Will the Senator yield?

Mr. KERR. I yield.

Mr. HUMPHREY. Would not the Senator say that anticipation is much more desirous and interesting than realization?

Mr. KERR. I have heard that, not in those words, but I think my friends on the other side of the aisle in this crucial debate are in a great hurry to determine a state of mind, and if there is any pleasure in anticipation, they are rushing into the arms of immediate realization, lest the opportunity be forever withdrawn.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. KERR. Yes.

Mr. HUMPHREY. The Senator is aware of the many matters of public interest pending before the committees of the Congress, and I am sure the Senator is receiving many letters on the subject in view of the desire for haste of accomplishment.

I asked the Senator this morning if it would not appear that it might be wise in order to have the legislative record of the administration's program look bold and encouraging that such proposals, for example, as justified wage increase for our postal employees and civil-service employees be made matters of pressing concern, and well could be made matters of pressing concern.

Mr. KERR. I want to say to the Senator from Minnesota that I have great respect for the distinguished majority

leader. I do not agree with him on all matters, but I want to pay my respects to his sincerity and steadfastness of purpose. I think in the calmness of this hour we are in such form as to receive such suggestion.

Mr. President, may I suggest it would have been possible to give due consideration to the bringing up of some noncontroversial measures. Let us take care of them at this hour and the hours immediately ahead of us, and then, as tempers cool and bodies relax, the arms of Morpheus, from which they have been perhaps withheld for a time unparalleled in the history of the Senate so far, can recapture them.

We might do that rather than proceed with the tumultuous consideration of this sensational and important bill.

I would make that suggestion to my good friend in all seriousness and with complete respect and sincerity.

Mr. HUMPHREY. Will the Senator yield for another question?

Mr. KERR. Yes.

Mr. HUMPHREY. The Senator is aware of the development yesterday concerning the Johnson amendment and concerning the Gillette amendment, and the two minor amendments offered by the junior Senator from Minnesota.

At least two of those amendments, which were adopted, have been of major importance in modifying this bill. So it is possible, when the majority leader saw the four amendments within a period of less than 8 hours become parts of the bill that then pressure was put on, and tactics were used to try to block and stop debate and steamroller the bill as is. Has that possibility passed through the mind of my distinguished friend?

Mr. KERR. I must say that possibility has not occurred to the Senator from Oklahoma, but since it has been suggested to me by my friend from Minnesota I can now understand the situation.

Mr. HUMPHREY. Will the Senator yield for another question?

Mr. KERR. Yes.

Mr. HUMPHREY. I am afraid the Senator from Oklahoma was greatly interested as to why the amendment offered by my distinguished colleague from Rhode Island [Mr. PASTORE] was disposed of so abruptly, and I asked the Senator from Oklahoma if he did not think it a strange proceeding when we were discussing an amendment that was so dear to the President as the Pastore amendment was, and when those of us on this side of the aisle were trying to uphold the hands of the President, because of his famous speech on atomic energy, that a motion should be made to lay the amendment on the table. Was not the Senator concerned about that?

Mr. KERR. The Senator was surprised that the motion was made and adopted. He was disappointed in not being able to hear the discussion. He is going to try to learn as much as he can of this debate, because his knowledge of the record and the action of the Senate has necessarily been greatly limited.

Mr. HUMPHREY. Will the Senator yield for another question?

Mr. KERR. Yes.

Mr. HUMPHREY. Is the Senator from Oklahoma of the opinion that once a cloture motion has been filed that the possibility for orderly discussion and for progressive action upon vitally important amendments may thereby be impeded, or, if not impeded, at least may be obstructed?

Mr. KERR. The Senator from Oklahoma is quite aware that the filing of the cloture motion and action by the Senate might afford an opportunity for the Senator from Oklahoma, at least, to learn something about some people concerning whom he is very curious and desirous of being informed.

I trust that the setting in motion the operations necessary for the consideration of the cloture motion may be changed, and it just may be that our great friend from California will decide that he would rather let that matter rest in peace.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield to the Senator from California for a question.

Mr. KNOWLAND. Would it interest the distinguished Senator from Oklahoma to know that regardless of the cloture vote Monday next the pending business will still be the pending business before the Senate, and the Senate of the United States will get an opportunity to vote upon it?

Mr. KERR. The Senator from Oklahoma will say to his friend from California that he does not have that knowledge. I am of the opinion that the pending business before the Senate will be the pending business before the Senate until the Senate either votes on it or decides to make some other measure of the pending business.

I cannot speak with the assurance of my good friend from California of what the Senate will do, and what the Senator from Oklahoma says are his opinions are in no wise binding upon the Senate, but he has great respect for the opinion of the distinguished Senator from California.

However, if the Senator from California gives his assurance that is the situation, the Senator from Oklahoma would regard it as being persuasive as to what will probably happen.

Mr. HUMPHREY. Will the Senator yield for another question?

Mr. KERR. Yes.

Mr. HUMPHREY. In the light of the announcement we heard from the majority leader, I wonder whether or not the Senator from Oklahoma has been of the opinion that the majority leader, in his haste to file the cloture motion, is now engaged in some simple arithmetic and has come to the conclusion that the sins of the father fall upon the heads of the sons and their children, and therefore, that the 64 votes which are required by the present rules of the Senate to make a cloture petition effective are not available.

In other words, there just are not enough chickens to fill the coop.

Mr. KERR. I want to say to my good friend from Minnesota I believe I understand what he means; I probably would use the same words to express the same thought.

I do have some doubt as to there being 64 Members of this body who next Monday or next Tuesday or next Wednesday or next Thursday will cast affirmative votes for cloture on this matter.

However, I must again assure my friend that my statement in the RECORD would in no way be binding on the Senate.

Mr. HUMPHREY. Will the Senator yield for another question?

Mr. KERR. Yes, sir.

Mr. HUMPHREY. As I understand the Senator from Oklahoma, there is in the view of the Senator from Oklahoma that, whatever prophetic qualities he may have, and what limited prophetic qualities the Senator from Minnesota may have, it is within the realm of possibility—at least, a hopeful possibility—that after filing the cloture motion as a dramatic act, the arithmetic of making that petition effective has now toned down the majority leader to the realization that the pending business following the application of the cloture motion will still be the pending business before the Senate.

Mr. KERR. I must say to my good friend from Minnesota I would not cast any reflection on the judgment of the distinguished majority leader. I am of the opinion that what he now finds is that the probability of the outcome of the cloture motion will not be at too great variance with the thoughts he had about it when he filed it. It may be that I am mistaken in that, but I have great respect for his realistic analysis and of his capacity to make an accurate estimate of the situation.

Mr. HUMPHREY. But that there is not very much chance that he feels any differently about the possibility today than he did in the past.

Mr. President, will the Senator yield for one final question?

Mr. KERR. I yield for a question.

Mr. HUMPHREY. Is it the view of the Senator from Oklahoma that if we proceed forthwith with the amendments which are now on the desk, and the amendments which may be offered, considering them one by one and debating them in good stead and in good humor, with whatever information we have at our command, we may very well proceed to so modify this bill as to make it acceptable to those of us who have found provisions of it, as presently written, unacceptable, and that we would be able to accomplish the mission which the majority leader would like to have us accomplish; namely, to have legislation on the subject?

Mr. KERR. Oh, I think that is entirely possible, and I would desire it so greatly, Mr. President, that I would urge Senators to look upon it as a very great possibility, and certainly as an avenue of approach, so worthy that we would decide to pursue it in the hope that such a happy conclusion might be obtained.

I yield the floor.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The pending question is on the amendment of the Senator from Oklahoma [Mr. KERR].

Mr. KNOWLAND. Mr. President, I send to the desk a unanimous-consent request, and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the request.

The legislative clerk read, as follows:

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Oklahoma [Mr. KERR], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Oklahoma [Mr. KERR] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Martin
Anderson	Gore	Maybank
Barrett	Green	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bowring	Hennings	Murray
Bricker	Hickenlooper	Neely
Bridges	Hill	Pastore
Burke	Holland	Payne
Bush	Humphrey	Potter
Butler	Jackson	Purtell
Capehart	Jenner	Reynolds
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Saltonstall
Chavez	Johnston, S. C.	Schoeppel
Clements	Kennedy	Smathers
Cooper	Kerr	Smith, Maine
Cordon	Kilgore	Smith, N. J.
Crippa	Knowland	Sparkman
Douglas	Kuchel	Stennis
Dworshak	Lehman	Symington
Ervin	Lennon	Thye
Ferguson	Long	Upton
Flanders	Magnuson	Watkins
Fulbright	Malone	Wiley
Gillette	Mansfield	Williams

The PRESIDING OFFICER. A quorum is present.

Is there objection to the unanimous-consent request?

Mr. KNOWLAND. I should like, for the information of the Senate and for the benefit of those who were not here when the unanimous-consent request was read, to have it read again for the information of Senators.

The PRESIDING OFFICER. The Clerk will again state the proposed agreement.

The legislative clerk again read the unanimous-consent request as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Oklahoma [Mr. KERR], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Oklahoma [Mr. KERR] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement submitted by the Senator from California?

Mr. KERR. Mr. President, reserving the right to object, let me say to the distinguished Senator from California that my statement on my amendment is the first word I have had to say on this bill. This amendment is submitted to what I consider to be one of the most vital, if not the most vital, provisions of the bill. The amendment is calculated to restore and keep the procedure of the McMahon Act with reference to patents concerning the peacetime use of atomic power.

I remind the Senator from California that I did not take too much time in my discussion of the amendment. I believe it is of such significance that it is worthy of more time than the amount the Senator from California has proposed. So I ask whether he would be willing to modify his request, so as to provide for 2 hours to a side, and, upon the proposed agreement as thus modified being agreed to, also to provide that we take a recess until 12 o'clock tomorrow, so that then, with the amendment being the pending question, and with Senators fresh, and at that time, when proceeding in the light of day, having an opportunity to consider more carefully the objective of the amendment, we would proceed in accordance with the proposed agreement, as I have suggested that it be modified.

Mr. KNOWLAND. I would be very glad to modify the proposed agreement, so as to increase the time from 1 hour to 2 hours, as the Senator from Oklahoma has suggested—but not conditioned upon having the Senate take a recess until 12 o'clock tomorrow.

Mr. KERR. Well, Mr. President, reserving the right to object, let me say it is my conviction that this part of the bill is worthy, not only of more consideration than would be possible under the original proposal to allow 30 minutes to a side, but in light of the vast elements involved——

Mr. KNOWLAND. Mr. President, will the Senator from Oklahoma yield at this point?

Mr. KERR. Certainly.

Mr. KNOWLAND. I do not know whether I made it clear to the clerk that I do thus modify the proposed agreement, so as to provide for 2 hours instead of 1 hour.

Mr. KERR. Two hours to a side, and that we begin at 10 o'clock tomorrow?

Mr. KNOWLAND. No; but that the time allotment be increased from 1 hour to 2 hours.

Mr. KERR. Mr. President, I take it that the Senator from California refers to 2 hours to a side.

Mr. KNOWLAND. No. The original unanimous-consent request was made on the basis of 1 hour, to be equally divided. I had understood the Senator from Oklahoma to suggest that the proposed agreement be modified by allowing 2 hours, instead of 1 hour.

Mr. KERR. No; I suggested 2 hours to a side.

Mr. KNOWLAND. Thus making a total of 4 hours?

Mr. KERR. Yes.

Mr. KNOWLAND. No, Mr. President; but in the effort to obtain a unanimous-consent agreement, I would be willing to modify my proposal two-thirds of the way suggested by the Senator from Oklahoma, and thus would modify the proposed agreement by providing for 3 hours, to be divided equally.

Mr. KERR. Mr. President, further reserving the right to object, will the Senator from California agree to modify his request by providing that the time be taken this evening, and that thereupon the amendment be voted on, and that then the Senate take a recess until either 10 o'clock a. m. or 12 o'clock noon tomorrow?

Mr. KNOWLAND. No; I regret that I am unable to agree to that.

Mr. KERR. Then, Mr. President, the Senator from Oklahoma objects.

The PRESIDING OFFICER. Objection is heard.

The question is on the amendment of the Senator from Oklahoma [Mr. KERR].

Mr. KNOWLAND. Mr. President, I move to lay on the table the amendment of the Senator from Oklahoma.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. KNOWLAND. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The Chief Clerk called the roll, the following Senators answered to their names:

Aiken	Goldwater	Martin
Anderson	Gore	Maybank
Barrett	Green	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bowring	Hennings	Murray
Bricker	Hickenlooper	Neely
Bridges	Hill	Pastore
Burke	Holland	Payne
Bush	Humphrey	Potter
Butler	Jackson	Purtell
Capehart	Jenner	Reynolds
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Saltonstall
Chavez	Johnston, S. C.	Schoeppel
Clements	Kennedy	Smathers
Cooper	Kerr	Smith, Maine
Cordon	Kilgore	Smith, N. J.
Crippa	Knowland	Sparkman
Douglas	Kuchel	Stennis
Dworshak	Lehman	Symington
Ervin	Lennon	Thye
Ferguson	Long	Upton
Flanders	Magnuson	Watkins
Fulbright	Malone	Wiley
Gillette	Mansfield	Williams

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the amendment offered by the Senator from Oklahoma [Mr. KERR]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Illinois [Mr. DIRKSEN], the Senator from Pennsylvania [Mr. DUFF], the Senator from New York [Mr. IVES], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from South Dakota [Mr. MUNDT], the Senator from

Idaho [Mr. WELKER], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. DANIEL], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Delaware [Mr. FREAR], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Arkansas [Mr. MCCLELLAN] are necessarily absent.

The result was announced—yeas 41, nays 37, not voting 18, as follows:

YEAS—41

Aiken	Crippa	Potter
Barrett	Dworshak	Purtell
Beall	Ferguson	Reynolds
Bennett	Flanders	Robertson
Bowring	Goldwater	Saltonstall
Bricker	Hendrickson	Schoeppel
Bridges	Hickenlooper	Smith, Maine
Bush	Jenner	Smith, N. J.
Butler	Knowland	Thye
Capehart	Kuchel	Upton
Carlson	Malone	Watkins
Case	Martin	Wiley
Cooper	Millikin	Williams
Cordon	Payne	

NAYS—37

Anderson	Holland	Mansfield
Burke	Humphrey	Maybank
Chavez	Jackson	Monroney
Clements	Johnson, Colo.	Morse
Douglas	Johnson, Tex.	Murray
Ervin	Johnston, S. C.	Neely
Fulbright	Kennedy	Pastore
Gillette	Kerr	Smathers
Gore	Kilgore	Sparkman
Green	Lehman	Stennis
Hayden	Lennon	Symington
Hennings	Long	
Hill	Magnuson	

NOT VOTING—18

Byrd	Frear	McCarthy
Daniel	George	McClellan
Dirksen	Ives	Mundt
Duff	Kefauver	Russell
Eastland	Langer	Welker
Ellender	McCarran	Young

So the motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Hawks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

NOTICE OF CONSIDERATION OF CERTAIN NOMINATION

Mr. WILEY. Mr. President, the Senate received today the nomination of Arthur A. Ageton, of Maryland, to be Ambassador to the Republic of Paraguay.

I give notice that this nomination will be considered by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

ADDITIONAL BILL INTRODUCED

Mrs. BOWRING, by unanimous consent, introduced a bill (S. 3799) authorizing the modification of the general comprehensive plan of improvement for the Missouri River Basin to include certain flood-control works in the Gering Valley, Nebr., which was read twice by its title, and referred to the Committee on Public Works.

PRINTING OF ADDITIONAL COPIES OF CONFERENCE REPORT ON H. R. 8300, TO REVISE THE INTERNAL REVENUE LAWS

Mr JOHNSON of Texas. Mr. President, the distinguished chairman of the Committee on Rules and Administration, the Senator from Indiana [Mr. JENNER], has a House concurrent resolution (H. Con. Res. 260) he would like to have considered. We have checked on the concurrent resolution, and have no objection. So I hope the concurrent resolution may be considered at this time.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 260, which was read by the Chief Clerk, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed 8,300 additional copies of the conference report on H. R. 8300, a bill to revise the internal revenue laws of the United States, of which 1,000 shall be for the use of the Committee on Finance, 1,500 for the Senate document room, 3,000 for the use of the Committee on Ways and Means, 300 for the use of the Joint Committee on Internal Revenue Taxation, and 2,500 for the House document room.

Mr. JENNER. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution (H. Con. Res. 260) was considered and agreed to.

(At 8:35 p. m., July 23, the Senate was still in session. The proceedings will be continued in the next issue of the CONGRESSIONAL RECORD.)

NOMINATIONS

Executive nominations received by the Senate July 23 (legislative day of July 2), 1954:

DIPLOMATIC AND FOREIGN SERVICE

Arthur A. Ageton, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

The following-named Foreign Service officers for promotion from class 3 to class 2:

Daniel V. Anderson, of Delaware.

Peyton Kerr, of Virginia.

The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:

Howard L. Boorman, of the District of Columbia.

Nathaniel Davis, of New Jersey.

Ralph J. McGuire, of the District of Columbia.

G. Alonzo Stanford, of Michigan.

John Patrick Walsh, of Illinois.

Lawrence H. Berlin, of Illinois, for promotion from Foreign Service officer of class 6 to class 5.

John N. Hamlin, of Oregon, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

William E. Cole, Jr., of New York.

Murat W. Williams, of Virginia.

D. Chadwick Braggiotti, of Connecticut, for reappointment in the Foreign Service as a Foreign Service officer of class 3, a consul, and a secretary in the diplomatic service of the United States of America, in accordance with the provisions of section 520 (a) of the Foreign Service Act of 1946.

The following-named persons for appointment as Foreign Service officers of class 3, consuls and secretaries in the diplomatic service of the United States of America:

John M. Kennedy, of Virginia.

Vernon L. Phelps, of Illinois.

The following-named persons for appointment as Foreign Service officers of class 4, consuls and secretaries in the diplomatic service of the United States of America:

Charles T. Cross, of Virginia.

Richard A. Godfrey, of Kentucky.

Robert E. Read, of New York.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career and secretaries in the diplomatic service of the United States of America:

Laurence E. Ainsworth, of California.

James W. Mahoney, of Indiana.

Robert T. Murphy, of Connecticut.

Robert G. Shackleton, of Ohio.

Francis R. Starrs, Jr., of California.

TREASURY DEPARTMENT

Laurence B. Robbins, of Illinois, to be Assistant Secretary of the Treasury.

W. Randolph Burgess, of New York, to be Under Secretary of the Treasury for Monetary Affairs.

DEPARTMENT OF AGRICULTURE

Earl L. Butz, of Indiana, to be Assistant Secretary of Agriculture.

FOREIGN OPERATIONS ADMINISTRATION

William F. Russell, of Connecticut, to be Deputy Director for Technical Services, Foreign Operations Administration.

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

The following-named persons to be members of the Foreign Claims Settlement Commission of the United States:

Whitney Gilliland, of Iowa.

Mrs. Pearl Carter Pace, of Kentucky.

Henry J. Clay, of New York.

UNITED STATES TARIFF COMMISSION

Glenn W. Sutton, of Georgia, to be a member of the United States Tariff Commission for the term expiring June 16, 1960, vice George McGill, term expired.

COLLECTOR OF CUSTOMS

Arthur Rogers, of Tennessee, to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn., in place of Abe D. Waldauer, resigned.

COMPTROLLER OF CUSTOMS

Raymond L. Rhodes, of New Jersey, to be Comptroller of Customs with headquarters at New York, N. Y., to fill an existing vacancy.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 23, 1954

The House met at 10 o'clock a. m.

Chaplain Maj. Gen. Patrick J. Ryan, Chief of Chaplains, United States Army, offered the following prayer:

Almighty and everlasting God, we implore Your divine guidance upon this governing body which represents each individual in our Nation. Grant these lawmakers true concord and union with Your holy will. Give them a high devotion to duty and honor, a high regard for truth and justice that they may labor conscientiously in guiding the destiny of all Americans. Deliver them from the evils of selfishness and avarice. Help them to solve the many tasks that confront them. Renew their faith in the heritage of our democracy and grant them strength to carry the tremendous duties and obligations that go with it. Inspire them to make judgments and decisions that will keep our Nation in Your divine favor and show to the world our love for all men and the common good. We thank You, Almighty God, for Your divine protection over our Nation in the past. Bestow upon us Your grace that we may be worthy of Your help in the future, that we may bequeath to future generations of Americans the advantages of our precious liberty. Amen.

The Journal of the proceedings of yesterday was read and approved.

SPECIAL ORDERS GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 5 minutes on today, tomorrow, and Monday, following the legislative program of the day and any special orders heretofore entered.

Mr. FERNÓS-ISERN asked and was given permission to address the House for 20 minutes on Monday, following the legislative program of the day and any special orders heretofore entered.

PROCEEDINGS AGAINST BOLZA BAXTER

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2455).

The Clerk read as follows:

PROCEEDINGS AGAINST BOLZA BAXTER

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives, through the enactment of Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Bolza Baxter, chairman, Labor Youth League of Michigan. The said subpena directed Bolza Baxter to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, in room 859, Federal Building, Detroit, Mich., on January 25, 1954, at 9:30 a. m., and as chairman of the Labor Youth League to bring with him all books and records of the Labor Youth League of Michigan containing the names of all State and section officers of the Labor Youth League of Michigan; the names of all members of said league; all financial records of said league; and the minutes of meetings held by the Labor Youth League of Michigan during the years 1952 and 1953, and then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Bolza Baxter is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Donald T. Appell: You are hereby commanded to summon Bolza Baxter, chairman, Labor Youth League of Michigan, to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, and he is to produce all books and records of the Labor Youth League of Michigan containing the names of all State and section officers of the Labor Youth League of Michigan; the names of all members of said league, all financial records of said league; and the minutes of meetings held by the Labor Youth League of Michigan during the years 1952 and 1953, in room 859, Federal Building, Detroit, Mich., on January 25, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States at the city of Washington, this 19th day of November 1953.

"HAROLD H. VELDE,
"Chairman.

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Donald T. Appell, investigator, who was duly authorized to serve the said subpena. The return of the service by the said Donald T. Appell, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Bolza Baxter, chairman, Labor Youth League of Michigan, before the Committee on Un-American Activities. Served the herein named at 4:34 p. m. in the corridor of the eighth floor, Federal Building, Detroit, Mich., on December 2, 1953.

"DONALD T. APPELL,
"Investigator, House of Representatives."

Successive telegrams were sent to Bolza Baxter by Hon. HAROLD H. VELDE, chairman of the Committee on Un-American Activities, postponing the date of his appearance before the Committee on Un-American Activities to May 3, 1954.

In compliance with the said subpena issued on the 19th day of November 1953 and extended as aforesaid to May 3, 1954, requiring the appearance of the witness at 9:30 a. m., in room 859, Federal Building, Detroit, Mich., and pursuant to an announcement by the chairman at the close of the sessions of the subcommittee on the 3d and 4th days of May 1954, that all witnesses subpenaed for May 3 and 4 who had not been heard should return at the same hour and place on the following day, the said Bolza Baxter appeared before the said subcommittee on May 5, 1954, and your subcommittee then and there demanded the production of all books and records of the Labor Youth League of Michigan containing the names of all State and section officers of the Labor Youth League of Michigan; the names of all members of said league; all financial records of said league; and the minutes of meetings held by the Labor Youth League of Michigan during the years 1952 and 1953, and the said Bolza Baxter refused to produce the said records and documents, and refused to answer all questions relating thereto. The said Bolza Baxter having appeared as a witness and having been asked question, namely, "Mr. Baxter, I will address a new admonition to you or suggestion. You have been commanded by the proper subpena duces tecum issued by this committee, to produce the documents which Mr. Tavenner has described to you, and which were properly described in the subpena. Will you now produce those for the committee at this time?" which question was pertinent to the subject under inquiry, refused to answer such question; and as a result of the said Bolza Baxter's refusal to answer the aforesaid question and produce the aforesaid records and documents, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Bolza Baxter.

The record of the proceedings before the subcommittee on May 5, 1954, during which the said Bolza Baxter refused to produce the said records and documents pertinent to the subject under inquiry, and during which the said Bolza Baxter refused to answer the aforesaid question pertinent to the subject under inquiry, is set forth as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Detroit, Mich., Wednesday, May 5, 1954.

"The subcommittee of the Committee on Un-American Activities, consisting of Representatives KIT CLARDY, chairman, GORDON H. SCHERER, and MORGAN M. MOULDER, met pursuant to adjournment at 9:35 a. m. in room 859, Federal Building, Detroit, Mich., each of whom were present.

"After hearing the testimony of another witness, Bolza Baxter was called as a witness.

"Mr. CLARDY. Call your next witness.

"Mr. TAVENNER. Mr. Bolza Baxter, please.

"Mr. CLARDY. Hold up your right hand.

"Mr. BAXTER. Mr. Chairman.

"Mr. CLARDY. Hold up your right hand. After you are sworn I will permit you to address the Chair.

"Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. BAXTER. I do.

"Mr. CLARDY. All right. Will you identify your counsel? Will you identify yourself, Counsel?

"Mr. HENRY. My name is Milton R. Henry. I represent the defendant, Bolza Baxter.

"Mr. CLARDY. Will you both be seated now. I understand your witness has a remark he would like to address to the Chair, and he may do so.

"TESTIMONY OF BOLZA BAXTER, JR., ACCOMPANIED BY HIS COUNSEL, MILTON R. HENRY

"Mr. BAXTER. First, Mr. Chairman, I would like to ask for point of clarification.

"Mr. CLARDY. Very well.

"Mr. BAXTER. The denial of my special appearance motion, I want——

"Mr. CLARDY. I don't follow you there. You say you want an explanation of the denial?

"Mr. BAXTER. Yes. I want to know if the denial means that you refuse to receive it or that it wouldn't be——

"Mr. CLARDY. No, I mean to say this, and I understand why you might be confused, because I did make a brief statement. As you know, I told you yesterday I intended to call you as the first witness. I was unaware of the promise Mr. Tavenner made to the counsel for the witness who just preceded you. The subcommittee has considered the motion that you made, which, of

course, in essence goes to the jurisdiction and the right of this committee in connection with your appearance here. We are receiving it for the files and are denying the relief which you seek in the petition, so we will proceed.

"Mr. BAXTER. Does that also mean, Mr. Chairman, that it will not be received for the record?

"Mr. CLARDY. Everything is received for the files and records of the committee, and it will be part of your file, you may be assured.

"Mr. BAXTER. Thank you.

"Mr. CLARDY. Now, Mr. Tavenner, will you proceed with your questions?

"Mr. BAXTER. Mr. Chairman, I would just like to make one observation——

"Mr. CLARDY. Is this in the form of a question?

"Mr. BAXTER. Well, no, it is not in the form of a question.

"Mr. CLARDY. Will you pause just a moment, and I will explain something to you. If you will answer our questions as they are propounded, freely and fairly, we will permit you at the conclusion of your testimony to make any relevant statement you may care to make. This rule is not made just applicable to you. It is a standing rule that is in print and has been for some time, a standing rule that if the witness refuses to answer and, in common parlance, 'takes the fifth amendment,' we do not permit the introduction of a statement, written or oral. With that understanding, if you have any other question, we will get it out of the way before Mr. Tavenner starts.

"Mr. BAXTER. I understand the procedure as far as the response to questions. But since this matter that I wanted to address you on had to do with some developments prior to my being sworn in, I think it is appropriate that I be permitted to comment on that aspect because it happened before this committee.

"Mr. CLARDY. No, I am sure you would not under any circumstances want this committee to single you out for either a special favor or something unusual in the opposite direction and we have no intention——

"Mr. BAXTER. That is precisely what has happened, and that is what I want to comment on.

"Mr. CLARDY. Pardon me just a moment.

"Mr. BAXTER. I want to indicate that I have been sworn under objections.

"Mr. CLARDY. Oh, well, I am sure of that.

"Mr. BAXTER. And I want to also state that I strenuously object to the indignities that you have subjected my attorney to, and——

"Mr. CLARDY. May we go off the record, Miss Reporter, just a moment.

"(Discussion off the record.)

"Mr. CLARDY. On the record. Will you proceed, Mr. TAVENNER, with your questioning?

"Mr. TAVENNER. What is your name, please?

"Mr. BAXTER. Bolza Baxter, Jr.

"Mr. TAVENNER. Mr. Baxter, do you appear here pursuant to a subpena served upon you by Mr. Donald T. Appell, investigator of the House of Representatives on the 2d day of December, 1953?

"Mr. BAXTER. I am here in response to a subpena served me under the signature of the Honorable HAROLD H. VELDE.

"Mr. TAVENNER. I offer the subpena in evidence, Mr. Chairman, and ask that it be marked 'Baxter Exhibit No. 1.'

"Mr. CLARDY. It will be received.

"The subpena of date November 19, 1953, and bearing service date December 2, 1953, marked 'Baxter Exhibit No. 1' was received in evidence.) [1]

"Mr. TAVENNER. Will the witness please examine the exhibit and state whether or not that is the subpena under which he appears?

"(At this point Mr. Baxter conferred with Mr. Henry.)

"Mr. BAXTER. This appears to be a copy of the subpena served me. I see it carries the signature of HAROLD VELDE. I want to make it clear that I object to the form. The subpena is not addressed to me. It is addressed to one Donald Appell to summon me. I have never received a summons, and I want to indicate clearly that I don't waive any objections I have to the form of the subpena and its scope.

"Mr. TAVENNER. A copy or the original was left with you at the time service was made by Mr. Appell; was it not?

"Mr. BAXTER. I received the subpena signed by HAROLD H. VELDE. I am here in response to that subpena.

"Mr. MOULDER. You received a copy of the document that has been shown to you there?

"Mr. BAXTER. I received a subpena under the signature of HAROLD H. VELDE, and I am here in response to that subpena. I think that question is responsive, and I don't think it needs any elaboration.

"Mr. CLARDY. Well, Mr. Baxter, I am sure that you see what we are trying to get at.

"Mr. BAXTER. I don't know what you are trying to get at.

"Mr. CLARDY. I am sure you recognize this as an accurate copy of the actual document in the possession of the one who served the subpena, do you not? In other words, I don't want to quibble with you or you with me because I am sure you understand that this is merely a preliminary foundation question and nothing more.

"Mr. BAXTER. Well, I don't want to quibble with you, Congressman.

"Mr. CLARDY. Thank you.

"Mr. BAXTER. The only point I am making here is that I am here in response to the subpena served me, and I think to that extent the answer is responsive and establishes the necessary facts to proceed.

"Mr. CLARDY. It isn't responsive, but we will pass on.

"Mr. TAVENNER. Were you chairman of the Labor Youth League of Michigan on the 2d day of December 1953?

"Mr. BAXTER. I think I should make it clear at the outset that anything you ask me within the scope of the authority given you by the enabling resolution must necessarily be of such a nature as to come within the purview of either the Internal Security Act of 1950 or similar acts. Such acts are penal statutes, and the fifth amendment forbids inquiry into past conduct which may be construed by this committee or any other committee as penal in nature except after presentment or indictment of a grand jury. I invoke the due process section of the fifth amendment as well as other sections of the fifth amendment and will refuse to answer any questions that this committee may care to ask me. I further decline to answer any questions before this committee and invoke my privilege under the due process clause of the fifth amendment against testifying before a committee whose power is derived from a resolution barred under the first amendment as well as my privilege under the first amendment to be free in the exercise of my rights to inquire, think, and speak from either prior or subsequent congressional harassment through hearings, investigations, reports, subpenas, or through other devices.

"Mr. SCHERER. Now, Mr. Chairman, I ask that you direct the witness to answer the question.

"Mr. CLARDY. Yes. I so direct.

"Mr. BAXTER. I sought to make it clear at the outset.

"Mr. SCHERER. I ask that you direct this witness to answer the question.

"Mr. BAXTER I understood you.

"Mr. SCHERER. Will you keep quiet just a minute?

"Mr. BAXTER. No, you keep quiet. The question had already been put to me.

"Mr. CLARDY. I think it would be well if we remember that the reporter can do a much better job if only one of us talks at a time, and we shall be more than patient with you, Mr. Baxter, but please refrain from interrupting any member of the commitee or counsel. We will——

"Mr. BAXTER. He interrupted me, didn't he?

"Mr. CLARDY. Pardon me. You are doing the very thing I am cautioning you against. At the moment that arrives for you to reply, we shall not cut you off unless you try to make a speech, in which event I shall be compelled to interrupt you and suggest that you direct yourself to the question. Now, hold still just a moment. Will you repeat your question, Mr. SCHERER, because I didn't get either side of that last exchange.

"Mr. SCHERER. I am asking that you direct this witness to answer the question asked by Mr. Tavenner.

"Mr. CLARDY. I did direct him and he——

"Mr. SCHERER. He started to make a speech.

"Mr. BAXTER. I started to give my answer.

"Mr. CLARDY. As I understand it, despite all the other things you may have said, you did decline to answer on the fifth amendment.

"Mr. BAXTER. I did not yet. I was about to give my answer and would like to give it if the Congressman would permit me.

"Mr. CLARDY. I will shorten it. Do you——

"Mr. BAXTER. Congressman CLARDY, this is supposed to be a hearing, my hearing as well as yours.

"Mr. CLARDY. Do you invoke the fifth amendment?

"Mr. BAXTER. I am entitled to respond to the——

"Mr. CLARDY. Do you invoke the fifth amendment?

"Mr. BAXTER. I am as concerned with the taxpayers' money as you are, but I don't want the newspapers to say tomorrow that Baxter used the fifth amendment 57 times. I may use it 57 times, but I am going to use some other things also.

"Mr. CLARDY. Witness, may I give you a suggestion or two? If you desire to refuse to answer on the ground of the fifth amendment or any of the other amendments, even though we do not recognize them, you are entitled to state that fact. State that first and then if there is some explanation which the Chair deems relevant and pertinent, we shall not cut you off at all. Only in the event that you attempt to make a stump speech, so to speak——

"Mr. BAXTER. What kind of speech?

"Mr. CLARDY (continuing). As we have heard many times, will I interrupt you at all. Let us get back to the question. Do you decline to answer on the ground of the fifth amendment?

"Mr. BAXTER. I decline to answer the question on the ground previously stated which is the fifth amendment and also the first amendment which prevents Congress from making laws in the area of speech, assembly, press, et cetera, and I think the committee in the very posing of the question is violating that amendment, and I assert that amendment in refusing to allow you to violate my rights under the first amendment as well as the fifth amendment.

"Mr. CLARDY. Now, Mr. Baxter, so that we may, in your answering other questions, suggest, now that you have stated it rather fully, that in the next series, if you want to raise these objections that you have now voiced, you may do so and have full protection by saying that you decline to answer on the grounds already advanced, and that will be considered by the committee as a complete restatement each time of all of the grounds upon which you rely.

"Mr. BAXTER. Is that an order, or is that a suggestion that you want me to consider?

"Mr. CLARDY. I am at no time, as chairman, attempting to tell you precisely what you may say. You answer as you see fit; but, of course, at your own risk. Now will you proceed, Mr. Tavenner.

[1] See p. 1 for text of subpena.

"Mr. TAVENNER. Mr. Baxter, the subpena served upon you by Mr. Donald T. Appell, investigator of this committee, constituting Baxter exhibit No. 1, requires you to produce all the books and records of the Labor Youth League of Michigan containing the names of all State and section officers of the Labor Youth League of Michigan, the names of all members of said league, all financial records of said league and the minutes of meetings held by the Labor Youth League of Michigan during the years of 1952 and 1953. Will you produce them now?

"(At this point Mr. Baxter conferred with Mr. Henry.)

"Mr. BAXTER. Would you restate the question, please?

"Mr. CLARDY. Read it, Miss Reporter.

"(The question was read by the reporter as follows:)

"'Mr. Baxter, the supbena served upon you by Mr. Donald T. Appell, investigator of this committee, constituting Baxter Exhibit No. 1, requires you to produce all the books and records of the Labor Youth League of Michigan containing the names of all State and section officers of the Labor Youth League of Michigan, the names of all members of said league, all financial records of said league and the minutes of meetings held by the Labor Youth League of Michigan during the years of 1952 and 1953. Will you produce them now?'

"(At this point Mr. Baxter conferred with Mr. Henry.)

"Mr. BAXTER. I will refuse to answer that question, relying on my rights under the first amendment and my rights under the fourth amendment my reasons being, I believe with all my heart that the American Constitution, specifically the first and fourth amendments which I am relying on, protect me against the compulsion of a subpena issued in the form that it was——

"Mr. CLARDY. May I interrupt to ask you a question so I will understand what you are getting at?

"Mr. BAXTER. Yes.

"Mr. CLARDY. You said you refuse to answer the question. By that did you mean you were making a flat refusal to produce the documents demanded by the subpena served upon you?

"Mr. BAXTER. I mean that I am refusing to answer the question put to me.

"Mr. CLARDY. Well, you were asked to produce them, and I am merely trying to clarify it to be sure that you mean that you will not produce them. Is that the intent of what you are saying?

"Mr. BAXTER. I mean I will refuse to answer that question.

"Mr. SCHERER. There is no question asked the witness. It was a direction to produce.

"Mr. CLARDY. That is right.

"Mr. SCHERER. There is no question before the witness.

"(At this point Mr. Baxter conferred with Mr. Henry.)

"Mr. CLARDY. Mr. Tavenner, will you withdraw your question for a moment?

"Mr. TAVENNER. Yes, sir. The question is withdrawn.

"Mr. CLARDY. Mr. Baxter, I will address a new admonition to you or suggestion. You have been commanded by the proper subpena duces tecum issued by this committee to produce the documents which Mr. Tavenner has described to you and which were properly described in this subpena. Will you now produce those for the committee at this time?

"Mr. BAXTER. I will refuse to answer that question on the grounds of the first amendment and the fourth amendment because I believe that the American Constitution, specifically those amendments combined, protect me against the compulsion of a subpena issued under the form you indicated to accomplish the ends therein described and because I believe that the fourth amendment invalidates a subpena which performs the efforts of a writ of assistance or general warrant, no matter what agency of Government issues the same, and because I believe that a subpena so framed as the one issued me is in fact no subpena to me at all in the contemplation of the law, and because I have heretofore in the courts been denied the right to object to the process and the irregularities attending its form and issuance, I will, without admitting or denying membership in the Labor Youth League or being in possession of any books and records, deny that under my privilege raised under the fourth amendment any duty imposes upon me to respond in any fashion to the command of the subpena and to the question posed. I consider that to be my answer to the question raised.

"Mr. CLARDY. I will come back to my question because I do not consider it as a direct answer to the request that I made and say you refuse to answer the question.

"(At this point Mr. Baxter conferred with Mr. Henry.)

"Mr. CLARDY. Actually what I want to get at and to make sure on this record is that you will not at any time during the progress of this hearing produce for the use of the committee the documents sought by the subpena duces tecum. Am I correct in my understanding that you will not produce them?

"(At this point Mr. Baxter conferred with Mr. Henry.)

"Mr. BAXTER. I would like to pose a question at this point.

"Mr. CLARDY. You answer my——

"Mr. BAXTER. Then I will come back to your question.

"Mr. CLARDY. You answer me, sir, and then if you have a reasonable and proper question, I will be very glad——

"Mr. BAXTER. I can't answer your question until I find out the answer to the question I am about to pose.

"Mr. CLARDY. All right. May I point out to you——

"Mr. BAXTER. In other words——

"Mr. CLARDY. Hold still. I couldn't hear what you were saying because you cut in right in the middle of what I was saying. I think today you are doing your best to be a gentleman, sir.

"Mr. BAXTER. I always do, Congressman.

"Mr CLARDY. And I hope that you will continue. Now, bear with me. Answer my question, and then if you have any relevant inquiry to make of the Chair, we will be most happy to give you any information you want.

"Mr. BAXTER. Well, all I am saying is that I have what I consider to be a relevant point here which would assist me, perhaps, in responding to your question.

"Mr. CLARDY. All right.

"Mr. BAXTER. I think in all fairness I should——

"Mr. CLARDY. State it if it will be brief.

"Mr. BAXTER. The question is simply this: For what purposes, what legislative purposes could the request for names of all members of the Labor Youth League have for this committee?

"Mr. CLARDY. It will serve a most useful purpose for this committee to have information concerning the LYL, Labor Youth League, and all of its activities and the identity of its members. Beyond that the committee is not prepared to say anything further. It is our considered judgment, having asked for the documents, that they will greatly help the committee in the expediting and in the handling of the problems confronting it. Now will you come back to what I started out with a moment ago. I wanted this record to leave no doubt as to whether you intend to and will produce the records that have been subpenaed. Obviously, if by the end of the hearing you have not produced them, the conclusion will be inescapable that you will not do so, but I am giving you an opportunity to say whether you will or will not at this juncture.

"Mr. BAXTER. I have——

"Mr. CLARDY. Go ahead.

"Mr. BAXTER. I have not admitted being either a member of, an officer of, or being in possession of any records of a Labor Youth League, and a yes or no answer to the question posed would tend to imply or would lead to the inescapable conclusion that I am in possession of such records, which I will not do, and I will assert the answer previously given for the previously stated reasons in refusing to respond to the question, and I will invoke the fifth amendment also in refusing to respond to that question.

"Mr. CLARDY. Very well. The Chair now directs that you produce the documents called for in the subpena.

"Mr. BAXTER. I think I made it clear that anything that this committee may ask me, any demand that it may make of me comes under certain penal statutes, and it is my belief, and I assert that belief in refusing to respond to the question or the demand, that the fifth amendment forbids inquiry into past conduct which may be construed as penal in nature and to request me to produce anything except after presentment or indictment of a grand jury. I think that is the function of a grand jury, and I don't think this committee has any right to make any such demands, and I will assert the fifth amendment in refusing to respond to the question posed.

"(At this point Mr. Baxter conferred with Mr. Henry.)

"Mr. BAXTER. And the fourth and the first which I previously used."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Bolza Baxter relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the question, namely, "Mr. Baxter, I will address a new admonition to you or suggestion. You have been commanded by the proper subpena duces tecum issued by this committee, to produce the documents which Mr. Tavenner has described to you, and which were properly described in the subpena. Will you now produce those for committee at this time?" which question was pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE (interrupting the reading of the report). Mr. Speaker, since this report is available in printed form to the Members, I ask unanimous consent that the further reading of the report be dispensed with.

Mr. WALTER. Reserving the right to object, Mr. Speaker, is it not a fact that this citation and all the others were unanimously agreed to by the committee, and by every member of the Committee on Un-American Activities?

Mr. VELDE. The gentleman is absolutely correct. It was agreed to by the members present.

Mr. WALTER. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 664) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Bolza Baxter to answer questions before the said Committee on Un-American Activities, and as to the willful and deliberate refusal of Bolza Baxter to produce all books and records of the Labor Youth League of Michigan containing the names of all State and section officers of the Labor Youth League of Michigan; the names of all members of said league; all financial records of said league, and the minutes of meetings held by the Labor Youth League of Michigan during the years 1952 and 1953, before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the Eastern District of Michigan, Detroit, Mich., to the end that the said Bolza Baxter may be proceeded against in the manner and form provided by law.

Mr. VELDE. Mr. Speaker, under the rules of parliamentary procedure governing debate on the resolution, I yield 30 minutes of the hour's time to the gentleman from Pennsylvania [Mr. WALTER], and now yield myself such time as I may require.

Mr. Speaker, it is rather an unpleasant duty I have to ask my colleagues to accept the recommendations of the House Committee on Un-American Activities to cite 17 witnesses who have appeared before our committee in the last 6 months. But in line with the obligation which the committee has under Public Law 601, requiring that we investigate subversive activities in the United States and report to Congress for remedial legislation, it is absolutely necessary that these resolutions be approved by the House.

It has become increasingly difficult for the committee to obtain information concerning subversive activities, because the Federal courts have found that many of these witnesses need not furnish this information due to a legitimate fear of self incrimination.

Mr. Speaker, I wish to assure you that this is not hasty or ill-advised action on the part of the committee in selecting these individuals for citation. You will appreciate this more fully upon realizing that up to this time, during the 83d Congress, there have been 290 witnesses who have refused to furnish the Congress information they are known to possess on subversive activities. Out of this 290, with your approval and that of my colleagues, the total number of citations brought to your attention for approval will total 26, 9 having been previously cited on May 11, 1954.

Upon instructions of the committee, our able counsel, Robert L. Kunzig and Frank S. Tavenner, worked long and diligently making a search of court decisions and studying the testimony of witnesses the committee has heard. I feel it my pleasant duty at this time to compliment our two counsel for the hard work and competent advice they have given to the members of the committee.

It is a fact that some of my colleagues on the committee feel that there are many, many more witnesses who should have been recommended for citation by virtue of their contemptuous acts during our hearings in this 83d Congress; however, my colleagues on the committee have unanimously agreed that the 17 cases we are about to present for citation are the most flagrant and abusive of them all.

Realizing that all of us are anxious to dispose of the more urgent matters pending before the House at this time, the committee members have agreed to take the least time possible in presenting these 17 cases to you.

Other members of the committee will discuss these cases more in detail, after which it is my intention to ask for a rollcall on the first case which is the recommendation for citation of one Bolza Baxter who appeared before our subcommittee in Detroit, Mich.

The committee having learned of the dissolution in 1949 of the Michigan Communist youth groups and the assignment of many of their members to an organization known as the Labor Youth League, required Bolza Baxter, as State president of that organization, under subpena duces tecum, to produce before the committee certain records, documents, minutes, and membership lists of the Labor Youth League.

Bolza Baxter was the first chairman of the local chapter of the Labor Youth League at Flint, and under his leadership the Labor Youth League at Flint soon became the most successful and militant league in the State of Michigan. Flint was cited as an example of what could be done with groups of people, and its success was attributed to Bolza Baxter, whose services were rewarded by elevating him to the head of the State organization. The Communist Party was greatly impressed by the accomplishments of the Labor Youth League at Flint.

The records of the State organization of the Labor Youth League, which had been subpenaed, were of great importance to the committee in the performance of its legislative duties. Bolza Baxter, when he appeared as a witness, refused to answer whether or not he would produce them and when called upon to do so, also refused.

Prior to the designation of Bolza Baxter as the first chairman of the Labor Youth League at Flint, he had served as chairman of the Communist Party at Flint and was selected for attendance at the Jefferson School of Social Science in New York, a special training ground for prospective leadership of the Communist Party.

Mr. Speaker, it has been a familiar thing for the members of our committee to hear witnesses take the fifth amendment. They use the fifth amendment in all possible ways. They use it when we ask them to produce records. In some cases they use it to protect not their own admissions of membership, but they use it to protect those of their associates in the Communist Party. We have divided these 17 cases into the various categories depending upon how the various witnesses used the fifth amendment. Of course, there are other amendments to the Constitution, but the fifth amendment seems to be the only amendment which is considered by the courts as being grounds for refusing to give the committee information.

Mr. Speaker, I hope all of these 17 citations pass unanimously.

Let me just add a word about our staff at the present time. Not only have our two counsel been very able and diligent in presenting these cases for contempt, but they have been able and diligent in all of the hearings to make sure that the law was complied with as nearly as possible, and to protect the rights of every witness who appeared before us. In most cases, our counsel—and let me say also the members of our committee—leaned over backward to protect the rights of witnesses appearing before us.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield.

Mr. HOFFMAN of Michigan. May I inquire as to whether members of the staff—all of the members of the staff and especially those who are looking after the legal procedure—have been cleared or approved by a majority or all the members of the committee?

Mr. VELDE. As nearly as has been possible, they have been cleared by the majority of the members of the committee.

Mr. HOFFMAN of Michigan. There is no objection to any of them so far as you know?

Mr. VELDE. There is no objection to any of them so far as I know.

I had asked originally, Mr. Majority Leader, that we discuss all of these cases before taking a vote on the first one.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield.

Mr. HALLECK. It had been our hope to avoid a quorum call, but I have been informed that if this discussion proceeds much further, there will be a quorum call. That is the only thing I had in mind.

Mr. WALTER. Mr. Speaker, in view of the statement just made, because I have no desire whatsoever to hold up these proceedings, I will not take any time but I do yield 1 minute to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. As a member of the House Committee on Un-American Activities for these several years I wish to join in a very sincere urge to my colleagues to vote for these contempt citations.

I wish also to call attention to one of our established rules of procedure of our committee, which rules were printed as of July 15 a year ago.

Rule 16 provides as follows:

No recommendation that a witness be cited for contempt of Congress shall be forwarded to the House of Representatives unless and until the committee has upon notice to all of its members made and considered the alleged contempt and by a majority of those present voted that such recommendation be made.

We are here before you, Mr. Speaker, having complied with this rule in all these cases we now refer to you.

Mr. VELDE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. VELDE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 377, nays 0, not voting 57, as follows:

[Roll No. 113]

YEAS—377

Abbitt	Delaney	James
Abernethy	Dempsey	Jarman
Adair	Derounian	Javits
Addonizio	Devereux	Jenkins
Albert	D'Ewart	Jensen
Alexander	Dies	Johnson, Calif.
Allen, Calif.	Dodd	Johnson, Wis.
Allen, Ill.	Dolliver	Jonas, Ill.
Andersen, H. Carl	Dondero	Jonas, N. C.
	Donohue	Jones, Ala.
Andresen, August H.	Donovan	Jones, Mo.
	Dorn, N. Y.	Jones, N. C.
Andrews	Dorn, S. C.	Judd
Arends	Dowdy	Karsten, Mo.
Ashmore	Doyle	Kean
Aspinall	Durham	Kearney
Auchincloss	Eberharter	Kearns
Ayres	Edmondson	Keating
Baker	Elliott	Kee
Barden	Ellsworth	Kelley, Pa.
Bates	Engle	Kelly, N. Y.
Beamer	Evins	Kilburn
Becker	Fallon	Kilday
Belcher	Feighan	King, Calif.
Bender	Fenton	King, Pa.
Bennett, Fla.	Fernandez	Kirwan
Bennett, Mich.	Fogarty	Kluczynski
Bentley	Forand	Knox
Bentsen	Ford	Krueger
Berry	Forrester	Laird
Betts	Fountain	Landrum
Bishop	Frazier	Lane
Boland	Frelinghuysen	Lanham
Bolling	Friedel	Lantaff
Bolton, Oliver P.	Fulton	Latham
	Garmatz	LeCompte
Bonin	Gary	Lesinski
Bonner	Gathings	Lipscomb
Bosch	Gavin	Lovre
Bow	Gentry	Lyle
Bowler	George	McCarthy
Boykin	Golden	McConnell
Bramblett	Goodwin	McCormack
Bray	Gordon	McCulloch
Brooks, Tex.	Graham	McDonough
Brown, Ga.	Granahan	McGregor
Brown, Ohio	Grant	McIntire
Brownson	Green	McVey
Broyhill	Gregory	Machrowicz
Buchanan	Gross	Mack, Ill.
Budge	Gubser	Mack, Wash.
Burdick	Hagen, Calif.	Madden
Burleson	Hagen, Minn.	Magnuson
Busbey	Hale	Mahon
Bush	Haley	Marshall
Byrd	Halleck	Mason
Byrne, Pa.	Hand	Matthews
Byrnes, Wis.	Harden	Meader
Campbell	Hardy	Merrill
Canfield	Harrison, Nebr.	Merrow
Cannon	Harrison, Va.	Metcalf
Carlyle	Hart	Miller, Calif.
Carnahan	Harvey	Miller, Kans.
Carrigg	Hays, Ark.	Miller, Md.
Cederberg	Hays, Ohio	Miller, Nebr.
Chelf	Hébert	Mills
Chenoweth	Herlong	Mollohan
Chiperfield	Heselton	Morano
Chudoff	Hess	Morrison
Church	Hiestand	Moss
Clardy	Hill	Moulder
Clevenger	Hillelson	Multer
Cole, Mo.	Hillings	Mumma
Cole, N. Y.	Hinshaw	Murray
Colmer	Hoeven	Natcher
Cooley	Hoffman, Ill.	Neal
Coon	Hoffman, Mich.	Nelson
Cooper	Holifield	Nicholson
Corbett	Holmes	Norblad
Cotton	Holt	Oakman
Cretella	Holtzman	O'Brien, Ill.
Crumpacker	Hope	O'Brien, Mich.
Cunningham	Horan	O'Brien, N. Y.
Curtis, Mass.	Hosmer	O'Hara, Ill.
Curtis, Mo.	Howell	O'Hara, Minn.
Davis, Ga.	Hruska	O'Konski
Davis, Tenn.	Hunter	Osmers
Davis, Wis.	Hyde	Ostertag
Dawson, Utah	Ikard	Passman
Deane	Jackson	Patten
Patterson	St. George	Thornberry
Pelly	Saylor	Tollefson
Pfost	Schenck	Trimble
Philbin	Scherer	Tuck
Phillips	Scott	Utt
Pilcher	Scrivner	Van Pelt
Pillion	Scudder	Van Zandt
Poage	Secrest	Velde
Poff	Seely-Brown	Vorys
Polk	Selden	Vursell
Price	Shafer	Wainwright
Priest	Sheehan	Walter
Prouty	Shelley	Wampler
Rabaut	Sheppard	Warburton
Radwan	Shuford	Watts
Rains	Sieminski	Westland
Ray	Simpson, Ill.	Wharton
Rayburn	Small	Whitten
Reams	Smith, Kans.	Wickersham
Reece, Tenn.	Smith, Miss.	Widnall
Reed, Ill.	Smith, Va.	Wier
Reed, N. Y.	Smith, Wis.	Wigglesworth
Rees, Kans.	Spence	Williams, Miss.
Rhodes, Ariz.	Springer	Williams, N. J.
Rhodes, Pa.	Staggers	Williams, N. Y.
Richlman	Stauffer	Wilson, Calif.
Riley	Steed	Wilson, Ind.
Rivers	Stringfellow	Wilson, Tex.
Roberts	Sullivan	Winstead
Robeson, Va.	Taber	Withrow
Robsion, Ky.	Talle	Wolcott
Rodino	Taylor	Wolverton
Rogers, Colo.	Teague	Yates
Rogers, Fla.	Thomas	Yorty
Rogers, Mass.	Thompson, La.	Young
Rooney	Thompson, Mich.	Younger
Sadlak		Zablocki

NAYS—0

NOT VOTING—57

Angell	Dollinger	O'Neill
Bailey	Fine	Patman
Barrett	Fino	Perkins
Battle	Fisher	Powell
Blatnik	Gamble	Preston
Boggs	Gwinn	Regan
Bolton, Frances P.	Harris	Richards
	Harrison, Wyo.	Rogers, Tex.
Brooks, La.	Heller	Roosevelt
Buckley	Keogh	Short
Camp	Kersten, Wis.	Sikes
Celler	Klein	Simpson, Pa.
Chatham	Long	Sutton
Condon	Lucas	Thompson, Tex.
Coudert	McMillan	Vinson
Crosser	Mailliard	Weichel
Curtis, Nebr.	Martin, Iowa	Wheeler
Dague	Miller, N. Y.	Willis
Dawson, Ill.	Morgan	
Dingell	Norrell	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Simpson of Pennsylvania with Mr. Bailey.

Mr. Coudert with Mr. Chatham.

Mr. Dague with Mr. Sikes.

Mr. Fino with Mr. Dingell.

Mr. Weichel with Mr. Regan.

Mr. Miller of New York with Mr. Camp.

Mr. Angell with Mr. Boggs.

Mr. Martin of Iowa with Mr. Celler.

Mr. Curtis of Nebraska with Mr. Keogh.

Mr. Harrison of Wyoming with Mr. Roosevelt.

Mrs. Frances P. Bolton with Mr. Klein.

Mr. Mailliard with Mr. Fine.

Mr. Gamble with Mr. Dollinger.

Mr. Short with Mr. O'Neill.

Mr. Kersten of Wisconsin with Mr. Brooks of Louisiana.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST HORACE CHANDLER DAVIS

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2456).

The Clerk read the report as follows:

PROCEEDINGS AGAINST HORACE CHANDLER DAVIS

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Horace Chandler Davis. The said subpena directed Horace Chandler Davis to be and appear before the said Committee on Un-American Activities or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, on January 18, 1954, at the hour of 9:30 a. m., in their chamber in the Olds Hotel, Lansing, Mich., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Horace Chandler Davis is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Donald T. Appell: You are hereby commanded to summon Horace Chandler Davis to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber in the Olds Hotel, Lansing, Mich., on January 18, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 6th day of November 1953.

"HAROLD H. VELDE,
"Chairman.

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Donald T. Appell, investigator, House of Representatives (Detective Van Stratt, witness), who was duly authorized to serve said subpena. The return of the service by the said Donald T. Appell, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Horace Chandler Davis, before the Committee on Un-American Activities. Served herein named at 9:10 a. m., November 10, 1953, in his office, room 347B Eng. Bldg., U. of M. Campus, Ann Arbor, Michigan.

"DONALD T. APPELL,
"Investigator, House of Representatives.
"Det. VAN STRATT,
"Witness."

Successive telegrams were sent to Horace Chandler Davis by Hon. HAROLD H. VELDE, chairman, Committee on Un-American Activities, postponing the date of his appearance before the committee to May 10, 1954.

The said Horace Chandler Davis, pursuant to said subpena and in compliance with the later direction of the chairman, appeared before a subcommittee of the Committee on Un-American Activities on May 10, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Horace Chandler Davis hav-

ing appeared as a witness and having been asked questions, namely:

"During the period of time that you were at Harvard as an undergraduate say between 1942 and 1945 were you aware of the existence on the campus or in Cambridge of an organized group of the Communist Party made up chiefly of members of the student body?

"During that period [1947–48] were you aware of the existence of a group of the Communist Party within the graduate students or instructors at Harvard?

"Do you know Dr. Robert Gorham Davis?

"My question is based upon evidence that the committee has received whether or not there was any relationship between faculty members of the Communist Party [at Harvard], such as instructors, and student body members of the Communist Party, in a way in which one group would have any influence over the activities of the other group?

"As a matter of fact, weren't you in a position to know the answer to that question?

"Were you not a member of the Wendel Phillips Club of the Communist Party in Cambridge made up chiefly of members of the student body at Harvard?

"Do you know Dr. Furry [Dr. Wendell Hinkle Furry]?

"And you therefore, am I to understand, did not know him [Dr. Furry] personally?

"Were you aware of any Communist Party activities on his [Dr. Furry's] part during that period of time [1946–47]?

"Dr. Davis, were you aware of whether or not professors from the Massachusetts Institute of Technology took part in Communist Party activities along with groups of Communists at Harvard?

"Were you acquainted with Dr. Dirk Struik?

"Were you a member of either of those two organizations [University of Michigan Council of the Arts, Sciences, and Professions, and the Civil Liberties Committee of the University of Michigan] at the time that that pamphlet [Operation Mind] was disseminated?

"Were you not the treasurer of the Ann Arbor Chapter of the Arts, Sciences, and Professions at the time of the dissemination of that document?

"Isn't the reason you are refusing to answer this question and anything about it because of its Communist origin, inspiration, and direction?

"Do you have any familiarity at all with the document about which Congressman SCHERER and Mr. Tavenner inquired?

"Dr. Davis, isn't it a fact that the University of Michigan Council of the Arts, Sciences, and Professions and the Civil Liberties Committee of the University of Michigan had nothing to do with the distribution of this document?

"Isn't it a fact that they had not approved at any time the issuance of the document?

"Isn't it a fact that on February 20, 1952, you placed an order with the Edwards Letter Co., 711 North University, Ann Arbor, Mich., for the printing of this pamphlet, and that you ordered 4,000 copies at a cost of $112?

"Didn't the composition of that document, its issuance and dissemination, result from a meeting that was held on February 4, 1952, at the home of Betty Enfield?

"Was it not as a result of that conference that you began work on the preparation of this pamphlet for the direct purpose of impeding the committee in the investigation in which it was then engaged?

"Having stated that the Passport Division of the State Department had informed him that his passport was being investigated as a result of information from an unnamed informant to the effect that he was a Communist, he was asked the question: 'Was that information that the State Department had correct?'

"Did you make any public statement of any kind denying the fact that you were a member of the Communist Party and the revocation had been unjustified?

"Having stated that it is his belief that violence is not an effective means of achieving political change, and that he does not knowingly belong to any such organization, the witness was asked the question: 'Do you have any knowledge of an organization which proposes to do that?'

"Dr. Davis, did you at any time during 1952 or 1953 solicit membership in the Communist Party of any faculty member or student of the University of Michigan?

"Are you now a member of the Communist Party?

"Have you ever been a member of the Communist Party?"

which questions were pertinent to the subject under inquiry, refused to answer such question; and, as a result of Horace Chandler Davis' refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Horace Chandler Davis.

The record of the proceedings before the committee on May 10, 1954, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Lansing, Mich., Monday, May 10, 1954.

"The Subcommittee of the Committee on Un-American Activities, consisting of Representatives KIT CLARDY, chairman, GORDON H. SCHERER, and MORGAN M. MOULDER, all of whom were present, met pursuant to recess at 10:01 a. m. in the house chamber, State capitol, Lansing, Mich. After hearing the testimony of another witness, Dr. Howard Chandler Davis was called as a witness.

"Mr. CLARDY. * * * Call your next witness.

"Mr. TAVENNER. Dr. Horace Chandler Davis, will you come forward please, sir.

"Mr. CLARDY. You do solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Dr. DAVIS. I so affirm.

"Mr. CLARDY. You may be seated. Are you accompanied by counsel?

"Dr. DAVIS. No; I am not.

"Mr. CLARDY. Do you desire to have counsel?

"Dr. DAVIS. No; I don't.

"Mr. CLARDY. You understand under the rules of the committee that if you desire, you might be accompanied by counsel?

"Dr. DAVIS. Yes; I understand that.

"Mr. TAVENNER. What is your name, please, sir?

TESTIMONY OF HORACE CHANDLER DAVIS

"Dr. DAVIS. Horace Chandler Davis.

"Mr. TAVENNER. When and where were you born, Mr. Davis?

"Dr. DAVIS. Ithaca, N. Y., August 12, 1926.

"Mr. TAVENNER. What is your occupation or profession?

"Dr. DAVIS. I teach mathematics at the University of Michigan.

"Mr. TAVENNER. Will you tell the committee, please, what your formal educational training has been in preparation for the practice of your profession?

"Dr. DAVIS. I attended Harvard University, I attended Harvard College first from 1942 to 1945 when I received the degree of B. S. After a period of naval service I returned to graduate school at Harvard, receiving the Ph. D. degree in 1950.

"Mr. TAVENNER. When did you return to Harvard for work on your doctor's degree?

"Dr. DAVIS. September 1946.

"Mr. TAVENNER. Will you tell the committee, please, how you have been employed in the teaching profession since 1950, the time you received your doctor's degree?

"Dr. DAVIS. Only since 1950.

"Mr. TAVENNER. Has that entire employment been at the University of Michigan?

"Dr. DAVIS. Yes.

"Mr. TAVENNER. During the period of time that you were at Harvard as an undergraduat, say, between 1942 and 1945, were you aware of the existence on the campus or in Cambridge of an organized group of the Communist Party made up chiefly of members of the student body of Harvard?

"Dr. DAVIS. That is a question concerning my political associations, I believe, and I will refuse to answer all such questions before this committee.

"Mr. TAVENNER. I suggest that the witness be directed to answer the question.

"Mr. CLARDY. The witness is so directed.

"Dr. DAVIS. I don't believe I am under any legal compulsion to answer that question. I believe that when you direct me to answer a question concerning my political beliefs or my political affiliations, that it is entirely without force. You are a congressional committee, and you can take no action which will infringe freedom of speech or freedom of assembly, and I maintain that questions concerning my politics under these circumstances do infringe my rights in that respect.

"Mr. SCHERER. Do you consider the Communist Party to be a political party, as we hold political parties in the United States, Dr. Davis?

"Dr. DAVIS. Mr. SCHERER, that is again a political question. You are asking my evaluation of a political subject, and I am not going to answer that, either.

"Mr. SCHERER. I am only asking you that because of what you just said.

"Dr. DAVIS. I understand, but the same objection to that question applies as to the previous one because it is a question concerning my belief on a political question. I might point out that I have not finished stating my reasons for refusing to answer the question that Representative CLARDY directed me to answer.

"Mr. CLARDY. You had a long pause there, and I am sure Congressman SCHERER thought you had concluded. I know I did, and I was about to ask you one myself. Proceed, if you want to say anything more.

"Dr. DAVIS. Thank you. I wanted to explain in what respect I believe that this question exceeds your authority. It seems to me that such a question infringes my freedom of speech. It infringes my freedom of speech because it seeks to oblige me to discuss my political activities and my political opinions under highly abnormal circumstances. This is not the way you discuss politics for the purposes of arriving at the truth. These are abnormal circumstances. I am under oath where I have to watch every word. In addition, I think that it infringes freedom of speech because it focuses attention in the evaluation of political ideas or of individuals on how close they are to Communist ideas or to the Communist Party, and thereby takes attention off the question of whether the ideas are right and the question of the worth of the individuals. I believe that this stifles the type of discussion which is necessary in a democracy in order that the people may arrive at the conclusions which are in accordance with their will.

"Finally, I would claim that in addition to these two respects it also infringes the freedom of speech of people who are not on the stand. It infringes the freedom of speech of everyone in that it acts as a threat—it implies a threat that if their opinions are not such as to meet with the favor of this committee, they may be subjected to the same sort of treatment that the witnesses today are being subjected to, and in that respect it opens the way to stigmatization of political views which would lead the citizens to make

political choice on the basis of fear rather than on the basis of reason.

"Now, I would claim that it is highly essential to a democracy that this freedom of political choice be preserved; in fact, that this is the freedom which the first amendment is designed to protect. Therefore, I claim that this question is improper since it exceeds the authority of Congress. It oversteps the bounds placed on Congress by the first amendment. Therefore, I am under no compulsion to answer.

"Mr. CLARDY. At this juncture, Miss Reporter, will you, if you can find it, go back and reread the question for us?

"(The question was read by the reporter, as follows:

"('During the period of time that you were at Harvard as an undergraduate, say between 1942 and 1945, were you aware of the existence on the campus or in Cambridge of an organized group of the Communist Party made up chiefly of members of the student body of Harvard?')

"Mr. CLARDY. Witness, I had that read back after you had concluded a rather plain, and I think understandable, statement of your position——

"Dr. DAVIS. I had not quite concluded, by the way.

"Mr. CLARDY. You paused again, and you fooled me, but I will say what I have to say now because I want to direct you to answer. I want to point out to you that you were only asked the question as to whether or not you knew of the existence of the group, not whether you were a member, not whether you took part in its activities, so in the conclusion, if you have more to say, I hope you take that into account, and since you say you want to weigh each word, I think I would suggest that you proceed maybe just a little bit slower, so that you won't misstate yourself.

"Dr. DAVIS. I would like to repeat my reasons for feeling—or not repeat, I would like to state my reasons for feeling that this question is, as I claimed it was, a question concerning my political beliefs or associations. Information in this regard, if I had it, would imply something about my political knowledge and associations, and I will refuse to answer any questions of this nature.

"Mr. CLARDY. Witness, I interrupt you again. You are merely asked if you knew of the existence of the group. Now, some of those groups have been very flamboyant in flaunting the fact that they did exist, and there can be certainly no odium attached to you to say that you knew it. Probably some of the most loyal citizens in that community, if there was such a group there, would know it also. It is not a question of odium or lack of odium.

"Mr. DAVIS. I refused to answer the question not because it was odious or the answer would be odious, but because it was a question concerning my political beliefs or associations.

"Mr. SCHERER. I think that is where you missed the point. The Communist Party and the Communist organization in this country has been declared by the Supreme Court of this land not to be a political party but a criminal conspiracy, and certainly we have the right and the duty to inquire as to the nature of the operation of that conspiracy in this country, and that is the purpose of the questions being asked you, Doctor, so your whole premise is wrong. You consider it to be a political party, when it is not a political party. It is a criminal conspiracy seeking to overthrow this Government by force and violence. Now that has been clearly established, and you, with all the degrees behind your name, certainly know that, and you with your record in Communist Party activities certainly know that.

"Dr. DAVIS. The question asked me——

"Mr. CLARDY. Have you finished the recitation of your reasons why you were going to decline to answer?

"Dr. DAVIS. I would like to add a few more points if I may.

"Mr. CLARDY. All right, and then in the future if you are going to decline, without repeating this, you may merely say for the reasons already advanced.

"Dr. DAVIS. I would like to explain that in my opinion not merely do I have the right to refuse to answer a question which has been improperly made, but that furthermore it is highly desirable for me to refuse to answer questions concerning my politics before this committee. If I were to answer these questions, I would be contributing to the precedent that everyone must, on demand by this committee, state his political position, his political affiliations, and therefore I would be contributing to the precedent that people's political activities must be judged in terms of their content. This, I think, does injury to the first amendment, and therefore my preference not to answer is based on desire not to oppose the first amendment to myself.

"Mr. CLARDY. Does that conclude your statement of reasons?

"Mr. DAVIS. With respect to that question; yes.

"Mr. CLARDY. Very well. You were directed to answer as we went along. I will repeat it now, and if you desire to decline again on the same grounds, you may so state.

"Dr. DAVIS. Certainly, if the question is improperly asked, I feel no compulsion to answer.

"Mr. CLARDY. So you are again declining on the grounds already advanced.

"Dr. DAVIS. Yes; on the grounds of the bounds placed by the first amendment to the Constitution.

"Mr. CLARDY. Very well.

* * * * *

"Mr. TAVENNER. The committee has received evidence that there was in existence during a part of that period, at least, a cell or group of the Communist Party, an organized group of the Communist Party among instructors at Harvard. Did you engage in any work of the character of instructor during that period of time?

"Dr. DAVIS. Was I an instructor at Harvard?

"Mr. TAVENNER. Yes.

"Dr. DAVIS. I never held the rank of instructor at Harvard. I was a teaching fellow at Harvard in the year 1947–48.

"Mr. TAVENNER. During that period were you aware of the existence of a group of the Communist Party within the graduate students or instructors at Harvard?

"Dr. DAVIS. This again is a question concerning my political associations, and I refuse to answer that for the same reasons as before. I think it is an improper question.

"Mr. SCHERER. Does that include the fifth amendment?

"Dr. DAVIS. My reasons for refusing to answer I stated before. I feel that the fifth amendment is irrelevant. Whether or not you are trying to get me to be a witness against myself is not to the point because I claim that the question is improperly put in the first place.

"Mr. SCHERER. Then you are not relying on the fifth amendment?

"Dr. DAVIS. No.

"Mr. SCHERER. As I understand it, you did not rely on the fifth amendment in refusing to answer all of the other questions which you have refused to answer?

"Dr. DAVIS. That is correct, Mr. SCHERER.

"Mr. TAVENNER. Dr. Robert Gorham Davis testified before this committee on February 25 of 1953 regarding a much earlier period at Harvard—it was 1938 and 1939——

"Mr. CLARDY. May I interject there? Do you know Dr. Robert Gorham Davis?

"Dr. DAVIS. This seems to be a question concerning my friends and associates. I am not going to answer any questions in that regard, either. Earlier this morning you said, in connection with the testimony of Dr. Nickerson, that you might call to the stand people with whom he had conversed, and I feel that the possibility that you might do this to people who I might know or to determine whether I knew people is a very strong argument for my not naming their names.

"Mr. SCHERER. Do you know Dr. Nickerson?

"Dr. DAVIS. I am going to explain my answer to all such questions, if you like.

"Mr. SCHERER. I am just interrupting you.

"Mr. CLARDY. Let him finish that answer, and then I think your question is a very good one, and I will ask you to answer it after you finish this one.

"Dr. DAVIS. I am still answering the first question. If the committee is to discover the friends and associates of people called up before this committee and attacked by this committee, then I feel that the tendency of this will be to make people avoid association with anyone who might be attacked by this committee.

"Mr. CLARDY. May I interrupt you to tell you that the Dr. Davis referred to was not only not attacked by this committee, but that he cooperated fully with the committee, that he is not now a member of the Communist Party, and that he has already testified. He is not someone who is yet to be called as your answer would imply up to this point.

"Dr. DAVIS. Perhaps I should——

"Mr. SCHERER. He was commended by the committee for his testimony.

"Mr. CLARDY. Very much so, because he gave us a great deal of very helpful information that has been put to use in legislative proposals we have laid before the present Congress.

"Dr. DAVIS. Apparently I haven't made clear my statement. I will try, beginning over.

"Mr. CLARDY. Well, I think you have, but I was merely correcting two of the impressions you had.

"Dr. DAVIS. My point is this: If witnesses are to be compelled to state before this committee who their friends and associates are under circumstances where the witnesses themselves are purported to be particularly shocking people, in other words, in connection with witnesses such as myself who refuse to answer some of the committee's questions, then the tendency will be, of course, for people to dislike being named before the committee in this way, and second, for them to avoid in the future association with anyone who might perhaps be a witness before this committee and refuse to answer some questions. This constitutes definite pressure on them to choose only certain friends, only those who would be cooperative with the committee or who would not be called. This type of pressure is a restriction on their freedom under the first amendment to have whatever associations they please, and therefore I claim that this question in itself is improper as the other one was, and I would refuse to answer. In addition, if there is any intimation that the question concerned my political affiliations, then it would be even more improper because it would be a violation of the first amendment in the same way as other political questions would. That is my understanding of the Bill of Rights. Of course this would not necessarily apply if the question were other than a question as to personal acquaintances or a question as to political associations.

"Mr. TAVENNER. Dr. Robert Gorham Davis testified at some length before this committee regarding the conduct of Communist Party affairs at Harvard during the period he was acquainted with it, he having been a member of the Communist Party at Harvard. The question of influence by the faculty members upon the student body was discussed by him. He told the committee that at the time he was a member there was no direct connection between the faculty members and the student body on the subject of communism for security reasons. We are very anxious to investigate that situation fully and as at late a period as possible. We want to know from you, if you have knowi-

edge of it, whether or not there was any relationship between the faculty members of the Communist Party and student body members of the Communist Party at Harvard and what influences were brought to bear by one group upon the other.

"Mr. CLARDY. And in extension of what the counsel has said, we have before us for consideration now—speaking of the committee—some proposed legislative proposals. This answer, if you will choose to give it, will be information the committee can use to very good effect.

"Now proceed.

"Dr. DAVIS. Insofar as the question asks for my knowledge of political events, I must refuse to answer it on the same basis as the previous question. However, it perhaps implies a question as to improper practices in the conduct of classes or of relations between faculty and students at Harvard, and as such it is perhaps a proper question. I will say that during the period that I was at Harvard I found the instruction there and the conduct of the faculty there to be of the highest quality.

"Mr. TAVENNER. I had no intention of asking anything about the character of instruction.

"Dr. DAVIS. I am sorry, I thought this did refer to the character of the instruction.

"Mr. TAVENNER. No; absolutely not as to the character of instruction. I am not going into the classroom. I haven't been in the classroom. I am in Communist Party organizations; that is what I am confining my question to. Now will you answer it, please, in the light of that statement?

"Mr. CLARDY. Maybe you had better rephrase it, Mr. Tavenner, so there will be no confusion.

"Mr. TAVENNER. My question is, based upon evidence that the committee has received, whether or not there was any relationship between faculty members of the Communist Party, such as instructors, and student body members of the Communist Party, in a way in which one group would have any influence over the activities of the other group?

"Dr. DAVIS. This is a question of the same sort as the previous ones, and I refuse to answer.

"Mr. TAVENNER. I am trying to restate the question. As a matter of fact, weren't you in a position to know the answer to that question?

"Dr. DAVIS. This is again the same sort of question, and I refuse to answer it for the same reasons.

"Mr. TAVENNER. Were you not a member of the Wendel Phillips Club of the Communist Party in Cambridge, made up chiefly of members of the student body at Harvard?

"Dr. DAVIS. I am not going to answer that for the same reason as before, and I think for an additional reason: An inquiry of this sort as to my association with a group which has been under such attack or in fact, as to my personal association with any such group, carries in this committee hearing an implication that certain answers would be reprehensible. This, I claim, infringes my freedom of speech in addition to the infringements that I discussed before in connection with any political question.

"Mr. CLARDY. May I point out to you, Witness, this one very important fact: Unless you have been associated with some group that you, yourself, as you define it, regard as reprehensible, a truthful, honest answer can do nothing other than serve your own best interests. If the group was of a subversive character, if the group was reprehensible in some way or other, it is, of course, conceivable that a truthful answer that you know something about them or that you associated with them or that you did something in connection with them, conceivably might do something to you. But you are being given here today—the first time you have been confronted with any of these questions, because we have said nothing to the public, to the press, or to anyone else until you took this stand—you are being given today a full, free, fair opportunity to say to the public and to this committee and to the Congress whether or not you have had any associations whatsoever, remote or otherwise, with a conspiracy whose avowed purpose is the destruction of the freedom that we enjoy, and your continued refusal, prating the Communist Party line—and it is nothing else, because we have had it from witness after witness—will do you ill, and I think you ought to reconsider your position during the noon hour—because we are going to adjourn within the next about 7 minutes—and come back and tell us all that you know, if you do know anything. If you do not, a frank honest answer that you do not, instead of all of this lengthy discussion about something that is entirely irrelevant in the opinion of the Chair, if you will do that, you will serve your own best interests. Now, I am interjecting that so you will understand that all we are seeking are facts, and we are not interested in your political beliefs, your political faith, if you have any. We are not interested in anything else except in uncovering all of the tentacles of the Communist conspiracy, and if you can aid us you can tell us what you know. If you cannot, you can deny any knowledge instead of retreating behind the first amendment as you have.

"Will you proceed, Mr. Tavenner?

"Dr. DAVIS. If that was a question, I would like to answer it.

"Mr. CLARDY. It is not a question. I am merely imploring you to reconsider what I think is an ill-advised decision on your part to take a stand that will do you a disservice.

"Proceed, Mr. Tavenner.

"Mr. TAVENNER. Dr. Wendell Hinkle Furry, from Harvard, was also a witness before this committee. On his first appearance before the committee he refused to answer any material questions relating to the operation of the Communist Party organization within the faculty at Harvard, but he came back voluntarily several weeks later and stated to the committee that he was not then a member of the Communist Party and had not been a member since 1948.

"Mr. CLARDY. I think you are wrong as to the date. I think I managed to back him up on the calendar for about a year and a half or 2 years, and I think he established a March 31, 1952, or 1951 date. My memory may be in error, but it didn't go very far back.

"Mr. TAVENNER. I believe you are correct. Do you know in what department Dr. Furry taught at Harvard?

"Mr. MOULDER. Let me ask the witness, do you know Dr. Furry?

"Dr. DAVIS. That question I am sure I should not answer on the grounds that I gave previously. It is a question concerning my personal associations. I was wondering what I should say to the question Mr. Tavenner asked.

"Mr. SCHERER. You have refused to answer the question as to whether or not you know Dr. Furry, and you are not declining to answer or not refusing to answer that question on the basis of the fifth amendment, I understand.

"Dr. DAVIS. The question involved Dr. Furry?

"Mr. SCHERER. Yes.

"Dr. DAVIS. That is correct. My grounds are not those. I do have, and I do not want to relinquish, the right to refuse to be a witness against myself. However, that is not necessarily pertinent to this question because this question is improper from the outset.

"Mr. MOULDER. May I ask, were you a student at Harvard at any time while he was instructor or teacher there?

"Dr. DAVIS. When was he a professor or teacher there?

"Mr. MOULDER. During what period——

"Mr. CLARDY. Do you know when he was professor or teacher there?

"Dr. DAVIS. I am uncertain what my answer should be to that for the——

"Mr. CLARDY. Take your time.

"Dr. DAVIS. Thank you. I believe I can answer that. I don't believe that it does concern my personal associations. I know what department he was in, yes, and I don't know exactly which years he was teaching there, no.

"Mr. CLARDY. And you therefore, am I to understand, did not know him personally?

"Dr. DAVIS. I would refuse to answer that on the same basis as before.

"Mr. TAVENNER. What was the department in which he was a teacher?

"Dr. DAVIS. Physics.

"Mr. TAVENNER. Did you take any courses under him?

"Dr. DAVIS. Yes.

"Mr. TAVENNER. What were the courses, and what years?

"Dr. DAVIS. The years, I believe—I believe in the fall semester, 1946, physics 40–A. On the spring semester, 1947, physics 40–B, and in the fall semester, 1947, physics 40–C.

"Mr. TAVENNER. Were you aware of any Communist Party activities on his part during that period of time?

"Dr. DAVIS. That is a question of a similar nature to those which I refused to answer before, and I would further refuse to answer on the grounds that it might be specifically an infringement on his right of freedom of speech.

"Mr. CLARDY. Perhaps I should tell you that under familiar court decisions you are entitled to invoke your constitutional objections only as they apply to you and not on behalf of anyone else.

"Dr. DAVIS. Thank you.

* * * * * *

"Mr. TAVENNER. Dr. Davis, were you aware of whether or not professors from the Massachusetts Institute of Technology took part in Communist Party activities along with groups of Communists at Harvard?

"Dr. DAVIS. I again refuse to answer on the basis that this question refers to my political associations.

"Mr. TAVENNER. Were you acquainted with Dr. Dirk Struik?

"Dr. DAVIS. This question, like others you have asked, refers to my personal associations, and I refuse to answer that, too.

"Mr. SCHERER. Who was Dirk Struik?

"Mr. TAVENNER. Dr. Dirk Struik was a member of the department of mathematics at Massachusetts Institute of Technology.

"Mr. CLARDY. He has appeared before this committee some time back?

"Mr. TAVENNER. Yes; and refused to answer questions relating to Communist Party activities, relying upon the fifth amendment.

"Mr. CLARDY. He has, however, been identified by a number of other witnesses who appeared before us as a member of a cell at Harvard.

"Mr. TAVENNER. That is true.

"Dr. Davis, there has come to the attention of the committee a pamphlet entitled 'Operation Mind,' which was disseminated at the time the Committee on Un-American Activities arrived in Detroit for its hearing in 1952. This pamphlet calls upon all groups to oppose the committee's presence in the area of Detroit. I have it before me; I note that there is a notation on it stating, 'Distributed by University of Michigan Council of the Arts, Sciences, and Professions, and the Civil Liberties Committee of the University of Michigan.' Were you a member of either of those two organiations at the time that that pamphlet was disseminated?

"Dr. DAVIS. I am sorry you are so distressed by this opposition.

"Mr. CLARDY. I didn't hear what you said.

"Dr. DAVIS. I said I am sorry you are so concerned about this opposition.

"Mr. CLARDY. What makes you think we are concerned? We are merely seeking to get facts; and if you had anything to do with it, you should not hesitate at all to tell us. Don't try to lecture the committee, please.

"Dr. DAVIS. And this question is a question again about my association or lack of association with groups which as described are certainly political, and this certainly therefore comes under my previous refusal.

"Mr. TAVENNER. Were you not the treasurer of the Ann Arbor chapter of the Arts, Sciences and Professions at the time of the dissemination of that document?

"Dr. DAVIS. That is exactly the same type of question, and I refuse to answer again.

"Mr. CLARDY. I direct that you answer the question.

"Dr. DAVIS. I refuse to answer on the same basis as before. I say that your direction that I answer is without force.

"Mr. CLARDY. Do you conceive that there is something about that organization that is subversive in nature?

"Dr. DAVIS. I conceive that there may be something about that organization which is political in nature and I claim that your questions as they pertain to my political activities exceed your constitutional authority. I am not refusing to answer exclusively on the grounds that there might be blame attached to me for a correct answer; I am refusing to answer on the basis that you are exceeding your authority in asking the question and I am extremely concerned to defend the democratic rights which we enjoy in this country of which you spoke this morning, and in line with that defense I must challenge you and I believe you have been overstepping your authority as a Government officer.

"Mr. SCHERER. You are not refusing to answer the question with reference to this pamphlet on the grounds of the fifth amendment then, are you?

"Dr. DAVIS. No, I am not. I am answering——

"Mr. SCHERER. You are not invoking the fifth amendment?

"Dr. DAVIS. I am answering on the previous grounds. If the question pertains to the pamphlet, there is additional reason for refusing to answer, namely, the provision that Congress shall not restrict freedom of the press, because I believe that freedom of the press implies the freedom to issue written material and to circulate written material and to read written material without intimidation.

"Mr. SCHERER. Yes, but by this pamphlet you seek to prevent the right of a committee to meet in the State of Michigan.

"Dr. DAVIS. I beg your pardon?

"Mr. SCHERER. You seek to prevent this committee meeting in the State of Michigan. You would deprive this committee of the very thing that you say you want protected.

"Mr. CLARDY. Yes, you want free speech for everybody.

"Mr. SCHERER. But you don't want free speech for this committee.

"Mr. CLARDY. You want free speech only for everybody who agrees with you, and you do not like anyone's viewpoint other than yours expressed, if I understand your 'Operation Mind' pamphlet and your attitude here today.

"Dr. DAVIS. This is a question?

"Mr. CLARDY. I am telling you the facts, sir. Isn't the reason that you are refusing to answer this question and anything about it because of its Communist origin, inspiration, and direction?

"Dr. DAVIS. Is this a question also?

"Mr. CLARDY. Yes, sir. If you don't understand questions, then that line of degrees that you have has misled me terribly. Now, can you answer it?

"Dr. DAVIS. Once before when I thought you were asking me a question, you weren't.

"Mr. CLARDY. Read the question, Miss Reporter.

"(The question was read by the reporter as follows:)

" 'Isn't the reason that you are refusing to answer this question and anything about it because of its Communist origin, inspiration, and direction?'

"Mr. CLARDY. Isn't that the fact?

"Dr. DAVIS. The answer to that question is the same as the answers I have given previously to questions about my political beliefs or affiliations.

"Mr. CLARDY. Proceed, Mr. Tavenner.

"Mr. SCHERER. Just a minute. Weren't you the author of that pamphlet?

"Dr. DAVIS. This is again a question concerning my——

"Mr. SCHERER. I should say it is.

"Dr. DAVIS. This is a question concerning what political activities I engaged in and concerning what words I wrote, and I therefore claim that that is an improper question, both because it violates freedom of political choice——

"Mr. CLARDY. If Rudyard Kipling——

"Dr. DAVIS. Also freedom of the press.

"Mr. CLARDY (continuing). Should be asked if he was author of a given article or book, do you think he would be ashamed to acknowledge it? Aren't you in effect saying, 'I am ashamed to admit that I was the author of the article in question'?

"Dr. DAVIS. I am not saying now and I will not say that I am ashamed of any political activities I have engaged in or any political opinions that I hold. If I am convinced my political ideas are wrong, naturally I will change them, so what need to be ashamed of them, and I can be convinced only by reason and facts.

"Mr. CLARDY. Do you have any familiarity at all with the document about which Congressman SCHERER and Mr. Tavenner inquired?

"Dr. DAVIS. This is a question, I believe, which concerns my political affiliations and activities, and it also concerns what I read, and I will not answer questions of that nature.

"Mr. SCHERER. Mr. Chairman, I ask that you direct the witness to answer the question whether or not he was the author of the pamphlet in question.

"Mr. CLARDY. I so direct, witness.

"Dr. DAVIS. I will not answer because I assert that it is an improper question.

"Mr. SCHERER. And you are not relying on the fifth amendment?

"Dr. DAVIS. That is correct.

"Mr. SCHERER. The witness is obviously in contempt of the Congress of the United States.

"Mr. CLARDY. There is no doubt about that. He has been in contempt all day here, but I think on this last question that it should be made perfectly clear to him that we are inquiring about something on which we have positive knowledge of your direct connection, and your refusal to answer something that is public knowledge cannot in any way incriminate you. You haven't raised that objection.

"Dr. DAVIS. I have not.

"Mr. CLARDY. It certainly is not an invasion of any of the rights under any other amendment to merely inquire whether you are the author, proud or not as you may be, of what you have done. If you are ashamed of it, you can change your mind and tell us you repudiate it later, but we are not even asking you to do that, to merely acknowledge that you did it.

"Mr. SCHERER. An article which seeks to restrict the speech of the Congress of the United States.

"Dr. DAVIS. I would deny that I am in contempt of Congress. I am attempting to cooperate with the Government to the highest possible degree——

"Mr. CLARDY. By not answering questions?

"Dr. DAVIS. In challenging the committee when I believe that it is overstepping the bounds allowed it by the Constitution.

"Mr. SCHERER. Am I overstepping the bounds when I ask you about your connections with Gerhart Eisler, a man who fled the United States to avoid prosecution and who is now the leader of the Communist group in Germany in the zone occupied and governed by Soviet Russia?

"Dr. DAVIS. You are again asking me about my personal association, and I claim that information as to my personal——

"Mr. SCHERER. Personal association as to a conspiracy, you say that is overstepping our bounds?

"Dr. DAVIS. Did you ask me whether I was conspiring?

"Mr. SCHERER. No, whether you knew him.

"Dr. DAVIS. You asked me whether I knew him. That is a question as to my personal associations, and I refuse to answer.

"Mr. SCHERER. When did you last hear from him?

"Dr. DAVIS. I think that is the same sort of question.

"Mr. SCHERER. Have you heard from him since he left this country?

"Dr. DAVIS. Again the same answer.

"Mr. SCHERER. You are not invoking the fifth amendment on the question?

"Dr. DAVIS. No.

"Mr. CLARDY. Are you acquainted with and do you know President Harlan Hatcher of the University of Michigan?

"Dr. DAVIS. That is again the same sort of question. I refuse to answer for the same reason.

"Mr. CLARDY. Please, we must insist there be no demonstration, either way, of approval or disapproval.

"Now obviously you are not raising the fifth amendment in connection with my question.

"Dr. DAVIS. With neither of them.

"Mr. CLARDY. Would you refuse to answer any question of this committee with respect to your knowing anyone, including members of the staff or this committee?

"Dr. DAVIS. If there was an implication that there was anything improper in my knowing the person, or if the question was asked other than as a question regarding my personal associations, I don't know. The questions that you have asked me sounded to me like questions about my personal associations or about my political associations, and I would claim that you are overstepping your rights when you insist on my answering them.

"Mr. CLARDY. Asking you about your acquaintance with President Hatcher then is invading your field of freedom of speech or something of that kind?

"Dr. DAVIS. Yes. Let me give you an example to show you how.

"Mr. CLARDY. No, you don't have to give me an example. You have made it perfectly plain. Proceed, Mr. Tavenner. Let us make this as short as we can, because I don't think any useful purpose will be served.

"Mr. TAVENNER. I have a good many questions I would like to ask the witness.

"Mr. CLARDY. I have a lot I would like to ask him, but I don't care to encumber the record with this sort of thing.

"Mr. TAVENNER. Dr. Davis, isn't it a fact that the University of Michigan Council of the Arts, Sciences, and Professions and the Civil Liberties Committee of the University of Michigan had nothing to do with the distribution of this document?

"Dr. DAVIS. I won't answer that for the same reason.

"Mr. TAVENNER. Isn't it a fact that they had not approved at any time of the issuance of the document?

"Dr. DAVIS. I will not answer that question for the same reason.

"Mr. TAVENNER. Isn't it a fact that on February 20, 1952, you placed an order with the Edwards Letter Co., 711 North University, Ann Arbor, Mich., for the printing of this pamphlet, and that you ordered 4,000 copies at a cost of $112?

"Dr. DAVIS. That question is improper, just as the others are.

"Mr. CLARDY. Are you refusing to answer?

"Dr. DAVIS. Yes.

"Mr. CLARDY. For your own protection, I suggest you should say that, if you are refusing to answer, because the kind of answer you gave will afford you not even a smidgen of a legal ground on which to stand in the event of a contempt citation.

"Dr. DAVIS. Thank you, Mr. CLARDY.

"Mr. TAVENNER. Isn't it a fact that you are the author of that document?

"Dr. DAVIS. I thought I had already refused to answer that.

"Mr. TAVENNER. Isn't it——

"Mr. SCHERER. Wait a minute. Let us not let him get by with that. I ask you to direct the witness to answer that question.

"Mr. CLARDY. You are so directed.

"Dr. DAVIS. I refuse to answer that question on the grounds that it is an improper one.

"Mr. TAVENNER. Didn't the composition of that document, its issuance, and dissemination, result from a meeting that was held on February 4, 1952, in the home of Betty Enfield?

"Dr. DAVIS. I refuse to answer that question for the same reason.

"Mr. TAVENNER. Isn't it a fact that you and several other members of the Communist Party, including Ed Shaffer and Lawrence K. Northwood, expecting that members of the Communist Party from Ann Arbor would be subpenaed before the hearing contemplated to be had in Detroit in 1952, met and had counsel there to advise and discuss with you and your group what attitude should be taken in the event any of the members of the Communist Party from Ann Arbor were called as witnesses before the committee?

"Dr. DAVIS. This is a rather elaborate question, but it seems clear that it relates to my political activities, and accordingly I refuse to answer.

"Mr. SCHERER. It might relate to subornation of perjury, that might. That doesn't deal with political activities, sir.

"Dr. DAVIS. Are you charging me with subornation of perjury?

"Mr. SCHERER. I just said it might deal with subornation of perjury, such a question. You might properly invoke the fifth amendment to that question, I can see that.

"Mr. CLARDY. You are not invoking the fifth amendment though, as I understand it.

"Dr. DAVIS. That is correct.

"Mr. TAVENNER. Was it not as a result of that conference that you began work on the preparation of this pamphlet for the direct purpose of impeding the committee in the investigation in which it was then engaged?

"Dr. DAVIS. I refuse to answer on the same basis as before.

"Mr. SCHERER. You mean suppress the activity of this committee?

"Mr. TAVENNER. Not suppress, but to interfere with the conduct of the hearings by the pamphlet which you originated and distributed.

"Mr. SCHERER. They want freedom of speech for——

"Mr. TAVENNER. I am not certain whether the witness has answered the question.

"Mr. CLARDY. No, he hasn't.

"Dr. DAVIS. I didn't know it was a question; I am sorry. I thought it was an assertion.

"Mr. TAVENNER. Will you read the question, please?

"(The question and answer was read by the reporter, as follows:)

"'Was it not as a result of that conference that you began work on the preparation of this pamphlet for the direct purpose of impeding the committee in the investigation in which it was then engaged?

"'(Answer. I refuse to answer on the same basis as before.)'

"Mr. TAVENNER. He has answered the question.

"Mr. CLARDY. You rephrased it, and I will now direct him to answer it, because I think it is important.

"Dr. DAVIS. I still refuse to answer for the same reason.

"• • • • •

"Mr. TAVENNER. Have you ever applied for United States passport?

"Dr. DAVIS. Yes.

"Mr. TAVENNER. Was it granted you?

"Dr. DAVIS. Yes.

"Mr. TAVENNER. When did you travel abroad—or did you travel abroad under it?

"Dr. DAVIS. Yes, I did.

"Mr. TAVENNER. When was that?

"Dr. DAVIS. That was from, I believe, June of 1952 until September of 1952.

"Mr. TAVENNER. In what countries did you travel?

"Dr. DAVIS. Primarily in France.

"Mr. TAVENNER. In what other countries did you travel?

"Dr. DAVIS. Switzerland for 1 day, Monaco for 1 day, and Ireland and Canada as stops on the plane coming back.

"Mr. TAVENNER. A passport has a life of 2 years. Do you still hold it?

"Dr. DAVIS. No, I don't.

"Mr. TAVENNER. Why?

"Dr. DAVIS. The passport was claimed by a representative of the Department of State in November of 1952.

"Mr. CLARDY. You mean it was revoked by the Department of State.

"Dr. DAVIS. It may have been revoked; I am not certain.

"Mr. SCHERER. You know it was revoked. Why do you say 'It may have been revoked'?

"Dr. DAVIS. I am the authority on what I know, Mr. Scherer. I don't know whether it was revoked.

"Mr. SCHERER. Not a very good authority.

"Dr. DAVIS. I know it was reclaimed by the Department of State and it is not in my possession now.

"Mr. CLARDY. Weren't you advised in writing by the Department of State that it was being revoked?

"Dr. DAVIS. I was not advised of anything in advance of its being claimed. It was picked up by a representative of the Department of State.

"Mr. CLARDY. Were you advised afterward?

"Dr. DAVIS. Yes, in response to inquiry the State Department told me the reasons for its being claimed.

"Mr. CLARDY. It was not returned to you at any rate?

"Dr. DAVIS. That is right.

"Mr. SCHERER. You are using the word 'claimed' instead of 'revoked.'

"Dr. DAVIS. I don't know the technicalities, Mr. Scherer; I don't know.

"Mr. SCHERER. With your Ph. D. you don't know the difference.

"Dr. DAVIS. Between what and what?

"Mr. SCHERER. The State Department claiming your passport or revoking your passport.

"Dr. DAVIS. I don't think anybody has revoked my Ph. D.

"Mr. SCHERER. Well, maybe they haven't.

"Mr. TAVENNER. Were you requested to surrender your passport?

"Dr. DAVIS. Yes.

"Mr. TAVENNER. For what reason?

"Dr. DAVIS. As I say, the man to whom I surrendered it did not state the reason.

"Mr. TAVENNER. What reason was given to you?

"Dr. DAVIS. In response to inquiry the State Department informed me that the passport had been revoked because of a——

"Mr. SCHERER. You say the State Department informed you that it had been revoked. You just used those words.

"Dr. DAVIS. As I said, I don't know what word is technically correct.

"Mr. SCHERER. You just said it.

"Dr. DAVIS. I am not certain whether the word 'revoked' is technically correct or not, I am sorry.

"Mr. CLARDY. Proceed to finish your answers of the question.

"Dr. DAVIS. The Passport Division of the State Department informed me that my passport was being confiscated, at any rate, as a result of information from an unnamed informant to the effect that I was a Communist.

"Mr. SCHERER. Was that information that the State Department had correct?

"Dr. DAVIS. That is the same question you asked before. I will refuse to answer it on the same basis.

"Mr. CLARDY. Now I want to ask you this, in view of what you have written in the past: Following that revocation did you attempt to go into the courts of this land and meet that accusation head on in any way?

"Dr. DAVIS. I took no further steps.

"Mr. CLARDY. Did you protest it in any fashion whatever?

"Dr. DAVIS. No, I did not.

"Mr. CLARDY. Did you make any public statement of any kind denying the fact that you were a member of the Communist Party and that the revocation had been unjustified?

"Dr. DAVIS. This concerns my public statements that I might have made and not governmental operations; therefore it is an improper question.

"Mr. SCHERER. I ask that you direct the witness to answer that last question.

"Mr. CLARDY. I so direct, Witness.

"Dr. DAVIS. I refuse to answer on the grounds that this question is an improper one because of the restrictions on congressional authority of the first amendment.

"Mr. CLARDY. Then if any wrong was done you by your Government, you did absolutely nothing to right that wrong, did you?

"Dr. DAVIS. I took no further steps to recover my passport.

"• • • • •

"Mr. MOULDER. I want to refer to the pamphlet which our counsel, Mr. Tavenner, mentioned a few moments ago and read one paragraph from it as follows:

"'The record of the committee's activities in the past few years indicates that its character has changed in no essential way. Throughout its history the committee has never concerned itself with acts of force and violence designed to overthrow the Government of the United States. It has not questioned people about concealing arms or about organizing groups to commit violent acts against minorities. It has never fulfilled its most basic duty, that is, it has never operated predominantly as a bona fide factfinding body to legislative ends.'

"Now, I want to ask you in this introductory question, Would you answer any questions that you have knowledge of concerning any acts or organization planning acts of force and violence designed to overthrow the Government of the United States?

"Dr. DAVIS. I would answer any question whatever which I was convinced was a proper one and of which I was convinced I was——

"Mr. MOULDER. I wish to say, however, of course it isn't a violation of the law for anyone who sees fit to criticize this committee, to criticize it as much as they want to.

"Dr. DAVIS. Thank you.

"Mr. MOULDER. And there may be differences in opinions about that. I now ask you then, do you believe in or are you a member

of any organization which proposes the overthrow of the Government of the United States by force and violence?

"Dr. DAVIS. As I explained before, I believe that violence is not an effective means of achieving political change, and therefore, of course, I do not knowingly belong to any such organization.

"Mr. MOULDER. Do you have any knowledge of any organization which proposes to do that?

"Dr. DAVIS. I think that this is a question of political evaluation again. It seems to me that that also is a question which I should not answer.

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"Mr. TAVENNER. Mr. Davis, did you at any time during 1952 or 1953 solicit membership in the Communist Party of any faculty member or student of the University of Michigan?

"Dr. DAVIS. That is an improper question for the same reason.

"Mr. TAVENNER. I suggest the witness be directed to answer the question.

"Mr. CLARDY. I so direct.

"Dr. DAVIS. I refuse to answer on the basis that this question is an improper one because of the first amendment.

"Mr. TAVENNER. Are you now a member of the Communist Party?

"Dr. DAVIS. I refuse to answer for the same reason.

"Mr. TAVENNER. Have you ever been a member of the Communist Party?

"Dr. DAVIS. The same answer, the same reason.

"Mr. TAVENNER. I have no further questions, Mr. Chairman.

"Mr. CLARDY. Any further questions, Mr. SCHERER?

"Mr. SCHERER. When you say "Same answer, same reason," you are not invoking the fifth amendment.

"Dr. DAVIS. I am not invoking the fifth amendment."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Horace Chandler Davis relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"During the period of time that you were at Harvard as an undergraduate, say between 1942 and 1945, were you aware of the existence on the campus or in Cambridge of an organized group of the Communist Party made up chiefly of members of the student body?

"During that period [1947–48] were you aware of the existence of a group of the Communist Party within the graduate students or instructors at Harvard?

"Do you know Dr. Robert Gorham Davis?

"My question is based upon evidence that the committee has received, whether or not there was any relationship between faculty members of the Communist Party [at Harvard], such as instructors, and student body members of the Communist Party, in a way in which one group would have any influence over the activities of the other group?

"As a matter of fact, weren't you in a position to know the answer to that question?

"Were you not a member of the Wendel Phillips Club of the Communist Party in Cambridge made up chiefly of members of the student body at Harvard?

"Do you know Dr. Furry [Dr. Wendell Hinkle Furry]?

"And you therefore, am I to understand, did not know him [Dr. Furry] personally?

"Were you aware of any Communist Party activities on his [Dr. Furry's] part during that period of time [1946–47]?

"Dr. Davis, were you aware of whether or not professors from the Massachusetts Institute of Technology took part in Communist Party activities along with groups of Communists at Harvard?

"Were you acquainted with Dr. Dirk Struik?

"Were you a member of either of those two organizations [University of Michigan Council of the Arts, Sciences and Professions and the Civil Liberties Committee of the University of Michigan] at the time that pamphlet [Operation Mind] was disseminated?

"Where you not the treasurer of the Ann Arbor Chapter of the Arts, Sciences and Professions at the time of the dissemination of that document?

"Isn't the reason you are refusing to answer this question and anything about it because of its Communist origin, inspiration, and direction?

"Do you have any familiarity at all with the document about which Congressman Scherer and Mr. Tavenner inquired?

"Dr. Davis, isn't it a fact that the University of Michigan Council of the Arts, Sciences and Professions and the Civil Liberties Committee of the University of Michigan had nothing to do with the distribution of this document?

"Isn't it a fact that they had not approved at any time of the issuance of the document?

"Isn't it a fact that on February 20, 1952, you placed an order with the Edwards Letter Co., 711 North University, Ann Arbor, Mich., for the printing of this pamphlet and that you ordered 4,000 copies at a cost of $112?

"Didn't the composition of that document, its issuance and dissemination, result from a meeting that was held on February 4, 1952, in the home of Betty Enfield?

"Was it not as a result of that conference that you began work on the preparation of this pamphlet for the direct purpose of impeding the committee in the investigation in which it was then engaged?

"Having stated that the Passport Division of the State Department had informed him that his passport was being investigated as a result of information from an un-named informant to the effect that he was a Communist, he was asked the question: 'Was that information that the State Department had, correct?'

"Did you make any public statement of any kind denying the fact that you were a member of the Communist Party and the revocation had been unjustified?

"Having stated that it is his belief that violence is not an effective means of achieving political change, and that he does not knowingly belong to any such organization, the witness was asked the question: 'Do you have any knowledge of an organization which proposes to do that?'

"Dr. Davis, did you at any time during 1952 or 1953, solicit membership in the Communist Party of any faculty member or student of the University of Michigan?

"Are you now a member of the Communist Party?

"Have you ever been a member of the Communist Party?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE (interrupting the reading). Due to the fact that the report is on each Member's desk, I ask unanimous consent that further reading of the report be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 665) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Horace Chandler Davis to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the Eastern District of Michigan, Detroit, Mich., to the end that the said Horace Chandler Davis may be proceeded against in the manner and form provided by law.

Mr. VELDE. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Speaker, in the interest of expediting the business of the House this morning I ask unanimous consent at this time to introduce in the RECORD following the resolution in each case material dealing with each of the subsequent cases. This matter is all contained in the reports which are available to the Members, and I believe that if it can be handled in this manner it will expedite business.

Mr. WALTER. Mr. Speaker, reserving the right to object, do I understand that it is the purpose to place in the RECORD after each one of the citations a résumé of the facts which formed the basis for the action our committee took?

Mr. JACKSON. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON. Mr. Speaker, I ask unanimous consent that all Members may have 3 days in which to extend their own remaks on these resolutions.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON. The résumé in the Davis case follows:

B. USED FIRST AMENDMENT ONLY

Horace Chandler Davis, Lansing, Mich.: refused to answer questions relating to an organized group of the Communist Party at Harvard University, his acquaintanceship at Harvard with Dr. Robert Gorham Davis and Dr. Wendell Hinkle Furry; as to membership in the University of Michigan Council of the Arts, Sciences, and Professions, and the Civil Liberties Committee of the University of Michigan; as to his knowledge of, connection with, and purposes of a pamphlet entitled "Operation Mind" published and disseminated prior to the 1952 Detroit hearings of the committee; the holding of a conference by Communist Party members at Ann Arbor, Mich., on February 4, 1952, at the home of Betty Enfield; the solicitation of faculty members and students of the University of Michigan to membership in the Communist Party and his membership in the Communist Party, relying in each instance upon the first amendment, and specifically disavowing any intention to rely upon the fifth amendment as a basis for his refusal to answer. He testified on May 10, 1954, at Lansing, Mich. (*Barsky* v. *United States*, (167 F 2d, 241, cert. den. 334 U. S. 843); *Lawson* v. *United States* (176 F 2d, 149, cert. den. 339 U. S. 934).)

Mr. VELDE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. VELDE) there were—ayes 340, noes, none.

So the resolution was agreed to.

PROCEEDINGS AGAINST LLOYD BARENBLATT

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2457).

The Clerk read as follows:

PROCEEDINGS AGAINST LLOYD BARENBLATT

Mr. VELDE, from the Committee on Un-American Activities submitted the following report:

The Committe on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Lloyd Barenblatt, Shady Creek Road, Pleasant Valley, Poughkeepsie, N. Y. The said subpena directed Lloyd Barenblatt to be and appear before said Committee on Un-American Activities at the hour of 10:30 a. m., on June 28, 1954, then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Lloyd Barenblatt is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to George E. Cooper: You are hereby commanded to summon Lloyd Barenblatt to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Hon. Harold H. VELDE is chairman, in their chamber in the city of Washington, room 225–A, Old House Office Building, on Monday, June 28, 1954, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the City of Washington, this 28th day of May, 1954.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"LYLE O. SNADER,
"Clerk, House of Representatives of the United States."

The said subpena was duly served as appears by the return made thereon by George E. Cooper, investigator, who was duly authorized to serve the said subpena. The return of the service by the said George E. Cooper, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Lloyd Barenblatt before the Committee on Un-American Activities for the House. Served in person Friday, June 4, 1954, 11:15 a. m. at his home, Shady Creek Road, Pleasant Valley, Poughkeepsie, N. Y.

"GEORGE E. COOPER,
"Investigator, House of Representatives."

The said Lloyd Barenblatt, pursuant to said subpena and in compliance therewith, appeared before the said committee on June 28, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Lloyd Barenblatt having appeared as a witness and having been asked the questions, namely:

"Are you now a member of the Communist Party?

"Have you ever been a member of the Communist Party?

"Now, you have said that you knew Francis Crowley. Did you know Francis Crowley as a member of the Communist Party?

"Were you ever a member of the Haldane Club of the Communist Party while at the University of Michigan?

"Were you a member while a student of the University of Michigan Council of Arts, Sciences, and Professions"?

Which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of Lloyd Barenblatt's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Lloyd Barenblatt.

The record of the proceedings before the committee on June 28, 1954, during which the said Lloyd Barenblatt refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE
COMMITTEE ON UN-
AMERICAN ACTIVITIES,
"Washington, D. C.,
"Monday, June 28, 1954.

"PUBLIC HEARING

"A subcommittee of the Committee on Un-American Activities, continued its hearing at 3:30 p. m. on June 28, 1954, in the caucus room, Old House Office Building, the Honorable HAROLD H. VELDE, chairman, presiding. During the interrogation of another witness, Hon. HAROLD H. VELDE, committee chairman, appointed a subcommittee to be composed of himself as chairman, and Representatives FRANCIS E. WALTER, MORGAN M. MOULDER, and CLYDE DOYLE. At a point preceding the testimony of Lloyd Barenblatt, Representative MORGAN M. MOULDER left the room, thus leaving a quorum of the subcommittee present, consisting of Representatives HAROLD H. VELDE, chairman, FRANCIS E. WALTER, and CLYDE DOYLE.

"Mr. VELDE. Mr. Reporter, for the purposes of this hearing, let the record show that I have appointed Mr. WALTER, Mr. MOULDER, Mr. DOYLE, and myself as chairman.

"Mr. KUNZIG. Mr. Lloyd Barenblatt.

"Mr. VELDE. In the testimony you are about to give before this subcommittee do you solemnly swear you will tell the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. BARENBLATT. I do.

"Mr. VELDE. Be seated.

"Mr. KUNZIG. Would you state your full name, please, sir?

"TESTIMONY OF LLOYD BARENBLATT, ACCOMPANIED BY HIS COUNSEL, PHILIP WITTENBERG

"Mr. BARENBLATT. My name is Lloyd Barenblatt, B-a-r-e-n-b-l-a-t-t.

"Mr. KUNZIG. What is your present address, sir?

"Mr. BARENBLATT. My present address is Route No. 2, Pleasant Valley, N. Y.

"Mr. KUNZIG. Mr. Barenblatt, I see that you are accompanied by counsel. Would counsel please state his name and office address for the record.

"Mr. WITTENBERG. Philip Wittenberg, W-i-t-t-e-n-b-e-r-g, 70 West 40th Street, New York City, N. Y.

"Mr. KUNZIG. Thank you, sir.

"Mr. Barenblatt, will you give the committee a brief résumé of your educational background?

* * * * * *

"Mr. BARENBLATT. In the summer of 1947 I enrolled in the University of Michigan in the graduate school of studies for the purpose of working for the Ph. D. in social psychology.

"Mr. KUNZIG. What period of time exactly now were you at the University of Michigan?

"Mr. BARENBLATT. I was in residence at the University of Michigan from the summer of 1947 until the spring semester of 1950.

"Mr. KUNZIG. Did you know Francis Crowley at that time, who testified here this morning?

"Mr. BARENBLATT. Sir, I would like here to state my objections to the power and jurisdiction of this committee to inquire into my political beliefs, my religious beliefs, and any other personal and private affairs or my——

"Mr. KUNZIG. Just a minute. I ask you a very simple question, which I don't think has anything to do with religious beliefs, or all the other beliefs you mentioned. Do you know Francis Crowley?

"Mr. BARENBLATT. Yes.

"Mr. KUNZIG. You do know him?

"Mr. BARENBLATT. Yes.

"Mr. KUNZIG. You can hold that for a minute. I will get around to it in a minute. Now, did you hear Crowley testify this morning?

"Mr. BARENBLATT. Yes, sir.

"Mr. KUNZIG. You heard him identify Lloyd Barenblatt as a person he knew to have been a member of the Communist Party?

"Mr. BARENBLATT. I believe I heard him to say, I believe his words were more in the way of saying that I was a member of the Haldane Club. I don't recall exactly his saying that I was a member of the Communist Party. However, I suppose the record will show that.

"Mr. KUNZIG. The record shows the Haldane Club meant the Haldane Club of the Communist Party .

"Mr. VELDE. And I think that was made clear in his previous testimony.

"Mr. BARENBLATT. If the record so states, I don't remember, sir.

"Mr. KUNZIG. It does. Now were you a member of the Haldane Club of the Communist Party at Michigan?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. At this point I respectfully would like to object to the questions——

"Mr. DOYLE. Mr. Chairman——

"Mr. VELDE. All right. You have the floor.

"Mr. DOYLE. Before the young man takes the time of the committee to read that, whatever it is, may I just urge you to think even more seriously than you have about whatever position you are going to take before this committee.

"I know you have competent counsel, and of course you should rely on him, possibly, but I anticipate you might be preparing yourself to take the position opposite to that of cooperation with the committee.

"I am in no position to give you legal advice, but I know from the record that you are an instructor in a certain very distinguished college, by reputation, at least, and wouldn't it be a magnificent thing if you could take the position that if you ever were a member of the Communist Party, that you say so frankly and clean up and get out of that embarrassing situation and then start from there? Wouldn't that do you and the country a lot more good today——

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. DOYLE. Or put it on this basis. Wouldn't it do your country a lot more good?

"Mr. BARENBLATT. I appreciate your concern, sir.

"Mr. DOYLE. I am opening the door for you, sir.

"Mr. BARENBLATT. I understand, sir. However, I feel that this statement of objection which I am about to read might explain some things to the members of the committee.

"Mr. DOYLE. Well, as a young man you can never say now that we haven't opened the door deliberately, and maybe I am embarrassed before the committee at this point——

"Mr. VELDE. You certainly have given him every opportunity, Mr. DOYLE, and I think he has had every opportunity before to come clean.

"Let me say this about this statement you are about to read. You are familiar with the rules of this committee——

"Mr. BARENBLATT. I believe so, sir.

"Mr. VELDE. The committee made them some time ago. And are you familiar with rule 9 concerning statements by witnesses?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. VELDE. If not, let me read them again.

" 'Any witness desiring to make a prepared or written statement for the record of the proceedings in executive or public sessions shall file a copy of such statement with the counsel of the committee within a reasonable period of time in advance of the hearing at which the statement is to be presented.

" 'All such statements so received which are relevant and germane to the subject of the investigation may, upon approval, at the conclusion of the testimony of the witness by a majority vote of the committee or subcommittee members present, be inserted in the official transcript of the proceedings.'

"It is my feeling—and I am sure the other members agree—that your submitting the statement at the present time is not a reasonable time prior to the hearing. Now——

"Mr. BARENBLATT. May I say this——

"Mr. VELDE. Now, let me ask you one question. If you answer in the affirmative or in the negative, either one, then I believe that the committee would be very willing to let you read this statement.

"Are you now a member of the Communist Party?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. Sir, this is an objection to the questions asked by the committee.

"Mr. VELDE. I realize——

"Mr. BARENBLATT. It is not a preliminary statement——

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. And I ask for leave to read the objections.

"Mr. VELDE. It is assumed by the committee to be a preliminary statement. Now, will you answer the question if you are a member of the Communist Party at the present time?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. I object on the following grounds——

"Mr. KUNZIG. Mr. Chairman, he is about to read an 11-page legal brief. This is obviously a delaying tactic.

"Mr. VELDE. I am not going to let him do it. The committee will take the statement up in executive session and determine if it should be placed in the record.

"Mr. BARENBLATT. But, sir, I believe I have a right to state my objections to the question. That is all I am doing.

"Mr. VELDE. You will be given that right if you will answer the question in the affirmative or the negative.

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. What is the question?

"Mr. VELDE. Whether you are a member of the Communist Party at the present time.

"Mr. BARENBLATT. May I confer with counsel?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. I object to this on the grounds that I will state and that I have handed to the committee.

"Mr. WALTER. Never mind objecting. Do you decline to answer?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. I do not decline to answer. I am objecting to the question.

"Mr. VELDE. Then will you answer?

"Mr. BARENBLATT. I am objecting to the question, sir. I wish that I might make that clear. I don't see what the trouble is about stating my grounds for objection. I notice that the other witnesses have been able to do so, and I wish to claim the privilege——

"Mr. KUNZIG. The other witnesses didn't decline to answer. Do you decline to answer?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. I decline to answer——

"Mr. VELDE. Now, Mr. Witness, perhaps you are not familiar with the procedure before a congressional committee. It is entirely different than before a court of law. This is not a court of law. Your privileges are set up in the rules of the committee, and I assume you have a copy of the rules of the committee.

"Mr. WITTENBERG. I have, sir.

"Mr. VELDE. And we cannot have counsel putting the answers into the witness' mouth. You have a right to confer with your witness as far as his constitutional rights are concerned, but you have spoken loud enough to show that you are trying to get the witness to read this statement. Obviously——

"Mr. WITTENBERGER. Sir, that would be my advice to him.

"Mr. KUNZIG. Now, he had started to say, Mr. Chairman, he declines to answer the question as to whether he is now a member of the Communist Party. Now, do you so decline on the grounds of the fifth amendment, among other things, in this statement?

"Mr. BARENBLATT. I wish to confer with my counsel, please.

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. I do not invoke the fifth amendment in declining to answer. I decline to answer on the grounds stated in my objections as presented to the members of this committee, which you have not allowed me to read.

"Mr. WALTER. Now, may I inform you that you haven't the right to decline to answer by virtue of any decision of the court. It is because of the Constitution. Now, do you decline to answer because of the constitutional provision?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. May I consult with counsel, sir?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. I am declining to answer on constitutional grounds as stated in my objections.

"Mr. VELDE. But you do not include the fifth amendment in your reasons in declining, is that right?

"Mr. BARENBLATT. You are correct, sir.

"Mr. KUNZIG. Are you stating in this document which you have just handed to us, and which we have had no time to look at at all, that the fifth amendment is not included?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. Not included in my list of objections.

"Mr. KUNZIG. So you are declining to answer the question as to whether you are now a member of the Communist Party, and you are specifically not giving the fifth amendment as a reason for declining?

"Mr. BARENBLATT. That is correct, sir.

"Mr. KUNZIG. All right. Now, Mr. Chairman, I respectfully request that the witness be directed to answer the question: Are you now a member of the Communist Party.

"Mr. VELDE. The witness is directed by the Chair to answer that question.

"Mr. BARENBLATT. I would like to consult with counsel, sir.

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. I decline to answer on the following grounds:

"I, Lloyd Barenblatt, having been subpenaed before the Committee on Un-American Activities, by subpena dated the 28th day of May 1954——

"Mr. VELDE. Now, you have gone far enough with the statement. You are trying to read it into the record.

"Mr. BARENBLATT. May I continue with my grounds——

"Mr. VELDE. I say the statement is accepted by the committee and will be considered for insertion in the record. Now, proceed with your answer.

"Mr. BARENBLATT. This is not a statement, not a preliminary statement. This is the grounds——

"Mr. VELDE. Whatever you want to call it.

"Mr. BARENBLATT. I would like to get it into the record.

"Mr. VELDE. Whatever you want to call this, if it is a statement of objections, it will be considered by the committee at a future time for insertion into the record. Now, will you answer the question?

"Mr. BARENBLATT. May I consult with counsel?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. I am objecting on these grounds, and I will not answer any questions about which the list of objections is read: my political beliefs; my religious belief; any other personal and private affairs; my associational activities.

"I will not answer any of those questions on the grounds of my objections in this statement which I again respectfully request that I be able to read at this point to get into the record the objections so that we can proceed from that point.

"Mr. WALTER. We will spare you a lot of time. I have read this, so a member of the committee is well acquainted with what is in it. Now, let's proceed.

"Mr. VELDE. I want to know this from the witness. In refusing to answer this question upon direction by the Chair, you are not relying upon the fifth amendment to the Constitution?

"Mr. BARENBLATT. You are correct, sir.

"Mr. VELDE. All right. Proceed.

"Mr. KUNZIG. And at no time in this interrogation of you today, at no time in your appearance before the House Committee on Un-American Activities, are you relying on the fifth amendment?

"Mr. BARENBLATT. I can't make any statement about what might occur in the future, sir. All I can say at this point, I have no anticipation now of doing so.

"Mr. DOYLE. At least today you are not relying on it, at this time?

"Mr. BARENBLATT. All I can talk about is the present——

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. KUNZIG. Mr. Chairman, I respectfully request that since the witness has asked to be able to put this document into the record as his reason for not answering the question that he has been asked, which is, 'Are you now a member of the Communist Party?' which he was directed to answer and which he refused again to answer, I respectfully request that this document be included in the record as his reason for not answering.

"Mr. VELDE. Yes. I have not had an opportunity to read the full statement, but I am going to take the word of my colleague

from Pennsylvania and my colleague from California, and without objection, at this point the objections or statement, or whatever witness wants to call it, will be inserted into the record as 'Barenblatt Exhibit No. 1.'

"(The document headed 'Objection to Jurisdiction of the Committee on Un-American Activities and to Questions Propounded by It,' was received in evidence as Barenblatt Exhibit No. 1.)

"BARENBLATT EXHIBIT No. 1

OBJECTION TO JURISDICTION OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES AND TO QUESTIONS PROPOUNDED BY IT

"1. I, Lloyd Barenblatt, having been subpenaed before the Committee on Un-American Activities, by subpena dated the 28th day of May, 1954, returnable on the 28th day of June, 1954, hereby respectfully object to the power and jurisdiction of this committee to inquire into:

"(a) My political beliefs.

"(b) My religious beliefs.

"(c) Any other personal and private affairs.

"(d) My associational activities.

"2. I am a private citizen engaged in work in the fields of education and research, and in writing and speaking in connection therewith. I hold no office of public honor or trust. I am not employed by any governmental department. I am not under salary or grant from any governmental department.

"3. The grounds of my objection are as follows:

"(a) Any investigation into my political beliefs, my religious beliefs, any other personal and private affairs, and my associational activities, is an inquiry into personal and private affairs which is beyond the powers of this committee. I rely not upon my own opinion but upon statements contained in the opinions of the Supreme Court of the United States. Among others, in *United States* v. *Rumely* (345 U. S. 41, 58), the Supreme Court of the United States said in a concurring opinion by Mr. Justice Douglas:

" 'The power of investigation is also limited. Inquiry into personal and private affairs is precluded.'

"In *McGrain* v. *Daugherty* (273 U. S. 135), the Court said:

" 'Neither House is invested with "general" power to inquire into private affairs and to compel disclosures.'

"And in *Kilbourn* v. *Thompson* (103 U. S. 168), the Court said:

" 'Neither the Senate nor the House of Representatives possesses the general power of making inquiry into the private affairs of the citizens.'

"In *West Virginia State Board of Education* v. *Barnette* (319 U. S. 624), the Court, in an opinion by Mr. Justice Jackson said:

" 'If there is any fixed star in our constitutional constellation it is that no official, high or petty, can prescribe what shall be orthodox in politics, nationalism, religion or other matters of opinion or force citizens to confess by word or act their faith therein.'

"It follows therefore that this committee is without power to examine into my political, religious, associational and private affairs.

"(b) The right to refuse to answer to any official, or indeed to anyone, with regard to one's personal affairs is a valuable right in a democracy which ought not lightly be ceded, or indeed ought ever be impinged upon by any public official. The Congress of the United States is composed of elected officials who have no power of intrude into the private affairs of American citizens. They cannot by resolution increase their constitutional authority. As was said by the Supreme Court of the United States in *Jones* v. *Securities and Exchange Commission* (298 U. S. 1):

" 'The citizen when interrogated about his private affairs has a right before answering to know why the inquiry is made; and if the purpose disclosed is not a legitimate one, he may not be compelled to answer.'

And again in *McGrain* v. *Daugherty* (273 U. S. 135):

" 'That a witness rightfully may refuse to answer where the bounds of the power are exceeded.'

"It was said by Mr. Justice Frankfurter in *United States* v. *United Mine Workers of America* (330 U. S. 258, 307):

" 'The historic phrase "government of laws and not of men" epitomizes the distinguishing character of our political society:' * * *

" ' "A government of laws and not of men" was the rejection in positive terms of rule by fiat, whether by the fiat of governmental or private power. Every act of government may be challenged by an appeal to law, as finally pronounced by this Court.'

"And again in *Youngstown Sheet & Tube Co.* v. *Sawyer* (343 U. S. 579):

" 'The accretion of dangerous power does not come in a day. It does come, however, slowly, from the generative force of unchecked disregard of the restrictions that fence in even the most disinterested assertions of authority.'

"Within the meaning of these decisions I regard it as one of the duties of a citizen of the United States to be vigilant against the accretion of dangerous power. I call to the attention of this committee the opinion of Mr. Justice Douglas in *Youngstown Sheet & Tube Co.* v. *Sawyer* (343 U. S. 579), that even the cold war and the emergencies said to have been created thereby 'did not create power.'

"(c) Under the first amendment to the Constitution the power of investigation by Congress in matters involving freedom of speech and freedom of the press is limited. There can be no investigation except for the purpose of legislation. As was said by Mr. Justice Van Devanter in *McGrain* v. *Daugherty* (273 U. S. 135, 178):

" 'The only legitimate object the Senate could have in ordering the investigation was to aid it in legislating.'

"The Congress of the United States has no constitutional right to legislate with regard to prior restraint on utterance in either form; and as to any books already written or statements made no ex post facto law can be passed determining innocence or criminality, and therefore any investigations into my writings or speech or communications is beyond the power of this committee. As was said by Mr. Justice Douglas in *United States* v. *Rumeley* (345 U. S. 41, 58):

" 'Through the harassment of hearings, investigations, reports, and subpenas government will hold a club over speech and over the press. Congress could not do this by law. The power of investigation is also limited. Inquiry into personal and private affairs is precluded.'

"(d) Under our Constitution our Government is a government of limited powers, tripartite in form, consisting of the legislative, the judicial, and the executive. This separation is fundamental to the preservation of the rights of the people in order that no one department may, through its power, rise to become a despotic arbiter. This committee through this investigation into my political, associational, religious, and private affairs trespassed upon the judicial department and has caused a lack of balance of power which constitutes a threat to my liberty as an American citizen and is an unconstitutional usurpation. This usurpation has reached the point where the Supreme Court of the United States in *United States* v. *Rumely* (345 U. S. 41, 44), said:

" ' "And so, we would have to be that 'blind' court, against which Mr. Justice Taft admonished in a famous passage, that does not see what all others can see and understand" not to know that there is wide concern, both in and out of Congress, over some aspects of the exercise of the congressional power of investigation.'

"No place is that usurpation better seen than in the trespassing by the legislature upon the judiciary. As was said in *Lichter* v. *United States* (334 U. S. 742, 779):

" 'In peace or in war it is essential that the Constitution be scrupulously obeyed, and particularly that the respective branches of the Government keep within the powers assigned to each by the Constitution.'

"And again in *Myers* v. *United States* (272 U. S. 52, 116), by Mr. Justice Taft:

" 'If there is a principle in our Constitution, indeed in any free constitution more sacred than another, it is that which separates the legislative, executive, and judicial powers.'

"And again by Mr. Justice Brandeis in *Myers* v. *United States* (272 U. S. 52, 293, 71 L. ed. 160):

" 'The doctrine of the separation of powers was adopted by the Convention of 1787, not to promote efficiency, but to preclude the exercise of arbitrary power. The purpose was not to fight friction but, by means of the inevitable friction incident to the distribution of the governmental powers among three departments, to save the people from autocracy.'

"And again in *Kilbourn* v. *Thompson* (103 U. S. 168):

" 'It is believed to be one of the chief merits of the American system of written constitutional law that all the powers entrusted to governments, whether State or National, are divided into the three grand departments: the executive, the legislative, and the judicial. * * * It is also essential to the successful working of this system that the persons entrusted with power in any one of these branches shall not be permitted to encroach upon the powers confided to the others but that each shall by the law of its creation be limited to the exercise of the power appropriate to its own department and no other.'

"Not only did the founders of our Republic separate the departments of Government, but they also limited the powers of each of those departments. It is a simple statement, known to every American schoolchild that our Government consists of separate departments, that the powers of each of those departments is limited, and that all rights not granted to the Government are reserved to the people.

"To be specific Congress has the specific power to legislate granted to it by the Constitution. It has an implied power to investigate which, however, can be no broader than the power to legislate. In the absence of proposed legislation there can be no investigation, for all powers not expressly granted or necessarily implied are reserved to the people. Neither of the tripartite departments of our Government can claim any residual power as a basis for acting. In order that there might be no doubt about the limitations of power and the wish not to grant residual power, the citizens of the several States insisted on the insertion in the Bill of Rights of amendment 9:

" 'The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.'

"They reinforced amendment 9 by amendment 10:

" 'The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.'

"This Congress and the committees appointed by it can enjoy only the powers expressly granted in the Constitution or necessarily implied therefrom. Congressmen or committeemen thereof as officials of the Government do not have, and cannot

arrogate to themselves, a power to intrude into the private affairs of the people of the United States, a power which the people reserve to themselves. The arrogation of power may be curtailed either by an appeal to the courts, or what is to be more hoped for, by the self-discipline of those entrusted with authority. The possibility of petty tyranny is ever present in a democracy unless the body of officialdom is wise and knows that self-limitation is essential to the success of our scheme of government. As Mr. Justice Frankfurter said in *Youngstown Sheet & Tube Co.* v. *Sawyer* (343 U. S. 579):

" 'A constitutional democracy like ours is perhaps the most difficult of man's social arrangements to manage successfully. Our scheme of society is more dependent than any other form of government on knowledge and wisdom and self-discipline for the achievement of its aims.'

"But when such self-discipline is not apparent in the actions of any governing body then it becomes the duty of the citizen to challenge that act by an appeal to law. It is that duty which I here feel obliged to maintain. (See *United States* v. *United Mine Workers of America* (330 U. S. 258).)

"This committee by compelling me to leave my ordinary pursuits and to attend before it for the purpose of testifying with regard to my political beliefs, my religious beliefs, other personal and private affairs, and my associational activities, is acting as a judicial indicting and accusatory power. It is intruding into the judicial sphere and is following a practice which closely parallels the practices which resulted in bills of attainder, being prohibited by our Constitution, article I, section 10.

"The present practices of this committee fall within the condemnation and prohibition of that section.

"The Supreme Court said in *United States* v. *Lovett* (328 U. S. 303, 317):

" 'Those who wrote our Constitution well knew the danger inherent in special legislative acts which take away the life, liberty, or property of particular named persons, because the legislature thinks them guilty of conduct which deserves punishment. They intended to safeguard the people of this country from punishment without trial by duly constituted courts.' * * *

" 'And even the courts to which this important function was entrusted were commanded to stay their hands until and unless certain tested safeguards were observed. An accused in court must be tried by an impartial jury, has a right to be represented by counsel, he must be clearly informed of the charge against him, the law which he is charged with violating must have been passed before he committed the act charged, he must be confronted by the witnesses against him, he must not be compelled to incriminate himself.' * * *

" 'Our ancestors had ample reason to know that legislative trials and punishments were too dangerous to liberty to exist in the nation of freemen they envisioned. And so they proscribed bills of attainder.'

"But a bill of attainder need not be the specific bill of attainder referred to in the Constitution. It may be any legislative act taken in connection with known punishments which together constitute a deprivation of civil rights. So to ask me whether I am or have been a member of the Communist Party may have dire consequences. I might wish to defend myself by taking recourse to the protection of the provisions contained in the Bill of Rights or challenge the pertinency of the question to the invesigation. Should I invoke the protection of the Bill of Rights and the Constitution I thereby place my livelihood and my position in society in a position of jeopardy. Many of our States, municipalities, educational institutions, the Federal Government itself, and even private employers have adopted rules of exclusion from employment for persons taking recourse in the Bill of Rights or the Constitution.

"The Supreme Court of the United States took cognizance of this condition in 1950, a time when it had not yet reached the full flavor of today. For in 1950, Mr. Justice Black concurring in, *Joint Anti-Fascist Refugee Com.* v. *McGrath* (341 U. S. 123, 144, 145), said:

" 'In this day when prejudice, hate, and fear are constantly invoked to justify irresponsible smears and persecution of persons even faintly suspected of entertaining unpopular views, it may be futile to suggest that the cause of internal security would be fostered, not hurt, by faithful adherence to our constitutional guaranties of individual liberty. Nevertheless, since prejudice manifests itself in much the same way in every age and country and since what has happened before can happen again, it surely should not be amiss to call attention to what has occurred when dominant governmental groups have been left free to give uncontrolled rein to their prejudices against unorthodox minorities. * * * Memories of such events were fresh in the minds of the Founders when they forbade the use of the bill of attainder.'

"And he said further:

" 'Moreover, officially prepared and proclaimed governmental blacklists possess almost every quality of bills of attainder, the use of which was from the beginning forbidden to both National and State Governments. (United States Constitution, art. I, secs. 9, 10.)'

"As was said in *United States* v. *Lovett* (328 U. S. 303, 324), cited by Mr. Justice Black in the preceding opinion:

" 'Figuratively speaking all discomforting actions may be deemed punishment because it deprives of what otherwise would be enjoyed.' * * *

" 'The deprivation of any rights, civil or political previously enjoyed, may be punishment, the circumstances attending and the causes of the deprivation determining this fact.'

"Upon all the ground aforesaid I object not only to the jurisdiction of this committee, but also to the questions propounded by it. This objection is made upon the advice of counsel as to my rights as provided for in rule VII of the rules of procedure of this committee.

"Counsel who appear for me are Philip Wittenberg and Irving Like of 70 West 40th Street, Borough of Manhattan, New York City.

"Mr. VELDE. Hereafter when you decline to answer a question, you may make your declination, in order to save time, on the basis of the statement or objections previously made.

"Mr. KUNZIG. I think in order that the record may be clear, Mr. Chairman, the record should also show that the committee is bending over backward in fairness to this witness in spite of his violation of rule 9 of the committee.

"He has been in possession of a copy of the rules as to how statements should be submitted and how a lengthy thing such as this statement should be submitted for a period, roughly, of a month.

"Mr. BARENBLATT. May I say at this point, this is not my statement. It is my setting forth of my objections as the question is asked me before the committee.

"I wish to comply with all the rules of this committee, and I respect them as set forth in this hearing. I certainly don't look upon myself as willfully violating any rules, and I want to make it clear that this is not a preliminary statement before the committee, but it is the statement of my objections to the kinds of questions you are asking.

"Mr. VELDE. Now, in order to clarify the point made by counsel, Mr. Barenblatt, you did receive a copy of the rules at the time you were served with a subpena by this committee?

"Mr. BARENBLATT. Yes, sir.

"Mr. VELDE. And when were you served with your subpena?

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. It is about a month ago, sir; I don't remember the exact date.

"Mr. VELDE. Mark that 'Barenblatt exhibit No. 2.'

"Without objection the subpena and return thereon will be introduced into evidence at this point.

"(The subpena and return thereon above referred to, marked 'Barenblatt exhibit No. 2' for identification, was received in evidence as Barenblatt exhibit No. 2.) [1]

"Mr. VELDE. Now, at what time did you first give a copy of your objections, as you call them, to this committee or any member of its staff?

"Mr. BARENBLATT. May I consult?

"Mr. VELDE. Yes.

"(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. In response to the question and objection thereto, I present the committee with these objections.

"Mr. VELDE. When did you present them for the first time?

"Mr. BARENBLATT. Well, I presented them for the record when the question was asked me regarding my——

"Mr. VELDE. Acquaintanceship——

"Mr. BARENBLATT. Private political association.

"Mr. VELDE. I didn't get that last answer—sorry.

"Mr. BARENBLATT. I believe it was when a question was asked me about my political and private associations. That is when I intended to invoke the objections as here stated.

"Mr. VELDE. But that was in the course of these hearings today?

"Mr. BARENBLATT. Yes, sir.

"Mr. VELDE. Do you feel that that was a reasonable time to submit it in advance to the committee or a member of its staff?

"Mr. BARENBLATT. Well, sir, I believe that the proper time to enter objections is when you object to a question being asked, so under those considerations I really think so, sir.

"Mr. VELDE. In other words, you did what you believed was right in spite of what the committee rules were, is that correct?

"At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. BARENBLATT. No, sir; I wouldn't put that interpretation on it at all. I believed what I did was right and I had no idea of what the committee's interpretation of this was at the time I submitted the statement.

"Mr. KUNZIG. Have you ever been a member of the Communist Party?

"Mr. BARENBLATT. I must object to that question on the grounds previously put into the record.

"Mr. KUNZIG. You may just say the same grounds and we will understand it to mean this document which is exhibit 1.

"Mr. BARENBLATT. Yes, sir; exhibit 1, sir.

"Mr. VELDE. All right. Now, Mr. Witness, you are directed to answer that question.

"Mr. BARENBLATT. I decline to answer on the basis of the grounds stated in exhibit 1.

"Mr. KUNZIG. Now, you have said that you knew Francis Crowley. Did you know Francis Crowley as a member of the Communist Party?

"Mr. BARENBLATT. I must decline to answer that question, sir, on the grounds as stated in my objections in exhibit 1.

"Mr. KUNZIG. Now, you don't have to do it. You said you must. Do you decline to answer?

"Mr. BARENBLATT. I do, sir.

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[1] See p. 1 for text of this exhibit.

"Mr. KUNZIG. I respectfully ask that he be directed on each of these questions, Mr. Chairman.

"Mr. VELDE. Yes. You are directed to answer the question propounded by counsel.

"Mr. BARENBLATT. The same question; I object on the grounds as previously stated in the exhibit.

"Mr. KUNZIG. Do you decline to answer?

"Mr. BARENBLATT. I decline to answer.

"Mr. KUNZIG. Were you ever a member of the Haldane Club of the Communist Party while at the University of Michigan?

"Mr. BARENBLATT. I decline to answer on the grounds as previously stated.

"Mr. VELDE. You are directed to answer that question, Mr. Witness.

"Mr. BARENBLATT. Sir, I respectfully decline to answer on the basis of the grounds as previously stated.

"Mr. KUNZIG. Were you a member while a student of the University of Michigan Council of Arts, Sciences, and Professions?

"Mr. BARENBLATT. I again decline to answer on the basis of the objections made in exhibit 1.

"Mr. VELDE. You are again directed to answer that question, Mr. Barenblatt.

"Mr. BARENBLATT. I must decline to answer these questions, sir, on the basis of the grounds as previously stated.

"Mr. KUNZIG. Let the record show, of course, that the National Council of Arts, Sciences, and Professions is a cited Communist-front organization.

"Now, I want to go back to one point, Mr. Barenblatt. Would you please give the committee a brief résumé of your employment background?

"Mr. BARENBLATT. I held very temporary jobs before the time of my receiving a bachelor's degree. After that I was in the Army.

"On being discharged from the Army I worked for a short time for a firm, I believe the name of it was Graphics Institute, in New York.

"I then enrolled in the University of Iowa and I believe the next regular employment after that was as a teaching fellow at the University of Michigan.

"Mr. KUNZIG. What did you teach?

"Mr. BARENBLATT. I taught psychologies.

"Mr. KUNZIG. Psychology?

"Mr. BARENBLATT. Yes, sir.

"Mr. KUNZIG. How long did you teach psychology as a teaching fellow at the University of Michigan?

"Mr. BARENBLATT. Let's see, I believe it was from the fourth semester of 1948 to the spring semester of 1950.

"Mr. KUNZIG. Would you continue, please.

"Mr. BARENBLATT. The fall semester of 1950 I was employed as an instructor at Vassar College and continued there until—I believe my contract ran until June 15 of this year at Vassar College. I am not now employed.

"Mr. KUNZIG. What did you teach at Vassar College?

"Mr. BARENBLATT. Psychologies.

"Mr. KUNZIG. Is your contract finished there?

"Mr. BARENBLATT. Yes, sir; terminated.

"Mr. KUNZIG. So at the moment you are unemployed?

Mr. BARENBLATT. Yes, sir.

(At this point Mr. Barenblatt conferred with Mr. Wittenberg.)

"Mr. KUNZIG. I want to ask one thing further, just so the record can be completely clear——

"Mr. BARENBLATT. Yes, sir.

"Mr. KUNZIG. And so there can be no doubt in the written record at all. You have not at any time this afternoon during your testimony before this committee in any way sought to invoke or raise the fifth amendment whatsoever up to the present moment, have you?

"Mr. BARENBLATT. You are entirely correct, sir."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to the said Lloyd Barenblatt relative to the subject matter which, under Public Law 609, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Are you now a member of the Communist Party?

"Have you ever been a member of the Communist Party?

"Now, you have said that you knew Francis Crowley. Did you know Francis Crowley as a member of the Communist Party?

"Were you ever a member of the Haldane Club of the Communist Party while at the University of Michigan?

"Were you a member while a student at the University of Michigan Council of Arts, Sciences, and Professions?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 666) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Lloyd Barenblatt to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Columbia, to the end that the said Lloyd Barenblatt may be proceeded against in the manner and form provided by law.

Mr. JACKSON. Mr. Speaker, the résumé in this case follows:

3. Lloyd Barenblatt, Poughkeepsie, N. Y.: Refused to answer any questions concerning alleged Communist activities. Failed to use his constitutional privilege under the fifth amendment. Used first amendment (freedom of speech), which, up to the present time, has been held by the courts as inapplicable in this situation. Testified June 28, 1954, in Washington, D. C. (*Barsky* v. U. S. (167 F. 2d, 241, certiorari denied, 334 U. S. 843); *Lawson* v. *U. S.* (176 F. 2d, 149, certiorari denied, 339 U. S. 934).)

Mr. VELDE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

PROCEEDINGS AGAINST RICHARD E. ADAMS

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2458).

The Clerk read as follows:

PROCEEDINGS AGAINST RICHARD E. ADAMS

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Richard E. Adams, residence, 1548 Grove Street, San Diego, Calif., business, attorney, 266 Spreckles Building. The said subpena directed Richard E. Adams to be and appear before said Committee on Un-American Activities or a duly authorized subcommittee thereof, in their chamber in the city of San Diego, Calif., on April 21, 1954, board of supervisor's chambers, civic center, 1600 Pacific Coast Highway, at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. The subpena served upon said Richard E. Adams is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to A. E. Jensen. You are hereby commanded to summon Richard Adams, residence 1548 Grove Street, San Diego, Calif., business attorney, 266 Spreckles Building, to be and appear before the Committee on Un-American Activities or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE, is chairman, in their chamber in the city of San Diego, Calif., April 21, 1954, board of supervisor's chambers, civic center, 1600 Pacific Coast Highway, at the hour of 9 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 2d day of February 1954.

"HAROLD H. VELDE,
"Chairman.

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Cody C. Isbell, police officer, San Diego Police Department, who was duly authorized to serve the said subpena. The return of the service by the said Cody C. Isbell, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Richard Adams. Served February 16, 1954, 8:40 p. m.

"CODY C. ISBELL,
"Police Officer, San Diego Police Department."

The said Richard Adams, pursuant to said subpena and in compliance therewith, appeared before the said committee to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Richard E. Adams having appeared as a witness on April 21, 1954, and having been asked questions, namely:

"To whom did you submit your application for membership in the Communist Party in 1944?

"Who was in charge of the recruitment of new members, or the work of recruitment of new members from the executive committee of the Communist Party?

"Who was in charge of the work of distribution of Communist Party literature?

"Who was head of the Communist Party at the time you were a member of the executive committee, that is, the head of the party in San Diego County?

"Who was the head of the Communist Party in San Diego County at the time this action [expulsion of the witness from the Communist Party] was taken?

"Who was the person who notified you of your expulsion?

"Was George Lohr the one who notified you that you were to be dropped from the Communist Party?

"Was George Lohr the head of the Communist Party in San Diego County at that time?

"Will you tell the committee, please, all you know regarding the activities in the Communist Party of George Lohr in San Diego, if you know of any such activities?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of said Richard E. Adams' refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Richard E. Adams.

The record of the proceedings before the committee on April 21, 1954, during which Richard E. Adams refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"San Diego, Calif.,
"Wednesday, April 21, 1954.

"The subcommittee of the Committee on Un-American Activities, consisting of Representatives DONALD L. JACKSON, chairman, GORDON H. SCHERER, and CLYDE DOYLE, met pursuant to call at 9 a. m. in the Chamber of Commerce Building, San Diego, Calif.

"Committee members present: Representatives DONALD L. JACKSON and CLYDE DOYLE.

"Mr. JACKSON. The committee will be in order.

"Who is your first witness?

"Mr. TAVENNER. Mr. Richard Adams.

"Mr. JACKSON. Will you be sworn, please, Mr. Adams?

"Do you solemnly swear in the testimony you are about to give before this subcommittee, you will tell the truth, the whole truth, and nothing but the truth so help you God?

"Mr. ADAMS. I do.

"Mr. JACKSON. Be seated, please.

"Mr. TAVENNER. What is your name, please, sir?

"Mr. ADAMS. Richard E. Adams.

"Mr. TAVENNER. You are an attorney, Mr. Adams?

"Mr. ADAMS. Yes, practicing law in the city of San Diego.

"Mr. TAVENNER. You do not desire to have counsel, other counsel, to accompany you?

"Mr. ADAMS. Counsel, I shall act as my own counsel in the hearing, if I may.

"Mr. TAVENNER. When and where were you born, Mr. Adams?

"Mr. ADAMS. I was born in Denver, Colo., October 20, 1912.

• • • • •

"Mr. TAVENNER. Mr. Adams, will you tell the committee, please, whether at any time while a resident of the State of Minnesota, or at any time while a resident of the State of California you have been affiliated with the Communist Party?

"Mr. ADAMS. Counsel, will the committee, before I answer that question, promise me a transcript of this proceeding?

"Mr. JACKSON. The Chair will state that a transcript of the proceeding may be obtained at the expense of the witness from the reporting firm. The Chairman at this time will grant your obtaining such a transcript.

"Mr. ADAMS. Thank you.

"Will the reporter please read back the question?

"(The question was read by the reporter.)

"Mr. ADAMS. I have been a member of the Communist Party.

"Mr. TAVENNER. Where did you first become a member of the Communist Party?

"Mr. ADAMS. I first joined the Communist Party in the city of Minneapolis, Minn., some time in 1935. I was expelled from the Communist Party in the city of Duluth, Minn., in 1939.

"I rejoined the Communist Party in the city of San Diego, Calif., in 1944, and was once more expelled from the Communist Party in the city of San Diego some time in the early part of 1946.

• • • • •

"Mr. JACKSON. Very well.

"Mr. ADAMS. Preliminarily, counsel, I would like to state that this whole matter has previously been inquired into by a subcommittee of the Board of Bar Examiners before I was admitted to the practice of law in the State of California. I passed the bar examination in October of 1950, was called before the committee, I believe, some time during January of 1951, at which time I was placed under oath, and the committee inquired into my past political affiliation, my past political activity, my past association. I was later informed that I had sustained the burden of proof inasmuch as I had proved good moral character, which was the issue there, and was thereafter admitted to the bar.

"Now, in answer to the question: I grew up in a mining community, an iron-mining community in northern Minnesota. I saw the effects of the depression in 1929 upon the people of that part of the country. I observed that the mineworkers were denied the right to join a union under penalty of discharge by the steel trust. I watched the rise of fascism in Europe.

"I joined the farm-labor movement of Governor Olson and Elmer Benson. I believed in the cooperative commonwealth idea on which that movement was founded.

"Upon the advent of the New Deal and its relative slow progress in adjusting injustices at home, or in opposing fascism abroad, I looked around for a more rapid solution to the problem, and at that time it appeared to me that the Communist Party was the organization which had this solution. It opposed fascism abroad and sought Government ownership at home.

"So when I was invited to join I did so.

"I believe part of the question was the conditions surrounding my expulsion from the party in 1939, is that right?

"Mr. TAVENNER. That is correct, but before proceeding to that phase of the question, will you tell the committee, please, whether you attained any position of leadership in the Communist Party in the State of Minnesota? In other words, what positions, if any, did you hold?

"Mr. ADAMS. As far as I can recall now, I was secretary of the local unit or branch, and not cells, by the way, and a member of the section committee which at that time would roughly correspond to the county committee.

"Mr. DOYLE. May I ask about how old you were at that time?

"Mr. ADAMS. I was born in 1912. I believe it would be about 22.

"What is the question?

"Mr. TAVENNER. The question now is, Will you tell the committee the circumstances under which you left the party in 1939?

"Mr. ADAMS. Well, when war broke out in Europe in 1939 I thought the United States should join with the Allies immediately to defeat Hitler and Mussolini, and, of course, at that time Mussolini was not in the war yet. Italy was still a nonbelligerent.

"I attempted to convince the Communist Party of this, but was unsuccessful. I believe that the Russian-German or the Soviet nonaggression pact, did serve the short time interest of the Soviet Union, and I felt that the Soviet Union at that time was fully justified in entering into such a pact, because, if you will recall, she did not desire to have Hitler do the same thing to her as the Japanese were doing to China, while we stood on the sideline and furnished the gas, oil, and steel, and the wherewithal for them to do it.

"So from that point of view I felt that the nonaggression pact from the Soviet point of view, was justified. However, I felt, too, that Hitler was still as great a threat or a bigger threat to the United States and ultimately to the Soviet Union in 1939 and 1940 than he was in the earlier part of the thirties.

"I further thought that if the United States joined with the Western Allies against Hitler they could defeat Germany without the aid of the Soviet Union. I am convinced now, however, that that might have been a mistake. However, I didn't happen to be foreign minister of the Soviet Union, I didn't happen to be in a leading position in the Communist Party in this country, and I must say that the overwhelming majority of the Communists with whom I discussed this question were opposed to my point of view.

"So it was because of this difference of opinion with the Communists that I was expelled in 1939, and I believe that was correct, because no revolutionary movement can tolerate within its ranks a difference of opinion because that might be fatal.

"Mr. TAVENNER. Were you not then permitted to express your own views and opinions on political matters, if they were contrary to the line of the Communist Party? Is that, in substance, what you are saying?

"Mr. ADAMS. Yes. This debate raged in the section committee with a lot of intensity, and when the vote was taken, I do not remember the exact number, but I think the vote was something like 16 to 1. I was the one.

"Mr. JACKSON. It points up, does it not, Mr. Adams, the fact that there is no place in the Communist Party actually for difference of opinion when it extends to basic doctrines of the party?

"Mr. ADAMS. That is correct. In no revolutionary movement can there be a difference of opinion, and I think the same thing holds true in many other organizations. You cannot belong to many organizations and have a difference of opinion basically with the aims, objectives, tactics, and programs of that organization.

"Mr. DOYLE. I notice you apply the term revolutionary movement to the Communist Party. Why do you do that?

"Mr. ADAMS. Well, Congressman, has there ever been any denial that the Communist movement of all countries, and the international Communist movement particularly, is not a revolutionary movement? If so, I have been sadly misled.

"Mr. DOYLE. Well, I am not saying. Manifestly the purport of my question was to get a short statement from you based on your experience and analysis for the record, for the information of those who may hear or read. That is why I asked you the question.

"Mr. ADAMS. Did I term the Communist movement a revolutionary movement?

"Mr. DOYLE. Yes.

"Mr. ADAMS. It is a revolutionary movement. A true Communist movement must of necessity be a revolutionary movement.

"Mr. JACKSON. There are several types of revolutions—social revolution, a violent revolution, or both. We would like to have clarification of what you mean by revolution. Do you mean the social evolution, which is a revolution, or do you mean the use of force and violence, as usually understood in connection with a violent revolution?

"Mr. ADAMS. Congressman, I have been listening to these hearings for the past few days, and really, I think the committee's leg is being pulled by some of these friendly witnesses.

"Mr. JACKSON. That may be the case. It has certainly been pulled by some of the unfriendly witnesses. There is no question about that. However, that is hardly responsive to what I mean to be an honest and fair question.

"Mr. ADAMS. I shall respond to your question, Congressman. I told you Saturday, or

I believe you were not present Saturday when I made the statement, I should answer all questions put to me to the best of my recollection, knowledge, and ability.

"Mr. JACKSON. Thank you very much. That is all we want.

"Mr. ADAMS. Congressman, you do not have to worry about that. However, to decide the question of whether or not the Communist movement is a revolutionary movement, I think that we should go to the authorities, as an attorney, and I think counsel will agree with me, and we don't go out in the street and take hearsay to determine a question.

"Now, I think if you desire I could quote in about 3 minutes excerpts from the Communist Manifesto, which was the original document written by Marx and Engels in 1848.

"Mr. JACKSON. Yes; with which the committee is familiar, but again the point of my question, if I may say, I should like to know your interpretation out of your experience in the Communist Party as to the term revolutionary movement. The documents, the basic documents of communism since the Manifesto states very definitely it is a revolutionary movement. I should like to have you, out of your experience, express your personal ideas as to what constituted the revolutionary aspects of communism in the United States.

"Mr. ADAMS. Well, Congressman, the basic tenet of the Communist movement in all countries of the world is that there must be an abolition of private property.

"Mr. TAVENNER. When you became a representative of the Office Workers' Union on the Central Labor Council of this area, were you a member of the Communist Party?

"Mr. ADAMS. I am quite sure not. I became a delegate to the Central Labor Council by writing a letter to the Tribune denouncing its stand on the war, which was published; and the fellow that was running the union immediately appointed me a delegate to the Central Labor Council, and I was not a member of the Communist Party, as far as I can recall, at that particular time.

"Mr. TAVENNER. Did you find, after becoming a member of the Communist Party, that there were other Communist Party members on the Central Labor Committee, counsel?

"Mr. ADAMS. I believe there were other Communist Party members on that committee at that time.

"Mr. TAVENNER. Do you know that of your own personal knowledge?

"Mr. ADAMS. Counsel, this has been 8 or 10 years ago, and time has a way of tricking the memory of people, and I would hate to do someone an injustice. I am of the present impression that there were other Communists in the Central Labor Council.

"Mr. TAVENNER. Of course, I cannot ask you what your impression was. It is only in the event that you have a recollection.

"Mr. ADAMS. Let's say, then, so we don't do an injustice to anyone, that I do not recall at this particular time.

"Mr. TAVENNER. To whom did you submit your application for membership in the Communist Party in 1944?

"Mr. ADAMS. Counsel, I don't want to try to direct the way the hearing is going, but I fully understand that this committee, and all of it, as of all the witnesses, are going to ask me the names of the people I associated with during this period, and I would like to save that for the end of my testimony, if I may.

"Mr. TAVENNER. I don't see that it makes any difference particularly.

"Mr. ADAMS. Let's save it for the dessert; shall we?

"Mr. JACKSON. Just a minute. Let's let the committee run the committee, and counsel will proceed in whatever order he has determined so far as the questions are concerned.

"Mr. TAVENNER. To whom did you submit your application for membership?

"Mr. ADAMS. Counsel, that involves three things. It involves, first of all, a question of personal conscience. That is, I feel that I could not in good conscience give this committee the names of people whom I knew to be Communists. I feel this for two reasons. I may make a mistake. It has been 8 or 10 years since I knew these people. I don't know what they are now. They might feel about politics and economics the same as I do today, which would be an injustice to them to be named before this committee.

"Secondly, there is this particular question, and it is a legal question. I do not know what these people are doing today. I understand that the prosecution under the Smith Act was a prosecution and a conviction for perjury—not for perjury; for conspiracy. A conspiracy, as you all know, can be in the eyes of the law a continuing thing. Members of a conspiracy may be liable for the acts of their coconspirators even though not there. It is only as a result of having withdrawn and making that knowledge known to other members of the conspiracy that in the eyes of the law a person may not be liable for a conspiracy.

* * * * *

"Now, I did not withdraw from the Communist Party. I was thrown out of the Communist Party, and I did not submit any letter of resignation. I do not know what these people have been doing since, and, frankly, I am not going to put myself in a position where somebody can come along and wrap me up for something some joker has done in the last 8 years that I know nothing about.

"So, for that reason, Counsel, I feel I cannot answer that question.

"Mr. JACKSON. Do you decline to answer the question?

"Mr. ADAMS. I do respectfully decline to answer that question.

"Mr. JACKSON. And for the reasons you have stated?

"Mr. ADAMS. Yes; and for the further reason, Counsel, there is no law in this country which could cause me to give evidence which might be used against me.

"Mr. JACKSON. In other words, you are pleading the fifth amendment?

"Mr. ADAMS. Primarily, the first.

"Mr. JACKSON. And secondarily?

"Mr. ADAMS. And secondarily the fifth. For safety's sake, I might throw in all the rest of the 22 and all of the Constitution.

"Mr. JACKSON. Yes; some witnesses have added the Ten Commandments to it.

"Mr. ADAMS. And I think the United Nations Charter might be well here, too, and all of the covenants.

"Mr. JACKSON. It will be understood you are pleading all of them, including the legal reasons under the Constitution.

"Mr. ADAMS. Yes; but only for the purpose of naming these people who might have done something since I knew them that I might have been responsible for.

* * * * *

"Mr. TAVENNER. During the period of your membership in San Diego, did you become an official of either of these groups or hold any other position in the Communist Party?

"Mr. ADAMS. I was elected to the executive committee of San Diego County in 1944 and again in 1945.

"Mr. TAVENNER. What were your duties as a member of the executive committee?

"Mr. ADAMS. I was mainly concerned with the press at that time.

"Mr. TAVENNER. What do you mean, mainly concerned with the press?

"Mr. ADAMS. My responsibility was to report the San Diego news to the People's Daily World, to check with the people that were promoting the circulation of the Daily World.

"Mr. TAVENNER. Was that your particular task on this executive committee?

"Mr. ADAMS. Yes.

"Mr. TAVENNER. That was the county executive committee?

"Mr. ADAMS. Yes.

"Mr. TAVENNER. Will you tell the committee how that executive committee was organized?

"Mr. ADAMS. As far as I remember, the executive committee was made up of people elected by the various groups.

"Mr. TAVENNER. How many persons were on that committee?

"Mr. ADAMS. I don't recall the exact number. There might have been seven. There could have been 14.

"Mr. TAVENNER. What were the functions of the other members of this committee?

"Mr. ADAMS. Well, the organizational plan of the Communist Party is well known, and I think the San Diego organization pretty well corresponded to the other organizations in that certain people were assigned in the executive committee to carry on the activities in various fields.

"Mr. TAVENNER. Will you explain to the committee the general nature of those assignments and the fields in which they were to operate?

"Mr. ADAMS. Well, Counsel, I am really trying to answer this to the best of my ability, but the San Diego Communist Party always was a strange party to me, in that nobody seemed to ever do things as I had been taught that Communists were supposed to do.

"In other words, the organization was a very haphazard organization. No one seemingly was too responsible for anything, and naturally no one carrying out the job that they were assigned to.

"Now, people in the executive committee were responsible for recruiting members. Other people would naturally be responsible for the circulation of the literature. That is, to the best of my recollection, about the three divisions.

"Mr. TAVENNER. Who was in charge of the recruitment of new members, or the work of recruitment of new members from the executive committee of the Communist Party?

"Mr. ADAMS. I will decline to answer that, Counsel, and refer you to my statement on the previous questions as the reason for my declination.

"Mr. JACKSON. The witness is directed to answer the question.

"Mr. ADAMS. I shall, Congressman, answer your direction in the same manner.

"Mr. TAVENNER. Who was in charge of the work of distribution of Communist Party literature?

"Mr. ADAMS. The same answer for the same reason.

"Mr. JACKSON. The witness is directed to answer the question.

"Mr. ADAMS. And my answer to you, Congressman, is the same.

"Mr. TAVENNER. Who was the head of the Communist Party at the time you were a member of the executive committee, that is, the head of the party in San Diego County?

"Mr. ADAMS. I shall decline to answer that question.

"Mr. JACKSON. The witness is directed to answer the question.

"Mr. ADAMS. And my answer, Congressman, is the same, upon the grounds previously stated, and I wish the record to show that any time I refuse to name an individual it is for the reasons previously stated.

"Mr. JACKSON. It will be so understood by the committee, without objection, that when the witness' refusal to answer is entered, it will be upon the grounds previously stated.

"Mr. ADAMS. Thank you, Congressman. Also, Counsel, I would like to add one other thing and have it apply to the refusal before, that this information is cumulative and it is well known that it is not necessary that this committee have cumulative information; that this committee has the answers to the questions which they already asked me, in my opinion.

"Mr. JACKSON. That may be in your opinion, but let the Chair state that the Chair

is not personally in possession of all of the information that is being elicited; the attempt is being made to elicit by counsel, and I am confident Mr. DOYLE is not in possession of that information.

"Mr. DOYLE. I wish the witness to know that I am not in possession of any information as to what your Communist Party activities were.

"Mr. ADAMS. I am telling you about it, though.

"Mr. DOYLE. So your connection with the Communist Party and who you functioned with in the Communist Party is very material, sir.

"Mr. ADAMS. Are you telling me, Congressman, you didn't know anything about my previous activities until you got here today?

"Mr. DOYLE. I am telling you that only superficially did I read what your record was.

"Mr. JACKSON. I will make it more positive than that. I had no knowledge, until I took this chair, of your detailed activities within the Communist Party.

* * * * *

"Mr. TAVENNER. Now, you have stated in a general way what the Duclos letter was, and how it reversed the policies of Browder. In what way did that lead to differences of opinion between you and the leadership of the Communist Party in San Diego, if I understand you correctly?

"Mr. ADAMS. Well, when the Duclos letter hit San Diego, some of the leaders of the Communist Party played more or less the same role that Foster did. I accused them of being opportunists in trying to wait to see which way the wind was blowing.

"Secondly, it was apparent to me that the Duclos letter meant that anyone calling himself a Communist would have to be a revolutionist.

"As I said before, I by that time had decided I was not a revolutionist, so in the antagonisms that were developed over the Duclos letter, the conflict between me and the party leaders led to my expulsion once more.

"Mr. TAVENNER. How did you receive your notice of the expulsion?

"Mr. ADAMS. I was told I was being dropped; about 6 months later I was told I had been expelled. I do not think they turned the name over to the daily papers, which they did later on, to some people that they expelled. The information was furnished to me by word of mouth.

"Mr. TAVENNER. Were you called before a committee or a group of the Communist Party on this matter?

"Mr. ADAMS. No.

"Mr. TAVENNER. What body of the Communist Party took that action?

"Mr. ADAMS. I do not know.

"Mr. TAVENNER. Who was the head of the Communist Party in San Diego County at the time this action was taken?

"Mr. ADAMS. I am going to have to decline to answer that on the grounds heretofore stated, because I do not know what this 'monkey' is doing now, and I am not about to get tied in with anything he has done since.

"Mr. TAVENNER. Did this mean the end of your Communist Party activities?

"Mr. ADAMS. It certainly did.

"Mr. TAVENNER. I suggest, Mr. Chairman, that the witness be directed to answer the question.

"Mr. JACKSON. The witness will answer the question.

"Mr. ADAMS. I did my best. I thought the question was, Did this mean the end of your Communist Party activities?, and it certainly did.

"Mr. TAVENNER. The prior question, which you refused to answer.

"Mr. ADAMS. I am sorry.

"Mr. JACKSON. The Chair now directs the witness to answer.

"Mr. ADAMS. The same answer, Mr. Congressman.

"Mr. JACKSON. Who was the person who notified you of your expulsion from the Communist Party?

"Mr. ADAMS. The same answer, Mr. Chairman.

"Mr. JACKSON. The witness is directed to answer the question.

"Mr. ADAMS. The same answer.

"Mr. DOYLE. At that point may I ask you this: From what level of the Communist Party were you told you were expelled?

"Mr. ADAMS. I was told I was being dropped by the head of the Communist Party in San Diego at that time. Later on I was told by some fifth wheel in the organization that I was expelled.

"Mr. DOYLE. And the fifth wheel was also in the San Diego Communist Party level or was it a higher level?

"Mr. ADAMS. A higher level.

"Mr. DOYLE. Does that mean the State level or national level?

"Mr. ADAMS. I think international.

"Mr. DOYLE. International?

"Mr. ADAMS. Yes.

"Mr. DOYLE. And was he an American citizen, as far as you know, or citizen of some other nation?

"Mr. ADAMS. It was a woman. I do not think she was an American citizen. I think maybe she was on the payroll of the State Department.

"Mr. DOYLE. I didn't understand your answer.

"Mr. ADAMS. It was a woman, not a citizen of the United States, but an employee, I think, of either the FBI or the State Department.

"Mr. DOYLE. By State Department you refer to the State Department of the United States of America?

"Mr. ADAMS. I do.

"Mr. DOYLE. Had you ever met that woman before?

"Mr. ADAMS. I did.

"Mr. DOYLE. As a member of the Communist Party?

"Mr. ADAMS. No.

"Mr. JACKSON. At the time of your expulsion did she represent herself to be a member of the Communist Party?

"Mr. ADAMS. She did.

"Mr. JACKSON. What was the name of that individual?

"Mr. ADAMS. Helga Weigert.

"Mr. JACKSON. Will you spell it, please?

"Mr. ADAMS. Oh, Congressman, I couldn't begin to. It is a German name. Maybe the reporter could help us out?

"Mr. TAVENNER. W-e-i-g-e-r-t.

"Mr. ADAMS. That sounds about correct.

"Mr. DOYLE. What year was that, please?

"Mr. ADAMS. 1946.

"Mr. DOYLE. She told you orally that you were expelled? Did she communicate that fact to you in California or some place else?

"Mr. ADAMS. In California.

"Mr. DOYLE. In San Diego?

"Mr. ADAMS. Yes, I believe so; yes.

"Mr. DOYLE. Was she at that time a resident of California, as far as you knew?

"Mr. ADAMS. I couldn't say, but I think she was.

"Mr. DOYLE. And to your knowledge was she at that time a member of the staff of the State Department of the United States?

"Mr. ADAMS. That is simply what I suspect. To my knowledge, no. I had no knowledge except the thing added up to that.

"Mr. DOYLE. Had you ever met her before?

"Mr. ADAMS. I had.

"Mr. TAVENNER. Was she married?

"Mr. ADAMS. She was.

"Mr. TAVENNER. What was her husband's name?

"Mr. ADAMS. George Lohr.

"Mr. TAVENNER. Was George Lohr the one who notified you that you were to be dropped from the Communist Party?

"Mr. ADAMS. I must refuse to answer that on the grounds heretofore stated.

"Mr. TAVENNER. Was George Lohr the head of the Communist Party in San Diego at that time?

"Mr. ADAMS. I must refuse to answer that on the grounds heretofore stated.

"Mr. TAVENNER. Do you know where George Lohr and Helga Weigert are now?

"Mr. ADAMS. Well, I understand that George Lohr is a citizen of the United States, having been born in the East, returned to Germany as a very young child, came out of Germany after the advent of Hitler, and I read in the newspaper a few weeks ago where George and Helga had gone to Czechoslovakia, had fled behind the Iron Curtain, so-called.

"Mr. TAVENNER. Will you tell the committee, please, all you know regarding the activities in the Communist Party of George Lohr in San Diego, if you know of any such activities?

"Mr. ADAMS. Helga Weigert was never known to me to be a Communist. I have no compunction about testifying anything I know about her. On the grounds heretofore stated, I refuse to answer that question.

"Mr. TAVENNER. I suggest the witness be directed to answer.

"Mr. JACKSON. The witness is directed to answer.

"Mr. ADAMS. The same answer, Congressman.

"Mr. TAVENNER. Do you appear here as a witness pursuant to a subpena served upon you?

"Mr. ADAMS. Yes, counsel."

Because of the foregoing the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Richard E. Adams relative to the subject matter, which, under Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"To whom did you submit your application for membership in the Communist Party in 1944?

"Who was in charge of the recruitment of new members, or the work of recruitment of new members from the executive committee of the Communist Party?

"Who was in charge of the work of distribution of Communist Party literature?

"Who was head of the Communist Party at the time you were a member of the executive committee, that is, the head of the party in San Diego County?

"Who was the head of the Communist Party in San Diego County at the time this action [expulsion of the witness from the Communist Party] was taken?

"Who was the person who notified you of your expulsion?

"Was George Lohr the one who notified you that you were to be dropped from the Communist Party?

"Was George Lohr the head of the Communist Party in San Diego County at that time?

"Will you tell the committee, please, all you know regarding the activities in the Communist Party of George Lohr in San Diego, if you know of any such activities?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 667) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Richard E. Adams to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the southern district of California to the end that the said Richard E. Adams may be proceeded against in the manner and form provided by law.

Mr. JACKSON. Mr. Speaker, the résumé in this case follows:

C. ADMITTED MEMBERSHIP, BUT REFUSED TO TESTIFY CONCERNING OTHERS

4. Richard E. Adams, San Diego, Calif.: Although admitting prior Communist Party membership in Minnesota and in San Diego, and his expulsion from the Communist Party at both places, refused to answer questions concerning the person to whom he submitted his application for membership in the Communist Party, the name of the member of the executive committee of the Communist Party charged with the work of recruitment of new members, the name of the member of the executive committee of the Communist Party charged with the work of distribution of Communist Party literature, the name of the head of the Communist Party at the time he was a member of the executive committee, the name of the head of the Communist Party in San Diego at the time of his expulsion, and what knowledge he had of the activities in the Communist Party of George Lohr in San Diego, in each instance relying upon the fifth amendment as the basis for his refusal to answer. He testified on April 21, 1954, at San Diego, Calif. (*Rogers* v. *U. S.* (340 U. S. 367).)

Mr. VELDE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

PROCEEDINGS AGAINST GEORGE TONY STARKOVICH

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2459).

The Clerk read as follows:

PROCEEDINGS AGAINST GEORGE TONY STARKOVICH

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to George Tony Starkovich, 1709 11th South, Seattle, Wash.; business address, Seattle Cedar Lumber Co., 4735 Shilshole, Seattle, Wash. The said subpena directed George Tony Starkovich to be and appear before said Committee on Un-American Activities or a duly elected subcommittee thereof, of which the Honorable HAROLD H. VELDE is chairman, on June 14, 1954, at the hour of 9:30 a. m., in room 402, county commissioner's chambers, County-City Building, 530 Third Avenue, Seattle, Wash., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said George Tony Starkovich is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America:

"You are hereby commanded to summon George Tony Starkovich, res. 1709 11th So. Occ. Seattle Cedar Lumber Co., 4735 Shilshole, to be and appear before the Committee on Un-American Activities or a duly elected subcommittee thereof of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber in Seattle, Wash., on June 14, 1954, county commissioner's chambers, room 402, County-City Building, 530 Third Avenue, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 17th day of May 1954.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"[SEAL] LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Sergeant Drange and Officer Weedin, Seattle Police Department, who were duly authorized to serve the said subpena. The return of the service by the said Sergeant Drange and Officer Weedin, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for George Tony Starkovich, 1709 11th South, before the committee on June 14, 9:30 a. m.

"Served: Sergeant Drange and Officer Weedin, Seattle Police Department, May 25, 6:30 a. m."

The said witness was not called to testify on the 14th day of June 1954, the date on which he was directed to appear, and was called as a witness on June 16. The said George Tony Starkovich, pursuant to said subpena and in compliance therewith, appeared before the said committee on June 16, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress and under House Resolution 5 of the 83d Congress. The said George Tony Starkovich having appeared as a witness and having been asked the questions, namely:

"How soon after that [referring to the period in which he lived in Bellingham, Wash.] was it that you moved to Seattle?

"Did you travel abroad in 1950?

"I hand you a photostatic copy of a passport application issued November 6, 1950, and I will ask you to examine it and state whether or not the signature appearing on the second page is your signature?

"Is the photograph appearing on the second page a photograph of you?"

Which questions were pertinent to the subject under inquiry, refused to answer said questions, and as a result of said George Tony Starkovich's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon said George Tony Starkovich.

At the time of appearance of the said George Tony Starkovich as a witness before the committee as aforesaid, and during the course of his testimony, the said George Tony Starkovich, did, with the intention of arousing the indignation of the members of the committee in such a manner as inherently to prevent and obstruct the discharge of its legislative duty in conducting the hearing, and with the intention of disrupting and delaying the inquiry in which the committee was engaged, made irresponsive answers to questions propounded to him and voluntary provocative statements, vilifying and abusing the members of the committee, accompanied by loud and boisterous conduct, in this to wit:

(1) That he declared in a loud and defiant manner as follows:

"After consulting with my attorney, my counselor, on my legal rights, I want to express to the Congressman that spoke to me that I do have contempt for this committee, and I want that in the record, so that it will be known in the future that I expressed my contempt for this committee."

(2) That in reply to a direction by the chairman to answer a question, he shouted:

"And I am directing a question to you, Congressman."

(3) That in referring to the chairman he stated in an insolent manner:

"If I lived in your district I would campaign against you."

(4) That upon the statement by Representative DONALD L. JACKSON that it was his thought that the witness should be dismissed from the stand, he volunteered:

"Mr. Congressman, you are campaigning. Why don't you go back to California and campaign? We are in Washington; we don't have to elect you."

(5) That in referring again to Representative DONALD L. JACKSON he said:

"I wish he was up in this district. The present Congressman in this district has spoken and said, "It is better to save your family; it is better to lose face than family in Indochina." I wonder what you would have done about it—because a month or two from now, under the possibilities of Congressmen like you, we might be sending our troops over there."

(6) That upon being asked by the chairman whether he was a member of the Communist Party while a member of the Armed Forces, he replied in a loud and boisterous manner:

"Before I answer that question, because it is a loaded question and a 'phony' question from a 'phony' Congressman, I will consult my attorney."

(7) That in a reply to a question from Representative GORDON H. SCHERER, he stated in a provocative manner:

"I think some of you 'guys' ought to be investigated by psychiatrists," and "I haven't looked into my brains to see if I have a tumor or not—but I haven't looked in yours, either. But there is some brains that have tumors on them, and I will go after them as an American citizen and try to expose them."

(8) That in reply to a question as to whether or not he had been a member of the Northwest section of the Communist Party, he replied:

"I would like to ask a question of you people. Are you 'guys' a party in trying to get us into Indochina?"

The foregoing conduct on the part of the said George Tony Starkovich during the course of his testimony, as aforesaid, and his belligerent and insulting demeanor throughout his testimony, were calculated to and did disrupt and delay the inquiry being conducted at the hearings, and had the same effect as if the witness had refused to testify, did prevent and obstruct the discharge of the committee's legislative duty in conducting the hearings, and as a result of said George T. Starkovich's conduct as aforesaid, your committee was prevented from receiving pertinent testimony and information concerning matters committed to said committee in accordance with the terms of the subpena served upon the said George Tony Starkovich.

The Audiotape recordings of the proceedings before the committee on June 16, 1954, during which George Tony Starkovich appeared as a witness, consisting of two reels, marked "Velde Committee Hearings—George

T. Starkovich, Tracks 1 and 2, Respectively" are referred to the House of Representatives as a part of this report; and the transcript of the proceedings before the committee on June 16, 1954, during which George Tony Starkovich refused to answer the aforesaid questions pertinent to the subject under inquiry, and during which the said George Tony Starkovich prevented the committee from receiving testimony and information pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES HOUSE
OF REPRESENTATIVES,
"SUBCOMMITTEE ON
UN-AMERICAN ACTIVITIES,
"Seattle, Wash., Wednesday, June 16, 1954.

"PUBLIC HEARING

"The Committee on Un-American Activities met pursuant to adjournment at 3:27 p. m., in the hearing room of the county commissioner's chambers, County-City Building, 530 Third Avenue, Seattle, Wash., Hon. HAROLD H. VELDE presiding.

"Committee members present: Representatives HAROLD H. VELDE, chairman; DONALD L. JACKSON, KIT CLARDY, GORDON H. SCHERER, CLYDE DOYLE, and JAMES B. FRAZIER, JR., constituting a majority of the full committee.

"Mr. VELDE. Proceed, Counsel, and call your next witness.

"Mr. TAVENNER. I would like to call Mr. George Tony Starkovich.

"Would you come forward, Mr. Starkovich?

"Mr. VELDE. In the testimony that you are about to give before this committee, do you solemnly swear that you will tell the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. STARKOVICH. I do.

"Mr. VELDE. You may be seated.

"Mr. TAVENNER. What is your name, please, sir?

"TESTIMONY OF GEORGE TONY STARKOVICH, ACCOMPANIED BY HIS COUNSEL, C. T. HATTEN

"Mr. STARKOVICH. Before I give my name, I want to protest under those sections of the Bill of Rights on my being called here—for 3 days now, losing work, losing money; and I want it in the record, as such, that I protest at being called here, as a loyal and a patriotic American.

"Mr. JACKSON. You will get back to work sooner——

"Mr. STARKOVICH. I protest under the fifth amendment.

"Mr. JACKSON (continuing). If you will cut down these extraneous remarks and answer the questions asked of you.

"Mr. VELDE. Do you refuse to answer the question put to you by counsel as to your name, basing your refusal to answer upon the fifth amendment? Do I understand you rightly?

"Mr. STARKOVICH. I just concluded my remarks by including the words 'fifth amendment.' I haven't answered the question as to my name yet.

"Mr. TAVENNER. Will you please answer it?

"Mr. STARKOVICH. I will discuss it with my counsel.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Under protest again, I wish to say—and I am proud to say—my name is George T. Starkovich, and I hope for once they spell it right, including the papers and your records.

"Mr. TAVENNER. Will you spell it for us?

"Mr. STARKOVICH. S-t-a-r-k-o-v-i-c-h.

"Mr. TAVENNER. When and where were you born, Mr. Starkovich?

"Mr. STARKOVICH. I will discuss that with my counsel.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. My answer is under protest, under the fifth amendment of the Constitution, and I will answer by saying that I was born in Bellingham, Wash.

"Mr. JACKSON. Mr. Chairman.

"Mr. VELDE. Mr. JACKSON.

"Mr. JACKSON. Evidently it is necessary to point out to the witness that it is not necessary to invoke the fifth amendment to those questions which he answers. He is answering under protest and in accordance with the fifth amendment that he was born at such and such a place. That is not necessary.

"Mr. STARKOVICH. Congressman, I will give my answers the way I want to give them.

"Mr. JACKSON. You will give your answers the way you want to give them up to a certain point.

"Mr. STARKOVICH. I will give them according to the way I want to give them, and you give the questions the way you want to.

"Mr. CLARDY. I think, Mr. Chairman, that the record should demonstrate that there was obviously in the mind—because it was expressed on the face of the witness—the most contemptuous possible attitude that I think I have ever noted in a witness. I want that clearly shown in the record.

"Mr. VELDE. The Chair certainly concurs.

"And I want to ask you—Do you hold contempt in your heart for this committee at the present time?

"Mr. STARKOVICH. Mr. Chairman, I would like to discuss this point with my attorney.

"Mr. VELDE. You certainly may.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. After consulting with my attorney, my counselor, on my legal rights, I want to express to the Congressman that spoke to me that I do have contempt for this committee, and I want that in the record so that it will be known in the future that I expressed my contempt for this committee.

"Mr. TAVENNER. Will counsel please identify himself for the record?

"Mr. HATTEN. My name is C. T. Hatten.

"Mr. TAVENNER. Where do you now reside?

"Mr. STARKOVICH. I will find out my legal rights on that from my attorney.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. If I remember my subpena correctly, my address was on that, which you have because you sent it to me; and, further than that, I will say I live in Seattle, Wash. I protest answering this question any further.

"Mr. TAVENNER. How long have you lived in Seattle, Wash.?

"Mr. STARKOVICH. I will discuss that point with my attorney.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. I have lived here a couple of years, approximately.

"Mr. TAVENNER. How many years?

"Mr. STARKOVICH. A couple of years, approximately.

"Mr. TAVENNER. Did you live here in 1950?

"Mr. STARKOVICH. I will discuss that point with my attorney.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. I am going to answer that question by saying it is a duty to refuse to cooperate in any undertaking to violate the constitutional rights of the individual and, under my privilege not to testify against myself, I am invoking the fifth amendment.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. I request that the witness be directed to answer that question.

"Mr. VELDE. Certainly. You are directed to answer the question.

"Mr. STARKOVICH. And I am directing a question to you, Congressman.

"Mr. CLARDY. Never mind, Witness.

"Mr. STARKOVICH. What are you Congressmen doing to keep us out of Indochina, so we don't go to war over there?

"Mr. CLARDY. Mr. Chairman, regular order.

"Mr. VELDE. It is ordered. And you are directed to answer the question.

"Mr. STARKOVICH. I would like to discuss it with my counsel about this question of giving a direct answer.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Because the fifth amendment is for the protection of the innocent, and I think for the honest and true Americans—and I consider myself one of those and I am proud of my record all my life in this country—I stand on the fifth amendment under my privilege not to testify against myself in answering that question.

"Mr. TAVENNER. Where did you live in 1950?

"Mr. STARKOVICH. That is the same question, isn't it? Or is it worded differently?

"Mr. TAVENNER. Just answer the question.

"Where did you live in 1950?

"Mr. STARKOVICH. Same answer as previously stated.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. I ask that he be directed to answer the question.

"Mr. VELDE. Yes, the Chair concurs. You are directed to answer the question.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Under protest, because my attorney says that I can answer that question without infringing on my rights as an American, I will say that I was—I mean I was born in Bellingham, naturally, but I lived, as I can best remember, all of 1950, in Bellingham, Wash.

"Mr. TAVENNER. How soon after that was it that you moved to Seattle?

"Mr. STARKOVICH. I don't remember. I will discuss that with my attorney, too.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. In answer to that question, because one question leads to another, I am going to invoke, under my privileges not to testify against myself, the fifth amendment in refusing to answer that question.

"Mr. VELDE. You are directed to answer that question.

"Let me say to you that the Committee on Un-American Activities, being a committee of the United States House of Representatives, has the right and has the duty of inquiring into all phases of your past activity, and especially as to your previous residences.

"Mr. STARKOVICH. How about inquiring into Hells Canyon and low-cost housing and a billion-dollar school program in the South?

"Mr. VELDE. While I realize that you have contempt in your heart for this committee of your Congress of the United States, I want to——

"Mr. STARKOVICH. For the individuals—not for the committee or the Congress of the United States.

"Mr. VELDE. I warn you that legally you are placing yourself in contempt of this committee and in contempt of your Congress, despite the fact that you have able counsel beside you, in your refusal to answer about your previous residences.

"Mr. STARKOVICH. Have you placed the question before me?

"Mr. VELDE. I am directing you to answer, having given you that advice.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Again I want to state that it is a violation of my rights under the American Constitution in asking that question, and I am going to refuse under my privileges, under my privilege not to testify against myself, invoking the fifth amendment.

"Mr. VELDE. Now let me ask you this question: You have stated that you have contempt for this committee of Congress.

"Mr. STARKOVICH. The individuals on it.

"Mr. VELDE. Do you have contempt for the Congress of the United States?

"Mr. STARKOVICH. You are putting words in my mouth, and I didn't say them.

"Mr. VELDE. No; I didn't put any words in your mouth. I am just asking a plain, simple question. Do you have contempt for the Congress of the United States?

"Mr. STARKOVICH. I have no contempt for the Congress of the United States nor for the Government of the United States. I have served it well and proudly—so you are not putting words in my mouth.

"Mr. VELDE. I am very glad you said that.

"Mr. STARKOVICH. If I lived in your district, I would campaign against you.

"Mr. VELDE. You do have contempt for this committee of the Congress; is that right?

"Mr. STARKOVICH. That is your statement, Mr. Congressman. I have stated my answer.

"Mr. VELDE. You made a statement, too.

"Mr. JACKSON. The statement is on the record.

"Mr. STARKOVICH. I have contempt for the individuals on this committee; I have no contempt for the Government of the United States. I am proud of the Congress of the United States; I am proud of the Government of the United States of America. Let that be on the record.

"Mr. JACKSON. Let the record also show that contempt of a committee of the Congress of the United States is contempt of the Congress of the United States. Contempt can only be committed before a committee of the Congress; and by his own words, this witness has expressed his contempt for the members of this committee. The members of this committee have the authority, the jurisdiction, and the power given to them by the Congress as an operating body. His contempt of this body is so absolute that there should be no question as to any further interrogation of the witness, and it would be my thought that he should be dismissed from the stand at this time.

"Mr. STARKOVICH. Mr. Congressman, you're campaigning. Why don't you go back to California and campaign? We are in Washington; we don't have to elect you.

"Mr. JACKSON. I am very happy that I don't have to depend on your ilk for my election.

"Mr. STARKOVICH. And I am glad of it. You would be defeated in this State if you ran for Congressman.

"Mr. JACKSON. I am inclined to doubt your opinion in that regard, but that is beside the point entirely.

"Mr. STARKOVICH. Yes.

"Mr. CLARDY. Who is going to join you in that movement? Are you speaking of the organized Communists who would accomplish the defeat of the gentleman on my left?

"Mr. STARKOVICH. Mr. Congressman——

"Mr. CLARDY. Answer the question.

"Mr. STARKOVICH. Mr. Congressman, before I answer that question, I want to consult with my counsel, because every time you 'guys' open your mouth you try to trap a witness up here. I stand on my record as a patriotic American.

"Mr. VELDE. You have the right to consult counsel.

"Mr. STARKOVICH. You bet I will.

"Mr. VELDE. And we are not trying to trap you in any way but merely ask you to answer the questions as put to you.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Mr. Congressman——

"Mr. VELDE. Before you answer, let me say this: We are not trying to entrap you in any way. If you are entrapped, it will be by your own doing, not the committee's doing. We are here to seek information about Communist activities and we know that you have information concerning Communist activities in this area. Now you can answer the question.

"Mr. STARKOVICH. Mr. Chairman, I will be the judge of whether you are trying to entrap me or not, and I will consult my attorney under the laws of the United States. And in answer to the Congressman over there, I am going to invoke my privileges not to testify against myself under the fifth amendment, so I will be protected from any kind of trick questions from you.

"Mr. CLARDY. Your threat has a rather hollow sound to me, Witness, because if you are going to be a one-man army who is going to——

"Mr. STARKOVICH. I wish he was up in this district. The present Congressman in this district has spoken and said, 'It is better to save your family; it is better to lose face than family in Indochina.' I wonder what you have done about it—because a month or two from now, under the possibilities of Congressmen like you, we might be sending our troops over there.

"Mr. JACKSON. Would you fight with your Nation in Indochina?

"Mr. STARKOVICH. I will consult my attorney again on that trick question.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Mr. Congressman, under the laws of this country, if I should be drafted again or called to service, I will comply with that service to the best of my ability, as I have in the past, and carry out my duties as an American. At the same time, I will carry out my duties as an American to say at every turn I can—let's stay out of Indochina—keep our hands out of there, or we will lose every friend we have in Asia. It isn't just the Communists or Socialists or anybody else that have a monopoly on saying 'Let's stay out of Indochina,' and as an American I want to say it; I want to be a part of those who say, 'Keep out of Indochina.'

"Mr. VELDE. You mentioned your previous service in the Armed Forces. Will you tell us what branch of the service you served in?

"Mr. STARKOVICH. I will consult my attorney again.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. My attorney advises me—my counsel—that in answering this question, it doesn't open up a whole series of questions, and therefore I would like to answer it.

"Mr. VELDE. The committee would like to have you answer it, too.

"Mr. STARKOVICH. You bet I will. I didn't do any different than millions of other Americans did, but I served 3 years in the Army, and I was awarded honors by my Government and I am proud of it. I served 2½ years in the South Pacific, continuously, and a medical aid man in a tank battalion. I have aided Americans——

"Mr. VELDE. That was in the Army?

"Mr. STARKOVICH. In the Army—and I want to state for the record why I am strongly speaking out for peace.

"Mr. VELDE. Witness, you are——

"Mr. STARKOVICH. As a medical aid man I saw war and——

"Mr. VELDE. You need not——

"Mr. STARKOVICH. Let me finish. I have about 5 words to say.

"Mr. CLARDY. Nobody can say that your freedom of speech has been restricted here today.

"Mr. STARKOVICH. When I came back, in taking a count of about 8 or 9 of my buddies I went to school with, 50 percent of them did not return to America because they were either killed or died from wounds in that war, and so I feel very strongly on the question of war. And when these demagogs like McCARTHY run around the country trying to drag us in with their demagoguery, I will speak in return——

"(At this point a photographic lamp bulb exploded.)

"Mr. VELDE. Order, please.

"Mr. STARKOVICH. Congressman—Mr. Chairman, may I make a comment?

"You're safe in Seattle. You're safe in Seattle.

"Mr. VELDE. Let me tell you this, Witness. If you continue to make provocative remarks, not having been asked a question, it will be the duty of the Chair to direct that you be removed from the hearing room.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. The Chair recognizes the gentleman from Michigan.

"Mr. CLARDY. I wanted to remark that that explosion occurred just about 10 seconds after I had really thought about saying to the witness that he ought to keep his voice down a little because the vibration set up is liable to cause damage—and then bang it goes.

"You were really getting up in 'C.' I suggest that from here on out you can save yourself some money; you won't have to buy cough drops if you can keep it down just a little.

"Mr. VELDE. May I ask you this question, Mr. Witness?

"While you were a member of the armed services, were you likewise a member of the Communist Party?

"Mr. STARKOVICH. Before I answer that question, because it is a loaded question and a 'phony' question from a 'phony' Congressman, I will consult with my attorney.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. SCHERER. Mr. Chairman.

"Mr. STARKOVICH. Under my privilege not to testify against myself, I invoke the fifth amendment.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. The Chair recognizes the gentleman from Ohio.

"Mr. SCHERER. The contempt of this witness has been so great, Mr. Chairman, that I am going to ask him this question. Sir, have you ever had psychiatric care?

"Mr. STARKOVICH. Because I have said previously, Mr. Congressman, that I think that every question is a possible trick question, I will consult my attorney on that one, too, sir.

"Mr. SCHERER. I am serious.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Mr. Congressman, because I have had quite a few physical examinations when I was in the Army, and I am sure that some of those examinations were to find out whether I had an I. Q. of 1 or 60 or 150, that might be construed as a mental examination and therefore I am not going to be led into your trap questions so you can drag up some medical record and say, 'He had a mental examination and therefore he gave a wrong answer.' I will invoke my privileges under the fifth amendment not to testify against myself.

"Mr. SCHERER. Since you have been out of the Army, have you ever had any psychiatric care? Because that is the only possible excuse I can see for your conduct here today. Otherwise you have been the most contemptuous witness that I have seen since I have been a member of this committee.

"I don't think, Mr. Chairman, that we should be compelled to sit and listen to a person, if he is normal, continuing such a tirade against this committee as this man has. It certainly doesn't add any dignity to the Congress of the United States.

"Mr. STARKOVICH. Mr. Congressman, your dignity doesn't answer to me on the actions you people take back in Washington so often. I think some of you 'guys' ought to be investigated by psychiatrists.

"But I will answer that to the best of my ability.

"I have never been examined since I have been out of the Army for mental conditions, and I am confident that I can stand on my own two feet mentally alongside you at any time.

"Mr. SCHERER. You know of no mental illness——

"Mr. STARKOVICH. I haven't looked into my brains to see if I have a tumor there or not—but I haven't looked in yours, either.

"But there is some brains that have tumors on them, and I will go after them as an American citizen and try to expose them.

"Mr. SCHERER. Mr. Chairman, I ask that the witness be ordered to leave the room in company with the marshal.

"I so move.

"(Witness laughs derisively.)

"Mr. JACKSON. Will the gentleman from Ohio suspend his motion for a moment?

"Mr. STARKOVICH. Mr. Congressmen, you will be assured that I will take every legal grounds to oppose this.

"Mr. VELDE. Will the gentleman from Ohio hold his motion?

"Mr. SCHERER. Yes.

"Mr. VELDE. Mr. JACKSON.

"Mr. JACKSON. This is a most unusual circumstance in full committee, but I think the committee has reached the point where it is no longer necessary for us as a committee of the Congress to take vilification and abuse from witnesses of this stripe.

"Therefore, and in spite of the unusual nature of the circumstances, I move in open hearing, with a quorum of the full committee present, that this witness be cited for contempt of the Congress of the United States.

"Mr. SCHERER. Second the motion.

"Mr. VELDE. Regular order.

"You have heard the motion, gentlemen.

"All those in favor——

"Mr. DOYLE. I would like to speak to the motion.

"Mr. VELDE. The Chair recognizes the gentleman from California [Mr. DOYLE].

"Mr. DOYLE. I would like to have questioned the witness before the motion was put.

"Mr. STARKOVICH. Why don't you withdraw the point for a minute and let the Congressman speak?

"Mr. CLARDY. You are not having a question addressed to you, Witness.

"Mr. DOYLE. As long as the motion has been placed, I wish to say that many, many times I have been asked here during the last 2 days if there isn't something the committee can do when witnesses are manifestly contemptuous of the committee, and it is always a problem, because we try to avoid recognizing contempt. I do and I think the rest of our members do.

"But I think, Mr. JACKSON, your motion should be worded that we recommend to the House of Representatives——

"Mr. JACKSON. Yes. I so amend the motion, Mr. DOYLE.

"Mr. DOYLE (continuing). That the witness should be cited for contempt, because it is not for our committee to cite the contempt; it is the function of the House of Representatives.

"Mr. VELDE. Would the gentleman from California [Mr. JACKSON] defer his action on the motion until the gentleman from California [Mr. DOYLE] has an opportunity to examine the witness?

"Mr. JACKSON. At the request of the Chair, the gentleman from California withdraws his motion.

"Mr. VELDE. Will the gentleman from Ohio defer his motion until the gentleman from California [Mr. DOYLE] has had an opportunity to examine the witness?

"Mr. SCHERER. No.

"Mr. VELDE. The question——

"Mr. DOYLE. Just a minute, Mr. Chairman. I am going to insist on my right to question this witness.

"Mr. JACKSON. I have withdrawn. I am deferring my motion in deference to the gentleman from California so that he may have an opportunity to question the witness.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. May I point out that there has been no second to Mr. SCHERER's motion to this moment.

"Mr. DOYLE. I understood Mr. SCHERER just now to say 'no' when the chairman asked him if he would hold his motion until I have examined the witness.

"Mr. JACKSON. There has been no second.

"Mr. CLARDY. Unless it is put, there is no question before us on that motion.

"I agree with Mr. SCHERER but I wouldn't second it at this moment, because I know that counsel has at least one other question or perhaps a series of questions that I would like very much to have him put to this witness—because if we are going to ask Congress to cite him for contempt, I want the answers to the questions that I know Mr. Tavenner is going to ask him.

"Mr. SCHERER. There has been no second, but I am not going to withdraw my motion for obvious reasons.

"Mr. VELDE. Very well, the motion of the gentleman from Ohio dies for lack of a second.

"I think Mr. DOYLE has the floor.

"Mr. DOYLE. It is not my turn.

"Mr. JACKSON. Mr. Chairman——

"Mr. VELDE. The Chair recognizes the gentleman from California [Mr. JACKSON].

"Mr. JACKSON. I simply wanted to clarify the parliamentary situation.

"As I understand it, the motion of the gentleman from Ohio has failed for lack of a second, which leaves a parliamentary situation that I have a motion pending which has been seconded and which both the gentleman making the motion and the gentleman seconding it have deferred pending further interrogation by members of the committee or by counsel. Is that correct?

"Mr. VELDE. I believe that is correct.

"The gentleman from California [Mr. JACKSON], has deferred action on his motion at this time until the gentleman from California [Mr. DOYLE] and counsel and other members of the committee have an opportunity to examine the witness further. Will you proceed, sir?

"Mr. DOYLE. I wonder, Mr. Chairman, if counsel would prefer to complete his examination before I inquire.

"Mr. TAVENNER. I have no special preference in the matter. I can proceed now.

"Mr. CLARDY. I would prefer that you finish your questions, counsel.

"Mr. TAVENNER. Mr. Starkovich, you have refused to answer the question as to where you were living in 1950. Did you travel abroad in 1950?

"Mr. STARKOVICH. I will consult my attorney on that.

(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Upon the advice from my counsel, and under my privilege not to testify against myself, because I think and because I know that the fifth amendment is a shield for the honest, I wish to invoke the fifth amendment.

"Mr. TAVENNER. I hand you a photostatic copy of a passport application issued November 6, 1950, and I will ask you to examine it and state whether or not the signature appearing on the second page is your signature?

(Witness and his counsel examine document.)

"Mr. STARKOVICH. Under my privilege not to testify against myself, I invoke the fifth amendment.

"Mr. TAVENNER. Is the photograph appearing on the second page a photograph of you?

(Witness studies photograph.)

"Mr. STARKOVICH. Because it is a duty to refuse to cooperate in any undertaking in constitutional rights of individuals, and under my privilege not to testify against myself, I invoke the fifth amendment.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. I ask that he be directed to answer that last question.

"Mr. VELDE. I am sorry, I didn't hear the question.

"Mr. CLARDY. The question was as to whether he would identify the picture on this passport application as being that of himself. He declined to answer on the fifth amendment. I ask that he be directed to answer.

"Mr. VELDE. Certainly. There is no way in which that would incriminate you.

"Mr. STARKOVICH. Under my privilege not to testify against myself, I invoke the fifth amendment.

"Mr. JACKSON. And do you decline to answer the question?

"Mr. STARKOVICH. I will consult with my attorney and see if I have to say those fouling words of yours.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. As previously stated, I refuse to answer.

"Mr. TAVENNER. Does the application show that you applied for a passport to travel in England for the purpose of attending the World Peace Conference?

"Mr. STARKOVICH. Under my privilege not to testify against myself, I invoke the fifth amendment.

"Mr. CLARDY. I ask that he be directed to answer, Mr. Chairman.

"Mr. VELDE. Yes. Without objection, you are directed to answer the question.

"Mr. STARKOVICH. Under my privilege not to testify against myself, I invoke the fifth amendment and refuse to answer.

"Mr. TAVENNER. Isn't it a fact that the governmental authorities in England refused to permit that convention to be held and that it was held in Warsaw, Poland?

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Would you repeat the question? I think I understand it but I want to be sure.

"Mr. TAVENNER. Read the question, please.

"(Question was read.)

"At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Mr. Counselor, I suggest that you get in touch with authorities in England and inquire from them, and under my privilege not to testify against myself I invoke the fifth amendment.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. I ask that he be directed to answer that question.

"Mr. VELDE. Yes, you are directed to answer the question, Mr. Witness.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. I refuse on the same grounds.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. TAVENNER. Did you travel on the original of the passport, a copy of which I presented you, to Warsaw, Poland?

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Is this document you are referring to a passport, here?

"Mr. TAVENNER. No, that is an application for a passport.

"Mr. STARKOVICH. And you are asking if I got a passport—what?

"Mr. TAVENNER. If you traveled under a passport issued pursuant to this application to Warsaw, Poland?

"Mr. STARKOVICH. Under both the first and the fifth amendments, under my privilege not to testify against myself, I invoke both of those amendments—the first and the fifth.

"Mr. CLARDY. Again I ask that he be directed to answer, Mr. Chairman.

"Mr. VELDE. Yes, you are directed to answer that question, Mr. Witness.

"Mr. STARKOVICH. Same answer as before, invoking the first and fifth amendments.

"Mr. VELDE. And refusing to answer?

"Mr. STARKOVICH. And refusing to answer.

"Mr. TAVENNER. Did you give as an identifying witness the name of Will Parry on your application for a passport, and is it not true that Will Parry executed it as an identifying witness?

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Under my right to free association with whoever I wish, I invoke both the first and the fifth amendments, under my privilege not to testify against myself.

"Mr. CLARDY. Mr. Chairman, I ask that he be directed to answer.

"Mr. VELDE. Yes, you are directed to answer that question.

"Mr. STARKOVICH. Same answer as previously stated.

"Mr. TAVENNER. Is the Will Parry who executed that application for the passport the same person who held the position as editor of the Northwest edition of the People's World?

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Under my rights and under my privilege not to testify against myself, I invoke both the first and fifth amendments.

"Mr. CLARDY. Again, Mr. Chairman, I ask that he be directed to answer.

"Mr. VELDE. You are directed to answer the question.

"Mr. STARKOVICH. Is this the second time you're directing me now, or is this the first time?

"Mr. VELDE. It is the first time, I believe.

"Mr. STARKOVICH. The answer is the same as previously stated.

"Mr. VELDE. That is, you refuse to answer on the grounds of the fifth amendment?

"Mr. STARKOVICH. As I have previously stated, both the first and fifth amendments, under my privilege not to testify against myself—the first and fifth.

"Mr. TAVENNER. Did you prepare and submit and file the original of the passport application, a copy of which was handed you, pursuant to any arrangement with the Communist Party?

"Mr. STARKOVICH. Say that again.

"Mr. TAVENNER. Will you state whether or not the application for a passport, which you filed, a copy of which was shown you, was prepared and filed by you at the instance of the Communist Party?

"Mr. STARKOVICH. I know what the answer is going to be to that for myself, but I want to consult my counsel on some legal aspects here.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Mr. Counseler—Congressman, you're wasting my time and your own time and certainly the taxpayers' money in asking 15 or 20 questions of the same nature, and under my rights and under my privilege not to testify against myself I invoke both the first and fifth amendments.

"Mr. TAVENNER. Mr. Chairman, I desire to offer in evidence the photostatic copy of the application for passport allegedly signed by George T. Starkovich and ask that it be marked 'Starkovich Exhibit No. 1.'

"Mr. VELDE. Without objection, it will be admitted into evidence at this point.

"Mr. TAVENNER. Mr. Starkovich——

"Mr. CLARDY. Pardon me.

"May I inquire, Mr. Chairman?

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. Mr. Tavenner, do we have in file a copy of the present handwriting, signature of this witness?

"Mr. STARKOVICH. The Army has, sir.

Mr. CLARDY. Never mind. I haven't talked to you.

"Mr. TAVENNER. No, sir.

"Mr. CLARDY. I suggest that we present a pen and a piece of paper to the witness and ask him to sign his name for comparison purposes.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Don't waste your time coming down here, because I am going to refuse.

"Mr. VELDE. I think the suggestion is well taken.

"Mr. STARKOVICH. Mr. Chairman, save your time in coming down, because I will refuse to sign that paper on advice of my counsel—and because I am not ashamed of my signature, if counsel wants to look into the records of the United States Army, he can find my name in writing there in a dozen different places.

"Mr. VELDE. As I understand it, you refuse to sign your signature at the direction of the Chair; is that correct?

"Mr. STARKOVICH. Under my privilege not to testify against myself, I invoke the fifth amendment in refusing.

"Mr. VELDE. You refuse to sign your signature to a blank piece of paper at the direction of the Chair and by the committee that you so do; is that correct?

"Mr. STARKOVICH. Under advice of counsel and under privileges not to testify against myself, I invoke the fifth amendment.

"Mr. VELDE. Proceed, Mr. Counsel.

"Mr. TAVENNER. Mr. Starkovich, a witness by the name of Mrs. Barbara Hartle, in her testimony before this committee, has identified you as a member of the Northwest section of the Communist Party of the State of Washington.

"Mr. STARKOVICH. That, too——

"Mr. TAVENNER. Was her testimony truthful or was it false insofar as it related to you?

"Mr. STARKOVICH. The same as the preceding questions in the last 15 minutes or half hour, that, too, is a question that is loaded, right to the top of the bottle, and under my privileges not to testify against myself I invoke both the first and fifth amendments.

"Mr. TAVENNER. Were you a member of the Northwest section of the Communist Party at any time?

"Mr. STARKOVICH. I would like to ask a question of you people.

"Are you guys a party in trying to get us into Indochina?

"Mr. VELDE. A question has been asked of you, Mr. Witness.

"Mr. STARKOVICH. Under my privileges not to testify against myself, I invoke both the first and fifth amendments.

"Mr. TAVENNER. Are you now a member of the Communist Party?

"Mr. STARKOVICH. Same answer as previously stated.

"Mr. VELDE. And you refuse to answer on the same grounds as previously stated?

"Mr. STARKOVICH. As previously stated, yes. I am sure you understand me.

"Mr. CLARDY. We want to be sure that the record is clear, so that there will be no claim that the fifth amendment on your part was raised when, in fact, it was not. You haven't raised it unless you present it in the form suggested by the chairman. We don't want to have you go forth and say that you were not given ample opportunity to state it as it should be stated. Now we have told you how to do it. If you don't care to do it, it is your own head.

"Mr. STARKOVICH. As I have previously stated, I am invoking the first and fifth amendments under my privilege not to testify against myself, and I understand when I say the same as before that that means that. Am I right?

"Mr. VELDE. Yes, but you have not said that you refused to answer the question. That is why we are attempting to give you the protection of the fifth amendment. You should say, of course, that you refuse to answer the question.

"Mr. STARKOVICH. Well, I have refused to answer this question and similar questions under my privileges under the first and fifth amendments not to testify against myself.

"Mr. VELDE. Very well.

"Do you have any more questions, counsel?

"Mr. TAVENNER. I have no further questions.

"Mr. JACKSON. Mr. Chairman, do you wish that I defer my motion until all questioning has been completed?

"Mr. VELDE. Yes.

"Mr. JACKSON. Very well. I have no questions.

"Mr. VELDE. Mr. Clardy.

"Mr. CLARDY. I have just one question. While you were in the Army, did you engage in any act of espionage of any sort?

"Mr. STARKOVICH. Mr. Congressman, I know why I was correct in expressing my contempt for the members of this committee earlier, with that phony question, and under my privileges under the first and fifth amendments not to testify against myself I invoke both the first and fifth amendments.

"Mr. VELDE. And you refuse to answer the question put by the gentleman from Michigan?

"Mr. STARKOVICH. I invoke both the first and fifth amendments in refusing to answer the question.

"Mr. VELDE. Do you have anything further, Mr. Clardy?

"Mr. CLARDY. No, that was the only question.

"Mr. VELDE. Mr. Scherer.

"Mr. SCHERER. No questions.

"Mr. VELDE. Mr. Doyle.

"Mr. DOYLE. I would like to ask just a few questions. I was interested in your observation that you had contempt for the members of this committee. You so stated; you will remember that you so stated. Do you?

"Mr. STARKOVICH. Is that a question, Mr. Congressman?

"Mr. DOYLE. Yes, it is.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Mr. DOYLE—I believe.

"Mr. DOYLE. DOYLE; yes.

"Mr. STARKOVICH. I am going to refuse to answer that question because I think I said what I was going to say on it, and under my rights under the first and fifth amendments not to testify against myself I am invoking both the first and fifth amendments to the United States Constitution.

"Mr. DOYLE. May I say to you, young man, of course I asked you that question so that in view of the lapse of the last 10 minutes since our counsel questioned you I thought possibly you might have reviewed in your own thinking what language you have used toward the committee and might want to express some maturer thought on it, but apparently you don't.

"Mr. STARKOVICH. Can I say a word on that, just a couple of words?

"Mr. DOYLE. Do you realize that the committee is here under Public Law 601?

"Mr. STARKOVICH. That is your statement. I don't know.

"Mr. DOYLE. Well, this committee is here under Public Law 601 of the 79th Congress, and we are assigned to investigate the extent and character and objectives of subversive propaganda and activity. The United States

Congress has declared that there is afoot in the world an international Communist conspiracy and we are here under the authority of your Congress as an official congressional committee. We are not a special committee, we are not a committee of the Senate; we have no connection with the Senate; we have no connection with any other committee. We are here as a House committee. We function on our own in accordance with our own statutes and, in view of the declaration of the United States Congress that the Communist Party is a conspiracy, subversive, we, of course, have——

"(Mr. Starkovich has been conferring with Mr. Hatten.)

"Mr. DOYLE. Are you through consulting with counsel?

"Mr. STARKOVICH. I turned my head to him.

"Go ahead. What did you mean by that—something there. Go ahead.

"Mr. DOYLE. In view of the fact that your Congress has declared that the Communist Party in the United States was subversive and a conspiracy designed to overthrow, when they wanted to try it, by force and violence, the constitutional form of government, we are here on an official job to find out what you know, if anything, about the subversive activities of the Communist Party. Very frankly, you know that we have information that you have been and maybe are today a member of the Communist Party. I have been informed, for instance, that you are one of the leaders of the young Communist group in and around Seattle and have been for a long time.

"Mr. STARKOVICH. You ought to come back to Seattle and do a little more checking up around here before you listen to every stool-pigeon and liar who comes around in these hearing rooms and spills their guts about people so they can destroy their reputation.

"Mr. DOYLE. Do you deny that you are one of the Communist Party leaders of the young Communists in this area? I will give you the chance to answer that.

"Mr. STARKOVICH. Is that an official question?

"Mr. DOYLE. Yes.

"Mr. STARKOVICH. I will answer that under my rights for the simple reason that to answer it would only lead to a lot of other questions. It would be unfair to the people that I know, everyday citizens, when I don't know what their political affiliations are—and lead to a lot of trap questions. Therefore, under my rights and privileges, I will invoke the first and fifth amendments. But, as a Congressman, if you would like to talk to me man to man after these sessions are over, I will talk to you.

"Mr. DOYLE. I have one further question on that point. I understand then that in your declaration a few minutes ago that you had contempt for members of this committee that you understood then and you understand now that we are here in our official capacity as Members of the United States Congress. We are an official committee, and you understood, I take it, when you said you had contempt for the members of this committee, that you were referring to our official capacity; in other words, you have contempt for the objectives of the law under which we are authorized and directed to be here.

"That is your position, is it?

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. I have high respect and honor for the office, but not for the individuals that hold it; and if I am correctly informed, Mr. DOYLE, I understand that you are a Democrat, and I think—I would suggest to you, as a fellow American, that you would be good to get off the committee and let the Republicans have it.

"Mr. DOYLE. Just leave the party out of this, young man. This is not a partisan committee. We are interested in uncovering, wherever they are—whether they are Republicans or Democrats—we are interested in uncovering subversive people and subversive programs.

"I am proud to be a Democrat, but that doesn't enter into this picture.

"Mr. STARKOVICH. Yes; it does, sir. The majority of the Republicans on this committee are out trying to reelect the Republican Congressmen in this State again and dump the sole Democrat running. That is their only purpose in being here.

"Mr. DOYLE. We have read that in Communist literature.

"Mr. STARKOVICH. And you will find out in the coming elections what this committee's work is attempting to do.

"Mr. DOYLE. Have you answered my question as fully as you want to?

"Mr. STARKOVICH. Restate the question. I thought I answered under my rights under the fifth and first amendments.

"Mr. CLARDY. Mr. Chairman, I submit that he has said enough on it. I think we should not tolerate any more of it.

"Mr. DOYLE. I want to give the young man the fullest possible opportunity.

"Mr. STARKOVICH. This is for the record, if my answer hasn't been given on the record, and so we don't have any slip-up again. I want to restate that I invoke the first and fifth amendments under my privileges not to testify against myself.

"Mr. DOYLE. That is all I have.

"Mr. VELDE. Mr. FRAZIER.

"Mr. FRAZIER. No questions.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. Mr. Chairman, since I arose I note that there is something I couldn't see when I was seated and that is that the witness has in front of him a looseleaf notebook. I would like to ask a couple of questions on that and get it in the record.

"Mr. VELDE. Proceed.

"Mr. CLARDY. Witness, what is that notebook that you have in front of you? In other words, what is it for and what does it contain?

Mr. STARKOVICH. I would just like to consult my attorney just a moment on that, and I think I can give you a fair answer.

"(At this point Mr. Starkovich conferred with Mr. Hatten.)

"Mr. STARKOVICH. Let me just read it. It is very short.

"Mr. CLARDY. I just want you to tell me—not the contents, but the general nature of it. Is it something in the way of——

"Mr. STARKOVICH. Why don't you let me read it?

"Mr. CLARDY (continuing). Statement of reasons why you refuse to answer, or is it a speech, or what is it?

"Mr. STARKOVICH. Why don't you let me say? It's only about 25 words. I have nothing to hide here.

"Mr. CLARDY. All right, but hurry up.

"Mr. STARKOVICH. The first line I got here says, 'Take your time,' and I haven't followed that advice very good.

"That was advice to myself.

"Mr. CLARDY. Is there a line in there to keep your mouth shut on certain occasions?

"Mr. STARKOVICH. That might go for you, too.

"Then I got here, 'It is a duty to refuse to cooperate in any undertaking violating the constitutional rights of the individual and under any privilege not to testify against myself I invoke the fifth amendment.' Those are the words on that page. I wrote them down to be sure I would say them right—so that, not being a lawyer like you, sir—at least I think you are—that I wouldn't be entrapped in some legal entanglements.

"Mr. CLARDY. Now, do the rest of the pages have the other reasons that you have been advancing here?

"Mr. STARKOVICH. I have got where I worked here, the name, in the city of Seattle, and stuff like that.

"Mr. CLARDY. Do you have the answers, then, to some of the questions that we have propounded to you?

"Mr. STARKOVICH. No; just information about my own life—that I have in front of me.

"Mr. CLARDY. That is all.

"Mr. VELDE. Are there any further questions? If not, the witness is dismissed at this time.

"Mr. JACKSON. Mr. Chairman.

"Mr. VELDE. The Chair recognizes the gentleman from California, Mr. JACKSON.

"I suggest, Mr. JACKSON, that you reword your motion, as previously made.

"Mr. STARKOVICH. Am I excused?

"Mr. VELDE. You are dismissed.

"(Witness was excused.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to the said George Tony Starkovich relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution No. 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"How soon after the [referring to the period in which he lived in Bellingham, Wash.] was it that you moved to Seattle?

"Did you travel abroad in 1950?

"I hand you a photostatic copy of a passport application issued November 6, 1950, and I will ask you to examine it and state whether or not the signature appearing on the second page is your signature?

"Is the photograph appearing on the second page a photograph of you?"

Which questions were pertinent to the subject under inquiry, and is a violation of the subpena under which the witness had previously appeared. The willful and deliberate misconduct of the said George Tony Starkovich, as aforesaid, constituting a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions, deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 668) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of George Tony Starkovich to answer questions before the said Committee on Un-American Activities, and as to the conduct of George Tony Starkovich during the course of his testimony which disrupted and delayed the inquiry being conducted at the hearings, prevented and obstructed the discharge of the committee's duty in conducting the hearings, and had the same effect as if the witness had refused to testify, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the Western District of Washington to the end that the said George Tony Starkovich may be proceeded against in the manner and form provided by law.

Mr. JACKSON. Mr. Speaker, the résumé in this case follows:

D. IMPEDING AND OBSTRUCTING HEARING (DEFAULT)

5. George Tony Starkovich, Seattle, Wash.: Refused to answer questions concerning the time when he moved to Seattle, whether he traveled abroad in 1950, the identification of

his signature on an application for passport, and identification of a photograph appearing on his application, relying in each instance upon the fifth amendment as the basis for his refusal to answer. At the time of his appearance as a witness, and during the course of his testimony, George Tony Starkovich did, with the intention of arousing the indignation of the members of the committee in such a manner as inherently to prevent and obstruct the discharge of its legislative duty in conducting the hearing, and with the intention of disrupting and delaying the inquiry in which the committee was engaged, make irresponsive answers to questions propounded to him and voluntary provocative statements, vilifying and abusing the members of the committee, accompanied by loud and boisterous conduct, in this to wit:

(1) That he declared in a loud and defiant manner as follows:

"After consulting with my attorney, my counselor, on my legal rights, I want to express to the Congressman that spoke to me that I do have contempt for this committee, and I want that in the record, so that it will be known in the future that I expressed my contempt for this committee."

(2) That in reply to a direction by the chairman to answer a question, he shouted:

"And I am directing a question to you, Congressman."

(3) That in referring to the chairman he stated:

"If I lived in your district I would campaign against you."

(4) That upon the statement by Representative DONALD L. JACKSON that it was his thought that the witness should be dismissed from the stand, he volunteered:

"Mr. Congressman, you are campaigning. Why don't you go back to California and campaign? We are in Washington; we don't have to elect you."

(5) That in referring again to Representative DONALD L. JACKSON he said:

"I wish he was up in this district. The present Congressman in this district has spoken and said, 'It is better to save your family; it is better to lose face than family in Indochina.' I wonder what you would have done about it—because a month or two from now, under the possibilities of Congressmen like you, we might be sending our troops over there."

6. That upon being asked by the chairman whether he was a member of the Communist Party while a member of the Armed Forces, he replied in a loud and boisterous manner:

"Before I answer that question, because it is a loaded question and a phony question from a phony Congressman, I will consult my attorney."

7. That in a reply to a question from Representative GORDON H. SCHERER, he stated:

"I think some of you guys ought to be investigated by psychiatrists," and—"I haven't looked into my brains to see if I have a tumor or not—but I haven't looked in yours, either. But there is some brains that have tumors on them, and I will go after them as an American citizen and try to expose them."

8. That in reply to a question as to whether or not he had been a member of the Northwest section of the Communist Party, he replied:

"I would like to ask a question of you people. Are you guys a party in trying to get us into Indochina?"

The foregoing conduct on the part of the said George Tony Starkovich during the course of his testimony, as aforesaid, was calculated to and did disrupt and delay the inquiry being conducted at the hearings, did prevent and obstruct the discharge of the committee's legislative duty in conducting the hearings, and as a result of said George T. Starkovich's conduct as aforesaid, your committee was prevented from receiving pertinent testimony and information concerning matters committed to said committee in accordance with the terms of the subpena served upon the said George Tony Starkovich. He testified June 15, 1954, in Seattle, Wash.

Mr. VELDE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

PROCEEDINGS AGAINST THOMAS G. MOORE

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2460).

The Clerk read as follows:

PROCEEDINGS AGAINST THOMAS G. MOORE

Mr. VELDE from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Thomas G. Moore, 5112 Southwest Maplewood Road, Portland, Oreg. The said subpena directed Thomas G. Moore to be and appear before said Committee on Un-American Activities, or a subcommittee thereof, of the House of Representatives of the United States, on June 18, 1954, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Thomas G. Moore is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to James A. Andrews, and/or United States Marshal Harold Sexton: You are hereby commanded to summon Thomas G. Moore to be and appear before the Committee on Un-American Activities or a subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in Judge McColloch's courtroom, sixth floor, Federal Building, Portland, Oreg., on Friday, June 18, 1954, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 10th day of May 1954.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by James A. Andrews, investigator, House of Representatives, who was duly authorized to serve the said subpena. The return of the service by the said James A. Andrews, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Thomas G. Moore before the Committee on Un-American Activities. Served on herein named person at his place of business located at Hubbard, Oreg. (Hubbard Feed & Supply Co.) on May 21, 1954, at 2:35 p. m.

"JAMES A. ANDREWS,
"Investigator, House of Representatives."

The said witness was not heard by the committee on the 18th day of June 1954, on which date the said witness was directed to appear, and at the close of the session on that day the chairman announced the committee would stand in recess until 10 o'clock on the following morning. Robert L. Kunzig, counsel for the committee, announced that subpenas for all witnesses who had not been reached that day would be continued until the following morning.

The said Thomas G. Moore, pursuant to said subpena and in compliance therewith, appeared before the said committee on June 19, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Thomas G. Moore, having appeared as a witness and having been asked questions, namely:

"And your present employment, Mr. Moore?

"Have you ever worked for the Federal Government, that is, been employed by the Federal Government in any capacity?

"Have you ever been in the armed services of the United States?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said Thomas G. Moore's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Thomas G. Moore.

The record of the proceedings before the committee on June 19, 1954, during which Thomas G. Moore refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Portland, Oreg., Saturday, June 19, 1954.

"PUBLIC SESSION

"The subcommittee of the Committee on Un-American Activities met, pursuant to call, at 10 a. m. on the sixth floor (Judge Claude McColloch's courtroom) of the United States courthouse, Hon. HAROLD H. VELDE (chairman) presiding.

"Committee members present: Representatives HAROLD H. VELDE (chairman) presiding, JAMES B. FRAZIER, JR.

* * * * *

"Mr. VELDE.[1] The subcommittee will be in order, please. Miss Reporter, you will let the record show that for the purposes of these hearings I have appointed a subcommittee consisting of Mr. FRAZIER, of Tennessee; Mr. DOYLE, of California, and myself, Mr. VELDE, of Illinois.

* * * * * *

"Mr. VELDE. In the testimony that you are about to give before this subcommittee do you solemnly swear that you will tell the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. MOORE. I do.

"Mr. KUNZIG. Would you state full name, please, sir?

"TESTIMONY OF THOMAS G. MOORE, ACCOMPANIED BY HIS ATTORNEY, LEO LEVENSON

"Mr. MOORE. My name is Thomas G. Moore.

"Mr. KUNZIG. Would counsel please state his name and address for the record?

"Mr. LEVENSON. Leo Levenson, Portland Trust Building, Portland 4, Oreg.

"Mr. KUNZIG. Mr. Moore, what is your present address, sir?

[1] Statement made at beginning of 2-day hearings, Friday, June 18, 1954.

"Mr. MOORE. 5112 Southwest Maplewood Road.

"Mr. KUNZIG. Is that Portland?

"Mr MOORE. Portland 19.

"Mr. KUNZIG. And your present employment, Mr. Moore?

"Mr. MOORE. May I confer with counsel?

"Mr. KUNZIG. Yes, sir, please do.

"(Witness confers with counsel.)

"Mr. MOORE. Mr. Kunzig, in order not to waste your time and that the record may be clear, I would like to advise that I do not wish to be compelled to testify against myself in any way, and therefore, since it is my privilege and my duty to invoke my right under the Constitution of the United States, I decline to answer that question under the fifth amendment to the Constitution of the United States guaranteeing that I shall not be compelled to be a witness against myself nor that I be deprived of liberty or property without due process of law, and secondly under the first amendment, as it is an invasion of rights guaranteed under the first amendment to the Constitution of the United States of freedom of speech, press, religion, and assembly.

"Mr. VELDE. Now, Mr. Moore, under the fifth amendment, you are given a privilege not to testify against yourself. It is a privilege against self-incrimination. Is there something about your employment that is incriminating?

"Mr. MOORE. May I confer with counsel?

"Mr. VELDE. Certainly.

"(Witness confers with counsel.)

"Mr. MOORE. Mr. VELDE, for the reasons heretofore given, I hereby decline under the provisions of the fifth amendment to not be a witness against myself.

"Mr. KUNZIG. I respectfully request, Mr. Chairman, that the witness be warned of the contempt possibilities inherent in his answer and that he be directed to answer the question.

"Mr. VELDE. Yes; there is no question about it, your employment is a matter which this committee can inquire about, legally inquire about, and you are, therefore, directed to answer the question as to your employment.

"(Witness confers with counsel.)

"Mr. MOORE. Mr. VELDE, I again decline under the constitutional guaranties accorded myself and all citizens in the fifth amendment to the Constitution of the United States guaranteeing that I shall not be compelled to be a witness against myself, and, secondly, I invoke my rights and privileges provided for under the 4th, 9th, 10th, and 14th amendments to the Constitution of the United States, and the Constitution of the State of Oregon respecting substantive and procedural due process, freedom of conscience, speech, assembly, and elections.

"Mr. KUNZIG. Mr. Moore, have you ever been a member of the Communist Party?

"Mr. MOORE. For the reasons that have been heretofore stated, Mr. Kunzig, I again invoke my rights under the fifth amendment and decline to answer the question, and also under the first amendment to the Constitution of the United States.

"Mr. KUNZIG. Are you now at this very moment a member of the Communist Party?

"Mr. MOORE. Mr. Kunzig, again I invoke my rights as a citizen of the United States and of the provisions of the fifth amendment. I decline to answer respectfully.

"Mr. KUNZIG. Mr. Moore, when we see what the Communist Party has done in Korea, when we realize what is going on in Indochina, when we see the problems all over the world today, it becomes of importance to the people of this country and of interest to your Congress just what this Communist conspiracy is and how extensive it is in the United States of America.

"Won't you, therefore, cooperate with a duly authorized committee of your Congress which has received unanimous votes every time the problem has come up involving this committee, backing this committee, and in giving the committee the power to ask these questions the Supreme Court has backed the committee and proven the power to ask these questions? Won't you, therefore, cooperate with this committee, duly constituted, and answer the questions, because we believe that you have knowledge about the Communist conspiracy? Won't you even answer the question: Are you a member of this Communist conspiracy at this moment as you sit in this courtroom?

"Mr. MOORE. May I confer with counsel?

"Mr. KUNZIG. Please do.

"(Witness confers with counsel.)

"Mr. MOORE. Mr. Kunzig, I decline to answer. It is clear that I do not understand the procedural tactics that you are using. Therefore, I have no alternative but to stand on my constitutional rights and invoke the fifth amendment, that I shall not be compelled to be a witness against myself and that I be deprived of liberty or property without due process of law.

"Mr. KUNZIG. Mr. Moore, isn't it a fact that in the spring of 1948 you attended a select Communist Party caucus meeting at the home of Kenneth Fitzgerald the purpose of which was to select candidates for nomination to the office of State legislator and it was at this meeting that Homer Owen, Robert Canon, and Mike Loring were selected as the party candidates for nomination to the office of State legislator? Isn't that a fact?

"Mr. MOORE. Mr. Kunzig, it appears that that is a continuing question of the same type. Therefore, I again respectfully decline to answer the question under the provisions afforded me by the fifth amendment.

"Mr. KUNZIG. Have you ever been employed as executive secretary of the Progressive Party in Portland?

"Mr. MOORE. Mr. Kunzig, I decline to answer the question as I do not wish to be compelled to testify against myself or to be in position to incriminate myself in any manner now or hereafter whatsoever. Therefore, I decline under the provisions of the fifth amendment and under the provisions of the first amendment.

Mr. KUNZIG. Well now, Mr. Moore, the Progressive Party was a duly constituted party on the ballot here. It was on the ballot in many States throughout the United States of America, if not all. Are you suggesting that to answer the question that you were a paid employee, the executive secretary of the Progressive Party, would in some way incriminate you? It is difficult to see how it could.

"Mr. MOORE. Mr. Kunzig, I am not suggesting, I am standing on my rights as a citizen that all citizens have the right under due process of law that they shall not be compelled to witness against themselves. I am not able to know when or where questions may lead or may not lead. I am not assuming or suggesting or insinuating to you that I am guilty because of my silence. I am invoking my constitutional right under the fifth amendment and the first amendment, if you please, sir.

"Mr. KUNZIG. Did you ever work for the Federal Government?

"Mr. MOORE. Again, Mr. Kunzig, I decline to answer.

"Mr. KUNZIG. Well now, don't tell me that it is a crime to work for the Federal Government. We're all working for it. Are you assuming that to work for the United States Government is a crime? Now the question is very simple. Did you ever work for the Federal Government?

"Mr. MOORE. Mr. Kunzig, since my employment, my conduct is a matter of public record for many years, I do not feel that at this point it would be of advantage for me to discuss it further inasmuch as it might be used as testimony against myself and since I am not, cannot be compelled to testify against myself, I decline to answer your question under the provisions of the fifth amendment, if you please, sir.

"Mr. VELDE. Mr. Moore, you say that your conduct is a matter of public record. Can you tell us where we can get that record?

"Mr. MOORE. May I confer with counsel?

"(Witness confers with counsel.)

"Mr. MOORE. Mr. VELDE, upon advice of counsel, I decline to answer the question under the protection afforded me by the fifth amendment and the first amendment.

"Mr. VELDE. I want to ask you again. Have you ever worked for the Federal Government; that is, been employed by the Federal Government in any capacity?

"Mr. MOORE. Mr. VELDE, I respectfully decline to answer under the provisions of the fifth and first amendments.

"Mr. VELDE. And you are directed to answer that question. Certainly it cannot be a crime to work for the Federal Government and you are therefore directed to answer the question.

"Mr. MOORE. May I confer with counsel?

"(Witness confers with counsel.)

"Mr. MOORE. Sir, I respectfully decline again to answer the question under the provisions of the fifth amendment, that I shall not be compelled to be a witness against myself, and under the provisions of the first amendment that all citizens are guaranteed that there shall be no invasion of their rights of freedom of speech, press, religion, and assembly.

"Mr. VELDE. Have you ever been in the armed services of the United States?

"Mr. MOORE. Mr. VELDE, I respectfully submit that I shall decline to answer that question under the constitutional protection afforded me under the fifth amendment.

"Mr. VELDE. And again you are directed to answer that question, Mr. Moore.

"Mr. MOORE. May I confer with counsel?

"(Witness confers with counsel.)

"Mr. MOORE. Upon advice of counsel I again continue to refuse to answer under the protection afforded me by the fifth amendment.

"Mr. KUNZIG. Now, Mr. Moore, you stated or suggested a few minutes ago that your life was an open book and your record was a public record that could be looked at. I somehow doubt that fact, and I would like to ask you this question. Were you ever—isn't it a fact that you were on the Oregon State legislative committee of the Communist Party through 1947 and 1948?

"Mr. MOORE. May I confer with counsel?

"(Witness confers with counsel.)

"Mr. MOORE. Mr. Kunzig, I respectfully decline to answer under the protection afforded by the first amendment and the fifth amendment, if you please, sir.

"Mr. KUNZIG. Since everything you've done has been an open book, do your neighbors have knowledge of the fact and did you tell your neighbors that you were on the Oregon State legislative committee of the Communist Party in 1947 and 1948?

"Mr. MOORE. Again, Mr. Kunzig, I decline to answer, the fifth and the first amendments.

"Mr. KUNZIG. Are you on the State committee of the Communist Party at the present time?

"Mr. MOORE. Mr. Kunzig, again I decline to answer under the protection of the fifth and the first amendments.

"Mr. KUNZIG. Mr. Chairman, I have no further questions.

"Mr. VELDE. Mr. Frazier?

"Mr. FRAZIER. No questions.

"Mr. VELDE. I have no further questions. It does appear to me to be a shame that a citizen of the United States cannot answer some of the most simple questions for a committee of the United States Congress. You're excused and dismissed."

Because of the foregoing the said Committee on Un-American Activities was deprived of answers to pertinent questions pro-

pounded to said Thomas G. Moore relative to the subject matter, which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions namely:

"And your present employment, Mr. Moore?

"Have you ever worked for the Federal Government, that is, been employed by the Federal Government in any capacity?

"Have you ever been in the armed services of the United States?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. JACKSON. Mr. Speaker, the résumé of this case follows:

E. IMPROPER USE OF FIFTH AMENDMENT

6. Thomas G. Moore, Portland, Oreg.: Refused to answer any questions concerning alleged Communist Party membership and activities. Refused to answer questions concerning his present employment, whether he ever worked for the Federal Government, and whether he was ever in the armed services of the United States. Stood on the fifth amendment in each instance. The committee felt that answering as to his present employment, whether he ever worked for the Federal Government, and whether he was ever in the armed services of the United States could not possibly incriminate him, and therefore that he used the fifth amendment improperly and illegally. Testified June 19, 1954, in Portland, Oreg.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 669) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Thomas G. Moore to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Oregon, to the end that the said Thomas G. Moore may be proceeded against in the manner and form provided by law.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST JOHN ROGERS MacKENZIE

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2461).

The clerk read as follows:

PROCEEDINGS AGAINST JOHN ROGERS MacKENZIE

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (p) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to John Rogers MacKenzie, at the Fred Meyer Store, located at 514 Southwest Sixth Avenue, Portland, Oreg. The said subpena directed John Rogers MacKenzie to be and appear before the said Committee on Un-American Activities of the House of Representatives, or a subcommittee thereof, in Judge McColloch's courtroom, sixth floor, Federal Building, Portland, Oreg., on Friday, June 18, 1954, at 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee and not to depart without leave of said committee. The subpena served upon said John Rogers MacKenzie is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to James A. Andrews, and/or United States Marshal Harold Sexton. You are hereby commanded to summon John MacKenzie to be and appear before the Committee on Un-American Activities or a subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE, is chairman, in Judge McColloch's courtroom, sixth floor, Federal Building, Portland, Oreg., on Friday, June 18, 1954, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 10th day of May 1954.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"LYLE O. SNADER,
"Clerk,
United States House of Representatives."

The said subpena was duly served, as appears by the return made thereon by James A. Andrews, investigator, House of Representatives, who was duly authorized to serve the said subpena. The return of the service by the said James A. Andrews, being endorsed thereon, is set forth in words and figures as follows:

"Served on herein-named person at his place of employment, Fred Meyer Store, located at 514 Southwest Sixth Avenue, Portland, Oreg., on May 19, 1954, 4:35 p. m.

"JAMES A. ANDREWS,
"Investigator, House of Representatives."

The said John Rogers MacKenzie, pursuant to said subpena and in compliance therewith, appeared before the said committee on June 18, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution No. 5 of the 83d Congress. The said John Rogers MacKenzie, having appeared as a witness and having been asked questions, namely:

"Mr. MacKenzie, what is your present residence?

"Mr. MacKenzie, where are you employed?

"Did you ever attend Reed College?

"What is your present age, sir?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of John Rogers MacKenzie's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said John Rogers MacKenzie.

The record of the proceedings before the committee on June 18, 1954, during which John Rogers MacKenzie refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Portland, Oreg., Friday, June 18, 1954.

"PUBLIC SESSION

"The subcommittee of the Committee on Un-American Activities met, pursuant to call, at 2:10 p. m. on the sixth floor (Judge Claude McColloch's courtroom) of the United States Courthouse, Hon. HAROLD H. VELDE (chairman) presiding.

"Committee members present: Representatives HAROLD H. VELDE (chairman) presiding, and JAMES B. FRAZIER, Jr.

"* * * * * *

"Mr. VELDE. The subcommittee will be in order, please. Miss Reporter, you will let the record show that for the purposes of these hearings I have appointed a subcommittee consisting of Mr. FRAZIER of Tennessee; Mr. DOYLE of California; and myself, Mr. VELDE of Illinois.[1]

* * * * * *

"Mr. VELDE. Will you raise your right hand and be sworn, please?

"In the testimony that you are about to give before this subcommittee, do you solemnly swear that you will tell the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. MACKENZIE. I do.

"Mr. VELDE. Will you be seated?

"Mr. KUNZIG. Would you give your full name please, sir?

"TESTIMONY OF JOHN MACKENZIE, ACCOMPANIED BY HIS ATTORNEY, IRVIN GOODMAN

"Mr. MACKENZIE. John MacKenzie.

"Mr. KUNZIG. Would you spell it please?

"Mr. MACKENZIE. M-a-c-K-e-n-z-i-e.

Mr. KUNZIG. I notice that you are accompanied by counsel. Would counsel please state his name and office address for the record?

"Mr. GOODMAN. My name is Irvin Goodman. My Portland address is Portland Trust Building. Telephone Atwater 7494.

"Mr. VELDE. Thank you, sir.

"Mr. KUNZIG. Mr. MacKenzie, what is your present residence?

"Mr. MACKENZIE. Mr. Chairman, I refuse to answer that question for the following reasons; on the grounds of the fifth amendment, I refuse to answer that question upon the grounds of the first and the fifth amendments.

"Mr. KUNZIG. I respectfully request, Mr. Chairman, that the witness be directed to answer the question as to what is his residence.

"Mr. VELDE. Yes, again that is a simple question, one that you can understand, one that this committee is entitled to ask under the law, and you are, therefore, directed to answer the question.

"Mr. MACKENZIE. Mr. Chairman, I respectfully submit I decline to answer that question on the same grounds.

"Mr. KUNZIG. Mr. Reporter, in order to be absolutely certain because of the possibility of a contempt citation here of the question would you go back and repeat the question as I asked it first before the direction of the chairman that the man should answer the question. I want to be sure that I used the same words.

"(The question is repeated as follows:)

"'Mr. MacKenzie, what is you present residence?'

"Mr. KUNZIG. The question was, 'What is your present residence?' You then refused to answer and in order that the same exact works may be asked again, Mr. Chairman, I respectfully ask again that the witness be directed to answer the question: What is your residence, your present residence?

"Mr. MACKENZIE. Mr. Counsel, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. KUNZIG. Would you so direct the witness, Mr. Chairman, please?

[1] Statement made at beginning of 2-day hearings, Friday, June 18, 1954.

"Mr. VELDE. Yes; you are directed to answer that question as to your residence.

"Mr. MACKENZIE. Mr. Chairman, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. KUNZIG. Mr. MacKenzie, where are you employed?

"Mr. MACKENZIE. Mr. Counsel, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. VELDE. You are directed to answer that question. Again this committee certainly has the legal right to determine your legal employment.

"Mr. MACKENZIE. Mr. Chairman, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. KUNZIG. Were you ever a member of the John Reed Club of the Communist Party?

"Mr. MACKENZIE. Mr. Counsel, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. KUNZIG. Did you ever attend Reed College?

"Mr. MACKENZIE. I refuse to answer that question on the grounds of the fifth amendment.

"Mr. KUNZIG. Mr. Chairman, I didn't know that it was incriminating to attend Reed College.

"I, therefore, respectfully request that the witness be directed to answer the question.

"Mr. VELDE. Yes; the witness is directed to answer that question.

"Mr. MACKENZIE. Mr. Chairman, if I may, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. VELDE. I want to say right here, I would like to make this statement, that as far as Reed College is concerned, let there be no inference of disloyalty on the part of any of the professors or students at Reed University unless there is actual evidence presented here concerning subversive influences. The fact that there might be some Communists on the campus at the Reed University is no different from any other educational institution in the country. I therefore, want it particularly known that people in this community and elsewhere should not draw any unreasonable inferences of disloyalty on the part of Reed University generally.

"We are interested, as I said before, in uncovering communistic activities, subversive activities, wherever they might be found and we will continue along that line. We are not investigating education by any stretch of the imagination in any way.

"Proceed, Mr. Counsel.

"Mr. KUNZIG. What is your present age, sir?

"Mr. MACKENZIE. Mr. Counsel, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. KUNZIG. Mr. Chairman, I respectfully request that the witness be directed to answer the question as to his age.

"Mr. VELDE. Certainly you are directed to answer the question as to your present age.

"Mr. MACKENZIE. Mr. Chairman, I refuse to answer the question on the grounds of the fifth amendment.

"Mr. VELDE. You're just not going to answer any questions, are you?

"Mr. MACKENZIE. Mr. Chairman, if you'll ask the questions I will give my answers.

"Mr. VELDE. If I ask the questions, you'll what?

"Mr. MACKENZIE. Give my answers.

"Mr. VELDE. Well, all right, I will. Have you ever been a member of the Communist Party?

"Mr. MACKENZIE. Mr. Chairman, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. VELDE. Now you just got through telling me that you would, if I'd ask you the questions you would answer them. Now you refuse to answer them. Go ahead Mr. Counsel.

"Mr. KUNZIG. Isn't it a fact, Mr. MacKenzie, that Communist Party meetings were held in your home?

"Mr. MACKENZIE. Mr. Chairman, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. KUNZIG. Mr. MacKenzie, isn't it a fact that you have been a member of the Communist Party within the knowledge of this committee to at least February of 1954?

"Mr. MACKENZIE. Mr. Chairman, I refuse to answer that question on the grounds of the fifth amendment.

"Mr. KUNZIG. Mr. Chairman, I have no further questions to ask of this witness.

"Mr. VELDE. Do you have any questions Mr. FRAZIER?

"Mr. FRAZIER. No questions.

"Mr. VELDE. I have no further questions and the witness is discharged. I would like to make a statement that the witnesses here who appear to be in legal contempt of this committee, their testimony will be studied by this committee later on. At the present time we do not have a quorum of the full committee here, we do not have the time otherwise to make a study of this testimony and it will have to be in executive session at a later date. However, I must say that in my opinion, my humble opinion, there certainly has been contempt of this congressional committee and contempt of Congress performed here today.

"Mr. KUNZIG. Mr. Chairman, just so that the record is clear, I want to record to show—you just mentioned there wasn't a quorum of the full committee and I want that to be clearly understood. There is, of course, a quorum of the subcommittee.

"Mr. VELDE. Yes; certainly, that is the case. The recommendation has to be made by a quorum of the full committee after being submitted by a quorum of the subcommittee which is present here.

"Do you have anything more for today, Mr. Counsel?

"Mr. KUNZIG. No, Mr. Chairman; except for the fact that you have already stated. We will study the MacKenzie and Dyhr cases which are clear contempt matters."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said John Rogers MacKenzie, relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. MacKenzie, what is your present residence?

"Mr. MacKenzie, where are you employed?

"Did you ever attend Reed College?

"What is your present age, sir?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. JACKSON. Mr. Speaker, the résumé of this case follows:

7. John Rogers MacKenzie, Portland, Oreg.: Refused to answer any questions concerning alleged Communist Party membership and activities. Refused to give the committee his present residence; refused to state where he was now employed; refused to answer whether he ever attended Reed College; and refused to give his present age. Stood on the fifth amendment in each instance. The committee felt that stating his residence, and whether he ever attended Reed College and his age, could not possibly incriminate him, and therefore that he used the fifth amendment improperly and illegally. Testified June 18, 1954, in Portland, Oreg.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 670) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of John Rogers MacKenzie to answer questions before the said Committee on Un-American Activities, together with all the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the district of Oregon to the end that the said John Rogers MacKenzie may be proceeded against in the manner and form provided by law.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST DONALD M. WOLLAM

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2462).

The Clerk read as follows:

PROCEEDINGS AGAINST DONALD M. WOLLAM

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Donald M. Wollam, Eastern-Western Dock, Portland, Oreg. The said subpena directed Donald M. Wollam to be and appear before said Committee on Un-American Activities or a subcommittee thereof of the House of Representatives of the United States on June 18, 1954, at the hour of 10: 30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Donald M. Wollam is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to James A. Andrews and/or United States Marshal Harold Sexton: You are hereby commanded to summon Donald Wollam to be and appear before the Committee on Un-American Activities or a subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in Judge McColloch's courtroom, sixth floor, Federal Building, Portland, Oreg., on Friday, June 18, 1954, at the hour of 10:30 a. m. then and there to testify touching matters of inquiry committed to said committee, and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 10th day of May 1954.

"HAROLD H. VELDE,
"Chairman.

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Frank L. Meyer, deputy for Harold Sexton, United States marshal, who was duly authorized to

serve the said subpena. The return of the service by the said Frank L. Meyer, being endorsed thereon, is set forth in words and figures, as follows:

"Served Donald M. Wollam in person on May 27, 1954, at the Eastern-Western Dock, Portland, Oreg.

"HAROLD SEXTON,
"*United States Marshal.*
"By FRANK L. MEYER, *Deputy.*"

The said witness was not heard by the committee on the 18th day of June 1954, on which date the said witness was directed to appear, and at the close of the session on that day the chairman announced the committee would stand in recess until 10 o'clock on the following morning. Robert L. Kunzig, counsel for the committee, announced that subpenas for all witnesses who had not been reached would be continued until the following morning.

The said Donald M. Wollam, pursuant to said subpena and in compliance therewith, appeared before the said committee on June 19, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Donald M. Wollam, having appeared as a witness and having been asked questions, namely:

"Mr. Wollman, what is your present address, sir?

"Now, Mr. Wollman, what is your present employment?

"Did you ever attend elementary school, and if so where?

"Did you ever attend high school, Mr. Wollam?

"Now did you ever attend college, Mr. Wollam"?

Which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of Donald M. Wollam's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Donald M. Wollam.

The record of the proceedings before the committee on June 19, 1954, during which Donald M. Wollam refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"*Portland, Oreg.,*
"*Saturday, June 19, 1954.*

"PUBLIC SESSION

"The subcommittee of the Committee on Un-American Activities met, pursuant to call, at 1:40 p. m. on the sixth floor (Judge Claude McColloch's courtroom) of the United States Courthouse, Hon. HAROLD H. VELDE, (chairman) presiding.

"Committee members present: Representatives HAROLD H. VELDE (chairman) presiding and JAMES B. FRAZIER, JR.

"Mr. VELDE. The subcommittee will be in order, please. Miss Reporter, you will let the record show that for the purpose of these hearings I have appointed a subcommittee consisting of Mr. FRAZIER of Tennessee; Mr. DOYLE of California; and myself, Mr. VELDE of Illinois.[1]

"Mr. KUNZIG. Don Wollam.

"Mr. VELDE. Will you raise your right hand and be sworn, please?

"In the testimony that you are about to give before this subcommittee do you solemnly swear that you will tell the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. WOLLAM. I do.

"Mr. KUNZIG. Would you state your full name, please, Mr. Wollam?

"TESTIMONY OF DONALD M. WOLLAM, ACCOMPANIED BY HIS ATTORNEY, IRVIN GOODMAN

"Mr. WOLLAM. My name is Donald M. Wollam. W-o-l-l-a-m.

"Mr. KUNZIG. Would counsel please state his name and office address for the record?

"Mr. GOODMAN. My name is Irvin Goodman, Portland Trust Building, city.

"Mr. KUNZIG. Thank you, Mr. Goodman. Mr. Wollam, what is your present address, sir?

"Mr. WOLLAM. Mr. Kunzig, I refuse to answer that question on the first, under the fourth amendment because I believe that counsel is aware that people who have given their address over this microphone both here and in Seattle have had their homes threatened. I have a wife and family at home who I don't propose to put in jeopardy because of any action I may take here.

"Mr. KUNZIG. Just shorten it up.

"Mr. VELDE. You may state your legal grounds.

"Mr. WOLLAM. I don't like your question, Mr. Kunzig, and I will certainly not surrender to you any right that I may have to——

"Mr. VELDE. You may state your legal grounds, young man, but we're not going to listen to another tirade. Do you have contempt in your heart, when you approach the witness stand—do you have contempt in your heart for this committee of your United States Congress?

"Mr. WOLLAM. I refuse to answer that question on the grounds of the fifth amendment, the decision of United States judge, James Alger Fee, in the case of United States versus——

"Mr. VELDE. It is apparent that this witness is trying to filibuster. We just can't have that, as I pointed out the other day.

"Mr. KUNZIG. Mr. Chairman, I respectfully request, in order that the record may be clear and that the witness be warned that there is possible contempt here that he be directed to answer the question as to, that I have just asked, as to his address.

"Mr. VELDE. Yes. You are certainly directed to answer that question.

"Mr. WOLLAM. Mr. Chairman, I ask to continue my reasons for not answering that question.

"Mr. VELDE. You have already stated sufficiently the grounds. Now do you refuse to answer?

"Mr. WOLLAM. I have only stated the fourth amendment.

"Mr. VELDE. Do you refuse to answer upon direction the question as to your address?

"Mr. WOLLAM. I do refuse to answer that question. First on the grounds that I have just stated under the fourth amendment to the Constitution. Secondly I refuse to answer again on the grounds that I have just stated regarding the Alger Fee decision. I refuse to further answer that question under the 1st, the 5th, the 9th, and the 14th amendments to the Constitution of the United States and any other sections of the Constitution that may apply, and also the constitution of the State of Oregon.

"Now this may be funny to you, Mr. Kunzig.

"Mr. KUNZIG. It is not funny.

"Mr. VELDE. It is very, very serious.

"Mr. KUNZIG. It is very, very serious.

"Mr. VELDE. You are the one who is taking this as being funny.

"Mr. WOLLAM. I certainly have no intentions——

"Mr. KUNZIG. You will understand now, Mr. Wollam, so that your filibustering may be cut off, we will understand and make sure that your rights are protected. Any time that you refuse to answer that it is on the grounds of the fifth amendment.

"Now, Mr. Wollam, what is your present employment? I am asking that question very seriously.

"Mr. WOLLAM. And I will give you a very serious answer.

"Mr. KUNZIG. Thank you.

"Mr. WOLLAM. Mr. Kunzig, I refuse to answer it not just on the fifth amendment, as you stated that you would understand my refusals would be based upon, but upon all of the grounds that I have previously stated.

"Mr. KUNZIG. All right. Mr. Chairman, may I ask you to please direct the witness to answer the question as to where he is presently employed.

"Mr. VELDE. Yes, you are directed to answer the question as to your employment at the present time.

"Mr. WOLLAM. I refuse to answer the question upon the grounds of the first and fifth amendment to the Constitution of the United States pursuant to article I, section 10, Constitution of Oregon, which provides in part that every man shall have——

"Mr. VELDE. Isn't your refusal——

"Mr. WOLLAM (continuing). Remedy by due course of law for injury done him——

"Mr. VELDE. Will the witness listen to me for just a minute? Is your refusal to answer based upon the same reasons that you gave before? Is that right?

"Mr. WOLLAM. My refusal to answer is based upon the reason that I just gave plus all else that I have plead here, and I beg leave, Mr. Chairman, I beg leave——

"Mr. VELDE. All right, proceed, Mr. Counsel.

"Mr. KUNZIG. Now Mr. Wollam, the next question is as follows: Did you ever attend elementary school and if so where?

"(Witness confers with counsel.)

"Mr. WOLLAM. Mr. Chairman, in the dissenting opinions of Justices Douglas, Black, and Frankfurter the line of demarcation——

"Mr. VELDE. Young man, we are not going to listen to a long diatribe or a lot of advice on what the law is, as far as the Supreme Court decisions are concerned. Either answer the questions or refuse to answer. I will say this, that if you will answer the questions as put to you by our counsel, then you might have the opportunity to go ahead and explain the law or anything that you want to, but you must first of all give us the courtesy of giving us an answer. By that I mean an answer of "Yes" or "No."

"Mr. WOLLAM. I have refused to answer the question, Mr. Chairman, and I ask you for the courtesy of being permitted to state my reasons.

"Mr. VELDE. You have stated the reasons.

"Mr. WOLLAM. I think these reasons are quite important. They are very important to me.

"Mr. VELDE. Will you proceed, Mr. Counsel?

"Mr. KUNZIG. Mr. Chairman, I think that we also ought to note that he was citing the dissenting opinion. This committee usually tries to follow the majority opinion of the Supreme Court.

"Now on the last question you have refused. Now let me ask you this. Mr. Chairman, I have forgotten the record. Have you directed him to answer the question as to whether he went to the elementary school or not?

"Mr. VELDE. No.

"Mr. KUNZIG. Would you please direct him?

"Mr. VELDE. You are directed to answer the question as to where you attended elementary school, or whether you attended elementary school.

"Mr. KUNZIG. The question was where you attended and where was the exact way that I put it.

"Mr. WOLLAM. Mr. Chairman, in view of the fact that I have no way of knowing at what time when I answer a question I will

[1] Statement made at beginning of 2-day hearings, Friday, June 18, 1954.

be waiving my rights to refuse to answer further questions that I know will follow from this committee, and since I have no intention of becoming a member of your stable of stool pigeons I am going to stand upon my constitutional rights and decline to answer the question upon the grounds of the first and fifth amendments and——

"Mr. VELDE. Now we are not going to listen to any more of this diatribe such as calling us a stable of stool pigeons. I am sure that your mother wouldn't appreciate your saying something like that and I am sure that the rest of the decent people in this area don't appreciate your making such wild and absurd and ridiculous statements, and so we are not going to listen to anything further.

"Counsel, do you have any other important questions that you want to ask this witness?

"Mr. KUNZIG. Just a few more, Mr. Chairman. I want this witness to have a full opportunity to answer these questions.

"Did you ever attend high school, Mr. Wollam?

"(Witness confers with counsel.)

"Mr. WOLLAM. As an overseas war veteran, Mr. Chairman, 11 months in German prison camp, I stand upon the Constitution of the United States, the same provisions that I cited earlier.

"Mr. KUNZIG. Now did you ever attend college, Mr. Wollam?

"Mr. Chairman, will you please direct the witness to answer that question?

"Mr. VELDE. Yes; you are directed to answer the question as to your—was it high school? Was that the last question?

"Mr. KUNZIG. Yes; high school. The question exactly as it appears in the record.

"Mr. WOLLAM. And I will again decline to answer and on the same grounds that I gave before. And I might add, Mr. Chairman, that if you are interested——

"Mr. KUNZIG. Did you ever attend college?

"Mr. WOLLAM. The same answer and the same reason.

"Mr. KUNZIG. I respectfully request that the witness be directed, Mr. Chairman, to answer the question.

"Mr. VELDE. Yes; you are directed to answer.

"Mr. WOLLAM. I refuse to answer. Mr. Chairman, same reason.

"Mr. KUNZIG. Now you said that you were an overseas veteran and you were in the Armed Forces of the United States. Were you in the Army, or the Navy, or in the Marines, or what?

"Mr. WOLLAM. I was in the Army.

"Mr. KUNZIG. And what was the highest rank or grade that you achieved?

"Mr. WOLLAM. Private, first class.

"Mr. KUNZIG. Private, first class. Now were you a member of the Communist Party when you were a private, first class, in the United States Army?

"(Witness confers with counsel.)

"Mr. WOLLAM. Will you repeat that question, please?

"Mr. KUNZIG. Would the reporter please repeat it?

"(The record was read by the reporter as follows:)

"'Now were you a member of the Communist Party when you were a private, first class, in the United States Army?'

"Mr. WOLLAM. I refuse to answer that question on the grounds of the fifth amendment and the decision of the United States Judge James Alger Fee in the case of the *United States* v. *Johnson* (76, supp. 538 of pp. 540 and 541). I also invoke the first, fourth, ninth——

"Mr. KUNZIG. We understand that you invoke those.

"Mr. WOLLAM (continuing). 10th, 14th, the whole works.

"Mr. KUNZIG. That is perfectly clear to us now and you know that it is perfectly clear and there is no necessity to say anything more.

"Now, have you ever been a member of the Communist Party?

"Mr. WOLLAM. I will answer all such inquiries as to my association with people, as to my religious or my political beliefs, or affiliations and so forth with these refusals and with these reasons. I don't feel that you have any right, and I again cite the decision of Judge James Alger Fee.

"Mr. KUNZIG. We understand that citation now. Now let me ask you, Are you now a member of the Communist Party?

"Mr. VELDE. Let the record show that counsel is pointing to what is apparently a prepared answer to that question and directing the witness to answer the questions according to certain printed material which he is holding before him.

"(Witness confers with counsel.)

"Mr. WOLLAM. I understand that I am allowed counsel even though counsel isn't permitted to address the committee. I can see no harm in his being of what small help you permit counsel to be at one of these hearings.

"I am going to refuse to answer that last question on the grounds that I just gave based on the grounds of the fifth amendment and the decision of Judge James Alger Fee in the case of *United States* v. *Johnson* (76, supp. 538, of pp. 540 and 541).

"Mr. KUNZIG. All right, I understand.

"Mr. WOLLAM. Also all the other——

"Mr. KUNZIG. Now we will go right on and let me ask you if it isn't true, and I repeat what you said a little earlier that we don't consider this to be funny at all, isn't it true that you are today—this very minute as you are sitting here in this courtroom of the United States Courthouse before the Congress of the United States of America—a section organizer of District 11 Committee of the State of Oregon Communist Party right now in 1954? Isn't that correct?

"Mr. WOLLAM. I refuse to answer that question on all the grounds I just gave, Mr. Chairman.

"Mr. KUNZIG. Mr. Wollam, have you ever been engaged in any espionage activities against the United States?

"(Witness confers with counsel.)

"Mr. WOLLAM. I consider that to be a trap question, Mr. KUNZIG, and I will give you the same answer that I have given you on all of the other questions that are in that line.

"Mr. KUNZIG. Now just let me refute something that you said a few moments earlier. This does not involve associations, personnel, friends, religious beliefs, any of those things that you have been talking about. This involves loyalty to the United States of America and your behavior with regard to espionage. Have you ever been involved in any espionage activities? I ask you once again.

"Mr. WOLLAM. Same question, same answer.

"Mr. KUNZIG. I think it is perfectly obvious the position of this witness, Mr. Chairman. No further questions.

"Mr. VELDE. Mr. FRAZIER.

"Mr. FRAZIER. No questions.

"Mr. VELDE. I must say that by your conduct here you have certainly destroyed my faith in you as a witness and you as an American citizen in refusing to give us any information whatsoever which might help us. With that you are excused from the witness stand and discharged from your subpena."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Donald M. Wollam relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. Wollam, what is your present address, sir?

"Now, Mr. Wollam, what is your present employment?

"Did you ever attend elementary school and if so where?

"Did you ever attend high school, Mr. Wollam?

"Now did you ever attend college, Mr. Wollam?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. JACKSON. Mr. Speaker, the résumé of this case follows:

8. Donald M. Wollam, Portland, Oreg.: Refused to answer any questions concerning alleged Communist Party membership and activities. Refused to give the committee his present address and his present employment. Refused to answer questions as to whether he ever attended elementary school, high school, or college. Stood on the fifth amendment in each instance. The committee felt that stating his address, his employment, and whether he attended elementary school, high school, or college could not possibly incriminate him, and therefore that he used the fifth amendment improperly and illegally. Testified June 19, 1954, in Portland, Oreg.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 671) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Donald M. Wollam to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the district of Oregon, to the end that the said Donald M. Wollam may be proceeded against in the manner and form provided by law.

The resolution was agreed to. A motion to reconsider was laid on the table.

PROCEEDINGS AGAINST HERBERT SIMPSON

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2463).

The Clerk read as follows:

PROCEEDINGS AGAINST HERBERT SIMPSON

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Herbert Simpson, United Truck Lines, Inc., 1519 Northwest Overton, Portland, Oreg. The said subpena directed Herbert Simpson to be and appear before said Committee on Un-American Activities, or a subcommitte thereof, of the House of Representatives of the United States on June 18, 1954, at the hour of 10:30 a. m.,

then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Herbert Simpson is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to James A. Andrews and/or United States Marshal Harold Sexton: You are hereby commanded to summon Herbert Simpson to be and appear before the Committee on Un-American Activities or a subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in Judge McCulloch's courtroom, sixth floor, Federal Building, Portland, Oreg., on Friday, June 18, 1954, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and seal of the House of Representatives of the United States, at the city of Washington, this 10th day of May 1954.

"HAROLD H. VELDE,
"Chairman.

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Frank L. Meyer, deputy for Harold Sexton, United States marshal, who was duly authorized to serve the said subpena. The return of the service by the said Frank L. Meyer, being endorsed thereon, is set forth in words and figures, as follows:

"Served Herbert Simpson in person on May 25, 1954, at United Truck Lines, Inc., 1519 Northwest Overton, Portland, Oreg.

"HAROLD SEXTON,
"United States Marshal.
"By FRANK L. MEYER,
"Deputy."

The said witness was not heard by the committee on the 18th day of June 1954, on which date the said witness was directed to appear, and at the close of the session on that day the chairman announced the committee would stand in recess until 10 o'clock on the following morning. Robert L. Kunzig, counsel for the committee, announced that subpenas for all witnesses not heard on that day would be continued until the following morning.

The said Herbert Simpson, pursuant to said subpena and in compliance therewith, appeared before the said committee on June 19, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Herbert Simpson, having appeared as a witness and having been asked questions, namely:

"Mr. Simpson, would you please state your residence?

"Isn't it a fact that you live at 9115 North Geneva, Portland, Oreg.?

"Where are you presently employed, Mr. Simpson?

"Would you give this committee, please, a brief résumé of your educational background?

"Now, Mr. Simpson, did you ever go to high school?

"Were you ever in the Armed Forces of the United States?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of said Herbert Simpson's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Herbert Simpson.

The record of the proceedings before the committee on June 19, 1954, during which Herbert Simpson refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Portland, Oreg., Saturday, June 19, 1954.

"PUBLIC SESSION

"The subcommittee of the Committee on Un-American Activities met, pursuant to call, at 10 a. m., on the sixth floor (Judge Claude McColloch's courtroom) of the United States Courthouse, Hon. HAROLD H. VELDE (chairman) presiding.

"Committee members present: Representatives HAROLD H. VELDE (chairman) presiding, and JAMES B. FRAZIER, JR.

(Following the testimony of other witnesses, the hearing continued with the testimony of Herbert Simpson.)

* * * * *

"Mr. VELDE. The subcommittee will be in order, please. Miss Reporter, you will let the record show that for the purposes of these hearings I have appointed a subcommittee consisting of Mr. FRAZIER of Tennessee; Mr. DOYLE of California; and myself, Mr. VELDE of Illinois.[1]

* * * * *

"Mr. KUNZIG. * * * Herbert Simpson.

"Mr. VELDE. Will you raise your right hand and be sworn, please?

"In the testimony that you are about to give this committee do you solemnly swear that you will tell the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. SIMPSON. I do.

"Mr. VELDE. Will you be seated?

"Mr. SIMPSON. I wish to also request without TV. I don't like to deprive the TV audience of this opportunity, but I am here under protest, and I feel that it is strictly a disadvantage. I have no right to cross-examine——

"Mr. VELDE. Well, now, would the TV cameras disturb you in your testimony? If we do turn the TV cameras off, if I direct that the TV cameras be turned off, will you then come forward and answer the questions that are put to you by counsel and by committee members?

"Mr. SIMPSON. I would say to that that I will answer them, protecting my rights, as you will soon know.

"Mr. VELDE. Under the rules of the committee on the request by any witness that he not be telecast, the Chair must regretfully ask the television cameras to desist in photographing or telecasting the witness himself.

"Mr. KUNZIG. Would you state your full name, sir?

"TESTIMONY OF HERBERT SIMPSON, ACCOMPANIED BY HIS ATTORNEY, REUBEN LENSKE

"Mr. SIMPSON. Herbert Simpson.

"Mr. KUNZIG. Go ahead and confer with your attorney if you wish.

"(Witness confers with counsel.)

"Mr. KUNZIG. Would counsel please state his name and office address for the record?

"Mr. LENSKE. Reuben Lenske, Lawyers' Building, Portland, Oreg.

"Mr. KUNZIG. Thank you, Mr. Lenske. Mr. Simpson, would you please state your residence?

"Mr. SIMPSON. I refuse to answer on the basis of the 1st, 5th, 9th, 10th, and 14th amendments of the Constitution of the United States.

"Mr. KUNZIG. Mr. Chairman, I respectfully request the witness be directed to answer this question.

"Mr. VELDE. Yes. Again let me say that the matter of your address is a matter which this committee has a right to inquire into, and I can see no reason how that could possibly incriminate you in any way, and you are directed to answer the question, Mr. Simpson.

"Mr. SIMPSON. I respectfully submit that I feel that this would be a violation of my rights under the Constitution. I decline to answer that question under the 1st, 5th, 9th, 10th, and 14th amendments of the Constitution of the United States.

"Mr. KUNZIG. Isn't it a fact that you live at 9115 North Geneva, Portland, Oreg.?

"Mr. SIMPSON. I decline to answer that question under the Constitution of the United States, articles 1, 9, 5, 10, and 14.

"Mr. KUNZIG. Mr. Chairman, I respectfully request that the witness be directed to answer that question.

"Mr. VELDE. Yes; again you are directed to answer the question.

"Mr. SIMPSON. I respectfully submit, Mr. VELDE, that I feel this would be a violation of my constitutional right under the Constitution of the United States, under articles 1, 5, 9, 10, and 14.

"Mr. KUNZIG. Where are you presently employed, Mr. Simpson?

"Mr. SIMPSON. I refuse to answer that question on the Constitution of the United States under articles 1, 5, 9, 10, and 14. If I may, I would like to read those articles.

"Mr. KUNZIG. We know those articles quite well, Mr. Simpson. I respectfully request that the witness be directed to answer the question.

"Mr. VELDE. Yes. Your employment is a matter of which this committee has the right and duty to inquire into, and can see no way in which it could possibly incriminate you, to give an honest answer to that question, so you are directed to answer the question, sir.

"Mr. SIMPSON. I respectfully submit, Mr. VELDE, that I refuse to answer that question under the Constitution of the United States under articles 1, 9, 5, 10, and 14.

"Mr. KUNZIG. Would you give this committee, please, a brief résumé of your educational background?

"Mr. SIMPSON. I refuse to answer that question under the Constitution of the United States under articles 1, 5, 9, 10, and 14.

"Mr. KUNZIG. I respectfully request that the witness be directed to answer that question, Mr. Chairman.

"Mr. VELDE. Yes; again you are directed to answer the question.

"Mr. SIMPSON. I respectfully submit that I refuse to answer that question under the grounds of the Constitution of the United States under articles 1, 5, 9, 10, and 14.

"Mr. KUNZIG. Now, Mr. Simpson, did you ever go to high school?

"Mr. SIMPSON. Mr. Kunzig, I respectfully submit that I refuse to answer that question under the Bill of Rights of the Constitution, specifically articles 1, 5, 9, and 10.

"Mr. KUNZIG. Mr. Chairman, warning the witness of the dangers of contempt and that the committee may well consider him in contempt, I respectfully submit that he be directed to answer that question.

"Mr. VELDE. Well of course, Mr. Kunzig, the witness has the advice of counsel and I see no duty upon our part to further advise him as to the possibility of contempt citations.

"Mr. SIMPSON. I would submit that my counsel is not able to cross examine any of the witnesses.

"Mr. VELDE. I do want to say that you are placing yourself in a very good place for contempt action by this committee and by the Congress of the United States.

"Mr. KUNZIG. Would you direct him please, Mr. Chairman, to answer that last question?

[1] Statement made at beginning of 2-day hearings, Friday, June 18, 1954.

"Mr. VELDE. Yes, you are directed to answer the last question. Do you remember the question, Mr. Kunzig?

"Mr. SIMPSON. It isn't necessary. My answer will be the same.

"Mr. KUNZIG. In other words, no matter what the question put to you this morning your answer will be that you refuse to answer on the grounds of the fifth amendment?

"Mr. SIMPSON. Is that a question?

"Mr. KUNZIG. It sounds like it to me.

"(Witness confers with counsel.)

"Mr. SIMPSON. Not necessarily so.

"Mr. KUNZIG. Not necessarily, all right. Then let me ask you this question: Were you ever chairman of the finance committee of the Communist Party for the State of Oregon?

"Mr. SIMPSON. I refuse to answer that question under the Constitution of the United States, articles 1, 5, 9, 10, and 14.

"Mr. KUNZIG. Were you ever chairman of the finance committee of the Communist Party for the city of Portland?

"Mr. SIMPSON. I refuse to answer that question under my rights under the Constitution of the United States, articles 1, 5, 9, 10, and 14.

"Mr. KUNZIG. Now isn't it a fact, Mr. Simpson, that you have been in the Communist Party for 15 years and that this very moment as you sit before this committee of your Congress that you are a member of the State committee of the Communist Party of Oregon?

"Mr. SIMPSON. I refuse to answer that question on the rights—on my rights under the Constitution of the United States, articles 1, 5, 9, 10, and 14.

"Mr. KUNZIG. Were you ever in the Armed Forces of the United States?

"Mr. SIMPSON. I refuse to answer that question under my rights under the Constitution of the United States under articles 1, 5, 9, 10, and 14.

"Mr. KUNZIG. Mr. Chairman, I cannot see how it possibly incriminates anyone to be in the Armed Force of the United States and, therefore, I respectfully request that this witness be directed to answer this question.

"Mr. VELDE. Yes, you are directed to answer the question, Mr. Witness.

"Mr. SIMPSON. I respectfully submit, Mr. Velde, that I refuse to answer that question under the Constitution of the United States, articles 1, 5, 9, 10, and 14.

"Mr. KUNZIG. I have no further questions, Mr. Chairman.

"Mr. VELDE. Do you have any questions, Mr. Frazier?

"Mr. SIMPSON. I would like to point out that these articles are amendments to the Constitution of the United States and are known, except for the 14th, are known as the Bill of Rights. They are contained in the Bill of Rights. Thank you.

"Mr. VELDE. Just a moment.

"Mr. KUNZIG. You are not finished yet.

"Mr. SIMPSON. I'm not in any hurry.

"Mr. FRAZIER. What is that printed paper that you have been referring to there and reading from?

"Mr. SIMPSON. I refuse to answer that question under my rights under the Constitution of the United States, articles 1, 5, 9, 10—Just a moment before I'm through answering.

"(Witness confers with counsel.)

"Mr. SIMPSON. Under advice of counsel, this is a copy, a very beautiful copy, of the Bill of Rights as provided in the 10 original amendments to the Constitution of the United States in force December 15, 1791.

"Mr. FRAZIER. And who furnished you that?

"Mr. SIMPSON. I refuse to answer that question under my rights under the Constitution of the United States, articles 1, 5, 9, 10, and 14.

"Mr. FRAZIER. Was it furnished to you by the Communist Party?

"Mr. SIMPSON. I refuse to answer that question under my rights under the Constitution of the United States, articles 1, 5, 9, 10, and 14.

"Mr. FRAZIER. That is all, Mr. Chairman.

"Mr. VELDE. I wonder if you realize, Mr. Simpson, that if the Communist conspiracy took over in this country that you wouldn't be allowed to bring that beautifully drawn up Bill of Rights and Constitution before a body of commissars in this country and do as you have done here today? I hope you realize that. Do you?

"Or do you believe that we would go right on in this country with the same United States Constitution, the same Bill of Rights, that we have lived under for so long if the Communist conspiracy took over?

"Mr. SIMPSON. I refuse to answer that question on my rights under the Constitution of the United States, articles 1, 5, 9, 10, and 14.

"Mr. VELDE. The witness is dismissed."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Herbert Simpson relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Mr. Simpson, would you please state your residence?

"Isn't it a fact that you live at 9115 North Geneva, Portland, Oreg.?

"Where are you presently employed, Mr. Simpson?

"Would you give this committee, please, a brief résumé of your educational background?

"Now, Mr. Simpson, did you ever go to high school?

"Were you ever in the Armed Forces of the United States?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. JACKSON. Mr. Speaker, the résumé of this case follows:

9. Herbert Simpson, Portland, Oreg.: Refused to answer any questions concerning alleged Communist Party membership and activities. Refused to answer questions concerning his residence and his present employment. Refused to give the committee any information concerning his educational background; whether he ever attended high school, and whether he was ever in the Armed Forces of the United States. Stood on the fifth amendment in each instance. The committee felt that stating his residence, his employment, or educational background, whether he attended high school and whether he was ever in the Armed Forces of the United States could not possibly incriminate him, and therefore that he used the fifth amendment improperly and illegally. Testified June 19, 1954, in Portland, Oreg.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 672) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Herbert Simpson to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the district of Oregon to the end that the said Herbert Simpson may be proceeded against in the manner and form provided by law.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST MRS. MILLIE MARKISON

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2464).

The Clerk read as follows:

PROCEEDINGS AGAINST MRS. MILLIE MARKISON

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Mrs. Millie Markison, 200 East Indian Spring Drive, Silver Spring, Md. The said subpena directed Mrs. Millie Markison to be and appear before said Committee on Un-American Activities or a duly authorized subcommittee thereof of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE, is chairman, on July 12, 1954, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Mrs. Millie Markison is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, To George C. Williams: You are hereby commanded to summon Millie Markison to be and appear before the Committee on Un-American Activities or a duly authorized subcommittee thereof of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber room 225–A Old House Office Building in the city of Washington, on Monday, July 12, 1954, at the hour of 10 a. m. then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 17th day of June 1954.

"HAROLD H. VELDE,
"Chairman.

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by George C. Williams, investigator, House of Representatives, who was duly authorized to serve the said subpena. The return of the service by the said George C. Williams, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Millie Markison before the Committee on Un-American Activities. Served at her home, 200 East Indian Spring Drive, Silver Spring, Md., at 1:40 p. m. on 6–21–54.

"GEORGE C. WILLIAMS,
"Investigator, House of Representatives."

On the 8th day of July 1954, the following night letter was sent to Mrs. Millie Marki-

son, which is set forth in words and figures as follows:

WASHINGTON, D. C., *July 8, 1954.*

MILLIE MARKISON,
200 East Indian Spring Drive,
Silver Spring, Md.:

Under continuing authority of the subpena served upon you on June 21, 1954, your appearance before the Committee on Un-American Activities is hereby postponed from July 12, 1954, to July 14, 1954, at 10 a. m. in room 225–A, Old House Office Building, Washington, D. C.

HAROLD H. VELDE, *Chairman.*

The said Mrs. Millie Markison, pursuant to said subpena and in compliance therewith, appeared before a subcommittee of the said committee on July 14, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Mrs. Millie Markison having appeared as a witness and having been asked questions, namely:

"Did you have any employment at all after your graduation from school, or were you a housewife during all the period of time to the present?

"Witness, have you ever been employed by the Government of the United States?

"Have you ever worked for any public agency of any kind?

"Have you ever served anywhere in any capacity as a teacher?

"Have you ever been employed by the Federal Government?

"I hand you this photostatic copy of a document marked 'Exhibit 1' [oath of office, affidavit, and declaration of appointee] for identification and ask you if it is your signature at the bottom of that document.

"Before I go further, I will hand you the document marked 'Exhibit 2' [letter from Mrs. Markison to Dr. Hansen] and ask you if that is your signature on that photostatic copy."

Which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of Mrs. Millie Markison's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Mrs. Millie Markison.

The record of the proceedings before the subcommittee of said committee on July 14, 1954, during which Mrs. Millie Markison refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE
COMMITTEE ON UN-
AMERICAN ACTIVITIES,
"Washington, D. C.,
"Wednesday, July 14, 1954.

"PUBLIC HEARING

"The subcommittee of the Committee on Un-American Activities met, pursuant to call, at 10:40 a. m., in the caucus room, 362 Old House Office Building, Hon. HAROLD H. VELDE (chairman), presiding.

"Committee members present: Representatives HAROLD H. VELDE, KIT CLARDY, GORDON H. SCHERER, FRANCIS E. WALTER, and CLYDE DOYLE.

* * * * *

"Mr. VELDE. Let the record show that present are Mr. WALTER, Mr. CLARDY, Mr. SCHERER, and myself, and I appoint a subcommittee consisting of those present for the purposes of this hearing.

* * * * *

"Mr. KUNZIG. Millie Markison.

"Mr. VELDE. Will you raise your right hand to be sworn? In the testimony you are about to give before this subcommittee do you solemnly swear you will tell the truth, the whole truth, and nothing but the truth, so help you God?

"Mrs. MARKISON. I do.

"Mr. KUNZIG. Would you give your full name, please?

"TESTIMONY OF MILLIE MARKISON, ACCOMPANIED BY HER COUNSEL, CHARLES E. FORD

"Mrs. MARKISON. Mrs. Millie Markison.

"Mr. KUNZIG. Mrs. Markison, I see you are accompanied by counsel. Will counsel once again state his name and office for the record?

"Mr. FORD. Charles E. Ford, Columbian Building, 416 Fifth Street NW., Washington, D. C.

"Mr. KUNZIG. What is your present address, Mrs. Markison?

"Mrs. MARKISON. 200 East Indian Spring Drive in Silver Spring, Md.

"Mr. KUNZIG. How long have you lived there?

"Mrs. MARKISON. About 5 months.

"Mr. KUNZIG. Where did you live prior to that time?

"Mrs. MARKISON. 1802 Brisbane Street, Silver Spring.

"Mr. KUNZIG. How long did you live there?

"Mrs. MARKISON. Five years.

"Mr. KUNZIG. Five years. Are you married?

"Mrs. MARKISON. Yes, I am.

"Mr. KUNZIG. What is your husband's name?

"Mrs. MARKISON. Charles.

"Mr. KUNZIG. Charles Markison?

"Mrs. MARKISON. Yes.

"Mr. KUNZIG. Are you employed?

"Mrs. MARKISON. No; I am a housewife.

"Mr. KUNZIG. Would you give the committee a brief résumé of your educational background?

"Mrs. MARKISON. Elementary school, high school, and college.

"Mr. KUNZIG. Where did you go to college?

"Mrs. MARKISON. In Washington, D. C., in Wilson Teachers College.

"Mr. KUNZIG. You graduated in what year?

"Mrs. MARKISON. 1940.

"Mr. KUNZIG. Did you ever take the teachers' examination in the District of Columbia?

"Mrs. MARKISON. Yes; I did.

"Mr. KUNZIG. Did you pass it?

"Mrs. MARKISON. Yes.

"Mr. KUNZIG. Were you placed on the list?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"(Representative GORDON H. SCHERER left the hearing room at this point.)

"Mrs. MARKISON. No. I did not teach school.

"Mr. KUNZIG. That was not the question. The question was, Were you placed on the list? I know you did not teach school here.

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. Since I passed, I assume I was placed on the list. I have no personal knowledge of whether I was or not.

"Mr. KUNZIG. You never asked, then, for employment in the sense of an assignment as a teacher?

"Mrs. MARKISON. No; I did not.

"Mr. KUNZIG. Now, when and where were you born?

"Mrs. MARKISON. In Philadelphia, Pa., August 4, 1918.

"Mr. CLARDY. Philadelphia, you say?

"Mrs. MARKISON. Yes.

"Mr. KUNZIG. Did you have any employment at all after your graduation from school, or were you a housewife during all the period of time to the present?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. Yes; I have had employment.

"Mr. KUNZIG. What was the employment?

"Mrs. MARKISON. I refuse to answer that under the protection afforded me by the fifth amendment.

"Mr. KUNZIG. Now, are you telling us that your employment in the District of Columbia was something which would incriminate you, Mrs. Markison?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that on the previous grounds.

"Mr. VELDE. You are directed to answer the question. I can see no way that giving us the benefit of the knowledge that you have relative to your employment could possibly incriminate you, and you are directed to answer the question.

"Mrs. MARKISON. I refuse to answer that on the grounds of the protection afforded me by the fifth amendment.

"Mr. VELDE. Is there something criminal about your employment at the present time?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I also refuse to answer that on the previous grounds stated.

"Mr. VELDE. Do you mean to tell me—as I understand it the fifth amendment guarantees you the privilege against self-incrimination in criminal cases—do you mean to tell me that you are unwilling to answer the question relative to your employment because it is of a criminal nature?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that question on the grounds that it might tend to incriminate me.

"Mr. CLARDY. May I inquire of counsel, Mr. Chairman, do you have any knowledge as to her present employment?

"Mr. KUNZIG. I believe she said she was not presently employed. There is no question on immediate present employment. The question is, Mr. CLARDY, what employment she has had in the period since she got out of school, to the present time, and it is that she refused to answer, as I recall.

"Mr. CLARDY. Do you have any knowledge as to whether she has ever been on the Government payroll in any capacity?

"Mr. KUNZIG. I have no testimony or knowledge to that effect. No, Mr. CLARDY.

"Mr. CLARDY. I would like to inquire about that, if I may.

"Mr. VELDE. Proceed.

"Mr. CLARDY. Witness, have you ever been employed by the Government of the United States?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the grounds of the fifth amendment.

"Mr. KUNZIG. Mr. Chairman, I ask she be directed. She can't possibly be incriminated by answering that question.

"Mr. VELDE. Yes. You are directed to answer that question.

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the fifth amendment.

"Mr. CLARDY. Are you refusing to answer on the grounds that you were in the employ of the Government and that that would in itself incriminate you?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse on the previous grounds.

"Mr. CLARDY. Have you ever worked for any public agency of any kind?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the protection afforded me by the fifth amendment.

"Mr. CLARDY. You were supposed to have taken a teachers' examination. Have you ever served anywhere in any capacity as a teacher?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that on the grounds of the fifth amendment.

"Mr. CLARDY. I ask she be directed to answer that question.

"Mr. VELDE. Yes. You are directed to answer that.

"Mrs. MARKISON. I refuse to answer the question on the same grounds as I previously stated.

"Mr. CLARDY. That is all.

"Mr. KUNZIG. In order that the record may be clear and absolutely clear, I should like to ask again this question: Have you ever been employed by the Federal Government? That is all I am asking. Just have you ever been employed by the Federal Government?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the protection afforded me by the fifth amendment.

"Mr. KUNZIG. Mr. Chairman, I ask that the witness be directed to answer that exact question.

"Mr. VELDE. Yes. You are directed to answer the question.

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the grounds of the fifth amendment.

"Mr. KUNZIG. Mrs. Markison, the testimony of Mrs. Mary Stalcup Markward before this committee is as follows:

" 'Mr. OWENS. The next club listed is the Northeast Club. Can you identify for the committee the individuals whom you knew to be Communist Party members of Washington, D. C., assigned to this club?

" 'Mrs. MARKWARD. I was chairman of the Northeast Club when it was reorganized in 1945, for a while, until my citywide duties became such that I could not continue this activity. Eugene Robbins took over the chairmanship when I left. Various other members have held this post since that time.

" 'Emma Robinson, a practical nurse, was a member.

" 'Betty Secundy, an electrician with the Nathan Brisker Electric Co., was a member.

" 'Millie Markison was a member.'

"I now ask you, have you ever been a member of the Communist Party?

"Mrs. MARKISON. I refuse to answer that question on the grounds afforded me by the fifth amendment.

"Mr. KUNZIG. Were you ever a member of the Northeast Club of the Communist Party of the District of Columbia?

"Mrs. MARKISON. I refuse to answer that on the same grounds I have already stated.

"Mr. KUNZIG. Are you now a member of the Communist Party?

"Mrs. MARKISON. I refuse to answer that under the protection afforded me by the fifth amendment.

"Mr. KUNZIG. I have here a photostatic copy of the oath of office and affidavit and declaration of appointee, as it says at the top, District Government, Public Schools. It says Benning School Division 6 (Prob.). Later it says: 'Appointed and went on leave 9/1/44.' Signed, Millie K. Markison, 12th day of September 1944.

"The affidavit says:

" 'I, Millie K. Markison, do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God.

" 'I do further swear (or affirm) that I do not advocate, nor am I a member of any political party or organization that advocates, the overthrow of the Government of the United States by force or violence; and that during such time as I am an employee of the District of Columbia, I will not advocate nor become a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence.'

"Let me ask you, Have you ever been a member of any political party or organization that advocates the overthrow of the Government of the United States by force or violence?

"Mrs. MARKISON. I refuse to answer that under the protection afforded me by the fifth amendment.

"Mr. KUNZIG. I hand you this photostatic copy of a document marked 'Exhibit 1' for identification and ask you if it is your signature at the bottom of that document.

"('Oath of Office, Affidavit and Declaration of Appointee' was so marked 'Markison Exhibit No. 1' for identification.)

"Mrs. MARKISON. I refuse to answer that under the protection afforded me by the fifth amendment.

"Mr. CLARDY. I ask she be directed to answer that.

"Mr. VELDE. I am sorry.

"Mr. CLARDY. I ask she be directed to answer as to her signature on the bottom of the document.

"Mr. VELDE. Yes. You are directed to answer.

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the grounds afforded me by the fifth amendment.

"Mr. KUNZIG. Mrs. Markison, were you a member of the Communist Party when you signed this document for the District government public schools on the 12th day of September 1944?

"Mrs. MARKISON. I refuse to answer that on the basis of the protection afforded me by the fifth amendment.

"Mr. KUNZIG. It is a notarized document under oath, Mrs. Markison, and you swore here under oath to the Government here in Washington, D. C., that you were not a member of any group seeking to overthrow the Government of the United States by force or violence. Today, when asked the same question, you refuse to answer.

"Did you tell the truth when you signed this document?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer under the protection afforded me by the fifth amendment.

"Mr. KUNZIG. Isn't it a fact, Mrs. Markison, at the very moment you signed this document for the public schools in this city—at that very moment when you swore you were not a member of any group seeking to overthrow the Government of the United States by force or violence, you were a member of the Communist Party?

"Mrs. MARKISON. I refuse to answer that on the basis already stated.

"Mr. KUNZIG. I have an interesting letter here dated October 23, 1951, which is exhibit 2 for identification, addressed to Dr. Carl Hansen, Superintendent, Elementary Schools, Franklin Administration Building, 13th and K Streets NW., Washington, D. C., from 1802 Brisbane Street, Silver Spring, Md.

"(Letter from Mrs. Markison to Dr. Hansen was so marked 'Exhibit No. 2' for identification.)

"Mr. KUNZIG. I believe you said you lived at 1802 Brisbane Street, Silver Spring, Md.

"Mrs. MARKISON. Yes.

"Mr. KUNZIG. Before I go further, I will hand you the document marked 'Exhibit 2' and ask you if that is your signature on that photosatic copy.

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the protection afforded me by the fifth amendment.

"Mr. KUNZIG. I ask that she be directed to answer that question, Mr. Chairman.

"Mr. VELDE. Yes. You are directed to answer the question.

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the grounds of the protection afforded me by the fifth amendment.

"Mr. KUNZIG. I am reading from this document marked 'Exhibit 2' for identification, Mrs. Markison, addressed to Dr. Carl Hansen.

" 'DEAR SIR: I wish to submit my resignation as teacher of the kindergarten-primary grades in the District schools.

" 'I have been granted maternity leave in September 1944, and had fully intended to teach within 3 years.

" 'I have three young children and I find it too difficult to work at present. However, it is my intention to again take the examination when my children are older. I hope I will be considered at that time for a teaching position.'

"My question is, Do you intend to teach in the District of Columbia schools, Mrs. Markison?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that on two grounds—the privilege under the fifth amendment and the privilege I have as a wife.

"Mr. CLARDY. I didn't catch that last.

"Mrs. MARKISON. The privilege I have as a wife.

"Mr. KUNZIG. I didn't know it was a privilege recognized by this committee. Is it a constitutional privilege, Mrs. Markison?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. Yes It is a privilege given to me by the law.

"Mr. KUNZIG. Let me ask you another question. Are you a member of the Communist Party now?

"Mrs. MARKISON. I refuse to answer that under the privileges accorded me by the fifth amendment.

"Mr. KUNZIG. I recommend, Mr. Chairman, that a certified copy of the record of this hearing be turned over to the school system of the District of Columbia immediately upon its being transcribed.

"Mr. VELDE. That will be done, Mr. Counsel.

"Mr. CLARDY. May I remark for the first time in a long time we have had a new ground advanced for refusal to answer.

"Mr. DOYLE. May I say this, Mr. Chairman? I heard the witness state she refused to answer on the grounds she was a wife. I want to ask for my own information is there any question involved here of the relationship of husband to wife in this case?

"Mr. KUNZIG. We didn't go into anything about husband and wife, Mr. Doyle.

"Mr. DOYLE. I didn't hear you.

"Mr. KUNZIG. No. Not the slightest. The question was whether she intends to teach school in the future, I believe.

"Mr. CLARDY. I wonder if that same privilege extends to a father.

"Mr. FORD. Yes, it does.

"Mr. VELDE. Let us get on.

"Mr. DOYLE. That is my only question.

"Mr. KUNZIG. I offer in evidence exhibits 1 and 2, which have already been mentioned here this morning.

"Mr. VELDE. Without objection, both exhibits 1 and 2 will be received in evidence.

"('Oath of office, affidavit, and declaration of Appointee,' previously marked 'Markison Exhibit No. 1' for identification, was received in evidence; letter from Mrs. Markison to Dr. Hansen, previously marked 'Markison Exhibit No. 2' for identification, was received in evidence.)

"Mr. KUNZIG. Did you ever live in Norfolk, Va.?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. Yes, I did.

"Mr. KUNZIG. When did you live in Norfolk, Va.?

"Mrs. MARKISON. I don't recall those dates.

"Mr. KUNZIG. Would it have been around 1943?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. It could have been, but I don't recall exactly.

"Mr. KUNZIG. Did you know Alice Burke, at one time State secretary of the Communist Party of the State of Virginia?

Mrs. MARKISON. I refuse to answer that under the rights accorded me under the fifth amendment.

"Mr. KUNZIG. What position did you hold in the Communist Party when you were in Norfolk?

"Mrs. MARKISON. I refuse to answer that under the privileges accorded me by the fifth amendment.

"Mr. KUNZIG. What was your address in Norfolk?

"(At this point Mrs. Markison conferred with Mr. Ford.)

"Mrs. MARKISON. I refuse to answer that under the rights accorded me by the fifth amendment.

"Mr. KUNZIG. Didn't you live at 209 Buckingham Circle?

"Mrs. MARKISON. I refuse to answer that on the grounds already cited.

"Mr. KUNZIG. Isn't it a fact that Communist Party meetings were held in your home in Norfolk, Va., at 209 Buckingham Circle, when you lived there?

"Mrs. MARKISON. I refuse to answer that on the grounds already cited under the fifth amendment.

"Mr. KUNZIG. Do you know Ray Pinkson?

"Mrs. MARKISON. I refuse to answer that on the grounds of the fifth amendment.

"Mr. KUNZIG. Isn't it a fact that he was a member of the Communist Party and you knew him to be such, and he was in attendance at these meetings in Norfolk?

"Mrs. MARKISON. I refuse to answer that under the rights accorded me by the fifth amendment.

"Mr. KUNZIG. I have no further questions, Mr. Chairman.

"Mr. CLARDY. No questions.

"Mr. WALTER. No questions.

"Mr. VELDE. The witness is dismissed."

Because of the foregoing the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to the said Mrs. Millie Markison relative to the subject matter, which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Did you have any employment at all after your graduation from school, or were you a housewife during all the period of time to the present?

"Witness, have you ever been employed by the Government of the United States?

"Have you ever worked for any public agency of any kind?

"Have you ever served anywhere in any capacity as a teacher?

"Have you ever been employed by the Federal Government?

"I hand you this photostatic copy of a document marked 'Exhibit 1' [oath of office, affidavit, and declaration of appointee] for identification and ask you if it is your signature at the bottom of that document.

"Before I go further, I will hand you the document marked 'Exhibit 2' [letter from Mrs. Markison to Dr. Hansen] and ask you if that is your signature on that photostatic copy."

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and her refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. JACKSON. Mr. Speaker, the résumé of this case follows:

10. Mrs. Millie Markison, Silver Spring, Md.: Refused to answer any questions concerning alleged Communist Party membership and activities. Refused to answer questions concerning her employment since graduation from high school; refused to answer whether she had ever been employed by the Government of the United States; refused to state whether she had ever served anywhere in a capacity as a teacher. Stood on the fifth amendment in each instance. The committee felt that stating her employment, whether she had ever worked for the Government of the United States, and whether she had ever served as a teacher could not possibly incriminate her, and therefore that she used the fifth amendment improperly and illegally. Testified July 14, 1954, in Washington, D. C.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 673) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Mrs. Millie Markison to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia to the end that the said Mrs. Millie Markison may be proceeded against in the manner and form provided by law.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST BENJAMIN F. KOCEL

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2465).

The Clerk read as follows:

PROCEEDINGS AGAINST BENJAMIN F. KOCEL

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Benjamin F. Kocel, 5856 Chene Street, Detroit, Mich. The said subpena directed Benjamin F. Kocel to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives, in their chamber, room 859, Federal Building, Detroit, Mich., on January 25, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. The subpena served upon said Benjamin F. Kocel is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, Detroit, Mich.: You are hereby commanded to summon Benjamin F. Kocel to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber, room 859, Federal Building, Detroit, Mich., on January 25, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 19th day of November 1953.

"HAROLD H. VELDE,
"Chairman.

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Joseph L. Wisniewski, United States marshal, by Court McDougall, deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service made by the said Joseph L. Wisniewski, United States marshal, by Court McDougall, deputy United States marshal, being endorsed thereon, is set forth in words and figures as follows:

"Served the herein-named Benjamin F. Kocel on the 15th day of December 1953, at 5856 Chene Street, Detroit, Mich., by delivering a copy of the subpena to him personally.

"JOSEPH L. WISNIEWSKI,
United States Marshal.
"By COURT MCDOUGALL,
"Deputy United States Marshal."

Successive telegrams were sent to Benjamin F. Kocel, by Hon. HAROLD H. VELDE, chairman of the Committee on Un-American Activities, postponing the date of his appearance before the Committee on Un-American Activities to May 4, 1954.

The said Benjamin F. Kocel, pursuant to said subpena and in compliance therewith, appeared before the said committee on May 4, 1954, to give testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress and under House Resolution 5 of the 83d Congress. The said Benjamin F. Kocel, having appeared as a witness, and having been asked the questions, namely:

"Will you tell the committee, please, what your formal educational training has been?

"Will you tell the committee, please, where you resided prior to 1939?

"You were, I believe, at that time (while a member of the U. S. Naval Reserve) at Northwestern University?

"Weren't you recalled to service in 1940?

"How long were you on duty after having been recalled to active service in the Navy?

"When did you again take up your residence in Detroit?

"What rank did you attain after being called to active service in the Navy?

"Did you attain the rank of lieutenant commander in the Navy?

"When did you cease to hold rank in the United States as a Reserve Corps officer in the United States Navy?

"It is a fact, is it not, that you were separated from the service on grounds other than honorable?

"Were you relieved of active service in the Navy in 1945?

"Were you given a loyalty hearing prior to your release from the Navy?

"That [Kocel] has not always been your name, has it?

"By what other name have you been known?

"What name did you go by at the time you were born?

"You had your name officially changed in the probate court of Wayne County, on August 20, 1940, didn't you?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of said Benjamin F. Kocel's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Benjamin F. Kocel.

The record of the proceedings before the committee on May 4, 1954, during which Benjamin F. Kocel refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Detroit, Mich., Tuesday, May 4, 1954.

"The Subcommittee of the Committee on Un-American Activities, consisting of Representatives KIT CLARDY (chairman), GORDON H. SCHERER, and MORGAN M. MOULDER, met pursuant to adjournment at 9:55 a. m., in room 859, Federal Building, Detroit, Mich."

"Committee members present: Representatives KIT CLARDY and GORDON H. SCHERER.

"After hearing the testimony of other witnesses, Benjamin F. Kocel was called as a witness.

"Mr. CLARDY. Call your next witness.

"Mr. TAVENNER. Mr. Benjamin F. Kocel.

"Mr. CLARDY. You do solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. KOCEL. I do.

"Mr. CLARDY. You may be seated. I see you have counsel with you. Will you identify yourself for the record?

"Mr. SIMMONS. My name is C. LeBron Simmons, Detroit, Mich.

"Mr. TAVENNER. What is your name?

"Mr. KOCEL. Ben Kocel.

"TESTIMONY OF BENJAMIN F. KOCEL, ACCOMPANIED BY HIS COUNSEL, C. L'BRON SIMMONS

"Mr. TAVENNER. Do you have a middle initial?

"Mr. KOCEL. I most certainly do; Francis, F.

"Mr. TAVENNER. When and where were you born, Mr. Kocel?

"Mr. KOCEL. In the town of Chicago Heights on the 13th of March 1916.

"Mr. TAVENNER. Where do you now reside?

"Mr. KOCEL. I reside in the great industrial center of Detroit.

"Mr. TAVENNER. How long have you resided in the great industrial center of Detroit?

"Mr. KOCEL. Since 1939, sir.

"Mr. TAVENNER. Will you tell the committee, please, what your formal educational training has been?

"Mr. KOCEL. I refuse to answer that question under the rights which are mine under the fifth amendment.

"Mr. CLARDY. The Chair directs that you answer that question.

"Mr. KOCEL. I would like to ask the committee what relevancy has this question to the hearing.

"Mr. CLARDY. The Chair has directed that you answer, sir. Either answer it or refuse as you may wish.

"Mr. KOCEL. I refuse. I invoke the fifth amendment and refuse to answer that question.

"Mr. CLARDY. I think I should advise you that in the opinion of this committee that is an improper invocation of that amendment. Ask the next question.

"Mr. KOCEL. I don't think it is an improper invocation of the fifth amendment.

"Mr. CLARDY. Never mind.

"Mr. KOCEL. The fifth amendment is intended to protect the innocent.

"Mr. CLARDY. Please be quiet.

"Mr. KOCEL. I am innocent.

"Mr. CLARDY. You have not yet been charged with anything, sir. Will you proceed?

"Mr. KOCEL. You are inferring incorrectly, sir.

"Mr. CLARDY. Witness, now please subside.

"Mr. KOCEL. I certainly will.

"Mr. CLARDY. May I point out to you, sir, that this committee is charged with a grave responsibility.

"Mr. KOCEL. That I am aware of.

"Mr. CLARDY. And we will not——

"Mr. KOCEL. I am very serious.

"Mr. CLARDY. Will you please subside, sir? We cannot, and we will not, as Representatives of the Congress of the United States, permit any disturbance of any kind to take place in this courtroom. If you will be courteous with us, we will be with you. We will not in any way attempt to compel you to do anything. You may answer or not as you see fit at your own risk, but from time to time the Chair may find it advisable to give you its opinion as to whether or not you are improperly invoking the fifth amendment if you do so.

"Mr. KOCEL. Did you say 'improperly' or 'properly'?

"Mr. CLARDY. You will be given all the time, Witness, so that you may not at any time claim that you were taken by surprise at anything that may eventuate from this proceeding.

"Will you ask the next question, Mr. Tavenner?

"Mr. TAVENNER. Will you tell the committee, please, where you resided prior to 1939?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. Same reasons that I stated previously, I invoke the fifth amendment and refuse to answer that question.

"Mr. SCHERER. Will you direct the witness——

"Mr. KOCEL. I don't see where it has any bearing in this hearing.

"Mr. CLARDY. I direct that the witness answer the question.

"Mr. KOCEL. I answered it.

"Mr. CLARDY. I am directing you to do so that the record may be complete.

"Mr. KOCEL. I invoke my rights under the fifth amendment and refuse to answer, sir.

"Mr. CLARDY. May I explain something to you and perhaps you will have a better understanding of why the request is made and why the Chair directs it. It has been the policy of this committee in laying the foundation for possible contempt actions to always ask the witness the question. If he refuses and we think improperly invokes the fifth amendment, we then give him one further opportunity by the Chair directing that it be answered. It is a formality, sir, that we must go through. There is no intention to be insulting to you or to imply anything whatever. We are merely trying to help you by giving you an opportunity.

"I have directed you, and I understand, to cut this short, that you have again refused; am I correct?

"Mr. KOCEL. Right.

"Mr. CLARDY. Very well. Proceed.

"Mr. TAVENNER. You have advised the committee as to the place of your residence since 1939, but you are unwilling to do so as to prior to that date; is that what I understand your position to be?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. I refuse to answer for the reasons previously stated.

"Mr. TAVENNER. Did you serve in the Armed Forces of the United States prior to 1939?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. I just want to get a little clear on that question. When you speak of the armed services, I was a midshipman in 1934, United States Naval Reserve, for 4 years. Is that considered being——

"Mr. TAVENNER. Surely. You say you went into the service in 1934. When did you come out?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. I received my commission in the United States Naval Reserve in 1938.

"Mr. CLARDY. You were, I believe, at that time at Northwestern University?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. I would just like to know how this question is material to the work of this committee.

"Mr. CLARDY. Witness, I must direct you to answer the question.

"Mr. KOCEL. I refuse to answer under the rights of the fifth amendment.

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. TAVENNER. You were in the service from 1934 to——

"Mr. CLARDY. Pardon, Mr. Tavenner. Witness, I wonder if you won't reconsider. Surely you do not want to leave the impression here that holding a Naval Reserve commission and admitting that you did and other things connected with it could in any way incriminate you, do you? And yet that is the nature of the objection you are raising.

"Mr. KOCEL. I would like to read what Judge Carrol C. Hincks of the circuit court of appeals said on April 9, 1954.

"Mr. CLARDY. No. May I point out we are more familiar with the law than you are. You are not an attorney.

"Mr. KOCEL. Oh, I don't know.

"Mr. CLARDY. As I understand it, it is your position that an admission connected with that, with the Naval Reserve, would incriminate you; am I correct in that?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. I refuse to be a witness against myself, and I don't see any need for any inference of guilt or of criminal proclivities when I resort to the fifth amendment.

"Mr. CLARDY. Very well. Proceed, Mr. Tavenner.

"Mr. TAVENNER. Going back and reviewing what you have testified to in order that we may understand it properly, I understand that you served as a midshipman from 1934 until 1938 when you were given a commission in the Naval Reserve. Now, were you recalled to service at a later date? In fact, weren't you recalled to service in 1940?

"(At this point, Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. Look, a lot of taxpayers' money is being wasted here. Same answer, same reasons.

"Mr. TAVENNER. You will not state whether or not you were recalled to service, active service, in 1940?

"Mr. KOCEL. Repeat the question.

"Mr. TAVENNER. I say, you are refusing to state whether or not you were recalled to service in 1940?

"Mr. KOCEL. I don't see what relevancy it has to these hearings here. I think it is just a waste of time.

"Mr. CLARDY. The Chair directs you to answer that question.

"Mr. KOCEL. I stated, same reasons, same answer.

"Mr. TAVENNER. How long were you on duty after having been recalled to active service in the Navy?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. Same reason, same answer.

"Mr. TAVENNER. When did you again take up your residence in Detroit?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. Same reason, same answer.

"Mr. SCHERER. I think we should keep this record correct and direct him to answer that question.

"Mr. CLARDY. Yes; I so direct. You are directed to answer that last question.

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. I invoke my rights under the fifth amendment and refuse to answer.

"Mr. TAVENNER. What rank did you attain after being called to active service in the Navy?

"Mr. KOCEL. I don't see what relevancy this line of questioning has on these hearings. I think there is a real problem here in Detroit. There are thousands of unemployed. I think the committee should be looking into this, not into what I did in 1940 or 1945.

"Mr. TAVENNER. Will you answer the question?

"Mr. CLARDY. Witness, will you please answer the question and not engage in argument with the committee?

"Mr. KOCEL. I invoke my rights under the fifth amendment and refuse to answer.

"Mr. SCHERER. I ask he be directed to answer that.

"Mr. CLARDY. I direct the witness to answer.

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. Same reasons, same answer.

"Mr. CLARDY. Proceed.

"Mr. KOCEL. Repeat the question.

"Mr. TAVENNER. Did you attain the rank of lieutenant commander in the Navy?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. Same reasons, same answer.

"Mr. CLARDY. I direct you to answer that question.

"Mr. KOCEL. I refuse to answer that question. I invoke my rights under the fifth amendment and no inference of guilt should be drawn from it.

"Mr. TAVENNER. When did you cease to hold rank in the United States as a Reserve Corps officer in the United States Navy?

"Mr. KOCEL. Same reasons, same answer.

"Mr. SCHERER. Would the reason be that your discharge was other than honorable that you refuse to answer?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. Same reason, same answer.

"Mr. TAVENNER. It is a fact, is it not, that you were separated from the service on grounds other than honorable?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. Same answer, same reasons.

"Mr. TAVENNER. Were you relieved of active service by the Navy in 1945?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. TAVENNER. Did you answer?

"Mr. KOCEL. I wondered whether you had completed your question or not.

"Mr. TAVENNER. Yes; I have.

"Mr. KOCEL. Would you mind repeating the question?

"Mr. CLARDY. Repeat the question, Miss Reporter.

"(The question was read by the reporter as follows: 'Were you relieved of active service by the Navy in 1945?')

"Mr. KOCEL. Same reason, same answer.

* * * * *

"Mr. TAVENNER. Yes, sir.

"Were you given a loyalty hearing prior to your release from the Navy?

"Mr. KOCEL. I refuse to answer. I invoke my rights under the fifth amendment which guarantees every citizen a right to refuse to answer without any inference being drawn as to his guilt or no guilt.

"Mr. SCHERER. It is hard not to draw an inference from your conduct, my man.

"Mr. KOCEL. What is that?

"Mr. SCHERER. It is hard not to draw an inference from your conduct.

"Mr. KOCEL. I am sorry, I didn't hear you. A little louder.

"Mr. CLARDY. Proceed, Mr. Tavenner, and pay no attention when this witness attempts to indulge in what he thinks is something very smart.

"Mr. KOCEL. I am a little hard of hearing.

"Mr. CLARDY. Will you please subside, sir, and answer the question?

"Mr. KOCEL. I suffered a bad ear as result of a bomb burst.

"Mr. CLARDY. Proceed, Mr. Tavenner. You are willing to talk about that, but not about anything else. Proceed, Mr. Tavenner.

"Mr. TAVENNER. Were you a member of the Communist Party, or had you been a member of the Communist Party at any time prior to the release of your commission by the Navy?

"Mr. KOCEL. I invoke the fifth amendment and refuse to answer that question.

"Mr. TAVENNER. Mr. Kocel——

"Mr. KOCEL. Kocel.

"Mr. TAVENNER. I beg your pardon.

"Mr. KOCEL. I insist on the correct——

"Mr. TAVENNER. Yes, sir; I want to make it correct.

"Mr. SCHERER. While we are on that, that has not always been your name, has it?

"Mr. KOCEL. I refuse to answer.

"Mr. SCHERER. By what other name have you been known?

"Mr. KOCEL. Same reason, same answer.

"Mr. SCHERER. You heard that, didn't you?

"Mr. KOCEL. I did. You said it loud enough.

"Mr. SCHERER. Where was the witness born? Where were you born?

"Mr. KOCEL. I was born in a little town of Chicago Heights, Ill.

"Mr. SCHERER. What name did you go by at the time you were born?

"Mr. KOCEL. I refuse to answer.

"Mr. CLARDY. You had your name officially changed in the probate court of Wayne County on August 20, 1940; didn't you?

"(At this point Mr. Kocel conferred with Mr. Simmons.)

"Mr. KOCEL. You know, I raised earlier about the relevancy of such questions. I don't see where it is relevant to this hearing.

"Mr. CLARDY. I understand you do not; but the Chair directs you to answer that.

"Mr. KOCEL. It is difficult for me, very difficult.

"Mr. CLARDY. You hear me; I say the Chair directs you to answer.

"Mr. KOCEL. I refuse to answer, giving the same reasons——"

Because of the foregoing the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Benjamin F. Kocel relative to the subject matter, which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Will you tell the committee, please, what your formal educational training has been?

"Will you tell the committee, please, where you resided prior to 1939?

"You were, I believe, at that time (while a member of U. S. Naval Reserve) at Northwestern University?

"Weren't you recalled to service in 1940?

"How long were you on duty after having been recalled to active service in the Navy?

"When did you again take up your residence in Detroit?

"What rank did you attain after being called to active service in the Navy?

"Did you attain the rank of lieutenant commander in the Navy?

"When did you cease to hold rank in the United States as a Reserve Corps officer in the United States Navy?

"It is a fact, is it not, that you were separated from the service on grounds other than honorable?

"Were you relieved of active service by the Navy in 1945?

"Were you given a loyalty hearing prior to your release from the Navy?

"That [Kocel] has not always been your name, has it?

"By what other name have you been known?

"What name did you go by at the time you were born?

"You had your name officially changed in the probate court of Wayne County on August 20, 1940, didn't you?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of neceessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. JACKSON. Mr. Speaker, the résumé of this case follows:

11. Benjamin F. Kocel, Detroit, Mich.: Refused to answer questions concerning his formal educational training, where he resided prior to 1939, whether he attended Northwestern University, whether he was recalled to active service in the Navy, when he took up his residence in Detroit, what rank he held in the Navy, whether he was separated from the service on grounds other than honorable, whether he was given a loyalty hearing prior to his release from the Navy, and whether he had been known by any name other than "Kocel," relying in each instance upon the fifth amendment as the basis for his refusal to answer. He testified on May 4, 1954, in Detroit, Mich.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 674) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Benjamin F. Kocel to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the Eastern District of Michigan, Detroit, Mich., to the end that the said Benjamin F. Kocel may be proceeded against in the manner and form provided by law.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST PAUL ROSS BAKER

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2466).

The Clerk read as follows:

PROCEEDINGS AGAINST PAUL ROSS BAKER

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report citing Paul Ross Baker.

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Paul Ross Baker. The said subpena directed Paul Ross Baker to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber, in room 859, Federal Building, Detroit, Mich., on January 11, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart

without leave of said committee. The subpena served upon Paul Ross Baker is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Donald T. Appell: You are hereby commanded to summon Paul Ross Baker to be and appear before the Un-American Activities Committee, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE, is chairman, in their chamber, room 859, Federal Building, Detroit, Mich., on January 11, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 21st day of October 1953.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Donald T. Appell, investigator, House of Representatives who was duly authorized to serve the said subpena. The return of the service by the said Donald T. Appell, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Paul Ross Baker before the Committee on Un-American Activities. Served herein named at 1:20 p. m., November 5, 1953, at the Brake Elementary School, Rosewood and Eastern, Inkster, Mich.

"DONALD T. APPELL,
"Investigator, House of Representatives."

Successive telegrams were sent to Paul Ross Baker by Hon. HAROLD H. VELDE, chairman of the Committee on Un-American Activities, postponing the date of his appearance before the Committee on Un-American Activities to May 3, 1954.

In compliance with the said subpena issued on the 21st day of October 1953, and extended to May 3, 1954, requiring the appearance of the witness at 9:30 a. m. in room 859, Federal Building, Detroit, Mich., and pursuant to an announcement by the chairman at the close of the sessions of the subcommittee on the 3d and 4th days of May 1954 that all witnesses who had not been heard should return at the same hour and place on the following day, the said Paul Ross Baker appeared before the said subcommittee on May 5, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Paul Ross Baker, having appeared as a witness, and having been asked the questions, namely:

"Prior to that time [1951] where did you reside?

"Prior to your coming here, I believe you were attending Michigan State College; were you not?

"Have you lived at a residence known as trailer K–30 out at Michigan State College?

"What has been your employment at Willow Run since September 1951?

"How are you now employed?

"When you returned [from military service] in 1946, where did you make your residence; at what place did you make your residence?

"After your service in the Armed Forces of the United States, did you attend an educational institution at the expense of the United States Government under the GI bill of rights?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of Paul Ross Baker's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Paul Ross Baker.

The record of the proceedings before the committee on May 5, 1954, during which Paul Ross Baker refused to answer the aforesaid questions pertinent to the subject under inquiry is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Detroit, Mich., Wednesday, May 5, 1954.

"The subcommittee of the Committee on Un-American Activities, consisting of Representatives KIT CLARDY, chairman; GORDON H. SCHERER, and MORGAN M. MOULDER, all of whom were present, met pursuant to adjournment at 9:35 a. m., in room 859, Federal Building, Detroit, Mich.

"After hearing other testimony, Paul Ross Baker was called as a witness.

"Mr. CLARDY. * * * Call your next witness.

"Mr. TAVENNER. Paul Ross Baker, will you come forward, please?

"Mr. CLARDY. Hold up your right hand. Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. BAKER. I do.

"Mr. CLARDY. Be seated, and since you are accompanied by counsel, will counsel identify himself for the record, please?

"Mr. SIMMONS. C. LeBron Simmons, 585 Gratiot Street, Detroit.

"Mr. TAVENNER. What is your name, please?

"Mr. CLARDY. Pardon. There was so much shutter snapping there I couldn't catch the name of counsel.

"Mr. SIMMONS. C. LeBron Simmons.

"Mr. CLARDY. Thank you

"Mr. TAVENNER. What is your name, please?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"TESTIMONY OF PAUL ROSS BAKER, ACCOMPANIED BY HIS COUNSEL, C. LEBRON SIMMONS

"Mr. TAVENNER. Your name, I mean.

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. Mr. Chairman—

"Mr. TAVENNER. Speak a little louder, please.

"Mr. BAKER. Mr. Chairman, I would like to ask if pictures could be——

"Mr. CLARDY. I can't hear a word you say, for some reason or other.

"Mr. TAVENNER. He is asking about photographs, Mr. Chairman.

"Mr. BAKER. During the time that I am in the witness chair, could the pictures be stopped?

"Mr. CLARDY. Flashlights will be stopped, gentlemen, from here on out. Now proceed.

"Mr. TAVENNER. What is your name, please, sir?

"Mr. BAKER. Paul Ross Baker.

"Mr. TAVENNER. When and where were you born, Mr. Baker?

"Mr. BAKER. I was born in 1925 in Ypsilanti, Mich.

"Mr. TAVENNER. Where do you now reside?

"Mr. BAKER. Willow Run Village, Mich.

"Mr. TAVENNER. How long have you lived in Willow Run?

"Mr. BAKER. I have lived in Willow Run since September 1951.

"Mr. TAVENNER. 1951?

"Mr. BAKER. Yes.

"Mr. TAVENNER. Prior to that time where did you reside?

"Mr. BAKER. I would like to ask the committee of what relevancy this is to the purposes and activities of the committee.

"Mr. CLARDY. I should tell you, witness, that neither counsel nor the committee ask questions that we do not deem relevant, and we deem that such, and to help you with your answer, prior to your coming here, I believe you were attending Michigan State College, were you not?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. I refuse—I would like to state that I would like to——

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. Because the committee has indicated that they deem this relevant, I would like to refuse to answer the question or decline to answer on the basis of the fifth, first, and sixth amendments.

"Mr. CLARDY. Witness, I am sure that you did attend Michigan State College, and since I am a resident of East Lansing also, I am sure there can be nothing incriminating in your admitting that fact. I direct you to answer that question which was whether or not you were a student at Michigan State College prior to the time that you came to the Willow Run location in 1951.

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. I would like to state that I would like to give the same answer as I gave before with the same reasons, and if I in the future decline to answer any questions, I would like to have it be known in the record that it will be for the same grounds.

"Mr. CLARDY. You need only state at that time for the same reasons, but I must advise you at this time that an inquiry as to whether or not you attended a college, if answered honestly, either "Yes" or "No," could not possibly incriminate you, and I do not think you are entitled to the protection of the fifth amendment. The advice upon which you have acted is not sound in the opinion of the Chair, but you are entitled to raise it if you wish at your own risk. Proceed, Mr. Tavenner.

"Mr. TAVENNER. Have you lived at a residence known as trailer K–30——

"Mr. BAKER. I decline——

"Mr. TAVENNER. Out at Michigan State College?

Mr. BAKER. I decline to answer on the same grounds as previously stated.

Mr. TAVENNER. What has been your employment at Willow Run since September 1951?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. I decline to answer on the same grounds as previously stated.

"Mr. SCHERER. I ask that you direct the witness to answer.

"Mr. CLARDY. Yes, I do direct you to answer that last question.

"Mr. BAKER. I decline to answer upon the same grounds, the same reasons.

"Mr. TAVENNER. What is your present position?

"Mr. SCHERER. Just a minute, Mr. Tavenner.

"Mr. TAVENNER. Yes, sir.

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. CLARDY. Witness, I think that the committee should take a few moments to suggest that you should reconsider the answer to those questions on which I have directed you to answer. We have no desire whatever to see anybody ensnare himself by following advice that is not good or sound, as you obviously are in this instance. The questions upon which you were directed to answer could not, in the judgment of the committee, furnish a foundation for a proper invocation of the fifth amendment. We have no desire whatever to do anything that will harm you. If anything comes of this, it will be entirely due to your own action, and I beg of you at this time to reconsider and to permit us to restate those questions and give you an opportunity to clear the record. Now, won't you do that?

"Mr. BAKER. I must decline for the same reasons. I thank you for giving me your advice, as you put it, but upon the knowledge that I have of the committee and its activities and functions, and with the apprehensions I have for its overstepping its bounds according to my constitutional rights, I must decline.

"Mr. TAVENNER. How are you now employed?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. I must refuse to answer upon the same grounds as previously stated.

"Mr. CLARDY. I direct you answer that question. Unless you are actually engaged in some criminal conspiracy, unless you are engaged in something that is of criminal nature, merely stating the nature of your employment cannot possibly incriminate you. It is a misuse of the fifth amendment, and I direct that you answer that question.

"Mr. BAKER. I would like to ask the Chair of what——

"Mr. CLARDY. Just answer the question. I will not answer any more questions. I have done my best to help you and to prevent you from making a mistake. Now, from here on out you are on your own, and I am directing you to answer that question.

"Mr. BAKER. Mr. Chairman, in directing me to answer it, are you saying that this question is material or relevant to the——

"Mr. CLARDY. Definitely, very definitely.

"Mr. BAKER. Well, therefore, I must decline to answer upon grounds previously stated.

"Mr. SCHERER. Witness, it should be obvious to you and to your counsel that you are clearly in contempt of Congress.

"Mr. BAKER. That is the inference that you make, Mr. Congressman.

"Mr. CLARDY. Well, the courts have so held on that, and where there is doubt we never make that statement. In this instance you are badly advised, and I suggest you take your time in answering the rest of them from here on out.

"Mr. TAVENNER. Were you a member of the United States Marine Corps between 1943 and 1946?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. Yes; I was a member of the Marine Corps in those years.

"Mr. TAVENNER. When you returned in 1946, where did you make your residence; at what place did you make your residence?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. I decline to answer, based upon the same grounds as previously stated.

"Mr. SCHERER. I think you should direct the witness to answer the question.

"Mr. CLARDY. Yes; I so direct.

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. CLARDY. Let him reply, Mr. Tavenner.

"Mr. BAKER. Mr. Chairman, is this question also relevant to your——

"Mr. CLARDY. I told you earlier, Witness, that the committee is not given to asking questions unless they deem them relevant and pertinent to the subject of the inquiry. The answer to your question is 'Yes.' Now will you proceed to answer it or decline as you may desire.

"Mr. BAKER. Therefore I must decline upon the same grounds.

"Mr. TAVENNER. After your service in the Armed Forces of the United States, did you attend an educational institution at the expense of the United States Government under the GI bill of rights?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. I decline to answer that question upon the same grounds.

"Mr. CLARDY. I direct that you answer. That invocation of the fifth amendment on such a question is a direct affront to the dignity of the Congress of the United States, to assert that an act passed by Congress bestowing benefits upon worthy veterans who have fought in support of the things this Nation stands for is obviously so far from any protection by the fifth amendment that it ought to be clear even to you, and that is why I direct you to reply.

"Mr. BAKER. I am very much aware of my esteem for the Congress of the United States, but I still decline to answer your question and this committee's question of that nature on the same grounds.

"Mr. TAVENNER. How could it possibly incriminate you to tell this committee whether or not you received the benefit of Government funds under the GI bill of rights?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. CLARDY. We are not asking you as to whether you used those funds for some improper purpose; not at all.

"Mr. BAKER. I do not have to answer any question regarding the reasons besides the stated reason for my declining to answer.

"Mr. CLARDY. Well, that may be your judgment on it, but you are sadly in error, sir. I am indeed sorry to see you follow this course.

"Mr. TAVENNER. Have you been acquainted at any time with a person by the name of Bolza Baxter?

"Mr. BAKER. I must decline to answer upon the same grounds as previously stated.

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. TAVENNER. Are you now a member of the Communist Party?

"Mr. BAKER. I decline to answer upon the same grounds.

"Mr. TAVENNER. Were you a member of the Communist Party at any time that you received benefits under the GI bill of rights?

"Mr. BAKER. I decline to answer upon the same grounds.

"Mr. TAVENNER. Have you ever been a member of the Communist Party?

"Mr. BAKER. I decline to answer upon the same grounds.

"Mr. TAVENNER. I have no further questions, Mr. Chairman.

"Mr. CLARDY. Have you ever been a member of an organization whose avowed purpose is to destroy this Nation through the use of force and violence?

"(At this point Mr. Baker conferred with Mr. Simmons.)

"Mr. BAKER. I decline to answer upon the same grounds.

"Mr. CLARDY. Witness dismissed. Call the next witness."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Paul Ross Baker relative to the subject matter, which under Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Prior to that time [1951] where did you reside?

"Prior to your coming here, I believe you were attending Michigan State College, were you not?

"Have you lived at a residence known as Trailer K-30 out at Michigan State College?

"What has been your employment as Willow Run since September 1951?

"How are you now employed?

"When you returned [from military service] in 1946, where did you make your residence; at what place did you make your residence?

"After your service in the Armed Forces of the United States, did you attend an educational institution at the expense of the United States Government under the GI bill of rights?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 675) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Paul Ross Baker to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the eastern district of Michigan, Detroit, Mich., to the end that the said Paul Ross Baker may be proceeded against in the manner and form provided by law.

Mr. JACKSON. The résumé in this case follows:

Paul Ross Baker, Detroit, Mich.: Refused to answer questions concerning the place of his residence prior to 1951, whether he attended Michigan State College, the nature of his employment at Willow Run since September 1951, how he is now employed and whether he attended an educational institution at the expense of the United States Government under the GI bill of rights. He testified on the 5th day of May 1954, at Detroit, Mich.

Mr. VELDE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST CURTIS DAVIS

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2467).

The Clerk read as follows:

PROCEEDINGS AGAINST CURTIS DAVIS

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Curtis Davis, 2461 Clairmount Avenue, Detroit, Mich. The said subpena directed Curtis Davis to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives, in their chamber, room 859, the Federal Building, Detroit, Mich., on January 25, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. The subpena served upon said Curtis Davis is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to United States marshal, Detroit, Mich. You are hereby commanded to summon Curtis Davis to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United

States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber, room 859, the Federal Building, Detroit, Mich., on January 25, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 19th day of November 1953.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Joseph L. Wisniewski, United States marshal, by Court McDougall, deputy United States marshal, who was duly authorized to serve the said subpena. The return of the service made by the said Joseph L. Wisniewski, United States marshal, by Court McDougall, deputy United States marshal, being endorsed thereon, is set forth in words and figures as follows:

"Served the herein named Curtis Davis on the 4th day of December 1953 at 2461 Clairmount Avenue, Detroit, Mich., by delivering a copy of the subpena to him personally.

"JOSEPH L. WISNIEWSKI,
"United States Marshal.
"By COURT MCDOUGALL,
"Deputy United States Marshal."

Successive telegrams were sent to Curtis Davis by Hon. HAROLD H. VELDE, chairman of the Committee on Un-American Activities, postponing the date of his appearance before the Committee on Un-American Activities to May 4, 1954.

The said Curtis Davis pursuant to said subpena and in compliance therewith, appeared before the said committee on May 4, 1954, to give testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2), of the 79th Congress and under House Resolution 5 of the 83d Congress. The said Curtis Davis, having appeared as a witness, and having been asked the question namely, "I believe you were district committeeman of your local union, were you not?" which question was pertinent to the subject under inquiry, refused to answer such question, and as a result of said Curtis Davis' refusal to answer the aforesaid question, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Curtis Davis.

The record of the proceedings before the committee on May 4, 1954, during which Curtis Davis refused to answer the aforesaid question pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Detroit, Mich., Tuesday, May 4, 1954.

"The subcommittee of the Committee on Un-American Activities, consisting of Representatives KIT CLARDY (chairman), GORDON H. SCHERER, and MORGAN M. MOULDER, met pursuant to adjournment at 9:55 a. m., in room 859, Federal Building, Detroit, Mich.

"Committee members present: Representatives KIT CLARDY and GORDON H. SCHERER.

"After hearing the testimony of other witnesses, Curtis Davis was called as a witness.

"Mr. CLARDY. Call your next witness.

"Mr. TAVENNER. Mr. Curtis Davis.

"Mr. CLARDY. Will you raise your right hand? Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. DAVIS. I do.

"Mr. CLARDY. Are you accompanied by an attorney?

"Mr. DAVIS. Yes; I am.

"Mr. CLARDY. Will the attorney identify himself, please, for the record?

"Mr. PROBE. Bernard Probe, offices in the National Bank Building.

"Mr. CLARDY. You are the same Mr. Probe, I believe, who appeared on behalf of someone else yesterday?

"Mr. PROBE. One day older.

"(At this point Mr. Davis conferred with Mr. Probe.)

"Mr. TAVENNER. What is your name, please?

"Mr. DAVIS. My name is Curtis Davis.

"Mr. TAVENNER. When and where were you born, Mr. Davis?

"Mr. DAVIS. I was born in Columbus, Ga., October 5, 1914.

"Mr. TAVENNER. Where do you now reside?

"Mr. DAVIS. 2461 Clairmount.

"Mr. TAVENNER. Is that in the city of Detroit?

"Mr. DAVIS. Yes.

"Mr. TAVENNER. How long have you lived in the city of Detroit?

"Mr. DAVIS. Approximately 26 years.

"Mr. TAVENNER. What is the nature of your occupation?

"Mr. DAVIS. I work in auto.

"Mr. TAVENNER. Where?

"Mr. DAVIS. Dodge main plant, Chrysler Corp.

"Mr. TAVENNER. How long have you worked there?

"Mr. DAVIS. I worked there going on 19 years. To be exact, it was 18 years the 27th of this month—of last month.

"Mr. TAVENNER. I believe you were district committeeman of your local union, were you not?

"(At this point Mr. Davis conferred with Mr. Probe.)

"Mr. DAVIS. I wish to say at this time that I am going to refuse to discuss anything dealing with my associations with any type of organization.

"Mr. TAVENNER. Even your own union?

"(At this point Mr. Davis conferred with Mr. Probe.)

"Mr. DAVIS. I just gave my answer.

"Mr. SCHERER. Mr. Chairman, I ask you to direct this witness to answer that question because it is clearly in contempt.

"Mr. CLARDY. I so direct you to answer, witness.

"(At this point Mr. Davis conferred with Mr. Probe.)

"Mr. DAVIS. I am refusing to answer any question dealing with my affiliations, associations, or my beliefs or what I think or what I read, and I am basing my facts upon the fact of the 1st through the 10th amendment, including the 1st, the 4th, as well as the 5th amendments.

"Mr. CLARDY. Well, witness, you, of course, have the right to make that statement, and we do not challenge it—that is, your right to make it—but it is the judgment of the Chair that merely asking you the question as to whether you occupied a certain position in a union local cannot possibly operate to incriminate you, and it is my opinion, and I in all fairness must state it, that invoking the privilege in connection with that question does as Congressman SCHERER has suggested, place you in jeopardy, and I ask you to reconsider as to that question. We are not inquiring as to anything else except that one thing.

"(At this point Mr. Davis conferred with Mr. Probe.)

"Mr. DAVIS. Same answer.

"Mr. CLARDY. So be it.

"Mr. TAVENNER. That is rather a strong indictment against your union, is it not, to refuse to answer a question about your official position in it on the ground that to do so might tend to incriminate you?

"(At this point Mr. Davis conferred with Mr. Probe.)

"Mr. DAVIS. I just feel that at this time I don't think it is the business of this committee to delve into the business of my organization, my union, into its affairs.

"Mr. CLARDY. Witness, the question does not in any way seek information concerning the business of your union. It is merely to identify you as a particular individual who has accupied a particular position in a named union local, no more than that.

"Now, of course, if you invoke the fifth amendment and continue and persist in it, as Counsel Tavenner has suggested, the inescapable conclusion in the minds of most of us is that you are thereby implying that the union to which you belong was engaged in something of a criminal nature, because unless that was the case, a truthful answer that you were this officer could not in any way involve either you or the union, unless it was engaged in some criminal conspiracy or some criminal action. I understand you are refusing, however—you are persisting in your refusal, am I correct?

"Mr. DAVIS. That is correct.

"Mr. CLARDY. We accord you the right, even though we think you are in error in so doing.

"Mr. SCHERER. I don't actually believe that the union is engaged in any such activity. I believe this man is improperly invoking the fifth amendment and therefore, as I indicated, is clearly in contempt of the Congress.

"Mr. CLARDY. I agree. I am completely in agreement, and I don't think that he should leave that inference there, even though you and I may not agree that it is——

"Mr. SCHERER. That is right, but somebody else may.

"Mr. CLARDY. Yes; there are those who would like to use just that sort of thing against the union."

Because of the foregoing the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Curtis Davis relative to the subject matter, which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the question, namely, "I believe you were district committeeman of your local union, were you not?" which question was pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid question deprived your committee of necessary and pertinent testimony and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 676) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Curtis Davis to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the eastern district of Michigan, Detroit, Mich., to the end that the said Curtis Davis may be proceeded against in the manner and form provided by law.

Mr. JACKSON. The résumé in this case follows:

Curtis Davis, Detroit, Mich.: Refused to answer a question as to whether he was district committeeman of his local union, rely-

ing on the fifth amendment as a basis for his refusal to answer. He testified on May 4, 1954, at Detroit, Mich.

Mr. VELDE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST EVELYN GLADSTONE

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2468).

The Clerk read as follows:

PROCEEDINGS AGAINST EVELYN GLADSTONE

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Evelyn Gladstone, Garden City, Mich. The said subpena directed Evelyn Gladstone to be and appear before said Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber, room 859, Federal Building, Detroit, Mich., on January 11, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee. The subpena served upon said Evelyn Gladstone is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Donald T. Appell, and/or United States marshal, Detroit, Mich.: You are hereby commanded to summon Evelyn Gladstone to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber, room 859, Federal Building, Detroit, Mich., on January 11, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee; and she is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 21st day of October 1953.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Joseph L. Wisniewski, United States marshal; Richard H. Sellers, deputy, who was duly authorized to serve the said subpena. The return of the service by the said Joseph L. Wisniewski, United States marshal; Richard H. Sellers, deputy, being endorsed thereon, is set forth in words and figures, as follows:

"Served Evelyn Gladstone on December 8, 1953, at Garden City Mich., as I am commanded.

"JOSEPH L. WISNIEWSKI,
"United States Marshal.
"RICHARD H. SELLERS,
"Deputy."

Successive telegrams were sent to Evelyn Gladstone by Hon. Harold H. VELDE, chairman, Committee on Un-American Activities, postponing the date of her appearance before the Committee on Un-American Activities to May 5, 1954.

In compliance with the said subpena issued on the 21st day of October 1953, and extended to May 5, 1954, requiring the appearance of the witness at 9:30 a. m., in room 859, Federal Building, Detroit, Mich., the said Evelyn Gladstone appeared before a duly constituted subcommittee of the Committee on Un-American Activities of the House of Representatives on May 5, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Evelyn Gladstone having appeared as a witness and having been asked the questions; namely:

"Are you at the present time an officer of an organization entitled 'The Better Schools Committee of Garden City'?

"Isn't the Better Schools Committee a public organization in that community?

"Now I want to ask you this: You are in fact an officer of that organization [Better Schools Committee of Garden City], aren't you?

"Where did you teach in 1952?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of Evelyn Gladstone's refusal to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Evelyn Gladstone.

The record of the proceedings before the subcommittee on May 5, 1954, during which the said Evelyn Gladstone refused to answer the aforesaid questions pertaining to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Detroit, Mich., Wednesday, May 5, 1954.

"The Subcommittee of the Committee on Un-American Activities, consisting of Representatives KIT CLARDY (chairman), GORDON H. SCHERER, and MORGAN M. MOULDER, all of whom were present, met pursuant to adjournment at 9:35 a. m., in room 859, Federal Building, Detroit, Mich. After hearing other testimony, Evelyn Gladstone was called as a witness.

"Mr. CLARDY. Call your next witness.

"Mr. TAVENNER. Evelyn Gladstone.

"Mr. CLARDY. Will you hold up your right hand? Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mrs. GLADSTONE. I do.

"Mr. CLARDY. I see you are accompanied by counsel. Will counsel please identify himself for the record?

"Mr. STARR. I. R. Starr, 2017 Dime Building, Detroit, Mich.

"Mr. CLARDY. I should state for the record——

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mr. CLARDY. If you will both give me your attention for a moment, I should state for the record that the document which is not labeled at the top, but which I construe to be a motion for dismissal of the subpena, has been handed to the committee, and the motion is denied. The motion will be placed in the file.

"Mr. TAVENNER. What is your name, please?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mr. STARR. Would you hold it a minute, please?

"TESTIMONY OF EVELYN GLADSTONE, ACCOMPANIED BY HER COUNSEL, I. R. STARR

"Mrs. GLADSTONE. Mr. Chairman, I believe there are other motions on that same sheet of paper which I would like the Chair to consider before I begin my testimony.

"Mr. CLARDY. Well, I can tell you that we considered that as one entire document. You raised several points or objections. If you want to speak of them as several different motions, all right, but the entire document and whatever it contains is denied. Any request for relief thereon is denied, would be a better way to state it.

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. I am ready for the question, sir.

"Mr. TAVENNER. What is you name, please?

"Mrs. GLADSTONE. Mrs. Evelyn Gladstone.

"Mr. TAVENNER. I am sorry; will you speak a little louder?

"Mrs. GLADSTONE. Mrs. Evelyn Gladstone.

"Mr. TAVENNER. What was your maiden name?

"Mrs. GLADSTONE. Evelyn Gesoff; G-e-s-o-f-f.

"Mr. TAVENNER. Where do you now reside?

"Mrs. GLADSTONE. At 30530 Pierce Road in Garden City.

"Mr. TAVENNER. Michigan?

"Mrs. GLADSTONE. Michigan.

"Mr. TAVENNER. Of what place are you a native; that is, where were you born?

"Mrs. GLADSTONE. Philadelphia, Pa.

"Mr. TAVENNER. When did you move to Michigan?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. In 1944.

"Mr. TAVENNER. From Philadelphia?

"Mrs. GLADSTONE. That is correct.

"Mr. TAVENNER. To what place did you move in Michigan when you came from Philadelphia in 1944?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. May I confer with my counsel, please?

"Mr. TAVENNER. Certainly.

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. I should clarify that in 1944 I did not make Michigan my legal residence. I merely came here as a student, and my legal residence remained Philadelphia, Pa.

"Mr. CLARDY. You came as a student to the University of Michigan at Ann Arbor, did you not, at that time?

"Mrs. GLADSTONE. That is correct.

"Mr. TAVENNER. When did you make Michigan your place of residence; that is, your domicile, legal domicile?

"Mrs. GLADSTONE. Upon my—let me see—when I became of voting age.

"Mr. TAVENNER. Where did you become a resident of Michigan, what place?

"Mrs. GLADSTONE. In Ann Arbor, Mich.

"Mr. TAVENNER. Have you lived there continuously until the time you moved to Garden City?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. Yes; I did.

"Mr. TAVENNER. Are you at the present time an officer of an organization entitled the Better Schools Committee of Garden City?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. I will decline to answer that question on the basis of the first amendment which guarantees me the privacy of certain associations that I may or may not form and on the basis of the fifth amendment which, as you well know the text of it.

"Mr. TAVENNER. How could it be that membership in a Better Schools Committee could possibly incriminate you?

"Mrs. GLADSTONE. Well——

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. Mr. Counsel, since I do not have the benefit of knowing what your next six questions may be or what line of questioning my answer may open to you, I invoke the same privileges that I invoked before.

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mr. TAVENNER. Mr. Chairman, I will have to ask that the witness be directed to answer the question.

"Mr. CLARDY. I so direct.

"Mrs. GLADSTONE. I will decline to answer that question on the grounds previously stated with the understanding that the protection given me and other citizens of our country is not limited to self-incrimination or any other meaning that this counsel chooses to give it.

"Mr. CLARDY. Isn't the Better Schools Committee a public organization in that community?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. Mr. Chairman, that may or may not be so, but in declining to answer this question, I do so without aspersions cast upon any organization, but merely to protect my rights since I fear that in answering any questions before this committee I may waive certain of my constitutional privileges which are given me in the Constitution of the United States.

"Mr. CLARDY. Well, I must say the Chair is moved to say that today I have seen the worst type of legal advice given to witnesses appearing before us that I have ever heard before in all the time I have been on the committee. Now, I want to ask you this: You are in fact an officer of that organization, aren't you?

"Mrs. GLADSTONE. Are you asking me a question, Mr. Chairman?

"Mr. CLARDY. I am.

"Mrs. GLADSTONE. I must decline to answer the question for the same grounds as previously stated.

"Mr. CLARDY. I direct that you answer.

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. If you will represent to me that my answering of that question will not constitute a waiver of any of my privileges, I will answer it.

"Mr. CLARDY. It is not the custom of this committee or any other committee of Congress to enter into bargains or deals.

"Mrs. GLADSTONE. I am not asking for a bargain or deal.

"Mr. CLARDY. I will bring this to a head: When you were at the school from which I also graduated, the University of Michigan at Ann Arbor, were you not a member of the Ralph Neafus section of the Communist Party?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. We dropped the other question then.

"Mr. CLARDY. You refused to answer it. I am moving on to this.

"Mrs. GLADSTONE. I see. I refuse to answer that question also, Mr. Chairman, on the grounds previously stated.

"Mr. CLARDY. Did you not in 1948 transfer from that student section of the Communist Party to the organization at Ann Arbor called the Town Club—and not to be confused with the Town Club of Lansing to which I belong?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. I don't want to confuse the proceedings here any more than you do, Mr. Chairman. I will decline to answer that question on the grounds previously stated.

"Mr. CLARDY. Are you now or have you ever been a member of the Communist Party?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. I invoke my same privileges as previously stated.

"Mr. CLARDY. Are you now or have you ever been a member of any organization whose avowed purpose is the destruction of this Government through the use of force and violence?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. I decline to answer that question also on the grounds previously stated.

"Mr. CLARDY. Mr. Tavenner, unless you have some very important questions, I think I will dismiss this witness.

"Mr. TAVENNER. May I ask one question?

"Mr. CLARDY. You may ask as many as you want, but I tell you how I feel about it.

"Mr. TAVENNER. Do you now hold a certificate to teach at Garden City?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. I have no contract with any board of education at this time. I am a full-time employee as a wife and a mother at this time.

"Mr. CLARDY. You were asked whether you hold a certificate, not whether you were employed and using it. You didn't answer the question.

"Mrs. GLADSTONE. Will you restate the question? I misunderstood. You said provision to teach in Garden City. That would imply a contract.

"Mr. TAVENNER. Do you now hold a certificate to teach in Garden City?

"Mrs. GLADSTONE. The teaching certificates are not given in localities. They come through the State, Mr. Counsel.

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mr. TAVENNER. Do you have a teacher's certificate at the present time?

"Mrs. GLADSTONE. To the best of my knowledge my provisional certificate has expired. It expired in 1952, which I might explain, the reason for that being that I received a secondary certificate, and in order to get a permanent certificate, you must teach for 3 consecutive years in your field, and I changed fields before the 5-year period expired, and therefore that was the reason that it expired, that the certificate expired.

"Mr. CLARDY. Your answer is, you do not hold a permanent certificate.

"Mrs. GLADSTONE. No, I do not.

"Mr. TAVENNER. Have you renewed your certificate since that time or at any time?

"(At this point, Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. Is your question, Have I applied for a renewal of the certificate?

"Mr. TAVENNER. Yes you may answer it that way. That was not my exact question, but you may answer that first. Have you applied to renew your certificate?

"Mrs. GLADSTONE. No, I have not applied to renew my certificate.

"Mr. TAVENNER. Has it been renewed?

"Mrs. GLADSTONE. No, it has not.

"Mr. TAVENNER. Where did you teach in 1952?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. Is that question relevant to these proceedings, Mr. Counsel?

"Mr. TAVENNER. Yes.

"Mrs. GLADSTONE. Well, then, I will decline to answer that question for the grounds previously stated.

"Mr. TAVENNER. I have no further questions, Mr. Chairman.

"Mr. CLARDY. Mr. Scherer?

"Mr. SCHERER. Just one question, witness: How long were you a reporter for the Daily Worker?

"(At this point Mrs. Gladstone conferred with Mr. Starr.)

"Mrs. GLADSTONE. Is that a question?

"Mr. SCHERER. Oh, yes. How long?

"Mrs. GLADSTONE. It seems a little presumptive, but I will decline to answer that question for the grounds previously stated.

"Mr. SCHERER. Do you deny that you were a reporter for the Daily Worker?

"Mrs. GLADSTONE. I decline to answer for the same reasons, Mr. Congressman.

"Mr. CLARDY. Did you ever have a byline in that paper?

"Mrs. GLADSTONE. I decline to answer for the grounds previously stated.

"Mr. CLARDY. Mr. Moulder, any questions?

"Mr. MOULDER. No questions.

"Mr. CLARDY. Any further questions, Mr. Tavenner?

"Mr. TAVENNER. No, sir.

"Mr. CLARDY. Witness excused * * *."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to said Evelyn Gladstone relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer the questions, namely:

"Are you at the present time an officer of an organization entitled 'The Better Schools Committee of Garden City'?

"Isn't the Better Schools Committee a public organization in that community?

"Now I want to ask you this: You are in fact an officer of that organization [Better Schools Committee of Garden City], aren't you?

"Where did you teach in 1952?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and her refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 677) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Evelyn Gladstone to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the eastern district of Michigan, Detroit, Michigan, to the end that the said Evelyn Gladstone may be proceeded against in the manner and form provided by law.

Mr. JACKSON. The résumé in this case follows:

Evelyn Gladstone, Detroit, Mich.: Refused to answer questions relating to her position as an officer of a civic organization entitled "The Better Schools Committee of Garden City." She testified on May 5, 1954, at Detroit, Mich.

Mr. VELDE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST MARVIN ENGEL

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2469).

The Clerk read as follows:

PROCEEDINGS AGAINST MARVIN ENGEL

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Marvin Engel. The said subpena directed Marvin Engel to be and appear before the Committee of Un-American Activities or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chamber in room 500 Genesee Courthouse, Flint, Mich., on March 3, 1954, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. The subpena served upon Marvin Engel is set forth in words and figures, as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Chief James T. Byars, Flint, Mich., police: You are hereby commanded to summon Marvin Engel to be and appear before the Committee on Un-American Activities or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which Hon. HAROLD H. VELDE is chairman, in their chamber in room 500, Genesee Courthouse, Flint, Mich., on March 3, 1954, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and seal of the House of Representatives of the United States, at the city of Washington, this 20th day of January 1954.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"LYLE O. SNADER,

"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Loren M. Herfurth, Flint Police Department, who was duly authorized to serve the said subpena. The return of the service by the said Loren M. Herfurth, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Marvin Engel before the Committee on Un-American Activities. Served by Lt. Loren Herfurth, of Flint, Mich., police. Witnessed by Detective George Edwards on February 8, 1954, 10:13 p. m., at 2431½ Dupont Street.

"LOREN M. HERFURTH,
"Flint Police Department."

Successive telegrams were sent to Marvin Engel by Hon. HAROLD H. VELDE, chairman, Committee on Un-American Activities, postponing the date of his appearance before the committee to May 12, 1954. At the close of the sessions of the committee on May 12, 1954, all witnesses who had been subpenaed and had not been heard were directed by the chairman to report on May 13, 1954.

The said Marvin Engel, pursuant to said subpena, and in compliance with the later direction of the chairman, appeared before the said committee on May 13, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Marvin Engel, having appeared as a witness and having been asked the questions, namely:

"Will you examine the signature to the document [application for employment] and state whether or not it is your signature?

"Isn't it a fact, Mr. Engel, that you deliberately concealed from the Chevrolet Co. the fact that you had been awarded the bachelor of science degree in social science from City College?

"In order to get employment at Flint—at Chevrolet, did you make a representation that you had been employed for a period of time by the Universal Fence Co.?

"Did you make that representation [employment by Universal Fence Co. for 30 months as salesman and stock clerk] to the Chevrolet Co.?

"As a matter of fact, did you not make such a representation to the Chevrolet Co. in order to deceive it as to your exact status, namely, a student just out of a university?

"Who was the owner or operator of Universal Fence Co. at that time [1947–49]?

"Now why was it that Sidney Linn, if you know, confirmed employment by you from 1947 to 1949 which you never performed?

"Now I want to ask you, isn't it a fact that that was a prearranged scheme to assist you in getting employment within Chevrolet in Flint, to have Sidney Linn make that certification?

"Mr. Engel, were you acquainted with a person by the name of Sidney Graber?

"Mr. Engel, did you give the name of Sidney Graber as a reference to the Chevrolet Co. when you sought employment by it?

"Will you examine Engel Exhibit No. 1 and look at the third line, on the second page, under the title 'Personal Reference' second line, and state what name you see there?

"Isn't it a fact, Mr. Engel, that you were one of the colonizers who either voluntarily or acting upon the direction of the Communist Party, sought to infiltrate the Chevrolet plant in Flint by getting employment there?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of Marvin Engel's refusal to answer the aforesaid questions, your subcommittee was prevented from receiving testimony concerning a matter committed to said subcommittee in accordance with the terms of the subpena served upon the said Marvin Engel.

The record of the proceedings before the subcommittee on May 13, 1954, during which Marvin Engel refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE
ON UN-AMERICAN ACTIVITIES,
"Flint, Mich., Thursday, May 13, 1954.

"PUBLIC HEARING

"The subcommittee of the Committee on Un-American Activities, consisting of Representatives KIT CLARDY (acting chairman), HAROLD H. VELDE (chairman of full committee), and CLYDE DOYLE met, pursuant to adjournment, at 9:32 a. m. in the supervisors room, courthouse, Flint, Mich., each of whom were present.

"Mr. CLARDY. Now, Mr. Tavenner, are you ready to call your first witness?

"Mr. TAVENNER. Yes, sir. Mr. Marvin Engel, please.

"Mr. CLARDY. Hold up your right hand. You do solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. ENGEL. I do.

"Mr. CLARDY. You may be seated. Counsel, will you please identify yourself for the record?

"Mr. WESTON. Aaron Weston.

"Mr. ENGEL. Mr. Chairman, I would like to request that no photographs be taken of me during my testimony.

"Mr. CLARDY. We have a rule that up until the time you are sworn we give the mediums of communication an opportunity to take pictures.

"Mr. ENGEL. I understand.

"Mr. CLARDY. If you request it, from there on out, unless there is some incident arises which is considered newsworthy, your wishes will be respected.

"Mr. ENGEL. I would also at this time like to present a motion to this committee for the quashing of my subpena. I would like to have an opportunity——

"Mr. CLARDY. Pardon me, has it been reduced to writing?

"Mr. ENGEL. I only have notes, sir, and I also have it in my mind and in my heart, I would add. I would like to present my legal grounds why I think my subpena should be quashed.

"Mr. CLARDY. May I suggest, sir, that under the rules of the committee such should have been reduced to writing and presented to us in advance of the time of hearing so that it might be adequately considered? I don't believe at this time a statement will be permitted, but you may, and undoubtedly will, as other witnesses have, raise objections that you think proper as the questions are submitted, unless the statements you have will not take more than about a minute to read or to speak into the record.

"Mr. ENGEL. Well, now, sir, I don't want to have my legal grounds limited to 1 minute.

"Mr. CLARDY. Very well. We will proceed with the questioning. Go ahead, Mr. Tavenner.

"Mr. TAVENNER. Will you state your name, please, sir?

"Mr. ENGEL. My name is Marvin M. Engel.

"Mr. TAVENNER. When and where you born, Mr. Engel?

"Mr. ENGEL. I was born in the Bronx, N. Y., July 4, 1927.

"Mr. TAVENNER. Where do you now reside?

"Mr. ENGEL. I now reside in the city of Flint, Mich.

"Mr. TAVENNER. How long have you lived in the city of Flint?

"Mr. ENGEL. I have lived in Flint approximately 5 years.

"Mr. TAVENNER. Will you tell the committee, please, what your educational training has been?

"Mr. ENGEL. Yes, sir; I would be glad to. First, however, I would like to ask a question. If I state my educational training, does this in any way waive my legal rights concerning any activities that I participated in, any beliefs that I held during the time that I was in formal education.

"Mr. CLARDY. Witness, you have sitting immediately at your right an attorney which the committee permits you to have when you are testifying. You may consult with him as to your legal rights.

"Mr. ENGLE. Yes, but it is my feeling that this committee is at variance with the law on many legal rights. However, I will consult him.

"(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. ENGEL. My attorney informs me that I do not waive those rights; therefore, I will tell you my educational background.

"All of my formal education has been in the free public schools of this country which were won as free public schools by the action and the demands of the labor movement going all the way back in American

history. The labor movement pioneered in winning free education——

"Mr. DOYLE. Just a minute, Mr. Chairman. Just a minute, sir. You were asked a question, and you are digressing from answering it, and I move, Mr. Chairman, that this witness be instructed to confine his answers to the question he was asked.

"Mr. CLARDY. Your point is well taken, Mr. Doyle. This is very obviously, Mr. Witness, the beginning of an attempt to filibuster about which I warned you.

"Mr. ENGEL. Filibuster is a congressional tactic.

"Mr. CLARDY. Remain silent, sir, while the Chair or any member is addressing you. We will not permit the kind of impertinence that was exhibited toward the committee and the Congress yesterday. I want to make that very strong. Now remain silent while we are telling you. We will not permit any more Communist tirades of any kind today. We have a tremendous number of witnesses. As I said, they are all going to be heard if we have to come back a dozen times, but today we shall demand short, concise, direct answers, no digressions in the form of Communist harangues.

"Now answer the question. You are so directed.

"Mr. ENGEL. I attended 4 years of free high school in the city of New York. I then——

"Mr. CLARDY. What date was that.

"Mr. ENGEL. I am sorry. I graduated high school in January of 1945. At that time I entered the free college, City College of New York. I attended the City College of New York from January 1945 until June 1945, at which time I took a leave of absence to enlist in the United States Navy—Naval Reserve, pardon me. I served in the United States Naval Reserve on active duty from June 29, 1945, to October 5, 1946, at which time I was given an honorable, or in common language, a battleship discharge. I then returned to school—I should say that I was on terminal leave for several weeks prior to the date of my discharge so that I was able to start back in school prior to that date. In other words, I started, I believe, about the 1st of October, which is a few days before the date of my discharge. I went back to school in the fall of 1946 and was in attendance at school continuously through all three sessions, summer, winter, and spring, until June of 1949, at which time I received my bachelor's degree in social science.

"Mr. TAVENNER. At what school was that?

"Mr. ENGEL. That was CCNY, City College of New York of the College of the City of New York.

"Mr. TAVENNER. Will you tell the committee, please, what your employment record has been since you returned from the Armed Forces of the United States?

"Mr. ENGEL. I do not recollect any employment, either part time or full time during any of the time that I was attending school.

"Mr. TAVENNER. That would be from January 1945 until June 1949, excluding the period you were in the service?

"Mr. ENGEL. Yes, I believe so. I am not sure, but I believe that is correct.

"Mr. TAVENNER. What became of your employment upon the completion of your course at City College?

"Mr. ENGEL. My—I have only had one job, and that is the job that I presently hold.

"Mr. TAVENNER. And what is that, please?

"Mr. ENGEL. That is with the Chevrolet manufacturing unit, Flint, Mich.

"Mr. TAVENNER. When did you begin your employment with the Chevrolet plant?

"Mr. ENGEL. I began my employment some time in July of 1949.

"Mr. TAVENNER. Did you receive a degree from City College?

"Mr. ENGEL. I have already stated that I did.

"Mr. TAVENNER. What was it?

"Mr. ENGEL. It was a degree in social science, bachelor's.

"Mr. TAVENNER. When did you make your application for a position with Chevrolet Motor Co.?

"Mr. ENGEL. I am afraid I can't recall the exact date. It was sometime in July of 1949.

"Mr. TAVENNER. Did you make that application from New York?

"Mr. ENGEL. No, sir; I did not.

"Mr. TAVENNER. Did you come from New York to Flint before ascertaining whether or not you would receive the job at Chevrolet?

"Mr. ENGEL. I got no promise of employment at Chevrolet, if that is the question you are asking.

"Mr. TAVENNER. Did you advise the management of Chevrolet that you had had 4 years of scholastic work at City College and had received the degree of bachelor of arts in social science?

"Mr. ENGEL. Let me correct you. That was not a bachelor of arts degree. That was a bachelor—I believe it was called a bachelor of science in social science.

"Mr. TAVENNER. Yes; that is correct; a B. S. degree?

"Mr. ENGEL. I am not certain, but I don't believe I did.

"Mr. TAVENNER. Well, in order to refresh your recollection, I hand you a photostatic copy of an application for employment at Chevrolet bearing date of July 12, 1949.

"Mr. ENGEL. Well, now, apparently you have much closer access to General Motors' files than I do, and I have been working for them for 5 years.

"Mr. CLARDY. Witness, no question was pending. Now, any more of that sort of interjection of obviously inflammatory language designed for a purpose of your own, any more of that, and we will be compelled to do something about it.

"Mr. TAVENNER. Mr. Engel, will you point out on the form that part which relates to academic training. Does that refresh your recollection? (At this point Mr. Engel conferred with Mr. Weston.)

"Mr. ENGEL. I have no way of knowing what you have set before me and tell me is a copy of my application is actually a true copy of my application for work.

"Mr. CLARDY. It is a photostat, is it not?

"Mr. ENGEL. From what I have read in the papers——

"Mr. CLARDY. You can tell that.

"Mr. ENGEL. About photographs and photostats recently, I still——

"Mr. CLARDY. Witness, you are again violating the rules that the committee has made very plain. You may think that that kind of conduct is very smart. Well, let me assure you that it will only lead you into trouble and difficulty if you continue with it. Now look at it and tell me, is it not a photostat?

"Mr. ENGEL. I have no idea whether it is a photostat or not.

"Mr. CLARDY. Despite the fact that you have a high college degree, you do not recognize a photostat when you see it?

"Mr. ENGEL. I am also an amateur photographer, sir, but by looking at it I do not know whether it is a photostat, and I certainly do not know whether it is a photostat of my application.

"Mr. CLARDY. Mr. Tavenner, will you ask him the question so there will be no doubt?

"Mr. TAVENNER. Yes, sir. Will you examine the signature to the document and state whether or not it is your signature?

(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. CLARDY. I think you have had about enough time, Witness, and from what I can see here, you are advising counsel instead of the counsel advising you. Get on with the answer.

"Mr. ENGEL. You have very good ears, sir. I am asking my counsel for advice.

"Mr. CLARDY. I can observe. Will you answer the question?

"Mr. ENGEL. I am still waiting for my counsel to advise me.

"Mr. CLARDY. I am directing you to answer the question. Is that your signature or not?

"Mr. ENGEL. Do I have a right to consult with counsel?

"Mr. CLARDY. You have a right to——

"Mr. ENGEL. Do I have a right to consult with counsel?

"Mr. CLARDY. You have consulted much too long already. It is part of the deliberate plan of the Communist Party to try to disrupt the proceedings, by this method, and we will not tolerate it. Now proceed to answer. Is that your signature or is it not?

(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. ENGEL. I decline to answer that question, and I do so for the following legal reasons: My first reason is based on the first amendment, wherein it says that——

"Mr. CLARDY. You don't have to quote it. We know it. You stand on the first amendment.

"Mr. ENGEL. I am trying to explain how I think that the first amendment applies.

"Mr. CLARDY. We don't care to listen to any more on the first amendment. Now pass on to the next one.

"Mr. ENGEL. Do you think that you know what I am going to say?

"Mr. CLARDY. Witness, we are more familiar with this than you are. Now we will not tolerate your explaining the law to us. You have stated that the first amendment is your first objection. Very well. Now pass on. What is the next one?

"Mr. ENGEL. It is my feeling that the enabling act under which this committee operates—known as Public Law 601, I believe—permits this committee to investigate propaganda, and I might say that Mr. Velde was in error yesterday when he said it enabled them to investigate activities and propaganda.

"Mr. CLARDY. Witness, you are departing from an answer, and I direct you to confine yourself to stating the grounds upon which you are refusing to answer the last question, and I direct that it be a short, simple statement, no argument.

"Mr. ENGEL. I wish to state my legal grounds fully. I think I have that right.

"Mr. CLARDY. I am giving you that opportunity, but no chance for a Communist harangue today. Now tell me what the next objection is.

"Mr. ENGEL. If you will permit me to state them, I will do so.

"Mr. CLARDY. If you will state them succinctly, we will do so, but not permit you to filibuster.

"Mr. ENGEL. I will state them in the way I think proper to cover my constitutional rights, and Mr. CLARDY, you will not tell me how to state them.

"Mr. CLARDY. Witness, do you have any other constitutional——

"Mr. ENGEL. I do.

"Mr. CLARDY. State them quickly.

"Mr. ENGEL. It is my feeling further that this committee, in hauling me up here, is engaged in unreasonable search and seizure of my person, of my thoughts, of my beliefs.

"Mr. CLARDY. Which section of the Constitution are you relying on that?

"Mr. ENGEL. I am relying, as you very well know, or at least you say you know, on the fourth amendment.

"Mr. CLARDY. All right. Proceed.

"Mr. ENGEL. And I feel that I am being compromised here by having to face a public investigation, and I consider that to be unreasonable search and seizure of my person.

"Mr. CLARDY. Very well. Do you have any more?

"Mr. ENGEL. My next legal ground is that no person shall have to answer for an infamous crime except on the presentment of a grand jury, and a grand jury is secret so that the innocent may be protected before

they are smeared all over the newspapers and public; also, that I do not have to appear as a witness against myself before this committee or before anybody, and I might say that I have already been charged by Mr. CLARDY in the press before I ever came up here because he said that every witness that appeared here had already been determined would be arrogant, and I charge that to have been an assumption.

"Mr. CLARDY. Proceed.

"Mr. ENGEL. And since Mr. CLARDY seems to think that he knows everything, I am going to say I might say that there is actually no need to haul me up here because you might as well just say them and leave me out because you have already assumed everything that I am going to say, but I haven't been brain washed yet. My answers are not yours.

"Mr. CLARDY. Proceed. Do you have any others? I assume that you are intending to raise an objection under the fifth amendment. so pass on.

"Mr. TAVENNER. Why was it——

"Mr. ENGEL. I further——

"Mr. TAVENNER. Excuse me.

"Mr. ENGEL. Don't rush me, Mr. Tavenner.

"Mr. CLARDY. Five more minutes, Mr. Tavenner.

"Mr. ENGEL. I might have a few more, too. I further decline to answer that question because of the due-process section which guarantees me life, liberty, and property, and I might take in a piece that was written during my birthday, July 4, pursuit of happiness.

"Mr. CLARDY. Never mind; we are not interested in your birthday. Proceed.

"Mr. ENGEL. You asked me about it.

"Mr. CLARDY. Proceed.

"Mr. ENGEL. I am, of course, citing here the fifth amendment, and I intend to use this amendment in its entirety as many times as I feel that this committee is transgressing my rights, whether that be 5 times, 10 times, or 500 times, regardless of what the box score says tomorrow. The guilt is with the committee for transgressing my rights and not from my——

"Mr. CLARDY. Witness, you have departed again. Come back to the——

"Mr. ENGEL. My further legal ground is that I am entitled, when I am charged with a crime, to a jury trial, that I am entitled to know the specific charges against me, and that I do not have to be subjected to what has been put here earlier as something of a mass indictment of an entire local union in this city. I have the right to confront and cross-examine any accusers of mine. I have the right of compulsory process for bringing witnesses in my favor, and also the right for full and complete representation by my counsel without any threats and intimidation.

"Mr. CLARDY. Witness, I must——

"Mr. ENGEL. My further legal rights——

"Mr. CLARDY. Hold up a moment. I must enjoin you. We have permitted you to enlarge solely for the purpose of getting on the record the attitude that you are exhibiting toward your Congress. Now from here on out state the amendment and desist from arguing; otherwise the Chair will be compelled to treat your attitude as that of contempt and move on to the next question and leave you to suffer whatever consequences may follow. It is obvious to the Chair that you are determined to exhibit all the contempt your system will permit.

"Now, we are not going to allow you to turn this into a Communist sideshow. Now state the remaining constitutional objections that you have, numbering the amendments.

"If you do not care to do that, then I shall order you to desist and ask Mr. Tavenner to proceed on to the next question.

"Mr. ENGEL. Do I understand you——

"Mr. CLARDY. You understand exactly, I am sure. Now answer the question.

"Mr. ENGEL. Only numbers?

"Mr. CLARDY. That is right.

"Mr. ENGEL. Well, let me consult counsel.

"(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. ENGEL. The Bill of Rights further guarantees me that I not be subjected to cruel and unjust punishment, which is——

"Mr. CLARDY. What amendment are you relying on there?

"Mr. ENGEL. Which is the eighth amendment.

"Mr. CLARDY. Very well.

"Mr. ENGEL. Further, the Bill of Rights guarantees that there are certain rights reserved to me and reserved to the States that Congress cannot take away, which it is trying to do, and I am citing the 9th and 10th amendments here. I further wish to cite the first section of the 14th amendment because it has been stated in the press that there are State police sitting in this courtroom gathering evidence for possible conviction under the Trucks Act, and this committee is acting in collusion with the State police to take away the same rights that I have already argued about.

"Mr. CLARDY. All right.

"Mr. ENGEL. Further legal rights. I charge this committee with violating the entire main body of the Constitution proper and in particular article I which deals with the legislature, legislative sections of our Federal Government; article II, which deals with the executive branch of the Federal Government; article III, which deals with the judicial branch of the Federal Government, and I say that the entire legal precedent and what I have learned in school and come to respect as our American form of government as the seperation of powers, as the checks and balances——

"Mr. CLARDY. Witness, that is very well. Now we will give you the benefit of having raised as an objection every paragraph, line, word, comma, and period in the Constitution. From here on out, as the questions are propounded you will have that protection by merely saying 'I shall refuse to answer on the grounds previously advanced.' Now move on to your next question, Mr. Tavenner.

"Mr. TAVENNER. Mr. Chairman, may I suggest that the witness be directed to answer the question as to whether or not the signature on the document before him is his signature?

"Mr. CLARDY. Yes; I did so once. I direct again.

"Mr. ENGEL. Do you want me to repeat my reasons?

"Mr. CLARDY. I told you no, we will not permit you to repeat them in extenso. You may have the privilege and the coverage by merely saying you refuse to answer on the grounds already advanced.

"Mr. ENGEL. I refuse to answer that question on the grounds already advanced.

"Mr. CLARDY. Very well. Proceed, Mr. Tavenner.

"Mr. TAVENNER. I desire to offer the document, the application, in evidence and ask that it be marked 'Engel Exhibit No. 1.'

"Mr. CLARDY. It will be received.

"Mr. TAVENNER. Why was it that you did not advise your prospective employer, the Chevrolet Motor Co., that you held a B. S. degree in social science from City College?

"Mr. ENGEL. Mr. Tavenner, you are assuming something I did not say. Therefore I am in doubt as to how to answer that question.

"Mr. TAVENNER. You advised the committee that you could not recall having so advised your employer.

"Mr. ENGEL. I said I did not recall whether I did or did not.

"Mr. TAVENNER. Will you answer the question, Why didn't you?

"Mr. ENGEL. You are assuming that.

"Mr. TAVENNER. It is not on your application, is it?

"Mr. ENGEL. I have not said—I have not admitted that that was my application.

"Mr. TAVENNER. Did you give your employer any information regarding your educational background other than that which you put on your formal application?

"Mr. ENGEL. I don't see why I would have.

"Mr. CLARDY. Well, that isn't the question, witness. Did you or did you not? That would call for a straight yes or no.

"Mr. ENGEL. I don't believe I have; no.

"Mr. CLARDY. You don't believe?

"Mr. ENGEL. No, sir.

"Mr. CLARDY. Would you deny that you did give them additional information?

"Mr. ENGEL. As to my educational background?

"Mr. CLARDY. Yes, yes, particularly.

"Mr. ENGEL. Well, now it has been 5 years since I made that application. I don't recall. But to the best of my knowledge I only gave them portions of my formal education.

"Mr. CLARDY. Very well. Proceed, Mr. Tavenner.

"Mr. TAVENNER. I desire to read into evidence a part of the document. The application signed Marvin Engel, bearing date of July 12, 1949, under the heading of 'Educational Records,' shows the following: 'Grammar school, 1934 to 1939. Junior high school, 1939 to 1941. Senior high school, 1941 to 1945. Business college and college,' no entry.

"Isn't it a fact, Mr. Engel, that you deliberately concealed from the Chevrolet Co., the fact that you had been awarded the B. S. degree in social science from City College?

"Mr. ENGEL. Are you accusing me of a crime, sir?

"Mr. CLARDY. Answer the question, witness.

"Mr. ENGEL. I decline to answer that question for the reasons already stated, and I would like to say that I don't appreciate, Mr. CLARDY, laughing when I am on the stand. I would like the record to show that.

"Mr. CLARDY. Witness, the committee is in charge of the proceeding, and we are going to conduct it according to our own rules. Now, no further advice from you will be requested or tolerated.

"Mr. ENGEL. I think this is a serious matter.

"Mr. CLARDY. Will you proceed to ask the next question.

"Mr. TAVENNER. You advised the committee in your testimony a few moments ago that you had had no employment from January 1945 until the time you obtained your employment in Flint. In order to get employment at Flint—at Chevrolet, did you make a representation that you had been employed for a period of time by the Universal Fence Co.?

"Mr. ENGEL. I decline to answer that question for all of the reasons I originally stated, and also on the grounds that I feel that this inquiry into my employment is threatening my livelihood today.

"Mr. TAVENNER. Mr. Chairman, I desire to read in evidence a part of Engel Exhibit No. 1.

"Mr. CLARDY. Proceed.

"Mr. TAVENNER. Relating to employment.

"Under 'Employment record' appears the following:

" 'United States Navy, January 1945 to October 1946, seaman; Universal Fence Co., January 1947 to June 1949; total time in months, 30 months; salesman and stock clerk.'

"Mr. CLARDY. Just a moment, Mr. Tavenner, There is too much competition outside here. Now go ahead.

"Mr. TAVENNER. Did you make that representation to the Chevrolet Co.?

"(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. ENGEL. I decline to answer that question on the same grounds.

"Mr. TAVENNER. As a matter of fact, did you not make such a representation to the Chevrolet Co. in order to deceive it as to

your exact status, namely, a student just out of a university?

"Mr. ENGEL. Is that the question?

"Mr. TAVENNER. Yes.

"Mr. ENGEL. Well, I think you are trying to charge me with something here, and I decline to answer that question on the same grounds.

"Mr. TAVENNER. As a matter of fact, as you have stated, you were not employed at any time by Universal Fence Co.; that is correct, isn't it?

"Mr. ENGEL. I have given you my record.

"Mr. TAVENNER. All right, sir.

"Mr. CLARDY. Just a moment. You haven't answered the last question. Either answer it or decline.

"Mr. ENGEL. I have said that during the time I was in school or in the Navy that I had no other employment outside of going to school or being in the Navy.

"Mr. TAVENNER. And that you had not had any employment up until the time you accepted your employment at Chevrolet.

"Mr. ENGEL. That is correct.

"Mr. TAVENNER. You are aware, are you not, that where an employer has been specified on a form for application that it is the practice of the company, through which the applicant is seeking employment, to make an investigation of employment. Are you aware of that, as a general practice?

"Mr. ENGEL. Well, you seem to be better versed on those matters than I am.

"Mr. TAVENNER. Well, are you aware of that as a general practice?

"Mr. ENGEL. I will take your word for it, sir.

"Mr. TAVENNER. Well, you may accept my word for that because I have here the form used by Chevrolet Manufacturing Co. to make such investigation. This is the usual form of the company, and I hand you a photostatic copy of it and ask you to examine it. Does not the form make an inquiry on the part of the Chevrolet Co. of Universal Fence Co., stating that you had reported yourself to have been employed by that company from January 1947 until 1949 and in which it requested confirmation of that fact by the Universal Fence Co.?

"(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. ENGEL. This form that you have placed before me does say that.

"Mr. TAVENNER. Does not the form also show that you had been so employed by that company from 1947 to 1949 over the signature of the employer?

"(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. ENGEL. This form says that a certain person whose name is on here has done what you specified.

"Mr. CLARDY. Would you repeat that? I couldn't hear it.

"Mr. ENGEL. This form does say that the person whose name is on here has done as you have stated.

"Mr. TAVENNER. Who is the person that so stated?

"Mr. ENGEL. The name that is written upon this photostat which you have placed before me is Marvin Engel.

"Mr. CLARDY. Is there any other Marvin Engel employed at the plant where you work?

"Mr. ENGEL. I would suggest that you ask the personnel office.

"Mr. CLARDY. I am directing you to answer that question.

"Mr. ENGEL. I have no way of knowing.

"Mr. CLARDY. You have no knowledge at all?

"Mr. ENGEL. I don't know. I have no access to the files.

"Mr. DOYLE. May I ask this?

"Mr. CLARDY. Yes; you may, Mr. Doyle?

"Mr. DOYLE. Do you know of any other Marvin Engel working at Chevrolet Co. during the time of your employment there?

"Mr. ENGEL. I don't know of any; no.

"Mr. TAVENNER. Mr. Engel, you stated that the fact of employment of Marvin Engel by the Universal Fence Co. from January 1947 to 1949 appears over the signature of a person. Now is that person whose name I asked you not your name?

"Mr. ENGEL. I am sorry. I didn't——

"Mr. TAVENNER. Will you look at the name signed at the bottom of the paper, the person who certified that you were employed by Universal Fence Co. from 1947 to 1949?

"Mr. ENGEL. Yes.

"Mr. TAVENNER. Who is it?

"Mr. ENGEL. I can't make the signature out.

"Mr. TAVENNER. Who was the owner or operator of Universal Fence Co. at that time?

"(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. ENGEL. I decline to answer that question on the same grounds as previously stated.

"Mr. TAVENNER. What is your difficulty with making out the name that appears at the bottom of the paper?

"Mr. ENGEL. I can't make out the first name.

"Mr. TAVENNER. What is it?

"Mr. ENGEL. Well, I believe it is Sidney.

"Mr. TAVENNER. Yes.

"Mr. ENGEL. The second name is completely illegible to me.

"Mr. TAVENNER. Completely?

"Mr. ENGEL. Yes, sir; completely. There is a dot, some place over it, so I assume that is an "i."

"Mr. TAVENNER. Is the name Linn?

"Mr. CLARDY. L-i-n-n?

"Mr. ENGEL. It may be.

"Mr. CLARDY. Is it?

"Mr. TAVENNER. Now, you are an intellectual——

"Mr. ENGEL. Thank you, Mr. Tavenner.

"Mr. TAVENNER. Certainly you are——

"Mr. ENGEL. Let us try and raise it to that level, shall we?

"Mr. TAVENNER. It has already been done by witnesses.

"Mr. CLARDY. Just a moment, Mr. Counsel. I didn't make this clear this morning as we did the other mornings—I must ask that there be no demonstrations, either in approval or disapproval, and I suggest again to the witness that you just answer the question and leave out the wisecracks. Now proceed.

"Mr. ENGEL. That was in response to Mr. Tavenner.

"Mr. CLARDY. You heard me.

"Mr. TAVENNER. Does the name appear to you to be that of Sidney Linn?

"Mr. ENGEL. It may be.

"Mr. TAVENNER. Aren't you satisfied that it is?

"Mr. ENGEL. I say it may be. It may be about 500 other things, too.

"Mr. TAVENNER. Aren't you satisfied to the best of your judgment that it is Sidney Linn?

"Mr. ENGEL. Did you say L-i-n-n?

"Mr. TAVENNER. Yes.

"Mr. ENGEL. It may be that; yes.

"Mr. CLARDY. You know Sidney Linn very well, don't you?

"Mr. ENGEL. I decline to answer that question on the grounds I have already stated.

"Mr. TAVENNER. Now why was it that Sidney Linn, if you know, confirmed employment by you from 1947 to 1949 which you never performed?

"Mr. ENGEL. I decline to answer that statement and any other statements of that nature for the same reasons, and I think that you are just trying to run the box score up that I referred to before.

"Mr. TAVENNER. Oh, no.

"Mr. DOYLE. Mr. Counsel, may I ask this question to clarify my understanding? Do you mean that the record shows that Mr. Linn signed the certification that this witness was in his employ when he was not?

"Mr. TAVENNER. The witness has testified——

"Mr. DOYLE. Yes.

"Mr. TAVENNER. The witness has testified that he was never so employed. The form of the application shows that he was so employed, and the inquiry made by Chevrolet Co. shows a certification by the employer, Mr. Sidney Linn, that he was actually employd during that period of time.

"Mr. DOYLE. All right; thank you.

"Mr. TAVENNER. Now, I want to ask you, isn't it a fact that that was a prearranged scheme to assist you in getting employment within Chevrolet in Flint, to have Sidney Linn make that certification?

"Mr. ENGEL. I decline to answer that question for the same reasons already stated.

"Mr. TAVENNER. Mr. Chairman, Sidney Linn was identified by the witness Bereniece Baldwin in Detroit last week as a member of the Communist Party.

"Mr. CLARDY. I recall.

"Mr. TAVENNER. I desire to introduce——

"Mr. DOYLE. You mean the same Sidney Linn that filed this certification, Mr. Counsel?

"Mr. CLARDY. That is right, Mr. Doyle.

"Mr. TAVENNER. It is Sidney Linn; that is all I can say.

"I desire to introduce the document in evidence and ask that it be marked 'Engel Exhibit No. 2.'

"Mr. CLARDY. It will be received.

"Mr. TAVENNER. Mr. Engel, were you acquainted with a person by the name of Sidney Graber?

"Mr. ENGEL. I am not going to permit this committee to question me on people whom I do or do not know. I am not going to prostrate myself and tell all, whether I know anything or not. You will not pry into my associations, and I decline to answer that or any other questions concerning people that I might or might not know on all of the grounds that I have previously stated and on the additional ground that being an informer before this committee, which you are trying to make me do—become, would tend to degrade me.

"Mr. CLARDY. Witness, I think I must point out to you, you said you would not permit the committee to do thus and so. You have no control whatever over what this committee may do. You may merely decline to answer or may answer, but no impertinent remarks of that kind are going to be permitted from here on out, unless you wish to run the risk of being cited for contempt.

"Now, proceed, Mr. Tavenner.

"Mr. TAVENNER. Mr. Engel, did you give the name of Sidney Graber as a reference to the Chevrolet Co. when you sought employment by it?

"Mr. ENGEL. I decline to answer that question for the same reasons already stated.

"Mr. TAVENNER. Will you examine Engel Exhibit No. 1 and look at the third line, on the second page, under the title 'personal references,' second line——

"(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. TAVENNER. And state what name you see there?

"Mr. ENGEL. Might I suggest that there is a clerk here who could read this document of yours just as well as I could. They are getting paid for it, and I am losing money.

"Mr. CLARDY. Witness, you have forgotten that you are before a committee of Congress. Now answer the question.

"Mr. ENGEL. What was the question?

"Mr. TAVENNER. Read the——

"Mr. ENGEL. Just a moment.

"(At this point Mr. Engel conferred with Mr. Weston.)

"Mr. CLARDY. You better not consult counsel until you are sure of the question. Will you read it, Miss Reporter?

"(The question was read by the reporter as follows: 'Will you examine Engel Exhibit No. 1 and look at the third line, on the second page, under the title "personal references," second line, and state what name you see there?')

"Mr. ENGEL. I decline to answer any questions related to this document that you have presented before me for the same reasons that I have already stated.

"Mr. TAVENNER. Mr. Chairman, I desire to read into the testimony the second line under 'personal references' as appears in document Engel Exhibit No. 1. The name, Sidney Graber; address, 12064 North Martindale; city, Detroit; State, Michigan; 3 years' length of acquaintance.

Mr. DOYLE. May I ask, to my recollection, is that exhibit 1 a photostat of the original application of this witness for employment at Chevrolet Co.?

"Mr. TAVENNNER. It is, sir.

"Mr. CLARDY. And the last you read into the record was designed to show that Sidney Graber was given as a reference; is that correct?

"Mr. TAVENNER. Yes, sir.

"Mr. CLARDY. Proceed.

"Mr. TAVENNER. Mr. Chairman, the person Sidney Graber was identified as a member of the Communist Party during the course of the testimony in Detroit last week. Mr. Graber was called as a witness and refused to answer material questions on the ground that to do so might tend to incriminate him.

"Isn't it a fact, Mr. Engel, that you were one of the colonizers who either voluntarily or acting upon the direction of the Communist Party sought to infiltrate the Chevrolet plant in Flint by getting employment there?

"Mr. ENGEL. I got employment in the Chevrolet plant to make a living, to be able to support myself.

"Mr. TAVENNER. Did you have any other reason?

"Mr. ENGEL. I decline to answer the question because you have indicated some deep conspiracy here, and I decline to answer that on all the grounds that I have previously stated, and on the additional ground that if you have knowledge of my participating in any conspiracy, of breaking the law, why don't you prosecute me in a court?"

Because of the foregoing, the said Committee on Un-American Activites was deprived of answers to pertinent questions propounded to said Marvin Engel relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Will you examine the signature to the document [application for employment] and state whether or not it is your signature?

"Isn't it a fact, Mr. Engel, that you deliberately concealed from the Chevrolet Co. the fact that you had been awarded the B. S. degree in social science from City College?

"In order to get employment at Flint—at Chevrolet—did you make a representation that you had been employed for a period of time by the Universal Fence Co.?

"Did you make that representation [employment by Universal Fence Co. for 30 months as salesman and stock clerk] to the Chevrolet Co.?

"As a matter of fact, did you not make such a representation to the Chevrolet Co. in order to deceive it as to your exact status, namely, a student just out of a university?

"Who was the owner or operator of Universal Fence Co. at that time [1947–49]?

"Now why was it that Sidney Linn, if you know, confirmed employment by you from 1947 to 1949 which you never performed?

"Now, I want to ask you, isn't it a fact that that was a prearranged scheme to assist you in getting employment within Chevrolet in Flint, to have Sidney Linn make that certification?

"Mr. Engel, were you acquainted with a person by the name of Sidney Graber?

"Mr. Engel, did you give the name of Sidney Graber as a reference to the Chevrolet Co. when you sought employment by it?

"Will you examine Engel Exhibt No. 1 and look at the third line, on the second page, under the title 'personal references' second line, and state what name you see there?

"Isn't it a fact, Mr. Engel, that you were one of the colonizers who either voluntarily or acting upon the direction of the Communist Party, sought to infiltrate the Chevrolet plant in Flint by getting employment there?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 678) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Marvin Engel to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the eastern district of Michigan, Detroit, Mich., to the end that the said Marvin Engel may be proceeded against in the manner and form provided by law.

Mr. JACKSON. The résumé in this case follows:

Marvin M. Engel, Flint, Mich.: Refused to answer questions relating to his application for employment at the Chevrolet Co., and as to whether he concealed from his employer facts relating to his educational record and prior employment, relying in each instance on the fifth amendment as the basis for his refusal to answer. Statements made during the course of his testimony indicated a waiver of the fifth amendment. He testified at Flint, Mich., May 13, 1954.

Mr. VELDE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST MARTIN TRACHTENBERG

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2470).

The Clerk read as follows:

PROCEEDINGS AGAINST MARTIN TRACHTENBERG

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Martin Trachtenberg, 1805 West Pasadena Avenue, Flint, Mich. The said subpena directed Martin Trachtenberg to be and appear before said Committee on Un-American Activities or a duly authorized subcommittee thereof in their chamber in room 500, Genesee Courthouse, Flint, Mich., on March 3, 1954, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee. The subpena served upon Martin Trachtenberg is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America, to Chief James T. Byars, Flint, Mich., police: You are hereby commanded to summon Martin Trachtenberg to be and appear before the Committee on Un-American Activities or a duly authorized subcommittee thereof, of the House of Representatives of the United States, of which the Honorable HAROLD H. VELDE is chairman, in their chambers in room 500 Genesee Courthouse, Flint, Mich., March 3, 1954, at the hour of 10 a. m., then and there to testify touching matters of inquiry committed to said committee, and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 20th day of January 1954.

"HAROLD H. VELDE, *Chairman.*

"Attest:

"LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Francis L. Smela, Flint Police Department, who was duly authorized to serve the said subpena. The return of the service by the said Francis L. Smela, being endorsed thereon, is set forth in words and figures, as follows:

"Subpena for Martin Trachtenberg. Served Martin Trachtenberg, 1805 West Pasadena Avenue, at his home at 4:22 p. m. on February 8, 1954.

"FRANCIS L. SMELA,
"Flint Police Department."

Successive telegrams were sent to Martin Trachtenberg by Hon. HAROLD H. VELDE, chairman, Committee on Un-American Activities, postponing the date of his appearance before the committee to May 12, 1954. At the close of the sessions of the committee on May 12, 1954, all witnesses who had been subpenaed and had not been heard were directed by the chairman to report on May 13, 1954.

The said Martin Trachtenberg, pursuant to said subpena and in compliance with the later direction of the chairman, appeared before the said committee on May 13, 1954, to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Martin Trachtenberg, having appeared as a witness and having been asked the questions, namely:

"After the witness had stated that his educational training had consisted of approximately 2 years of college, he was asked the question: 'Where?'

"Now, will you tell us—you are directed: Will you tell us the identity of the school you attended?

"After 1946 did you attend school at the University of New Mexico?

"Did you attend college at any time prior to your going into the armed services in 1943?

"Where were you living before you came to Flint in the early part of 1949?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions, and as a result of Martin Trachtenberg's refusal to answer the aforesaid questions, your subcommittee was prevented from receiving testimony and information concerning a matter committed to said subcommittee in accordance with the terms of the subpena served upon the said Martin Trachtenberg.

The record of the proceedings before the subcommittee on May 13, 1954, during which Martin Trachtenberg refused to answer the

aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"SUBCOMMITTEE OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES,
"Flint, Mich., Thursday, May 13, 1954.

"The Subcommittee of the Committee on Un-American Activities, consisting of Representatives KIT CLARDY, chairman; HAROLD H. VELDE, and CLYDE DOYLE, met pursuant to adjournment, at 9:32 a. m., in the supervisors room, courthouse, Flint, Mich., each of whom were present. After hearing the testimony of other witnesses, Martin Trachtenberg was called as a witness.

"MR. CLARDY. * * * Call the next witness.

"Mr. TAVENNER. Mr. Martin Trachtenberg.

"Mr. CLARDY. Raise your right hand. Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. TRACHTENBERG. I do.

"Mr. CLARDY. Be seated. Counsel will identify himself.

"Mr. PROBE. My name is Bernard Probe, office of the National Bank Building, Detroit.

"Mr. TAVENNER. What is your name, please, sir?

"TESTIMONY OF MARTIN TRACHTENBERG, ACCOMPANIED BY HIS COUNSEL, BERNARD PROBE

"Mr. TRACHTENBERG. Martin Trachtenberg.

"Mr. TAVENNER. Will you spell your name, please?

"Mr. TRACHTENBERG. T-r-a-c-h-t-e-n-b-e-r-g, M-a-r-t-i-n.

* * * * *

"Mr. TAVENNER. When and where were you born?

"Mr. TRACHTENBERG. Jersey City, N. J., 1923, June 3.

"Mr. TAVENNER. Where do you now reside?

"Mr. TRACHTENBERG. 1805 West Pasadena.

"Mr. TAVENNER. Pasadena?

"Mr. TRACHTENBERG. Pasadena, not California, Mr. Doyle, Flint.

* * * * *

"Mr. TAVENNER. What is your occupation?

"Mr. TRACHTENBERG. I am an employee of Buick Motor Co.

"Mr. TAVENNER. How long have you been employed by Buick Motor Co.?

"Mr. TRACHTENBERG. Approximately 5 years.

"Mr. TAVENNER. When did you begin your employment? That would be in 1949, I assume, but what month during the year, or was it in 1948?

"Mr. TRACHTENBERG. That was in May 1949.

"Mr. TAVENNER. Will you tell the committee, please, what your formal educational training has been?

"Mr. TRACHTENBERG. Well, before this committee I feel that this is a dangerous statement because I understand that you know that Congressman VELDE made the statement that the basis of all communism and socialism influences is the education of the people. When he voted against mobile library service for the rural areas, so I feel that you fellows are really going for——

"Mr. CLARDY. Witness, witness, you know that that has no relationship whatever to the question. You are being deliberately impertinent. You know it and we know it. The audience knows it. See if you can't be a gentleman from here on out. Will you proceed, Mr. TAVENNER? If it proves difficult for you, maybe we can help you.

"Mr. TAVENNER. Tell the committee, please, what your——

"Mr. TRACHTENBERG. Chairman——

"Mr. CLARDY. Never mind, wait until the question is submitted and we will ask you to answer it.

"Mr. TRACHTENBERG. Well, I would say——

"Mr. CLARDY. I enjoin you to silence. We are going to proceed with the question. Now ask the question, Mr. TAVENNER.

"Mr. TAVENNER. Tell the committee, please, what your educational training has been?

"Mr. TRACHTENBERG. I repeat I would normally relate this education but under the circumstances, VELDE will incriminate me.

"Mr. CLARDY. If there is any incrimination, you will have to do it yourself. Now are you refusing to answer?

"Mr. TRACHTENBERG. Are you making an inflammatory statement, Chairman?

"Mr. CLARDY. Are you refusing to answer?

"(At this point Mr. Trachtenberg conferred with Mr. Probe.)

"Mr. TRACHTENBERG. I would like to consult counsel.

"Mr. DOYLE. I would advise you better.

"Mr. CLARDY. I think you should.

"(At this point Mr. Trachtenberg conferred with Mr. Probe.)

"Mr. TRACHTENBERG. I have had approximately 2 years of college.

"Mr. TAVENNER. Where?

"(At this point Mr. Trachtenberg conferred with Mr. Probe.)

"Mr. TRACHTENBERG. Is this question pertinent to this inquiry?

"Mr. CLARDY. It would not have been asked had it not been so deemed. You are directed to answer it.

"Mr. TRACHTENBERG. Then I use the privileges accorded me under the Bill of Rights and the Constitution of the United States to refuse to answer this question which you asked.

"Mr. CLARDY. Proceed, Mr. Tavenner.

"Mr. TAVENNER. By that you mean it might tend to incriminate you to state where you received your 2 years of college work?

"Mr. TRACHTENBERG. Now, Mr.——

"Mr. TAVENNER. Or approximately 2 years.

"Mr. TRACHTENBERG. Mr. Tavenner, you fellows are lawyers. You know that Bill of Rights was written to defend the innocent. What are you talking about incrimination? If you guys got anything against me, get me up before a court of legal procedure and press the charges where I can cross-examine my accusers. What is all this business about incriminating me? I am innocent and this Bill of Rights is defending me against guys who plan to take my rights away, and so I am refusing to answer that question on the entire Bill of Rights especially the fifth amendment and the Constitution of the United States.

"Mr. DOYLE. May I ask you, please, a point-blank question? Do I understand that you are refusing to answer this question of where you went to college for 2 years on the grounds that it might incriminate you in some way? I just want to make it clear, because I have never heard of such——

"(At this point Mr. Trachtenberg conferred with Mr. Probe.)

"Mr. DOYLE. Never heard of such a foolish—I don't mean foolish.

"Mr. CLARDY. Absurd.

"Mr. TRACHTENBERG. Absurd—I would like to answer that question, Congressman.

"Mr. DOYLE. Yes.

"Mr. TRACHTENBERG. I asked the question if this question was pertinent to the inquiry, and you said "Yes," and you meant, you're investigating subversive activities so obviously you got some kind of line that some stool pigeon will back it up so therefore I refuse to answer the question. It is a simple thing. I am a straight guy. I am just trying to get right to the point.

"Mr. CLARDY. Witness, the only way that you could in any way be incriminated would be for you to now acknowledge that you attended some school dedicated to instruction in criminal activities. Now, if there is any respectable institution in the United States that you attended for a couple of years, you can't possibly incriminate yourself by telling us so, and no implication can be drawn from it.

"Mr. TRACHTENBERG. I am——

"Mr. CLARDY. Now, will you tell us—you are directed: Will you tell us the identity of the school you attended?

"(At this point Mr. Trachtenberg conferred with Mr. Probe.)

"Mr. TRACHTENBERG. I stated in the statement that I put out to the workers in the shop that I will not cooperate with this committee in any way because I feel it is destroying my rights as an American citizen. Therefore, I will not answer that question under the privileges that I have previously stated.

"Mr. CLARDY. All right. Pass on, Mr. Tavenner.

"Mr. TAVENNER. Did you serve in the Armed Forces of the United States during the period of the war?

"Mr. TRACHTENBERG. Yes; I did.

"Mr. TAVENNER. During what years?

"Mr. TRACHTENBERG. 1943–46.

"Mr. TAVENNER. After 1946 did you attend school at the University of New Mexico?

"Mr. TRACHTENBERG. Mr. Tavenner, are these questions directed in confusing me or enlightening the inquest here. All I said, that I am not going to name any names of anything, any organizations or any people. I will not cooperate with this committee in destroying the Bill of Rights and the Constitution of the United States.

"Mr. TAVENNER. Did you attend college at any time prior to your going into the armed services in 1943?

"Mr. TRACHTENBERG. I refuse to answer that question on the same grounds that I have stated before.

* * * * *

"Mr. TAVENNER. When did you first come to Flint?

"Mr. TRACHTENBERG. In the early part of 1949. That was not after August, by the way. There seems to be an attempt for a conspiracy here, lining up every New Yorker that ever came to Flint at a certain point, so——

"Mr. TAVENNER. Where were you living before you came to Flint in the early part of 1949?

"Mr. TRACHTENBERG. I will not give any dates or places—for the reasons I have stated before.

"Mr. TAVENNER. You mentioned New York; were you living in New York?

"Mr. TRACHTENBERG. I will not give any locations, names, places, or people, persons, organizations, or anything to abet this committee in its attempt to destroy the labor unions of the United States and the democracies that the people have now.

"Mr. DOYLE. Now just a minute, Mr. Counsel. I want to counter your statement right there because it is——

"Mr. TRACHTENBERG. Are you asking me a question?

"Mr. DOYLE. I am not asking you a question. I am telling you something. You have made a statement just there which is not founded on fact, and I believe you know it is not founded on fact. Neither this committee nor I as a member of it certainly have any intention directly or indirectly of harming organized labor of the United States. You have heard me say in this room that I have always received their endorsement, AFL and the right wing of the CIO. The only people in organized labor that don't like me nor this committee, generally speaking, are those who are there to take over control if they can for the Communist conspiracy, and those are the unpatriotic American citizens in labor unions that we are after, the labor unions that don't want them.

"Mr. TRACHTENBERG. Mr. Doyle, will you permit me the courtesy of answering that?

"Mr. CLARDY. No, witness, you will not be given any more time than your conduct deserves, and it doesn't deserve that.

"(At this point Mr. Trachtenberg conferred with Mr. Probe.)"

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions

propounded to said Martin Trachtenberg, relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2), of the 79th Congress, and under House Resolution 5 of the 83d Congress, the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"After the witness had stated that his educational training had consisted of approximately 2 years of college, he was asked the question: 'Where?'

"Now will you tell us—you are directed: Will you tell us the identity of the school you attended?

"After 1946 did you attend school at the University of New Mexico?

"Did you attend college at any time prior to your going into the armed services in 1943?

"Where were you living before you came to Flint in the early part of 1949?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 679) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Martin Trachtenberg to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the eastern District of Michigan, Detroit, Mich., to the end that the said Martin Trachtenberg may be proceeded against in the manner and form provided by law.

Mr. JACKSON. The résumé in this case follows:

Martin Trachtenberg, Flint, Mich.: Refused to answer questions relating to his educational training, whether he attended the University of New Mexico, the place of his residence prior to his moving to Flint, in each instance relying on the fifth amendment as a basis for his refusal to answer. He testified on the 13th day of May 1954, at Flint, Mich.

Mr. VELDE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PROCEEDINGS AGAINST CARL HARVEY JACKINS

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2471).

The Clerk read as follows:

PROCEEDINGS AGAINST CARL HARVEY JACKINS

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Carl Harvey Jackins, residence 6753 32d Avenue NW., occupation, Dianetics Institute, 2327 Fourth Avenue. The said subpena directed Carl Harvey Jackins to be and appear before said Committee on Un-American Activities or a duly authorized subcommittee thereof, of which the Honorable HAROLD H. VELDE is chairman, in their chambers in the city of Seattle, Wash., on June 14, 1954, at the hour of 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee. The subpena served upon said Carl Harvey Jackins is set forth in words and figures as follows:

"By authority of the House of Representatives of the Congress of the United States of America to Seattle Police Department: You are hereby commanded to summon Carl Harvey Jackins, residence 6753 32d Avenue NW., occ. Dianetics Institute, 2327 4th Avenue, to be and appear before the Committee on Un-American Activities, or a duly authorized subcommittee thereof of the House of Representatives of the United States, of which the Hon. HAROLD H. VELDE is chairman, in their chambers in the City of Seattle, Washington, June 14, 1954, County Commissioner's Chambers, County-City Building, 530 3d Avenue, at 9:30 a. m., then and there to testify touching matters of inquiry committed to said committee and he is not to depart without leave of said committee.

"Herein fail not and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington this 17th day of May, 1954.

"HAROLD H. VELDE, *Chairman.*

"Attest:

LYLE O. SNADER,
"Clerk, United States House of Representatives."

The said subpena was duly served as appears by the return made thereon by Sergeant Grange, Seattle Police Department, who was duly authorized to serve the said subpena. The return of the service by the said Sergeant Grange, Seattle Police Department, being endorsed thereon, is set forth in words and figures as follows:

"Subpena for Carl Harvey Jackins, 2327 Fourth Avenue, before the Committee on June 14, 1954, at 9:30 a. m.

"Served 9:30 a. m., May 25, 1954, by Sergeant Grange, S. P. D."

The said Carl Harvey Jackins, pursuant to said subpena, and in compliance therewith, appeared before the said committee on June 14, 1954, in room 402, County-City Building, Seattle, Wash., to give such testimony as required under and by virtue of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress. The said Carl Harvey Jackins, having appeared as a witness and having been asked questions, namely:

"Will you tell the committee please, briefly, what your employment record has been since 1935?

"How were you employed in 1948?

"Did you hold an official position in 1948 or at any time prior thereto, in local 46 of the International Brotherhood of Electrical Workers?

"Were you expelled from local 46 of the International Brotherhood of Electrical Workers in 1948?

"Were you also expelled as business agent of the Building Service Employees Union sometime prior to 1948?

"Were you at any time expelled from lodge 751 of the Aero Mechanics Union?

"Is this [work of personal counseling] something originated by the Communist Party as part of its program?

"Who are the other people, then, when you used the word "we," that are associated with you in this movement?

"But what is the name of the group? [The group which the witness volunteered he was working with.]

"Does the group that you referred to have an office with you in the same office that you work in?"

Which questions were pertinent to the subject under inquiry, refused to answer such questions; and as a result of the refusal of Carl Harvey Jackins to answer the aforesaid questions, your committee was prevented from receiving testimony and information concerning a matter committed to said committee in accordance with the terms of the subpena served upon the said Carl Harvey Jackins.

The record of the proceedings before the committee on June 14, 1954, during which Carl Harvey Jackins refused to answer the aforesaid questions pertinent to the subject under inquiry, is set forth in fact as follows:

"UNITED STATES
HOUSE OF REPRESENTATIVES,
"COMMITTEE ON UN-AMERICAN ACTIVITIES,
"Seattle, Wash., Monday, June 14, 1954.

"The Committee on Un-American Activities, Hon. HAROLD H. VELDE, chairman, presiding, continued its hearing at 2 p. m., in room 402, County-City Building, Seattle, Wash.

"Committee members present: Representatives HAROLD H. VELDE (chairman), DONALD L. JACKSON, KIT CLARDY, GORDON H. SCHERER, CLYDE DOYLE, and JAMES B. FRAZIER, JR., a quorum of the full committee.

"Mr. VELDE. * * * Mr. Counsel, are you ready to proceed?

"Mr. TAVENNER. Yes, sir.

"I would like to call, as the first witness, Mr. Carl Harvey Jackins. Will Mr. Jackins come forward, please?

"Mr. VELDE. Will you raise your right hand, Mr. Jackins?

"In the testimony that you are about to give before this committee do you solemnly swear that you will tell the truth, the whole truth, and nothing but the truth, so help you God?

"Mr. JACKINS. I do.

"Mr. VELDE. You may be seated.

"Mr. TAVENNER. Will counsel identify himself for the record, please.

"Mr. CAUGHLAN. Yes. I am John Caughlan, attorney and member of the Washington State Bar.

"Do you want my address?

"Mr. TAVENNER. Yes.

"Mr. CAUGHLIN. 702 Lowman Building, Seattle.

* * * * * *

"Mr. TAVENNER. What is your name, please, sir?

"TESTIMONY OF CARL HARVEY JACKINS, ACCOMPANIED BY HIS COUNSEL, JOHN CAUGHLIN

"Mr. JACKINS. Harvey Jackins.

"Mr. TAVENNER. Will you spell your last name, please?

"Mr. JACKINS. Certainly. J-a-c-k-i-n-s.

"Mr. TAVENNER. When and where were you born, Mr. Jackins?

"Mr. JACKINS. I was born June 28, 1916, in northern Idaho.

"Mr. TAVENNER. Where do you now reside?

"Mr. JACKINS. In the city of Seattle, sir.

"Mr. TAVENNER. How long have you lived in the city of Seattle?

"Mr. JACKINS. A number of years, sir.

"Mr. TAVENNER. Approximately how long?

"Mr. JACKINS. Approximately 20.

"Mr. TAVENNER. Will you tell the committee, please, what your educational training has been, that is, your formal educational training?

"Mr. JACKINS. I think so. I have been to grade school. I have been to high school; I have been to college.

"Mr. TAVENNER. How many years have you had in college?

"Mr. JACKINS. Somewhat less than 4 years.

"Mr. TAVENNER. At what institution?

"Mr. JACKINS. At the University of Washington.

* * * * *

"Mr. TAVENNER. Did you serve in the Armed Forces of the United States at any time during the period 1937 to 1950?

"Mr. JACKINS. I did not.

"Mr. TAVENNER. Will you tell the committee, please, briefly, what your employment record has been since 1935?

"Mr. JACKINS. Well, because of the character of this committee and the nature of these hearings, I must decline to answer that question, claiming my privilege under the fifth amendment to the Constitution not to bear witness in any attempt on the part of this committee to involve me.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. I ask that he be directed to answer the question.

"Mr. VELDE. Certainly. That is a very simple question and the Chair sees no way in which it can incriminate you to answer it whatsoever. You are directed to answer the question.

"Mr. JACKINS. What the Chair sees and what might be the facts in the situation are not necessarily the same, Mr. Chairman. I have declined to answer, invoking my privilege under the fifth amendment not to bear witness against myself in any attempt on the part of this committee, considering the circumstances, to involve me.

"Mr. VELDE. And upon further consideration, you still invoke the fifth amendment, upon the Chair's direction that you answer the question; is that correct?

"Mr. JACKINS. I have been informed by counsel that if I were to give testimony before this committee which would be at variance with witnesses who have appeared before this committee, seeking to curry the favor of the committee because of prison sentences hang over their head, that regardless of the obvious lack of integrity of such witnesses I would still be subjected to possible charges of perjury.

"Mr. VELDE. Mr. Witness, the testimony of the previous witness has nothing to do with your testimony.

"Mr. JACKINS. It has a great deal to do with the situation.

"Mr. VELDE. Will you answer the question, or do you refuse to answer?

"Mr. JACKINS. I have answered very clearly. I declined to answer that question under my privileges guaranteed under the fifth amendment not to bear witness against myself in any attempt on the part of this committee, considering the circumstances, to involve me.

"Mr. VELDE. And upon direction by the Chair to answer the question as to your previous employment, you still refuse to answer upon the grounds of the fifth amendment; is that correct?

"Mr. JACKINS. I have answered that very clearly, Mr. Chairman.

"Mr. VELDE. How do you mean that—that you answered it very clearly? By refusing to answer? Can you tell me of one way in which giving us the benefit of your previous employment can possibly incriminate you?

"Mr. JACKINS. Under other circumstances, Mr. Chairman, I would be very glad to discuss those questions, with you or with anyone else, but under the conditions of this hearing and the character of this committee I must decline to answer that question as well, invoking my privilege under the fifth amendment not to bear witness against myself.

"Mr. VELDE. Very well. Proceed.

"Mr. TAVENNER. How are you now employed, Mr. Jackins?

"Mr. JACKINS. I am employed as a personal counselor.

"Mr. TAVENNER. In what type of business?

"Mr. JACKINS. In the field of professional personal counseling.

"Mr. TAVENNER. How long have you been so employed?

"(At this point Mr. Jackins conferred with Mr. Caughlan.)

"Mr. JACKINS. Three and one-half years, approximately.

"Mr. TAVENNER. That would take you back to 1950 or 1951, approximately, would it not?

"Mr. JACKINS. Approximately.

"Mr. TAVENNER. How were you employed in 1948?

"Mr. JACKINS. Considering the character of this committee and the nature of these hearings, I must decline to answer that question, claiming my privilege under the fifth amendment not to bear witness against myself in any attempt to involve me.

"Mr. TAVENNER. Did you hold an official position in 1948 or at any time prior thereto in local 46 of the International Brotherhood of Electrical Workers?

"Mr. JACKINS. Under other circumstances, I would be glad to discuss that, but considering the nature of this committee and the character of these hearings, I must decline to answer that question, claiming my privilege under the fifth amendment to the Constitution not to bear witness against myself in any attempt to involve me.

"Mr. VELDE. May I ask the witness this question?

"Under what other circumstances would you be willing to answer that question?

"Mr. JACKINS. Under conditions otherwise than before this committee, Mr. Chairman. I would be glad to discuss the entire issue with you publicly.

"Mr. VELDE. To whom would you give an answer to that question other than to members of this committee?

"(At this point Mr. Jackins conferred with Mr. Caughlin.)

"Mr. JACKINS. Mr. Chairman, I would be glad to discuss these issues with you, say, in public debate, in a public discussion before a friendly—before an audience or before the general public. The actions of this committee in presenting testimony——

"Mr. SCHERER. Mr. Chairman.

"Mr. JACKINS (continuing). From thoroughly discredited people and people without integrity this morning has left me with no choice but to decline to answer that.

"Mr. CLARDY. Regular order, Mr. Chairman.

"Mr. VELDE. Regular order is ordered.

"Would you go under oath before me and discuss this question as to your employment—on any matters involving your connection with the Communist Party?

"Mr. DOYLE. I think, Mr. Chairman, that he has volunteered——

"Mr. VELDE. Just a moment, Mr. Doyle.

"May I ask if he will answer this question, please?

"Mr. JACKINS. In your present capacity, Mr. Chairman?

"Mr. VELDE. Yes, in my present capacity, naturally.

"Mr. JACKINS. My answer would be the same as I have made.

"Mr. CLARDY. May I suggest something, Mr. Chairman?

"Mr. VELDE. The Chair recognizes the gentleman from Michigan.

"Mr. CLARDY. May I point out that since he has indicated a willingness to answer these questions before other people, he has waived any protection that he might claim under the fifth amendment, and I ask that he be directed to answer that last question.

"Mr. VELDE. Yes, I think the gentleman from Michigan is absolutely right.

"You are directed to answer the last question.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. So that the record may be complete at this point I want to make this observation, so that we will not overlook it. When he has stated that he is willing to answer that question under certain other circumstances or to other people, it is obvious that any claim that there is any protection afforded him by the fifth amendment is false, because if he is willing to state it to others then there can be no possibility of it incriminating him.

"Mr. VELDE. I am usually entirely in agreement with the gentleman from Michigan but I believe that he has not stated that he would answer if he were under oath at the present time.

"Mr. CLARDY. I do believe there is a distinction, Mr. Chairman, and his statement that he is willing to answer it indicates that there can be no incrimination because if he gives testimony somewhere else under oath or otherwise he has at least touched upon the subject of which he is now apprehensive—if he has any such apprehension—and that obviously removes any possibility of claiming the fifth amendment in good faith. And I am sure that he is not claiming it in good faith but is attempting merely to filibuster and follow the usual Communist Party line.

"Mr. VELDE. Witness if we engaged in public debate or if we engaged in a private session where you came before me personally, would you answer the question that has been put to you about your employment under oath?

"Mr. JACKINS. Are you asking that again?

"Mr. VELDE. Yes.

"Mr. JACKINS. The stenographer is in trouble. If you will wait a minute——

"Mr. CLARDY. I think you can keep your observations about the conduct of these proceedings to yourself, Witness. Just answer the questions.

"Mr. JACKINS. Thank you.

"Mr. CLARDY. And we don't care for any thanks or anything else from you.

"Mr. VELDE. Do you understand the question that has been propounded, Witness?

"Mr. JACKINS. In the byplay here, I have lost track of where we are. If you would care to present the situation again——

"Mr. VELDE. You have been directed to answer the question as to whether or not in a session with me, in my capacity, whether it be public or private, you would answer the question as to your previous employment under oath—the oath, of course, to be administered by me?

"Mr. JACKINS. Might I ask you a question? Is a hypothetical question such as that proper at this point?

"Mr. VELDE. If you will answer that question, instead of refusing to answer under the grounds of the fifth amendment, then perhaps we might consider the question properly.

"Mr. JACKINS. It seems to me that to give you an answer to that would only be to express an opinion. If it is your desire that I express an opinion about it, I will.

"Mr. JACKSON. Regular order, Mr. Chairman.

"Mr. VELDE. Regular order, Mr. JACKSON.

"Mr. JACKSON. It is quite obvious that the witness has no intention of answering any questions which have to do with his alleged membership in the Communist Party, and I think it is a waste of time to pursue it any further. As far as I am concerned you can ask him the question now and excuse him.

* * * * *

"Mr. TAVENNER. Mr. Chairman, it was my intention to inquire of this witness as to what knowledge he had regarding Communist Party activities in connection with unions of which he was a member or had official positions with but the witness has refused to answer that he was even a member of the first union that I mentioned.

"I think, however, that having asked that question, I should follow it up, even if I do not pursue the others.

"Mr. VELDE. You may proceed.

"Mr. TAVENNER. Now were you expelled from local 46 of the International Brotherhood of Electrical Workers in 1948?

"(At this point Mr. Jackins conferred with Mr. Caughlan.)

"Mr. JACKINS. Considering the character of this committee and the nature of these hearings, I must decline to answer that question, invoking my privileges under the fifth amendment.

"Mr. CLARDY. I suggest, Mr. Chairman, that he be directed to answer that question.

"Mr. VELDE. Certainly. You are directed to answer that question. The Chair can see no reason why the answer to such a question should incriminate you in any way. You are directed to answer the question.

"Mr. JACKINS. What the Chair can see, in the actual situation, need have no meeting ground at all, and again I repeat, considering the character of this committee and the nature of these hearings, I must decline to answer that question, claiming my privileges under the fifth amendment not to bear witness against myself in any attempt on the part of this committee to involve me.

"Mr. TAVENNER. Were you also expelled as business agent of the Building Service Employees Union sometime prior to 1948?

"Mr. JACKINS. Considering the character of this committee and the nature of these hearings, I must decline to answer that question, invoking my privileges under the fifth amendment to the Constitution not to bear witness against myself in any attempt on the part of this committee to involve me.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. May I suggest that the witness be directed to answer that question.

"Mr. VELDE. Again, without objection, you are directed to answer that question.

"Mr. TAVENNER. Were you expelled from lodge 751——

"Mr. VELDE. Just a minute, Counsel.

"Mr. TAVENNER. Excuse me, sir.

"Mr. JACKINS. Where are we now?

"Mr. VELDE. Again you are directed to answer the last question. Again the Chair and the members of the committee see no reason why you could possibly be incriminated by an answer to that question.

"You are directed to answer the last question.

"Mr. JACKINS. The same answer as I gave to the previous question for the reasons that I previously stated.

"Mr. TAVENNER. Were you at any time expelled from lodge 751 of the Aero Mechanics Union?

"Mr. JACKINS. The same answer which I gave to the previous questions and for the reasons which I stated.

"Mr. CLARDY. Mr. Chairman.

"Mr. VELDE. Mr. Clardy.

"Mr CLARDY I ask that he be directed to answer.

"Mr. VELDE. Again you are directed to answer the question.

"Mr. JACKINS. Considering the character of this committee and the nature of these hearings, I decline to answer, invoking my privileges under the fifth amendment of the Constitution not to bear witness against myself in any attempt on the part of this committee to involve me.

"Mr. SCHERER. Mr. Chairman.

"Mr. VELDE. Mr. SCHERER.

"Mr. SCHERER. Witness, isn't it a fact that you were expelled from all 3 of these unions because of your Communist Party activities within the unions? Isn't that a fact?

"Mr. JACKINS. Considering the nature of this committee and the character of these hearings, I must decline to answer that question——

"Mr. SCHERER. Were you on the Communist Party payroll——

"Mr. JACKINS. And for the same reasons.

"Mr. SCHERER. Were you on the Communist Party payroll?

"Mr. JACKINS. The same answer as to the previous question and for the same reasons.

"Mr. SCHERER. Isn't it a fact that you have refused to answer the question as to your previous employment because you were on the payroll of the Communist Party in this country during those years?

"(At this point Mr. Jackins conferred with Mr. Caughlan.)

"Mr. JACKINS. The use of my privilege under the fifth amendment does not in any sense imply that any of your statements are fact. I am invoking my privilege and declining to answer that question under the fifth amendment in order not to bear witness against myself in any attempt on the part of this committee to involve me.

"Mr. SCHERER. Witness, tell me what part of the statements I have just made are false then?

"Mr. JACKINS. I decline to answer that question and for the same reasons.

"Mr. SCHERER. I thought you would.

"Mr. JACKINS. You were correct.

"Mr. CLARDY. May I ask a question, Mr. Chairman?

"Mr. VELDE. Mr. CLARDY.

"Mr. CLARDY. Was there any reason, other than that cited by Mr. SCHERER, for your expulsion from those three unions?

"Mr. JACKINS. Well, again I would like to draw your attention to the fact that the use of the fifth amendment and my privileges under the fifth amendment does not construe any guilt on my part or the accuracy of any of the statements made by the members of this committee.

"I decline to answer for the reasons previously stated.

* * * * *

"Mr. CLARDY. Witness, you told us that at present you were engaged in an occupation that I didn't quite understand. What is it that you are doing at the moment?

"Mr. JACKINS. I am engaged in the work of personal counseling.

"Mr. CLARDY. What do you mean by personal counseling? That is what I do not understand.

"Mr. JACKINS. I work with individuals to help them with their personal problems.

"Mr. CLARDY. What kind of personal problems?

"Mr. JACKINS. With their emotional difficulties, with the inhibitions which keep them from functioning well as individuals.

"Mr. CLARDY. Are you a medical expert or a psychiatrist of some kind?

"Mr. JACKINS. Not at all. The approach is quite different than either of those fields.

"Mr. CLARDY. Do you belong to some profession of some sort that is licensed by the State to engage in this kind of activity, or is this something that you have invented yourself?

"I am serious about this. I want to know, because I don't understand.

"Mr. JACKINS. May I have a little latitude in explaining it, sir?

"Mr. CLARDY. I haven't limited you.

Mr. JACKINS. Fine. I am working with a very new approach to the problem of individual human beings. We have discovered, a group of us, that apparently anything wrong with an individual human—any limitation on his ability, his enjoyment of life, his ability to be intelligent in any situation—is purely and solely the result of the experiences of hurt which he has endured, including emotional distress, quite as important as experiences of physical pain; that anything less than rational or able about an individual human being can be traced as the literal expression of experiences when he has been hurt, beginning very early and accumulating, and that it is possible in a teamwork relationship for one person's intelligence as a counsellor to be linked with that of the person who is enduring the difficulty or the limitation or the emotional problem—to go back in memory, in effect and, by repetitively seeking out these experiences of hurt, discharging the stored up painful emotion; and in assisting the person to think them through over and over and over again, it is possible to free an individual from the inhibiting effects of the distresses which have stored up on him during his life.

"Now this is a very exciting field; the possibilities implicit in it—and we are pioneering in the group with which I work——

"Mr. CLARDY. What do you mean by 'we'?

"Mr. JACKINS (continuing). Are amazing.

"Mr. CLARDY. What do you mean by 'we'? Is this something originated by the Communist Party as part of its program?

"Mr. JACKINS. Considering the character of the committee and the nature of these hearings, I must decline to answer that question, calling upon my privilege under the fifth amendment to not bear witness against myself in any attempt of this committee to involve me.

"Mr. CLARDY. Mr. Chairman, I ask that he be directed to answer.

"Mr. VELDE. Just a moment, Mr. CLARDY.

"May I again direct the physical audience that are present here that the committee cannot operate as it should under the duties it has with any disturbances of either expressions of approval or disapproval, and the Chair and the committee would appreciate it if the physical audience present would not laugh or make any demonstrations whatsoever, either of disapproval or of approval.

"Mr. CLARDY. Now, Mr. Chairman, would you direct him to answer the last question?

"Mr. VELDE. Will the reporter read the question, please?

"(Question was read.)

"Mr. CLARDY. I ask that he be directed to answer that question.

"Mr. VELDE. Yes, the Chair directs you to answer that question. Is it part of the Communist Party program?

"Mr. JACKINS. I must decline to answer that question for the reasons previously stated.

"Mr. CLARDY. Who are the other people, then, when you use that word 'we,' that are associated with you in this movement?

"(At this point Mr. Jackins conferred with Mr. Caughlan.)

"Mr. JACKINS. Under the conditions of this hearing and considering the nature of the committee, I must decline to answer that question.

"Mr. CLARDY. I think I should caution you, Witness, that you do not have to decline to answer anything. I am assuming when you say you must that you mean you are. Am I correct?

"Mr. JACKINS. Certainly.

"Mr. CLARDY. You have been saying 'I must decline.'

"Mr. JACKINS. For the reasons stated, sir.

* * * * * *

"Mr. CLARDY. Very well, one final question. Will you give us the names of the persons you are associated with in this activity that you have described?

"Mr. JACKINS. I must decline to answer for the reasons previously given.

"Mr. CLARDY. Mr. Chairman, I ask that he be directed to answer.

"Mr. VELDE. Yes, the chairman directs you to answer that last question.

"Mr. JACKINS. I decline to answer the question for the reasons previously given.

"Mr. CLARDY. That is all I have.

"Mr. VELDE. Mr. SCHERER.

"Mr. SCHERER. No questions.

"Mr. VELDE. Mr. Doyle?

"Mr. DOYLE. I think I have two questions. You are the one that volunteered that your present occupation was working with a group, and in my book that is a waiver of your privilege under the fifth amendment.

"But what is the name of the group?

"(At this point Mr. Jackins conferred with Mr. Caughlan.)

"Mr. JACKINS. Sir, I believe that the committee has sought to involve me in a trap on this question. Were I to decline to answer the question, certainly it is conceivable that I will be threatened with contempt charges but, on the other hand, to answer

it would lead to all sorts of other involvements, as I have tried to explain previously; so that in the circumstances, I have no choice but to decline to answer the question, invoking my privileges under the fifth amendment not to bear witness against myself.

"Mr. CLARDY. Mr. DOYLE, I think you should ask the chair to direct him to answer it, because I think this is clearly beyond the pale.

"Mr. DOYLE. I ask that the chairman direct the witness to answer that question.

"Mr. VELDE. Certainly. There is no possible way that you can incriminate yourself by an answer to that question.

"You are directed to answer the question, Mr. Witness.

"Mr. JACKINS. I decline to answer it for the reasons previously stated.

"Mr. DOYLE. I have two more questions.

"Does this office have an address here in Seattle?

"Do you work with a group in an office in some building? If so, where is that office?

"Mr. VELDE. May I suggest, Mr. DOYLE, that you ask one question at a time.

"Would you ask him the first question again?

"Mr. DOYLE. Yes.

"You volunteered that you were working with a group. Does that group have an office in Seattle?

"Mr. JACKINS. I work in an office in Seattle.

"Mr. DOYLE. Does the group that you referred to have an office with you in that same office that you work in?

"Mr. JACKINS. I decline to answer that question for the reasons previously stated."

Because of the foregoing, the said Committee on Un-American Activities was deprived of answers to pertinent questions propounded to the said Carl Harvey Jackins, relative to the subject matter which, under Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 82d Congress the said committee was instructed to investigate, and the refusal of the witness to answer questions, namely:

"Will you tell the committee please, briefly, what your employment record has been since 1935?

"How were you employed in 1948?

"Did you hold an official position in 1948 or at any time prior thereto, in local 46 of the International Brotherhood of Electrical Workers?

"Were you expelled from local 46 of the International Brotherhood of Electrical Workers in 1948?

"Were you also expelled as business agent of the Building Service Employees Union some time prior to 1948?

"Were you at any time expelled from lodge 751 of the Aero Mechanics Union?

"Is this [work of personal counseling] something originated by the Communist Party as part of its program?

"Who are the other people, then, when you used the word 'we' that are associated with you in this movement?

"But what is the name of the group? [The group which the witness volunteered he was working with.]

"Does the group that you referred to have an office with you in the same office that you work in?"

Which questions were pertinent to the subject under inquiry, is a violation of the subpena under which the witness had previously appeared, and his refusal to answer the aforesaid questions deprived your committee of necessary and pertinent testimony, and places the said witness in contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 680) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Carl Harvey Jackins to answer questions before the said Committee on Un-American Activities, together with all of the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the Western District of Washington, to the end that the said Carl Harvey Jackins may be proceeded against in the manner and form provided by law.

Mr. JACKSON. The résumé in this case follows:

Carl Harvey Jackins, Seattle, Wash.: Refused to answer questions relating to his prior employment, his official position in local 46 of the International Brotherhood of Electrical Workers, and whether he was expelled from that local, from the Building Service Employees Union and from lodge 751 of the Aero Mechanics Union, relying in each instance on the fifth amendment as the basis for his refusal to answer. He testified on June 14, 1954, Seattle, Wash.

Mr. VELDE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

IN THE MATTER OF FRANCIS X. T. CROWLEY

Mr. VELDE. Mr. Speaker, by direction of the Committee on Un-American Activities, I submit a privileged report (Rept. No. 2472).

The Clerk read as follows:

IN THE MATTER OF FRANCIS X. T. CROWLEY

Mr. VELDE, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, as created and authorized by the House of Representatives, through the enactment of Public Law 601, section 121, subsection (q) (2) of the 79th Congress, and under House Resolution 5 of the 83d Congress, caused to be issued a subpena to Francis X. T. Crowley, 226 Second Avenue, apartment 15, New York, N. Y. The said subpena directed Francis X. T. Crowley to be and appear before said Committee on Un-American Activities, of which the Honorable HAROLD H. VELDE is chairman, on May 4, 1953, at the hour of 10:30 a. m., then and there to testify touching matters of inquiry committed to said committee, and not to depart without leave of said committee.

The said Francis X. T. Crowley did appear before said committee and did refuse to answer questions pertinent to the subject under inquiry, and his refusal to answer said pertinent questions deprived your committee of necessary and pertinent testimony and placed the said witness in contempt of the House of Representatives of the United States.

In Report No. 1586, 83d Congress, 2d session, your committee reported to the House of Representatives the said actions of Francis X. T. Crowley. On May 11, 1954, the House of Representatives adopted by vote of 346 to 0, House Resolution 541, which is set forth in words and figures as follows:

"*Resolved*, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives as to the refusal of Francis X. T. Crowley to answer questions before the said Committee on Un-American Activities, together with all the facts in connection therewith, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said Francis X. T. Crowley may be proceeded against in the manner and form provided by law."

On June 28, 1954, the said Francis X. T. Crowley did appear voluntarily before your committee in public session in Washington, D. C., and did answer all questions which he had previously refused to answer. In addition, the said Francis X. T. Crowley voluntarily did give your committee extensive information concerning the operation of the Communist conspiracy in the United States of America.

At the conclusion of the testimony of the said Francis X. T. Crowley before your committee on June 28, 1954, the chairman, Hon. Harold H. Velde, made a statement which is set forth in words as follows:

"Mr. VELDE. May I say that we certainly do appreciate the information you have given here voluntarily to the committee.

"As I mentioned before the committee would not be authorized as a body to ask for immunity from prosecution for you. However, I do feel that many of the members of the committee, probably a big majority, feel that you have performed a service to your country by giving us the information that you have, and that would possibly be a good reason why the Attorney General should drop prosecution in your particular case for contempt.

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"Mr. VELDE. The witness is excused with the committee's thanks."

Because of the foregoing, on July 16, 1954, your committee voted that it was the sense of the committee that the said Francis X. T. Crowley, because of his voluntary answers to pertinent questions before the committee and the extensive voluntary information he offered concerning the operation of the Communist conspiracy in the United States of America, did purge himself of contempt of the House of Representatives of the United States.

Mr. VELDE. Mr. Speaker, I offer a resolution (H. Res. 681) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the Committee on Un-American Activities of the House of Representatives concerning the action of Francis X. T. Crowley in purging himself of contempt of the House of Representatives of the United States, together with all the facts in connection therewith, under seal of the House of Representatives, to the United States Attorney for the District of Columbia, to the end that legal proceedings based upon the matter certified by the Speaker pursuant to H. Res. 541, 83d Congress, second session, against the said Francis X. T. Crowley may be withdrawn and dropped in the manner and form provided by law.

Mr. VELDE. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Speaker, on May 11, 1954, the House adopted by a vote of 346 to 0, House Resolution 541 citing Francis X. T. Crowley for contempt of Congress. On June 28, 1954, Mr. Crowley again appeared before the House Committee on Un-American Activities at his own request and answered all questions, giving the Congress and the committee extensive information relative to his activities and those of others in the Communist Party.

The action here proposed, while not without precedent, is most unusual, in that the House Committee on Un-American Activities is today asking the House to concur in a committee recommendation that a witness who was previously cited by the House for contempt, and in the light of subsequent cooperation with the committee, be purged of that contempt.

It is the sense of the committee that Mr. Crowley should be purged of contempt. However, Mr. Speaker, I should like to emphasize one important point relative to Francis X. T. Crowley. When the witness refused originally to testify before the committee and later came back to testify, it is our clear understanding that he was acting upon his own initiative. He came back to testify on his own volition. He was not acting in furtherance of any conspiracy. He was not attempting to impede legitimate congressional investigations, in the opinion of the committee.

The committee wants it clearly understood that its unusual action today in recommending that Francis X. T. Crowley be considered as having purged himself of contempt must not be considered as a precedent for any witness to commit contempt on one day and attempt to purge himself of the charge on the next. In such case, a witness would thereby be able to select the time and place of giving his testimony. A congressional committee is entitled to testimony when and where it deems it necessary and proper to have that testimony. The power to decide when and where one shall testify is not properly, under the law, in the hands of a witness. The Crowley case is no precedent for any such interpretation.

It must further be remembered that Mr. Crowley came back voluntarily before the committee, and was promised nothing in the way of any remuneration, reward, or forgiveness. He understood that he was promised nothing and that he testified freely of his own will because he desired strongly so to testify.

It is the hope of the committee that the House will accept the recommendation that Mr. Crowley be purged of contempt in this instance.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Pennsylvania.

Mr. FULTON. If the House adopts this recommendation as a practice, and leaving this particular case out of it, will it not weaken the Committee on Un-American Activities? Will not witnesses who become the defendants in these citations for contempt proceedings feel that they have up until the time they are brought into court to change their minds? If the committee adheres to a rule that the witnesses are required to come before the Un-American Activities Committee in the beginning and testify, will it not expedite the committee's hearings, instead of waiting for the defendant to turn milk toast later on?

Mr. JACKSON. It would simplify matters a great deal if we could adopt a rule that would require them to testify in their first appearance. If that could be achieved, there would be no need for contempt proceedings in the House. However, there are instances where it is believed that a witness in good faith, through misunderstanding of the circumstances, or upon poor advice, refuses to testify. Mr. Crowley, following his appearance here, went to a priest, who recommended that he return to the committee and tell the full truth. He did so. I have tried to point out in my remarks, I will say to the gentleman from Pennsylvania, that the committee is not establishing, and wants it clearly understood that this is not to be considered as establishing, any precedent relative to purge of contempt.

Mr. FULTON. Would the gentleman permit me to ask another question?

Mr. JACKSON. Surely.

Mr. FULTON. When a person is cited and becomes a defendant in a case before the United States district court, is it within our power, our discretion, or our jurisdiction in the House then to withdraw the citation? Why does not the gentleman who has been cited by the Un-American Activities Committee for contempt, and who refused to answer questions on his subversive activities for the overthrow of the United States Government, go to the proper authorities on the judicial side and say that he has now changed, although he committed the offense, and ask that this later repentance and change of mind be taken in mitigation of what the penalty might be? The point is this: Are we in the House responsible for relieving such a cited individual of all penalty, or should he go to the Attorney General, to whom this citation has been referred, and the judiciary, to get the penalty mitigated, now that he has changed his mind?

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I think it is important to understand that in this particular case we are just where we were after the vote to cite this man was taken. No further steps have been taken. The matter has not been presented to the grand jury. There has been no indictment, so that we are still in control of this entire situation.

Mr. FULTON. Then will the committee at this juncture limit this type of case to the jurisdiction where it has still the actual control of the citation as in this situation? Once the citation is handed over into the hands of a United States attorney, I believe it should be the United States attorney that goes before the court and asks for the mitigation or the dismissal.

Mr. WALTER. I am quite certain that the United States attorney does not know anything about this case. It has been referred to the Department of Justice, but I do not believe the matter has gone to the United States attorney. Further, this is an unusual case in this, that this man realized after he searched his soul and conscience that he had done something injurious to his country, and he convinced us that he was willing and anxious to cooperate with the work the Congress of the United States has imposed upon this committee. It is entirely a bona fide, genuine action on the part of this man. I do not believe in the light of these circumstances he should be put to the trouble and expense of defending an action even though ultimately the United States attorney would recommend leniency.

Mr. JACKSON. May I say to the gentleman it is my understanding that the Attorney General's office and the United States attorney's office are in accord with the action that is here proposed.

Mr. VELDE. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Illinois.

Mr. VELDE. Let me point out, too, that this witness was not a vicious and physically contemptuous witness. He felt within his conscience, at least we members of the committee felt that he had it within his conscience, that he should refuse to answer certain questions. I certainly would not indiscriminately recommend that all these witnesses who come forward after being cited be purged by the House of Representatives. I think you can depend upon the members of our Committee on Un-American Activities, who voted unanimously to submit this resolution, to take those cases where it seems it is proper to make the purge or to ask for a purging resolution.

Mr. JACKSON. I thank the gentleman. I might say that we are frequently belabored in some quarters for being unduly harsh. I believe the adoption of this resolution will indicate that the committee is trying its best to be fair and just.

Mr. CLARDY. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Michigan.

Mr. CLARDY. Is it not true that this witness when he came before us was a more or less confused young man who did not raise the fifth amendment, did not raise any of the amendments, but merely had a mistaken belief that by cooperating with the committee he would be violating something that was within his conscience, unlike most of those who come before the committee, and that we thought the spirit of Christian charity ought to prevail in this case because it was perhaps the first and maybe the last and only instance in which we would find a man of that character coming before us?

Mr. JACKSON. Yes. I sensed that to be the feeling of the committee in this connection.

Mr. CLARDY. After he had appeared the first time he became married, he consulted with his wife, he consulted with his priest, he consulted with his friends, and finally he came back before us, because he was in his conscience convinced he could do his country a service. I would hate to see the House turn down this one case.

Mr. JACKSON. I am inclined to think, if we give the House a chance, it will vote this resolution.

Mr. FULTON. If the gentleman will yield, I want to ask the chairman of the Un-American Activities Committee a question. I may be pressing the point,

but this is establishing a precedent which will be followed hereafter. I cannot accept the ground that maybe a member of the committee thought this was being done in charity. I would therefore ask the chairman of the Committee on Un-American Activities to state expressly the rule that will be followed by the Un-American Activities Committee in cases where there is a change of mind and the witness decides he will purge himself of his contempt after he has been cited by the House in accordance with the Un-American Activities Committee's own recommendations. I would like that stated right here for a precedent on the first one that comes up, so that there is a precedent and a rule for future cases.

Mr. VELDE. The gentleman knows it is impossible for me to say what the committee will do under any of these circumstances. I am sure they will be reasonable. On top of that the House of Representatives is not establishing a precedent in the sense that it is a legal precedent established by the Supreme Court. The House of Representatives can vote on any of these resolutions as they see fit.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. VELDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PROVIDING FOR TERMINATION OF GOVERNMENT OPERATIONS WHICH ARE IN COMPETITION WITH PRIVATE ENTERPRISE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9835) to provide for the termination of Government operations which are in competition with private enterprise.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Termination of Federal Commercial Activities Act."

SEC. 2. The Congress hereby declares that the policy of the Federal Government should be at all times the encouragement of private enterprise. Certain activities of the Federal Government have developed which tend to discourage private enterprise, in that the Federal Government is engaging in commercial and industrial activities in direct competition with activities engaged in by private persons for profit. These commercial activities engaged in by the Federal Government deprive governments at all levels of tax revenues, and by competing with private enterprise, weaken the strength of our national economic system. It is therefore the purpose of this act to provide for the termination, to the maximum feasible extent, of all commercial activities engaged in by the Federal Government in the United States which compete with private enterprise.

SEC. 3. As used in this act—

(1) the term "commercial activity" means any commercial or industrial activity performed by the Federal Government which is directly in competition with activities engaged in by private persons for profit; and

(2) the term "United States" means the several States, Alaska, Hawaii, and Puerto Rico.

SEC. 4. The President shall examine and from time to time reexamine each commercial activity engaged in by each department, agency, and independent establishment in the executive branch of the Government and shall determine what the effect, if any, on essential activities of the Federal Government would be of terminating such commercial activity.

SEC. 5. Whenever the President, after investigation, finds that any commercial activity engaged in by the Federal Government in the United States can be carried on by private enterprise without substantially impairing essential activities of the Federal Government, he is authorized to terminate such activity. In the course of terminating commercial activities under this act, the President may—

(1) modify or abolish functions and activities,

(2) transfer functions and activities among departments, agencies, and independent establishments in the executive branch of the Government, and

(3) provide for the transfer or other disposition of records, property, personnel, and unexpended balances of appropriations,

to the extent necessary to effectuate such termination.

With the following committee amendment——

Mr. FORAND (interrupting the reading). Mr. Speaker, this is a very important bill, and I would like to have the bill and committee amendment read in their entirety. I want to ask some questions of the chairman concerning some of the naval activities in my district, and unless I am permitted to ask these questions, then I will be constrained to object to the consideration of the bill by unanimous consent.

The SPEAKER. The Chair wishes to state that if there is going to be any controversy over this bill the Chair will ask the gentleman from Michigan to withdraw it.

Mr. FORAND. I just wish to ask a simple question.

The SPEAKER. The Chair serves notice that if we get into a controversy we are not going to continue with it.

Mr. BUSBEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose now. We have legislative matters to attend to.

The Chair requests the gentleman from Michigan to withdraw his request.

Mr. HOFFMAN of Michigan. Mr. Speaker, notwithstanding the bill came out of the committee unanimously and has been cleared with everyone who expressed any interest in it, I ask unanimous consent to withdraw my request at this time and will submit it later in the day.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight Saturday to file a report on H. R. 330.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

TERMINATION OF FEDERAL SUPERVISION OVER CERTAIN INDIAN TRIBES IN UTAH

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2670) to provide for the termination of Federal supervision over the property of certain tribes, bands, and colonies of Indians in the State of Utah, and the individual members thereof, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. D'EWART, DAWSON of Utah, and ASPINALL.

POSTAL FIELD SERVICES EMPLOYEES BILL

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, on Wednesday, July 21, 1954, during the debate on H. R. 9245 to increase postal employees' compensation and to increase postal rates, members of the minority party made a great issue over the procedures under which the bill was being considered, to wit, suspension of the rules which prohibits amendment and limits debate to 40 minutes, but which requires a two-thirds vote for passage. The minority leader, the gentleman from Texas [Mr. RAYBURN], made a particularly impassioned plea against this procedure, stating that he did not believe that when he or the gentleman from Massachusetts [Mr. MCCORMACK] was majority leader that they ever brought a bill up in this fashion and, quoting, "as long as I live I will never be a party to this trend of denying the representatives of the people the right to express themselves and vote on the measure."

This plea and cry of "gag" became the lead for many of the press stories and radio and television comments reporting the action of the House defeating the postal pay and rate increase bill.

There was no time during the debate to call to the minority party's attention the action it took under the leadership of the gentleman from Texas [Mr. RAYBURN], then the Speaker, and the gentleman from Massachusetts [Mr. MCCORMACK], then the majority leader, on May 19, 1952. In using the identical tactics to try to force passage of a bill amending the Social Security Act, but without any of the justifications and proper regard for the rights of the minority party that existed in the instant case of the postal bill.

On Thursday, July 22, 1954, the majority leader, the gentleman from Indiana [Mr. HALLECK] called the House's attention to this matter of May 19, 1952, and the gentleman from Texas [Mr. RAYBURN] graciously admitted, as he said, after reading the CONGRESSIONAL RECORD of that date that his memory had been at fault. However, I notice that the press and other publicity media who so widely publicized the erroneous charge of Wednesday failed to carry this retraction.

It happened I was so disturbed about the procedures employed on May 19, 1952, and the failure of the press to report the then minority's complaints of improper gag procedures, that I immediately recorded the sequence of events for the citizens of my congressional district in my newsletter. I am inserting in the RECORD, directly following these remarks, this report, dated May 26, 1952.

I call the attention of the House to the difference between the procedures of May 19, 1952, and those of July 21, 1954. In 1952, the bill under consideration was introduced only 1 week before suspension of rules was attempted. The Ways and Means Committee, to which the social security bill was referred, held no hearings, had no executive session to discuss the bill at any length, all over the strenuous objections of the minority members of the committee. The report of the committee on the bill was not available to the membership of the House until the very morning of the day the bill was brought up. In contrast, the postal-rate bill was passed out by a vote of 13 to 7 by the legislative committee after extensive public hearings and executive discussions on February 15, 1954, and the report has been available to the House for the past 5 months. Public hearings on the postal employees' raise bill were extensive and widely publicized and became the source of much conversation and discussion among the general membership of the House. The compromise pay raise bill was passed out without a dissenting vote by the legislative committee on July 9, 1954, and the report had been available to the membership for over 10 days. Furthermore, it is doubtful if any Member of the House was unaware of the provisions of H. R. 9245 and the arguments pro and con. The majority leadership informed the House almost a week ahead of time that the bill would be brought out under suspension of the rules. It was a compromise bill obviously. Any compromise, by its nature, is not entirely satisfactory to either side; it is, of course, a balance of concessions. If ever suspension of the rules is justified, and I am not certain it ever is, it would be under circumstances where a hard-fought compromise has finally been effected.

For some reason or other, I regret, the question of postal raises was thrown into partisan politics. I thought H. R. 9245 was a reasonable compromise. However, the minority party, for reasons best known to its own leadership, decided it was not a good compromise and accordingly fought it on a party-line basis. This was its prerogative, but let us leave the issue rest where it belongs on the merits of the compromise itself, not on questions of procedure. On May 19, 1952, the present minority leadership cast aside their right to draw an issue here. Below is the record as I reported it at the time for anyone to judge:

MAY 26, 1952.

Since preparing this last newsletter a situation has arisen which I want to report. Many of you are interested in social-security legislation. You probably saw in the local papers or heard on the radio about the vote last Monday, May 19, 1952, of the House defeating the administration-sponsored bill which, among other things, increased social security payments up to $5 a month and the amount a person could earn from $50 to $70 a month. The reports have made it appear that the Republicans were the ones responsible for this increase not going through.

HERE ARE THE FACTS—JUDGE FOR YOURSELF

1. For some time it has been apparent that, due to inflation, the amounts being paid into social security as deductions from the salaries and wages of the people are considerably in excess of the amounts being paid out. Accordingly, the thinking of everyone in Congress has been that some increase in the social-security payments may be made and indeed should be made on the basis of the increased payments coming in. Whether the amount should be a maximum of $5 a month or more depends upon a little study. Studies have been made.

2. The general matter has been before the House Ways and Means Committee for some time.

3. On Monday, May 12, 1952, with no notice, Chairman Doughton, of the Ways and Means Committee, introduced the bill in question.

4. On Wednesday, he had the committee meet. The Republicans asked that hearings be held immediately. These normal demands were gaveled down.

5. On Thursday, May 15, the bill was reported out of the committee over objection.

6. On Friday, the chairman got the consent of Speaker RAYBURN (which consent is required) to bypass the Rules Committee and put the matter on the Suspension of Rules Calendar Monday, May 19. This is the gag rule which limits debate and prohibits amendments.

7. On Monday morning, May 19, 1952, copies of the commitee report were first available (a 30-page affair, the contents of which clearly revealed that it was prepared some time ago by the executive department before the bill was ever introduced in the House.)

8. Monday morning, May 19, 1952, many Members received telegrams from the American Medical Association pointing out certain sections in the bill they thought were dangerous and an opening wedge to socialized medicine. The St. Louis Medical Association also wired me to this effect.

9. A brief check revealed the tactics described above, and that there would be no opportunity to debate the matter on the floor under the gag rule, nor would there be an opportunity to amend the bill to eliminate or change any objectionable sections of the bill.

10. Previous use of this gag rule by the administration had been geared in with a well-planned news-release program.

11. The bill was defeated. The Republicans announced publicly that they would support a proper bill brought out in proper fashion. The press reports, following the previous pattern, were incomplete and slanted and obviously followed the theme of the administration's press releases. The story of the "railroad" and the "gag" was not brought out.

12. I prepared a press release setting out the story from my point of view. None of the St. Louis papers carried my release or what I feel is the real story.

13. The news reports stated that the bill would probably not come out again because Congress was hastening to adjourn. This is mere opinion. The House workload is ridiculously light. There is no such move to adjourn in the House because we are marking time for the Senate. On Tuesday, May 20, the next day, for example, we convened at 12 noon and adjourned at 2:45 p. m. The Republicans are presently backing a move to get out a proper bill which will shortly come out on the floor.

MY CONCLUSION

This was a deliberately planned political move on the part of the Federal administration to play politics again with the people on social security. Wittingly or unwittingly, the press has played a major part in this sandbag on the Congress and the people on social security. In answer to the many letters I have received from people on social security I say "don't worry." We caught the plot in time. There will be a proper bill brought out and passed by the House increasing social-security benefits and earning limitations.

Mr. Speaker, time proved my judgment to be correct; on June 17, 1952, a corrected social-security bill was brought out on the floor of the House and passed. It is regrettable that the case for raises for the postal workers which, in my opinion is justified and badly needed, is not so hopeful.

THE TAX REDUCTION AND TAX REVISION RECORD OF THE REPUBLICAN ADMINISTRATION

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, this year a Republican Congress cut $7.4 billion from the taxload of the American people—the greatest tax reduction ever made in 1 year in the history of this Nation or any other nation. This tax reduction gives the American taxpayers $7.4 billion more to spend upon themselves—money that the Government has been taking out of their pay envelopes and spending for them. It means American taxpayers can now spend this $7.4 billion for things they want and need, such as clothes, food, refrigerators, television sets, and so forth, instead of the Government spending it or giving it

away. The $7.4 billion deduction in taxes this year is tabulated as follows:

	Billions
1. All personal income taxes were cut 10 percent	$2.5
2. Excise taxes, or sales taxes, were cut	1.0
3. The wartime excise profits tax was repealed	2.5
4. The tax revision bill reduced taxes	1.4
Total tax reduction	7.4

TAX REVISION

Mr. Speaker, the Congress this year also revised the entire Federal Revenue Code. This monumental job had not been done for 75 years. If codified, clarified, and simplified the crazy-quilt patchwork of tax laws that have accumulated over three-quarters of a century, and removed as many of the inequities and injustices as possible, without losing too much revenue when doing so.

The aim of the tax revision bill was to establish a tax climate that would enable American industry and business to thrive and expand in order to provide jobs for the workingmen of America, and to take care of the 600,000 new workers that enter the American labor market each year.

When the Federal taxload jumped from $5 billion per year in 1940 to $69 billion in 1953—a 1,400 percent increase in 14 years—something had to be done to spread that heavy tax burden equitably over all segments of our economy. Nothing short of tax equality for all and special favors for none should be accepted.

IS THE TAX REVISION BILL A RICH MAN'S BILL?

Mr. Speaker, the charge has been made that H. R. 8300, the tax revision bill, favors the wealthy man and bears too hard upon the workingman. That charge is absolutely false.

The purpose of both tax revision and tax reduction is to make jobs, and more jobs. The tax reduction and the tax revision bills passed this year do exactly that. The tax relief dollars are spread equitably over all parts of our economy. The following breakdown demonstrates that—

First. Every taxpayer in the Nation has received a 10 percent income tax cut, and 85 percent of our taxpayers are working men and women. The Treasury collects $32 billion per year from individuals, and 80 percent of the $32 billion comes out of the pockets of those who earn $5,000 or less per year. These are not rich men.

Second. The $1 billion excise tax cut goes to all consumers, 85 percent of whom are workingmen and their families. All excise taxes, other than those on liquor and tobacco, were reduced to 10 percent, thus cutting in half the 20 percent tax upon cosmetics, jewelry, watches, furs, admissions, handbags, pocketbooks, light bulbs, cameras, telegrams, telephone service, and so forth—every one of which taps the pocketbooks of the working men and women of America.

Third. The repeal of the wartime excess profits tax in 1945 caused such a business and industrial boom that 5,300,000 new jobs were created by 1947. The repeal of the Korean war excess profits tax is already having the same effect. We now have 62 million people employed—the highest level of employment in America in the history of this country in peacetime. So the repeal of the excess profits tax, while it applies directly to corporations, in reality benefits the poor man because it creates jobs—and tax reduction means nothing to a man out of a job.

Fourth. The passage of the tax revision bill—H. R. 8300—has established a favorable tax climate for American business and industry which will create more jobs. It also gives the major part of the $1.4 tax cut contained in the bill to the "little fellow," the workingmen of America.

Mr. Speaker, H. R. 8300 is therefore not a rich man's tax revision bill. That charge is absolutely without foundation. The present administration can very justly and properly point with pride to the tax program that it has put through the past year.

LIBERALIZE RAILROAD RETIREMENT NOW

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, it was about a month ago that the House Committee on Interstate and Foreign Commerce reported favorably on H. R. 7840, a bill to make some needed changes in the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act. Four weeks have gone by since that action, and I am glad to learn that the House Rules Committee has finally granted a rule. This is important legislation vitally affecting tens of thousands of railroad workingmen, families, widows, and dependents. I do urge the House leadership to make certain this measure is brought up before the House before adjournment.

As we all know, prior Congresses have passed legislation which created a fairly comprehensive system of retirement benefits for railroad workers and their dependents, and a program of unemployment insurance for railroad workers who are unemployed because of layoffs or sickness. This Federal program of old-age retirement and unemployment compensation represents a major step forward in bringing security to railroad labor and consequently said program is dear to the heart of every family whose livelihood comes from working on the railroads.

However, this program is far from perfect—it is a good program based on sound economic principles, but like everything in life, it needs to be improved. One of its greatest weaknesses is the inadequacy of benefits payable to retired workers and their dependents. For example, the average retired worker's annuity is $95.34 a month; the average pension is $80.27; the average spouse's annuity is $37.03. Survivor benefits are especially inadequate; the average widow's annuity is $40.19 per month; the average widowed mother's annuity is $44.42; and the average child's annuity is $28.65.

There are a number of other imperfections. For example, surviving widows of railroadmen get no benefits until they reach age 65; unemployment and sickness benefits need to be increased; and disability benefits need to be liberalized.

Although these injustices are well known, there has been no major changes in the existing system for several years. The only bill passed by this Congress is Public Law 398, a law which eliminated that provision in the Railroad Retirement Act which prohibited payment of both railroad retirement and social-security benefits when a worker was covered by both systems. Repeal of the dual benefit prohibition was an accomplishment, and good in itself, but it is so limited in effect that it is no substitute for liberalization of the railroad retirement and unemployment insurance system.

Likewise, H. R. 7840 is in itself not a plan to overhaul this system—the bill makes few changes in the schedule of benefits payable for retired workers or their dependents. Instead, it is largely corrective in nature, and is aimed at eliminating a few of the most glaring weaknesses in the program. I join with all railroad labor in supporting H. R. 7840, yet at the same time recognizing its shortcomings.

H. R. 7840 makes four worthwhile changes in existing railroad labor legislation. I will enumerate.

First, the bill reduces the eligibility age for widows, dependent widows, and dependent parents from age 65 to age 60. Under the present law, a widow of a deceased railroad worker is, if under 65 years of age, required to wait until she reaches age 65 before she becomes eligible for a widow's benefit. This situation causes great hardship to these unfortunate widows. They are often unable to find outside employment at their usual late age, yet must wait several years before they become eligible for a widow's benefit. This provision in the bill would reduce the eligibility age to 60 and thus removing an inequity in the existing law.

Second, the bill would change the present law as to widowed mothers having disabled children. Under present law, benefits are payable to a widowed mother under age 65 only if she has a child of the deceased employee under age 18. H. R. 7840 improves the law by providing that a widowed mother under 65 can draw benefits regardless of the age of the child if such child has a permanent physical or mental disability.

Third, the bill increases benefits payable to some retired employees by increasing the taxable salary from $300 to $350 per month. Under present law annuities are based on average monthly compensation and years of service, with the maximum creditable monthly compensation being $300 per month. H. R. 7840 provides that compensation up to $350 shall be credited. Thus, employees with an average monthly compensation

of $350 for 30 years would get an increase of about $20.70 in his monthly retirement benefit.

Finally, the measure liberalizes unemployment and sickness benefits payable under the Railroad Unemployment Insurance Act. Under present law such benefits are payable up to a maximum of 130 compensable days in a benefit year, and benefits range from $3 to $7.50 per day. H. R. 7840 raises benefit levels from $3.50 to $8.50 per day; that is, a 50-cents-per-day increase all the way along the benefit schedule.

These changes in the law are all desirable in themselves. I regret that H. R. 7840 fails to provide for a general increase in all retired benefits. Nevertheless, the bill in its present form is sound and worthy of support. It is my hope that the House Rules Committee will bring this measure to the House floor so that it may pass during the present session. In taking action to pass H. R. 7840, you can count on my full support.

AMENDING ATOMIC ENERGY ACT OF 1946, AS AMENDED

Mr. COLE of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9757, with Mr. TABER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COLE of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the outset I feel an impulse to express my own very deep personal gratification at suddenly discovering the identity of the individual who is to preside over the deliberations in the consideration of this bill in the Committee of the Whole. I consider the selection of this distinguished colleague of mine as the Chairman of the Committee of the Whole a rather good omen for the eventual outcome of the measure. I am certain that his reputation for expediting legislative processes will result in a steady, full, and deliberate consideration of the bill without any excursions into realms having nothing to do with the measure.

Mr. Chairman, I think it may be of some interest to the members of the committee to know the history of this bill. It is the first bill to revise the Atomic Energy Act of 1946, which has been in existence now for 8 years. There have been perhaps half a dozen times when the Congress has amended the act in a very minor or specialized phase. This is the first bill to make any serious adjustments in that act. That fact alone speaks well, I think, for the framers of the original law. What we in the Congress did in 1946 through the McMahon Act, we did rather in desperation and in ignorance, not knowing the full implications of atomic energy, and having no full conception of what might develop from it. We therefore took the only course open to us—that was to wrap up all knowledge, all information, and all property relating in any respect to the use or development of atomic energy, and figuratively to put all of that into a steel black box. We pushed it into a safety deposit vault. We made it unlawful for anybody to own fissionable material, to produce it, or to own the earth from which the material comes. We made it unlawful to disclose any information about atomic energy, even to the point of condemning to death people who might seriously violate that law. We put all of that information and material into a little black box, we put this in a safety deposit vault, and then we gave it to the Atomic Energy Commission and said "Go ahead." In the Atomic Energy Act of 1946 we made it unlawful for persons who had any connection with the atomic program to obtain a patent in this new field. We made a complete, arbitrary, and unlimited Government monopoly of this matter.

As time has passed we have acquired more experience and knowledge. We have learned much more about this new force than we knew 8 years ago. I speak of what we did in 1946 in no sense of criticism. The original bill was enacted rather unanimously, with only one major area of disagreement. This was with respect to the extent that the military would have control of the program. Everybody agreed that there must be full governmental domination of this new field.

But now we find that the law can be adjusted. It has been proposed that it be adjusted in 3 major fields, 2 of these having to do with the international aspects of the atom, the third having to do with the domestic application of atomic energy.

About 2 years ago, soon after the joint committee persuaded the Congress to do so, the Congress voted the appropriations necessary to expand our production facilities to the point where we could be reasonably certain that our military requirements would be met. Two years ago, also, the joint committee, under the leadership of the acting chairman, the gentleman from North Carolina [Mr. DURHAM], being satisfied that our security requirements were well underway to being met, set about to inquire into what might be done with this new force for nonmilitary objectives. The then acting chairman dispatched letters of inquiry to scientists and other persons throughout the country. Members of the staff made visits throughout the country, and came back indicating that there was a prospect that this force could be harnessed for the good of mankind.

At about this same time, the Atomic Energy Commission displayed the same attitude, and set about establishing study commisisons, composed of various companies in the country—utility companies, chemical companies, machinery companies, and the like. Many distinguished companies were involved in this effort. These study groups were commissioned to look into this field of constructive uses of the atom. They came back with varying reports, some discouraging, some highly optimistic. Against this background, the joint committee last summer undertook an inquiry, through public hearings, into the field of nonmilitary, peacetime applications of atomic energy here in this country. We held hearings for about 6 weeks. That was about a year ago. These hearings gave us some further basis for encouragement.

The consensus at that time was that there was no doubt that atomic energy, from the technical standpoint, can be made usable in the production of electrical energy. The important question concerns the extent to which atomic energy can be made economically competitive with coal and oil and gas and water power in the production of energy. The energy can be made, but we are not sure how competitive it would be with conventional methods of producing energy. And, even under this bill, we will not know for several years to come how competitive it may be. But there are possible uses of atomic energy other than for power. I dare say the long future may show that atomic energy, nuclear energy, may have a far greater value in helping mankind through the use of this energy in preserving foods without refrigeration, having no consideration to climate or atmosphere; through using atomic energy for medical purposes, for the diagnosis of disease and for treatment of human beings, than in the production of power. It may be that the use of this force in the field of helping the human body alone, will outweigh its value in generating electricity.

In any case, we were so encouraged with the prospects for the peaceful atom that we set about considering revisions of the act. Early this year the President sent the Congress a messsage bearing on this problem. He asked Congress to revise the atomic energy law in two particulars. The President asked us to legalize private endeavors in the atomic energy field in the area having nothing to do with weapons—in the area of domestic peacetime nonmilitary uses of atomic energy. He also asked that we revise the act to make it possible for us to exchange information with our military allies regarding the military uses of atomic weapons and also to cooperate more closely with friendly nations in the peacetime field.

His message to Congress said nothing about the international atomic pool which he had proposed to the United Nations in December of last year and which was hailed throughout the world as one of the greatest offerings that has ever been made on the altar of peace by any country at any time in all civilized history. In his United Nations address, the President expressed our willingness to explore with other nations ways and means of establishing a peacetime international atomic pool, in which information and materials would be exchanged, toward the end of helping people help themselves in conquering hunger, poverty, and disease, which are the seed causes of war. However, his message to Congress did not ask for legislation to accomplish that purpose.

A bill was sent to the Congress from the Atomic Energy Commission designed to carry out the objectives of the President's message. That bill was carefully considered by myself and others of the committee. Although the bill was not intended to cover the international atomic pool idea, it was drafted in such a way that it would have made the pool possible. It was drafted, however, so broadly, and it gave the President such rather complete, unlimited, and unrestricted authority, both in the domestic and in the international field, that I would not introduce it. I felt quite certain that it would not be acceptable to the committee and more probably that it would not be acceptable to the House. So the bill sent down to us was not introduced.

Thereupon the vice chairman and I and others of the committee staff sat down and drafted our own bill. It had been my personal purpose and thought to treat these 3 phases of the amendments to the Atomic Energy Act of 1946 in 3 separate bills. However, as we got into this subject, we discovered that the three problems were very interlocked and interwoven. We realized also that the act itself was in dire need of being overhauled and modernized and brought up-to-date. We therefore concluded that all 3 of our objectives, along with the overall revision, would be treated as 1 bill. So the bill was drafted by the chairman and vice chairman. It was not introduced. It was submitted to the joint committee. The joint committee then spent 5 weeks, I believe, going through that bill paragraph by paragraph, line by line, and item by item. We concluded with a bill which was reasonably acceptable to most members of the committee.

That bill was then introduced. The committee then had hearings on the measure—public hearings. Interested persons came in and expressed their criticisms or their approval. The committee reconvened and considered those criticisms. Many of the criticisms were adopted; some were not.

This bill reflects the culmination of those 2 years of effort. If ever there was a bill that was figuratively hammered out on the anvil of the legislative process, this bill represents such a piece of proposed legislation.

At no time have there been any instructions, given or accepted, by the administrative end of the Government, the Chief Executive or the executive department. Neither have we done other than to invite criticisms and recommendations of the Atomic Energy Commission.

I should like for the next few minutes to point out to you just what the bill does in those three major fields which I referred to earlier. If you all have copies of the bill, which I hope you do, I again direct your attention to those various fields, in order to explain much more clearly the policy of the bill.

The international phases are covered in two sections. Section 144 should first be considered by the Committee of the Whole, Mr. Chairman. Section 144 is divided into two subsections. The first subsection, (a), has to do with what might be called the international pool.

It authorizes the President to in turn authorize the Atomic Energy Commission to cooperate with another nation—I call your attention to the fact that it is only one nation—and to communicate to that nation restricted data in this list of six fields.

First. We may give that nation entering into an agreement for cooperation with us information with respect to the refining, purification, and subsequent treatment of source material. Source material is the material in the ground from which comes this special nuclear material.

But that authority is in existing law today. The authority on the part of the Commission to tell a foreign country information with respect to what is set forth here in item No. 1 is already in existing law.

Second. This says we can give our foreign ally, a foreign country, information with respect to reactor development. That is a rather broad subject, but that too is contained in and authorized by the McMahon Act today. So we are not adding anything new in that respect.

Third. It deals with the production of special nuclear material, this being defined in the act as material capable of releasing substantial quantities of atomic energy. That, too, is authorized in current, existing law.

One thing we have added in this act—in fourth—is to authorize the dissemination of restricted data with respect to health and safety of people. That is based, and justified, entirely upon humanitarian grounds. I doubt if anybody would dispute the justifiable basis for that. We have also authorized—in fifth—the dissemination of information on industrial and other applications of atomic energy for peaceful purposes. That is new. Sixth authorizes restricted data dissemination on research and development related to the foregoing, which is in existing law.

So when you hear talk that this bill proposes to give vital information away to the peoples of the world, to foreigners, to enemies as well as friends, just tell those people who talk that way to look at the record. The bill does no such thing. It scarcely enlarges the field of the exchange of information beyond what is presently authorized by law in one of the amendments to the McMahon Act which the Congress adopted 2 or 3 years ago.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. JENKINS. The gentleman has just mentioned the matter having to do with purification and so on on page 57. I think nearly everybody can understand that, but on this matter of reactor development, I wonder if the gentleman would take about a half minute to go into detail with respect to that.

Mr. COLE of New York. There is so much more involved here that I would like to have the Members understand that I hesitate to spend too much time on a discussion of reactor development. Perhaps I am using that as an excuse rather than as a justifiable reason. I am not sure that I can give a full and complete explanation of what constitutes reactor development. A reactor, of course, as you know, is a furnace where this special nuclear material is combined and compiled and assembled and where the fission process is set up or is generated, which results in the product of the special nuclear material. But there are many varieties or adaptations of that.

Mr. Chairman, to get back to the matter of dissemination of information. Even that cannot be done until certain steps are taken. There is a flat prohibition which provides that no such cooperation shall involve the communication of restricted data relating to the design or fabrication of atomic weapons. At no time is it contemplated that important information will be disclosed to anybody—friend or ally—as to the design or fabrication of the weapons. It is further provided that this cooperation will not take place until after the steps and procedures required by section 123 are followed.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. RIVERS. Is there any reason for not disclosing the name of the one nation or does that mean only one nation at a time may be involved?

Mr. COLE of New York. No, the particular nation has no identity. It may be any nation.

Mr. RIVERS. Only one at a time?

Mr. COLE of New York. Only one at a time unless he resorts to the authority carried in section 124, which permits the President to enter into an agreement with a group of nations. Of course he has that authority anyway, without writing it into this bill. He can make any proposed international treaty that he may want to. But this is rather an invitation for the President, if he wants to embark on the international atomic pool plan by way of a large pool of nations, to do that same thing. It may become a treaty with a group of nations which would be submitted to the Congress for its approval, and then the President could take the steps set forth in section 123.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. COLE of Missouri. What about the United Nations? Would it now be possible for him to make an agreement with the United Nations?

Mr. COLE of New York. This bill as written does not authorize the President to enter into an agreement of cooperation with the United Nations.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. FULTON. But it would authorize the President to enter into an agreement with an organization, under section 51 of the United Nations Charter, for mutual defense.

Mr. COLE of New York. I am not at all familiar with section 51 of the Charter of the United Nations. But, anyhow, this bill does not give the President the authority to enter into any agreement with the United Nations, or with any agency of the United Nations except pursuant to the inherent and constitu-

tional authority he already has to propose an international treaty.

Mr. FULTON. Two examples of that we have right here—first, the pact for the Western Hemisphere, and the ANZUS pact for Australia, New Zealand, and the United States.

Mr. COLE of New York. I may say to the gentleman that I will cover that more fully in just a minute.

Mr. FULTON. That would be the United Nations.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. VORYS. As I understand, the gentleman said that the international atomic pool authorized under section 124 would require an agreement for cooperation with each individual nation under section 123, so that there would not be any such thing as an agreement with an international organization; it would be with the various members because they would all have to comply with section 123. Is that correct?

Mr. COLE of New York. I am not just certain that I can answer the gentleman's statement by saying that it is correct or it is not correct.

Section 124 is rather clear. It says that the President may enter into any international arrangement, which is defined earlier in the bill as either a treaty or international compact subsequently approved by both Houses of Congress. That is an international arrangement. The President is authorized to make such an arrangement with a group of nations. Now, that might be a group of separate nations or it might be a single unit of nations, such as the United Nations. I do not know. It is up to the President, and that would be submitted to the Congress for ratification. Then, after an agreement has been made in the constitutional fashion, it will be implemented in the manner set forth in section 123.

So essentially, under section 124, the Congress would have a chance to look at the countries which would participate in this big pool, having been satisfied that this group of countries would come within the machinery of section 123.

Mr. FULTON. Mr. Chairman, will the gentleman yield for a question?

Mr. COLE of New York. I yield.

Mr. FULTON. Would you tie that down to page 57, section 144 (b)?

Mr. COLE of New York. I have not come to that yet.

Mr. FULTON. But does that apply only to them?

Mr. COLE of New York. Let me explain 144.

Mr. FULTON. It says:

"b. The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation or with a regional defense organization to which the United States is a party, and to communicate—

Mr. COLE of New York. I have fully covered that and I am coming to section 144 (b) right now.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. RIVERS. Any such agreement, I understand, has to be concurred in by each body of the Congress.

Mr. COLE of New York. This bill authorizes an international agreement between this country and one other country at a time.

Mr. RIVERS. Yes.

Mr. COLE of New York. There is no limit on the number of bilateral agreements or international compacts that might be made. If the gentleman will look at the section on definitions which appears earlier on the bill, he will find that the term "international arrangement" is specifically defined. I am sure that will answer his question.

Mr. DAWSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Mr. Chairman, I would like to make this suggestion for the benefit of those of us who are trying to get the whole picture, that the gentleman proceed with his statement and conclude it, then that we ask questions later on.

Mr. COLE of New York. Mr. Chairman, section 144 b. authorizes the President in turn to authorize the Defense Department, with the advice and assistance of the Atomic Energy Commission, to cooperate with another nation or with a regional defense organization to which the United States is a party, and to communicate to that nation or organization such restricted data as is necessary to, first, the development of defense plans; second, to the training of personnel in the employment of and defense against atomic weapons; and third, the evaluation of the capabilities of potential enemies in the employment of atomic weapons.

That is the authority that this bill contains. It was originally or initially requested by our representatives in the North Atlantic Treaty Organization. Heretofore they have been barred from disclosing to their counterparts in the North Atlantic Treaty Military Establishment this type of information. Our military people feel it is very essential to any field commander to have this information, but this is prohibited under existing law.

Let me call your attention to a further condition. This information, even with respect to a defense organization, is allowed to be transferred under this authority only so long as that other nation is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security. Is there any giveaway in that? We require that, even with respect to the information concerning the military use of atomic weapons, it shall not be disclosed to any country unless that country is cooperating with us by substantial and material contribution to the mutual defense and security. There is not, of course, a definition of what constitutes a "substantial and material contribution." But, at least, this is an indication that we expect our allies to contribute something.

There is a further proviso to which I would like to call your attention. Even in this field, the field of military application of atomic weapons, no information to be transferred shall involve restricted data concerning the design or fabrication of the nuclear components of an atomic weapon, except with regard to external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use of the atomic weapon; but not in any of these categories unless in the joint judgment of the Atomic Energy Commission and the Defense Department such data will not reveal important information concerning the design or fabrication of the nuclear components of the atomic weapon.

What does 123 do? Earlier in the bill a definition is made of an agreement for cooperation. No. 1. Section 123 says that none of the cooperation authorized in this bill by any of the sections, notably section 144, which I have just read, may be undertaken by the President or anybody else until these steps have been taken—until the Commission or the Defense Department has prepared its agreement, written it out in black and white, showing the terms and conditions, duration, the nature, and the scope of the cooperation. No. 2, there must be a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained. No. 3, a guaranty by the cooperating nation that any material, any special material, to be transferred pursuant to that agreement will not be used for atomic weapons or for research on atomic weapons, and a further guaranty that the special material will not be transmitted to another nation. Before anything can be done, a contract setting forth all of the terms, some of which are required as guaranties, is put in draft form. Next, the President must approve that agreement. He cannot approve it unless he has made a determination in writing—subparagraph b—that the terms of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security.

This imposes on the President a solemn obligation to assess the world situation and decide whether this agreement—be it for nonmilitary use of atomic energy, the international pool idea, or for the exchange of information regarding military use of atomic weapons—will promote and will not constitute an unreasonable risk to the common defense and security. Then he makes a determination in writing. But that is not all. Then the proposed agreement, together with the approval of the President, must come to the Joint Committee on Atomic Energy. It must lie before that committee for 30 days during which the Congress must be in session.

There are some who argue that we have set up so many limitations, that we have so circumscribed this matter, that it is going to be difficult for the goal to be accomplished. With that argument I am inclined to agree. However, it is my own personal feeling that if we are going to make a mistake, it is better to err on the side of caution and discretion, rather than to make a mistake by being unduly generous. Once information is

distributed and disseminated abroad, we cannot take it back again. We had better proceed cautiously and slowly. So much for the international phases.

I now turn to the domestic peacetime development of atomic energy. This matter is covered in sections 103 and 104, pages 42 and 44. We might consider section 104 first, since this has to do with experimental licenses. For the first time it is made legal for a person to own a facility which utilizes special nuclear material. Such a facility might generate electricity, it might be used to treat physical ailments; it might be used in experimentation of food preservation; or in any number of possible conceivable uses of this force. Any of those persons as to whom it is now made lawful to embark in this activity must, before they do so, go before the Commission and obtain a license, a permit. The Commission is authorized to grant such a license. The license for experimental facilities is set forth in section 104. The Commission is authorized to issue licenses for utilization facilities for use in medical therapy in subsection (a). Subsection (b) has to do with the licensing of facilities for research and development leading to the demonstration of practical value of such facilities for commercial purposes. Subsection (c) has to do with licensing of research facilities, in research and development. After a reactor has been tested out under section 104 (b) and its practicability as an atomic reactor has been established, and after it has been demonstrated that this force can be used economically competitively, the Commission then makes a determination that such a reactor as a type does have commercial utility. It may then license persons to use that reactor under the authority given to it as set forth in section 103.

I particularly call your attention to one expression in that section—the opening sentence of subparagraph (b) of section 104. This says that the Commission shall issue licenses on a nonexclusive basis to those who demonstrate they have the capacity to carry out the license. The important part of the paragraph is that the Commission is required to issue a license to anybody who may come in and apply for a license, and who demonstrates that he has the financial capacity, the personnel, the ability to put that license to work. There can be no preferences. There can be no advantage given to one group over another. The bill very specifically requires them to let anybody come in, and it requires them to grant a license.

There is only one development which might result in the Commission's denying a license for the commercial use of these facilities. That is very, very remote. This would be only in the event that there is a scarcity of special nuclear material, to the point where we cannot afford to allow it to be used for nonmilitary purposes. In other words, if our stockpile of atomic weapons is sorely depleted, which is conceivable, although highly improbable, it may be necessary for the Government to say, "No, we can no longer hand out special nuclear material, the fuel to run these utilities, because we need it for weapons." That is the only possible situation which would result in a possible selection of applicants for this material. Otherwise it is free and open for the full force of the normal influences of private enterprise.

There is a feature of this bill which I should now like briefly to call to your attention. It is contained in section 261, to be found on page 102. For the first time, we are writing into the law a requirement that the Atomic Energy Commission must hereafter come to the Congress and obtain specific legislative authorization for the appropriation of its funds for the construction of facilities, acquisition of property, et cetera. Heretofore, under present law, and quite properly at the time it was done—I have had no complaint with it at all—the Congress gave the Commission the authority for whatever funds it might need. The result was that the Commission simply had to justify its requirements before the Appropriations Committee. If this proposal is adopted, which I sense would be the judgment of the House, the Commission will have to obtain specific authorization, just as the military services are required to do.

The only section of the bill to which I have taken personal exception is that having to do with patents. It is section 152. I invite the attention of the House to my statement, having to do with patents, contained in the report.

The current law makes illegal patents in either the weapons field or the nonweapons field. It does authorize and require the Atomic Energy Commission to commandeer as public property any patent application in this field that might be made. That authority has never been exercised by the Commission, because few if any applications have been sought. So to all intents and purposes the present McMahon Act makes unlawful the issuance of patents in the atomic-energy field.

Now, for the first time, and I repeat for emphasis, for the first time in the history of this country, it is proposed that in this select field, and for a select, limited period of time, the Government should invade the exclusiveness of patent rights—a most serious step.

This proposal, bear in mind, was not in the bill as originally introduced by the vice chairman and myself. It was inserted by the action of the joint committee. It is based upon an argument advanced by the President's message to the effect that a restriction of normal patent rights is now necessary to keep the limited number of companies, which, as Government contractors, now have access to the program, from building patent monopolies which might work to the disadvantage of other companies now seeking to enter this field. Let us bear this in mind: When the expression "limited number of companies" is used, of course they mean Westinghouse, General Electric, Union Carbide & Chemical, Dupont, perhaps half a dozen others. Do not forget that those companies did not seek these jobs; they did not seek these contracts with the Commission. The Commission literally had to beg them in many instances to take on the contracts. Further, do not forget that these companies brought to the functioning and operation of those contracts, the skill, the knowledge, the know-how they have acquired over centuries in some cases, decades in other cases, of experience. They brought into this endeavor knowledge and know-how.

Is there any right for us to seek to wipe from their minds the experience that they have gained by carrying out a patriotic endeavor, giving the Government the benefit of their experience? Let us not fool ourselves. Instead of a limited number of companies having been in the inner circle, there are something like 15,000. This proposal on patents says that anybody, whether he has been in the inner circle or not, who has any patent in this nonmilitary field, may have it commandeered by the Atomic Energy Commission, and the owner of that patent will be required to license anybody who may want it, to use that patent on a royalty determined not by the owner of the patent but determined by the Government. This is an unquestioned, clear violation of the exclusiveness of a patent right.

This authority sought in section 152 is not only unprecedented but clearly unconstitutional. I have given a good bit of study and thought to it. There is not a doubt in my mind but what a court would declare it unconstitutional. When it does, what protection have we against the windfall profit argument that is used? Even if it be argued to be constitutional, it is not necessary. There is another way of accomplishing this same goal of preventing windfalls, unjust enrichment of this so-called inner circle. That proposal was contained in the bill as originally introduced by me, and in substance it is this: Anybody who applies for a patent in the nonmilitary field of atomic energy must at the time of his application certify under oath the time and conditions when he conceived that invention or discovery. Upon filing of that application and that certification, the Commissioner of Patents is required to turn that over to the Atomic Energy Commission, which, in turn, is required under the provisions of the bill to examine the certification. If the commission finds that the person making the application for the patent made the discovery while he was employed by the Commission, or employed by a contractor of the Commission, or while the man had any relationship with the Government whatever, the Commission may then say, "Mr. Jones, that patent belongs to the Government because the Government contributed toward your discovery by allowing you to use our laboratories or by your employment with a contractor, directly or indirectly." That adequately accomplishes the goal sought by the President and which is the basis of the argument advanced by those who seek compulsory licensing.

There is a deeper purpose and a deeper meaning to this advocacy of compulsory licensing. If it is logical in the national interest to require the licensing of patents in the field of atomic energy, why should we not also require it in the field of electronics, where millions and millions of dollars of public money have

been poured into research development and improvement? If it is logical in the field of atomic energy and electronics, then why not in aircraft engines and plane development, where again public funds have been used? I could go on and give a long list of activities, such as shipbuilding and radio, and so on. Again, if it is logical for 5 years, why should it not be for 10 years? As a matter of fact, I daresay a proposal will be made to change this 5 years to 10 or even 20 years. If it is logical for 10 years, then why not make it a permanent policy of our Government to provide for compulsory licensing of patents? When that day comes—when the inventive mind of our citizens is denied the full and exclusive right of an invention—then we will discourage and destroy initiative and enterprise, which has been the very foundation and success of our industrial system—and I am referring to the patent system which we now have. We will be killing the goose that has laid our golden egg. This is the first step. I agree that it is a negligible step in the sense of providing for only 5 years, and only in this field. It is probable that there will not be many patents in the next 5 years. Yet this is a step which must not be taken. It is a step which we will never be able to retract, because the ice will be broken and a precedent will be established. Furthermore, it is so unnecessary for us to resort to this extreme method. The argument will be used that this was recommended by the President. In the consideration of this bill under the 5-minute rule, I feel I will take up this point later.

Let me now only say that I was so disturbed by this section that I undertook, in my own individual capacity, to write to the President, pointing out to him the danger of this recommendation. I received in reply a reiteration of his hope that the Congress would make it impossible for any of the people who have been on the inside to take unjust and undue advantage of that position—a goal that we all agree should be accomplished. But he said, roughly, quoting or paraphrasing the President, "The recommendation which I made with respect to the 5-year patent provisions is not the only method. If there is another method to accomplish that goal which is acceptable to the Congress, then certainly it will be aceptable to me." That is a paraphrase of part of the President's letter, which I will insert, of course, in full at the appropriate time.

Mr. Chairman, I think that covers the points I had in mind to discuss.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. HALLECK. I commend the gentleman from New York [Mr. COLE] for his very able and splendid and high level explanation of a very difficult and intricate problem. I want the RECORD to show the rapt attention of all of the Members who are here, and I see about me a very considerable part of the membership of the House of Representatives. The rapt attention with which they have listened to what the gentleman has had to say is to me one of the grandest evidences of respect that I have seen during my service in the House of Representatives.

Mr. COLE of New York. Needless to say, I am humbly appreciative of the gentleman's generous remarks.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. ROGERS of Colorado. My understanding is after having examined the licensing sections that the Atomic Energy Commission is authorized to grant a license to any individual who is cleared regardless of what it may be. Now, is there any yardstick in this bill that determines what the Commission may charge to them as a selling price or lease price of fissionable material? Do we set up any yardstick whereby the Atomic Energy Commission is controlled?

Mr. COLE of New York. That is covered in the bill. The Atomic Energy Commission is required to make a charge for the use of this material.

Mr. ROGERS of Colorado. Yes, they may charge for it, but do we in this bill set up any yardstick which states how much they can charge?

Mr. COLE of New York; Yes; it is in the bill.

Mr. HINSHAW. The matter of charges is covered on page 26, subsection (c). It is clearly set forth.

Mr. COLE of New York. The gentleman will find the answer to his question on page 26; that is where that matter is dealt with.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. MORANO. Attention should also be called to section 123 in which the agreement entered into by the President lies before the joint committee for 30 days. If no veto action is taken by the Congress it goes into effect.

Experience has shown that for the most part when the joint committee is reasonably united in its opposition to anything that is being proposed by the Commission, it does not go through.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. SCRIVNER. In the matter of safeguarding the use of this fissionable material is there any requirement for protection against the waste of the material?

Mr. COLE of New York. The gentleman asks about the disposal of waste material?

Mr. SCRIVNER. Yes; waste material.

Mr. COLE of New York. The Commission is enjoined to impose standard regulations in connection with the use of the special nuclear material and the utilization of the byproducts.

Mr. SCRIVNER. That would be under the licensing part.

Mr. COLE of New York. Yes.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. RIVERS. Subsection 3 of section 123 to which the gentleman has recently referred, is that the only instance where Congress would have an opportunity to approve or disapprove any of these international agreements entered into by the President?

Mr. COLE of New York. That is right with respect to the bilateral agreements, but would not be with respect to any agreements with a group of nations.

Mr. RIVERS. Any agreement, with a group of nations would have to be approved by a vote of both the House and the Senate.

Mr. COLE of New York. Yes, a majority vote of each body or a two-thirds vote of the Senate if it comes up for ratification in that body alone.

Mr. RIVERS. If the gentleman will look at the definition of "international agency"——

Mr. COLE of New York. It is international agreement, and the section on definitions is very clear.

Mr. RIVERS. I want to join in what the gentleman from Indiana [Mr. HALLECK] has said about the magnificent thing we have seen here just now and the cordial reception that greeted the gentleman's speech.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Tennessee.

Mr. BAKER. I understood the gentleman to say earlier in his statement that the President could enter into an exchange of information agreement with any one nation or any group of nations but not with the United Nations, is that right?

Mr. COLE of New York. No; that is not right. The President is authorized without further act of Congress if this bill is adopted to enter into an agreement with one nation, to exchange with that nation information regarding the nonmilitary aspects of atomic energy. The President is authorized to enter into an agreement with a single nation or a group of nations combined together as a regional defense organization, to exchange information with that nation or regional defense organization regarding the military application of atomic weapons. The President is not authorized to enter into an agreement with a group of nations with respect to the nonmilitary aspects unless he does so by way of a treaty or an international compact approved by both houses of the Congress.

Mr. BAKER. On page 52, section 123 was the primary purpose of my question as to what the words "regional defense organization" mean.

Mr. COLE of New York. "Regional defense organization" means the North Atlantic Treaty Organization, the South American or Rio Pact. We also have a compact with Spain. This relates to any government with which we may have a compact for defense or a group of nations where we have a regional compact with those nations.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Pennsylvania.

Mr. FULTON. Under article 51 of the United Nations mutual defense treaties are made a part of the United Nations. It is an agency of the United Nations but they are run by themselves under their own agreements. Under article 54

and article 55 for the mutual benefit and development of nations, you would then have a restriction against the President entering into any agreement with those nations for development of nonmilitary uses. He could deal with any one nation for development but not as a group of nations unless it came before the Congress for approval by both Houses or by treaty or compact; is that right?

Mr. COLE of New York. I understand that is right, although again may I say I am not familiar with the United Nations Charter.

Mr. FULTON. Why is there not an express provision for inspection by our United States people in reference to the carrying out of these agreements abroad? Secondly, why does not either House of Congress have a right by a majority vote to cancel any of these agreements?

Mr. COLE of New York. We can find all sorts of faults and arguments against this. Inspection is not necessary because this is to have nothing to do with weapon use. It will not involve an amount of fissionable material which may be used for weapons. The contract must contain a guaranty against using this material for even research in weapons. This is intended not to have anything to do with weapons' use or research application; therefore inspection is not necessary.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would like to ask the gentleman for clarification of section 123, there is no direct control on the part of Congress in reference to the establishment of these agreements, is that true?

Mr. COLE of New York. Yes.

Mr. FRELINGHUYSEN. It is primarily a decision on the part of the AEC, the Defense Department and the President. There is delay when the agreement must be submitted to the joint committee, but no action officially is required or would be of any direct import?

Mr. COLE of New York. No affirmative act of the Congress is needed to put into effect an agreement for cooperation.

Mr. FRELINGHUYSEN. No negative vote would keep it from being put into effect?

Mr. COLE of New York. I cannot agree with that, of course.

Mr. DURHAM. Mr. Chairman, I yield myself 24 minutes.

Mr. Chairman, we are taking up today a measure which deals with a subject not only considered by the average layman as the No. 1 wonder of this present period of world history, but it is generally agreed by all scientists that it is, and has been, listed as the No. 1 wonder of the world today. For more than 2,000 years, man has known that matter is made up of atoms, but it has taken us that period of time to achieve what today has been accomplished—the actual splitting of and knowing the actual structure of the atom that makes up the elements.

The Greek scholars advanced this theory some four hundred years before Christ. Scientists from that period on thought of the atom as immutable, but with the discovery of uranium and radium produced from this element, the thinking of the scientists began to change.

The miracle of flight today is real, and the thinking of flight is a great accomplishment by man. We have actually produced supersonic flight and certainly this is a very great accomplishment of mankind; and many thought it would be impossible to go beyond that barrier of sound, but today the miracle is that energy is projecting man beyond the supersonic barrier; and again wonders begin to happen and new scientific fields are opening up in the field of flight.

Man has been able to control the wave impulses also and that has given us a new knowledge and has speeded up communications to a point where it is one of the amazing wonders of the present day.

Another of our present-day wonders is that man has been able to give to us an application of antibiotic drugs. Man today, through this and other scientific developments, is conquering disease after disease, which only a few years ago was man's mortal enemy.

The main object with which we are concerned here today is the measure before us—to make the atom more readily available for the benefits of mankind, and to free us from dependence on traditional elements that produce heat and, in turn, give us cheaper energy. Those of us who have lived over the past 50 years have learned by experience that the application of energy has done more to relieve mankind of drudgery and hard work and has advanced economy more than any other of our accomplishments.

In bringing this measure here before us, I can assure you that our main objective is to continue the freedom of science so that we may continue as we have in the past 2,500 years to create out of this more benefits for the future generations.

I speak today to urge the passage of H. R. 9757. This bill was reported out favorably to the House only after more than 3 months of deliberation on the part of the Joint Committee on Atomic Energy. During these months, the committee held more than 70 meetings on the subject of this legislation, and it took testimony from officials throughout the executive branch and from private citizens representing a wide variety of viewpoints.

Actually, however, the legislation now before the House is based, not merely upon 3 months' study by the joint committee, but upon the committee's total experience in dealing with the unfolding problems of atomic energy—a record of experience which now goes back almost 8 years. Since the committee was first established in 1947, it has been keenly aware of the vital role of legislation in assuring atomic progress. In the summer of 1952, when it was my honor to serve as chairman of the joint committee, I requested the Atomic Energy Commission to prepare a statement of its views on the development of atomic power. In December of that year, the committee issued a 416-page print entitled "Atomic Power and Private Enterprise." This print was intended to set forth the problems involved in promoting peacetime atomic energy applications. In the spring of 1953, the Commission submitted its policy study on atomic power, and the joint committee took extensive testimony on this matter.

I have sketched in this background only to underscore the fact that the joint committee worked long and hard before reporting out this legislation. And here, let me pay deserved tribute to the joint committee chairman, Representative STERLING COLE. He has been the very model of a conscientious and fair-minded chairman. Like all of us on the committee, he has been determined that partisan considerations would never intrude upon our study of this legislation.

The Members of this House are aware that H. R. 9757 represents the first major revision of the Atomic Energy Act of 1946—the McMahon Act. Heretofore, it has been necessary to revise our basic law from time to time, but all such changes have been minor. The fact that the law has stood essentially unchanged for 8 years constitutes a great tribute to those who framed it—a tribute which should be accorded particularly to the late Senator Brien McMahon, sponsor of the original act and subsequently chairman of the joint committee.

It was not to be expected that the original law could indefinitely meet the rapidly changing problems of atomic energy. In fact, the men who wrote that law themselves realized that it would have to be revised in the light of changing circumstances.

Permit me now to describe some of the changes which have taken place in atomic energy during the 8 years that have elapsed since the McMahon Act became the law of our land.

First, on the military side: When the original law was written, the United States possessed an atomic monopoly. Many Americans, who somehow forgot the nature of scientific development, hoped and supposed that we might retain our atomic monopoly for decades to come. But these hopes were rudely jolted in the summer of 1949, when the Russians exploded their first atomic bomb. Three years later, the British joined the ranks of the nations possessing atomic weapons. Last fall, the Soviets also achieved a hydrogen explosion—less than a year after our first full-scale thermonuclear test.

In 1946 only a few visionaries invisaged the possibility of tactical atomic weapons, which might be used in support of troops on the battlefield. It was almost universally assumed that atomic weapons would be employed only by long-range air forces, striking at the strategic targets of an enemy. Yet the skill of our scientists and engineers resulted in making tactical weapons possible—weapons which could be used in a wide variety of military situations, directly in support of troops in the battlefield, and also against an enemy's lines of communications, ammunition dumps, and supply depots. Today, as a result, tactical atomic weapons can have a tre-

mendous impact on the defense of Western Europe. Our existing atomic preponderance can permit us to offset the numerical inferiority of the NATO conventional forces with the superiority of our atomic stockpile. On the other side of the ledger, however, the NATO forces must face up to the dangers posed by the Russian atomic stockpile.

The original act laid down very stringent requirements for controlling information on the use of atomic weapons. These requirements reflected the situation in existence in 1946. We hoped—however vainly—to preserve our atomic monopoly for a long time to come, and the use of atomic weapons did not figure in common defense planning, such as that now carried on under NATO auspices. In 1954, however, the military situation has changed. We no longer have an atomic monopoly, and we are now involved, with our NATO partners, in a common defense effort, involving common planning and common operations. Accordingly legislation which met the military needs of 1946 no longer meets the military needs of 1954.

On the peacetime side, 8 years of atomic progress have wrought similar changes. Our efforts to harness the atom for peacetime power have yielded much more impressive and rapid results than was expected almost a decade ago. After Hiroshima many believed that it might require a full generation to achieve practicable peactime atomic power. Now, however, the goal is in sight. Our first large-scale atomic power reactor will be in operation in 1957, and—by the early 1960's—several large-scale atomic reactors should actually be operating. The very successes of the Atomic Energy Commission and its contractors have now led to a situation in which our governmental resources are no longer sufficient to push atomic power development with all possible speed. Now, if we are to make maximum progress toward the goal of cheap atomic power, we must have a combined effort—involving the contributions of both Government, using the public's money, and private industry, using private money.

The Members of this body should remember that we are not the only nation pressing toward peacetime power. More than 20 countries now have atomic energy programs in being. In the power-starved areas of the world—in those regions possessing little or no coal, oil, or hydroelectric power—there is a tremendous need for electricity derived from nuclear fuels. I must say in all frankness that if the Russians beat us in the race for practicable peacetime atomic power, we may suffer a moral setback in the world whose consequences might be more grave than even a military disaster in Indochina. The Russian announcement of last month to the effect that the Soviets are now operating a 5,000-kilowatt power reactor indicates that the Kremlin's awareness of the fact that the race for supremacy in peacetime atomic power is scarcely less important than the race for superiority in nuclear weapons.

At present, however, our atomic energy legislation keeps us both from cooperating with other nations in atomic power development, and from advancing our own program in this area with all possible speed. The existing legislation makes the ownership and control of atomic reactors a governmental monopoly, and it likewise prohibits private use of atomic materials. These restrictions made sense in 1946. To my way of thinking, they do not make sense in 1954.

The bill now before the House adjusts our legislative controls over atomic energy to the facts of atomic progress, both on the military and peacetime sides.

In the field of military applications, H. R. 9757 would permit us to cooperate with other friendly nations, or with regional defense organizations such as NATO, in exchanging classified information concerning the use of tactical atomic weapons—under scrupulous and appropriate safeguards. This legislation would not permit our Government to reveal any information concerning the vital parts of atomic weapons to other powers. However, it would permit the Defense Establishment to impart to other nations such information as is required for realistic defense planning, both in the employment of tactical atomic weapons, and in the formulation of plans for defending the NATO forces against atomic weapons in the hands of unfriendly powers.

I give you my categorical assurance that these provisions have been recommended to the Congress only after exhaustive study by the joint committee. We are convinced that the measure of military cooperation permitted under this legislation would be militarily advantageous to the United States.

In the area of constructive applications of the atom, this bill would allow private ownership and operation of atomic reactors, and it would also permit the Government to license private industry to possess and use atomic materials—although the United States Government would retain title to such material. All such arrangements would take place under comprehensive safeguards.

A majority of the committee has felt that, during the next few years, relatively few firms may find themselves participating in atomic power development. These committee members have feared that there might be a resultant danger of restrictive patent practices. A majority of the committee has therefore recommended that during the next 5 years, holders of patents on inventions of primary importance to the peacetime uses of atomic energy be required to license these patents to others in return for just compensation.

It cannot be stressed too much that those portions of the bill dealing with atomic power development are designed solely to accelerate technological progress in this field, so that our Nation can enjoy the benefits of cheap atomic power as soon as possible. This bill is silent on the question of whether, when useful electricity from atomic power is a reality, it will be furnished to the American people primarily by private utilities or by public power corporations. In other words, this bill is not proprivate power—and it is not propublic power. On this question, it is completely neutral. This is a bill for the technological development of atomic power—it is not a bill which sets forth a national policy for an atomic power industry.

In addition to allowing private participation in the development of atomic power, H. R. 9757 would also allow our Government to enter into "agreements for cooperation" with other nations for the purpose of mutually advantageous exchanges of information and materials in the peacetime power field. Furthermore, the bill would permit our country to become a partner to an international peacetime atomic energy pool along the lines of the organization described in President Eisenhower's speech of last December to the United States.

I myself attach tremendous importance to those aspects of this legislation permitting our country to accelerate its peacetime power program, and to cooperate with other nations in realizing the enormous benefits which will someday flow from these constructive applications of the atom. Far too many of our friends abroad—and far too many Americans, for that matter—still make the mistake of believing that the atom can be used only for destruction, and that our American atomic energy program is concerned almost exclusively with military uses of atomic energy. This bill, if written into law, will help to refute this mistaken notion. It will serve notice to the world that we Americans are determined to leave no stone unturned in promoting the constructive uses of atomic energy. It will also tell the world that we stand ready to share these benefits with all nations willing to assume the obligations which must inevitably fall on partners in a collaborative peacetime program.

I do not expect that this House will find itself unanimous on every line of this bill. In fact, certain of our committee members—including our distinguished chairman—have felt compelled, in good conscience, to enter dissenting opinions concerning particular sections of this legislation. Taken in its totality, however, this is a good bill—a bill which should strengthen our atomic program, and thereby strengthen our country. Just as the individual members of the Joint Committee have compromised on details in return for agreement on fundamentals, so also do I hope that the Members of this House will now see fit to support the basic purposes of this legislation.

Those who have not followed atomic matters closely may find H. R. 9757 a complicated bill—full of provisos and qualifications and safeguards. These safeguards have been put in the bill for a purpose. They are there to make sure that, in this most critical problem area, nothing will be left to capricious or arbitrary action. In recommending this bill to the Congress, in other words, the Joint Committee has not been selling a "pig in a poke." As the committee of Congress required by law to act as a watchdog of our national atomic energy program, the Joint Committee has been aware of its responsibility of recommending legislation which rises above party or sectional interests—legislation to which all reasonable men of good will can subscribe.

I ask that the House pass H. R. 9757 speedily—I ask that the House pass it decisively.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I am glad to yield to the gentleman.

Mr. BARDEN. I would be glad if the gentleman from New York, the chairman of the committee, or yourself, would briefly state what seems to be the point of contention on the part of the REA's who are sending in a number of telegrams and calling the attention of various Members to complaints they have against the bill. I have not had the time so far to give the bill the necessary study, and personally I have no position on it at this time, but I would be glad if one of you gentlemen would clarify that situation, if it has been brought to your attention.

Mr. DURHAM. I will say to the gentleman from North Carolina that no one from the REA has discussed in detail exactly the points that they do differ on with respect to this measure. I had no explanation from the REA. Perhaps the chairman has.

Mr. COLE of New York. I have no further information on the subject. May I say that obviously the REA has a completely and utterly mistaken notion that this bill puts the Atomic Energy Commission in the business of generating electrical energy, which the bill does not do and does not intend to do and should not do.

Mr. DURHAM. May I say to the gentleman from North Carolina that one thing they have in mind is to carry forward the old preference clause which is carried in the flood-control act and which is carried in the other acts involving energy producing natural resources. I think that is their wish and desire. As you may have noticed on the Senate floor yesterday they agreed to the amendment which does put the AEC in the power-producing business. We do not have that in this bill. It is not in the bill before you. We were particularly careful to try to put this in the hands of private individuals. They can sell the power to whomever they want to, rural electrification or anyone else. If you want to let it go into the power business why, then, their complaint would probably be justified; but as of today under the bill we are considering here the Federal Government has no power for sale.

Mr. BARDEN. May I say to the gentleman, the vast majority of the Members of the House, in my opinion, are fully appreciative of the fact that the REA has done a wonderful job in this country and they were set up to do the kind of job they have done. The Congress has been very considerate of their interests and has taken pretty good care of them. I do have the feeling at times, though, when I receive some of these enthusiastic telegrams that possibly some of the officers of these national associations and so forth are imbued with the idea that they would like to set up a little world of their own, which I never believed the Congress intended. The Congress intended to fit them into the world we have, and I think they have done a very excellent job of rendering service to rural areas.

Mr. DURHAM. I think the rural electrification people of this country can be assured that this Congress is not going to do something detrimental to their interests in a measure of this kind.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The bill, as I understand it, is not to put the Atomic Energy Commission in the electric business, but, as a matter of fact, they are in the electric business when it executes contracts such as the Dixon-Yates contract to furnish another independent agency of Government electric energy.

Mr. DURHAM. It comes pretty close to that.

Mr. JONES of Alabama. In other words, the Atomic Energy Commission is in the power business whether they like it or not.

Mr. DURHAM. They are contracting for it.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Mississippi.

Mr. WHITTEN. It is our understanding that this whole bill or a great part of it is in the expectation and in the hope that atomic energy in the future will be used to meet peacetime and domestic needs as a source of power.

Mr. DURHAM. Yes, that is a part of the bill.

Mr. WHITTEN. In all other places where the Federal Government has underwritten the production of power in the TVA law or any other place where we have provided power, we have incorporated in the law a requirement that preference in the use of that power must go to municipalities and cooperatives, in other words to the people. There is no such protective feature in this bill for those groups, is there?

Mr. DURHAM. Because of the fact we are not in the business of producing power.

Mr. WHITTEN. In the bill before us we do not require that in any contract with any private utility under this act they be required to give preference to the REA or the public.

Mr. DURHAM. No; left to State or Federal regulation.

The CHAIRMAN (Mr. PHILLIPS). The time of the gentleman from North Carolina has expired.

Mr. DURHAM. Mr. Chairman, I yield 38 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. PRICE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] 104 Members are present, a quorum,

Mr. HOLIFIELD. Mr. Chairman, I believe that the job of the minority in the presentation of a bill of this kind is to point out in a helpful and in a constructive way some of the things that need to be improved in a bill of this type, and it is in that spirit that I will comment upon the bill. I worked with the gentleman from New York [Mr. COLE] many, many weeks and months on this bill, and, as he told you, it was really hammered out on the anvil line by line and section by section. I offered some amendments that were accepted finally in committee, and I offered some amendments, of course, that were rejected, and that is the common course of legislation. But, there are certain things that should be said about this bill to point out to the membership the things which some of us believe are wrong with the bill, not in an effort to be destructive but in an effort to be constructive, and as evidence of that there will be amendments offered to correct those areas which some of us believe to be either through omission or commission in error.

First I want to say that the original McMahon Act passed in 1946 was an unusually fine piece of legislation. It was the result of 9 months of study by a special committee of the other body, and they had great minds on that committee. Among them was Senator McMahon, after whom the act is named, and Senator Vandenberg of Michigan, who played a great part in the framing of that act, both of whom have now passed on. But, they wrote a bill that was a good bill, and as a result of that bill we have operated for 8 years, and the President himself testified to the fact that the greatest industrial and technological advance had occurred in those 8 years in the atomic energy field of any industrial field known. We made the atomic bomb and we made the hydrogen bomb under that bill, and we made enough of them that today the peace of the world is practically guaranteed by the fact that we do have that armor of weapons and we have them in such abundance that no nation, however evil their desires and their objectives may be, will start aggressive action.

Mr. HAYS of Ohio. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 114]

Abbitt	Dollinger	Patman
Angell	Ellsworth	Perkins
Bailey	Fenton	Polk
Barrett	Fine	Powell
Battle	Fino	Reams
Becker	Fisher	Regan
Bennett, Mich.	Harris	Richards
Boggs	Harrison, Wyo.	Rogers, Tex.
Boland	Heller	Roosevelt
Bosch	Kearns	Saylor
Boykin	Keogh	Scott
Brambiett	Kersten, Wis.	Secrest
Brooks, La.	Kilburn	Short
Buckley	Klein	Sikes
Camp	Knox	Sutton
Canfield	Latham	Taylor
Celler	Long	Thompson, La.
Chatham	Lucas	Thompson, Tex.
Coudert	McCarthy	Velde
Curtis, Nebr.	McMillan	Vinson
Dague	Mailliard	Weichel
Dawson, Ill.	Martin, Iowa	Wheeler
Derounian	Miller, N. Y.	Willis
Dingell	O'Brien, Mich.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TABER, Chairman of the Committee

of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 9757, and finding itself without a quorum, he had directed the roll to be called when 354 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN (Mr. TABER). The gentleman from California [Mr. HOLIFIELD] will proceed.

Mr. HOLIFIELD. Mr. Chairman, may I say that I did not make the point of order; however, I do appreciate the attendance of the Members, many of whom listened to the gentleman from New York present an explanation of the bill. I hope the Members will be interested in hearing a different viewpoint, that they will give me an opportunity to explain to them some of the things that I believe are wrong with the bill so that, at least, they will know both sides of the story.

Mr. Chairman, I had just stated that the McMahon bill as devised by the members of the special committee after 9 months of study has served the purposes of the Congress and the Nation well. However, there is some need for revision in the bill, therefore our committee worked hard to bring to the Congress a bill which would take care of some of the needed changes that 8 years have brought about.

One of the provisions of the McMahon bill, section 7 (b), put a duty upon the Atomic Energy Commission to report to the Congress on the economic, social, and international effects of any major revision of the bill.

For several years now the committee has tried to get the Commission, both by oral request and written request, to furnish that type of report to the Congress. Section 7 (b) put a duty upon the Commission to make a complete report in order that the Congress might know the social and economic and international impact of the legislation which they might request. They have evaded the clear-cut implication in the law and the duty outlined in the law and have never given to the Congress or to the President this report which the McMahon Act called for. Nevertheless, we have this major piece of legislation before us. There is an attempt to supplement this report. The reporting privilege is a weak attempt, section 56, I believe, of the act, and it does not do what the McMahon Act asks the Commission to do.

The next thing I wish to speak about is the overriding of the Commission's will by the executive branch, and I do not intend to go into this in great detail, but the Atomic Energy Commission is an independent Commission just like any other commission set up by the Government. Not only is it an independent Commission but a special joint committee, a statutory joint committee of both Houses, was set up as the watchdog committee over this independent agency. Notwithstanding this fact and notwithstanding that 3 out of 5 Commissioners took the position against the initiating and signing of a contract with a private utility company—3 out of 5 took the position that it was unwise, awkward, and unbusinesslike to do this thing and went far beyond the provisions of the act, when the President of the United States directed them, through the Bureau of the Budget, to pursue this definitive contract with Dixon-Yates. There will be an amendment offered that will clearly spell out section 164 of the bill, which has been, in my opinion, perverted in this instance.

This bill limits the Atomic Energy Commission from building commercial-sized reactors for the production of electricity for commercial purposes. This is a very fundamental question because the $12 billion that has been spent on this project gives to the people of the United States complete ownership in fee simple title to all of the benefits of the atomic-energy program. They have more right, if they could have more right, to the benefits of atomic energy than they have to the hydroelectric rights which have been established as part of our recognized statutes for the past 50 years in the navigable streams, the Federal dam sites. These were made by nature and claimed by man, but every gram of the fissionable material that makes power and runs the reactor for power was made at the taxpayers' expense by the hand of man. Therefore, the United States owns it, the Federal Government owns it, and it has the right to do whatever the Congress says that it shall do.

In this bill we do put the Atomic Energy Commission in the power business in this way: We have several sections of the bill, from 182 to 186, which gives to the Atomic Energy Commission the right to licence private utilities to produce commercial power, but no provision in the bill gives to the Commission the right to do the same thing. Now, it is true that yesterday in the other body the so-called Johnson amendment was adopted by, I believe, a vote of 46 to 41, which does give to the Atomic Energy Commission that right. That same amendment or facsimile or near facsimile will be offered by the gentleman from Montana [Mr. METCALF] at the proper time, and the House will have a chance to work its will upon that particular subject. I say to the members of the committee that if you are interested in preserving the public interest which has been paid for by the taxpayers in this new great third potential source of energy, the same as the Congress over the years under Republican and Democratic administrations was interested in saving those public rights in the falling waters and navigable streams—then I say you should support this amendment, and if you do not support this amendment, you will thereby give away the priceless and unlimited heritage of the people for the next hundreds of years, because in the meantime unless those protective features are put into the bill, the rights will be given away and 40-year licenses can be given out to private utility companies for no compensation to the Government. In addition to free licenses the Government must also assume an unknown 40-year obligation to pay the owners of the reactors for such fissionable material, such as uranium 235 or plutonium which will be produced in the reactor process.

Remember this, that every one of those licenses carries with it the obligation of the United States to buy back every gram of plutonium that is produced in those reactors. Remember that these reactors produce not only heat, which is transferred into electrical energy, but plutonium, which goes into our bombs. Under this act, as under the McMahon Act, no private individual is allowed to own plutonium and other special materials of this type. The Government is the only one that can own it, and therefore the Government is obligated to buy back every gram of it.

Do not let the sponsors of this bill tell you that protective standards are put around the purchase price, because section 56, which is the so-called fair-price section, contains a loophole in it which would allow the Atomic Energy Commission to place the price that they want to place upon a gram of plutonium.

Oh, yes, I know that some language sounds very good in section 56, but when we have the time it will be explained where that loophole is. And they can thereby build in a subsidy from the taxpayers in the repurchase of plutonium that will retire their capital plant investment, the investment of these private utility companies. It will be out of the taxes that the people pay, that these reactors will be built, unless protective language is adopted in section 56 of the bill.

The next point I want to talk about is the inadequate power licensing provisions. There is provision in this bill for the licensing of private utilities and private corporations to build reactors to produce electric energy. But around those licensing privileges there do not exist the protective safeguards which are around the licenses to private utilities in cases of falling water in navigable streams owned by the Federal Government. There are certain protective features around Federal dam site licenses that do not obtain in this bill for atomic reactor licensees. There will be a series of licensing safeguard amendments offered which will place the same protection around this national resource—and it is a national resource, just the same as falling water in navigable streams—the same protective amendments drawn from the Federal Power Act will be offered to this bill and the Members will have a chance to put that protection around the licensing because, let no one tell you differently, we are putting the Atomic Energy Commission into the power business by giving them the right to issue these licenses.

On Monday, July 19, I inserted a series of amendments which will be offered by different Members of the House, and also an explanation of them in that day's issue of the RECORD beginning at page 10403. Members can find under subheadings the information on these points that I am making in much more detail than I can give now in the limited time that I have.

The next thing that I wish to talk about is limiting the access to patents. The chairman of this committee put in a

minority report against the patent section. He put it in because he was against giving any patent protection to the people of the United States in this bill. It was by a very one-sided vote that the members of the committee finally put in this section that is in the bill. But I want to warn you that this section of the bill, the patent section, also has loopholes in it. There will be protective amendments offered which will strengthen the patent provisions.

Why is it necessary to have a 5-year compulsory licensing period? The chairman, in his talk, said it would be punishing people who have original ideas; that there were 15,000 participants in the program; that it was unprecedented, unconstitutional; and, in his minority report, I think he even went so far as to say that it was un-American.

On the suggestion that it is unprecedented, the McMahon Act prohibited patents in this field for good and sufficient reasons, and men like Senator Taft and Senator Vandenberg and Senator Hickenlooper joined together to pass that act because they saw that there were compelling reasons involved which made this greatly different from licensing diesel engines or automobiles or radios.

What did the President say in his message of February 17 on this subject? He said: "I recommend amendments to the Atomic Energy Act," which will do certain things. Among those was his fifth recommendation, which was as follows:

> Liberalize the patent provisions of the Atomic Energy Act, principally by expanding the area in which private patents can be obtained to include the production as well as utilization of fissionable material, while continuing for a limited period the authority to require a patent owner to license others to use an invention essential to the peacetime applications of atomic energy.

I read further. These are the President's words in his message to the Congress:

> Until industrial participation in the utilization of atomic energy acquires a broader base, considerations of fairness require some mechanism to assure that the limited number of companies which as Government contractors now have access to the program cannot build a patent monopoly which would exclude others desiring to enter the field.
>
> I hope that participation in the development of atomic power will have broadened sufficiently in the next 5 years to remove the need for such provisions.

Yes, the President saw the need to put these protective provisions in the act. He knew that while there had been 15,000 participants in this program, most of those participants were participants on a minor basis and not on a major basis. A handful of big companies have built the atomic-energy plants and operated them. They know the techniques, they know the processes, they know the formulas, they know the mechanical devices that are now used to operate this program, and they know what the improvements which they have in their minds may be. When this act is signed by the President, I assure you they will be standing in line at the Patent Office to grab those patent rights in this field and put a collar around the neck of the rest of private industry.

I am not fighting against private industry; I assure you I am fighting for private industry. I want all of private industry to have access to these patent rights. I say during the next 5 years of this tremendously important project, these are the years when the Atomic Energy Commission at public expense is going to build five experimental reactors, these are the years when the new developments, techniques, and processes and the mechanical gadgetry will be invented which will bring cheap power to America. These are the years when we need to put the patent protection around this new art so that a few great corporations cannot grab these patent rights and exclude others from using them. This is the time when we have to speak up in the people's interest and protect what the people have paid for, with $12 billion of the taxpayers' money. They have as much right to cheap power as they had to the protection of the atomic bomb which was developed in these factories. So let no one tell you that this is unconstitutional. The Government can protect its people. If it can forbid patents, if it can give patents, it can limit the time of those patents. I am not asking that the right to patent be taken away from private industry. Mind you this, private industry has the right under this bill to get patents. It has the right to receive compensation. That is all right with me. But it does not and should not have the right to exclude others from using those patents if they pay reasonable compensation for them.

We need 2 or 3 days to talk about this bill. There are over 100 sections in it. We have only 4 hours of general debate. Of course I agreed to it, because I know the shortness of the time and I know the shortness of the congressional session. But I will say this much, that in the Senate of the United States they have been going now for over 50 hours continuously, and for over 8 or 10 days, since Tuesday of last week, and they have not covered adequately the bill. I will say that they have not touched parts of the bill. The great international section of the bill and other sections have not been properly and adequately explained. I regret that so much of their debate has been on the one very glaring and sensational section, the so-called Dixon-Yates part.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I desire to serve notice that I shall object to any unanimous-consent request to dispense with any further reading of the bill at any time after the consideration of the bill under the 5-minute rule is reached. If I should happen to be away from the Chamber, I hope the gentleman will object for me, if not for himself. We want to read this bill in the regular way.

Mr. HOLIFIELD. I regret I cannot assume that for the gentleman, but I know the gentleman will act within his own right to protect the interests of the House. I have an agreement so that I cannot function in that particular manner.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield, only so that I may indicate that I have no intention to ask for dispensing with the reading of the bill?

Mr. HOLIFIELD. I told you about the built-in subsidy feature that goes with every license that goes with this bill. Now I want to talk to you about the complicated international arrangements. If you want to read it in detail, it is on page 10970 of the RECORD of last Monday, the 19th. I want to comment on some of these sections.

The gentleman from New York, my beloved friend [Mr. COLE], spoke about section 144, the international cooperation section. He went down the list and he said, "In most of the instances, this is an old section carried over from the other bill." That is true.

Section 4 on health and safety, it is true we will carry over, if we make these international cooperation agreements for the protection to health and safety, which we have here in the United States now.

Industrial and other applications of atomic energy for peaceful purposes is new.

Then he told you about this section 144a. I want you to notice that it is controlled by section 123, which I will get to later. Then he referred to section 144 (b) providing that the President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation or with a regional defense organization, to which the United States is a party and to communicate to that nation certain restrictive data. There are safeguards built around this so I am not alarmed about that. I am not making the claim that we are giving away the secrets of the bomb in this bill because we are not doing that in this bill. I want you to go down to bottom of page 59 where it says that cooperation is undertaken pursuant to an agreement entered into in accordance with section 123. Then we go over to sections 123 and 124 on page 53 of the bill. I want to comment first on section 124, which is the section, I believe, the gentleman arose to question me on a minute ago.

Mr. HAYS of Arkansas. The gentleman knows of my interest in that section. I am sure he agrees there is every reason to have a complete clarification on the international phases. I was going to ask the gentleman about that so I wonder if the gentleman could explain it.

Mr. HOLIFIELD. I will attempt to explain that. This language is complicated. But in the first place, I want to say section 124, and I make this statement advisedly, is as phony as a $3 bill. If I cannot prove it, then, why, I have missed my point. It says the President is authorized to enter into an international arrangement with a group of nations. Just forget about that group of nations because there is another provision which says he only can talk with one nation individually, so forget about that. And he can do certain things in the field of nonmilitary application.

This is the field that the President wanted an international atomic pool in.

Let us turn over to the definitions. We will find out what an international arrangement is. On page 7, line 12, the term international arrangement means any international agreement hereafter approved by the Congress. That is a bill like our foreign aid bill which comes to the Congress. Now the President has the right to send us a bill now with anything that he wants to put into it for the House and Senate to pass on in a legislative manner. So you are not giving him anything there, are you?

> Or any treaty hereafter approved by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include an agreement for cooperation.

Let us just take the first part. Can this Congress give the President any treaty right? Who gives the President the treaty rights? Why, the Constitution. I see the gentleman from Pennsylvania [Mr. GRAHAM] smiling. The gentleman from Pennsylvania as we all know is the greatest constitutional lawyer in the House of Representatives. I am sure he would not object to the statement I have just made. Of course, the President has the treaty power. So we are not giving him anything under section 124 in the way of treaty power, are we? Of course, the answer is "No."

Strange to say, in this definition, it does not include any agreement for cooperation. Now read the proviso in section 124:

> *Provided, however,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123.

Now, how are you going to reconcile that? So that is the only area in which he can make an agreement. That is the area in an agreement for cooperation. But he cannot do it under the international pool section. He cannot make any of these treaties or arrangements or anything else. Now, let us consider section 123 because this is the section under which we are supposed to help the President make international agreements. Let us see what it says. It starts out—and it betrays its intent by the first two words, "No cooperation with any nation or regional defense organization pursuant to sections 54, 57, 64, 82, 103, 104, or 144 shall be undertaken until the Commission, or in the case of those agreements for cooperation arranged in the military field in the Department of Defense, has approved the proposed agreement for cooperation." And then it goes on for the rest of that page and almost all of the next page, and it puts restrictions and curbs around the President in trying to make an international agreement for cooperation, because there are three stages to international cooperative agreement. An international agreement comes to the Congress, both Houses, and a treaty comes to the Senate for two-thirds approval. We are talking of this lower level. All you have to do is read the provisions of those two pages and you will see you are not giving the President anything. You are tying his hands behind his back. He cannot sit down and negotiate with other nations for an international atomic pool without going to section 123 and abiding by the terms of it. I want you to read the terms of it. I want you to read the first two words: "Until the Commission approves."

So we have the astounding provision that an independent commission must approve. I say they are independent under the law. They are nominated by the President, they are confirmed by the Senate for a specific term of years. They do not serve at his pleasure and they can only be removed for malfeasance in office. Here is the Atomic Energy Commission that could, mind you, veto the President of the United States on an international cooperation agreement. How do you like that?

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Texas.

Mr. DIES. The gentleman says this is an independent commission. In section 162 the President may in advance exempt a specific action of the commission in a particular matter from the provisions of the law.

Mr. HOLIFIELD. Go ahead and read the rest of the section.

Mr. DIES. Where he deems it in the interest of the national defense.

Mr. HOLIFIELD. That is true.

Mr. DIES. The effect of that is to give the power to the President to absolutely nullify any action of the Commission before they take it.

Mr. HOLIFIELD. If he makes a finding it is necessary in the interests of the national defense and security. Whether he be the President of my party or the President of the other party, I think he would be on very, very thin ice if he tried to use that section to override the clear statutory provisions. I think in time of war he could do it under that section, but even in the Dixon-Yates contract, they have not appealed to that section.

Mr. DIES. This does not limit discretion; it does not say anything about war; it gives him the discretion in advance to exempt any action of the board.

Mr. HOLIFIELD. The gentleman is right, provided he does it on that basis.

Mr. DIES. Is there any precedent for that? This is an independent commission. Have we ever passed any provision like that?

Mr. HOLIFIELD. I think that was in the McMahon Act.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I would like to point out that this section just says he shall determine. It does not require that it be in writing or that there be any official determination or any showing. Insofar as this section is concerned, the President can orally say to somebody: Pay no attention to it. Then you go ahead and write a whole lot of provisions. In this bill you say the President may waive any of them.

Mr. HOLIFIELD. The gentleman finds me, strangely enough, unable to defend section 102. I will leave that to the chairman of the committee.

Mr. DIES. Will the gentleman answer another question? What is the reason that private utilities were not required to at least in part compensate the taxpayers for the $12 billion we have spent developing it?

Mr. HOLIFIELD. I find myself unable to answer that question. The gentleman, I hope, will direct it to the sponsors of the bill.

Mr. WHITTEN. I would like to point out further after referring to this section, that the Dixon-Yates matter is a prime example of what can happen under it because it has happened.

Mr. HOLIFIELD. It has not happened under this section. They have gone to section 164 before our committee and they have used the words "in connection with the plan" as the legal basis. They have not dared to go to section 102 that the gentleman from Texas referred to. They cannot justify that contract on the ground of national defense. Not a kilowatt of energy goes into a national defense plant.

Mr. WHITTEN. Let me say that they needed this section if the President should say that this is essential to our security. That would end it under that section.

Mr. HOLIFIELD. I cannot argue that with the gentleman.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is this not the greatest usurpation or an attempt to delegate authority that we have known in this legislative body? Is it not just a blank delegation of authority to the executive branch?

Mr. HOLIFIELD. In my opinion, this is the most flagrant violation by the executive department of an independent commission that I have known in my 12 years in Congress. There may be others but I do not know of any.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. JAVITS. A good many of us are puzzled by whether under section 123 dealing with an agreement for cooperation, and under section 124 tying into it, the President could enter into negotiations with and conclude an agreement subject to congressional approval in accordance with his historic suggestion for a nonmilitary international atomic pool with the Soviet Union as a nation or with the Soviet bloc? What does the gentleman say about that?

Mr. HOLIFIELD. I do not think so, since section 123 applies to peacetime uses. Did the gentleman mean military or peacetime?

Mr. JAVITS. No; entirely peacetime uses. In other words, could the President effectuate his proposal for an international atomic pool for these atomic uses under section 123 with or without any reference to section 124?

Mr. HOLIFIELD. Well, do you think that the Soviet Union can fulfill these provisions: guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained?

How many of you are going to rely on the Soviet Government to guarantee that they will follow certain security safeguards, and then, third, a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons. Are you ready to accept their guaranty that they will take this fissionable substance or take a reactor which we will help them to build that produces plutonium and not use it for military purposes?

Mr. JAVITS. Then, the gentleman's answer to my question is that the only way the President can act on this proposal, in his momentous and historic proposal, would be under section 124, which would mean he would submit a treaty or an agreement to the Congress.

Mr. HOLIFIELD. He would not only have to submit a treaty, in my opinion, he would have to submit it in accordance with the program outlined in section 123. I do not think you can enforce it, because I think the President can, under the constitutional rights given him to negotiate treaties, send any kind of a treaty he wants to to the Senate for approval. But, this is an attempt to curb his powers. Let me say this very frankly. The philosophy of the Bricker amendment is written all through this bill. You are not going to get any international cooperation. Now, if you want international cooperation in this bill that amounts to anything, you are not going to get it under this bill. If you are afraid of giving away secrets, you are not going to give anything away. It is phony. It is as phony as a $3 bill. So you might as well know it. Then, if you want to vote for that kind of section without amending it, that is your privilege.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. MEADER. Do I understand that under the McMahon Act, the present act, the President can negotiate an agreement with a foreign country to give them fissionable materials today?

Mr. HOLIFIELD. Not without coming to the Senate in a treaty.

Mr. MEADER. Then why does not this act give something that he does not now have under present law when we authorize that kind of an arrangement between this country and another country?

Mr. HOLIFIELD. Because there are so many restrictions. I am not saying that there is not a very slight lessening of the right to exchange information in a very limited field, but so many curbs and restrictions are put around it that you are not going to get very much. It may be a little, but it is going to be very small.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Minnesota.

Mr. JUDD. I am puzzled, because in part of the gentleman's discussion he complained that under section 123 the Atomic Energy Commission can veto the President. Then in his discussion with the gentleman from Texas [Mr. DIES] the complaint was that under section 162 the President can override the Commission. The gentleman says the bill does not grant the President enough power, and yet he says it is dangerous to give the President power to make agreements with the Soviet Union when there is no policing of the guaranties.

Mr. HOLIFIELD. I made no defense of section 162, and if you will read section 123, I think just the common, ordinary language there says that no cooperation shall be undertaken until the Commission—and you go on down—has approved the proposed agreement for cooperation, and then it says what they shall have.

Mr. JUDD. That allows the Commission to veto the President, as near as I can read the language.

Mr. HOLIFIELD. That is correct.

Mr. JUDD. But another complaint is that the President could override the Commission. Which is it?

Mr. HOLIFIELD. In contracts with the Commission, and I assume that section 162 refers to contracts to build plants and do other things. I do not consider that the word "contracts" in section 162 applies to the international agreements.

Mr. JUDD. It is limited only to the contract field?

Mr. HOLIFIELD. In my opinion, it is an attempt to limit it to the contract field.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COLE of New York. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, you have listened to a very splendid address by our chairman and another splendid address by the recent acting chairman, and now you have to hear from the members, the gentleman from California, my colleague on the committee, and some of the rest of us. We do not pretend to know as much or be able to explain as much as the gentleman from New York [Mr. COLE] who has lived with this bill almost exclusively for a year. He has studied every portion of it, put in every safeguard that he thought the Congress would require in the negotiations for agreements, international as well as domestic, and circumscribed the giving of information as he thought, and we think, the Congress would require of the Commission. It must be understood that the present McMahon Act absolutely prohibits giving any information to anybody who does not hold a security clearance. This act goes part way toward a relaxation, we will say, of those provisions. My colleague has made a number of statements which I think ought to be looked at. In the first place, he talks about section 7 (b) of the McMahon Act. At the present time section 7 (b) provides that whenever, in its opinion, any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall report. The Commission is given wide latitude as to when it shall report, and the committee has figured that one of the purposes of enacting the law was to hasten the day when, as section 7 (b) says, the nonmilitary use of fissionable material is sufficiently developed to be of practical value. We hope that maybe 3 or 4 years from now, when the restrictions have been sufficiently relaxed, the Commission will be able to come and report to the Congress.

Then he said in one place that fissionable material—or special nuclear material, as it is called in this bill—is made by the hand of man. Fissionable material is not made by the hand of man. It resides in nature.

Seven-tenths of 1 percent of all the uranium in the world is fissionable material. To extract that seven-tenths of 1 percent you will, first, have to get uranium ore which varies greatly in its uranium content. A ton of rich uranium ore may contain many pounds of uranium, or it may require several tons of a low-grade ore to produce 1 pound of uranium. Even when the pure uranium has been extracted from its ore, you still have only seven-tenths of 1 percent to deal with as fissionable material. Mr. Chairman, this can be extracted by the hand of man, but it is not made by the hand of man.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield on that point?

Mr. HINSHAW. I yield.

Mr. HOLIFIELD. If the gentleman wants to make an argument on the use of the word "made" or "extracted," the gentleman is, of course, technically correct. But I think the House knows that the gentleman from California [Mr. HOLIFIELD] meant that the atomic fission process is accomplished with the hands of man and with the mind of man.

Mr. HINSHAW. The fission process is a natural process which occurs when you get enough of it in one place at one time.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. MEADER. Is there anything essentially different between this small amount of uranium that is fissionable and coal or gas or oil, as far as its being a natural resource is concerned?

Mr. HINSHAW. That is exactly correct. You do not consume it in the sense that you burn coal. What you do is convert it into energy by a nuclear process rather than a chemical one. All matter can be translated into energy. That is a peculiar thing that the scientists have discovered in the last 50 years or so, but it is true. Even the suit of clothes that you have on can be translated into energy, nothing but energy. You cannot see it, you cannot do anything except use it as energy. In this case matter is transformed into heat energy.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. PRICE. Of course the gentleman is absolutely correct on the technical point that he has made. But I think the gentleman will also agree with me that it took many thousands of years before man learned this, and it took the hand of man to use it.

Mr. HINSHAW. It is occurring right now in the sun in very large quantities, and it is occurring elsewhere throughout space in very, very large quantities. It is nothing new. It was just recently discovered as a source of energy that could be utilized by man.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. DIES. It is possible that we may discover a great deal more some day that will upset the present theories; is not that right?

Mr. HINSHAW. Not necessarily upset the theories, because it is not exactly a theory. It is a proven fact.

Mr. DIES. The understanding of it would be considerably different.

Mr. HINSHAW. They might find some new explanation or an explanation of some of the many mysteries that still exist in nature. As these new discoveries are made, man will make use of them to his best advantage, as he sees fit. I think my friend from Texas [Mr. DIES] called attention to section 162, and said that that was giving tremendous power to the President to upset the Atomic Energy Commission; and he thought that was something entirely new in legislative history.

Mr. DIES. No, I understand, since I said that, that provision was in the McMahon Act.

Mr. HINSHAW. That is what I want to call attention to.

Mr. DIES. But whether it was in that act or not does not change my opinion. I think that is dangerous legislation. Perhaps I am wrong. If the gentleman can submit some reason and logic for lodging that much power in the Executive, I would like to hear it.

Mr. HINSHAW. I do not offer any denial or support of the provision. It was in the original McMahon Act. We have used the McMahon Act as the base from which to make certain changes that would enable us to use atomic energy for peaceful purposes.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. COLE of New York. I ask this in order that we may clear up what I fear may be a misunderstanding as to the effect of section 162. As the gentleman from California has indicated, that is a continuation of a provision in the existing act. The committee has at all times endeavored to continue those provisions in the existing law which the committee thought essential to successful and effective continuation of the atomic program. With respect to the authority given to the President under section 162, it is not to the extent of permitting the President to override the Commission, to direct the Commission to do whatever he may want; it says the President may exempt any action of the Commission in a particular matter from the provisions of law relating to contracts.

As the members of the committee well know, there are innumerable statutes relating to the making of contracts by Government agencies. This simply authorizes the President to waive those provisions of law if the President finds that the waiver is necessary in the interest of the national defense and security. That is all.

Mr. HINSHAW. I think that provision, may I say to the gentleman from Texas, if he will examine the case very thoroughly, is absolutely necessary to the proper operation of the Atomic Energy Commission, whereas it might not be so with some other agencies of the Government.

Mr. DIES. That is what I want to find out. I would like to find out why it is necessary. I am not interested in the fact that it was in some previous law. We have passed a lot of laws here.

Mr. HINSHAW. I think I can tell the gentleman. For example, in the case of bidding for things, that is to say, permitting people to bid on the management, for example, of the Hanford plant. There is no question that we should not put that out to bid, is there? Thus any such contracts have to be exempt from the provisions of law. There are many other cases in which the contracts have to be exempt from the provisions of law, partly for the sake of secrecy, because you cannot disclose secret information in an advertisement, for example, for bids. You cannot disclose it in any case.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I point out that the gentleman is saying what he hopes this agency will be limited to. I would like to recall to the gentleman's mind that a few years ago the Atomic Energy Commission, because its work was supersecret, could not tell the Congress what it needed the money for, but under this secret program they used $90,000 to build a dog and cat hospital out in Nevada, and they did not give the information to the committee or to the Congress because it was engaged in supersecret work, and it is. What the gentleman is pointing out are a few things that might be required by the provisions of this bill, but the section itself is as broad as all outdoors insofar as what could be done is concerned.

Mr. HINSHAW. That is correct. I say you at the same time have a committee in the Congress whose duty it is to keep familiar with the activities of the Commission, and your Committee on Atomic Energy does just exactly that every day in the year.

Mr. WHITTEN. Can the gentleman tell me that anyone had the least idea they would build this dog and cat hospital with a $90,000 expenditure, when they had been told by the Appropriations Committee not to do it? I am talking about the impossibility of a committee's properly supervising it, regardless of how much the gentleman or his distinguished friends may try.

Mr. HINSHAW. I do not know but that the gentleman is perhaps questioning the committee's juridiction. He says his committee prohibited them from doing it, and probably we authorized it.

Mr. WHITTEN. No, they were advised not to do it.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from California.

Mr. PHILLIPS. There were many other things in that picture besides just the fact that the veterinarian who was doing the field work and other things for it had space in the hospital for this purpose. The fact of the matter is more money was spent than was intended, but the situation was not quite so bad as the gentleman indicates.

Mr. HINSHAW. I will have to go on to another subject, because I want to say one thing about this volume which I hold in my hand. It is a page proof of hearings we held recently in the Subcommittee on Research and Development concerning the contributions of atomic energy to medicine. It will be off the press very shortly and the Members will be, I think, astounded to read of the many developments. These are all the developments we could include in 3 days of hearings, but, mind you, you could go on with hearings for weeks, to hear reports on these new developments of atomic energy in medicine. For example, we have found a way to use atomic energy as a source of a kind of X-rays, you might call them, and thereby create an X-ray machine one can carry around instead of transporting it on a truck. One can carry it around, with a man or two to operate it, and use it in a military field hospital, if you like.

It weighs a great deal less than any field X-ray machine and yet the rays of a radioactive isotope are used to make a photograph of, let us say, a bone injury or the location of a bullet or anything of that sort. It is a tremendous advance. There are many other advances which are mentioned in this volume and I recommend to each Member of the House that he read not only this volume, but if he has not already done so, the volume which we sent to him recently on the contributions of atomic energy to agriculture. There is plenty of speech material in them and it is all available to Members of the House.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. YATES. I notice in the report, it is stated that the provisions of the bill refer all matters of atomic energy to the Joint Committee on Atomic Energy.

Mr. HINSHAW. That is correct.

Mr. YATES. The gentleman is also a member of the Committee on Interstate and Foreign Commerce.

Mr. HINSHAW. That is correct.

Mr. YATES. Inasmuch as it is proposed in this bill to set up the provisions for licensing of companies who will be provided power presumably by the use of atomic energy, should not matters of that nature be referred to the Committee on Interstate and Foreign Commerce which also has jurisdiction over the Federal Power Commission and knows of power questions of that kind, rather than to be referred to the Joint Committee on Atomic Energy?

Mr. HINSHAW. The Joint Committee on Atomic Energy is composed of some very able and long-time Members of the House of Representatives; most of them also serve on the Committee on Military Affairs and are quite able indeed to decide all questions relative to

atomic energy because of their familiarity with the subject.

Mr. YATES. Are we not dealing here with the peacetime uses of atomic energy rather than the military aspects of it?

Mr. DURHAM. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I think the Members can see from what has taken place up to this time that this is an important piece of legislation which we should not attempt to complete in 1 day's time. I think it would be well if we could think over the debate that has gone on already and what will transpire in the next few hours and have a chance to look at it in the RECORD and give further consideration to it on another day. I think it would be very unwise to attempt to complete this bill today. It is probably one of the most important pieces of legislation that this session of the Congress will be called upon to consider before we adjourn, as it is hoped, some time next week. There is no reason to rush. We certainly have time to give this the attention it deserves. It has been heralded as an important piece of legislation. It should be regarded as such and should be considered as such on the floor of the House.

Mr. Chairman, I joined with all the other members of the committee in reporting this bill to the House. My vote to bring the measure to the floor was not without some reservations which have been pretty generally expressed in separate views which appear in the report on the bill. I joined my colleague the gentleman from California [Mr. HOLIFIELD] in separate views and I joined my colleague, the junior Senator from Rhode Island, Mr. PASTORE, in separate views on the international provisions of the bill relating to the implementation of the international atomic pool proposal made by the President before the United Nations last December. I am in full accord with the view expressed by my colleague, the gentleman from California [Mr. HOLIFIELD], a few minutes ago, that in our opinion this legislation does not in its present form and without amendments which we think are required, implement the President's United Nations proposal. We think amendments are required before the President can enter into any international atomic pool as he indicated was his desire in his U. N. speech, which almost every Member of the House endorsed and which I think the American public endorsed. We do not stand alone in the position we have taken that this is a bill which merits the closest scrutiny and the closest observation.

Mr. Chairman, there is not the slightest reason why the international section of the bill, which is the really important section for immediate enactment, could not be separated from the domestic power section. The international portion could be readily amended and passed, but the domestic power section, even if it should be bulled through, would remain a canker sure to cause trouble later. To be sure, the Johnson amendment adopted yesterday makes the power section more palatable. But the philosophy governing atomic power requires as thorough consideration as that given the original McMahon Act. This portion could just as well be put aside for more study and cooler discussion at the beginning of the next session. I believe we have a better bill under consideration today than the first print of the proposal to revise the Atomic Energy Act of 1946, thanks principally to the untiring efforts of the gentleman from California [Mr. HOLIFIELD].

First I want to explain my reservation concerning the majority of the bill—the 33 pages of separate views which the gentleman from California [Mr. HOLIFIELD] and I have submitted. Throughout the hearings on H. R. 9757, or rather its predecessor, H. R. 8862, including the markup sessions on the bill, I joined with the gentleman from California [Mr. HOLIFIELD] in every possible effort to explore and consider the hazards which this Nation will encounter in opening up atomic development to private enterprise. It has always been unthinkable to me that we could do less than provide every possible safeguard short of tying up development completely.

It is essential that no corporation or handful of corporations be allowed to obtain a monopoly position in this field which has been developed entirely thus far at public expense. There must be adequate assurances that such a monopoly is not authorized through the device of licenses. There cannot be any limitation on the availability of licenses to all competent to seek them. One of the fundamental elements of the entire bill now before the House is, therefore, the assumption that all applicants will be treated equally and that no applicant will be denied opportunity to get into this business solely because of a shortage of the necessary special nuclear material. In the unlikely event that any condition should develop in the future which might limit the number of licensees, there is contained in the bill a preference clause which insures that those applicants whose plants would be located in high power cost areas would be given preference. I intend to support amendments to extend preference language to public-power groups.

I want a bill which will insure that all will be treated equally in this opportunity to participate in the development of atomic energy. While the bill requires the Atomic Energy Commission and the Attorney General to consider and in fact be bound by considerations flowing out of antitrust and monopoly statutes, I am not entirely satisfied in my own mind that this proposed bill cannot be administered in such a way as to foster monopoly. The language of the bill is a compromise on this antitrust problem. The affirmative obligation which the McMahon bill placed on the AEC to prevent the formation of a monopoly has been deleted. Amendments will be offered to correct this serious deletion. I shall support those amendments.

The remaining area which would-be monopolists might have hoped to exploit to the detriment of the public interest is that of patents. The joint committee spent a long time reaching agreement on the patent provisions contained in chapter 13 of the bill. Section 152 provides for compulsory licensing of patented peacetime atomic ideas. I personally preferred the language of the existing law which required the Commission to declare all really significant atomic patents affected with the public interest and open to compulsory licensing. Amendments will be offered to strengthen the existing language on patents. I am not ready to accept the normal private patent system in this field, neither was the President as he indicated in his message to the Congress on this subject. I have grave doubts that the 5-year period for compulsory licensing of patents provided in the proposed bill is long enough. But I do have sufficient confidence that, if it proves to be too short, a favorably disposed Congress will have opportunity to extend the deadline.

And then there is the matter of the so-called built-in subsidy. This has bothered many of us. In view of the fact that future Federal control over this industry hinges primarily on Federal ownership of all special nuclear material, there is some possibility that in the Commission's payments for privately produced special nuclear material a subsidy may be hidden. Such a subsidy is not in itself bad. In fact it may be essential in order to get the industry started. What would be intolerable would be long term commitments of the Federal Government to subsidies beyond those necessary to stimulate private development. In order to partly safeguard against this we have provided in the proposed bill that the Commission can pay only a fair price for the production of such material and in establishing this fair price the intended use to be made of the material by the United States shall be of primary consideration. A loophole needs to be closed in this fair price formula. In other words the Federal Government can commit itself under the proposed bill to pay more for material than it is worth to the taxpayers, be it for weapons or for industrial use. Guaranteed payments can be made for 7 years at any time. There are better ways to prevent a built-in subsidy, and the House should look at this section carefully.

I am sure it is now obvious that the bill I would like to see approved by this Congress would differ from this bill especially with regard to safeguards against abuses of the public interest. At the same time political reality demands that we know when we have reached the point of diminishing return in our efforts at compromise. I will continue to support those solutions which appear to me to have a chance both of adoption and workability. My reservations on the points mentioned, I hope will be corrected.

In the matter of implementation of the President's international atomic pool proposal, however, this is an issue on which I have grave doubts that this legislation will be helpful.

I believe that the President's U. N. proposal was courageous and requires more than minimum support. I find it difficult to believe that a majority of this Congress could conclude otherwise. Yet the bill reported out from committee

does no more than give token support. In the face of Soviet intransigence and advisers here at home who counsel caution, the only source of renewed strength, vigor, and encouragement remaining to the President for his idea is here in the Congress.

Last December the President went before the United Nations and made a bold proposal. I say "bold" because it was one of the most realistic proposals ever made by any of the great world leaders. The President did not suggest that we abandon our efforts to achieve atomic disarmament. He did not suggest that the United States would withdraw its Baruch plan, requiring adequate inspection prior to any international control of atomic weapons. He did not suggest any of the things which we have had ample proof will never be accepted by the Soviet Union in their present posture. But the President did hold out to the world the hope that even in the desperate straits in which we all find ourselves today, of hot and cold war, the possibility that all the nations of the globe might get together to take some first step toward atomic coexistence. He suggested no turning over of secret-weapons information to any international agency. Instead, he suggested that all nations start making whatever contribution they felt they could safely make to an international pool from which all nations could draw assistance for peacetime atomic development.

The President's U. N. speech fired the imaginations of men everywhere. Coming as it did, after years of talk of war, it rose before mankind like a vision of the peaceful world which men everywhere so earnestly desire. This proposal proved once again the power and fertility of the American leadership. It did much to restore world confidence in American leadership for peace. The force of this idea alone was so great that the Soviets could not turn their backs on it. If this great proposal is pushed with vigor, the Kremlin will be forced by world opinion to join in a first step toward international atomic cooperation. This is the thing that is so important. The Soviets have no material desire to see this idea succeed, but neither can they afford to have its death laid at their door.

What has happened to this great idea since last December? Negotiations have all been conducted in secret. Conferences and notes have gone completely hidden from the public press. Despite an occasional protestation by the President, the common people of the world have no reason to believe today that the international atomic-pool proposal was anything more than another propaganda gesture. I know that that was not the case.

We must remember that the President said in his message to Congress on February 17 that certain amendments should be passed to enable the United States to cooperate with friendly nations in the exchange of peacetime information and techniques. Secton 123 of the bill seeks to do this, but it provides so many restrictions that its value is in my opinion very limited.

Section 124, the so-called international atomic pool section, is without real substance. It may be useful for political propaganda purposes, but it will not add to the President's power to make international agreements or treaties. He has that power now. By adding the restrictions of section 123 to section 124 we will in effect restrict the President's freedom to negotiate rather than help him. The international sections of the bill should be amended to help the President or stricken from the bill.

I therefore intend to support amendments to the international cooperation section of the bill. Amendments which would make it possible for the President to cooperate with other nations in the formation of a new special agency or agencies put together solely for the purpose of carrying out peacetime atomic development.

The amendments would make it possible for the President to exchange information concerning peacetime atomic development with such an agency as well as with the individual governments subscribing to the agency.

I urge the House to support Representative HOLIFIELD when he offers these amendments to sections 123 and 124 of the bill and I feel that unless the bill is so amended this legislation will not be helpful to the President in negotiating international agreements.

Mr. COLE of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I should like to take a moment to commend the members of the staff of the Joint Committee on Atomic Energy for the contribution that they made to the writing of this bill. They worked not only on Sundays but on holidays so the committee could bring this bill and the committee report to the floor for consideration.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. DIES. I hate to interrupt the gentleman at the beginning of his remarks, but I would be very grateful if the gentleman would explain the language in the bill in section 11, where it says:

> The intent of Congress in the definitions as given in this section shall be construed from the words or phrases used in the definitions rather than from the choice of words or phrases defined.

Mr. COLE of New York. Mr. Chairman, I shall undertake to help the gentleman, since I was responsible for that expression.

Mr. VAN ZANDT. Mr. Chairman, I prefer that the gentleman be answered on somebody else's time, since I want to discuss a section of the bill that has to do with military weapons. I am sure when the bill is read for amendments, the gentleman from Texas [Mr. DIES] will have the opportunity to put the question and it will be answered properly.

The committee, in the study of the legislation, heard 198 witnesses. The bill sent to us by the Atomic Energy Commission was laid aside after which we proceeded to write our own bill. After 11 drafts we finally came up with the bill now under consideration. While I realize there may be some sections of the bill that should be amended, yet it is my belief we should proceed to perfect the bill so it will become a law at the earliest possible date.

Mr. Chairman in supporting H. R. 9757, I do so in the sincere belief that the passage of this legislation will help atomic energy make a greater contribution to our Nation—both in protecting it from our enemies, and in allowing us to realize the benefits of the peacetime atom.

The basic aim of H. R. 9757 is to modernize the Atomic Energy Act of 1946 or in other words bring it into harmony with the realities of 1954.

In drafting this legislation, our committee made every possible effort to retain legislative controls over atomic energy and yet not hamper its development and use for either wartime or peacetime purposes.

In discussing H. R. 9757, my remarks will be confined to those sections of the bill which permit increased cooperation with our allies in military uses of atomic energy.

I would like to describe why such cooperation is necessary, and how it would be accomplished.

If at all possible, I would also like to correct some misinterpretations which may have arisen concerning the military cooperation sections of H. R. 9757.

Every Member of Congress realizes that—insofar as number of men under arms is concerned—we find ourselves at a military disadvantage in facing our Communist foes.

In Western Europe, despite the commendable steps which have been taken over the past 3 years to increase the size and efficiency of the NATO forces, these forces are still badly outnumbered by the Soviet and satellite divisions which could be quickly committed to an attack on the free nations of Europe.

If we and our NATO partners were to build our defense in this theater solely around conventional forces—around nonatomic deterring power—we might not be able to defend Western Europe at all.

Or, if we could defend Western Europe it would be only at the cost of ruinous losses in manpower.

However, there is a way out.

Tactical atomic bombs—weapons which can be used in conjunction with the operation of ground forces—are now in our American stockpile.

Such tactical weapons will become available in increasing number.

These weapons hold forth the promise of tremendously increasing the effectiveness of the Western European defense system.

Even though the NATO ground forces now find themselves out-numbered, they are already of sufficient size so that the Red army would be forced to concentrate its troops before launching an assault toward the English Channel.

But once the divisions of the Red army were concentrated in this manner, they would expose themselves to the danger of devastating atomic attack.

In other words—if the NATO forces can build their defensive plans around the threat of atomic striking power—the Russian general staff will find itself in what may be an impossible operational situation.

So long as the Communist armies remain dispersed, they cannot penetrate the NATO defenses.

But once they concentrate, they may well become the victims of a ruinous atomic counterattack.

It is common knowledge that the Soviet Union also has atomic weapons at its disposal.

While it is likely that we now have a commanding lead over the Russians in the output of atomic weapons—particularly tactical atomic weapons— we must presume that the Soviets would enlist the support of their own atomic stockpile in any invasion of Western Europe.

The situation we face in Western Europe is this: We have it in our power to increase greatly the effectiveness of the western European defenses by integrating atomic weapons into the planning and operations of the NATO alliance.

In addition, the NATO forces must be prepared to defend themselves against atomic weapons in the hands of our enemies.

Today, however, NATO planning in respect to atomic weapons suffers from one great flaw.

Our allies lack sufficient information concerning the effects of atomic weapons—how these weapons might be employed in defending Europe—and how the NATO forces should best prepare themselves against the threat of the atomic weapons possessed by our enemies.

The British, of course, have such information as they have gathered from their own experience in manufacturing and testing atomic bombs.

The other members of the NATO alliance, however, simply do not have authoritative data concerning the tactical uses of atomic weapons—the kind of information which is indispensable to realistic defense planning.

Last year, there was organized, under American auspices, a NATO Special Weapons School, intended to acquaint selected allied personnel with certain elementary facts concerning the employment of atomic weapons.

However, the kind of information which can be transmitted to NATO personnel in these courses is severely limited—it is limited by the information control provisions of the Atomic Energy Act of 1946.

That act prohibits our Government from revealing restricted data concerning atomic weapons to foreign nations.

Eight years ago, when the original law was written, this was a wise, and necessary, provision.

Our country possessed an atomic monopoly.

Atomic weapons were conceived of as strategic bombs—to be used against targets deep within the heartland of an enemy.

This being the case, there was no need to acquaint our allies with information on these weapons.

Furthermore, since we possessed an atomic monopoly, it was only prudent to try to prolong that monopoly by the strictest possible control over weapons information.

Today, however, the situation is changed.

Today, the time has come to impart a limited amount of information concerning the use of tactical atomic bombs to our allies, in order to assure the effectiveness of the free world's defense planning.

The Members of Congress are aware of the fact that the NATO defense system involves a pooling of land, sea, and air forces, and common defense planning.

They are also aware that, in the NATO organizational setup, the command channels cannot be arranged so as to pass entirely through American officers and units.

In Central Europe, for example, Marshal Juin, a Frenchman, is in overall command of the NATO forces.

General Carpentier, who is also a Frenchman, commands all the ground forces in this area.

Air Chief Marshal Embry, a Royal Air Force officer from the United Kingdom, commands all tactical air forces, including United States fighter-bomber units.

Similarly, the ground forces in the northern half of West Germany are made up entirely of Dutch, Belgian, and British units—commanded by an Englishman, General Gale.

The air forces in that area are largely Belgian, Dutch, and British—under the overall command of a Britisher, Air Marshal Broadhurst.

Were the NATO forces in this region to be attacked, it would be imperative to support them with United States ground and air units possessing an atomic capability.

Presently, however, non-American allied commanders in Central Europe—who are directly responsible for the operational conduct of the defense of this region—are prohibited by American law from receiving adequate information on the degree, the nature, and the timing of the atomic support which they could expect from American forces.

This is a highly unsatisfactory situation—a situation which could have disastrous military consequences.

In fact, Gen. C. V. R. Schuyler, who is the deputy commander of the allied forces in Europe, appeared before the joint committee last month and, speaking in behalf of Gen. Alfred Gruenther, Supreme Commander Allied Powers in Europe, told the committee that—

> Thus far, in our school instruction, in our field training, and in our war planning, we are seriously impeded by United States policy restrictions concerning release of atomic information.

The bill now before us will correct the present deficiencies in NATO planning involving atomic weapons.

Subject to comprehensive security safeguards, the legislation would permit the Department of Defense to transfer to a regional defense organization of which we are a member, such as NATO, or to another foreign nation, restricted data concerning the tactical use of atomic weapons.

It is stipulated in the bill that data which it would be permissible to exchange must relate to, first, the development of defense plans; second, the training of personnel in the employment of and defense against atomic weapons; and, third, the evaluation of the capabilities of potential enemies in the employment of nuclear weapons.

The bill provides that no important information concerning the design or fabrication of vital parts of atomic weapons can be communicated to other nations.

Permit me to quote the language of the bill.

It says that—

> No such cooperation shall involve communication of restricted data relating to the design or fabrication of atomic weapons except with regard to external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof but not including any data in these categories unless in the joint judgment of the Atomic Energy Commission and the Department of Defense such data will not reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon.

I agree that this is involved language.

It is involved because it reflects the joint committee's determination to make doubly sure that only such information as is indispensable to defense planning with our allies can be transmitted to other nations.

This bill will not—and I repeat will not—give other nations scientific data concerning our atomic weapons.

Neither will this bill authorize our Government to transfer any atomic weapons to other powers.

We will maintain sole possession of our atomic weapons, and—in the event of war—these weapons will be used exclusively by American personnel.

I stress this because, in certain quarters, there has existed the mistaken notion that this legislation would put American atomic bombs in the hands of our allies.

This is simply not true.

Your attention is called to the fact that the members of the joint committee are unanimous in thinking that the degree of military cooperation envisaged in this bill will promote the common defense and security of our Nation.

I wish to point out that this section of the bill has the full support of the Department of Defense, the Atomic Energy Commission, the Joint Chiefs of Staff, the Supreme Commander, Allied Forces in Europe, the National Security Council, and President Eisenhower.

In conclusion, I wish to give unequivocal assurance that the members of the joint committee have weighed, and reweighed, the dangers and advantages of increased military cooperation with our allies in atomic energy before approving this section of the bill.

We have concluded that—on balance—cooperation of the kind permitted in this bill is highly desirable.

It is my earnest hope that this provision and the bill in its entirety will receive approval when it reaches a vote.

Mr. COLE of New York. Mr. Chairman, I yield such time as he may need

to the gentleman from Connecticut [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, I want to discuss the security provisions of H. R. 9757.

I believe my colleagues in the House are familiar with my interest in the broad field of security in all its varied aspects.

My experience in the Government service, in the military service, and in my service on the Joint Committee on Atomic Energy has given me an opportunity to study the problem of security—in terms of its statutory foundation, its procedural structure, and its effectiveness in practice.

The joint committee has a Subcommittee on Security. The gentleman from Ohio [Mr. JENKINS] and the gentleman from California [Mr. HOLIFIELD] both serve on this subcommittee. It has been my honor and privilege to serve as chairman of this subcommittee. Senator PASTORE and Senator CORDON are the other members. We have given the security aspects of this bill the closest possible study. Every line has been carefully gone over with the experts who have direct responsibilities in the field of security.

More important than our study of the bill, or at least of basic importance in terms of our competence to judge this bill, is the continuing review and close scrutiny given to the practice of security since the McMahon Act went into effect. I have not served on the joint committee during this entire period, but I have never ceased to give the matter my closest attention.

Chapter 12 of H. R. 9757, composed of six sections, modernizes the security provisions of the existing act, passed in 1946 and reflecting the attitudes of that period as to the exclusiveness of America's position in the field of atomic energy.

Chapter 18, dealing with enforcement, makes more practical and realistic the provisions for effectively maintaining adherence to the security provisions of the bill, and establishes a better legal foundation for enforcing the security measures.

As a matter of fact, the objectives of making practical and realistic the security provisions of the act characterize every change we have made from existing law.

I would like to recall to your minds, since I am sure my colleagues have gone over the report accompanying this bill—Report No. 2181—the discussion of this all-important security problem appearing on page 23 of the report.

I want to touch briefly on each section of this chapter, but before doing so, I would like to summarize the security accomplishments of this bill. I say "accomplishments" advisedly, not only because of the very merit of the proposed language but also because of the improvement effected in the Commission's security operations. The new language will give the Commission needed flexibility in specific fields, and assures the American people that the expansion of the whole business of atomic energy—in both domestic and international aspects—can be carried out with adequate protection for the security interests of the United States.

A major accomplishment of H. R. 9757 is to clear up a situation which has plagued both the Commission and all of the military services since the passage of the act. We have made several attempts in the past to cure this problem by legislation. Nearly 8 years of experience underlie these changes. The problem has been acute during the last 4, as the military services have intensified and expanded their competence, their training effort and their preparedness in the field of atomic weapons. What was once a unique and limited weapon for use only under conditions of very high and very narrow policy determinations—due to scarcity—is now a central item of ordnance in the total complex of weapons systems.

Let me give you an example of why the changes proposed in H. R. 9757 are so important. This is a hypothetical case, of course, but not necessarily so.

Put yourself in the position of an ordnance technician employed by a Department of Defense contractor developing a guided missile. One of the specifications, set up by the Defense Department, is that the missile must be able to carry an atomic warhead.

Can you go direct to the nuclear-weapon designers, who are employees of the Commission's contractors in the weapons field? They have a so-called top-secret clearance and so do you. You need to know about the shape and size and weight distribution of the nuclear warhead which your missile is to carry.

The present law says you cannot talk to the Commission's contractor unless you have been investigated by the FBI or the Civil Service Commission and cleared by the Commission. Not just cleared by the Department of Defense, even though you may have been investigated a dozen times and tested by every personnel-security procedure known to the Department of Defense. You may have handled the most sensitive information in the Nation's whole defense setup for years but, unless you have also been through the parallel channels of clearance established by law for AEC contractors, you cannot talk to your fellow weapons expert in the AEC setup. H. R. 9757 clears this matter up. The Commission's contract employer can talk to you upon receipt and notification to your employer of the Department of Defense certification as to your clearance.

As matters stand now, this type of information could be given to you only through a third party officially cleared by both of the contracting agencies. The awkwardness and waste in such a procedure is obvious, for the duplication of investigations and clearance actions is costly and unnecessary.

The safeguards surrounding the exchange of information with our allies are of vital importance. But they are realistic. As matters stand now, General Gruenther, when wearing his hat as Commander of Allied Forces in Europe, cannot tell his British chief of fighter aircraft—assuming he has a British chief directing fighter-aircraft operations—General Gruenther cannot even tell him the basic weapon effects needed in the employment of the types of atomic bombs which fighter aircraft can carry. When the general put on his hat as commander of the American forces, he can talk freely to his American staff about the things the field-operations commanders need to know.

The proposed bill will assist the NATO commander in this regard. It permits the transmission, under rigid safeguards, of the information required for the military employment of the weapon. It specifically forbids, since there is no need for transmission of such information, all data about the design and manufacture of the weapon and the nuclear materials involved.

The bill provides the same flexibility in connection with the operations of our own forces. It permits the removal, as the Commission and the military may agree, the removal from the statutory restraints of restricted data of that information relating to the size, weight, shape, and ballistic characteristics of atomic weapons and provides for the continuing protection of such data under military security regulations. Just as the restricted data security requirements provide for one kind of protection of research and development and manufacturing operations, the military security regulations provide protection of another kind to meet the differing conditions of military operations. Heretofore, we have tried to impose the Commission's statutory security standards on information of military operations with respect to information primarily of importance to the military. Needless to say, both the Commission and the Department of Defense are very anxious to have this matter cleared up. We are assured that the language in section 142 will do this. Should it be necessary for me to speak later in more detail on these sections of this bill which deal with the operations of the security system, I will do so, but in order to expedite the business before the House, I suggest you first check the report. I believe you will find it very complete on this point.

The last point I will touch on is the authority given to the Commission to make a determination as to the degree of sensitivity of various types of restricted data. Again, an example might help.

During the building of one of the gaseous diffusion plants, there comes a stage when enough equipment is on the floor that a competent engineer or scientist in the field of isotope separation by gaseous diffusion could gain some knowledge of the output of such a plant. That is, he could see the size of the motors and compressors and examine the layout of the plant to get some idea of the volume of flow of the gases. Of course, he would have it for only the one bay, or wing, of the plant. Now, under the present law, the expert welders who have to put this vast system together, but who do not see any plans, specifications, production data, nor do they get anywhere near nuclear materials, and who work under the closest possible and very vital technical supervision and direction—these people have to go through the same security procedure as the top

scientists who design the weapons themselves. The cost in time and dollars is obvious.

I want to assure my colleagues of the adequacy and effectiveness of the protective features of the bill. But there is one more item of major importance.

The joint committee has long been of the opinion that the most effective security is attained only if the areas of information requiring protection are held down to include only that information which positively needs protection.

H. R. 9757 constitutes an unequivocal directive to the Commission to maintain continuous review of all classified information and to declassify and publish scientific and technical data which can be published without undue risk to the common defense and security.

The bill, of course, continues, and I believe improves, the policy declarations with respect to the Commission's obligations to control of information in such manner as to assure the common defense and security, and with respect to the dissemination of technical information essential to scientific and industrial progress and public understanding and to expand and enlarge the Nation's reservoir of scientific knowledge available to all our teachers and research workers.

Mr. COLE of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, as a member of the Joint Committee on Atomic Energy, I am tremendously interested in this important and far-reaching legislation that is before us for consideration today. I participated in the preparation of this proposed legislation as did all the other members of this joint committee. The very learned address already given to you by the gentleman from New York [Mr. COLE], the chairman of the joint committee, covers the subject before the House completely and I am sure that his speech will be read carefully by the many people who are so much interested in this great new problem.

I frequently say in discussing the great possibilities of atomic energy that because of the great inherent danger in atomic energy that it imposes a great burden on the Government, when other great new usages of nature's hidden powers have been given to the people these powers were not inherently dangerous.

For instance I often think of the great Thomas A. Edison as he slaved night and day for many years in his little laboratory in an effort to give the people of the world the electric light. He must have envisaged the great cities of the world lighted up at night. He must have imagined the many great pieces of machinery that would be operated by electricity. He did not keep his great invention to himself but he gave it to the people.

The same is true of those who gave us the telephone and the radio. And the same is true of those who arranged to explode gas in a steel chamber and using the power of that explosion to give us the automobile.

The same is true as to the radio.

The Government did not take charge of these great inventions as they were developed by the geniuses among our people.

But when atomic energy became recognized as a great and potential power its dangerous possibilities were recognized and Congress in behalf of the safety of the people took steps to protect the people. To do this Congress passed a law about 5 years ago which provided that a Commission known as the Atomic Energy Commission would be set up. This Commission was to consist of five members who were to be appointed by the President.

This Commission was set up immediately and five competent persons were appointed to fill these places. This Commission immediately proceeded to perform the duties which had devolved upon it. This Commission was authorized to supply a competent staff. This has been done and now the Atomic Energy Commission has on its payroll quite a large number of very competent persons. Among them are a number of learned scientists and a number of expert research men and women.

When the Congress passed the legislation above referred to it also set up the Joint Committee on Atomic Energy to consist of 9 Senators and 9 Members of the House of Representatives. The function and purpose of this joint committee is to exercise such control over the whole atomic situation and the activities of the Atomic Energy Commission as would be necessary to give to the people protection from the possible dangers that might develop as the utility of atomic energy would be expanding.

We all know that atomic energy has now become not only a great possible benefit to civilization but it has become a threat to the life and safety of the people of the world.

The growth and development of the human family has been measured by the capacity of the human family to protect itself from all dangers. The human family has by producing food, protected itself from hunger. By its genius in producing fire it has protected itself from the cold. By its genius in conserving water it has protected itself from thirst. Likewise, I think that the genius of the human family will protect itself from self-destruction from atomic energy used in warfare.

Mr. Chairman, in other words the human family will be smart enough to perpetuate itself in spite of its smartness in developing instrumentalities by which humanity can be seriously affected.

Mr. Chairman, I realize that atomic energy has great possibilities for destruction. At the same time it has great possibilities for the benefit of humanity.

As the greatest nation in the world, and as a nation that has become great because it recognizes that the best interests of the people is its greatest responsibility and greatest problem, I feel sure that Congress was wise in taking over the production and use of atomic energy. The Atomic Energy Commission has a great responsibility to protect the people and at the same time to increase the usefulness of atomic energy. And the Joint Committee on Atomic Energy of which I am a member has a great responsibility to do what is necessary to promote the production and use of atomic energy, keeping always in mind, that the best interest of the people is our first aim and our constant responsibility.

May God give us the power to use his natural resources for the benefit of the human family. Let us not forget the potent words—life, liberty, and the pursuit of happiness.

Mr. DURHAM. Mr. Chairman, I yield 7 minutes to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, I am privileged to be able to join my many distinguished colleagues in the House today who are fearlessly defending the rights of the average American family, and of small business—in other words defending the very heart and backbone of America.

Fortunately for the American people the vital amendments which I understand are to be offered to this bill present a clear choice. By examining the actions of their representatives in Congress, the people can count noses and see who is for them and who is for big business. I have no hesitancy in taking my stand on the side of the people.

I am going to offer an amendment which will give preference to public bodies and cooperatives in applications for the development of atomic energy power plants. Other amendments will be offered that will provide preference to public bodies in the sale and distribution of such power. I sincerely hope these amendments will be adopted.

The people of America have spent approximately $12 billion for the atomic energy program thus far. Does it not seem fair and logical that those of us who have paid for these vast projects should receive the benefits from them?

This AEC bill is of particular interest to me since the first successful production of useful atomic power was accomplished in December 1951 in my own State of Idaho. It was developed in a machine known as the Experimental Breeder Reactor, constructed at the National Reactor Testing Station in Arco, Idaho. I am naturally very proud that it was at this installation located on the Snake River plains, in my own State, and staffed primarily by Idaho people, that such a momentous event occurred.

This fact has made me even more determined that the people who have helped develop atomic energy, and who have footed the bill for it, should now receive its full benefits.

Before we consider public preference in applications for atomic energy power installations, we should recognize that this term "public preference," either in the distribution of electric energy or in the construction of facilities to generate it, is really a misnomer.

When the public pays out its own funds to develop a great natural resource, it really does not have just a preference but an inherent right to obtain the benefits from the use of its own property.

This public preference—this inherent right—if you please, is no novelty in American law or practice. Rather, it is a bipartisan congressional policy now a generation old. At the opening of the century, in the Reclamation Act of 1906, Congress granted public preference to public bodies. In the Raker Act of 1913, Congress granted similar public preference.

And when we come to public preference in the Federal Water Power Act of 1920, we have an exact precedent, directly analogous, to the preference in the construction of atomic powerplants by public bodies that I am advocating today.

Congress continued public preference in the Boulder Canyon Project Act of 1928, and the Tennessee Valley Authority Act of 1933. It also continued this bipartisan policy of public preference in the Rural Electrification Act of 1936 and the Bonneville Act of 1937. The same public preference was in the Fort Peck Act of 1938, as well as the Water Conservation Acts of 1939–40. The basic policy of Congress was reaffirmed very clearly in the Flood Control Act of 1944 and thereafter the public preference provision was included by reference in the Umatilla Project Act of 1945.

Mr. Chairman, my purpose in reciting briefly this generation-old bipartisan policy of public preference is to tell the people once more that we are not dealing with any novel or recently inaugurated policy. Public preference has stood the test of time and has made this country the arsenal of democracy that it is today. Oh, yes; the private utility monopolies ranted and raved each time such laws were enacted and predicted all sorts of gloom. Fortunately, the facts of the history of our country are just the opposite.

I am sure my colleagues are aware of the fact that the private utilities already have a head start on the public agencies at the expense of the consumers of electricity. The monopolies are obtaining this advantage in this very simple manner: They are using funds derived from the consumers electric bills to finance their vast program of research on the conversion of atomic energy into electric power. Since this is the case, Mr. Average Citizen should have the same opportunity because he has already spent his tax dollars, in fact he has spent, mind you, $12 billion of his own money that is already tied up in this program.

On the other hand, the public agencies and the people are at a tremendous disadvantage. The appropriations that Congress grants are extremely limited and very specific. They lack the unlimited funds or grants to them, which the private utilities may obtain from the consumer's power bills. Therefore, in simple justice to the American people we should immediately grant additional funds to public agencies like TVA and Bonneville Power Administration. We should do this in order for them to really engage in extensive research at present so that when the proper time comes they will be abreast of the private utilities and can make the electric power available to the people as soon as it is developed.

Mr. Chairman, we are in a dreadful race against time. Let us not forget that the atom bomb is no respecter of persons or buildings, including the very one in which we are meeting today. Time and again our Government has had to assume the leadership when private monopoly—seeking immediate profits—was blind to the broad national public welfare. Once again a similar crisis confronts this great Nation of ours. Public preference in the sale of atomic power and public preference in the development of atomic powerplants is the one best means of continuing the leadership that will always have at heart the welfare of all the people and not just the profitable interests of a few.

Mr. COLE of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I do not rise here for the purpose of making any comment on the bill. However, by reading the report there were certain questions which I wanted to ask that I felt were pertinent to this issue, and that is the only purpose I have asked for this time. I want to thank the distinguished chairman of the committee for giving me these few moments to ask these questions. I presume I should ask them of the chairman first, and if there if any disagreement on the other side, I would be glad to know about that.

I am referring, first of all, to page 7 of the report, which has to do with the improvement of the procedure for the control and dissemination of atomic energy information, but principally I am referring to the clearance of the individuals employed on these projects for access to restricted data. I take it from page 67 of this report—and I see here what the proposed bill is and what the old law was—that on the matter of security we are taking a backward step, Mr. Chairman, in this. Formerly, as I understand, it was required that you have a full home and background investigation of all employees employed on these atomic projects. I take it now that that is going to be changed and that the Commission under certain criteria will designate those that are to have home and background investigations and those that are to receive only a spot check from the intelligence agencies and the FBI. Am I right?

Mr. COLE of New York. Mr. Chairman if the gentleman will yield, the gentleman is partly right. As the gentleman has indicated, the present requirement is that all people employed in this project be investigated by the Civil Service Commission initially except in some unusual cases. Now, experience has shown that this is not only a burdensome task on the Civil Service Commission but in many cases quite unnecessary. For instance, why would it be necessary to have a full investigation of the loyalty and character of a man who drives a truck out in an outermost part of an activitiy or a man who is a janitor in a remote area, which is not required? Everbody in the program must be investigated. This change is simply to permit the Commission to establish standards for determining who will be investigated by the Commission. Those standards must be uniform. The Commission must set up criteria by which it is determined what individual will be investigated and who may not, depending on the type of employment that individual is engaged in. The closer he is to the innermost operations of the program, the greater the thoroughness of the investigation; the more remote the work, the more lax the investigation.

Mr. SPRINGER. That is the rule adopted. I am not saying I am in complete accord with it. However, I understand the reason for it.

Now, the second question. We recently, in the past 2 or 3 months, have been through a rather difficult experience with reference to one particular person employed by the Atomic Energy Commission. We have been having a great deal of publicity in the newspapers, and hearings went on for some 900 pages, which I just completed reading the other day. Now, do I understand under this proposed program that the same rules for clearance would be applied to those who are running this project as would apply to anyone else? I am talking about the operation of it as it applies to anyone else on the project having access to restricted data.

Mr. COLE of New York. So far as I am advised, there is no proposed change in the present system, nor does this bill anticipate otherwise or invite any change in the present system.

Mr. SPRINGER. The third question. There will be no impairment by virtue of this legislation of the security regulations as laid down by the President last year. Am I right on that?

Mr. COLE of New York. Not so far as this bill is concerned.

Mr. SPRINGER. Let me say this. The particular sections that I am referring to, section 145 (a), (b), (c), (d), (e), and (f). Those will be put into force and applied together with the security program and regulations as laid down in the present security program. Am I right in that?

Mr. COLE of New York. I am not sure that I am in a position to say to what extent the President may invade or direct the security requirements established by the Commission.

Mr. SPRINGER. May I say that I think if the President had not applied his new security regulations in the recent case, it would not have been possible to bar a certain scientist who was investigated recently from restricted data; is not that correct?

Mr. COLE of New York. I will call the gentleman's attention to section 146 which specifically indicates that the provisions of other laws with respect to security are not changed by virtue of this act.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield at that point?

Mr. SPRINGER. I yield.

Mr. HOLIFIELD. I would like to comment on the question the gentleman asked. At any time during the past few years, the Atomic Energy Commission could have denied clearance to any employee without the President's Executive order. They have complete control over the granting of clearances by administrative act.

Mr. SPRINGER. I understand that, may I say to the gentleman from California, but I want to be sure that there is nothing to impair the operation of the President's security program as this legislation may be applied. I wanted to be sure that this legislation does not take way from the President the power to impose his security program. If it does I want to know it, that is all.

Mr. HOLIFIELD. In my opinion, I think the chairman has answered the gentleman already on that.

Mr. SPRINGER. I thank the gentleman.

May I ask the chairman this question. I am referring to page 12 of the report which reads:

> The Chairman is given the task of being the official spokesman for the Commission (which does not ban the holding or expression of separate or dissenting views by any member) and of seeing to the faithful execution of the policies decided on by the Commission.

May I ask at that point, What is the difference under the language of this bill between the status of the Chairman and his status under the proposed section where he was the "principal agent?"

Mr. COLE of New York. The expression as it was characterized at one time was "principal officer."

Mr. SPRINGER. I beg the gentleman's pardon; "principal officer."

Mr. COLE of New York. I find it hard put frankly to make the distinction or make a choice between those words.

Mr. SPRINGER. Was there any disagreement in the committee as to the meaning of the term "official spokesman"?

Mr. COLE of New York. There was substantial protest against characterizing the Chairman of the Atomic Energy Commission as the principal officer of the Commission. After that protest was voiced suggestion was made by way of a revision, a substitute, which is now contained in the bill. That substitute language, at the time at least, received the general concurrence of the members of the committee.

Mr. SPRINGER. The language now used?

Mr. COLE of New York. The language now in the bill.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield on that point?

Mr. SPRINGER. I yield.

Mr. HOLIFIELD. As far as this member of the committee is concerned, I objected to the phrase "principal officer" in view of the fact that it was not contained in the old law and was put into this new bill, and in view of the fact that the Chairman of the Commission, Mr. Strauss, appeared before our committee and testified at some length in favor of adding more powers to the office of the Chairman. There was a great controversy over this matter. If I thought that the words "official spokesman" of the Commission gave to the Chairman anything else than the right to speak in public the will of the Commission or on matters upon which the Commission had acted and authorized him to make a declaration or a statement in behalf of the Commission, I would certainly be very much alarmed. I hope the chairman does not mean by his answer to the gentleman that additional power is given to the Chairman other than that obtained from the Commission as the result of allowing him to be the spokesman for Commission findings or declarations which the Commission has by majority action approved.

Mr. SPRINGER. Is that the understanding, Mr. Chairman, on this particular feature?

Mr. COLE of New York. I assure the gentleman there will be considerable discussion on this point. There will be opportunity to clear it up later.

Mr. SPRINGER. I thank the chairman and the gentleman from California.

Mr. DURHAM. Mr. Chairman, I yield 7 minutes to the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, my remarks are directed at the proposed Dixon-Yates agreement to provide 600,000 kilowatts of power to the Atomic Energy Commission by the method of displacement.

During the course of the extended debate in both Houses of Congress on the proposed Dixon-Yates power contract, as well as in various news articles that have been written on the subject, the true facts have not been conveyed fully to the public. These misleading statements have been detrimental to my State since they have tended to spread erroneous information. The State of Arkansas is vitally interested in the question now being considered; that is, the construction of a 600,000-kilowatt steam generating plant at West Memphis, Ark. The city of West Memphis is located on the Mississippi River and is adjacent to Memphis and the Tennessee Valley territory. Transmission lines near West Memphis have been used for a number of years in selling private power to the TVA at this point.

In the past few years TVA has urged Congress to provide additional steam power generating facilities to serve its needs. Two reasons were given by that agency: One being to serve the Atomic Energy Commission needs, and the other to provide for the expanded uses throughout the Tennessee Valley region—and more particularly in western Tennessee around Memphis.

Congress, as well as the executive branch of the Government, has been wrestling with the problem of trying to balance the budget. Economy must be practiced in the strictest sense in order to accomplish such results, as well as to provide tax relief. With economy in mind, the President placed in his budget message on January 21, 1954, a statement to the effect that "arrangements are being made to reduce, by the fall of 1957, existing commitments of the TVA to the AEC by 500,000 or 600,000 kilowatts."

At the suggestion of the President and the Budget Bureau, private industry was asked by AEC if it would be interested in furnishing this needed power supply. Various members of the utility industry were consulted. Two concerns that had contracts to furnish power to AEC decided that they were not interested in further contracts. The Middle South Utilities Co., which owns the properties of the Arkansas, Mississippi, Louisiana, and New Orleans companies, became interested in making an offer to the AEC largely because these companies are located immediately adjacent to the TVA area. The Middle South Utilities Co. approached the Union Electric Co. at St. Louis to determine whether that company would be interested in joining them in the venture. Other companies in Missouri, Louisiana, Oklahoma, and Arkansas were approached, but they were not interested. The Southern Co., which lies just south of the Tennessee Valley area, was interested and was willing to underwrite 20 percent of the venture. The Middle South has been unable to obtain other groups to share in the undertaking, and as a result assumed the remaining 80 percent.

The Middle South-Southern—or the so-called Dixon-Yates group—said in effect, "We will build a 650,000-kilowatt powerplant at West Memphis and furnish all of said power to TVA through our Memphis interconnections for the account of the AEC. We will provide all the money—every dollar of it. Not one dollar will be asked from the Federal Treasury. We will borrow 95 percent of this money from investors, principally insurance companies, at a rate of 3½ percent, all for the benefit of cheap power. We will furnish the other 5 percent and the maximum earnings thereon will be 9 percent—if we can make it. We take all the risk."

Guaranties for AEC were provided in the contract. Should the plant cost more than a certain amount, which means that the cost of power would increase, then the companies would bear the burden; or if there was any saving under the estimated cost, then such saving would be divided with the Government. It is a provision that is not written into the present AEC contracts either with private industry or with TVA. It is an added protection to the Government. The AEC with assistance from the Federal Power Commission concluded that this was a favorable contract; that it would—

First. Relieve the power shortage in the Memphis area;

Second. Give stability to the power supply of the AEC;

Third. Add to the national defense by providing an additional source of power and further transmission interconnections with large outside power sources;

Fourth. Supply the power at the area where it was to be consumed, thereby saving transmission losses and other expenses;

Fifth. Avoid further concentration of generating capacity in the Paducah area; and

Sixth. Relieve Congress of the apparent necessity of appropriating in excess of $100 million to build similar facilities for the same power in the same area.

Many unjust and critical allegations have been made against this contract. It has been said that the plant would be financed by the Government. As a matter of fact, not one dollar of Government money would be put into the actual construction of the plant. Private industry would furnish all of the capital. Critics of the contract have said, "The money

will be raised on the security of the Government contract; that is, this Dixon-Yates group will take the 25-year Government contract and pledge that contract to insurance companies and raise 95 percent of this money, and it is on the Government credit and not on private credit that the contract is financed." Here are the true facts: The Government has a 25-year contract with two 5-year extensions, making it mandatory for the companies to furnish the power for 35 years by the companies for only a 3-year contract. The Government can cancel its contract on 3 years' notice. What financial agency would want to lend money on a Government contract that may not run but 3 years?

It has been argued by opponents of the private contract proposal that the contract has a $40 million windfall for the companies; that if the Government canceled the contract the private companies collect $40 million and can sell the power to other consumers. If that were the case, I would oppose the contract. The contract does say that the Government can cancel upon a 3-year notice. The power companies agree to take back 100,000 kilowatts per year whether it can dispose of that power or not. During the cancellation period, AEC can sell the power to any other Government agency. TVA has said it desperately needs power. If that is the case, the cancellation will cost AEC nothing. The contract provides that the companies will do their best to sell and consume this power themselves if the Government does not want it. If the power companies do absorb such power the cancellation will cost the Government nothing. All contracts that AEC now has for power, including TVA contracts, contain similar provisions on cancellations. Here are the maximum cancellation costs on the three contracts AEC now has, compared with the proposed Middle-South-Southern contract:

Ohio Valley Electric Corp	$139,635,853
Electric Energy, Inc	68,609,000
The TVA-Paducah contract	60,000,000
The Middle South-Southern proposal	40,000,000

On May 23, 1952, G. O. Wessenauer, TVA Manager of Power, wrote a letter explaining the reasons for its cancellation privileges contained in its contract:

> The demand charge component in our price to you for power covers costs which continue whether the capacity is used or not. Therefore, as indicated above, even if AEC suspends power use, TVA must arrange to continue to collect the demand charges for the capacity that has been provided, until other consumers are found who will take on the obligation through purchase of the power.

I would like to insert a letter I received from Middle South Utilities and the Southern Co. dated July 21, with regard to the cancellation provisions in the proposed contract:

JULY 21, 1954.

Hon. E. C. GATHINGS,
House of Representatives,
Washington, D. C.

DEAR MR. GATHINGS: We are pleased to submit the following information in response to your request for an explanation of the cancellation provisions in our proposal to the Atomic Energy Commission under date of April 10, 1954. The precise wording of our proposal in this respect is as follows:

"(7) Termination:

"(a) After commencement of full scale operation, termination will be allowed on 3 years' notice, during which period assignment may be made to another governmental agency, at contract rates, including all taxes and other adjustments.

"(b) Upon termination seller shall be entitled to and will absorb capacity at least as rapidly as load growth will permit, but in any event in the amount of at least 100,000 kilowatts in each year, absorbing associated proportions of costs. Buyer may assign any balance to another governmental agency at an increased price to be approved by FPC, such price to include recognition of any increased costs then encountered or foreseen by seller. To extent such capacity is not used by buyer or assignee, buyer will reimburse seller for pro rata proportion of base capacity charge, as adjusted, and taxes.

"(c) In event of partial termination above formula will be applied on a pro rata basis.

"(d) In event buyer relinquishes right to capacity after termination, base capacity charge (including adjustments) will be thereafter reduced $1,500,000; proportionally in case of partial reductions.

"(e) Buyer will repay Seller for any fair and reasonable cancellation charges payable by seller to a third party and costs, losses, and other expenses incurred by seller by reason of cancellation."

The cancellation provisions provided for in our proposal might well be characterized as a "one way street." The sponsors may not by any independent action of their own regain use of the plant facilities for 60,000 kilowatts at any time earlier than 35 years from the date the plant is completed. On the other hand, the Government has the sole right of cancellation any time and for any reason up to the 25th year and it alone thereafter has the option to renew the contract for an additional 10 years, or 35 years in all.

The Government is free to use all of the electric power contracted for during the 3-year-notice period at the contract price. In other words, if the AEC requirements diminish or are eliminated, any other Government agency, including TVA may use this power. In this event there would be no cost of cancellation since the Government would be receiving full value in the form of electric power and energy for the money it would be paying.

It would be completely unrealistic to assume a condition whereby the Atomic Energy Commission could not anticipate a situation where their needs for this electric power would either decrease or be eliminated. However, in the unlikely event that no electric energy is required by the AEC, the TVA or any other Government agency, starting with the very first day that notice of cancellation is given, the maximum payment (before taxes) required by the AEC would be approximately $40 million spread over an 8-year period. This amount is arrived at, as follows:

	Without call on unabsorbed capacity
Notice period:	
1st year	$7,275,000
2d year	7,257,000
3d year	7,275,000
Subtotal	21,825,000
After termination:	
1st year (May 6)	6,062,500
2d year (Apr. 6)	4,850,000
3d year (Mar. 6)	3,637,500
4th year (Feb. 6)	2,425,000
5th year (Jan. 6)	1,212,500
Subtotal	18,187,500
Total	40,012,500

It should be pointed out that the maximum amount of cancellation costs would occur only in the event of severe economic distress for otherwise some agency of the Government would certainly be able to use this electric power and thus avoid the cancellation charges. In the event of a situation where the Government could find no market for such electric power, presumably the sponsor companies would be similarly situated and would incur losses proportional to the amount of power for which they become responsible. Over the full cancellation period the cost to the company could amount to over $18 million and after the cancellation period $7,275,000 annually until a market for the power could be found. As indicated in our formal proposal all the foregoing amounts represent costs before taxes and adjustments.

You will notice in paragraph (b) of the termination clause in our proposal that "* * * Seller shall be entitled to and will absorb capacity at least as rapidly as load growth will permit, * * *." In other words if, during the cancellation period, the sponsors are able to absorb the power at a rate greater than 100,000 kilowatts per year they have agreed to do so and this would result in a comparable saving to the Government.

The 3-year notice period gives protection to the consumers in the Memphis area of TVA as well as to the company. In view of the fact that 3 years are required to design and build a major electric power station, it was felt that this should be the minimum notice of cancellation afforded the Atomic Energy Commission since power was to be delivered to it through TVA and elimination of this power source in less than the time required by TVA to arrange for its replacement might be detrimental to the public utility customers served by that agency.

If electric power is required by the AEC beyond the initial 25-year contract period the Government alone has the option for continuing the arrangement for 2 additional 5-year periods. At the end of the initial 25 years, the company will still have unamortized nearly 30 percent of its investment. Only the Government has the option of termination during the first 25 years or continuance of the arrangement after 25 years. During the debate with respect to this matter on the floor of the United States Senate, an attempt was made to insinuate that the Government would be obligated to pay some penalties on cancellation even though the electric energy were to be sold by sponsors to other parties. This is completely untrue as is clearly indicated in paragraph (b) of our termination provision: "Seller * * * will absorb capacity at least as rapidly as load growth will permit * * * absorbing associated proportions of costs."

Provisions in our proposal permitting cancellation were made at the insistence of AEC in order to give that agency a means of terminating its power obligations within a reasonable period of time in the event of a change in the need of AEC for power. It is interesting to observe that other power contracts made by AEC, including the TVA contract at Paducah, contain similar cancellation provisions. For example, as shown in the appendix to the hearings before the Joint Committee on Atomic Energy in 1953, the maximum cancellation costs for the power to be supplied to AEC by TVA were estimated to be $70 million for Paducah and $52 million (excluding $9 million for coal contract cancellation) for Oak Ridge. As quoted in the same appendix, Mr. G. O. Wessenauer, manager of power for the Tennessee Valley Authority, in a letter of May 23, 1952, to Mr. S. R. Sapirie, Manager, Oak Ridge Operations of AEC, had this to say in support of his contention that the AEC should pay its sister agency, the TVA, substantial amounts in the event of cancellation:

"The demand charge component in our price to you for power covers costs which

continue whether the capacity is used or not. Therefore, as indicated above, even if AEC suspends power use, TVA must arrange to continue to collect the demand charges for the capacity that has been provided, until other consumers are found who will take on the obligation through purchase of the power."

We shall be glad to furnish any additional information you may desire.

Very truly yours,

MIDDLE SOUTH UTILITIES, INC.,
By E. H. DIXON, *President*.
THE SOUTHERN CO.,
By J. M. BARRY,
Chairman Executive Committee.

It has been said by opponents of the private company contract that should the Government build its own plant a saving would result, although the Congress would be called upon to appropriate $100 million to build a TVA plant.

General Nichols made a statement before the committee setting forth this proposed additional cost and particularly set forth just how the difference arose. You can analyze this statement and in every instance the difference is accounted for, not by comparison, because TVA is not including all costs in its power rates. This difference of $3,685,000 is not realistic. It is not based on actuality, but is purely an estimate for the future, and is different from the present contract under which TVA is selling power to AEC. The said additional cost of the guaranteed private proposal over the estimated proposal of the TVA of $3,685,000 is accounted for as follows:

1. Extra cost of money---------- $1,059,000

(TVA figures its cost at 2½ percent and the private companies at 3½ percent. It is difficult to say what the money would now cost the Government. The Treasury is urging people to buy Government bonds at 3 percent, and that is not all the cost. To this there should be added the cost of maintaining the bond campaigns, the cost of refinancing and constantly reissuing new bond issues to pay off maturing obligations. Our overall Government cost of money is certainly near 3½ percent.)

2. TVA would pay no taxes---- $1,429,000

(Eight hundred and twenty thousand dollars Federal taxes and $1,499,000 local taxes.)

3. Difference in cost of transmission---------- $177,000

(This may be true, I am adopting the figures used by TVA. It appears, however, that in building to this new plant there should be no difference.)

4. Estimated extra fuel cost------ $309,000

(West Memphis is 50 miles further from the source of fuel than Fulton. Private companies insist this is wrong. Large suppliers have offered to furnish the fuel at West Memphis for the same cost as fuel at Fulton. Here's the letter:)

APRIL 1, 1954.

Mr. J. M. BARRY,
Southern Co., Birmingham, Ala.

DEAR MR. BARRY: In response to your suggestion, we desire to furnish the following information and any other information that you may later desire or find pertinent in connection with delivered prices on coal going to points in the neighborhood of Memphis. Our coal company, with its subsidiary coal mining companies, mines and sells 4 or 5 million tons of coal per year, and operates a towing company in the name of Potter Towing Co., a river transportation company which uses 3,500-ton capacity barges, which are the largest in existence at the present time.

We are attaching a map of the territory in question which shows the Memphis area, shows the rivers, the railroads, the location of the western Kentucky coalfield, the Indiana coalfield, the southern Illinois coalfield, and the Bellville coalfield of Illinois, which would be the practical sources of supply of coal for this area in question. Each of these coalfields could ship by rail, the lowest freight of any one of which by rail has a present freight rate of $3.39 per ton. The map also shows that each of these coalfields has river docks. In the case of Illinois, the Ford dock on the Missouri-Pacific Railroad serving the two Illinois coalfields has a rail rate to the Ford dock of 84 cents per ton, with a case now pending to reduce it to 70 cents per ton. The Indiana coalfield can load coal at the Yankeetown dock, with a rail rate to Yankeetown of 35 cents per ton. The western Kentucky field can load at the Grand River dock, at a rail rate to the dock of $1 per ton. In western Kentucky we operate the Uniontown mine, which is on the banks of the river itself and delivers direct into the river with no rail rate. Other such mines are now being planned.

The river mileage to Memphis from the Ford dock is 336 miles. From Grand River dock it is 300 miles. From Yankeetown it is 440 miles. From the Uniontown dock it is 370 miles. Figuring all the way downstream with loads and upstream empty, it is readily apparent that a river rate of 2½ to 3 mills per ton-mile would be readily available at all seasons of the year, as there is no difficulty with ice in this area, and high waters would serve as an actual advantage. Simplifying this, it is readily apparent that the combination rail rate to the docks from any of the coal fields, plus the river haul, would be somewhere in the neighborhood of, or slightly above, one-half the transportation cost that is obtainable by an all rail movement. It would become absurd, therefore, to base any figures on any transportation except the river movement. It would be one of the most outstanding cases in the country of the very great advantage of a water movement.

You have asked about the relative cost of the transportation to Fulton, Tenn., a few miles above Memphis as compared to a point on the west bank of the Mississippi just below Memphis, a difference in distance of 30 or 40 miles. It would be our judgment that there would not be any difference in the rates for this short distance for the following reasons: In the first place, it is a downstream haul, which would mean only three or four hours additional time, which would therefore not be worthy of notice. The Mississippi River does not have locks which are time consuming and are very much more important than the question of the small difference in distance. It is in fact the general policy in the towing business, where large tows of coal are possible coming from the same general points of origin, to ignore such short distances or such small amounts of difference in time, which is the important element. For example, in moving coal to the Twin Cities the same rate applies to St. Paul and Minneapolis, and even up the Minnesota River to the Black Dog plant of the Northern States Power Co. This distance is small, but it is upstream and has a small, old-fashioned lock between St. Paul and Minneapolis. This situation has been established for many years, and similar situations exist over the country. For the above reasons, I would say without qualification that it would be absurd to figure any difference in cost of transportation between coal going to Fulton, Tenn., and a point across the river from Memphis.

Under present conditions of cost we think it would be safe for you to figure on a delivered price from any of the four coal fields of between 18 cents and 19 cents per million B. t. u. on an as-received basis. Our own company would be glad to make a price within this range with normal escalation for labor, and since we assume that you would probably want to buy from several companies, and possibly from different coal fields, we will add without hesitation that we firmly believe that you would not have any difficulty getting similar prices from other companies in each of the four coal fields. We would like to add further that each of these coal fields have very large reserves of coal, with good physical conditions for mining, with coal permanently available.

Respectfully yours,

NASHVILLE COAL CO.,
JUSTIN POTTER, *President*.

5. Extra operating costs---------- $211,000

So I earnestly urge that the bold statements that extra sums must be paid to private industry for this 600,000 kilowatts of new power to be provided when and where needed are not supported by the facts. Even on this basis, the private power is as cheap, taking into consideration taxes and cost of money. No private concern can compete with TVA operations, if these items are not considered, and if these costs are to be passed on to the taxpayers of the Nation, rather than included in the cost of power. These figures are on the authority of the AEC and the Federal Power representatives. They can be checked.

That allegation of extra cost, however, is based purely on an estimate—what can happen in the future, with no guaranty and with no protection to the AEC. If those estimates are wrong—if the costs are more—then the Government will bear the burden.

THE DIXON-YATES PROPOSAL IS CHEAPER THAN THE TVA–AEC CONTRACT

In determining the wisdom of this contract you do not have to depend on assumptions and estimates and guesses for the future. AEC now has a contract with TVA, under which it has been operating some years. This contract was made when construction costs were much cheaper. Certainly TVA—in view of continuously increasing costs—cannot now build another powerplant and sell power to AEC any cheaper than under its present contract. If so, TVA should reduce the rate under its present contract. One Government agency should not overcharge another Government agency. This would be an undue preference to the rate consumers of the Tennessee Valley. In fact, such heavy overcharge to the AEC would soon become an operating gouging and a financial abortion. I had rather believe that TVA made an honest contract, and that its rates are fair and proper. Anyway, this is a realistic basis for comparing the Dixon-Yates proposal with the actual costs under the TVA–AEC operations.

I would like to ask permission to insert at this point a note to Mr. Strauss from K. D. Nichols, General Manager of the Atomic Energy Commission, dated June 11, 1954, which compares the rates charged by private companies and that

charged by TVA for power delivered to the Paducah plant:

JUNE 11, 1954.

NOTE TO MR. STRAUSS

In the matter of rates charged the AEC by the TVA for power, the following comparison with rates charged during the same period by EEI for power delivered to the Paducah plant is pertinent:

	Kilowatt-hours	Costs	Average cost mills per kilowatt hour
Jan. 1, 1951–Dec. 31, 1953			
TVA:			
Normal	2,653,349,972	$16,907,540.74	6.3721
Supplemental	334,053,688	3,370,045.04	10.0883
Total	2,987,403,660	20,277,585.78	6.7897
EEI:			
Permanent	1,289,097,810	4,153,650.59	3.2221
Interim	1,513,528,311	11,848,120.05	7.8281
Total	2,802,626,121	16,001,770.64	5.7095
July 1, 1953–Dec. 31, 1953			
TVA:			
Normal	1,709,062,951	8,642,400.56	5.0568
Supplemental	282,800,138	3,011,270.19	10.6481
Total	1,991,863,089	11,653,670.75	5.8515
EEI:			
Permanent	1,247,011,470	3,941,354.02	3.1606
Interim	814,843,159	6,319,398.46	7.7554
Total	2,061,854,628	10,260,752.48	4.9797
Jan. 1, 1954–Mar. 31, 1954			
TVA:			
Normal	1,053,464,000	3,916,543.00	3.72
Supplemental	393,720,000	3,111,767.00	7.90
Total	1,447,184,000	7,028,310.00	4.86
EEI:			
Permanent	683,394,000	2,250,159.00	3.26
Interim	475,487,000	3,662,618.00	7.70
Total	1,158,881,000	5,892,777.00	5.08

It was not until February of this year that the average cost of power furnished by TVA became less than that furnished by EEI. During all the above periods the cost to AEC of EEI permanent power was less than TVA normal power.

In negotiations with TVA that resulted in our present contract for normal or permanent power at Paducah, we understand that TVA included in the fixed charge portion of the rate a charge that would amortize the original investment for the new facilities required in 28 years at 4 percent interest. To accomplish this, the charge must be equal to 6 percent of the original investment per year.

In recent joint discussions between the FPC, TVA, and the AEC to develop a comparison of cost to the Government between the Dixon-Yates proposal and TVA for 600,000 kilowatts of power, we had access for the first time to operating and construction cost data on which TVA based their position on actual cost to the Government.

Using this data and their present quoted cost of $145 per kilowatt of capability for the Shawnee plant; providing in the capital costs of $95,040,000 for a plant of 660,000 kilowatts of capability for the delivery of 600,000 kilowatts of power; $13,000,000 for transmission, making a total capital cost of $108,040,000; and using 35-year depreciation for the useful life of the plant; and 15½ cents per million British thermal units for fuel costs; we have estimated the cost to TVA for delivery of 600,000 kilowatts of power to the Paducah plant from the Shawnee plant at 98 percent load factor.

It should be noted the TVA Act requires that new congressional appropriations for power facilities to be repaid over a period not to exceed 40 years after the year in which such facilities go into operation. No interest payment is required.

On the basis TVA should furnish power to the AEC at cost, and based on information from TVA that coal cost of 15½ cents per million British thermal units will be reflected in the rate under our present contract at Paducah on July 1, 1956, AEC would be charged for 600,000 kilowatts under the present contract over and above estimated cost to TVA as follows:

	Annual cost to TVA	Mills per kilowatt-hour
Amortization, 35 years	$3,086,000	0.59
Operation and maintenance, general and administrative, transmission, replacements, etc	2,195,000	.42
Fuel at 9,947 B. t. u.'s per kilowatt-hour and 15½ cents per million B. t. u.'s	8,037,000	1.55
Total	13,318,000	2.56
TVA-AEC Paducah contract	18,036,000	3.47
Difference	4,718,000	.91

We feel that TVA should pay interest on its investment equal to the cost to the Government long-term borowings during the period of construction of the new facilities. On the basis this rate would be not less than 2½ percent, then the estimated cost to TVA for 600,000 kilowatts of power furnished at Paducah after July 1, 1956 and the difference between the contract rate would be as follows:

	Annual cost to TVA	Mills per kilowatt-hour
Amortization, 35 years, interest at 2½ percent [1]	$4,666,000	0.90
Operation and maintenance, general and administrative, transmission, replacements, etc	2,195,000	.42
Fuel, at 15½ cents per million B. t. u.'s	8,037,000	1.55
	14,898,000	2.87
Paducah contract	18,036,000	3.47
Difference	3,138,000	.60

[1] Computed as follows: 0.432×$108,000,000=$4,666,000, which is divided into $3,086,000 for amortization and $1,580,000 for interest.

By July 1, 1956, TVA will be furnishing under the contract 1,205,000 kilowatt-hours of normal power. Thus on that date charges to AEC over estimated cost to TVA will be approximately double the $3,138,000, or $6 million.

Since the original contract was on a commodity basis and TVA was taking a risk on capital costs, the rate then established had justification on the part of TVA. However, now that the capital costs are known and operating experience is being obtained, a continuation of the present contract rate does not seem justifiable on the basis TVA should sell power to the AEC at cost.

To continue the present Paducah contract rate could place TVA in a position, at the expense of the AEC, of subsidizing other users in the TVA system.

Many factors other than a policy of sales of power to defense agencies at cost to TVA may be involved that should be explored with the Bureau of the Budget and possibly TVA before these figures could be considered as a basis for contract renegotiation with TVA.

K. D. NICHOLS.

A cost chart has been put into the RECORD by me, it appears on page 9870 of the CONGRESSIONAL RECORD of July 6, 1954. This data was taken from calculations made by the Budget Bureau, based on assumptions of the same cost of fuel for the two operations. Any other assumption would be unrealistic and will not give the right answer.

I have made some investigations in connection with this cost, and this chart. I have found that, in the interest of accuracy, and in the interest of making a full disclosure of all costs, the proposed State and local taxes have been overstated by some $500,000, or 33⅓ percent. I made a personal investigation of the matter, calling on the Arkansas Tax Commission to give me the facts. To be as factual as possible, I will reflect only the taxes that would be paid by the Government under the Dixon-Yates proposition in the years to come.

I have reworked this statement in a way that the layman can understand. I am just comparing the cost under the Dixon-Yates proposal against the actual cost of power furnished to AEC by TVA at Paducah, using the same size plant and the same consumption—that is 600,000 kilowatts, and the 5.2 billion kilowatt-hours per year, and using 19-cent fuel costs in both places.

Comparison of annual cost for power supply from Dixon-Yates proposal versus cost to AEC of power from TVA at Paducah, using 600,000-watt capacity, 5.2 billion kilowatt-hours per year or 98 percent load factor and 19 cents per million British thermal units fuel cost

	Tennessee Valley Authority		Dixon-Yates	
	Present Paducah contract	Mills per kilowatt-hour	Revised proposal, Apr. 10, 1954	Mills per kilowatt-hour
Production and transmission:				
Capacity	$8,208,000	1.578	$8,775,000	1.688
Energy	11,648,000	2.24	9,688,000	1.863
TVA transmission required to primary point of delivery			177,000	
Total, excluding taxes	19,856,000	3.82	18,640,000	3.58
Savings to Government, excluding taxes, under Dixon-Yates proposal			1,216,000	
State and local taxes, as calculated by Arkansas Tax Division			1,022,600	
Savings to Government, Paducah versus Dixon-Yates, after paying State and local taxes			193,400	

This chart is realistic. It is not far wrong. It will pretty well reflect the actual operations in the two plants. This chart shows—and these figures are from the Budget Bureau, except a correction that I have made on the authority of the Arkansas Tax Commission—that the Dixon-Yates proposal is going to save the Government some $183,400 a year, even after paying State and local taxes.

I incorporate at this point the cost statement presented by AEC to the joint committee which has been discussed heretofore. The rate contained in the statement is purely an estimate made by TVA:

Comparison of annual cost to Federal Government for power supply delivered to TVA system in Memphis area (for 600,000 kilowatts of demand and 5.2 billion kilowatt-hours a year)

ESTIMATED COST OF INCREASING TVA NET CAPABILITY 650,000 KILOWATTS (AT FULTON OR AT FULTON AND JOHNSONVILLE)	
Fixed costs:	
Plant and transmission facilities (interest, 2½ percent, 30-year amortization, replacements, insurance, and fixed operating costs) [1]	$7,580,000
Variable costs (fuel cost, 18.4 cents per million B. t. u.'s) [1]	9,304,000
Total	16,884,000
Cost to Government:	
Per year	$16,884,000
Per kilowatt-hour (mills)	3.25

ACCEPTING DIXON-YATES PROPOSAL (NEW PLANT OF 650,000 KILOWATTS NET CAPABILITY AT WEST MEMPHIS, ARK.)	
Demand charges (interest, 3½ percent, 30-year amortization, 9-percent return on equity, replacements, insurance and fixed operating costs)	$8,775,000
Energy charges (fuel cost, 19 cents per million B. t. u.'s) [2]	9,688,000
Total, Dixon-Yates charges	18,463,000
TVA transmission costs (from point of interconnection at middle of river to TVA Memphis substation)	607,000
Cost to Government (excluding taxes)	
Per year	19,070,000
Per kilowatt-hour (mills)	3.67
Taxes:	
Arkansas (State and local)	$1,499,000
Federal income	$820,000
Subtotal	$2,319,000
Cost to Government (including taxes):	
Per year	$21,389,000
Per kilowatt-hour (mills)	4.11
Less: Federal income tax	$820,000
Net cost to Government:	
Per year	$20,569,000
Per kilowatt-hour (mills)	3.96
Additional cost to Government, per year	$3,685,000
The additional cost of Dixon-Yates power is due to the following:	
State and local taxes	1,499,000
Extra cost of money (2½ percent versus 3½ percent interest) (return on equity 9 percent)	1,059,000
Extra fuel costs [2]	309,000
Extra operating costs	211,000
Total for Dixon-Yates	3,078,000
Extra TVA transmission costs	607,000
Total	3,685,000

[1] Distribution of total costs to fixed and variable components made on basis comparable to Dixon-Yates demand and energy charges.

[2] If coal can be delivered by barge to Memphis site of Dixon-Yates, 55 miles downstream from Fulton, at same cost as at Fulton (as assumed by Dixon-Yates), then this cost would be reduced by $309,000.

Federal appropriations, school system, Paducah, Ky.

Maintenance and operation (1951–54):	
Paducah Board of Education	$268,362.35
McCracken County Board of Education	516,318.21
Total	784,680.56
Construction: (1951–54):	
Paducah Board of Education	643,252.00
McCracken County Board of Education	1,053,450.00
Total	1,696,702.00
Maintenance and operation	784,680.56
Construction	1,696,702.00
1951–54 total	2,481,382.56

Maintenance and operation appropriations, school system, Paducah, Ky.—Public Law 874

	Paducah Board of Education	McCracken County Board of Education
1951	[1] $18,082.10	$12,691.14
1952	78,415.00	154,375.62
1953	86,818.55	208,769.47
1954 (estimated)	[2] 85,769.98	[2] 140,481.98
Total	268,362.35	516,318.21

[1] Only 96 percent ($17,358.82) received as Government did not have enough money.

[2] Not final; 75 percent paid.

Construction appropriations, school system, Paducah, Ky.—Public Law 815

	Paducah Board of Education	McCracken County Board of Education
1951 and 1952	$643,252	
1952		$794,450
1954	(1)	259,000
Total	643,252	1,053,450

[1] Application in.

Wherever a Government plan is constructed there results a great impact upon the school districts. Let us look at how much Federal appropriations have been made at Paducah, Ky., from 1951 through 1954, in order to provide additional moneys for maintenance and operation, as well as construction, in the Paducah school.

Also, at Kingston, Tenn., for the fiscal years 1951 through 1954, the Government contributed for maintenance and operation of the schools $169,644.20, and for the fiscal years 1953 and 1954, $200,508.12 has been made available for construction.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. DIES. May I ask the gentleman a question to clarify that. As I understand it, this utility company is putting up $105 million, which is their money?

Mr. GATHINGS. It is estimated that the cost will be $107 million.

Mr. DIES. One hundred and seven million dollars. That is their money, is it not?

Mr. GATHINGS. Every dollar of the money that goes into that plant will be private capital.

Mr. DIES. Then they are going to make a contract with the Atomic Energy Commission, and that contract can be cancelled after 3 years notice?

Mr. GATHINGS. After 3 years notice, yes, that is right. And this power will have to be taken back by these power companies at the rate of 100,000 kilowatts a year until they assume or absorb the whole load.

Mr. DIES. What is the controversy? Some of them want the TVA to build it and others want the private company to build it?

Mr. GATHINGS. There is a controversy in that so many of those who are interested in the TVA and who live in that particular area want to see the TVA build its own power plant at Fulton, Tenn., which is located about 25 miles north of Memphis.

Mr. DIES. Where would the TVA get the money to build that plant?

Mr. GATHINGS. They would come to the Congress and ask for a $100 million appropriation.

Mr. DIES. And we would have to borrow the money?

Mr. GATHINGS. We would have to borrow the money—and how much would we have to pay for it? We would have to pay from 2½ to 3 percent interest for the money that we would have to borrow.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. PRIEST. Will we not have to borrow the money to pay the $96 million to $139 million, which the power produced by this plant will cost in excess of what it would cost the TVA at TVA rates?

Mr. GATHINGS. I put in the RECORD just the other day that the only difference was $282,000 annual cost when the same rate is used as TVA now charges AEC at Paducah. Since that time, I want to say to the gentleman that I have obtained additional figures from the Public Service Commission of the State of Arkansas showing that there would be something like $475,000 less cost for taxes and it really would be, as a matter of fact, in the interest of economy—as a saving to the Government would result—to enter into the Dixon-Yates agreement. I am inserting a revised table as a part of my remarks explaining and comparing costs.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. DIES. The private utility company will have to pay local taxes, will they not?

Mr. GATHINGS. They will have to pay local taxes, yes, just like any other private business.

Mr. DIES. Of course, the TVA does not pay any local taxes, is that not correct?

Mr. GATHINGS. They pay very little in lieu of taxes. It is a small percentage of the tax that private business pays on the same or similar property.

TVA claims to pay taxes and interest. Private power companies in the same territory of TVA for the year 1953 paid an average of 44 percent of their total revenues for interest and taxes. The TVA paid 4 percent of its total revenues for interest and taxes. Someone has to make up this difference for taxes that are not paid by this governmental agency.

Mr. DURHAM. Mr. Chairman, I yield 7 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, the pending bill to amend the Atomic Energy Act is one of the most important and far-reaching bills to come before this session of Congress. Its implications, as it affects the welfare of our country and the defense of our country, are of the utmost gravity and demand the serious and studied consideration of the House.

Much has been written and much has been said, both during this debate and before, on the overall subject of the revision of the Atomic Energy Act. The very consideration which we are giving to amending the Atomic Energy Act—one of the most important acts in the history of our Nation—is in itself an indication of our changing times and our development within what we call the atomic age. Less than 10 years following the writing of the Atomic Energy Act, the time has come for revising it to fit the times. It is important that this revision insure the full protection of the public interest.

I should like to state that I feel strongly that every safeguard and every protection should be written into the bill to protect the public interest in this age when atomic-energy development is in its infancy and early stages of development for peacetime purposes—for purposes other than military.

I shall support the protecting and safeguarding amendments to be offered to the bill generally, and I shall most certainly support the amendment offered by our colleague the gentleman from Tennessee [Mr. COOPER] to protect the public interest by preventing the Atomic Energy Commission from being forced to invade the integrity of the Tennessee Valley Authority as it has been proposed in the so-called Dixon-Yates contract.

This proposal has been extensively discussed.

The President has directed the Atomic Energy Commission to contract with the Dixon-Yates private-power syndicate for 600,000 kilowatts of electricity to be channeled into the TVA system.

This directive has been handed down by the White House despite the fact that the Dixon-Yates contract will cost the American people millions of dollars more than other proposals for gaining needed extra power.

Under reliable estimates, if this proposal is finally put through, it will cost millions more than should be required—specifically, it would mean an expenditure in excess of $90 million as a windfall to a favored private-power syndicate.

That figure is not my own estimate, Mr. Chairman. It is the estimate of the Atomic Energy Commission.

The Tennessee Valley Authority estimates that the excess of cost would run to as much as $135 million to $139 million.

Regardless of which agency has the most accurate estimate—in either event—the costs are excessive.

The proposition is wholly unwarranted, unnecessary, and undesirable—and it is a most unfortunate thing to come up.

The people of the Tennessee Valley area—the people of the Nation—are opposed to this proposition. They are opposed to this threat of a private-power scandal—this windfall to a favored private-power syndicate.

The President assured the people of the Tennessee Valley area—in campaign speeches and in his budget message—that TVA would not be crippled, but would be maintained at maximum efficiency.

I do not question his motives but I do question—and strongly—the advice he is getting and upon which he is basing his present astounding program for maintaining the efficiency of TVA. Who furnishes him the information about TVA needs and requirements?

The quality of the information he is getting, Mr. Chairman, must be judged in the light of its source.

The President, as we all know, is being advised in this grave and vital matter by Messrs. Dodge, Hughes and Adams.

Now, Mr. Dodge is a Detroit banker and former Director of the Budget. Mr. Hughes is the present Director of the Bureau of the Budget—and a Wall Street man who has come down to help out in Washington, but who has not left his private business behind him.

The third advisor is Presidential Assistant Sherman Adams. Former Governor Adams has repeatedly indicated an enmity and hostility to the TVA program.

Those are the men who are advising President Eisenhower as to ways and means of carrying out his pledge of maintaining TVA at maximum efficiency.

We may well inquire, now, as to the source of the information which reaches the Presidential advisors, Messrs. Dodge, Hughes, and Adams.

When questioned as to the source of their information concerning TVA needs, these top-ranking administration advisors have indicated that they have obtained it from the Edison Electric Institute which is known and recognized to be TVA's worst enemy.

The conclusion cannot be avoided, Mr. Chairman, that the President has been misinformed—misadvised— on the TVA. I may say further that the President has never discussed TVA operations with any official of this great agency of our Government.

How can he consider that he is being properly advised when he seeks information not from the agency itself—not even from a neutral source—but from the avowed enemies of TVA.

Mr. Chairman, support for the TVA, and its position in the present critical situation, comes not from the people of the Tennessee Valley alone. Support comes from all over the country. Indeed, the serious situation posed is of international significance and importance.

Among the great newspapers of the Nation that supported President Eisenhower in his campaign for the Presidency but who are now opposing him on this issue and strongly voicing their support of the TVA can be named the following:

The New York Times.

The Scripps-Howard chain—19 in number.

The Washington Post and Times Herald.

The Louisville Courier-Journal.

The Memphis Commercial Appeal.

The Knoxville Press-Scimitar.

And many others, both within and without the TVA area.

These great newspapers, who now oppose in this instance the man they so strongly supported to be the President of the United States, represent the point of

view of a great segment of the people of the Nation. They are opposing this proposed private power deal to invade the integrity of the TVA.

Further, Mr. Chairman, the municipal bodies, the rural electric cooperatives, and other public and private distributors of TVA power—representing capital investments of more than $400 million as regional partners of the Government—have unanimously gone on record in support of the TVA program as it exists and as they wish it continued without change.

I feel, therefore, that it must appear obvious, Mr. Chairman, that the people of the Tennessee Valley and the people of the Nation generally are pleased with the program of the TVA and are opposed to this administration—or any administration—attempting to kill the TVA or to break the TVA yardstick of low rates which has served a most useful purpose of stimulating competition in the electric-power field throughout the country.

The Dixon-Yates deal would do just that—deal a death blow to TVA and break the TVA yardstick of low rates.

The Dixon-Yates deal would be an entering wedge to force—through the vital Atomic Energy Commission—the speed-up and to accelerate the destruction of the TVA, which the President now calls creeping socialism.

High-cost private power funneled into the TVA grid system would force up electric power rates to the consumer. The people of the TVA area would be at the mercy of the private power monopoly. And, in addition to the many undesirable features of the proposal—including the excess cost to the taxpayers—the Dixon-Yates contract is otherwise not in the public interest.

Mr. Chairman, the Atomic Energy Commission is the Nation's most sensitive and vital agency. It was not set up to serve as a power broker for the Government. It has no legal authority to enter into such a contract, and the propriety of the proposal that has been made in this regard has been strongly questioned by a majority of the members of the Commission.

It is, indeed, regrettable and a pity that at this time when we are called upon to measure up to the demands of time and progress in our atomic energy program we should be diverted by a proposal that could greatly harm that program, greatly harm the public interest, and wreck a program—the TVA—which funnels some 70 percent of its output into our vital defense programs.

Three of the AEC Commissioners have expressed their opinions that the proposed forced contract goes beyond the scope of the function of the Commission for which it was created. The Commission, I repeat, was not created to serve as a power broker for the Government.

In support of these statements, Mr. Chairman, I desire to read from a copy of a letter to Mr. Hughes, the Director of the Bureau of the Budget, from AEC Commissioner Smyth. This letter appears on page 958 of the hearings of the Joint Committee on Atomic Energy.

Commissioner Smyth wrote:

We—

The Commissioners—

are taking this opportunity to bring to your attention our personal view that the proposed action involves the AEC in a matter remote from its responsibility. In an awkward and unbusinesslike way, an additional Federal agency would be concerned in the power business.

Also:

The proposal under discussion is an outgrowth of the responsibility to the President's budget message * * * requesting the AEC to explore the possibility of reducing existing commitments of the TVA to the Commission.

Commissioner Smyth states further:

In the course of that exploration, it was determined to be unwise to disturb the AEC arrangement with TVA upon which our production schedules depend.

And following this, Mr. Chairman, the Commissioner says—please listen:

Since that determination, the explorations have taken a different course.

In other words, the AEC has said it does not need the power, but, notwithstanding this fact, the negotiations have taken a different course. That is, they are being forced to negotiate the contract notwithstanding the fact that there is no need for it and that the contract would be awkward and unbusinesslike and remote from the AEC's responsibilities.

They were ordered to make the deal anyway.

On page 1004 of the same hearings, Commissioner Murray of the AEC testifies:

Since our program is not advanced by these negotiations and the subsequent administration of this 25-year contract, I do not believe that it is desirable for the AEC to perform a function that another agency of the Government could perhaps more logically perform.

Mr. Murray further testified:

I have never personally felt that the administration of long-term contracts for areas such as the Memphis area ever came within our jurisdiction.

Could the conclusions be any more clear?

Despite this testimony, Mr. Chairman, and despite the clear and unmistakable assertion of the attitude of the majority of the members of the Atomic Energy Commission as to the proper functions of the AEC, we have pressed upon us explanations and justifications for this proposal which are, in fact, unworthy of any responsible agency of our Government.

The Bureau of the Budget has recently issued a press release in defense of this proposal, and, to say the least, it is the weakest sort of defense.

In this press release statement, the Bureau of the Budget attempts to justify the high cost of the proposed contract—the admitted high cost. Further, it attempts to shift the burden of failure to provide for the Fulton steam plant on the Congress.

In this latter connection, Mr. Chairman, I want to point out that funds for construction of the Fulton steam plant were recommended by the previous administration, but such funds have not been recommended by the present administration.

Funds for Fulton steam plant were stricken out of the budget at the start of the 1st session of the 83d Congress and again in the 2d session of the 83d Congress.

How can the present administration shift to the Congress the burden for the failure to provide for funds for Fulton steam plant when the funds were not requested—were not recommended by the President.

I deeply regret that the Bureau of the Budget elected to weaken its prestige by such a dismally inadequate defense of its actions.

The Bureau of the Budget has attempted to justify its position by trying to explain away another proposition and offer for power in this regard which was greatly under the cost to be entailed in the Dixon-Yates deal. It attempted to justify the almost fantastic position of the administration in insisting that the favored power syndicate, Dixon-Yates, be given a contract which was so obviously a lucrative contract that the favored syndicate accepted it without even being apprised of its specifications.

As indicated, Mr. Chairman, the members of the Atomic Energy Commission not only feel that they should not enter into this proposed contract, but, like others, they point to the excessive cost under the private power—the Dixon-Yates — arrangement. This would amount to $3,700,000 a year.

Over the period of 25 years—the life of the contract, I repeat—the power cost would be in excess of $90 million.

The taxpayers will have to make up the difference between the cost of the TVA-produced power and the cost of the private monopoly power.

This deal represents a clear-cut repudiation of the President's campaign pledge to maintain the TVA at maximum efficiency. The enemies of TVA who are constantly complaining of the cost to the taxpayers can now, if they wish, shed a few crocodile tears for the taxpayers of the Nation who will pay enormous profits into the pockets of a favorite private power monopoly in the unhappy event this unholy contract is consummated.

When the TVA builds its own facilities, the assets belong to all the people. Under this Dixon-Yates proposal, the people would pay for the plant with high profits and tax writeoffs, but they would never own it.

The net effect of this whole brazen deal will be to block normal and needed TVA development and expansion—to give private power a foothold in the TVA region, a foothold which it has long been seeking, to break the TVA service yardstick of low rates—and to guarantee to the Dixon-Yates syndicate huge profits at the expense of the American taxpayers.

Surely the Congress does not wish this to happen.

Only the private power lobbyists and favored utility syndicate wish to disguise the evils of this proposal. The

amendment to prohibit the consummation of this contract should be adopted in the public interest.

Mr. Chairman, I wonder if such debate, such display of absence of understanding, has not beclouded the issue and has not failed to contribute to a real recognition of the issues at stake.

The fact that the TVA is producing large amounts of cheap power—of which 70 percent is called upon directly for national defense needs—requires no defense nor any justification. Even those who criticize TVA must admit that during the course of World War II and the Korean War, and in the operation of our post-war and atomic energy program, the TVA performed magnificently and is still making an astounding record of accomplishment.

But I must say this, Mr. Chairman, it appears that those who through tirade and vengeful tactics are now attacking TVA—a tremendously successful Government program—are doing so in an effort to pull the President out of a hole—a very deep and dangerous chasm he has fallen into.

The very sharpness and viciousness of their defense of this illegal contract suggests they are defending the President in his present untenable position.

A reasonable proposition does not dictate an unreasonable defense.

No, Mr. Chairman, a great attempt is being made to pull President Eisenhower out of a hole—out of a situation which has become increasingly embarrassing to the administration.

I say this Dixon-Yates deal has become embarrassing to the administration because the present administration has highly touted and advertised itself as a "businesslike administration"—an administration composed of hard-boiled businessmen; an administration run on a solid business basis. And yet here has been proposed the most unbusinesslike contract conceivable.

No stockholder expects such windfalls of profits and earnings as would be possible under this Dixon-Yates deal. No stockholder expects that their dividends be, in effect, paid by the Federal Government—by the taxpayers of the Nation.

Mr. Chairman, this proposed contract is not only illegal; it is unbusinesslike, brazen, outlandish, and a boon to a favored private power syndicate.

This contract was not negotiated by bid; it was directed.

This contract was handed down and accepted by the syndicate without any specifications being set down or discussed.

This contract makes tax concessions that are totally unacceptable.

This contract makes profit guaranties which are far in excess of what is equitable and just and in line with normal business operations.

This contract is excessive in cost.

Further, Mr. Chairman, this proposal, if consummated, would damage the effectiveness and the efficiency of the Atomic Energy Commission and, at the same time, weaken a proven agency which guarded the Nation's power output during two wars, and which through its power production helped to achieve victory for our country in time of war.

We must spare the Atomic Energy Commission—upon the threshold of great achievement for peaceful purposes—from this weakening and diversionary proposal. We must keep both the AEC and the TVA strong.

We must leave atomic energy in the hands of those best qualified on that score—the AEC—and we must leave electric-power production in the hands of those best qualified on that score—the TVA.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the distinguished gentleman from Indiana—the House majority leader.

Mr. HALLECK. Does the gentleman know whether or not the TVA purchases power from private sources at the present time?

Mr. EVINS. It does, and the arrangement is quite satisfactory with the private power people.

Mr. HALLECK. Let me ask the gentleman one other question. Does he not know that the Atomic Energy Commission in its various operations around the country in many places buys power from private sources?

Mr. EVINS. Yes, for their own needs, but not as here proposed.

Mr. HALLECK. Then why is the gentleman getting so excited about this operation?

Mr. EVINS. If the gentleman will give me additional time I will answer fully. I should like to protect the public interest.

Mr. PRICE. I think one of the great reasons is because of the unusual manner in which the Dixon-Yates arrangement was made. There was no competitive bidding on it, and it is made against the wishes of 3 of the 5 Atomic Energy Commission members. I think there are a number of reasons for being excited about it.

Mr. EVINS. The proposal here is a most unusual one. It has taken a very devious course. The AEC has a very satisfactory arrangement now for their own power needs, yet they have been ordered to go ahead and contract for it anyway, forcing them to take it. That is the different course they are being required to take. It is most unusual. It is unsound.

Mr. COLE of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I would like to refer briefly to the question of agreements which will be made abroad under section 54, "Foreign distribution of special nuclear material" and section 123, "cooperation with other nations." When we propose these agreements being made abroad on fissionable materials, we certainly should have the same restrictions in those agreements as we have on the delivery of ordinary weapons to our allies.

The Committee on Foreign Affairs, and the House, have adopted section 142 of the Mutual Defense Assistance Act for the current year which puts in many such restrictions. I would like to ask the committee: Why is there not a specific requirement in these agreements that the United States shall have continuous observation and review of these agreements with foreign countries that are made and of the fissionable materials that are given to them. Without any requirement under this particular bill, the United States would hand the materials over, then would have no right within the country to continuously watch the programs or for our military groups, our so-called MAGS, to look after them.

In addition, I have one other point to call to the attention of the committee. Under the Mutual Assistance Act by the concurrent act of each of the bodies of this Congress by concurrent resolution any of these agreements can be canceled. I believe likewise that when we come to these agreements on fissionable materials abroad we should have the right in the Congress to cancel any of these agreements which the executive departments have made, because it makes for much closer supervision by the Congress and will be much better than just having these agreements submitted to the Joint Committee on Atomic Energy and a 30-day period has elapsed while the Congress is in session.

I will propose later an amendment for that kind of a provision which would make for quick and easy termination in case the people of the United States felt that the agreements were not in the national interest and the programs had changed from their original purposes.

Mr. DURHAM. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DOYLE].

Mr. METCALF. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred Members are present, a quorum.

Mr. DOYLE. Mr. Chairman, I think I am justified in calling to the attention of the House in connection with this debate that my own great interest in the subject of atomic power, atomic bombs, and atomic energy was given pretty good evidence of in the past because I find on July 19, 1946, in connection with the debate in which the former distinguished Member of the House, Mr. Lanham, of Texas, took the lead on the Democratic side, I, in the CONGRESSIONAL RECORD, volume 92, part 8, page 9491, said this:

> Mr. Chairman, I wish to call attention to the fact that if you adopt this amendment you strike out all control by the United States Government of this most dangerous substance, for military purposes, unless it is acquired from the inventors by purchase or condemnation, after a military weapon is invented or patented. You wipe out all exclusive control at the source of this material by the United States Government, and turn it over to private speculation and control. You turn over to private parties the control of the source of this energy and control of the development of military weapons in the first instance. Yet we have already this day by other actions recognized it to be the most powerful element in history for destruction or for progress.
>
> I am absolutely opposed to my Government being placed in second place, on account of any factor.

Now I wish to say that I support the President of the United States in what was a very important declaration of policy on his part, in his message to us in February 1953 that during the first 5-year period subsequent to the enactment of this law, if we enact it, inventors who may invent shall be entitled to the benefit of their inventions and shall have the right to use their discovery under favorable conditions.

I served on a subcommittee of the Committee on Armed Services of this House within the last year on a subject of great importance. We made an extensive trip to certain areas in the United States in connection with synthetic rubber plants and the question as to whether the Government should dispose of them to private industry. I wish to say in connection with that study and the conferences that we had with big American industry that I came to admire the way in which American industry had made their patents and inventions available to the Government without cost. On the other hand, I came to realize that in no small manner, even in the field of synthetic rubber, the patents were controlled very largely by just a handful of large companies. I do not criticize them for that. They took the initiative in the very early years. But in that connection I wish to now say also in connection with atomic energy development, that while it is true that our great American industrial corporations have developed this atomic energy material they have been well paid for all their services. My information on that matter a year ago was that the large companies that developed atomic energy fission have been well and abundantly paid for all the work that they have been doing in cooperation with the Government. In other words, they have not invested their own capital. Tax dollars have paid the whole bill. They have been virtually the employees of the United States Government even though not legally so. Therefore, I feel that in a very large and specific manner the small man, the man who has not had the advantage of working for these large companies during this period of development, should now get a break and an honest-to-god opportunity to get into the field of inventing what may be available in this area if this bill is passed. The taxpayers have expended about $12 billion, no part of which, under this bill is being returned.

Mr. DURHAM. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I take this limited amount of time merely to express my opposition to the bill in its present form. There is no question but what I shall oppose it, even though several amendments have been favorably enacted upon.

I oppose this bill for the same reasons that I opposed the tidelands oil bill. I think this is just another travesty which will close the 83d session of the Congress. The tidelands oil giveaway was one of the first acts of this administration; and now, as we come to the close of the 83d Congress, we are about to make the beginning of a giveaway of the Tennessee Valley Authority, which up to date represents an investment of $12 billion of the American people's hard earned money.

Mr. Chairman, in my judgment, this is one of the worst bills and one of the most undesirable bills and one of the most dangerous bills from the standpoint of the public interest that has ever been before the House for vote in my 6 years in the House. This bill, in my opinion, will have terrific causal repercussions upon generations of American boys and girls yet unborn. It has within it the potentialities of such danger to the welfare of the American people that I think every Member of the House who shares my views as to the dangers of the bill has the duty to make whatever sacrifices, personal and political, that may be called for, in order to prevent the passage of the bill until such time as the American people can be heard from. My confidence in the American people is such that I am satisfied once they come to understand the dangers of the bill it will not pass.

I felt that to be so in the tidelands debate. I felt it deeply, Mr. Chairman, just as I do in the case of this bill. I felt something had to be done in order to break through what was obviously a news boycott by the American press, by and large, concerning the merits and demerits of the tidelands bill.

I have been very much disappointed again in the failure of the journalistic profession, by and large, with some notable exceptions, to analyze this atomic-energy bill for the benefit of the reading public and to point out to the American people the dangers that are truly involved in the pending bill.

It makes one sad to note that the journalistic profession failed in its responsibility of reporting the truth and failed in its responsibility of performing its function as the greatest educational institution in America. No educational institution compares with the press as a medium for the presentation of information in educational form, if the press wants to rise to that great responsibility.

In the newspapers of the past few days, one reads stories such as are found in some of the releases today, "Atomic energy bill debate drones on," instead of telling the American people what the differences between and among us on the floor of the House are in regard to this bill, instead of pointing out the facts and contentions as presented by both the proponents and the opponents. The speeches on the merits and demerits of this bill will read well when any student comes to analyze the debate.

The press is aware of the situation, but it has assumed an attitude of lethargy, an attitude of unbelief, an attitude of wishful thinking which have come to characterize the mental reactions of so many of our fellow citizens these days. They would like to believe the best. They do not want to believe the worst. They are psychologically resisting a growing fear that is taking root at the grassroots of America these days, and that fear is that in 1952 they were taken for a political ride. They certainly were, Mr. Chairman. They were fed a lot of nice-sounding promises on issue after issue by the Republican candidate, and they are beginning to discover they were only promises. They are beginning to discover not only that there has not been any deliverance on those promises, but those promises were based upon a campaign strategy of political expediency.

I think the American people are now in a state of great mental shock. They are shaking their heads and wondering. They are asking each other the queston, "Did it happen here?"

It is hard to believe it did happen. It happened to them. They were fooled in the campaign by promises based upon political expediency and by a campaign strategy of anything to win; it is votes that count, and if ignoring political principles and political morality will get us the votes, then let us ignore principles and morality.

It happened, Mr. Chairman. During the life of this administration we have seen the people suffer the loss of one interest after another.

Take issue after issue, the hard money policy, the failure to do anything constructive to meet the very serious recession of the past year, the giveaway of billions of dollars of the wealth of the American people in the tidelands, the failure to protect the people's heritage in the natural resources, which show an administration bent on serving not the American people, but the selfish big business interests which obviously control it. The time has come, it seems to me, when a last-ditch fight has to be made before the adjournment of this Congress in opposition to and protest of this sorry record of the Eisenhower administration.

We have had presented to us, in my opinion, a bill which will be so damaging to the future economic welfare of the American people that I urge my colleagues to take a stand here and make this the last point of retreat. I am well aware what that requires, but there comes a time when each one of us has an obligation far beyond us as individuals in importance, because we sit here in the Congress of the United States as symbols of a great public trust. We sit here in the House, as I see it, at least, under the obligation to do whatever lies within our power to protect the public welfare as the public welfare becomes involved in the legislative process.

Here is a piece of legislation, Mr. Chairman, that I cannot reconcile with the public welfare. Here is a piece of legislation which, in my judgment, if it becomes the law, will go a long way in selling the American people into a monopolistic economic bondage. Here is a piece of legislation which, in my opinion, will give a throttled control over the economy of the country in the hands of a very few monopolies that obtain control over atomic energy. It must be stopped. Who is going to stop it? It is obvious that at this hour a majority in the House will not stop it, but I am convinced that the American people would stop it if they understood the facts.

So, as I see it, a minority of us are confronted with really a sacred public trust. We are confronted with a challenge of great personal sacrifice. We are presented with an opportunity of service to the American people. We must

be willing to take all the criticisms, or political brickbats, so to speak, that angry editors can conjecture and conjure. We must be willing to do it if we have the conviction which is mine—and I think other Members of this body share my conviction—that this bill sells short the economic welfare and the maximum economic opportunity of generations of unborn American boys and girls. I do not propose to sell them short. I have never felt, in my service, that I count as an individual. I have never felt that this job could be translated into a human equation. I have always felt that I was but a vessel, a vehicle, a medium through which, or by which, the people's business was, in part, to be transacted.

Mr. COLE of New York. Mr. Chairman, I yield myself 1 minute in order to answer a question of the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Chairman, I am sure there is an explanation of this, and I should like to ask the gentleman from New York [Mr. COLE] to give it, if he would, at this time.

On page 7 of the bill we find that "the term 'person' means any foreign government or nation or any political subdivision of any such government."

Then on page 17:

> The Commission is directed to exercise its powers in such manner as to assure the continued conduct of research and development activities in the field specified below, by private or public institutions or persons.

Thereafter I note the word "person" is used frequently throughout the bill. Was it the intention of the bill that these powers were to be exercised with reference to foreign governments?

Mr. COLE of New York. The gentleman has raised a very interesting point. It would be my personal interpretation that the use of the word "persons" in section 31, which directed the Commission to engage in research through persons, would not include foreign governments or foreign agencies of any kind. Further, in verification of that interpretation, let me call the gentleman's attention to section 104, which authorizes the Commission to grant licenses for research activities. In that section, which implements section 31, foreign governments are excluded.

Mr. DIES. In many places in the bill the same word is used, "person" which creates at least a serious doubt as to what the intention of the committee is. I know that you seek by specific language to deal with international cooperation, but by defining clearly that a "person" shall include any foreign government it would seem to me that there is a conflict there.

Mr. COLE of New York. The definition of "persons" is intended to cover everybody whatsoever, individual, corporation, association, government, agency, in any respect, with the exception of the Atomic Energy Commission. The Atomic Energy Commission is not a person under the definition of the term "person" as contained in the act.

The authority that is conferred upon the Atomic Energy Commission in section 31 to engage in research through public or private institutions or persons must be read in connection with section 104, which authorizes the Commission to grant licenses and to engage in this activity. Section 104 specifically eliminates the possibility of a license for research being given to a foreign corporation, person, or association.

Mr. DIES. I would think that that would create a very serious conflict there, an ambiguity, to say the least.

Mr. COLE of New York. I appreciate the gentleman's bringing this to our attention. We shall endeavor in the time available to remove any cloud that exists.

Mr. DURHAM. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, in discussing this bill I daresay I am like most of the others here. It is much too lengthy and much too complex for anyone to say that he thoroughly understands it. But as we read the various sections and hear the explanations made by the very fine members of this joint committee and others who have studied this subject you cannot help but realize that the proponents feel it is all right. If those in charge of the Nation's affairs limit themselves to what our friends here contemplate they will, that might be all right. But they have not.

I will not attempt to discuss the dangers under the exchange of atomic-energy information under the terms of this bill. Others will discuss that. But if as a lawyer, or even as a layman, you read this bill, you can see the sky is almost the limit as to what can be done under this bill. I need only to direct your attention to page 79, section 162, which was commented on by the gentleman from Texas and myself earlier, which reads as follows:

> The President may, in advance, exempt any specific action of the Commission in a particular matter from the provisions of law relating to contracts whenever he determines that such action is essential in the interest of the common defense and security.

You will note the words "common defense and security." That is just about as broad as it can be. It says the President may determine. It does not say President Eisenhower—it could be the next President, whoever he may be. That section does not even say he must put his determination in writing. It does not say he shall submit any reasons. It does not say there shall be any review. Then go further to the next section in this bill, which says "that prior contracts—which are listed in the bill." And what has heretofore gone on is now confirmed—period.

Then when you read in the section on definitions—and I would not attempt to say I understand it; I think I do understand what the members of this committee understand, and that is what the fellow who wrote it understood—but when you vary the definitions of things which are fixed in your dictionary, the very fact that they differ from the fixed means that they are open to interpretation, and the fellow who wants to do something can interpret it in his own way, because it is not tied down as other things are tied down. So how can you say he is wrong or restrained? Certainly the committee meant to have it to be somewhat different from the usual, or you would not have written it in here, or else the counsel who is responsible for language intended to change it. In our section of the country we have already seen just how far the authority in this law will be stretched, when the administration wants to stretch it. I refer to the Dixon-Yates contract, which I will discuss later.

Mr. Chairman, about one-half the district I represent is served by a private power company, the Mississippi Power & Light Co., and I live in that half of the district. My relations with that company have been friendly throughout the years. They are doing a good service. The other half of my district is served by the Tennessee Valley Authority. The Tennessee Valley Authority belongs to the Government, it is the Government. The Government has invested money which we had to raise in building up this power facility down there. But this Congress in passing that act, and in every other similar act that I know of, said that if public moneys are to be spent in producing power in developing our natural resources, to make sure the benefits do not get gobbled up in between the place where the power is generated and where the consumer buys it, the law provides that preference shall be given on that power to public bodies, municipalities, and to the REA cooperatives, and that such power shall be made available as economically as possible.

Now it is said that this bill does not contemplate generating any electricity by the Atomic Energy Administration, though it might be well if it did authorize that for bargaining reasons at least. This bill does contemplate and express the hope and show the anticipation that at some future date, we will be getting energy and power from atomic energy. But here we do not find that the results of the hoped for domestic use of $12 billion, which the American people have spent on this program, are being tied down for the benefit of the people. This bill sets it up so that by permit it is put into other hands without the protection that those who obtain a permit and produce power must pass such benefits on to the American people except on their own terms.

Let me say while I am in the well of the House, and I want to refer again to this wide open section in this contract, this matter of the Dixon-Yates contract, and this is independent of how you may feel about the TVA and independent of how you may feel about public power versus private power, because I have my views and I have found since I have been here that some of you have other views.

Many people feel the administration is giving undue advantages without proper protections of the public interest, to private utilities. My friends, real thought should be given to whether that is true.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HINSHAW. It has been an existing law since the bill was passed originally, and that provision will still be in existence.

Mr. WHITTEN. Since I have been here most of our time has been taken up

changing the law. We need to change this section, particularly in view of what has already been done when the President directed the contract with Dixon-Yates.

It is time some of our friends began to take stock of this situation. It looks as if it fits a pattern.

Mr. Chairman, many spokesmen for the Democratic Party have long claimed that the Republican Party represents special interests, as against the public interest. The Republicans have marked off such charges as mere politics. Personally, we have never believed in blanket indictments; but actions of the administration have done little to refute the charge.

Already we have seen the administration set out to balance the budget, and that is good. But practically the first step was to raise interest rates paid by the Government on its own debt. You can imagine who gets the benefits of us paying higher interest on our own debt.

While complaining about huge storage costs on Commodity Credit Corporation stocks of farm commodities, the administration added millions to those costs by raising storage rates the Government paid on its own commodities.

While complaining about high costs of the farm program, the administration added millions to the cost of financing by having CCC borrow from our huge financial giants instead of by the Government borrowing the money direct at much less interest, and the Government is obligated to pay either way.

Farm price supports were reduced without resulting benefit to the consumer but with injury to the farmer, all to the benefit of the group between the farmer and the consumer.

And now the Dixon-Yates contract.

The Atomic Energy Commission, an arm of the Government engaged in a $9 billion expenditure for the protection of the American people, has been directed by the President to buy 600,000 kilowatts of power from the private utility, the Dixon-Yates combine. Such action would in effect be to set a new combine up in business, and at a cost of $3,685,000 a year more than the Government-owned Tennessee Valley Authority could provide the power. Some estimate the additional cost at $5,500,000.

Why would such directive be issued? It is not because the Atomic Energy Commission needs the power for its own use. The Commission has a contract for and is getting the power it needs; and the Commission would not get nor use this power the President would have the Commission to buy. The law requires the Tennessee Valley Authority to meet Government power needs.

Is not this action on the Dixon-Yates contract strange? The Dixon-Yates combine did not even have the specifications for the plant when its proposal was submitted. A majority of the Commission would not approve the contract. Other private utility groups who would have liked to bid were given no chance to compete.

The contract provides for paying all taxes for the combine—more than $2 billion per year.

The combine is guaranteed more than 8 percent return above taxes, and at the end of 25 years will own the $107 million plant with no substantial risk to the combine. Under the contract the Government, in effect, guarantees they will own it.

The 600,000 kilowatts of power would not be turned over to the Atomic Energy Commission, but would be turned over to TVA. TVA would then have to channel such power into its own system, spend $9 million getting such power across the river to the point where it would be used; and the extra costs would, of necessity, have to be reflected in increased charges by TVA to municipalities and REA systems buying power from TVA and by them to the consumers.

This would mean a windfall for Dixon-Yates, for according to witnesses other private power groups offered to supply this power for from $90 million to $150 million less. They did not have a look-in.

Obviously the most costly feature to the people of the mid-South would be the increase in retail rates for electricity, both in and out of the TVA area. That is one of the major objectives of the contract. Certain private utilities have made a never-ending fight through the years to force the TVA to bring about a raise in retail rates; and with the present administration in power they seem to ride a gravy train.

The real purpose behind efforts in the Republican 80th Congress to pull out of the TVA, in cash dividends, enough money to cripple the operation of TVA was to force increased rates to consumers in the area and thereby achieve their desired effect outside the area.

Only after a hard fight were we able to provide 40 years for the TVA to return costs of power facilities, one-fourth of the cost each 10 years; and I remind you that the TVA will still belong to the people of the United States when the total cost has been paid.

Both last year and this year funds were refused TVA for construction of the Fulton plant, with which to provide power for the growing needs of this 80,000 square mile area. Remember, the TVA has not and is not seeking to enlarge its territory.

Only this year, yielding to the pleas of those whose prime purpose seems to be to make the operation of TVA more costly in anticipation of forcing an increase in power rates, the committee handling funds for TVA recommended that the cash operating funds of the agency be greatly reduced. And here is the dead giveaway—the committee provided that the bridle be taken off and distributors, municipalities, and REA systems charge retail consumers whatever they pleased for power obtained from TVA. Cities and others could have financed anything in the world out of power profits. The sky was the limit. In other words, it made no difference what happened to the money so long as retail rates to consumers were increased by those distributors to whom the TVA sold power wholesale.

Fortunately, we were able to get rid of that provision in the Congress. While the advocates of that provision did not care who got the money, under the Dixon-Yates setup the retail charges to consumers would be increased and the administration would go further and contract to pay the additional money to their favorites—even turning down other private-utility groups. I do not believe the American people will stand for it, at least not for long.

In my judgment such contract is certainly not within the intent of the Atomic Energy Act. In fact, I do not believe it is legal under the present act. If, in spite of our efforts here, such contract should be entered into under the urging of the executive department under the present law, I feel the Congress should prohibit the use of funds to pay the claimed obligations, and we could thereby force the matter into court for a determination as to its legality.

I believe the facts justify the belief that TVA has been good for the private-utility companies. I know that since the beginning of the TVA private utilities closest to TVA have reduced their retail-sales rates to a greater extent, increased their total power sales more, and increased their earnings more than other private companies, except those in the Columbia River development—which is similar to TVA. The greater the distance the private utility was located from TVA, the less reduction in rates, the less the increase in total power sales, and the less the increase in profits.

I presented these facts in a debate with one of the major private-power-company officials at Chattanooga, where I pinch-hit for Senator GORE, of that State. This debate was on the American Forum of the Air on a national hookup. The power company representative said the TVA had destroyed navigation on the Tennessee River, when actually it has increased many, many times. He talked of land flooded, and yet there is more cultivatable land than before. He charged that the TVA and its power had nothing to do with locating the Atomic Energy plant at Oak Ridge. He was completely wrong about that.

We are accustomed to that kind of lack of information and to statements that are completely erroneous, to say the least; but here in the Dixon-Yates deal the administration would not only force higher power rates to the people in our cities and on REA lines served by TVA, all to the financial benefit of Dixon-Yates, it would also result in higher rates throughout the Midsouth in those areas served by private utilities. We think we can see how much extra the Dixon-Yates contract would cost directly, but the indirect costs in higher rates throughout the country would be many times that.

The REA systems also have an interest in this matter. Low prices charged in the TVA area to REA systems have contributed to lower charges by the private-power system to REA co-ops it serves. Private utilities have prospered greatly since the creation of the Rural Electrification Administration, whereby the Government loaned funds for providing service to rural people. It was proven that rural people desired and would pay for electricity. I am a member of the committee which handles the REA program.

Its record of repayment is practically 100 percent, and now REA co-ops are among the best customers of private utilities.

The TVA has been a good influence, in my opinion, on the private-power companies. In providing electricity at low rates the use of electricity has been greatly increased, and I think the facts show there is more profit in large use at lower prices.

May I say most private utilities seem to be doing a good job. I know the utilities adjoining TVA are rendering better service than ever, and judging them by utilities in other areas the TVA seems to have helped their progress.

Now with this example of how far the adminstiration will strain the Atomic Energy Act to serve the ends of Dixon-Yates and the utilities which sponsor such proposal, we must put every safeguard in the new Atomic Energy Act to protect the interest of the American people in the future. They are the ones who have put nine to twelve billion dollars in the atomic-energy program. To make use of the facilities of private enterprise is one thing; but to set it up, guarantee its profits, pay its taxes, give the resulting plant to it—all at greatly increased cost to the public—is to do injury to the public and to the Government.

Some may say Dixon-Yates would do nothing to earn this extra money the people would pay. I say they would do something. They would raise retail rates throughout the Midsouth. Doubtless that would be worth something to private utilities, but not to the American people. Now, as to those in control of the administration, truly by their actions we must judge them.

Mr. COLE of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. NORRELL].

Mr. NORRELL. Mr. Chairman, I am not going to attempt to make a talk on this technical bill. I have read it, and all I can say is that I am going to accept the recommendations of the committee. These committee members have, of course, conferred with the Atomic Energy Commission. They all have carefully studied the bill. This is what they want. I cannot place my own decision over and above their combined opinions regarding the provisions of the bill. However, there are 3 objections advanced by the opponents of the bill, 3 objections that I would like to reply to. One is that the bill is wrong because it requires TVA to buy power indirectly from the private power companies.

The second question is that the TVA is required to buy from the Atomic Energy Commission.

The opponents, those who are opposed to this bill, have much to say about this. Let me turn, now, to the evidence of the TVA itself regarding the matter of securing power from private power companies. Right now it is doing that and it has been doing it for a long time. It is purchasing power from some 20 or 25 utility companies at this very moment according to the TVA report dated June 30, 1953. If anybody desires to look at the report I have it here and I shall be glad for you to see same. It shows that the TVA purchases and exchanges power. It purchased nearly 9 billion kilowatt-hours in fiscal year 1953 from private utility companies. In addition to this they acquired net by exchange about 2 billion kilowatt-hours. This is shown by the TVA reports for fiscal 1953.

In this fiscal year it may be said that they will buy and exchange net energy to the tune of 2,696,749,000 kilowatts of power at the colossal sum of about $13½ million per year. These are their own figures.

We are not starting something new. They are doing this already.

Now, they say that they should not have to buy power from the Atomic Energy Commission. Again I turn to the testimony of TVA in their report for the fiscal year 1953 and we find that now they are also buying power from the AEC. It is nothing new. They bought, in the fiscal year 1953, 2,696,749,000 kilowatt hours of Atomic Energy Commission power at the rate of 2.96 mills per kilowatt-hour. However, the TVA is, at the same time, selling power to AEC. They buy at the rate of 2.96 mills per kilowatt-hour and sell to the AEC for 8.59, thereby making a profit of about 70 percent. All this is information found in the reports of the TVA as of fiscal 1953.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. NORRELL. I yield to the gentleman from Iowa.

Mr. JENSEN. I hope the gentleman will take into consideration, when he compares rates charged by TVA and private power, that the private power companies pay on an average of almost 4 mills for every kilowatt-hour they produce in local, State, and Federal taxes.

Mr. NORRELL. That is right.

Mr. JENSEN. I know the gentleman wants that fact to be brought out.

Mr. NORRELL. Yes, of course, and now I want to conclude with, and this is the third point, the major difference between public and private power, is how will the taxes and insurance be paid. They are going to be paid. You bet your bottom dollar on that. There are two ways of doing it. One, these charges can be paid by those who use the service of TVA. That is one way to do it. The other way, they can be charged to the entire country, the citizens of the United States, wherever you live, and be paid in that way; that is from appropriations by Congress and the collection of taxes from all our citizens.

But, they are going to be paid.

As for me, I would rather that TVA should pay its own bills.

Mr. DURHAM. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, the "talkathon" going on in the Senate, which has spotlighted the attention of the Nation on legislation to amend the Atomic Energy Act of 1946, prompts me to speak briefly.

I regret that there seems to be a feeling that this legislation should be rushed through to clear the way for Members of Congress to get back home. No campaign for reelection is more important than the independent handling of the future of our great atomic program. It may well be that some Members of Congress are in such a hurry to get home that their constituents will see that they remain there. The final accounting for this bill, amending the Atomic Energy Act, will not be made at the polls this November—it may not come for many, many years—but it will come—and if we make mistakes now merely because we have been in such a hurry to get home, we have hurt not only ourselves as legislators but all the people of America. There should be a full discussion on all proposed amendments to the present bill.

The atomic age was born during the throes of war on a crash project basis at a cost of billions of the American taxpayers' dollars. It does not follow that it should be exploited on a crash project basis by a few big companies and their selfish interests.

The people of my district feel that this project is too vital to the future of America to be handled hurriedly or carelessly, and I personally feel that all light possible should be shed on the whole matter.

Mr. DURHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS of Tennessee. Mr. Chairman, so much has been said about the Memphis area that I think I better say something about Memphis, because, as most of you know, I have the honor of representing that big city. We have half a million people in that congressional district.

Now let me very quickly give you the history of Memphis and its relationship to TVA. The TVA Act was passed in 1933. On November 6, 1934, we had an election in my city, and we voted 16 to 1 to go into partnership with the TVA for the purchase of all of our electricity. Now, what does this mean?

The Atomic Energy Commission I have always felt was an independent body and should act with all of the independence that is thereby implied. I have never sought to project a TVA into any other section of the country. But the city of Memphis has no other place to get its power save from TVA. TVA, at a cost of $139 million less than it will cost if the Dixon-Yates contract is signed, would obtain its power by the erection of a plant at Fulton, Tenn., 25 miles north of the city of Memphis. Under this very peculiar directive of the President, the AEC is going out of the bounds of the Tennessee Valley, across the Mississippi River, over into the State of Arkansas; and it will cost $9 million for the TVA to build a line across to the middle of the river to get this private power which is out of the area of the TVA as it was designed under the original act of 1933.

What does it mean? It means that the private-power people have been watching my city and my area for these many years as a plum where they can really sell power at a higher rate than the yardstick which the TVA allows.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. DAVIS] has expired.

Mr. COLE of New York. Mr. Chairman, I am informed that we have 8 minutes remaining on this side. Rather

than consume that time in general debate, I shall yield back that time in order that we have that much more time to consider the bill for amendment under the 5-minute rule.

The CHAIRMAN. All time having expired, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Atomic Energy Act of 1946, as amended, is amended to read as follows:

"CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

"SECTION 1. Declaration: Atomic energy is capable of application for peaceful as well as military purposes. It is therefore declared to be the policy of the United States that—

"a. the development, use, and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare, subject at all times to the paramount objective of making the maximum contribution to the common defense and security; and

"b. the development, use, and control of atomic energy shall be directed so as to promote world peace, improve the general welfare, increase the standard of living, and strengthen free competition in private enterprise.

"SEC. 2. Findings: The Congress of the United States hereby makes the following findings concerning the development, use, and control of atomic energy:

"a. The development, utilization, and control of atomic energy for military and for all other purposes are vital to the common defense and security.

"b. In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

"c. The processing and utilization of source, byproduct, and special nuclear material affect interstate and foreign commerce and must be regulated in the national interest.

"d. The processing and utilization of source, byproduct, and special nuclear material must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

"e. Source and special nuclear material, production facilities, and utilization facilities are affected with the public interest, and regulation by the United States of the production and utilization of atomic energy and of the facilities used in connection therewith is necessary in the national interest to assure the common defense and security and to protect the health and safety of the public.

"f. The necessity for protection against possible interstate damage occurring from the operation of facilities for the production or utilization of source or special nuclear material places the operation of those facilities in interstate commerce for the purposes of this act.

"g. Funds of the United States may be provided for the development and use of atomic energy under conditions which will provide for the common defense and security and promote the general welfare.

"h. It is essential to the common defense and security that title to all special nuclear material be in the United States while such special nuclear material is within the United States.

"SEC. 3. Purpose: It is the purpose of this act to effectuate the policies set forth above by providing for—

"a. a program of conducting, assisting, and fostering research and development in order to encourage maximum scientific and industrial progress;

"b. a program for the dissemination of unclassified scientific and technical information and for the control, dissemination, and declassification of Restricted Data, subject to appropriate safeguards, so as to encourage scientific and industrial progress;

"c. a program for Government control of the possession, use, and production of atomic energy and special nuclear material so directed as to make the maximum contribution to the common defense and security and the national welfare;

"d. a program to encourage widespread participation in the development and utilization of atomic energy for peaceful purposes to the maximum extent consistent with the common defense and security and with the health and safety of the public;

"e. a program of international cooperation to promote the common defense and security and to make available to cooperating nations the benefits of peaceful applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit; and

"f. a program of administration which will be consistent with the foregoing policies and programs, with international arrangements, and with agreements for cooperation, which will enable the Congress to be currently informed so as to take further legislative action as may be appropriate.

Mr. HOLIFIELD (interrupting the reading of the bill). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. Mr. Chairman, I would like to understand the parliamentary situation. Are amendments in order as we read each page, or do we have to read 102 pages of the bill before any amendments are in order?

The CHAIRMAN. Under the rules, the bill is being read by sections; and amendments are not in order until the reading of the entire section has been completed.

Mr. HOLIFIELD. Further, Mr. Chairman, will the bill then be taken page by page for the benefit of the Members who offer amendments, or will it be open to amendment at all parts of the bill?

The CHAIRMAN. The entire section will then be open to amendment. As the gentleman knows, under the rules the members of the committee will be entitled to first recognition.

Mr. HOLIFIELD. Then, as I understand it, this bill as it is written is considered as two sections or more?

The CHAIRMAN. No, there are four sections.

Mr. HOLIFIELD. Four sections? The first section goes to what line on page 102, please?

The CHAIRMAN. To the bottom of the page. Section 2 begins at the top of page 103.

Mr. HOLIFIELD. And how far does it go?

The CHAIRMAN. It goes five lines.

Mr. HOLIFIELD. Then section 3 goes over to line 13 on page 104?

The CHAIRMAN. The gentleman is correct.

Mr. HOLIFIELD. And the final section is lines 14, 15, and 16 on page 104?

The CHAIRMAN. That is right.

Mr. COLE of New York. Mr. Chairman, in view of the fact that section 1 of this bill represents 90 percent of the bill, would it be in order for me to ask unanimous consent that section 1 be considered as a separate bill for the purpose of consideration under the 5-minute rule, to the extent that it be read by sections, and that at the end of each section that section be open to amendment?

The CHAIRMAN. That may be done by unanimous consent.

Mr. COLE of New York. Otherwise, if we are to follow the rules explicitly and read all of section 1 of the bill, which runs to 102 pages, then at the conclusion of that reading the entire bill, or at least those 102 pages, would be open to amendment at any point at which a Member might seek recognition to offer an amendment?

The CHAIRMAN. That is correct.

Mr. COLE of New York. It would seem to me that the more orderly way to consider this measure would be to consider it section by section, as I have indicated.

The CHAIRMAN. Does the gentleman make that request?

Mr. COLE of New York. I make that request, Mr. Chairman, in order to get it before the Committee.

Mr. HALLECK. Reserving the right to object, Mr. Chairman, if the chairman of the committee desires it to be handled that way, of course I shall not object, but frequently it happens that given sections of a measure are by unanimous consent considered as read and open to amendment at any point. Whether or not that would be disruptive of proper procedure here I do not know. It would seem to me that since we are hopeful that we might conclude action on this bill this evening it might expedite matters a lot if the first section were read and then be open to amendment.

The CHAIRMAN. The Chair might offer a suggestion here. Perhaps it would not be in order, but it has been suggested that perhaps it might be better if it were considered by chapters instead of by sections.

Mr. RAYBURN. Mr. Chairman, I do not understand the situation here at all. It is stated the bill will be read section by section, and then it is claimed there is one section here that covers 102 pages. Are you breaking that up in some fashion?

The CHAIRMAN. The gentleman from New York means sections within section 1.

Mr. RAYBURN. I certainly have no objection as far as I am concerned to the request of the gentleman from New York as I understand it.

Mr. COLE of New York. Section 1 of the pending bill starts on page 1 and ends at the bottom of page 102. In those pages are a number of sections, the last one of which is numbered 291. My request is that section 1 of the bill be read by the Clerk as though it were a separate bill and be open to amendment at the conclusion of the reading of each section within the entire section 1, so that the effect, if this consent request is granted, would be that when the Clerk has read to page 2, line 10, the end of the first section, that section would be open for amendment.

Mr. RAYBURN. That would be line 10 on page 2?

Mr. COLE of New York. That is right.

Mr. PHILLIPS. Mr. Chairman, reserving the right to object. An examination of these subsections, that is the individual sections inside the major section 1 shows that there are a great many of them which are of minor importance and rather short. Would it not be reaching exactly the same end which the gentleman from New York reaches to consider the bill by chapters rather than by these little sections? I think in that way we would expedite the proceedings, and I make that suggestion to the gentleman.

Mr. HOLIFIELD. Mr. Chairman, I believe that the suggestion of my colleague, the gentleman from California, is a good suggestion in view of the peculiar arrangement of the bill. I think if we can consider it chapter by chapter, it would be more orderly and amendments could be offered to each chapter.

Mr. COLE of New York. Mr. Chairman, I renew the request which I have made.

Mr. HOLIFIELD. Mr. Chairman, reserving the right to object, I am not sure what the request was.

The CHAIRMAN. The Chair will state the request as he understands it. The request is that section 1 of the bill beginning on page 1 and extending to page 102 may be read by chapter and be open to amendment by chapters, as it is read. Is that a correct statement of what the gentleman from New York intends?

Mr. COLE of New York. Mr. Chairman, I will accept the chairman's interpretation of my request. The Chairman has correctly stated my request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FORAND. Mr. Chairman, reserving the right to object, and I shall not object, I believe the procedure suggested by the gentleman is that we consider section 1 of chapter 1 and then section 2 of chapter 1 and so on until the bill is read completely. If I understood the original request made by the gentleman from New York, it is that we consider each of the sections in each of the chapters, one at a time, and I believe that is the interpretation he has in mind.

Mr. RAYBURN. Mr. Chairman, further reserving the right to object. Of course, the Chairman of the Committee of the Whole, in my opinion, went far beyond the request of the chairman of the legislative committee. But, if the chairman of the legislative committee is willing to accept the interpretation of his request as made by the Chairman of the Committee of the Whole, may I say, as it has been said on the floor of the House on previous occasions, that will be eminently satisfactory to us.

Mr. COLE of New York. Mr. Chairman, if the gentleman will yield to me in order that I may express my interpretation of the request, as it was stated by the Chairman of the Committee of the Whole, if the request is granted, the effect of it will be that at the conclusion of the reading of chapter 1, which would be on page 5 in the middle of the page, then all of that portion of the bill preceding the middle of page 5 will be open for amendment. Thereafter, we will consider chapter 2, and at the conclusion of chapter 2, all of the sections contained within that chapter will be open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk concluded the reading of chapter 1.

Mr. COLE of New York. Mr. Chairman, there are a number of corrective amendments which are needed throughout the bill having to do with typographical mistakes, the change of certain commas, parentheses, and correcting the misspelling of a word. These have been compiled. I have shown them to the minority members of the joint committee and I understand they are entirely acceptable to them.

I therefore ask unanimous consent that at this time this block of corrective amendments may be considered by the Committee of the Whole even though they relate to portions of the bill which have not yet been read.

Mr. DIES. Mr. Chairman, reserving the right to object, do the amendments include a correction on the provision which I pointed out a moment ago?

Mr. COLE of New York. The amendments do not touch that subject.

Mr. DIES. You then intend to clarify the bill in that respect?

Mr. COLE of New York. At a later time.

Mr. McCORMACK. Mr. Chairman, may we have the request restated?

The CHAIRMAN. The gentleman from New York [Mr. COLE] has sent to the desk a block of corrective amendments to rectify clerical errors which he states have been submitted to the minority members of the committee and approved by them, and he asks unanimous consent that these amendments may be considered en bloc even though they relate to portions of the bill which have not yet been read.

Mr. McCORMACK. Reserving the right to object and, of course, that in no way interferes with the reading of the bill as agreed to.

The CHAIRMAN. No.

Mr. HOLIFIELD. Mr. Chairman, reserving the right to object, I believe the chairman has stated it properly. The offering of these corrective amendments will not nullify any amendment that is offered to present numbered sections and numbers of the bill, will they?

Mr. COLE of New York. None whatever.

Mr. HOLIFIELD. With that understanding, Mr. Chairman, I have no objection to the gentleman's request.

Mr. CROSSER. Mr. Speaker, I want to protest against the skipping of whole pages in the reading of the bill. I want this bill read in its entirety.

The CHAIRMAN. That has been done so far.

Mr. McCORMACK. Mr. Chairman, reserving the right to object, the interrogation or observation of the gentleman from California, which was agreed to by the chairman of the joint committee, raises another question. If an amendment should be offered by a Member later on to any portion of the bill to which these amendments apply, a point of order cannot be raised against them if the amendment is otherwise germane; is that correct?

The CHAIRMAN. That may be incorporated in the request.

Mr. COLE of New York. Mr. Chairman, I modify my request according to the suggestion made by the Chair.

The CHAIRMAN. Is there objection to the modified request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Committee amendments offered by Mr. COLE of New York:

Page 2, line 23, strike out "affects" and insert "affect."

Page 22, line 17, after the word "located", insert a comma.

Page 24, line 22, strike out "42" and insert "41."

Page 33, line 24, strike all of line 24 and insert "(1), subsection 63 a. (2), or subsection 63 a. (4), and shall make a reasonable."

Page 34, line 6, strike out all of line 6 and insert: "subsection 63 a. (1), subsection 63 a. (2), or subsection 63 a. (4), considering."

Page 35, line 5, strike out word "Aquisition" and insert "Acquisition."

Page 36, line 24, strike out the word "cause" and insert "caused."

Page 37, line 16, strike out the following: "prior to its amendment hereby."

Page 50, line 22, strike out "11 w. (2)" and insert "11 v. (2)"

Page 58, lines 24 and 25, strike out the words "Atomic Energy."

Page 68, line 12, strike out the word "Advisory."

Page 68, lines 13 and 14, strike out "Advisory."

Page 69, line 13, strike out "material," and insert "material or atomic energy."

Page 70, line 1, strike out the word "Advisory."

Page 70, line 23, strike out "11 (a) 1, 11 (a) 2, or 11 (b)" and insert "11 (a) (1), 11 (a) (2), or 11 (b)."

Page 70, line 25, after number "151", insert "or section 154."

Page 74, line 9, strike out subsection h. and insert " 'h. Consider in a single application one or more of the activities for which a license is required by this Act, combine in a single license one or more such activities, and permit the applicant or licensee to incorporate by reference pertinent information already filed with the Commission."

Page 74, line 16, strike out the words "The Commission is authorized to."

Page 76, line 17, strike out the word "refininng" and insert "refining."

Page 77, line 25, strike out all of line 25 and insert "not more than 1 percent of the eligible employees."

Page 78, line 9, strike out "the Commission may."

Page 78, line 10, insert after the words "or other officers" the words "of the Commission."

Page 81, line 13, delete the word "and."

Page 82, line 24, strike out "44" and insert "43."

Page 83, line 15, strike out "1937" and insert "1931."

Page 83, line 17, strike out the sentence beginning "Upon or after."

Page 89, line 23, strike out "9b" and insert "9 (b)."

Page 101, After line 20, insert a new section to read as follows:

" 'SEC. 241. Transfer of property: Nothing in this act shall be deemed to repeal, modify, amend, or alter the provisions of section 9

(a) of the Atomic Energy Act of 1946, as heretofore amended."

Page 104, lines 14, 15, and 16, strike out section 4.

The CHAIRMAN. The question is on the committee amendments offered by the gentleman from New York [Mr. COLE].

The amendments were agreed to.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 3, at the bottom, add the following new subsection:

"i. In achieving the maximum contribution of atomic energy to the general welfare it is essential that the United States, through its own agencies and through other agencies, public and private, undertake a comprehensive program for the production and distribution of electrical power utilizing atomic energy."

Mr. HOLIFIELD. Mr. Chairman, this amendment just adds one more purpose to the bill and is in line with the intent of the bill. It puts upon the Atomic Energy Commission the duty through its own agencies and through other agencies, public and private, to undertake a comprehensive program for the production and distribution of electrical power utilizing atomic energy. In other words, this leaves the field open as far as the purpose is concerned; however, several amendments will be offered to implement the purposes more clearly than now exist in the bill.

I hope that the Chairman will have no objection to accepting the amendment and may I ask if he could accept this amendment as supplementing the other purposes in section 3 on page 4?

Mr. COLE of New York. Not at this moment.

Mr. HOLIFIELD. Then I must proceed.

Mr. Chairman, I will read the amendment:

1. In achieving the maximum contribution of atomic energy to the general welfare it is essential that the United States, through its own agencies and through other agencies, public and private, undertake a comprehensive program for the production and distribution of electrical power utilizing atomic energy.

This is one of the purposes of the bill. Of course, it would have to be implemented in other sections of the bill and before it could be put into effect, any licensing would have to be done by the Atomic Energy Commission through private or public agencies. If it was to a private agency, of course, there would be no concern as to the fund. In case of licensing a public body, it would be of no concern to the Congress, because a public body, if it was on the municipal or State level, would have to furnish its own funds. If it were an action taken on a Federal agency, other provisions of the bill provide that those agencies would have to come to the Congress and obtain authorization and, of course, obtain the appropriation. It is the same as any other Federal agency obtains its appropriations, and therefore this would not indicate any final action along those lines. This would merely put as one of the purposes of the bill the maximum expansion of the atomic energy program to all public and private bodies in the United States.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Michigan.

Mr. MEADER. Is not the essence of this amendment to put the Congress on record as saying that the Federal Government ought to be in the business of developing electrical energy from atomic energy?

Mr. HOLIFIELD. This would permit the Federal Government to do that. It would indicate that the purpose of this act is to not take away from the Government the right to do that if it wants to do it.

Mr. MEADER. In other words, it expresses the philosophy of Government-operated power companies if the power is derived from atomic energy.

Mr. HOLIFIELD. It does not express it any more than the Federal Power Act now expresses the same philosophy. It has been in existence for 50 years, this philosophy, that what the Government owns it has the right to do whatever it wants with it. And the Government owns atomic fission, every gram of it, every dollar of it. It owns it all, and one of the purposes of this act should be that it should be utilized on the widest base possible for the benefit of the people of the Nation and the welfare of the citizens of the United States.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. I think it merely expresses encouragement for the full development of atomic energy in every respect through every means.

Mr. HOLIFIELD. The gentleman is right. It leaves the field completely open, and the implementation of this purpose will occur later by later legislative action.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOLIFIELD] may proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I think it should be pointed out that the amendments which the gentleman from California is offering are to be found on pages 10956 and 10957 of the RECORD of last Monday.

Mr. HOLIFIELD. That is correct. And following the recitation of the amendments there is an explanation of each amendment.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sorry I cannot accommodate the gentleman by accepting his amendment, because his amendment is not nearly as innocent or innocuous as his statement has indicated it would be. We might as well understand that the amendment the gentleman from California has just offered is the opening salvo of several guns that are going to be fired here this afternoon, all of which are designed to put the Federal Government in the business of generating electricity through the use of atomic energy. This proposal the gentleman has offered declares as a matter of public policy that it is essential that the United States, through its own agencies, undertake a comprehensive program for the production and distribution of electric energy. I ask you if that is a policy that should be accepted without more sober, mature, and complete deliberation than is allowed to the House of Representatives today in consideration of this bill. I said earlier today that this bill is not a power bill. It is not a bill to permit the Atomic Energy Commission to generate electricity. Ever since the Commission has been created, and so far as I have been concerned, as long as the Atomic Energy Commission continues to live, its purpose has been and will be one and one only, and that will be to produce special nuclear material for the defense of the United States, for the security of the United States, for making weapons. And at no time should its primary purpose be diverted and distorted into a secondary purpose of generating electricity.

Apparently the conception has developed in the minds of some persons in the House that electric energy from atomic energy will be around the corner; that it will be in the transmission lines a year from now. Nothing could be further from the truth. It will be many, many, many years before electric energy is produced from atomic energy in sufficient quantity to be commercially feasible.

This bill is simply the opening of the door as an incentive to American ingenuity and enterprise to try to find ways and means for making that electric energy possible, as one of the many possible peacetime uses of atomic energy. The time has not yet arrived to consider whether or not we want to put the Federal Government in the power business. That day may well come in 8, 10, 15 years from now—nobody knows. But the day has not yet arrived, and so consideration of that phase of the atomic program should not require much discussion in connection with this bill.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. PHILLIPS. Is not the point adequately covered, Mr. Chairman, in the bill as now written? I refer to page 3, lines 17 to 20, where it says "use of atomic energy under conditions which will provide for the common defense and security and promote the general welfare"; and also at the top of page 5, where it says "applications of atomic energy as widely as expanding technology and considerations of the common defense and security will permit"?

Does not the bill already have those things which properly should be in this bill?

Mr. COLE of New York. That is a statement of the purposes of the bill. It

is to open up this new field to nonmilitary applications. That is the goal.

The amendment of the gentleman from California [Mr. HOLIFIELD] goes much further and says that the policy of this Government is that it must produce electrical energy from atomic energy. I am certain that such a step is not contemplated or authorized by the Constitution. The time is not appropriate even to consider whether or not it should be done.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. HOLIFIELD. Is it not true that the other body has adopted an amendment——

Mr. COLE of New York. Mr. Chairman, I am not prepared to comment on that; and I make the point of order—I might as well do it now—that there is no place in the consideration of this bill by the House for references to be made with respect to what has been done by another body or what may be done, or what has been said or what has been considered by the other body. I do not like to make that point, but there is not any sense of beclouding our consideration of this measure by what some other group of people may have done.

The CHAIRMAN. Perhaps the Chair should read a quotation from Jefferson's Manual.

It is a breach of order in debate to notice what has been said on the same subject in the other House, or the particular votes or majorities on it there; because the opinion of each House should be left to its own independency, not to be influenced by the proceedings of the other; and the quoting them might beget reflections leading to a misunderstanding between the two Houses.

Mr. McCORMACK. Mr. Chairman, that would cover expressions concerning actions of the other body?

The CHAIRMAN. It covers anything that occurs in the other body.

The time of the gentleman has expired.

Mr. DURHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, although I dislike to oppose an amendment offered by my colleague on this side, this is a question that this body might just as well decide at this time as any other, and I think that the time is proper, because if we are going to make out of the Atomic Energy Commission a power-producing agency then we had better consider this bill for a long, long time. I certainly think it will take more time, as far as I am concerned, for it is a matter that goes far and wide. It is one that should be considered seriously before this body takes such a step.

Mr. Chairman, I ask that this amendment be voted down.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to interrogate the chairman of the committee. He has stated that as far as he is concerned the purposes of this legislation and the scope of the activity of the Atomic Energy Commission should be devoted solely to the national defense of our Nation. May I ask him whether or not the Atomic Energy Commission, under the terms of this bill, is not placed in the position of passing upon the production of power for civilian purposes? As I understand later sections of this bill, the Commission is authorized to grant licenses to commercial companies for the production of power. That was the reason I asked the gentleman from California [Mr. HINSHAW] earlier in the day whether it would not have been wiser to give the authority to the Federal Power Commission, which now has the duty under existing law to determine the impact of production facilities for power, to pass upon the question as to whether or not the construction of reactors of this type should be passed on by the Federal Power Commission. The fact still remains that in this bill the Atomic Energy Commission is called upon to pass upon the production of power for civilian purposes through the construction of reactors. Is that not so, may I ask the chairman of the committee?

Mr. COLE of New York. No, I cannot answer whether it is so or not, but I can say that the gentleman completely misinterpreted what I may have said about the Commission. I did not say the Commission's sole responsibility was producing weapons. What I did say is what is contained in line 3 on page 2 concerning the purposes of the bill, where it says that the primary purpose at all times is the paramount objective of making the maximum contribution to the common defense and security. That is the principal and primary purpose of this atomic energy program, although, of course, not the sole purpose. There are many secondary activities of the Commission.

Mr. YATES. Does the gentleman not agree that under the language of later provisions of this bill the duty is imposed upon the Commission to determine whether the public convenience and necessity require certain commercial institutions to be licensed to construct reactors for the production of power for civilian purposes?

Mr. COLE of New York. I do not think there is any imposition upon the Commission of a duty to grant licenses based upon public convenience and necessity. That is regulated by existing Federal and State authorities. We do not touch that in any respect.

Mr. YATES. Under what authority, then, does the Commission grant a license? Will the applicant for the construction of a reactor be required to go to the Federal Power Commission, or other appropriate regulatory commissions, before it can start construction of its reactor, if it proposes to use it for power purposes?

Mr. COLE of New York. I can only direct the attention of the gentleman to the provisions of section 271 on page 102, which states that—

Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power.

If the applicant for a license intends to use that license in such a way that he would have to apply to the Federal Power Commission, then he will have to apply to the Federal Power Commission.

Mr. YATES. In other words, the authority that is contained in this act for any person within the language of the definition of the act who proposes to construct a reactor for the production of power for civilian purposes is only a preliminary grant and such a person must then go to the appropriate Federal or State agency in order to obtain a certificate of convenience and necessity in order to carry out the charter which is granted under the terms of this act; is that correct?

Mr. COLE of New York. With the exception of an industry which might want to obtain a license for using atomic energy to generate electricity for its own use. Then it would not have to go to any regulatory body.

Mr. YATES. That is a construction for the individual use of a single industry and one that would not be used for the general public; is that correct?

Mr. COLE of New York. That is right.

Mr. YATES. Then the answer to my question, as I propounded it prior to your answer, is "Yes; he would have to go to the other regulatory agencies."

Mr. COLE of New York. The answer is in the affirmative.

Mr. YATES. Then the next question I have is this: Under present conditions, in view of the extremely high cost necessary in construction of reactors of this type, is it not likely that private companies may not want to undertake the construction of reactors for the generation of power for civilian purposes, and it may be necessary for the Government to construct a pilot plant to test the usefulness of such an enterprise? In the case of Duquesne, to which the gentleman from North Carolina [Mr. DURHAM] has referred, the Duquesne Co. reactor will generate only 60,000 kilowatts.

Mr. DURHAM. That is a very small amount.

Mr. YATES. I agree that that is a very small amount, but the fact still remains if they are going to construct a reactor for feasible, economic purposes, it would have to be a much larger generator than that encompassed in the Duquesne operation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 72, noes 146.

So the amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Amendment No. 2: On page 4, after line 20, add the following new subsection e and renumber sections e and f as f and g, respectively.

"e. A program for Government and non-Government production and distribution of electrical power utilizing atomic energy so directed as to achieve the maximum public benefits of atomic energy development and make the maximum contribution to the national welfare."

Mr. HOLIFIELD. Mr. Chairman, I shall take no more time of the House than is necessary to say that this also is in the philosophy section of the bill; this language in the purposes section of the

bill states that the program for Government and non-Government production and distribution of our electrical power utilizing atomic energy have been directed to achieve the maximum public benefits of atomic energy development and make the maximum contribution to the national welfare.

It is the same type of amendment as the one I offered before. This is in the philosophy section of the bill. It indicates that the intent of the House would be for the Government to operate in this field for the benefit of all the people rather than for just a favored few.

Mr. COLE of New York. Mr. Chairman, I want to indicate only the same objection that I raised to the earlier amendment offered by the gentleman from California applies to this amendment.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I have taken this time to call attention to the membership of the House and to ask the question if we are going to revert to the philosophy that was followed in this country for so long when the utilities enjoyed a monopoly and stole from the people of this Nation billions of dollars.

I was in a fight one time against the utility companies, when they were unwilling to listen to any reasonable demand. I do not know much about the Atomic Energy Commission but I do know a little bit about the philosophy of the private power utilities of this country. I led that fight in my hometown to put in a municipal light plant. We battled them through the courts for over 5 years before we got that plant into being. We offered to compromise if they would meet certain requests that our city had made, but they opposed and refused every one of those requests. I said at that time: "If you do not give us these things we will vote bonds for a municipal light plant and I predict that after the town of Kennett, Mo., votes to install a municipal light plant, you will go to the other towns you are now serving and give them the same things we have demanded; but you are first going to have to be shown you are beat." That prediction materialized.

I also had a part in the fight for the REA in Missouri. There is not a man or woman in this House who does not know that if we had relied on the monopolistic power utilities of this Nation, our people in the rural districts would not have electric power today.

I was surprised, amazed, and greatly disappointed when I heard the chairman of the Joint Committee on Atomic Energy a minute ago indicate by his remarks that he wanted to give to the private power interests of this country the $12 billion investment that the taxpayers of this Nation have already made and not give the REA, TVA, and the people served by public power an equal opportunity to use this thing. I plead with you, if we are going off on these other amendments as we have started on the first one, every person who votes for a thing like that will be contributing to the giving away of the resources of this Nation. It pains me to think that we sit here without thinking and give away the resources and try to prevent the Government, our own people, from enjoying the resources that we have.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from California.

Mr. HOLIFIELD. The issue is clear cut. The chairman of the committee says that this is not a power bill, but it is a power bill. It puts the private utilities in the power business with atomic fissionable material paid for by the taxpayers' money. It authorizes the Commission to give them licenses to do this very thing. So, regardless of how many times he gets up on the floor and says that this is not a power bill, it is a power bill. The issue is clear cut.

Mr. JONES of Missouri. Mr. Chairman, in opposing the amendment a moment ago he indicated he was not willing that this be utilized by other agencies, including public and private power. All we want is a fair break to give the people who are supplying the public power an opportunity, an equal opportunity. But if you are going to give this monopolistic control to the private utilities, I say it is typical of the administration that has always been opposed to the people's interests.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in the first place, this bill has nothing whatsoever to do with the production of electric power. Power can of course be produced by an REA or any other unit sponsored by the Government under the law as it now stands.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Can the gentleman tell me why he opposed the first amendment where it would give them an equal opportunity?

Mr. HINSHAW. Because the first amendment provided for putting the Atomic Energy Commission in the business of producing electric power.

Mr. JONES of Missouri. Also that amendment prevented the public power interests from using this resource.

Mr. HINSHAW. It did no such thing. It has nothing to do with that. This bill in nowise prevents any other public agency from going into the production of electric power with the use of atomic energy as a heat source. As far as generation is concerned they use the same generating equipment as in any steam plant. The heat source is atomic energy. I disagree with the gentleman and say that so far as his remarks may have carried any acrimony they were totally unjustified.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that the reactors awarded by the AEC are purely experimental?

Mr. HINSHAW. Certainly.

Mr. VAN ZANDT. In connection with the power these reactors will develop, is it not true the taxpayers' interest is protected when it comes to the disposition of such power?

Mr. HINSHAW. Why, certainly. He is protected by other agencies also.

Mr. SIEMINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the distinguished chairman of this committee a few questions, if I may. It is my understanding that the difference in power available to the average man in Asia as against that available to the average person in the West is a ratio of 30 to 1. In Asia there is less than one horsepower available per man; in the West it is around 30. Now, my question is this: Does this bill, the way it is phrased now, enable the Government to step in, in the event we discover that the Soviets and their satellites are closing the power gap with atomic plants throughout their land? What action is the Government enabled to take to encourage private industry under this bill to step on the gas to keep ahead of the increased power that might be developed in the Orient? Does this bill foreclose action?

Mr. COLE of New York. Mr. Chairman, if the gentleman will yield, very definitely the bill does not foreclose action. I confess I share the gentleman's concern in that respect. I think it is highly important that this Government proceed as expeditiously and as rapidly as possible toward proving the feasibility of atomic energy for generating electricity to the end that it may be used not only here at home, but made available to people throughout the world who may want to use it as well.

Mr. SIEMINSKI. It is my observation that the Soviets are not interested in free enterprise. It is likely they will try to close that power gap before they start war. If they can, they will most certainly try to capture the markets of the world through atomic power and slave labor. I want to be sure that we have the wherewithal to stay ahead of them; that we can advise industry, and, if need be, shell out the dough to stay ahead.

Mr. COLE of New York. But we do not give them the dough.

Mr. SIEMINSKI. Well, we do in the Export-Import Bank, and no one says that is bad. There we encourage foreign trade; we want to be sure that we are not interpreting this bill as a socialist or restrictive bill, but one that encourages business and enables industry to stay abreast of the field.

Mr. COLE of New York. We want to make it lawful for them to carry out this mission which now is unlawful.

Mr. SIEMINSKI. I thank the gentleman, and, at the proper point, in the House, I shall ask unanimous consent to cite now further remarks on the 30:1 ratio as they appeared on page A5261 in the Appendix of the RECORD, believing they will assist the progress of the Congress on this pioneer measure:

WHAT THEN OF HORSEPOWER AND THE 30:1 RATIO?

(Speech of Hon. ALFRED D. SIEMINSKI, of New Jersey, in the House of Representatives, Wednesday, July 21, 1954)

Mr. SIEMINSKI. Mr. Speaker, in Korea, the Reds learned that firepower overwhelmed manpower.

What now of horsepower? It outpulls manpower.

What steps are the Reds taking to close the power gap between their world and ours?

At the moment, for each person in Asia, there is available, on the average, less than one horsepower. In America, for each person, the average is around 30 horsepower. Thus, the gap in horsepower between East and West could be expressed as 30:1 in favor of the West.

To dominate the world in peace as well as in war, it would appear that the Reds must first close the power gap, then pass the West, with a ratio in their favor.

In what way will the Reds power the East, before attempting to blanket the West?

A clear answer to that question might well guide the Congress in its vote on the use of atomic power. One or two observations might be helpful.

I am told that there is little waterpower in the East, that Russia has only four great rivers and China fewer than that.

Thus, factors of strategy, tactics, and economics lead one to conclude that the Reds will power their lands with atomic plants.

It took the blood of Korea to reaffirm the superiority of firepower to manpower.

What treasure will the future require, before the superiority of atomic power for peacetime pursuits is established, if ever?

What then of horsepower and the 30:1 ratio?

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was rejected.

Mrs. FRANCES P. BOLTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FRANCES P. BOLTON: Page 2, after line 10, insert:

"c. The United States should continue to press for effective international control of the military use of atomic energy and its derivatives under adequate safeguards to protect complying nations against violation and evasion."

Mrs. FRANCES P. BOLTON. Mr. Chairman, we are so definitely living in the midst of an atomic age, and most of the people of this country—in fact, all of them—are very troubled as to the use that will be made of it—our knowledge of these forces. We have found by experiment that it can be a completely destructive element. The American people through their Congress pray that atomic energy and its derivatives will not be the destroyer of humanity but, rather, its servant. I have introduced this amendment to suggest that we never stop telling the world in simple language that we will continue to press for adequate control of the military use of atomic energy and its derivatives under safeguards that will protect the complying nations against violation and evasion.

Mr. COLE of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I confess I cannot rise in opposition to the amendment, because it is simply a statement of what everybody acknowledges is the policy of our Government, which is to seek and support an effective mechanism for the control of atomic weapons. However, I do question the advisability of including that statement of policy in this particular bill. If it is the will of the Members of the Committee of the Whole that that should be done, I have no objection. I cannot resist the amendment itself.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. DURHAM. Mr. Chairman, I agree with the gentleman that of course it is our policy at the present time to do just what the lady from Ohio [Mrs. FRANCES P. BOLTON] intends. I see nothing in the amendment except words of platitude. We have tried to write a positive bill here in this international control section, which will give action to this measure. I think well of the approach but I doubt the wisdom of inserting the amendment in this measure.

Mr. PRIEST. Mr. Chairman, may the amendment be rereported?

The CHAIRMAN. The Clerk will report the amendment again.

The Clerk read as follows:

Amendment offered by Mrs. FRANCES P. BOLTON: Page 2, after line 10, insert:

"c. The United States should continue to press for effective international control of the military use of atomic energy and its derivatives under adequate safeguards to protect complying nations against violation and evasion."

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio.

The amendment was rejected.

The Clerk read as follows:

"CHAPTER 2. DEFINITIONS

"SEC. 11. Definitions: The intent of Congress in the definitions as given in this section should be construed from the words or phrases used in the definitions rather than from the choice of words or phrases defined. As used in this Act:

"a. The term 'agency of the United States' means the executive branch of the United States, or any Government agency, or the legislative branch of the United States, or any agency, committee, commission, office, or other establishment in the legislative branch or the judicial branch of the United States, or any office, agency, committee, commission, or other establishment in the judicial branch.

"b. The term 'agreement for cooperation' means any agreement with another nation or regional defense organization, authorized or permitted by sections 54, 57, 64, 82, 103, 104, or 144, and made pursuant to section 123.

"c. The term 'atomic energy' means all forms of energy released in the course of nuclear fission or nuclear transformation.

"d. The term 'atomic weapon' means any device utilizing atomic energy, exclusive of the means for transporting or propelling the device (where such means is a separable and divisible part of the device), the principal purpose of which is for use, as or for development of, a weapon, a weapon prototype, or a weapon test device.

"e. The term 'byproduct material' means any radioactive material (except special nuclear material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special nuclear material.

"f. The term 'Commission' means the Atomic Energy Commission.

"g. The term 'common defense and security' means the common defense and security of the United States.

"h. The term 'defense information' means any information in any category determined by any Government agency authorized to classify information, as being information respecting, relating to, or affecting the national defense.

"i. The term 'design' means (1) specifications, plans, drawings, blueprints, and other items of like nature; (2) the information contained therein; or (3) the research and development data pertinent to the information contained therein.

"j. The term 'Government agency' means any executive department, commission, independent establishment, corporation, wholly or partly owned by the United States of America, which is an instrumentality of the United States, or any board, bureau, division, service, office, officer, authority, administration, or other establishment in the executive branch of the Government.

"k. The term 'international arrangement' means any international agreement hereafter approved by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include any agreement for cooperation.

"l. The term 'Joint Committee' means the Joint Committee on Atomic Energy.

"m. The term 'operator' means any individual who manipulates the controls of a utilization or production facility.

"n. The term 'person' means (1) any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, Government agency other than the Commission, any State or any political subdivision of, or any political entity within a State, any foreign government or nation or any political subdivision of any such government or nation, or other entity; and (2) any legal successor, representative, agent, or agency of the foregoing.

"o. The term 'produce,' when used in relation to special nuclear material, means (1) to manufacture, make, produce, or refine special nuclear material; (2) to separate special nuclear material from other substances in which such materal may be contained; or (3) to make or to produce new special nuclear material.

"p. The term 'production facility' means (1) any equipment or device determined by rule of the Commission to be capable of the production of special nuclear material in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public; or (2) any important component part especially designed for such equipment or device as determined by the Commission.

"q. The term 'research and development' means (1) theoretical analysis, exploration, or experimentation; or (2) the extension of investigative findings and theories of a scientific or technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

"r. The term 'Restricted Data' means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the restricted data category pursuant to section 142.

"s. The term 'source material' means (1) uranium, thorium, or any other material which is determined by the Commission pursuant to the provisions of section 61 to be source material; or (2) ores containing one or more of the foregoing materials, in such concentration as the Commission may by regulation determine from time to time.

"t. The term 'special nuclear material' means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission, pursuant to the provisions of section 51, determines to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material.

"u. The term 'United States,' when used in a geographical sense, includes all Territories and possessions of the United States, and the Canal Zone.

"v. The term 'utilization facility' means (1) any equipment or device, except an atomic weapon, determined by rule of the Commission to be capable of making use of special nuclear material in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public, or peculiarly adapted for making use of atomic energy in such quantity as to be of significance to the common defense and security, or in such manner as to affect the health and safety of the public; or (2) any important component part especially designed for such equipment or device as determined by the Commission.

Mr. COLE of New York (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of this chapter be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. CROSSER. Mr. Chairman, I object.

The Clerk concluded the reading of chapter 2.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few minutes ago, the gentleman from Texas [Mr. DIES] interrupted the speech of the gentleman from Pennsylvania [Mr. VAN ZANDT] to inquire as to the meaning of the language contained in lines 11 to 15 on page 5, under the title of "Definitions." This language is as follows:

The intent of Congress in the definitions as given in this section shall be construed from the words or phrases used in the definitions rather than from the choice of words or phrases defined.

The gentleman from Texas was promised that he would have an explanation of this later. I had hoped that he would take the time himself when we reached this point in the bill, but apparently he is not on the floor at the moment. Being interested, also, in getting an explanation of that language, I have requested this time in the hope it may be clarified.

I looked in the report to see if it explains that rather ambiguous language, and the only thing I found in the report which has to do with that particular section or that wording reads as follows:

Those portions of the definitions which require substantive action have, in most cases, been separated from the definitions and have been put into the appropriate section of the bill.

Mr. Chairman, I lay no claim to any great wisdom or intelligence; in fact, I confess to being dull, but if this can possibly be explained to me in terms and language I can understand, I hope that some member of the committee will do so. I will gladly yield to any member of the committee who may desire to explain this language. Now if this were not such a serious matter, I would think this kind of language to be amusing. But, this is a serious matter—perhaps, the most serious piece of legislation we have considered this year. I do hope some member of the committee, and I will be delighted to yield, will give me an explanation which I will be able to understand because I cannot understand even what you have in the report.

Mr. COLE of New York. Mr. Chairman, if the gentleman will yield, I shall undertake to give him an answer. I am sure he will be able to understand it, but I am not so sure it will be acceptable to him. The gentleman referred to the statement in the committee report with respect to definitions in which it is said that those portions of the definitions which require substantive action have in most cases been separated from the definition and been put into appropriate sections of the bill. That has to do with portions of existing law where words are defined. Those are now brought forward into this single section under the title "Definitions" so that all of the expressions used frequently in the latter portions of the bill, which might have a variety of interpretations, are defined in this section under the heading "Definitions." With respect to the language used in the opening part of section 11, the effort there was to declare a direction to whoever it might be who would be called upon to interpret these words which have a special meaning, at a later time, to look to the definition itself in interpreting the meaning of the word rather than the word which was selected to be defined. Now to me that is perfectly clear. It may not be to the gentleman, but it is perfectly clear to me.

Mr. WILLIAMS of Mississippi. I do appreciate that because it is just as clear as mud to me.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Mississippi. I yield.

Mr. WHITTEN. I would like to make the comment, if I may that my good friend, the chairman of the committee, whom we all admire and respect, has demonstrated here the very great need the Atomic Energy Commission is going to have for him to be around on many of the sections of this bill in order to explain what is intended. In many of the sections, it is questionable as to what the limitations are or where the controls rest. This is an example of the great weakness, as I see it, of this bill. To carry it out as the gentleman intends to carry out the provisions of the bill is one thing but it is not tight enough to guarantee that will be done, and then we find section 162, it says point blank that the President can waive the legal requirements, as to contracts if he wants to do so.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi may proceed for 5 additional minutes.

Mr. COLE of New York. Mr. Chairman, as far as I can recall, this is the first request for additional time. I doubt that it is very necessary to have additional time on this subject. I wonder if the gentleman would reduce his request to 2 minutes.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I yield to the gentleman from Mississippi.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that the gentleman cannot yield his time in that way.

The CHAIRMAN. The gentleman from Massachusetts will proceed in order.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WILLIAMS of Mississippi. Mr. Chairman, perhaps the explanation just given should clarify also the fact that the term "agency of the United States" in subsection (a) under "Definitions" means something entirely different from the term in subsection (j) "Government agency," but, frankly, I do not understand it. I doubt that 500 Philadelphia lawyers and 10 members of the Foreign Affairs Committee could go through this bill and explain the difference between the term "government agency" and "agency of the government."

Mr. WHITTEN. Mr. Chairman, will the gentleman yield further?

Mr. WILLIAMS of Mississippi. I yield.

Mr. McCORMACK. I do not want the gentleman to get in trouble again. I yield to the gentleman.

Mr. WHITTEN. I would like to say that this colloquy here demonstrates what many of us are fearful of. The committee has pointed out by these statements in the report and in debate that in this bill things are not what they seem, do not carry their usual meaning; and what is contemplated under this bill is not always fixed, nor is it clearly identified, nor are other things prevented by the terms of it.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DIES. I want to ask the gentleman—I know the gentleman has studied the bill and section 144 of the bill refers to 123.

You go back to 123 and you are referred again to 144.

Mr. WILLIAMS of Mississippi. No; I think you have the number wrong. It was section 142.

Mr. DIES. Yes. We had that under consideration, however.

Mr. WILLIAMS of Mississippi. Section 142 provides for the control of information, the dissemination of atomic information, provides that we shall remove from the "Restricted Data" lists information relating to the utilization of military atomic weapons.

It appears that they are going to open the door and remove from the restricted list all this data; but it is provided further to tie it down, to see that no such data shall be made available to another nation or defense organization. But they make exception to that, and cite us to section 144 (b) for the exception. So when we read section 144 (b), we find that there are certain conditions which must be satisfied before giving the information to other countries. Among the conditions listed is the key one outlined in the proviso at the end of that paragraph which says that the cooperation with other nations shall be undertaken pursuant to an agreement in ac-

cordance with section 123; citing this as a condition to the President's authority to give these secrets to other countries. We check section 123 and we find that it says, in effect, that no such cooperation shall be given until the Commission finds that the agreement made is pursuant to section 144 (b). When we have reached that point, we find ourselves right back where we started. How can we expect this bill to be properly administered, when the bill itself is incapable of being understood?

Mr. HOFFMAN of Michigan. That is more than we ever got under your administration; we never got back.

Mr. McCORMACK. It seems to me the effort made in this section on definitions is that these definitions should be considered as words and phrases that have no reference to any dictionary.

Mr. COLE of New York. It was not intended to eliminate the possibility of resort to the dictionary. If the gentleman will permit, I will give him the information. For instance, under "Definitions" the statement is made "The intent of Congress in the definitions as given in this section should be construed from the words or phrases used in the definitions rather than from the choice of words or phrases defined." So we must interpret that as being a direction to the person who interprets the language to look at the words used in the definition. Take, for instance, the definition "source material." It might mean raw material, it might equally mean dirt material, it might mean a number of other kinds of material. So we look at the words used in defining "source material" rather than the selection of the words themselves.

Mr. WILLIAMS of Mississippi. Take another confusing instance, the interpretation of "agency of the Government," and "Government agency."

Mr. COLE of New York. It is perfectly clear to anybody who has the desire to read what "Government agency" and "agency of the Government" mean. They have a very clear meaning.

Mr. McCORMACK. If I may suggest to the gentleman from New York that he should put a period after the word "definitions" in line 13; you would then be clear, because the other language following that seems to contradict that which precedes, because the other language says "rather than from the choice of words or phrases defined."

You have already said that the intent of Congress is given in this section and will be considered from the words and phrases used in the definitions.

It seems to me as though the latter language is contradictory of the former. I am not going to offer any amendment, but it seems to me if you would strike line 13 after the word "definitions" and put a period there it would accomplish what you want and it does not permit a situation to exist where the following contradicts the previous.

Mr. COLE of New York. May I suggest to the gentleman that he ask unanimous consent that that be done?

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that on page 5, line 13, after the word "definitions" there be placed a period and that the words "rather than from the choice of words or phrases defined" be stricken from the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

"CHAPTER 3. ORGANIZATION

"SEC. 21. Atomic Energy Commission: There is hereby established an Atomic Energy Commission, which shall be composed of five members, each of whom shall be a citizen of the United States. The President shall designate one member of the Commission as Chairman thereof to serve as such during the pleasure of the President. The Chairman may from time to time designate any other member of the Commission as Acting Chairman to act in the place and stead of the Chairman during his absence. The Chairman (or the Acting Chairman in the absence of the Chairman) shall preside at all meetings of the Commission and a quorum for the transaction of business shall consist of at least three members present. Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission and shall have one vote. Action of the Commission shall be determined by a majority vote of the members present. The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons, or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct. The Commission shall have an official seal which shall be judicially noticed.

"SEC. 22. Members:

"a. Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate. In submitting any nomination to the Senate, the President shall set forth the experience and qualifications of the nominee. The term of office of each member of the Commission taking office after June 30, 1950, shall be 5 years, except that (1) the terms of office of the members first taking office after June 30, 1950, shall expire, as designated by the President at the time of the appointment, one at the end of 1 year, one at the end of 2 years, one at the end of 3 years, one at the end of 4 years, and one at the end of 5 years, after June 30, 1950; and (2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. Each member, except the Chairman, shall receive compensation at the rate of $18,000 per annum; and the member designated as Chairman shall receive compensation at the rate of $20,000 per annum.

"b. No member of the Commission shall engage in any business, vocation, or employment other than that of serving as a member of the Commission.

"SEC. 23. Office: The principal office of the Commission shall be in or near the District of Columbia, but the Commission or any duly authorized representative may exercise any or all of its powers in any place; however, the Commission shall maintain an office for the service of process and papers within the District of Columbia.

"SEC. 24. General Manager: There is hereby established within the Commission a General Manager, who shall discharge such of the administrative and executive functions of the Commission as the Commission may direct. The General Manager shall be appointed by the Commission, shall serve at the pleasure of the Commission, shall be removable by the Commission, and shall receive compensation at a rate determined by the Commission, but not in excess of $20,000 per annum.

"SEC. 25. Divisions and offices: There is hereby established within the Commission—

"a. a Division of military application and such other program divisions (not to exceed 10 in number) as the Commission may determine to be necessary to the discharge of its responsibilities. Each such division shall be under the direction of a Director who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $16,000 per annum. The Director of the Division of Military Application shall be an active member of the Armed Forces. The Commission shall require each such division to exercise such of the Commission's administrative and executive powers as the Commission may determine;

"b. an Office of the General Counsel under the direction of the General Counsel who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $16,000 per annum; and

"c. an Inspection Division under the direction of a Director who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $16,000 per annum. The Inspection Division shall be responsible for gathering information to show whether or not the contractors, licensees, and officers and employees of the Commission are complying with the provisions of this act (except those provisions for which the Federal Bureau of Investigation is responsible) and the appropriate rules and regulations of the Commission.

"SEC. 26. General Advisory Committee: There shall be a General Advisory Committee to advise the Commission on scientific and technical matters relating to materials, production, and research and development, to be composed of 9 members, who shall be appointed from civilian life by the President. Each member shall hold office for a term of 6 years, except that (a) any member appointed to fill a vacancy occuring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term; and (b) the terms of office of the members first taking office after August 1, 1946, shall expire, as designated by the President at the time of appointment, 3 at the end of 2 years, 3 at the end of 4 years, and 3 at the end of 6 years, after August 1, 1946. The committee shall designate one of its own members as chairman. The committee shall meet at least four times in every calendar year. The members of the committee shall receive a per diem compensation for each day spent in meetings or conferences, and all members shall receive their necessary traveling or other expenses while engaged in the work of the committee.

"SEC. 27. Military Liaison Committee: There is hereby established a Military Liaison Committee consisting of—

"a. a Chairman, who shall be the head thereof and who shall be appointed by the President, by and with the advice and consent of the Senate, who shall serve at the pleasure of the President, and who shall receive compensation at the rate prescribed for an Assistant Secretary of Defense; and

"b. a representative or representatives from each of the Departments of the Army, Navy, and Air Force, in equal numbers, as determined by the Secretary of Defense, to be assigned from each Department by the Secretary thereof, and who will serve without additional compensation.

The Chairman of the Committee may designate one of the members of the Committee as Acting Chairman to act during his absence. The Commission shall advise and consult with the Department of Defense, through the Committee, on all atomic energy matters which the Department of Defense deems to relate to military applications of atomic weapons or atomic energy including the development, manufacture, use, and storage of atomic weapons, the allocation of special nuclear material for military research, and the control of information relating to the manufacture or utilization of atomic weapons; and shall keep the Department of Defense, through the Committee, fully and currently informed of all such matters before the Commission. The Department of Defense, through the Committee, shall keep the Commission fully and currently informed on all matters within the Department of Defense which the Commission deems to relate to the devolpment or application of atomic energy. The Department of Defense, through the Committee, shall have the authority to make written recommendations to the Commission from time to time on matters relating to military applications of atomic energy as the Department of Defense may deem appropriate. If the Department of Defense at any time concludes that any request, action, proposed action, or failure to act on the part of the Commission is adverse to the responsibilities of the Department of Defense, the Secretary of Defense shall refer the matter to the President whose decision shall be final.

"SEC. 28. Appointment of Army, Navy, or Air Force officers: Notwithstanding the provisions of any other law, any active officer of the Army, Navy, or Air Force may serve as Director of the Division of Military Application without prejudice to his commissioned status as such officer. Any such officer serving as Director of the Division of Military Application shall receive in addition to his pay and allowances, including special and incentive pays, an amount equal to the difference between such pay and allowances, including special and incentive pays, and the compensation prescribed in section 25. Notwithstanding the provisions of any other law, any active or retired officer of the Army, Navy, or Air Force may serve as Chairman of the Military Liaison Committee without prejudice to his active or retired status as such officer. Any such officer serving as Chairman of the Military Liaison Committee shall receive, in addition to his pay and allowances, including special and incentive pays, or in addition to his retired pay, an amount equal to the difference between such pay and allowances, including special and incentive pays, or between his retired pay, and the compensation prescribed for the Chairman of the Military Liaison Committee.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 10, line 24, after the word "Commission", place a comma and insert the following: "shall have equal access to all information pertaining to atomic-energy matters, whether originating within the Commission or elsewhere in the Government."

Mr. McCORMACK. Mr. Chairman, before addressing myself to the amendment, I want to make a few observations about the salaries of the members of the Commission appearing on page 12, the compensation of each member being $18,000 and the chairman $20,000 a year. I think the salary is right. In fact, with the responsibility of their positions we might well provide for a higher salary for them. But, that brings back fond memories and recollections of my own salary and the salaries of my colleagues. On several occasions I have spoken in the well of the House taking the position publicly and openly that I felt we ought to receive a salary of $25,000 a year. And, I repeat it. But, it is now just a memory. I had hoped it would materialize and I had hoped it would be forthcoming during this session of the Congress. But, it has faded long, long ago. I still have very faint hopes as I have no opposition in either the Democratic or the Republican Party in my district, I reasonably expect to be back here in the next Congress. I hope that if we do not do it now, the next Congress will give consideration to the Members of Congress and their families, of which consideration they are deserving.

Mr. BURDICK. Mr. Chairman, a point of order.

Mr. McCORMACK. My friend from North Dakota and I are such good friends, I should like to say that I am talking on the subject of salaries.

Mr. BURDICK. I want to know what the salary of a Member of Congress has to do with this bill.

Mr. McCORMACK. It is very important, in my opinion.

I do want to make the observation that I thoroughly approve of this salary. It should be more. I regret very much that we have not increased our own salary.

Coming to the amendment, the amendment is one that should be adopted. It would be difficult for me to understand why my friend from New York [Mr. COLE] would oppose it. Each Commissioner, it is provided, shall have equal authority and responsibility in all decisions. Certainly they should have equal opportunity for access to all information in the making of those decisions. I recognize the fact that the committee in its report has stated, "the right of the members to have access to all information within the Commission flows from this responsibility and authority." That being so, it seems to me that we would be authorized to put it in the bill itself.

I think the amendment, speaking for itself, is the best argument that can be made in its favor. The committee recognizes it. You and I know that many times the contents of a committee report or the suggestions contained therein are not followed. The committee may mean well in its report, but it does not necessarily follow that what they suggest is going to be carried out. Incorporating that language into the act means that it is definite and that each member has an equal opportunity for the obtaining of all information in connection with the performance of their duties and in making their decisions.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOFFMAN of Michigan. I agree with the gentleman, but I ask the gentleman is it his thought, if his amendment is agreed to, that, for instance, the McCarthy committee, including the chairman, would have access to all that information?

Mr. McCORMACK. Let us not get into any extraneous matters.

Mr. HOFFMAN of Michigan. Why not? I am asking the question. The purpose is a good one.

Mr. McCORMACK. I am glad the gentleman agrees with the purpose of my amendment. That part of his observation I recognize as being pertinent. I hope he will help to obtain votes for the amendment.

Mr. HOFFMAN of Michigan. Perhaps they will accept it.

Mr. McCORMACK. I think in all seriousness this is an important amendment and should be adopted. I see no reason why it should not be adopted.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment. The reason I do so is because on page 812 of the hearings, part II, a colloquy ensued between Commissioner Murray, the gentleman from California who is addressing you, and Mr. COLE. Mr. Murray's question is:

Do I interpret your remark to mean that you can conceive of a situation of vital importance where information would be withheld from one Commissioner?

Chairman COLE. By a majority decision of the Commission; yes, I do.

Representative HOLIFIELD. Mr. Chairman, this is an astounding statement. I do not want to engage in a controversy with you. But what possible conception could occur to you that could cause such a situation to arise when it related to the performance pursuant to the purposes of the act, that it would not be a matter of concern to every member of the Commission, unless that member of the Commission was held to be a loyal, discreet individual, but a security risk?

Chairman COLE. Well, that is conceivable. And it is just such situations as that that I have in mind.

Representative HOLIFIELD. Then I would say if that occasion ever rose, it should be a matter of congressional action immediately.

Because of that colloquy and because of the statement that the chairman made on a television program, which indicated that he thought there should be a reservation of information as between Commissioners, we have tried to write into the section equal duties and responsibilities for each member of the Commission. Remember that these Commissioners are appointed by the President and they are confirmed by the Senate. They must pass, of course, the most intense security and other type of FBI scrutiny or evidently the President would not select them and the Senate would not confirm them. Why they should not have equal access to information, of course, I think is an untenable position. The committee has attempted to write into the record of the committee report the fact that they should have equal access to all information. But because that amendment was offered in committee and was defeated, I think the gentleman from Massachusetts [Mr. McCORMACK] is in order when he presents it, and I believe we should end for all time any doubt as to the equality between the Commissioners. The Congress has chosen the Commission as the form of management. It has imposed equal duties and responsibilities upon these Commissioners, and it should give them the equal right of access to infor-

mation which is pertinent and pertaining to their duties.

Mr. Chairman, I ask that the amendment be accepted.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the Members of the House would do well to listen to the rereading of the amendment, and they can judge themselves as to whether or not it should be adopted. The bill reads:

> Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions and actions of the Commission.

The amendment adds "and equal access to all information pertaining to atomic energy matters, whether originating in the Commission or elsewhere in the Government."

"Now, "elsewhere" is a very broad statement. I believe the Chairman of the Atomic Energy Commission is also a member of the Security Council, and conceivably some of the information which he obtains in the Security Council should not go beyond the Security Council itself. He is also acting as an adviser to the President on atomic energy matters and in that capacity he has a confidential position.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I certainly do.

Mr. McCORMACK. The gentleman notices the word "information" is used. Certainly any talks that are had with anyone are differentiated from information. The amendment calls for information, my friend will realize, information relating to atomic energy matters.

Mr. HINSHAW. I think we will have to admit—we will not have to admit it at all; we do not have to admit anything here if we do not want to, but let us say there has been a controversy carried on between some members of the Commission. But we have a statement such as this. For example, the gentleman from Pennsylvania [Mr. VAN ZANDT] was questioning Mr. Zuckert. He asked if at any time he requested information that was denied. The answer was:

> The blunt answer to that is, I have never been refused information on anything having to do with the Commission's operations.

I think that this is, if you will pardon me for saying so, for I do not like to use such terms, a sort of backhanded slap at the Commission. I do not think the amendment should be agreed to.

Mr. McCORMACK. The gentleman can characterize it any way he wants to, but the gentleman from Massachusetts has no intent in his mind and had none in offering the amendment to take a backhanded slap at anyone.

Mr. HINSHAW. I concede all of that.

Mr. McCORMACK. Construe my amendment as you want, but as far as my intent is concerned, it was pure as far as any backhanded slap or anything of that nature is concerned.

Mr. HINSHAW. I would withdraw any possibility of that thought or intention on the part of the gentleman from Massachusetts, but I think the adoption of such an amendment by the Committee of the Whole would constitute such a slap.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. PRICE. What the gentleman from California stated about the testimony of Mr. Zuckert is absolutely correct. Mr. Zuckert, however, and other members of the Commission did leave the inference that while they had not been denied any information they ever requested, there were times they were not getting all the information which should be available to them to assist them in making proper decisions as members of the Commission.

Mr. HINSHAW. That, may I point out to my friend, was the very thing that motivated the question of the gentleman from Pennsylvania when he asked the question, and that is what he was trying to find out, and it was answered in the absolute blunt negative—that he was not denied any information. The phrase "elswhere in the Government" is a very broad thing. I believe it should not be in the amendment, and I recommend that it be disapproved by the committee.

Mr. PRICE. All members of the Commission are entitled to this type of information wherever it may be in the Government.

Mr. DURHAM. Mr. Chairman, I rise in support of the amendment. I do not think it would be often that you would find yourself in a situation where you would not receive full information on most of the things in this whole category of atomic energy in ordinary discussion.

I cannot understand why any member of the Commission should object to it. I cannot see why anybody in any department of the Government should object to it. I realize the difficulty our present chairman is working under in wearing two hats, but I do not think there is any man more able in America to represent us as the adviser to the President on atomic energy matters, and I have said so before. Lewis Strauss is a capable, able, conscientious public servant, and I have full confidence in him. So to avoid any future controversy, in my opinion, it would be wise for the Congress to adopt this as a policy.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. PRICE. I might point out that the matter is of sufficient importance that the members of the Commission itself recommended that this language be in the bill.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to the amendment, not because my opposition is to the substance of the amendment, but because of the very certain misinterpretation which will be placed on the action of this Committee in adopting the amendment. As the gentleman from California has indicated, not a shred of evidence either directly or indirectly or by inference was given to this Committee that any information had been withheld from any member of the Commission. There was evidence or some feeling on the part of some of the Commissioners from the fact that the Chairman of the Commission in his position as personal adviser to the President on atomic energy matters, and as a member of the National Security Council was able to get information in the atomic energy field, which was denied to the other members of the Commission.

So if we were to adopt this amendment it would tend to create the inference that certain information had been withheld.

Let me ask you, Mr. Chairman, why should we in the law after having said that each member of the Commission shall have equal authority and equal responsibility, why should we then begin to pick out certain phases of the work and say that they shall have equal opportunity and equal authority in that particular phase of the work, if we say they shall have equal access to information. Do we say that they shall have the same number of secretaries, or do we say they shall have the same colored curtains on the windows of their offices? Of course not.

In our own body we accept the fact that each one of us has equal responsibility, but do we write into the law that every Member of Congress shall have access to all the information that every Member of Congress may have? Of course we do not.

I repeat, I concur with the objective of this amendment and the expressions contained in the report that it is intended that the Commissioners shall have equal authority and responsibility. We mean by that in all respects of their responsibility the opportunities will be the same.

In making that statement it is not necessary to particularize to the extent of identifying it by information.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. McCORMACK].

The question was taken; and on a division (demanded by Mr. McCORMACK) there were—ayes 80, noes 144.

So the amendment was rejected.

Mr. PRICE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. PRICE: On page 13, line 3, after the word "of", insert the following: "Civilian Power Application, a Division of."

Mr. PRICE. Mr. Chairman, this amendment provides an organizational base for the atomic power program by creating a Division of Civilian Power Application in section 25. That section already provides a Division of Military Applications.

Since this bill is intended to emphasize the peacetime development of atomic energy, certainly civilian applications should have equal recognition in the organizational setup of the Atomic Energy Commission with military applications. If the use of nuclear energy as a source of commercial electric power is to be accorded the consideration which its importance warrants, this should be reflected in the statutory organization of the Commission. It cannot be left wholly to the discretion of the Commission which may at any given time be

weighted in favor of laying down on the Government's responsibility in this field.

Specifically, I believe there should be a statutory division of Civilian Power Application counterbalancing the statutory Division of Military Applications with peacetime responsibility for the commercial development of nuclear electric power by Federal or non-Federal public and private agencies.

Mr. Chairman, there has been considerable interest of late in the industrial development of atomic power.

Recently the former chairman of the Military Liaison Committee and the Assistant to the Secretary of Defense for Atomic Energy, Hon. Robert LeBaron, made a very interesting speech out in Wisconsin in which he pointed out that the all-important news today for the American people is the fact that the "if" in peacetime atomic power is no longer present, and he said that we are, in fact, over the first great hurdle in our atomic future. The peaceful atom is definitely here and now, Mr. LeBaron said, and he proposed that the Government form a sort of Manhattan Engineer District for peacetime power. I might say such a suggestion might probably fit well into the scope of the amendment which I am here offering; in other words, that the civilian power division of the Atomic Energy Commission could well be this new Manhattan Engineer District for the development of peacetime power. We all remember that the Manhattan Engineer District made an all-out effort in the World War II to build our first atomic bomb. As Mr. LeBaron said:

> What could be more appropriate in this era of cold war than a cold war for peace? What could be more inspiring than a new dedication by our scientists and industrialists to a specific project for peace? Is there not a great opportunity—

Mr. LeBaron said in his very fine speech—

> to unify our efforts in atomic peace, as we did in atomic war?

Mr. Chairman, I have a feeling that my amendment would lead to such a program and to giving the Commission responsibility for peacetime development of atomic energy, to take the leadership as a Commission in doing for peaceful purposes with the atom what they did for military purposes with the atom back in the Manhattan Engineer District. I sincerely hope that the House will adopt this amendment, because, after all, one of the big reasons for the revision of the Atomic Energy Act of 1946 is to promote industrial participation for the peaceful uses of the atom, and I think this amendment lends itself to that purpose, the purpose for which we say that this bill is being considered here this evening.

Mr. COLE of New York. Mr. Chairman, I hesitate to oppose this amendment, because it sounds so good. However, I consider it to be a part and parcel of those amendments that have been and will be offered, all of which are designed to put the Federal Government and the Atomic Energy Commission in the business of generating electricity, which is totally foreign to the purposes of the bill as it is presently written.

Now, actually there is a Division within the Atomic Energy Commission that does the very thing which the gentleman from Illinois argues should be done by this Division which he proposes to create. There is a Reactor Division, a Reactor, Research, and Development Division. It is the function of that Division to encourage research and development in reactors which are designed to produce electrical energy.

Now, to repeat what I have said earlier, if the time comes when some of these reactors prove to be practical and feasible and economical and the Congress wants to put the Federal Government in the power business by using these reactors, that is the time to create a Division of Civilian Application of Atomic Power. So while I say the objective and the thought of the amendment is quite laudable, it is untimely, and I ask that it not be accepted.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the provision in section 25, top of page 13, the Atomic Energy Commission is given the right to have 10 organizational divisions. One is named the Division of Military Application. Certainly, in a bill which is to bring peacetime application of atomic energy to the people, there should be a division named and designated for civilian purposes, if we are to put as much emphasis on the civilian use of atomic energy as we have on the military use. I do not know why the chairman has opposed this. Maybe it is because the word "power" is in it, but there will be a division in the organization to take care of applicants for licenses and to take care of inspection under the health and safety rules. It seems to me that this is a very mild amendment, something that certainly should be accepted. I hope the House will consider it favorably.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. PRICE].

The amendment was rejected.

Mr. SHELLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SHELLEY: On page 15, beginning at line 4, add the following new section, and renumber sections 27 and 28 as sections 29 and 30, respectively (this assumes that the amendment adding an Electric Power Liaison Committee will be section 28):
>
> "SEC. 27. Labor-Management Advisory Committee: There shall be a Labor-Management Advisory Committee to advise the Commission on all matters relating to labor-management relations in atomic energy plants and facilities owned or licensed by the Commission, including measures to promote collective bargaining and alleviate industrial strife, health and safety standards and workmen's compensation provisions and other terms and conditions to be observed by contractors or licensees of the Commission, the application of Federal statutes governing employment and labor standards, personnel security procedures, and the effects of atomic energy enterprises on established industries and occupations. The committee shall be composed of nine members who shall be appointed by the President, four each representing labor and management and a chairman representing the public. Each member shall hold office for a term of 6 years, except that (a) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term; and (b) the terms of office of the labor and management representatives first taking office after the effective date of this act, shall expire, as designated by the President at the time of appointment, one each at the end of 2 years, two each at the end of 4 years, and one each at the end of 6 years. The committee shall meet at least four times in every calendar year. The members of the committee shall receive a per diem compensation for each day spent in the work of the committee and all members shall receive the necessary traveling or other expenses while engaged in the work of the comittee."

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield.

Mr. JAVITS. Mr. Chairman, I would like to say to the gentleman from California, in view of what has just taken place at the atomic-energy plants concerning labor difficulties, and in view of the fact that this whole effort is absolutely critical to the very future of our country, I shall support the gentleman's amendment. I think this is one amendment that certainly should carry.

Mr. SHELLEY. I thank the gentleman from New York.

Mr. Chairman, here we are acting on perhaps the most important issue before the American public in our time. We have set up in this bill an Industry Advisory Committee, an Electric Industry Advisory Committee; we have set up a Military Liaison Committee; we have set up a General Advisory Committee.

The Atomic Energy Commission has plants throughout the country. There are over a hundred thousand people employed in those plants who are members of labor organizations. They have relationships with the management of those plants which in some cases have not been harmonious. The gentleman who heads the metal-trades department of the American Federation of Labor has spent a great deal of his time in the last several months traveling to Oak Ridge and other sections of the country where these plants are located trying to straighten out labor unrest in the plants. In talking to some of those who have worked on this situation, I have been advised that there has been no actual policy, so far as the Commission is concerned, on its labor program. There has been no advice sought. That is perhaps why some of this unrest and these disturbances have taken place. Some of them have been strikes which have created a stoppage of work, which has held up production on some of the projects.

The labor organizations of this country and the men and women of the labor movement have as much interest in the success of this program, they have as much interest in the extent to which atomic energy and its products will be made available for peaceful use and the use of the people, as do the people in industry, as do those in the military, as do those who may be on any general advisory committees. As a matter of fact, they can make a great contribution

toward the continuance of work in these plants without work stoppages, because the Advisory Committee is composed of people from management and people from labor. It is assumed that the President will appoint persons who have an understanding of the situation, who are dedicated toward sound labor relations and who can contribute because of their own experience in these fields advice and guidance to the Commission on the setting up of a sound program for personnel practices and labor relations. This will tend to make for better employee relations and continuity of work and will eliminate the causes of some of the labor unrest in these plants.

The people employed in these plants are thoroughly checked and screened for security. I have observed several times that where management thinks they have a security club to hold over the heads of some employees they get the idea they can then otherwise deny the employees standard labor conditions. By the advice of people in the management field and the advice of men who head some of the national labor organizations and have a sense of responsibility for the welfare of this Government, some of those practices can be eliminated and sound labor relations can be instituted in their place.

The labor movements of this country have done their part in resisting communism and in throwing Communist-dominated organizations out of their ranks. They are dedicated to the welfare of this country. They have as much at stake, Mr. Chairman, as any other individual or any group in the country or any industry group. In order to give them a voice in the carrying out of a program in which their people are employed and in which as American citizens and taxpayers they have an interest, I think they are certainly entitled to a place in this program by setting up a labor-management advisory committee.

Mr. McCONNELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have studied this amendment for the past hour. I have tried in my mind to visualize just exactly what the purpose of it would be and what the result would be if it were put into operation.

It provides for an advisory committee which, as I read it, is to meet at least four times a year and to advise on labor-management problems, health and safety standards, collective bargaining, and so on.

As I read this bill, I see there is to be a manager. I assume that the manager, like the manager of any other business, would learn the problems of the atomic-energy business and also would learn how to work with the various managements involved and with the various unions involved. I can see no good reason at this particular time for this type of committee.

I do not know whether it is intended that they eventually become a Wage Stabilization Board in which they decide on matters of labor-management problems or just what the real purpose would be in the end. If that is the purpose, I would be doubly against it as compared to the way I feel about the present amendment. I understand that the Secretary of Labor realizing the seriousness of labor-management strife in atomic energy plants has stated he is making a study of this entire situation and a report will be made, and he will endeavor to recommend any needed measures. I also understand a panel is in action endeavoring to find out what should be done in labor-management problems in atomic energy plants. I can see some good sense in knowing just where we are going, but merely to set up an advisory committee with 4 members representing management and 4 members representing labor and 1 person as chairman representing the public, I cannot see that they will supply enough information to be of any real value in solving our labor-management problems. I am in accord with the purpose of my good friend, the gentleman from California, to seek good labor-management relations in atomic energy plants, but I do not feel that merely setting up an advisory committee at this time will handle the problem. I think we should wait until we get a real report on it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. HOLIFIELD. There are certain problems that have come about in these atomic energy plants. These people in many instances are working for contractors with the Federal Government. They occupy positions of trust and have to have security clearance and all that sort of thing. They have peculiar problems which put these people in a grey area. They are neither in private industry nor are they Federal employees. This would set up an advisory committee evenly balanced between labor and management to study these problems. The Commission has never had a clear-cut labor policy. They more or less have had a hands-off, let-them-fight-it-out type of policy. We have had a large number of costly strikes in several of these plants because there was no policy in any of the plants. Many of these things come up like security clearance and so forth and because there were variable methods of clearing these people, one union was discriminated against the other and so on. There are many things that I think could be worked out. I think this is a very mild and reasonable approach, and I would hope that the gentleman would not feel constrained to oppose it because it is purely advisory. Certainly a study in this peculiar field needs to be made.

Mr. McCONNELL. Well, that study is being made now.

Mr. HOLIFIELD. No, not in the atomic energy field.

Mr. McCONNELL. Yes, by the Secretary of Labor and others.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. VAN ZANDT. For the information of the gentleman, this amendment was discussed by the joint committee. We agreed among ourselves that it covered such a broad field we should lay it aside until ample time was available to consider it.

Mr. McCONNELL. That should be done, I will say to the gentleman from Pennsylvania. I do not see the need of this advisory committee. In fact, I can see more confusion arising from it than real good. If advice is needed on labor management problems and fundamentally the real problem is between labor and management, that information could be obtained from many other sources today. This is a management-labor problem really that we are discussing and not some secret formula that some scientists have to develop. I see no reason for the appointment of or the establishment of such a committee to meet at least four times a year to give some type of advice.

Mr. SHELLEY. Mr. Chairman, will the gentleman yield?

Mr. McCONNELL. I yield.

Mr. SHELLEY. The gentleman made a statement which may have left the inference, which I am sure the gentleman did not intend that possibly it was the thought behind this amendment to set up a committee which would then make policy. This is an advisory committee of people experienced in the field of labor relations which is a field unto itself, as the gentleman knows, and the advice given by them may be accepted or rejected.

Mr. DURHAM. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think before we go into anything like this the principal element of the agreement which was reached a few days ago by the CIO and the Labor Department and the operators at Oak Ridge was based on the fact that a study was going to be made, and that was agreed to, I believe, by both parties. So I think we would be violating or jeopardizing that agreement if we adopted this amendment.

I hope the Committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SHELLEY].

The amendment was rejected.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: Page 15, beginning in line 4, add the following new sections: On page 15, beginning line 4, add the following new section 28, and renumber present sections 27 and 28 as 29 and 30, respectively (this numbering assumes a new sec. 27 will be added, establishing a Labor-Management Advisory Committee):

"SEC. 28. Electric Power Liaison Committee: There is hereby established an Electric Power Liaison Committee consisting of—

"a. A Chairman, who shall be the head thereof and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for the Chairman of the Military Liaison Committee; and

"b. A representative of the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, the Southeast Power Administration, the Corps of Engineers, and such other Government agencies as the President may from time to time determine.

The Chairman of the Committee may designate one of the members of the Committee as Acting Chairman to act during his absence. The Commission shall advise and consult with other Government agencies, through the Committee, on all atomic energy matters which relate to electric power applications of atomic energy, including the development, manufacture, and use of atomic reactors for power purposes, the allocation of special nuclear material for such purposes, the technical, economic, and accounting relationships between production of special nuclear material and atomic energy for electric power and for atomic weapons, appropriate policies to govern the production and distribution of electric power from atomic energy in order that the benefits of such power shall be widely distributed and maximum revenues shall be returned to the Federal treasury, and the integration of atomic power policies and administration with other power activities of the Federal Government; and shall keep other Government agencies, through the Committee, fully and currently informed of all such matters before the Commission. Other Government agencies, through the Committee, shall have the authority to make written recommendations to the Commission from time to time on matters relating to civilian applications of atomic energy as they deem appropriate."

Mr. HOLIFIELD. Mr. Chairman, this amendment provides for an electric power liaison committee commensurate with the military liaison committee now provided in section 27. The effort here again is to put civilian peacetime benefits of atomic-energy development on a par with military.

The electric power liaison committee would bring together people in the various boards and commissions concerned with electric power and utilization of atomic energy to study the national atomic policy. This is a national committee; it is a committee which would help integrate atomic-produced power into the great power complex of the Nation.

Mr. COLE of New York. Mr. Chairman, I feel that I should state that the same arguments in opposition with respect to the previous amendments apply equally to this proposition. It should not be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was rejected.

The Clerk read as follows:

"CHAPTER 4. RESEARCH

"SEC. 31. Research assistance:

"a. The Commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified below, by private or public institutions or persons, and to assist in the acquisition of an ever-expanding fund of theoretical and practical knowledge in such fields. To this end the Commission is authorized and directed to make arrangements (including contracts, agreements, and loans) for the conduct of research and development activities relating to—

"(1) nuclear processes;

"(2) the theory and production of atomic energy, including processes, materials, and devices related to such production;

"(3) utilization of special nuclear material and radioactive material for medical, biological, agricultural, health, or military purposes;

"(4) utilization of special nuclear material and radioactive material and processes entailed in the production of such material for all other purposes, including industrial uses; and

"(5) the protection of health and the promotion of safety during research and production activities.

"b. The Commission may (1) make arrangements pursuant to this section, without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable; (2) make partial and advance payments under such arrangements; and (3) make available for use in connection therewith such of its equipment and facilities as it may deem desirable.

"c. The arrangements made pursuant to this section shall contain such provisions (1) to protect health, (2) to minimize danger to life or property, and (3) to require the reporting and to permit the inspection of work performed thereunder, as the Commission may determine. No such arrangement shall contain any provisions or conditions which prevent the dissemination of sientific or technical information, except to the extent such dissemination is prohibited by law.

"SEC. 32. Research by the Commission: The Commission is authorized to conduct, through its own facilities, activities and studies of the types specified in section 31.

"SEC. 33. Research for others: Where the Commission finds private facilities or laboratories are inadequate to the purpose, it is authorized to conduct for other persons, through its own facilities, such of those activities and studies of the types specified in section 31 as it deems appropriate to the development of atomic energy. The Commission is authorized to determine and make such charges as in its discretion may be desirable for the conduct of such activities and studies.

Mr. PRICE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRICE: On page 19, line 14, after the word "authorized", insert the following: "and directed."

Mr. PRICE. Mr. Chairman, section 31 of the legislation under consideration provides that the commission is directed to exercise its powers in such manner as to insure the continued conduct of research and development activities in the fields specified in that section.

I feel it is absolutely essential to let contracts under section 31 with groups outside of the commission and with the various agencies and organizations. I feel it is essential for the commission to do the same thing within its own facilities. By means of this amendment we direct instead of merely authorizing the commission to continue basic research and development activities in its own facilities and in its own laboratories.

We have millions of dollars invested in atomic research facilities. They exceed several hundred million dollars, as a matter of fact. Those are the only such facilities available in which the basic scientific and engineering efforts can be carried on during the next few years ahead. In view of the large public investment in atomic energy thus far, it is vital to protect that investment. Almost all important atomic energy ideas today are public property. One of the best ways to insure that the critical ideas in the future continue to be public property is to make certain that the Atomic Energy Commission carries on experimental activities farthest out on the horizon of scientific and engineering exploration.

Unlike some of the other amendments already considered and not adopted, I sincerely hope that we can agree to this constructive contribution and safeguard. I sincerely hope that the committee itself might be inclined to accept the amendment. The provision was contained in the original act.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. HINSHAW. After discussing this matter, with our Chairman, if it is understood that research is not to be limited to Commission facilities but they may also contract for research, then the committee could accept the amendment.

Mr. PRICE. That is correct.

Mr. HINSHAW. We are very much afraid, unless some word to that effect is placed in the RECORD, that the commission would be limited to research in their own facilities. Otherwise, there is no objection.

Mr. PRICE. It is not intended that it be limited to research in their own organization.

Mr. HINSHAW. Very well. Then we will accept the amendment if it is agreeable to the gentleman from North Carolina.

Mr. DURHAM. Mr. Chairman, if you recall, in discussing this amendment, at the present time the Commission has contracts in practically every college in the country. I think the program has been very fine and one that has been accepted by the colleges and one that has been very beneficial to us in supplying us with young scientists. If this in no way affects our college program, I would be willing to go along with the amendment.

Mr. PRICE. I am sure that it does not affect the colleges or any program outside of the commission facilities and I certainly do not intend that it should.

Mr. HINSHAW. With that understanding, it is perfectly agreeable to this side of the aisle.

Mr. MURRAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the most far-reaching and most important and most serious bill that has been considered by the House at this session. It certainly should have full, fair, and adequate debate. There are many more amendments yet to be offered to this bill. We are now on page 20, and there are 85 more pages left. I want to say that if the majority demands that debate be limited, that a gag rule be enforced, or that this bill be railroaded through without fair and adequate consideration, then I intend to ask for an engrossed copy of the bill. It is stupid to try to finish this bill tonight. We ought to quit in an hour or so and then come in tomorrow and give this bill full and fair consideration. It ought to be considered by the House for at least 3 or 4 days. If a gag rule is proposed, I deeply resent it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. PRICE].

The question was taken; and on a division (demanded by Mr. PRICE) there were—ayes 112, noes 4.

So the amendment was agreed to.

The Clerk read as follows:

"CHAPTER 5. PRODUCTION OF SPECIAL NUCLEAR MATERIAL

"SEC. 41. Ownership and operation of production facilities.

"a. Ownership of production facilities: The Commission, as agent of and on behalf of the United States, shall be the exclusive owner of all production facilities other than facilities which (1) are useful in the conduct of research and development activities in the fields specified in section 31, and do not, in the opinion of the Commission, have a potential production rate adequate to enable the user of such facilities to produce within a reasonable period of time a sufficient quantity of special nuclear material to produce an atomic weapon; or (2) are licensed by the Commission pursuant to section 103 or 104.

"b. Operation of the Commission's production facilities: The Commission is authorized and directed to produce or to provide for the production of special nuclear material in its own production facilities. To the extent deemed necessary, the Commission is authorized to make, or to continue in effect, contracts with persons obligating them to produce special nuclear material in facilities owned by the Commission. The Commission is also authorized to enter into research and development contracts authorizing the contractor to produce special nuclear material in facilities owned by the Commission to the extent that the production of such special nuclear material may be incident to the conduct of research and development activities under such contracts. Any contract entered into under this section shall contain provisions (1) prohibiting the contractor from subcontracting any part of the work he is obligated to perform under the contract, except as authorized by the Commission; and (2) obligating the contractor (A) to make such reports pertaining to activities under the contract to the Commission as the Commission may require, (B) to submit to inspection by employees of the Commission of all such activities, and (C) to comply with all safety and security regulations which may be prescribed by the Commission. Any contract made under the provisions of this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under such contracts. The President shall determine in writing at least once each year the quantities of special nuclear material to be produced under this section and shall specify in such determination the quantities of special nuclear material to be available for distribution by the Commission pursuant to section 53 or 54.

"c. Operation of other production facilities: Special nuclear material may be produced in the facilities which under this section are not required to be owned by the Commission.

"SEC. 42. Irradiation of materials: The Commission and persons lawfully producing or utilizing special nuclear material are authorized to expose materials of any kind to the radiation incident to the processes of producing or utilizing special nuclear material.

"SEC. 43. Acquisition of production facilities: The Commission is authorized to purchase any interest in facilities for the production of special nuclear materials, or in real property on which such facilities are located without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes. The Commission is further authorized to requisition, condemn, or otherwise acquire any interest in such production facilities, or to condemn or otherwise acquire such real property, and just compensation shall be made therefor.

"SEC. 44. Byproduct energy: If energy which may be utilized is produced in the production of special nuclear material at production or experimental utilization facilities owned by the United States, such energy may be used by the Commission, or transferred to other Government agencies, or sold to publicly or privately owned utilities or users at reasonable and nondiscriminatory prices. If the energy produced is electric energy, the price shall be subject to regulation by the appropriate agency, State or Federal, having jurisdiction.

Mr. METCALF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. METCALF: Page 23, after line 12, add the following new section 45:

"SEC. 45. Electric Power Production: a. The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy derived from nuclear fission in its own facilities or in the facilities of other Federal agencies. In the case of energy other than electric power produced by the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to other users at reasonable and nondiscriminatory prices. Electric power not used in the Commission's own operations shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power in accord with the provisions of section 5 of the Flood Control Act of 1944 (58 Stat. 890).

"b. The Commission may undertake any or all of the functions provided in subsection 45a through other Federal agencies authorized by law to engage in the production, marketing, or distribution of electric energy for use by the public, and such agencies are hereby empowered to undertake the design, construction and operation of nuclear power facilities and the disposition of electric energy produced in such facilities when funds therefor have been appropriated by Congress. Nothing in this act shall preclude any Federal agency now or hereafter authorized by law to engage in the production, marketing, or distribution of electric energy from obtaining a license under section 103 of this act for the construction and operation of facilities for the production and utilization of special nuclear material or atomic energy for the primary purpose of producing electric energy for disposition for ultimate public consumption."

Mr. METCALF. Mr. Chairman, in view of the importance of this amendment, I ask unanimous consent that I may have 5 additional minutes in which to explain the amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, I object.

Mr. METCALF. Mr. Chairman, this amendment adds a new section to the bill. This new section empowers the Atomic Energy Commission in its own facilities or through the facilities of other Government agencies to engage in the production of electrical power and other useful forms of energy derived from nuclear fission. This amendment makes it clear that the Federal Government itself, as well as other agencies, public and private, can generate, transmit and distribute atomic power.

Electric power not needed for the Commission's own operations is to be delivered to the Secretary of the Interior to be disposed of under the provisions of the Flood Control Act of 1944.

That act declares that—

The Secretary shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles * * *. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives.

The act also authorizes the Secretary to provide transmission lines to make such power available to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

The Atomic Energy Commission, which is the greatest consumer of electric energy in the United States is now permitted to generate power for its own consumption.

This amendment would permit the Atomic Energy Commission to develop atomic power to meet its own power needs. The only power the Commission is permitted to generate under the proposed bill is that developed as incidental to its research activities.

This is clearly demonstrated in the report on page 14 and 15 where section 44 of the bill is discussed.

Here is an absolute prohibition for the production of any but byproduct energy.

This amendment is not mandatory, it is permissive and the money for such a powerplant would have to be appropriated by the Congress for that specific purpose.

We are embarking into an era of a new power source. The potentialities of atomic power may be greater than our oil, gas and coal reserves, and hydropower combined. As written, the bill authorizes the Commission to dispose of byproduct energy. It does not provide that public agencies and cooperatives shall have a prior right to purchase this byproduct energy. Nor does it authorize the Commission to construct a plant for the generation of electrical energy as such. It has been estimated that for economical development of atomic power a plant would have to be built capable of producing at least 200,000 kilowatts. A plant of this size would cost $200 million to $300 million. That is a tremendous risk for private producers.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. METCALF. I yield.

Mr. BAKER. Does your amendment go much further than Senator JOHNSON'S did?

Mr. METCALF. My amendment is identical to Senator JOHNSON's amendment.

Mr. COLE of New York Mr. Chairman, I must make a point of order against this discussion which the gentleman from Montana is about to make in respect to what has been done in another body.

The CHAIRMAN. The point of order is sustained.

Mr. METCALF. This amendment authorizes the Commission to construct a plant for the generation of electric energy. I was pointing out the expense of constructing an electrical-energy plant. It has been estimated that an economical electrical energy plant which will produce electrical power economically so that it can be sold to industry and domestic consumers must produce 200,000 kilowatts. A plant of this size would cost $300 million. That is a tremendous risk for private producers. But the Government could build such a plant and it could build it as a pilot plant, and it would serve a twofold purpose. It would demonstrate the economy and the feasibility of producing low cost electrical energy by nuclear fission. Secondly, it would establish a yardstick which would be used to protect public interest in maintaining fair and equitable rates for the consumers by other private utilities who are developing atomic energy for distribution and sale. As the bill is now written, the Commission is permanently precluded from developing atomic power on a large scale. Earlier in the day, the distinguished chairman of the joint committee said that the main job of the Atomic Energy Commission was the job of producing weapons and promoting the security of the United States. With that I agree. Therefore, I have provided in this amendment that when power is produced, whether it is byproduct energy or whether it is direct atomic energy produced for ultimate sale that it will be sold by the Secretary of the Interior.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that the chairman of our committee has sought to invoke a rule which in the 12 years that I have been here I have seldom seen invoked. It is true that it is against the rules of the House to refer to a Member of the other body by name or even to refer to the name of the other body. It is also true that we cannot say what they have done.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order. The gentleman is not speaking on the amendment or in opposition to it.

Mr. HOLIFIELD. I yield to the gentleman from Montana [Mr. METCALF] at this time. I regret that this action has been taken by our chairman. Of course, it is in violation of the rules of the House.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HALLECK. It just so happens that a few days ago in behalf of one of my colleagues, I inserted an article in the RECORD which contained a newspaper account which mentioned inferentially—not directly—a Member of the other body. I was called to task for that and a demand was made on me that I delete the article from the CONGRESSIONAL RECORD because of the reference to a Member of the other body. I just want it understood that there should be no criticism of the gentleman from New York because, as a matter of fact, within the past few days there has been a discussion between certain of the leaders on your side and mine—and I do not want to prolong this or get it involved or complicated—looking to the reestablishment of the practice that ought to prevail that these references not be made.

Mr. HOLIFIELD. This was not in the nature of an attack at all. I know frequently we say complimentary things about Members of the other body and, of course, that is against the rules of the House also. I will not pursue this any further and I now yield to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, I wish to say I heard the statement which was made by the distinguished chairman of the Joint Committee and I heard the reading of the rule by the chairman of the committee as we went into this discussion of the bill and I abandoned my original intention to identify this amendment. I did not do so until I was interrogated on that point. I want to ask the gentleman from California if in his study and his examination of this bill, he believes there is any preference clause whatsoever for the disposal of either byproduct energy which is generated by the Atomic Energy Commission or any of its licensees or any other energy that might be generated.

Mr. HOLIFIELD. There is no preference clause in the bill, and this section which the gentleman seeks to have the House adopt would be an enabling and an empowering section only; it would not be mandatory. Any action under this section would have to be taken by the House both as to authorization and as to appropriation.

The gentleman just seeks to place around the whole future as far as the future source of power which may be 30 percent of our total power within 15 or 20 years, the same protection that we have put for the last 50 years around hydroelectric sites in the Federal streams where falling water is turned into electrical energy. So this will be nothing more than enabling and empowering.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. METCALF. I take it the gentleman feels it should be in the act.

Mr. HOLIFIELD. It should be considered favorably in this body.

Mr. METCALF. Is it the gentleman's understanding that if we authorize the the Secretary of the Interior to sell the power, when his Department has had experience in marketing power over 50 years under such rules as the Reclamation Act sets up, that we are then putting the Atomic Energy Commission in the business of collecting and selling power?

Mr. HOLIFIELD. No. We are doing the same thing that we did in the Federal Power Act. And in this legislation we are directing this agency of Government which has the most experience and has all of the rights and familiarity with operations throughout the United States that reside in that Department, we are now giving to them a function which they are now discharging in another field, that of hydroelectric power. This is comparable to that and it would be an identical application.

Mr. METCALF. Mr. Chairman, will the gentleman yield for a third question?

Mr. HOLIFIELD. I yield.

Mr. METCALF. I know that the gentleman from California is familiar with such acts as the Boulder Dam Act, the Federal Power Act, the Reclamation Act of 1906, the Fort Peck Act, the Rivers and Harbors Act, and so forth. I would like to ask the gentleman if there is anything in this amendment that is any different from our traditional and historic public-power policy with regard to hydroelectric power?

Mr. HOLIFIELD. This situation is directed along the line of legislation which has been passed by every Republican and Democratic Congress for the last 50 years.

Mr. JENSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to bring just a few facts to the Committee at this time regarding the Metcalf amendment.

The Flood Control Act of 1944 gives preference to nontaxpaying organizations for power that is produced by federally built dams, but the fact remains that Congress has never seen fit to pass a law giving the Bureau of Reclamation authority to build steam plants to produce electric power for sale.

We have permitted, and the law does provide that TVA may build steam plants in the TVA area. We do not even permit steam plants to be built by the Bonneville Power Administration for very good and sufficient reasons.

Mr. Chairman, it hardly squares with our American way to give preference to the organizations that do not pay taxes into the Federal Treasury over industries who do pay taxes on their property and commodity produced. Our private utilities have paid annually on an average during the last several years over $1,300,000,000 in local, State, and Federal taxes. Some may say: "Yes; but the consumers pay the bill. Of course they do. The ultimate consumers pay for everything, taxes included. The ultimate consumer pays the bill, whether it is something you eat, whether it is something you wear, or whether it is something you use, taxes included from the raw product to the finished product.

We have already spent of the taxpayers' money about $12 billion for the atomic energy program; $1,300,000,000 a year paid by private utilities in local, State, and Federal taxes would pay that bill in about 10 years. Let me remind you that when the Fabian Socialists got control of the electric power of England, the rest of the socialization of England was a pushover because they said, whether a farmer, a housewife, or a manufacturer: "Do you want electric power?" "Sure, we want electric power." "Well then, get in line, and stop bucking us."

That must never happen in our blessed land of liberty and free enterprise.

Mr. Chairman, the man who controls the electric energy of any nation, especially in a nation that is dependent on electric energy as we, controls that nation. Any one of you Members of this House, or any other American could control America lock, stock, and barrell today if he or she had control of the electric energy of America. Let us not forget that.

Let us not, then, take this step. Of course, private industry cannot meet the rates that subsidized Government agencies charge because the private utilities pay on an average almost 4 mills in local, State, and Federal taxes on each kilowatt hour of power they market. We have in the TVA area a rate of about 4 mills, and a 2-mill rate in the Bonneville area. Why? Because they do not pay taxes of any consequence.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Tennessee.

Mr. EVINS. The record will show that all the private-power people around the perimeter of the TVA area have not only lowered their rates to the public since the establishment of TVA but they have made enormous profits over the past several years, even though their rates have declined, their business has increased and dividend earnings have tripled.

Mr. JENSEN. I am not arguing that point. Private industry has to make money. This Nation was built and has become strong and great under the profits system.

Mr. FORAND. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND to the amendment offered by Mr. METCALF: Strike out the period at the end of section 45 (a) and insert a comma and the following: "except that in the sale of such power for use in high-cost power areas not being served by public bodies or cooperatives, the Secretary of the Interior shall give the same degee of preference to any other purchaser who serves such areas."

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Montana.

Mr. METCALF. May I say to the gentleman from Rhode Island that I have examined his amendment, I feel it improves the amendment I submitted, and I certainly concur in it. I hope it will be adopted.

Mr. FORAND. I thank the gentleman from Montana.

This amendment is a very simple amendment. The amendment offered by my colleague, the gentleman from Montana, says that, if there is a surplus of electricity provided by any of the facilities referred to in this bill, preference in the sale of it would be to cooperatives and to public-utility groups. This amendment simply says that in the high-cost areas, such as in Rhode Island, Massachusetts, Connecticut, and other parts of New England, where we have an extremely high rate, that the preference which applies to cooperatives and public-utility groups shall be extended to privately owned utilities.

Mr. Chairman, I want to take this opportunity to get away from this amendment for a moment to serve notice on the House that, in view of the fact that the leadership has decided to keep us in session tonight, I am going to insist henceforth that every word of every amendment and every word of the bill be read, and that there be order maintained in the House. If I have to be on my feet all the time to make a point of order, I will do it.

Mr. COLE of New York. Mr. Chairman, if the gentleman will yield, I am sure I have no prospect of persuading the gentleman in that respect from his present position, but I was about to suggest to him that the amendment he has offered appears to me to be entirely justified if we are to accept the argument advanced by the gentleman from Montana. However, the amendment which the gentleman has offered is not acceptable.

Mr. FORAND. Under the circumstances, am I to understand that the committee is satisfied to accept this amendment and then take the Metcalf amendment as amended?

Mr. COLE of New York. We will go part way and accept this amendment to the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island to the amendment offered by the gentleman from Montana.

The amendment to the amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York as a substitute for the amendment offered by the gentleman from Montana: On page 23, line 12, after the word "jurisdiction" insert "nothing in this act shall be construed to authorize the Commission to engage in the sale or distribution of energy for commercial use except such energy as may be produced by the Commission incident to the operation of research and development facilities owned by the Commission or facilities for the production of special nuclear material owned by the Commission."

Mr. COLE of New York. Mr. Chairman, this places squarely before the House the issue of whether the Congress wants the Atomic Energy Commission to become engaged in the generation of electricity for commercial purposes or not. The amendment offered by the gentleman from Montana is the Big Bertha of those salvos which I warned the House 4 or 5 hours ago would be fired in the deliberation of this bill. This is the heart of the power proposal. If the amendment offered by the gentleman from Montana is adopted, it clearly, squarely, and unquestionably puts the Atomic Energy Commission in the business of generating electricity from atomic energy. There is no doubt about that. That is what it is designed to do, in spite of equivocal words they use that the Commission is not directed to do it or required to do it.

May I say that the amendment which I propose was originally in the bill, was accepted at one time by the Joint Committee on Atomic Energy rather completely, but, through the persuasive efforts of the gentleman from California it was eliminated. Since the question has been thrown before the House and so that the issue may be clearly drawn, those who feel the Government should be in the power business by using atomic energy, should vote for the amendment of the gentleman from Montana [Mr. METCALF]; on the other hand, those who feel that the purpose and the function of the Atomic Energy Commission is to develop fissionable material for our national defense and to use what other time and money they may have left to encourage and develop peacetime use of atomic energy, licensing such persons as may apply to construct facilities for generating atomic energy for purposes of producing electric power, should vote for the amendment which I have offered.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. JONES of Alabama. I wonder if the gentleman would point out what additional authority would be acquired under the gentleman's amendment that is not already contained in section 44 of the bill?

Mr. COLE of New York. It grants no additional authority. As a matter of fact, it is simply a declaration of intent that the Congress does not intend the Commission to go into the power business.

Mr. JONES of Alabama. As I understood the reading of the amendment, it is repetitious of what is stated in section 44; is that correct?

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me?

Mr. COLE of New York. I yield.

Mr. HALLECK. Section 44 does provide for the disposition of such power as is incidental to research; but that is contained in the amendment offered by the gentleman from New York [Mr. COLE], as I think it properly should be. Beyond that, the amendment of the gentleman from New York is simply a determination of policy to which he has referred.

Mr. JONES of Alabama. It is a restatement of section 44, is it not?

Mr. HALLECK. That is my understanding.

Mr. COLE of New York. That is substantially correct. It is saying in a different way what section 44 already says.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. EVINS. The gentleman states that this amendment would put the Atomic Energy Commission in the public power business. Is not that just exactly what President Eisenhower has directed the Atomic Energy Commission to do, to go into the power business as a "power broker" insofar as this contract with the Dixon-Yates group and the AEC is concerned? The President has ordered the AEC into the power business, has he not?

Mr. COLE of New York. I do not yield further to the gentleman.

Mr. METCALF. Mr. Chairman, will the gentleman yield to me?

Mr. COLE of New York. I yield.

Mr. METCALF. What is the difference between the gentleman's amendment and the declaration in the report on page 15 of the report that says that this does not permit the Commission to enter the power-producing business without further congressional authorization to construct or operate commercial facilities?

Mr. COLE of New York. The only difference is that if it is written into the law it is the law. If it is contained in a report it may be respected and it may not.

Mr. METCALF. It was the intention of the committee to do just exactly what the gentleman's amendment does?

Mr. COLE of New York. That is so.

Mr. METCALF. That is, to take the Atomic Energy Commission completely out of the business of producing power?

Mr. COLE of New York. Not to take them out; just not let them get into it.

Mr. METCALF. Would the gentleman consent to a provision that there be a preference in the sale of the byproduct energy which I understand he feels should be produced by the Atomic Energy Commission?

Mr. COLE of New York. That is a point which has been suggested to me by the gentleman from North Carolina [Mr. BARDEN]. I assume the gentleman has in mind the same thought.

Mr. METCALF. May I yield to the gentleman from North Carolina to make that inquiry?

Mr. COLE of New York. That has been considered and, so far as I am concerned, it has not been accepted.

Mr. BARDEN. May I say this to the gentleman? My proposal was not complicated. It was not a mixed-up proposal. I want to do exactly what the gentleman from New York [Mr. COLE] says he wants to do. He says he wants the Atomic Energy Commission to keep out of power production. I want the same thing. But in the gentleman's explanation he says he wants them in it a little bit.

May I say to the gentleman that for years here we have had the preference clause in regard to publicly produced power. If the Atomic Energy Commission is not going into the power production business, then a priority clause in there will certainly not hurt them. If they go into it a little bit it will not hurt them.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VAN ZANDT. Mr. Chairman, I move to strike out the last two words, and yield to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Let me clarify just a little bit the thinking of the gentleman from North Carolina and others, if I am able to.

Mr. BARDEN. My thinking is all right.

Mr. COLE of New York. The gentleman's understanding is not quite correct.

Mr. BARDEN. Maybe we can get somewhere on that.

Mr. COLE of New York. Section 44 authorizes the Commission to sell whatever electric energy may be developed as a byproduct of its research reactors. If we were to require that that byproduct electric energy were to be first made available to a public body, the effect of it would be to discourage, if not completely prohibit, private capital from coming in to build these experimental prototype reactors that cost millions, in some cases hundreds of millions of dollars.

Right at the moment the very first full-scale power reactor is under construction or in the course of eventual construction through a contract the Commission has made with the Duquesne Light & Power Co., of Pittsburgh. That is expected to generate electricity eventually. Had this provision and the statute at that time required this byproduct energy to first be made available to public bodies, it is very, very doubtful if not practically certain, that Duquesne Light & Power would not have put up—it is doubtful that they would have put up the $50 million that they are now doing, if they had been required to make that energy available to public utilities.

Mr. BARDEN. Let me say to the gentleman, then, it is not such an incidental item. If it was that important to the Duquesne Power Co. it was not such an incidental, minor matter; it was of tremendous importance if, as the gentleman says, they would have thrown down a $50 million proposition.

Let me say this to the gentleman: You could very easily put an exemption in there as to existing contracts, and you could also make it very clear that this power that is produced incidentally is used by those that are under contract in connection with that plant. But I say to the gentleman, I am standing by his very firm, positive statement that he wants to keep the Atomic Energy Commission out of production and sale of power. If you do that I am with you 100 percent, but you want to vary. It is my understanding that that is off the beam; the gentleman is traveling two different roads at the same time, under great difficulty.

Mr. COLE of New York. Perhaps in the mind of the gentleman from North Carolina that may be true, but so far as the gentleman from New York is concerned there is no doubt about what road he is traveling.

Mr. Chairman, I do not yield further.

Mr. BARDEN. The gentleman did not have the floor in the first place.

Mr. COLE of New York. The gentleman this time is correct.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from California.

Mr. PHILLIPS. Is not a situation now repeating itself? Some 20 years ago, when I was not here, but when some of the gentlemen may have been, the same argument must have taken place. The TVA was permitted to sell only its surplus power, only this little bit of surplus power that was probably incident to the hydroelectric installations at that time, maybe a steam plant. Ten years ago that had grown to where 30 percent of the power was furnished from steam plants and 70 percent from hydroelectric. At the present time 55 percent is from steam and 45 percent from hydroelectric. By the time the plants now under construction are finished, 70 percent will be furnished by steam plants and only 30 percent by hydroelectric. This is the record of growth in these little incidental sales that we are talking about today.

Mr. VAN ZANDT. Mr. Chairman, I now yield to the gentleman from New York.

Mr. COLE of New York. The gentleman from California is quite right. So that I will not take any more time, let me make the observation that if a provision is written into this bill requiring the byproduct electrical energy that may be generated from these new research projects to give preferential status to public utilities, public bodies, then we will defeat the very thing we hope to accomplish, and it should not be adopted.

Mr. VAN ZANDT. Mr. Chairman, I yield back the balance of my time.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the Metcalf amendment and in opposition to the substitute.

It is mighty hard to keep debate on the track when you get into this question of public versus private power, but I hope you will listen to me on this.

In the first place, the original amendment by the gentleman from Montana [Mr. METCALF] says that the Commission is empowered to provide for the production of electric power and other useful forms of energy derived from nuclear fission, and so forth. Then it provides for the use of the electrical energy produced. Then it says that if it goes into the production of power the public bodies and the people shall be given first priority on it.

Let us see what we do if we accept the substitute amendment offered by the gentleman from New York. Under his amendment we say that under no circumstances and under no conditions can the Atomic Energy Commission produce this power using Government agencies. What does that do? If you are sound in turning over the production of a $12 billion investment in atomic energy—if you are being sound in turning this whole program over to the private companies—I say it is unsound to tie your hands and be absolutely dependent upon them. That is what the amendment offered by the gentleman from New York would do. By law the Commission is prohibited from producing power. Therefore, the only thing they can do is to sell it. Private industry could almost set the terms if the AEC could under the law do nothing to produce it themselves.

Let me point out an illustration to you of what I mean, and it is a very good illustration. The Rural Electrification Administration is authorized by law to build power generation plants. I have supported that authority. I have fought on this floor for funds for it—not to supplant and put any private utility out of business. But because the REA could, if need be, build power generation plants, we have been able to get much more favorable rates from the private utilities. If you ever repeal the right of the REA to build such plants, then you will raise the rates that the rural people will

have to pay. When you write into this bill that the Government cannot produce power, you are making yourself dependent upon what the private utilities do and you weaken the position of the Government in agreeing on terms.

Let me repeat again, the original Metcalf amendment says that the Commission is empowered to produce power. It is not a directive. We hear so much about the TVA and the power it generates. Some indicate it is wrong to make such power available at reasonable rates. Some seem to think the power ought to be turned over to middlemen and let them get a cut. Let me tell you something worthy of thought. The utilities in the South, and I live in an area which is served by a private utility, the closer the utility is to the TVA, where they try to make their rates competitive with TVA, the more they have increased their power sales—the more the private utility has reduced its rates since the TVA has come into existence, and listen to this—the greater the increase in its profits. As you get away from TVA—and the same thing applies to the Columbia River Basin, where there is a similar project—as you get away from it, the further away you get, the less the reduction in rates and the less the increase in power and the less the profits. If that does not prove that it helps to some extent to set a good example for the utility companies themselves, then I do not know what it does prove. If we are going to spend $12 billion of the American people's money, and if we are going to produce this great potential source of power, is it not sound to try to provide that the benefits go as directly as possible to the people? Is it sound to require that it be channeled through the hands of a few stockholders without retaining our bargaining position? Is it sound to require that it be channeled through the hands of a few stockholders and let them set the terms? Again I say, my friend, do not tie your hands and say that this Commission cannot provide for power production. All the Metcalf amendment does is to empower such action by the Commission.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. COLE of New York. I simply want to help and accommodate the gentleman in the tears that he is shedding for the REA. There is nothing in this bill whatever that would prohibit any REA corporation from making application to the Atomic Energy Commission for a license to produce electrical energy from an atomic plant, nor for that matter is there anything to prohibit the TVA from doing the same thing.

Mr. WHITTEN. The gentleman has just explained that he wants to tie this Commission's hands so that under no circumstances could they produce power. Therefore, we would be dependent upon what the private utilities would charge for the atomic materials. Also, the gentleman said in reply to the gentleman from North Carolina that he was opposed to any such power as they did produce being set aside first for cooperatives and public bodies.

Mr. COLE of New York. Yes, for the reasons I have mentioned.

Mr. WHITTEN. On the gentleman's own statement, the bill provides no preference for such priority for the people.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hesitated a long time before asking permission to speak for two reasons—first, I have great admiration for the gentleman from New York whose course of action in this body I have watched ever since he came here. The second reason is that I do not know very much about atomic energy. The only thing that has encouraged me to say anything at all is that I have discovered that nobody else knows too much about it. I think we are living in an atomic age. We first had an epidemic of building dams across the main streams of our rivers. We next discovered that you could get electrical power cheaper out of coal right out of the ground than you could from a dam. As time goes on in the next 15 or 20 years you will discover that this power will be developed by atomic energy. I may not be in this House then but there is no proof I will not be. When that time comes the entire form of electricity will come from the source of atomic energy. You will forget about your dams and getting your power from the coalfields. So that this will become a very important industry in this country.

At the very outset do not make the mistake of saying to the Government that has put in $12 billion that it cannot operate this business if in time it becomes necessary. I do not believe in private monopoly, I do not believe in strict Government monopoly, because that is fascism. There is an opportunity for both systems to exist in this country. But if and when it becomes necessary for the Federal Government to take part in this development it certainly has a right to because all the information we have today was paid for by the people of this country.

I hope this Congress will not at the very beginning of this great question and before experience has taught us anything at all go in at the very first round and limit the Federal Government so that it cannot operate. You are building a private monopoly when you do that.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I could not refuse to yield to the gentleman from California.

Mr. HINSHAW. I thank the gentleman so much. There is nothing in the amendment of the gentleman from New York [Mr. COLE] and nothing in the bill that could in any way limit any other agency than the Atomic Energy Commission from going into the business of producing electric power. You can produce it in TVA, you can produce it by the REA's, you can produce it any way you want. But we feel that the Atomic Energy Commission should be limited to the production of fissionable material and weapons, and so forth.

Mr. BURDICK. I understand the purpose of this bill is to carry on some experiments to find out what there is to atomic energy; but, at the same time, while you are doing that, and if you are conscious of the fact that the future will bring forth the fact this is the best power in the United States for the production of energy, I cannot understand why you want to limit the Government at the very beginning.

Mr. HINSHAW. I suggest it is not limiting the Government as such.

Mr. BURDICK. Yes, it does, because the gentleman from New York made it perfectly plain he did not want to put the Government out, yet he did not want to let the Government in. Now, that is what he said, and I have every reason in the world to believe him.

If that is what you gentlemen want to do, if you want to foreclose the Government right at the beginning and say we are for private monopoly of the greatest industry this world will have known in a few years. You have a chance to do it right here. You can create a giant private monopoly in his bill but I refuse to do so.

Mr. BARDEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would not have imposed myself on the House for these few minutes if a gentleman who did not have the authority to tell me to hush, had not told me to hush up at the wrong time.

Mr. Chairman, I entered this Chamber rather unsuspectingly this afternoon. I understood very definitely from the gentleman from North Carolina [Mr. DURHAM] and the gentleman from New York [Mr. COLE] that the Atomic Energy Commission was not entering into the production of power for sale. Then, a few minutes ago when this amendment was offered, the gentleman from North Carolina and his assistant called to my attention this section on page 23, section 44, which deals with byproduct power.

Then it was that I walked across the aisle and called to the attention of the gentleman from New York what I thought was a very practical and harmless suggestion that where he names the manner in which the byproduct power is to be sold, and those who were to get it, that such energy may be used by the Commission, or transferred to other Government agencies, or sold to publicly or privately owned utilities or users at reasonable and nondiscriminatory prices, we add this: "In this order of preference."

My reasoning was that if the Atomic Energy Commission was not in the production of power for sale except as an incidental byproduct, it could do no harm. If it did produce power, it could do no harm and would be no change in policy from what the House established many years ago. Now, in all frankness, I am beginning to get a little bit suspicious, and I am not a very suspicious kind of fellow. I want to know where you are going. Are you going in or going out? Now, the gentleman from California [Mr. PHILLIPS] made a statement a few minutes ago about how the TVA, under certain language, added a few percents, a few percents, and the next

year it was 60 percent or 40 percent—which was it?

Mr. PHILLIPS. Seventy percent.

Mr. BARDEN. Well, the gentleman's illustration so perfectly points out what could happen with this, until it was rather impressive with me, and then I was shocked out of my shoes when the gentleman from New York said that he was exactly right; I agree with him. Now, does the gentleman have something in mind that would clarify this?

Mr. HINSHAW. Yes, I think I have something in mind that will be helpful. The Atomic Energy Commission has felt for some time, as have the members of the committee, that when the time is ripe to proceed with the construction of an experimental unit to be used in connection with the proper generating facilities, that they would be glad to sponsor the construction of such a unit under a contract.

Mr. BARDEN. Now listen. I think I get you. You want to trade on this and you will induce private capital to go in, and I am all for that; I am all for these experimental units and so forth, but I would like to now determine to some degree the size of the bowl of gravy that is going to be passed around.

Mr. HINSHAW. There is no bowl of gravy going to be passed around, I assure the gentleman.

Mr. BARDEN. Well, let us either get in it or get out of it and let us see what we are doing. I tell you in all frankness I cannot understand it when you say "No; we are not in the production of power for sale," and then you turn around and refuse to accept any establishment of priorities in case you do. Now, what would the average fellow think of that?

Mr. HINSHAW. The contractors, the bidders, the high bidders had to contract for the purchase of steam and not electricity.

Mr. BARDEN. Now, I am going to tell you right now, you gentlemen over there, I believe in what I am saying and saying what I believe.

Mr. HINSHAW. I am very honest on mine, too.

Mr. BARDEN. Yes. And I am going to tell you this. It would not hurt one thing in the world, if you mean what you say, to put that language in the bill.

Mr. HINSHAW. I do not think it would hurt much myself.

Mr. BARDEN. You know it would not, and that is what disturbs me.

Mr. HINSHAW. But you could not do it. You could not make such a contract. You could not go through with the contract because they are only buying steam under pressure, I suppose.

Mr. BARDEN. Who could not?

Mr. HINSHAW. The Duquesne Light.

Mr. BARDEN. Who are they?

Mr. HINSHAW. They are people in the Pittsburgh area who are contributing $3 million to this experimental project.

Mr. BARDEN. Oh, well, I have seen these folks that give the Government all these millions. Why put just a little halo around their heads and make an exception for existing contracts?

Mr. HINSHAW. I wish we had a lot of time in some respects to discuss this matter. I am sure I could convince the gentleman.

Mr. BARDEN. I am like the gentleman that spoke here. I do not know anything about this atomic energy business, but I do know something about the matter I am now talking about.

Mr. COLE of New York. Mr. Chairman, I rise for the purpose of seeing if we cannot agree to limit debate. I think everybody pretty well understands what is involved, and I would call to the attention of the committee the fact that there are two subjects later to be discussed which will require a considerable amount of time. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 8 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. MURRAY. I object, Mr. Chairman.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not see why we should get in a confused state of affairs here over these reactors. The provision which was mentioned by my good friend from North Carolina in the bill, of course, will probably be used in the future, I hope, and will be useful probably 10 years from now or 15 years from now. The question of the Duquesne reactor has been brought up. We participated in that. We are trying to find out whether or not the production of power is feasible and whether or not we can produce it on a basis at least to compete with some of the high priced areas in this country. The Commission will not produce 1 kilowatt-hour of electricity from that reactor. The Duquesne Power & Light Co. will take the steam and turn it into their own turbines and then produce power. Now, that is what is being done in that research project, for example. Out of these reactors, of course, we hope to get some power eventually. But as of today, we are not selling any power. They could sell it if they produced 100,000 kilowatts, but until the experiments are completed there is no possibility of producing that today and we know it.

I have been a member of the subcommittee on reactors since the first, and it is still in an experimental stage. What we are trying to do is to safeguard things for the future. I suppose from time to time this will have to be amended. I do not imagine that it would fit into the production of power 5 years from now. But all we are trying to do here is to provide some precautions in the field of operation of power. I have no objection to the preference clause. I am for it. But I do not think we have reached the point in the development of this activity at the present time to throw any restrictions around it. I think we should let the people who are doing this research job be as free as possible. They are not going to make any money out of this.

As to this constant reference to our having spent $12 billion on the atomic energy, Mr. Chairman, what were the atomic bombs that we used worth to America? What were they worth to the national defense of this country? We won the war. We saved lives through their use. We can charge it off to that, so far as that is concerned.

What we are trying to do is to use what we have in the way of research tools, to use what we have in the way of facilities, to put those in the hands of private enterprise so that we can develop this field, so that eventually it will pay taxes and the money will come back into the Federal Treasury.

Why get the Atomic Energy Commission down here into a position of producing power? There is no restriction whatever. The REA can come into it and get a reactor, if they can get the money from the gentleman from New York [Mr. TABER] to pay for it. The TVA can do the same thing. There are no restrictions. They get them on the same basis as the private power man from New York or any other place in the country. That is how simple it is. I do not think we should write so many restrictions, or expect this act to be perfect at the present time. I go along with the gentleman who wants the preference clause, when that time comes, but I do not see any need for it today.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. COLE].

First, if I understand the gentleman's amendment correctly, it will make inoperative section 188 which provides that whenever the Commission finds it necessary to revoke the license for one of these reactors, that the Commission may take the reactor back and operate it.

If I understand the amendment of the chairman correctly, this would make it impossible for the United States Government to take one of these reactors when it finds it necessary to revoke the license, and operate it, as provided for in section 188. I leave that as a matter for adjustment. I do not know how they are going to do it, but I just make the point.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. WHITTEN. I should like to ask this question. I, too, do not understand all there is to know on this subject. But as I understand it, as to the materials that are used in the generation of the heat, which would produce power, the Government retains title, does it not?

Mr. HOLIFIELD. That is right.

Mr. WHITTEN. If the Government had the right to use those materials itself, as long as it had the right to do so it would be in a bargaining power in submitting those materials for sale to a private company, on such basis as it wanted to; is that right?

Mr. HOLIFIELD. That is right.

Mr. WHITTEN. But if the Government has no right to use those materials for this purpose, then, to that extent, its bargaining position in dealing with a private utility is restricted or limited, is it not?

Mr. HOLIFIELD. That is right. The amendment of the gentleman from New

York would make it impossible for the Government to provide an adequate atomic yardstick to evaluate the cost of producing power, because it would have to build a commercial-type reactor large enough, in my opinion, in order to know the real costs involved.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. COLE of New York. I must confess that the gentleman has raised a point which must be given attention. I am confident that the point which he has raised will be adjusted properly if the amendment I have offered is agreed to, when the bill goes to conference.

Mr. HOLIFIELD. I am glad to hear the gentleman say that the point that I raise is a valid one. I want to say this further thing. I have been a Member of this body for 12 years. I have made some fast friends in this body and I hope I have not made any enemies. What I say I say without heat. The gentleman from New York said that this is the Big Bertha; section 45 is the Big Bertha; this is it; this is where you make the decision. I say that is exactly right. This is where the Republican administration and those who vote with them on this amendment are putting themselves squarely on the line, that they are against Government participation, against the AEC building an atomic yardstick reactor for adequate power and operating a reactor that has been reclaimed because of a revocation of license. You put yourselves right on the line. I am sure you will win your amendment; I have no illusions about that. But in November there will be someone else that will have something to say about this. That is when the people will have the right to decide as to whether the Big Bertha has been fired in the wrong direction.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. COLE] to the amendment offered by the gentleman from Montana [Mr. METCALF].

Mr. MURRAY and Mr. JONES of Missouri demanded a division.

Mr. HALLECK. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. COLE of New York and Mr. METCALF.

The committee divided, and the tellers reported that there were—ayes 161, noes 118.

So the substitute amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Montana [Mr. METCALF] as amended by the substitute.

The amendment as amended was agreed to.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama: On page 23, line 9, after the period in line 9 strike out the last sentence of section 44 and add a new sentence to read as follows: "The Commission shall at all times in disposing of such energy give preference and priority to public bodies and cooperatives."

Mr. JONES of Alabama. Mr. Chairman, the amendment I have offered does not put the Atomic Energy Commission in the power business. Let me call your attention to the language found in section 44:

Byproduct energy: If energy which may be utilized is produced in the production of special nuclear material at production or experimental utilization facilities owned by the United States, such energy may be used by the Commission, or transferred to other Government agencies, or sold to publicly or privately owned utilities.

Now, this section provides that the Commission shall have authority to sell the thermal heat generated by these experiments to other Government agencies, to private or public utilities. Now, what does my amendment do? It says what we have repeatedly provided in law since 1902. It does not create a new philosophy, a new thought, or a new approach. It only protects the public interest as far as local government agencies and cooperatives shall have a priority to obtain this energy.

Mr. Chairman, this notion, as I said earlier, is nothing new. It was subscribed to by Theodore Roosevelt, Woodrow Wilson, Warren G. Harding, Calvin Coolidge, Herbert Hoover, Franklin D. Roosevelt, Harry Truman, and I presume by this administration. So, it raises no new problems. It creates nothing new for us to deal with. So, if it were added to that section, it would say that we are being uniform in the treatment of the sale of energy owned by the Federal Government.

I am quite sure that the committee will find no fault with this amendment, for I have tried to discuss it with the members of the committee. They have been occupied with the debate and could not give full attention to my request. However, I hope that they will accept this amendment, for I am quite sure that the problem that the gentleman from North Carolina raised earlier will be resolved by the acceptance of this amendment. If there is energy to be sold by the Government, then that insurance to local municipalities and cooperatives will be protected.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from New York.

Mr. COLE of New York. Would the gentleman point out the difference, if any, between his amendment and the idea advanced by the gentleman from North Carolina [Mr. BARDEN]?

Mr. JONES of Alabama. The gentleman from North Carolina was apprehensive that there would not be the right of the local bodies, as I understood him, to acquire this energy.

Mr. COLE of New York. Let me inquire a bit differently.

Mr. JONES of Alabama. Yes.

Mr. COLE of New York. Does the amendment which the gentleman now proposes carry out the philosophy and the thought advanced by the gentleman from North Carolina [Mr. BARDEN]?

Mr. JONES of Alabama. As I understood him, he was asking that we have the same priorities that are recognized in the act creating Rural Electrification, Bonneville Administration, Southwest Power Administration, Southeast Power Administration, Federal Power Act, the Flood Control Acts of 1928, 1936, 1944, and the Federal Power Act of 1920. So, I find nothing but uniformity in the treatment of this subject. Why should we abandon it at this late day, for it has proven its worth?

Mr. COLE of New York. I am inclined to accept the gentleman's amendment in order that it may be considered by the conferees between the two Houses to reach a more careful and relative conclusion on the effect which the amendment would have.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. JONES].

The amendment was agreed to.

The Clerk read as follows:

"CHAPTER 6. SPECIAL NUCLEAR MATERIAL

"SEC. 51. Special nuclear material: The Commission may determine from time to time that other material is special nuclear material in addition to that specified in the definition as special nuclear material. Before making any such determination, the Commission must find that such material is capable of releasing substantial quantities of atomic energy and must find that the determination that such material is special nuclear material is in the interest of the common defense and security, and the President must have expressly assented in writing to the determination. The Commission's determination, together with the assent of the President, shall be submited to the joint committee and a period of 30 days shall elapse while Congress is in session (in computing such 30 days, there shall be excluded the days in which either House is not in session because of an adjournment for more than 3 days) before the determination of the Commission may become effective: *Provided, however*, That the joint committee, after having received such determination, may, by resolution in writing, waive the conditions of all or any portion of such 30-day period.

"SEC. 52. Government ownership of all special nuclear material: All rights, title, and interest in or to any special nuclear material within or under the jurisdiction of the United States, now or hereafter produced, shall be the property of the United States and shall be administered and controlled by the Commission as agent of and on behalf of the United States by virtue of this act. Any person owning any interest in any special nuclear material at the time when such material is hereafter determined to be a special nuclear material shall be paid just compensation therefor. Any person who lawfully produces any special nuclear material, except pursuant to a contract with the Commission under the provisions of section 31 or 42, shall be paid a fair price, determined pursuant to section 56, for producing such material.

"SEC. 53. Domestic distribution of special nuclear material:

"a. The Commission is authorized to issue licenses for the possession of, to make available for the period of the license, and to distribute special nuclear material within the United States to qualified applicants requesting such material—

"(1) for the conduct of research and development activities of the types specified in section 31;

"(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 104; or

"(3) for use under a license issued pursuant to section 103.

"b. The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of special nuclear material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

"(1) the physical characteristics of the special nuclear material to be distributed;

"(2) the quantities of special nuclear material to be distributed; and

"(3) the intended use of the special nuclear material to be distributed.

"c. The Commission may make a reasonable charge, determined pursuant to this section, for the use of special nuclear material licensed and distributed under subsection 53 a. (1) or subsection 53 a. (2) and shall make a reasonable charge determined pursuant to this section for the use of special nuclear material licensed and distributed under subsection 53 a. (3). The Commission shall establish criteria in writing for the determination of whether a charge will be made for the use of special nuclear material licensed and distributed under subsection 53 a. (1) or subsection 53 a. (2), considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the special nuclear material will be used.

"d. In determining the reasonable charge to be made by the Commission for the use of special nuclear material distributed to licensees of utilization or production facilities licensed pursuant to section 103 or 104, in addition to consideration of the cost thereof the Commission shall take into consideration—

"(1) the use to be made of the special nuclear material;

"(2) the extent to which the use of the special nuclear material will advance the development of the peaceful uses of atomic energy;

"(3) the energy value of the special nuclear material in the particular use for which the license is issued;

"(4) whether the special nuclear material is to be used in facilities licensed pursuant to section 103 or 104. In this respect, the Commission shall, insofar as practicable, make uniform, nondiscriminatory charges for the use of special nuclear material distributed to facilities licensed pursuant to section 103; and

"(5) with respect to special nuclear material consumed in a facility licensed pursuant to section 103, the Commission shall make a further charge based on the cost to the Commission, as estimated by the Commission, or the average fair price paid for the production of such special nuclear material as determined by section 56, whichever is lower.

"e. Each license issued pursuant to this section shall contain and be subject to the following conditions—

"(1) title to all special nuclear material shall at all times be in the United States;

"(2) no right to the special nuclear material shall be conferred by the license except as defined by the license;

"(3) neither the license nor any right under the license shall be assigned or otherwise transferred in violation of the provisions of this act;

"(4) all special nuclear material shall be subject to the right of recapture or control reserved by section 108 and to all other provisions of this act;

"(5) no special nuclear material may be used in any utilization or production facility except in accordance with the provisions of this act;

"(6) special nuclear material shall be distributed only on terms, as may be established by the rule of the Commission, such that no user will be permitted to construct an atomic weapon;

"(7) special nuclear material shall be distributed only pursuant to such safety standards as may be established by rule of the Commission to protect health and to minimize danger to life or property; and

"(8) the licensee will hold the United States and the Commission harmless from any damages resulting from the use or possession of special nuclear material by the licensee.

"f. The Commission is directed to distribute within the United States sufficient special nuclear material to permit the conduct of widespread independent research and development activities, to the maximum extent practicable and within the limitations set by the President pursuant to section 41. In the event that applications for special nuclear material exceed the amount available for distribution, preference shall be given to those activities which are most likely, in the opinion of the Commission, to contribute to basic research, to the development of peacetime uses of atomic energy, or to the economic and military strength of the Nation.

"SEC. 54. Foreign distribution of special nuclear material: The Commission is authorized to cooperate with any nation by distributing special nuclear material and to distribute such special nuclear material, pursuant to the terms of an agreement for cooperation to which such nation is a party and which is made in accordance with section 123.

"SEC. 55. Acquisition: The Commission is authorized to purchase or otherwise acquire any special nuclear material or any interest therein outside the United States without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advance payments may be made under contracts for such purposes.

"SEC. 56. Fair price: In determining the fair price to be paid by the Commission pursuant to section 52 for the production of any special nuclear material, the Commission shall take into consideration the value of the special nuclear material for its intended use by the United States and may give such weight to the actual cost of producing that material as the Commission finds to be equitable. The fair price as may be determined by the Commission, shall apply to all licensed producers of the same material: *Provided, however,* That the Commission may establish guaranteed fair prices for all special nuclear material delivered to the Commission for such period of time as it may deem necessary but not to exceed 7 years.

"SEC. 57. Prohibition:

"a. It shall be unlawful for any person to—

"(1) possess or transfer any special nuclear material which is the property of the United States except as authorized by the Commission pursuant to subsection 53a.;

"(2) transfer or receive any special nuclear material in interstate commerce except as authorized by the Commission pursuant to subsection 53a., or export from or import into the United States any special nuclear material; and

"(3) directly or indirectly engage in the production of any special nuclear material outside of the United States except (A) under an agreement for cooperation made pursuant to section 123, or (B) upon authorization by the Commission after a determination that such activity will not be inimical to the interest of the United States.

"b. The Commission shall not distribute any special nuclear material—

"(1) to any person for a use which is not under the jurisdiction of the United States except pursuant to the provisions of section 54; or

"(2) to any person within the United States, if the Commission finds that the distribution of such special nuclear material to such person would be inimical to the common defense and security.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 29, line 15, add the sentence: "All agreements under this act for foreign distribution of special nuclear material may be terminated by a concurrent resolution of the Congress.

Mr. FULTON. Mr. Chairman, when I spoke in general debate on this bill to amend the Atomic Energy Act of 1946, I suggested that the agreements that are made with foreign countries under this legislation be subject to the same conditions and protections as are the agreements under the United States Mutual Security Program. This legislation applies, of course, to nuclear and fissionable material, but this material likewise can be used for weapons, so there is a close analogy.

In the mutual security legislation on all kinds of weapons such as the jets, radar, sonar, any kind of weapons whatever, that are given abroad by the United States under those programs, the Congress itself by a concurrent resolution can act to terminate the program, which is by affirmative action regardless of the executive departments. That gives Congress an additional right of independent action for our security. That gives to this Congress the right to terminate and to say, "We have gone far enough and we, the people, feel that as to this particular country the agreement should be terminated at once."

I believe that if we in Congress do have that right on other types of foreign executive agreements we should likewise have this termination right under this atomic energy bill, which will provide for the same kind of agreements abroad for nuclear materials. Therefore, I would add an additional sentence to section 54, a sentence saying that Congress shall have the right to terminate any of these agreements for the foreign distribution of special nuclear material on the passage of a concurrent resolution.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from California.

Mr. HINSHAW. It is quite possible that the amendment offered by the gentleman is apropos in this case. We have not had time to examine the amendment, but I would think that the place to put in his amendment would be as one of the conditions under section 123 rather than in this place.

Mr. FULTON. The termination is not a condition within the proposed agreements. This is a condition which terminates the agreement itself regardless of the provisions within it, or prior conditions to the entering of such agreement. So it is my intention that this action of Congress can be taken on any agreement made, and I will go through as each section comes up and see that it

is put into each section so that the right to terminate is in this Congress and retained in the Congress. It has nothing to do with the conditions precedent to entering the agreements as set out in section 123. This amendment gives Congress the right to terminate the whole agreement and wipe it out.

I hope the Congress will adopt this amendment in order to put this act in line with our general foreign policies that the Congress has already adopted in respect to the termination of such foreign executive agreements and which is likewise contained in the current mutual security bill which has been passed by this House.

Mr. HINSHAW. Mr. Chairman, I rise in opposition to the amendment. Of course, I am not in opposition to the principle of the amendment. The Congress of the United States has the right to reapeal any agreement with foreign nations at any time it pleases. There is no question about that. It is a constitutional right. The Congress can pass a law over the President's veto if necessary to terminate any agreements that have been made with a foreign country. But, that can be the cause of war. If it is understood that the possibility of taking such action resides in the Congress, and the country accepts that as one of the conditions for receiving the cooperation of the United States, then it is a wholly different matter. Therefore, if this should be placed in the bill, I believe it should be placed in section 123, as I said before, and not just in the bill in an odd place.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. JUDD. I had intended to offer an amendment to section 123 along the same line. Wherever the proper place for it is, the real advantage is in the use of the term "concurrent resolution." If other countries ever did use our material in ways that violated the agreement and we wanted to terminate the agreement, but did not have the express authorization that it may be terminated by concurrent resolution, Congress would have to pass a bill which would have to be signed by the President. If he did not sign it, it would have to be passed over his veto. But a concurrent resolution requires only a majority vote of both Houses to express the will of Congress. We have this same termination provision in every piece of foreign-aid legislation. The acts all say that the President shall terminate the agreement if he determines that the other country is not carrying out the agreement in good faith; and that the Congress may terminate it by concurrent resolution. I think that is a sound provision in all legislation in these fields.

Mr. HINSHAW. I know that the gentleman from Minnesota has been here a long time and has entered into the subject of this debate before, as I can see from what he has to say. He knows as well as I that this question has never been decided as to whether a concurrent resolution passed only by the House and the Senate has the force of law in these cases.

Mr. JUDD. Yes; it does if it is provided in the law under which the agreement was made.

Mr. HINSHAW. That might be.

Mr. JUDD. It is already in every one of the Mutual Security Acts.

Mr. FULTON. That is correct.

Mr. JUDD. I offered the amendment to put it in the first one, and it has been repeated in every succeeding bill.

Mr. HINSHAW. Now that my memory has been refreshed on that, I believe the gentleman is correct, but I also believe that this is not the place for this particular amendment offered by the gentleman from Pennsylvania.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. FULTON. We have put this provision in every law that has been passed giving foreign aid of any kind. This termination goes to the striking out of the whole agreement rather than to the requirement in advance of any particular provision of the agreement. I would like to have the amendment here, and I will put it, if necessary, in every provision as to any foreign agreement as they come along right through the act. I want the termination power in Congress wherever the words "foreign agreement" come in this act because we want it specifically and affirmatively stated that the Congress by majority vote has the right by concurrent resolution to cancel such foreign agreements by concurrent resolution. The people of the United States should not lose the right of termination of these executive agreements abroad.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. DURHAM. I hope the gentleman will read the President's message because I believe under section 123 we are probably restricting this matter of international cooperation to a point where, in my opinion, it will probably be more difficult for him to do what he is asking for the power to do in his message. The concurrent resolution proposition, in my opinion, places any country in a rather bad position when it comes to agreeing on taking fissionable material and investing, let us say, $50 million in a plant and then overnight pulling out very suddenly. I think it would be dangerous to try to get anybody interested in the use of this fissionable material on such a basis. I feel, if we are going to do anything to this, let us not throw all these restrictions around it. If you will read section 123, every agreement must come back to the Congress and must come back to the committee. We have all the protection that we can possibly write into the bill. Let us not make it so that the countries will say, "What is the use of us trying to meet these conditions?"

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. JUDD. I agree that perhaps the restrictions to be met before entering into such a cooperative agreement are perhaps stricter than they need be. But, on the other hand, once we have entered into an agreement, there is no authorization for its termination if it does not operate as we expected it to operate. The President doubtless can terminate it, without this language but the legislative body surrenders its power to do so.

Mr. DURHAM. Yes, that can be written into the agreement, in every one of them.

Mr. JUDD. It can be; but with this language it would have to be and so I think it ought to be written into the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania to point out that these amendments contemplate the dissemination largely of information with respect to the nonmilitary application. To what avail is it to us to cancel an agreement after the information has already been given to a foreign country, after it has been disclosed that the foreign country has violated the agreement and has not carried out the agreement? What comfort is it to us to say that the agreement is canceled, because we by that time have disclosed the information?

Furthermore, to the extent that we have provisions in the law with respect to entering into these agreements with foreign nations, we to that extent discourage the consummation of those agreements. Our purpose is to encourage the consummation of an agreement rather than to discourage it. At all times, if it develops that a foreign government fails to carry out the terms of the contract on international cooperation, it is a simple matter for the President either on his own initiative or through direction from the Congress to discontinue further participation under that contract.

Mr. CLARDY. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Michigan.

Mr. CLARDY. If this amendment should be defeated at this point, will the committee go along with the gentleman from Minnesota [Mr. JUDD] to put it in somewhere so that the Congress may at least have some postauthority over the thing?

Mr. COLE of New York. I cannot commit the committee. I must state, though, in fairness, that the objections that I have voiced to the amendment offered by the gentleman from Pennsylvania I would feel impelled to also voice against a proposal which may be made by the gentleman from Minnesota.

Mr. CLARDY. The gentleman said it would be useless to expect the Congress to try to do anything because the information would already be delivered. Is it not possible that in the midst, halfway down the line in carrying out some agreement or contract, we may find some reason to object here on the floor of the Congress and would it not be proper for this House or the Senate or both to have some authority to do something about that? I do not like the idea of our forever surrendering our power to the Executive. I think it ought to be

somewhere in the bill. I asked the first question to be sure that the gentleman's opposition would not continue all the way through. I am afraid it does.

Mr. COLE of New York. I share the feeling that has been voiced by the proponents of this, but I am confident that if it should ever eventually develop a foreign government violates the terms of an agreement and it is not in our national interest to continue under the terms of that agreement, the President on his own initiative will terminate it or the Congress through its influence, through its power of expression, will require that the contract be terminated. I do hesitate, however, to extend an offering hand of help in that field, then to put a limitation on it which would indicate that we really do not mean what we say. It is with that thought in mind that I have raised objection to the proposal allowing an international contract to be terminated by concurrent resolution of the Congress.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Minnesota.

Mr. JUDD. Would it not rather, encourage other countries to carry out in good faith agreements entered into? They know we would not be capricious in terminating a program unless it was not working effectively, but they would also know that if they did not act in good faith, if they did not preserve the secrecy of information, if they did transmit to unauthorized persons restricted data, the Congress could step in and terminate the arrangement. That is all I am trying to do.

Mr. COLE of New York. Frankly, I do not see where such a threat of canceling an agreement would persuade any participating nation to be more inclined or determined to carry it out.

Mr. JUDD. That would not be the main purpose. The main purpose, of course, would be to protect the United States, and keep the protection in the basic body responsible therefor, the Congress.

Mr. COLE of New York. I have not any doubt that if one of these agreements is not carried out fully by participating nations the contract is going to be canceled by this Government.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I am wondering because of the importance of having something written in the bill whether there is any corresponding provision as writing into the agreement that the President will confirm an arrangement whereby he may cancel or any indication that he will cancel? Is that in 123?

Mr. COLE of New York. I may say to the gentlewoman from Illinois it was proposed to section 123 originally. It was proposed that the agreement itself would carry a provision that the contract might be canceled at any time by the President if he felt it was in our national interest not to continue. However, representatives from the State Department were in opposition to that provision. Section 123 does require that the terms of the agreement are contained before section 123 is adopted, and those terms may contain an authority for the President to cancel.

Mrs. CHURCH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, during my complete study of this bill, the one question that has seemed to me to be the most important deals with this matter of how agreements may be terminated if conditions demand that in our wisdom we do wish them so terminated. I would be willing to have accepted the original provision in paragraph 123 to which the chairman has just referred—namely provision that the President be empowered to cancel an agreement. I have for 2 years sat while mutual security bills were written with the greatest of care; and at no time during any discussion when we were providing either economic aid or military materiel has there been any feeling that it would deter the program or cause ill will if, in the protection of our own safety, we put in a provision to cancel on the authority of the Congress. I would not think that the inclusion of such a protective clause in this present matter, where we are offering something infinitely more important than we have under the mutual security program, would do anything but serve the interests of this country. I would certainly hope, although it does not seem probably to be the case, that the amendment offered by the gentleman from Pennsylvania would be accepted, if not in this particular section of the bill, at least in paragraph 123. If that would not be possible, I would urge the adoption of the earlier committee suggestion that provision be written in the bill in paragraph 123 empowering the President to cancel agreements. I can foresee, though I do not like to anticipate such an occasion, a situation arising where we might wish to terminate the gift of this fissionable material or even advice or information; and I cannot see it to be anything but a necessary protection when we are giving such valuable information, such valuable material, to other countries for us to write into this bill some such provision as either the gentlemen from Pennsylvania or the committee has originally suggested.

Mr. JUDD. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Minnesota.

Mr. JUDD. I would like to comment on what the gentleman from New York said. This termination provision was written into the ECA Act in 1948 by the Committee on Foreign Affairs on my own amendment. Every year since then the State Department has sent down its foreign aid bill without the provision. They did it again this year. Every year the Committee on Foreign Affairs has put it back in. The Department never wants any restriction on its power in any respect. But the Committee on Foreign Affairs has nevertheless written it in every single year.

I am sure the Department represented to you that it did not want it. But I cannot see one good reason why we should not put it in. If we can terminate programs supplying tanks and everything else that we giving abroad and have given for all these years, including food supplies, why should we not have that authority with the most important item of all—atomic knowledge and material?

Mrs. CHURCH. I would like to ask the gentleman a question if I may. Do you think in any way that the interpolation of such a safety clause in this bill would cause any more ill will or misunderstanding than might have arisen under the Mutual Security Act, and has it not always been easily accepted as a condition by the recipient country?

Mr. JUDD. It has always been accepted and never caused any trouble. It is like fire insurance. You hope you will never need it, but if you do need it, you are glad to have it.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Pennsylvania.

Mr. FULTON. The reason this provision cannot be put in section 123 is because that section refers to prior conditions. It says, "No cooperation with any nation or regional defense organization shall be undertaken until—." Section 54 that I am putting in says on lines 12 and 13, "pursuant to the terms of an agreement for cooperation to which such nation is a party." Now, you see, this would terminate an agreement in section 54 while the other provisions in section 123, are conditions precedent to the making of agreements. Therefore, I would like the provision in any part of the bill, but I certainly think the Congress should decide whether it, by its own concurrent resolution, wants to cancel or terminate the agreement.

Mrs. CHURCH. I would hope that the House would not deny to the interests of the American people what seems to be most necessary protection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The question was taken; and on a division (demanded by Mr. DURHAM) there were—ayes 64, noes 32.

So the amendment was agreed to.

The Clerk read as follows:

"CHAPTER 7. SOURCE MATERIAL

"SEC. 61. Source material: The Commission may determine from time to time that other material is source material in addition to those specified in the definition of source material. Before making such determination, the Commission must find that such material is essential to the production of special nuclear material and must find that the determination that such material is source material is in the interest of the common defense and security, and the President must have expressly assented in writing to the determination. The Commission's determination, together with the assent of the President, shall be submitted to the joint committee and a period of 30 days shall elapse while Congress is in session (in computing such 30 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days) before the determination of the Commission may become effective: *Provided, however,* That the joint committee, after having received such determination, may by resolution in writing waive the conditions

of or all or any portion of such 30-day period.

"SEC. 62. License for transfers required: Unless authorized by a general or specific license issued by the Commission, which the Commission is hereby authorized to issue, no person may transfer or receive in interstate commerce, transfer, deliver, receive possession of or title to, or import into or export from the United States any source material after removal from its place of deposit in nature, except that licenses shall not be required for quantities of source material which, in the opinion of the Commission, are unimportant.

"SEC. 63. Domestic distribution of source material:

"a. The Commission is authorized to issue licenses for and to distribute source material within the United States to qualified applicants requesting such material—

"(1) for the conduct of research and development activities of the types specified in section 31;

"(2) for use in the conduct of research and development activities or in medical therapy under a license issued pursuant to section 104;

"(3) for use under a license issued pursuant to section 103; or

"(4) for any other use approved by the Commission as an aid to science or industry.

"b. The Commission shall establish, by rule, minimum criteria for the issuance of specific or general licenses for the distribution of source material depending upon the degree of importance to the common defense and security or to the health and safety of the public of—

"(1) the physical characteristics of the source material to be distributed;

"(2) the quantities of source material to be distributed; and

"(3) the intended use of the source material to be distributed.

"c. The Commission may make a reasonable charge determined pursuant to subsection 161 m., for the source material licensed and distributed under subsection 63 a. (1) or subsection 63 a. (2), and shall make a reasonable charge determined pursuant to subsection 161 m., for the source material licensed and distributed under subsection 63 a. (3). The Commission shall establish criteria in writing for the determination of whether a charge will be made for the source material licensed and distributed under subsection 63 a. (1) or subsection 63 a. (2), considering, among other things, whether the licensee is a nonprofit or eleemosynary institution and the purposes for which the source material will be used.

"SEC. 64. Foreign distribution of source material: The Commission is authorized to cooperate with any nation by distributing source material and to distribute source material pursuant to the terms of an agreement for cooperation to which such nation is a party and which is made in accordance with section 123. The Commission is also authorized to distribute source material outside of the United States upon a determination by the Commission that such activity will not be inimical to the interests of the United States.

"SEC. 65. Reporting: The Commission is authorized to issue such rules, regulations, or orders requiring reports of ownership, possession, extraction, refining, shipment, or other handling of source material as it may deem necessary, except that such reports shall not be required with respect to (a) any source material prior to removal from its place of deposit in nature, or, (b) quantities of source material which in the opinion of the Commission are unimportant or the reporting of which will discourage independent prospecting for new deposits.

"SEC. 66. Acquisition: The Commission is authorized and directed, to the extent it deems necessary to effectuate the provisions of this act—

"a. to purchase, take, requistion, condemn, or otherwise acquires supplies of source material;

"b. to purchase, condemn, or otherwise acquire any interest in real property containing deposits of source material; and

"c. to purchase, condemn, or otherwise acquire rights to enter upon any real property deemed by the Commission to have possibilities of containing deposits of source material in order to conduct prospecting and exploratory operations for such deposits.

Any purchase made under this section may be made without regard to the provisions of section 3709 of the Revised Statutes, as amended, upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing by the Commission that advertising is not reasonably practicable. Partial and advanced payments may be made under contracts for such purposes. The Commission may establish guaranteed prices for all source material delivered to it within a specified time. Just compensation shall be made for any right, property, or interest in property, taken, requisitioned, condemned, or otherwise acquired under this section.

"SEC. 67. Operations on lands belonging to the United States: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this act, to issue leases or permits for prospecting for, exploration for, mining of, or removal of deposits of source material in lands belonging to the United States.

"SEC. 68. Public lands:

"a. No individual, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic-energy program, may benefit by any location, entry, or settlement upon the public domain made after such individual, corporation, partnership, or association took part in such project, if such individual, corporation, partnership, or association, by reason of having had such part in the development of the atomic-energy program, acquired confidential official information as to the existence of deposits of such uranium, thorium, or other materials in the specific lands upon which such location, entry, or settlement is made, and subsequent to the date of the enactment of this act made such location, entry, or settlement or cause the same to be made for his, or its, or their benefit.

"b. In cases where any patent, conveyance, lease, permit, or other authorization has been issued, which reserved to the United States source materials and the right to enter upon the land and prospect for, mine, and remove the same, the head of the Government agency which issued the patent, conveyance, lease, permit, or other authorization shall, on application of the holder thereof, issue a new or supplemental patent, conveyance, lease, permit, or other authorization without such reservation. If any rights have been granted by the United States pursuant to any such reservation then such patent shall be made subject to those rights, but the patentee shall be subrogated to the rights of the United States.

"c. Notwithstanding the provisions of the Atomic Energy Act of 1946, as amended, and particularly section 5 (b) (7) thereof, prior to its amendment hereby, or the provisions of the act of August 12, 1953 (67 Stat. 539), and particularly section 3 thereof, any mining claim, heretofore located under the mining laws of the United States, for or based upon a discovery of a mineral deposit which is a source material and which, except for the possible contrary construction of said Atomic Energy Act, would have been locatable under such mining laws, shall, insofar as adversely affected by such possible contrary construction, be valid and effective, in all respects to the same extent as if said mineral deposit were a locatable mineral deposit other than a source material.

"SEC. 69. Prohibition: The Commission shall not license any person to transfer or deliver, receive possession of or title to, or import into or export from the United States any source material if, in the opinion of the Commission, the issuance of a license to such person for such purpose would be inimical to the common defense and security or the health and safety of the public.

Mr. COLE of New York (interrupting the reading of the bill). Mr. Chairman, I venture to ask unanimous consent to dispense with the further reading of this chapter.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. MURRAY and Mr. FORAND objected.

The Clerk concluded the reading of chapter 7.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to call to the attention of the House that the McMahon Act, which reserved to the Federal Government all uranium deposits on all the public and private lands of the United States, is being amended by this bill, and all of the rights which the Federal Government had to those uranium deposits are now being removed. It is now open for settlement by prospectors and others. This is in effect a very important section. I call to your attention that it has been read rapidly. There has been no explanation given of it. There has been no debate on it. There was little testimony given to the committee. You have given away all of the uranium mineral rights which were withheld for the people of the United States by the McMahon Act. That is now open for entry just like lead and silver and anything else.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Indiana.

Mr. HALLECK. I think in all fairness it ought to be said that the gentleman and many others have been speaking for the past 3 or 4 weeks on the provisions of this bill and explaining what is in it. We have been reading about it in the papers from the folks on the other side of the Capitol who have been debating.

Mr. HOLIFIELD. That is right.

Mr. HALLECK. I do believe the matter has been given a lot of careful consideration.

Mr. HOLIFIELD. I am not going to speak on it, I am just calling it to the attention of the House. I will be very frank that this is one section of the bill which I have not been able to study enough to master it. I am very frank in saying that. I do not feel qualified to speak on these particular sections because my time was spent in trying to understand other sections of the bill.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. COLE of New York. It is correct, is it not, that the provisions of this

chapter to which the gentleman has directed our attention are contained in a bill which was considered by the House Committee on Interior and Insular Affairs' Subcommittee on Mines? The bill was considered here in the House this year, I believe, and was adopted.

Mr. HOLIFIELD. I understand that some of the provisions are identical with that. I believe there is extraneous material, is there not, in these sections that was not in that bill. I am not sure. I am asking for information.

Mr. COLE of New York. I am not certain of the gentleman's question.

Mr. HOLIFIELD. I think there were also some provisions of the bill that a Member of the other body had.

Mr. COLE of New York. My point is that this subject matter has been carefully considered, or presumably carefully considered by the committee of Congress having jurisdiction over public lands, and that the House has approved the recommendations of that committee.

Mr. HOLIFIELD. If it is identical, why is it in this bill?

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Montana.

Mr. D'EWART. The Committee on Interior and Insular Affairs tried to deal with this matter a year ago. We wrote a temporary bill. It has been in operation for the last year. With the experience that has been gained under that temporary bill this Congress wrote a new bill, which passed the House the other day, has passed the Senate and is now in conference. We are trying with the help of the experts on mining, the experts on oil, and the experts from the Atomic Energy Commission, to write legislation that will protect the mine claims, the oil leases, and the Atomic Energy Commission.

Mr. HOLIFIELD. May I ask the gentleman, if this identical language has been passed by his committee, why are we repassing it in the bill at this time?

Mr. D'EWART. That has to do with public lands. I believe that is contained in our new bill.

Mr. HOLIFIELD. Then I am correct in saying that that portion which is, I believe, section 66 is new language?

Mr. D'EWART. No; that is language which I believe is very largely carried in our bill. I might state that that particular language has been studied very carefully by the gentleman from Colorado [Mr. ASPINALL] on your side, and who is on the Mines and Mining Committee and by others who concede if there was any conflict it would be ironed out. We think there is no conflict. We think this legislation fits into the bill drafted by the Mines and Mining Committee and that one complements the other and that it is in the public interest.

Mr. HOLIFIELD. I am sure the gentleman realizes that I am only doing my duty as a member of the committee in calling these matters to the attention of the membership.

Mr. METCALF. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. METCALF. Is there anything in this bill or any bill that is now in conference from the Interior Committee which will protect the National Parks and National Monuments.

Mr. D'EWART. I hold an amendment in my hand which I will offer as soon as I have the opportunity to do so.

Mr. METCALF. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROGERS of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Colorado: On page 36, line 10, after the words "United States", strike out the period and insert a semicolon and add: *"Provided further,* That no lease or permit shall be awarded until competitive bidding is had pursuant to general regulations issued by the Commission. No lease or permit shall be approved or issued until after notice of the proposed offering for lease or permit has been given in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Commission."

Mr. ROGERS of Colorado. Mr. Chairman, we learned long ago that when the Government deals in business, the only way you can properly meet the issues in business is to put it on a competitive basis. We have learned that that is the best method to approach a problem of this kind. Section 67 on page 36 of the bill deals with the right of the Commission to dispose or issue leases or permits for prospecting to individuals. My amendment to this particular section only says that before they do that they shall give that right only to those who are willing to come in and give to the Government of the United States the highest price for that privilege. May I point out to the membership that when the Atomic Energy Act was passed and all the public lands in certain areas were withdrawn from public entry, it was then given to the Atomic Energy Commission for the purpose of leasing and developing. What happened was that the Commission did not abide by any particular rules so far as competitive bidding is concerned, but on the contrary went out and made deals with individuals to accomplish the removal of the ores from the ground, with the result that there was a great deal of dissatisfaction on the part of those who wanted to engage in this business.

When they would make application and were denied the lease, they immediately charged the Commission with showing favoritism toward individuals rather than looking out after the interests of the United States. And inasmuch as a certain amount of the land, contrary to the statement made by the gentleman from California, remained with the Commission, they are authorized under section 67 to issue leases or permits to individuals without any regard or any restraint whatsoever to develop uranium and other metals necessary to produce the fissionable material.

Therefore, I believe that to be consistent and to have a fair policy, we should treat our own property so that we can get the most money for it. We should put a limitation and a guide and a rule in this bill for the Atomic Energy Commission stating to them that when they do issue these leases, and when they do issue these permits, they should do it by competitive bidding.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. HINSHAW. I wonder if the fact that the Government will own the material to be mined would have any effect on the gentleman's idea as to whether they should bid competitively for the right to mine Government material for the Government.

Mr. ROGERS of Colorado. Yes; for this very simple reason that in the uranium field many operators are willing to pay royalties of from 40 to 60 percent for the right to produce this material.

Mr. HINSHAW. That is on privately owned land.

Mr. ROGERS of Colorado. No, that is on the public domain that has been withdrawn and given to the Atomic Energy Commission. What they did was this: Instead of leasing it out and asking the people how much will you give, 25 percent or 30 percent or 50 percent for the right to produce, they sat down and fixed an arbitrary rule of 15 percent with the result that a large number of people were complaining of the favoritism that was exercised by the office issuing these leases. All I am asking is that when the United States Government in connection with the development of its property issues a lease or when it issues a permit they do it on a competitive basis, like they do when they start out to buy any property or anything else. We have it in connection with coal lands, we have had it in connection with many other things.

Mr. HINSHAW. I can see where you would have to have it in connection with coal lands; but this is a case where the Government is the only purchaser of the product.

Mr. ROGERS of Colorado. Yes; but let me point out to you that in the practice they have used heretofore, instead of making the best deal with an individual who would gladly and willingly pay to them 40 percent of what they produce as a royalty, they fixed an arbitrary figure much lower.

Mr. COLE of New York. Mr. Chairman, I move to strike the last word, only to indicate that the suggestion made by the gentleman from Colorado appears to have considerable merit. It is a phase of atomic energy which I think should be more properly considered by the committee of the House dealing with the subject of public lands and mines. In order that the thought may be given current consideration by the mining people in Government and on the Committee on Mines and Mining, I am prepared to accept the amendment so that it will be kept alive for further consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. ROGERS].

The amendment was agreed to.

Mr. D'EWART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. D'EWART: On page 36, line 10, change the period to a colon

and add the following: *"Provided further,* That such leases or permits may be issued for lands administered for national park and national monument purposes only when the President by Executive order declares that the requirements of national defense make such action necessary."

Mr. COLE of New York. Mr. Chairman, if it will aid the gentleman and expedite the matter, may I say that I am prepared to accept the amendment.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from California.

Mr. HOLIFIELD. I am in favor of the gentleman's amendment. Does this protect the national park lands from commercial entry unless they get a specific order from the President to go in and file on the lands within the public parks and monuments?

Mr. D'EWART. As far as fissionable materials are concerned.

Mr. HOLIFIELD. As far as fissionable materials are concerned, but does it leave it open for other minerals, or is it already open?

Mr. D'EWART. There are specific laws that cover mining inside of national parks only by special permission. The regular mining laws do not apply to national parks or monuments, but there can be mining under certain circumstances under other laws. This applies to fissionable material.

Mr. HOLIFIELD. Your amendment does not change or nullify any of the protection of the other laws?

Mr. D'EWART. Not in any way.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. D'EWART].

The amendment was agreed to.

The Clerk read as follows:

"CHAPTER 8. BYPRODUCT MATERIAL

"SEC. 81. Domestic distribution: No person may transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, own, possess, import, or export any byproduct material, except to the extent authorized by this section or by section 82. The Commission is authorized to issue general or specific licenses to applicants seeking to use byproduct material for research or development purposes, for medical therapy, industrial uses, agricultural uses, or such other useful applications as may be developed. The Commission may distribute, sell, loan, or lease such byproduct material as it owns to licensees with or without charge: *Provided, however,* That, for byproduct material to be distributed by the Commission for a charge, the Commission shall establish prices on such equitable basis as, in the opinion of the Commission, (a) will provide reasonable compensation to the Government for such material, (b) will not discourage the use of such material or the development of sources of supply of such material independent of the Commission, and (c) will encourage research and development. In distributing such material, the Commission shall give preference to applicants proposing to use such material either in the conduct of research and development or in medical therapy. Licensees of the Commission may distribute byproduct material only to applicants therefor who are licensed by the Commission to receive such byproduct material. The Commission shall not permit the distribution of any byproduct material to any licensee, and shall recall or order the recall of any distributed material from any licensee, who is not equipped to observe or who fails to observe such safety standards to protect health as may be established by the Commission or who uses such material in violation of law or regulation of the Commission or in a manner other than as disclosed in the application therefor or approved by the Commission. The Commission is authorized to establish classes of byproduct material and to exempt certain classes or quantities of material or kinds of uses or users from the requirements for a license set forth in this section when it makes a finding that the exemption of such classes or quantities of such material or such kinds of uses or users will not constitute an unreasonable risk to the common defense and security and to the health and safety of the public.

"SEC. 82. Foreign distribution of byproduct material:

"a. The Commission is authorized to cooperate with any nation by distributing byproduct material, and to distribute byproduct material, pursuant to the terms of an agreement for cooperation to which such nation is party and which is made in accordance with section 123;

"b. The Commission is also authorized to distribute byproduct material to any person outside the United States upon application therefor by such person and demand such charge for such material as would be charged for the material if it were distributed within the United States: *Provided, however,* That the Commission shall not distribute any such material to any person under this section if, in its opinion, such distribution would be inimical to the common defense and security: *And provided further,* That the Commission may require such reports regarding the use of material distributed pursuant to the provisions of this section as it deems necessary.

"c. The Commission is authorized to license others to distribute byproduct material to any person outside the United States under the same conditions, except as to charges, as would be applicable if the material were distributed by the Commission.

"CHAPTER 9. MILITARY APPLICATION OF ATOMIC ENERGY

"SEC. 91. Authority:

"a. The Commission is authorized to—

"(1) conduct experiments and do research and development work in the military application of atomic energy; and

"(2) engage in the production of atomic weapons, or atomic weapon parts, except that such activities shall be carried on only to the extent that the express consent and direction of the President of the United States has been obtained, which consent and direction shall be obtained at least once each year.

"b. The President from time to time may direct the Commission (1) to deliver such quantities of special nuclear material or atomic weapons to the Department of Defense for such use as he deems necessary in the interest of national defense or (2) to authorize the Department of Defense to manufacture, produce, or acquire any atomic weapon or utilization facility for military purposes: *Provided, however,* That such authorization shall not extend to the production of special nuclear material other than that incidental to the operation of such utilization facilities.

"SEC. 92. Prohibition: It shall be unlawful for any person to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, import, or export any atomic weapon, except as may be authorized by the Commission pursuant to the provisions of section 91. Nothing in this section shall be deemed to modify the provisions of subsection 31 a. or section 101.

"CHAPTER 10. ATOMIC ENERGY LICENSES

"SEC. 101. License required: It shall be unlawful, except as provided in section 91, for any person within the United States to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, import, or export any utilization or production facility except under and in accordance with a license issued by the Commission pursuant to section 103 or 104.

"SEC. 102. Finding of practical value: Whenever the Commission has made a finding in writing that any type of utilization or production facility has been sufficiently developed to be of practical value for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.

"SEC. 103. Commercial licenses:

"a. Subsequent to a finding by the Commission as required in section 102, the Commission may issue licenses to transfer or receive in interstate commerce, manufacture, produce, transfer, acquire, possess, import, or export under the terms of an agreement for cooperation arranged pursuant to section 123, such type of utilization or production facility. Such licenses shall be issued in accordance with the provisions of chapter 16 and subject to such conditions as the Commission may by rule or regulation establish to effectuate the purposes and provisions of this act.

"b. The Commission shall issue such licenses on a nonexclusive basis to applicants (1) whose proposed activities will serve a useful purpose proportionate to the quantities of special nuclear material or source material to be utilized; (2) who are equipped to observe and who agree to observe such safety standards to protect health and to minimize danger to life or property as the Commission may by rule establish; and (3) who agree to make available to the Commission such technical information and data concerning activities under such licenses as the Commission may determine necessary to promote the common defense and security and to protect the health and safety of the public. All such information may be used by the Commission only for the purposes of the common defense and security and to protect the health and safety of the public.

"c. Each such license shall be issued for a specified period, as determined by the Commission, depending on the type of activity to be licensed, but not exceeding 40 years, and may be renewed upon the expiration of such period.

"d. No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 123, or except under the provisions of section 109. No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

"SEC. 104. Medical therapy and research and development:

"a. The Commission is authorized to issue licenses for utilization facilities for use in medical therapy. In issuing such licenses the Commission is directed to permit the widest amount of effective medical therapy possible with the amount of special nuclear material available for such purposes and to impose the minimum amount of regulation consistent with its obligations under this act to promote the common defense and security and to protect the health and safety of the public.

"b. The Commission is authorized to issue licenses for utilization and production facilities involved in the conduct of research and development activities leading to the

demonstration of the practical value of such facilities for industrial or commercial purposes. In issuing licenses under this subsection, the Commission shall impose the minimum amount of such regulations and terms of license as will permit the Commission to fulfill its obligations under this act to promote the common defense and security and to protect the health and safety of the public and will be compatible with the regulations and terms of license which would apply in the event that a commercial license were later to be issued pursuant to section 103 for that type of facility. In issuing such licenses, priority shall be given to those activities which will, in the opinion of the Commission, lead to major advances in the applicaton of atomic energy for industrial or commercial purposes.

"c. The Commission is authorized to issue licenses for utilization and production facilities useful in the conduct of research and development activities of the types specified in section 31 and which are not facilities of the type specified in subsecton 104 b. The Commission is directed to impose only such minimum amount of regulation of the licensee that the Commission finds will permit the Commission to fulfill its obligations under this act to promote the common defense and security and to protect the health and safety of the public and will permit the conduct of widespread and diverse research and development.

"d. No license under this section may be given to any person for activities which are not under or within the jurisdiction of the United States, except for the export of production or utilization facilities under terms of an agreement for cooperation arranged pursuant to section 123 or except under the provisions of section 109. No license may be issued to any corporation or other entity if the Commission knows or has reason to believe it is owned, controlled, or dominated by an alien, a foreign corporation, or a foreign government. In any event, no license may be issued to any person within the United States if, in the opinion of the Commission, the issuance of a license to such person would be inimical to the common defense and security or to the health and safety of the public.

"SEC. 105. Antitrust provisions:

"a. Nothing contained in this act, including the provisions which vest title to all special nuclear material in the United States, shall relieve any person from the operation of the following acts, as amended, 'An act to protect trade and commerce against unlawful restraints and monopolies' approved July 2, 1890; sections 73 to 77, inclusive, of an act entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes' approved August 27, 1894; 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes' approved October 15, 1914; and 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes' approved September 26, 1914. In the event a licensee has been found by a court of competent jurisdiction, either in an original action in that court or in a proceeding to enforce or review the findings or orders of any Government agency having jurisdiction under the laws cited above, to have violated any of the provisions of such laws, the Commission may suspend, revoke, or take such other action as it may deem necessary with respect to any license issued by the Commission under the provisions of this act.

"b. The Commission shall report promptly to the Attorney General any information it may have with respect to any utilization of special nuclear material or atomic energy which appears to violate or to tend toward the violation of any of the foregoing acts, or to restrict free competition in private enterprise.

"c. The Commission shall, prior to the issuance of any license under section 103, notify the Attorney General and the Federal Trade Commission of the proposed license and the proposed terms and conditions thereof, except such classes or types of licenses as the Commission, with the approval of the Attorney General, may determine would not significantly affect the licensee's activities under the antitrust laws. If the Attorney General or the Federal Trade Commission believes that the proposed license would tend to create or maintain a situation inconsistent with the antitrust laws, the applicant may file a petition with the Federal Trade Commission for a hearing under section 5 (b) of the act of September 26, 1914, as amended, asking for a declaration as to whether or not the proposed license would tend to create or maintain a situation inconsistent with the antitrust laws. The Attorney General and the Commission may appear in the hearing before the Federal Trade Commission and present evidence. With respect to antitrust matters the Commission shall be bound by the determination of the Federal Trade Commission and may not issue a license to the applicant if the Federal Trade Commission finds that the proposed license would tend to create or maintain a situation inconsistent with the antitrust laws. All parties to the hearings may appeal the Federal Trade Commission's determination in accordance with the procedures established by law for the judicial review of such determination.

"SEC. 106. Classes of facilities: The Commission may—

"a. group the facilities licensed either under section 103 or under section 104 into classes which may include either production or utilization facilities or both, upon the basis of the similarity of operating and technical characteristics of the facilities;

"b. define the various activities to be carried on at each such class of facility; and

"c. designate the amounts of special nuclear material available for use by each such facility.

"SEC. 107. Operator's licenses: The Commission shall—

"a. prescribe uniform conditions for licensing individuals as operators of any of the various classes of production and utilization facilities licensed in this act;

"b. determine the qualifications of such individuals;

"c. issue licenses to such individuals in such form as the Commission may prescribe; and

"d. suspend such licenses for violations of any provision of this act or any rule or regulation issued thereunder whenever the Commission deems such action desirable.

"SEC. 108. War or national emergency: Whenever the Congress declares that a state of war or national emergency exists, the Commission is authorized to suspend any licenses granted under this act if in its judgment such action is necessary to the common defense and security. The Commission is authorized during such period, if the Commission finds it necessary to the common defense and security, to order the recapture of any special nuclear material distributed under the provisions of subsection 53 a., or to order the operation of any facility licensed under section 103 or 104, and is authorized to order the entry into any plant or facility in order to recapture such material, or to operate such facility. Just compensation shall be paid for any damages caused by the recapture of any special nuclear material or by the operation of any such facility.

"SEC. 109. Component parts of facilities: With respect to those utilization and production facilities which are so determined by the Commission pursuant to subsection 11 p. (2) or 11 w. (2) the Commission may (a) issue general licenses for activities required to be licensed under section 101, if the Commission determines in writing that such general licensing will not constitute an unreasonable risk to the common defense and security, and (b) issue licenses for the export of such facilities, if the Commission determines in writing that each export will not constitute an unreasonable risk to the common defense and security.

"SEC. 110. Exclusions: Nothing in this chapter shall be deemed—

"a. to require a license for (1) the processing, fabricating, or refining of special nuclear material, or the separation of special nuclear material, or the separation of special nuclear material from other substances, under contract with and for the account of the Commission; or (2) the construction or operation of facilities under contract with and for the account of the Commission; or

"b. to require a license for the manufacture, production, or acquisition by the Department of Defense of any utilization facility authorized pursuant to section 91, or for the use of such facility by the Department of Defense or a contractor thereof."

Mr. HALLECK (interrupting the reading of the bill). Mr. Chairman, this is a rather long chapter. I ask unanimous consent that the chapter be considered as read and printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. FORAND and Mr. MURRAY objected.

Mr. COLE of New York. Mr. Chairman, I offer a committee amendment. I think the RECORD should show that applause has just been expressed by members of the Committee indicating its approval of the facility of our reading clerk.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 48, line 3, strike out all of paragraph c and insert:

"c. Whenever the Commission proposes to issue any license to any person under section 103, it shall notify the Attorney General of the proposed license and the proposed terms and conditions thereof, except such classes or types of licenses, as the Commission, with the approval of the Attorney General, may determine would not significantly affect the licensee's activities under the antitrust laws as specified in subsection 105a. Within a reasonable time, in no event to exceed 90 days after receiving such notification, the Attorney General shall advise the Commission whether, insofar as he can determine, the proposed license would tend to create or maintain a situation inconsistent with the antitrust laws. Upon the request of the Attorney General, the Commission shall furnish or cause to be furnished such information as the Attorney General determines to be appropriate or necessary, to enable him to give the advice called for by this section."

Mr. COLE of New York. Mr. Chairman, as I previously indicated this is an amendment adopted by the joint committee. In substance, it places in the atomic energy law the present provisions of the Federal Property and Administrative Services Act with respect to the enforcement of antitrust activities.

I think it may be of interest to the members of the Committee of the Whole to know that this provision which, as I indicated, is part of the present law, was sponsored by the gentleman from California [Mr. HOLIFIELD] during a Con-

gress a year or two back when he was chairman of a subcommittee of the House Committee on Government Operations.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from California.

Mr. HOLIFIELD. I want to thank the gentleman for his kindly reference to me. It gives me a great deal of gratification to realize that something I have offered, even though it be in the past, is now being accepted.

Mr. COLE of New York Let me assure the gentleman from California that he is entirely too modest. As a matter of fact, I desire to pay deserved tribute to the gentleman from California [Mr. HOLIFIELD]. He has spent many, many long, conscientious hours of hard work and has contributed measurably to the drafting of the bill which is now before us. Many of the provisions which this bill contains were the product of his vision and his judgment. He has contributed largely to this measure. I regret that we could not accept all of his recommendations, but that is, in my judgment, because he asked for too much.

Mr. HOLIFIELD. I thank the gentleman for those kind words.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 42, beginning line 16, strike section 102 and insert in lieu thereof the following:

"SEC. 102. Finding of practical value: Whenever in its opinion any industrial, commercial, or other nonmilitary use of special nuclear material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use, and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations. No license for any utilization or production facility shall be issued by the Commission pursuant to section 103 until after (1) the Commission has made a finding in writing that the facility is of a type sufficiently developed to be of practical value for industrial or commercial purposes; (2) a report of the finding has been filed with the Congress; and (3) a period of 90 days in which the Congress was in session has elapsed after the report has been so filed. In computing such period of 90 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days."

On page 42, in line 23, after the word "Commission", insert the following: "and report to the Congress."

Mr. HOLIFIELD. Mr. Chairman, as the chairman of our committee has told the Committee of the Whole House, at the present time there is no practical-value element in any of the reactors which are being built by the Government. We look forward to the time, as he has said today, when there will be economical power produced in these reactors. This is an amendment which is drawn from a similar amendment in the McMahon Act which gives to the Congress the right to know when a finding of practical value has been made of a type of reactor which will be of practical value in the production of electrical energy that that fact shall be certified to by the Commission and laid before the Congress in 90 days. The President shall be informed and shall transmit a report to the Congress for a period of 90 days, and the Commisson will also at that time indicate the type of legislation which it thinks should be passed to regulate a reactor which has been certified to be of practical value. This is a safeguard so that the Congress will know when that time arrives that there is a problem and that the Congress shall have the right to look at the problem before we go full-fledged into what might be a development which will have a tremendous impact upon investments now in existence, upon coal mining areas and oil producing areas and gas producing areas and other economic factors which will be affected when that time does arrive. I hope the committee will accept this amendment.

Mr. COLE of New York. Mr. Chairman, I feel compelled to resist the amendment offered by the gentleman from California largely because this amendment was proposed by him to the joint committee, and was considered by the joint committee but was not accepted. It should be understood that the substance of the gentleman's proposal is in the existing McMahon Act, and has caused considerable difficulty. That was proposed back in the dark ages of the atomic age in 1945 and 1946 when nobody had any conception about the possible peacetime applications of atomic energy. It was felt at that time before anything was to be done in the peacetime uses of atomic energy, a study should be made by the Commission and a report filed to the Congress to determine what dislocations this peacetime application might cause to our economic system and so forth. Now we have had an experience of 8 or 10 years in this field and we can see it is going to be a gradual progressive development, and that it is not going to be an overnight occurrence that atomic energy is available on a proven basis for commercial application. So the joint committee rejected this proposal. My particular objection to it is that the gentleman's amendment would prohibit the issuance of any commercial license even though a type of reactor has been established as having a practical effect until after a study and report has been made and the President has made his recommendations to the Congress. As an alternative to that, the joint committee wrote into the section of the bill relating to the obligation and responsibility of the joint committee, a duty to have open and public hearings so far as practical and possible at the beginning of each session of the Congress for the first 60 days at which there could be public discussion of progress in this field. That was designed to take the place of this study and report which is recommended by the gentleman from California. So I urge that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was rejected.

Mr. MARSHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL: On page 43, line 16, renumber condition "(3)" as "(4)" and insert a new "(3)" to read:

"(3) who agree, if the license is for facilities for the utilization of special nuclear material for the generation of electric energy for sale to claim no value for such facilities for ratemaking purposes in excess of the net investment in such facilities as defined in the Federal Power Act."

Mr. MARSHALL. Mr. Chairman, this is a comparatively simple amendment. All I am trying to do by this amendment is to provide that in the setting of rates credit shall be given only to the investment. There has been a tendency on the part of some to pad some of the rates. They have been putting in what we might term "extra curricular things" like travel, entertaining, some advertising, and other excess items in the establishment of rates. I am attempting to tie this down in the rate establishment that only those charges can be made in establishing those rates that are related to the direct investment itself.

I hope that the committee in reviewing the amendment that I have offered will see fit to accept it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from California.

Mr. HOLIFIELD. Is it not true that this substantive language is in the Federal Power Act now and relates to any private power company that builds on a Federal dam site? It protects the purchasers of that energy from padded costs in the capital plan investment and, therefore, makes them put their actual costs in when it comes to setting the rates which they can charge for their energy?

Mr. MARSHALL. The gentleman is absolutely correct.

Mr. HOLIFIELD. This would do the same thing for people who build reactors. If it goes in intrastate commerce, due to the fact they are using Federal material in their reactors, this would give the same protection; it would allow the rate which is allowed by the local State commission, but it would only allow it on the actual capital-plan investment and not allow padded costs to enter into the ratemaking structure?

Mr. MARSHALL. The gentleman has spoken so fluently on behalf of my amendment that he has convinced me of its worth.

One of the things that has been of considerable trouble to me in talking to people in my district has been certain charges that have come about because of the cost-plus contracts and 5 percent's. That is what prompted me to introduce this type of amendment to protect the interests of the people of the country in the establishment of rates, tie it down so that some of the incentives that might be open will be removed, in

order that we could have a more equitable rate established, something that would be fair and, certainly, something that I think would be of value to all the people of the United States.

Mr. HOLIFIELD. Is it also true that six States have no public power commission; therefore, if a reactor using Federally owned fissionable material were built in those particular States, the builders of that reactor could charge the limit without any restriction at all by a State commission on the rates they could charge. This would indicate a Federal interest in seeing that the property of the Federal Government was not used to obtain extortionate profits.

Mr. MARSHALL. The gentleman again is correct. I urge the adoption of the amendment.

Mr. DURHAM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

Mr. Chairman, I call the attention of the Members to the fact that this amendment would, in my opinion, go far in regulating your State utility bodies. If you want to accept it on that basis and have the Government interfere in your own State's business, all right, good and well. That is exactly what the amendment does. I do not see where we have much to do with the rates in the States. Let them fix their own rates where they have public-utility bodies. Those States that have not public-utility bodies should have them. In my State we write into the law certain things that the utility bodies can take into consideration in making rates. That is what this amendment does.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Texas.

Mr. RAYBURN. One of the biggest States in the Union, my own State of Texas, has no utilities commission. It has a railroad commission that regulates the railroads and oil companies only and that is all we have in our State.

Mr. DURHAM. I am not particularly objecting to it. I am just calling the attention of the Members to it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Indiana.

Mr. HALLECK. We have had a controversy raging here in the last few years about regulations in respect to the gathering and production of natural gas. Now, I have taken the position that is a matter that needed to be controlled within the State. I am wondering if this amendment is in the direction of that thing which many of us have fought through the years?

Mr. DURHAM. I think we had one about oil offshore, too, as I recall it, did we not?

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Illinois.

Mr. YATES. Is it not true that the sale of this energy in interstate commerce will be under the ratemaking jurisdiction of the Federal Power Commission, and to that extent certainly the amendment should be acceptable because it eliminates any possibility of speculation in fixing a rate base for the computation of costs. The rate base will be calculated exclusively upon the investment in the reactor and in the power facilities. There will be no question about reproduction costs, about the speculation that comes in connection with it, and I think it is a worth-while amendment and should be accepted.

Mr. DURHAM. I am just one of those people that does not want the Federal Government messing with State agencies.

Mr. YATES. Yes. But the Federal Power Commission does not mess in the gentleman's State, does it?

Mr. DURHAM. No. We have a utilities commission.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from California.

Mr. HINSHAW. Is this not sort of an odd way to amend the Federal Power Act?

Mr. DURHAM. Yes.

Mr. HINSHAW. Of course it is.

Mr. YATES. In what way is this an amendment to the Federal Power Act? The gentleman from California a few hours ago told me that the regulatory fees of these reactors would be under the jurisdiction of the Federal Power Commission. Therefore, in what sense is this an additional amendment to the Federal Power Act?

Mr. HINSHAW. I did not say that. I said the jurisdiction rested in the State, unless it is interstate transmission of electric power, and the interstate transmission provides for the Federal Power Commission to set the rate, the value of the property, and all that sort of thing. If it is purely intrastate transmission of power and sale of power, then it is entirely within the regulation of the State.

Mr. YATES. What would the gentleman propose with respect to the interstate transmission of electric power? Would not this amendment be good for that purpose?

Mr. HINSHAW. No.

Mr. YATES. Why not?

Mr. HINSHAW. I do not think it is necessary.

Mr. YATES. Well, the gentleman himself knows that the original cost of a reactor will mount with the passage of time and that the rates will go up correspondingly.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

The question was taken; and on a division (demanded by Mr. MARSHALL) there were—ayes 54, nays 141.

So the amendment was rejected.

Mr. METCALF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. METCALF: On page 44, line 3, add the proviso as follows: "*Provided*, That not less than 2 years' notice in writing from the Commission the United States shall have the right upon and after the expiration of any license to take over and thereafter to maintain and operate any facility or facilities for the utilization of special nuclear material for the generation of electric energy on payment of the net investment of the license in such facilities, with severance damages, if any, in general accordance with the terms of section 14 of the Federal Power Act: *And provided further*, That, if the United States does not exercise its right to take over the facility or facilities on the expiration of any license, States, municipalities, and cooperatives shall have a prior right of acquisition on the same terms in connection with the issuance of a new license for such facility or facilities."

Mr. METCALF. Mr. Chairman, section 103 is the licensing section of the act. It provides for the various licenses to private enterprise to develop the atomic reactor for generation of electric energy and other purposes.

We have heard a good deal today about the fact that there is no need at this time for power regulation. We have heard a good deal about the fact that it may be 5 or 10 years before we need any legislation for power regulation.

The amendment I have submitted is the recapture clause of the Federal Power Act which provides that when a private utility is licensed to build a dam in a navigable stream, at the end of the licensing period the United States may recapture that dam; or, if the United States does not want the dam, then a State or municipality or public-utility district may take over the license and operate it. It is as simple as that. It is the same provision that we have in the Federal Power Act.

The whole proposition here, as has been outlined by the gentlemen on my left is this. They say that we are today at the point where we were in the development of hydroelectric power in 1906. We are faced with this business of starting to give it away little by little. All right—we are giving it away little by little, maybe we are giving all of it away. But let us not throw away the key. Let us have one little string attached to it so that 40 years from now or 30 years from now or whenever the licensing period expires, if the United States wants that facility, or if some public agency or cooperative or municipality wants that facility, upon the payment of just compensation, including severance damages to the utility or the agency that is being licensed, the United States Government or one of these public agencies may take it over.

We are not making the decision today. We would not be making it even 10 years from now. We would be making it at the end of the licensing period which would be up to 40 years. We are reserving the right to make it by including a recapture clause in our contracts and licenses.

Forty years from now, if the Government wants these facilities, let us give the Government the chance to get them back. That is all I am asking by this amendment. It is already the law in the licensing section of the Federal Power Act and should be adopted as the law for licensing domestic commercial development of the atomic program.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to the amendment, but before expressing my opposi-

tion, I feel I should compliment the proponents of public power for their persistence and their determination. This is one of the score of amendments which I mentioned 8 hours ago. It is proposed and designed to put the Atomic Energy Commission in the power business, or to make application of certain phases of the Federal power law applicable to atomic energy. It is an amendment that should not be approved.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Montana [Mr. METCALF].

The amendment was rejected.

The Clerk read as follows:

"CHAPTER 11. INTERNATIONAL ACTIVITIES

"SEC. 121. Effect of international arrangements: Any provision of this act or any action of the Commission to the extent and during the time that it conflicts with the provisions of any international arrangement made after the date of enactment of this act shall be deemed to be of no force or effect.

"SEC. 122. Policies contained in international arrangements: In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any international arrangement made after the date of enactment of this act.

"SEC. 123. Cooperation with other nations: No cooperation with any nation or regional defense organization pursuant to sections 54, 57, 64, 82, 103, 104, or 144 shall be undertaken until—

"a. the Commission or, in the case of those agreements for cooperation arranged pursuant to subsection 144 b., the Department of Defense has approved the proposed agreement for cooperation, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained; (3) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose; and (4) a guaranty by the cooperating party that any material or any restricted data to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

"c. the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee and a period of 30 days has elapsed while Congress is in session (in computing such 30 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days).

"SEC. 124. International atomic pool: The President is authorized to enter into an international arrangement with a group of nations providing for international cooperation in the nonmilitary applications of atomic energy and he may thereafter cooperate with that group of nations pursuant to sections 54, 57, 64, 82, 103, 104, or 144 a.: *Provided, however,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123.

Mr. HOLIFIELD. Mr. Chairman, I have three amendments to offer, and in order to facilitate the action of the House, because these amendments all have to do with the same subject, I ask unanimous consent that these three amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. HOLIFIELD:

On page 52, in line 12, strike the word "approved" and insert in lieu thereof the following: "submitted to the President."

On page 52, in line 22, after the word "purpose" and before the semicolon insert the following: "except where the President determines that such uses will bring reciprocal benefits and be otherwise advantageous to the United States."

On page 53, in line 16, before the period, insert the following: "after which period of time the agreement shall take effect."

Mr. HOLIFIELD. Mr. Chairman, these three amendments, I think, correct this section and remove a very strange situation.

In the first case, I call the attention of the House to the fact that in line 10 the Commission can veto an agreement by the President. This amendment, in place of having the Commission and the Department of Defense approve a cooperation agreement by the President, would have them submit to the President their recommendations. I think that is the constitutional way it would be, anyway. I doubt very much if they could disapprove a cooperation agreement by the President. Anyway, I do not think this body wants to put the Atomic Energy Commission in the position where it can veto a cooperation agreement with other nations which has been entered into by the President.

That is what the first amendment will do.

The second amendment, on page 52, line 22, after the language "a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose," insert the words "except where the President determines that such uses will bring reciprocal benefits and be otherwise advantageous to the United States."

This provides that if we would give England, for instance, some material to use in their research and development reactors, and they had already progressed in the development of a certain type of weapon, the President could make an arrangement whereby we would have access to that weapon provided the President thought it was all right for them to use this in research and development of the weapon. In other words, it allows the President to have a hand in making a trade with a nation like England, which has, incidentally, some very fine scientists, some very fine reactors, and some very fine scientific laboratories. It would leave it to the President in his discretion if he could make a trade which would be advantageous to the United States.

Then on page 53 it provides that after an agreement has been before the joint committee of the Congress for 30 days that the agreement shall take effect. It just completes that section of the bill and does what, I think, the committee wants it to do. I will ask the chairman of the committee at this time if he understands the import of my amendments, and if he has any objections to them.

Mr. COLE of New York. I confess to the gentleman that I did not see the gentleman's amendments until this very moment.

Mr. HOLIFIELD. I left those amendments with the staff at least a week ago—all of these amendments.

Mr. COLE of New York. So I suspect these are amendments suggested by the gentleman at the last meeting of the joint committee, which the committee did not consider. I can see no objection to 1 or 2 of the gentleman's proposals, but I do see serious objection to one of the proposals.

Mr. HOLIFIELD. Which one is that, please?

Mr. COLE of New York. That is the one which would place an exception upon a condition which is required to be contained in these agreements. That condition is carried on page 52, line 18, under item (3) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons or for research on or development of atomic weapons or for any other military purpose.

The gentleman would make an exception of that in case the President determines that such use will bring reciprocal benefits or might be otherwise advantageous to the United States.

Mr. HOLIFIELD. That is right. This would frankly put our reliance on the President that if he can make a trade or if he saw a trade which could be made with scientists of Great Britain to get some advantageous knowledge, and the gentleman knows as well as I do that they have knowledge which we do not have, he could make a deal with them on that basis.

Mr. COLE of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would call the attention of the gentleman to the fact that in this particular clause to be required in the contracts, we are not dealing with information—we are talking about special nuclear material.

Mr. HOLIFIELD. That is right.

Mr. COLE of New York. It has been the concept of the committee all along that in this effort to cooperate with other nations in the military field, it should be only with respect to knowledge pertaining to the application or utilization of military weapons, and that the material itself should never be used by a foreign country for a weapon or for use in a research reactor to learn lessons pertaining to military weapons. I fear the gentleman's amendment might be an invitation and an encouragement to some future administration or Government or responsible person to make an exception.

Mr. HOLIFIELD. And possibly the present President.

Mr. COLE of New York. That could be. Of course, it would be contrary at least to the present philosophy of this bill which is to grant no information to foreign countries with respect to important parts of weapons nor to grant to any foreign country any material that would be used for a weapon. So to that extent, I feel the gentleman's amendment is objectionable.

Mr. HOLIFIELD. In that case, if the gentleman has no objection to my first and third amendments, I would ask unanimous consent to withdraw my second amendment from consideration at this time and vote on the first and third because, I believe, they are perfecting amendments.

Mr. COLE of New York. I should also point out to the gentleman that I do have some reservations on the advisability of his fourth amendment.

Mr. HOLIFIELD. We are not considering the fourth one. This is the first and third amendments on the page.

Mr. COLE of New York. You are not proposing to amend section 124 here?

Mr. HOLIFIELD. No; not yet; we are only considering the first three amendments on the page.

Mr. COLE of New York. That is a fair proposition. I will accept two of the gentleman's amendments, if he will yield on the middle one.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to withdraw the amendment on page 52, line 22.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I ask that the amendment on page 52, line 12, and the amendment on page 53, line 16, be voted on at this time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California at page 52, line 12, and on page 53, line 16.

The amendments were agreed to.

Mr. HOLIFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLIFIELD: On page 53, beginning at line 17, strike the wording of section 124 and insert the following in lieu thereof:

"SEC. 124. International atomic pool: The President is authorized to enter into an international arrangement with any nation or number of nations or with an organization representing any or all of such nations providing for international cooperation in the nonmilitary applications of atomic energy. The President is further authorized to request the cooperation of or the use of the services and facilities of the United Nations, its organs, its specialized agencies, or other international organizations in carrying out the purposes of this section. Any agreements made by the United States under the authority of this section with other governments and with international organizations shall be registered with the Secretariat of the United Nations in accordance with the provisions of article 102 of the United Nations Charter. In the event further legislation is necessary to implement an international arrangement authorized by this section, the President shall transmit recommendations therefor to the Congress."

Mr. HOLIFIELD. Mr. Chairman, as I told the committee earlier, section 124, in my opinion, ties the President's hands in the making of any kind of an international agreement for an atomic pool for peacetime purposes. I have explained in some detail why I think it does tie his hands because he can make an international agreement now without the help of section 124, he can make a treaty without the help of section 124 and the provision that he abide by section 123 in the making of a cooperation agreement and the conflict between this provision in section 124 and the definition of "international arrangement" is something I have also asked the committee to consider.

Very frankly, if you want to help the President form an international pool you will accept my amendment. If you want to throw restrictions about his present right to negotiate and place the tortuous and complicated provisions of section 123 on his right to negotiate, then you will vote down my amendment.

Without further explanation, Mr. Chairman, I ask that my amendment be agreed to.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from North Carolina.

Mr. DURHAM. What control would you have under this section 124 which the gentleman has offered in the international pool? Would you have any recovery at all of the fissionable material in any way?

Mr. HOLIFIELD. You can have the same recovery of that that you do in the other sections, which is absolutely none, because you ask that a nation give you a guaranty. If the nation wanted to divert it it could divert the material and break its guaranty. In all the other arrangements the guaranty is the only thing that protects you in getting back your material, and that guaranty can be broken. So you have no other assurance of this than you do in the other arrangements.

Mr. DURHAM. We do not lose complete control of it.

Mr. HOLIFIELD. Yes, you do. When you deliver to a foreign nation you lose control of it. They may tell you they will take care of it, that they will give it back to you, but if they break their agreement it would take an act of war to get it back.

Mr. DURHAM. I do not agree with the gentleman on that. In meeting the United Nations article 102, what does that provide for?

Mr. HOLIFIELD. That provides that any international agreement shall be reported to the United Nations.

Mr. DURHAM. That is all?

Mr. HOLIFIELD. That is my understanding. If we believe in the United Nations, if we believe we should have an international pool, this is your chance to vote for it. If you believe in forcing tortuous provisions on the President to prevent him from having an international pool, notwithstanding the title of section 124, you will vote against my amendment.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I believe there should be an amendment in this act that will provide for continuous observation and review of these agreements and programs by United States representatives so you can follow them up. I have that amendment at the desk now.

Mr. HOLIFIELD. The gentleman is supporting my amendment?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Indiana.

Mr. HALLECK. I wonder if the gentleman proposed this amendment in the committee.

Mr. HOLIFIELD. Yes. All of these amendments were proposed in the committee.

Mr. HALLECK. It was proposed in the committee and voted down in committee?

Mr. HOLIFIELD. No. I proposed it to the committee so that the staff and the chairman and the members of the committee would have access to it.

Mr. HALLECK. Was it ever considered in the committee?

Mr. HOLIFIELD. I do not believe it was considered.

Mr. JAVITS. Mr. Chairman, I offer a substitute for the gentleman's amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS as a substitute for the amendment offered by Mr. HOLIFIELD:

"SEC. 124. International Atomic Pool. Notwithstanding the provisions of section 123 the President is authorized to enter into an international arrangement with a group of nations providing for international cooperation in the nonmilitary applications of atomic energy and he may therefore cooperate with that group of nations pursuant to sections 54, 57, 64, 82, 103, 104, or 144a."

Mr. JAVITS. Mr. Chairman, all that my amendment does is to untie section 124 from section 123; that, I believe, is the only legitimate purpose which should be served by the Holifield amendment. That is why I have offered mine as a substitute. I think when you tie in the whole recital about the United Nations and everything else Mr. HOLIFIELD's amendment contains, it makes people unduly suspicious, whereas the motive seems to be very clear, and it is this: There are two ideas to be worked out in this bill. One is cooperation with our allies and with regional organizations of our allies. That is properly covered by section 123. Now, you also have the President's nonmilitary atomic pool proposed, the subject of the historic and momentous speech which captured the world's imagination, probably one of the greatest proposals in foreign affairs of recent years. Now, under my substitute, the President would be able to negotiate untrammeled from any of the conditions in section 123, which relate to a totally different subject, for an international atomic pool; and when he completes his negotiations, he must, as this law provides, and my amendment carries that out to the full, submit that, either as a treaty or as an international agreement, either to the Senate or to both Houses of the Congress, as the case may be.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Illinois.

Mr. PRICE. I want to say that I agree fully with the gentleman from New York. Unless his amendment or the amendment of the gentleman from California is adopted, we cannot truthfully say that this legislation implements the President's proposal.

Mr. JAVITS. It seems to me that we certainly ought to show our confidence in the great proposal which the President has made and leave him untrammeled negotiating authority, knowing that we have full residual rights to approve a treaty or international agreement. What do I mean when I say it complicates it? It complicates it in a strange way against the interest of which the Congress is solicitous. Section 53, page 52, line 15, calls, for example, for a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained. Now, it is doubtful that any such guaranty from the Russians—and those are the people the President was talking about negotiating with—would be acceptable, because it is a paper guaranty. Yet the Russians might say to the President on the nonmilitary international atomic pool, if he negotiated with them, that the Congress said that he could take a paper guaranty.

It seems to me we should give the President full treaty authority in respect of the great proposal which he made to the world without tying it to something that has no relation to it, which is our own relation with our allies on atomic energy like the British, and so forth, or regional organizations like NATO. We take no risks. We certainly strengthen the hands of the President and impose potency in the proposal he made to the free world, the historic significance of which I think we all appreciate. I hope the committee will accept this. It is one of the fine things we can do to strengthen the President's hands not only not jeopardizing our own position but strengthening the position of the Congress indeed, as Mr. FULTON'S amendment did a little while ago.

Mr. HAYS of Arkansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to address this inquiry to the gentleman from New York, the author of the substitute. Is it his purpose to leave to the President the power in the atomic-energy field that he exercises in other areas?

Mr. JAVITS. Mr. Chairman, the gentleman is exactly right, subject to the constitutional limitations with respect to treaties and international agreements.

Mr. HAYS of Arkansas. I listened very carefully to what the gentleman from New York, the chairman of the committee, had to say in general debate and I sensed in his comment on the President's power that he shares the view that the President's power should not be circumscribed. As a matter of fact, there is little difference between us on this principle. All the thoughts that have been expressed seem to converge at least at this point, that we would be eager to preserve the President's constitutional power. Now, that is not platitudinous in the present world situation. I agree with the gentleman regarding the President's position. His address to the newspaper editors and later the address to the United Nations Assembly inspired millions throughout the world.

And, the gentleman knows my attitude on the constitutional question. Whether a Republican or Democratic President is in the White House, I am eager for the legislative body to recognize his authority just as I would expect the Executive to recognize our authority. In the present perils it is important that we leave him a free hand for world leadership, and I, for one, believe that only world leadership vigorously exerted can reach the goals we have in mind. It is the gentleman's viewpoint, as I understand it, that if there is any practical service to be realized by the President's agreements with other nations, it is largely with nations that are definitely on our side in the present cleavage. We are not going to have any agreements with Russia for example within the foreseeable future. Does the gentleman agree with that?

Mr. JAVITS. I certainly do agree with the gentleman, and I feel, therefore, that with the tremendous power which it gives the President to be able to speak and say the things he said, which are responsible for this international pool, that we ought to leave it untrammeled, and yet put conditions in with respect to the people we are going to do business with.

Mr. HAYS of Arkansas. It seems to me that the gentleman's approach is to be preferred to that of my good friend from California [Mr. HOLIFIELD].

The substitute simplifies and improves the section. Since complete clarification is essential, I hope that the gentleman from New York, the chairman, will accept the substitute.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to both amendments. I fear that there is a misunderstanding of the effect and the purpose of section 124. May I assure the Members of the House that this problem gave the joint committee much concern and trouble. We were confronted with two conflicting philosophies:

There was one viewpoint that said that we should do nothing toward disseminating atomic energy information to foreign countries, that is, do nothing toward making available to them knowledge or help with respect to purely nonmilitary uses of atomic energy.

On the other hand, some felt that we should turn everything over to foreign countries, irrespective of the degree of cooperation and assistance and effort which those foreign countries may have displayed toward our mutual endeavor to defend free people against Communist aggression.

The committee, I feel, has struck a rather conservative approach to dealing with this problem. It is an approach which will make possible the carrying out of the President's proposal to create an international atomic pool for peace. On the one hand we say, in section 144 (b), that the President may cooperate unilaterally with an individual country; and there is no limit upon the number of international agreements for cooperation that he may make. He may cooperate bilaterally with as many countries as he wishes. But he is not authorized to enter a multilateral arrangement for cooperation.

Section 124, on the other hand, does invite the President, by way of international arrangement, as defined in the bill, to enter into an international pool consisting of a group of nations.

Having made that international arrangement as envisioned in section 124, then thereafter it is possible for that group of nations to be treated and considered as one nation so far as the provisions of section 123 are concerned. At no time would section 124 limit or circumscribe in any respect, nor is it intended to circumscribe or limit, the authority of the President to enter into any treaty he may wish in the atomic energy field, if that treaty is entered into in the proper constitutional fashion. Nor does section 124 limit his authority to enter into an international compact or international agreement of a lesser stature than a treaty in the atomic energy field. Those avenues of approach are still available to him.

But section 124 does make available a third approach to the Chief Executive by permitting him, and in fact inviting him, to enter into an international arrangement by which these nations of the world, which will be a part of that agreement, will agree to participate in this pool for the dissemination and exchange of information and cooperation under the mechanics set forth in section 123.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. JAVITS. Is it not a fact that if the President does make an international agreement under section 124 he must nevertheless, and in addition, comply with section 123 if the law is left as it is written here?

Mr. COLE of New York. If the President determines to exercise his constitutional authority by way of the provision of section 124, then it must be carried out in accordance with section 123. However, the President may completely ignore section 124, completely ignore section 123, and make whatever international arrangement, treaty, or agreement he may wish.

Mr. JAVITS. Would not the gentleman say that we are unwise to pass a statute which we are inviting the President to ignore?

The CHAIRMAN. The time of the gentleman from New York [Mr. COLE] has expired.

The question is on the substitute offered by the gentleman from New York [Mr. JAVITS] for the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOLIFIELD].

The amendment was rejected.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD:

On page 52, line 7, before the word "No", insert the numeral "(1)."

On page 53, after line 16, insert two new subsections, as follows:

"(2) If the President determines that any agreement for cooperation under any provision of this act—

"(a) is no longer consistent with the national interest or security of the United States; or

"(b) would no longer contribute effectively to the purposes for which such agreement for cooperation was undertaken, he shall terminate such agreement.

"(3) Any agreement for cooperation under any provision of this act may, unless sooner terminated by the President, be terminated by concurrent resolution of the Congress."

Mr. JUDD. Mr. Chairman, this is the amendment to which I referred earlier. It merely puts into this act the same provisions which are in existing legislation for termination by the President or by the Congress of any agreement for cooperation found to be no longer consistent with the national interest or security of the United States.

Mr. COLE of New York. Mr. Chairman, will the gentleman from Minnesota yield?

Mr. JUDD. I yield.

Mr. COLE of New York. In view of the fact that the House has already expressed its feeling on this subject, which in general is carried out by the proposal the gentleman now advances, I am prepared to accept the amendment.

Mr. JUDD. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. FULTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 53, line 2, after the semicolon add: "(5) a guaranty by the cooperating party to permit continuous observation and review by United States representatives of programs authorized under this act, including the utilization of any such material furnished, or provide the United States with full and complete information with respect to these matters as the President may require."

Mr. FULTON. Mr. Chairman, this is a condition which I believe should be attached to the agreements which are to be made with foreign countries. It is a provision which requires the country that receives these nuclear materials to permit the United States to have continuous observation and review by our representatives so that we can see what is going on with these programs once we deliver the materials.

As the act now stands, once we have delivered the materials the foreign country can keep us from observing and from having knowledge of the program. Under our mutual security program, we learned that we should have a provision in the agreement allowing our United States military groups to have the right to follow the programs through so that we could see that the original intent of the agreement was carried out.

Some of these countries secretly might turn and go in different directions than the program was originally instituted for. Under those circumstances, we in the United States should certainly know and should certainly have the power to see what is going on. So that, taking language from the Mutual Security Act, I simply added an extra section, subsection (5), to the requirements of the cooperating nations, that they likewise give us the power to permit continuous observation and review by United States representatives of programs authorized under this act, including the utilization of any materials furnished by the United States, with such full and complete information with respect to these matters as the President may require. It gives the President the right to require under this agreement that we have full information from these countries as the program progresses.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to my colleague on the committee.

Mr. VORYS. Is it not almost inconceivable that the President would make agreements of this nature, with which we are familiar under the Mutual Security Act and other international arrangements, without making such a requirement?

Mr. FULTON. I agree with the gentleman.

Mr. VORYS. And is it also not inconceivable that any nation that is accepting this and going into a pool or going into such an arrangement would have its feelings hurt or would refuse this right of observation and review? It seems to me that this ought to be among the requirements.

Mr. FULTON. And we have learned on the Committee on Foreign Affairs that we need this right of continuous observation and review by United States representatives in the original agreement as the gentleman from Ohio [Mr. VORYS] stated.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. WAINWRIGHT. While I am in sympathy with the gentleman's amendment, I am sure the members of the committee are also in sympathy with it, it seems quite apparent that if your amendment were adopted and some foreign nation gave us the benefit of their information with regard to fissionable material, the same thing would attach to us and we would have their agents running all over this country for inspection purposes.

Mr. FULTON. Of course, I would disagree with the gentleman because under the Mutual Security Act we give arms to foreign nations for mutual programs and we do not permit that stated action in the United States. So it does not follow that they likewise could enter into this country. I do not want to deliver fissionable material without following up on it to see what is being given and how it is being used.

Mr. PRICE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the committee is in error and is making a mistake in considering this legislation on the same basis as the Mutual Security Act. In the Mutual Security Act we are doing almost all the giving. In this act we are thinking of an exchange with foreign nations. I think we took a step backward a few minutes ago when we accepted the amendment offered by the gentleman from Minnesota. I think we ought to get away from the idea that we are working now on the Mutual Security Act. We are thinking here of a mutual exchange of information with friendly foreign nations.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield.

Mr. FULTON. I would like to comment on that because if it is worth while to the United States to have this review and this right of inspection on minor weapons which are given to foreign countries how much more worth while is it for our own United States security to have that right of inspection and review on atomic and fissionable nuclear material.

Mr. PRICE. May I point out to the gentleman from Pennsylvania I am not directing my remarks so much to his amendment as to the prior amendment which the committee accepted.

Mr. FULTON. I hope the gentleman will agree on this amendment.

Mr. PRICE. I am definitely for the strictest type of inspection, but feel there is no need for the amendment offered by the gentleman.

Mr. FULTON. I want inspection.

Mr. PRICE. I agree with the gentleman on that point, but I would just like for us to get away from the idea of pursuing this phase of the bill as though we are considering mutual security legislation where, as we did a moment ago, we accepted an amendment which might be all right in the Mutual Security Act, but which would further handicap the President in an effort to arrange mutual exchange of information with friendly foreign countries.

Mr. DURHAM. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a rather peculiar situation. I do not think we can consider this act on the same basis as we do the Mutual Security Act. It is of an entirely different nature. On the last 2 or 3 amendments that have been offered from the other side, I might say, and I am a little bit surprised because it shows but little confidence in the leadership of our President, that seems to be the attitude. Again I ask you to read the message of the President. What we are trying to do here is to put the President in a position so that he can deal with this thing in a gentlemanly way and not say that we will go over there and we will do this and we will do that and you cannot do this and you cannot do that. This is not a case similar to handing out provisions or handing out money. As the chairman said a few moments ago, much of this is information which has to be dealt with on an entirely different basis. I would not want to find myself in the position here of expressing no confidence in the leadership of our President. I think that is bad. I do not believe we should place these things on that basis. As much respect and confidence as I have in my colleague the gentleman from Minnesota [Mr. JUDD], I feel that we went too far in adopting the amend-

ment a few minutes ago. I expect to oppose it if I am on the conference committee.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Minnesota.

Mr. JUDD. My amendment does not express lack of confidence in the President. My amendment provided, first of all, that if a situation developed where any agreement for cooperation was working in a way contrary to the interests of the United States, the President shall terminate the agreement. That is what my amendment said, the President shall terminate it. In addition, the Congress may terminate it if the President has not terminated it sooner. Suppose one of these countries went Communist, there is no provision in the bill where we could interrupt the cooperation program.

Mr. DURHAM. He can stop it overnight. We cannot pull the information out of the heads of the people. That sort of problem constitutes the major percentage of those cases with which we are dealing.

Mr. JUDD. It is not lack of confidence in the President; it is a declaration of policy. Whenever a program is not working in such a way that it accomplishes the objectives we intended, the President shall terminate it, and if he does not the Congress may.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from New York.

Mr. COLE of New York. If this authority permitted the transfer of fissionable material of sufficient amount to make a weapon, then the fears or apprehensions that have been expressed by the gentleman from Pennsylvania or as represented by his amendment might be justified. But that is not the case. There is no authority here to transfer enough material to make a weapon, therefore inspection is not necessary.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Pennsylvania.

Mr. FULTON. My amendment says when we give them information and when we give them fissionable materials of any amount, that we in the United States have the right to follow up with continuous inspection and supervision of the program to see what they are doing with it, because if the country is starting to go Communist and they are diverting the information or the materials to another country, I think we in the United States for our own security need to know it quickly.

Mr. DURHAM. Does not the gentleman's amendment do this: It says to those people, we will deal with you as long as we please; but when we get miffed, out it comes. And then where are you? You destroy at one swoop all the good relations and goodwill that you have been trying to build up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I demand a division.

The Committee divided and there were—ayes 11, noes 75.

So the amendment was rejected.

The Clerk read as follows:

"CHAPTER 12. CONTROL OF INFORMATION

"SEC. 141. Policy: It shall be the policy of the Commission to control the dissemination and declassification of restricted data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

"a. Until effective and enforceable international safeguards against the use of atomic energy for destructive purposes have been established by an international arrangement, there shall be no exchange of restricted data with other nations except as authorized by section 144; and

"b. The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the fund of technical information.

"SEC. 142.—Classification and declassification of restricted data:

"a. The Commission shall from time to time determine the data, within the definition of restricted data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of restricted data.

"b. The Commission shall maintain a continuous review of restricted data and of any classification guides issued for the guidance of those in the atomic-energy program with respect to the areas of restricted data which have been declassified in order to determine which information may be declassified and removed from the category of restricted data without undue risk to the common defense and security.

"c. In the case of restricted data which the Commission and the Department of Defense jointly determine to relate primarily to the military utilization of atomic weapons, the determination that such data may be published without constituting an unreasonable risk to the common defense and security shall be made by the Commission and the Department of Defense jointly, and if the Commission and the Department of Defense do not agree, the determination shall be made by the President.

"d. The Commission shall remove from the restricted data category such data as the Commission and the Department of Defense jointly determine relates primarily to the military utilization of atomic weapons and which the Commission and Department of Defense jointly determine can be adequately safeguarded as defense information: *Provided, however,* That no such data so removed from the restricted data category shall be transmitted or otherwise made available to any nation or regional defense organization, while such data remains defense information, except pursuant to an agreement for cooperation entered into in accordance with subsection 144b.

"e. The Commission shall remove from the restricted data category such information concerning the atomic-energy programs of other nations as the Commission and the Director of Central Intelligence jointly determine to be necessary to carry out the provisions of section 102 (d) of the National Security Act of 1947, as amended, and can be adequately safeguarded as defense information.

"SEC. 143. Department of Defense participation: The Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee, or prospective licensee of the Commission to permit any employee of an agency of the Department of Defense or of its contractors, or any member of the Armed Forces to have access to restricted data required in the performance of his duties and so certified by the head of the appropriate agency of the Department of Defense or his designee: *Provided, however,* That the head of the appropriate agency of the Department of Defense or his designee has determined, in accordance with the established personnel security procedures and standards of such agency, that permitting the member or employee to have access to such restricted data will not endanger the common defense and security: *And provided further,* That the Secretary of Defense finds that the established personnel and other security procedures and standards of such agency are adequate and in reasonable conformity to the standards established by the Commission under section 145.

"SEC. 144. International cooperation:

"a. The President may authorize the Commission to cooperate with another nation and to communicate to that nation restricted data on—

"(1) refining, purification, and subsequent treatment of source material;

"(2) reactor development;

"(3) production of special nuclear material;

"(4) health and safety;

"(5) industrial and other applications of atomic energy for peaceful purposes; and

"(6) research and development relating to the foregoing:

Provided, however, That no such cooperation shall involve the communication of restricted data relating to the design or fabrication of atomic weapons: *And provided further,* That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 123, or is undertaken pursuant to an agreement existing on the effective date of this act.

"b. The President may authorize the Department of Defense, with the assistance of the Commission, to cooperate with another nation or with a regional defense organization to which the United States is a party, and to communicate to that nation or organization such restricted data as is necessary to—

"(1) the development of defense plans;

"(2) the training of personnel in the employment of and defense against atomic weapons; and

"(3) the evaluation of the capabilities of potential enemies in the employment of atomic weapons,

while such other nation or organization is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security: *Provided, however,* That no such cooperation shall involve communication of restricted data relating to the design or fabrication of atomic weapons except with regard to external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof but not including any data in these categories unless in the joint judgment of the Atomic Energy Commission and the Department of Defense such data will not reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon: *And provided further,* That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 123.

"SEC. 145. Restrictions:

"a. No arrangement shall be made under section 31, no contract shall be made or continued in effect under section 41, and no license shall be issued under section 103 or 104, unless the person with whom such arrangement is made, the contractor or prospective contractor, or the prospective licensee agrees in writing not to permit any individual to have access to restricted data until

the Civil Service Commission shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual, and the Commission shall have determined that permitting such person to have access to restricted data will not endanger the common defense and security.

"b. Except as authorized by the Commission or the General Manager upon a determination by the Commission or General Manager that such action is clearly consistent with the national interest, no individual shall be employed by the Commission nor shall the Commission permit any individual to have access to restricted data until the Civil Service Commission shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual, and the Commission shall have determined that permitting such person to have access to restricted data will not endanger the common defense and security.

"c. In the event an investigation made pursuant to subsections a and b of this section develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Civil Service Commission for its information and appropriate action.

"d. If the President deems it to be in the national interest, he may from time to time cause investigations of any group or class which are required by subsections a and b of this section to be made by the Federal Bureau of Investigation instead of by the Civil Service Commission.

"e. Notwithstanding the provisions of subsections a and b of this section, a majority of the members of the Commission shall certify those specific positions which are of a high degree of importance or sensitivity and upon such certification the investigation and reports required by such provisions shall be made by the Federal Bureau of Investigation instead of by the Civil Service Commission.

"f. The Commission shall establish standards and specifications in writing as to the scope and extent of investigations to be made by the Civil Service Commission pursuant to subsections a. and b. of this section. Such standards and specifications shall be based on the location and class or kind of work to be done, and shall, among other considerations, take into account the degree of importance to the common defense and security of the restricted data to which access will be permitted.

"SEC. 146. General provisions:

"a. Sections 141 to 145, inclusive, shall not exclude the applicable provisions of any other laws, except that no Government agency shall take any action under such other laws inconsistent with the provisions of those sections.

"b. The Commission shall have no power to control or restrict the dissemination of information other than as granted by this or any other law.

"CHAPTER 13. PATENTS AND INVENTIONS

"SEC. 151. Military utilization:

"a. No patent shall hereafter be granted for any invention or discovery which is useful solely in the utilization of special nuclear material or atomic energy in an atomic weapon. Any patent granted, for any such invention or discovery is hereby revoked, and just compensation shall be made therefor.

"b. No patent hereafter granted shall confer any rights with respect to any invention or discovery to the extent that such invention or discovery is used in the utilization of special nuclear material or atomic energy in atomic weapons. Any rights conferred by any patent heretofore granted for any invention or discovery are hereby revoked to the extent that such invention or discovery is so used, and just compensation shall be made therefor.

"c. Any person who has made or hereafter makes any invention or discovery useful: (1) in the production or utilization of special nuclear material or atomic energy; (2) in the utilization of special nuclear material in an atomic weapon; or (3) in the utilization of atomic energy in an atomic weapon, shall file with the Commission a report containing a complete description thereof unless such invention or discovery is described in an application for a patent filed with the Commissioner of Patents by such person within the time required for the filing of such report. The report covering any such invention or discovery shall be filed on or before whichever of the following is the later: either the 90th day after completion of such invention or discovery; or the 90th day after such person first discovers or first has reason to believe that such invention or discovery is useful in such production or utilization.

"d. The Commissioner of Patents shall notify the Commission of all applications for patents heretofore or hereafter filed which, in his opinion, disclose inventions or discoveries required to be reported under subsection 151 c., and shall provide the Commission access to all such applications.

"SEC. 152. Nonmilitary utilization:

"a. The Commission may, after giving the patent owner an opportunity for a hearing, declare any patent to be affected with the public interest if: (1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and (2) the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this act.

"b. Whenever any patent has been declared affected with the public interest, pursuant to subsection 152 a.—

"(1) the Commission is hereby licensed to use the invention or discovery covered by such patent in performing any of its powers under this act; and

"(2) any person may apply to the Commission for a patent license to use the invention or discovery covered by such patent, and the Commission shall grant such patent license to the extent that it finds that the use of the invention or discovery is of primary importance to the conduct of an activity by such person authorized under this act.

"c. Any person—

"(1) who has made application to the Commission for a license under sections 53, 62, 63, 81, 103, or 104, or a permit or lease under section 67;

"(2) to whom such license, permit, or lease has been issued by the Commission;

"(3) who is authorized to conduct such activities as such applicant is conducting or proposes to conduct under a general license issued by the Commission under sections 62 or 81; or

"(4) whose activities or proposed activities are authorized under section 31,

may at any time make application to the Commission for a patent license for the use of an invention or discovery useful in the production or utilization of special nuclear material or atomic energy covered by a patent. Each such application shall set forth the nature and purpose of the use which the applicant intends to make of the patent license, the steps taken by the applicant to obtain a patent license from the owner of the patent, and a statement of the effects, as estimated by the applicant, on the authorized activities which will result from failure to obtain such patent license and which will result from the granting of such patent license.

"d. Whenever any person has made an application to the Commission for a patent license pursuant to subsection 152 c.—

"(1) the Commission, within 30 days after the filing of such application, shall make available to the owner of the patent all of the information contained in such application, and shall notify the owner of the patent of the time and place at which a hearing will be held by the Commission;

"(2) the Commission shall hold a hearing within 60 days after the filing of such application at a time and place designated by the Comimssion; and

"(3) in the event an applicant applies for two or more patent licenses, the Commission may, in its discretion, order the consolidation of such applications, and if the patents are owned by more than one owner, such owners may be made parties to one hearing.

"e. If, after any hearing conducted pursuant to subsection 152 d., the Commission finds that—

"(1) the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy;

"(2) the licensing of such invention or discovery is of primary importance to the conduct of the activities of the applicant;

"(3) the activities to which the patent license are proposed to be applied by such applicant are of primary importance to the furtherance of policies and purposes of this act; and

"(4) such applicant cannot otherwise obtain a patent license from the owner of the patent on terms which the Commission deems to be reasonable for the intended use of the patent to be made by such applicant,

the Commission shall license the applicant to use the invention or discovery covered by the patent for the purposes stated in such application.

"f. The Commission shall not grant any patent license pursuant to subsection 152 e. for any other purpose than that stated in the application. Nor shall the Commission grant any patent license to any other applicant for a patent license on the same patent without an application being made by such applicant pursuant to subsection 152 c., and without separate notification and hearing as provided in subsection 152 d., and without a separate finding as provided in subsection 152 e.

"g. The owner of the patent affected by a declaration or a finding made by the Commission pursuant to subsection 152 b. or 152 e. shall be entitled to a reasonable royalty fee from the licensee for any use of an invention or discovery licensed by this section. Such royalty fee may be agreed upon by such owner and the patent licensee, or in the absence of such agreement shall be determined for each patent license by the Commission pursuant to subsection 156 c.

"h. The provisions of this section shall apply to any patent the application for which shall have been filed before September 1, 1959.

"SEC. 153. Injunctions: No court shall have jurisdiction or power to stay, restrain, or otherwise enjoin the use of any invention or discovery by a patent licensee, to the extent that such use is licensed by subsection 152 b. or 152 e. If, in any action against such patent licensee, the court shall determine that the defendant is exercising such license, the measure of damages shall be the royalty fee determined pursuant to subsection 156 c., together with such costs, interest, and reasonable attorney's fees as may be fixed by the court. If no royalty fee has been determined, the court shall stay the proceeding until the royalty fee is determined pursuant to subsection 156 c. If any such patent licensee shall fail to pay such royalty fee, the patentee may bring an action in any court of competent jurisdiction for such royalty fee, together with such costs, interest, and

reasonable attorney's fees as may be fixed by the court.

"SEC. 154. Prior art: In connection with applications for patents covered by this chapter, the fact that the invention or discovery was known or used before shall be a bar to the patenting of such invention or discovery, even though such prior knowledge or use was under secrecy within the atomic-energy program of the United States.

"SEC. 155. Commission patent licenses: The Commission shall establish standard specifications upon which it may grant a patent license to use any patent held by the Commission or declared to be affected with the public interest pursuant to subsection 152 a. Such a patent license shall not waive any of the other provisions of this act.

"SEC. 156. Compensation, awards, and royalties:

"a. Patent Compensation Advisory Board: The Commission shall designate a Patent Compensation Advisory Board to consider applications under this section. The members of the Board shall receive a per diem compensation for each day spent in meetings or conferences, and all members shall receive their necessary traveling or other expenses while engaged in the work of the Board. The members of the Board may serve as such without regard to the provisions of sections 281, 283, or 284 of title 18 of the United States Code, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which directly involves the Commission or in which the Commission is directly interested.

"b. Eligibility:

"(1) Any owner of a patent licensed under subsections 152 b. or 152 e., or any patent licensee thereunder may make application to the Commission for the determination of a reasonable royalty fee in accordance with such procedures as the Commission by regulation may establish.

"(2) Any person seeking to obtain the just compensation provided in section 151 shall make application therefor to the Commission in accordance with such procedures as the Commission may be regulation establish.

"(3) Any person making any invention or discovery useful in the production or utilization of special nuclear material, who is not entitled to compensation or a royalty therefor under this act and who has complied with the provisions of section 151 c. hereof may make application to the Commission for, and the Commission may grant, an award. The Commission may also, upon the recommendation of the General Advisory Committee, and with the approval of the President, grant an award for any especially meritorious contribution to the development, use, or control of atomic energy.

"c. Standards:

"(1) In determining a reasonable royalty fee as provided for in subsections 152 b. or 152 e., the Commission shall take into consideration: (A) the advice of the Patent Compensation Advisory Board; (B) any defense, general or special, that might be pleaded by a defendant in an action for infringement; (C) the extent to which, if any, such patent was developed through federally-financed research; and (D) the degree of utility, novelty, and importance of the invention or discovery, and may consider the cost to the owner of the patent of developing such invention or discovery or acquiring such patent.

"(2) In determining what constitutes just compensation as provided for in section 151, or in determining the amount of any award under subsection 156 b. (3), the Commission shall take into account the considerations set forth in section 156 c. (1) and the actual use of such invention or discovery. Such compensation may be paid by the Commission in periodic payments or in a lump sum.

"SEC. 157. Nothing in this act shall affect the right of the Commission to require that patents granted on inventions, made or conceived during the course of federally financed research or operations, be assigned to the United States.

"SEC. 158. Saving clause: Any patent application on which a patent was denied by the United States Patent Office under sections 11 (a) 1, 11 (a) 2, or 11 (b) of the Atomic Energy Act of 1946, and which is not prohibited by section 151 of this act may be reinstated upon application to the Commissioner of Patents within 1 year after enactment of this act and shall then be deemed to have been continuously pending since its original filing date: *Provided, however,* That no patent issued upon any patent application so reinstated shall in any way furnish a basis of claim against the Government of the United States.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 63, line 5, strike section 152 in its entirety and substitute therefor the following:

"SEC. 152. Inventions conceived during Commission contracts or other relationship: Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived by any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission, shall be deemed to have been made or conceived by the Commission, except that the Commission may waive its claim to any such invention or discovery if made or conceived by any person at or in connection with any laboratory under the jurisdiction of the Commission as provided in section 33, or under such other circumstances as the Commission may deem appropriate. No patent for any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, shall be issued unless the applicant files with the application, or within 30 days after request therefor by the Commissioner of Patents, a statement under oath setting forth the full facts surrounding the making or conception of the invention or discovery described in the application and whether the invention or discovery was made or conceived in the course of, in connection with, or under the terms of any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission. The Commissioner of Patents shall forthwith forward copies of the application and the statement to the Commission.

"The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable) to be held by the Commission as the agent of and on behalf of the United States.

"If the Commission files such a direction with the Commissioner of Patents, and if the applicant's statement claims, and the applicant still believes, that the invention or discovery was not made or conceived in the course of, in connection with, or under the terms of any contract, subcontract, arrangement, or other relationship with the Commission entitling the Commission to take title to the application or the patent, the applicant may, within 30 days after notification of the filing of such a direction, request a hearing before a Board of Patent Interferences. The Board shall have the power to hear and determine whether the Commission was entitled to the direction filed with the Commissioner of Patents. The Board shall follow the rules and procedures established for interference cases and an appeal may be taken by either the applicant or the Commission from the final order of the Board to the Court of Customs and Patent Appeals in accordance with the procedures governing the appeals from the Board of Patent Interferences.

"If the statement filed by the applicant should thereafter be found to contain false material statements no notification by the Commission that it has no objections to the issuance of a patent to the applicant shall be deemed in any respect to constitute a waiver of the provisions of this section or of any applicable civil or criminal statute, and the Commission may have the title to the patent transferred to the Commission on the records of the Commissioner of Patents in accordance with the provisions of this section."

Mr. COLE of New York. Mr. Chairman, I am fully conscious of my inability to adequately deal with the subject matter of patents, but to me it is of paramount and transcendent importance that the manner in which this bill deals with patents in the atomic-energy field be properly treated. The bill, as presented for the consideration of the House this evening, requires compulsory licensing of patents in the nonmilitary field. As I endeavored to explain to the House a number of hours ago, this is the first time in the history of this country that the Congress would be adopting a law providing for compulsory licensing of patents although many efforts to do so have been made in years past. The argument is advanced by the supporters of the compulsory licensing approach that it is necessary in order to prevent a few companies or those persons who have been engaged in this program from reaping an unjust harvest because of that association with the program. With that objective, I am in complete agreement. But there is another way in which that can be reached without doing utter and complete violence to the traditional patent system that has made this country so great. It will be pointed out that the President in his recommendation to the Congress urged that the law with respect to patents be enlarged to make lawful patents in the atomic-energy field, but that it be circumscribed for the period of the next 5 years by requiring compulsory licenses. I felt so deeply on this subject that I undertook personally to communicate with the President by way of letter pointing out the dangers of such an approach. A short while ago I received a reply from which I will read but one sentence. The letter in effect reiterates the recommendation made by the President at that time, but it carries this additional sentence. I should point out that this reply is not from the President, but from Mr. Bernard M. Shanley, special counsel to the President. I quote from the letter:

THE WHITE HOUSE,
Washington, July 15, 1954.

Hon. STERLING COLE,
House of Representatives,
Washington, D. C.

DEAR MR. COLE: The President asked me to reply to your letter of June 26 with respect to the patent provisions of the proposed amendments of the Atomic Energy Act.

The President is concerned, as I am sure you are, that permitting greater utilization of atomic energy by industry does not result in giving to the limited number of companies which have had contractual relations with the Atomic Energy Commission a monopoly position in this field. For this reason, he felt that it was essential that the act contain some effective mechanism to prevent this situation from arising. Hence, he suggested that the authority which the Atomic Energy Commission now has under the act to require a patent owner to license others to use an invention essential to the peacetime applications of atomic energy be continued for a limited period. This suggestion, however, was not intended to foreclose the consideration and adoption by the Congress of any other effective merchanism that would accomplish the objective that the President had in mind.

With kind regards,

Sincerely yours,

BERNARD M. SHANLEY,
Special Counsel to the President.

The amendment that I have proposed is to the effect that every application for a patent in this field must carry with it a sworn statement by the applicant telling the time and circumstances and conditions under which this invention or discovery was conceived, and if that information discloses that it was during the course of any employment by the Atomic Energy Commission or employment by a contractor of the Commission or in any relationship whatever with the Federal Government that then the Commission may deny to that applicant the right of a patent and declare that that patent is public property—based upon the argument that it was conceived in the course of an association with the Government which was supported by public funds. That to me accomplishes the objective. It prevents anybody at all—everybody whatsoever who has been engaged in this program from obtaining a patent in the nonmilitary field of atomic energy, if that invention or discovery was conceived during the course of any association or relation with the Government. My objection to the compulsory licensing provision is that basically it is clearly in contravention of the Constitution, which says that the Congress may grant exclusive rights to patents and inventions. As you will note, it says "exclusive right." Therefore, a compulsory patent law is a clear violation and infringement of the exclusiveness of a patent.

This subject was a matter of concern when the McMahon Act was considered by the Congress 7, 8, or 10 years ago. It was of such concern that the chairman of the Patent Committee at that time, a man who most of you will recall as being one of the most respected, most lovable and most learned men in this House, whose specialty was in the field of patents, took occasion when this bill was under consideration to take the floor and expound his view. The gentleman to whom I refer was the Honorable Fritz Lanham, of the State of Texas.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VAN ZANDT. Mr. Chairman, I move to strike out the last word and yield to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Chairman, in connection with a proposal that was contained in the McMahon Act dealing with a section requiring compulsory licensing, he said:

It would be much more than a poor pun or a facetious observation to say of the patent section in this bill for the consideration of a bomb that it is "a-bomb-inable." It would sovietize our American system of patents upon which our prosperity and our progress have been founded.

That was the counsel of the one man in the House at that time who I dare say knew more about patents and the significance of our traditional patent system and the development of our industrial economy than any other man in the House at that time or since.

Further than that, it was a matter of such concern to members of the committee of the House having jurisdiction over this subject that it was the sole item contained in an expression of minority views of the Committee on Military Affairs. That expression took violent exception and protest against the adoption of a compulsory licensing system, although I point out it was rather academic because other sections of the McMahon Act prohibited patents. Therefore it was academic. But irrespective of its full force, the Military Affairs Committee or at least a minority of that committee took occasion to criticize it.

It is interesting to see who those Members were at that time in 1946 who opposed it.

First is the gentleman from Michigan [Mr. SHAFER], who is presently a Member. Next, the gentleman from Iowa [Mr. MARTIN], who is still a Member. A former Member from the State of Ohio, a highly respected attorney, Charles Elston. Another former Member from the State of Indiana, who now serves in an official capacity in the other body, Mr. Forest Harness. Dr. IVOR FENTON, of the State of Pennsylvania, opposed compulsory licensing. The Honorable DEWEY SHORT, now chairman of the Committee on Armed Services, raised a word of warning against this step. The Honorable LESLIE ARENDS, present whip of this House, protested against compulsory licensing, and 1 or 2 others.

Mr. Chairman, this is the first step in a most dangerous direction. It will be argued that it is in a very narrow field of nonmilitary utilization of atomic energy, it will be argued that it is only for a short period of time, 5 years. The tragedy is that having taken this step it cannot be retraced. In the future other Congresses will point to the action which we take tonight and say that the Congress in 1954 determined that the public interest required the inauguration of a system of compulsory licensing, therefore we in 1964 can make it 10 years or 20 years or forever, we can make it not only in the atomic area of a patent application but we can make it in electronics, aircraft engines, aircraft frames, any phase of our industrial production. If it is logical in this small area for this short period of time, it must be logical to enlarge it to other areas.

Perhaps the most important argument against compulsory licensing is that it is a reversal of a great tradition. For Congress to enact such a provision into law would be to defile and debase a 150 years of patent precedent. Undoubtedly, there is not a single member sitting in either House who can be certain that the vast industrial success of the United States, our primary defense weapon, is not the direct result of this excellent system. Compulsory licensing will completely alter its basic concepts. In this regard the Congress faces an awesome responsibility when it sets such a precedent.

It is urged that the compulsory licensing provision in H. R. 9757 will serve the public interest by preventing a few companies from capturing certain key patents. I would contend that this provision could have the reverse effect. The industries involved might choose to use their inventions as trade secrets and not patent them. As a result, there would be no publication and no review of the publication by competitors who would immediately set their research effort on the improvement of the primary patent. Trade secrets are common in American industry and are quite successfully concealed. Obviously, the public interest is better served by publication and the incentive to improve upon the primary patent.

It has been urged that the Atomic Energy Act of 1946, as amended, provided for compulsory licensing of certain patents in the atomic energy field, and that therefore it would be a reversal of precedent for the present bill not to contain this provision. It can be clearly shown, however, that this provision in the McMahon Act is a naked grant. The compulsory licensing provision was an unnecessary gratuity on the part of the framers, who may very well have had motives for breaking patent precedent other than the furtherance of nuclear enterprises. Furthermore, it is apparent that since the 7b report was a condition precedent to compulsory licensing, the committee and the Congress would get a second look at the compulsory licensing feature.

The Constitution has established a perfect system of reward for the inventor. It is impossible to fix the price of monetary reward for a particular invention by Constitution or statute because no one can anticipate the value of a particular invention. Therefore, what is the best reward that the Congress and previously the framers of the Constitution could offer to an inventor? Obviously, there is but one answer. The reward is the exclusive right to his invention balanced by the constitutional right vested in Congress to limit the time this right vests. It is therefore urged that compulsory licensing provisions destroy this delicately balanced system of reward and incentive. In line with this reward concept and the value of a patent, it should be considered that patent rights are property rights. They are incorporeal rights. Above all, it should be remembered that they are the most perishable and uncertain of all property. They could be of value one day and valueless the next. How can any reward system be established in regard to elu-

sive property such as this if the exclusive right formula is destroyed.

One of the major arguments through the years by the proponents of compulsory licensing has been that many large companies suppress patents. This argument is rebutted by the contention that suppression is relatively impossible under the patent system because of the necessity for publication. But more important, it can be fully established that both in the hearings before the Oldfield committee of the House in 1912 and in the hearings in March 1938 before the O'Malley committee, no witness presented evidence to prove that suppression had ever existed in major industries in the United States.

In this regard there are two interesting quotations:

Testifying before the Oldfield committee in the House in 1912, Thomas Edison said in this regard:

I myself do not know of a single case.

Dr. Frank B. Jewett, president of the National Academy of Sciences, said in 1943:

Personally during an experience in industry of nearly 40 years, I have never known of a single authenticated case where a valuable invention was willfully suppressed. Nor have I ever known anyone who claimed to know of a single such case.

In a book entitled "There Is No Mystery About Patents," by patent attorney William R. Ballard, there appears the following introduction:

Were it my task as a supersaboteur to destroy America, I should certainly want to begin by disabling her patent system, thus to sterilize her entire industry.

The following is a quote from Ballard, cited above:

A patent does not take something from the public and give it to an individual. On the contrary, a patent is the means of getting something from an individual and giving it to the public.

Another interesting quote is:

Nothing could better promote the progress of any art than to have two or more companies (or individuals) competing under the spur of self-interest to see who could produce and patent the most and best improvements relating to it.

Insofar as compulsory licensing by patentees of certain classes of applicants to the Atomic Energy Commission is concerned, it is my contention that the provisions of section 152 of H. R. 9757 and S. 3690 are unconstitutional. The enactment of such a statutory provision would violate an express limitation upon the power of Congress under the Federal Constitution.

Article I, section 8, clause 8 of the Federal Constitution provides the Congress shall have the power "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." This express power has been frequently exercised by Congress in enacting the various patent statutes commencing in 1790. I maintain that the power of Congress under article I, section 8, clause 8, of the Constitution is subject to the express limitation of securing only "the exclusive right" to duly constituted patentees, and the granting of less than an exclusive right would be inconsistent with the Constitution.

Article VI, clause 2, of the Federal Constitution provides:

This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

Speaking in the case of *Carter* v. *Carter Coal Co.* (298 U. S. 238), Mr. Justice Sutherland said:

The supremacy of the Constitution as law is thus declared without qualification. That supremacy is absolute; the supremacy of a statute enacted by Congress is not absolute but conditioned upon its being made in pursuance of the Constitution. And a judicial tribunal, clothed by that instrument with complete judicial power, and, therefore, by the very nature of the power, required to ascertain and apply the law to the facts in every case or proceeding properly brought for adjudication, must apply the supreme law and reject the inferior statute whenever the two conflict. In the discharge of that duty, the opinion of the lawmakers that a statute passed by them is valid must be given great weight, *Adkins* v. *Children's Hospital* (261 U. S. 525, 544); but their opinion, or the court's opinion, that the statute will prove greatly or generally beneficial is wholly irrelevent to the inquiry. *Schechter* v. *United States* (295 U. S. 495, 549–550).

Recently in the segregation case the Supreme Court held that "separate but equal" was not "equal" under the "equal protection of the laws" clause of the 14th amendment—Brown against Board of Education, decided May 17, 1954. It is equally true that "exclusive but forced to license" is not "exclusive."

No court is authorized to construe a clause of the Constitution, so as to defeat its obvious ends, when another construction, equally accordant with the words, and sense, will enforce and protect them—*Prigg* v. *Pennsylvania* (16 Pet. 612 (1842)).

The words "exclusive" and "right" are clear and unambiguous. Being free from ambiguity, the long-accepted rules of construction demand that we interpret the words by referring to their plain and ordinary meaning. This is construction by literal interpretation.

The plain and ordinary meaning of today is not enough. What was the meaning of these words during the period of the Constitutional Convention? They meant as much if not more than they convey today.[1]

Some modern reference sources contain the following:

Bouvier's Law Dictionary defines "exclusive" as:

(Lat. ex. out, claudere, to shut). Not including; debarring from participation. Shut out; not included. An exclusive right or privilege, as a copyright or patent, is one which may be exercised and enjoyed only by the person authorized, while all others are forbidden to interefere.

Words and Phrases, permanent edition, 15A, "exclusive right," page 213:

The exclusive right of a patent, or the franchise which the patent grants, consists altogether in the right to exclude everyone from making or using or vending the thing patented, without the permission of the patentee. This is all he obtains by his patent. In other words, the right is the right to prevent everyone from making or using or selling the thing patented without his consent. Or, to put it differently, it is the right to sue anyone who so makes, uses, or sells the thing patented. It is not the right to make, or to use, or sell the thing patented. That he has the right to do irrespective of the statute by virtue of the common law (*Hartman* v. *John D. Oark & Sons Co.* (145 F. 358, 363)).

The "exclusive rights" secured by a patent are the right to make, the right to use, and the right to vend the invention it protects. A grant, transfer, or conveyance of these exclusive rights throughout the United States, or a grant of an undivided part of these exclusive rights, or a grant of these exclusive rights throughout a specified part of the United States, is an assignment of an interest in the patent, by whatever name it may be called. A grant, transfer or conveyance of any right of interest less than these is a license (*Paulus* v. *M. M. Buck Mfg. Co.* (129 F. 594, 596, 64 C. C. A. 162), citing *Waterman* v. *Mackenzie* (11 St. Ct. 334, 138 U. S. 252, 255, 256, 34 L. Ed. 923); *Union Switch & Signal Co.* v. *Johnson Railroad Signal Co.* (61 F. 940, 943, 10 C. C. A. 176, 179); *Pickhardt* v. *Packard* (22 F. 530, 532, 23 Blatch, 23)).

By this reference to the plain and ordinary meaning of the words "exclusive right," it is inconceivable that they could mean less than the total privilege to shut out other individuals from participation. This Congress is not empowered to grant less than this.

The Constitution gave the Congress power to grant exclusive rights to ideas and inventions just as it gave to the Congress other powers and prerogatives which historically resided in the sovereign. The English sovereign had complete and sole authority to grant or withhold patents or other sovereign privileges. Yet even the most absolute sovereign could not, for all his power, divide that which is inherently indivisible. No English sovereign has ever been able to bestow a title of nobility binding an individual to the sovereign and at the same time allow such a nobleman to have some degree of loyalty to another sovereign. Neither has any sovereignty—be it king or Congress—any power or ability to grant anything in part if that which is granted is not by its nature divisible. So it is with the exclusive right to ideas and inventions. That right is either exclusive or not exclusive. It cannot be less than exclusive and continue in being. The indivisibility of exclusiveness is not unique. Many words in common usage at the time the Constitution was drafted, and still today, convey a single idea not divisible. To suggest but a few, who can conceive of citizenship, divinity, or virginity, as being less than single and indivisible ideas, however complex may be their definitions?

Were I to concede that a latent ambiguity existed in the constitutional provision, questions of construction would be resolved by determining the intention of

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Footnotes at end of speech.

the framers of the Constitution. I contend that reference sources support the proposition that it was the intent of the Constitutional Convention that the only patent rights which Congress has the power to grant are exclusive rights.

The words "patent" and "copyright" were words of common usage at the time of the Constitutional Convention and long prior thereto.[2]

I refer to the Records of the Federal Convention of 1787, edited by Max Farrand and published in 1911 by the Yale University Press. The words "patent" and "copyright" appeared therein in presentations to the Constitutional Convention.[3]

It is clear that the words "copyright" and "patent" were presented to the Constitutional Convention. They were terms bearing the same connotation as today and of common usage during the period of the Convention and prior thereto. Yet the framers chose the words "exclusive right" in their place.

The definitions in the dictionaries of the period[4] indicate that the phrase "exclusive right" was part of the common definition for the word "patent." It was used rather than the terms "patent and copyright." The terms were thereby interpreted for posterity.

I believe an examination of the possible reasons for this choice of words sheds considerable light on the intention of the Convention.

Some 13 years prior to the Constitutional Convention, in the year 1774, the celebrated English case of *Donaldson* v. *Beckett* (4 Burr 2408, 2 Brd. P. C. 129) was debated in the House of Lords. The issue involved in the case was the nature of the copyright, and question No. 4, which was presented to the lords, was the following:

> Whether the author of any literary composition and his assigns have tht sole right of printing and publishing the same in perpetuity by the common law.

Seven lords replied affirmatively to the question and four replied in the negative. It is therefore apparent that exclusiveness of a copyright was the subject of controversy in the years prior to the Convention. Would it not have been logical for the author of the clause to fear such arbitrary judicial interpretation of the terms and instead supply the interpretation itself?

Apparently Mr. Charles Pinckney, of South Carolina, is to be credited with the authorship of the patent clause in the Constitution.[5] Available sources indicate that Mr. Pinckney was reading law at the Temple in London, England, during or immediately following the period when the case of Donaldson against Beckett was being debated in the House of Lords.[6]

In his native State of South Carolina a clause relating to the granting of patents appeared at the end of a copyright statute.[7] Apparently this clause was the only patent statute then in force in the Colonies, and, in fact, there was no case involving industrial and manufacturing patents which came before a colonial court.[8]

Since Mr. Pinckney was an attorney and undoubtedly aware of the legal controversies of his era and the commingling of the patent and copyright concepts in his State statute, would it not have been logical for him to desire that the controversies concerning the nature of copyrights and patents be quieted by an explicit statement on their nature in the patent clause he suggested?

In the James Wilson version of the so-called Pinckney plan[9] it is noted that he used the words "exclusive right" in another respect. Pinckney proposed that Congress "shall have the exclusive right of coining money." Furthermore, in his published Observations[10] Mr. Pinckney refers to the exclusive right of Congress to regulate the militia.

Considering these references, it becomes difficult to construe Mr. Pinckney's conception of an exclusive right as a right subject to limitation.

In April of 1790, the First Congress, 2d session, enacted the first patent statute. April 10, 1790, Statute 109a. This Congress was closest in point of time to the Constitutional Convention and closest to thinking and intention of the prior group. Some Members of Congress were at the Convention. In this first patent statute in section 1 and section 2 the words "sole and exclusive right" were used in relationship to the grant. The addition of the word "sole" could be regarded as meaningless, since it is synonymous with "exclusive" and the only right Congress was empowered to grant was the "exclusive right." Yet it would appear that the word "sole" was added to fortify the concept of exclusiveness.

In the second patent statute in 1793—February 21, 1793, I Stat. 318, chapter 11—the word "full" was substituted for the word "sole."

In construing the later but almost identical patent laws, Mr. Justice Day, speaking in the case of *Bauer* v. *O'Donnell* (229 U. S. 1) expressed the following:

> The right to make, use, and sell an invented article is not derived from the patent law. This right existed before and without the passage of the law and was always the right of an inventor. The act secured to the inventor the exclusive right to make, use, and vend the thing patented, and consequently to prevent others from exercising like privileges without the consent of the patentees. *Bloomer* v. *McQuewan* (14 How. 539, 549); *Continental Paper Bag Co.* v. *Eastern Paper Bag Co.* (210 U. S. 405, 425).

Speaking elsewhere in the same case, Mr. Justice Day stated:

> In framing the act and defining the extent of the rights and privileges secured to a patentee Congress did not use technical or occult phrases, but in simple terms gave an inventor the exclusive right to make use, and vend his invention for a definite term of years. The right to make can scarcely be made plainer by definition, and embraces the construction of the thing invented. The right to use is a comprehensive term and embraces within its meaning the right to put into service any given invention. And Congress did not stop with the express grant of the rights to make and to use. Recognizing that many inventions would be valuable to the inventor because of sales of the patented machine or device to others, it granted also the exclusive right to vend the invention covered by the letters patent. To vend is also a term readily understood and of no doubtful import. Its use in the statute secured to the inventor the exclusive right to transfer the title for a consideration to others. In the exclusive rights to make, use, and vend, fairly construed, with a view to making the purpose of Congress effectual, reside the extent of the patent monopoly under the statutes of the United States. *Bloomer* v. *McQuewan, supra.*

We have analyzed the intention of the framers of the Constitution, and I would like to call attention to their objective. I believe that the objective is clear and unambiguous and plainly recited in article 1, section 8, clause 8 of the Constitution. Therein it states that the objective is "to promote the progress of science and the useful arts."

Speaking in *Pennock* v. *Dialogue* (2 Pet. 1) Mr. Justice Story said:

> While one great object (of our patent laws) was by holding out a reasonable reward to inventors, and giving them an exclusive right to their inventions for a limited period, to stimulate the efforts of genius; the main object was "to promote the progress of science and useful arts."

Do the compulsory licensing provisions of section 152 of H. R. 9757 implement or defeat this objective? I contend that they tend to defeat it.

Three primary arguments have been made by proponents of compulsory licensing through the years in this matter. They are:

First. The granting of patents in certain situations tends to create monopolies.

Second. The patent grant permits the patentee to retard progress through nonuse of the patent.

Third. In the atomic energy program certain business enterprises have enjoyed an advantageous contractual relationship which could easily gain for them a preferential patent position.

In answer to the first proposal, I refer to the common law.

Monopolies were contrary to and in derogation of the common law and from the time of the Magna Carta, the legislatures and courts of England interfered to repress them and to uphold the rights and liberties of the citizens from being restrained by the English sovereign.

The statute of monopolies in 1623 was declaratory of the common law proposition that monopolies were illegal. The statute of monopolies in section 5 specifically exempted letters patent in grants of privilege as related to true inventors. This exemption under the statute of monopolies is certainly declaratory of the common law. By Lord Coke's definition,[9] a monopolist is one who by report of his exclusive privilege takes something from the public which they had a right to use before the grant of such exclusive privilege. In the case of the inventor, this is not true. He is not taking something from the public which they had before; he is creating something new. His industry, sacrifice, labor, and expenditure produced the new item.

I believe that the logic of the common law is not materially altered in our

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modern situation. I believe a monopoly is still created in the taking of something to which the public had inherent rights, through the use of conspiratorial business practices. This is incompatible with the concept of property right known to patent law whereby a grant is made to the one in whom the property right springs up. I therefore contend that it cannot be argued that the objective of the Constitution is defeated by the allegation that patents create monopolies.

Monopoly situations can arise as a result of unfair and conspiratorial practices in the business relationships of the patentee but I believe there are adequate remedies available to the Federal Government through the use of the antitrust laws.

The activities of patentees which have drawn the most attention of those reformers interested in compulsory licensing, as it relates to the antitrust laws, springs from the secondary aspects of the patent. The abuses, I contend, do not spring up in the "exclusive right" of the patent itself. An example of the type of patent abuse for which remedial legislation has been sought is reflected in the case of the *United States* v. *National Lead Company* ((1947) 67 Sup. Ct. 1634). Here we deal with territorial division, exchanges of patent licenses and patent technology, the making of each party the agent of the other, and an agreement not to contest the validity of each other's patents. These secondary aspects of patent use are subject matter within the purview of the antitrust laws.

I would be constrained to state, however, that the patent right is even superior to these antitrust laws since granting of "exclusive right" is a constitutional provision and is per se superior to the statutes.

It is said that nonuse of a patent tends to defeat the objective of the Constitution. I contend that the opposite is true. The nature of the patent system is such that the invention of a patentee must be published. If the nonuse of the patentee places his competitor in a disadvantageous position, what is the best remedy of the competitor? An easy remedy is the compulsory license; but this does not meet the objective of the Constitution.

The objective is best met by forcing the competitor to find a superior invention, an improvement through due effort and perspicacity comparable to that of the original inventor. The diligent competitor can soon devise and patent a development superior in the art. In this way the objective of the Constitution "to promote the progress of science and useful arts" is met. Through compulsory licensing the objective would be defeated and the sciences and the arts could atrophy.

In this respect Judge Brawley stated, in the case of *Crown Cork & Seal Co.* v. *Aluminum Stopper Co.* (108 F. 845, 870 (C. C. A. 4th, 1901)):

Painter's invention is not one of those great epoch-making discoveries like that of printing, or the steam engine, or the electric telegraph, which opened to their inventors the portals of the Pantheon of the immortals. For such as these the love of fame and the glory of being benefactors of human kind served alike as motive and reward, but to the patient laborer in workshop and factory the incentive of fame and glory is absent. For them the stimulus of the rewards offered by our patent laws is needed to encourage by the hope of profit that zealous eagerness to improve processes, to remedy defects in machinery, to invent new methods and appliances for saving labor and cheapening production in the numberless articles that are in daily use. It is this stimulus that has made the American mechanic the most alert, observant, and studious of any in the world, and it is the indefinite multiplication of these small inventions and improvements that has wrought an industrial revolution and brought his country to the forefront of the world's commerce. It was the consciousness that in the knapsack of every private soldier there might be the baton of a marshal of France that inspired her soldiers to unparalleled achievements. In our unheroic, industrial age the central processes of a nation's life lie in production and distribution. The protection and hope of profit held out by our patent laws inspires that stimulating energy which leads to experiment, invention, and all the resulting benefits; a refusal of that protection in a proper case will deaden and destroy it.

And the First Report of National Patent Planning Commission, House Document 239, page 1, 78th Congress, 1st session, 1943, commented in this regard:

The American patent system established by the Constitution giving Congress the "power to promote the progress of science and useful arts," is over 150 years old. The system has accomplished all that the framers of the Constitution intended. It is the only provision of the Government for the promotion of invention and discovery and is the basis upon which our entire industrial civilization rests.

The American people and their Government should recognize the fundamental rightness and fairness of protecting the creations of its inventors by the patent grant. The basic principles of the present system should be preserved. The system has contributed to the growth and greatness of our Nation; it has—

(1) Encouraged and rewarded inventiveness and creativeness, producing new products and processes which have placed the United States far ahead of other countries in the field of scientific and technological endeavor;

(2) Stimulated American inventors to originate a major portion of the important industrial and basic inventions of the past 150 years;

(3) Facilitated the rapid development and general application of new discoveries in the United States to an extent exceeding that of any other country;

(4) Contributed to the achievement of the highest standard of living that any nation has ever enjoyed;

(5) Stimulated creation and development of products and processes necessary to arm the Nation and to wage successful war;

(6) Contributed to the improvement of the public health and the public safety; and

(7) Operated to protect the individual and small-business concerns during the formative period of a new enterprise.

The strongest industrial nations have the most effective patent systems and after a careful study, the Commission has reached the conclusion that the American system is the best in the world.

It has been argued that there is a grave danger that a few companies which have been intimately associated with the federally financed atomic-energy program would gain a significant patent position if some means is not provided to license whatever ideas those companies may patent in the future. In the first place there have not been just a few companies intimately associated with the atomic-energy program. There have been over 15,000 companies engaged in one way or another over the past decade and a great many of these have acquired new experience and know-how from which they may derive advantage. All of those who have worked for the Government in our atomic-energy program brought to that work their previously acquired know-how, experience, and, in fact, their patents. It has not been possible to pay for all that has been done in dollars. In many cases those who negotiated construction and operating contracts, both for research and development and for production, recognized and took into account that the most significant part of the recompense the contractors would receive would be know-how and future advantage. Therefore, to some extent, whatever advantage these present and past contractors may obtain can be regarded as a present public payment to them for an obligation incurred by the Government in the name of the people in the past.

Those who have expressed concern about the preferential position which may have been gained by an atomic-energy contractor seem to overlook or have no faith in the existing devices to protect against abuses of that advantage. These companies have obtained their know-how and experience in the atomic-energy field under contracts which have contained stringent clauses on the Federal property right to patents. No Government contractor in the atomic-energy program has been free to obtain patents on anything vital in atomic energy. Nor will any of them be able to obtain patents in the future which flow directly from activities financed out of the Public Treasury. Compulsory licensing would be a radical solution to a problem which can be controlled under existing contract law. This Government should not succcumb to the deceptively easy path of imposing an arbitrary penalty on those guilty of abuses of the law.

That adequately, at least so far as time available to me is concerned, covers the subject matter. I urge most strongly that it be adopted.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. I think the gentleman stated that this amendment provides that the Commission may deny a license under certain circumstances. Does the gentleman mean "may" or "shall"?

Mr. COLE of New York. Well, whatever the bill provides.

Mr. MILLER of Kansas. Well, there is a great deal of difference.

Mr. COLE of New York. But since the gentleman has mentioned the Commission, I would point out, and it will be

argued, that this requirement for compulsory licensing was the recommendation of the Atomic Energy Commission. That is true, but it was not the unanimous, unequivocal recommendation of the Commission. They were divided. Some of them protested against it. Some of them wanted unlimited, perpetual compulsory licensing in this field. So, it was recommended as a compromise that this be done. But, bear in mind that it is not the recommendation of the President that compulsory licensing is the only way it can be done, so long as we accomplish the goal of denying unjust enrichment of those in the program, a goal with which I thoroughly agree, a proposal which I submit my amendment will accomplish.

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[1] The dictionary of Dr. Samuel Johnson, entitled "A Dictionary of the English Language," printed in London in 1810, sets forth in part the following definitions:

Exclusive:

"1. Having the power of excluding or denying admission.

"2. Debarring from participation.

"3. Not taking into an account or number; opposed to inclusive.

"4. Excepting."

Right, n. f. as used in this context:

"1. Just claim.

"2. That which justly belongs to one.

"3. Property; interest.

"4. Power; prerogative.

"5. Immunity; privilege."

Patent, n. f.: "A writ conferring some exclusive right or privilege."

The dictionary of Samuel Johnson, entitled "A Dictionary of the English Language," printed in London in the year 1770, contains the following definitions:

Exclusive, a. from exclude:

"1. Having the power of excluding or denying admission.

"2. The act of debarring from any privilege."

Right, f. as used in this context:

"1. That which justly belongs to one.

"2. Property; interest.

"3. Power; prerogative.

"4. Immunity; privilege."

Patent: "A writ conferring some exclusive right or privilege."

The dictionary of Thomas Sheridan, entitled "A Complete Dictionary of the English Language," printed in Dublin, Ireland, in the year 1790, reflects the following definitions:

Right, f. in this context: "Just claim; that which justly belongs to one; property, interest; power, prerogative; immunity, privilege."

Patent, f.: "A writ conferring some exclusive right or privilege."

The dictionary of John Walker, entitled "A Critical Pronouncing Dictionary and Expositor of the English Language," printed in London, England, in the year 1791 reflects the following:

Exclusive: "Having the power of excluding or denying admission; debarring from participation; not taking into any account or number, excepting."

Right, rite in this context: "Just claim; that which justly belongs to one; property, interest; power, prerogative; immunity, privilege;"

Patent: "A writ conferring some exclusive right or privilege."

[2] The English Statute of Monopolies (21 Jac. 1) enacted in 1623 refers to "letters patent" in excepting inventors from the statute.

According to the Encyclopedia Britannica, "Letters Patent (litterae patentes) are letters addressed by the sovereign 'to all to whom these presents shall come,' reciting the grant of some dignity, office, monopoly franchise, or other privilege to the patentee. They are not sealed up, but are left open (hence the term 'patent') and are recorded in the patent rolls in the Record Office.)"

[3] Vol. II, pp. 321–322 of Records of the Federal Convention of 1787, edited by Max Farrand, published 1911 in Yale University Press:

"In the Journal of Auguist 18, 1787, in a discussion of "additional powers proposed to be vested in the Legislature of the United States," the following references appear:

" 'To secure to literary authors their copyrights for a limited time."

" 'To grant patents for useful inventions."

" 'To secure to authors exclusive rights for a certain time.' "

Vol. II, p. 325:

"James Madison's diary of August 18 shows that the wording of the first additional power (listed above) was his own. The second and third were taken from the additional powers proposed by Mr. Charles Pinckney, delegate from South Carolina. (For this and other reasons contained herein, the weight of evidence would indicate that Mr. Pinckney is the originator of the clause.)"

Vol. II, pp. 505–506:

"The Journal of September 5, 1787, reports the following language agreed upon:

" 'To promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.' "

Vol. II, pp. 509–510:

"Mr. Madison's diary of the same day shows the above clause 'agreed to nem; con.' "

Vol. III, p. 122:

"In the text of a pamphlet which Mr. Pinckney caused to be printed in 1787, he refers to additional authorities of the National Legislature. One of these is 'to secure to authors the exclusive right to their performances and discoveries'; this is the same language which appears in the Pinckney plan, Mr. Pinckney's draft of the Constitution which he presented to the convention on May 29, 1787.

"This is the same language which appears in the Pinckney plan, Mr. Charles Pinckney's draft of the Constitution which he presented to the convention on May 29, 1787.

"The following extracts were taken from Elliot, Debates on the Adoption of the Federal Constitution. * * * Washington, 1845.

"Vol. 5, pp. 439–440:

" 'Saturday, August 18: Mr. Madison submitted, in order to be referred to the committee of detail, the following powers, as proper to be added to those of the general legislature:

* * * * * *

" 'To secure to literary authors their copyrights for a limited time. * * *

" 'To encourage, by premiums and provisions, the advancement of useful knowledge and discoveries. * * *

" 'These propositions were referred to the committee of detail which had prepared the report, and, at the same time, the following, which were moved by Mr. Pinckney—in both cases unanimously: * * *

" 'To grant patents for useful inventions.

" 'To secure to authors exclusive rights for a certain time.'

"The Federalist papers contain but one reference. Madison commented as follows:

" 'The utility of this clause will scarcely be questioned. The copyright of authors has been solemnly adjudged in Great Britain to be a right at common law. The right to useful inventions seems with equal reason to belong to the inventors. The public good fully coincides in both cases with the claims of individuals. The States cannot separately make effectual provision for either of the cases, and most of them have anticipated the decision of this point by laws passed at the instance of Congress.' "

[4] Biographical Directory of the American Congress, U. S. Government Printing Office, 1950.

[5] South Carolina Revised Statute.

[6] The Patent Grant. E. Binlow. Baltimore, Johns Hopkins Press, 1950.

The exclusive right of coining Money—regulating its alloy, and determining in what species of money the common Treasury shall be supplied, is essential to assuring the Federal funds (p. 19).

The exclusive right of establishing regulations for the Government of the Militia of the United States, ought certainly to be vesed (vested), in the Federal Councils (American Historical Review, Vol. IX, p. 746.)

Footnote 7 represents the James Wilson version of the Pinckney plan. It is in Mr. Wilson's own handwriting and can be found among his manuscripts in the library of the Historical Society of Pennsylvania. James Wilson was a delegate to the Constitutional Convention and a member of its Committee of Detail, which was charged with the actual drafting of a Constitution.

The column on the right contains pertinent excerpts from Mr. Pinckney's pamphlet, Observations on the Plan of Government, Submitted to the Federal Convention, in Philadelphia, on the 28th of May 1787, which appeared soon after the Convention adjourned.

[7] 16. S. and H. D. in C. ass. shall have the exclusive Right of coinage Money—regulating its Alloy and Value—fixing the Standard of Weights and Measures throughout U. S.

[8] 19 S. and H. D. in C. ass. shall regulate the Militia thro' the U. S.

[9] Institutes, Coke, vol. ch. 5.

Mr. HOLIFIELD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I wish to point out that the gentleman's amendment strikes from the bill the section which the committee agreed upon as being the minimum in compulsory licensing provisions. I point out that the President in his message of February 17 had this to say when he recommended 5 different types of amendments. I am reading from the message:

To this end, I recommend amendments to the Atomic Energy Act which would:

Liberalize the patent provisions of the Atomic Energy Act, principally by expanding the area in which private patents can be obtained to include the production as well as utilization of fissionable material, while continuing for a limited period the authority to require a patent owner to license others to use an invention essential to the peacetime application of atomic energy.

That is what the compulsory provision in the bill provides. It provides that a patentee can be given a reasonable fee, but he must let others use his patent during this period of time. The President went on as follows:

Until industrial participation in the utilization of atomic energy acquires a broader base, considerations of fairness requires some mechanism to assure that the limited number of companies, which as Government contractors now have access to the program, cannot build a patent monopoly which would exclude others desiring to enter the field. I hope that participation in the development of atomic power will have broadened sufficiently in the next 5 years to remove the need for such provisions.

Now, the Atomic Energy Commission has recommended against the purpose of the Cole amendment. The President of the United States has recommended against this provision of the gentleman from New Work. The gentleman from New York [Mr. COLE] tells us that he has a letter from Mr. Shanley in which Mr. Shanley, the legal counsel, reiterates the President's position, but then he goes

on to say that any other method that would accomplish the President's objective would be acceptable. I point out to you that in the one instance you have the word of the President and in the next you have the word of his legal counsel reiterating the President's original position but modifying it apparently so that if another method could be found that would accomplish the objective, that he would accept it.

Now, does the gentleman's method that he has advocated accomplish the objective of the President, or does it not? This is the most important section of the bill. I confidently expected to vote for this bill. I will vote against this bill if the chairman's amendment is accepted, with a clear conscience, and I will advise my friends to vote against it. I will vote to recommit the bill, and I will advise my friends to vote that way. If the amendment is defeated, I intend to vote for the bill.

But, this is the giveaway of all giveaways. This not only denies the Government the right to participate in the production of power with the substance owned by the taxpayers, but this gives the right to a few big corporations to come in and put patent rights on large programs owned by the people and exclude other private business men from using their patents. This will not advance the art and the technology during the next 5 years. This will handicap and slow up the art, and it will necessitate the paying of royalties and necessitate making a deal against exclusion, because that is what a normal patent does. It allows exclusion of use to others. This is the big giveaway, and I say to my friends in the Congress of the United States that this is something that should be voted down. You cannot turn down your President on this without reaping the results of it later on. I say that the substitute amendment does not obtain the desires of the President. I say that it goes right to the base of allowing practically normal patent rights, with very few exceptions, and those are not mandatory; those are permissive on the actions of the Commission. I ask that the chairman's amendment be voted down.

Mr. PRICE. Mr. Chairman, I rise in opposition to the amendment of the gentleman from New York [Mr. COLE].

At the outset I wish to express my surprise and concern and, you might say, shock over the action of our committee chairman in presenting this amendment. I think the record of the Atomic Energy Committee would show that after very lengthy consideration of this particular section of the bill, realizing the importance of this section to the legislation now under consideration, compromise language was agreed upon in the committee—the language that is in the bill being compromise language. But it was worked out to the point where the majority of the committee could accept it and recommend it to their colleagues in the Congress. I am, therefore, surprised that we are confronted with this issue at this late hour when the Members of the House have had little opportunity to study and examine the issue that is before us at this time.

The gentleman from New York [Mr. COLE] stated in his remarks that the Commission itself had divergent views on this; they were divided on it. That may have been true at one time, but I want to read to the House testimony which the Commission gave before our committee on this subject.

First of all, let me say that at odds with the position taken by our committee chairman are the Atomic Energy Commission unanimously; the White House, as attested by the position taken by the President in his message to the Congress; and a majority of the joint committee. I now read from the hearings on the legislation to amend the act, and the person whose testimony I am reading is the Chairman of the Atomic Energy Commission, Mr. Strauss, testifying as follows in favor of a compulsory licensing system for a period of 5 years:

> There was in the Commission a divergence of opinion, as among any group of men, on how the patent aspect of the atomic energy program could best be administered in the public interest. There were those of us who felt that it might be immediately returned to the existing patent structure which is a common practice in every other field of endeavor. There were those in the Commission who felt that the present monopoly, Government monopoly, should continue indefinitely. This matter was debated in the best of good will. As a matter of fact, we took the problem with us out of town for a 3-day session, and the conclusion which we have reached is a unanimous conclusion based upon our considered opinion that this is a defensible position in the interest of the people of the United States, and one that will not stifle invention. As in so many other instances, it is the result of a compromise, and all of us are unanimous in believing it is a sound and wise one.

There, Mr. Chairman, is the testimony of the Chairman of the Atomic Energy Commission. He was addressing himself to the problem, the patent problem which we are considering here today. So there was no difference of opinion within the Commission on this point as the gentleman from New York indicated. The Commission testified adversely to similar provisions as suggested in the amendment of the gentleman from New York which were contained in the original draft of this legislation. All the testimony we have had from official Government agencies, from the White House, and from the Commission has been in opposition to this position which the House is now called upon to approve.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the distinguished gentleman.

Mr. ALBERT. Is it not true that this is distinguishable from all other fields where, so far as patents are concerned that are in use, the great investment in the field of atomic energy has been made through public funds, so that industry begins with that amount of work behind it?

Mr. PRICE. The gentleman from Oklahoma is 100 percent right.

Let me quote again from the message to the Congress of the President of the United States, in which he suggested this concerning patent provisions:

> Until industrial participation in the utilization of atomic energy acquires a broader base, considerations of fairness require some mechanism to assure that the limited number of companies, which as Government contractors now have access to the program, cannot build a patent monopoly which would exclude others desiring to enter the field.

The President requested a continuation for a limited period the authority to require a patent owner to license others to use an invention essential to the peacetime applications of atomic energy.

By a majority vote the joint committee approved provisions in the bill now under consideration to comply with the President's recommendations. The amendment offered by the gentleman from New York [Mr. COLE] calls on the House to disregard the President's appeal to Congress to provide safeguards against patent monopoly.

The amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. PRICE] has expired.

Mr. PRICE. Mr. Chairman, I ask unanimous consent that I may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. CLARDY. Mr. Chairman, I object.

Mr. PRICE. Mr. Chairman, I anticipated that, where they are logrolling very important legislation at 11 o'clock at night.

The CHAIRMAN. Objection is heard.

Mr. MEADER. Mr. Chairman, I rise in support of the amendment.

Mr. RAYBURN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAYBURN. Mr. Chairman, when someone in the House objects, can he do it sitting in his seat, or does he have to rise and do it?

The CHAIRMAN. The regular practice and the proper practice is that he rise.

Mr. PRICE. I take it, then, Mr. Chairman, there was no objection to my request.

Mr. CLARDY. Well, I object, Mr. Chairman.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. MEADER. Mr. Chairman, I have been recognized, and I do not yield.

I want to say first of all, Mr. Chairman, that I am especially interested in this measure because I represent the district of Michigan wherein the University of Michigan is located. For the first time in the history of the University of Michigan our alumni were asked to raise a fund to commemorate the dead of World War II. We raised over $6 million to spend on a project for atomic-energy research for peacetime purposes known as the Phoenix memorial project.

I have checked this legislation with Dean Stason of the Law School of the University of Michigan, who has followed it very closely. He advised me this morning that he had read the draft reported by the committee and that although it was a compromise it was an excellent job.

I want to compliment the gentleman from New York [Mr. COLE] and his committee on bringing this legislation before us. It will open up a whole new field of human endeavor to the ingenuity of the private citizen.

I want to compliment the gentleman also on offering his amendment with respect to the patent provisions of this bill. I call attention also to the fact that here is one of those frequent instances we find in the House of Representatives where two committees of the House have concurrent jurisdiction, Patent policy is a matter assigned to the legislative Committee on the Judiciary. Far-reaching changes in patent policy such as this, the constitutionality of which is very doubtful, should properly be considered by the great Committee on the Judiciary, of which I have the honor to be a member.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I am glad to yield to the gentleman from New York, who is chairman of the patent subcommittee of the Judiciary Committee.

Mr. KEATING. I want to reiterate the gentleman's remarks regarding the unconstitutionality of this provision. I am supporting the amendment offered by the gentleman from New York, to a large degree because of my great fear that the existing language would be in violation of the Constitution.

Mr. MEADER. Article 1, section 8, clause 8 of the Constitution reads as follows:

> The Congress shall have power * * * To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

The point has been made by patent attorneys who appeared before the Joint Committee on Atomic Energy that Congress has the right to give the exclusive right to inventions for a limited time, but does not have the right to give a half-exclusive right or a right hedged around with a lot of limitations and conditions.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Pennsylvania, a member of the Judiciary Committee.

Mr. WALTER. Has a representative of the Patent Office testified on this very important question? I am as sure that the bill as written is unconstitutional as I have ever been about that question in any legislation. I believe that in order to make the bill constitutional the amendment offered by the gentleman from New York [Mr. COLE] must be adopted.

Mr. MEADER. I cannot answer the question of the gentleman completely. Perhaps a member of the Joint Atomic Energy Committee could answer it more completely. However, I did make inquiry as to whether or not the Patent Commissioner had been asked for his views by the Joint Committee on Atomic Energy. My understanding is that he had not been asked for a report by the committee, but that he had expressed his views to the Budget Bureau.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the majority leader, the gentleman from Indiana.

Mr. HALLECK. I just want to say that in my opinion the letter written by Mr. Shanley would not have been written except that it was cleared at the White House. It is obvious from that letter that the President has in mind a principle that must be protected, but leaves a certain degree of latitude to Congress in working for that objective. The matter is new to me in a measure, but I have listened to the fine statement by the gentleman from New York [Mr. COLE], and I have been impressed by it. I might say, beyond that, that probably the provision in the measure in the other body will be as it is written here. In any event, the matter could go to conference and something that would achieve the objective for which we all strive within the Constitution and within our concept of patent rights can be worked out.

Mr. MEADER. I would just like to say in conclusion, Mr. Chairman, that we are taking a history-making step in opening this field of atomic energy to development by the American people. It requires ingenuity, invention, and discovery to be useful to the American people. We certainly would be taking the wrong tack if we stifle the incentive to discovery by some semisocialistic change in our patent policy.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word for the purpose of inquiring from my friend, the distinguished constitutional lawyer the gentleman from Pennsylvania [Mr. GRAHAM] what his opinion is of this situation.

Mr. GRAHAM. Mr. Chairman, I have a very distinct recollection of the time a number of years ago, 7 or 8 years ago, when Hon. Fritz Lanham, chairman of the Committee on Patents, consulted with us on the Committee on the Judiciary on this subject and Hon. Hatton Sumners chairman of my committee, assigned me as one of those to go into the matter. I may say that I am as firmly convinced as I am talking to you at this point that the language of the bill is unconstitutional. And you cannot compromise with the question of constitutionality. In my judgment, and in my humble opinion, the amendment offered by the gentleman from New York absolutely covers the situation and is an amendment which should be adopted by the committee.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York. I apologize to my colleagues for taking up the time of the committee when it is apparent that you wish to move to early adjournment. But I must take this time because I feel there is something that we should think about. The Constitution does provide that we may provide for the protection of patents for the use and benefit of those who make discoveries. But we do have statutes providing that where the result comes from the expenditure of public funds and public effort, the patent is recorded in the name of the representative of the Government for the use and benefit of all the people.

My committee handles the research funds for the Department of Agriculture. We have spent millions and millions of dollars annually for research. We provide many instances that those funds are paid by contract to private concerns who do the work. Where discovery comes from the expenditure of public funds, the law requires, and no one has ever questioned that law as being unconstitutional, that the patent must be recorded in the name of the Secretary of Agriculture for the use and benefit of all the people who want to make use of it. Certainly, the desire of this committee in its zeal to see that patents are not limited to these 8 or 10 companies who happen to have the know-how because of advantages provided them by the Government. They have had these contracts, and have earned their know-how and obtained the training of their personnel under this $12 billion that the Government has spent. The committee felt that for several years at least patents presumably would be based upon the results of the Government expenditures and where that public expenditure has contributed to the know-how and background and to patents which may come from that know-how and background, it is certainly sound to move in the direction of the law we have in other fields. Whether the language in the bill meets the particular demands of the Constitution, I do not know, not having studied it with that in mind. But certainly, to leave it so that a few people can get their hands on these patents and hold them for their own benefit is unsound. I say to you that provision that power which may come from this program must be transferred to private utility companies may do small injury as compared with what you may be giving to a few companies who have at least 8 to 10 years of background experience and all that know-how for which the American people paid. We spent $12 billion trying to get 2 or 3 years ahead of the Russians in this atomic-energy field and if you let the companies that have 6 or 8 years' experience ahead of the crowd, the others likely never will catch up with them. If this particular section giving some chance to all for use of discoveries which come from the expenditure of public funds does not do that then we need to provide a way that it can be done to protect the public interest. It can be done and it can be done within the Constitution. Certainly Mr. COLE's amendment would not recognize the fact that present know-how by all these companies is the result of the public expenditure of funds.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HINSHAW. I think the gentleman from Mississippi may not have heard the language of the amendment offered by the gentleman from New York [Mr. COLE], which provides that any patent which comes as a result of any Government employment or any association with the project belongs to the Government outright.

Mr. WHITTEN. That would liimt it to cases of patents that came before, but what about the patents that these companies might ask for in the future, based actually on the work of these scientists trained as a result of the expenditure of public funds.

Mr. HINSHAW. And it applies to future patents so arrived at.

Mr. WHITTEN. I did not so understand it. However, I doubt that proper determination of the Government interest will be made and future discoveries would not be properly attributed to the Government.

Mr. HINSHAW. I assure the gentleman that the amendment does so provide.

Mr. WHITTEN. I did not so understand it. Further, you are drawing a distinction as to what it is based on, this knowhow, and things of that sort. It is thoroughly impractical to try to draw the line as to what the value of years of experience amounts to in discoveries subject to patent for the next several years where we have given to these companies and individuals who are trained in this field, experience that very few people in the whole world have. That of itself constitutes a public contribution to the patents that may even be started next month or for the next several years. It is an advantage if we give these companies the advantage of exclusive patents where the Government has been responsible. It is very dangerous to give that advantage, if it is your desire to see benefits of this program reach the great American people, which I think they should reach.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The question was taken; and on a division (demanded by Mr. HOLIFIELD) there were—ayes 137, noes 113.

So the amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, this amendment having been adopted requires certain further amendments to conform with the action which the committee has just taken and in order to accomplish that I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 67, line 7, strike out all of section 153.

Page 67, line 23, strike out "SEC. 154" and insert "SEC. 153."

Page 68, line 4, strike out "SEC. 155" and insert "SEC. 154."

Page 68, line 7, strike out from and including the word "Commission" to the end of the sentence and insert "Commission."

Page 68, line 10, strike out "SEC. 156. Compensation, awards, and royalties" and insert "SEC. 155. Compensation and awards."

Page 69, line 2, strike out all of subsection (1).

Page 69, line 7, strike out "(2)" and insert "(1)".

Page 69, line 11, strike out "(3)" and insert "(2)."

Page 69, line 23, strike out all of subsection (1).

Page 70, line 9, strike out all of subsection (2) and insert in place thereof:

"In determining what constitutes just compensation as provided for in section 151, or in determining the amount of any award under subsection 155b (2), the Commission shall take into consideration:

"(1) the advice of the patent compensation board;

"(2) any defense, general or special, that might be pleaded by a defendant in an action for infringement;

"(3) the extent to which, if any, such patent was developed through federally-financed research;

"(4) a degree of utility, novelty, and the importance of invention or discovery; and

"(5) the actual use of such invention or discovery, and may consider the cost to the owner of the patent of developing such invention or discovery or acquiring such patent. Such compensation may be paid by the Commission in periodic payments or in a lump sum."

Page 70, line 16, strike out "SEC. 157" and insert "SEC. 156."

Page 70, line 21, strike out "SEC. 158" and insert "SEC. 157."

Page 70, line 25, strike out "SEC. 154" and insert "SEC. 153."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The Clerk read as follows:

"CHAPTER 14. GENERAL AUTHORITY

"SEC. 161. In the performance of its functions the Commission is authorized to—

"a. establish advisory boards to advise with and make recommendations to the Commission on legislation, policies, administration, research, and other matters, provided that the Commission issues regulations setting forth the scope, procedure, and limitations of the authority of each such board;

"b. establish, by rule, regulation, or order, such standards and instructions to govern the possession and use of special nuclear material, source material, and byproduct material as the Commission may deem necessary or desirable to promote the common defense and security or to protect health or to minimize danger to life or property;

"c. make such studies and investigations, obtain such information, and hold such meetings or hearings as the Commission may deem necessary or proper to assist it in exercising any authority provided in this act, or in the administration or enforcement of this act, or any regulations or orders issued thereunder. For such purposes the Commission is authorized to administer oaths and affirmations, and by subpena to require any person to appear and testify, or to appear and produce documents, or both, at any designated place. No person shall be excused from complying with any requirements under this paragraph because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893, shall apply with respect to any individual who specifically claims such privilege. Witnesses subpenaed under this subsection shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States;

"d. appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws: *Provided, however,* That no officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such act for positions of equivalent difficulty or responsibility. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee;

"e. acquire such material, property, equipment, and facilities, establish or construct such buildings and facilities, and modify such buildings and facilities from time to time, as it may deem necessary, and construct, acquire, provide, or arrange for such facilities and services (at project sites where such facilities and services are not available) for the housing, health, safety, welfare, and recreation of personnel employed by the Commission as it may deem necessary, subject to the provisions of section 174;

"f. with the consent of the agency concerned, utilize or employ the services or personnel of any Government agency or any State or local government, or voluntary or uncompensated personnel, to perform such functions on its behalf as may appear desirable;

"g. acquire, purchase, lease, and hold real and personal property, including patents, as agent of and on behalf of the United States, subject to provisions of section 174, and to sell, lease, grant, and dispose of such real and personal property as provided in this act;

"h. The Commission may consider in a single applicaiton one or more of the activities for which a license is required by this act and is authorized to combine in a single license one or more of such activities. The Commission is also authorized to permit the applicant or licensee to incorporate by reference pertinent information already filed with the Commission;

"i. The Commission is authorized to prescribe such regulations or orders as it may deem necessary (1) to protect Restricted Data received by any person in connection with any activity authorized pursuant to this act, (2) to guard against the loss or diversion of any special nuclear material acquired by any person pursuant to section 53 or produced by any person in connection with any activity authorized pursuant to this act, and to prevent any use or disposition thereof which the Commission may determine to be inimical to the common defense and security, and (3) to govern any activity authorized pursuant to this act, including standards and restrictions governing the design, location, and operation of facilities used in the conduct of such activity, in order to protect health and to minimize danger to life or property;

"j. without regard to the provisions of the Federal Property and Administrative Services Act of 1949, as amended, except section 207 of that act, or any other law, make such disposition as it may deem desirable of (1) radioactive materials, and (2) any other property, the special disposition of which is, in the opinion of the Commission, in the interest of the national security: *Provided, however,* That the property furnished to licensees in accordance with the provisions of subsection 161 m. shall not be deemed to be property disposed of by the Commission pursuant to this subsection;

"k. authorize such of its members, officers, and employees as it deems necessary in the interest of the common defense and security to carry firearms while in the discharge of their official duties. The Commission may also authorize such of those employees of its contractors engaged in the protection of property owned by the United States and located at facilities owned by or contracted to the United States as it deems necessary in the interests of the common defense and security to carry firearms while in the discharge of their official duties;

"l. secure the admittance free of duty into the United States of purchases made abroad of source materials and other materials and supplies essential to its program, upon certification to the Secretary of the Treasury that such entry is necessary in the interest

of the common defense and security: *Provided, however,* That the authority granted by this subsection shall not be used to admit free of duty materials and supplies, other than source materials, which are adequately available within the United States;

"m. enter into agreements with persons licensed under section 103 or 104 for such periods of time as the Commission may deem necessary or desirable (1) to provide for the processing, fabricating, separating, or refining in facilities owned by the Commission of source, byproduct, or other material or special nuclear material owned by or made available to such licensees and which is utilized or produced in the conduct of the licensed activity, and (2) to sell, lease, or otherwise make available to such licensees such quantities of source or byproduct material, and other material not defined as special nuclear material pursuant to this act, as may be necessary for the conduct of the licensed activity: *Provided, however,* That any such agreement may be canceled by the licensee at any time upon payment of such reasonable cancellation charges as may be agreed upon by the licensee and the Commission: *And provided further,* That the Commission shall establish prices to be paid by licensees for material or services to be furnished by the Commission pursuant to this subsection, which prices shall be established on such a nondiscriminatory basis as, in the opinion of the Commission, will provide reasonable compensation to the Government for such material or services and will not discourage the development of sources of supply independent of the Commission;

"n. assign scientific, technical, professional, and administrative employees for instruction, education, or training by public or private agencies, institutions of learning, laboratories, or industrial or commercial organizations and to pay the whole or any part of the salaries of such employees, costs of their transportation and per diem in lieu of subsistence in accordance with applicable laws and regulations, and training charges incident to their assignments (including tuition and other related fees): *Provided however,* That (1) no more than 1 percent of the eligible employees shall be so assigned during any fiscal year, and (2) any such assignment shall be approved in advance by the Commission or shall be in accordance with a training program previously approved by the Commission: *And provided further,* That appropriations or other funds available to the Commission for salaries or expenses shall be available for the purposes of this subsection;

"o. the Commission may delegate to the General Manager or other officers any of those functions assigned to it under this act except those specified in sections 51, 57 a. (3), 61, 102 (with respect to the finding of practical value), 108, 123, 145 b. (with respect to the determination of those persons to whom the Commission may reveal Restricted Data in the national interest), 145 e., and 161 a.;

"p. require by rule, regulation, or order, such reports, and the keeping of such records with respect to, and to provide for such inspections of, activities and studies of types specified in section 31 and of activities under licenses issued pursuant to sections 53, 63, 81, 103, and 104 as may be necessary to effectuate the purposes of this act, including section 105; and

"q. make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this act.

"SEC. 162. Contracts: The President may, in advance, exempt any specific action of the Commission in a particular matter from the provisions of law relating to contracts whenever he determines that such action is essential in the interest of the common defense and security.

"SEC. 163. Advisory committees: The members of the General Advisory Committee established pursuant to section 26 and the members of advisory boards established pursuant to section 161 a. may serve as such without regard to the provisions of sections 281, 283, or 284 of title 18 of the United States Code, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which directly involves the Commission or in which the Commission is directly interested.

"SEC. 164. The Commission is authorized in connection with the construction or operation of the Oak Ridge, Paducah, and Portsmouth installations of the Commission, without regard to section 3679 of the Revised Statutes, as amended, to enter into new contracts or modify or confirm existing contracts to provide for electric utility services for periods not exceeding 25 years, and such contracts shall be subject to termination by the Commission upon payment of cancellation costs as provided in such contracts, and any appropriation presently or hereafter made available to the Commission shall be available for the payment of such cancellation costs. Any such cancellation payments shall be taken into consideration in determination of the rate to be charged in the event the Commission or any other agency of the Federal Government shall purchase electric utility services from the contractor subsequent to the cancellation and during the life of the original contract.

"SEC. 165. In carrying out the purposes of this act the Commission shall not use the cost-plus-percentage-of-cost system of contracting.

"SEC. 166. No moneys appropriated for the purposes of this act shall be available for payments under any contract with the Commission, negotiated without advertising, except contracts with any foreign government or any agency thereof and contracts with foreign producers, unless such contract includes a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of, and involving transactions related to such contracts or subcontracts: *Provided, however,* That no moneys so appropriated shall be available for payment under such contract which includes any provision precluding an audit by the General Accounting Office of any transaction under such contract.

"SEC. 167. The Commission, acting on behalf of the United States, is authorized to consider, ascertain, adjust, determine, settle, and pay, any claim for money damage of $5,000 or less against the United States for bodily injury, death, or damage to or loss of real or personal property resulting from any detonation, explosion, or radiation produced in the conduct of the Commission's program for testing atomic weapons, where such claim is presented to the Commission in writing within 1 year and after the accident or incident out of which the claim arises: *Provided, however,* That the damage to or loss of property, or bodily injury or death, shall not have been caused in whole or in part by any negligence or wrongful act on the part of the claimant, his agents, or employees. Any such settlement under the authority of this section shall be final and conclusive for all purposes, notwithstanding any other provision of law to the contrary.

"SEC. 168. In order to render financial assistance to those States and localities in which the activities of the Commission are carried on, and in which the Commission has acquired property previously subject to State and local taxation, the Commission is authorized to make payments to State and local governments in lieu of property taxes. Such payments may be in the amounts, at the times, and upon the terms the Commission deems appropriate, but the Commission shall be guided by the policy of not making payments in excess of the taxes which would have been payable for such property in the condition in which it was acquired, except in cases where special burdens have been cast upon the State or local government by activities of the Commission, the Manhattan Engineer District, or their agents. In any such case, any benefit accruing to the State or local government by reason of such activities shall be considered in determining the amount of the payment.

"SEC. 169. No funds of the Commission shall be employed in the construction or operation of facilities licensed under section 103 or 104 except under contract or other arrangement entered into pursuant to section 31.

Mr. COLE of New York (interrupting the reading of the bill). Mr. Chairman, at 11:30 o'clock I make bold to ask unanimous consent to dispense with the further reading of the chapter and that it be printed in the RECORD and open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FORAND. I object, Mr. Chairman.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 76, line 11, after the words "source materials", strike out the remainder of the paragraph and insert "which are regularly obtainable from domestic producers within the United States."

Mr. HINSHAW. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. HINSHAW to the amendment offered by Mr. COLE of New York: On page 76, line 5, after "materials" strike out "and other materials and supplies essential to its program."

In line 8, after "security", strike out the provision and insert a period.

Mr. HINSHAW. Mr. Chairman, I believe when the committee acted on the first amendment they included too much, so I have offered this substitute amendment to provide that only source material shall be admitted free of duty into the United States. The other materials and supplies, of course, certainly have to be under the jurisdiction of the Committee on Ways and Means, and we cannot say now what they may be. We have no idea what they may be. But the ore, the source material, we do know about.

I think the gentleman from North Carolina, the gentleman from California, the gentleman from Illinois, and the gentleman from New York are in agreement with my substitute amendment.

Mr. COLE of New York. Mr. Chairman, I have no objection to the amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from California [Mr. HINSHAW] to the amendment offered by the gentleman from New York [Mr. COLE].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York, as amended.

The amendment was agreed to.

Mr. COOPER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOPER: On page 80, line 9, add the following at the end of section 164: "Nothing in this section shall be deemed to authorize the Commission to contract for electric utility services which are not delivered by the contractor directly to the installations named herein."

Mr. COOPER. Mr. Chairman, the purpose of this amendment is to enable the Atomic Energy Commission to continue to function as it was originally intended, and not to have to engage in an activity entirely outside of the field for which it was created.

The Atomic Energy Commission is not in the electric-power-producing business. It is in the power-consuming business, and should not be required by order of the President to be a power broker for the Tennessee Valley Authority or anybody else.

The Atomic Energy Commission has no more business providing electric power for Memphis than for New York, Chicago, or any other city. It has no business buying any electric power that it does not need in its own facilities.

The distance is about one-half as far from Oak Ridge, Tenn., to Charlotte, N. C., as it is to Memphis.

This amendment will stop execution of the proposed contract between the Atomic Energy Commission, Southern Corp. and MidSouth Utilities for power for the Tennessee Valley Authority. It will protect the Atomic Energy Commission from any further similar involvements without interfering with the authority of that agency to meet its own bona fide power needs.

The amendment does this by requiring that the AEC limit its long-term power contracts to contracts for power to be delivered directly to the AEC plants at Paducah, Oak Ridge, or Portsmouth. The Dixon-Yates power would not be so delivered, but would be fed into the Tennessee Valley Authority system as replacement power about 200 miles from Paducah.

Three of the five members of the Atomic Energy Commission opposed the proposed Dixon-Yates contract. The embarrassing deal was imposed upon them by the Budget Bureau. The majority of the members who voted on the matter have testified before the Joint Committee on Atomic Energy that they considered the deal unbusinesslike and improper. They will be taken out of the unfortunate position that this improper executive department order to two independent agencies has placed them. There is no more authority for the President to give orders to the AEC and the Tennessee Valley Authority than for him to order the Interstate Commerce Commission to grant a freight-rate increase, or the Federal Power Commission or any other independent agency to take action contrary to the best judgment of the Commission.

The President has been badly advised by some of his associates who are intent, as many have charged, on replacing the valuable yardstick provided by TVA for the cost of power to the consumers.

The adoption of this simple amendment will end the affair without denying the AEC any proper authority it needs or interfering with its ability to maintain its operations.

I have followed and contributed to the many hours of debate on this matter in the House and the Senate. Despite a great maze of conflicting statistics to prove and disprove the financial soundness of the proposed deal, its real nature is quite clear.

This Dixon-Yates deal was originated in the Budget Bureau Office last December. Officials of the AEC have testified that they were called over there and asked to start looking for replacement power for TVA.

Admiral Strauss told the joint committee that the AEC then called in the Mid-South and Southern Co. which he described as the two companies that "surround" the TVA on the west.

Admiral Strauss' use of the word "surround" was a very significant thing. The power companies have been talking about surrounding and quarantining the TVA yardstick for years. Admiral Strauss must have been familiar with their strategy. He did not say that the companies "adjoin" TVA, or "border" TVA. He used a military term which connotes battle strategy and had been used on the power company side.

The Dixon-Yates deal was planned in the Budget Bureau Office, placed in the President's budget message and has developed from there. It is an unfortunate effort to use the Atomic Energy Commission, with its enormous responsibilities for the security of this Nation and the free world, to do a chore for the private power companies.

It is a tragedy that the attention of this great agency had to be diverted from its constructive work to this unfortunate deal. It is unfortunate that the morale of employees who believed they were developing the greatest source of energy in the history of mankind, had to be disrupted by this effort to pervert the agency to carrying water for the private power companies.

I very deeply and sincerely regret that this matter developed to the point that the Presidential instructions were given to two independent agencies. True friends of the President would have advised him of the real extent of his authorities. But the unfortunate incident occurred. We can put an end to it. We can stop it before it becomes an historic celebrated cause that goes down in history as characterizing an era, or an administration.

I therefore urge that we adopt the amendment and close this whole unfortunate matter.

Mr. HALLECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the hour is late, but I would like to say that in all my experience in the House of Representatives, I have never attended a debate and discussion on an important matter where such a large attendance has been maintained as we have gone along, and where the debate has been on such a high plane. Amendments have been offered and discussed, and they have been understood. Some have been approved and some have been voted down. I think what we are doing here in the way of action on this bill should commend the House of Representatives to the favorable consideration of the people of America who sent us here. Of course, there have been some evidences of sharpness, but I trust that this will not continue to be manifested and that tomorrow we will continue to be good friends.

Mr. Chairman, I have supported the TVA in my time here. The TVA got under way before I came to the Congress. But during the nearly 20 years I have been here I have voted for hundreds of millions of dollars of appropriations for the TVA. I must say that sometimes I had serious misgivings as to just exactly what I might be doing to other sections of the country that are required to compete in this great market that is America with the area of the TVA where undoubtedly the boast of the people in that section of the country about their cheap rates has much to be said for it.

Mr. Chairman, I am fond of my friends in Tennessee who are here in the House as well as my friends in Tennessee who are not here, but I do want to say this to you. I think the rest of us have been mighty generous with you. We have given you a lot of money and you have developed down there a great project. It is true, it started out as a water resource development. But after that, on occasion, without my support, we have seen it go from a water resource development to a steam plant construction project. I have sometimes thought that perhaps you might be coming up on the Wabash River, if you extended the periphery of that project a little further. Of course, we could set up a little TVA on the Wabash. We would not need very much power up there, but then we could start firming up the power with steam plants. And then we would vote for a lot of power. We could say we wanted a lot more. Let me tell you folks in Tennessee not to ride a good horse too hard because we want to go along with the TVA. I have heard some harsh things said about the President in some statements that have been made.

I am afraid that your real concern is not that the AEC is going into the electricity business. I am afraid that your real concern is that possibly if this arrangement can be worked out, and it is a highly satisfactory arrangement, that it may jeopardize in some measure your demands for more and more steam plants. The AEC buys power from other private operations and uses that power.

The AEC operates in parts of the country where there is no TVA. In addition, TVA buys power from private sources and puts it in the system. It is not a matter of this proposal serving the city of Memphis because TVA is

hooked up in one large arrangement. What difference does it make where you put the power in? You have got to take the power out somewhere to run the AEC which has the first call on the power. So all you do is put in one place the power that is taken out some place else for the AEC. To try to make a big hullabaloo about this is to draw a very false picture of the whole situation.

Why undertake to interfere with an arrangement that has been worked out under the law by the executive branch of the Government from the President on down, an arrangement that will provide what is needed in the Tennessee Valley for the AEC and at the same time will relieve the taxpayers of this country of an additional burden that otherwise they would have to bear?

Mr. Chairman, I trust that the pending amendment will be defeated.

Mr. PRICE. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, my concern in this matter is not the TVA. I do not live in that area. My concern is the Atomic Energy Commission and the heart of this issue is the independence on the direct responsibility of the Atomic Energy Commission.

Mr. Chairman, there can be no question but that the Atomic Energy Commission must be assured of an adequate supply of electric power to run the plants which produce the material for our atomic weapons. If the proposed Dixon-Yates contract bore even the most remote relationship to the vital work of the Atomic Energy Commission, I would feel compelled to find some means of authorizing the contract.

The facts of the situation are not as they have been presented by the administration. The electric power which will be produced at West Memphis under the Dixon-Yates proposal will be used exclusively and solely to meet the growing industrial demands for electricity along the southwestern edge of the TVA grid. Not 1 kilowatt of that electricity will ever enter an atomic energy plant.

It has been argued that this will be replacement power and is necessary in order to permit TVA to continue supplying electricity to the Atomic Energy Commission. Nothing could be farther from the truth. The TVA is required by law to furnish electricity for defense purposes. Under no circumstances could the TVA ever deny electricity to the Atomic Energy Commission even if the homes and factories in the Tennessee Valley were to remain dark because of that demand. This is a TVA problem, not an AEC problem.

All of us must resent the proposed subterfuge of the Dixon-Yates–Atomic Energy Commission power contract. It constitutes a misuse of AEC's fund of public confidence and threatens to strike at the very heart of that which has made AEC such a successful Government agency—our general belief that it is an exceptional organization operating under exceptional rules, doing an enormously important job.

Even if the Dixon-Yates proposal were to be made a strictly TVA deal, I could not support it. There is no room in my concept of private enterprise for absolute Government guarantees against private risk. If Mr. Dixon and Mr. Yates and their colleagues want to build additional generating plants in the Memphis area they have only to take a normal private enterprise risk that the market for that power will in fact exist. Why should this small group of private investors be favored over others throughout our country to take their chance on making a profit or losing their shirts? When the defense needs of our country demand that private industry undertake a capital investment beyond that which appears to be a proper private risk, then Government guaranties make sense. There is no good reason why the people of the United States, through the AEC, the TVA, or any other Government agency, should gurantee the rate of industrial growth of the Memphis area to Dixon and Yates or anyone else.

The Dixon-Yates proposal is as bad for the Government as it is bad for business. It does credit to no one involved in it. I have confidence in the collective judgment of the five Atomic Energy Commissioners. They examined this Dixon-Yates proposal from every angle and reached a conclusion. Their collective opinion resulted in a 3 to 2 vote against its adoption. Commissioners Smythe and Zuckert wrote the Bureau of the Budget on April 16 that they regard the Dixon-Yates-AEC contract as, and I quote, "awkward and unbusinesslike" and a reversal of sound philosophy. Commissioner Murray testified before the joint committee that he does "not believe it is desirable."

Here we have the spectacle of an independent executive agency compelled by the President—on most unclear legal grounds—to enter into an arrangement which the Commission itself regards as improper and unbusinesslike.

Without regard to the merits or demerits of the discussions on public versus private power, I wish to say simply that the AEC has no business getting into this matter. It is a vital agency making the sinews of our best weapons. It is getting and will continue to get all the power it needs—from TVA and from private sources. The AEC does not need and will never use the Dixon-Yates power. The answer, then, is simple. AEC has no part in this controversy. The administration is making a serious mistake in trying to drag the AEC into the deal. Let us keep our fights clean and keep innocent bystanders out of the mud. The AEC has all it can handle in the atomic energy business. If the President does not see fit to keep them at their proper tasks, then the Congress should do so.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, ever since the President sent the directives to AEC and TVA on June 16 ordering them to consummate the Dixon-Yates transaction I have been curious to find out on what possible basis of statutory authority AEC could proceed to buy 600,000 kilowatts of power for the use of TVA. It seemed clear to me from a reading of the AEC Act that the transaction was wholly beyond any powers which Congress had conferred upon AEC. I have written the Attorney General requesting his opinion for the enlightenment of Congress and of the public, but he has declined to furnish an opinion on the ground that he is forbidden by statute to advise Members of Congress on legal questions. I do not quarrel with Mr. Brownell's decision, but the net result is to keep Congress in the dark as to any possible statutory basis for the Dixon-Yates transactions if such a basis exists.

After the same question of the legal authority of the Commission had been raised in Senate debate for many days, Senator HICKENLOOPER finally inserted in the debate the opinion of the General Counsel of the AEC, Mr. William Mitchell dated June 22. I have now had an opportunity to study it carefully. Instead of allaying my doubts as to the existence of legal authority in the Commission, I can only say that the opinion supports and confirms them. Indeed, the only conclusion one can arrive at from a careful reading of the opinion is that in view of Mr. Mitchell himself the Dixon-Yates transaction is illegal.

Although the Mitchell opinion has already been inserted in the RECORD, I should like to have it included at this point in my remarks so that Members of the House can read it in connection with what I have to say about it:

JULY 22, 1954.

Memorandum.
To K. D. Nichols, General Manager.
From William Mitchell, General Counsel.
Subject: Commission's authority to enter into a 25-year contract with the Dixon-Yates group to provide electrical energy.

You have asked my opinion on the question of whether or not the Commission has legal authority to enter into a 25-year contract with the Dixon-Yates group to provide electric-utility services for the Commission's plants at Paducah and Oak Ridge.

The Commission presently has a contract with TVA to supply the requirements for electric power at the AEC plant at Paducah. In December 1953, the Bureau of the Budget requested the Commission to explore the possibility of releasing 600,000 kilowatts annually to TVA under this contract and making arrangements with privately owned utilities for replacement of the electric power which would be thus released. After considering the engineering and economic factors, the Commission decided that the best arrangements would be to contract for construction of a new generating plant in the Memphis area which would tie in with the TVA system. Two offers were received, one from the Dixon-Yates group and another from Von Tresckow. Both offers were carefully analyzed and the results of these analyses were transmitted to the Bureau of the Budget. The Commission took no position on the advisability of this arrangement for replacement of the Paducah requirements, stating to the Bureau of the Budget that the question was one for higher authority to decide. However, the Commission stated to the Bureau of the Budget, that if this plan were to be adopted, the Dixon-Yates proposal appeared to be much more favorable to the Government.

The Bureau of the Budget, upon direction of the President, has now directed the Commission to make appropriate arrangements with TVA and with the Dixon-Yates group

for release of 600,000 kilowatts under the present TVA contract, and construction by the Dixon-Yates group of a new generating plant at West Memphis, Ark., with a capacity of 600,000 to 650,000 kilowatts, tied into the TVA system, to meet the Commission's requirements for power at Paducah and additional requirements which have recently developed at Oak Ridge.

The question is whether, under these circumstances, the Commission has authority to make a 25-year contract with the Dixon-Yates group for this purpose.

Section 12 (d) of the Atomic Energy Act reads as follows:

"12. (d) The Atomic Energy Commission is authorized in connection with the construction or operation of the Oak Ridge, Paducah, and Portsmouth installations of the Commission, without regard to section 3679 of the Revised Statutes, as amended, to enter into new contracts or modify or confirm existing contracts to provide for electric-utility services for periods not exceeding 25 years, and such contracts shall be subject to termination by the Commission upon payment of cancellation costs as provided in such contracts, and any appropriation presently or hereafter made available to the Commission shall be available for the payment of such cancellation costs. Any such cancellation payments shall be taken into consideration in determination of the rate to be charged in the event the Commission or any other agency of the Federal Government shall purchase electric-utility services from the contractor subsequent to the cancellation and during the life of the original contract."

This statute gives the Commission the necessary authority to make the contract in question. The TVA system is an integrated unit, supplied from various plants owned by TVA, and, on occasion, by delivery from privately owned generating plants. Once electric power has been delivered to the system, it is impossible to identify the source of power which is supplied out of the system for end use. If additional generating capacity is constructed at West Memphis and fed into the TVA grid in an amount which is necessary to supply the Commission's requirements at Paducah and Oak Ridge, this can properly be said to be a contract for electric-utility services in connection with the operation of the Oak Ridge and Paducah installations of the Commission.

The increased cost to the Government of the Dixon-Yates proposal as against the Commission's present contract with TVA would be approximately $3,685,000 annually. However, if the President directs the Commission and TVA to modify their existing arrangements so as to release to TVA 600,000 kilowatts under the present contract (and we do not question the President's authority to do this), then the Commission has authority to make the best contract it can for replacement of the power thus released.

My conclusion, on the assumptions set forth above, is that the Commission would have authority under section 12 (d) of the Atomic Energy Act to make a 25-year contract with the Dixon-Yates group for the purposes indicated.

WILLIAM MITCHELL.

Mr. Chairman, Members of the House will note in reading this document that it is addressed to a state of facts which does not exist. It discusses the legality of a transaction which the President described in his budget message but which was abandoned in the directives of June 16. By clearest inference it says that the Dixon-Yates contract in the form which the President has ordered finds no support in the AEC Act.

In the President's budget message of January 21, the President spoke of meeting TVA's needs for power by releasing 500,000 or 600,000 kilowatts of the TVA commitment to supply the AEC facilities at Paducah. The President's message contemplated that AEC would replace the power thus released to TVA by purchasing an equivalent block from private utilities. That is the situation to which Mr. Mitchell addresses himself in his opinion of June 22. I for one have never questioned that the transaction outlined in the President's message of January 21 would be legal, however foolish and misguided it might be. But the whole basis of the transactions was changed in the directives of June 16. There it was stated explicitly that AEC would not release a single kilowatt of power to TVA, but rather that AEC would enter into a contract with Dixon-Yates for delivery of a block of power to TVA for TVA's general area needs. According to AEC's own experts this block of power would cost $3,685,000 more than the same power could be made available by TVA itself from new generating capacity on its own system. TVA's own estimates are that the extra costs would be $5½ million, both figures being exclusive of the Federal income taxes reimbursable by AEC. Of the extra costs, $1,499,000, representing State and local taxes payable in Arkansas, is proposed to be borne by AEC and the remainder by TVA. Now let us look at the opinion and see with what great care Mr. Mitchell has confined himself to approving the legality of a transaction which is now entirely academic and at what pains he has been to make clear that he is not passing an opinion on the Dixon-Yates contract which the President has ordered AEC and TVA to consummate. The very first paragraph of the opinion, which is in the form of a memorandum to Gen. K. D. Nichols, General Manager of AEC, states that his opinion was asked on AEC's authority to contract with Dixon-Yates "to provide electric-utility services for the Commission's plants at Paducah and Oak Ridge." If that was the question General Nichols submitted to Mr. Mitchell, then it was submitted only to provide Mr. Mitchell with exercise for his legal faculties, because the Dixon-Yates group would not provide a single kilowatt for the use of AEC itself.

In the third paragraph Mr. Mitchell again refers to the Dixon-Yates transaction as being in connection with the Commission's own requirements.

After thus misstating the essence of the transaction, Mr. Mitchell finds that the question is whether "under these circumstances" the Commission has authority to enter into a contract with Dixon-Yates. He concludes that if Dixon-Yates supplies power "in an amount which is necessary to supply the Commission's requirements at Paducah and Oak Ridge, this can properly be said to be a contract for electric utility services in connection with the operation of the Oak Ridge and Paducah installations of the Commission." I do not quarrel with that statement. So far as I am aware, no one quarrels with it. Unfortunately, however, the question is not as to the legality of a contract by AEC for amounts necessary to supply the Commission's requirements at Paducah and Oak Ridge, but as to AEC's authority to buy power for TVA which is not required at Paducah, or Oak Ridge, or at any other AEC installation.

In the next to the last paragraph of his memorandum Mr. Mitchell goes on to say that the increased cost to the Government of $3,685,000 annually is justified "if the President directs the Commission and TVA to modify their existing arrangements so as to release to TVA 600,000 kilowatts under the present contract" between AEC and TVA. No one quarrels with this statement. But the President has not directed AEC to release even one kilowatt of the TVA power supply commitment and AEC has stated that it does not intend to release a single kilowatt. Mr. Mitchell's opinion concludes with the statement that "on the assumptions set forth above" the Commission has authority "under section 12 (d) of the Atomic Energy Act" to enter into a contract with Dixon-Yates. However, every one of the assumptions "set forth above" is directly contrary to the facts.

I do not know how to explain this remarkable document. It is incredible that after almost a week to study the President's directives Mr. Mitchell should still be reading them backward and finding in them exactly what they do not say, but failing to find what they did say. Perhaps he was under pressure to provide some kind of a favorable opinion and being unable, in good conscience, to produce one on the set of facts which exist, he constructed a set of facts upon which it would be possible for him to rule favorably. This part of the mystery I will not probe any further but leave to the imagination of the Members of the House. What is even stranger, however, is that the Commission should not have asked Mr. Mitchell to revise his opinion in the light of the actual circumstances dictated by the President. The opinion was not disclosed until it was made a part of the CONGRESSIONAL RECORD by Senator HICKENLOOPER on July 19, almost a month after the opinion was written. Surely by then there was opportunity to secure from Mr. Mitchell an expression of opinion on the Dixon-Yates in the form which it actually took under the President's directives of June 16.

As I indicated before, no one can read this opinion without recognizing that the essence of the legal justification in Mr. Mitchell's mind was the release of 600,000 kilowatts by AEC to TVA and the purchase of replacement power by AEC from Dixon-Yates. This is the sole basis and support for any claim of legality under the AEC. The Mitchell opinion indicates that without this element, the contract would be illegal and, as every Member of Congress knows by now, the Dixon-Yates contract is not a replacement contract. It is therefore condemned by the opinion of AEC's General Counsel.

Mr. PRIEST. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree with the distinguished majority leader, the gentleman from Indiana [Mr. HALLECK], that

the hour is late and the Members of the House are somewhat wearied with many words. I feel, however, that the amendment pending at this moment is one of the most significant amendments, in its broad aspects, that this House will pass on during this session of the Congress or perhaps in any other session of the Congress.

I fully share the opinion of the gentleman from Illinois [Mr. PRICE], who has just addressed you, that this is an issue that far transcends the question of the Tennessee Valley Authority. It transcends, also, the question of public versus private power, and I shall not go into that discussion at all.

During the course of this debate today, many times my good friend from New York [Mr. COLE], the distinguished chairman of this committee, has stood on the floor and said that we do not want the Atomic Energy Commission to go into the power business. I wish, Mr. Chairman, that my friend—and he is a friend whom I esteem very highly—would take the floor and with equal zeal and vigor say that he does not wish the Atomic Energy Commission to go into the job of buying and selling power, peddling power, if you please. I wish the gentleman might take the floor and take that position and argue that as eloquently and as zealously as he argued against some of those earlier amendments.

I say this is one of the most significant amendments in its broad aspects and implications that will be before the House during this session of the Congress, because I believe it strikes at the very heart of the question of the integrity and independence of independent commissions of this Government, and I believe that is the question that confronts us all.

Now a few minutes earlier I heard what the gentleman from Indiana [Mr. HALLECK] had to say about the generosity of the House toward the Tennessee Valley Authority, and I want to say on behalf of myself and many people that we are grateful for that consideration. But, let me say in the same breath that this is not a Tennessee asset, it is not a Tennessee Valley asset alone. It is a great national asset. It belongs to all the people of this Nation. It has contributed greatly to the winning of a great war and is making a significant contribution to the defense and security of the Nation and the free world. I shall not go into that, either. But, I do want to emphasize that the Tennessee Valley Authority is a national asset.

Now, just 1 or 2 words, Mr. Chairman. The question has come up many times in some other debates with reference to the TVA's service area. The proposal in the Dixon-Yates contract is to build a steam plant west of the Mississippi River and with extension lines built half way across that river to join with a line that TVA will be ordered to build to connect up with the Tennessee Valley Authority distribution line. And yet it has been argued many times on the floor of this House that Fulton, Tenn., which is on the east side of the river in the State of Tennessee, over which all of the transmission lines crisscross in every direction, that that is not in the service area of the Tennessee Valley Authority. It does not make logic to me to move still farther west to build a plant to furnish power, across a great river in another State, and say, that plant can be built there and serve the Tennessee Valley service area, but if you build one at Fulton, Tenn., it would be outside of the Tennessee Valley Authority service area.

I hope, Mr. Chairman, and I hope with all the sincerity I can express, that the amendment offered by the gentleman from Tennessee [Mr. COOPER] will be adopted, because I believe, first of all, that it will prevent the Atomic Energy Commission from launching into a program, the end of which we cannot see nor contemplate at this time, one which is entirely out of harmony, in my opinion, with the purposes and the functions of the Commission.

I hope the amendment, Mr. Chairman, will be adopted.

Mr. MURRAY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I was shocked and amazed when I learned that the President had issued a directive to the Atomic Energy Commission to execute a contract with the Dixon-Yates utility group to furnish the TVA 600,000 kilowatts of power by constructing a steam plant just across the Mississippi River from Memphis, Tenn., in West Memphis, Ark.

The directive of the President did not call for open competitive bids, or give any other private power utility group any opportunity to offer a bid. The directive was tailor made and cut and dried for the Dixon-Yates group. It is an outrageous proposal; a giveaway and a cloudy deal in the interest of the Dixon-Yates group.

I firmly believe the President exceeded his constitutional powers in issuing the directive to the Atomic Energy Commission, which is an independent agency, and which would destroy the integrity and independent judgment of the Atomic Energy Commission, which is not intended to be one of the executive departments of the Government and to be under the direct control of the President. It was established as an independent agency, like the Federal Power Commission, the Federal Trade Commission, and the Interstate Commerce Commission. The directive makes a power broker out of the Atomic Energy Commission which should only be permitted to contract for power for its own use and needs.

The majority of the Atomic Energy Commissioners were opposed to this directive. The Acting Comptroller General, for the General Accounting Office, protested because the directive eliminated competitive bidding. It is a sad commentary that an independent agency such as the AEC can be made to ignore its own judgment by the President of the United States and compelled to contract for power that it does not need and which will not be used in connection with the Commission's activities.

The Atomic Energy Commission is being misused by the President as a tool or puppet for the Dixon-Yates combine and is being forced to carry the ball against its own will for this selfish, greedy private power group in their efforts to weaken, divide, cripple, and destroy the Tennessee Valley Authority.

Mr. Chairman, the President in his budget message which he sent to the Congress last January said:

> In order to provide with appropriate operating reserves for reasonable growth in industrial, municipal and cooperative power loads in the area through the calendar year 1957, arrangements are being made to reduce, by the fall of 1957, existing commitments of the Tennessee Valley Authority to the Atomic Energy Commission by 500,000 to 600,000 kilowatts. This would release the equivalent amount of Tennessee Valley Authority generating capacity to meet increased load requirements of other consumers in the power system and at the same time eliminate the need for appropriating funds from the Treasury to finance additional generating units. In the event, however, that negotiations for furnishing these load requirements for the Atomic Energy Commission from other sources are not consummated, as contemplated, or new defense loads develop, the question of starting additional generating units by the TVA will be reconsidered.

Instead of following his budget message the President issued a directive for a contract to a private power group, not to relieve the TVA of any of its commitments to the Atomic Energy Commission but to serve the city of Memphis and that area. The private power group for a long time have been trying to destroy the TVA yardstick. They have been eager to get control of distributing power in the city of Memphis, and they have finally succeeded in getting this directive ordering the Atomic Energy Commission, against its own will, its own judgment, to execute a contract whereby the selfish Dixon-Yates group will be given the contract, to give power to the city of Memphis and not to the Atomic Energy Commission for its own use and its own needs.

Mr. Chairman, I appeal to the committee to adopt the amendment offered by the gentleman from Tennessee [Mr. COOPER].

Mr. GATHINGS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have here a very fine airplane map of the location of the plant site in the city of West Memphis on the banks of the Mississippi River. I call to your attention the fact that a few days ago in the debate it was said that President Hoover had gone across this very site in a steamboat. This west bank of the Mississippi River is, and has been stable since 1919. The bank is revetted way around from the United States Engineer depot all the way down the line here past the plant site. This will be the plant site here.

In the last 2 or 3 years 8 or 9 million kilowatts of power are now being furnished near this point by the Arkansas Power & Light Co. to the Tennessee Valley Authority at about 4.5 mills per kilowatt-hour.

It has been said that AEC should not enter into this contract. That by so doing it would be occupying the position of a power broker. Such argument is unsound. To execute this contract is an administrative matter wholly and exclusively. It is the prerogative of the executive branch of the Government. Of course, AEC needs power. They are vitally concerned about power. They are

vitally concerned where the powerplant will be located. They do not want to see the plant knocked out by bomb attack. They want to be sure that these plants are dispersed.

This 600,000 kilowatts will be fed in just as has been stated here by the majority leader, just like you put it in the barrel on one side and take it out on the other. You cannot trace a particular kilowatt at all, but it is in there and it comes out.

This is the same thing that has been done by the Tennessee Valley Authority. Widow's Creek has been built 100 miles from Oak Ridge. Then there is the Johnsonville plant, 200 miles from Oak Ridge, furnishing power to Oak Ridge by replacement.

It looks like our friends and neighbors in Tennessee, and the other distinguished Representatives would help us folks from Arkansas get this great powerplant. We have been helping them for years. We are hurt that they do not have enough appreciation for their neighbors and for the fine relations existing through the years to join with us at this time. Why not build the plant at West Memphis just as well as at Fulton—they are only about 25 miles apart—West Memphis adjoins Memphis, Tenn. Memphis will get the principal benefits from the plant and from its operations—certainly more benefit than if the plant were built at Fulton, 25 miles away. I trust that the amendment of the gentleman from Tennessee will be rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if my colleagues will listen to me for just a minute, I will not transgress further on your time because I did have time to make a summary during general debate. But, I recognize that we have been talking about atomic energy and fissionable material and all that sort of thing all day long. I am now convinced that we have seen an example of some of this atomic energy in the last few minutes because considerable heat has been generated. I think possibly that is the result of the long day's debate. I would like to remind my distinguished colleague and neighbor across the river, however, that we have been sending power from the TVA over to Arkansas by interchange. It is entirely correct that we have been getting some power from Arkansas. But I would like to remind him also that this proposed private plant in the State of Arkansas would cost in power over a period of 25 years, according to Atomic Energy Commission figures, $92 million more than if the TVA supplies the power. The TVA has operated efficiently. Nobody seems to doubt that. By their figures and good experience, it would cost $139 million more over a period of 25 years to purchase the same amount of power. I should like to remind you that this plant in the State of Arkansas is certainly stretching the periphery of any TVA area because they are going across the river, and it will cost $9 million of TVA money to go to the middle of the river to pick this private power up and bring it over. It is going to cost this enormous amount of money more in the next 25 years. I repeat, that this is an opportunity long sought by private power to cross the river from this great city of Memphis and this Memphis area to get into this wonderful, progressive section, and to sell power at a higher rate than the TVA is supplying it. I rise in support of the amendment offered by my distinguished, senior colleague, the gentleman from Tennessee [Mr. COOPER]. I do hope that we will have some real consideration. I regret that my distinguished friend, the majority leader, a gentleman for whom I have the greatest respect, should have saved all of his power to jump on those of us who feel so deeply interested in this particular matter because we think that the integrity of the Atomic Energy Commission is being threatened when they make them a broker of power and wheel this power not to the Paducah atomic energy needs, but to supply the need for power in a great growing section of this great country of ours.

Mr. ANDREWS. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. I would like to congratulate the distinguished gentleman from Tennessee [Mr. DAVIS] for the great fight he has made through the years for TVA. I have been a member of the subcommittee of the Appropriations Committee for 9 years. Our subcommittee handles appropriations for TVA and the gentleman from Tennessee [Mr. DAVIS] has appeared before our subcommittee each year and made a forceful appeal for needed funds for TVA. I know of no man who has been more interested in the yearly appropriations for TVA than has the gentleman from Tennessee [Mr. DAVIS].

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, when the hour reaches 12:15 on a Saturday morning, I think the best way to answer these arguments is to bring out a few simple facts and then to suggest one of the methods my legal friends use in their arguments, and ask that we stipulate that the people from the Tennessee Valley area are in favor of the amendment; and they are in favor of continuing a subsidized program in that valley; and they wish to continue to enlarge the TVA, but that there are a great many people in the House of Representatives who would not want the TVA enlarged, but would like to see it continue as it is.

Now let me explode some of these things that have been said. It has been repeatedly said, Mr. Chairman, that the integrity of the TVA is being invaded. Of course, the integrity of the TVA is not being invaded in any sense of the word. The TVA has a limitation placed upon it in the basic law which confines it to the Tennessee River and its tributaries. The Mississippi River is not a tributary of the Tennessee River.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I shall be glad to yield to the gentleman briefly.

Mr. PRIEST. The observation I want to make is that I think the statements that have been made are that the integrity of the AEC rather than the integrity of the TVA was being threatened and challenged.

Mr. PHILLIPS. I believe that statement is equally erroneous. The integrity of the AEC is not being invaded. The AEC buys power from the TVA or from private concerns or wherever it can get it. There is no illegality in the creation of power and pouring it into a barrel from which that power is taken out wherever it is needed.

Why is the AEC making the contract instead of the TVA? For a perfectly good reason. Because the TVA does not care to make such a contract; because in dealing with the AEC you are dealing with a Government agency, while TVA is a corporation. The rates of interest are different. The legal points are different. There are technical reasons for contracting with AEC, instead of TVA.

I want to make it very clear in this matter of competitive bidding that there is no restriction, but in our theory of the production of electric current in the United States, a contract of that kind must have power back of it in order to support it. No one can build one powerplant and go into business, without the necessary background, the necessary facilities, the necessary standby facilities that are required.

All of us received a letter from a promoter in New York who says he wishes to bid. That would be a bid from a man who says that if the Government will give him $4 million cash and undertake to guarantee 32 years of service and pay all of the expenses, then he will be glad to build the plant.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Arkansas.

Mr. HAYS of Arkansas. The gentleman gave the House some figures the other day on costs under the Dixon-Yates plan. In the interest of accuracy I would like to direct attention to the figure relating to taxes to be paid to the State of Arkansas. It was stated that the total would be about a million and a half dollars a year. I believe that the figure is closer to a million or perhaps a little less than that sum. I understand that the gentleman has been supplied some additional figures.

Mr. PHILLIPS. It is one of the inaccuracies which has been repeatedly stated on this floor and elsewhere. The tax was said to be, for the State of Arkansas, $1,400,000. The tax is actually $952,000. The Tennessee Valley Authority comes in, I might say, and gets up to $5 million a year for exactly the same things for which the State of Arkansas would get $952,000. The Tennessee Valley Authority came to my committee and asked for $100 million to build a steam plant within 30 miles of where this plant is supposed to be built. If it is to be built by TVA, it is all right. If it is to be built by private interests then my friends on that side say that is

not right. One hundred million dollars cash plus interest over the entire life of the contract.

There is no such realistic figure as a loss of $3 million a year. Actually, this contract when broken down is beneficial to the taxpayers. Figures have been cited which brought up a loss of $3 million. This was on the assumption that TVA is going to sell its power to the AEC or to anyone else at the exact cost or less than that. TVA has never done that; the TVA has no intention of doing it. TVA today is making $6 million a year profit off the AEC at the Paducah plant, and uses that amount of money to underwrite cheaper power for the people of the Tennessee Valley.

I ask for a "no" vote upon the pending amendment.

Mr. HOLIFIELD. Mr. Chairman, I rise in favor of the pending amendment.

Mr. Chairman, may I say that the figures that have been given as a total of $3,685,000 more per year was a figure that was given by the Atomic Energy Commission in testimony before our committee. Those figures were approved by the Bureau of the Budget, and by Mr. Franklin Adams of the Federal Power Commission as being the accurate figures; therefore they were not inaccurate, of course.

ANALYSIS OF DIXON-YATES PROPOSAL

Mr. Chairman, on Tuesday, July 6, 1954, I commented on some of the facts of the proposed contract which the AEC has been directed by the President to negotiate with the Dixon-Yates private utility group for electrical energy to be transferred by the AEC to the Tennessee Valley Authority grid in the Memphis area.

I gave some of the legislative background and I believe that I established clearly that the legislation which was passed in August 1953 by the Congress, H. R. 4905, which is now section 12 (d) of the Atomic Energy Act of 1946, as amended, was passed for the following purpose:

(a) It gave the AEC the power to contract for electrical utility services for a period of 25 years.

(b) It limited the exercise of this power to the Oak Ridge, Portsmouth, and Paducah installations of the AEC and also provided that new contracts could be entered into by the AEC for expansion facilities at the three specifically named locations.

Comment: These two principles are clearly defined in the legislative language and sustained by the testimony of the AEC General Manager, Mr. Boyer, before the Joint Atomic Energy Committee and by statements and questions of members of the committee during Mr. Boyer's presentation.

I described a few of the major provisions of this proposed contract yesterday in my remarks which appear on pages 9865–9869 of the July 6, 1954, CONGRESSIONAL RECORD.

It is my purpose today to go into somewhat more detail regarding this proposed contract.

The President's budget message of January 21, 1954, gave as reason for denying the TVA's budgetary request for an additional steam plant at the Fulton, Tenn., site, the following:

In order to provide, with appropriate operating reserves, for reasonable growth in industrial, municipal, and cooperative power loads in the area through the calendar year 1957, arrangements are being made to reduce, by the fall of 1957, existing commitments of the Tennessee Valley Authority to the Atomic Energy Commission by 500,000 to 600,000 kilowatts. This would release the equivalent amount of Tennessee Valley Authority generating capacity to meet increased load requirements of other consumers in the power system at the same time eliminate the need for appropriating funds from the Treasury to finance additional generating units. In the event, however, that negotiations for furnishing these load requirements for the Atomic Energy Commission from other sources has not consummated as contemplated or new defense loads develop, the question of starting additional generating units by the Tennessee Valley Authority will be reconsidered.

I want you to note that the President made a clear statement that "arrangements are being made to reduce, by the fall of 1957, existing commitments of the TVA to the Atomic Energy Commission by 500,000 to 600,000 kilowatts."

Some time between the President's stated purpose and the testimony given by Mr. Nichols, the present General Manager of the AEC, before our committee on June 17, 1954, this purpose was lost by the wayside. Mr. Nichols testified in part as follows:

We have proceeded on the basis that there would be no contract cancellation for a like portion of the AEC-TVA-Paducah contract.

Likewise, in a letter dated April 15, 1954, from Chairman Lewis L. Strauss to Mr. Dodge, the then Director of the Bureau of the Budget, Mr. Strauss said:

We have proceeded on the basis that there would be no contract cancellation for a like portion of the AEC-TVA-Paducah contract.

This disposes of any argument that the Dixon-Yates electrical energy is to be used as a substitute, or exchange, or replacement for a reduction in the TVA's firm commitments to the AEC. If the President's originally stated purpose has been abandoned, it is pertinent to inquire as to what purpose the proposed contract is now supposed to fulfill.

That answer will be found by considering the terms of the contract.

In a letter dated June 16, 1954, the present Director of the Budget Bureau, Mr. Rowland Hughes, told Senator SALTONSTALL that the AEC was instructed "to proceed with the negotiation of a definitive contract" with the Dixon-Yates group.

The AEC and the TVA were also instructed to work out the necessary interagency arrangements to assure the most favorable operation under the contract.

Under this clear directive of the President, the AEC Commissioners found themselves in a very embarrassing position. In testimony before the joint committee, Commissioner Henry D. Smyth, on behalf of himself and Commissioner Eugene Zuckert, objected to the proposed contract and read into the record a copy of their joint letter to Mr. Hughes stating that it was an "awkward and unbusinesslike" procedure. The text of the letter follows:

DEAR MR. HUGHES: On April 15, 1954, the Chairman of the Atomic Energy Commission, Mr. Strauss, sent you a letter outlining an analysis of the negotiations for certain power to be furnished by Middle South Utilities, Inc., and the Southern Co.

Under this proposal the Atomic Energy Commission contracting power would be used as a vehicle for the supply of 600,000 kilowatts of power in the Memphis area.

With the knowledge of the other members of the Commission, we are taking this opportunity to bring to your attention our personal view that the proposed action involves the AEC in a matter remote from its responsibilities. In an awkward and unbusinesslike way an additional Federal agency would be concerned in the power business.

The proposal under discussion is an outgrowth of the responsibility to the President's budget message under your letter of December 24, 1953, requesting the AEC to explore the possibility of reducing existing commitments of the TVA to the Commission. In the course of that exploration it was determined to be unwise to disturb the AEC arrangements with TVA upon which our production schedules depend. Since that determination, the explorations have taken a different course.

The present proposal would create a situation whereby the AEC would be contracting for power not one kilowatt of which would be used in connection with the Commission's production activities. The creation of such a contractual relationship would place upon the Commission a continuing responsibility during the 25-year life of the contract for stewardship in respect to matters irrelevant to the mission of the Commission.

It has been our observation in Government administration that arrangements which are obviously incongruous at the outset tend to become even less clearcut because no one can foresee what contingencies may arise over a long term of years. In addition the proposed action certainly seems a reversal of the sound philosophy embodied in the community-disposal legislation recently sent forward to Congress. One motivation for that legislation was the desire to eliminate responsibilities not essentially involved in the Commission's sober and exacting principal mission.

Of course, if the President or the Congress directs the Commission to accept such a responsibility we will endeavor to discharge it fully.

This letter was signed "Henry D. Smyth, member, Atomic Energy Commission; and Eugene M. Zuckert, member of the Atomic Energy Commission."

At the same hearing Commissioner Thomas Murray objected with equal vigor and emphasis to the proposed contract.

It is noteworthy that Commissioner Murray was the member of the Commission responsible for originating long-term contract arrangements with Electric Energy, Inc., a private-utility group now supplying power to the Atomic Energy Commission along with the TVA. However, Mr. Murray was frank to state that Electric Energy, Inc., was found sadly wanting in performance in comparison with the TVA.

Commissioners Lewis L. Strauss and Joseph Campbell indicated their willingness to proceed under the President's directive in negotiating the Dixon-Yates proposed contract.

Thus we see that 3 out of the 5 Commissioners vigorously opposed the scheme of using the AEC as an administrative device to achieve purposes and objectives foreign to the purposes of the Atomic Energy Act. Notwithstanding this objection of the majority of the Commission, it is my understanding that the Commission, through its general manager, General Nichols, is proceeding to negotiate a definitive contract with the Dixon-Yates group.

Now we turn to the contract itself and I will make a series of statements concerning the provisions of the contract. These statements are based on the testimony of the AEC Commissioners and their general manager, Gen. K. D. Nichols; a copy of the proposed contract addressed to the AEC, dated April 10, 1954, and signed by Mr. E. H. Dixon, president of Middle South Utilities, Inc., and Mr. M. J. Barry, chairman of the executive committee of the Southern Co.; an appendix, consisting of 5 pages which was attached to the letter; a Comparison of Annual Costs for Power Supplied From Alternate Sources, No. 10109, under date of April 14, 1954, from the AEC; and a letter dated April 15, 1954, to Mr. Dodge, then Director of the Bureau of the Budget, signed by Chairman Strauss of the Atomic Energy Commission.

First. General Nichols testified before the Joint Committee on Atomic Energy on June 17, 1954, that the Dixon-Yates proposal would cost the Government a minimum of $3,685,000 more per annum than if the same amount of power were purchased from the TVA at the present rates charged by the TVA to AEC at the Paducah plant.

Second. Mr. Wessenauer, manager of power for TVA, estimated that it would cost the Government $5,567,000 more per annum under the Dixon-Yates contract than if the TVA supplied the power.

Third. General Nichols testified that it would cost the Government more than $90 million more over the life of the contract than if the power were purchased from TVA.

Fourth. Mr. Wessenauer testified that it could cost the Government approximately $140 million in excess of TVA charges over the life of the contract.

Fifth. The Government assumes a maximum cancellation liability of $40,012,500 plus fair and reasonable expenses payable to third parties.

Sixth. Although the contract is ostensibly for a 25-year period, in the event of termination the Dixon-Yates group has the right and is obligated to recapture not less than 100,000 kilowatts of its capacity per year beginning with the fourth year of the contract and continuing to the ninth year. This provision would permit the Dixon-Yates group to recapture their complete capacity at the end of the fourth year, or any intervening year between the fourth and ninth years.

In any event, it must recapture its 600,000 kilowatts capacity by the end of the ninth year.

Seventh. The Government is also obligated to assume approximately $5 million in construction costs, if the estimated construction cost of $107,250,000 is exceeded by as much as 9 percent.

Eighth. If the 9-percent overcost in construction occurs, this will add $285,000 per annum to the original estimated base charge of $8,775,000.

Ninth. The Government is obligated to build and charge to the TVA a $9 million transmission line from the Dixon-Yates terminal in the middle of the Mississippi River to the TVA grid, and to operate and maintain same for the period of the contract.

Tenth. The Government is obligated to pay all Federal, State, and local taxes of the Dixon-Yates private utility corporation. The estimated total of these taxes by Dixon-Yates is $2,319,000 of which $1,499,000 represent Arkansas State and local taxes, including $83,000 State income taxes, and $820,000 Federal taxes on corporation income.

Eleventh. The Government is obligated to insure 9-percent net return to the Dixon-Yates group on their equity investment, which amounts to 5 percent of the estimated capital investment of $107,250,000.

Twelfth. The balance of the capital investment of the Dixon-Yates group, amounting to 95 percent of the total, will be funded by selling to private investors bonds with a guaranteed return of 3½ percent.

Dixon-Yates state in their letter that the 25-year contract with the United States Government is the basis for obtaining the 95 percent funding at this low-interest rate.

Thirteenth. The Government is obligated to take 93 percent of their power capacity at point of delivery at all times. If it does not absorb the 93-percent powerload, it is subject to penalty.

Fourteenth. The Dixon-Yates group state that they will request the Treasury Department for a favorable ruling on capacity charge for replacements. They maintain further that if this favorable ruling is granted, it will be possible to make a $313,000 reduction in the estimated taxes.

Fifteenth. The Dixon-Yates group also state that the proposal is "subject to our securing appropriate Treasury Department rulings or agreements with respect to the sinking fund depreciation upon which the computations underlying our proposal are predicated."

Sixteenth. The annual charges quoted are minimum charges and are subject to the following escalation clauses:

Increased cost of construction over estimate;

Any increase in fuel costs;

Any increase in labor costs; and

Less than 93 percent load factor absorption of capacity.

Seventeenth. Other conditions are set forth in the Dixon-Yates proposal as follows:

Other conditions: (1) This offer is subject to approval of regulatory bodies having jurisdiction and to force majeure. In the event of new laws, orders or regulations or changes in existing applicable laws, orders or regulations adversely affecting wage rates, hours of work or other conditons, or active hostilities, any of which shall result in increased costs hereunder, the effect of such changes shall be incorporated in any contract resulting from this offer to the end that the rights of the seller shall not be impaired by such changes, and the parties will enter into appropriate amendments of such contract to that end.

Comment: Note that this section makes the Dixon-Yates contract subject to new laws, orders, or regulations, or changes in existing applicable laws, orders or regulations.

If decisions of regulatory bodies or other conditions increase the costs, the effect of such increased costs would become additional Government liabilities. The term "other conditions" is all-inclusive and would cover any contingent increase in costs without known limit.

Eighteenth. If the AEC assigns any of the power to another Government agency which it is obligated to purchase from Dixon-Yates, beginning with the fourth year of its operation, it cannot assign the power at contract rates. But the receiving Government agency must pay an increased price which is to be approved by the Federal Power Commission.

Mr. COLE of New York. Mr. Chairman, I ask unanimous consent that further discussion of this amendment conclude in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ABERNETHY. Mr. Chairman, I object.

Mr. COLE of New York. Mr. Chairman, this subject has been discussed in the House and in the press rather thoroughly. I think everybody understands what is involved. Therefore, I move that further discussion of the pending amendment and all amendments to section 154 close in 30 minutes, the last 5 minutes to be reserved to myself.

Mr. COOPER. Mr. Chairman, I make a point of order against the motion. You cannot reserve any time under a motion of that kind. You could under a unanimous-consent request, but not under a motion.

The CHAIRMAN. The gentleman is correct.

Mr. COLE of New York. Mr. Chairman, I shall state my position in whatever share of the time I am allowed.

Mr. EBERHARTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EBERHARTER. My parliamentary inquiry, Mr. Chairman, is: If the motion of the gentleman from New York [Mr. COLE] carries, how much time will be allotted to the gentleman from New York and to the other Members who are indicating their desire to speak?

The CHAIRMAN. It will depend on how many are asking for recognition and they will all be treated equally.

Mr. VORYS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. The point of order is that if the motion carries, then the first 6 persons the Chair recognizes get 5 minutes apiece. There cannot be a division except by unanimous consent.

The CHAIRMAN. That would be so unless the Chair is given the authority to divide the time.

Mr. COLE of New York. Mr. Chairman, I will modify my motion to authorize the Chairman to allocate the time.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York [Mr. COLE].

Mr. EBERHARTER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. EBERHARTER. The gentleman from New York was stating a modification of his motion and he had not completed stating the modification of his motion when the Chair attempted to put the question. I think it is proper for the gentleman from New York to be permitted to state his modification.

The CHAIRMAN. I understood the gentleman had completed his statement.

Mr. COLE of New York. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 30 minutes, the time to be allocated by the Chair among those seeking recognition at the time.

Mr. EBERHARTER. Allocated equally?

Mr. COLE of New York. Of course.

Mr. COOPER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER. I want to inquire now if certain gentlemen standing will be allowed to yield their time to somebody else.

The CHAIRMAN. By unanimous consent only. Unless there is unanimous consent, the first six people who are recognized would be entitled to be heard. That is the rule.

Mr. RAYBURN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAYBURN. Was the request of the gentleman from New York put by the Chair?

The CHAIRMAN. There is a motion pending to close debate in 30 minutes. There is no request pending.

Mr. COOPER. Mr. Chairman, in all fairness, the gentleman from New York asked unanimous consent that the time be equally divided.

The CHAIRMAN. He did at one time; yes.

Mr. COOPER. Well, if he did at one time, it is still there.

The CHAIRMAN. But that was before the gentleman made his point of order.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. If the motion were withdrawn and unanimous consent were granted for 30 minutes time on this amendment, then I take it the Chair would divide the time equally.

The CHAIRMAN. That is correct.

Mr. HALLECK. I suggest that be done.

Mr. DURHAM. Will not the gentleman make it 45 minutes? I have worked on this bill 5 months, and I have not taken much time on it, and I think it is important. I think the chairman has been fair and I think he wants to be fair.

Mr. COLE of New York. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 45 minutes and that the Chair undertake to divide the time equally among those standing.

Mr. FORAND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORAND. Has the gentleman withdrawn his motion?

The CHAIRMAN. The gentleman has presented a unanimous consent request, and that will be put.

Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

Mr. MACHROWICZ. Mr. Chairman, I ask unanimous consent that I may yield to the gentleman from Mississippi the time that has been alloted to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. MASON. Mr. Chairman, I object.

Mr. ABERNETHY. Mr. Chairman, first, I regret very much that my friend from Illinois [Mr. MASON] objected to the request of the gentleman [Mr. MACHROWICZ] to yield me his time. Up until now I have consumed no time on this bill. I have been waiting until the pending amendment was reached. Therefore, I feel I am entitled at least to 5 minutes. But inasmuch as the gentleman from Illinois [Mr. MASON] objects, I shall try to get along with what I have.

Mr. Chairman, the issue in this particular amendment is not TVA. It is not subsidies. The issue is the legality, forthrightness, and fairness of the Dixon-Yates deal.

The gentleman from Indiana [Mr. HALLECK] made his usual critical remarks of the Tennessee Valley, the type of remarks which he has made on every occasion since his party came into power last year, when TVA was the subject of discussion. May I say to my friend from Indiana [Mr. HALLECK] that TVA is not the issue just now. Furthermore, the question of subsidies, insofar as the Tennessee Valley Authority and the people of Tennessee are concerned, is not the issue. The issue is whether or not this administration is going to follow the purpose of the law and the intent of the Congress when it established the Atomic Energy Commission.

What is all of this fuss about? Let me read to you what the law says the Atomic Energy Commission shall do. It was anticipated when the Atomic Energy Commission was established that it would require an unusual amount of power to operate its facilities and, inasmuch as an unusual amount of power would be required to operate these facilities, the Congress wrote into the law the following language——

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. ABERNETHY. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The Clerk will report the motion of the gentleman.

The Clerk read as follows:

Mr. ABERNETHY moves that the Committee do now rise and report the bill back to the House with the enacting clause stricken.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. ABERNETHY. Here is what the law says:

The Atomic Energy Commission is authorized in connection with the construction or operation of Oak Ridge, Paducah, and Portsmouth to—

Contract for power for its own use.

The authority is in connection with construction and operation of AEC facilities. There is no authority there for AEC to contract for power for the use of TVA in supplying its consumers.

Let us look at it again:

The Atomic Energy Commission is authorized in connection with the construction or operation of Oak Ridge.

This Congress did not give the Atomic Energy Commission the authority to enter into a contract with Dixon-Yates for the purpose of supplying power to the city of Memphis or west Tennessee. It did not give the Atomic Energy Commission the authority to enter into a contract to supply power to anyone. It only authorized the Atomic Energy Commission to enter into contracts to purchase power for its own use. And what construction was put upon the language of the act by the Commission from which I have just read? Two members of the Commission wrote Mr. Hughes of the Budget Bureau on April 15, and what did they say? Here is what they said:

The creation of such a contractual relation—

This relationship which the President is trying to force upon the AEC—

would place upon the Commission a continuing responsibility during the 25-year life of the contract for stewardship in respect to matters irrelevant to the mission of the Commission.

Another Commissioner had the following to say:

I do not believe that it is desirable for the Atomic Energy Commission to perform a function that another agency of Government could perhaps more likely perform. Since, however, I understand here today there has been a directive from the Bureau of the Budget, approved by the executive department, we will, of course, proceed.

So three members of the Atomic Energy Commission say in effect this Dixon-Yates deal is contrary to law and not a function of the Commission, but inasmuch as the President has ordered them to do so, then there is nothing else they can do. They just can't buck the President. They have to accept his orders and bow to his will.

What is the object of all of this? Who are these Dixon-Yates people? Why are they so in the favor of this administration? Why is this one particular power concern—which incidentally has representatives in this Capitol right now, and some of them are sitting in the gallery right now—why is this administration so interested in accommodating this particular single power concern? Is

there some sort of obligation? What is the reason for handing out something special, something lucrative, to one special outfit? What is the object of closing the door to all of the others in the United States? I want somebody to tell me why it is that this particular concern is being specially favored by this administration.

We hear a lot about free enterprise and the competitive system, but does the administration open this up to competition? Has it asked for bids? Has it asked for other power concerns to come in and compete? Has it opened the door? Has it published a notice of specifications, and invited the various power interests of the United States to come in and bid on this particular job? Oh, no! Undoubtedly there must be something behind this deal other than the replacement of power at Memphis and west Tennessee.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Tennessee.

Mr. EVINS. Not only were there not any specifications offered, but the company was called in and invited to take the deal without any specifications having been presented to it. They grabbed at it without any specifications having been shown to them.

Mr. ABERNETHY. That is my understanding.

The gentleman from New York, a very distinguished Member of this House, whom we all admire and respect, made a very pertinent remark this evening, one that was referred to by a speaker just a few minutes ago, that it was not his desire to put the Atomic Energy Commission into the power business.

The adoption of the amendment offered by the gentleman from Tennessee [Mr. COOPER] will accomplish that objective. Unless his amendment is adopted the Atomic Energy Commission will be in the power business in a big way and, mind you, for the benefit of one particular power company, and one only. And for what purpose? To furnish power to AEC? No. But to furnish power to the customers of the TVA at a point 200 miles or more from any AEC installation.

The Cooper amendment ought to be adopted.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in opposition to the motion.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. HALLECK. Mr. Chairman, I am sorry that the gentleman from Mississippi spoke of this contract as if to indicate there were something sinister about it. I just do not believe he feels that way. It is all right for the gentleman to be critical of me. He frequently is that way. He spoke as though I had been critical of the TVA. I did not say anything critical of the TVA.

Mr. ABERNETHY. The gentleman did not say anything good.

Mr. HOFFMAN of Michigan. Regular order, Mr. Chairman.

Mr. HALLECK. The gentleman spoke of continuing comments of mine critical of the TVA. Well, he would have to look a long time in the RECORD to find any such comment as that. I want to make this one other observation before I take my seat. Speaker after speaker on the other side has said this is not an issue involving the TVA, but that it is a matter involving the AEC. But the great alacrity with which all of the Members from the TVA area, and I love you all, and do not blame you for being most vehement about what you think of the TVA, have been jumping up here for the past 3 or 4 weeks, a couple of hours a day, and speaking critically about this contract that is about to be entered into, makes it seem to me that perhaps it does have some relationship to the TVA in your minds.

The CHAIRMAN. The question is on the motion offered by the gentleman from Mississippi [Mr. ABERNETHY].

The question was taken; and on a division (demanded by Mr. WILLIAMS of Mississippi) there were—ayes 54, noes 85.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I demand tellers.

Tellers were refused.

So the motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I have served on the subcommittee handling the TVA appropriations for quite a number of years. The real fight in the TVA area is not about the expansion of the territory, because the TVA has not expanded its territory for quite a number of years. They do not plan to expand their territory.

The real purpose behind efforts in the Republican 80th Congress to pull out of the TVA, in cash dividends, enough money to cripple the operation of TVA was to force increased rates to consumers in the area and thereby achieve their desired effect outside the area.

Only after a hard fight were we able to provide 40 years for the TVA to return costs of power facilities, one-fourth the cost each 10 years; and I remind you that the TVA will still belong to the people of the United States when the total cost has been paid.

Both last year and this year funds were refused TVA for construction of the Fulton plant, with which to provide power for the growing needs of this 80,000-square-mile area. Remember, the TVA has not and is not seeking to enlarge its territory.

Only this year, yielding to the pleas of those whose prime purpose seems to be to make the operation of TVA more costly in anticipation of forcing an increase in power rates, the committee handling funds for TVA recommended that the cash operating funds of the agency be greatly reduced. And here is the dead giveaway—the committee provided that the bridle be taken off and distributors, municipalities, and REA systems charge retail consumers whatever they pleased for power obtained from TVA. Cities and others could have financed anything in the world out of power profits. The sky was the limit. In other words, it made no difference what happened to the money so long as retail rates to consumers were increased by those distributors to whom the TVA sold power wholesale.

Fortunately, we were able to get rid of that provision in the Congress. While the advocates of that provision did not care who got the money, under the Dixon-Yates setup the retail charges to consumers would be increased and the administration would go further and contract to pay the additional money to their favorites—even turning down other private-utility groups. I do not believe the American people will stand for it, at least, not for long.

In my judgment such contract is certainly not within the intent of the Atomic Energy Act. In fact, I do not believe it is legal under the present act. If, in spite of our efforts here, such contract should be entered into under the urging of the executive department under the present law, I feel the Congress should prohibit the use of funds to pay the claimed obligations, and we could thereby force the matter into court for a determination as to its legality.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, like my good friend from Indiana [Mr. HALLECK], I greatly admire all of my friends from the great Tennessee Valley. I admire them for making the determined kind of fight they have made and are making for a continuation of federally subsidized and tax-exempt steam powerplants. I, also agree with the majority leader that we have been extremely fair and generous to the TVA. We have pumped a billion seven hundred million dollars into the TVA. That is a considerable sum of the American taxpayers' money.

The gentleman talked about waterpower. I have no objection to waterpower in the TVA. I am concerned with the steam powerplants financed by the people of the Nation to the advantage of one particular area over other sections of the Nation. When you get along with waterpower in the TVA, that is all right, but when you come in and ask the American taxpayers to subsidize tax-exempt steam powerplants in the Tennessee Valley I say that you are no more entitled to them than we are in Pennsylvania where we have a great supply of coal. The other day a mine shut down that has been operating for many years, throwing some 4,000 miners out of work. We have coal, so we could ask the Government to come in and build steam powerplants, subsidized by the American taxpayer, tax exempt, to produce cheap power so that we could compete with the TVA in this highly competitive industrial situation that exists all over the Nation. You are no more entitled to steam powerplants in the Tennessee Valley Authority, subsidized by American taxpayers, than we are in Pennsylvania. Why should the TVA be given preferred consideration? Recently in my district there developed a need for more power—a public utility—the Penelec Co. of Pennsylvania undertook an $80 million program to meet the power needs of the area. They did not ask the Government to finance it, they did not ask for tax exemption. So why do you

come to the Congress requesting authorization of federally subsidized steam powerplants, tax exempt, that my State, the great State of Pennsylvania, will have to put up the money to build that will permit the TVA to attract industry into the valley away from the rest of the Nation. Is the Tennessee Valley a preferred area of the Nation? The attempt to continue this preferred class area just does not make sense to me. It is time the TVA stood on its own feet. The American people are rebelling against a continuation of giving one section preferred consideration over other areas of the Nation.

I am surprised that you have not recognized this fact and if the need is evident in the TVA, build your own steam powerplants to meet your needs for increased power, with your own money and not ask the American taxpayers to foot the bills.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WINSTEAD].

Mr. WINSTEAD. Mr. Chairman, I rise in support of the amendment which would prohibit the proposed contract which the President has ordered whereby the Atomic Energy Commission would serve as a power broker for the Tennessee Valley Authority. I speak not only for myself but for countless citizens of my congressional district who deplore the action of the administration in directing the Atomic Energy Commission to negotiate a contract with the Dixon-Yates Co. to supply electric power to the Tennessee Valley Authority. I cannot in any measure subscribe to the intent of the administration to place the Atomic Energy Commission in the center of a fight between public and private power. Surely, we are all agreed that in critical times, such as these, the Atomic Energy Commission, in order to perform the function for which it was created, must command the confidence and support of all the people. This, I submit, is not possible if the Atomic Energy Commission is to become a power broker for private power companies. I have no fight with the authority of the AEC to make long-term contracts for power for its own use, but the Commission should never, in my opinion, be permitted to act in the capacity of a power broker for other agencies.

It has been brought to the attention of the membership of this House that the General Accounting Office is on record as opposing this contract, along with the people of the Tennessee Valley Authority and, I understand that 3 of the 5 members of the Atomic Energy Commission are actually against the proposal but are going along under pressure from the President. Yet, in the face of such opposition, the President of the United States has, through the Bureau of the Budget, ordered the Atomic Energy Commission to contract with the Dixon-Yates Co. for power to TVA for distribution to its consumers. This 25-year contract, I understand, involves building a new steam plant at West Memphis, Ark. This arrangement would cost the Government a minimum of $90 million to $150 million in excess of other ways of securing the same block of power. I submit that this is a bad business venture. Of the $107,250,000 cost to construct this plant, Dixon-Yates will be required to invest only 5 percent—they are guaranteed a large return on their investment and the Federal Government renders them immune from any taxes whatsoever. The remaining 95 percent of this $107,250,000 is to be financed by bonds which will be guaranteed to yield 3½ percent interest. At the end of the 25-year period, the plant will become the property of the Dixon-Yates Co. Thus, we see this group acquiring a sizable fortune through the Government—without even being subjected to the fair and long-standing practice of competitive bidding.

In my opinion, this is only the beginning of a plan to impair or liquidate the services of the Tennessee Valley Authority, the end result being a money-making scheme for private power companies.

There is no yardstick by which to measure the many benefits rendered to the people by TVA during the 20 years of its existence. Today this great agency supplies electricity in an area of approximately 80,000 square miles. Records reveal that 500,000 people depend on TVA for electricity used in the homes, on the farms, and in business enterprises. To liquidate or impair this program will bring untold hardship.

The TVA not only is of great benefit to the municipalities which obtain power at reasonable rates which in return they sell to the people at reasonable rates—not only is the TVA of great value to local REA associations who buy power from the TVA and to their members for the same reason, but reasonable rates charged by TVA have the effect of helping to cause private utilities to keep their rates lower. I believe all the people in my State and surrounding States have a real interest in preventing these higher costs from being put into the TVA so as to raise the rates it must charge.

Mr. Speaker, I submit this amendment should be adopted.

Mr. WINSTEAD. Mr. Chairman, I ask unanimous consent to yield the remainder of the time allotted me to the gentleman from North Carolina [Mr. DURHAM].

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. MASON. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. FRAZIER].

Mr. FRAZIER. Mr. Chairman, everyone realizes the importance of this legislation. Upon it rests the future welfare of our Nation and in all probability the welfare of the entire free world. I have read the hearings, I have followed the debate in the Senate, and I can arrive at but one conclusion and this is that some selfish interests are using this legislation for the purpose of breaking down one of the greatest agencies of our Government at the cost of the taxpayer.

Much of this legislation is good and needed, some parts of it should be eliminated or clarified, but one part in particular should be amended. It is that provision of the bill that attempts to foist on the American people the construction of a steam plant at West Memphis, Ark., for the benefit of a private utility at a cost of from $92 million to $140 million of the people's money. No one can study this proposed contract without being shocked. It is not only an effort to kill the TVA by the private power companies, it is bigger than that, it involves the principle of right and justice and fairness upon which our Government is founded. Never before in the history of our country has such a contract been crammed down the throats of the American people. Why, I ask you, should the American taxpayer be imposed upon and made to pay for the construction of a powerplant under the subterfuge of furnishing power for the Atomic Energy Commission when not 1 kilowatt will ever reach the Atomic Energy plants at Paducah, Oak Ridge, or Portsmouth?

The Atomic Energy Commission has been authorized to contract for power at such plant or plants for its purposes at these places, but is not doing so because it does not need the power there. It has been ordered to contract with a private power company for the construction of a plant 250 miles away, not for its own use but for the sale of power at a high price to TVA, who in turn is to use it to supply Memphis and west Tennessee. The AEC is being used as a power broker for the benefit of a private power company that has not even been organized, over the objection of three of the Commissioners, and at whose direction? None other than the President of the United States. If his order is carried out, it will cost the Government $140 million over a period of 25 years, at which time all that is invested in this plant will be the property of this private power company.

We who are interested in public power are greatly disturbed over this section of the present bill. We cannot arrive at any other conclusion than this section is designed to break down a yardstick established by the TVA and to eventually destroy this great agency that has been the instrument for saving millions and millions of dollars to the users of electricity through the United States.

Under this section the AEC is authorized to enter into contracts to provide for electric utility service. But the AEC has gone far beyond this authorization. They are now attempting to make a contract with Dixon and Yates to supply electric power to be furnished to the TVA for use not by the AEC but to supply the city of Memphis.

Let me call your attention to some of the provisions of this contract which I am sure will shock your conscience:

First. General Nichols testified before the Joint Committee on Atomic Energy on June 17, 1954, that the Dixon-Yates proposal would cost the Government a minimum of $3,685,000 more per annum than if the same amount of power were purchased from the TVA at the present rates charged by the TVA to AEC at the Paducah plant.

Second. Mr. Wessenauer, Manager of Power for TVA, estimated that it would cost the Government $5,567,000 more per annum under the Dixon-Yates contract than if TVA supplied the power.

Third. General Nichols testified that it would cost the Government $90 million more over the life of the contract than if the power were purchased from TVA.

Fourth. Mr. Wessenauer testified that it would cost the Government approximately $140 million in excess of TVA charges over the life of the contract.

Fifth. The Government assumes a maximum cancellation liability of $40,012,500 plus "fair and reasonable expenses payable to third parties."

Sixth. Although the contract is ostensibly for a 25-year period, in the event of termination the Dixon-Yates group has the right and is obligated to recapture not less than 100,000 kilowatts of its capacity per year beginning with the 4th year of the contract and continuing to the 9th year. This provision would permit the Dixon-Yates group to recapture their complete capacity at the end of the 4th year, or any intervening year between the 4th and 9th years.

In any event, it must recapture its 600,000-kilowatt capacity by the end of the ninth year.

Seventh. The Government is also obligated to assume approximately $5 million in construction costs, if the estimated construction cost of $107,250,000 is exceeded by as much as 9 percent.

Eighth. If the 9 percent over cost in production occurs, this will add $285,000 per annum to the original estimated base charge of $8,775,000 per annum.

Ninth. The Government is obligated to build and charge to the TVA a $9 million transmission line from the Dixon-Yates terminal in the middle of the Mississippi River to the TVA grid, and to operate and maintain same for the period of the contract.

Tenth. The Government is obligated to pay all Federal, State, and local taxes of the Dixon-Yates private utility corporation. The estimated total of these taxes by Dixon-Yates is $2,319,000, of which $1,499,000 represents Arkansas State and local taxes, including $83,000 State income taxes, and $820,000 Federal taxes on corporation income.

Eleventh. The Government is obligated to insure a 9-percent net return to the Dixon-Yates group on their equity investment, which amounts to 5 percent of the estimated capital investment of $107,250,000.

Twelfth. The balance of the capital investment of the Dixon-Yates group amounting to 95 percent of the total, will be funded by selling to private investors bonds with a guaranteed return of 3½ percent.

Dixon-Yates state in their letter that the 25-year contract with the United States Government is the basis for obtaining the 95-percent funding at this low-interest rate.

Thirteenth. The Government is obligated to take 93 percent of their power capacity at point of delivery at all times. If it does not absorb the 93-percent powerload, it is subject to penalty.

Fourteenth. The Dixon-Yates group state that they will request the Treasury Department for a favorable ruling on capacity charge for replacements. They maintain further that if this favorable ruling is granted, it will be possible to make a $313,000 reduction in the estimated taxes.

Fifteenth. The Dixon-Yates group also state that the proposal is subject to our securing appropriate Treasury Department rulings or agreements with respect to the sinking fund depreciation, upon which the computations underlying our proposal are predicated.

Sixteenth. The annual charges quoted are minimum charges and are subject to the following escalation clauses: increased cost of construction over estimate; any increase in fuel costs; any increase in labor costs; less than 93 percent load factor absorption of capacity.

Seventeenth. If the AEC assigns any of the power to another Government agency which it is obligated to purchase from Dixon-Yates, beginning with the fourth year of its operation, it cannot assign the power at contract rates. But the receiving Government agency must pay an increased price which is to be approved by the Federal Power Commission.

I urge you to vote for the amendment which has been offered by our distinguished colleague, Mr. COOPER, of Tennessee, which we believe will save to the American people a vast amount of money and preserve the integrity of our Government.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. DURHAM].

Mr. PATTEN. Mr. Chairman, I ask unanimous consent that the time allotted me be yielded to the gentleman from North Carolina [Mr. DURHAM].

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

Mr. MASON. I object, Mr. Chairman.

Mr. DURHAM. Mr. Chairman, I think this House is pretty familiar with my position on steam plants in the TVA area. I have never voted for one unless it was proven here on the floor of this House that it was absolutely necessary for national defense, and I am going to continue to do that as long as I am a Member of this body. Now, I am a little bit surprised at my good friend the gentleman from California [Mr. PHILLIPS], for whom I have great admiration, taking the position he does on this hybrid type of contract. It is a New Deal and a New Look in combination. It is a Government-guaranteed private-enterprise-sponsored contract. Now, you cannot deny that, because that is what it is, with a tax and power-cost reduction given to the people of the city of Memphis in the area of $3,685,000 a year. If we are going to adopt such a policy like this, where are you going to wind up? You will spend probably ten or fifteen or twenty billion dollars. Go at this thing direct if you want to get at it, but do not go at it in this manner. On our side of the mountain we are subject to the Tennessee Valley Authority yardstick. My people will demand that they get power at the same rate so that they can heat their water and so that they can heat their houses with cheap energy. That is exactly what you are doing in this contract for the city of Memphis. Now, it cannot be denied that that is exactly the situation. This is a bad contract for the Government to make, in my opinion. But why do we want to get into this kind of a situation by guaranteeing the individuals a profit and refunding taxes so that they can compete with some organization that we built and sponsored in the TVA area? TVA extends all the way down on the Gulf of Mexico clear back up to Ohio. Are you going to fence them in like that? If you do, you will be called on for a good many more appropriations than you are today.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, to me this is not so much a matter that affects the TVA. To me the important question is whether or not the President is establishing a very dangerous precedent in invading the jurisdiction of an independent commission. It seems to me that he is going into uncharted waters. Why are the Republicans in the House so anxious to hurry through and to consummate this legislation in the middle of the night? Why are they in such a hurry to satisfy the ambition of a special combination of private-power interests?

It seems to me that that is a question that is going to stick in the minds of the public. I know that the Democrats were chided for years for being too generous in dispensing relief funds, or spending money. But we did it for the benefit of all the people of the country. It cannot be denied that what is being done by this legislation is giving a special benefit to a small group of special private-power interests.

Mr. Chairman, I do not see any need to hurry this legislation through tonight. Even though it is being done in the middle of the night, there will be just as many people who will know about it, Mr. Chairman.

Another thing, if the majority party are so confident of winning the election, they will have a majority next year, and they could just as well consummate this giveaway next year as tonight. Mr. Chairman, maybe they are not confident of winning the next election and they will not have a majority, so they are in a terrific rush to push through this legislation in the closing days of the session. I do not think that is the proper attitude on the part of the majority party.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there any objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. My district, and the entire State of Wisconsin, has no direct connection with the TVA system. This does not mean that our citizens are not interested in what will happen to TVA and our atomic-energy policies.

As a matter of fact, I have received telegrams from the REA cooperatives and the State REA organization urging me to support a number of amendments to H. R. 9757 to protect the general public's interest. All of the telegrams state that unless such amendments are adopted the bill should be killed.

Even if I had not received a single telegram in opposition to H. R. 9757 in its present form, I would agree with the thoughts expressed in the telegrams as a matter of principle. I have a number of objections to H. R. 9757, but time does not permit me to comment on all of them.

First of all, I object to the haste with which the administration is attempting to slip this giveaway bill over at this late stage in the session. If all of the necessary amendments to protect the general public's stake in TVA and atomic energy are not incorporated in the bill, then I believe that the bill should be defeated.

Let us be honest about this bill and admit that Congress has not had enough time to study all of the issues involved. I believe that more time should be given to a study of the implications contained in the bill; and I also believe that extensive hearings should be held to acquaint the public with the obvious and hidden implications contained in H. R. 9757.

The fact that the administration is so anxious to rush this bill through makes me suspicious of its intentions. I cannot help but feel that this bill intends to reverse our Federal public power and resources policy. The foundation for our present Federal public power and resource policy, I wish to point out, was first laid down in a Republican administration some 50 years ago. Now, we are faced with a plan by another Republican administration to give away the people's interest in public power and resources.

The present bill completely overlooks provisions contained in all previous Federal legislation to protect the public owners of our streams, rivers, and other resources. Some of the previous legislation, which contained protective provisions, include the Federal Water Power Act, the Reclamation Act, the Flood Control Act, the Bonneville Act, legislation for setting up the TVA and even the Atomic Energy Act of 1946. Collectively, these statutes outline the Government's policy on the conservation and development of our water resources.

The present bills—H. R. 9757 and S. 3690—do not contain the necessary provisions to protect the public's interest.

First, there is no safeguard for the prior right of Federal development of the resource in any specific case where it will best serve the interest of the public.

Second, there is no provision to assure the prior right of public bodies and cooperatives as against a private applicant for a license for any specific development of a resource.

Third, no safeguard is contained in this bill for the right of public hearings in connection with any application and with specific admission of interested States, State commissions, municipalities, representatives of interested consumers or competing parties.

Fourth, there is no adequate safeguard for the right of the Federal Government to recapture any development by a private licensee at the end of the license period on payment of no more than the licensee's net investment in the project.

As I see it, in the case of the Dixon-Yates contract, the Government will not even own a burned out fuse at the end of the license period. That's why I object to this contract, and also the manner in which the administration is trying to slip it over on the people.

Fifth, I fail to find sufficient safeguards to provide for reasonable rates to consumers through a provision that would require a licensee to agree to Federal regulation where States have provided no regulation of electric rates. There is also, in connection with this same thought, no provision that the licensee can claim no more than net investment in establishing and developing rates.

Sixth, another important safeguard that is lacking in this bill is that a preferred position should be given to electric cooperatives and other public electric systems to secure power from the Federal development of a resource. This has been an integral part of our Federal power policy since 1902 or 1903. Since that time Congress has on many occasions reaffirmed this policy.

There are many other safeguards lacking in the bill. It is the lack of the safeguards that I have mentioned—and others that I have not discussed—that provide the base for the objections of REA cooperatives in my district and the Wisconsin REA organization. These are sound objections, and amendments should be adopted to make provision for these and other safeguards needed to protect the general public.

Along with the REA members in my district, and other citizens interested in continuing our long-standing Federal power policy, I cannot vote for the present bill unless amendments are adopted to protect the public's stake in our resources—regardless of whether those resources be in the form of rivers, streams, natural resources or atomic energy.

I urge my colleagues to vote for all amendments that safeguard the public's right in these resources. A number of objectionable amendments have already been adopted by the Committee of the Whole.' I urge my colleagues to vote against these amendments when we meet in regular session. Some of these amendments destroy the safeguards which I mentioned. Unless the objectionable amendments are defeated and some of the strengthening amendments adopted to protect the people, I shall vote against the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Tennessee [Mr. COOPER].

Mr. Chairman, if we permit this contract between the Atomic Energy Commission and the Dixon-Yates group to stand, we shall be guilty of prostituting the Atomic Energy Act.

If this contract is not voided, we should change the name of AEC to the Atomic Energy and Electric Power Brokerage Commission, for we are forcing AEC to go far beyond its statutory responsibilities.

Finally, Mr. Chairman, if we permit this contract to stand, we are setting a dangerous precedent; a precedent that could come back to haunt the enemies of TVA and public power who now chortle so smugly over what could very well be a Pyrrhic victory.

If the AEC may be used as a vehicle to promote private power and curtail public power, then it may also be used to promote public power and restrict private power.

Nowhere in the Atomic Energy Act is there any provision giving AEC jurisdiction over national power policy. AEC is given authority to purchase power for its own installations. Its relationship with its contractors—either private or public—is a simple buyer-seller relationship.

As AEC's development program progresses, commercial production of electric energy probably will be proved feasible. AEC will announce its results. Whether the discoveries of AEC shall be made available to private industry, or whether it should be restricted to public bodies is a policy matter to be decided primarily by the Congress.

The Atomic Energy Commission has no other relationship with the electric power business, either private or public, and the Congress has never charged it with responsibility for executing power policy.

In carrying out its mission, and in exercising its authority to carry out its mission, AEC has contracted for power to operate its installation at Paducah, Ky. It has two contracts. One is with TVA, the other is with Electric Energy, Inc., a combination of private electric companies. It has now a dual source of supply for Paducah.

So far as AEC was concerned, its supply of power for Paducah was being met; it had no interest in signing another contract, particularly another contract for power, not 1 kilowatt of which would be used at Paducah.

The fact that TVA must increase its source of power in order to meet the normal load growth in Memphis, 250 miles from Paducah, and where AEC has no installations, is of no concern of the Commission, its members, or its staff. If TVA were a privately owned utility, the AEC would be expected to let it solve its expansion problem in its own way—either by building its own facilities or by buying the power from another source.

In placing this proposed contract in its proper perspective, we should consider TVA as an agency whose relationship to AEC is that of seller. Then we realize that this fantastic proposal, which has been forced on AEC over the protests of ? of the 5 Commissioners, places the Co.n mission in the middle of an operation that is far removed from its sober and exacting mission.

On April 16, Commissioners Henry D. Smyth and Eugene M. Zuckert transmitted their views by letter to Mr. Rowland Hughes of the Budget Bureau. The text of this letter is found on page 958 of the published hearings before the joint committee. I quote pertinent portions of the letter:

> The proposed action involves the AEC in a matter remote from its responsibilities. In an awkward and unbusinesslike way an additional Federal agency would be concerned in the power business * * * (the contract) would place upon the Commis-

sion a continuing responsibility during the 25-year life of the contract for stewardship in respect to matters irrelevant to the mission of the Commission.

In response to a question put by the gentleman from Illinois [Mr. PRICE] on June 17, Commissioner Thomas E. Murray responded:

Well, as I see it now, I can't see that there is the advantage. This may be some national overall advantage that I do not at the moment conceive, but, as you know, we have a job to do in the atomic-energy business, and I did not or never felt that the administration of long-term contracts for areas such as the Memphis area ever came within our jurisdiction.

The above colloquy is reported on page 1006 of the published hearings.

So we have a situation where AEC is forced to go far beyond its responsibilities in the name of free enterprise. It is ironical to note that the nature of the contract, however, is such that AEC is in fact subsidizing the venture of the Dixon-Yates group, thus taking the element of risk from its operation. That is not consistent with the facts of free enterprise as we generally know them.

We have now an administration whose power philosophy is identical with that of Purcell Smith and the National Association of Electric Companies, which he heads. This organization is the freest spending of all the lobbies, according to statements filed with the Clerk of the House. This administration shares with this lobby the view that TVA is "creeping socialism," but it fears to make a direct attack. So it chooses rather to prostitute the technical contracting power of the Atomic Energy Commission to achieve its ends.

I do not wish to permit the pro and con arguments of TVA to obscure my point. I am willing to let my personal record on TVA and other public power speak for itself. But whether TVA is "creeping socialism"—whatever that is—or whether it is a noble social adventure has no place in this discussion of the responsibilities of the Atomic Energy Commission.

The AEC was established by law. The Congress gave it a mission. The Congress did not give it a mission to halt TVA, or curtail it. The Atomic Energy Commission was given an important and a big job. It was told to operate as a technical agency, independent of political considerations, designed solely to promote our atomic program.

Let me remind those who cheer this action—including the power lobby, with which I have no personal quarrel—that if we permit these shenanigans, we are establishing a dangerous precedent. If an administration favorably inclined toward the P. L. Smith's of the power business can use the AEC as a back door for a policy it fears to introduce by the front door, then an administration favorably inclined toward public power could use the same gimmick.

Let us assume, Mr. Chairman, that the public power philosophy prevailed in the administration. Then let us assume the Atomic Energy Commission had been ordered, against its collective better judgment, to enter into a 25-year contract for electric energy it did not need, the net result of which would be to expand and subsidize TVA, or a PUD, or a rural electric cooperative, or any other public power agency, and to restrict the operation of a privately owned electric company.

Science has not designed enough decibels to measure the volume of the screams that would be going up from the power lobby and the people who defend this prostitution of the Atomic Energy Commission's contracting authority.

I am confident that if the shoe were on the other foot, the same people who now defend this fantastic contract would be leading the fight against it.

I would be just as opposed to this prostitution of the AEC contracting power whether the beneficiaries would be public power agencies as I am now that private power is the beneficiary. We should not, and normally do not, accept the Machiavellian theory that the end justifies the means.

The Atomic Energy Commission has a grave responsibility to the American people; to the entire world. We are in a race where freedom is the stake, and the outcome depends upon the speed with which we can make available the military and peaceful benefits of nuclear energy. While time hangs in the balance, the Commission and its staff had to spend days defending a contract it did not seek; it will be forced to spend time, money and energy for the next 25 years exercising stewardship over a matter that is not even remotely concerned with atomic development.

This contract should be voided. Further, if necessary, we should amend the law so that no contract of this type could ever again be forced upon the Atomic Energy Commission.

If this administration wants to hamstring TVA, let it do so openly and through the legitimate channels available to it. If some future administration wants to promote public power, let it do so through open and more legitimate channels. Let us keep the Atomic Energy Commission unburdened of extraneous activities, so that it may accomplish its sober mission as quickly and as efficiently as possible.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, if there is anyone who would like to ask me a question, or something of that sort, I would be glad to yield for that purpose.

Mr. PHILLIPS. I was going to ask my good friend from North Carolina [Mr. DURHAM] if he realized that the TVA, in writing their own contracts, put in the same provision regarding the payment of taxes.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. COLE of New York. Is it not a fact that the Commission has had authority to enter into contracts for power of this sort for the past 2 to 3 years? Is it not the further fact that the Commission has entered into contracts in two different instances for power of amounts equal to this in which consideration is given in the determination of the rate to the amount of local taxes? Is it not a further fact that there has not been a single word of protest or objection to the making of those contracts?

Mr. HINSHAW. I think that is quite true.

Mr. COLE of New York. Of course that is true.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield for a question?

Mr. HINSHAW. Yes.

Mr. PHILLIPS. Is it not also true that right now TVA buys 12 to 14 percent of its power from private utilities, just the same sort of a situation as is proposed here?

Mr. HINSHAW. It does.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Illinois.

Mr. PRICE. Is it not also a fact that the law specifies the installations for which these contracts may be written? None are within 250 miles of the West Memphis site.

Mr. HINSHAW. I cannot say about that exactly, because I was not there during that part of the hearings.

Mr. PRICE. That is a fact. It is the truth. The other contracts were for national defense purposes, not to provide commercial power for the city of Memphis.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. ELLIOTT].

Mr. HAYS of Ohio. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Alabama [Mr. ELLIOTT].

Mr. MASON. Mr. Chairman, I am constrained to object, on the part of principle.

Mr. HAYS of Ohio. That shows how sleepy the gentleman is, because I do not have any time anyway.

Mr. PATTEN. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Alabama.

Mr. MASON. I object, Mr. Chairman.

Mr. ELLIOTT. Mr. Chairman, I have spent most of the last 15 hours on the floor of the House of Representatives listening to the debate on the atomic-energy bill. Now, at 1 o'clock this morning, it is crystal clear to me that this bill is not ready to be voted upon.

This bill is undoubtedly the most important piece of legislation that has come before the House this year. It may possibly be the most important legislation voted upon since World War II.

I think the Republican leadership of the House makes a mistake when it attempts to ram through, without sufficient consideration or discussion, a bill of such importance. If we had adjourned last night at 6 p. m., the individual Members of the House could have used the past night to study the bill further, and we could have returned here today refreshed and have spent another day on the bill. I think it would be well for us to spend at least 3 or 4 days on this bill. I do not see how we can possibly adjourn next weekend anyhow, so why not give this all-important measure thorough consideration? The people of America are entitled to have their representatives do an excellent job on this legislation for the atomic age.

Mr. Chairman, I represent an area that has both public and private power. I have always thought that there is a place in America for private power, and a place for public power. We have streams to be developed by private capital, in conformity with well-defined safeguards for the public interest, and other streams that could and should be developed by Government.

The Tennessee Valley Authority was established by an act of Congress a good 15 years before I was privileged to come here. And, it has withstood the glare of pitiless publicity, through a generation of debate and public consideration. It stands today as an accomplished fact.

To delve a bit deeper into its history: The cataclysmic forces operating in the Tennessee Valley reached an agreement in 1939, that define the boundaries of its service area. I submit that that should have ended the argument. Since that time, as I understand it, the TVA has not expanded or attempted to expand its service area 1 square mile outside of the boundary then agreed upon. However, within its service area, it has the responsibility, as the only operating electric utility, to furnish its customers their electrical needs now and in the future.

The TVA needs new steam plants to provide it with more power to furnish its own customers, including the atomic-energy plant at Oak Ridge. This plant alone uses more electrical power, we are told, than all of the New England States combined. About 1948 or 1949 we began a program of constructing sufficient steam plants to provide the TVA with approximately enough power to serve its customers. The use of electric power throughout America—and also throughout the world—is growing by leaps and bounds.

I recall that in 1950 the power forecasters predicted that America would soon be using three times as much electric energy as it was using then. The Tennessee Valley is sharing the same phenomenal growth in its power needs. It was thought that when President Eisenhower, then a candidate, assured the people, at Memphis, at Knoxville, and by even a firmer statement in the fall of 1952, that he wanted to see the Tennessee Valley Authority continue at maximum efficiency, this meant that he wanted to see TVA go forward and build the necessary generating facilities to supply the people in the valley with their power needs.

The President's statement, later, that he regarded the Tennessee Valley Authority as an example of "creeping socialism"; his persistent neglect or refusal to confer or advise with officials of the TVA; his failure to reappoint the Honorable Gordon Clapp, one of the foremost power executives and one of the finest public servants in America, as Chairman of the Board of Directors; and now finally his direction to the AEC to contract with Dixon-Yates for 600,000 kilowatts of power, not for itself, but for TVA; these make crystal clear the attitude of this administration toward the Tennessee Valley Authority.

I tried to make clear earlier in my speech that I feel no hostility toward private power concerns. As a matter of fact, I have many reasons to admire the efficiency they have achieved in the generation and distribution of electrical power. If it is the attitude of this administration that TVA is to be choked to the point that it loses its yardstick character; if the administration is determined that TVA's new power needs are to be supplied from private power rather than from power generated from TVA itself, then I can see no objection to purchasing the power from the Dixon-Yates group.

However, a question does arise as to the method by which this purchase is being made. Would it not be much better for the President to direct the Tennessee Valley Authority to go out into the market and purchase its own power needs? It is one of the largest electrical power distributors in the country. It has had 21 years' experience in the field of power generation and distribution. Would it not be better for an agency skilled and schooled in generating, distributing, and purchasing power to do those things for itself and its customers, rather than entrusting the job to the Atomic Energy Commission, who, though a large user of power, presumably does not have the experience in this field that TVA would have?

Three of the five members of the Atomic Energy Commission have signified their disapproval of this method of doing business. Yet the President has, in effect, ordered them to take the Dixon-Yates proposal without shopping around with an idea of getting the cheapest power available.

Just a day or two ago I received a letter from one Walter Von Tresckow, whom I have never heard from before, saying that he can furnish the Tennessee Valley Authority the power it needs, at the point in question, for about $100 million less than any alternative proposal now before the Government.

As stated, I know absoluely nothing about Mr. Tresckow, but his letter does indicate the desirability of looking most carefully into the purchase of these 600,000 kilowatts of power. In the final analysis, the American people have to pay for this power. Much evidence has been developed in this debate that might reasonably lead to the conclusion that the Federal Government could generate power in the Tennessee Valley and distribute it to the AEC at a much lower figure than can Dixon-Yates, or anyone else. Many estimate that it will cost the Federal Government $100 million more to buy this power from Dixon-Yates, over a period of 25 years, than it would to generate its own power.

The party in power has stated thousands of times its intention to strive for fiscal solvency and efficiency. That condition cannot be attained if costs are given no more consideration than they appear to have been given in this case.

Mr. Chairman, as stated previously, I do not feel that the bill before us is a good bill. I do not believe that adequate consideration has been given to its present and future economic implications. I have voted for most of the amendments that have been offered to improve the bill, and expect to vote for several more, but I have been disappointed that none of these have been adopted. It will be my intention to vote against the bill. I know of no compelling reason why it must be voted upon tonight, or, rather, this morning.

I certainly feel that the American people should be fully informed of what we are doing in this legislation. They have $12 billion invested in our atomic and hydrogen developments. They are entitled to know how we are going to use that investment. They are entitled to know what dividends they and their children will receive.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. PATTEN].

Mr. PATTEN. Mr. Chairman, a great poet once said it is the loudest voice that denotes the most vacant mind. If you have heard the votes here in the Congress, you know who is the loudest voter. And because of that and because apparently, he does not have a constructive thought, I yield my time to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I will have to object to that.

Mr. PATTEN. Mr. Chairman, since the gentleman from Illinois objects, I must have my time. I, therefore, yield to my very good colleague. Would you object, sir, to the loudest voice that denotes the most vacant mind? I yield to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Is it not your opinion that a special group of financiers and industrialists will get a good advantage by the proposed direction of the President to have the special contract made for the benefit of the Dixon-Yates combine?

Mr. PATTEN. I agree with you absolutely. I ask my colleague, the gentleman from Illinois, to answer that question. Is that true or not?

Mr. MASON. No, it is not true. It is just in your mind.

Mr. PATTEN. What is your thought on it? You have a definite opinion without stating your position. Would you state your position, sir? You have a very definite opinion, now what is it, sir? We would like to hear it.

Mr. MASON. My definite opinion, sir, and I am very glad to give it, is that I am opposed to the entire TVA, as it is constituted.

Mr. PATTEN. Are you against the REA too, sir?

Mr. MASON. I am against the entire thing.

Mr. PATTEN. Is there anything you are for, sir? I would like to know what that is. The only thing I think you are for is for adjournment, and I now refuse to yield further.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Chairman, I have asked for this time for the purpose of trying to correct what I consider to be several erroneous statements that have repeatedly been made since this debate started. I do not think this is a proper forum in which to debate the legal effect of the contract or to undertake to write a contract, and I

shall not undertake in the 2½ minutes time at my disposal to even undertake to defend the contract. But I think the RECORD ought to show the correct facts. It has been stated on this floor today repeatedly that the members of the Atomic Energy Commission by a vote of 3 to 2 turned thumbs down on this contract. Various Members in discussing the amendment read part of the testimony or part of the letter written by the members of the Commission who expressed some dissatisfaction with the contract. But not a single Member so far has read the last sentence in the letter, which was signed by 2 members of the Commission, 2 of those who are included among the 3 alleged to be against the contract. Here is the last sentence in that letter:

Of course, if the President or the Congress directs the Commission to accept such responsibility, we will endeavor to discharge it fully.

What the two members of the Commission were saying to the President or to the Congress was that this matter is outside their understanding of what they ought to be deciding, but they would abide by whatever direction they receive from either the President or the Congress.

The other thing that I think needs correction is this contention that the contract would somehow cost the American people from $90 million to $139 million more than if TVA should furnish this power.

That is an estimate and is based entirely upon an estimate by the TVA of what it would cost to produce 600,000 kilowatts of electricity at Fulton. TVA has not made a firm offer or agreement to sell the power to the Atomic Energy Commission at such a saving. The only fair basis on which to make a comparison is the basis upon which TVA sells its power now to the AEC and the cost of power that might be sold to AEC under this proposed contract. Under such comparison, the great difference we have heard so much about practically disappears.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from North Carolina.

Mr. DURHAM. Mr. Chairman, since the gentleman from North Carolina has raised a question in regard to the position of the Commissioners, I want to read into the RECORD a letter which was written by Mr. Strauss to Mr. Dodge, who was the Director of the Budget at that time, which states:

However, it is our position that any costs involved to AEC over and above the cost of power under our present contract at Paducah should be borne by TVA. Otherwise, the TVA would be further subsidized through an operating expense appropriation to the AEC.

We feel that higher executive authority or Congress should make this determination.

That letter is signed by Lewis Strauss and it was written to the Director of the Budget. The last paragraph of the letter states:

We believe that we have explored the subject proposal to the extent practicable at this time. Higher authority will now presumably determine what course of action is in the best interests of the Government.

Sincerely yours,

LEWIS STRAUSS,
Chairman.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Tennessee.

Mr. EVINS. Mr. Chairman, I would also advise the gentleman that not only have the three AEC Commissioners condemned the proposed contract but also the Comptroller General of the United States, has condemned it as irregular and of questioned legality.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Illinois.

Mr. PRICE. Referring to the statement of the gentleman from North Carolina, I do not remember any member of the joint committee referring to a 3 to 2 vote. The joint committee members who did speak on this subject stated specifically that 3 of the 5 members of the Commission questioned the wisdom of the Atomic Energy Commission entering into this contract.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Chairman, this matter was considered by the joint committee. The committee heard arguments on the facts and the joint committee took no action on it.

The Atomic Energy Commission is the largest consumer of electric power in the world. In one plant alone it consumes more electrical energy than is consumed in the entire New England States. In another plant it consumes more power than 11 of 14 Midwestern States. It uses a tremendous amount of power. At the present time it is consuming one-third of the total production of TVA. It is consuming over half of the TVA actual production and it is paying a rate to TVA for that stabilized tremendous amount of power higher than TVA is charging other consumers of power.

This proposed agreement has been considered by representatives of the Federal Power Commission and those representatives have said that this proposed agreement is favorable to any agreement that has been proposed by TVA.

The reason we feel that this is an advantageous proposal in the overall picture is that it is conceivable that in the very near future our scientists may devise some other way of doing the things they are doing now which require such tremendous amounts of power. The result would be that far less amounts of power will be needed.

Which is better, I ask you, in the overall picture—for the Federal Treasury to build that plant through TVA or through the Atomic Energy Commission. There is the possibility, perhaps a likelihood, the plant may stand idle for a large portion of its time. Would not it be better to encourage private enterprise to build a plant and impose upon that private enterprise the obligation of going out and getting new customers to absorb the supply of power which the Commission may no longer use?

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island [Mr. FORAND].

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, the testimony by General Nichols, General Manager of the Atomic Energy Commission, before our committee was that it would cost the Government $3,685,000 a year. His testimony went further and said that a representative of the Bureau of the Budget, and Mr. Franklin Adams, of the Federal Power Commission, sat in, and they certified those figures were right. He further said Mr. Franklin Adams, of the Federal Power Commission, took no part in the policy or the making of the decision, but he did certify the figures were right. Those are the figures that amount to $3,685,000 a year more than would be paid by TVA.

Mr. FORAND. I thank the gentleman for his contribution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. COOPER].

The question was taken; and on a division (demanded by Mr. COOPER) there were—ayes 115, noes 172.

Mr. PATTEN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

"CHAPTER 15. COMPENSATION FOR PRIVATE PROPERTY ACQUIRED

"SEC. 171. The United States shall make just compensation for any property or interests therein taken or requisitioned pursuant to sections 44, 52 (with respect to the material for which the United States is required to pay just compensation), 66, and 108. Except in case of real property or any interest therein, the Commission shall determine and pay such just compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 percent of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in the manner provided by section 1346 of title 28 of the United States Code to recover such further sum, as added to said 75 percent will constitute just compensation.

"SEC. 172. Proceedings for condemnation shall be instituted pursuant to the provisions of the act approved August 1, 1888, as amended, and section 1403 of title 28 of the United States Code. The act approved February 26, 1937, as amended, shall be applicable to any such proceedings. Upon or after the filing of the condemnation petition, immediate possession may be taken and the property may be occupied, used, and improved for the purposes of this act, notwithstanding any other law.

"SEC. 173. In the event that the Commission communicates to any nation any restricted data based on any patent application not belonging to the United States, just compensation shall be paid by the United States to the owner of the patent application. The Commission shall determine such

compensation. If the compensation so determined is unsatisfactory to the person entitled thereto, such person shall be paid 75 percent of the amount so determined, and shall be entitled to sue the United States in the Court of Claims or in any district court of the United States for the district in which such claimant is a resident in a manner provided by section 1346 of title 28 of the United States Code to recover such further sum as added to such 75 percent will constitute just compensation.

"SEC. 174. All real property acquired under this act shall be subject to the provisions of section 355 of the Revised Statutes, as amended: *Provided, however,* That real property acquired by purchase or donation, or other means of transfer may also be occupied, used, and improved for the purposes of this act prior to approval of title by the Attorney General in those cases where the President determines that such action is required in the interest of the common defense and security.

"CHAPTER 16. JUDICIAL REVIEW AND ADMINISTRATIVE PROCEDURE

"SEC. 181. General: The provisions of the Administrative Procedure Act shall apply to 'agency action' of the Commission, as that term is defined in the Administrative Procedure Act. In determining whether an act of the Commission would be an 'agency action', the fact that the national security and the common defense require the act, or facts essential to that act to be kept secret shall not be considered. For 'agency action' which can be made public, the full regular administrative procedures shall be followed. For 'agency action' which cannot be undertaken in public, the Commission shall provide by regulation for identical procedures except that they shall not be public. Upon application, the Commission shall grant a hearing to any party materially interested in any 'agency action.'

"SEC. 182. License applications:

"a. Each application for a license hereunder shall be in writing and shall specifically state such information as the Commission, by rule or regulation, may determine to be necessary to decide such of the technical and financial qualifications of the applicant, the character of the applicant, the citizenship of the applicant, or any other qualifications of the applicant as the Commission may deem appropriate for the license. In connection with applications for licenses to operate production or utilization facilities, the applicant shall state such technical specifications, including information of the amount, kind, and source of special nuclear material required, the place of the use, the specific characteristics of the facility, and such other information as the Commission may, by rule or regulation, deem necessary in order to enable it to find that the utilization or production of special nuclear material will be in accord with the common defense and security and will provide adequate protection to the health and safety of the public. Such technical specifications shall be a part of any license issued. The Commission may at any time after the filing of the original application, and before the expiration of the license, require further written statements in order to enable the Commission to determine whether the application should be granted or denied or whether a license should be modified or revoked. All applications and statements shall be signed by the applicant or licensee under oath or affirmation.

"b. The Commission shall not issue any license for a utilization or production facility for the generation of commercial power under section 103, until it has given notice in writing to such regulatory agency as may have jurisdiction over the rates and services of the proposed activity, and until it has published notice of such application once each week for 4 consecutive weeks in the Federal Register, and until 4 weeks after the last notice.

"c. The Commission, in issuing any license for a utilization or production facility for the generation of commercial power under section 103, shall give preferred consideration to applications for such facilities which will be located in high cost power areas in the United States if there are conflicting applications for a limited opportunity for such license.

"SEC. 183. Terms of licenses: Each license shall be in such form and contain such terms and conditions as the Commission may, by rule or regulation, prescribe to effectuate the provisions of this act, including the following provisions:

"a. Title to all special nuclear material utilized or produced by facilities pursuant to the license, shall at all times be in the United States.

"b. No right to the special nuclear material shall be conferred by the license except as defined by the license.

"c. Neither the license nor any right under the license shall be assigned or otherwise transferred in violation of the provisions of this act.

"d. Every license issued under this act shall be subject to the right of recapture or control reserved by section 108, and to all of the other provisions of this act, now or hereafter in effect and to all valid rules and regulations of the Commission.

"SEC. 184. Inalienability of licenses: No license granted hereunder and no right to utilize or produce special nuclear material granted hereby shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of this act, and shall give its consent in writing. The Commission may give such consent to the creation of a mortgage, pledge, or other lien upon any facility owned or thereafter acquired by a licensee, or upon any leasehold or other interest in such property, and the rights of the creditors so secured may thereafter be enforced by any court subject to rules and regulations established by the Commission to protect public health and safety and promote the common defense and security.

"SEC. 185. Construction permits: All applicants for licenses to construct or modify production or utilization facilities shall, if the application is otherwise acceptable to the Commission, be initially granted a construction permit. The construction permit shall state the earliest and latest dates for the completion of the construction or modification. Unless the construction or modification of the facility is completed by the completion date, the construction permit shall expire, and all rights thereunder be forfeited, unless upon good cause shown, the Commission extends the completion date. Upon the completion of the construction or modification of the facility, upon the filing of any additional information needed to bring the original application up to date, and upon finding that the facility authorized has been constructed and will operate in conformity with the application as amended and in conformity with the provisions of this act and of the rules and regulations of the Commission, and in the absence of any good cause being shown to the Commission why the granting of a license would not be in accordance with the provisions of this act, the Commission shall thereupon issue a license to the applicant. For all other purposes of this act a construction permit is deemed to be a 'license.'

"SEC. 186. Revocation:

"a. Any license may be revoked for any material false statement in the application or any statement of fact required under section 182, or because of conditions revealed by such application or statement of fact or any report, record, or inspection, or other means which would warrant the Commission to refuse to grant a license on an original application, or for failure to construct or operate a facility in accordance with the terms of the construction permit or license or the technical specifications in the application, or for violation of, or failure to observe any of the terms and provisions of this act or of any regulation of the Commission.

"b. The Commission shall follow the provisions of section 9 b. of the Administrative Procedure Act in revoking any license.

"c. Upon revocation of the license, the Commission may immediately retake possession of all special nuclear material held by the licensee. In cases found by the Commission to be of extreme importance to the national defense and security or to the health and safety of the public, the Commission may recapture any special nuclear material held by the licensee or may enter upon and operate the facility prior to any of the procedures provided under the Administrative Procedure Act. Just compensation shall be paid for the use of the facility.

"SEC. 187. Modification of license: The terms and conditions of all licenses shall be subject to amendment, revision, or modification, by reason of amendments of this act or by reason of rules and regulations issued in accordance with the terms of this act.

"SEC. 188. Continued operation of facilities: Whenever the Commission finds that the public convenience and necessity or the production program of the Commission requires continued operation of a production facility or utilization facility the license for which has been revoked pursuant to section 186, the Commission may, after consultation with the appropriate regulatory agency, State or Federal, having jurisdiction, order that possession be taken of and such facility be operated for such period of time as the public convenience and necessity or the production program of the Commission may, in the judgment of the Commission, require, or until a license for the operation of the facility shall become effective. Just compensation shall be paid for the use of the facility.

"SEC. 189. Judicial review: Any final order granting, denying, suspending, revoking, modifying, or rescinding any license or construction permit, or application to transfer control, or any final order issuing or modifying rules and regulations dealing with the activities of licensees entered in an 'agency action' of the Commission shall be subject to judicial review in the manner prescribed in the act of December 29, 1950, as amended (ch. 1189, 64 Stat. 1129), and to the scope of judicial review and other remedies provided by section 10 of the Administrative Procedure Act.

Mr. COLE of New York (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of chapter 15 be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FORAND. Mr. Chairman, I object.

Mr. COLE of New York. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COLE of New York: On page 84, line 22, strike out all of section 181 and insert the following:

"SEC. 181. General: The provisions of the Administrative Procedure Act (Public Law 404, 79th Cong., approved June 11, 1946) shall apply to all agency action taken under this act, and the terms 'agency' and 'agency action' shall have the meaning specified in the Administrative Procedure Act: *Provided, however,* That in the case of agency proceedings or actions which involve restricted data or defense information, the Commission shall

provide by regulation for such parallel procedures as will effectively safeguard and prevent disclosure of restricted data or defense information to unauthorized persons with minimum impairment of the procedural rights which would be available if restricted data or defense information were not involved."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from New York.

The committee amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COLE of New York: On page 91, line 4, strike out all of section 189 and insert the following:

"SEC. 189. Hearings and judicial review:

"a. In any proceeding under this act, for the granting, suspending, revoking, or amending of any license or construction permit, or application to transfer control, and in any proceeding for the issuance or modification of rules and regulations dealing with the activities of licenses, and in any proceeding brought under the provisions of section 152, and in any proceeding for the payment of compensation, an award or royalties under sections 156, 186c, or 188, the Commission shall grant a hearing upon the request of any person whose interest may be affected by the proceeding, and shall admit any such person as a party to such proceeding.

"b. Any final order entered in any proceeding of the kind specified in subsection a. above entered in an 'agency action' of the Commission shall be subject to judicial review in the manner prescribed in the act of December 29, 1950, as amended (ch. 1189, 64 Stat. 1129), and to the provisions of section 10 of the Administrative Procedure Act, as amended."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

Mr. PRIEST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRIEST: On page 86, line 18 insert after the comma the following: "to municipalities, public bodies, and cooperatives within transmission distance authorized to engage in the distribution of electric energy to the public."

Mr. PRIEST. Mr. Chairman, the purpose of section 182 (b) is to provide for notice to be given to the public before the issuance of any licenses for providing electric power generated by the use of fissionable material. This simply broadens it.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. COLE of New York. Mr. Chairman, the gentleman did me the courtesy of showing me the amendment. I see no objection to it whatever and I am prepared to accept the amendment.

Mr. PRIEST. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. PRIEST].

The amendment was agreed to.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 87, after section "d", insert a new paragraph reading as follows:

"In issuing any license for a utilization or production facility for the generation of commercial power under section 103, the commission shall consider as a condition to the issuance of such license the payment of a license fee based on percentage of profits or such other reasonable basis as will protect to the greatest extent possible the investment of the Government of the United States in the field of atomic energy."

Mr. YATES. Mr. Chairman, the people of the United States have invested approximately $12 billion in the development of atomic energy. This bill proposes to break up the people's exclusive ownership and to distribute proprietary interest in atomic energy to the corporations which are fortunate enough to be granted franchises by the Atomic Energy Commission. In view of the fact that the people of the United States are sharing their ownership with such licensees, is it not only fair that the licensees return a share of the profits they make toward payment of the investment of the people of the United States? That is the purpose of my amendment, to assure that as developments occur in the atomic field, some compensation will be paid from the profits made to protect the investments already made by the people.

The benefits of this act will be conferred upon the largest corporations in the country. Private utilities will benefit. Private patentees will be protected because the amendment offered by the gentleman from New York [Mr. COLE] eliminates the sharing of any new discoveries with others participating in development of the atom. Only the people of the United States who have invested $12 billion and who have been responsible for bringing the wonders of nuclear energy to its present state of perfection are given no consideration. Certainly the public should be assured of at least a minimum of participation in the sharing of the profits that will be made in the further exploitation of the atom. Remember, the licenses that are granted under this act are for a period of 40 years. This does not cover just the experimental period of 4 or 5 years or the near future. Forty years is encompassed by this. It is a pretty good bet that within that period of time such fantastic progress will be made in the use and application of nuclear energy as will dwarf the pioneering efforts made thus far. We are on the threshold of a new world—the atomic world—and it cannot be denied that many of the new discoveries will occur within the period of the initial licenses. Eloquent arguments have been made concerning the need to protect patentees in their discoveries so they may enjoy the riches which flow from exclusive ownership. Should not the same argument logically be advanced on behalf of the people? Should not the people who have already contributed so much to the development of atomic energy and who are now licensing their exclusive ownership to prospective developers, be paid compensation in the nature of royalties just as are the patentees for whose benefit the House has already adopted an amendment? Perhaps my amendment should have been mandatory. Perhaps it should have compelled the Atomic Energy Commission to require the payment of compensation in connection with the granting of these licenses. However, the amendment does not do that. All that it requires is that when the Atomic Energy Commission considers the terms and conditions under which it will grant a franchise, that it consider as well the possibility of requiring the payment of fees by the licensees out of possible profits that will accrue, or through some other method. Is not that one of the considerations that the Atomic Energy Commission should have to make? Of course, it is. It is not required that such payments be automotically made. If there are no profits, such payments should not be made. But it should be mandatory on the Commission to consider the question.

If my amendment is not adopted, there is no provision in the bill which will protect the great stake of the people of the United States in this field.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. HOLIFIELD. Mr. Chairman, as the gentleman said, these licenses will be very attractive because along with the licenses goes the obligation of the Government to buy back at a price set by the Atomic Energy Commission every gram of plutonium that is made in these reactors during the life of the license. And the life of the license could be 40 years. The price of the plutonium could be set high enough so as to retire the total capital plant investment. I think the gentleman's amendment certainly is something which is worthy of consideration if we are going to give any protection at all to the people's interest who have a $12 billion interest in this program.

Mr. YATES. There is no provision in this statute that I have been able to find which requires the Atomic Energy Commission to give any consideration at all to the possibility of compensation to the people of the United States for these valuable franchises. All the benefits that have been provided so far flow to the licensees and flow to the patentees and flow to the private interests. The people's protection is completely overlooked. Certainly, the least we can require is that the Atomic Energy Commission give consideration to this possibility.

Mr. COLE of New York. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. YATES].

Mr. Chairman, while it is true his proposal does not require the Commission to impose a licensing fee, the mere fact that this provision is in the law would be an indication to the Commission that the Congress would expect the Commission to impose a license fee.

Now, you may ask, What does the Government get in return for the big profits which some of you think they are going to make some day out of these licenses? The Government will get the

normal taxes on those profits just the same as it would in connection with any other type of enterprise.

I call attention to the fact, Mr. Chairman, that the Government today owns hundreds and hundreds of patents which it permits people to use, but never yet has the Government imposed a royalty on the use of the patents because very properly the Government has adopted a policy that through the use of these patents profits are made, taxes are levied and the Federal coffers are filled.

Mr. Chairman, I ask that the amendment be rejected.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from North Carolina.

Mr. DURHAM. Mr. Chairman, I think this amendment would be bad for everybody concerned. We get a reasonable and a fair price for plutonium which goes into the making of the kilowatts. To add any extra cost beyond that in the way of a license fee would simply go into the cost of production of the power and would have to be charged to the individual user.

Mr. COLE of New York. The gentleman is quite right. I point out further that any added costs that are required in these proposed plants tend to discourage people from going into this business. There is the risk of incurring tremendous losses. I do not hear anybody proposing to indemnify a licensee against losses. There will be many thousands of dollars conceivable that may be lost in these projects. They will not all be profitable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was rejected.

Mrs. PFOST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. PFOST: On page 87, line 3, insert: "where conflicting applications include those submitted by public or cooperative bodies, such public and cooperative applications shall receive preferred consideration over any submitted by privately owned utility systems."

Mrs. PFOST. Mr. Chairman, my amendment would grant public bodies, cooperatives, and nonprofit agencies the first right to construct atomic-power developments where their applications conflict with private agencies. This is just a continuation of the generation-old bipartisan public preference provision included in Federal power acts since 1906. It is identical to the principle embodied in section 7A of the Federal Power Act of 1920. It is part and parcel of the same problem attacked by the amendments of my colleague from Alabama [Mr. JONES] and my colleague from Montana [Mr. METCALF]. I heartily favored and voted for the amendments offered by these two gentlemen, also.

Much private utility propaganda has been spread during this controversy. I do not want anyone to misunderstand me. I favor private enterprise whenever private enterprise can do the job. In this instance we are not dealing with private enterprise, but with private monopoly. Each utility has a complete monopoly in the particular area where it operates. There is no competition.

Nor are we dealing with local partnerships. Rather, we are dealing with the largest utility combines and holding companies and integrated companies in America.

Therefore, let us face the facts. In the present development of electric power from atomic energy, we have the same situation that faced this country in the 1930's before our present Federal power yardsticks were constructed. Before that time, in the good old days, in the 1920's, the average private utility cost of electricity to ordinary residents in this country was between 7 and 7½ cents per kilowatt-hour. The utilities said these rates were reasonable because their production costs were high.

Not until the public power yardsticks were built in the thirties and later, did we really know how much it cost to generate and distribute electricity. Once the mystery was known through the public power yardstick, our rates dropped drastically.

As a result, these 7½-cent private utility rates of the good old Hoover days, had dropped to less than 3 cents a kilowatt-hour last year, or to be exact, $2^{85}/_{100}$.

At the same time, in the TVA area the average rates for residential electricity were a little over a cent and a quarter per kilowatt-hour. While out in the Pacific Northwest the rate was a little over a cent—$1^{14}/_{100}$ cents—per kilowatt-hour. So the public power yardstick is mighty important. It has cut the private utility retail rates by more than half, and in public power areas it has cut them to one-fifth or one-sixth of what they were in the 1920's.

An identical situation now faces us in the problem of the rates that shall be charged for the conversion of atomic energy into electric power. There is only one way to resolve this fairly, and that is to have the public power atomic yardstick alongside of the private utility rate, so that the people will be able to obtain electricity cheaply, and use it in vast quantities, so that it really does its job.

We hear much of free competition. Yet the utilities, as monopolies, fear it violently. They want to operate in the safe vacuum of monopoly where they can charge all the traffic will bear.

In closing, I would like to cite one historic fact. All of you can recall those eleventh-hour advertisements of the private utilities in the TVA area. It was supposed to mark their hour of doom.

Yet, what are the facts? If you examine the rate of consumption of electricity by private users, obtaining their power from the private utilities in the TVA area, and examine the rate of return the private utilities are making, you will find that they are now enjoying the best profits they have ever enjoyed in history. So I express the hope that the Committee will adopt my amendment which calls for preference to public bodies in the construction of atomic powerplants to the end that we shall continue to maintain competition in this vital field of electric power.

Mr. METCALF. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Chairman, I support the amendment offered by the gentlewoman from Idaho. In the past year and a half there have been many statements emanating from administration sources that declare that the production of power should be returned to local agencies. Secretary McKay, in an interview in U. S. News & World Report, piously protested that he was neither for nor against private or public power and he pointed to Eugene, Oreg., which had been operating a municipally owned system for 35 years. Secretary McKay is quoted as saying:

If the people in my community want to have their power as a public ownership, I have no quarrel with them.

But the Republican leadership in this House tonight has a quarrel with them. The pending amendment simply says that when private utilities compete for atomic-power facilities with local public agencies or cooperatives, preference shall be given to the local public agencies and the cooperatives. What could be fairer than that? The people in Eugene, Oreg., might want to replace their present municipally owned plant with an atomic plant and be in competition in such desire with a private utility. The amendment offered by the gentlewoman from Idaho would give the citizens of Eugene preference in carrying out such a project. But our Republican leadership in this House seems determined to shout this amendment down with all the rest and deprive local public agencies of that preference.

According to recent rate schedules published by the Federal Power Commission the city of Eugene, Oreg., enjoys the following rates: 3 cents per kilowatt-hour first 20 kilowatt-hours, 1.5 cents per kilowatt-hour next 80 kilowatt-hours, 1 cent per kilowatt-hour all over 100 kilowatt-hours, except 1.6 cents per kilowatt-hour all over 1,000 kilowatt-hours where space heaters are connected and in use.

The existence of municipally owned power systems in Secretary McKay's State has helped provide a yardstick to keep rates down to the consumers in other parts of the State. For example in the Secretary's home town of Salem, which is served by the Portland-General Electric Co., the residential energy charge is: 3.5 cents per kilowatt-hour first 50 kilowatt-hours, 2.6 cents per kilowatt-hour next 70 kilowatt-hours, 1.6 cents per kilowatt-hour next 80 kilowatt-hours, 0.8 cent per kilowatt-hour next 700 kilowatt-hours, 1.1 cents per kilowatt-hour all over 900 kilowatt-hours.

The city of Tacoma has had municipally owned power for 60 years and its lowest rates in the United States have helped bring about an adjustment of rates in the entire Northwest.

Throughout this debate there have been protestations that the Atomic

Energy Commission does not want to be in the power business, but that any other Federal or State agency can be licensed and get into the business of generating, transmitting, and distributing atomic power just as soon as it becomes economically feasible. The AEC is magnificently aloof.

Then why not adopt this amendment? Let all compete for the business but, all other things being equal, let the local people in their local systems have a preference for the acquisition of the facilities. Why should not a local cooperative or public utility district have preference over a corporation largely owned by absentees?

If this is a genuine neutrality on the part of the Commission and a genuine desire on the part of the present administration in office to place the primary responsibility for supplying the power needs of an area with the people locally then this amendment will pass. If those high-sounding principles are as meaningless as other promises and declarations made by this administration, then the Republicans will vote down this amendment and deprive the local public agencies and the local cooperatives of an equal chance with private utility monopolies.

Mr. COLE of New York. Mr. Chairman, the gentlewoman from Idaho has admitted that the reason she proposes this amendment is the fact that the amendment advanced by the gentleman from Montana [Mr. METCALF] was defeated. It is one of that barrage of public-power amendments which this Committee of the Whole has considered during the deliberations on this bill, and should not be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Idaho [Mrs. PFOST].

The amendment was rejected.

Mr. MOSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Moss: Section 183, page 87, line 20, add new section "e," as follows:

"e. Every licensee under this act, holding a license from the Commission for a utilization or production facility for the generation of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306 thereof and to such other provisions of the Federal Power Act as provide for the enforcement of the regulatory authority of the Federal Power Commission with respect to licensees for development of waterpower."

Mr. MOSS. Mr. Chairman, at this early hour of the morning, I am not optimistic enough to believe that I will be gifted with the persuasive powers necessary to change the trend of voting which has continued for a number of hours. Despite the fact that the chairman of the committee will undoubtedly state, as he has on previous occasions, that this is a part of a barrage—a statement which I shall now deny—I do feel that there are some very significant points which should be made in offering this amendment.

In the first place, in the statement of policy contained on page 2 of the proposed act it says that—

The development, use, and control of atomic energy shall be directed so as to make the maximum contribution to the general welfare, subject at all times to the paramount objective of making the maximum contribution to the common defense and security.

It also says on line 17, in section (b) under "Findings":

In permitting the property of the United States to be used by others, such use must be regulated in the national interest and in order to provide for the common defense and security and to protect the health and safety of the public.

And a further statement, placing nuclear material permanently in the public domain, is made on line 21, page 3:

It is essential to the common defense and security that title to all special nuclear material be in the United States while such special nucear material is within the United States.

That places nuclear material as clearly in the public domain as the water potential used in the production of hydroelectric energy. For that reason, I propose by this amendment to impose upon the licensee using fissionable material in the production of electric energy the same provisions of the Federal power law as are applied to those who are licensed to produce hydroelectric energy. These are neither strict nor difficult regulations to live under. They are minimal regulations of the simplest sort. They do not in any way conflict with the regulatory powers of the States. They do, in those areas where there are no State regulations, provide minimum regulations. They also provide the minimum regulations necessary for the retail seller of power across State lines. They are not onerous regulations and they are at least the minimum this country should impose upon a licensee receiving the benefit of some $12 billion of public investment.

Mr. COLE of New York. Mr. Chairman, this amendment is what I hope and I feel sure everybody hopes will be the final salvo of the public-power advocates. The trouble with the amendment that has been offered by the gentleman from California is that it covers all applicants for licenses irrespective of the extent of their activities. If the activity of a licensee is such as to bring him under the Federal Power Commission because of the fact that his transmission lines go beyond State boundaries, then he is under the Federal Power Commission by operation of other laws. However, there is no reason why an applicant whose activity is confined within a State boundary should be brought under the regulations or the supervision of the Power Commission, as the amendment would provide. I ask that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Moss].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

"CHAPTER 17. JOINT COMMITTEE ON ATOMIC ENERGY

"SEC. 201. There is hereby established a Joint Committee on Atomic Energy to be composed of 9 Members of the Senate to be appointed by the President of the Senate, and 9 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than five Members shall be members of the same political party.

"SEC. 202. The joint committee shall make continuing studies of the activities of the Atomic Energy Commission and of problems relating to the development, use, and control of atomic energy. During the first 60 days of each session of the Congress, the joint committee shall conduct hearings in either open or executive session for the purpose of receiving information concerning the development, growth, and state of the atomic-energy industry. The Commission shall keep the joint committee fully and currently informed with respect to all of the Commission's activities. The Department of Defense shall keep the joint committee fully and currently informed with respect to all matters within the Department of Defense relating to the development, utilization, or application of atomic energy. Any Government agency shall furnish any information requested by the joint committee with respect to the activities or responsibilities of that agency in the field of atomic energy. All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the Commission or to the development, use, or control of atomic energy shall be referred to the joint committee. The members of the joint committee who are Members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall from time to time report to the House by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are referred to the joint committee or otherwise within the jurisdiction of the joint committee.

"SEC. 203. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. The chairmanship shall alternate between the Senate and the House of Representatives with each Congress, and the chairman shall be selected by the Members from that House entitled to the chairmanship. The vice chairman shall be chosen from the House other than that of the chairman by the Members from that House.

"SEC. 204. In carrying out its duties under this act, the joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings or investigations to sit and act at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The joint committee may make such rules respecting its organization and procedures as it deems necessary: *Provided, however,* That no measure or recommendation shall be reported from the joint committee unless a majority of the committee assent. Subpenas may be issued over the signature of the chairman of the joint committee or by any member designated by him

or by the joint committee, and may be served by such person or persons as may be designated by such chairman or member. The chairman of the joint committee or any member thereof, may administer oaths to witnesses. The joint committee may use a committee seal. The provisions of sections 102 to 104, inclusive, of the Revised Statutes, as amended, shall apply in case of any failure of any witness to comply with a subpena or to testify when summoned under authority of this section. The expenses of the joint committee shall be paid from the contingent fund of the Senate from funds appropriated for the joint committee upon vouchers approved by the chairman. The cost of stenographic service to report public hearings shall not be in excess of the amounts prescribed by law for reporting the hearings of standing committees of the Senate. The cost of stenographic service to report executive hearings shall be fixed at an equitable rate by the joint committee. Members of the joint committee, and its employees and consultants, while traveling on official business for the joint committee, may receive either the per diem allowance authorized to be paid to Members of Congress or its employees, or their actual and necessary expenses provided an itemized statement of such expenses is attached to the voucher.

"SEC. 205. The joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable. The joint committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government. The joint committee is authorized to permit such of its members, employees, and consultants as it deems necessary in the interest of common defense and security, to carry firearms while in the discharge of their official duties for the committee.

"SEC. 206. The joint committee may classify information originating within the committee in accordance with standards used generally by the executive branch for classifying restricted data or defense information.

"SEC. 207. The joint committee shall keep a complete record of all committee actions, including a record of the votes on any question on which a record vote is demanded. All committee records, data, charts, and files shall be the property of the joint committee and shall be kept in the offices of the joint committee or other places as the joint committee may direct under such security safeguards as the joint committee shall determine in the interest of the common defense and security.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 93, line 10, strike out the word "the" and insert "unless the joint committee shall otherwise determine the."

Mr. COLE of New York. Mr. Chairman, I hesitate to offer or to discuss this amendment but feel obliged to do so if for no other reason than to call the attention of the House to the fact that unless the amendment is adopted the House and the Senate lose control of determining the procedures and the activities of its own committees.

With my amendment the authority is retained in the joint committee to do whatever a majority of the committee may determine in the selection of its chairman. As the bill is now drafted, the committee has no choice but must at all times abide by the system of rotation of the chairmanship between the two Houses. To make any change in that system, it would be necessary to amend the law and obtain executive approval.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from California.

Mr. HOLIFIELD. This is not an amendment that was agreed to in the committee?

Mr. COLE of New York. No. I did not offer it as such. This is an amendment which would preserve to the joint committee the right to determine by a majority vote who should be the individual to serve as chairman. However, if it develops that a majority cannot decide, then that deadlock is resolved by requiring rotation between the two bodies of Congress.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from North Carolina.

Mr. DURHAM. This is the amendment we discussed in the committee and turned down, is it not?

Mr. COLE of New York. That is true.

Mr. DURHAM. As I recall, it was turned down by a pretty substantial vote.

Mr. COLE of New York. I am not certain of that because, as the gentleman will recall, I was not in the room at the time. I fear that it might be considered that I have a personal interest in the matter, and of course I do not. As far as I personally am concerned, the chairmanship, as far as I am able to do it, will go to the other body at the next Congress. It is with no thought, then, of personal interest that I propose this amendment. But I do feel obliged to warn the House that we are writing into the law a requirement which denies a committee of this Congress the right to function as a majority vote may determine.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the beginning of this Congress, last year, not this year, there was a 90-day deadlock on the question of who should be chairman of the joint committee. This committee is a statutory joint committee. It is a permanent joint committee. It has a membership of 5 of the majority party and 4 of the minority party in each House, as the Members know.

We took the position on the House side that the dignity of the House was just as great as the dignity of the Senate, and we were just as much entitled to have the chairmanship of the committee for 2 years as the Senate was. We were in deadlock for 90 days, until the other body finally agreed that they would alternate this chairmanship back and forth from the other body to this body.

I think the Members of the House in attending and doing the work of this committee have established a far superior record of attendance and hours put in and hard work done to that of the Members from the other body. I say that not in criticism because I recognize that the Members of the other body have many more committees on which they must serve. In the House under the Reorganization Act we have fewer committees on which to serve and we have been able to give the time and attention required. I can say, and I think I can say without contradiction, that 75 percent of the work of this joint committee has been done by the Members of the House.

I think it is incumbent upon the dignity of the House to have it written into the law so that there will be no further arguments and no deadlocks over this matter in the future, for the chairmanship to rotate back and forth and not be decided by a majority vote of the committee.

This is one case where I think the dignity of each body should be preserved on an equal basis. I believe the amendment the chairman has offered, which was turned down by a very decisive vote in the committee, should not be accepted by the House at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was rejected.

The Clerk read as follows:

"CHAPTER 18. ENFORCEMENT

"SEC. 221. General provisions:

"a. To protect against the unlawful dissemination of restricted data and to safeguard facilities, equipment, materials, and other property of the Commission, the President shall have authority to utilize the services of any Government agency to the extent he may deem necessary or desirable.

"b. The Federal Bureau of Investigation of the Department of Justice shall investigate all alleged or suspected criminal violations of this act.

"c. No action shall be brought against any individual or person for any violation under this act unless and until the Attorney General of the United States has advised the Commission with respect to such action and no such action shall be commenced except by the Attorney General of the United States: *Provided, however,* That no action shall be brought under section 222, 223, 224, 225, or 226 except by the express direction of the Attorney General.

"SEC. 222. Whoever willfully violates, attempts to violate, or conspires to violate, any provision of section 57, 92, or 101, or whoever unlawfully interferes, attempts to interfere, or conspires to interfere with any recapture or entry under section 108, shall, upon conviction thereof, be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both, except that whoever commits such an offense with intent to injure the United States or with intent to secure an advantage to any foreign nation shall, upon conviction thereof, be punished by death or imprisonment for life (but the penalty of death or imprisonment for life may be imposed only upon recommendation of the jury), or by a fine of not more than $20,000 or by imprisonment for not more than 20 years, or both.

"SEC. 223. Whoever willfully violates, attempts to violate, or conspires to violate, any provision of this act for which no penalty is specifically provided or for any regulation or order prescribed or issued under section 65 of subsection 161 b., i., or p. shall, upon conviction thereof, be punished by a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both, except that whoever commits such an offense with intent to injure the United States or with intent to secure an advantage to any foreign nation, shall, upon conviction thereof, be punished by a fine of not more than $20,000 or by imprisonment for not more than 20 years, or both.

"SEC. 224. Whoever, lawfully or unlawfully, having possession of, access to, control

over, or being entrusted with any document, writing, sketch, photograph, plan, model, instrument, appliance, note, or information involving or incorporating restricted data—

"a. communicates, transmits, or discloses the same to any individual or person, or attempts or conspires to do any of the foregoing, with intent to injure the United States or with intent to secure an advantage to any foreign nation, upon conviction thereof, shall be punished by death or imprisonment for life (but the penalty of death or imprisonment for life may be imposed only upon recommendation of the jury), or by a fine of not more than $20,000 or imprisonment for not more than 20 years, or both;

"b. communicates, transmits, or discloses the same to any individual or person, or attempts or conspires to do any of the foregoing, with reason to believe such data will be utilized to injure the United States or to secure an advantage to any foreign nation, shall, upon conviction, be punished by a fine of not more than $10,000 or imprisonment for not more than 10 years, or both.

"SEC. 225. Whoever, with intent to injure the United States or with intent to secure an advantage to any foreign nation, acquires, or attempts to conspire or to acquire, any document, writing, sketch, photograph, plan, model, instrument, appliance, note, or information involving or incorporating restricted data shall, upon conviction thereof, be punished by death or imprisonment for life (but the penalty of death or imprisonment for life may be imposed only upon recommendation of the jury), or by a fine of not more than $20,000 or imprisonment for not more than 20 years, or both.

"SEC. 226. Whoever, with intent to injure the United States or with intent to secure an advantage to any foreign nation, removes, conceals, tampers with, alters, mutilates, or destroys any document, writing, sketch, photograph, plan, model, instrument, appliance, or note involving or incorporating restricted data and used by any individual or person in connection with the production of special nuclear material, or research or development relating to atomic energy, conducted by the United States or financed in whole or in part by Federal funds, or conducted with the aid of special nuclear material, shall be punished by death or imprisonment for life (but the penalty of death or imprisonment for life may be imposed only upon recommendation of the jury), or by a fine of not more than $20,000 or imprisonment for not more than 20 years, or both.

"SEC. 227. Whoever, being or having been an employee or member of the Commission, a member of the Armed Forces, an employee of any agency of the United States, or being or having been a contractor of the Commission or of an agency of the United States, or being or having been an employee of a contractor of the Commission or of an agency of the United States, or being or having been a licensee of the Commission, or being or having been an employee of a licensee of the Commission, knowingly communicates, or whoever conspires to communicate or to receive, any restricted data, knowing or having reason to believe that such data is restricted data, to any person not authorized to receive restricted data pursuant to the provisions of this act or under rule or regulation of the Commission issued pursuant thereto, knowing or having reason to believe such person is not so authorized to receive restricted data shall, upon conviction thereof, be punishable by a fine of not more than $2,500.

"SEC. 228. Except for a capital offense, no individual or person shall be prosecuted, tried, or punished for any offense prescribed or defined in sections 224 to 226, inclusive, of this act unless the indictment is found or the information is instituted within 10 years next after such offense shall have been committed.

"SEC. 229. Sections 224 to 228 shall not exclude the applicable provisions of any other laws.

"SEC. 230. Injunction proceedings: Whenever in the judgment of the Commission any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this act, or any regulation or order issued thereunder, the Attorney General on behalf of the United States may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Commission that such person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order may be granted.

"SEC. 231. Contempt proceedings: In case of failure or refusal to obey a subpena served upon any person pursuant to subsection 161 c., the district court for any district in which such person is found or resides or transacts business, upon application by the Attorney General on behalf of the United States, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both, in accordance with the subpena; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Mr. COLE of New York. Mr. Chairman, my attention has been directed to the fact that a typographical error has been overlooked, which appears on page 97, line 9. I ask unanimous consent that the word "or" after the word "fine" be changed to "of."

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

"CHAPTER 19. MISCELLANEOUS

"SEC. 251. The Commission shall submit to the Congress, in January and July of each year, a report concerning the activities of the Commission. The Commission shall include in such report, and shall at such other times as it deems desirable to submit to the Congress, such recommendations for additional legislation as the Commission deems necessary or desirable.

"SEC. 261. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this act except such as may be necessary for acquisition or condemnation of real property or for plant construction or expansion. The acts appropriating such sums may appropriate specified portions thereof to be accounted for upon the certification of the Commission only. Funds appropriated to the Commission shall, if obligated by contract during the fiscal year for which appropriated, remain available for expenditure for 4 years following the expiration of the fiscal year for which appropriated.

"SEC. 271. Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power.

"SEC. 281. If any provision of this act or the application of such provision to any person or circumstances is held invalid, the remainder of this act or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

"SEC. 291. This act may be cited as the 'Atomic Energy Act of 1954.'"

SEC. 2. Section 2 of the act of December 29, 1950 (ch. 1189, 65 Stat. 1129), is amended by adding at the end thereof "and (d) of the Atomic Energy Commission entered pursuant to section 189 of the Atomic Energy Act of 1954."

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York. Page 103, line 1, strike all of section 2 and insert:

"a. Section 1 (d) of the act of December 29, 1950 (64 Stat. 1129), is amended by striking out the period at the end thereof and inserting the following: '; when such order was entered by the Atomic Energy Commission, "agency" means that Commission.'

"b. Section 2 of the act of December 29, 1950 (64 Stat. 1129), is amended by striking out the period at the end of the first paragraph thereof and inserting the following: ', and (d) of the Atomic Energy Commission made reviewable by section 189 of the Atomic Energy Act of 1954, as amended'."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

Mr. FEIGHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is one of the most important and critical issues to appear before Congress. Anyone who has taken any opportunity to study this problem knows that at this point in history no one, including the top scientists, who have made possible the infusion of hydrogen power, know the full potential of hydrogen power, both in the peaceful service of mankind, as well as the most potent defender of the basic freedoms which are important as life itself to all those who believe in the dignity of the individual as against the supremacy of the state.

In my considered judgment there are two principal issues involved in the legislation before us. One deals with the manner and extent to which we shall share with our proven allies in the common struggle against Communist aggression—those elements of atom and hydrogen power which relate directly to, and with prudence exercise, the preservation of the civilization of which we as Americans are an essential part.

The second element deals with what in my judgment are the unlimited possibilities for the peaceful utilization of atomic and hydrogen power. No one, including our most eminent scientists, are prepared at this time to tell us the extent to which the tremendous power of atomic and hydrogen implosion may be used for the betterment of mankind. Similarly, those of our greatest scientists are unprepared to tell us at this time whether or not this tremendous potential should be turned over to unlimited private exploitation or, on the other hand, to the judicial and wise utilization of public power.

Because of this uncertainty and because of the urgent need to share with our proven allies the tremendous strength and potential for good of atomic and hydrogen power, I believe we shall best serve the interests of the people of the United States of America, as well as the cause of the free world as a whole, by declaring a sharp and distinguishable difference in these issues which now are before us. I therefore urge that we vote only on those measures which deal

with the manner and extent to which we share the tremendous protective power of atom and hydrogen implosion.

This is the essence of the issue before us this evening. I, therefore, urge that we separate these fundamental questions in our voting procedure.

The Clerk read as follows:

SEC. 3. There is hereby retroceded to the State of New Mexico the exclusive jurisdiction heretofore acquired from the State of New Mexico by the United States of America over the following land of the United States Atomic Energy Commission in Bernalillo County and within the boundaries of the Sandia base, Albuquerque, N. Mex.

Beginning at a point south no degrees thirty-nine minutes no seconds west one thousand three hundred thirty-five and one-tenth feet distant from the quarter corner common to sections 29 and 30, township 10 north, range 4 east, New Mexico principal meridian, Bernalillo County, N. Mex., thence north no degrees thirty-nine minutes no seconds east one thousand three hundred thirty-five and one-tenth feet, thence south eighty-nine degrees twenty-seven minutes forty-five seconds west two thousand six hundred fifty-three and forty one-hundredths feet, thence south no degrees twenty-three minutes thirty seconds west one thousand nine hundred forty-seven and twenty one-hundredths feet, thence north eighty-nine degrees thirty-six minutes forty-five seconds east two thousand sixty-eight and forty one-hundredths feet, thence north eighty-nine degrees three minutes fifteen seconds east five hundred seventy-six feet, thence north no degrees thirty-nine minutes no seconds east two hundred thirty-two and seventy one-hundredths feet, thence north eighty-nine degrees twenty-one minutes no seconds west eight hundred eighty-two and twenty one-hundredths feet, thence north no degrees thirty-nine minutes no seconds east five hundred and sixty one-hundredths feet, thence along the back of the south curb of West Sandia Drive, Sandia base, Bernalillo County, N. Mex., eight hundred ninety-five and sixty one-hundredths feet to the point of beginning.

This retrocession of jurisdiction shall take effect upon acceptance by the State of New Mexico.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 103, line 12, strike balance of section 3 and substitute therefor:

"Beginning at the center quarter corner of section 30, township 10 north, range 4 east, New Mexico principal meridian, Bernalillo County, New Mexico, thence south no degrees twenty-three minutes thirty seconds west one thousand nine hundred forty-seven and twenty one-hundredths feet, thence north eighty-nine degrees thirty-six minutes forty-five seconds east two thousand sixty-eight and forty one-hundredths feet, thence north eighty-nine degrees three minutes fifteen seconds east five hundred forty-six feet, thence north no degrees thirty-nine minutes no seconds east two hundred thirty-two and seventy one-hundredths feet, thence north eighty-nine degrees twenty-one minutes no seconds west eight hundred fifty-two and twenty one-hundredths feet, thence north no degrees thirty-nine minutes no seconds east five hundred and sixty one-hundredths feet, thence along the back of the south curb of West Sandia Drive, Sandia Base, Bernalillo County, New Mexico, eight hundred sixty-five and sixty one-hundredths feet, thence north no degrees thirty-nine minutes no seconds east one thousand three hundred thirty-five and three-tenths feet to a point south eighty-nine degrees twenty-seven minutes forty-five seconds west a distance of thirty feet from the quarter corner common to sections 30 and 29, township 10 north, range 4 east, thence south eighty-nine degrees twenty-seven minutes forty-five seconds west two thousand six hundred twenty-three and forty one-hundredths feet to the point of beginning.

"This retrocession of jurisdiction shall take effect upon acceptance by the State of New Mexico."

Mr. COLE of New York. Mr. Chairman, this amendment is substantially the same as the section which the Clerk has just read but it is modified to correct an oversight as an error that was made in the description of the property.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

Mr. COLE of New York. Mr. Chairman, in the haste of handling the last few sections my attention was diverted—at any rate, I did not offer an amendment which I had intended to offer in respect to section 261 in which for the first time we require the Commission to obtain authorization for the appropriation of funds. I ask unanimous consent to return to 261 in order that I may offer an amendment to line 7 after the word "property", insert a comma, and the words "facility or interest therein."

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 102, line 7, after the word "property", insert "facility or interest therein."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I would be remiss if I did not say for myself, and I am sure for all of us, that we certainly have appreciated the splendid manner and the fair manner in which the great gentleman from New York [Mr. TABER] has conducted himself as Chairman of the Committee of the Whole. All I can say is that he is about the youngest among us and my only wish is that I will go as strong as he has when I get to the point where he is.

Mr. COLE of New York. Mr. Chairman, I offer an amendment in the form of a table of contents by way of an index, or whatever it may be, to be inserted at the beginning of this bill.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 1, between lines 4 and 5, insert the following:

"ATOMIC ENERGY ACT OF 1954

"CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

"Sec. 1. Declaration
"Sec. 2. Findings
"Sec. 3. Purpose

"CHAPTER 2. DEFINITIONS

"Sec. 11. Definitions

"CHAPTER 3. ORGANIZATION

"Sec. 21. Atomic Energy Commission
"Sec. 22. Members
"Sec. 23. Office
"Sec. 24. General Manager
"Sec. 25. Divisions and offices
"Sec. 26. General Advisory Committee
"Sec. 27. Military Liaison Committee
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"Sec. 91. Authority
"Sec. 92. Prohibition

"CHAPTER 10. ATOMIC ENERGY LICENSES

"Sec. 101. License required
"Sec. 102. Finding of practical value
"Sec. 103. Commercial licenses
"Sec. 104. Medical therapy and research and development
"Sec. 105. Antitrust provisions
"Sec. 106. Classes of facilities
"Sec. 107. Operators' licenses
"Sec. 108. War or national emergency
"Sec. 109. Component parts of facilities
"Sec. 110. Exclusions

"CHAPTER 11. INTERNATIONAL ACTIVITIES

"Sec. 121. Effect of international arrangements
"Sec. 122. Policies contained in international arrangements
"Sec. 123. Cooperation with other nations
"Sec. 124. International atomic pool

"CHAPTER 12. CONTROL OF INFORMATION

"Sec. 141. Policy
"Sec. 142. Classification and declassification of restricted data
"Sec. 143. Department of Defense participation
"Sec. 144. International cooperation
"Sec. 145. Restrictions
"Sec. 146. General provisions

"CHAPTER 13. PATENTS AND INVENTIONS

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"Sec. 152. Nonmilitary utilization
"Sec. 153. Prior art
"Sec. 154. Commission patent licenses
"Sec. 155. Compensation and awards
"Sec. 156. Federal research
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"Sec. 161. General provisions
"Sec. 162. Contracts
"Sec. 163. Advisory committees
"Sec. 164. Electric utility contracts
"Sec. 165. Contract practices
"Sec. 166. Comptroller General audit
"Sec. 167. Claim settlements
"Sec. 168. Payments in lieu of taxes
"Sec. 169. No subsidy

"CHAPTER 15. COMPENSATION FOR PRIVATE PROPERTY ACQUIRED

"Sec. 171. Just compensation
"Sec. 172. Condemnation of real property
"Sec. 173. Patent application disclosures
"Sec. 174. Attorney General—approval of title

"CHAPTER 16. JUDICIAL REVIEW AND ADMINISTRATIVE PROCEDURES

"Sec. 181. General
"Sec. 182. License applications
"Sec. 183. Terms of licenses
"Sec. 184. Inalienability of licenses
"Sec. 185. Construction permits
"Sec. 186. Revocation
"Sec. 187. Modification of license
"Sec. 188. Continued operation of facilities
"Sec. 189. Judicial review

"CHAPTER 17. JOINT COMMITTEE ON ATOMIC ENERGY

"Sec. 201. Membership
"Sec. 202. Authority and duty
"Sec. 203. Chairman
"Sec. 204. Powers
"Sec. 205. Staff and assistance
"Sec. 206. Classification of information
"Sec. 207. Records

"CHAPTER 18. ENFORCEMENT

"Sec. 221. General provisions
"Sec. 222. Violation of specific sections
"Sec. 223. Violation of sections generally
"Sec. 224. Communication of restricted data
"Sec. 225. Receipts of restricted data
"Sec. 226. Tampering with restricted data
"Sec. 227. Disclosure of restricted data
"Sec. 228. Statute of limitations
"Sec. 229. Other laws
"Sec. 230. Injunction proceedings
"Sec. 231. Contempt proceedings

"CHAPTER 19. MISCELLANEOUS

"Sec. 251. Report to Congress
"Sec. 261. Appropriations
"Sec. 271. Agency jurisdiction
"Sec. 281. Separability
"Sec. 291. Short title"

Page 70, line 16, after "SEC. 157.", insert "Federal research."

Page 71, line 8, after "SEC. 161.", insert "General provisions."

Page 79, line 17, after "SEC. 164.", insert "Electric utility contracts."

Page 80, line 10, after "SEC. 165.", insert "Contract practices."

Page 80, line 13, after "SEC. 166.", insert "Comptroller General audit."

Page 81, line 5, after "SEC. 167.", insert "Claim Settlements."

Page 81, line 22, after "SEC. 168.", insert "Payments in lieu of taxes."

Page 82, line 16, after "SEC. 169.", insert "No subsidy."

Page 82, line 22, after "SEC. 171.", insert "Just compensation."

Page 83, line 12, after "SEC. 172.", insert "Condemnation of real property."

Page 83, line 21, after "SEC. 173.", insert "Patent application discussions."

Page 84, line 11, after "SEC. 174.", insert "Attorney General—approval of title."

Page 91, line 16, after "SEC. 201.", insert "Membership."

Page 91, line 23, after "SEC. 202.", insert "Authority and duty."

Page 93, line 2, after "SEC. 203.", insert "Chairman."

Page 93, line 16, after "SEC. 204.", insert "Powers."

Page 95, line 5, after "SEC. 205.", insert "Staff and assistance."

Page 95, line 15, after "SEC. 206.", insert "Classification of information."

Page 95, line 19, after "SEC 207.", insert "Records."

Page 96, line 22, after "SEC. 222.", insert "Violation of specific sections."

Page 97, line 11, after "SEC. 223.", insert "Violation of sections generally."

Page 97, line 23, after "SEC. 224.", insert "Communication of restricted data."

Page 98, line 21, after "SEC. 225.", insert "Receipt of restricted data."

Page 99, line 7, after "SEC. 226.", insert "Tampering with restricted data."

Page 99, line 22, after "SEC. 227.", insert "Disclosure of restricted data."

Page 100, line 15, after "SEC. 228.", insert "Statute of limitations."

Page 100, line 21, after "SEC. 229.", insert "Other laws."

Page 101, line 21, after "SEC. 251.", insert "Report to Congress."

Page 102, line 3, after "SEC. 261.", insert "Appropriations."

Page 102, line 15, after "SEC. 271.", insert "Agency jurisdiction."

Page 102, line 19, after "SEC. 281.", insert "Separability."

Page 102, line 24, after "SEC. 291.", insert "Short title."

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TABER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, pursuant to House Resolution 630, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. PRICE. Mr. Speaker, I demand a separate vote on the Cole amendment in section 152 and related amendments.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 63, line 5, strike section 152 in its entirety and substitute therefor the following:

"SEC. 152. Inventions conceived during Commission contracts or other relationship: Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived by any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission, shall be deemed to have been made or conceived by the Commission, except that the Commission may waive its claim to any such invention or discovery if made or conceived by any person at or in connection with any laboratory under the jurisdiction of the Commission as provided in section 33, or under such other circumstances as the Commission may deem appropriate. No patent for any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, shall be issued unless the applicant files with the application, or within 30 days after request therefor by the Commissioner of Patents, a statement under oath setting forth the full facts surrounding the making or conception of the invention or discovery described in the application and whether the invention or discovery was made or conceived in the course of, in connection with, or under the terms of any contract, subcontract, arrangement, or other relationship with the Commission, regardless of whether the contract or arrangement involved the expenditure of funds by the Commission. The Commissioner of Patents shall forthwith forward copies of the application and the statement to the Commission.

"The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable) to be held by the Commission as the agent of and on behalf of the United States.

"If the Commission files such a direction with the Commissioner of Patents, and if the applicant's statement claims, and the applicant still believes, that the invention or discovery was not made or conceived in the course of, in connection with, or under the terms of any contract, subcontract, arrangement or other relationship with the Commission entitling the Commission to take title to the application or the patent, the applicant may, within 30 days after notification of the filing of such a direction, request a hearing before a Board of Patent Interferences. The Board shall have the power to hear and determine whether the Commission was entitled to the direction filed with the Commissioner of Patents. The Board shall follow the rules and procedures established for interference cases and an appeal may be taken by either the applicant or the Commission from the final order of the Board to the Court of Customs and Patent Appeals in accordance with the procedures governing the appeals from the Board of Patent Interferences.

"If the statement filed by the applicant should thereafter be found to contain false material statements no notification by the Commission that it has no objections to the issuance of a patent to the applicant shall be deemed in any respect to constitute a waiver of the provisions of this section or of any applicable civil or criminal statute, and the Commission may have the title to the patent transferred to the Commission on the records of the Commissioner of Patents in accordance with the provisions of this section."

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

Mr. PRICE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 203, nays 161, not voting 69, as follows:

[Roll No. 115]

YEAS—203

Adair	Auchincloss	Bentley
Alexander	Ayres	Betts
Allen, Calif.	Baker	Bishop
Allen, Ill.	Bates	Bolton, Frances P.
Andersen, H. Carl	Beamer	Bolton, Oliver P.
Andresen, August H.	Becker	Bonin
Arends	Belcher	Bosch
	Bender	
	Bennett, Mich.	

How	Heselton	Patterson
Boykin	Hess	Pelly
Brambiett	Hiestand	Phillips
Bray	Hill	Pillion
Brown, Ohio	Hillelson	Poff
Brownson	Hillings	Prouty
Broyhill	Hinshaw	Radwan
Budge	Hoeven	Ray
Busbey	Hoffman, Ill.	Reece, Tenn.
Bush	Hoffman, Mich.	Reed, Ill.
Byrnes, Wis.	Holmes	Reed, N. Y.
Campbell	Holt	Rees, Kans.
Canfield	Hope	Rhodes, Ariz.
Carrigg	Horan	Riehlman
Cederberg	Hosmer	Rivers
Chenoweth	Hruska	Robsion, Ky.
Chiperfield	Hunter	Rogers, Mass.
Church	Hyde	Sadlak
Clardy	Jackson	St. George
Clevenger	James	Schenck
Cole, Mo.	Jenkins	Scherer
Cole, N. Y.	Jensen	Scrivner
Coon	Johnson, Calif.	Scudder
Corbett	Jonas, Ill.	Seely-Brown
Cretella	Jonas, N. C.	Sheehan
Crumpacker	Jones, N. C.	Simpson, Ill.
Cunningham	Judd	Simpson, Pa.
Curtis, Mass.	Kean	Smith, Kans.
Curtis, Mo.	Kearns	Smith, Wis.
Davis, Wis.	Keating	Stauffer
Derounian	King, Pa.	Stringfellow
Devereux	Knox	Taber
D'Ewart	Krueger	Talle
Dies	Laird	Taylor
Dolliver	Latham	Thompson, Mich.
Dondero	LeCompte	Tollefson
Dorn, N. Y.	Lipscomb	Utt
Ellsworth	McConnell	Van Pelt
Fenton	McCulloch	Van Zandt
Ford	McDonough	Velde
Frelinghuysen	McGregor	Vorys
Fulton	McIntire	Vursell
Gamble	McVey	Wainwright
Gathings	Mack, Wash.	Walter
Gavin	Mason	Wampler
Gentry	Meader	Warburton
George	Merrill	Westland
Golden	Merrow	Wharton
Goodwin	Miller, Nebr.	Widnall
Graham	Miller, N. Y.	Wigglesworth
Gross	Mumma	Williams, N. Y.
Gubser	Neal	Wilson, Calif.
Gwinn	Nicholson	Wilson, Ind.
Hale	Norblad	Withrow
Halleck	Norrell	Wolcott
Hand	Oakman	Wolverton
Harden	O'Brien, N. Y.	Young
Harrison, Nebr.	O'Hara, Minn.	Younger
Harrison, Va.	O'Konski	
Harvey	Osmers	
Hébert	Ostertag	

NAYS—161

Abbitt	Engle	Lantaff
Abernethy	Evins	Lesinski
Addonizio	Fallon	Lyle
Albert	Feighan	McCormack
Andrews	Fernandez	McMillan
Ashmore	Fogarty	Machrowicz
Aspinall	Forand	Mack, Ill.
Barden	Forrester	Madden
Barrett	Fountain	Magnuson
Bennett, Fla.	Frazier	Mahon
Blatnik	Friedel	Marshall
Bolling	Garmatz	Matthews
Bonner	Gary	Metcalf
Bowler	Gordon	Miller, Calif.
Brooks, Tex.	Granahan	Miller, Kans.
Brown, Ga.	Grant	Mills
Buchanan	Green	Mollohan
Burleson	Gregory	Morano
Byrd	Hagen, Calif.	Morgan
Byrne, Pa.	Hagen, Minn.	Moss
Cannon	Haley	Moulder
Carlyle	Hardy	Multer
Carnahan	Hays, Ark.	Murray
Chudoff	Hays, Ohio	Natcher
Colmer	Herlong	O'Brien, Ill.
Condon	Holifield	O'Brien, Mich.
Cooley	Holtzman	O'Hara, Ill.
Cooper	Howell	O'Neill
Crosser	Ikard	Passman
Davis, Ga.	Jarman	Pfost
Davis, Tenn.	Javits	Philbin
Dawson, Utah	Johnson, Wis.	Pilcher
Deane	Jones, Ala.	Polk
Delaney	Jones, Mo.	Preston
Dempsey	Karsten, Mo.	Price
Dodd	Kee	Priest
Donohue	Kelley, Pa.	Rabaut
Donovan	Kilday	Rains
Dorn, S. C.	King, Calif.	Rayburn
Doyle	Kirwan	Reams
Durham	Kluczynski	Rhodes, Pa.
Eberharter	Landrum	Roberts
Edmondson	Lane	Robeson, Va.
Elliott	Lanham	Rodino
Rogers, Colo.	Spence	Whitten
Rogers, Fla.	Springer	Wickersham
Rooney	Staggers	Wier
Saylor	Steed	Williams, Miss.
Selden	Sullivan	Williams, N. J.
Shelley	Thomas	Winstead
Sheppard	Thornberry	Yates
Shuford	Trimble	Yorty
Sieminski	Tuck	Zablocki
Smith, Miss.	Watts	

NOT VOTING—69

Angell	Fino	Poage
Bailey	Fisher	Powell
Battle	Harris	Regan
Bentsen	Harrison, Wyo.	Richards
Berry	Hart	Riley
Boggs	Kearney	Rogers, Tex.
Boland	Kelly, N. Y.	Roosevelt
Brooks, La.	Keogh	Scott
Buckley	Kersten, Wis.	Secrest
Burdick	Kilburn	Shafer
Camp	Klein	Short
Celler	Long	Sikes
Chatham	Lovre	Small
Chelf	Lucas	Smith, Va.
Cotton	McCarthy	Sutton
Coudert	Mailliard	Teague
Curtis, Nebr.	Martin, Iowa	Thompson, La.
Dague	Miller, Md.	Thompson, Tex.
Dawson, Ill.	Morrison	Vinson
Dingell	Nelson	Weichel
Dollinger	Patman	Wheeler
Dowdy	Patten	Willis
Fine	Perkins	Wilson, Tex.

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Coudert for, with Mr. Bailey against.

Mr. Scott for, with Mr. Keogh against.

Mr. Martin of Iowa for, with Mr. Klein against.

Mr. Kilburn for, with Mrs. Kelley of New York against.

Mr. Dague for, with Mr. Boland against.

Mr. Short for, with Mr. Roosevelt against.

Mr. Weichel for, with Mr. Fine against.

Mr. Miller of Maryland for, with Mr. Celler against.

Mr. Small for, with Mr. Dollinger against.

Mr. Kearney for, with Mr. Sikes against.

Mr. Kersten of Wisconsin for, with Mr. Chatham against.

Until further notice:

Mr. Angell with Mr. Powell.

Mr. Shafer with Mr. Dawson of Illinois.

Mr Lovre with Mr. Morrison.

Mr. Burdick with Mr. Perkins.

Mr. Berry with Mr. Regan.

Mr. Mailliard with Mr. Hart.

Mr. Nelson with Mr. Brooks of Louisiana.

Mr. Fino with Mr. Willis.

Mr. Curtis of Nebraska with Mr. Thompson of Louisiana.

Mr. Harrison of Wyoming with Mr. Smith of Virginia.

Mr. Cotton with Mr. Boggs.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. MURRAY. Mr. Speaker, I demand the reading of the engrossed bill.

The SPEAKER Further consideration of the bill will be postponed.

THE LATE ALBERT SIDNEY CAMP

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, it is with much sorrow that I announce to the House the passing of our beloved colleague, Congressman SIDNEY CAMP. Eulogies will be had when the House convenes on Monday next.

THE DROUGHT SITUATION IN MISSOURI

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House, to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, the drought situation in Missouri is approaching the proportions of a Statewide calamity. Governor Donnelly in his appeal to President Eisenhower for relief characterizes it as critical in the extreme.

The extremity of the situation and the urgent need for prompt action is set out in the following letters and telegrams:

MEXICO, MO., *July 14, 1954.*

Hon. CLARENCE CANNON,
House Office Building,
Washington, D. C.:

At an emergency meeting of the board of directors of the Mexico Chamber of Commerce, held this morning, I was instructed to inform you as follows:

Within the past week soil and crop conditions have become such that drastic and prompt relief measures must be initiated to prevent an indicated economic disaster to our people.

Investigation shows that as of this date in Audrian County, there is more crop damage than at any time during the 1953 drought.

Pastures are burnt brown. There is no grass for livestock. Their water supply is being depleted. Most corn appears to be damaged beyond the state of grain production. Soybeans are stunted and "fired." Local agricultural officials and experts call the condition "critical."

A personal survey of the movement of cattle to the major stockyards shows that great numbers of animals are being sent to slaughter in gaunt flesh. Especially is this true of cows and their calves. Consequently, prices are being depressed to such an extent as to be ruinous to our farmers.

It is recommended that action be initiated to immediately provide at reasonable costs to local farmers such surplus feeds in Federal control as will enable the maintenance on the farms of our production livestock, and the orderly marketing of cattle in sufficient flesh for slaughter. We believe this to be in the national interest.

It is our considered opinion that unless rain in abundant quantities is immediately forthcoming, this county at least will suffer damage as greatly as in the agricultural disasters of 1934. The weather bureau offers no encouragement for relief.

It is hoped that action will be prompt.

Hungry livestock will not be tolerant of delay.

(This joint wire sent Mr. CANNON, Mr. HENNINGS, and Mr. SYMINGTON.)

Sincerely,

MEXICO CHAMBER OF COMMERCE,
JACK BAKER, *President.*

JEFFERSON CITY, MO., *July 20, 1954.*

Hon. CLARENCE CANNON,
House Office Building,
Washington, D. C.:

For your information I have today sent the following telegram to President Dwight D. Eisenhower relative to drought conditions in Missouri:

"The drought situation in the entire State of Missouri is more severe and critical today than ever before in our history. The unprecedented lack of moisture, exceedingly high temperatures reaching 116°, desiccating and blistering winds, destructive grass-

hopper infestation, and intensely depleted water supplies for human consumption as well as for livestock, have created a deplorable and disastrous drought condition in every county and the city of St. Louis in Missouri. This catastrophe is of such magnitude that it is beyond the ability and resources of the State to speedily and effectively cope. Therefore, upon recommendation of the Missouri State drought committee, which met at my request July 19, 1954, to consider emergency measures to aid in alleviating this distressing situation, I am today designating every county and the city of St. Louis in the State of Missouri as a drought disaster area. I strongly urge that every county and the city of St. Louis in Missouri be accordingly designated by you as a drought disaster area and made eligible for immediate Federal drought aid and assistance.

"Also, upon recommendation of the Missouri State drought committee, I strongly urge that the Federal Government reinstate immediately the beef-purchasing program. This program was in operation last year and had a definite stabilizing effect on the price of commercial grade cattle. This type of livestock is being marketed in record numbers at the present time in Missouri, depressing prices to a new low.

"I further strongly urge, also upon recommendation of the Missouri State drought committee, that grain feeds held by the Commodity Credit Corporation be made available immediately for livestock feed in Missouri.

"Due to the seriousness of this situation, which is not only disastrous to the farmers of our State but to the stability of our entire economy, we urge immediate action upon the above recommendations as time is of the utmost importance."

PHIL M. DONNELLY,
Governor of Missouri.

LADDONIA, MO., *July 21, 1954.*

Hon. CLARENCE CANNON,
House of Representatives:

Request early action for providing State and Federal assistance in drought relief. We are needing a temporary program for stabilization of livestock market and provision for grain and forage for maintenance of foundation herds.

AUDRAIN COUNTY FARM BUREAU, LIVESTOCK AND WOOL MARKETING COMMITTEE, CLYDE BROWN, *Chairman.*

[Copy of telegram to President Eisenhower from Fred V. Heinkel, president, Missouri Farmers Association, Columbia, Mo., July 22, 1954]

The board of directors of the Missouri Farmers Association, representing more than 152,000 farm families in Missouri, in a meeting here today, directed me to apprise you of the awful drought conditions in our State and to make recommendations which we believe would alleviate the situation.

This is the third year of drought in Missouri. Rainfall has not only been much less than last year, at which time we experienced the worst drought in history, but temperatures this year have been the highest on record. Missouri has had 41 days with temperatures higher than normal, with 17 of them above 100 degrees. Corn and soybean crops are practically ruined. Pastures have been wiped out. Water supplies for people and livestock are exhausted in some areas and are nearing exhaustion in many other areas. Livestock herds are being liquidated in wholesale numbers at ruinously low prices. Local bankers advise that thousands of farmers have totally exhausted their borrowing power and are faced with bankruptcy.

After 3 years of continuous drought of unprecedented severity, coupled with the constant decline in farm prices, the disaster is of such magnitude that the State of Missouri cannot possibly deal with it alone. Only immediate and aggressive action by the Federal Government can save thousands of farm families from financial ruin and prevent future damage to agriculture which will take years to repair.

The catastrophe which has descended upon us has crippled agriculture beyond estimation, and the adverse results are certain to be felt by all the American people. There is no way for us to ever recoup the losses, but the Federal Government can do much to rekindle hope in farm people and help them to keep their farms and their herds and remain on the land instead of migrating to our cities to swell the ranks of the unemployed.

In view of the grave situation confronting us, the Missouri Farmers Association recommends and strongly urges that the Federal Government take action as follows:

1. That the Federal Government immediately start a beef-purchasing program for school lunches, hospitals, and the Armed Forces; and that, in addition, a cattle-buying program be inaugurated at once which will insure that farmers receive not less than $10 per hundred for utility grades of cattle. If these two steps are taken without delay, livestock prices will be stabilized and the harmful effects of the disaster will be mitigated.

2. That surplus grains held by the Commodity Credit Corporation be immediately made available through regular trade channels for livestock feed in disaster areas. That the feed-relief program of last year, which was terminated in March, should be reinstated; while, in addition, CCC grains should be made available at very low cost to farmers whose corn crops have been destroyed, in order that they can use them for feeding purposes.

3. That grants of surplus seeds held by the Commodity Credit Corporation be made available through regular trade channels, with farmers paying only transportation costs and the handling charges of seed dealers. This would enable large numbers of farmers who have lost all their crops to hang on for another year.

4. That the Farm Credit Administration be directed to defer loan and interest payments 1 year.

5. That in order to forestall the liquidation of irreplaceable dairy herds, which have taken many years to establish, as well as to prevent enormous loss to the dairy industry (in which the people of Missouri have an investment of more than $2 billion in processing plants and other facilities alone) we urge that a subsidy be paid to dairy farmers in drought areas at the rate of $1 per hundredweight on whole milk, and that this be started at the earliest possible time and continued until May 31 next year.

6. That 30-year loans be made to farmers for drilling wells in areas where the water supply is exhausted.

7. That the Congress appropriate $1 billion for relief purposes in drought disaster areas of the several States, this fund to be used for grants, subsidies, and other aids incident to the emergency, as such may become necessary.

The Missouri Farmers Association respectfully calls attention to the fact that the situation grows worse each day—crops suffer further damage, more wells go dry, more livestock is sacrificed on a glutted market, more dairy herds are dispersed, and more people are forced out of farming. Every American will in some measure feel the effects of this disaster. It is our earnest hope that action will be taken by the Federal Government before the Congress adjourns.

FRED V. HEINKEL,
President, Missouri Farmers Association, Columbia, Mo.

JULY 20, 1954.

The Honorable EZRA TAFT BENSON,
Secretary of Agriculture,
United States Department of Agriculture, Washington, D. C.

DEAR SIR: Disaster is again striking the State of Missouri and most of the States around us. The following is a part of a story in last evening's Columbia Missourian:

"The mercury at 1 p. m. today read 104 as Columbia's heat wave pressed toward new records. It was the 11th day this month that temperatures exceeded 100.

"All of 1953 had only 10 days that topped 100.

"Yesterday's high of 111.4 at 3:45 p. m. broke Columbia's old record here for that date, which was 109 in 1934. The high of 111 last Saturday also broke the record here for that date, 103 in 1936.

"This morning's low here was 77 at 5 a. m. Yesterday morning's low here was 82. Today's humidity was 25 percent."

This heat wave has ruined most of the corn, and pastures that have not recovered from the drought of the last 2 years are dried up. Springs and wells that have been furnishing water for several generations are now dry and farmers are having to move cattle to market as fast as they can secure transportation to take them. Many counties report that truckers are from a week to 10 days behind in their movement. The price on these commercial grades are off from 2 to 3 dollars per hundredweight in the past 2 weeks.

Many farmers who have exhausted their resources to hold their herds together the past 2 years are now being forced to liquidate at prices about half of what they were just a little over 1 year ago.

Most of the things a farmer buys are costing more than they did last year, and when he has to liquidate his livestock at about half price, he feels that other groups are being protected at his expense.

Most farmers feel that the Government will have to buy a considerable amount of beef and other livestock for school lunch and other relief programs, and in their opinion this program should be started now.

The meeting held here in Jefferson City yesterday in which the Missouri Farm Bureau Federation participated strengthened the Kansas City market some 50 cents to $1 per hundredweight, according to this morning's radio. We feel sure that an announcement that the Government is going to resume its cattle buying program will strengthen the market materially. An actual resumption of cattle buying will maintain a higher level of prices and develop a different attitude, as well as actually saving from ruin many of our most substantial livestock producers.

This cattle buying program was in effect in the 1930's, when things were no worse than they are now. It was also in effect last year when things were better than they are now.

You know that it is much easier to hold a market than it is to rebuild it, and if something is not done soon the price on these lower grade cows will be demoralized beyond redemption, ruining many of our good livestock men.

Very truly yours,

H. E. SLUSHER, *President.*

P. S.—This year the drought disaster is statewide, caused by heat more than lack of rainfall, and the drought disaster area should be the State of Missouri.

The situation is well summarized by an editorial in the St. Louis Post-Dispatch reaching Washington this morning:

DROUGHT RIDES AGAIN

Governor Donnelly's appeal to the Federal Government for drought relief reflects an

increasingly disturbing situation. Senator SYMINGTON had earlier called on Secretary of Agriculture Benson for help. The Governor's plea, following a conference of his Emergency Drought Relief Committee, asserts that the existing drought situation is "the most critical in the history of Missouri."

Somewhat rainier weather the last several months may have led some urban dwellers to suppose the drought emergency had passed. While the water supply has improved in some areas, elsewhere it remains acute or has worsened.

Exceptionally hot weather, with temperatures well over 100, has burned pastures and feed crops as well as dried up springs and wells. In addition, crops have been damaged by a plague of grasshoppers.

In consequence of these combined disasters, cows are being forced onto the market in Missouri at distress prices as low as $4 a hundredweight. State Agriculture Commissioner Carpenter found heavy marketing of cattle on the Kansas City and St. Louis markets and the same situation in prospect in the Springfield and St. Joseph stockyards unless something is done.

Under Governor Donnelly's leadership the same group of farm leaders that drew up last year's relief program has mapped measures to deal with the present emergency. A basic element of that program is a request for resumed purchases by the Department of Agriculture of commercial grades of beef for the school lunch program and public institutions. The Department has already started negotiations looking toward a new hay program.

The Governor is also asking the Federal Government to designate Missouri a drought disaster area, as he has already done, and to make grain feeds of the Commodity Credit Corporation available for livestock in this State. Missouri spent $9,250,000 in its hay program to bring its beef and dairy herds through last winter. That considerable effort would be lost if the present emergency were allowed to liquidate the herds that thus far have been saved.

This State has given the most concrete evidence that it will do what it can to help itself. As Senator SYMINGTON and Governor Donnelly are pointing out, the cooperation of the Federal Government is needed also, for the burden is heavy, and drouth is running in its third severe year with the end not yet in sight.

It is gratifying to note the promptness with which the President is taking steps to meet the situation. Already Federal agencies are conducting an emergency inventory and a study of conditions in Missouri and other drought-stricken States is under way. At the same time the civil defense administration is engaged in an investigation in response to Governor Donnelly's request that Missouri be classified as a major disaster region.

The President has at his command certain emergency disaster funds but it is doubtful whether they are sufficient to adequately supply the widespread need in the States affected.

If additional appropriations are required, and the President requests supplementary funds, I have no doubt the Congress will be ready to entertain any recommendation he may make.

RESIGNATION AS A MEMBER OF THE 83D CONGRESS

The SPEAKER laid before the House the following communication, which was read:

BROOKLYN, N. Y., *July 21, 1954.*

Hon. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I herewith submit my resignation as a Representative of the 83d Congress from the Eighth Congressional District of New York to take effect on the 21st day of July 1954.

I have the honor to enclose a copy of a letter addressed to the Hon. Thomas E. Dewey, Governor of New York, notifying him of said resignation.

I have the honor to be, respectfully,

LOUIS B. HELLER,
Member of Congress,
Eighth District, New York.

AMENDING THE SECURITIES ACT

Mr. WOLVERTON. Mr. Speaker, I call up the conference report on the bill (S. 2846) to amend certain provisions of the Securities Act of 1933, as amended, the Securities and Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 2433)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2846) to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to all the amendments of the House and agree to the same.

CHAS. A. WOLVERTON,
JAMES I. DOLLIVER,
JOHN W. HESELTON,
JOHN B. BENNETT,
J. PERCY PRIEST,
DWIGHT L. ROGERS,
HOMER THORNBERRY,
Managers on the Part of the House.

HOMER E. CAPEHART,
PRESCOTT BUSH,
JOHN W. JRICKER,
I. M. IVES,
J. ALLEN FREAR, Jr.,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2846) to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House made 18 amendments to the bill, many of which merely made minor drafting or clerical changes.

The Senate conferees have receded on all the House amendments.

CHAS. A. WOLVERTON,
JAMES I. DOLLIVER,
JOHN W. HESELTON,
JOHN B. BENNETT,
J. PERCY PRIEST,
DWIGHT L. ROGERS,
HOMER THORNBERRY,
Managers on the Part of the House.

Mr. WOLVERTON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, the bill, as it passed both Houses, amends the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, and the Investment Company Act of 1940. The 20 sections of the bill may be grouped under the following 7 headings as to their general subject matter:

First. Permitting the making of now prohibited written offers to buy or sell securities before the registration statement is effective, and the further dissemination of information between the filing and effective dates of the registration statement.

Second. Reduction of the present 1-year period to 40 days during which the delivery of a prospectus is required in trading transactions as distinguished from initial distribution of the new securities.

Third. Changing the requirements as to prospectuses used more than 13 months after the effective date of the registration statement so that 2 certified financial audits may not be required within a year's time, but limiting the information contained in the prospectuses as of a date within 16 months of use.

Fourth. Reduction in the present prohibition against extending credit to purchasers of a new issue by dealers, from 6 months after the offering period to 30 days.

Fifth. Permission of "when issued" trading on an exchange in connection with rights offerings and other securities of a company having securities listed.

Sixth. Simplification of the statutory requirements for carrying in prospectuses full summaries of indenture provisions, in accordance with Commission rule.

Seventh. Permission for amending old registration statements rather than filing repeated new registrations as now, by investment companies making continuous offerings.

The item which had been in disagreement between the two Houses was the House action in amending the bill to strike the provision contained in the bill as it passed the Senate that would have increased the amount of the offering of a securities issue from $300,000 to $500,000 which, under section 3 (b) of the Securities Act, might be exempted from the registration requirements of the act.

The proposed increase in this amount had been urged on the ground that it would facilitate the enlistment by small business of capital with a minimum of expense. On the other hand, the offering of securities to the public without registration obviously is attended without the full protection and the substantial remedies to the investor which the act was designed to afford. The setting of the figure below which securities may be offered without registration, necessarily therefore, involves the reconciliation as far as possible of the conflicting objectives of protecting investors and of assisting the ready flow of capital into small industries. The House has been of the opinion that a sufficient case was not made for the need for the increase in the amount of the exemption to offset the decrease in the protection to investors which would flow therefrom.

The Senate conferees have receded from their position in this regard and accepted the House action in retaining the present limitation of $300,000. The Senate conferees have also accepted the other amendments to the bill which are entirely of a typographical or technical nature.

REREFERENCE OF BILL

Mr. ARENDS. Mr. Speaker, H. R. 9913 was referred to the Committee on Armed Services. I ask unanimous consent that this bill be referred to the Committee on Public Works.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LONG-TERM TIME CHARTER OF TANKERS BY THE NAVY

Mr. ARENDS submitted a conference report and statement on the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I want to inquire what the program is. It is now Saturday. Every State in the Union that I know anything about that has a primary, when there were contests in it, we transacted no business on that day. So, I want to ask the gentleman from Indiana, or the Speaker, what we are going to do about Texas primary day. There are six members on the Texas delegation that think their opposition is serious enough that they be in the State of Texas. They can be here Monday, that is, the majority can. Now, I just want to know if our State is going to be treated like the other States. We on this side have always agreed that when there was a primary in any State we would have no business transacted important enough on which a roll would be called.

Mr. HALLECK. Mr. Speaker, if the gentleman will yield, I have tried as best I could to protect the Members when their primaries were held, and likewise conventions. Unfortunately, on an occasion or two it has not been possible to do that. I recall that I was in difficulty with the Connecticut Members and also with the Members from Wisconsin and also California. I must also say to the gentleman that as we discussed the program for the week, and as we progressed up to date and through today, when there were conversations about whether we would vote today or whether we would go over until tomorrow, the first time any Member of the Texas delegation or the gentleman from Texas spoke to me about the necessity of keeping tomorrow clear for the Texas primaries was an hour or so ago when the gentleman spoke to me.

Mr. RAYBURN. I spoke to the gentleman previously. He must have forgotten. I am sure that I spoke to him about it earlier in the day, and I certainly spoke to the Speaker about it earlier in the day.

Mr. HALLECK. My memory might fail me, but I must say that I have no such recollection of the gentleman so stating to me. Now, not having had any such request from anybody from the Texas delegation——

Mr. RAYBURN. Well, I am a member of the Texas delegation, you know.

Mr. HALLECK. That is right. The gentleman spoke to me about it about an hour ago in the Speaker's lobby.

Mr. RAYBURN. That was the second time, as I remember it.

Mr. HALLECK. A great many Members have asked me as to what the situation would be if there was a demand for the reading of the engrossed copy of the bill. Of course, I must say that I am very sorry that there has been such a demand, because I am quite sure we all know very much what is in the bill and could have gone on ahead tonight and concluded action on the bill and had the matter back of us, and we would not have been in this difficulty. The gentleman has said that these absent members of the Texas delegation will be here Monday?

Mr. RAYBURN. I do not say all of them will. I think 3 or 4 of the 6 will be here Monday. I know 3 of them will be here Monday.

Mr. HALLECK. As I say, it embarrasses me, I might say to the gentleman, because I have said to so many of our Members that if there were a demand for the engrossed copy, the vote on the bill would be had tomorrow.

Of course, in view of the situation that we have in respect to the primaries if, under the circumstances, the gentleman from Texas [Mr. RAYBURN] insists on it, I have no alternative but to put this vote over to Monday.

Mr. RAYBURN. Mr. Speaker, I must insist. I have never made an unreasonable request of anybody in my life. I have thought that we ought to do for the State of Texas what we do for every other State in the matter of the primaries. Mr. Speaker, I have had my say.

ADJOURNMENT OVER TO MONDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DROUGHT IN MISSOURI

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, again the grim destroyer of farms and crops has stricken the entire State of Missouri. This is the third consecutive year of drought in Missouri. The farmers' plight and the critical lack of water supply over the entire State of Missouri and adjoining States creates an emergency disaster affecting not only the drought area. It has and will have an adverse effect upon the economy of all the United States.

I received the following telegram from Governor Donnelly, of Missouri:

JEFFERSON CITY, MO., *July 20, 1954.*

Hon. MORGAN M. MOULDER,
House Office Building,
Washington, D. C.:

For your information I have today sent the following telegram to President Dwight D. Eisenhower relative to drought conditions in Missouri:

"The drought situation in the entire State of Missouri is more severe and critical today than ever before in our history. The unprecedented lack of moisture, exceedingly high temperatures reaching 116°, desiccating and blistering winds, destructive grasshopper infestation, and intensely depleted water supplies for human consumption as well as for livestock, have created a deplorable and disastrous drought condition in every county and the city of St. Louis in Missouri. This catastrophe is of such magnitude that it is beyond the ability and resources of the State to speedily and effectively cope. Therefore, upon recommendation of the Missouri State Drought Committee, which met at my request July 19, 1954, to consider emergency

measures to aid in alleviating this distressing situation, I am today designating every county and the city of St. Louis in the State of Missouri as a drought disaster area. I strongly urge that every county and the city of St. Louis in Missouri be accordingly designated by you as a drought disaster area and made eligible for immediate Federal drought aid and assistance.

"Also, upon recommendation of the Missouri State Drought Committee, I strongly urge that the Federal Government reinstate immediately the beef-purchasing program. This program was in operation last year and had a definite stabilizing effect on the price of commercial grade cattle. This type of livestock is being marketed in record numbers at the present time in Missouri, depressing prices to a new low.

"I further strongly urge, also upon recommendation of the Missouri State Drought Committee, that grain feeds held by the Commodity Credit Corporation be made available immediately for livestock feed in Missouri.

"Due to the seriousness of this situation, which is not only disastrous to the farmers of our State but to the stability of our entire economy, we urge immediate action upon the above recommendations as time is of the utmost importance."

PHIL M. DONNELLY,
Governor of Missouri.

The great central and southwestern States are suffering a disastrous calamity from droughts. Today I received a copy of a telegram sent to President Eisenhower from Fred V. Heinkel, president of Missouri Farmers Association, as follows:

The Board of Directors of the Missouri Farmers Association, representing more than 152,000 farm families in Missouri, in a meeting here today, directed me to apprise you of the awful drought conditions in our State and to make recommendations which we believe would alleviate the situation.

This is the third year of drought in Missouri. Rainfall has not only been much less than last year, at which time we experienced the worst drought in history, but temperatures this year have been the highest on record. Missouri has had 41 days with temperatures higher than normal, with 17 of them above 100°. Corn and soybean crops are practically ruined. Pastures have been wiped out. Water supplies for people and livestock are exhausted in some areas and are nearing exhaustion in many other areas. Livestock herds are being liquidated in wholesale numbers at ruinously low prices. Local bankers advise that thousands of farmers have totally exhausted their borrowing power and are faced with bankruptcy.

After 3 years of continuous drought of unprecedented severity, coupled with the constant decline in farm prices, the disaster is of such magnitude that the State of Missouri cannot possibly deal with it alone. Only immediate and aggressive action by the Federal Government can save thousands of farm families from financial ruin and prevent future damage to agriculture which will take years to repair.

The catastrophe which has descended upon us has crippled agriculture beyond estimation, and the adverse results are certain to be felt by all the American people. There is no way for us to ever recoup the losses, but the Federal Government can do much to rekindle hope in farm people and help them to keep their farms and their herds and remain on the land instead of migrating to our cities to swell the ranks of the unemployed.

In view of the grave situation confronting us, the Missouri Farmers Association recommends and strongly urges that the Federal Government take action as follows:

1. That the Federal Government immediately start a beef purchasing program for school lunches, hospitals, and the Armed Forces; and that, in addition, a cattle-buying program be inaugurated at once which will insure that farmers receive not less than $10 per hundred for utility grades of cattle. If these two steps are taken without delay, livestock prices will be stabilized and the harmful effects of the disaster will be mitigated.

2. That surplus grains held by the Commodity Credit Corporation be immediately made available through regular trade channels for livestock feed in disaster areas. That the feed relief program of last year, which was terminated in March, should be reinstated; while, in addition, CCC grains should be made available at very low cost to farmers whose corn crops have been destroyed, in order that they can use them for feeding purposes.

3. That grants of surplus seeds held by the Commodity Credit Corporation be made available through regular trade channels, with farmers paying only transportation costs and the handling charges of seed dealers. This would enable large numbers of farmers who have lost all their crops to hang on for another year.

4. That the Farm Credit Administration be directed to defer loan and interest payments 1 year.

5. That in order to forestall the liquidation of irreplaceable dairy herds, which have taken many years to establish, as well as to prevent enormous loss to the dairy industry (in which the people of Missouri have an investment of more than $2 billion in processing plants and other facilities alone) we urge that a subsidy be paid to dairy farmers in drought areas at the rate of $1 per hundredweight on whole milk, and that this be started at the earliest possible time and continued until May 31 next year.

6. That 30-year loans be made to farmers for drilling wells in areas where the water supply is exhausted.

7. That the Congress appropriate $1 billion for relief purposes in drought disaster areas of the several States, this fund to be used for grants, subsidies, and other aids incident to the emergency, as such may become necessary.

The Missouri Farmers Association respectfully calls attention to the fact that the situation grows worse each day—crops suffer further damage, more wells go dry, more livestock is sacrificed on a glutted market, more dairy herds are dispersed, and more people are forced out of farming. Every American will in some measure feel the effects of this disaster. It is our earnest hope that action will be taken by the Federal Government before the Congress adjourns.

FRED V. HEINKEL,
President, Missouri Farmers Association, Columbia, Mo.

Mr. Speaker, this catastrophe to the people of the Central and Southwestern States demands immediate attention by the President and the Congress before adjournment. Politics is not an issure in this problem. The President and leadership of the Republicans in control of Congress and all Democratic Members should and must join together in providing the funds necessary to relieve the suffering and damages in the drought areas and to provide grants, subsidies and other aids incident to the emergency. Every year during past 9 years of postwar period the Congress has appropriated billions of dollars for foreign aid. This year Congress has appropriated more than $3 billion for foreign aid, which I am proud to say I opposed and voted against. If we have money to give away then surely we can and must appropriate money to aid and protect our own people from disasters such as now exists in the drought-stricken areas of the United States. The time for such action is now. I am preparing, drafting, and will immediately introduce a bill in accordance with the telegram from Mr. Heinkel and frevently hope it will receive immediate consideration and passage by Congress.

POSTPONEMENT OF SPECIAL ORDER

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the special order I have for today be vacated, and that I may address the House instead on Monday.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

TERMINATION OF GOVERNMENT OPERATIONS WHICH ARE IN COMPETITION WITH PRIVATE ENTERPRISE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9835) to provide for the termination of Government operations which are in competition with private enterprise.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Termination of Federal Commercial Activities Act."

SEC. 2. The Congress hereby declares that the policy of the Federal Government should be at all times the encouragement of private enterprise. Certain activities of the Federal Government have developed which tend to discourage private enterprise, in that the Federal Government is engaging in commercial and industrial activities in direct competition with activities engaged in by private persons for profit. These commercial activities engaged in by the Federal Government deprive governments at all levels of tax revenues, and by competing with private enterprise, weaken the strength of our national economic system. It is therefore the purpose of this act to provide for the termination, to the maximum feasible extent, of all commercial activities engaged in by the Federal Government in the United States which compete with private enterprise.

SEC. 3. As used in this act—

(1) the term "commercial activity" means any commercial or industrial activity performed by the Federal Government which is directly in competition with activities engaged in by private persons for profit; and

(2) the term "United States" means the several States, Alaska, Hawaii, and Puerto Rico.

SEC. 4. The President shall examine and from time to time reexamine each commercial activity engaged in by each department, agency, and independent establishment in the executive branch of the Government and shall determine what the effect, if any, on

essential activities of the Federal Government would be of terminating such commercial activity.

SEC. 5. Whenever the President, after investigation, finds that any commercial activity engaged in by the Federal Government in the United States can be carried on by private enterprise without substantially impairing essential activities of the Federal Government, he is authorized to terminate such activity. In the course of terminating commercial activities under this act, the President may—

(1) modify or abolish functions and activities,

(2) transfer functions and activities among departments, agencies, and independent establishments in the executive branch of the Government; and

(3) provide for the transfer or other disposition of records, property, personnel, and unexpended balances of appropriations, to the extent necessary to effectuate such termination.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That this act may be cited as the 'Termination of Federal Commercial Activities Act'.

"SEC. 2. The Congress hereby declares that the policy of the Federal Government should be at all times the encouragement of private enterprise. Certain activities of the Federal Government have developed which tend to discourage private enterprise, in that the Federal Government is engaging in commercial and industrial activities in direct competition with activities engaged in by private persons for profit. These commercial activities engaged in by the Federal Government deprive governments at all levels of tax revenues, and by competing with private enterprise, weaken the strength of our national economic system. It is therefore the purpose of this act to provide for the termination, to the maximum feasible extent, of all commercial activities engaged in by the Federal Government in the United States which compete with private enterprise.

"It is declared to be the policy of the Congress that the Federal Government shall not engage in business-type operations competitive with private enterprise except where it can be demonstrated that it is necessary for the Government itself to perform such operations in furtherance of national programs and objectives legally established.

"SEC. 3. It shall be the duty of the Secretary of Commerce, acting under the instructions, rules, and regulations issued by the President, to receive from the public and examine specific complaints of Government competition with private enterprise and, where the facts warrant, consult and cooperate with officers of the Government supervising the Government business-type operations complained about in order to suggest, where appropriate, the termination or limitation of Government competition through the utilization of private facilities, products, or services in lieu thereof.

"SEC. 4. As used in this act—

"(1) the term 'commercial activity' means any commercial or industrial activity performed by the Federal Government which is directly in competition with activities engaged in by private persons for profit; and

"(2) the term 'United States' means the several States, Alaska, Hawaii, and Puerto Rico.

"SEC. 5. The President shall examine and from time to time reexamine each commercial activity engaged in by each department, agency, and independent establishment in the executive branch of the Government and shall determine what the effect, if any, on essential activities of the Federal Government would be of terminating such commercial activity.

"SEC. 6. Whenever the President, after investigation finds that any commercial activity engaged in by the Federal Government in the United States can be carried on by private enterprise without substantially impairing essential activities of the Federal Government, he is authorized to terminate such activity: *Provided, however,* That nothing herein contained shall apply to any Government business-type operations being carried on on the effective date of this act or to any Government business-type operations heretofore or hereafter specifically authorized by the Congress.

"SEC. 7. The President shall make an annual report to the Congress concerning operations under this act, together with such information, comments, and recommendations as he may deem appropriate for furthering the policy declared in section 2 of this act.

"SEC. 8. Such sums as may be required to carry out the purposes of this act are hereby authorized to be appropriated."

The committee admendment was agreed to.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. SPRINGER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I am supporting H. R. 9835 because it seeks to eliminate Government competition with private enterprise.

A recent report of the Committee on Government Operations of the House shows that since 1932 the Government has gradually taken over the business of manufacturing in some 28 industries. In addition, it has engaged in 10 separate forms of transportation, 6 construction and building lines of activity, 7 forms of maintenance and repairs, some 30 service activities, and a remaining group of miscellaneous businesses. These all add up to a total of some 91 businesses into which the Federal Government has been engaged on an extensive scale. All of this business activity has run into billions of dollars. Eighty percent of these businesses have been in direct competition with free enterprise in the same field.

I believe that there are important reasons for supporting this legislation to get the Government out of the free-enterprise field. For the next few minutes I would like to dwell on those reasons with my colleagues of the House.

First. All these businesses have been tax exempt from general property taxes at the State level, as well as Federal income taxes at the national level. As a result billions have been lost in taxes both to local communities as well as the Federal Government. Action to get the Government out of businesses that use taxes but pay none have a double action in helping to balance the budget.

Second. This Government competition tends to destroy initiative on the part of the people, and particularly the small-business man. This same competition restricts the normal growth and expansion of private enterprise, privately financed. The other effect is to deprive the small-business man from starting a new business, in which his possibilities of survival might in part be assured by Government contracts on which in turn he would pay Federal taxes and make jobs for people who would pay taxes to the Federal Government.

Third. Government in business tends toward socialism the longer the situation exists. The Government is not only in competition with business, but when the businessman shows any desire and interest in requesting his chances to do business with Uncle Sam, the bureaucratic attitude and redtape is such that the small-business man gives up in frustration and despair and returns to his knitting. This is all the more emphasized when the Government official he has been dealing with, and those whose salary he contributes to, can stymie, forestall, and perhaps put him into bankruptcy due to the lack of everyday explanation and help. From my own experience here in Washington, I realize how difficult it is to get the Government out of business. I believe that by this bill Congress will have taken the steps necessary to get the Government out of business so that this socialistic tendency is evaded. This will produce an incentive for the private citizen to do the job for his Government efficiently and profitably.

Fourth. When the Government is in the competitive market it is able to avoid the rigors of cost control and places upon the taxpayers of the Nation the responsibility to replace and expand its capital structure. In the field of private enterprise it is the responsibility of management to produce byproducts that are acceptable to the public; to keep the cost of production under control; to pay local, State, and Federal taxes; to conserve capital investment and to replace and expand it as necessary; and to give stockholders a reasonable rate upon their investment. These are challenges which call for the best efforts that man can give. Through prosperity resulting from this system the Nation prospers. When the Government usurps the role of industrial manager, that same Government reduces the volume of private business, while competing unfairly with its own citizens.

Fifth. I was much surprised to know the difference in public and private wealth between 1929 and 1951. In 1929 the public wealth was $43.6 billion and private wealth was $375.5 billion. In 1951, public wealth was $126 billion; private wealth was $671 billion.

To me the significant figures are the ratios. The 1929 figure will show private wealth as to public wealth being 9 to 1. This ratio declined until in 1951 there is an indication that the ratio would be less than 5 to 1. In other words in a period of some 25 years the ratio of private wealth to public wealth has declined from 9 to 1 to less than 5 to 1.

Our tax base essentially is the private capital investment because when public capital investment is made there are no taxes on that investment. Essentially our country is always going to be a private capital investment as far as the tax base is concerned.

From these figures it is my conclusion that we have to move Government out of these fields and get these businesses

back into the private enterprise field and back into the tax base.

Sixth. Mr. Speaker, another reason I think it is very necessary to get the Government out of private enterprise is simply on the basis of personnel practices.

If private enterprise is doing the job, it is doing it under the personnel practices of private enterprise. If Government is doing it under its present personnel system, we find from research that the operation is done at a considerably greater cost than private enterprise could do the same job. In many instances I have found it difficult under accounting systems used, to determine what the actual costs of many Government projects are—especially the cost of personnel.

From experience I have found that when Government engages in enterprise, the complexity of its task makes necessary the adoption of multitudinous rules and regulations. The inevitable result is that operations become entangled in a web of redtape. The typical individual at this level is not inclined to be concerned greatly about losses accruing to Government as long as they do not affect his own pocketbook or endanger his hold on his job. It is this inefficiency of Government as a producer that is most startling to the new initiate here in Washington.

The most hopeful sign I have seen is that the people of the Nation, through tax pressure, are becoming increasingly conscious of the unreasonableness and unfairness of tax-exempt, publicly financed competition. Above all I think they are becoming more aware of the inefficiency and high costs—all things considered—of Government operation of business-type facilities and services. They are gradually seeing that losses of such Government operations are often charged off to the taxpayers as both operating losses and capital losses.

The Committee on Government Operations has come up with some excellent recommendations to increase the public awakening and to reverse this trend. Two of the more pertinent recommendations are as follows:

It is recommended that a permanent vigorous preventive and corrective program be inaugurated. This should start from the executive office of the President with criteria set for general guidance of all agencies. There must also be a program of systematic review of those in operation so they will not outlive their justification. The Department of Defense has taken some good steps in this direction. Other agencies should do likewise. It is further recommended—

(a) The Federal Government should as a general policy keep out and get out of competitive business operations.

(b) A thorough annual review should be given those in existence by the operating agency, the Budget Bureau, and by congressional committees.

The committee's report is a good beginning. Congressional action should be taken on the committee's recommendations to get the Government out of the free enterprise business field. H. R. 9835 puts into legislative form these recommendations. One of its most important recommendations is to increase the knowledge of the taxpayer on this vital subject through published studies and periodic reports. The people need and are entitled to a comprehensive and penetrating analysis of the facts as they are developed.

The need for such a study, on a continuing basis, is very great. The facts would then be available as a basis for policy decisions and specific action.

For these reasons, Mr. Speaker, I am glad to lend my support to H. R. 9835 and intend to do all I can to bring it to the floor and see that it is passed at this session.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

INTERNATIONAL CONVENTION FOR THE HIGH SEAS FISHERIES OF THE NORTH PACIFIC OCEAN

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9786) to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "North Pacific Fisheries Act of 1954."

SEC. 2. As used in this act, the term—

(a) "Convention" means the International Convention for the High Seas Fisheries of the North Pacific Ocean with a Protocol relating thereto signed at Tokyo, May 9, 1952;

(b) "Commission" means the International North Pacific Fisheries Commission provided for by article II of the Convention;

(c) "United States Section" means the United States Commissioners to the Commission;

(d) "Convention area" means all waters, other than territorial waters, of the North Pacific Ocean which for the purposes of this act shall include the adjacent seas; and

(e) "fishing vessel" means any vessel engaged in catching fish or processing or transporting fish loaded on the high seas, or any vessel outfitted for such activities.

SEC. 3. The United States shall be represented on the Commission by not more than four Commissioners to be appointed by the President, to serve as such during his pleasure, and to receive no compensation for their services as Commissioners. Of such Commissioners—

(a) one shall be an official of the United States Government; and

(b) each of the others shall be a person residing in a State or Territory, the residents of which maintain a substantial fishery in the Convention area.

SEC. 4. (a) The United States Section shall appoint an advisory committee composed of not less than 5 or more than 20 members and shall fix the terms of office thereof, such members to be selected both from the various groups participating in the fisheries covered by the Convention and from the fishery agencies of the States or Territories, the residents of which maintain a substantial fishery in the Convention area.

(b) Any or all members of the advisory committee may attend all sessions of the Commission except executive sessions.

(c) The advisory committee shall be invited to all nonexecutive meetings of the United States Section and at such meetings shall be granted opportunity to examine and to be heard on all proposed programs of study and investigation, reports, and recommendations of the United States Section.

(d) The members of the advisory committee shall receive no compensation for their services as such members. On approval by the United States Section, not more than three members of the committee, designated by the committee, may be paid for transportation expenses and per diem incident to attendance at meetings of the Commission or of the United States Section.

SEC. 5. Service of any individual as a United States Commissioner appointed pursuant to section 3 (a), or as a member of the advisory committee appointed pursuant to section 4 (a), shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, and 434 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except insofar as such provisions of law may prohibit any such individual from acting or receiving compensation in respect to matters directly relating to the Convention, this act, or regulations issued pursuant to this act.

SEC. 6. The President is authorized to (a) accept or reject, on behalf of the United States, recommendations made by the Commission to amend the Annex in accordance with the provisions of article III, section 1, of the Convention, and recommendations made by the Commission in pursuance of the provisions of the Protocol to the Convention; and (b) act for the United States in the selection of persons by the contracting parties to compose the special committee provided by the Protocol to the Convention.

SEC. 7. Any agency of the Federal Government is authorized, upon request of the Commission, to cooperate in the conduct of scientific and other programs, and to furnish, on a reimbursable basis, facilities and personnel for the purpose of assisting the Commission in carrying out its duties under the Convention. Such agency may accept reimbursement from the Commission.

SEC. 8. (a) The provisions of the Convention and this act relating to abstention from fishing in certain areas by the nationals and vessels of one or more of the contracting parties shall be enforced by the Coast Guard in cooperation with the Fish and Wildlife Service and the Bureau of Customs.

(b) For such purposes any Coast Guard officer, any officer of the Fish and Wildlife Service, or any other person authorized to enforce the provisions of the Convention and this act referred to in subsection (a) of this section may go on board any fishing vessel of Canada or Japan found in waters in which Canada or Japan has agreed by or under the Convention to abstain from exploitation of one or more stocks of fish, and, when he has reasonable cause to believe that such vessel is engaging in operations in violation of the provisions of the Convention, may, without warrant or other process, inspect the equipment, books, documents, and other articles on such vessel and question the persons on board, and for these purposes may hail and stop such vessel, and use all necessary force to compel compliance.

(c) Whenever any such officer has reasonable cause to believe that any person on any fishing vessel of Canada or Japan is violating, or immediately prior to the boarding of such vessel was violating, the provisions of the Convention referred to in subsection (a) of this section, such person, and any such vessel employed in such violation shall be detained and shall be delivered as promptly as prac-

ticable to an authorized official of the nation to which they belong in accordance with the provisions of the Convention.

(d) Any officer of the Coast Guard, any officer of the Fish and Wildlife Service, or any other person authorized to enforce the provisions of the Convention and this act referred to in subsection (a) of this section, may be directed to attend as witnesses and to produce such available records and files or duly certified copies thereof as may be necessary to the prosecution in Canada or Japan of any violation of the provisions of the Convention or any Canadian or Japanese law for the enforcement thereof when requested by the appropriate authorities of Canada or Japan respectively.

SEC. 9. The Secretary of the Interior may designate officers of the States and Territories of the United States to enforce the provisions of the Convention and this act insofar as they pertain to fishing vessels of the United States and the persons on board such vessels.

SEC. 10. (a) It shall be unlawful for any person or fishing vessel subject to the jurisdiction of the United States to engage in the catching of any stock of fish from which the United States may agree to abstain in the waters specified for such abstention as set forth in the Annex to the Convention, or to load, process, possess, or transport any such fish or fish products processed therefrom in the said waters, or to land in a port of the United States any fish so caught, loaded, possessed, or transported or any fish products processed therefrom.

(b) It shall be unlawful for any person or fishing vessel subject to the jurisdiction of the United States knowingly to load, process, possess, or transport any fish specified in subsection (a) of this section or any fish products processed therefrom in the territorial waters of the United States or in any waters of the Convention area in addition to those specified in subsection (a) of this section, or to land in a port of the United States any such fish or fish products.

(c) It shall be unlawful for any person or fishing vessel subject to the jurisdiction of the United States knowingly to load, process, possess, or transport in the Convention area or in the territorial waters of the United States any fish taken by a national of Canada or Japan from a stock of fish from which Canada or Japan respectively has agreed to abstain as set forth in the Annex to the Convention or any fish products processed therefrom, or to land such fish or fish products in a port of the United States.

(d) It shall be unlawful for any person subject to the jurisdiction of the United States to aid or abet in the taking of fish by a national or fishing vessel of Canada or of Japan from a stock of fish from which Canada or Japan has respectively agreed to abstain as set forth in the Annex of the Convention.

(e) It shall be unlawful for the master or owner or any person in charge of any fishing vessel of the United States to refuse to permit the duly authorized officials of the United States, Canada, or Japan to board such vessel or inspect its equipment, books, documents, or other articles or question the persons on board in accordance with the provision of the Convention, or to obstruct such officials in the execution of such duties.

SEC. 11. (a) Any person violating subsection (a), (b), or (c) of section 10 of this act shall upon conviction be fined not more than $10,000, and for such offense the court may order forfeited, in whole or in part, the fish concerned in the offense, or the fishing gear involved in such fishing, or both, or the monetary value thereof. Such forfeited fish or fishing gear shall be disposed of in accordance with the direction of the court.

(b) Any person violating subsection (d) of section 10 of this act shall upon conviction be fined not more than $10,000.

(c) Any person violating subsection (e) of section 10 of this act shall upon conviction be fined not more than $10,000 and be imprisoned for not more than 1 year or both, and for such offense the court may order forfeited, in whole or in part the fish and fishing gear on board the vessel, or both, or the monetary value thereof. Such fish and fishing gear shall be disposed of in accordance with the direction of the court.

(d) Section 10 of the Northwest Atlantic Fisheries Act of 1950 (64 Stat. 1067; 16 U. S. C. 989) shall not apply to violations for which penalties are provided in this section.

SEC. 12. For the effective execution of this act, sections 7 (a) and (b), 9, 10, and 11 of the Northwest Atlantic Fisheries Act of 1950 (64 Stat. 1067; 16 U. S. C. 986, 988, 989, 990) shall be deemed to be incorporated herein in haec verba provided that regulations authorized by section 7 (a) shall be adopted by the Secretary of the Interior on consultation with the United States section and shall apply only to stocks of fish in the Convention area contiguous to the Territorial waters of Alaska.

SEC. 13. (a) There is hereby authorized to be appropriated from time to time such sums as may be necessary for carrying out the purposes and provisions of the Convention and this act, including—

(1) necessary travel expenses of the United States Commissioners without regard to the Standardized Government Travel Regulations, as amended, the Travel Expense Act of 1949, or section 10 of the act of March 3, 1933 (U. S. C., title 5, sec. 73b); and

(2) the United States share of the joint expenses of the Commission; provided that the Commissioners shall not, with respect to commitments concerning the United States share of the joint expenses of the Commission, be subject to the provisions of section 262 (b) of title 22 of the United States Code insofar as they limit the authority of United States representatives to international organizations with respect to such commitments.

(b) Such funds as shall be made available to the Secretary of the Interior for research and related activities shall be expended to carry out the program of the Commission in accordance with recommendations of the United States Section.

SEC. 14. If any provision of this act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

With the following committee amendments:

Page 2, line 22, take out "or" and insert "nor."

Page 3, line 19, after "individual", insert "appointed from private life."

Page 4, line 8, strike out "to amend the Annex."

Page 9, line 11, after "(a)", insert "of the Northwest Atlantic Fisheries Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RIGHTS OF VESSELS OF THE UNITED STATES ON THE HIGH SEAS AND IN TERRITORIAL WATERS OF FOREIGN COUNTRIES

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9584) to protect the rights of vessels of the United States on the high seas and in territorial waters of foreign countries.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of this act the term "vessel of the United States" shall mean any private vessel documented under the laws of the United States and any fishing vessel owned by a citizen of the United States.

SEC. 2. In any case where—

(a) a vessel of the United States is seized by a foreign country on the basis of rights or claims in territorial waters or the high seas which are not recognized by the United States; and

(b) there is no dispute of material facts with respect to the location or activity of such vessel at the time of such seizure,

the Secretary of State shall as soon as practicable take such action as he deems appropriate to attend to the welfare of such vessel and its crew while it is held by such country and to secure the release of such vessel and crew, and shall pay any fines or post any bonds that may be required by such country for such release.

SEC. 3. The provisions of this act shall not apply with respect to a seizure made by a country at war with the United States or a seizure made in accordance with the provisions of any fishery convention or treaty to which the United States is a party.

SEC. 4. The Secretary of State shall take such action as he may deem appropriate to make and collect on claims against a foreign country for amounts expended by the United States under the provisions of this act because of the seizure of a United States vessel by such country.

SEC. 5. There are authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

With the following committee amendments:

Page 1, line 5, insert "or certificated."

Page 1, line 5, strike out "and any fishing vessel owned by a citizen of the United States."

Page 2, line 7, strike out "and shall pay any fines or post any bonds that may be required by such country for such release."

Page 2, line 10, insert:

"SEC. 3. In any case where a vessel of the United States is seized by a foreign country under the conditions of section 2 and a fine must be paid in order to secure the prompt release of the vessel and crew, the owners of the vessel shall be reimbursed by the Secretary of the Treasury in the amount certified to him by the Secretary of State as being the amount of the fine actually paid."

Page 2, line 17, strike out "3" and insert "4."

Page 2, line 22, strike out "4" and insert "5."

Page 3, line 3, strike out "5" and insert "6."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 20 minutes on Thursday, July 29, following the legislative program and any special orders heretofore entered.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. POFF, for July 24, 1954, on account of official business.

PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, in announcing the legislative program for next week, may I say at the outset that I understand that Tuesday is primary day in Louisiana. However, no member of the Louisiana delegation has said anything to me about holding a vote over if one should occur on that day.

Monday will be District Day. We hope to follow the consideration of bills from the Committee on the District of Columbia with the bill H. R. 9859, the omnibus rivers and harbors bill. That will be followed by the consideration of the following bills:

H. R. 236, the Fryingpan, Ark., project.

S. 3137, conservation of water resources.

H. R. 9413, the Capitol Police force.

H. R. 9924, military housing.

On Tuesday, and for the balance of the week, we expect to take up the MSA appropriation bill, together with the following bills:

H. R. 9390, prisoner-of-war benefits.

H. R. 3534, having to do with patents.

H. R. 9666, tariff on hardboard.

H. R. 9756, borrowing power of the Commodity Credit Corporation.

The Texas City claims bill.

S. 3589, Export-Import Bank.

H. R. 8384, Rogue River Basin.

H. R. 8498, Palo Verde.

H. R. 7840, railroad retirement.

Conference reports may be called up at any time.

I also wish to remind the Members that the President of South Korea, Syngman Rhee, will be here on Wednesday.

I also want to state that the bills I have enumerated will not necessarily be called in the order in which I have announced them.

Mr. Speaker, may I also say that we hope to call the Private Calendar and the Consent Calendar on a day to be arranged for next week.

RESTORATION OF FREEDOM AND INDEPENDENCE OF POLAND AND OTHER NATIONS NOW UNDER COMMUNIST DOMINATION

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. MACHROWICZ] is recognized for 10 minutes.

Mr. MACHROWICZ. Mr. Speaker, I have asked for this time to bring to the attention of my colleagues in the House that yesterday I introduced House Resolution 663, which would reaffirm the sense of Congress to be that the restoration of freedom and independence of Poland and other nations now under Communist domination is and will be a permanent goal of our national policy whenever problems connected with Europe's future are considered.

This resolution has bipartisan support, as evidenced by the statement of a number of Members of this House, both Republicans and Democrats, who have a particular interest in the future of the enslaved nations behind the Iron Curtain insofar as it affects the security of our own Nation.

The statement follows:

We Members of the Congress of the United States, both Democrats and Republicans, declare our support for House Resolution 663, and state the following:

American opposition to Communist expansion and our national policy aiming at freedom and independence for Poland and all central-eastern European nations is and should be united. It is the American people who condemn the Communist enslavement of those nations, and it is the American people who see in their freedom an indispensable condition and keystone to the peace and security of the world.

We Americans found ourselves in a position unprecedented in the last decade. The uniqueness of our position is that so much depends on us and on our strength. If we fail when faced by the present Communist drive for world domination, if we are confused, if we have no vision and no determination, the whole of humanity will fall to the Kremlin's rule. Let the world have no illusions; it is the United States which the Communist leadership in Moscow is still afraid of, it is American strength which deters the masters in the Kremlin from further aggression on western Europe. It is the United States to which the enslaved world looks for hope and it is the Kremlin's fear of an all-out war with us that holds back their tanks and planes and bombs. Without the United States there would be no nation, no empire, nor any combination of nations which would be strong enough to defend themselves successfully against the Soviet bloc.

On the other hand, we cannot defend the whole world against Communist aggression everywhere all the time—alone. To do this we must have allies. Not only allies who have at their disposal, and for their self defense, tanks and planes and bombs, but allies who have ardent hearts, who have faith in us, who understand us and our responsibility, who see that in our world endeavors we do not seek advantages for ourselves. We need friends who understand that whenever and wherever we cannot assure or bring back to them peace, security, freedom, and prosperity, it is only because evil Communist forces or the apathy and shortsightedness of others make it impossible, at least for the time being.

Indeed we need such allies, we want them, it is such friends that we are looking for.

The great tragedy of today is that Poland and those other nations enslaved behind the Iron Curtain in central-eastern Europe were traditionally the most persistent enemies of communism and the most faithful friends of the United States. Americans of central European extraction, Americans of Polish extraction, know this better than others.

It is painful for us to see how these nations, at the hands of revengeful oppressors, pay for their traditional opposition to godless communism and for their friendship toward the United States. However, the knowledge of their sufferings strengthens our determination to see them free; it deepens our feeling of responsibility and comradeship. We shall never abandon them to their fate. We shall never forget them. One day they will be free and they will be free with our help and with the help of all people of good will.

They are our natural and true allies. There is really no Communist satellite Poland and there are no Communist satellite nations. There are Communist satellite governments, imposed by force on the captive nations. Those nations are victims; their governments are oppressors. We realize this fact and it is our duty to say it openly. We must state it particularly now that we have learned that the Polish puppet regime in Warsaw will form a part of the Indochinese truce commission. We know that the so-called Polish truce delegates will be no more than the Kremlin's agents.

Poles, both in Poland and in exile, as well as all Communist captive nations in Central-Eastern Europe, do not believe, and they never did believe, Communist promises. They know that Communist diplomatic commitments, contained in nicely worded treaties, are not worth the paper they are written on. They themselves have experienced how Communists abused the nations who fell under their iron fists. They have no illusions about a Soviet paradise—they suffer its horrors every day. They do not engage in sophisticated blunders of neutralism; they have contempt for it, opposing communism whenever they can. In this respect they could teach the still free nations quite a lot. We had better listen to their voices; we should have listened before.

In view of the recent most tragic events which we are witnessing in Asia where aggressive communism has successfully swallowed up large territories and new millions of victims; in view of the fact that the withdrawal of our French allies after 7 years of valiant but desperate resistance will be exploited to the full by Communist propaganda throughout the captive countries as a sign of weakness of western democracies, it seems most appropriate at the present juncture to formulate our aims with regard to the captive countries of Central-Eastern Europe in a clear and definite way. Those aims are not only an affirmation of principles which will guide our foreign policy toward those countries but also a message of hope and friendship.

The countries of Central-Eastern Europe today in the Communist bondage should be aware that their freedom is a permanent goal of our national policy and that whenever problems of Europe's future are being dealt with, this policy of ours will find its full expression.

It is with these facts in mind that we urge full support of H. R. 663.

JOHN D. DINGELL, Democrat, Michigan; ANTONI N. SADLAK, Republican, Connecticut; THOMAS S. GORDON, Democrat, Illinois; ALVIN E. O'KONSKI, Republican, Wisconsin; CLEMENT J. ZABLOCKI, Democrat, Wisconsin; E. P. RADWAN, Republican, New York; A. D. SIEMINSKI, Democrat, New Jersey; JOHN C. KLUCZYNSKI, Democrat, Illinois; JOHN LESINSKI, Democrat, Michigan; EDWARD J. BONIN, Republican, Pennsylvania; THADDEUS M. MACHROWICZ, Democrat, Michigan.

Mr. Speaker, this statement gives clearly the reasons for the necessity of the adoption of the resolution which I am sponsoring. This Congress has on many occasions expressed its sympathy for the fate of the people suffering under the cruel Communist domination and

has declared its hope for their eventual freedom.

Never more than now has it been so important that we do more than that—that we reaffirm positively one of the goals of our foreign policy to be the restoration of the freedom and independence of those nations.

The House Committee on Communist Aggression, of which I am privileged to be a member, has just concluded very important hearings held in Europe. It has heard over a hundred witnesses, people who know first-hand of the conditions behind the Iron Curtain. Some of them had just recently escaped from there to be able to breathe the air of freedom and to tell the truth about the so-called Soviet paradise. They were unanimous in their statements that in all of these countries the resistance to communism is continuing, but that the people need reassurance from the free world that we have not forgotten them, that their eventual freedom and independence is still a goal of our national policy and will always remain to be, until it is fully attained.

Now especially, in view of the tragic events in Indochina, which will undoubtedly depress the people of these nations immensely, it is particularly appropriate for this Congress to reaffirm its policy in a clear and definite way.

I sincerely hope and trust that this Congress will see fit to adopt this resolution before its final adjournment.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Mr. Speaker, it is my conviction that no one of these enslaved nations will ever regain its freedom and independence unless each and every one, unless all of these nations regain their freedom.

The gentleman would agree, would he not, that the following enslaved nations in addition to Poland should be included in his resolution, House Resolution 663, when it comes before the House Foreign Affairs Committee, namely, Estonia, Latvia, Lithuania, Byelorussia, Ukraine, Georgia, Armenia, Azerbaidzahn, North Caucasia, Idel-Ural, Cossackia, Slovakia, Czechia, Hungary, Rumania, Bulgaria, Albania, China, Manchuria, Inner Mongolia, Outer Mongolia, Tibet, Kassakstan, Turkestan, Usbeck, Tirgish, Kirgish?

Mr. MACHROWICZ. May I say to the gentleman, I would have no objection to inclusion of these other countries in the resolution.

Mr. Speaker, I ask unanimous consent that my colleague, the gentleman from Indiana [Mr. MADDEN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MADDEN. Mr. Speaker, I join with my colleague, the gentleman from Michigan, Congressman MACHROWICZ, and other Members of Congress who are sponsoring House Resolution 663. This resolution emphatically sets out a policy which all patriotic Americans should endorse. The countries of central and eastern Europe who are today under the Communist yoke should be advised that their freedom is the permanent goal of our national policy, and until the iron heel of communistic slavery is lifted from the shoulders of these liberty-loving nations our full cooperation as Americans should be working with them toward that end.

On Wednesday of this week I addressed the House and in my remarks inserted a letter which I had written to Secretary of State John Foster Dulles asking that our American delegates to the United Nations investigate the persecution and torture of Cardinal Wyszynski, of Poland, and the barbaric campaign of extermination rendered against all leaders of religion behind the Iron Curtain. When the United Nations General Assembly meets on September 17, 1954, this should be the first official business under consideration. Through Communist propaganda, millions of people in the free countries have been led to believe that the Kremlin tolerates the free worship of religion behind the Iron Curtain. This is merely another example of the insidious, false propaganda and lies which has enabled the Soviets to extend their domination over approximately 800 million people.

I give my hearty support to the provisions and aims set out in H. R. 663.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. YOUNGER.

Mr. YORTY (at the request of Mr. HAYS of Ohio) in three instances.

Mr. BRAY.

Mr. PATTERSON to revise and extend the remarks he may make in the Committee of the Whole and include extraneous matter.

Mr. O'HARA of Illinois.

Mr. BLATNIK.

Mr. THOMPSON of Louisiana (at the request of Mr. HÉBERT) and include extraneous matter.

Mr. HOLIFIELD to revise and extend the speeches he may make in the Committee of the Whole today and include extraneous matter.

Mr. MILLER of California and to include extraneous matter.

Mr. BERRY (at the request of Mr. YOUNG).

Mr. WOLVERTON and to include extraneous matter.

Mr. GWINN.

Mr. BENDER in three instances.

Mr. GATHINGS the remarks he made in Committee of the Whole, and to include extraneous matter.

Mr. SIEMINISKI to revise and extend his remarks made earlier today and include extraneous matter.

Mr. HAGEN of Minnesota and to include extraneous matter.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5173. An act to provide that the excess of collections from the Federal unemployment tax over employment security administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 4854. An act to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division of the Chief Joseph Dam project, Washington;

H. R. 6725. An act to reenact the authority for the appointment of certain officers of the Regular Navy and Marine Corps;

H. R. 6788. An act to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes;

H. R. 7434. An act to establish a National Advisory Committee on Education;

H. R. 7601. An act to provide for a White House Conference on Education;

H. R. 8571. An act to authorize the construction of naval vessels, and for other purposes;

H. R. 9040. An act to authorize cooperative research in education; and

H. J. Res. 534. Joint resolution to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

THE LATE HONORABLE ALBERT SIDNEY CAMP, REPRESENTATIVE FROM THE STATE OF GEORGIA

Mr. BROWN of Georgia. Mr. Speaker, I offer a resolution (H. Res. 685).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. ALBERT SIDNEY CAMP, a Representative from the State of Georgia.

Resolved, That a committee of 14 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members on the part of the House to

attend the funeral: Mr. VINSON, of Georgia; Mr. REED of New York; Mr. COOPER, of Tennessee; Mr. BROWN of Georgia; Mr. GREGORY, of Kentucky; Mr. SIMPSON of Pennsylvania; Mr. MURRAY, of Tennessee; Mr. DAVIS of Georgia; Mr. LANHAM, of Georgia; Mr. PRESTON, of Georgia; Mr. WHEELER, of Georgia; Mr. FORRESTER, of Georgia; Mr. LANDRUM, of Georgia; and Mr. FILCHER, of Georgia.

The SPEAKER. The Clerk will report the balance of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect, the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 3 o'clock and 13 minutes a. m., Saturday, July 24, 1954), under its previous order, the House adjourned until Monday, July 26, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1765. A letter from the Assistant Secretary of the Navy, relative to transferring to the city of Gulfport, Miss., one 36-foot LCP (L), hull No. C-74280 (with engine) for use by the municipal government as a firefighting boat, pursuant to section 1 of the act of August 7, 1946 (60 Stat. 897, as amended; 34 U. S. C. 546f); to the Committee on Armed Services.

1766. A letter from the Acting Secretary of the Army, transmitting a draft of legislation entitled "A bill to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes"; to the Committee on Armed Services.

1767. A letter from the Secretary of the Air Force, transmitting a draft of legislation entitled "A bill to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes"; to the Committee on the Judiciary.

1768. A letter from the Acting Secretary of the Army, transmitting a draft of legislation entitled "A bill to modify the Flood Control Act of 1946 to provide for the reservation of 12,000 acre-feet of conservation storage to be used as a permanent source of water supply for Fort Hood, Tex., and adjacent military installations"; to the Committee on Public Works.

1769. A letter from the Assistant Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended"; to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Bolza Baxter (Rept. No. 2455). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Horace Chandler Davis (Rept. No. 2456). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Lloyd Barenblatt (Rept. No. 2457). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Richard E. Adams (Rept. No. 2458). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against George Tony Starkovich (Rept. No. 2459). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Thomas G. Moore (Rept. No. 2460). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against John Rogers MacKenzie (Rept. 2461). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Donald M. Wollam (Rept. No. 2462). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Herbert Simpson (Rept. No. 2463). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Mrs. M. Markison (Rept. No. 2464). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Benjamin F. Kocel (Rept. No. 2465). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Paul Ross Baker (Rept. No. 2466). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Curtis Davis (Rept. No. 2467). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Evelyn Gladstone (Rept. No. 2468). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Marvin Engel (Rept. No. 2469). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Martin Trachtenberg (Rept. No. 2470). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report on proceedings against Carl Harvey Jackins (Rept. No. 2471). Ordered to be printed.

Mr. VELDE: Committee on Un-American Activities. Report concerning the matter of Francis X. T. Crowley (Rept. No. 2472). Ordered to be printed.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 8666. A bill to authorize the Territory of Alaska to incur indebtedness, and for other purposes; with amendment (Rept. No. 2473). Referred to the House Calendar.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 7569. A bill to authorize the removal of a restrictive covenant on land patent No. 9628, issued to the board of the Hawaiian Evangelical Association on January 18, 1929, and covering lots 5 and 6 of Waimea town lots, situated in the county of Kauai, T. H.; without amendment (Rept. No. 2475). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 7290. A bill to authorize an appropriation for the construction of certain public-school facilities on the Klamath Indian Reservation at Chiloquin, Oreg.; without amendment (Rept. No. 2476). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 4770. A bill to provide for taxation by the State of Wyoming of certain property located within the confines of Grand Teton National Park, and for other purposes; with amendment (Rept. No. 2477). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9981. A bill to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies; with amendment (Rept. No. 2478). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. House Joint Resolution 340. Joint resolution designating the month of September 1955 as John Marshall Bicentennial Month, and creating a commission to supervise and direct the observance of such month; without amendment (Rept. No. 2479). Referred to the Committee of the Whole House on the State of the Union.

Mr. HESELTON: Committee on Interstate and Foreign Commerce. H. R. 7304. A bill providing relief against certain forms of discrimination in interstate transportation; with amendment (Rept. No. 2480). Referred to the House Calendar.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. S. 3546. An act to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense; with amendment (Rept. No. 2481). Referred to the Committee of the Whole House on the State of the Union.

Mr. VAN PELT: Committee on Merchant Marine and Fisheries. S. 2389. An act to amend the act of December 3, 1942; without amendment (Rept. No. 2482). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 2745. An act to provide for the termination of Federal supervision over the property of the Klamath Tribe of Indians located in the State of Oregon and the individual members thereof, and for other purposes; with amendment (Rept. No. 2483). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 2233. A bill to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Cheyenne River Sioux Reservation, S. Dak., and for other purposes; with amendment (Rept. No. 2484). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. House Joint Resolution 330. Joint resolution authorizing the appropriation of money to be available for use in assisting the construction of

the Tri-Dam project on the Stanislaus River in California, and providing for the repayment of any of such money so used, after the amortization of the bonds locally used for such project; with amendment (Rept. No. 2485). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 3239. An act to authorize conveyance of land to the State of California for an inspection station; with amendment (Rept. No. 2486). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebaska: Committee on Interior and Insular Affairs. H. R. 5499. A bill to provide for the construction, maintenance, and operation of the Michaud Flats project for irrigation in the State of Idaho; with amendment (Rept. No. 2487). Referred to the Committee of the Whole House on the State of the Union.

Mr. CRETELLA: Committee on Post Office and Civil Service. H. R. 9909. A bill to prohibit payment of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes; with amendment (Rept. No. 2488). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHAFER: Committee of Conference. S. 3458. A bill to authorize the long-term charter of tankers by the Secretary of the Navy, and for other purposes (Rept. No. 2439). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 8736. A bill to authorize the issuance of a land patent to certain public lands, situate in the county of Kauai, T. H., for school purposes; with amendment (Rept. No. 2474). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 10028. A bill to provide for the construction of a Federal office building in Jacksonville, Fla.; to the Committee on Public Works.

By Mr. KEARNEY:

H. R. 10029. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

By Mr. REED of New York:

H. R. 10030. A bill to authorize certain administrative expenses in the Department of the Treasury, and for other purposes; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. R. 10031. A bill relating to the payment of money orders; to the Committee on Post Office and Civil Service.

By Mr. YOUNGER:

H. R. 10032. A bill to create a Department of Urbiculture, and to prescribe its functions; to the Committee on Government Operations.

By Mr. CURTIS of Massachusetts:

H. R. 10033. A bill to exempt from stamp taxes under the Internal Revenue Code shares and certificates of stock issued by investment corporations wholly owned by religious organizations; to the Committee on Ways and Means.

By Mr. GWINN:

H. R. 10034. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

By Mr. HOLT:

H. R. 10035. A bill to authorize the Secretary of the Army to receive funds in connection with the disposal of the Birmingham General Hospital at Van Nuys, Calif., and to apply such funds to the construction of certain facilities, and for other purposes; to the Committee on Armed Services.

By Mr. JENKINS:

H. R. 10036. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income in certain cases of indebtedness discharged 20 years or more after the date on which it was incurred; to the Committee on Ways and Means.

By Mr. MAHON (by request):

H. R. 10037. A bill to amend section 31 of the act of Congress approved July 5, 1946 (ch. 540, 60 Stat. 427; 15 U. S. C. 1113); to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 10038. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide that the surviving widows or widowers of retiring employees shall automatically be entitled to an annuity equal to 50 percent of the annuity earned by the retiring employee without requiring the retiring employees to elect to take reduced annuities; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H. R. 10039. A bill to fix the salary of the Commissioner of Patents, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RIEHLMAN:

H. R. 10040. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

By Mr. YOUNGER:

H. R. 10041. A bill to create a Czechoslovakian claims fund and to provide for the settlement of certain claims of United States nationals who have suffered severe losses and damage by reason of the nationalization or other taking of their business or commercial property by the Government of Czechoslovakia; to the Committee on Foreign Affairs.

By Mr. ALLEN of Illinois:

H. Res. 682. Resolution to provide necessary expenses for the Committee on Rules; to the Committee on House Administration.

By Mr. RADWAN:

H. Res. 683. Resolution to affirm the American people's opposition to the Communist enslavement of Poland and other captive nations; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 10042. A bill for the relief of Philip Monglovi; to the Committee on the Judiciary.

By Mr. GRANAHAN:

H. R. 10043. A bill for the relief of Mary Ann Dalgaard; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 10044. A bill for the relief of Inako Yokoo; to the Committee on the Judiciary.

H. R. 10045. A bill for the relief of James Wilson; to the Committee on the Judiciary.

By Mr. HAGEN of Minnesota:

H. R. 10046. A bill for the relief of Gottfried Baumann; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 10047. A bill for the relief of Spiros Tzaferis and Erini Averino Tzaferis; to the Committee on the Judiciary.

By Mr. MATTHEWS:

H. R. 10048. A bill for the relief of Mrs. Saint Claire Livingston Dodd; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 10049. A bill for the relief of Carlos Tiramani and Pietro Tiramani; to the Committee on the Judiciary.

By Mr. RODINO:

H. R. 10050. A bill for the relief of Luigi Tomasella; to the Committee on the Judiciary.

By Mr. JONAS of Illinois:

H. Res. 684. Resolution providing for sending to the United States Court of Claims the bill (H. R. 10017) for the relief of William T. Dorminy; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1114. By Mr. PHILBIN: Petition of James Smart of Fitchburg, Mass., and others in favor of legislation to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

1115. Also, petition of Mabel R. Stoddard of Fitchburg, Mass., and others in favor of legislation to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

1116. Also, petition of Irene E. Ward of Leominster, Mass., and others in favor of legislation to prohibit alcoholic beverages advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

1117. Also, petition of Mrs. Helen Johnson of Clinton, Mass., and others in favor of legislation to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

1118. Also, petition of Mrs. Richard Gage of South Lancaster, Mass., and others in favor of legislation to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

1119. Also, petition of Linwood Hardy of Lancaster, Mass., and others in favor of the Bryson bill (H. R. 1227); to the Committee on Interstate and Foreign Commerce.

1120. By Mr. WILLIAMS of New York: Petition to outlaw the Communist Party, containing 78 names, and submitted by William F. Huschle, Jr., commander, Veterans of Foreign Wars, Rome Post 2246, Rome, N. Y.; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

A Report on Civil Defense

EXTENSION OF REMARKS
OF

HON. SAMUEL W. YORTY
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. YORTY. Mr. Speaker, it is indeed gratifying to note the sincerity and energy which many individuals and groups are bringing to bear upon the problem of civil defense. As a result, we are gaining ground in a program designed to meet the crucial need of safeguarding nearly 70 million of our citizens in 70 critical target areas. The critical areas had been so designated by the Federal Government on July 1, 1953.

To date, however, progress has not been uniformly rapid nor sufficiently extensive; consequently, our Nation continues to face a serious potential threat which could almost at any moment envelop decisive segments of our population. With our present ineffectively coordinated levels of civil-defense administration and operational organization, sufficient gaps and soft spots exist to enable an enemy attack drastically to reduce our capability and will to resist. Too much remains to be desired in a program which should recognize the compelling need for National, State, and local cooperative endeavor.

Remarkable progress characterizes the present status of development in the atomic-hydrogen age. Even the conventional atomic bomb is in some respects now obsolete except as a means of triggering the mechanism for the hydrogen bomb. Of extreme significance in the general area of civil defense is yet another obsolescence brought on by the recent dramatic detonation of a thermonuclear test device. What progress we had made up to the moment of this successful test has now been dissipated since previous civil-defense plans have very little, if any, significant meaning. Whereas formerly all persons caught within the crucial radius of the A-bomb were instructed to "duck and cover," such procedure would have little effect when a survivor of incineration, radiation, and burial under debris had to contend with carbon-monoxide poisoning. In the H-bomb era the only effective defense known at the present time is absence from the critical diameter.

Were such successful developments in nuclear fission confined entirely to the democratic powers or the free governments among nations, there may have been a lesser need for emphasis on civil defense. Since that has not been our experience, however, we can make nothing less than a truly realistic assessment of the potential danger and of what recourse we must take as a consequence. We can afford nothing less than a concerted plan of action designed to nullify, as far as possible, the dreaded prospects latent in the present international difficulties. It is imperative that we substitute vigorous action for apathetic and blissful forbearance. We may one day be grateful for the respite now granted us during which time we enjoy the golden opportunity to make necessary plans and preparations.

The recent press and radio releases with their dramatic descriptions and pictures of the destructiveness of the hydrogen bomb have effectively served one of the main reasons for the disclosure to the public. A great many individuals, both in and out of government service, have been suddenly and thoroughly indoctrinated with the vast and dire implications of thermonuclear fission. I have been deeply impressed, myself. News and military analysts have been writing prolifically regarding the potential capacity of the new bomb and publishing local maps defining the very large areas of partial and complete annihilation. Although specific references were made to the original hydrogen bomb detonated well over a year ago, news releases clearly indicate that a subsequently developed bomb is even more destructive. Let us fervently hope that the efforts of the Federal Civil Defense Administration as well as other jurisdictions concerned with our home defense will be vigorously stimulated.

I have given the problem of civil defense a great deal of thought and have arrived at some definite conclusions. First and foremost is the critical need for a positive and comprehensive program adopted without delay. Valuable time is ebbing away while we take only sporadic action. There should be centralized planning, with a strong initiative and leadership assumed at the national level, and with commensurate responsibility allocated to State and local groups.

In this respect I am heartened by the increasing thought and attention that is being directed towards organization at the national level. As an example, recommendations have been made for the creation, within the Department of Defense, of a Department of Civil Defense with equal status in relation to the Departments of the Army, Navy and Air Force.

In view of the urgent and compelling need to revamp the administrative and operational features of the Federal Civil Defense Administration, I am thoroughly convinced that the establishment of a Secretary of Civil Defense will result in a greatly improved overall organization. Our present program is founded on the Federal Civil Defense Act of 1950. The result has been a loose, dissociated confederation comprised of the several States, with the Federal Government's participation being little more than that of an information coordinating activity. I do not mean to reflect disparagingly either upon the Federal Civil Defense Administration or upon the excellent progress and achievement that some of our States and municipalities have made. It is at the national level however, where we are most urgently in need of organizational improvement; in some of our States as well much remains to be done. The proper and adequate organization at the highest levels, predicated upon the requirements and the capacities of subordinate jurisdictions, will serve to provide all citizens with reasonable assurance that their civil defense needs have been carefully considered and acted upon.

There is too great a dependence upon the voluntary and individual efforts of each State under our current system. Since the need for civil defense cannot be limited to any one State or region, the effective planning of defensive measures automatically devolves upon the Federal Government. The need continues, however, for the Government's closely coordinated cooperative endeavor with the several States and with their respective communities.

Recent technological advances which are reflected in the perfected hydrogen bomb further emphasize the need for a new look at civil defense requirements. An effective corps of trained personnel is more essential now than ever before. Coordinated programs, with a sharing of research and development between all levels—the National, State, and local—are urgently needed if we are to realize desirable efficiency in seeking to avoid national disaster attributable to poorly organized civil defense.

Since, in many respects, the task of civil defense is very closely related to our national defense program, the Federal Government must assume a greater share of the responsibilities which thus far are jointly borne by the States. The wide variation in the economic ability of certain States to support an adequate civil defense program is readily known through reliable statistics and from previous experience relating to other problems. Also, the present voluntary participation has demonstrated great variations in the quality and quantity of effort expended. There is a frequent tendency in many quarters to view the need for civil defense as some remote problem to be taken seriously only if and when we are faced with an emergency.

The Office of Civil Defense in the State of California is doing a remarkable job in organizing, training, and equipping a competent statewide civil defense corps. I am both eager and proud to acknowledge this wonderful achievement. Perhaps my distinguished colleagues in the House may be interested in a brief description of the activities of this Office which functions under the excellent direction of Walter M. Robertson, major general, United States Army, retired. It is hoped that other States may find inspiration in the fine example set in my home State of California.

Realizing the importance of providing complete and accurate news information and instructions to the public in an emergency, the California Office of Civil Defense, in cooperation with the

University of California (Los Angeles) School of Medicine planned and organized a brief but comprehensive indoctrination course in civil defense organization and operations. Thus far, the course has been taken by a score of top Los Angeles newsmen, while plans are underway in the meantime, for representatives from other newspapers, wire services, and radio news organizations also to attend the course.

In recognition of the necessity for predisaster planning for emergency publication of newspapers and integration of the staffs and printing facilities of newspapers in communities outside major target areas into such plans, all who pursue the course will be indoctrinated with the need for such emergency publication. Similar stress will be given the need for educating the public in dispersal and other civil defense plans as they are developed. As the best procedures are determined, they will be taught to those who are in training.

The Office of Civil Defense prepared and distributed 683 individual first-aid-station kits on a statewide basis. Each kit, or unit, is made up of 75 cartons, boxes, and chests containing all necessary supplies and equipment including such items as antibiotics, surgical instruments, stretchers, blankets, burn dressings, and so forth, to treat 600 casualties in a 24-hour period. These supplies were acquired, unitized, and put in place in the field at an approximate cost of $5 million—50 percent Federal, 50 percent State.

Twenty-four rescue trucks have been purchased on a 50–50 matching fund basis and delivered to certain cities and counties adjacent to target and critical target areas. This involved a total expenditure of $228,000. These trucks are now being used for training crews and they are available for all disasters.

Federal funds have partially matched the cost of 16 mobile radiological laboratories. As rapidly as the radiological laboratories are equipped and technicians trained, they are assigned for use by public health agencies and research units. They are proving invaluable under present conditions where water supplies are checked and sewage is being constantly analyzed. With the advances in the nuclear sciences, private industry is making a greater use of the findings.

Through Federal matching funds, the Office of Civil Defense has completed a statewide attack warning system and has established a statewide communication system. Small amounts of Federal matching funds have been used for public information and training and education.

The most productive field for the use of Federal funds has been in the fire services, where a total of $1,675,000—50 percent Federal, 50 percent State—has been expended, primarily for 100,000-gallon-per-minute fire pumpers. This equipment is dispersed throughout the State in accordance with the need for support in the target areas and is not procured merely to augment local fire services. It is used for training auxiliary firemen, for mutual aid, and on multiple alarm fires. In responding to a call the local jurisdiction having custody must send a minimum of 1 experienced engineer and 1 fireman with the truck.

The California Office of Civil Defense feels very strongly that adequate provision should be made for fire service funds. In view of its experiences, the fire service matching funds have paid and are paying the greatest dividends.

For the 2 years ending June 30, 1953, the State of California has expended $4,500,219.17 in matching Federal funds. In many of the programs, the State has passed Federal funds directly to local jurisdictions on a 50–50 basis. In some phases of the program, the State has participated to the extent of 25 percent, making the contributions 25 percent local, 25 percent State, and 50 percent Federal. During the same 2-year period, local jurisdictions have contributed $1,841,450.34 to the matching fund program.

It is apparent, therefore, that where proper attitudes toward civil defense and where sufficient determination and leadership are prevalent, a State may achieve a large measure of success in preparing for civil defense needs. Due to differences in average per capita wealth and income, however, not all States are able to provide the amount of funds deemed desirable for a good program. Because of localized budgetary difficulties, therefore, and because of the need for centralized direction and technical aid, the Federal Government should recognize and accept its responsibility in the general area of civil defense.

Congress Should Act Now To Halt Farm Recession

EXTENSION OF REMARKS

OF

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. BLATNIK. Mr. Speaker, one of the most pressing problems confronting the 83d Congress is the developing recession in agriculture. This problem is of major concern for two reasons: First, it directly affects the present and future prosperity and security of nearly 30 million Americans living on the land; and, second, it has an adverse effect on the entire national economy in that it may be the first phase of a general business depression. It goes without saying, therefore, that any Congress having the interest of the farmer and the people at heart would, in such a situation, act vigorously to reverse depression-making trends and remedy the present unhealthy economic condition of farm life.

As a Democrat, I am proud to say that when my party controlled the Congress and the administration there was an honest effort to develop a sound and practical farm program. The 20 years of farm progress under Democratic leadership shows that these efforts were crowned with some success. Under the guidance of the late Franklin Roosevelt and Harry S. Truman, great gains were made in formulating an enlightened farm policy—in this connection I need only point to such basic legislation as the Triple A program, the Soil Conservation and Farm Credit Acts, and the rural-electrification law.

The record shows that these Democratic farm programs have been most successful in practice—they have contributed greatly to improved farm security and higher rural living standards. In 1932 some 42 percent of our farms were tenant-operated and most farm owners were burdened with heavy mortgages—in 1952 farm tenancy was down to 25 percent and the average landowner had a 91 percent equity in his land. Due to the REA program rural electrification increased from 10 percent in 1932 to 90 percent in 1952. In 1932 gross farm income was $5 billion per year—in 1952 gross farm income stood at over $32 billion.

GOP SEEKS TO TURN BACK THE CLOCK

While many GOP Congressmen recognize that today our farmers are in distress, I regret that the President and his Secretary of Agriculture, Ezra Benson, have been oblivious to the plight of agriculture. Mr. Eisenhower's 1952 campaign pledges of full parity and support for REA and soil conservation have been forgotten. The dynamic and forward-looking Democratic farm program has been repudiated, and the GOP's program of heartless disregard, inaction and do-nothingism has been substituted.

Let us look at the record. One of the first acts of Secretary Benson when he took office last year was to reduce PMA committees to advisory status and place power in the hands of his bureaucrats. Then all representatives of farm operators were fired from the Agriculture Department, and in their place spokesmen for the food processors and middlemen were appointed. Next, the administration indorsed "flexible" price supports, thus repudiating the Eisenhower campaign pledge of full parity. Last April price supports on dairy products were cut from 90 percent to 75 percent of parity—a move which is costing the Minnesota dairy industry an estimated $3 million per month. The REA program has been sabotaged indirectly by cutting off funds for REA transmission lines and by wrecking our public power policy to please the private power lobby.

What are the end results of this GOP program—if we dignify it by calling it a program? Here again we need only look to the record and let the record speak for itself. Since the Republicans took over, farm prices and farm income have fallen steadily. In 1952 gross farm income stood at $32.6 billion—this year estimated gross income of the farmer will be no more than $29.5 billion. In 1947 the farmer's net income totaled $16.7 billion—in 1953 it was down to $12.8 billion, and this year it may go as low as $10.8 billion.

To make a long story short, gross farm income has dropped 10 percent and net farm income has fallen 20 percent since the Eisenhower-Benson team started

running things 2 years ago. This deplorable state of affairs is the direct result of the administration's shortsightedness in refusing to accept full parity, and because of its attempt to turn back the clock to the so-called free market of the Hoover regime.

EXTEND THE DEMOCRATIC FARM PROGRAM

Since the Democratic farm program developed during the 1933–52 period has proved itself in practice, Congress should accept this program as the basic blueprint or starting point in making farm policy, and on this foundation build a new and better farm program. Thanks to former Democratic administrations we have the basic legislation on the statute books—we should extend, broaden, improve, and liberalize this New Deal legislation in the interests of farm prosperity and rural justice.

Mr. Speaker, it is my contention that the following eight-point farm program would go far toward solving the more pressing problems of our farm population, and I recommend that Congress give these policy proposals full consideration.

First. Congress should liberalize the present farm price-support program to provide 100 percent parity on all farm crops.

Second. The present soil-conservation program should be strengthened and more consideration should be given to flood control and reforestation as a method of stopping soil erosion.

Third. The REA program should be expanded and improved, and greater efforts should be made to produce more public electric power and to build more REA transmission lines so that REA coops will be assured of an adequate supply of cheap power.

Fourth. Federal lending policies should be liberalized to provide ample farm credit at easy terms and lower interest rates so as to encourage family ownership and family operation in agriculture.

Fifth. Congress should enact new legislation to restore farmer participation in farm-program administration by returning to the farm committees the authority taken from them by Secretary of Agriculture Ezra Benson.

Sixth. Federal appropriations for research in animal husbandry, control of plant and livestock diseases, and in other fields of scientific agriculture, should be substantially increased.

Seventh. Farm cooperatives should be encouraged for use in the marketing of farm produce, the purchase of machinery, and other appropriate rural activities where cooperative organization has proven beneficial to farmers.

Eighth. Congress should expand our Federal forest practices program with greater emphasis being placed on woodlot forestry, tree planting, and technical forest assistance to farmers so as to assist the small Minnesota farmer who derives part of his income from logging and pulpwood operations.

The policy recommendations which I have outlined above constitute the framework of an effective program for meeting the basic needs of the American farmer. Such a program would tend to stabilize farm prices at full parity and thus correct the present farm recession; it would encourage farm production; it would aid in preserving the fertility of our soils; and it would create the economic conditions under which the family-size farm would thrive and prosper.

FULL PARITY IS AN ECONOMIC MUST

Mr. Speaker, it is my considered opinion that the parity issue is the crux of the whole question of farm policy—effective price supports are the key to farm prosperity and the only method by which the present recession in agriculture can be corrected. It is also my belief that the position taken by individual Members of Congress regarding full parity is the test of each Member's good intentions on the matter of farm welfare. Every person claims to be a "friend of the farmer" in an election year, but we all know that fair words are cheap. The $64 question that most farmers want answered is: How did my Congressman and Senators stand on full parity? Did my Representative favor higher price supports or did he betray the farmer by going along with Secretary Benson's scheme for flexible supports?

As for myself, I say without qualification that the farmer's economic welfare requires the establishment of a system of price supports providing full parity on all farm crops. I consider the Eisenhower-Benson proposals for flexible price supports to be a sell-out of rural America. I am strongly opposed to the House-passed administration farm bill, H. R. 9680, calling for flexible supports from 82.5 to 90 percent parity. I am opposed to the 15-percent cut in dairy price supports made by Secretary Benson last spring, and I look with disfavor upon the 5-percent increase compromise for dairy products contained in H. R. 9680.

While full parity on all crops is our objective, practical considerations require that liberal Congressmen support the temporary retention of 90 percent supports at the present time, and until a new farm program of full parity can be developed. Ninety percent parity is inadequate to cover cost of production and give the farmer a fair return on his labor and investment—yet we have no choice but to accept rigid supports at 90 percent parity as stopgap legislation until full parity can be guaranteed. Thus I must give my backing to the provision in the Senate farm bill, S. 3052, calling for 90-percent parity for basic commodities for another year.

Enemies of high price supports often offer two time-worn arguments in an attempt to rebut the case for full parity. One false argument is that price supports are a form of economic subsidy to the farmer. However, these antifarm forces never tell us that the so-called subsidy to the farmer is negligible compared to the special handouts given big business. According to figures supplied by the Department of Agriculture, the Government has lost less than $1 billion because of farm price supports over a 20-year period—compare this to a $45 billion total in Federal funds given to big business during the last 8 years in the form of reconversion payments, airline subsidies, tax writeoffs, and so forth.

A second phony argument often heard is that high price supports lead to overproduction. This claim of overproduction has no foundation in fact. Instead of overproduction we have underconsumption because milions of Americans lack the purchasing power to buy the food they need. If Congress would adopt a national food stamp plan to permit old-age pensioners—now living on about $40 per month per person—to buy food surpluses, we would soon see these so-called food surpluses dwindle to nothing.

Mr. Speaker, the case for full parity cannot be rebutted—a price-support program giving 100 percent parity to the farmer is an economic necessity. There are nearly 30 million Americans living on the land, and these hard-working people now find themselves caught in the clutches of a recession. Only full parity is the answer. It is my hope that the Congress will accept this answer and pass appropriate legislation. Action along these lines is essential to the Nation's future prosperity and security.

Our Urban Problems

EXTENSION OF REMARKS
OF
HON. J. ARTHUR YOUNGER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 23, 1954

Mr. YOUNGER. Mr. Speaker, today I have introduced a bill which creates a Department of Urbiculture for the purpose of dealing with the pressing social, economic, and civic problems growing out of inadequate knowledge of the principles of urban land utilization. Many of our urban problems originate from our faulty techniques in the development and use of urban real estate.

Years ago approximately 75 percent or more of our people lived on farms. The most pressing economic problems of the day grew out of the utilization of farm lands. Very properly the need for research and the discovery and application of basic principles was recognized by the Federal Government and a Department of Agriculture was created with a Secretary of Agriculture assigned to the President's Cabinet. Agricultural colleges were founded throughout the country. Agricultural improvement in research stations were founded every year. Hundreds of millions of dollars have been spent in research and educational activities for our citizens who have vital personal interests in the efficient utilization of farm lands.

At the present time I am told that less than 25 percent of our people live on farms. Our most pressing and vital social and economic problems today originate in the cities. There has been no consistent research done to discover how best to "cultivate" urban lands so as to produce maximum yields in monetary terms and amenities. There have been innumerable half-hearted attempts at the fringe of the problem as evidenced by the various building codes, zoning laws, neighborhood rehabilitation pro-

grams and many other such ideas but the science of urban land economics remains in a nebulous state.

In the meantime we are appalled by the slum conditions, decentralization movements and other phenomena which we do not really fully understand or appreciate.

I am sure that we have in this country enough sound and able thinkers to develop urbiculture to a point where it can be as serviceable to owners and utilizers of urban property as the science of agriculture has been to the owners and users of agricultural property.

The Conservationist's Opposition to Echo Park Dam

EXTENSION OF REMARKS
OF

HON. GEORGE P. MILLER
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. MILLER of California. Mr. Speaker, the bills making provision for use of our Nation's water resource are among the most important legislation being considered by this Congress. I wish today to discuss a few aspects of the questions which have arisen on the proposals for development of the upper Colorado River.

I am sure that none of us familiar with the problems of the Southwest would deny the basic need for development of the Colorado River to bring about the fullest utilization of its vast stores of natural resources. By the same token most of us are fully prepared to support any action which promotes the wisest use of these resources through a fully integrated plan which, in the words emanating from the early day conservation programs of Theodore Roosevelt and Gifford Pinchot, will bring about "the greatest good of the greatest number for the longest time." It is in line with this tenet that I wish to clarify the position of those who have so forcefully opposed the construction of Echo Park Dam within the boundaries of Dinosaur National Monument as a part of the initial development of the upper Colorado River storage facilities.

Congress, as the creator of the National Park Service in 1916 and its protector through subsequent actions, including the 1921 and 1935 amendments to the Federal Power Resource Act prohibiting the issuance of permits for power developments within our national parks and monuments, now finds itself involved in a controversy which touches on the very principles which guided its past action. Those who have sought to show that the upper Colorado River can be fully developed in a manner which will allow the preservation of the Dinosaur National Monument have repeatedly stated that we can only insure the sanctity of this and similar areas throughout our land by dedicating them for preservation so as not to permit their subsequent destruction. Our whole American policy for preserving our parks, monuments, and wilderness areas is based on the acceptance of two concepts: First, that our land and water resources are great enough and varied enough to make possible the preservation of a system of natural areas without sacrificing industrial considerations which make it necessary to develop our country; and second, in the planning of such a conservation program we must recognize that our civilization is such that no lands will persist unexploited unless they are deliberately set aside and protected. For this policy to prevail we must be faithful in respecting our dedications, for otherwise the dedicated areas will inevitably disappear one by one as it seems profitable to exploit them. To merely set aside an area until we got to it with some kind of exploitation project is a policy that defrauds both our own and future generations.

It is likely that the present administration will continue to support the assurances of the present and past administrations of the Interior Department that construction of Echo Park Dam by the Bureau of Reclamation is not to be construed as a precedent for the invasion of other existing parks. But what of those who follow? Would not the precedent have been established for the interpretation of those who may lack full appreciation of the need for preserving our national parks, monuments, and wilderness areas? American history has many examples of laws and policies which have been reinterpreted in a manner much different from their original intent. Realizing that policies are no stronger or weaker than the convictions of the men who interpret them, we are obligated not to permit the invasion of our system of national parks and monuments through any action that can be construed as a precedent at any future time. The action we recommend, made clear through an amendment to delete Echo Park from the bill authorizing construction of dams in the upper Colorado River project, will function as a guidepost for those who follow us and who also wish to insure the perpetuation of the recreational resources of our parks and monuments.

One has only to witness the weekend exodus from our towns and cities to fully appreciate the inner compulsion which takes the American people to the outdoors. Some have seen in this evidences of the heritage of our forefathers who hewed a nation from the wilderness and knew how in their few leisure moments to enjoy fully the outdoors as a place where their energies could be refreshed. Others point to this growing appreciation of the outdoors as a safety valve for people who suffer, as most of us do, from the tensions and rapid pace of our modern-day living. But whatever the cause, there can be no denial of the cataclysmic increase in the use of our outdoor areas. During the period from 1946 to 1953 there has been a rise of 112 percent in the number of visitors to the areas administered by the National Park Service. Last year over 46 million visits were made to these recreation spots, with more than 4 million people being attracted to the areas within the system in the State of California alone. In addition, some 35 million people fished, hunted, hiked, and enjoyed other outdoor pastimes within our national forests. The sale within recent years of 28 million hunting and fishing licenses can also be used to demonstrate the interest in the outdoors which takes the American public to our country's streams and lakes, fields and forests. Excluding those who are allowed to go afield for fish and game without the regularly required licenses, this number represents nearly 1 person out of every 6 men, women, and children in the country. In terms of dollars, the expenditures of sportsmen alone exceed 10 billion annually, placing this industry well ahead of those of filling stations, dealers in farm equipment, and business represented by either the cattle or hog markets. These figures make it apparent that the "outdoor industry" is one of unequaled importance to our national economy.

In our analysis of the controversy which has arisen over this proposed invasion of our national parks and monuments, it is important that we carefully consider the testimony of those conservation organizations, representing a large and important segment of the American public, which have most actively supported our systems of public recreational areas. These organizations find their main support in the millions of citizens who are willing to preserve and develop our publicly owned areas for the benefits that are to be realized in the form of outdoor recreation. We sometimes note derision in the voices of those who make attempts to demonstrate through inference and implication that the spokesmen for the lay conservationists represent a misty-eyed sect of idealists who spurn reality in their battles to obstruct the progress of normal development and use of our country's resources. These are gross misrepresentations which I, as a conservationist, take pleasure in refuting. The spokesmen for sportsmen, professional and lay naturalists, and other civic-minded citizens whom we find opposing the current legislation to authorize construction of Echo Park Dam within Dinosaur National Monument are realists. They are as different from the 19th century's preservationists and nature lovers as the modern-day doctor is from the bloodletter of yesterday. They support a conservation program that affirms the necessity for assuring fullest development of water and land resources in a manner which takes cognizance not only of the multiple-purpose needs of the present but also of the long-term needs of the future. Their memberships represent an important and rapidly growing segment of the public that is learning of the sadly neglected facilities of our national parks and monuments, the national forests, and other public lands. They are people who recognize the urgency for development of adequate road and trail systems and the need for installation of outdoor facilities sufficient to meet the great tide of humanity which washes over these public areas during the busy seasons. They recognize the inadequacy of appropriations for the agencies

administering these resources as a denial of the wholesome enjoyment of public recreation areas that could be afforded the American people.

It is generally recognized that the battle of controversy sometimes brings into full flower a force which is destined to play a major role on the American scene. Certainly the conservation movement has made remarkable strides during the last few years when the principles for which it has worked were so seriously threatened. We have seen the unification of its members, who represent a diversity of interests, in a successful effort to defend from invasion our public lands that have recreational and other values far beyond those described by those groups who seek to appropriate these areas for their own uses. In the case of the Echo Park Dam controversy, the conservationists have suggested workable alternatives which do not jeopardize the sanctity of our system of National Parks and Monuments. They have disproved for all practical purposes the argument that evaporation losses from the alternate sites would be excessive and have brought to our attention the drastic revisions in the Bureau of Reclamation's figures which were originally used to justify the construction of Echo Park Dam. They have shown that the canyons of the Green and Yampa Rivers within Dinosaur National Monument are unequaled in their beauty and grandeur and cannot be duplicated in any other publicly owned area.

In a practical manner, our modern-day conservationists are looking ahead to decades of rapidly expanding population, more leisure, and greater mobility when every recreational resource will be desperately needed. They have shown that with only a fraction of the $21 million provided in the authorizing bill for development of the Echo Park Dam's recreational resources, they could make Dinosaur one of the Nation's leading outdoor recreation areas, furnishing a much wider range of qualitative experience than that which could be realized from one more impoundment in a vast series of artificially produced lakes that are planned for the upper Colorado River. An adequate system of roads and trails and public facilities would make this area as important a part of the American people's outdoor heritage as Yosemite, Glacier, Yellowstone, or the Grand Canyon. They have clearly shown that a postponement of the time when the values of this area can be fully appreciated does not justify the destruction of its most striking features by building the proposed dam at Echo Park. They have heeded the warning of former Secretary of the Interior John Barton Payne, who commented in the course of the successful defense of Yellowstone National Park against proposals for a dam at Yellowstone Lake that "once you establish the principle that you can encroach on a national park for irrigation or water power, you commence a process which will end only in the commercialization of them all."

In concluding I should like to reemphasize the fact that we are not faced with a choice between water and the irreplaceable values of Dinosaur National Monument: sound planning will conserve both. If we are successful in turning back this threatened invasion we shall be reaffirming the sanctity of areas dedicated by the American people for preservation.

The Maritime Administration

EXTENSION OF REMARKS
OF
HON. T. A. THOMPSON
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. THOMPSON of Louisiana. Mr. Speaker, I would like to bring to the attention of the House a matter of the utmost concern to those of us who are interested in preventing waste of the taxpayers' money and who look askance at corruption and improper acts perpetrated by Government officials. Certain conditions in the Maritime Administration demand our careful scrutiny and I am coming to the conclusion that a good housecleaning is necessary if we are to remedy certain conditions which exist under suspicious circumstances.

The Republican administration has made a point of requiring that Government officials and workers sever their industry connections when they enter Government service. This is particularly true when the Government official's former business stands to profit by his new Government position. I have just learned that one of the most sensitive positions in the Maritime Administration, namely, Chief, Office of Ship Construction and Repair, has for the past month been held by one John McMullen, a person whose private business stands to reap great benefits by his current Government position. Mr. McMullen and his father for many years have been engaged in the ship-repair business, operating under the name of the Hudson Marine Co. When Mr. McMullen came to Government he spent half time here in Washington serving as Chief, Office of Ship Construction and Repair, and half time in New York getting business from ship companies for his father's firm, the Hudson Marine Co. It is very possible that Mr. McMullen is still working part time and if he is not, the change has been very recently.

Mr. McMullen has recently increased the staff at Hudson Marine Co. to include personnel whose job is to solicit business for the company. Efforts in this direction are concentrated on companies having Maritime Administration business. In his job at Maritime, Mr. McMullen has an opportunity to know what shipyards and ship operators have ship subsidies and the status of each subsidy. He also is in a position to throw a monkeywrench into the works if a shipyard or ship operator does not cooperate with him. It may be a strange coincidence, but the Moore-McCormack Ship Co., which has been in the process of having detailed plans drawn for a new vessel, has suddenly, and at the last minute, had those plans held up by Mr. McMullen's office in Maritime Administration. At the same time, the Moore-McCormack Co. has been approached by an employee of Mr. McMullen's company, the Hudson Marine Co., soliciting business—business that would amount to well over half a million dollars in the next year. The Moore-McCormack Co. plans had, over the months, been discussed at length with officials of the Maritime Administration and it was anticipated that they would be acceptable. I ask you, gentlemen, does it not seem a little odd that now, at the crucial moment when the plans are up for final clearance, they have been held up in what looks like, at best, most suspicious circumstances?

It seems evident that there are many questions to be asked, and I ask your permission to bring them up:

First. Is it proper for a Government official to use his public office to benefit his private business?

Second. If a Government official is using his public office to further the interests of his private business, is not his chief—in this case the Administrator of the Maritime Board—responsible, and should he not take proper action?

Third. Recently the attention of this body was brought to the fact that the Maritime Board was contemplating scrapping the *Cornhusker Mariner*, a $10 million vessel, rather than repair it for $2,300,000. Does it not seem that the Maritime Board is a little "loose" with the use of the taxpayers' money when it is willing to scrap a $10 million investment that can be protected by an expenditure of only $2,300,000?

Fourth. If this vessel is scrapped, is this not a jeopardy to our national defense in view of the fact that the Administrator of the Maritime Administration recently stated before the House Merchant Marine and Fisheries Committee, "We need every one of the ships in our reserve and more."

Fifth. How can the Maritime Board justify the scrapping of the *Cornhusker Mariner* when it is one of the largest, fastest cargo vessels in our fleet, capable of attaining more than 23 knots, when most of the ships in the fleet have a speed of only 16 knots?

Sixth. Only a few days ago the Administrator of the Maritime Board announced in a press release that he intends to scrap the $10 million *Cornhusker Mariner* which has seen only 6 months' service. His position on the *Cornhusker Mariner* is influenced by the opinions of one of his subordinates, Charles H. McGuire, Director of the Office of National Shipping Authority and Government Aid. On March 12, 1954, this is what the House Armed Services Investigating Subcommittee had to say about Mr. McGuire:

> We think it reprehensible in the extreme that a Government employee in a position of responsibility, presumed to be able to exercise discretion and judgment in matters of public concern, would have so little regard for truth and accuracy, that he would permit the head of an agency to harbor false and unsupported charges against another department of the Government. Such conduct is reckless (p. 12, hearing and report

of the Subcommittee on Defense Activities of the House Committee on Armed Services).

Now we find that another subordinate of the Administrator of the Maritime Board, namely, the Chief, Office of Ship Construction and Repair, seems to be engaging in practices that are not acceptable to Members of Congress, or for that matter, to anyone who has a sense of ethics. Under these conditions, I ask you, gentlemen, whether it does not seem in order for Mr. Rothschild to carefully study the personnel in his agency and immediately weed out those who are not working in the best interests of the public?

And I further suggest that Mr. Rothschild should be more careful and considerate of the taxpayers' money. In view of his own recent statements on the necessity for maintaining a reserve fleet, he should rescind the order to scrap the *Cornhusker Mariner* and instead have the vessel repaired.

Does Mr. Rothschild intend to rely on "lip service" and pious protestations or does he intend to perform in accordance with his words which obviously belie his deeds?

H. R. 7840

EXTENSION OF REMARKS
OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. WOLVERTON. Mr. Speaker, it is a pleasure to call to the attention of the Members of Congress that the Rules Committee yesterday granted a rule for the consideration of H. R. 7840, a bill to amend the Railroad Retirement Act, Railroad Retirement Tax Act, and Railroad Unemployment Insurance Act. This bill was reported by the Committee on Interstate and Foreign Commerce on June 21, 1954. It is a very worthy bill, and is financially sound. This bill should have the whole-hearted approval of the House of Representatives.

In order that the Members of the House may be fully informed as to this legislation, I should like to summarize, briefly, the provisions of H. R. 7840, as reported by the Committee on Interstate and Foreign Commerce:

PROVISIONS OF BILL

I

The amendments proposed to the Railroad Retirement Act are shown on pages 3 to 5 of the committee's report on this bill, House Report No. 1899. Briefly, these amendments are:

First. Benefits to widows, dependent widowers, and dependent parents at age 60 instead of age 65.

Second. Benefits to widowed mothers with physically or mentally disabled children over age 18.

Third. Full survivor benefits to widows, dependent widowers, and dependent parents who are also eligible for a railroad retirement annuity in their own right.

Fourth. Increasing the creditable compensation from the present maximum of $300 a month to a maximum of $350 a month in the calculation of a retirement or survivor annuity.

Fifth. Disregarding the compensation earned after age 65, if the crediting of such compensation would diminish the annuity.

Sixth. Changing the disability work clause to a maximum of $100 in earnings for any month without loss of the annuity for that month.

Seventh. Excluding the service of certain delegates to national or international conventions of railway labor organizations from coverage under this act.

Eighth. Elimination of the requirement in the present law that a child over age 16 and under 18 years must attend school regularly in order to be eligible for a survivor's annuity.

Ninth. Waiver of retirement benefits for certain individuals who are receiving non-service-connected veterans' pensions

II

The principal amendment proposed to the Railroad Retirement Tax Act would increase the tax base from $300 to $350 a month, leaving the tax rate of 6¼ percent unchanged.

A similar increase in the tax base for employment covered under the Social Security Act was approved by the House on June 1, 1954, when it passed H. R. 9366. This bill provides, among other things, for the increase in the creditable and taxable wage base from $3,600 to $4,200 a year.

Almost two-thirds of the railroad employees now earn more than $300 a month, and they would pay the tax on their additional monthly compensation in excess of $300, but not in excess of $350. In return for this additional tax, these employees would get increased benefits resulting from the crediting of this additional compensation in the computation of their annuities. On the average, these employees would obtain benefit rights at the rate of $3 for each $1 in taxes they would pay. Furthermore, the liberalization of the survivor benefits provided for in the bill would apply across the board, and the families of all railroad workers would benefit, regardless of whether or not the employee was taxed at the rate of $300 a month or $350 a month.

It has been estimated by the Railroad Retirement Board that the increase in tax base from $300 to $350 a month would increase retirement-tax collections by $56 million a year, on a level cost basis. This amount is sufficient to pay for all the additional retirement and survivor benefits provided for by this bill.

III

The amendments proposed by the Railroad Unemployment Insurance Act are shown on pages 6 to 8 of the committee's report on H. R. 7840. Briefly, the schedule of base year compensation is slightly altered, and the daily benefit rates for unemployment are increased by 50 cents a step, with a maximum daily rate of $8.50. Moreover, an eligible employee would be entitled to receive a daily benefit rate equal to half of his daily rate of compensation for the last employment in which he was engaged in the last calendar year. The total amount of benefits which may be paid to an employee separately for unemployment or sickness within a benefit year would not exceed his total compensation in the base year. The reported bill also would increase the maximum compensation subject to contribution from $300 to $350 a month.

SPONSORS OF BILL

The reported bill has the support of all standard railway labor unions, including the 4 train and engine service brotherhoods and all the 19 organizations affiliated with the Railway Labor Executives' Association. These organizations represent almost all of the railroad workers in the United States.

Colonel Kelley, chairman, and Mr. Harper, labor member, of the Railroad Retirement Board, favor enactment of the reported bill. The Bureau of the Budget favors enactment of the bill.

H. R. 7840 IS SOUND AND NECESSARY LEGISLATION

More than 60 bills to amend the Railroad Retirement Act have been introduced and referred to the committee on Interstate and Foreign Commerce. I am happy to state that the committee held hearings on all these bills, and considered each bill very carefully.

In the consideration of all these bills, the committee has placed great emphasis on the effect of the proposed amendments on the financial soundness of the railroad retirement account. The committee is unanimously of the opinion that, regardless of the desirability of certain proposals for the liberalization of benefits under the Railroad Retirement Act, no amendments should be made to the law which would jeopardize the financial soundness of the railroad retirement system. This principle is accepted by all the standard railway labor organizations as well as railroad management.

I am happy to state that the financing provisions of the reported bill are adequate to cover the costs of the additional benefits provided for in the bill.

In conclusion, I wish to state that the Committee on Interstate and Foreign Commerce believes that the provisions of the reported bill, H. R. 7840, are sound and necessary legislation, and that this legislation is consistent with the program recommended by the President. I urge the House to act favorably on this bill.

Sovereignty for West Germany

EXTENSION OF REMARKS
OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. BENDER. Mr. Speaker, most Americans who recall their history of Europe look upon the partition of Germany into East and West as a weird political anomaly which cannot endure.

We think in terms of the natural affiliations of the German people, their historic ties, their common boundaries, and the artificial separation imposed by the Communists upon the country. All of us expect that, ultimately, by one means or another, unification will be achieved.

France looks upon the German situation through entirely different glasses. She remembers aggressions in the days of Bismarck, Wilhelm II, and Adolf Hitler. Germany is not regarded as a stable ally in Paris. And the French are not too deeply interested in the establishment of a strong Germany as a possible buffer against aggressive communism because France does not expect to fight Communist expansionism any more than she fought Nazi expansionism, down to the last ditch.

In this tightrope situation, our Senate Foreign Relations Committee is urging recognition of West Germany sovereignty by the United States. Such a step would force France's hand on the whole problem of European security and would stimulate German efforts to achieve its own salvation. It would be a bold move in a timid world, and boldness by the West may be the one effective answer to terrorism by the Soviets.

H. R. 4213 Should Be Enacted To Provide for Waterfowl Management in California

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EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. YORTY. Mr. Speaker, I hope both Houses of Congress will support H. R. 4213 and the purpose it seeks to accomplish. It is a good one. It will to some extent correct an unforeseen evil resulting from otherwise very useful and valuable works. It is a desirable bill from the standpoint of conservation.

The bill provides for construction of the necessary works and authorizes the utilization of water available under the Central Valley project for better waterfowl management in the San Joaquin Valley.

It has been estimated that 50 percent of all Pacific flyway birds winter in California, a large proportion of them in the San Joaquin Valley. Unfortunately, since the inception of the various components of the Central Valley project the balance of nature has been upset to some extent. Areas long frequented by migratory fowl have become dried up; consequently, there is a scarcity of the natural foods of these birds. This is unfortunate. The number of waterfowl is directly related to the available forage. Any factor affecting that supply will inevitably affect the number of birds.

This has long been recognized by experts in the field. Back in October 1950 the Federal Fish and Wildlife Service, the Federal Bureau of Reclamation, and the California Division of Fish and Game completed a study of the situation in the so-called Grasslands area of the San Joaquin Valley.

This area was found to be one of the primary wintering areas of the West. At one time California had extensive marshes and ponds which were the natural habitat of migratory fowl. Now much of this land has been reclaimed for agriculture. In the State of California, over 2½ million acres of land are involved in drainage enterprise, 1,402,766 acres of which have installed drains. Of this amount some 80 percent are in the Central Valley. Thus, the natural habitat of waterfowl has been shrinking. In other areas previously favored by waterfowl the story is the same. Marshlands at the mouth of the Colorado River at the head of the Gulf of California have been reclaimed for agriculture.

Drainage and extensive cultivation have so concentrated the wintering migratory birds on the ever-dwindling area of natural environment that they have become seriously overcrowded. In their search for food the fowl have been forced by circumstances to depend on cultivated areas. Thus, waterfowl depredations to rice and other crops have become a matter of increasingly serious concern.

Hunting of waterfowl in California is a big business. Duck stamp sales in the State were 173,136 in 1951–52 fiscal year, and 214,456 in fiscal year 1952–53. In 1948 it was estimated that waterfowl hunters spent over $28 million while indulging in the sport. This, from an economic standpoint alone, makes it important to protect the waterfowl resources of the State.

Lands that historically were highly valuable wintering areas for migratory waterfowl have been drained. Now their natural resting places have so shrunk that over $2 million damages per year are suffered by the farmers of the State at the hands of birds seeking food no longer available to them.

This condition had become so serious by 1948 that the Federal and State government agencies undertook a detailed study of the problem. Their conclusions were made public in December 1950 in a study entitled "Waterfowl Conservation in the Lower San Joaquin Valley." H. R. 4213 represents an effort to implement the recommendations made at that time.

The study recognized the inadequacy of then existing waterfowl refuges in the area. Congress, in 1948, authorized the purchase of 20,000 acres of land in California by the Secretary of the Interior for waterfowl management area purposes and the State of California had a program calling for the immediate purchase of 10,000 acres in the lower San Joaquin Valley for the same purpose, or an amount equal to that recommended by the Department of the Interior in the same area. However, the study mentioned above noted that such a program was worthless without the assurance of an adequate supply of water.

Among the specific recommendations of this study were:

First. The State plan for the area be immediately carried out.

Second. There be developed from sources within the area a supply of water to replace interim supplies then being secured from Millerton Lake, to provide 13 second-feet to the Los Banos State Refuge.

Third. Development of nearby water resources of the Central Valley project to supplement existing supplies for a proposed enlargement of the Los Banos refuge having an area of 6,700 acres.

Fourth. The same for a proposed 12,000 acre Federal waterfowl management area in Merced County east of the river.

Fifth. Drainage and underground waters to be utilized to perpetuate the Grasslands area as waterfowl habitat; principally through efforts of the landowners in the area through the formation of a special district for the purpose.

Sixth. Should local landowners not do as recommended by July 1, 1953, Federal and State agencies should acquire, develop and operate suitable waterfowl management areas; the water supply in this contingency be developed by the Bureau of Reclamation.

Seventh. Costs of providing and developing water under recommendations 2, 3, 4, and, if necessary, 6, to be included in a nonreimbursable allocation for fish and wildlife conservation to be made to the Central Valley project.

Eighth. Any further authorization of the Central Valley project necessary to include the measures herein recommended are approved.

Under this program the Fish and Wildlife Service and State of California would acquire, develop and operate management areas, while water supplies would be made available by Bureau of Reclamation.

Total supply of water needed to accomplish this program would include 7,000 acre-feet for supplemental water to Los Banos—expanded—and 40,000 acre-feet for the proposed Federal area.

It was believed that additional authorization of the Central Valley project was called for.

The bill introduced to accomplish this goal is H. R. 4213.

I am heartily in favor of the objective of this bill.

It will make available water to recreate the necessary natural habitat for waterfowl.

It will mitigate farmers' losses of grain due to foraging of waterfowl unable to survive on available refuges.

It will better enable the proper authorities to carry out a sound, well-balanced program of conservation.

It will be of assistance to the United States in carrying out its obligations under the migatory waterfowl treaty with Canada and Mexico.

It fully recognizes the rights of the State to control its own water resources.

In short, it accomplishes a worthwhile purpose and I heartily endorse it. I hope by colleagues interested in this bill will join me in urging the other body to act favorably on it in this session of Congress.

A Bill To Change the Name of the Fort Randall Reservoir in South Dakota to Lake Evans

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 23, 1954

Mr. BERRY. Mr. Speaker, I have today introduced a bill which would change the name of the Fort Randall Reservoir in the State of South Dakota to Lake Evans.

I am introducing this bill at the request of the people of my State, including the State press association, Rotary and service clubs, which have passed resolutions requesting change of the name to honor George O. Evans, area engineer, who has been in charge of Fort Randall Dam construction since work first started on that project in 1946.

Mr. Evans deserves much credit and commendation for the faithful performance of his duties as engineer in charge of construction of the third largest earthen dam in the Missouri River development plan, Fort Randall. The tremendous job of chief engineer required great skill and patience. He left no stone unturned in making sure that everything was planned down to the smallest detail.

George O. Evans was born February 5, 1900, graduating with a bachelor of science in civil engineering from Mississippi A. and M. in 1926. He accepted a job as a surveyor with the Vicksburg engineers office in 1927, working his way up until he moved to the Fort Peck Reservation. In 1934 he was transferred to the Omaha district where he was chief engineer in charge of Fort Randall. Mr. Evans served as a lieutenant colonel during World War II and was discharged as a full colonel.

The story of the Fort Randall Dam began many years ago when the Corps of Engineers saw the possibilities of the construction of a dam in an ideal spot on the Missouri River. They recognized the importance of such a dam, that would provide control of floods, uniform downstream flow, power, irrigation, and recreation.

Of greatest importance to the people living in the surrounding area of this project is the generation of cheap, dependable electric power. Eight giant turbines will generate 320,000 kilowatts of electricity. The first power surged out on the high lines on March 15, 1954, when President Eisenhower pressed a buzzer in his office in the White House signaling Gov. Sigurd Anderson, at Pickstown, S. Dak., to throw the starting switch.

Recreation facilities are another of the many advantages of this huge reservoir. Fishermen and campers will enjoy the fruits of labors which began 8 years ago.

It is fitting and proper that such an important project should be named in honor of the man who has so faithfully contributed his abilities toward its construction.

I hope consideration will be given to the request that the reservoir be named after George O. Evans.

The Dixon-Yates Contract

EXTENSION OF REMARKS
OF
HON. RALPH W. GWINN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, July 23, 1954

Mr. GWINN. Mr. Speaker, it is still true, especially since we have had some experience with TVA socialism, that most Americans in private and public life believe that the free-enterprise system of economics is by all odds the best system. Some compromise of the principle has crept in by alleging, but seldom proving, financial incapacity to build a power dam, for example. However, this reasoning does not advocate that the Government should supplant private industry. Government should never operate in an area that could be occupied by private industry. That is what Adlai E. Stevenson, titular head of the Democratic Party says. On May 1, 1952, in a speech delivered at Portland, Oreg., Mr. Stevenson had this to say about the production of power:

> Where private enterprise can and is willing to do the job, I think it should be left free to do so. It seems to me that Government enterprise should be primarily addressed to the maintenance and enforcement of competition in our economic life and not its destruction. But where private initiative is incapable of, or for any reason fails to meet the legitimate needs of the people, whether it be for electric power or anything else, then I believe the Government will and should step in.

Everything up to that point where free enterprise is incapable must be reserved as free areas for free enterprise.

That being so, what is left of the controversy? Here we have a choice between taxpayers continuing to finance TVA, to build a powerplant or contracting private enterprise, capable and willing, to do it and finance it with private captial. How can that be a difficult choice.

A curious argument advanced against the Dixon-Yates proposal, is that it will enjoy virtual Federal tax exemption. Certainly TVA can't object to that, for it is exempt not only from Federal, but State and local taxes as well.

The last of the remaining arguments against President Eisenhower's proposal, is that TVA could supply the required power at lower costs. A comparison of the rates set by Dixon-Yates contract and what TVA is currently charging AEC shows no appreciable difference. In fact I expect the taxpayer will benefit from Dixon-Yates plan since a private utility must make its operations pay and cannot request annual appropriations and cannot avoid taxes or pass deficits in operations to the taxpayers.

The record of the private-utility companies is an impressive one and deserves mention here. In the 7-year period of 1947–53 the private-power companies have spent $15 billion expanding their facilities and this in spite of the Federal, State, and local taxes they must pay. In 1953 alone, construction expenditures totaled $2,876,000,000. During that 7-year period, the private companies increased their productive capacities from 42 million kilowatts to over 71 million kilowatts. Government agencies, Federal and local, increased their capacity in the same period by about 9 million kilowatts. By 1956 the private companies expect to expand their capacity by another 20 million kilowatts. Thus in 9 years they will have increased their capacity by 50 million kilowatts, or more than double what they had produced previously. No other industry can demonstrate a better record and it stands as the best proof that the industry is capable of performing what is required of it.

It should be pointed out that this expansion has made few headlines. The $15 billion were raised without any fuss, without any controversy, and without any politics. This is in contrast to the yearly squabble that develops in Congress when the annual subsidy to TVA is considered. Countless days are spent in Congress each year, arguing about TVA appropriations, but not 1 hour was necessary to authorize the $15 billion expended by the private companies on expansion in the last 7 years.

The annual bickering in Congress about TVA appropriations stems from the honest concern of most legislators to control and limit government spending. Indeed it was this concern of Congress, together with the equal concern of the President, that gave rise to the Dixon-Yates formula. This is an attempt to lessen the drain on the Treasury by insuring that the power will be supplied but not at the expense of the general taxpayer.

The proposal has another practical aspect to it that should be heartening to the advocates of TVA. It is common knowledge that TVA has not been able to meet the demands for power in the area it serves. It goes without saying that the additional power requirement involved in this controversy would not decrease the shortage. If the burden is removed from TVA it will be better able to meet the serious shortage it faces in its present territory.

The activity of the Socialists in the field of power production was outlined by me in the CONGRESSIONAL RECORD of April 8 of this year. Suffice it to say that these people not only want the Government to remain in the power production business to the extent that it is already committed, but to expand the Government operations. They do not intend to relinquish their gains easily and they will fight unscrupulously to further their purposes. Now if socialism is involved in this controversy, as I believe it is, let it be brought out into the open, so that we may have an honest discussion.

In conclusion, may I say that the people of Tennessee are reported as not

being disturbed by the proposal. Indeed the businessmen in Memphis, Tenn., across the Mississippi River from the proposed site, have endorsed the Dixon-Yates contract. I submit the following resolution to that effect adopted recently by the Memphis Chamber of Commerce:

Resolved, That this board favors the construction of the present proposed steam generating plant in West Memphis, Ark., to insure adequate power for future industrial development of the city of Memphis and its surrounding territory.

Dated July 16, 1954.

Upper Colorado Political Project

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. YORTY. Mr. Speaker, when it comes to water—the cornerstone of California's past, present, and future economy—the administration has let us down with a loud splash.

From the President down they have been beating the political drums for the gigantic upper Colorado River project which would seriously damage our vital supply of water from the lower Colorado.

In addition to depriving California of an immense amount of Colorado River water, to which we have contract rights, this upper Colorado River project would cost the taxpayers of California more than $93 million.

It would cost the Nation's taxpayers more than a billion.

But how much would it cost the taxpayers of the States which would supposedly benefit from it? Those States are Utah, Wyoming, and Colorado. It would cost the taxpayers of those 3 States about $15 million.

These are not my figures. They are based on reports from the most reputable organizations, such as the Tax Foundation, the National Council of Taxpayer Executives, and testimony of expert witnesses before the House Interior Committee.

As a member of the committee, although anxious to foster scund development of the upper Colorado Basin, I found it necessary to vote against the administration proposal. It passed out of the committee by a vote of 13 to 12, largely because some Republican members cast aside their loudly proclaimed program of economy in favor of pork-barrel politics.

Disregarding California's welfare, and disregarding the taxpayers, Republican politicos obviously decided to take up the cudgels for the upper Colorado project to make the West believe they were great advocates of reclamation. High-powered strategists of the administration evidently bulldozed the Budget Bureau and the White House advisers into going along with them. It appears that the high-level political staff of the administration does not know much about western water problems. And after examining their actions of the past few months, it is apparent they do not care to learn.

The upper Colorado project is the most infeasible, costly, and impractical water and power scheme ever concocted by a Federal Bureau. It is a magnificent example of a purely political project.

If this gigantic farce were ever approved by Congress it would inflict on the American public a catastrophic burden. It would probably mean the end of all reclamation development.

The Republican strategists thought they could put this political project over, and they are still trying to do it. But they have learned that the road they selected contains some pitfalls, and they now appear somewhat hesitant in moving ahead.

Let us see what has happened since the GOP deep thinkers launched the upper Colorado scheme.

First, they adopted the project as part of their program. Now a President has inumerable duties and obligations. He cannot be an expert on every matter put before him. So he must rely on his White House and department advisers. That is what Mr. Eisenhower did. He most certainly took the word of assistants and department heads that the upper Colorado project was a necessary, sound project, and on March 20, 1954, issued a statement in which he said:

> The development will conserve water * * *. It will develop much-needed electric power * * *. The development calls for sound financing.

Mr. Eisenhower was misled by men influencing the course of this country and responsible for its welfare.

Shall it be said that the men advising the President did not know what they were doing? No, they knew. They knew that the upper Colorado project was nothing more than a political water project, that it could not pay out ever, that there was no market in the area for the power, that it would inflict on the taxpayers an unjustifiable load.

But the die had been cast, and the Republican machine was ordered to support the project before the public and in Congress. Secretary of the Interior McKay was appointed generalissimo, and he carried out his orders.

In May, Secretary McKay told the National Rivers and Harbors Congress in Washington that by supporting the upper Colorado project—

> In the first months of its incumbency this administration has provided concrete demonstrations of its determination to carry out the full responsibilities of the Federal Government with respect to water resources development.

Again in May, Mr. McKay told a $100-a-plate Republican dinner in Salt Lake City:

> Let me cite the Colorado River storage project as a specific example of the type of development which we vigorously support.

There we have the Republican leadership firmly on record supporting a project that will cost the taxpayers of California more than $93 million, and the taxpayers of the Nation more than a billion dollars.

There we have the Republicans on one hand proposing a gigantic, costly, totally unworkable project to bring in more highly subsidized acreage, while on the other hand the Secretary of Agriculture is cutting agricultural acreage.

Behind the Republican campaign for the upper Colorado project is a purely political motive. They are disregarding the economic welfare of both California and the Nation. They are thinking only in terms of the elections in the upper Colorado States.

The Republican support of the upper Colorado project is a move of desperation. To maintain political ground they are in danger of losing, they are willing to sacrifice sound economy and good government. Someone should get all the facts to the President and slow down his "politics at any price" strategists who have sold him a bill of goods. Evidently he listened to some tall fish tales during his Colorado vacation.

Red China Shows Her Colors

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. BENDER. Mr. Speaker, the Communist press throughout the world has been ranting in uninterrupted ecstasy over the Indochinese surrender ever since it took place. Like fanatics drunk with new power, they have been urging their followers on to new visions of things to come. Britain and France were expected to follow up the Indochina peace with overtures looking toward the admission of Red China to the United Nations, but the reaction of international communism has given pause even to Churchill and Mendes-France.

But nothing said or done at Geneva is likely to have more influence than the ruthless shooting down of a British airliner over international waters, and the attacks upon American planes searching for survivors by the Chinese Communists. The arrogance with which Red China has treated the situation is enough to shock the most cynical diplomat. Peiping has warned the United States to stop our "provocations" or "suffer the consequences." Peiping has also told the British to limit their search for the destroyed airliner to one plane.

This is the answer of Red China to the demonstrations of conciliation and good will which were most marked on the part of Churchill and Anthony Eden, at the Geneva meetings. Give the Communists an inch, and they will reach for a mile.

The Vincennes Sun-Commercial: 150 Years of Public Service

EXTENSION OF REMARKS

OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. BRAY. Mr. Speaker, on August 1 the city of Vincennes, Ind., will celebrate the 150th anniversary of the printing of the first newspaper in the Midwest, the Indiana Gazette, which is now the Vincennes Sun-Commercial.

When this newspaper was founded in 1804, Vincennes was the center of government for the Indiana Territory, which included the area which now forms the States of Indiana, Illinois, and Wisconsin, and parts of Michigan and Minnesota. Four years before, Gen. William Henry Harrison had persuaded Congress to divide the Northwest Territory; and the Indiana Territory was organized with General Harrison as its Governor. It is recorded that one of his duties was to "look after the Indians and get them out of the way of the oncoming settlers." This was truly a pioneer outpost beckoning to the rugged men and women in search of new lands and free homes.

Perhaps the real America as we know it today started in this area between the Allegheny Mountains and the Mississippi River. In the early days of our country the people were divided into colonies that were clannish and sought to carry on the traditions brought from England, Scotland, Ireland, Holland, Germany, France, Belgium, and other European countries. When these early Americans broke their ties of race and colony and crossed the mountains into the Northwest Territory, they mingled as neighbors and friends; they worked together; they intermarried. From this association or melting pot emerged the true spirit of a new race of people—Americans. This early newspaper at Vincennes became a medium for recording the day-by-day blending and integration of these real Americans.

These early Americans were a strong and a courageous people. One writer termed them "the strong and the brave, because only the brave started and only the strong got here." These early Americans were deeply religious and genuinely interested in education. This attribute is still evidenced in Vincennes and community to this day by their churches and schools.

The Northwest Ordinance of 1787 wisely counseled:

> Religion, morality, and knowledge, being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.

The Vincennes community took this advice to heart, and was one of the educational leaders of those early days. An area of land was designated to be sold and used to found a "Seminary of learning." So in 1806 Vincennes University was founded.

People so sincerely interested in religious and educational pursuits felt the need of a newspaper. There were only a few newspapers in the Nation when the Indiana Gazette was founded on July 4, 1804—the 28th anniversary of our national independence. Journalism was still in its infancy. The large, well-known newspapers of today in the United States were not established until years later.

At the time of the paper's founding, Jefferson was President of the United States, Napoleon was being crowned Emperor, and the Code Napoleon was established. Beethoven was composing one of his famous symphonies. Alexander the First was extending the power of Russia eastward across the Bering Strait to found Sitka in 1804. In our country Fulton was about to launch a steamboat on the Hudson; Lewis and Clark were starting on their western expedition; Louisiana had just been purchased; and the Capital had just been moved to Washington.

A vast panorama of American history has been chronicled in the pages of this Vincennes paper, which is almost as old as this Nation itself. Jackson's victory at New Orleans and the British sacking of Washington; the fall of the Alamo; the battles of the Civil War, from Fort Sumpter to Appomattox, were duly recorded, as was Custer's last stand. An interesting item appeared in its columns stating that "there is strong talk of building a railroad from Vincennes to the village of Chicago on Lake Michigan." Industrial expansion and the race of the pioneers across the continent were recorded in the old Vincennes Sun. The charge at San Juan Hill and the exploits of our fighting men in two World Wars and in Korea have been retold in its pages. Although the lines of communication were limited at first, this newspaper became the agency which linked the daring pioneers and settlers to the current events and the overall trends in thinking of our Nation and of western civilization.

One is awed by the thought of the tremendous influence this great paper, located in the heart of America, has exercised in the past 150 years.

Let me cite just one of a multitude of instances in which this paper was a part of, as well as a recorder of, history. Abraham Lincoln grew from child to man in southern Indiana in a real American atmosphere steeped in a love of freedom and a belief in God and in the dignity of man. The first newspaper plant that Abraham Lincoln ever saw was that of the Vincennes Sun when the Lincoln family passed through Vincennes in migrating from Indiana to Illinois in 1834. Recalling the stories of Lincoln's eagerness to read and his search for the limited amount of reading material of that time, we can appreciate even more what a copy of the Vincennes Sun meant to him and others of that period.

Just as the Vincennes Sun played a stellar role in the life of the early Indiana Territory, it has continued to be an outstanding publication, reporting the news, espousing causes for civic betterment, disseminating the facts of living and culture and thinking.

I salute the Vincennes Sun-Commercial, its editor, Ross Garrigus, its general manager, Howard Greenlee, its publisher, Eugene C. Pulliam.

One hundred and fifty years of public service is only a good beginning for this paper on the banks of the Wabash. It will surely carry on this proud record of service so long as the institutions of free men endure.

Public Laws 437 to 450, Inclusive

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 23, 1954

Mr. O'HARA of Illinois. Mr. Speaker, by unanimous consent I am extending my remarks to include my report to my constituents in the Second District of Illinois on Public Laws 437 to 450, inclusive, as follows:

THIRTY-FOURTH REPORT ON LEGISLATION OF THE 83D CONGRESS

DEAR FRIEND: Continuing my report to you on the new laws of the land:

PUBLIC LAW 437

H. R. 8779, appropriations for Department of Agriculture and for Farm Credit Administration: Appropriations will be covered in a separate and later report.

PUBLIC LAW 438

Senate Joint Resolution 167, extending provisions of Housing Act 1 month: Housing Act of 1954 being still in conference, Public Law 438 extended for 1 month provisions (such as FNMA, Wherry Act, GI loans) otherwise expiring June 30, 1954. Also extends RFC, now in process of litigation, 1 more month.

PUBLIC LAW 439

S. 129, limitation in contingent legal fees: The Indian Claims Commission Act of 1946 sets 10 percent of judgments recovered as the maximum fee to be allowed attorneys. But the Jurisdictional Act of 1935, relating to the Chippewa Indians of Wisconsin, sets up a 5-percent maximum. Public Law 439 raises it to 10 percent to conform with the general rule. The Committee on Interior and Insular Affairs thought this equitable and reasonable.

I have an open mind. It is impossible for me fully to inform myself on Indian affairs. By establishing a 10-percent maximum, as in the case of veterans' pensions, perhaps adequate protection against exorbitant fees has been afforded the Indians who are our wards.

In the 81st Congress when the rent-control law was being written by the committee of which I was a member I urged a 10-percent limitation on fees for lawyers representing either tenants or landlords. The failure of my efforts meant, of course, that the fees

were very much larger, in most cases swallowing up the benefits intended to help landlords meet increased expenses and thus penalizing both tenants and landlords.

PUBLIC LAW 440

S. 2742, Ute Indian Tribe: This law makes more money available for per capita distribution among the Ute Indians of Utah. Some $17 million was the tribe's share of the 1950 judgment. After expenditure of about $6 million (including a juicy attorney's bill for $430,000) the tribe, including principal and accumulated interest, has some $13 million left on deposit.

I do hope that in advancing toward the desired objective of placing the Indian on the common level of American citizenship the program is giving ample protection against the spoilers. You will have noticed in these reports many Indian laws enacted by this Congress. I think it is a subject that merits a full-dress review by the 84th Congress.

PUBLIC LAW 441

S. 2777, travel in Alaskan waters: This extends for another year the exemption of certain Alaskan ports from the law restricting to vessels of the United States transportation from one port of this country to another port of the United States. Reason: there is no American steamer on this route, only Canadian. See Public Law 124, enacted during the first session. It has to be done every year, pending the availability of American vessels in this area.

PUBLIC LAW 442

S. 2844, transactions by disbursing officers: Routine amendment to the act of 1944 authorizing certain transactions by disbursing officers of the United States.

PUBLIC LAW 443

S. 3103, extending title II of First War Powers Act: This was passed on the recommendation of the Department of Defense as necessary to insure an uninterrupted performance of contracts to facilitate the national defense. It extends title II of the First War Powers Act of 1941, revived during the Korean emergency, to June 30, 1955. Seems the Department of Defense is still functioning on a war (or expectant war) basis.

PUBLIC LAW 444

S. 3364, hospitalization of Indians: In 1949 Congress authorized a $1.5 million appropriation for a hospital to be built in cooperation with New Mexico and at which 100 Indian patients, wards of the Federal Government, were to be treated. There has been a delay in construction. Public Law 444 merely extends to 1957 the date for submission of certain reports by the Secretary of the Interior.

PUBLIC LAW 445

H. R. 445, Hawaiian bond issues: Whether the legislature of Hawaii is impowered by the Organic Law of Hawaii to authorize bond issues, without the consent of Congress, is a question raised by attorneys for prospective purchasers. Public Law 445 settles the point by approving of such bond issues, past, present, future. Merely a justification for legal eagles to collect a fee.

PUBLIC LAW 446

H. R. 2848, wharf landings in Hawaii: This permits the Territory of Hawaii to collect landing and wharf fees from United States vessels on the same basis as States of the Union in continental United States. Fair enough.

PUBLIC LAW 447

H. R. 6276, mortgages on foreign-flag vessels: Under this act ship mortgages on foreign-flag vessels may be foreclosed in the admiralty courts of the United States exactly as is done in the case of American-flag vessels. Previously foreign-flag vessels had an advantage over our own vessels.

PUBLIC LAW 448

H. R. 5840, land exchange in Hawaii: This authorizes Hawaii to exchange some 994 acres of public lands near Waimea for 1,250 acres of privately owned lands of equal value. Organic law of Hawaii requires approval by Congress of any exchange of public lands exceeding 40 acres in area. Hence the necessity of another public law.

PUBLIC LAW 449

H. R. 6154, Fort Peck Indian Tribes: Another of a long series of acts aimed at putting the American Indian on his own with other American citizens. Public Law 449 gives the Indian tribes at Fort Peck in Montana control of their own money. Recent oil discoveries are carrying the Fort Peck Indians on a wave of prosperity.

PUBLIC LAW 450

H. R. 8729, Federal Reserve: This extends until June 30, 1956, the present authority of the Federal Reserve banks to purchase securities directly from the Treasury in amounts up to a total of $5 billion.

Here is an illustration of how it works: Prior to receipt of income taxes (starting to come in on March 15, 1954) the Treasury borrowed $190 million from the Federal Reserve. On March 17, 1954, the Treasury paid back the entire $190 million loan from the money received from income-tax payers.

The committee of which your Representative is a member has jurisdiction over the Federal Reserve. The committee was unanimous in reporting out this bill. The subject is somewhat complicated. I hope my simple illustration will be helpful in pointing the outlines.

Cordially and sincerely,

BARRATT O'HARA,
Member of Congress.

What's Ahead for Americans?

EXTENSION OF REMARKS
OF
HON. GEORGE H. BENDER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, July 23, 1954

Mr. BENDER. Mr. Speaker, in a world of uncertainties highlighted by the H-bomb, the A-bomb, and dire predictions of a C-bomb, Americans, like the rest of the world, have much to disturb us. But, upon the seemingly sound assumption that the world does not intend to commit suicide in the foreseeable future, all of us should be planning ahead for life and the expectation of posterity.

During the past year's time, our population has increased from 159,900,000 to 162,700,000. The last 12 months have set a new record of 4 million births. With all the talk of hard times, some of it stimulated by political soothsayers, consumer spending throughout the Nation has dropped from the record year of 1953 by less than 1 percent. In fact, our country spent more on homes, new housing, and the family automobile than was spent last year. During this same brief period, the movement outward from cities into newer suburbs has affected well over a million people. More than 1 million new homes not located on farms have been erected in cities and suburban areas. Incredible as it may seem, we have 2½ million more automobiles on the highways than we had 1 year ago.

If these are not signs of a vital and expanding economy, we just do not know how to read. The secret of stock-market rises is no secret at all. It is based upon the belief in a continuing market and a continuous growth for the American way of life.

This Is Not the Time To Raise Postal Rates

EXTENSION OF REMARKS
OF
HON. HAROLD C. HAGEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 23, 1954

Mr. HAGEN of Minnesota. Mr. Speaker, when I appear before this House in opposition to H. R. 6052, a bill to increase rates of postage, I am heartened and supported by the fact that I represent the interests of many individuals and business firms, not only in my own district but throughout the Nation. Over the past year my office has been deluged with hundreds of letters and telegrams protesting the hasty and ill-considered action to increase business costs.

I know I speak for the man in the street when I urge that the House not pass the proposed increase in first-class mail. I know his sentiments are pretty well summed up in the following question. Was not this administration elected on a platform of economy so that taxes could be reduced? Since a 33⅓-percent increase in first-class mail is in the nature of a tax, no wonder the average citizen is asking about post-office economies that have been promised, but as yet not realized.

I know I speak for business generally when I oppose an increase in first-class mail because 80 percent of first-class mail is utilized by American business. A small-business man, operating on slim profit margins, does not view lightly this added expense burden in his business, especially when small business is facing a difficult readjustment period following the military armistice in Korea. He has a right to ask—is it really necessary?

When I oppose the additional 30-percent increase in second-class mail I know I speak for the printing and publishing industries at large. The Post Office Department has stated that there are approximately 25,000 publications with second-class entry in this country. Many of these firms are experiencing difficulties despite the fact that they derive certain benefits by having their publications in second-class mail. Of these 25,000 about half are newspapers

and half magazines. On April 1, 1954, this group received the last of three 10-percent increases imposed on second-class mail. No one knows yet what the full impact of these rate increases will be.

I know I again speak for small business when I address my remarks to this body in opposition to second-class mail rate increases. According to the 1952 Annual Survey of Manufactures, issued by the Department of Commerce in November 1953, the printing and publishing industry of this country is made up of slightly more than 30,000 establishments. Of this number 28,933 are firms which employ less than 100 persons.

I know I speak for many veterans of this country, because I have been advised by the Veterans' Administration that a total of 71,000 World War II veterans had entered training for objectives in the printing and publishing industry as of November 30, 1952. I am not an expert on costs but, allowing a general average cost indicated from the total expenditures of the Veterans' Administration, it would mean that the Federal Government had spent in excess of $100 million in training these men for this industry.

I know I speak for the press, generally, whose force and influence in this country have never been doubted, whose daily contributions to our democratic way of life are part of our very blood stream.

When I stand in opposition to upward adjustments in third-class rates I know I speak for the thousands of business firms throughout the country who rely heavily upon the mails in the pursuit of their business objectives. Here also the printing industry is involved. Here also business firms have addressed searching letters to me inquiring why increased costs are now being foisted on them by the Post Office Department. They have good reason to raise such inquiries when recent studies have indicated that during January of this year the business of this country primarily dependent on the use of the mails reported the sharpest dips in their business since July 1951.

Gentlemen, I know I speak for your constituency and mine when I say that these general reactions to this measure only serve to reaffirm my position set forth in my minority views on March 18, 1954, namely that this postal bill was developed too hastily and in great measure by patchwork and guesswork.

To illustrate what I mean. The bill before you was presented to the Congress in its original form on July 1, 1953, 6 months after the present administration had taken office. I am sure you are all familiar with the fact that there are many considerations other than costs that go into ratemaking. Some of these are the value of the product, preferential handling, and the ability of the users to pay. Do we have any basis for concluding that such factors were carefully considered in proposing this rate measure to Congress when it was not until December 2, 1953, that the Post Office Department announced the appointment of its Director of Postal Rates and set into motion the organization of a Rate Division, the authority for which had existed for quite some time? In the meantime the Postmaster General would have you enact a rate bill which had no benefits of the research or study to be derived by this group within his own Department.

Last year about this time the House committee brought its consideration of this rate bill to an abrupt halt because objection was made by members of the House Post Office and Civil Service Committee in light of the survey of the Post Office Department which was a proceeding pursuant to the authority of Senate Resolution 49 under the Senate Post Office and Civil Service Committee. This study has been completed, and its findings are very vital to the solution of the postal-rate problem. It has raised many policy questions which should be considered and resolved before undertaking the enactment of a postal rate bill, and yet this bill before the House has not been modified in any way to reflect the findings of the Senate committee.

If this measure must pass the House, I had hoped that once the rate bill reached the Senate there would be ample time for a full consideration of the findings of the Senate Post Office and Civil Service Committee under Senate Resolution 49 before the Senate committee considered this pending rate measure. However, if this bill is passed by the House and sent to the Senate, there is scarcely time for adequate consideration of the rate bill; let alone the resolution of the many policy questions raised by that Senate committee's objective findings in connection with the operations of the Post Office Department.

The administration and this Congress may well be proud of its work on the tax revision bill which has been sorely needed for many years. This new revised bill will be of tremendous benefit and assistance to American business, labor, farmers, and others, too. Likewise, I insist that before undertaking the passage of any further postal rate measure, there is great need for a new statement of our basic policies and assumptions for the operation of the United States Post Office Department. Both the Senate committee and the Post Office Department have indicated that there is a need for such basic determinations.

At this late date I strongly urge that the House delay enactment of this measure so that next January it can be considered with due consideration for the findings of the Advisory Council to the Senate Post Office and Civil Service Committee.

Finally, I am strongly persuaded that we should once more raise the question among ourselves affecting the matter of economies promised by the Post Office Department, but not yet effected. In varying terms we have been told that a Post Office deficit of approximately $740 million has been reduced to approximately $350 million. That may be true but I am not convinced that it was all done as a result of economies achieved by the Post Office Department. Rather this great savings has come about principally as a result of an increase in postal rates over which the Postmaster General has control, and the shifting of expenses, such as air mail subsidies and the franked and penalty mail to other agencies of the Federal Government. If great economies can be achieved in the Post Office Department, and I am confident Postmaster General Summerfield and his great team of associates can, these should be made known after 18 months of operation. And I insist that they will have a direct and important bearing on postal rate legislation.

I was very much interested in the speech made on the floor of the Senate on July 16, 1954, in which a Member of that illustrious body pointed out that the Postmaster General had a $100 million savings in his 1954 budget based on the failure to realize the total volume of mail previously estimated. This kind of surplus has a definite bearing on rate measures as do many other real suggestions in the Senate Advisory Council's report showing where great savings can be effected. On transportation alone the forecast of savings by the Senate Advisory Council was verified in a study which said that some $80 million could be saved in this particular field. These and other economies ought to be thoroughly explored by the Congress before asking the American people and their business institutions once more to underwrite waste and inefficiency through increased postal rates.

Much has been stated recently about the need for combining the postal-rate bill and the postal-pay bill. I, for one, believe that they are separate matters and each should be reviewed on its own merits. It should be pointed out that this rate bill does not go into effect until January 1, 1955, and certain portions of it will not become effective until April 1955. Therefore, it would seem to me that very little revenue would be lost if consideration of this legislation is delayed until the next session of Congress.

It is a matter of record that over the past several years the consideration of a rate bill by the Senate Committee has required a minimum of 30 days, and in one instance, a period of 6 weeks. Surely there is no Member of this body who will believe that adequate consideration of this matter can now be given by the Senate committee at this term of Congress. This is a matter which vitally affects all of our people, and in that sense I consider it an item of major legislation which should not be brushed over lightly.

Therefore, I respectfully suggest that this measure be returned to the House Post Office and Civil Service Committee until we are apprised of the economies that the Post Office Department can achieve, until we can study and resolve the policy questions raised by the Senate Advisory Council's report, and until there exists more time in the Senate for adequate hearings to be given to all businesses affected by this measure.

SENATE

SATURDAY, JULY 24, 1954

(Legislative day of Friday, July 2, 1954)

(Continuation of Senate proceedings of Friday, July 23, 1954, from 8:35 p. m. on Saturday, July 24, 1954.)

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I offer an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 67, line 9, it is proposed to strike out "1959" and insert in lieu thereof "1969."

Mr. SPARKMAN. Mr. President, in a few words, I may say that the effect of the amendment would be to extend the time of the compulsory licensing from that which is provided in the committee bill, namely, 5 years, to a period of 15 years. In that connection, I wish to read a part of the President's message to Congress dated February 17, 1954, as follows:

> Until industrial participation and the utilization of atomic energy acquires a broader base, considerations of fairness require some mechanism to assure that the limited number of companies, which as Government contractors now have access to the program, cannot build a patent monopoly which would exclude others desiring to enter the field. I hope that participation in the development of atomic power will have broadened sufficiently in the next 5 years to remove the need for such provisions.

It is true that the language now carried in the bill is in keeping with the President's message; but I want to quote something from the minority views which I think has very cogent reasoning.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. HUMPHREY. Will the Senator be kind enough to read the President's statement again so that our distinguished colleagues on the Republican side of the aisle may hear what the President had to say about the Senator's amendment?

Mr. SPARKMAN. I am not so sure they will hear it, but perhaps they can read it in the RECORD tomorrow. I think the Senator is familiar with the saying, "There are none so deaf as do, having ears, hear not."

We have not been debating this bill for many days—as a matter of fact, just about one-third of the length of time we debated the famous Bricker amendment early in the year. I believe the country has been hearing us. However, from the method of legislating that is being pursued by the majority, it seems that what we are saying here is falling on deaf ears. I predict, however, that if this bill becomes law, they will hear it. They will hear later.

By the way, I had not intended to branch off on this subject, but I did want to make some remarks on it while the very able and genial majority leader is here. I wanted to say something about this most unusual way of legislating.

The PRESIDING OFFICER. The Chair requests the Senator from Alabama [Mr. SPARKMAN] to suspend until we have order in the Chamber. The conversations taking place in various parts of the Chamber will please cease so that order can be maintained.

The Senator will proceed.

Mr. SPARKMAN. I was making reference to the most unusual legislative procedure the majority has seen fit to invoke in considering this bill; that is, instead of meeting head-on the issue of the various amendments offered, instead of letting them be debated, very early in the game, after one speech, they make a motion to lay it on the table, cutting off debate. We saw that done this afternoon. The Senator from Minnesota [Mr. HUMPHREY], I believe, was the first victim in the wee hours of the morning. It was near the witching hour of midnight last night, I think.

Mr. HUMPHREY. Will the Senator yield?

Mr. SPARKMAN. I will yield for a question.

Mr. HUMPHREY. Is the Senator aware of the fact that the guillotine process was applied to the amendment of the Senator from Minnesota after a sum total of about 30 minutes debate?

Mr. SPARKMAN. I know the Senator from Minnesota [Mr. HUMPHREY] had indicated he did not care for extensive debate on the amendment, but, regardless of that, as the Senator so well said, the guillotine first fell on him. I was shocked by the procedure. I was even more shocked this afternoon when the motion was made to lay on the table the amendment of the able Senator from Rhode Island [Mr. PASTORE], affecting one of the most important provisions of the bill, and the heart of the message of the Republican President of the United States.

I submit, Mr. President, that the amendment offered by the distinguished Senator from Rhode Island was in keeping with the President's recommendations. I submit that it represents the heart of the President's recommendations. I submit that it was the very crux of the whole measure, the thing around which the President intended that any legislation on this subject should be built.

What happened? The Senator from Rhode Island made not a lengthy speech, I think probably an hour, and I do not think it really ran that long.

Mr. ANDERSON. Is it not true that, while the Senator from Rhode Island spoke a little while, he was interrupted frequently in a very illuminating and interesting discussion by the Senator from Ohio [Mr. BRICKER], and very probably that accounted for the length of the speech, did it not?

Mr. SPARKMAN. The Senator from Rhode Island was interrupted from both sides of the aisle in the course of his fine presentation. As a matter of fact, as quickly as he finished, our distinguished colleague on this side of the aisle, the very able Senator from Mississippi [Mr. STENNIS] was on his feet asking for recognition. That was before the motion was made to table. However, they could not see him and they could not hear the Senator. When the able Senator from Mississippi informed the majority leader that he wanted to speak on this particular subject, after waiting here all day for a chance, he could not be heard. The able Senator from Mississippi had indicated he wanted to speak on the measure, and some of the best speeches during the day in this debate were made by the distinguished Senator from Mississippi, and he said the amendment was important and he wanted to speak to it. The Senator from Mississippi was here all day waiting for a chance to speak on this measure, and he was standing on his feet and demanding recognition, but a motion was made which took him off his feet. It was to table the Pastore amendment. The Senator from Mississippi let it be known he wanted to speak on it. That was before the motion was made, and it was proposed to limit debate to 1 hour. If I recall correctly, the Senator from Mississippi said, in effect, "I do not have a long speech to make, but I do not want to tie myself to 1 hour."

Everyone knows that when a Senator gets up on this floor and starts speaking, and the other Senators interrupt and propound questions, it does not take very long for an hour to go by. I think everyone, upon sober consideration, will agree with me that the request of the Senator from Mississippi was quite modest and quite reasonable. Yet the guillotine fell just the same. Even after the motion to table was carried, the Senator went on and made his speech, and I submit it was a speech that many of those who voted for that motion to close debate ought to read.

Mr. HILL. Will the Senator yield for a question?

Mr. SPARKMAN. I will yield for a question.

Mr. HILL. Is it not true that it was not only one of the most thoughtful and able speeches which have been made, and also that the Senator from Mississippi very seldom takes much of the time of the Senate? Is that not true?

Mr. SPARKMAN. I believe everyone knows that when the Senator from Mississippi [Mr. STENNIS] speaks he speaks on subjects that are of interest to many people, and he speaks on subjects on which he is prepared.

I will say to the Senator from Alabama that the Senator from Mississippi utters few idle words from the floor of the Senate. Furthermore, I submit that nobody makes more able speeches than does the Senator from Mississippi.

Mr. LONG. Will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I will yield for a question only.

Mr. LONG. Does the Senator realize there are some of us who came to this chamber to hear this debate seeking enlightenment and not party discipline, and wanting to know what the facts were and to hear them developed, so that we

could vote intelligently on these amendments?

Mr. SPARKMAN. Certainly the Senator from Louisiana is right; what he says is true. This is often referred to as the greatest deliberative body in the world, and it is not because of empty talk. It is because here great issues of the times are supposed to be debated, issues vitally affecting the Nation and the world.

Mr. LONG. Will the Senator yield further?

Mr. SPARKMAN. For a question only.

Mr. LONG. Does the Senator realize that we have just heard an amendment offered by the Senator from Oklahoma, supported by a very fine speech made by him, taking the point of view that is taken by the rural cooperatives from one end of America to the other, and yet not a word of answer was made to his argument—nothing more than the majority leader saying "I move to table," a motion which is not debatable. And then behind the party lash, every Republican except one voted to table the amendment without even hearing a Republican answer to the argument made by the very able Senator from Oklahoma.

Mr. SPARKMAN. That is true. There is a great rush to adjourn. The majority leader said the date would be July 31, which is just a week from tomorrow. My guess is that Congress will not adjourn on July 31. There is a great rush to adjourn, and do you know Mr. President, why? It is because of a desire to go see constituents and talk to them.

How many of the able Senators, those who voted to table, will go back home and tell their rural cooperatives what ardent advocates they are of rural co-ops? Yet, the record is being made, and it is being made, as the Senator from Louisiana so well said, under the whiplash of party discipline.

Mr. LONG. Will the Senator yield for a further question?

Mr. SPARKMAN. First, I should like to say that I recently talked with a Member of the other body. Under the rules of the Senate, I cannot refer to that legislative body, but Mr. President, do you know what he said to me? He said, "Well, they are applying the gag rule to us on this side." They are not letting them have any freedom. I said, "They are trying their best to do it over here, too, but there are some of us who will not give way to it."

I think that is just what the answer is, too.

Mr. LONG. Will the Senator yield for a further question?

Mr. SPARKMAN. Yes; for a question.

Mr. LONG. Does the Senator realize that the first point of this debate opened on the Dixon-Yates private-utility contract, and a substantial number of Democrats were persuaded to the Republican side of that argument, that is, the argument made by the Republican majority on the committee.

Now the Republican majority is putting those same Democrats in a position that they are not able to judge the Republican argument because they do not even hear it. All we hear is a motion to table, and a straight party line vote with the exception of one Republican Senator, the Senator from North Dakota [Mr. LANGER] who votes his own independent judgment upon these particular items, one other Senator who sits on that side.

Mr. HICKENLOOPER. Will the Senator yield for a question?

Mr. SPARKMAN. I will yield to the distinguished chairman.

Mr. HICKENLOOPER. I want to ask the Senator from Alabama if it is not a fact that the majority leader submitted a unanimous-consent request allowing a period of time for debate on the amendment of the Senator from Oklahoma, and the majority leader indicated that he would agree to almost any time limit which might be suggested—30 minutes, 1 hour, or 2 hours. That has been his attitude, and the majority leader has even gone so far as to say, "We will give 6 hours' debate on any amendment." The majority leader said, "Let us have a time fixed within which to discuss these amendments," but not once has the other side of the aisle agreed even to 6 hours of debate on an amendment which the majority leader has been willing to offer. When he has been unable to get any kind of an agreement as to the period of time for debate on certain amendments, then he has had no other recourse but to move to table, because he knows that the filibuster will go on interminably on each minor or major amendment which is offered. Then, to have it said that an arbitrary procedure is being followed here——

The PRESIDING OFFICER. The Chair must advise that the regular order has to be followed, and the Chair will have to inquire whether or not the Senator from Alabama will make a request.

Mr. HICKENLOOPER. The Senator from Alabama yielded for a question, and I asked the Senator if he did not realize that that was the situation. That is a question, and I am asking the Senator that question.

Mr. SPARKMAN. Mr. President, I was about to suggest that that was about the longest question I ever heard.

Mr. HICKENLOOPER. I have heard some of the longest, most repetitious speeches I have ever heard, regrinding the same grist hour after hour, speaker after speaker, and I think it is high time that we got down to the meat of this thing and did some voting on the major issues.

Mr. SPARKMAN. Mr. President, let me say I always enjoy discussions with my good friend from Iowa, and I had no disposition to cut him off; but, Mr. President, I want to observe the rules. I am going to do my best, any time anyone asks me to yield, to make certain to say that I am yielding only for a question. I appreciate the interest of the Presiding Officer in checking up on the matter, and I honestly solicit his help in protecting me in my right to the floor.

Let me say, with reference to the question propounded by the Senator from Iowa——

The PRESIDING OFFICER. The Chair will say that a Senator who has the floor has a perfect right to stop immediately any statements being made by another Senator, when he has yielded only for a question, and when a question is not being propounded.

Mr. SPARKMAN. Thank you, Mr. President. Thank goodness there is freedom of debate in this one body of the world. In most so-called parliamentary bodies today that is not true; in fact, in many countries parliaments have been abolished and edicts take the place of laws. In others, the members simply do what the party-lash directs them to do. Thank goodness, that is not true in the Senate of the United States. I appreciate the statement made by the very able Senator from Louisiana a few minutes ago. We vote freely here. Thank goodness, there is freedom—freedom of discussion, freedom of speech, and freedom of expression of one's thoughts.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield for a question only.

Mr. HILL. Is it not true that when free speech is abolished in the Senate, the Government of the United States will have been changed?

Mr. SPARKMAN. Yes; and so long as there is freedom of speech in this legislative body of the United States, and freedom of election in this country of ours, we need not be afraid of anything.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question only?

Mr. SPARKMAN. I yield for a question only, but not for a long statement.

Mr. HUMPHREY. Is the Senator aware of the fact that when the majority leader propounds a unanimous-consent request, if it does not meet with the unanimous consent of this body, the traditional pattern of conduct on the part of the majority leader, at any stage of our deliberations, is for the debate to continue, and, indeed, when the majority leader feels that the request may have a more friendly reception, he propounds it again? Is not that the procedure?

Mr. SPARKMAN. Yes; with this added feature: Ordinarily the majority leader consults the minority. Now, has there been any consultation with those who have been leading the fight on this side of the aisle? I do not know of any consultation. And when I stop speaking and sit down I can hope for but one thing, perhaps, and that is a quorum call; and then I know, as soon as that is over, there will be a motion to table my amendment. Now, what inducement is there for me to start to speak when I know that is coming? [Laughter.]

Mr. HUMPHREY. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. First let me say that there are many things I want to say, and I do not dare sit down without saying them. I would be willing to chop them up into little pieces, putting a little on this amendment, and a little on the next amendment, and a little on some other amendment, if permitted. But I am not going to take the chance.

The first speech I made on this bill, I had this brief in my hand. It was early in the night, just a little after 9 o'clock, I was supposed to go on. The majority leader had announced that he was going to keep the Senate in session until 10

o'clock that night, and I was fully prepared to speak until 10. He came to me at 9 o'clock, or a few minutes after, and asked whether I was ready to stop. I said, "Well, if you will let me round out the subject I am talking on now, I will." When I concluded, I said, "There is another subject that is of vital concern to me." And by the way it is the very subject, the very section to which my amendment applies, and to which the amendment of the distinguished Senator from Oklahoma applied—the same provision—and I said then that I had this speech. I did not have a chance to deliver it, because the majority leader said he wanted the Senate to recess. I said, "Sure, that's all right, go on and recess." A couple of nights ago I spoke again, and on that occasion I spoke until about 11 o'clock—or something like that—and again I got right up to the speech I am now making. The majority leader had announced that night that he was going to recess at 10 o'clock and finally, about 10:20, I said to him, "Now, I have finished the particular subject I have been discussing; but there are other subjects I wish to speak on. I want to talk about anti-monopoly." I said, "I do not insist on talking about it, provided it is covered the way I think it ought to be covered in the course of this debate, but certainly it ought to be covered." I said, "Furthermore, I want to talk about the licensing and patent provisions of this bill," and I said, "I have my speech prepared. I do not have to give it tonight; I can wait and give it on some morning."

Now, Mr. President, I do not know whether I am going to get the floor anymore, so I am going to give this speech tonight before I sit down.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Minnesota, for a question only.

Mr. HUMPHREY. In view of what the Senator from Iowa has had to say about the unanimous-consent feature, does the Senator from Alabama agree with me that, during the time we were operating under the normal rules of the Senate, we were able to discuss, debate, and come to a decision and a vote on the Anderson amendment, the Ferguson amendment, the Johnson amendment, the Gillette amendment, and two amendments offered by the junior Senator from Minnesota? Is not that the truth?

Mr. SPARKMAN. That is correct; and regardless of all of the claims that are made about a filibuster, and about trying to keep this bill from coming to a final vote, as a matter of fact under the circumstances, I think we have made remarkable progress in the consideration of this most important piece of legislation.

I am now winding up my 18th year in Congress, and my 8th year in the Senate. Of course, in the House all-night sessions are more unusual than they are in the Senate, because the House operates under rules of relevancy and rules of limitation on time. Therefore, in the House there is not the same drawn-out deliberation. The Constitution, in creating this body as it did, with two Members from every State, regardless of the size of the State, intended it to be small enough so that it could talk and debate and discuss and try to work out great public issues as they were presented.

Mr. HILL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield for a question only.

Mr. HILL. Is it not true that George Washington, himself, compared the Senate to a saucer in which to pour the coffee, so that the coffee might cool?

Mr. SPARKMAN. The Senator is exactly correct. May I suggest to him that perhaps he should have said, "in which the coffee might be blown until it was cool."

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield to the Senator from New York, if he desires to ask for information.

Mr. LEHMAN. I am asking the distinguished Senator from Alabama whether he knows of any reasons why the date of July 31, as the adjournment date of the Senate, or of the Congress, is sacrosanct?

Mr. SPARKMAN. No, it is not; but in the Legislative Reorganization Act, there is a provision that the two Houses shall adjourn sine die on July 31, unless they provide by joint resolution for adjournment at a later date. Of course, there is nothing sacrosanct about it. The Senator from Washington [Mr. MAGNUSON], who made a very able speech in the early hours of this morning, discussed that question at some length. Of course, there seems to be an inordinate desire to get Congress out of town.

Mr. LEHMAN. Mr. President, will the Senator yield for another question?

Mr. SPARKMAN. Please let me go a little further. There seems to be an inordinate desire to get Congress out of town; but there is no necessity of that, at all. As a matter of fact, the able Senator from Washington this morning announced that he had stayed here in sessions of Congress all year. I believe he said that at least there was one that adjourned on December 31, as a matter of fact. I reminded him, later, that the record session of all history was made while the able Senator from Washington was serving in the Senate. That was in 1944. The Congress remained in session every day that year, which happened to be a leap year, and therefore it was in session 366 days. That cannot be beat.

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield to the Senator from New York for a question only.

Mr. LEHMAN. Is there anything sacrosanct in regard to the date of adjournment, August 7 or August 14 or August 21, or, if necessary, August 28?

Mr. SPARKMAN. Not at all; nor September 15, nor October 1. As a matter of fact, I am of the opinion that some Senators, in view of the way they have voted on this bill would be better off if they postponed going home to their constituents. [Laughter.]

Mr. LEHMAN. Mr. President, will the Senator from Alabama yield for another question?

Mr. SPARKMAN. I yield.

Mr. LEHMAN. Is it not a fact that we who serve in Congress are paid by the year, with a very definite understanding on the part of the American people that we are going to do our job, and that we are going to stay on the job just as long as may be necessary?

Mr. SPARKMAN. Of course, the Senator from New York is correct. I remember that when I first came to Congress, I was a member of a law firm. I resigned from that law firm, and gave up all connection with it, because I felt that I should devote my full time to my duties as a Member of Congress. As a matter of fact, in the course of my campaign I announced that, if elected to Congress, I would devote my full time to this office; and I have been doing so ever since, and I intend to keep on doing so. That is no more than what should be asked of every Member of Congress.

Certainly we Members of Congress will receive our pay regardless of the length of the session, and certainly we should not run away from the job.

Many persons ask "Are you going to finish by July 31?"

Of course, July 31 was the day the majority leader insisted for a long time would be the final day of the session, although a few days ago he changed his statement, and said it might be a little later that the session would adjourn.

When asked whether we would finish on July 31, my invariable answer was, "We will not finish by July 31. If that is the final date, we will just quit."

Mr. LEHMAN. Mr. President, will the Senator from Alabama yield for a further question?

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Does the Senator from Alabama yield to the Senator from New York for a question?

Mr. SPARKMAN. I yield.

Mr. LEHMAN. Will the Senator from Alabama state what opinion the American people will have of the Congress if it quits, instead of finishing its job?

Mr. SPARKMAN. I think that would justify a scolding by the people—if we were to run from the job and quit the job, rather than finish it. Furthermore, in that case we would not have done the kind of job we could afford to boast of, when we go back to our constituents.

Mr. HICKENLOOPER. Mr. President, will the Senator from Alabama yield to me for a question?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. Apropos of the very apt historical reference the senior Senator from Alabama made a moment ago—about George Washington's reference to the Senate as being like a saucer into which he so graphically demonstrated that coffee would be poured, to cool—and this is my question: I wonder whether the Senator from Alabama thinks that, as demonstrated by the filibuster of the last few days, the coffee has been removed, and applesauce has been substituted. [Laughter.]

Mr. SPARKMAN. Mr. President, in answer, I would say that if we wish the

RECORD to be absolutely correct, it should be stated that tea was what George Washington said should be poured into a saucer.

But I still think that down our way, the illustration given by the able senior Senator from Alabama is quite appropriate.

Of course, so far as applesauce is concerned, we might call on the distinguished senior Senator from Virginia [Mr. BYRD] to discuss the merits of that. [Laughter.]

Mr. HICKENLOOPER. Mr. President, will the Senator from Alabama yield for another question?

Mr. SPARKMAN. I yield.

Mr. HICKENLOOPER. Is not the Senator from Alabama fully aware that my confidence in the senior Senator from Alabama is such that I took his reference to coffee as sacrosanct, if we may use a word that has been bandied around considerably during the debate, and I assumed, without question, that it was, indeed, coffee, not tea. [Laughter.]

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield for a question.

Mr. HUMPHREY. Would the Senator from Alabama be of the mind and the view that when there is debate that extends, let us say, for a week, in regard to a contract which includes most unusual terms, such as a provision that the Federal Government will pay all the State, local, and Federal taxes of a utility which is to have a 25-year, guaranteed contract, those circumstances would, of course, compel those who would like to hush up that information to wish to stop the debate?

Mr. SPARKMAN. I think the Senator from Minnesota is correct.

He has pointed out something else that is quite significant, too—namely, that of the 10 days—if that is the correct number—that we have devoted to debating the bill, so far, more than half that time has been spent on that one feature—the contract feature, and certainly that much debate on that feature of the bill was not too long, for at the end of that debate we voted on that part of the bill, and got away from it.

Next came, I believe, the amendment of the Senator from Colorado [Mr. JOHNSON]—a most important amendment. Certainly it could have justified a week's debate, if both sides had actively entered into debate on it. However, the debate on it took only half a day.

Mr. HILL. Mr. President, will my colleague yield to me?

Mr. SPARKMAN. I yield.

Mr. HILL. Does my colleague think that, but for the debate and the speeches made on the floor of the Senate on the amendment of the Senator from Colorado [Mr. JOHNSON] and all it means to the people of the United States, and particularly to the REA's, that amendment would ever have been adopted?

Mr. SPARKMAN. Absolutely not. Yet I marvel at the shortness of the debate on that very important amendment.

Next came the amendment which was submitted by the distinguished Senator from Iowa [Mr. GILLETTE], on behalf of himself, the Senator from Minnesota [Mr. HUMPHREY], and three other Senators, as I recall. That amendment related to the preference clause, and would make that clause applicable to the power which can be generated in the plants provided for under the amendment of the Senator from Colorado.

I had to leave the Chamber to go to a committee meeting, and while I was at the meeting I was told that the amendment of the Senator from Colorado had been adopted—adopted within 30 minutes' times, I imagine. Yet I imagine that when the preference clause was written into the Federal Power Act, that clause probably required several days of debate.

But in the case of this bill, when we were writing the preference clause into a bill dealing with this type of power—after the committee had left out the amendment—it took less than 10 minutes to debate the amendment.

Then came the amendment of the Senator from Minnesota [Mr. HUMPHREY]. I do not believe it received more than 3 hours of debate, and then was voted on.

All along we gave assurance to the majority leader that we were willing to have the amendments taken up one at a time and to have them given adequate debate, and then to have them voted on.

We have not been proceeding aimlessly; we have not been trying to prevent votes. The fact that we have been allowing amendments to come to a vote shows that has not been the case.

Mr. HILL. Mr. President, will my colleague yield further to me?

Mr. SPARKMAN. I yield.

Mr. HILL. Does not my colleague believe that if there had been reasonably full debate on the amendment of the Senator from Oklahoma [Mr. KERR], it might have been adopted and written into the bill?

Mr. SPARKMAN. Yes; and I believe that when the Members who voted to table that amendment discover what was in it and what its implications were, they will be sorry there was not a somewhat more extended debate, in order that their attention might have been called to just what the substance of that amendment was.

Mr. LEHMAN. Mr. President, will the Senator from Alabama yield to me for a question?

Mr. SPARKMAN. I yield for a question.

Mr. LEHMAN. Will not the distinguished Senator from Alabama agree with me that the amendment of the Senator from Minnesota [Mr. HUMPHREY], which was tabled last night, was debated before the Senate for less than 1 hour.

Furthermore, I wonder whether the Senator from Alabama will agree with me that the amendment of the Senator from Rhode Island [Mr. PASTORE], which very greatly affected the international exchange provisions of the bill, was tabled after debate of not more than 1 hour.

Finally, I should like to ask whether the Senator from Alabama will agree with me that the amendment of the Senator from Oklahoma [Mr. KERR], relating to patents, which may run for countless years, and on which it is proposed that the Government of the United States give up all rights, after 5 years, was debated for less than 2 hours?

Mr. SPARKMAN. Yes; the Senator from New York is correct on all three scores.

Let me refer to one of the amendments; namely, the amendment of the Senator from Rhode Island [Mr. PASTORE]. That amendment dealt with a subject to which the President of the United States devoted an entire message; he devoted a whole speech to the nations of the world at the United Nations, on December 8 of last year, to that one subject. He sent to Congress a message dealing with it, and he also sent to Congress a bill to put it into effect. That bill never saw the light of day, except as it was printed in the CONGRESSIONAL RECORD, in the course of this debate, simply as an exhibit, after request had been made to have that done.

Mr. President, if I felt that the Senate would, under the provisions of that section, approve a treaty or an agreement or any legislative measure to implement any part of that section, and would do so with no less consideration than that given today to the amendment of the Senator from Rhode Island [Mr. PASTORE], I would be terribly disappointed. Certainly such a procedure would violate the definition of the character of the Senate as the greatest deliberative body in the world.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield to me for a question?

Mr. SPARKMAN. Yes; although let me say to my colleagues that I never did get around to reading the part of the minority views I wished to read. So after I answer the question the Senator from Minnesota wishes to ask me, I should like to read that part of the minority views.

Mr. HUMPHREY. If I may proceed in the Socratic method to ask a question on a point which I believe the country will hear about, I ask this question of the Senator from Alabama: Is it not true that, first, the public, as represented by those who are in the gallery tonight, have $12 billion of their money invested in the very program we are discussing tonight?

Mr. SPARKMAN. That is what I am going to speak about for a few minutes, and I hope to get to it before the night is over. [Laughter.]

Mr. HUMPHREY. Mr. President will the Senator from Alabama yield for another question?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. Is it not true that the use of that resource, which has cost the American people $12 billion, is now being planned, under the provisions of the pending bill to convert that resource into electrical energy?

Mr. SPARKMAN. That is correct.

Mr. President, let us keep in mind, first, that $12 billion represents the investment. The result of that investment is directed in two different ways—one, in the way which we think of as the

main use—for use in military weapons. That was the purpose which was had in mind at the time when the atom was split as the result of the experimentation conducted during the war. Under those circumstances, with the war going on, we naturally turned all our energies to developing into weapons with which to win the war, the tremendous power which was released when the atom was split. We wished to use those weapons to stop the enemy and to win the war; and that development had a great part in doing just that.

After the war was over, while we were waiting for the other nations of the world to adjust themselves to a condition which we might consider one of peaceful existence, we continued to make weapons—more and more powerful weapons, bigger weapons, more destructive weapons, more terrible weapons; and we continued to stockpile them, against the day when we might need them.

Of course, when the atom was broken, we knew all the time that there were great possibilities in it for peaceful uses, and when the McMahon Act was originally written it looked toward peacetime uses and contained some very wise provisions. However, not until now have we reached the turning point, or the crossroads where, with the know-how, we can definitely lead off in the direction toward the use of a great part of atomic energy and nuclear materials for the beneficial results it is capable of giving to mankind. That is what we are legislating on now.

While we are now legislating with reference to how atomic energy is going to be handled for military production, that aspect is not greatly changed from the McMahon Act, if I understand correctly. But we are taking a step toward a tremendous change with reference to peacetime uses. We have reached a point where we, in effect, say that we are far enough along to be able to dedicate a great part of atomic energy to peaceful uses.

Let us devise the best plan we possibly can to make certain that it gives the greatest service possible to every segment of American life, and, if we carry out the President's recommendations, perhaps it is possible that it can be used for the uplifting of the standards of all the world that is willing to join in and agree to a peaceful existence.

That is the point tonight, and the chart we follow in this legislation will determine the course which will be followed for many, many years. It is a big undertaking, and that is the reason we must be careful to write safeguards in this proposed legislation, and that is the reason we must make certain that the Government keeps a controlling hand over the development of atomic energy, because of the expense involved.

It is so tremendous that, other than the Government, only a very few of the largest concerns in the country can afford to experiment with it and develop it and make use of it under the arrangements contemplated in the committee bill. That is the reason why the amendment offered and put through by the distinguished Senator from Colorado [Mr. JOHNSON] was of such great importance.

I remember it was the first day of debate when the distinguished Senator from Colorado [Mr. JOHNSON], who has long been a member of the Joint Committee on Atomic Energy, in an exchange with the very able Senator from Rhode Island [Mr. PASTORE], likewise a member of the joint committee, asked a question about the authority given to the Federal Government, that is, to the Atomic Energy Commission, to build a plant for the purpose of generating power.

I remember the exchange that day, and the Senator from Colorado then gave notice that he was going to offer such an amendment because it ought to be a part of the law. He offered the amendment and, thank goodness, a sufficient number of the Members of the Senate realized its importance and wrote it into the bill. I earnestly hope it will stay in the bill, if the bill is enacted into law.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. HUMPHREY. Is it not true that the purpose of the Senators who are carrying on the fight concerning the bill which is before us, S. 2690, is to write into it the principles of conservation and public policy on public power of Teddy Roosevelt, our great President, and of George Norris, our great Senator? Is not that our objective?

Mr. SPARKMAN. Yes; and I thought of Gifford Pinchot. I never think of Teddy Roosevelt representing conservation that I do not think also of Gifford Pinchot. Both of them, by the way, were Republicans.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. SPARKMAN. Yes; but I wish there were a few more Senators to let it sink in that there were two great Republicans who believed in conserving the natural resources of this country.

Mr. HUMPHREY. Would the Senator from Alabama say that it would be well for our distinguished friends on the other side of the aisle to return to the faith of their fathers, and to spurn the new-found public utility cousins that have recently come into the household of Republicanism.

Mr. SPARKMAN. My thought is of the old saying, "Can a leopard change its spots?"

Yes; I wish that I might think that the Republicans of today would go back to the Republicanism that was practiced by Teddy Roosevelt, and by Gifford Pinchot, and by the founder of their party, Abraham Lincoln. There have been other great Republicans, I am sure. I cannot think of too many.

I yield now to the Senator from Illinois.

Mr. DOUGLAS. I was going to ask the Senator from Alabama whether it was by accident or design that in speaking of great Republicans, he always used the past tense.

Mr. SPARKMAN. It has been a long time since they had a chance to test themselves, and they have not passed the test yet in the present.

But now, Mr. President, returning to one of the minority views on this bill, with reference to the provision of time for compulsory licensing, the President said, I will remind the Senate, that we ought to make that time sufficiently long to be certain that industrial participation in the utilization of atomic energy would acquire a broader base, and then he suggested 5 years.

The minority views say this:

> While we believe that the President's proposal for compulsory patent licensing is necessary until such time as interested industrial concerns are on a more equal footing in their acquisition of skills and experience in atomic technology, we believe both the President and the sponsors of this bill are unduly optimistic in the hope that a period of 5 years will suffice to reach that stage. It would take at least 5 years to construct a sufficient number of reactors for making a comparative evaluation of performance. It will take at least 5 years more to accumulate the economic and engineering data for these evaluations. The Congress would be better advised, as an able patent attorney and former deputy counsel of the Atomic Energy Commission specified before the committee, to strike the September 1, 1959 termination date, and leave open the time for legislative removal of compulsory licensing. The Congress could then enact the necessary legislation at such time as a broad industrial base for atomic energy became evident. At the very minimum the period of compulsory patent licensing should extend for 10 years.

The 10 years is not a figure they just grabbed out of the air. They tell you why. Let me remind you why they suggest 10 years.

Five years is the time necessary for building the reactors. It takes 5 years to get the plants built. But, 5 years is the life of the compulsory licensing in this bill. So nothing has been tested, nothing has been tried and it has been impossible to experiment, and it is not known whether it is going to work or not because the reactors have just been completed. They have not even been fired up yet, and no energy has been produced. There has been no power to put on the lines.

The other night we got into a discussion as to what it was that flowed through the wires. We had been talking about watts flowing through the wires, and someone informed us that watts do not flow; that the amperes did the flowing, and when they came out at the end of the wire they were jammed through with such force that they became watts. A time element, of course, is involved, too. But none of this electric current would be flowing at the end of 5 years. So they said, "Hook them up and let them run; let them generate power, and let their power be sent over the wires. Measure the results over a period of 5 years, and then maybe we will have something to go on."

In other words, if instead of taking a minimum of 10 years, they took 5 years, they would not know where they stood.

If that be true, certainly there ought not to be any cutoff of compulsory licensing and compulsory patent licensing at this time.

That is the reason why I have added 5 years, to make a total of 15 years. In fact, I think the minority made a good

suggestion. It was with reference to the time when there will be broader business and industrial participation that President Eisenhower spoke in connection with letting Congress enact new legislation, just as it is doing now with respect to changing and bringing up to date, and purportedly to perfect, the McMahon Act, which has been in existence since 1946.

Mr. LEHMAN. I do not wish to interrupt the Senator; but if he will yield, I wish to ask him a question.

Mr. SPARKMAN. No one has shown greater zeal or greater ability in dealing with the proposed legislation than has the distinguished and able junior Senator from New York. I am glad to yield to him at any time for a question.

Mr. LEHMAN. This will be a very brief question. I wonder whether the Senator from Alabama recalls that in the message sent by the President of the United States to the Senate as recently as February 17, 1954, he made the statement that the 1946 McMahon Act was, in the main, still completely adequate.

Mr. SPARKMAN. The Senator is exactly correct. I think it is a great tribute to the late great Senator Brien McMahon that this act has done the work it has accomplished over the years it has been functioning. Remember, that act was written absolutely from scratch, without any previous experience. We did not know what would be the result. I remember something about that debate. I have made reference to it heretofore. At that time I was a Member of the House of Representatives, and of the Committee on Military Affairs. Atomic legislation in the House was handled by the Committee on Military Affairs. My recollection is that the Senate formed a special committee for the purpose of handling such legislation. That was done under a resolution introduced by Brien McMahon, and he was appointed chairman of the special committee created solely for that purpose. However, in the House, since the subject of atomic energy was presumed to deal primarily with defense, legislation relating to it was referred to the Committee on Military Affairs, of which I was a member.

I helped to write the law. I remember something about the terrific fight which occurred at that time. It was not over the same things which are being fought about in this bill. Yet they were in mind. However, it being wartime, we thought of atomic energy as being part of the military defense, for the purpose of building weapons. The big fight which developed—and particularly was this true on the House side—was to decide whether the development of atomic energy should be controlled by the military or by civilians. As I recall, the majority of the committee overrode the minority by a very close vote. My recollection is that we who contended that the development of atomic energy should be controlled by civilians lost by, perhaps, a one vote margain. At any rate, the vote was very close.

But the other version was reported to the House. The Senate, however, passed the McMahon bill. The House, as I recall, modified the May bill, as it was called on our side, having been named for the chairman of the Committee on Military Affairs; and as a result of the conference between the two committees, there came forth the act which has since been referred to as the McMahon Act.

When it is remembered that we were starting out in a brand new field, uncharted, unmapped, dealing with a new subject, and when we realize what has been accomplished under that act during the last 8 years, certainly we should give approval to the statement made by President Eisenhower, when he paid the compliment he paid to the McMahon Act.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the distinguished senior Senator from Colorado, who, I believe, from the very beginning has been a member of the Joint Committee on Atomic Energy, for a question.

Mr. JOHNSON of Colorado. Does the Senator from Alabama recall the first bill which was introduced on that subject in the House was introduced by Representative Andrew J. May; and in the Senate it was introduced by Senator Johnson. At that time it was called the Johnson-May bill, and the bill which we introduced was drafted in the War Department. I happened to be the acting chairman of the Senate Committee on Military Affairs at that time, and Representative May was chairman of the House Committee on Military Affairs. When the bill came to us, we introduced it.

Does the Senator from Alabama know that in the course of working out the McMahon bill in the Senate, nine different versions were drafted before it was possible to write a bill which was satisfactory to everyone? And does the Senator know, further, that the conflict between the military and the civilian branches, which the Senator speaks of, was also the subject of a controversy in our committee, and that many weeks were required to resolve the question whether the military was to remain in complete control of the development of atomic energy, or whether civilians would control it? Finally, the McMahon bill was worked out.

I want the Senator from Alabama to know that I join him in the tribute he has paid to our late colleague, Senator Brien McMahon, for the great job he did, and the foresight and vision he had, to be able to write the kind of legislation which has been enacted on this subject. Certainly he is deserving of the greatest tribute that can be paid to any Member of the Senate for the splendid work he did on that particular legislation alone.

Mr. SPARKMAN. I certainly appreciate those words from the Senator from Colorado. I appreciate his giving us the narration of how the legislation was handled in the Senate. I was not fully familiar with the fight on the Senate side, because my time was pretty well taken up in the House. I recall, since the Senator has mentioned it, that the bill was introduced in the Senate by the distinguished senior Senator from Colorado [Mr. JOHNSON] and, in the House, by the chairman of the Committee on Military Affairs. I think it is most interesting to have the Senator remind us that in the consideration of the measure in the Senate there were nine different versions. I dare say there was not a motion to table a single one of them. All of them were fully discussed, not only in the committee, but in the Senate. I do not remember exactly, but I believe a long time was taken before the legislation was passed. I think it is a remarkable tribute to all the Members of Congress who participated actively in the final draft of the legislation that it has served so well and, as the President has pointed out, is not badly in need of overhauling now. Probably it does need some addenda, in order to point properly to the new courses it is going to take.

With further reference to the late able and distinguished Senator from Connecticut, Brien McMahon, I shall never forget seeing him rise one day on the Senate floor to deliver the wonderful speech which challenged the whole world to a willingness to share our resources, provided they would be shared in peace. I remember the virtual dare which he made to Russia and the other nations behind the Iron Curtain to come in and join in a program of building the world.

I recall some of the great speeches which were made by the late Senator McMahon on the Senate floor with reference to the future of atomic energy. As the Senator from Colorado has so properly said, he was indeed a man of vision, who saw much that lay ahead in the value of the power which had been released by learning to break the atom.

Mr. President, I have read from the minority views the portion with reference to extending the time of the compulsory licensing section. I recall to the minds of Senators that the minority suggested that no time limit be set, but that, by no means, should it be hoped that any worthwhile results could be obtained in a period shorter than 10 years.

Let me call attention to this: Suppose it is just 5 years, as is provided in the bill. The Senator from Colorado, who not only is a member of the Joint Committee on Atomic Energy, but who for a long time has been chairman of the Committee on Interstate and Foreign Commerce, which deals with matters of this kind, and other Senators, who are members of the Committee on the Judiciary, where questions of this kind are dealt with, know that it is a simple matter, if one has a good patent, merely to sit on it for 5 years. That is enough. That is sufficient in a great field of tremendous production and productivity. Five years is enough. All that would be necessary to be done under this bill would be to sit on the patent for 5 years. Then it belongs to the owner, and there is no compulsion; it can be used fully to the owner's benefit, without his having to license it, so that all the people, generally, would have an equal opportunity to share in the benefits of the particular process, patent, or procedure.

Even 10 years is not long for some patents. I believe that my proposal, which would set the time at 15 years, would be entirely reasonable.

Mr. President, at long last I am reaching the point where it seems that I may get to the speech I wanted to make on the very first day, the very first time I had an opportunity to speak on the measure.

While it happened that on that particular night I was talking about the most unusual contract which is to be made in accordance with the directive from the President of the United States to an independent agency, a contract for the delivery of power, a contract with a corporation which is not yet in existence to buy the power from a plant which has not yet been built, to be bought by the Atomic Energy Commission, not one kilowatt of which would have to be used by the Atomic Energy Commission, or could be used in any way in connection with it.

That is the language of the Commissioners themselves. They protested against it and said that it was completely out of their field; that they were being directed to go out and buy from one concern, without competition and without bidding. They were directed to buy from one concern, power, not one single kilowatt of which ever would be used in connection with—that is the phrase they used—"in connection with"—and, by the way, that phrase is the law—that is what the law provides—that they are authorized to buy power to be used in connection with the construction operation—the Commission said that not one single kilowatt of the power would be used in connection with the operation of any one of the atomic installations.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me finish this statement, and then I will yield to the distinguished Senator from South Carolina.

I was speaking of a certain night, when I said that there were other things in the bill which should be debated, and that one of them was the question of the patents, which I shall discuss this evening.

I said at that time that another section which should be debated, and should be debated most carefully, was that related to the international pool which the President requested. That is part of the President's program. The pending bill is far away from the President's program. As a matter of fact, thank goodness, a good block of us on this side are supporting the President's program against his own party.

But what happened when the President's program came up for consideration? Consideration was snapped off after 1 hour of debate. No one else was given an opportunity even to talk about it, even though there had been much careful study, none of which was greater or better than the very thorough study made by the distinguished Senator from Mississippi. Thank goodness, I shall get a chance tonight to talk about patents.

Now I yield to the Senator from South Carolina for a question.

Mr. JOHNSTON of South Carolina. Is it not true that the three atomic energy Commissioners were against this contract?

Mr. SPARKMAN. Three of the five. There are 5 Commissioners, all told, and 3 were against it; and they said so. There is no guesswork about it; it is in the record.

Mr. JOHNSTON of South Carolina. Is it not also true that although they were against it, they signed it?

Mr. SPARKMAN. No; it has not yet been signed, but they said that if the President ordered them to do it, they would go along. At the same time, however, they said, "It is completely out of our field."

Mr. JOHNSTON of South Carolina. They said they would approve it, did they not?

Mr. SPARKMAN. Under the whiplash of the Executive order.

Mr. JOHNSTON of South Carolina. Did they not also insinuate that they had already received orders to enter into the contract?

Mr. SPARKMAN. Oh, yes; their letter was prompted. Two of the Commissioners wrote a letter. They did it because they had received a letter from the Director of the Budget, who said, "The President has directed me to ask you to go out and buy this block of power, not for yourselves, but for the people of Memphis"—from a corporation which did not even exist, from a powerplant which has never been built.

Mr. JOHNSTON of South Carolina. The Senator was a Member of the House of Representatives when the original Atomic Energy Commission law was passed; was he not?

Mr. SPARKMAN. When the original legislation was passed, yes.

Mr. JOHNSTON of South Carolina. I was a Member of the Senate at that time. Was it not the understanding of the Senator at that time that the Commission would be an independent agency?

Mr. SPARKMAN. Of course. Congress set it up as an independent agency, provided for Commissioners who were not subject to removal except for cause, and gave them the same independent status we have given to so many other agencies.

Someone here tonight said something about being amazed at the President saying at his news conference just this week that he did not know that the three Commissioners were opposed to this proposal. Somebody had not told him. But he went further and said that he did not regard it as an independent agency, like the Interstate Commerce Commission and the Federal Communications Commission. Those were the two. Of course, they are not exactly the same; there may be some differences, some situations in which the Commissions are quasi-judicial because they have certain decisions to make, and even a legislative commission would have some decisions to make.

Mr. JACKSON. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Washington.

Mr. JACKSON. The President got some very bad advice from someone when he sent a directive to the Atomic Energy Commission ordering them to negotiate a contract with this private firm. Would not the Senator agree that in the normal course of events the President would not think up such an arrangement?

Mr. SPARKMAN. I am certain the President did not think it up. I do not know where that advice came from, and I say that because the President forgot where it came from, since in one of his press conferences he made the statement that he had to rely on the staff of the Attorney General. But just a few days before that his Attorney General, on a well-known nationwide radio and television program, Meet the Press, when the question was asked him if he had passed on this question, said no, the question never had been referred to the Department of Justice. So apparently the advice came from somewhere in between the Department of Justice and the White House, and I am just afraid that the "in between," was not some of those who always have the interests of the people most at heart.

Mr. JACKSON. Does the Senator recall an agreement wherein the Government not only guarantees a profit, or a return on the investment, of 9 percent, and, in addition, no competition in getting that agreement, plus the most unusual thing of all, a provision under which this preferred company will not have to pay any local taxes?

Mr. SPARKMAN. Not only local taxes. Is it not excused from paying income taxes, as well?

Mr. JACKSON. Well, that is my feeling of what every American is looking for—no taxes of any kind.

Mr. SPARKMAN. I differ with the Senator from Washington. I think the average American is willing to support his Government; but this corporation is one concern that will not support the Government. It will be supported by the Government.

Mr. JACKSON. I suppose all Americans want to pay no taxes.

Mr. SPARKMAN. For my part, I could not feel very patriotic if I were excused from sharing in the expenses of the Government. If the offer were made to me, I do not think I would accept it. I know it is not going to be made to me.

Mr. JACKSON. Does the Senator recall any contract this Government ever made which permitted a firm with which it was contracting to avoid the payment of taxes?

Mr. SPARKMAN. Not one.

Mr. JACKSON. My only point was that if they are to enter into a contract with any firm, with such a provision included, they should enter into such arrangements with 160 million American citizens.

Mr. SPARKMAN. They could not do that, of course. I will state further that in the course of the debate there was reference to private enterprise. Of course, we all believe in private enterprise, and I know, and my colleagues all know, that two of the fundamental characteristics of private enterprise are: The payment of taxes and the assumption of risk, and neither one is included in the contract with this firm, and the Government relieves them of the responsibility.

Mr. JACKSON. The Senator could add the factor of competition.

Mr. SPARKMAN. I am glad the Senator added that. There has been no bidding, and up to last week this company had not even been organized, and we do not even know whether they can get a charter. They have to go through the Securities and Exchange Commission. Of course, the President could send a report to this independent agency to have it go through, but I do not know whether they would comply with the direction. I hope they would not, for the very purpose of that Commission is to protect the people of the United States, the interests of the people of the whole country, and not to carry out the orders of the Executive.

Mr. JACKSON. Does not the Senator believe that, with this kind of precedent being established, the administration is going to find it difficult to resist other requests for tax exemption, no competition, and no risk?

Mr. SPARKMAN. I hope not. I hope they will see the folly of this. As a matter of fact, I hope—no, I will change that, because I have always been taught that hope has an element of expectation in it—I do not expect it. I wish very much that this administration would see the folly of its ways on this proposition, and would stop it now, and not even go through with this one, much less go any further. However, I do not expect the administration to do it, because powerful forces are working for this thing.

Let me say those same forces, by the way, are also working against the Johnson amendment, which the Senate voted into the bill last night. The same forces are moving heaven and earth today, as they will be, tomorrow, if the House votes. Today, they are proposing to get the House to leave that amendment out of the bill, because they know if the House retains it, it then becomes a part of the law. There are bad features in this bill, but the Johnson amendment goes a long way toward improving it; and I hope to goodness the House will write into it the same provision the Senate wrote in—the Johnson amendment. If it does, we shall certainly be assured of one good provision, in the event this bill becomes law.

Mr. JACKSON. Is it not true that the amendment offered by the Senator from Colorado [Mr. JOHNSON], together with the strengthening amendment offered by the Senator from Iowa [Mr. GILLETTE] relative to the preference provision, will at least provide a yardstick and some competition in the generation of atomic power?

Mr. SPARKMAN. In determining the cost.

Mr. JACKSON. That is what I mean.

Mr. SPARKMAN. And in determining basic facts relating to the generation of power through the use of atomic energy. The Senator is exactly right, and we need it in order to give basic protection to the people generally throughout this country—not for one group, not for the big companies that are able to put up the cost. I do not know much about this, but I have been told—and the Senator from Washington probably knows this better than I do, since he used to be, if I remember correctly, on the Joint Committee on Atomic Energy, when he was a Member of the House——

Mr. JACKSON. For 4 years.

Mr. SPARKMAN. He probably knows this better than I do, but I have been told that the minimum cost of one of these reactors, which is big enough to afford a real test in the manufacture of electric power, is $200 million, and that the cost might run from that on up to $1 billion.

There is not a single rural cooperative, I may say to the able Senator from Vermont, who is very greatly interested in rural electrification—there is not a single rural cooperative or group of cooperatives in America that could ever afford to buy one of those reactors.

Should they have to depend on General Electric or Westinghouse, or somebody else? Or should they have the right to look to the Government to put up one of them, test it, and if they find that power can be generated at a reasonable cost and sold, should we not give to those rural co-ops a preferential standing? That is what the Gillette amendment means.

Mr. JACKSON. Is it not true that the large companies in America, like General Electric and Westinghouse, du Pont, Union Carbide, Dow Chemical, and other large corporations——

Mr. SPARKMAN. There are 5 or 6 others; but not many.

Mr. JACKSON. The list is exhausted with about four more.

Mr. SPARKMAN. That is right.

Mr. JACKSON. Is it not true that these companies have the advantage of acting as contractors for the Atomic Energy Commission in the production of plutonium in my State?

Mr. SPARKMAN. Yes.

Mr. JACKSON. And uranium 235, at Oak Ridge?

Mr. SPARKMAN. Yes. I am going to speak about that in a minute. It is in this speech that I am going to get to yet.

Mr. AIKEN rose.

Mr. SPARKMAN. I am glad to yield to the distinguished and able Senator, the very fine Senator from Vermont.

Mr. AIKEN. Does not the Senator agree that the remark he made a few minutes ago calls for a reply?

Mr. SPARKMAN. I welcome the question. As a matter of fact, I may say I was really trying to invite the question, because the Senator from Vermont can always add to the debate.

Mr. AIKEN. The Senator realizes that the Senator from Vermont cannot comment on that remark, does he not?

Mr. SPARKMAN. Well, just accept it, if the Senator will.

Mr. AIKEN. Does not the Senator from Alabama understand that, if the Congress authorizes the Atomic Energy Commission to establish a large pilot plant, costing perhaps two or three hundred million dollars, to determine the feasibility of producing power from electric energy for industrial and other uses, we shall by so doing be opening the way toward finding out how atomic energy can be produced in low-cost plants?

Mr. SPARKMAN. Yes.

Mr. AIKEN. And eventually will not the time come when plants may be constructed by a group of REA cooperatives or municipalities, so that atomic energy can be produced in plants so constructed?

Mr. SPARKMAN. Yes. I appreciate the contribution by the Senator from Vermont. That is entirely possible. We do not know that it will happen. We hope it will, and I think it is reasonable to believe that it will happen; and certainly I believe—and I think the Senator from Vermont would agree with me—that the Atomic Energy Commission, because of the very bigness of this thing, ought to work on the project to try to get it down to a cost point where the little people could use it, and ample safeguards should be provided so that big and little could use it alike.

Mr. AIKEN. The Senator from Alabama realizes that, as I do. I thank the Senator.

Mr. SPARKMAN. I thank the Senator from Vermont, because he has made a valuable contribution. I am glad he made the suggestion, which is something to keep in mind.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. JACKSON. Is it not true that under the existing law, known as the McMahon Act, the Atomic Energy Commission has authority to construct pilot plants, or to operate atomic electric powerplants?

Mr. SPARKMAN. No; I think I will have to differ with the Senator from Washington as to that. There was some discussion of it, the other day.

Mr. JACKSON. Just let me ask another question. Is it not true that the Atomic Energy Commission entered into a contract with Westinghouse, then, along with the Duquesne Light & Power Co., in Pittsburgh, Pa., where the first operating atomic-energy plant will be put into operation within the next 18 months? Is that not a fact?

Mr. SPARKMAN. Yes. The Senator is quite right.

Mr. JACKSON. Is it not a fact that the plant which is being constructed in Pittsburgh is simply an extension, on an enlarged scale, of the atomic engine which was put in the *Nautilus*, the new atomic submarine, by Westinghouse Electric Co.?

Mr. SPARKMAN. My understanding is that that is essentially correct.

Now, let me go back to the first question the Senator from Washington asked. Of course, the Atomic Energy Commission now has the right to engage in certain activities that might produce power as a byproduct, and the present law gives the Commission the right to do that, and to dispose of it, but not to build a pilot plant, such as I have mentioned.

My understanding is—and I will stand corrected if I am wrong—that the pilot plant, to which the Senator has referred, of the Duquesne Light & Power Co., I believe, is a $60 million undertaking.

Mr. JACKSON. I think it will produce roughly about 50,000 kilowatts.

Mr. SPARKMAN. My recollection is that it is a $60 million plant, and I have

been told—and again I will stand corrected if my information is erroneous—that, to get a real test, there ought to be a plant big enough perhaps to produce about 250,000 kilowatts, rather than 50,000, with this test tube, and that it would take $200 million, as a minimum, to make the reactor.

Mr. JACKSON. It will take approximately from 3 to 5 years to build it and have it in operation, will it not?

Mr. SPARKMAN. Yes; we shall have to count on 5 years as a safe period of time to allow for building it.

I pointed out that one reason for my asking that the time be extended from 5 years to 10 years was the evidence that was offered at the hearings, namely, that it would take 5 years to build the reactors, just to get them going; and then there should be 5 years in which to have experience and collect data, information, and facts upon which to base their findings.

Mr. JACKSON. Is it not a fact that, in any event, the Atomic Energy Commission could build a prototype atomic reactor to take care of its own power needs?

Mr. SPARKMAN. Yes; and I think it is given that right, under existing law.

Mr. JACKSON. Yes.

Mr. SPARKMAN. I believe that right is carried forward in this measure. But the importance of the amendment of the Senator from Colorado [Mr. JOHNSON] is that it goes further, and allows the AEC to build and put into production a real testing plant.

Mr. JACKSON. I understand the real importance of the amendment of the Senator from Colorado. It is an important one.

My question was for the purpose of asking that if we do not have enacted into law a bill dealing with the domestic phases of atomic energy, is it not true we can still go forward with this program under the McMahon Act.

Mr. SPARKMAN. Yes; but on too limited a basis. Furthermore, I understand we are already rather far behind Russia in the utilization of atomic energy for these purposes.

Mr. JACKSON. There is no doubt about it, and I think the British will also be ahead of us within a very short period of time.

Is it not true that when all the plants are completed, the Atomic Energy Commission will be the heaviest user of electricity of any agency or corporation or company in the entire country?

Mr. SPARKMAN. That is true.

Mr. JACKSON. I think the figures disclose that we shall be using somewhere between 8 percent and 10 percent of all the power capacity of the country, to run our atomic energy installations.

Mr. SPARKMAN. It has been said many times in the debate, since it began, that in the Tennessee Valley, more than 55 percent of all the power generated by the TVA will, by 1956, be used by the atomic-energy installations in that valley.

Although I am not familiar with the other figure the Senator from Washington has given, I can certainly imagine it is a correct one, because we must remember that a great deal of the power that is used by the Atomic Energy Commission at Paducah comes from private concerns; and of course in the Senator's own State of Washington there are great installations that obtain their power from the Columbia Valley; and in New Mexico there is a new plant; and a plant is being installed at Portsmouth, Ohio; and a plant is being installed at Camden, S. C. They are getting pretty well scattered over the country.

Mr. JACKSON. Is it not true that in some of the areas, such as that around Portsmouth, Ohio, the cost of power to the Atomic Energy Commission is much higher than the cost of power to the Commission in other areas?

Mr. SPARKMAN. That is my understanding.

Mr. JACKSON. Is it not correct that if it is possible—and certainly the scientists agree that it is only a matter of time before it will be possible—to reduce the cost of atomic electric power to a level below that of the cost of electricity produced by the use of ordinary fuel, in any event, by building the plants, we shall be able to save the Federal Treasury millions of dollars, by reason of lower power rates?

Mr. SPARKMAN. I think that is true. Of course we must keep in mind that with the growth of the country—and sometimes I think we do not fully appreciate the intensity with which we are developing—there is a shortage; well, I shall not say that, exactly, but at least there is a great need for additional power in every section of the country.

Mr. JACKSON. Is it not true that last year the electric-generating capacity in the United States was approximately between 75 million and 80 million kilowatts of installed generating capacity?

Mr. SPARKMAN. That is approximately correct.

Mr. JACKSON. Is it not true that it has been estimated that in the next 5 or 6 years that figure will increase to 150 million kilowatts—or double the capacity we have at the present time?

Mr. SPARKMAN. Yes; and it will tax us if we are to succeed in doing that.

Mr. JACKSON. Is it not true that with the population of the United States increasing at the rate of approximately 2½ million persons a year—in short, the equivalent of having a new city of 50,000 persons come into existence in our Nation every week—we shall have need for a great increase in generating power if we are to meet the demands of the growing Nation?

Mr. SPARKMAN. That is entirely correct.

Furthermore, not only is our population increasing, but we are constantly extending our power lines to new areas. That has been particularly true in the case of the rural electrification program and the reclaiming of new lands and with the development of new uses of electricity.

The Senator from Washington can recall that there was a time when we thought that if a family had one radio and perhaps an electric stove, an electric refrigerator, an electric iron, and a few other items of electrical equipment, that home was pretty well equipped electrically. But no longer do we consider that to be the case today. If we go into the average farm home, we find a small radio in almost every room, and a TV set and an electric refrigerator and an electric stove and a deep freeze and an electric dishwasher and an electric sewage-disposal unit, and electric motors to run machinery in the barn, and an electric pump, and many other items of electrical equipment.

So we are constantly pushing into increased uses of electricity, even by the population we now have, to say nothing of the greatly increased population to which the Senator from Washington has referred.

Mr. President, I appreciate very much the remarks of the distinguished Senator from Washington. He has made a real contribution to the debate.

At this time I wish to speak about the patent provisions of the bill. Mr. President, it is amazing that anyone would suggest anything that would lessen the interest of the Federal Government in a project on which it has spent more than $12 billion. It is equally amazing that anyone would suggest restricting the use by the people of this great resource, on which they have spent so much of their money. However, there seems to be great haste to do that. In fact, the haste was so great that that movement was under way almost before the ink was dry on this very bill, which is 104 pages long.

I offer the suggestion that for a person who is not a member of the Joint Committee on Atomic Energy, it is difficult, in the short time that was given to us, to digest and understand the full meaning of all the provisions included in the 104 pages of the bill. That is particularly true, Mr. President, when we consider that when the report was issued—and, again, it is a long document, comprising 138 pages—there were some 3 or 4 different dissenting views by different groups of the Joint Committee on Atomic Energy.

I certainly think there has been haste—at least, there has been attempted haste—in connection with the consideration of this bill.

Why the great rush to give away the $12 billion investment of the people of the country? It is my belief that that is exactly what would be accomplished by the patent provisions of the bill. Those who are behind the patent provisions of the bill are well aware of the importance of this great new power resource to the development of the Nation. Every day we see in the public press more indications of its importance.

Only recently, in an interview published in the magazine U. S. News & World Report, on June 25, 1945, Robert LeBaron, Chairman of the Liaison Committee to the Atomic Energy Commission, stated that in the next 5 years he thought we would begin to have electric power generated from nuclear fuel, and that in from 5 to 10 years there would be considerable generation from this source.

Also, recently John J. Hopkins, president and general manager of General Dynamics Corp., which is doing much work in the field of atomic energy, stated that atomic reactors would be able to produce power at the rate of 4 to 7 mills. Mr. Hopkins pointed out that such power would be competitive in such areas as the Northeast, the Southeast, and the north-central regions of the United States.

Mr. JACKSON. Mr. President, will the Senator from Alabama yield for a question?

The PRESIDING OFFICER (Mr. BENNETT in the chair). Does the Senator from Alabama yield to the Senator from Washington?

Mr. SPARKMAN. First, let me say that I just looked around the Chamber to see if the distinguished Senator from New Hampshire was present. I am glad to see him in his seat across the aisle, because earlier in the evening he asked some very pertinent questions of the distinguished Senator from Oklahoma, in the course of some debate in regard to the power costs in New England. I should like to say to the distinguished Senator from New Hampshire [Mr. UPTON] that I believe I have some rather pertinent information regarding power costs in New England. It is to be found in testimony which was given before the task force on water resources and power, of the Commission on Organization of the Executive Branch. That group is now holding hearings.

I wish to read just a little from that testimony.

Let me say to the Senator from New Hampshire and the Senator from Connecticut that his colleague participated in a little colloquy earlier in the evening. Goodness knows, Mr. President, I am not critical of New England, and I do not believe the debate between the Senator from New Hampshire [Mr. UPTON] and the Senator from Oklahoma [Mr. KERR] involved any criticism. Both of them were proceeding on the basis of statements of fact. But I have before me a very pertinent statement, and I invite the attention of the distinguished Senator from New Hampshire to it:

> The outstanding fact about the water and power problem in New England, which differentiates it from all other regions of the country, is that there is not a single Federal power development in any 1 of the 6 New England States.

Mr. President, I shall also address my remarks to the distinguished Senator from Rhode Island [Mr. PASTORE], who represents 1 of those 6 States. New England is the only section of the United States, I dare say, where there is not a single Federal power development.

As was brought out during the exchange with the Senator from Oklahoma, earlier in the evening, I was a member of the Public Works Committee, a few years ago—until January 1950. While I was there I was a member of the subcommittee which considered a resolution supported by all of the Senators from New England. I remember the distinguished senior Senator from Rhode Island [Mr. GREEN] and his colleague came before us and testified on it. I remember that at that time the distinguished Senator from Florida [Mr. HOLLAND] was the ranking member of the committee, but I am not sure he was on the subcommittee which studied a preliminary survey of New England before reporting the resolution, I am sure the Senator well remembers that.

We found that there were a good many streams in New England that could be developed; great engineers told us about them. We found out that there had been very little, at least a minimum development of hydroelectric power in New England, and I was amazed to learn that there was not a single Federal power development in New England.

I remember a speech the distinguished junior Senator from Massachusetts [Mr. KENNEDY] made—I think it was last fall—in my section of the country, at Chattanooga, Tenn., not far from my home, in which he very frankly discussed his view of the Tennessee Valley Authority and the idea that it was siphoning industry out of New England.

I remember he made what, to me, was a most pertinent remark, quite relevant and, I thought, a very fine point. He said, in effect, that New England has no right to complain, but what she ought to do is what has been done here, namely, develop the power resources, because, after all, it is the quantity of power that becomes available that drives down the rates.

We often talk about the yardstick of the TVA. David Lilienthal wrote a book, which was called "TVA—Democracy in Action." In it he had a chapter which was entitled "The Yardstick," and he brought out the point that the true yardstick is arrived at by producing more power and encouraging the use of that power by the consumer, which, in turn, makes it possible to drive down the rates, which, in turn, lends incentive to use still more power and eventually to get a lower rate by reason of the production and consumption of more power.

Mr. BUSH. Will the Senator yield?

Mr. SPARKMAN. If I may continue a little while, then I shall be glad to yield to the Senator.

The Senator from New Hampshire [Mr. UPTON] has also asked me to yield.

I just brought out the point that there is not a single Federal power development in any of the six New England States.

To continue with the quotation, this witness said:

> There are some, and I am among them, who would tell you that this fact, in a nutshell, is the problem. We who hold this view believe, in other words, that one of the major reasons why the New England economy his been faltering in recent years stems from the very fact that not 1 of the 156 Federal hydroelectric developments in the United States is located in this region.
>
> For some years now, it has been clear to all economists who have studied New England, as well as to businessmen located there, that something has been going wrong with the region's economic development. As a spokesman for organized labor in the region, I am particularly concerned with the fact that a disproportionately large percent of the so-called "group IV areas" of substantial labor surplus—a Labor Department euphemism for unemployment—are in the six New England States. While the problem has been most pronounced since the end of World War II, it has plagued the region to some extent since the end of World War I. The New England textile industry lost 149,000 jobs between 1929 and 1950, and the leather industry here lost 44,000 in the same period. The 1948–49 recession hit New England first, and much more severely than any other part of the country. Even during the recovery in 1950, between one-half and one-quarter of the Nation's areas of critical unemployment—measured by those drawing unemployment insurance—were located in the New England States. In September 1949, 16 of the 30 critical areas surveyed were located here. In March 1953, 9 of the 11 Massachusetts labor markets were in group III or IV areas of labor surplus, as were Portland, Me.; Providence, R. I., and Manchester, N. H. Since 1947 continuously, approximately one-fifth of all workers in Lawrence, Mass., have been without jobs, this rate running almost as great as in January 1934 at the height of the great depression and nearly twice that for 1930. Even after the boom which followed the outbreak of war in Korea, nearly 40 percent of the 100,000 textile workers in Massachusetts were jobless, but they made up less than half of the State's unemployed. During 1951, a year of heavy mobilization, unemployment increased 150 percent in Fall River, 103 percent in Lawrence, and much more in Nashua, N. H., and Rhode Island textile mills. The textile slump of 1951–52 cost New England 50,000 jobs, and a large number of those who remained at work put in less than 4 days a week.
>
> In the last year unemployment in New England, still above the national average, increased by over 125 percent, as measured by the number drawing unemployment insurance under State programs, which in May 1954 stood at approximately 180,000. The latest available Bureau of Labor Statistics surveys show that in the year ended March 1954 manufacturing in all 6 New England States declined for a total loss of 133,000 jobs. Of this number, 48,000 were in the textile industry, which is now at only about 60 percent of its strength in February 1951. New England leather, shoe, rubber, apparel, and other non-durable-goods industries, as well as machinery, metal, and other durable-goods industries, have also declined. Our steel fabricating mills operated in the first quarter of 1954 at only 62 percent of capacity—30 percent less than a year ago.

Mr. BUSH. Will the Senator yield?

Mr. SPARKMAN. I have some other statements to quote, but I will yield at this point, if the Senator wishes, for a question.

Mr. BUSH. I should like to ask the Senator if he does not realize that the loss of industry from New England to the South is not due to power at all but due to the cheap wages which are paid in the South.

Mr. SPARKMAN. I heard that statement made earlier in the evening by the distinguished Senator's colleague. No; I do not know that. I am glad to hear it said that it is not due to the cheapness of power because 3 months ago the President described TVA as creeping socialism, and gave as one of his objections that the low cost of power was a factor. I am glad that the Senator from Connecticut—both Senators from Connecticut now—and the Senator from New Hampshire have said that is not true.

As a matter of fact, of course, we know that they are not siphoning textile industries because, as it happens, not a single New England textile industry has

settled in the Tennessee Valley since the TVA was established.

Mr. BUSH. Will the Senator yield?

Mr. SPARKMAN. In a moment. I am not prepared to give to the Senator the exact wage differential as between New England and the South, but I believe, if the Senator would look it up, he would find it is very, very narrow.

Mr. BUSH. If the Senator will yield, may I say he has just been talking about the loss of industry from the New England area to the South, as though to indicate that it was attracted by the lower power rates. I am glad he has just said that that is not the case because I can assure the Senator that it is not the case. I will assure the Senator again that what is attracting industry into the South from the New England area and other areas is cheap labor rates because they simply will not pay the rates there that we have set as a high standard in the New England area and in other areas.

Mr. SPARKMAN. I do not care to argue that point. I was reading some testimony which had been given. I was really leading up to a discussion of the power situation. If the Senator from Connecticut wishes to leave the matter on the basis of cheaper wages, of course, people can live much more cheaply down my way than they can in the highly industrialized, modernized, cold climate area in which the distinguished Senator from Connecticut lives. But I still believe that if similar industries are compared as between the two areas, it would be found that the margin of difference is very, very small, if any at all.

I believe I can also produce testimony which was given before the same commission by one of the great labor organizations in this country, one which is particularly strong in the textile field, the CIO, in which they say that the wage difference is not responsible for the movement of industry to the South.

I am not trying to criticize New England because it has lost industries or lost jobs. In fact, I should like to cooperate in trying to do something about it. I did when I served on the subcommittee of the Committee on Public Works; and at one time during the 83d Congress, when there was presented to the Committee on Foreign Relations a resolution offered by the distinguished and very able senior Senator from Maine, Mrs. SMITH, for the Government to undertake the expenditure of a limited amount of funds to provide a survey of the projects in the Bay of Fundy, which we formerly called Passamaquoddy, in order to produce more power.

I am a member of the Joint Committee on the Economic Report, and hearings were held before that committee. Some of the finest brains from New England and elsewhere appeared before the committee in order to study this very situation in New England, and to try to arrive at a solution for improving the situation.

I am not condemning New England. I am not even trying to discuss New England. The subject came up more or less casually, to establish the fact that power was responsible for the movement of industry to the Tennessee Valley. But there are some remarkable figures which I shall present a little later in my statement regarding power.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield for a question.

Mr. BUSH. I should like to say to the Senator——

Mr. SPARKMAN. The Senator means he wishes to ask.

Mr. BUSH. I wish to ask the Senator if he would not recheck his information received from the CIO.

Mr. SPARKMAN. I said I believed I could. I will check it.

Mr. BUSH. I wish the Senator would, because if he has been advised by the CIO that industry in the South is not paying cheaper wages, and that the South is not attracting industry from the North by reason of cheaper wages, then the Senator from Alabama has different information from that which I have from the CIO.

Mr. SPARKMAN. It is not my purpose to try to debate that issue. I am merely leading up to some simple facts regarding the production and use of electrical energy in New England as compared with other parts of the country.

Mr. BUSH. I wish to remind the Senator that this is all appropos of the Senator's argument that it is cheaper power which is attracting industry from the New England area to the South. I am simply asking the Senator if he will not please look at his facts, because I am certain that they will show him that it is cheaper labor rates, not cheap power, which is attracting industry from our area into his area.

Mr. SPARKMAN. I do not know of any industry which has been attracted from the distinguished Senator's area into my area. I just finished saying only a few minutes ago in connection with the statement that the textile industry has been moving out of New England into the Tennessee Valley, that, as a matter of fact, not a single New England textile plant has moved into the Tennessee Valley since TVA was established.

Mr. BUSH. The Senator proves my point by saying that the South is attracting industry from my area by cheap labor rates, and not by cheap power. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER. If there is any more applause from the galleries, the galleries will be cleared.

Mr. SPARKMAN. Before the Senator from Connecticut leaves, I wish to say something to him.

Mr. BUSH. I have no intention of leaving.

Mr. SPARKMAN. He might learn that in the hearings before the Joint Committee on the Economic Report there was an economist from one of the great educational institutions in New England. I do not know whether it was Harvard or Yale, or what school it may have been.

Mr. BUSH. I suggest that there is quite a difference between them, if the Senator does not know it.

Mr. SPARKMAN. I was merely trying to recall which school the Senator attended. I said that the economist had come from one of the great schools of the Senator's area. In his testimony before the committee I remember the economist made this very pertinent remark: He said, "I do not believe the means of the Federal Government should be used for the purpose of bolstering an uneconomic industry in New England or anywhere else." He said further, "For instance, I believe the textile industry should move out of New England."

Of course, it should. The cotton textile industry never should have been in New England. It should have been located in the cottonfields, where the raw product is located. It should have been located there years ago.

I will tell the Senator from Connecticut the reason for the movement of labor from New England. Until a few years ago, New England and the North, as far west as Chicago, from the Chicago area across to the East, and up through New England, was designated as official territory, and enjoyed the highest preference with reference to freight rates.

For years we in the South tried to equalize the freight rates. We tried to get some consideration for our shippers. When the distinguished senior Senator from Florida [Mr. HOLLAND] was Governor of his State he served on that committee, and did much toward obtaining the equalization of freight rates. So did other governors of all the Southern States. We fought for years, and members of the southern delegation in Congress in both Houses fought for years to try to have legislation enacted which would give a fair break to the "southern colony," and even to the "western colony," and, believe it or not, to the "northwest colony." Of course, the great State of California, with its fruit and power, had a special preference which allowed it to ship all the way across the continent. California did not suffer.

But we in the South worked for an equalization of freight rates. Finally we were successful in having a bill passed. Later a favorable decision was handed down by the Supreme Court. Finally a decision was rendered by the Interstate Commerce Commission. Thank goodness, today freight moves from the South into the markets of the North and East on a fair and equitable basis, whereas, only a few years ago, there was a wide differential which made it almost impossible for industry to hope to operate in the South.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I wish to finish this point; then I will yield, gladly.

I remember that a few years ago, during the war, a rubber plant was going to be built by a private company. I did my best to get the private company to locate in the district which I represented in Congress. I tried to get it to locate at Muscle Shoals, where there is plenty of power. The industry studied the location very carefully. I thought they were coming in. But does the Senator know what their decision was?

They came to me one day and said, "We are sorry to tell you, but we have got to go as far north as the Ohio River because we cannot afford to ship our

product out of your area into official territory. We cannot pay the freight differential."

Thank goodness, that situation is largely done away with today.

I may say to the distinguished Senator from Connecticut that less than a year ago a manufacturer from his State was talking with me one day. I did not ask him to move. I was not soliciting his moving his mill to Alabama. I did not say a word to him about it. But does the Senator know what he said to me?

He said, "I think I am going to have to move."

I do not recall whether he was going to move his mill or planned to build an extension.

He said, "I am going to expand my operations, and I think I am going to move into Alabama."

He told me where he was going. I did not have anything to do with his selection of location. I said, "Why are you doing it?"

Mr. BUSH. Is the Senator asking me?

Mr. SPARKMAN. Oh, no. The Senator from Connecticut must not have been following me. I hope he will follow me a little more carefully. I said that a manufacturer had been talking with me and I had asked him, "Why are you going into my State instead of Connecticut, which is a great industrial State?"

He said, "I want to be down in the South where the raw cotton is grown."

Then I said to him, "What would be the difference in cost to you, now that the freight rates have been modified? What would be the difference in cost to you with respect to the cotton in Connecticut and the cotton in the cottonfields of Alabama?"

He said it was 2 cents a pound.

I do not know how big a differential that is, but it indicated to me that it was large enough to make him want to turn to the source of his raw material, the cottonfields of Alabama.

So I say to the Senator, I believe that is the answer to a large part of the movement from the North to the South. I do not believe that the many fine, technical, skilled artisan shops which are to be had in Connecticut will ever come down to the South.

I have been through some of the brass factories and other mills of different kinds in Connecticut, including many small plants. When I was Chairman of the Committee on Small Business I went to Connecticut and held some hearings. I visited some of the plants. During the early days of the war, when I was a member of the House Committee on Military Affairs, I visited many of the plants which were engaged in defense manufacturing, including, in Connecticut, some brass plants, a propeller plant, plants manufacturing airplane motors, and other industries of that kind.

I do not believe the Senator will find any competition in the South for that kind of industry. We do not happen to have the necessary raw resources there. The only type of indusry I know of that has moved to the South has been industry which would have been in the South from the beginning had it not been for the nefarious freight rate differential which existed for a good many years. Thank goodness we have shaken off the shackles which bound us for so many years.

Mr. KNOWLAND. I should like to ask the Senator whether he would be willing to yield, with the understanding that he would not lose his right to the floor, so that the majority leader might propound another unanimous-consent request.

Mr. SPARKMAN. Let me say to the majority leader, I do not want to be forced into the position of ruling on the consent request the distinguished majority leader might present. I am debating my amendment, I am speaking to the subject, what I say is relevant. Although the rules of the Senate do not require relevancy, I am conforming to the rule of relevancy anyway. I do not want to be forced into the position of objecting to the Senator's unanimous consent request to shut off debate, or set up a situation that will make it possible, as the distinguished Senator from Minnesota put it, to lower the guillotine and lay my amendment on the table. I think I should go ahead with the presentation of my amendment. I believe that if the majority leader would listen to the argument I am making he would support the amendment; and I would welcome his support. I cherish him. [Laughter.] I know the distinguished majority leader and I have been on the same side of many issues. We have seen many things in the same manner. I know my amendment is so good that the majority leader should support it, and I do implore him not to lower the boom on my amendment, and certainly not to ask me to participate in the execution.

Mr. KNOWLAND. Will the Senator yield for another question?

Mr. SPARKMAN. Oh, yes.

Mr. KNOWLAND. The unanimous-consent request the Senator had in mind had no reference to the distinguished Senator's amendment as such. I would not seek to ask unanimous consent regarding this particular amendment until the Senator had surrendered the floor.

Mr. SPARKMAN. May I inquire whether the request relates to the time for the Senate to resume its session tomorrow after completing today's labors?

Mr. KNOWLAND. No; the Senate will be in session through the night, and up until tomorrow midnight.

Mr. SPARKMAN. Could the Senator enlighten me a little further?

Mr. KNOWLAND. The unanimous-consent request I intend to submit at the request of some on both sides of the aisle; it was the one I offered earlier today, to the effect that there would be 2 hours of debate on each amendment, and 4 hours of general debate on the bill itself to start on Monday next after the morning hour. If the consent were given, the majority leader would be prepared to recommend a session of the Senate tomorrow starting at 11 o'clock, for the consideration of measures on the Consent Calendar to which there was no objection, and an early recess tomorrow afternoon over tomorrow evening and Sunday, the Senate to resume its labors on Monday next under the unanimous-consent agreement.

Mr. SPARKMAN. I must say the Senator presents a very great temptation to us weak mortals, after these long hours of debate in the prospect of a weekend of rest, but the Senator from California, the distinguished majority leader, knows I am not the captain of the team on this side.

Mr. KNOWLAND. No; I did not say the Senator from Oregon. [Laughter.]

Mr. SPARKMAN. I think the Senator must have misunderstood. I said the captain of the team on this side. Certainly, he would not submit a unanimous-consent request without a quorum call.

Mr. KNOWLAND. I was going to suggest a quorum call, with the understanding the Senator would not lose his right to the floor.

Mr. SPARKMAN. May I ask the distinguished majority leader what would happen to the cloture petition which is on the desk if all of this request should be granted.

Mr. KNOWLAND. If the unanimous-consent request were granted, there would be no need of proceeding with the cloture petition.

Mr. SPARKMAN. Mr. President, I desire to accommodate the majority leader, and I do not want to heap troubles on him. I respect and admire him greatly. I know something of the heavy responsibilities which rest upon his shoulders, and I certainly do not want to make them any heavier. But it does seem to me that the request is a little unusual. The distinguished majority leader may want to go home and get some rest.

Mr. KNOWLAND. No; I am in good condition.

Mr. SPARKMAN. The distinguished majority leader is to remain here, it seems to me the request might be held up until I conclude my speech, which will not be too long. He was not here when I started my argument. Let me remind him that the first night I showed the majority leader a copy of this speech, and told him I wanted to make it. I just started on it, and there have been many questions since it started. I would like to finish it. It is not very long.

Mr. KNOWLAND. As the distinguished Senator recalls, I am sure, under the proposal I was making to the Senate he would not lose his right to the floor. There is no dispute on the part of the majority leader about that. He knows the rules as well as I do. I could not take him off the floor, and I would not under any circumstances.

Mr. SPARKMAN. I appreciate that, but I do not see that it would lighten the majority leader's burden any. Frankly, I do not believe the unanimous consent would get through, and I am sure it may fray tempers a little on both sides of the aisle, and I think we are in pretty good spirits, and in a pretty good mood to listen to some evidence.

Mr. KNOWLAND. We have been listening for 9 days. Would the Senator further yield for one more question?

Mr. SPARKMAN. Oh, certainly.

Mr. KNOWLAND. The Senator understands, I am sure, that under all the circumstances that have been presented

to the Senate, as the Senate has been prevented from conducting the public's business, with a great mass of important legislation to follow the pending important piece of legislation, starting tomorrow the majority leader will be forced to object to any committees of the Senate meeting during the sessions of the Senate, so that we may have as great an attendance in the Senate as possible, so that after the vote on the cloture on Monday, such additional steps may be taken as will require a substantially heavy attendance each day thereafter.

Mr. LEHMAN. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. SPARKMAN. Does the Senator desire to ask a question?

Mr. LEHMAN. It is not a question. I desire to make a reply to the majority leader.

Mr. SPARKMAN. I cannot run the risk of being taken off my feet.

Mr. LEHMAN. I understand.

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). Will the Senator please address the Chair, and will the Senator from Alabama indicate to whom he yields?

Mr. SPARKMAN. It is my understanding that the majority leader was through with his questioning, and that the Senator from New York wishes to ask me a question. I yield for a question only.

Mr. LEHMAN. Will the Senator from Alabama yield to me for the purpose of asking unanimous consent to make a reply to the majority leader's remarks which have just been completed, without his losing his right to his place on the floor, of course?

Mr. KNOWLAND. I would certainly interpose no objection, if the Senator is limited to the length of time the majority leader was limited to. I imagine it was not more than 5 minutes. Or, if the Senator wants to take a little more than that, he may have 10 minutes. If the Senator from Alabama is agreeable, I will not object.

Mr. SPARKMAN. Let me say to the Senator from New York that, much as I admire and like the majority leader, I felt that I just could not comply with his request, and in all fairness I should not be called upon to comply with the request of the Senator from New York. I should like to continue my address. After all, these things can be settled later.

Mr. LEHMAN. Of course I bow to the decision of the Senator from Alabama.

Mr. SPARKMAN. I thank the Senator very much. I should like to say to the majority leader that I am fully in accord with the statement he just made with reference to no committees meeting during the time of the debate. As a matter of fact, one thing that has bothered me a great deal has been the fact that committees do meet during the sessions of the Senate, and it is just practically impossible for a Senator to discharge his obligations both in his committees and on the floor of the Senate at the same time, and I believe that when an important piece of legislation like the pending bill is up for debate some plan can be worked out whereby the Senators could attend all sessions here, which would be helpful to us.

Now let me deal a little with the subject matter which the distinguished Senator from Connecticut and I were discussing. I may have to modify the statement I made a while ago. The testimony was given by the CIO representative, but he was quoting industrialists. On September 13, 1948, Textron, Inc., announced it was closing its mills in Nashua, N. H., and moving South. Congress investigated.

The Senate will recall that it was the distinguished late Senator from New Hampshire, Senator Tobey, as I recall, who was chairman of a subcommittee which checked into the matter.

As I have said, Congress investigated the matter, and Royal S. Little, president of Textron, stated at the hearing that one of the main reasons for the closing was the exorbitantly high cost of electricity maintained at artificially high rates by grasping utilities.

If the cotton textile industry of the South had been located in New England, Little said, it would have had to pay $27 million more each year for the electricity to run the spindles and the looms.

Henry Kaiser said:

> You New Englanders can be the richest people in the Nation or the poorest. The choice is yours. If you develop your neglected water power, you can expand your industries tremendously and create thousands of new ones. But if you continue to waste waterpower—your most valuable natural asset—you will lose factory after factory until your famous manufacturing centers will be little more than ghost towns. The highly electrified South and West will outsell you and outstrip you. And you will find yourself increasingly helpless. Poverty and privation beyond anything you have ever experienced or imagined will be the terrible price you will pay for failing to use the vast and unceasing energy which God has placed at your disposal.

Now, as I say, while it is true that those statements were made by two industrialists, they were given by the CIO witness in testifying on this subject.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. BUSH. Who were the industrialists whom the Senator is quoting?

Mr. SPARKMAN. Mr. Royal S. Little, president of Textron, and Mr. Henry Kaiser. They are the only two from whose statements I read. There may be others, but I shall not look them up now.

Mr. BUSH. Mr. President, if the Senator will yield once more, I should like to ask him this question: Does he not think it is a terrible reflection on the intelligence of the people of New England, who have developed industry to a point that perhaps no other section of the country has exceeded, to suggest that if we did have the possibilities of developing hydroelectric power there, they would not have been availed of? The Senator has proceeded on the basis that we have unlimited means of developing hydroelectric power in New England, but I submit to the Senator that there is no evidence to support that line of thought.

Mr. SPARKMAN. I was giving to the distinguished Senator the opinion of some of the experts of the country. I cannot rely on my own information, except as I have received it.

I should also like to read a little more:

> For this situation, all recent economic studies agree, the high power rates which prevail throughout New England must share at least some portion of the blame. Census figures show that costs of power per unit in New England are 52 percent higher than in the country as a whole, 80 percent higher than in North Carolina, and 236 percent higher than in Tennessee.
>
> In woolens and worsteds, the rated average cost of purchased electric power in Massachusetts and Rhode Island was 75 percent in excess of the rated average in the Carolinas and Georgia.
>
> The November 1952 report of the New England Governors' Committee on the Textile Industry said that the higher power costs and the relatively small development of hydroelectric power were among the factors causing the decline of the textile industry in New England the lack of new industrial establishments.

This committee, headed by Prof. Seymour E. Harris, of Harvard University, pointed out that the cost of electricity as a percentage of value added in textiles has been declining, falling from 3.34 percent in 1939 to 1.86 percent in 1947.

They then went on to show the great differential in power, and, in his research study on the "Competitive Position of the New England Textile Industry" Dr. Harris, who, I understand, is one of the outstanding economists of the country, said:

> It would help if New England were more hospitable to the development of hydroelectric power. It is significant that whereas there are more than 150 Federal hydroelectric projects in the country there is not one in New England.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me finish this statement.

> Often a project not otherwise feasible becomes so when it is converted to a multipurpose project so that the costs can be allocated to flood control, afforestation, etc.

I now yield to the Senator from Connecticut.

Mr. BUSH. Will the Senator tell me from what he is reading? He may have stated it, but I did not get it.

Mr. SPARKMAN. Yes. I said it was testimony given before the task force of the Commission To Study Water Resources. That is the one that is headed by Admiral Moreell; is it not?

Mr. BUSH. Yes. The Senator does not intend to interrupt the general discussion to go into all the influences that have to be weighed?

Mr. SPARKMAN. No.

Mr. BUSH. Because I will assure the Senator that the weight is not there, according to anyone who has studied the cause of the migration of industry from the North to the South. Cheap labor rates is the controlling factor, and power is a secondary or even a minor consideration in connection with the loss of industry from the North into the southern area.

Mr. SPARKMAN. I realize that there are several different factors, and I think I have granted, for the sake of argument,

to the distinguished Senator from Connecticut, that there may be some differential in wage costs; but any differential that may exist in wage levels as between New England and my State, for instance, could be called the differential in the cost of living between the two areas. I make that as a general statement, and I am sure the facts will bear it out. There may be some differential in the wage level, but it is small—it is smaller than the average person thinks.

I admit it may be a factor, and I admit that power may not be the biggest factor. As a matter of fact, I think I told the Senator from Connecticut a while ago that I thought the nefarious freight-rate differential is perhaps the greatest single factor.

Mr. UPTON. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I am pleased to yield to the able Senator from New Hampshire.

Mr. UPTON. Does the Senator know the cost of developing waterpower in New England?

Mr. SPARKMAN. No, I do not know, and I do not know of anybody else who does, because it has not been developed. We adopted a resolution authorizing an overall survey of the power situation in New England, so that there could be a determination of the cost of developing it.

Mr. UPTON. The Senator referred to Passamaquoddy. Does the Senator know that, during the Roosevelt administration, the development of that power was undertaken and abandoned, after hundreds of thousands of dollars had been spent?

Mr. SPARKMAN. Yes; but I gather from the distinguished Senators from Maine, both of them, that there is a different project, perhaps on a smaller scale, which they think is entirely possible and feasible.

Let me call the Senator's attention to one thing that came out in the course of those hearings. My recollection is that the State of Maine, since the distinguished Senator mentions that State, and, by the way, it is the State that has more fine, power-potential streams in it than any other State in New England. The Senator from Mississippi was on the Public Works Committee, as I recall, when we adopted the resolution to authorize a survey of New England. He may have been on the subcommittee; I do not recall; but I remember the testimony about the fine streams in Maine, plus the terrific tidal force in the Bay of Fundy.

There was one thing that came out which I could not understand. I am sorry the Senators from Maine are temporarily absent from the floor, but perhaps the Senator from New Hampshire can enlighten me about this. My understanding is that there was written into the constitution of Maine a provision that no power generated in the State of Maine, from water resource, can be transported outside the boundaries of Maine. I do not know whether that is still true or not, but certainly it is a limitation, and that will always impede the development of some of the finest power resources any State may have.

Mr. UPTON. Mr. President, will the Senator yield?

Mr. SPARKMAN. Let me make one other statement, lest I forget to mention it later? I will yield to the Senator as soon as I finish this statement. I remember also that in the development at Niagara it was determined that a great part of that power could be transported to New England economically and could be used to help develop industry within that area. I shall now be glad to yield to the Senator from New Hampshire for a question.

Mr. UPTON. The distinguished Senator has referred to the undeveloped water power existing in the State of Maine. There is no doubt that Maine has a great amount of undeveloped power, which could be developed at low cost.

The reason why attention was centered on Passamaquoddy was that it gave indications of the possibility of the development of low-cost electricity. But the cost was found to be prohibitive.

Let me say that the Bay of Fundy is not in Maine, but extends along the Nova Scotia coast, and is not susceptible of power development.

I challenge the Senator from Alabama to show that there is any great source of water power in New England that can be developed at low cost.

Mr. SPARKMAN. Mr. President, I appreciate that statement by the Senator from New Hampshire. Of course, he lives in New England, and I would not debate with him the point to which he has referred. I was simply referring to testimony which was submitted before the committee at the time when we were discussing a survey of power. So far as I know, that survey has not yet been completed.

Then there is the survey of the Passamaquody, and that survey will take perhaps a year to be completed.

Mr. President, I was referring to the testimony of Dr. Harris. Dr. Harris referred to a careful study of the migration of New England woolens and worsteds which points out that the most important single factor explaining higher power costs in the region is the high proportion of power generated by steam. In 1952, only 31 percent of the potential hydroelectric power of New England was under development or under license for development.

Mr. President, I hope the distinguished Senator from New Hampshire noted that statement by Dr. Harris, who is a distinguished economist at Harvard University. He stated that only 31 percent of the potential hydroelectric power of New England was under development or under license for development.

Mr. BUSH. Mr. President, did he suggest why that was?

Mr. SPARKMAN. No.

Mr. BUSH. I suggest it is because it is uneconomic development. New Englanders are not throwing away their money just for the sake of developing uneconomic power—power that does not pay.

Mr. SPARKMAN. But they are certainly throwing away their money by paying the highest power rates to be found in all the United States.

Mr. BUSH. Let me suggest——

Mr. SPARKMAN. Mr. President, I ask the distinguished Senator from Connecticut to observe the rules, by asking me a question, rather than to violate the rule, with the result that I would be taken off my feet.

Mr. BUSH. I certainly shall be careful about that.

Mr. SPARKMAN. I shall be glad to yield at any time to the Senator from Connecticut for a question.

Mr. BUSH. I am asking the question in this form: Does not the Senator from Alabama realize that the Yankee ingenuity——

Mr. SPARKMAN. The what?

Mr. BUSH. The Yankee ingenuity.

Mr. SPARKMAN. Let me state that is the first time I ever heard that word used by itself. [Laughter.]

Mr. BUSH. Let me say to the Senator from Alabama that in saying that, he shows his complete lack of familiarity with New England, because Yankee ingenuity is something with which everyone in New England is familiar.

Mr. SPARKMAN. But I was not paying any attention to the word "ingenuity." [Laughter.]

Mr. BUSH. I simply asked the Senator from Alabama whether he realizes that the well-known and well-publicized Yankee ingenuity, of which he does not seem to have heard, is so great that if it were possible to have had cheap power in New England, we would have it; it certainly would be available.

Mr. SPARKMAN. Mr. President, I am in entire accord with the distinguished Senator from Connecticut when he speaks of Yankee ingenuity. Yes, Mr. President; the country owes much to Yankee ingenuity. Earlier in the evening I said that my understanding was that Connecticut, the State represented by the distinguished Senator who has just spoken, is the most highly industrialized State in the Union. I believe that Connecticut has a greater concentration of industrial plants, both large and small, than does any other State of the Union. I do not wish to have anything I have said understood as being critical of New England—not at all.

We owe much to New England. New England and Virginia were very largely the cradle of the development of liberty and freedom in our country, and I have a very high regard for the Yankee ingenuity with which New England has demonstrated to the entire Nation that it can do things.

Furthermore, I know that when the prophets of gloom and doom speak of New England as if it were in a desperate plight, and not developing, I know they do not know what they are talking about. I believe that Yankee ingenuity will pull New England through and will yet help the people of New England to develop cheaper power.

Mr. HICKENLOOPER. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). Does the Senator from Alabama yield to the Senator from Iowa?

Mr. SPARKMAN. I yield for a question.

Mr. HICKENLOOPER. Does the Senator from Alabama feel that the reason why New England has not been able to develop economic and competitive power is because that very Yankee ingenuity will not permit the people of New England to charge unconscionable and unwarranted portions of the capital investment to navigation on trout streams and to flood control by means of which they would water more land than they would control—when it comes to the matter of calculating the costs of electric power? In other words, in New England the people are realistic, and they do not use a system of bookkeeping that does not reflect the true costs. They want to know the true costs, and they want to pay the true costs; and when they calculate properly the costs of such proposed developments, they find that the costs are such as to make those developments uneconomic. I wonder whether the Senator from Alabama will not agree that that is the case in New England.

Mr. SPARKMAN. Yes; I am quite sure that the people of New England and the people of all other sections of the country wish to pay the costs. I call the attention of the distinguished Senator from Iowa to the fact that where there is a division of costs, it has been established by Congress. So I do not know whether the Senator from Iowa wishes to criticize Congress.

Mr. HICKENLOOPER. Oh, I have been very free to criticize Congress.

Mr. SPARKMAN. I can remember when representatives of New England came before congressional committees and asked for aid for flood control on the Merrimac River, and when representatives of New England requested aid in the development of the Connecticut River.

Mr. HICKENLOOPER. Mr. President, if I may reply to the Senator from Alabama——

Mr. SPARKMAN. Yes.

Mr. HICKENLOOPER. I say that I think Congress has been bamboozled time and time again on this matter, so that the costs which have been stated have not reflected the true costs.

I think the New Englanders are very realistic in their approach, and they know they cannot figure economical costs on such projects without "foxing" the books in some way, and they are not willing to do that.

Mr. SPARKMAN. Mr. President, I appreciate the statement the Senator from Iowa has made. I believe Congress tries to consider matters objectively, and tries to arrive at fair conclusions.

I have had the honor of serving on the Senate Committee on Public Works; and at one time, when I was a Member of the House of Representatives, I served on the corresponding committee, which then was called the Committee on Public Roads. So I know something about how hard those committees work to get the true facts, and I believe that in reporting bills to the floor of the two Houses, those committees would do so with sincerity, conscientiously believing that the recommendations that they make to their colleagues on the floor are recommendations upon which they can rely.

All I can say about the rates in New England, and all I know about them, is based on the facts that are shown, year by year, in the statistics regarding the rates the consumers have to pay, and by comparisons between those rates and the rates in other parts of the country.

I also have statements made by some of the leading economists and other persons in that area.

I am not trying to condemn the New England States; but I am saying that New England is the one section of the United States that is lacking in adequate development of its hydroelectric power.

By the way, Mr. President, I did not bring on this discussion. It was really opened by the distinguished Senator from Oklahoma [Mr. KERR] and the distinguished Senator from New Hampshire [Mr. UPTON], earlier in the evening. A little later, as I recall, the distinguished Senator from Connecticut [Mr. PURTELL] entered the discussion.

But I do believe there are facts and figures which we should study.

I remember that back in 1935, I believe it was, or at about that time, a study was made and a report was issued. It was entitled, "The South: The Nation's No. 1 Economic Problem."

Many persons got mad about that. I said, "No, we should not feel aggrieved about this. We ought to take it to heart. It tells us some things we ought to be willing to face."

By the way, Mr. President, one of the things that study told us is something the Senator from Connecticut has been referring to frequently, and that is the wage differential. It will be found that in the years since that report was made, slowly, gradually, but surely, the wage differential has been eliminated almost completely.

Mr. BUSH. With emphasis on the word "gradually," I am sure the Senator from Alabama will agree.

Mr. SPARKMAN. I put equal emphasis on all the words.

Mr. BUSH. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. BUSH. The Senator from Alabama is making a very interesting exposé about the difficult power situation in New England. I wonder whether he will be kind enough to recommend to us what we should do about it.

Mr. SPARKMAN. Well, I certainly would do my best to bring down the rates—whatever they may be. If that calls for the development of hydroelectric power, or the establishment of additional steam plants, and of industries to use the power, and stepping up the rate of those developments—whatever is called for in that connection certainly should be done.

As a matter of fact, there was written into the pending bill an amendment for which the Senator from Connecticut should have voted. I refer to the amendment of the Senator from Colorado [Mr. JOHNSON], which holds promise for New England, although it may be 5 or 10 years in the future. But certainly it is worth while for the Government to test the proposition of using atomic energy for the purpose of producing power at a rate at which people can afford to use it. I believe that test will be very worth while, and will do much good.

Mr. President, there is another matter to which I should like to call attention. In an article which I now have before me, I saw a reference to the rates that New Englanders have to pay, and also a reference to the amount of power the people of New England use. Let me read just a little of the article:

These high rates have also affected the New England economy in other ways besides preventing the development and diversification of industry. It is quite clear that there is a direct relationship between high electric rates and low consumption of electricity by consumers. In New England, the average household uses only slightly more than 1,000 kilowatt-hours a year, while nearly twice as much is used in the State of Tennessee where rates are much lower. In the areas of cheapest power, such as Seattle and Tacoma, the average annual use amounts to between 4,000 and 5,000 kilowatt-hours.

The reason for this correlation of the cost of residential electricity and the amount of household use is clear if one considers what it means in everyday terms. Something like 250 kilowatt-hours a month are required to operate an electric refrigerator, range, washing machine, vacuum cleaner, iron, and radio, or television in the average household. In Boston, that amount of electricity would cost $9.50 a month, or $114 a year. This is $43.80 more than the cost for a similar amount purchased from a private company in Portland, Oreg.; $54 more than the cost from the municipally owned system distributing TVA power in Chattanooga, Tenn., and $61.44 a year more than from a private company in Spokane, Wash. Is it any wonder that the average home in Boston uses only about 85 kilowatt-hours of electricity each month as compared with 172 kilowatt-hours in Atlanta, 392 in Chattanooga, 401 in Portland, and 477 in Spokane?

Among the 257 United States cities of over 50,000 population, New England cities have the lowest average residential consumption of electricity. In 1952, according to the Federal Power Commission, Tacoma, Wash., with an average residential use of 6,650 kilowatt-hours per year, led the Nation, while Lawrence, Mass., was at the bottom with an average annual consumption of only 829 kilowatt-hours per home, or about one-eighth the use in Tacoma. Although New England has 27 cities of more than 50,000 population, only three equaled the national average in residential consumption of electricity. Other New England cities and their rank and average residential consumption in the FPC survey are New Bedford, 256th on the list, with 839 kilowatt-hours per year consumption; Fall River, 254th, with 886 kilowatt-hours; Lynn, 253d, with 974; Providence, 252d, with 976; Lowell, 251st, with 991; Boston, 249th, with 1,016; and Pawtucket, 246th, with 1,046 kilowatt-hours use per year. Residential consumption in each of these cities is averaging only about half of the national average. In some cities, where there has been public development of power under Federal programs, the average home uses as much electricity in 2 months as a typical New England home uses in 2 years.

Mr. President, I was about to say I would not read more. There are a number of other sections I believe it would be good to have in the RECORD.

Mr. PURTELL. Will the Senator yield?

Mr. SPARKMAN. I will yield for a question.

Mr. PURTELL. I would ask a question. It is not the intention of the Senator, is it, to read all the papers he has there, because, as a New Englander, I am getting information about New England I have never heard before, and nobody else in New England has ever heard before, and so I hope the Senator does not intend to forget to read every single paper he has before him.

Mr. SPARKMAN. I did not intend to put on a course of instruction for the Senator from Connecticut. I am only quoting statistics from the Federal Power Commission. Of course, they are available to the Senator from Connecticut the same as they are to me. I am reading them to the Senator.

I may say that I became interested in this matter when the Joint Economic Committee, of which I was a member, conducted a study of the problem because there was a great cry going up about the economy of New England being sick. We wanted to find out if it was sick, and, if so, if there were anything we could do about it. That is where I came in contact with most of this information. Then I obtained additional information, as I had explained before the Senator came in, when I was formerly a member of the Public Works Committee; and the New England Senators—all of them, if I remember—asked for a resolution providing for a power survey of all of New England, including New Hampshire, I may say. We adopted that resolution, and that committee was set up. I assume that it is going right on with the survey; I do not know. Perhaps the Senator could tell me about that.

Then later it happened to be my lot to serve on a subcommittee of the Foreign Relations Committee, to study a resolution sponsored by both the able Senators from Maine. I am glad to see the senior Senator from Maine here at the present time. It will be remembered that that resolution was referred to the Foreign Relations Committee.

We studied it, and we reported it unanimously; and it was adopted by the Senate unanimously. It created a commission for the purpose, or at least authorized a survey of what most people recognize as the Passamaquoddy project, but I believe it is now called the Bay of Fundy project, or something like that.

So I did become greatly interested in New England and in the power potential of New England and in the industrial problems, the economic problems of New England.

I would like to read a further statement:

> I know that apologists for the New England power companies have tried to explain the great difference in rates by attributing them to the higher fuel costs which prevail throughout the region, where power is predominantly steam generated. Actually, less than one-quarter of the cost differential in New England is due to higher power costs. The real explanation for the bulk of the difference is just lack of enterprise on the part of power company management, which incidentally also accounts for disproportionately high administrative costs among New England power companies when compared with those of other private utilities throughout the United States. Operating costs of New England private power companies are running about 48 percent higher per kilowatt-hour of electricity sold to consumers than the average for the rest of the United States. Office overhead expenses are about 58 percent higher, and their fixed charges, including depreciation and net operating income, are about 36 percent higher. Significantly, however, the per customer sales of electricity in New England are running about 30 percent below those of the United States as a whole. Since it is a fundamental fact of business that these costs do not go up proportionately with increased sales, it is obvious that if New England power companies were selling more power at lower rates, the cost of electricity per kilowatt-hour could come down while the companies continued to make—and even increase—their profits out of the lower rates. But more important for the region and the Nation as a whole, consumers, dealers, manufacturers, and workers in the electrical industry would also enjoy benefits in higher living standards, increased sales, and greater employment.

That is the true yardstick that I was talking about a little earlier. It is the increase of consumption and the reduction of rates.

I will yield to the Senator from Washington for a question.

Mr. JACKSON. Is it not true that the high-cost power areas could well be the chief beneficiaries of the atomic electric power program, under the kind of amendments which have been adopted yesterday, by reason of the amendment offered by the Senator from Colorado [Mr. JOHNSON], and the preference provision implementing that amendment, offered by the Senator from Iowa [Mr. GILLETTE]?

Mr. SPARKMAN. Yes. I may say to the distinguished Senator from Washington that while he was temporarily out of the Senate Chamber, I stated a few minutes ago that that was true. Some of the many distinguished New England Senators, who are lined up here almost like a football team, asked me if I could make any suggestion as to how that rate could be lowered. I told them that the amendment they should have voted for—the amendment offered by the distinguished Senator from Colorado [Mr. JOHNSON]—which was voted into the bill, offered great promise for New England and all other high-cost power areas.

I read also a statement or testimony given by John J. Hopkins, president and general manager of General Dynamics Corp. That organization has been doing a large amount of work in the field of atomic energy. Mr. Hopkins said that atomic reactors should be able to produce power at from 4 to 7 mills. If it is ever possible to reduce the rate to 4 mills, and that power can be transmitted into New England, then New England will be a blessed region.

Mr. JACKSON. Am I correct in understanding that the source of the power used in New England is chiefly coal and oil?

Mr. SPARKMAN. Yes.

Mr. JACKSON. Is the Senator aware of the fact that 1 pound of uranium has an energy equivalent of 2.6 million pounds of coal?

Mr. SPARKMAN. I did not know that of my own accord, but the Senator from Washington for several years was a distinguished member of the Joint Committee on Atomic Energy. He knows these facts; and if he tells me that is true, I know it is.

Mr. JACKSON. I appreciate the very kind comment of the distinguished Senator from Alabama; but the information can be found on the top of page 21 of the hearings.

Mr. SPARKMAN. Of course, the hearings contain about 2,000 pages. I have not been able to read every page. I am sorry I missed that one, but I have read most of them.

Mr. JACKSON. I must say that the Senator from Alabama has been doing an outstanding job in getting all this pertinent information before the Senate. I want to commend him for the tremendous contribution he is making to this all-important subject.

Mr. UPTON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I shall be glad to yield.

Mr. UPTON. There has been reference to the power inherent in a pound of uranium. I rise to inquire whether anyone knows how to put that pound of uranium to work for New England?

Mr. SPARKMAN. Probably the Senator from New Hampshire did not hear the question that immediately preceded his. The Senator from Washington [Mr. JACKSON] asked me if the Atomic Energy Commission develops the kind of reactor which is provided for in the Johnson amendment, for which, I am sure, some day the Senator from New Hampshire will wish he had voted, and then if it is able to produce power at the rate Mr. Hopkins said it could be produced, perhaps as low as 4 mills, certainly that should be a great blessing for New England. That is when the uranium would be put to work.

Mr. UPTON. I thank the distinguished Senator for his encouragement.

Mr. SPARKMAN. I appreciate the contribution which the Senator from New Hampshire has made. Here is one other point I wish to make. Something was said tonight, I believe, by the distinguished Senator from Iowa, about the independence of New England. Of course, we all praise the independence of New England, and the good, solid character of New England. I think the entire United States looks at New England in that way. But I wish to read something. This is testimony. It is not my statement. It is testimony before the Water Resources Board:

> Although New England was one of the first regions to favor municipal ownership of electric utilities, the intensive propaganda campaign which the private utilities of New England have waged against Federal power developments has blocked all efforts to curb their monopoly control. In 1926 the six New England governors jointly urged public construction of dams for flood control and power, but even the $52-million flood on the Merrimack the following year was not drastic enough evidence to put their program over in the face of united private-utility opposition. Ten years later, in an effort to take

advantage of the $24 million in Federal flood-control funds offered in the Flood Control Act of 1936, an interstate compact was entered into by New Hampshire, Vermont, Massachusetts, and Connecticut. The power lobby, charging invasion of New England by the New Deal in Washington, again blocked acceptance, with the result that the region still urgently needs flood-control and power development. All other attempts to secure necessary measures through interstate compacts have been blocked by the power lobby, which, while proclaiming States' rights, has conveniently failed to take into account the fact that nearly 90 percent of the New England power concerns have been controlled from New York.

Mr. UPTON. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. UPTON. The distinguished Senator has remarked that the Interstate Flood Control Compact of 1936 failed of ratification because of the opposition of local power interests. I was one of the commissioners who drew the interstate compact. It failed of ratification because there was included in it the partnership principle which has been under discussion on the floor of the Senate in recent weeks. We looked to the use of flood control reservoirs not only for flood control, but also for the development of power. We looked to the development by the States of public power, and we looked to Washington for the ratification of the compact, but the advocates of public power in Washington prevented the ratification of the compact.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. AIKEN. Does the Senator from Alabama realize that the Senator who just spoke was the guiding hand in formulating the New England compact of 1936, at the request of President Roosevelt, and that every word of the compact was approved by the Army engineers under the direction of President Roosevelt as it was written; but when the compact was submitted to Congress for its approval, the same President who had urged the New England States to enter into the compact was instrumental in blocking its ratification by Congress. The New Deal stopped that compact from being ratified. It was not the New England power interests at that time. The present Senator from New Hampshire undoubtedly wrote more of that compact than did any other person present. I know it was approved word for word by the representatives of President Roosevelt, as it was written.

Mr. SPARKMAN. First I wish to clear up a point. I understood the distinguished Senator from Vermont to say "the present speaker." Did he refer to himself, or to the distinguished Senator from New Hampshire [Mr. UPTON]?

Mr. AIKEN. The Senator from New Hampshire [Mr. UPTON] was perhaps the key man on the committee of New England States—New Hampshire, Vermont, Massachusetts, and Rhode Island.

Mr. SPARKMAN. Does the Senator mean the junior Senator from New Hampshire [Mr. UPTON]?

Mr. AIKEN. I allude to the junior Senator from New Hampshire [Mr. UPTON] as the key man who wrote the compact. Does the Senator from Alabama know that after the compact was written, the legislatures of the four New England States concerned unanimously ratified it, with the exception of one member of the Massachusetts Legislature? It was blocked by the same Government in Washington which requested it to be formulated.

Mr. SPARKMAN. I thank the Senator from Vermont for that information. As I recall, the compact came before the Congress in 1937. I was a Member of Congress at the time. I had no intimate part in it. I do not remember the details.

I am glad the Senator from Vermont has stated the situation as it happened.

Mr. PURTELL. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield for a question.

Mr. PURTELL. I wish to ask the Senator from Alabama if, in view of the information which has just been received from an authority on the compact, the rest of the Senator's information about New England is any more accurate than was his statement about the compact.

Mr. SPARKMAN. I may say to the Senator from Connecticut that I have made it clear, all the way through my statement, that this was evidence which was presented to the committee. I suppose this represented the viewpoint of one particular person, or group, who prepared this particular testimony. It is not my statement. I am quoting the testimony, just as I might take a copy of the hearings and read something out of them.

The testimony is presented to Congress in that form, and the Senator knows it. Certainly, it represents somebody's viewpoint. While that person's opinion is expressed in the statement, there is some factual information contained therein; that the four States ratified the interstate compact; that in 1926, six New England governors jointly urged public construction of a dam for flood control and power.

Mr. PURTELL. Will the Senator yield?

Mr. SPARKMAN. I yield for a question.

Mr. PURTELL. In view of the information which the Senator from Alabama has received from the Senator from New Hampshire, I am sure that the Senator from Alabama will agree that he has been shown to have been in error in that particular case. Since he now says that the evidence introduced in support of his claim was prepared by someone else, have we not reason to believe that perhaps many other statements and many other authorities upon which he relies are equally as inaccurate?

Mr. SPARKMAN. Of course, as one goes through the statement, he will see that some parts of it are opinion. I think anyone reading it could see how a person was going upon his own opinion, or stating his own opinion, and also stating his own conclusions. I wish to remind the Senator that most of the testimony was not opinion, but was factual, taken from the records of the Federal Power Commission, and contains direct quotations from people like Dr. Seymour Harris.

Mr. PURTELL. Is it not true that had we not had on the floor tonight the Senator from New Hampshire [Mr. UPTON], that which we had assumed to be factual would not have been proved to be erroneous?

Mr. SPARKMAN. The Senator may be correct, although I think anyone reading the testimony could see that it was a conclusion which someone was stating for himself. I accept without question the word of both the distinguished Senator from Vermont and the distinguished Senator from New Hampshire. I am glad they are here, in order to be able to throw that light on the situation.

Nevertheless, the fact remains that the potential hydroelectric power of New England is less than 31 percent developed. The fact remains that the rate paid by the average consumer of electricity in New England is greatly in excess of that paid by the average consumer in any other part of the United States.

The fact remains that the average consumption of power per person, per home, per unit, in New England, is far below the average in any other part of the country.

Mr. PURTELL. Will the Senator yield for a question?

Mr. SPARKMAN. I will.

Mr. PURTELL. Does the Senator find any fault with New England?

Mr. SPARKMAN. I can advise the distinguished Senator, as I said earlier, that I was not trying to find fault with New England. I was talking the question over earlier with the Senator's colleague, and I had made a study as a member of the Joint Economic Committee, and knew something about the power situation as a member of the Public Works Committee, and therefore I just thought I would inquire into the figures. I had made a statement a while ago in which I had referred to what the Senator's colleague called "Yankee ingenuity."

Mr. PURTELL. Well, the Senator is doing it again.

Mr. SPARKMAN. Yes.

Mr. PURTELL. When the Senator referred to an earlier colloquy between the Senator from Oklahoma and the Senator from Connecticut, he was referring to the Senator now addressing the Senate and the Senator from Oklahoma [Mr. KERR].

Mr. SPARKMAN. And the Senator from New Hampshire.

Mr. PURTELL. I was very much bothered after that discussion, because I referred to the Senator from Oklahoma as the Senator from Arizona, and he accused me of being confused, and I was confused. I was bewildered at that time. After the colloquy I was bothered a great deal as to the cause of my confusion and my bewilderment. Upon reaching the dining room shortly thereafter, however, I learned the answer. I had been exposed so long to so much differing, confusing, bewildering oratory from the other side of the aisle that I, like them,

became confused and bewildered temporarily.

Mr. KERR. It is entirely possible the distinguished Senator from Connecticut was not confused by what he heard from others, but that he became confused when he tried to talk about the situation himself.

Will the Senator yield for a question?

Mr. SPARKMAN. For a question.

Mr. KERR. I would like to ask the distinguished Senator from Alabama if it is not a fact that we aided in every effort we could to secure some consideration for the development of a program for New England, as we did for the rest of the country.

Mr. SPARKMAN. Absolutely. As a member of the Joint Economic Committee, they made a program for the South, and I also asked them to make one for New England, and the distinguished junior Senator from Vermont is the ranking member of the committee from the Senate on that committee. We made a study of New England and came to our conclusion from that study made, and we are not trying to say anything either derogatory or critical of you. We want to help you. We do not want to take anything away from New England. However, industry shifts from there because it did not belong there in the first place.

One of the leading college professors in New England testified that if industry became uneconomic in New England, they should not stay there, and should not try to hold out.

The distinguished Senator from Oklahoma may have been here when I told of my visit to the great industrial State of Connecticut, the most intensively industrialized State in the United States, I think I am correct in saying that. It is a delight to go to New England, and to see all the industries there using "Yankee ingenuity." They make everything from airplanes to wooden nutmegs, and I would not take anything away from them—especially the wooden nutmegs. [Laughter.]

Mr. KERR. May I ask a further question?

Mr. SPARKMAN. I yield.

Mr. KERR. Is it not a fact that the Senator from Alabama has the same kind of philosophy I have, namely, that in our part of the country we have tried to develop an economy that would follow the pattern of New England, in the development of industries locally, with local resources and local labor, and supplying the local market, not in a way to take from New England anything that is hers, but to develop an industrial economic front that would give us some semblance of the industrial development and industrial prosperity which we have admired in New England, and, perhaps, at times envied in them.

Mr. SPARKMAN. And encouraged industry that is indigenous to the area. I believe that is what they ought to do, and I believe they are doing it.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. First I was trying to locate the distinguished Senator from New Hampshire. I wanted to tell how when Senator Tobey died Members of this body accompanied his body to New Hampshire to lay him in the ground he loved so well.

Driving back, from the little town where he was buried, we went to the airport of Nashua, I believe it was called.

Mr. AIKEN. Will the Senator yield?

Mr. SPARKMAN. Yes. Did I pronounce the name of the town correctly?

Mr. AIKEN. It is Nashua.

Mr. SPARKMAN. Nashua, N. H.

Mr. AIKEN. A very good pronunciation.

Mr. SPARKMAN. Let me finish my statement and I will yield. I was telling something, and I want the Senators to listen to me.

Mr. AIKEN. I would like to ask a question if the Senator will yield to me.

Mr. SPARKMAN. As we drove back from the cemetery to the airport we went near Nashua. I had heard about the mills which had moved away from there. The distinguished Senator from Mississippi [Mr. STENNIS] was in the car with me, and when we were on the way back from Charlie Tobey's funeral, we went down through the town of Nashua, and drove along beside a little stream where there must have been half a mile of buildings which, it was pointed out to us, had been vacated by textile mills.

What happened? They have hundreds of little industries in there, separate industries, and I have been told they probably now have a healthier economy than they had before. They have industries there which belong there. The cotton textile industry never belonged there. It belonged near the cotton fields of the South.

Now I yield.

Mr. AIKEN. Does the Senator from Alabama realize that some of the people in New England wonder why the great advocate of public power development from Alabama agreed so readily earlier this year to turn the power of Coosa River, which had already been dedicated to public development, over to the Alabama Power Co.? The Senator must realize that that is one of the things which some of us who have supported public power development find it very hard to understand.

Mr. SPARKMAN. If that is bothering the Senator from Vermont, I am glad he asked the question, because I welcome the opportunity to answer it. He must not have been here the day the bill passed, because it was passed unanimously.

Mr. AIKEN. The Senator realizes the bill slid through without half the Senate being aware of it, does he not?

Mr. SPARKMAN. No. Let me say that if the Senator will check the record he will find it was discussed on the floor quite a bit. The explanation was given, and I shall be glad to repeat it.

Mr. AIKEN. Was it because the Senator from Alabama was busy with his primary campaign when the Coosa River project was handed over to the power companies at that time?

Mr. SPARKMAN. No.

Mr. AIKEN. What is the reason?

Mr. SPARKMAN. My campaign was completed. I had no more worries, unless there was to be a terrible upheaval and the Republicans were to win there.

Mr. AIKEN. Was not the proposal to turn over the Coosa River project to the private company decided upon before the campaign?

Mr. SPARKMAN. No; my campaign was out of the way before the bill came up in the Senate. Let me explain.

Mr. AIKEN. It will take a lot of explanation to convince us that a man capable of being such an earnest advocate of TVA one time——

Mr. SPARKMAN. All the time.

Mr. AIKEN. —can then agree to an abject surrender of the Coosa River project to the Alabama Power Co. in its own territory.

Mr. SPARKMAN. If the Senator will listen for a few minutes——

Mr. AIKEN. I shall be glad to listen. I hope the explanation is a good one.

Mr. SPARKMAN. I can explain it to the complete satisfaction of the Senator from Vermont. He referred to me as a great public power advocate.

Mr. AIKEN. Most of the time.

Mr. SPARKMAN. I have been strongly in favor of TVA, and I still am. I have been, and I still am, strongly in favor of rural electric cooperatives, and I am in favor of the Federal development of streams where multipurpose dams are required, particularly if they cross State lines, and involve more than one State. I have always believed that there was ample room for both public and private power, and that we need all the power we can get from both sources.

Let me tell the Senator something about the Coosa River. In 1945 we were able to get through Congress, after a considerable time, an authorizing act providing for the building of one high dam by the Federal Government for the production of power. We never were able to get a budget estimate on it. I ask the Senator from Vermont to listen to this carefully: In 1945, when the project was authorized, Alabama Power Co. representatives came to Washington and testified on behalf of the bill. There was then an agreement worked out between the congressional delegation from Alabama and the Alabama Power Co. for Federal development. The company was not able to finance it by itself. We have tried time and time again to get a budget estimate. We never were able to do it.

Mr. AIKEN. Will the Senator yield?

Mr. SPARKMAN. Let me finish my thought first. If the Senator has any further questions, I shall be glad to let him ask them and answer them. Last fall, during the adjournment of Congress, the power officials and the people of the Coosa Valley came to see various members of the Alabama congressional delegation and said in effect, "You will recall we joined with you in asking for a Federal authorization for the development of this stream. We did not have the money then. We can finance it now. We are ready to go ahead. We do not want to build one high dam. We want to build five low dams, but we promise you we will get the maximum power out of that river and we will use it for the benefit of the people in the valley."

Mr. AIKEN. Is not the same thing being done today with respect to atomic energy?

Mr. SPARKMAN. Let me finish my statement. We worked a long time drawing up a resolution that provided ample safeguards for the people of that area and for the further development of the river. There are differentiating characteristics about the Coosa River which I should like to mention. First of all, the development is all in one State. Second, the Alabama Power Co. already has dams on the river. Third, it is in territory exclusively served by the Alabama Power Co. Fourth, it does not conflict with any public power generation in any of that area. Fifth, there is no partnership arrangement involved. It is purely a development by one company that is already on the river. We wanted power developed in that area. As long as we had a program that was properly safeguarded, we did not care how it was done.

Mr. AIKEN. Will the Senator yield?

Mr. SPARKMAN. I yield for a question.

Mr. AIKEN. Does the Senator say the Alabama Power Co. owned the river?

Mr. SPARKMAN. I said it was on the river.

Mr. AIKEN. It already owned the river?

Mr. SPARKMAN. It already had a development on the river system. There are two rivers that run together, the Coosa and the Tallapoosa. When the two rivers meet they form the Alabama River, and the Alabama River flows into the Tombigbee, which river then flows into the Tensas, and on into Mobile Bay.

Mr. AIKEN. How could the power company own the river?

Mr. SPARKMAN. I said the power company was already on the river. May I change that and say the power company already had its dams on the river—in the river. The river already had been partially developed by the power company.

Mr. AIKEN. Will the Senator yield?

Mr. SPARKMAN. Let me finish my statement. Instead of one power dam that was federalized——

Mr. AIKEN. Will the Senator explain why the Coosa River was about the only authorized development on which it was impossible to get a budget estimate?

Mr. SPARKMAN. Oh, no.

Mr. AIKEN. Why was a budget estimate not secured on the cost of the Coosa River?

Mr. SPARKMAN. I cannot give the Senator an answer to that. I do not know. I wish I did. When the Senator states that the Coosa River is about the only one with respect to which we received no budget estimate, he is grevi-ously in error. We had had a terrible time in the same respect regarding the Chattahoochee-Apalachicola, the Tennessee-Tombigbee. We have not been able to get an estimate on many of these projects. We have been only partially successful on the Warrior-Tombigbee.

Mr. AIKEN. Why was it so difficult?

Mr. SPARKMAN. I cannot give the Senator from Vermont an answer to that question. Alabama very proudly boasts of the fact that it has more navigable miles of inland streams than any other State of the Union. A great part of that mileage is developed. We are not complaining too much. We have a good bit of development.

Mr. AIKEN. Is the Senator from Alabama opposed to private development of the waters of Alabama?

Mr. SPARKMAN. No. We believe in cooperation. I have stated my views. Those are the views of the people of Alabama. We need all the power we can get, both private and public.

Mr. AIKEN. The Senator from Alabama agrees, does he not, that the Alabama Power Co. could not have asked for better cooperation than it received in the case of the Coosa River?

Mr. SPARKMAN. That is right. When we had it federally authorized, we had the same cooperation from the Alabama Power Co. Their representatives testified in behalf of Federal development of the river. There was cooperation.

Mr. AIKEN. The Senator and the Alabama Power Co. work hand-in-hand?

Mr. SPARKMAN. We get along very well. I may say that since 1939, when Congress passed the act dividing the territory between TVA and the power company, there has been no conflict between the power company and the TVA. That may sound strange to the Senator, but we have had excellent cooperation between the power company and the TVA. Even though that may seem strange, there is room for all the power we can get from both public and private generation.

Mr. KERR. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am happy to yield to the Senator from Oklahoma.

Mr. KERR. I understood the Senator from Alabama to say three times the Alabama Power Co. was already on the river.

Mr. SPARKMAN. The Senator from Vermont could not understand what I said, so I changed my sentence to say that the company had already built dams on the river.

Mr. KERR. I was wondering if the Senator from Vermont was confusing the word "on" with the word "own."

Mr. SPARKMAN. He seemed to be. That is why I changed the whole sentence structure, so he could understand.

Mr. KERR. The Senator from Vermont then seemed to be in a great deal of mystification as to why the Senator from Alabama favored a program which would permit the Alabama Power Co. to develop the Alabama River after the Federal Government had either declined or failed or refused to do so. Still the Senator from Vermont could not understand why the Senator from Alabama——

The PRESIDING OFFICER. The Senator will suspend until there is quiet.

Mr. KERR. Does the Chair mean other than the question of the Senator from Oklahoma?

The PRESIDING OFFICER. Yes.

Mr. KERR. The Senator from Vermont could not understand why the Senator from Alabama was opposed to a program of the Federal Government giving something which it owned, which it had financed, in which the people of all the United States had a great interest, divesting itself of that and turning it over to both private power and private corporations. Does not the Senator from Alabama see a great difference in those two principles?

Mr. SPARKMAN. I certainly do. Yes; I certainly see a great difference. I think the people of the country could see the difference, too, when this thing is set before them between now and November 2.

Mr. KERR. As I understand the amendment of the distinguished Senator from Alabama, he seeks to change a date in the bill.

Mr. SPARKMAN. Yes.

Mr. KERR. From September 1, 1959, to September 1, 1969.

Mr. SPARKMAN. To make it 15 years instead of 5.

Mr. KERR. From the 1st of September, 1954.

Mr. SPARKMAN. That is right.

Mr. KERR. As I understand the purpose of the Senator's amendment, briefly stated, it is this—and I would like to have him tell me whether or not this is correct—he feels that the patents which will be developed, utilizing atomic power and developing them, should first for as long as possible belong either to the Federal Government or be such that the Federal Government will automatically have the right to license them and use them; and, second, that for the general welfare of the country those patents shall be as easy as possible for private enterprise to obtain by license and thus secure the privilege of using them through the payment of royalties or reasonable fees, rather than for a program to develop whereby very few will have all of the patents exclusive not only of the Atomic Energy Commission, but also of participation by others, thereby obtaining and maintaining a monopoly.

Mr. SPARKMAN. The Senator has in a few words stated exactly the purpose of my amendment.

I may say that earlier in the evening, shortly after the Senator from Oklahoma finished his speech and had gone to the floor below to get dinner, I read the President's recommendation. He said that compulsory licensing ought to be spread over a period long enough to enable the development of a broad base of participation and utilization of atomic energy. The committee allowed 5 years.

I pointed out that according to the evidence it would take 5 years to build the reactors. How can anyone tell what is going to happen in 5 years' time? There ought to be at least 5 years more in which to test the thing. Ten years more would not hurt, in order to collect experience and data and facts and figures and find out how the reactors are working and what they are worth, and so on and so forth, and give them benefit for the use of all.

Furthermore, I inquired, with a 5-year limitation requirement what would the situation be if the owner of a patent, a big producer of some kind, simply sat on the patent until the 5 years ran out? If it were really worthwhile, the cost to him would be minimum as compared to the profit he would get out of it after

the 5 years were over. The benefits he might have by monopolizing the use of it after the 5 years would be great, and he might even do that on a 10-year basis. If the period is made 15 years, it would be better; longer the period is the less likely he is to sit on it.

By the way, the minority views of the committee recommended what I think is really best, and that is that the compulsory licensing be required without time limitation.

Mr. KERR. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. So that after 10 years if Congress decided that a base broad enough had been obtained, then they could cut the time off, or if it took 15 years they could wait 15 years. In other words, it would be up to the Congress to determine when the base had been developed broad enough to justify cutting it off.

I now yield for a question.

Mr. KERR. Is it not a fact that if Congress decided either to follow the provision of the amendment offered earlier by the Senator from Oklahoma, to retain the provisions of the McMahon Act with reference to licensing and securing the use of patents, or if it accepted the amendments of the Senator from Alabama, which would extend the period for an additional 10 years, any time hereafter, in the event they accepted the amendment of the Senator from Oklahoma, or within the 15 years, if they accepted the amendment of the Senator from Alabama, they could still do what they seek to do in the language of the bill unamended?

Mr. SPARKMAN. The Senator is exactly correct, I may say that of course had the Senator's amendment been agreed to I would not have offered mine. I offered it because the guillotine was lowered upon the Senator's amendment. I could not help but believe that if it were phrased in another way, in simple language like this, I could explain it to the majority leader in such a way that he would not deal sudden death to this particular amendment.

Mr. KERR. I thank the distinguished Senator from Alabama for his clarity and thoroughness in explaining his amendment and in responding to the questions propounded.

Mr. SPARKMAN. I appreciate the statement of the Senator from Oklahoma, and his contribution.

Mr. President, I should like to get back to the prepared statement I have on the patent provisions. I had almost finished the first page when the question came up about the difference in power costs in areas such as the Northeast and Southeast, and the north central regions of the United States.

If power can be produced at a cost equal to or lower than present costs of power, there certainly is a great deal at stake in the control of atomic power. Those who control this resource under these conditions could, if they desired, completely stifle all competition because they could undersell their competitors. Therefore, it seems most important that the Congress protect the interest of the people, the interest of the small producer and distributor of electric power, and make sure that they share in the benefits from this power resource financed primarily by the Federal Government.

There is no question that the Federal Government has financed most of the nuclear-power research and development. Over $12 billion has been spent on the whole atomic-energy program, and even if only a small percentage of this amount was spent on the atomic-power program, it would be a tremendous sum of money.

Even the private utility and industrial companies agree with this. On page 173 of the hearings before the joint committee in 1953, Mr. Edwin L. Putzell, Jr., secretary, Monsanto Chemical Co., stated:

> The cost of developing the Government's information about nuclear reactors is some small percentage, perhaps 3 or 4 percent of that figure, but even a small part of such a large amount is a lot of money, and the point here is that the Government still has little information about nuclear reactors which has any present peacetime commercial or industrial value, so far as we know, without additional research and development and pilot-plant work.

There is no question that in future research and development in the use of nuclear power the Federal Government will have to pay a major part of the cost. In fact, the recent report of the Joint Congressional Committee on Atomic Energy's Subcommittee on Research and Development stated:

> FINANCING PRIMARILY BY GOVERNMENT
>
> The program outlined calls for financing primarily by the Government. Except for the pressurized-water reactor, it consists of small, experimental reactors. All these units will produce technical and cost information which will make possible more accurate evaluation of the future of nuclear power. It is hoped that the new technology will encourage industry to take over an increasing share of the financing of further research and development and to consider with increasing favor the actual construction of pilot or full-scale powerplants. * * *
>
> Private financing thus far has been only a small fraction of total reactor development costs.

Also, Representative HOLIFIELD stated on page 153 of the 1953 hearings before the joint committee that "in the last 5 years nuclear material has cost the Government $550 million, in the research and development of reactors alone." I am sure that no one would argue that the expenditure of $550 million is a small amount. Therefore, there is ample proof that the Government has, and is going to, spend tremendous sums on peacetime development of nuclear power. The interest of the people in this investment must be protected. A few large private utility and industrial companies must not be permitted to control this investment of the people through private patents.

Under the present act there are 13 study teams which are participating in atomic power research and development. These teams are composed of some of the largest private utility and industrial companies in the country. Only one public group, TVA, is a member of the team. These study teams spend most of their time in Government facilities carrying out research at Government expense. Only recently did one of these teams, Dow Chemical-Detroit Edison, announced that it was going to carry out a study with some of its own funds. The Atomic Energy Commission announced that this team planned to spend $2,300,000:

> To begin a new phase of nuclear power investigations involving actual experiments and preliminary engineering * * * on a breeder reactor for the generation of electric power and other products. * * *

In the same announcement, the Atomic Energy Commission stated that it would bear the expense of any part of the project which "is of direct interest to the Atomic Energy Commission and forms part of its approved program." In other words, even this study will include some financing by the Federal Government. If such is the case, the results of this study should be made available to all the people through compulsory licensing of patents as provided in the present Atomic Energy Act. These companies can then be compensated through regulated royalty fees, regulated in the public interest.

I may say that is exactly what the Senator from Oklahoma tried to accomplish. The present act leaves it open for future determination. I have narrowed it down somewhat and have set a definite cut-off date, that is, 15 years, in my amendment. These companies can then be compensated through regulated royalty fees, regulated in the public interest.

It is interesting to study the composition of some of these study teams. One can readily see that because of their composition it is extremely important that they who have the resources and the personnel to participate in this atomic power program should not be permitted to tie up completely the future of the nuclear power program through exclusive private patents.

One of the largest teams is the Dow Chemical-Detroit Edison team. This team is composed of 5 chemical and manufacturing industries, 3 engineering and construction firms, and the following 23 private power companies: Atlantic City Electric Co., the Cincinnati Gas & Electric Co., the Cleveland Electric Illuminating Co., Consolidated Edison Co. of New York, Inc., Consolidated Gas Electric Light & Power Co. of Baltimore, Consumers Power Co., the Detroit Edison Co., Metropolitan Edison Co., Pennsylvania Electric Co., the Hartford Electric Light Co., New England Electric System, Niagara Mohawk Power Corp., Philadelphia Electric Co., Potomac Electric Power Co., Public Service Electric & Gas Co., Rochester Gas & Electric Corp., the Southern Co., Alabama Power Co., Georgia Power Co., Gulf Power Co., Mississippi Power Co., the Toledo Edison Co., and Wisconsin Electric Power Co. This team is composed of some of the largest private utility companies in the country. In fact, they have boasted that they have assets totaling $8.3 billion. This is approximately three times the total investment of all the REA financed rural electric systems in the country.

Should this study team which is fortunate to have the resources to participate in this program which is financed primarily by the Government have the right to tie up in private patents a resource which may be the most important energy source yet developed for the whole electric industry? One would think that the competitive advantage they gain by being members of a small number of study teams engaged in this field would be sufficient compensation for any funds they themselves spend on this atomic power program. Just think of the knowledge and experience they are acquiring in the development of nuclear power. They certainly are competitively far ahead of the rest of the electric industry, particularly the small consumer-owned producers and distributors of electricity—the rural electric cooperatives and the municipally owned electric systems.

Some argue that these utility giants are not interested in private patents. One must admit that it is not the nature of the electric power industry to be interested in such patents, but there are many reasons why these utility giants are interested in patents in this new field of electric energy. First of all, they certainly expect to receive some return for the efforts they are putting forth in developing a new technology. Also, they seem to have no objections if their private industrial partners insist on exclusive patents and use these patents to increase the cost of equipment which they are going to use in the generation of electric power.

Why do they not object to this arrangement? They do not object to this arrangement because the same large investment houses and insurance companies own both these industrial and utility companies. Therefore, they can be partners in scarcity—creating a scarcity of low-cost nuclear power through the use of exclusive private patents.

Let there be no question about whether the private utilities are interested in such patents. To learn of their interest one has only to examine the statement of Mr. Walker L. Cisler, president, Detroit Edison Co., which is one of the leading utility companies in the Dow Chemical-Detroit Edison study team. Mr. Cisler's statement which follows appears on page 155 of the printed hearings before the joint committee in 1953:

I think we have an unusual situation here, whereby the electric-power industry, in order to carry forward this development, must be very interested in the development of the equipment itself. We have always been concerned with that, but we have largely looked to the manufacturers of equipment for much of the development work, and they in turn have been concerned with patent matters. I do not believe it is possible, in this particular project, to separate out the patent aspects.

The officials of the study team of which Detroit Edison is a member went on to elaborate that they opposed the compulsory licensing provisions of the present act but would agree to voluntary licensing with suitable royalties. Only the Government, for military purposes, and the members of their study group would be granted licenses royalty-free

In other words, these private power and industrial companies want to determine who should be licensed to receive the benefits of discoveries and inventions financed primarily by the Federal Government and also what price they should pay to receive these benefits. This is a tremendous amount of power which could be used to stifle competition by excluding small producers and distributors of electricity.

The pressure of these large private utility and industrial groups to secure exclusive private patents in the field of nuclear power is tremendous. If they are successful in their drive to secure these patents, it will tie up the field of nuclear power for years to come. In my mind this is the meat, the core, of the legislation which is now proposed to amend the 1946 Atomic Energy Act which has worked so well in furthering both the military and nonmilitary utilization of atomic energy. There are other issues, but we must not lose sight of the big show—the attempt of these industrial giants to obtain exclusive private patents.

All of us in the Congress hear many reports about the promise of nuclear power. Some say that the cost will be 10 to 15 mills. Others say that the cost will drop as low as 4 mills. Some say it will just be a supplementary source of power in another decade. Others say it will be competitive with hydropower within 10 years.

We in the Congress have never received a comprehensive report which would give us precise scientific and engineering information about what we can expect from this new technology, but still we are being asked to revise the present Atomic Energy Act in numerous ways, ways which I feel will not hasten the development of feasible peacetime nuclear power, but which will result in a monopoly situation that could and most likely would, retard development.

The Congress in 1946 had enough foresight to require the Atomic Energy Commission, before licensing a practical use of atomic power, to present to the President and to the Congress a comprehensive report on the social, economic, political, and international effects of such practical use of atomic energy. Then the Congress was given a period of 90 days in which to legislate against the issuance of such a license if they saw fit. This provision which I refer to is contained in section 7 (b) of the present act which reads as follows:

(b) Report to Congress: Whenever in its opinion any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations. No license for any manufacture, production, export, or use shall be issued by the Commission under this section until after (1) a report with respect to such manufacture, production, export, or use has been filed with the Congress; and (2) a period of 90 days in which the Congress was in session has elapsed after the report has been so filed. In computing such period of 90 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days.

But now we are asked to approve far-reaching measures in a field in which we have little knowledge and in which the Atomic Energy Commission has not seen fit to furnish the comprehensive report called for in section 7 (b) of the act. In fact, those who were responsible for the proposed bill realized that perhaps the Congress might be reluctant to approve such changes without this report, and, therefore, they have substituted a watered-down section, section 102 of the proposed bill, for section 7 (b), which could do so much to inform the Congress and the American people.

The PRESIDING OFFICER. The Chair will ask the distinguished Senator from Alabama whether the conferences on the floor disturb him in the course of his remarks.

Mr. SPARKMAN. I will say to the Presiding Officer that I was not conscious of conferences going on, but I thank the Chair.

The PRESIDING OFFICER. The Senator may proceed.

Mr. SPARKMAN. We are, in effect, being asked to approve private patents in a field in which new developments are taking place almost daily, new developments which are being financed primarily by the people of the United States and not the large industrial and utility companies which want these private patents so badly.

It, of course, is necessary to examine the provisons of the present act in order to know what effect these proposed amendments dealing with patents will have.

Now I shall be glad to yield to the distinguished Senator from Tennessee for a question.

Mr. GORE. Mr. President, does the distinguished junior Senator from Alabama see the necessity of writing a patent law now for use 5 years from now?

Mr. SPARKMAN. Of course, one of my objections and one of the things that my amendment tries to reach is the fact that under the proposed bill there is a cutoff of the protection 5 years from now. As I pointed out earlier, it will take that long just to get the reactors ready. In that short period of time it will be possible for one of the big companies that has a patent, which is usuable, simply to sit on that patent. It would not cost much to wait out 5 years. Then they would have the patent for all time after. The distinguished Senator from Oklahoma earlier tried to continue the provision that is contained in the present Atomic Energy Act.

Mr. GORE. That is the McMahon Act; is that correct?

Mr. SPARKMAN. The McMahon Act. That is the act that has worked so well, and the one that the President said has worked so well. That provision simply leaves the matter without a time limit, so that the Congress later on can cut it off.

In other words, the guillotine is lowered on that. That amendment is gone.

Mr. GORE. Will the Senator yield for a question?

Mr. SPARKMAN. Therefore, I offered an amendment.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Alabama yield further?

Mr. SPARKMAN. After I have finished this statement. I am offering an amendment that narrows it down, and holds it to 15 years. Of course, Congress could still cut it off in a shorter time if it saw fit to do so. The objective, as stated by the President, is to give industry an opportunity to build itself on a much broader base on participation and utilization of atomic energy.

I now yield to the Senator from Tennessee.

Mr. GORE. Is it not true that the atomic-energy program has been developed largely, almost exclusively, by contract with private corporations?

Mr. SPARKMAN. Between the Government and private corporations; yes. May I say that I pointed out a few minutes ago that of practically all the programs that have been set up only one has just recently started which it calls self-financing. However, in the notice telling of it the Atomic Energy Commission pointed out that for any part of the experimentation that was usable or of interest to the Atomic Energy Commission, the Atomic Energy Commission would pay for that part.

Mr. GORE. Does the Senator know how many actual employees of the Government, employees whose salaries are paid by the Government, and employees who owe their allegiance to the Government, are employed at the hydrogen plant at Savannah, Ga.?

Mr. SPARKMAN. No; I am sorry, but I do not have those facts. It may be that the distinguished Senator from Tennessee, who for 10 years, or at least for a long time, served as chairman of the Appropriations Committee of the House of Representatives which made the appropriations for the Atomic Energy Commission, has those facts at his fingertips.

Mr. GORE. Does not the Senator from Alabama know that that particular very important hydrogen plant is operated by contract with the Du Pont Co.?

Mr. SPARKMAN. If the Senator from Tennessee says it is, then I know it is.

Mr. GORE. The Senator would not regard it as a criticism of the du Pont Co. to say that they have an exclusive contract to operate the Savannah plant?

Mr. SPARKMAN. No; not at all. As a matter of fact, I have no criticism, so far as I know, of the manner in which the Atomic Energy Commission has contracted and carried out its research development and operational work.

So far as I know, they have done just about as good a job as we could have hoped they would do.

The point is that not only have these few big companies enjoyed—I use the term in the proper sense and not only have they had the close association with this work, and a fine opportunity to become entirely familiar with it, because of this contractual relationship, but under the plan that is devised in this bill, as I see it, there is the likelihood of their having something tending toward a monopolistic enjoyment of special patent rights. Certainly they are in a position to get them easily; whereas the little fellow who is on the outside, knows nothing about it.

Mr. GORE. Is it not a fact that most of the atomic scientists are employed, not by the Government, but by the companies who have contracts with the Government to operate plants?

Mr. SPARKMAN. The Senator is absolutely correct.

Mr. GORE. If the Senator could name on the fingers of my two hands the number of large companies that have a monopoly or a virtual monopoly, upon the know-how, because they have a virtual monopoly on the employment of young scientists, from whose minds the idea for patents will come, then will not the Senator from Alabama agree with me that those companies would have an undue advantage over every other concern, large or small, in fastening patents upon resources that belong to all the people?

Mr. SPARKMAN. The Senator is absolutely right. Of course I will not get to cover everything that I wanted to say tonight. However, I am planning to offer another amendment later on with reference to small business. I think that is a very important matter. I have some material here tonight, and I had hoped that I might be able to say something about it in the course of the debate tonight. I was looking over the other day some tables showing the size of the corporations in this country, and when the Senator says that perhaps there are 10 or fewer big corporations that are capable of carrying out these big contracts, there certainly are not very many that can do it, unless we count those that build themselves into associations or organizations.

I read about 1 of them that had 23 big companies in it. However, there are very few companies that are big enough to do the job. Therefore, I say that we must write in to whatever bill becomes law, if we are to have the public interest at heart, proper safeguards, so that the little fellow, who is perhaps just a little millionaire, not a big millionaire, can share some of the benefits of the program that may mean—we do not know that it will—at least some of the great scientific minds in this country believe—not only in this country, but in other countries also—that it may well become the greatest blessing that mankind has received in many, many years, perhaps for all time.

Mr. GORE. Will the Senator yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. GORE. In view of the fact that the development of the use for electrical purposes, and the development and the growth of the use of atomic energy for commercial and economic civilian uses, is just on the threshold, what is wrong with the terms of the McMahon Act? Why is it that we must change that to permit these companies that have a virtual monopoly upon the know-how, that have a virtual monopoly upon the employment of the young men in this field, to fasten upon the use of these natural resources, which belong to all the people, a toll which we will have to pay from now on?

Mr. SPARKMAN. May I say that if I interpret correctly the message of President Eisenhower to Congress, he indicated that there was no great urgency for changing the McMahon Act so far as domestic purposes were concerned. The President emphasized changing the law so as to redeem the pledge he had made to the nations of the world when he spoke before the United Nations General Assembly at New York on December 8, 1953. That was what the President had in mind. That is not in this bill. The distinguished and able Senator from Rhode Island [Mr. PASTORE], who has been a conscientious member of the Joint Committee on Atomic Energy, and who, perhaps, has mastered the subject as well as anyone in the short time that he has been on the committee, pointed out very clearly to this Senate today—not today, because it is after midnight, but yesterday, the President's program, and he offered a plan to write it into the bill. What happened? He was given less than an hour to debate it. Nobody else was allowed to speak on it. The Senator from Mississippi [Mr. STENNIS] was on his feet asking for recognition. He was not given a chance. He wanted to speak on that very subject. That is what the President asked for.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield to the Senator from Iowa, because apparently he wants to correct me. If I have made a mistake, I would like to have him correct me.

Mr. HICKENLOOPER. Certainly. Is not the Senator aware of the fact that President Eisenhower did not ask for that power, that it was not contained in his message? The Senator from Rhode Island was not asking for what the President had asked for.

Mr. SPARKMAN. My understanding is that the Senator from Iowa stated yesterday that the President sent two different bills to Congress, or they came from the Atomic Energy Commission. That is the usual way they come. They come from the executive department. One of them dealt thoroughly with the matter of the international pool and the exchange of atomic information.

Mr. HICKENLOOPER. I hate to have the Senator from Alabama make a misstatement of fact.

Mr. SPARKMAN. I am sorry that the Senator from Rhode Island is not present at this time. I understood him to say that the terms he tried to write in were included, and that at one time there was a vote by the committee, and then they were taken out.

Mr. HICKENLOOPER. I respect the Senator so much that I feel that I must correct him.

Mr. SPARKMAN. This thing has been going so continuously and there have been so many different subjects discussed that I cannot be sure that I am accurate about it, but there was one provision that was discussed, and it was said it

was in the committee print. As I remember, it was the Senator from Rhode Island who brought out that point.

Mr. HICKENLOOPER. But the President never requested the authority requested by the Senator from Rhode Island in his amendment.

Mr. SPARKMAN. I really was not discussing that tonight. I shall certainly take the word of the distinguished chairman of the Joint Committee on Atomic Energy.

Mr. HICKENLOOPER. The President said he would come to Congress to present the matter to us and ask for further authority if he thought he needed it. The Senator from Rhode Island was trying to write it into the bill. It was something the President never requested.

Mr. SPARKMAN. I certainly shall accept that correction, and I thank the Senator from Iowa for making it.

Mr. GORE. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. For a question.

Mr. GORE. Does the Senator from Alabama think it is proper consideration to give to an amendment so important as that which was offered by the senior Senator from Oklahoma, striking from the bill these unwise favoritism provisions regarding patents in the bill before us, and substituting provisions of the McMahon Act, to lay that amendment on the table without debate, without answer, and without reference by members of the party on the other side of the aisle? Is that the kind of consideration the junior Senator from Alabama thinks should be given to an amendment?

Mr. SPARKMAN. I may say to the distinguished Senator from Tennessee that I have already commented on that. I agree completely with the view expressed by him. In the 18 years in which I have been in Congress I have never before seen legislation acted on in that way. It is most unusual and, in my opinion, it is no way to legislate.

Mr. KNOWLAND. Mr. President, will the Senator from Alabama yield for a question?

Mr. SPARKMAN. For a question.

Mr. KNOWLAND. Does not the Senator from Alabama think it is a most unusual way to legislate to serve notice on the Senate of the United States that there is going to be a filibuster to prevent the Senate of the United States from acting on legislation before it and to prevent the Senate of the United States from carrying out its legislative responsibility?

Mr. SPARKMAN. Let me say to the Senator from California, my good friend, whom I greatly admire, that I know of no such notice. As a matter of fact, we have been participating in this debate—and this is the 11th day, and it is the third time I have spoken, which I do not think is any unusual time, having spoken less than 9 or 10 hours during that whole time—and I have never contended and have not heard anyone else contend that we are not going to let this bill come to a vote. What we are trying to do is to make a bill on which we can stand—a bill as to which the Senator from California can go before his constituents and say it is a good bill. We have said from the very beginning that we would be glad to take up these amendments, one by one, and vote on them.

The most argumentative amendment, I think the Senator will admit, was the Dixon-Yates contract amendment. I remind the Senator that we consumed an entire week on that. I wish to assure the Senator that there are many of us who feel very deeply about the bill before us. I am not at all certain that we shall be able to support the legislation regardless of what amendments are added to it. But we did not object to the vote coming on the Anderson amendment; we did not object to voting on the Ferguson amendment; we did not object to voting on the Gillette amendment; we did not object to voting on the Humphrey amendment; we have not objected to a vote on any other amendments. What we have asked for has been that there be fair discussion and debate.

I submit to the Senator, in all fairness, that when an amendment as significant and as important as was the Pastore amendment is offered to the Senate it is not good legislative procedure—it is not fair consideration by the Members of the Senate—to cut off debate with 1 speech of 1 hour when the distinguished Senator from Mississippi was on his feet asking for recognition to speak on that subject, to which he had given a great deal of thought, and had a very fine discussion of it.

With all respect, and I shall say nothing away from here that I would not say on the floor——

Mr. HICKENLOOPER. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. Let me finish.

I do not believe that is the proper way to legislate. It has been my observation, since I have been in Congress, that we do not make any time by trying to force our way through. I do not believe we make any time by holding these all-night sessions. I do not think any time is saved, not 1 single hour.

I think we can get cooperation if we try to get it, with a fair amount of discussion, allowing the amendments to come up one by one, and we shall have no trouble in getting through with it faster than we are going through with it.

Mr. KNOWLAND. Mr. President, will the Senator from Alabama yield further?

Mr. SPARKMAN. I yield for a question.

Mr. KNOWLAND. Does not the Senator know that in no case has a motion been made to table without first trying to get a unanimous-consent agreement, with a division of time that would permit debate on an amendment? Not only has it been tried with respect to each individual amendment, but the bill itself.

Mr. SPARKMAN. I appreciate that.

Mr. KNOWLAND. Does the Senator not understand that the Senate of the United States was served notice, not only once but on several occasions, by the leader of the liberal wing of the Democratic Party, the Senator from Oregon [Mr. MORSE], who is quarterbacking the bill, that he was going to try to prevent the bill from being passed and was trying to arrogate unto himself the right to tell the Senate what it should do, and would prevent the Senate from casting a vote on the bill?

Mr. SPARKMAN. I do not know that I can remember all those questions which the Senator has propounded to me, but let me say that the Senator referred to, the distinguished Senator from Oregon, sits on the other side of the aisle. I have not heard him say what the Senator from California has stated. I do not believe anyone on this side of the aisle has ever made such a threat. I do not believe the Senator from Tennessee, who has taken the lead, along with my colleague from Alabama, has made any such statement as that.

I have sat in many conference with colleagues who are interested concerning the provisions of the bill, and I have not heard any of them say they were trying to defeat a final vote on the bill. All along we have requested that amendments be taken up one by one. Freemen will not give way to the whiplash or to threats that are made. They do not make for cooperation. How many saw the screaming headlines in the newspapers last week stating that the majority leader had said this bill was going through in a day's time, without any changes? Those things do not make for cooperation, I will say to my dear friend the majority leader. I want to repeat that I know something about the load he carries and I sympathize with him. Goodness knows, I want to cooperate. I think we could get cooperation, but we shall not get it, Mr. President, under the whiplash. We shall not get it simply by staying here around the clock. I can stay here, and we can fill these seats on this side of the aisle when a midnight vote comes again. Not only that, but we do not have to stop at midnight.

File a cloture petition, take off the brake, say to free nations of the world that we believe in freedom of speech, but not in the United States Senate. It has to be cut off there.

Oh, no, Mr. President, I say to the able majority leader that there are some things that make for cooperation and there are some things which defeat cooperation. Cooperation is a two-way street.

The majority leader at times has talked about unanimous-consent requests which have been made. I said earlier in the evening—he may not have been present—that I thought it was most unusual for unanimous-consent proposals to be made without having consultation with the other side, with those who are leading the debate.

I have been told by my colleague from Alabama that there has been no consultation with him. I do not know whether there has been any consultation with the Senator from Tennessee. It seems to me most unusual that no one on this side has been called into consultation by saying to them, "Listen; can we not work out an agreement?" Oh, no, Mr. President, the whip has been applied.

Mr. HICKENLOOPER. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield for a question.

Mr. HICKENLOOPER. I should like to ask the Senator from Alabama if it is not true that earlier this evening we tried to point out that the majority leader offered a proposition whereby the amendment offered by the Senator from Rhode Island and other amendments could be given as much as six hours of debate, and it was objected to by the other side? So where is the cutting off of debate or discussion?

I should like to save the Senator's time so I shall ask two questions at once.

Mr. SPARKMAN. All right.

Mr. HICKENLOOPER. In view of the Senator's repeated statements that consultation has not been had with the leaders on the other side, I would ask the Senator whether the Senator from Oregon, the head of the Independent Party, and the 2 or 3 Senators mentioned by the Senator from Alabama have usurped or taken over the leadership of the Democratic Party from the leadership of my friend, the distinguished Senator from Texas [Mr. JOHNSON]?

It seems to me the connotation is that there are some people who have taken over the leadership of the opposition. If that is agreed to, it is all right, but I wonder where the leadership is.

Mr. SPARKMAN. Two questions have been asked, and I hope I can come back. Let me answer the first question first, because I think it will be more quickly answered. I certainly did not intend to exclude our esteemed minority leader, but I said consultation with the minority in which the leaders of the debate would be included, and I said my colleague from Alabama told me he had not been included in any consultation with reference to the unanimous-consent agreement. I have not asked the distinguished Senator from Texas, our leader, about the matter. No, nobody is usurping his leadership. We look to him for leadership. I have not said anything that would indicate otherwise. I simply referred to consultation with the minority in which the leaders of the debate would be included. I think that practice is usual. For instance, I think consultation on the other side of the aisle would include the distinguished Senator from Iowa.

It is best to protect the interests of the people of the country, the little people, the people who do not have a voice, who do not have big lobbies here. I heard on yesterday—the day that just passed, since it is after midnight—that one of the leading power lobbyists here in Washington, one of the professionals, who is registered, met a person I know and said, "You know, we would many times have preferred to have the Dixon-Yates contract knocked out, than to have the Johnson amendment put in the bill."

Of course, because the Dixon-Yates contract runs for 25 years, and it is only in one little place. We might not like it down our way, but, after all, it is relatively small. But the Johnson amendment does the thing I have been speaking on tonight. It gives some degree of protection to the little man throughout the country.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. KNOWLAND. Has the Senator not also heard that there are also representatives of the CIO and the ADA working in direct conjunction with the leaders of the strategy of this filibuster?

Mr. SPARKMAN. No, I have not.

Mr. KNOWLAND. Apparently the Senator has not been around very much.

Mr. SPARKMAN. I do not know. I have sat in on a number of conferences. I remember the distinguished Senator from Mississippi attended one of them. I believe I sat in conference with the distinguished Senator from Montana, with the distinguished Senator from Tennessee, with the distinguished Senator from New Mexico, and I suppose with 15 or 20 different Senators. I have never seen any CIO or ADA representatives there. None of them have cornered me and talked to me about it. I do not know where the Senator from California gets his information.

Let me say that I am convinced we have been speaking for that group of people who generally do not have paid representatives here in Washington. I believe we have been speaking for that great group of people that President Roosevelt used to describe as nonvocal, or some such expression.

Mr. HENNINGS. The forgotten man.

Mr. SPARKMAN. The great crowd of people who have no voice except through the representatives of the people. They are the ones we have been speaking for. It is for the protection of them in the proposed legislation that we have been working.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield for a question.

Mr. KNOWLAND. The Senator has been talking about the matter of consultation. Before the unanimous-consent agreement was first propounded, in order to try to get a vote in the early part of the week, I had consulted with the distinguished minority leader in the Senate, who is the leader of the party of the Senator from Alabama, and I think a very great leader, and a leader of whom any political party could well be proud. The unanimous consent agreement was offered, not once, but on several days, jointly, in behalf of the distinguished leader of the Democratic Party and myself. Every unanimous-consent agreement which has been offered in this session of Congress has not been something that this side of the aisle has attempted alone, but such unanimous-consent requests have been worked out consistently by consultation between the distinguished leader of the Democratic Party [Mr. JOHNSON] and the Senator who occupies this chair. As late as today, the unanimous-consent agreement, wherein the time for debate was doubled over the original proposal, was entered on behalf of both the distinguished Senator from Texas and myself.

Certainly it seems to me, under those circumstances, that consideration should be given to the fact that we are trying to work out an orderly procedure in the Senate in the closing week or 2 weeks or 3 weeks of this session, that we not only have to consider the heavy workload of the Senators and their staffs and the clerks, but I also refer again to the correspondents for the radio stations and newspapers, the press photographers, and others who have to be here while Congress is in session in order to cover the news for the public, and they have been here since it has been practically admitted that there is a filibuster in existence. Last night there was a speech made for abour 4 hours, not on the subject matter at all, when we might have been debating and voting, on the Supreme Court decision and many other subjects which had no bearing whatsoever on the issue of the atomic energy bill now before the Congress of the United States.

I again want to appeal to the Members on that side of the aisle not to block this legislation by obstruction; not to hold up the farm bill, which is important to the distinguished Senator's State, as well as to every other State of the Union; not to block the foreign aid bill, upon which the safety of this Nation may depend; not to block the extension of social-security legislation, which has been recommended by the President of the United States, not to block the appropriation bills, which need to be passed; and other legislation of great importance to the Nation.

All the distinguished minority leaders and I had pled for in offering these several and varying forms of unanimous-consent requests was that we might follow a procedure which has been carried on in the Senate of the United States for years, so that we could bring the debate to an orderly conclusion and vote.

Apparently the Senator's idea of liberality is that they should have the power, even though they be a handful of 10 or 20 members of the Senate, to prevent the other Representatives of 48 sovereign States of the Union from casting their votes upon major matters of public policy.

I do not believe that any one man or any small group of men should have the right to throttle the Senate of the United States from casting its vote and to prevent Senators from voting on issues of extreme importance to the American people.

Mr. SPARKMAN. Mr. President, I may say again in reply to the statement of the majority leader that I have never expressed any desire nor had any desire to forestall voting on each amendment and the bill as a whole. I have had my say about some of the things which are fundamental in this matter of getting cooperation; and I believe it. I did not say it just to be talking. I would have said it to the distinguished majority leader if we had been walking across to our Senate Office Building. I would have said it at any time, and I would not have said any more to him than I would say here on the floor of the Senate. I believe it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SPARKMAN. May I finish the statement, please.

I know nothing regarding the making up of the unanimous-consent agreement, except, as I stated here, that I had been told by my senior colleague that he knew nothing about it at all. When the first unanimous-consent agreement was proposed, he was greatly surprised. As I recall, he himself objected to it.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SPARKMAN. For a question.

Mr. GORE. Would not the distinguished majority leader be enlightened by page 11055 of the CONGRESSIONAL RECORD?

Mr. SPARKMAN. What day is that, please?

Mr. GORE. Of July 20, in which the following colloquy is quoted:

> Mr. GORE. Mr. President, will the Senator yield?
>
> Mr. KNOWLAND. I yield to the Senator from Tennessee.
>
> Mr. GORE. Some of us who have been very much interested, and who have remained very much interested in the enactment of the Anderson amendment have given to the distinguished majority leader a gentleman's agreement to assist in reaching a vote upon that amendment and the issue presented by that amendment and the Ferguson amendment tomorrow.

Now will the distinguished junior Senator from Alabama agree with the junior Senator from Tennessee that in the face of this record, in which the Anderson amendment and the Ferguson amendment are specifically spelled out as the issues upon which assistance would be given the following day to bring it to a vote, it is a bit unfair to make oblique reference, which might be interpreted, perhaps erroneously, that someone has made an agreement to vote on something else. I read from page 11055 of the RECORD. Will the Senator yield further?

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. GORE. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. In a second. May I find that place and follow the Senator?

All right; what is it the Senator wants to ask me? I have yielded only for a question.

Mr. GORE. Was the junior Senator from Alabama on the floor earlier today, when the majority leader presented a unanimous-consent request to fix the time of debate on the amendment offered by the Senator from Rhode Island [Mr. PASTORE]?

Mr. SPARKMAN. I was here, but that was yesterday.

Mr. GORE. Whenever it was, does the Senator recall—and if he does not recall the RECORD will be available when it returns from the printers—the junior Senator from Tennessee arose and indicated to the majority leader that the proposed agreement would be accepted if he would modify his request so as to include one speech on this side of the aisle, one speech by the Senator from Mississippi [Mr. STENNIS], who had indicated that he wanted to speak on the amendment, who was on his feet seeking recognition, who, furthermore, indicated that his speech might take an hour and fifteen minutes and he did not think it would take more than an hour and thirty minutes? A modification of the consent request to the extent of 30 minutes was all we sought, but the distinguished majority leader said, "I cannot modify it."

Mr. SPARKMAN. I agree with the Senator. That is a point which I made a while ago, that the distinguished Senator from Mississippi was the one who objected to that unanimous-consent request.

Something has been said about 6 hours. I heard, "1 hour." And the Senator from Mississippi said, "I am not sure I can finish in an hour. Therefore, rather than to agree to such a limitation, I must object."

In an hour and fifteen minutes—that is about what it took the Senator from Mississippi, and certainly not over an hour and a half—the speech was made. Merely by yielding 30 minutes more the majority leader probably could have saved 10 hours.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SPARKMAN. Furthermore, let me say that on every other amendment which has been guillotined, I am confident our distinguished friend, the majority leader, could have saved time. Probably there might not have been anybody else who wanted to speak on that amendment. We said to him all the time: "Just let matters run naturally, and we will cooperate with you." But, no, we had to have a strict limitation.

Mr. GORE. And no modification.

Mr. SPARKMAN. Tied down to the minute. My distinguished friend, the President pro tempore of the Senate, knows that is not the way to get things done. It costs time and it is going to continue to cost time until we work out some kind of a plan whereby we can cooperate. We can do it.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield for a question.

Mr. GORE. Does not the junior Senator from Alabama remember that on the day following this gentleman's agreement neither he, nor the junior Senator from Tennessee, nor the senior Senator from Alabama, nor others involved in this gentleman's agreement entered one word in the CONGRESSIONAL RECORD? Does not the Senator from Alabama know that we did assist in bringing this to a vote, these two amendments on which we were so vitally concerned, which were brought to a vote with the assistance of the very Members of the Senate whom the distinguished majority leader now compliments?

Mr. SPARKMAN. The Senator is right. I may remind him further that before that proposal was made several of us talked together and discussed among ourselves who yet wanted to make a speech on that particular proposal, and we knew there were 2 or 3 who wanted to make a speech, and we decided it could all be done by 3 o'clock. As it happened, a couple of our friends wanted to make speeches that we did not know about, and they were not in on it. They went on to make speeches by request.

Then who spoke? He had a right to. I think it is proper for him to close the debate. The distinguished Senator from Iowa was the next speaker.

Mr. GORE. He is a gentleman, too.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. Since the word "gentleman" has been mentioned, may I comment briefly on that?

Mr. HICKENLOOPER. Just briefly?

Mr. SPARKMAN. I hope the distinguished Senator from Iowa will not have such a questioning look on his face merely because I made that suggestion. I was going to tell this incident: Shortly after I came to the Senate from the House I was presiding one day, and the distinguished Senator from Vermont rose to his feet and addressed the Chair. I said, "For what purpose does the gentleman from Vermont rise?" He told me, and we went on through with it, and then I called him to the Chair and said to him:

"I want to apologize to you for referring to you as the 'gentleman.'"

He did not quite understand it, but in the House constant reference to a Member is "the gentleman from such and such a State." Of course, that is not in accordance with the rules of the Senate. Here it is the "Senator from such and such a State."

Mr. GORE. Will the Senator yield, Mr. President, for one question?

Mr. SPARKMAN. I will yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I cannot compete with this, so I will withdraw my request.

Mr. SPARKMAN. No. I yield to the Senator. Let me yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I cannot compete with this byplay which goes on to bar someone who wants to ask a reasonable question at the time the question is raised, so I withdraw my request.

Mr. SPARKMAN. Then, Mr. President, I will withdraw my yielding to the Senator.

I shall be glad to yield to the Senator from Minnesota if he wishes to ask a question.

Mr. THYE. Mr. President, I share the same feelings expressed by the Senator from Iowa. I could not compete with what I have witnessed here.

Mr. SPARKMAN. Then, Mr. President, I will withdraw my yielding to the Senator from Minnesota.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield for a question.

Mr. LONG. The Senator realizes that the junior Senator from Louisiana has not made a speech in this debate.

Mr. SPARKMAN. That is correct.

Mr. LONG. In view of the fact that the Senator has suggested perhaps something might be worked out to vote on this bill and on future amendments, does the Senator not think it might be just as well to wait and see how the majority leader makes out with his cloture petition?

Mr. SPARKMAN. I suggested that earlier last night when the suggestion was made about unanimous consent. I said, "In that event, what will happen to the cloture petition?"

Of course, that is something for us to remember. A petition has been filed. This bill relates to what may be the greatest single step taken by this country, both as to the national security and the national economic welfare. The most important piece of legislation that has been before us has been pending before the Senate about one-fifth of the length of time the Bricker amendment had been pending when the majority leader filed a cloture motion to cut us off from debate and prevent our speaking further on it. It has to be voted on Monday; or Sunday, if he keeps us here. Monday, if not Sunday. I saw in the newspaper that the majority leader was going to give us a holiday on Sunday, so we will not have to vote on it until Monday.

The debate was permitted to run on the Bricker amendment, which the President did not want, and which was not a part of his program, for 5 weeks, and no cloture motion was filed, and a number of times the amendment was laid aside for other legislation to be considered. We did not have any all-night sessions, I do not believe we stayed as late as 6 o'clock on any night. It was early in the year, and we did not have much to do. Now there is a mad rush to adjourn, and a lot of legislation becomes backed up in the week or 2 weeks before there is the temptation to get home to constituents, and so it is hoped that legislation will go through hurriedly. There has been more damage done to the welfare of the people of this country by legislation hurriedly passed through the Congress than by any other thing that has happened.

Mr. KNOWLAND. If the Senator will yield for a question, would he like to know what the facts were with regard to the so-called gentleman's agreement, since the issue has been raised?

Mr. SPARKMAN. I will take the Senator's word. Whatever he has said I certainly do not dispute. The only point that I make is that my senior colleague [Mr. HILL] and the distinguished Senator from Tennessee [Mr. GORE] who after all, have been more or less managing this thing, tell me, or at least my colleague told me that he knew nothing about it. I gather from what the Senator from Tennessee says tonight, that the same thing applies to him.

Mr. KNOWLAND. If the distinguished Senator would be interested in knowing the facts, let me say to him that on last Thursday, I believe, or it might have been Friday, but my best recollection is that it was Thursday, we started discussing the question of the possibility of getting a unanimous-consent request so that we could get a vote not later than Monday. There were a number of Senators who would be inconvenienced to have a vote on Saturday.

The matter was discussed with the minority leader and was also discussed with the distinguished Senator from Tennessee, who will recall, I am quite sure, the discussion. I presented to those Senators at that time a proposed unanimous-consent agreement of the type that is normally entered into by the Senate. It had been drafted by the Parliamentarian as is customary and had the general provisions that a unanimous-consent agreement has.

The distinguished Senator from Tennessee, at least to the best of my recollection, indicated to me that he could see no reason why a gentleman's agreement could not be entered into so that we could begin to vote by the following Monday. He made it very clear that he could not speak for anyone who might be associated with him who happened to sit on this side of the aisle. I will say that the Senator made that very clear to me. I think I have made an accurate statement, and I think we want to have the facts.

Mr. SPARKMAN. May I say at that point that when I referred to the first unanimous consent agreement I did not have this in mind. Yes; I understood about that gentleman's agreement being worked out and as a matter of fact I thought the vote was to be taken Monday and it was kind of general talk around. But as it happened, when Monday came and was over with, there were some 2 or 3 who had not been able to finish their speeches, and I remember we got our heads together, and we said "Well, let us tell them we will finish by 3 o'clock tomorrow afternoon."

We did that except for the Senator from Washington [Mr. MAGNUSON] who was not quite finished, and then as he finished then came the Senator from Minnesota [Mr. HUMPHREY] who did not know of the arrangement. He had not spoken as I recall and he insisted on going on and making and finishing his speech. It was not very long, and then after he finished the distinguished Senator from Iowa [Mr. HICKENLOOPER] spoke and the Senate voted.

Mr. KNOWLAND. Will the Senator yield to me again, in the interest of accuracy and I am sure he is interested in having the facts——

Mr. SPARKMAN. I am eager that the RECORD show exactly what happened.

Mr. KNOWLAND. I may be transgressing in the strict application of the rules by making a statement, but I think we should at least understand what occurred, for it may help us get consent agreements in the future. We have sometimes bills to which 100 amendments have been offered, and sometimes there are bills with no amendments, and sometimes there may be 30 or 40 amendments. Normally when a discussion starts, sometimes it starts with the distinguished leader of the minority, and sometimes it starts over on this side. But normally we discuss the possibility of getting a unanimous consent agreement. That was the type of discussion which I thought I was having with the Senator from Tennessee, although he made it clear that he could not speak for everyone and there had to be some additional consultation. But I have never in my life participated in a discussion where the understanding was that, while a measure would be completed or brought to a vote, the understanding only related to 2 of perhaps 30 amendments, because in that kind of a situation there could be an ironclad agreement on two of the amendments and the debate could proceed for 6 months on the remainder of the bill.

That is not my idea of a gentleman's understanding in regard to bringing a matter to an orderly conclusion, and I think that we may have unfortunately gotten off the track at that point.

Mr. SPARKMAN. I repeat very briefly something that I said a little while ago. I have noticed from time to time that an effort is made to get a unanimous-consent agreement, and it cannot be obtained at all. Somehow or other things seem to be running against unanimous-consent agreements. After debate of perhaps another day or so, you try again, and it will work out. I cannot help but feel that we get more by trying to work out unanimous-consent agreements, but if we cannot get them, let the thing run its course. It is not going to run away, and it is not going to run wild. As I pointed out, in the case of the Pastore amendment, there would have been a vote on it in an hour and 15 minutes. There was only one speech to be made. That was the speech of the Senator from Mississippi, and all he asked was that he not be tied down to 1 hour, because he thought his speech would run a little over that, and it did run slightly over that.

If we had had a vote on the Pastore amendment, I think there would have been better feeling on the part of all, and I think the same thing is true with respect to other amendments on which motions were made to lay them on the table. I do not believe that is the way to legislate. I believe the way to legislate is to let an amendment come up and be voted on. If it is voted up, that is fine, and if it is voted down, that is fine. But we should not follow the procedure of laying them on the table.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I will yield for a question.

Mr. GORE. Since the distinguished majority leader made somewhat of a short statement, I wonder if the distinguished Senator from Alabama would not permit the junior Senator from Tennessee to do likewise?

Mr. SPARKMAN. I am not quite through with my speech and I do not want to run any risk of being taken off my feet.

Mr. KNOWLAND. The Senator will not run that risk from this side of the aisle for a brief statement, if the Senator from Tennessee feels that anything I said was not accurate or that it needs amplification.

Mr. SPARKMAN. I ask unanimous consent that I be permitted to yield to the Senator from Tennessee in order that he may reply, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. First I want to assure the very distinguished majority leader that I do not hold that any statement he made was inaccurate. My feelings were about to be on edge from his earlier reference, but since his statement my

feelings are assuaged. The distinguished majority leader has made a statement exactly as I remember the conversation.

I cannot agree with the majority leader, however, that the whole bill was the subject of our conversation. It may well be that I was so obsessed with the Dixon-Yates contract and the Anderson amendment and the Ferguson amendment, and had them so fully in mind, that the Senator may have been thinking of the whole bill when I was thinking of the Anderson amendment and the Ferguson amendment. But I had no intention of referring to the conclusion of consideration, over which I had really no control whatsoever, speaking in my individual capacity, except as to those two amendments, and the issues involved therein, as the distinguished majority leader can find from the RECORD.

I should like to say further that after the small conclave in which we reached an agreement that we would extend the gentleman's agreement to the majority leader, the first Member of the Senate to whom I reported was the distinguished minority leader.

I am sure he would confirm that fact. I came directly in front of the chair in which he now sits and reported to him. Whether he in turn reported to the majority leader, I do not know. Therefore, I agree that the majority leader has made an accurate statement. I concur in it. I cannot agree, however, that we were talking about the whole bill and all the 40 or more amendments to it. I was talking about the Anderson amendment and the Ferguson amendment. I deliberately tried—and I believe the majority leader will concede that he knew I was trying—to live up to the letter of the agreement that I was trying to bring the matter to a vote. We had a vote that day, before very late. I thank the Senator for clearing up what was about to become something unpleasant.

Mr. SPARKMAN. Under the present act in section 11 (c) (1), the Atomic Energy Commission must declare any patent to be affected with the public interest if (a) the invention or discovery covered by the patent utilizes or is essential in the utilization of fissionable material or atomic energy and (b) the licensing of such invention or discovery under this subsection is necessary to effectuate the policies and purposes of this act.

Also, under the present act in section 11 (c) (2), whenever any patent has been so declared affected with the public interest the commission itself is licensed to use the invention or discovery, and any person to whom the commission has issued a license is automatically licensed to use this invention or discovery.

In other words, under the present act there is compulsory licensing of patents, and these patents are available to all on a nonexclusive basis. This certainly should enable anyone who can make a contribution to this new technology to secure the use of a patent in the field of nuclear power and also insure the fact that research which is primarily financed by the Government will be available to all the people on a nonexclusive basis. It should effectively prevent a patent monopoly in this great new technology.

Under the provisions of the present act, the Atomic Energy Commission has made available over 600 patents for usage on a nonexclusive basis and has paid as much as $300,000 for a patent claim for one of these patents. No one objects to paying a royalty fee to compensate the owner of a patent for his contribution to the development of nuclear power, but one does object to paying a royalty fee for an invention or discovery which results directly from research financed by the Government or which develops from basic research which has been financed by the Government.

Under the present act if a company develops a process which is vital to the generation of nuclear power it would be made available to all on a nonexclusive basis through compulsory licensing of the patent. Those who hold the patent could not stifle competition by refusing to make it available to others. This certainly furthers the development of this new technology and prevents anyone from restricting the widest possible use of nuclear power, and at the lowest possible cost.

The provisions of the present act also prevent someone from completely stifling the use of atomic power through a process which they have patented. There certainly will be some technological unemployment and disruption of industry as a result of the practical development of atomic power. Those industries which will face such conditions certainly will be tempted to do all within their power to retard the development of this new technology. Under the present act with the compulsory licensing of patents and their availability on a nonexclusive basis, such retardation would be next to impossible.

Let us examine what is proposed in the Hickenlooper bill, S. 3690, to amend the Atomic Energy Act. In section 152 (a) of this bill there is a provision that "the Commission may after giving the patent owner an opportunity for a hearing declare any patent to be affected with the public interest if, first, the invention or discovery covered by the patent is of primary importance in the production or utilization of special nuclear material or atomic energy; and, second, the licensing of such invention or discovery under this section is of primary importance to effectuate the policies and purposes of this act."

One should carefully note that this section states the Commission may and does not state that the Commission must declare a patent affected with the public interest as they have to do under the present act.

Also, one should note that the proposed amendments set up a dual barrier of conditions which the Commission must overcome before it can declare any patent affected with the public interest.

This section certainly gives the Commission a great deal of administrative discretion in the development of such a vital energy resource. Also, this section provides for hearings before a patent can be declared affected with the public interest. What is to happen after such a hearing if the patent owner is dissatisfied with the decision and decides he wants to appeal it to the courts? He certainly could tie up the proceedings for a number of years and still retain his exclusive private patent. Also, who can intervene at such all important hearings? Can public and consumer groups actively intervene in such a hearing if they feel they have a justifiable stake in the outcome?

One should note that once the Commission does overcome these barriers and declares a patent affected with the public interest it is available automatically to the Atomic Energy Commission for its usage but not to others. Those who are interested in using this patent must apply for a patent license, and the Commission can only grant such a license if it finds that the "use of the invention or discovery is of primary importance to the conduct of an activity by such person authorized under this act." This again gives the Atomic Energy Commission a great deal of administrative discretion and should make it very difficult for anyone to obtain the usage of such a patent. The words "of primary importance" certainly are strong words and should be very hard for those who desire to use the patent to prove.

In other words, these proposed amendments do not make the use of such patents affected with the public interest available on a nonexclusive basis to those who desire to use them as is contained in the present act, but instead they put the burden of proof on those who desire to use them and make them prove that this desired usage is of primary importance to their undertaking.

One wonders what sort of a reception the small producers and distributors of electric power will meet in trying to present their case for the use of such a patent when the basis of proof is so difficult and may require substantiation in a case where the owner of the patent has had the resources to participate in the atomic power program for many years and whose philosophy is completely opposesd to the small nonprofit enterprises.

It certainly would put this small enterprise in a pretty tough competitive situation. It will not give them the opportunity automatically to use this patent and see if it cannot aid them in producing more abundant electric power at lower cost which is their goal. Under these conditions will there be any competition in the use of this new energy source?

One wonders what protection a person has under these proposed amendments if the Atomic Energy Commission does not see fit to declare a patent affected with the public interest. How can a competitor of the holder of the private patent obtain the use of this patent?

Can he sit down around the business table and negotiate an agreement which is fair to all or will he be expected to pay an exorbitant royalty fee in order to prevent his using this patent? In some areas of the country it is hard to visualize the holders of a patent on some aspect of atomic-power generation making this patent available to the rural electric co-

operatives and municipal electric systems.

In cases like this do these small competitive enterprises have any recourse? In other words, if the owner of the patent refuses to permit the usage of the patent at a reasonable rate, what recourse do these small, consumer-owned electric systems have? Under the proposed amendments if they are unable to reach an agreement with the owner of the patent, they can appeal to the Atomic Energy Commission; and the Atomic Energy Commission, after proper notice, shall hold a hearing to determine if such patent should be declared affected with the public interest and made available to the applicant in order to get the use of a patent under such conditions. Under the proposed bill a four-way barrier would be set up. This would make it next to impossible for anyone to meet all the conditions as specified in the proposed section 152 (e) of the bill. In fact, if one could meet all the conditions specified under this section, there would really be little reason why the patent was not originally declared affected with the public interest when it had to surmount only a three-way barrier. Also, once again, the Atomic Energy Commission has considerable administrative discretion; and if the majority is opposed to the patents being made available to the nonprofit, small producers and distributors of electricity, it could effectively prevent these small enterprises from obtaining them. What a tremendous amount of power to put in the hands of a Government agency.

These patent provisions in the proposed bill certainly will make it difficult for the people to participate in the nuclear power program. It is rather odd that a bill could prevent the people from participating in a program financed with their own monies.

Are these sections designed only for the betterment of the large utility and industrial monopolies with their armies of lawyers, engineers, and patent attorneys? What about the small rural electric systems with next to no technical assistance? How do they present their case if they cannot reach an agreement with the large private utilities about the use of a patent—a patent they may not even be able to learn all the technical details of, a patent which may have been developed in a Government laboratory at the expense of all the people?

Remember that the large utility and industrial companies have stated that they want to determine who obtains the use of their patents and at what price. They do not have a commendable record of sharing technological improvements with the small, non-profit producers and distributors of electricity. They have not been overly anxious to provide electric service to all who desire it at the lowest possible cost. In my mind these proposed patent provisions would just set up a toll gate before the road to more abundant electric power at lower cost. They would set up a barrier which will prevent the people from freely participating in a program they had enough faith in to invest over $12 billion, while the private utilities are still afraid to invest more than a small amount of money.

Mr. Willis Gale, chairman, Commonwealth Edison Co., stated on page 206 of the 1953 hearings before the joint committee:

> Conversely, as a regulated public utility, we are in no position to lose money on a venture into the uncertain field of atomic power. Any such loss would be borne by our stockholders who would have nothing to gain financially if the venture were a success. We cannot, therefore, speculate in big figures on such a venture.

Also, on page 208 Mr. Gale stated:

> Our fourth recommendation is that the first plant be built under some sort of partnership arrangement between the Government and private industry.
>
> We believe that it would be a serious mistake if the entire atomic-power program were to be turned over to private industry at this time. For example, how could private industry spend $100 million more or less on a powerplant without any real knowledge as to the cost of fuel?

Even with the granting of exclusive, monopolistic, private patents these companies are still unwilling to carry the major burden of developing this new technology.

On page 29 of the 1953 joint hearing the following exchange took place between Representative HOLIFIELD and Mr. W. L. Davidson, Director, Office of Industral Development, AEC:

> Representative HOLIFIELD. But you say: "It is exceedingly doubtful that any industrial group would be willing to underwrite the early construction of a nuclear-power reactor, even assuming a revision of the act."
>
> Mr. DAVIDSON. That is on account of the very poor economics of the situation today.
>
> Representative HOLIFIELD. Then, if that be the case, the only way we can get a power reactor built would be with Government funds or a great percentage of Government funds.
>
> Mr. DAVIDSON. Speaking of prototypes, I think this is the case.

Why, then, is there all the rush to give this great resource away? Why cannot we wait and see how these giant private utility and industrial companies produce before we give them exclusive rights to a new technology? Why the giveaway of this great new energy resource? The American people who invested tremendous sums in this program will hold us to account for their investment. We certainly cannot account for it if it is used to line the pockets of the big investment houses and the big insurance companies.

There are other sections of the patent provisions of these bills which are equally unacceptable, equally bad as protection for the investment of the American people. For example, section 138 of the proposed bill permits the granting of private patents retroactive to the passage of the present Atomic Energy Act. It is not enough that future patents will be permitted, but the bill goes back to the passage of the present act. No one would deny that this was a period when the Federal Government had the wisdom to conduct and finance practically the whole atomic energy program. Those who are now so eager to obtain private patents certainly were not eager in putting up the money during this early development period.

One should also remember that the AEC has already licensed over 600 patents and paid a patent claim as high as $300,000. Does this section mean that these monopolistic companies now want to obtain exclusive patents on those inventions and discoveries which have already been made available to all the people? Where and how does one draw the line in this great giveaway of the people's resources?

I also question the conclusion of the architects of this bill that even the limited licensing of patents permitted in this bill would no longer be necessary after September 1, 1959. How can one have such vision in a technology which is changing almost daily and which surely will make tremendous strides in the next 5 years?

I do not think anyone would be so wise as to predict what will exist in this rapidly changing field on September 1, 1959. Then why this arbitrary limit? Why this deadline? How can we know that such a limit is wise when the AEC has never seen fit to furnish the President and the Congress with the comprehensive report called for in section 7 (b) of the present act?

I do not believe anyone can have the vision to predict that after September 1, 1959, there will no longer be any need for even the limited patent licensing permitted by the proposed bills. These are rapidly changing times and certainly one cannot know if 5 years from now it may not be necessary to have even stricter licensing of patents than is included in the proposed bill. We should not take hasty, arbitrary action.

In conclusion, I wish to emphasize that this nuclear power is a public resource, a part of the public domain, and must not be given away to a few industrial and utility giants. We can continue to make tremendous progress under the provisions of the McMahon Act. In fact, every day such progress is taking place, and as a result the costs of nuclear power generation are constantly declining.

This progress is being made by the Federal Government with the big industrial and utility companies participating, but the results of this progress are made available to all the people under the compulsory licensing provisions of the McMahon Act. All the people can share in the benefits of this new technology which the people themselves have developed and financed. Progress has been made, and the benefits have been made available to all the people. Why then is there the haste to change the present act, why the haste to give away this great new energy resource? We in the Senate should prevent the giveaway of any part of the public domain to a few large private industrial and utility companies. Certainly we should do so in the case of a power so great for potential good, or bad, as is atomic energy.

Mr. KNOWLAND. Mr. President, I send to the desk a proposed unanimous-consent agreement and ask that it be read by the clerk for the information of the Senate.

The VICE PRESIDENT. The clerk will read the proposed unanimous-consent agreement for the information of the Senate.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Alabama [Mr. SPARKMAN], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Alabama [Mr. SPARKMAN] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. Mr. President, so that the Senate may have due notice, I suggest the absence of a quorum.

Mr. SPARKMAN. Mr. President, will the Senator from California withhold the suggestion for a moment?

Mr. KNOWLAND. I yield for a question.

Mr. SPARKMAN. I do not know of any Senator who wants to speak further on the amendment. So far as I am concerned, I am ready for a vote.

Mr. KNOWLAND. I do not know who on this side of the aisle may be prepared to speak on it.

Mr. SPARKMAN. I merely wanted to make that statement to the majority leader.

Mr. KNOWLAND. Then it would seem that an hour's time would be ample.

Mr. SPARKMAN. Again, I hope the Senator from California will not try to place limitations on the time. I am ready for a vote on the amendment.

Mr. KNOWLAND. I am ready, also.

Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Frear	Morse
Barrett	Goldwater	Murray
Beall	Gore	Neely
Bennett	Green	Pastore
Bowring	Hendrickson	Payne
Bricker	Hennings	Potter
Bridges	Hickenlooper	Purtell
Burke	Holland	Reynolds
Bush	Ives	Saltonstall
Butler	Jackson	Schoeppel
Capehart	Jenner	Smith, Maine
Carlson	Johnson, Tex.	Smith, N. J.
Clements	Kennedy	Sparkman
Cooper	Kerr	Stennis
Cordon	Kilgore	Symington
Crippa	Knowland	Thye
Dirksen	Kuchel	Upton
Douglas	Lennon	Watkins
Duff	Long	Wiley
Dworshak	Magnuson	Williams
Ervin	Malone	Young
Ferguson	Mansfield	
Flanders	Martin	

The VICE PRESIDENT. A quorum is present.

Mr. KNOWLAND. Mr. President, I ask that the proposed unanimous-consent agreement be read again for the information of the Senate.

The VICE PRESIDENT. The clerk will read the proposed unanimous-consent agreement.

The Chief Clerk read the proposed unanimous-consent agreement, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment to S. 3690, submitted by the Senator from Alabama [Mr. SPARKMAN], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Alabama [Mr. SPARKMAN] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. MORSE. Mr. President, reserving the right to object, I want to discuss the Sparkman amendment. I can finish my discussion within——

Mr. KNOWLAND. Mr. President, I have not yielded for that purpose. I have the floor.

Mr. MORSE. I reserved the right to object.

Mr. KNOWLAND. The Senator may reserve the right to object, but I do not think he can make an extended address.

Mr. MORSE. Mr. President, a point of order. I am not engaging in any extended debate. I am explaining my reservation, and the Senator from California at this moment happens to be out of order.

The VICE PRESIDENT. The Senator is aware that it is not a debatable question.

Mr. KNOWLAND. I demand that the regular order be followed. We have a unanimous-consent request, to which the Senator has a perfect right to object if he wants to.

Mr. MORSE. I raised my point of order. I was in the process of explaining my reservation, which I have, under the rules of the Senate, a perfect right to do without any interruption from the majority leader.

I ask for a ruling of the Chair.

Mr. HICKENLOOPER. Mr. President, I demand regular order.

The VICE PRESIDENT. The Senator has a right to object. The Senator may also reserve the right to object and talk to the reservation until the regular order is demanded. While the Senator may reserve the right to object, it is not a debatable question. When the regular order is demanded or a point of order is made and insisted upon, the Chair has no recourse but to inquire whether or not there is an objection.

Mr. MORSE. I understand that. If the remarks of the Senator from Oregon were to be read by the reporter, it would be seen that, verbatim, they were, "Mr. President, reserving the right to object." That is what I said, and I was then explaining the reason for my reservation. I was about through with the reservation when I was interrupted by the Senator from California, when he was completely out of order. He had no right to interrupt me at that point, under the rules of the Senate.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FERGUSON. Is a Senator allowed to make a speech beginning with the words "I reserve the right to object"?

The VICE PRESIDENT. He is not. The Chair may use his discretion in the determination of whether it is——

Mr. FERGUSON. A speech or an objection?

The VICE PRESIDENT. Yes. The Chair will entertain the reservation of the Senator from Oregon at this time.

Mr. MORSE. Reserving the right to object, I was about to say that I wanted to speak to the Sparkman amendment, and that I could not do it under the terms of the unanimous-consent request. I was about to say, that when I was interrupted, and I, therefore, now say, "I object."

Mr. KNOWLAND. Mr. President, I move that the amendment of the Senator from Alabama be laid on the table, and I ask for the yeas and nays.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California to table the amendment. On this question the yeas and nays are demanded, and the clerk will call the roll.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. CASE], the Senator from North Dakota [Mr. LANGER], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Colorado [Mr. MILLIKEN], the Senator from South Dakota [Mr. MUNDT], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

Mr. CLEMENTS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Texas [Mr. DANIEL], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senators from Arkansas [Mr. FULBRIGHT and Mr. MCCLELLAN], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Iowa [Mr. GILLETTE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Colorado [Mr. JOHNSON], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], the Senator from Tennessee [Mr. KEFAUVER], the Senator from New York [Mr. LEHMAN], the Senator from Nevada [Mr. MCCARRAN], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

The result was announced—yeas 43, nays, 24, as follows:

YEAS—43

Aiken	Cordon	Jenner
Barrett	Crippa	Knowland
Beall	Dirksen	Kuchel
Bennett	Duff	Malone
Bowring	Dworshak	Martin
Bricker	Ferguson	Payne
Bridges	Flanders	Potter
Bush	Goldwater	Purtell
Butler	Hendrickson	Reynolds
Capehart	Hickenlooper	Saltonstall
Carlson	Holland	Schoeppel
Cooper	Ives	Smith, Maine

Smith, N. J.	Watkins	Young
Thye	Wiley	
Upton	Williams	

NAYS—24

Burke	Jackson	Mansfield
Clements	Johnson, Tex.	Morse
Douglas	Kennedy	Murray
Ervin	Kerr	Neely
Frear	Kilgore	Pastore
Gore	Lennon	Sparkman
Green	Long	Stennis
Hennings	Magnuson	Symington

NOT VOTING—29

Anderson	Hayden	McCarthy
Byrd	Hill	McClellan
Case	Humphrey	Millikin
Chavez	Johnson, Colo.	Monroney
Daniel	Johnston, S. C.	Mundt
Eastland	Kefauver	Robertson
Ellender	Langer	Russell
Fulbright	Lehman	Smathers
George	Maybank	Welker
Gillett	McCarran	

So Mr. SPARKMAN'S amendment was laid on the table.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MORSE. I have an amendment at the desk. I ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 11, on line 1 through line 8, it is proposed to strike out the following:

> The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relation with the Congress, Government agencies, persons, or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct.

Mr. MORSE. Mr. President, I have discussed this amendment partially on other occasions, but tonight I desire to stress what I consider to be the imperative importance of this amendment.

Mr. CAPEHART. Will the Senator talk a little louder?

Mr. MORSE. I want to stress the imperative importance of this amendment, to the maintenance of a sound administrative process, in the operation of a democratic government, because in my judgment this bill, as it is presently pending——

Mr. CAPEHART. Mr. President, will the Senator talk a little louder? I cannot hear him.

The PRESIDING OFFICER. Will the Senator speak a little louder?

Mr. MORSE. No; I am not going to speak louder. I would be happy to have the Senator from Indiana come down and join me, close at hand.

The PRESIDING OFFICER. The Chair will rule if the speaker does not desire to speak louder, he does not need to speak louder.

Mr. CAPEHART. A parliamentary inquiry.

Mr. MORSE. I do not yield for a parliamentary inquiry.

Mr. CAPEHART. A parliamentary inquiry, Mr. President.

Mr. MORSE. I do not yield for a parliamentary inquiry.

The PRESIDING OFFICER. The Senator declines to yield for a parliamentary inquiry.

Mr. MORSE. Mr. President, I was in the process of saying that the bill in its present form, in my judgment, contains a provision for the granting of arbitrary and capricious discretion to the Chairman of the Atomic Energy Commission which I do not think is good for democratic government.

It will be recalled that when this bill was first proposed, it provided that the chairman of the Commission should be entitled the "principal officer." Of course, the assumption must be that a label means something. The assumption must be that "principal officer" meant to distinguish the chairman from the other members of the Commission from the standpoint of the exercise of some administrative power, authority, discretion, or duty.

It will be recalled, Mr. President, that the use of the label "principal officer" stirred up a great deal of criticism in the press, and on the Hill, and even some members of the Atomic Energy Commission themselves made it clear that they did not look with pleasure upon the designation of the chairman of the Commission as "principal officer."

The fear became prevalent, and I think with great justification, that what was designed by the use of this language was the vesting of a direct or indirect, a subrosa, power in the chairman of the Commission. There were denials on the part of some and assertions on the part of others to the contrary. But, for some reason, Mr. President, the criticism took hold and had some effect, with the result that when the bill gets to the floor of the Senate we find it does not contain the words "principal officer." It is now changed to "official spokesman."

We have to remember, of course, that under the McMahon Act the members of the Commission are vested with equal responsibility. It is a little difficult to see how the notion of equal responsibility can be reconciled by setting aside one of these gentlemen and designating him as "official spokesman."

I should like to express a common fear tonight in regard to the intent of this language. Of course, it must be hitched to the attitude, the conduct, and the representations, of the present chairman of the Commission, Admiral Strauss. That is because his representations, his statements, his testimony, his known attitude toward those who disagree with him, the loss of confidence of many scientists in the chairman of the Atomic Energy Commission, his growing reputation for very arbitrary and capricious acts, causes many of us to fear that what Strauss is after is a bailiwick of bureaucratic authority in the Atomic Energy Commission which will place him above and beyond the check of his four colleagues on the Commission.

I know of nothing in the recent attitude and conduct, testimony, and statements, of the Chairman of the Atomic Energy Commission which leads me to believe that it would be wise to give this individual any special title other than that of Chairman of the Commission. I do not think it would be good administrative policy to give the rank of "official spokesman" to any future Chairman of the Atomic Energy Commission. I hope we will have a new Chairman in the near future because I am satisfied that the general attitude of Mr. Strauss and the loss of confidence in him that has developed within the whole atomic energy program on the part of a great many people make it desirable to have a new Chairman at an early date.

Be that as it may, Mr. President, I think we ought to look at this problem separate and distinct from the particular personality who is now Chairman of the Atomic Energy Commission, and who seems to be a very effective spokesman and representative of monopoly. He seems to have brought to his job the attitude of selfish big business that thinks it ought to be allowed to get into the atomic energy program as though it were a grab bag, even though the American people have paid more than $12 billion for its development. That is the total thus far.

I say I think we must approach this problem separate and distinct from the personality of the undesirable man, in my judgment, who presently presides over the Atomic Energy Commission, in my opinion as a representative of American big business and monopoly rather than of the people of the country, and consider this particular amendment from the standpoint of whether or not it is desirable to give a special designation called "official spokesman" to the chairman of the Atomic Energy Commission. If he is official spokesman, does that mean that any statement made by any one of the other four members of the Atomic Energy Commission would necessarily have to be considered an unofficial statement? If the Chairman of the Commission is to be the official spokesman, does it mean that possibly the other members of the Commission would not be permitted or be free to make any statement, unofficial or official?

Does it mean that if he is to be the official spokesman of the Commission, if any other member of the Commission, for example, should be invited to talk to the National Association of Teachers of Physics, any remarks he contemplated making would have to be submitted to the Chairman of the Atomic Energy Commission for approval and clearance or veto?

Certainly, Mr. President, it must be assumed, and I think we have the right to assume, that the title of "official spokesman" must carry with it some administrative authority separate and distinct from that possessed by those not designated as official spokesmen.

Mr. President, when looked at from that angle, you can begin to understand at least why a good many of us in the Senate who are behind this amendment have had representations made to us by people within the atomic-energy organization itself, by scientists outside the organization, and by people interested in the whole atomic-energy program, urging us to delve into the meaning, the connotations, the implications, of this very interesting substitute title,

a substitute for the former title of principal officer, "official spokesman."

Mr. HICKENLOOPER. Will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Iowa?

Mr. MORSE. I yield for a question.

Mr. HICKENLOOPER. I hesitate to couch my question in these terms, because I am sure that the Senator has complied with the question which I wish to ask, but I must frame it in this way in order to make it a question.

Has the Senator read the report of the committee, page 12?

Mr. MORSE. Yes.

Mr. HICKENLOOPER. There it is stated that the chairman is given the task of being the official spokesman for the Commission, which does not ban the holding or expression of separate or dissenting views by any member of the Commission.

Mr. MORSE. I read the report, Mr. President, but I hope I know my rules of construction well enough to know that no matter what the committee says in a report it is not binding. It is what the law says that counts. You can write these committee reports until you are blue in the face. You can put all the nice, embroidered language in these committee reports you want but you will discover when you get all through that they are not binding on the Commission.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Iowa for a question?

Mr. MORSE. Unless the committee wants to write these checks within the law itself, the door is wide open for abuse.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. MORSE. I will yield in a moment. I am still commenting on the Senator's last question.

What happens, Mr. President, when there is placed in a piece of legislation such a vague, undefined and general title as "official spokesman"? Time passes, and it is interesting what time does to the operation of a bureaucracy. Soon an officer, because of day by day additions to his claimed prerogatives, comes to have the assumption attached to him that the particular prerogative he has assumed goes along with the title "official spokesman." Then somebody brings out a Senate committee report, in which a group of Senators say, "This provision does not prevent anybody on the Commission from saying what he wants to say."

Then the Chairman of the Commission would say, "That report was issued 2 years ago or 3 years ago, or 10 years ago. Look what has happened since that report was written. Here are all the administrative precedents of the Commission which have been developed since that report was made. Furthermore, most of those fellows are out of the Senate now anyway."

That illustrates my point, Mr. President, that committee reports are helpful in determining the legislative history. They are helpful, in determining, to some extent, intent in the minds of the lawmakers who passed the law. But, no one can get away from the language of the statute itself.

If the statute provides he shall be the official spokesman, it will be very difficult to convince a court that that did not give him some administrative prerogatives, some administrative authority, some administrative privilege and jurisdiction that did not accrue to the other members of the Commission.

Mr. President, I will tell the Members of the Senate what I think. I think the language of the McMahon Act on this point is perfectly adequate. It provides that the Commissioners shall have equal responsibility. That is good enough, I think. I do not believe we ought to run the risk of putting into this bill such language as "official spokesman," which will be subject, I fear, to an ambitious power-hungry Chairman taking over, little by little, through the process of bureaucratic accretion more and more power, until we finally wake up, with the passage of time, to the effect that the official spokesman means that the Chairman runs the show, lays down the orders, dictates the policy, and that the four other members become more and more advisers instead of coequals.

Now I yield to the Senator from Iowa.

Mr. HICKENLOOPER. The question I should like to ask the Senator from Oregon is this. Is the Senator from Oregon aware of the neurotic frustration of certain individuals, who have perhaps come to him with information, which the Senator from Oregon is perfectly warranted in assuming to be accurate, but which, on an examination of the facts, will not sustain the aberrations of certain people who are just a little confused about this whole thing? I am sympathetic with the Senator from Oregon. I think he has accepted the statements on this bill as sound when a real examination of the facts and the evidence just does not sustain what they have told him from time to time.

But it has been an interesting subject, I assure him, during the last year, and it is worthy of quite a little attention.

Mr. MORSE. May I say to my good friend from Iowa I am sure that is a very comforting assumption for him to make. It is always so easy to assume that conclusion.

Mr. HICKENLOOPER. I am only suggesting that the Senator from Oregon is assuming his own conclusion.

Mr. MORSE. He is setting up the premise from which the conclusion will flow. Let me assure my friend that those whose suggestions I am relying on as to what is going on in the Atomic Energy Commission and within the staff and out in the field, with regard to the growing loss of confidence the Chairman of the Commission, does not represent testimony from neurotics.

It refers to the very conscientious and patriotic performance of duty on their part, because they are satisfied that the giving to the present Chairman—and they fear it would be the same with regard to any future unnamed chairman—of whatever prerogatives that go along with the interesting title of "official spokesman," a substitute for the former title of principal officer, would lead to a very bad administrative situation in the Atomic Energy Commission, after the passage of time.

Of course, at first there would be great care exercised to do nothing that would give rise to the criticisms that I am offering now with regard to the use of this title.

What they point out to me—and my own observations of the way bureaucrats work causes me to think that there is much merit in it—is that it permits, in my judgment, of a danger of abuse. As legislators we have the duty, when we pass legislation, to eliminate any language that can be easily abused.

I think this is one such situation. I have heard of no good reason—and I have read the committee report, and I have read no good reason there—for the use of this special title for the Chairman of the Atomic Energy Commission. I do not know what is wrong with the word "Chairman."

Mr. HICKENLOOPER. Will the Senator yield for a question?

Mr. MORSE. For a question.

Mr. HICKENLOOPER. The Senator is a lawyer of distinction.

Mr. MORSE. Just call me a lawyer, and strike distinction.

Mr. HICKENLOOPER. I shall yield to the Senator's request, although I think he is a lawyer of distinction. As such, he has some very powerful social and political views. Among those are the views that conviction should not be had except upon proof. What proof does the Senator have that anyone has abused this particular title or will abuse this particular title? I submit that the Senator is drawing some conclusions based upon assumptions, and therefore—I do not suggest this, because this is a heinous term—perhaps the Senator is approaching the problem of guilt by association. I refer to the assumption that someone is going to be guilty of a heinous crime. What proof does the Senator have that there will be abuse of this particular prerogative which the bill mentions?

Mr. MORSE. May I say most respectfully again that I think the major premise of my friend from Iowa is a false assumption on his part. I am not charging anyone with the abuse of a title before the title has even been put in the law and there has been a chance to operate under it.

What I am saying is that, in my judgment, the McMahon Act, as it is on the books, is adequate. It provides for Commissioners. It provides for equal responsibility among them. We do not need anything more. We already have one of those officials acting as chairman. It carries with it no special prerogative of jurisdiction in an authoritative sense so far as exercising any administrative control over his colleagues is concerned. However, when we bring in the phrase "official spokesman" that is more than a chairman and more than a presiding officer of a board or a commission of coequals. If it means anything, it means that his functions must be something over and above the presiding functions of a chairman and the or-

dinary administrative paperwork goes along with the chairmanship, and it must necessarily bring with it the exercise of administrative discretion. It must necessarily, I say, if it means anything at all—of course if it does not mean anything, it is surplusage and we should not have it in the bill—if it means anything, it means that the official spokesman would have some authority or prerogative which the other members of the Commission would not have.

Mr. HICKENLOOPER. Will the Senator yield for a question?

Mr. MORSE. That is what I am objecting to. I am not charging anybody with anything. I am simply pointing out to the Senator from Iowa that when we create an authority or power different from that of a Chairman I think we run the danger of developing arbitrary and capricious power, and I believe we modify the McMahon Act in the sense of the Commissioners being coequal, meaning by that that they have equal responsibility.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. HICKENLOOPER. I will ask the Senator 2 or 3 questions in 1. I want to conform to the rule.

Mr. MORSE. That is all right.

Mr. HICKENLOOPER. Is the Senator aware of the fact that the original act, the McMahon Act, does not give coequal responsibility in specific words, but that the bill does, and that there is no guaranty in the original act that the Commissioners have coequal responsibility, as the Senator from Oregon assumes they have, but that the bill does?

May I read the provisions of the original act? The 1946 McMahon Act provides:

> There is hereby established an Atomic Energy Commission (herein called the Commission) which shall be composed of five members. Three members shall constitute a quorum of the Commission. The President shall designate one member as Chairman of the Commission.

That give equal responsibility under the original act.

Mr. MORSE. It is pretty clear that it is coequal responsibility.

Mr. HICKENLOOPER. There is nothing in the original act that guarantees coequal responsibility. Here is what we provide in chapter 3, under "Organization":

> Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all actions of the Commission and shall have one vote. Action of the Commission shall be determined by a majority vote of the members present.

We have gone so much further than the original act in guaranteeing equal responsibility of the members, that it is just beyond the cavil. The original act did not safeguard the responsibility of the individual members. The bill which the Senator from Oregon is now complaining about has gone much further in defining and in making a definitive explanation of their rights and safeguarding them. It is just beyond cavil, as I said a moment ago. I believe the Senator should have his research assistants do just a little bit more research on what the bill provides.

Mr. MORSE. Of course, my comment on that last point is that if the Senator from Iowa knew the Senator from Oregon better, he would know that the Senator from Oregon supervises his own research. However, let me say that the Senator has just set out a very—I say it respectfully—clear difference between the two provisions. I do not know how language could be any clearer than the language in the McMahon Act, which sets up a board of coequal members. It sets up a certain number of members, and designates one of them as chairman.

That simply means they are coequal. But here we bring great ambiguity into the bill. We use language about equal responsibility, and then we throw in the ambiguous hooker by establishing one of them as the official spokesman. If they are coequal we do not have to have an official spokesman. If we are going to have an official spokesman, then, on the basis of ordinary statutory construction, we should single out one man with an authority separate and distinct from that of the other four. I am sure I do not tell the Senator from Iowa anything he does not know. I will not disagree with the fears of these people. He can say that some of them are just constitutionally critics or neurotic, dissatisfied persons, but the fact remains that there is considerable discussion in the organization about the matter. I remember what I read at the time the phrase "principal officer" was used and at the time the Chairman was designated as the principal officer. I think that at least 1 member of the Commission, and possibly 2 members, publicly expressed a difference of opinion as to the desirability of that.

I would assume, although this is an assumption which I cannot prove, but I think it is a pretty logical deduction, that if a member of the Commission felt that the title "principal officer" was undesirable, for the same reason he would object to the word "spokesman."

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield. I hope the Senator will protect me. I wish to address myself to the Senator from Arizona [Mr. GOLDWATER]. I think he knows the spirit and intent in which I am yielding to the Senator from Iowa. I know it is difficult to start each sentence as a question, but I am yielding only for a question, and if I see the Senator from Arizona start getting up out of his chair, I want the Senator to know that I am going to shout "I do not yield."

Mr. HICKENLOOPER. Mr. President, I know the Senator from Oregon well enough to say that I shall defend to the death his right to retain the floor. If the Senator will yield for a question——

Mr. MORSE. I yield for a question.

Mr. HICKENLOOPER. The Senator is discussing the matter of the "principal officer" of the Commission or whatever the term may be, as included in the bill we have before us. I think the member of the Commission who has served the longest continuous period on the Commission is a very respected scientist, and he gave some testimony on this point. At page 783 of the hearings he said:

> Under the Atomic Energy Act of 1946, these functions are considered the equal responsibility of all five Commissioners.

That is what the original act says, I think. That is what the present act amplifies and specifies in detail. He continued:

> The act specifies only limited duties for the Chairman, since the five full-time Commissioners are intended to work closely as a policy and planning group.

This is the testimony of Dr. Smythe, the longest serving Commissioner on the Commission.

He said further:

> It was understood that the Chairman would preside at meetings and act as principal spokesman for the Commission in its relation with other parts of the Government and with the public.

I submit to the Senator from Oregon that that is exactly what we have incorporated into the law. That is the general attitude of Dr. Smythe, the longest serving member of the Commission, and one who has not always been in agreement with the present Chairman.

Mr. MORSE. I want to thank my witness, the finest witness I have ever had on the point. His testimony is very much appreciated by me. What the Senator has done is to read from the testimony of Dr. Smythe as to how the Atomic Energy Commission, since Dr. Smythe has been on it, has been working democratically. I wish to leave it that way. I wish to leave it up to the Commission by a majority vote to determine who is going to be principal spokesman, who is going to do this and who is going to do that. I just object to our writing into the law definite restrictions upon members of the Commission, which we do when we pick someone out and make him official spokesman by law. There is a great deal of difference between the Commission operating on a majority vote basis, saying that Commissioner X will do this and Commissioner Y will do that—quite different from having the Congress of the United States saying in a bill that the Chairman of the Commission shall be the principal officer. That was stated in the first draft of the first proposal, and now, in the final draft, it is "official spokesman." That I object to, and I respectfully say that the Senator from Iowa, through Mr. Smythe's testimony, has helped to prove my point. I want the Commission to operate on a democratic basis of majority rule within the Commission on the part of five men who are coequal, with equal responsibility. I do not want it to be designated by law that some one member of the Commission is going to have some function which the other allegedly coequal members of the Commission cannot modify by the operation of the good old American rule of majority vote. That is what we have to watch in the administration of bureaucracy. We have to be constantly on guard, Mr. President, in the operation of boards, commissions, departments, and other agencies of Government, against certain

administrative officers setting up a little bailiwick of bureaucratic power. I have seen it so much in Government, Mr. President, when I was not in the Senate but was at the executive end of it, where I was, day by day, a close observer of the operation of bureaucracy. This point of accretion of which I spoke a few moments ago is not just a figure of speech in the operation of a bureaucracy. It is interesting to see how these administrators will come into a department. They may not have very much power at first, but the first thing we know, as we watch them month by month, they take unto themselves more and more prerogatives and become more and more ambitious and more and more drunk with power. The way to check them, Mr. President, is to see to it that we apply the majority-vote check upon them in the determination of administrative policy. I fear one-man rule. I do not care where I see it. Watch out for individuals with too much power. The majority suffers if we vest unchecked power in an individual administrator.

I do not like to be personal about it; it is never pleasant to have to criticize individuals; but, in my judgment, the Atomic Energy Commission does not have the morale under its present Chairman that it had under the predecessor Chairman. I think one of the reasons for that is that Admiral Strauss is bringing the military pattern into the administration of the Atomic Energy Commission—the idea that there ought to be at least one "Kingfish" who sits up there and lays down orders and everyone else salutes.

I think that attitude on the part of Admiral Strauss is one of the reasons why the morale in the atomic energy program has been going down during his administration.

His leadership in the matter of the Dixon-Yates contract does not help, either. A great many people within the program, and, of course, in this instance, the majority of his own colleagues, think it is a great mistake. But I do not desire in this specific instance, and I do not desire from the standpoint of general application, to give what I fear is the intended, or, at least, the potential and implied power that is inherent in the title "Official Spokesman" for Admiral Strauss or his successors, because I think it will weaken majority rule in the Atomic Energy Commission. I shall come back to that subject before I finish my speech, but I have a few other things to say about the bill in connection with my discussion of the amendment.

First, I want to call attention to the fact that in an earlier speech I said I was sure if we stayed on the parliamentary line here in the Senate that "This bill shall not pass unless it is substantially modified," and stood on that line long enough to get the facts out to the American people, as we have been doing in a series of speeches here in the Senate, that as the people come to understand the dangerous features of the bill, they will more fully appreciate the fact that what really is at the heart of the bill is a plan not only to give all the advantages of an expenditure of $12 billion of the taxpayers' money, spent in the development of the atomic energy program, to selfish business interests in this country, but there is also the clear intention in the bill to undermine the development of public power in this country. There is the obvious attempt to scuttle the effectiveness, as a competitive device, and as a check upon private monopoly, of the public power yardstick. I stated that as the American people came to understand those implications in the bill, they would support those of us who are fighting the bill.

I have received a great many more wires than I have on my desk, Mr. President, but, unfortunately, a very large proportion of the wires I have received would violate rule XIX of the Senate, and therefore they would not be admissible into the CONGRESSIONAL RECORD.

In fact, I remember very well, Mr. President, some years ago when there was a prolonged debate in the Senate on another matter, one of our colleagues made the mistake of reading for the RECORD some wires he had received, without checking them in advance. The first thing he knew, he was reading a wire and had just gotten the words through his lips, when the point was made that it violated rule XIX, and he just lost the floor.

I am not going to make that mistake tonight. I am going to turn these wires over to my friend the Senator from Arizona [Mr. GOLDWATER], after I ask unanimous consent to have them introduced, because I want to know that they do not violate rule XIX.

What the wires illustrates is the point I made in a previous speech: Just give us a little time in this historic debate to let us get the facts out to the American people. We will not have to worry about what the public reaction is going to be.

As an ex-Republican, I want to make a plea to my former party tonight, because I am still very fond of it. As I sometimes say, I never resigned from Abraham Lincoln. I am a very strong supporter of the political principles of Abraham Lincoln. To me they are sound political doctrine, and I want to see my old party return to them. I think if and when it does, it will again regain the confidence of the American people, which, in my judgment, it has lost.

Be that as it may, I want to give this little advice to the Republican Party tonight, because it bears on the next point I am going to make after I introduce these wires. I think the party has a great challenge of statesmanship to perform in respect to the bill. I think it has a duty of working out a composition of the differences that have developed over the bill. The bill before the Senate is one which, beyond my modification, in many respects should be passed by the Senate. There are various sections of the bill that should be passed. I referred earlier to the section in regard to the international atomic-energy program, which is the President's really No. 1 objective in the field of atomic energy, if I understand correctly his objective. The bill can be passed by taking out practically in toto the sections of the bill that deal with it, although I am openminded to some consideration being given to some amendments to that provision. I think in its present form it is not particularly bad, although I would take the Lehman substitute, which is pretty much the so-called international section of the bill.

I think I understand President Eisenhower correctly, as he has discussed this matter of atomic energy, and as he made that very able speech in the United Nations; and I am proud of the fact that here on the floor of the Senate, in a very short time after he made that speech, I made my speech in full support of the President's position, as I did in many other speeches throughout the country. That was a fine speech. The objectives of the United Nations speech on atomic energy by President Eisenhower deserve, in my opinion, the support of the American people and implementing legislation that will help us obtain those objectives.

I think the so-called international atomic energy section of this bill would in the main accomplish that point, although I want to make very clear, so no one picks up the RECORD tomorrow and says I bound myself to vote for that section without modification, that I am willing to listen to suggestions for modifications of it. But I think that the objective of that section is perfectly sound and ought to be enacted into law before we adjourn.

I think there are other sections of this bill which with some modification should be enacted into law. But I think, Mr. President, that there is no question about the fact that the American people want this bill modified to meet the major objections that they have to it, which are the objections those opposed to this bill have in the main presented here the last few days.

That is what these wires show. May I say, in offering them for the RECORD now, Mr. President, that there are 2 or 3 which I have edited, in that I have simply stricken with pencil and crossed out certain references in them, because the rest of the wire made perfectly clear the intent of the sender.

I want to say, as I hand them over to the reporter, that the parts marked out are not offered by me for insertion in the RECORD, because they would violate rule 19 if I had not marked them out.

I offer these wires, Mr. President, and ask unanimous consent that they be printed in the RECORD at this point in my remarks.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *July 22, 1954.*

Senator WAYNE MORSE,
Senate Office Building:
Please, Senator, keep up the fight.
CECIL H. MORAN.

PORTLAND, OREG., *July 23, 1954.*

Senator WAYNE MORSE:
Agree entirely with my husband; keep up the fight.
MRS. CECIL MORAN.

PORTLAND, OREG., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building:
Our prayers and our gratitude are yours Senator. Keep fighting.
Sincerely,
Mr. and Mrs. LAWRENCE NOONAN,
JOSEPH LEMACHER,
Mr. and Mrs. ROBERT FORSMAN,
Mr. and Mrs. A. H. DAVIS.

PORTLAND, OREG., *July 20, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
On behalf of the CIO in the State of Oregon I wish to advise you we greatly appreciate your position against the administration's proposed giveaway of atomic energy. We urgently request you continue to oppose this legislation and to fight to retain Government control of atomic energy.
Respectfully,
GEORGE BROWN,
Executive Secretary.

PORTLAND, OREG., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
We little people congratulate you and pray for you in stand on atom bill. If filibuster is needed, let's use it to stop Ike's giveaway program.
Sincerely,
THOMAS C. KIDDER.

SPRINGFIELD, OREG., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
I am one of many of your constituants who appreciate your battle to save our atomic program.
OMER E. VORMAN.

SALEM, OREG., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Keep giving them the facts Senator. The Nation needs more such performance.
ARTHUR L. DAVIS.

PORTLAND, OREG., *July 23, 1954.*
Hon. WAYNE MORSE,
United States Senate:
In appreciation of your tireless efforts to safeguard and preserve the rights and resources of the people of our country. The salvation and future of our country lies in the strength of your heart to overcome the maliciousness of the present administration. Please extend my thanks and appreciation to those who work with you in this difficult struggle to retain our democracy.
A loyal supporter.
PAUL H. ENTIER.

CORVALLIS, OREG., *July 22, 1954.*
Hon. WAYNE MORSE,
United States Senator,
Senate Office Building,
Washington, D. C.:
Congratulations on your work on atomic energy bill and proposed Cougar Dam partnership bill.
B. R. LITTLE,
Secretary, Oregon Rural Electric Cooperative Association.

REDLANDS, *Calif., July 22, 1954.*
Senator WAYNE MORSE,
Washington, D. C.:
Ninty percent of Oregonians and myself (Democrat) are proud of you. Visiting here.
J. F. MCKEE.
NORTH BEND, OREG.

PORTLAND, OREG., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Keep up the good work against atomic energy giveaway we are behind you all the way.
Mr. and Mrs. HUGH W. SHEEHAN.

EASTON, PA., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
I want to express my thanks and appreciation for your courageous fight on the atomic energy bill.
JOHN B. O'BRIEN.

NEW YORK, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
May your wonderful efforts for public good be rewarded. Good health continuing strength to you.
GEREL RUBIEN,
President, Women's Trade Union League.

BOWLING GREEN, KY., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
The effort of you and your colleagues to save TVA will not soon be forgotten. Keep up the fight.
W. PAUL HAMPTON,
President, Warren Rural Electric Co-op.

AMBRIDGE, PA., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Chambers:
Congratulations. May the good Lord give you strength to carry on to victory.
WALTER WUYCIK.

NEW YORK, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
Keep up great debate; don't let them sabotage TVA.
Mr. and Mrs. LEO RUDIN.

NEW YORK, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
Congratulations and thanks for yet one more magnificent fight to reserve the people's heritage.
DOROTHY SIMS,
MARION HART,
IRA STURTEVANT,
Republicans for Stevenson.

CAMBRIDGE, MASS., *July 23, 1954.*
Senator WAYNE MORSE,
United States Senate Building:
Thank you for your far-sightedness and long-windedness.
Dr. and Mrs. ROBERT S. BANDURSKI.

NEW YORK, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Building, Washington, D. C.:
Continue the excellent fight for the people's intereat. Please try to make clear to the American public the tremendous issues at stake. Congratulations on your devotion to the American people and the ideals of democracy.
Best wishes.
MELISSA and ERIC BURROUGHS.

LARCHMONT, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
House of Senate, Washington, D. C.:
You are doing fine. Our thoughts and prayers are with you.
ELEANOR M. STANYOL.

LARCHMONT, N. Y., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
God bless. Keep talking. I'm praying for you.
ELEANOR M. SPANYOL.

ROCKAWAY PARK, N. Y., *July 22, 1954.*
Senator WAYNE B. MORSE,
United States Senate,
Washington, D. C.:
Many friends deeply grateful for your strong fight against the Santa Clauses in Congress. The people are still ignorant of the full implications of the giveaway bill of the atomic-energy system. More education through television and radio badly needed.
Respectfully yours,
Mrs. ELLA N. WHITE.

CHICAGO, ILL., *July 22, 1954.*
Senate Office Building,
Washington, D. C.:
Congratulations on your determined stand against the atomic-energy legislation. You deserve the gratitude of the Nation.
Respectfully yours,
ARTHUR SPACHNER.

BERKELEY, CALIF., *July 22, 1954.*
Senator MORSE,
Senate Office Building,
Washington, D. C.:
In complete agreement with your policy. Continue discussion until more voters realize importance of the atomic-powers question.
LOUISE FRANCISCO.

LOMBARD, ILL., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
All power to you and your cowarriors in the atomic-energy battle to preserve the peoples' rights.
GEORGE W. COLLINS.

MINNEAPOLIS, MINN., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Floor, Washington, D. C.:
Congratulations on your firm stand on the atomic-power debate. Continue the good work.
DOUGLAS CRIM.

SAN FRANCISCO, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office, Washington, D. C.:
Congratulations. Keep up the fight for the atomic bill. Good luck.
TED LEWY.

WASHINGTON, D. C., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
I want to thank you for your courage in the straignt fight you are making for the people.
JOHN FEELEY.

LOS ANGELES, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
DEAR SENATOR MORSE: I am praying for you that God will give you the power and the strength and your associates to stand the terrible strain you are under.
Good luck to you.
VICTOR J. BASTEAR.

BUFFALO, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
Please accept our gratitude for your determined efforts to protect the interests of all the people of the United States. Please advise your fellow Senators who are supporting you of our gratitude and earnest hope that you will be successful.
Mr. and Mrs. JAMES E. MCCARTY.

FLUSHING, N. Y., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
God bless you for defending man's rights and the integrity of our beloved country's

honor and continue to give you the understanding and the strength of character and health to always put our beloved country's honor and integrity above your own.

Mrs. HANNAH O. JAFFE.

BROOKLYN, N. Y.

PITTSBURGH, PA., *July 22, 1954.*

Senator WAYNE MORSE,
Senate Office Building:

Your magnificent battle against atomic-power giveaway deserves entire country's thanks. Keep up good work.

SAMUEL SCHIFFER.

HOLLYWOOD, CALIF., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

You have our wholehearted support in fight against private power grab.

Joan Terry, Michael Seligman, Gene Weinberger, Helen Willner, Fred Morden, Esther Shapero, Mary Cohen, Evelyn Weatein, Carol West, Betty Sasouoff, Ruth Rosenethal.

PLAINFIELD, N. J., *July 22, 1954.*

Senator WAYNE MORSE,
of Oregon,
United States Senate,
Washington, D. C.:

Just to express the deep gratitude of one ordinary citizen for what you and your cofighters are doing.

VIRGINIA VANZANT.

HARRISBURG, PA., *July 22, 1954.*

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.:

Congratulations on your tremendous victory. The people are behind you. Keep going. We'll show them what a filibuster really is.

MICHAEL JOHNSON,
Manager, Central and Western Pennsylvania District, International Ladies Garment Workers Union.

FAIRLAWN, N. J., *July 22, 1954.*

Hon. WAYNE B. MORSE,
United States Senate,
Washington, D. C.:

Congratulations to you and colleagues on your fight against power bill.

A. VON THUM.

MODESTO, CALIF., *July 22, 1954.*

Hon. WAYNE MORSE,
Washington, D. C.:

I appreciate your stand on the atomic-energy bill. Please continue the good work for the general welfare and express my good wishes to the other Senators who are also working for the welfare of the people.

Sincerely,

ALEX KOJAKANIAN,
Farmer.

ROCKAWAY, N. Y., *July 22, 1954.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:

Enthusiastic support for grand fight against atomic power giveaway.

MIRIAM MURAVCHIK.

LOS ANGELES, CALIF., *July 22, 1954.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:

Keep it up.

MURRAY BRASKY.

IRVINGTON, N. J., *July 22, 1954.*

Senator WAYNE MORSE,
(*Independent*), *Washington, D. C.:*

I send my wholehearted endorsement for your stand against the AEC power bill.

FRANK KRUEGER.

BROOKLYN, N. Y., *July 22, 1954.*

Senator WAYNE MORSE,
Senate Building, Washington, D. C.:

Keep up the good fight, even if it takes until Christmas.

JOSEPH ABRAMOWITZ.

NEWARK, N. J., *July 22, 1954.*

Senator WAYNE MORSE,
Senate Chamber, Washington, D. C.:

Keep on talking. You have the giveaway boys on the run.

MARTIN FOX.

BOSTON, MASS., *July 22, 1954.*

Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:

Keep up what you're fighting for. There are plenty of Americans behind you.

Mr. and Mrs. A. C. GAMORAN.

ST. ANNS, MO., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

We appreciate your untiring efforts our behalf. Not being familiar with given names colleagues supporting your views, please pass on our thanks to them.

Mr. and Mrs. WOODROW J. BROWN.

JOLIET, ILL., *July 22, 1954.*

Senator WAYNE MORSE,
Washington, D. C.:

Congratulations, Senator, for your fine work on trying to save the atomic energy for the American people. Keep up the good work.

JOHN J. MACHIAS, Sr.

HICKSVILLE, N. Y., *July 22, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Congratulations on your magnificent stand. We are behind you in your fight against administration power bill.

MARVIN MEHLMAN.

PHILADELPHIA, PA., *July 22, 1954.*

Senator MORSE,
Senate Office Building,
Washington, D. C.:

Support your views on Atomic Energy Act.

GEORGE MCWILLIAMS.

ST. JOSEPH, MO., *July 22, 1954.*

Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Thanks for your efforts in trying to retain the assets of the American people.

F. C. ALUMBAUGH.

NEW YORK, N. Y., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

We heartily support your valiant fight to save public atomic power for the people.

JANE BICKFORD.
JAMES WARD.

WARREN, OHIO, *July 22, 1954.*

SENATOR WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Congratulations on your gallant fight against administration's atomic energy giveaway bill.

FRANCES AND ALFRED CLOUGH.

ELIZABETH, N. J., *July 22, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Congratulations on your distinguished effort in preventing President Eisenhower from giving away that which is not his to give.

ASHLEY GOODMAN.

ANN ARBOR, MICH., *July 22, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

We are all behind you in your fight against Eisenhower's idiotic giveway program. We still believe in public ownership of the AEC. Keep fighting.

MAXWELL READ.

DETROIT, MICH., *July 22, 1954.*

Senator WAYNE MORSE,
Senate Floor, Washington, D. C.:

Congratulations on good fight. Your intransigence justified. Dinosaurs have no right to public investment of $12 billion. Keep it up.

Good luck.

DONALD M. SMITH.

SEATTLE, WASH. *July 22, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Thank you for your yeoman efforts.

EUGENIA LANE.
A. B. FIELDLER.

LA HABRA, CALIF., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

We won't forget the great fight you and others are making for the people in opposing the administration's atomic-energy giveaway plan. May God give you strength to continue the fight until won.

ZUBA and OWEN WRIGHT.

LOS ANGELES, CALIF., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: May God bless you and all the Senators who are fighting for the people's rights. We are grateful and thank you from the bottom of our hearts.

Mrs. FOREST W. HILL, FAMILY, and FRIENDS.

JAMAICA, LONG ISLAND, N. Y., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Stand by your fight. Thank goodness for men who think of the people of America.

PAUL ORRINGER.

LINCOLN, NEBR., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

You inspire renewed faith in our Government in your fight against monopoly. Keep up the good work.

Mr. and Mrs. HAROLD A. LINEEN.

OKANOGAN, WASH., *July 23, 1954.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

We wholeheartedly endorse your fight to preserve atomic energy for the benefit of all the people, and we deplore the new strategy of the Republican Party in seeking the approval of Congress for another Teapot Dome deal. We hope your health will not be jeopardized by your efforts on the people's behalf.

POWER COMMITTEE, OKANOGAN GRANGE.

CHICAGO, ILL., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Congratulations to you and other Senators in your fight to defeat the administration's AEC giveaway.
AGNES DOWNEY.

CHICAGO, ILL., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
We admire your great courage in leading the fight in the public interest against the giveaway atomic energy bill.
LEONARD and SYBILLE LEWIS.

BERKELEY, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Thanks to you, to Senator HILL, and your colleagues who are so successfully blocking the atomic energy giveaway. More power to you.
GEORGE E. and BARBARA DAVIS.

LOS ANGELES, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Heard your report on Frank Edwards' show. Keep up the good work. Let Senate know people are watching.
Mrs. T. F. WINGARD.

VAN NUYS, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:
Panorama Democratic Club congratulates your fight preventing AEC purchase private power. Nation's prosperity, particularly growing West, depends on extension instead curtailment public-power programs.
ANDY BARRIGAN,
President, Panorama Democratic Club.

LONG BEACH, CALIF., *July 23, 1954.*
Hon. WAYNE MORSE,
Washington, D. C.:
Have heard your talk on Frank Edwards program. Congratulations. Stay with the ship, millions are behind you.
Mrs. V. C. VANCE.

SAN FRANCISCO, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
We heard you on Frank Edwards radio program tonight. Thank you for not selling out the American people. In appreciation.
Mr. and Mrs. ISIDORE FRIEDMAN.

SAN FRANCISCO, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Congratulations. Stand behind you 100 percent in fight against atomic energy giveaway.
Mr. and Mrs. GEORGE MAHONEY.

PASADENA, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Chambers,
Washington, D. C.:
You are doing a great service for the people. Congratulations.
FELIX W. POWERS.

SEATTLE, WASH., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Congratulations. For Eisenhower on Bricker amendment; against on atomic program.
E. W. BURTON.

TOLEDO OHIO, *July 23, 1954.*
Senator WAYNE MORSE,
Senate Chamber,
Washington, D. C.:
Please stop this gigantic giveaway of the taxpayers money to private interests.
Mrs. GUS CAROS,
A Taxpayer of Toledo, Ohio.

CHICAGO, ILL., *July 20, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Congratulations and very deep appreciation for your courageous leadership in fighting to prevent the giving away to special interests of the rights of the whole American people in atomic energy development.
Sincerely yours,
JERRY VOORHIS.

DETROIT, MICH., *July 23, 1954.*
Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:
Listended to report on Frank's program wishing you victory.
HELEN DRISCOLL MADISON.

PITTSBURGH, PA., *July 23, 1954.*
Senator WAYNE MORSE,
United States Senate,
Washington, D. C.:
God bless you for your efforts in behalf of all the American people. May you have the good health and the energy to continue in such wonderful endeavors.
ANNE S. LEIFER.

LESTER, PA., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
My congratulations to a scrapper. Your present fight to keep the American people from being drawn and quartered by Eisenhower's butchers has A1AA priority. Last year when I was in Niagara Falls and Canada I saw millions of dollars of former American business set up in Canada due to the fact that Ontario Provincial Government power generated in a powerhouse directly across the river from powerplant of Niagara Power & Light was enough cheaper than American power that business could afford higher Canadian tax rates. Hope you speak until Ike has ear trouble.
Good luck.
GARFIELD C. BURKE.

EVANSVILLE, IND., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Please keep up your fight on atomic-energy revision bill.
JOHN BORAH.

EAST PATERSON, N. J., *July 22, 1954.*
Senator WAYNE MORSE,
From Oregon,
Washington, D. C.:
Keep up the good work.
WILLIAM MANDARA.

NEW YORK, N. Y., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Floor, Washington, D. C.:
Best wishes for success in your fight against the atomic-energy grab.
HAROLD NOSOW.

DETROIT, MICH., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Please keep up the fight.
Mr. and Mrs. HERBERT A. JONES.

CLEVELAND, OHIO, *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Congratulations for the good work you are doing against the giveaway bill.
LOUIS DIVITO.

LOMBARD, ILL., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Approve your fighting turning over TVA power to private company.
D. D. BARTA.

ST. LOUIS, MO., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
Thanks for championing the public cause. We stand opposed to the second big giveaway. More power to you; less to the utilities.
Mr. and Mrs. JOSEPH S. PLATT.

BOISE, IDAHO, *July 23, 1954.*
Senator WAYNE MORSE,
Senate Chamber:
This morning millions of thinking, reasoning Americans are singing your praises.
A. R. THOMAS.

NEW YORK, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
Wonderful work. Love and admiration. History will thank you.
GERTRUDE NAFE.

NEW YORK, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
Congratulations. The country is supporting your gallant fight. Keep it up.
RICHARD SCHUCKMAN.
FAIRLAWN, N. J.

CLEVELAND, OHIO, *July 23, 1954.*
Senator WAYNE MORSE,
Senate Building:
Continue debate until bill is defeated. A real blessing to have you in our Government.
THOMAS ATHERTON.

GREAT FALLS, MONT., *July 23, 1954.*
Senator WAYNE MORSE,
Washington, D. C.:
Admire your great fight to save TVA and atomic energy for the people of the United States, and applaud your opposition to giving these valuable assets to private monopoly.
RALPH F. COOK,
Secretary-Treasurer,
Montana Farmers Union.

WASHINGTON, D. C., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
Congratulations on your great fight on atomic energy. We favor full public control of all atomic energy development. We favor preference clause for public and cooperative bodies. Also believe private agencies engaged in atomic development should be fully subject to Federal regulation. You have our full support.
JOHN P. BURKE,
President, International Brotherhood of Pulp Sulphite and Paper Mill Workers.

BOISE, IDAHO, *July 23, 1954.*
Senator WAYNE MORSE,
Senator from Oregon:
All power to you in your atomic-energy fight. Pour it on them.
S. R. EVANS.

NEW YORK, N. Y., *July 23, 1954.*
Senator WAYNE MORSE:
Congratulations on your outstanding effort to protect the interest of the people. Every good wish to you.
Dr. and Mrs. HARRY M. SELDIN.

SEATTLE, WASH., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building:
Hang tight, Wayne; we will send reinforcements next November.
HARRY SAVAGE.
CLARENCE OKERSON.
E. E. EASLEY.
K. E. CLARK.
C. J. LUNSDEN.
F. M. PATTERSON.

CHICAGO, ILL., *July 23, 1954.*
Senator WAYNE MORSE,
Floor of Senate, Washington, D. C.:
Just heard you on the radio and all of us here are with you since leaving Pacific University. Am now one of PAUL DOUGLAS' constituents. Cordially.
DAVE DARLAND.

BOISE, IDAHO, *July 23, 1954.*
Senator WAYNE MORSE,
Senate Chamber:
We admire position taken by you.
Mr. and Mrs. JOS. ALLER.

ST. JOHNSBURY, VT., *July 23, 1954.*
Hon. WAYNE MORSE:
Heard you radio last night. You are right. Keep up the fight against this giveaway plan. I am a Texas Democrat visiting in Vermont.
J. C. WELCH.

Mr. MORSE. These telegrams come from all over the country, although a substantial number are from my own State. They show in the main an endorsement by the senders of the position which those of us opposed to this bill have been taking in the Senate. Along with them, Mr. President, I offer certain letters which have arrived, including in one case an editorial clipping, which I should like to have printed along with the letter.

May I assure the Senator from Arizona that these are nothing but the same type of material which during a regular morning hour would be inserted in the RECORD. I ask unanimous consent that they be printed in the RECORD at this point in my remarks, and also that they be placed, after they are passed upon, on the desk of the Senator from Arizona for inspection.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MANHATTAN BEACH, CALIF., *July 20, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.
DEAR SIR: Do you realize how very much a man such as yourself means to people who think as we do? We only wish that God had given your courage and intelligence to more of our representatives. Maybe we wouldn't be in such a mess.
Starting with the time you left the Republican Party right down to the present fight on AEC power, you have shown yourself to be a man of integrity.
Every time you take a stand we feel such a warm glow of pride and congratulate ourselves on the fact that WAYNE MORSE has done it again. Keep up your good work and fight for your principles. You are a man that the United States can be proud of.
Yours very sincerely,
Mrs. J. R. HENNESSY.

NEW MARKET, N. J., *July 22, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
DEAR SIR: Keep up the good work; let's have no more giveaways.
Very truly yours,
GEORGE BARBUTY.

CHICAGO, ILL., *July 22, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.
DEAR SIR: Keep up the good fight against the atomic energy giveaway. The harder you fight, the more attention this rape of our natural resources will obtain. Suggest you ask Adlai Stevenson to make a public statement on this question to help focus attention on it.
Truly,
Mr. and Mrs. R. MOSTEK.

YAKIMA, WASH., *July 19, 1954.*
Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.
MY DEAR SENATOR MORSE: Permit me to compliment you and commend your stand on the atomic industry bill.
The development of atomic technology to its present stage has cost this Nation many billions. To turn this enormous capital investment over to private individuals would be absurd, almost criminal.
I hope you'll continue to oppose such a plan.
Respectfully,
IRA D. CARDIFF.

WASHINGTON, D. C., *July 23, 1954.*
Mr. MORSE: Please be advised that what you are doing is appreciated and supported by many people who are interested in preserving the wealth of the Nation for the people of the Nation.
Sincerely,
WILLIAM CHARLES KLOMAN.

PHILADELPHIA, PA., *July 21, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.
DEAR SENATOR MORSE: I have just read the account of your brave and courageous stand against the TVA sellout. What we need so desperately are more independent spirits who hold the welfare of all the people uppermost.
The Eisenhower administration swept in, full of bright new promise, but with each passing day the heavy hand of the Old Guard GOP becomes increasingly apparent. To us, who sit on the sidelines and read accounts of these giveaways—i. e., oil, TVA, atomic power—your words bring the only ray of hope. At least some few Congressmen aren't afraid to speak out for the people.
In the same vein, may I congratulate you for your stand on picketing at the White House. What this administration needs is an infusion of more, not less, democracy. If we remain true to our heritage, of what have we to be afraid?
May God grant you many more years in which to help turn us back from this era of doubt and suspicion.
Respectfully,
MORTON WEISS.

BROOKLYN, N. Y., *July 22, 1954.*
DEAR SENATOR MORSE: On behalf of many many people in New York, we wish to thank you for the wonderful effort you are making at this very moment on the Senate floor, on the atomic energy bill.
We realize the seriousness of the need for keeping atomic energy in the hands of the Government, instead of private utilities, and hope that you and all the others who are fighting in the Senate now, will meet with success.
Sincerely yours,
BERNARD and MARILYN GOLDSTEIN.

CRANSTON, R. I., *July 22, 1954.*
Hon. Senator WAYNE MORSE,
Washington, D. C.
SIR: This is to support your stand on the atomic energy bill now before the Senate. Please continue the fight if it takes every night for the rest of the year.
I am one of those independent voters who supported this administration during the last election, believing that after 20 years out of office they had become mature enough to lead this great Nation, but the sad realization is quite to the contrary.
Their odious policy of government by grab, of great giveaways of public property, including atomic energy, their looking the other way during such mass hardship due to unemployment, has turned me against the GOP for the rest of my life. No administration has done so much for the Democratic Party.
Keep up the good work, sir, I have followed your campaign of protest most carefully and you and the Democrats have my full support.
Very truly yours,
JOHN J. ANDREWS.

ARLINGTON, VA., *July 22, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.
DEAR SIR: I appreciate the fight you have been making for Government control of public power and atomic energy. I trust that the effort to keep atomic energy out of private business will be more successful than similar battles have been in this administration.
Thank you.
Yours truly,
KATHRYN BROOKS
(Mrs. George Brooks).

NEW YORK, N. Y., *July 22, 1954.*
DEAR SENATOR MORSE: May we express our sincere thanks for your splendid efforts in warding off the passage of the atomic-energy steal bill and wish you all success in your continued struggle to prevent this fraud upon the American people.
JESSICA DAVIDSON.
MERRIL MCAMY.
MATHILDE BARNETTE.

PHILADELPHIA, PA., *July 22, 1954.*
Hon. WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.
DEAR MR. MORSE: We are violently against private interests getting atomic developments. All power to you in your fight; it's too bad there are so few like you who are for all the people.
This administration is for no one but big business.
We are hoping to get rid of a lot of them in November.
Respectfully,
EDITH B. ALEXANDER AND FAMILY.

BARTON, N. Y., *July 20, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.
DEAR SENATOR MORSE: My hat is off to you and I bow in great admiration for your courage in the fight against the most out-

rageous steal of the Eisenhower administration. The most outrageous steal ever witnessed by this country.

May you continue to have the energy to fight without in any manner impairing your health. I wish this small farmer could do something to help. Am writing LANGER, KEFAUVER, PAUL DOUGLAS, and LEHMAN.

Sincerely yours,

R. B. ROSS.

COLUMBIA, MISS., *July 21, 1954.*

Hon. WAYNE MORSE,
Washington, D. C.

DEAR SENATOR: Congratulations on your great fight to protect the interest and resources of the American people. I sincerely hope and trust that God in His great wisdom will preserve your health during the long ordeal ahead; and that the private power interest of this country will not take over the entire American Government.

If the Good Lord will just let the Congress get away from Washington until the American people can get to the polls in November, your fight will become much less a great and constant burden. The Republican Party is the arch enemy of the great rank and file of the American people, and anyone who does not know that is mentally beyond recovery.

I was so glad to see in today's paper that Senator LANGER is now on your side and our side. I wish we had more like him.

Keep up the good fight, and I will be praying for you.

With every good wish for your continued good health, and to you and yours forever, I am,

Most sincerely yours,

KELLY J. HAMMOND.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
SOCIAL SECURITY ADMINISTRATION,
Santa Barbara, Calif., July 19, 1954.

Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: It has been several years since we first met when you were dean of the law school at Eugene, Oreg.

I have followed your activities very closely. Many times I have compared you with my old friend, Bill Borah, of Idaho.

I like your courage and enclose an editorial from the Santa Barbara News-Press in which I think you may be interested.

Sincerely yours,

CHAS. H. CANNON.

SENATOR WAYNE MORSE STRIKES BLOW FOR FREEDOM

Many people are critical of WAYNE B. MORSE, the Independent Senator from Oregon because of some of his strange behavior, and the fact that he dealt himself out of the Republican Party to become the question mark in the Senate. He is suspected of carrying around with him some sort of political bomb with a delayed fuse.

This isn't to settle for all time the MORSE policies, or to designate precisely where he will stand on any given issue. But his action in blocking the White House antipicketing measure in the Senate District of Columbia subcommittee certainly deserves a cheer.

The measure would have forbidden picketing in the streets around the White House, usually on the Pennsylvania Avenue side. It is a custom which occasionally has been badly abused, and is a device too casually adopted by people with a questionable grievance.

But in America we have to take the good with the bad where our Constitutional rights are concerned. Our privilege of petition and to seek adjustment of grievances is part of our Bill of Rights. Directly to appeal to the President by means of placard and picket is one method of taking advantage of that privilege.

"I don't propose to be a party to police-state methods in the United States," said MORSE, in explaining why he cast his own vote and exercised a proxy for Senator NEELY, Democrat of West Virginia, in shelving the measure 2 to 1. Morse was on sound ground. He would have delighted that robust editor of Emporia, Kans., William Allen White in this instance. Said White:

"This Nation will survive, this State (Kansas) will prosper, the orderly business of life will go forward if only men can speak in whatever way given them to utter what their hearts hold—by voice, by posted card, by letter or by press. Reason never has failed men. Only force and oppression have made the wrecks in the world."

Had political picketing been as much in vogue when White offered that challenge, he probably would have added the placard and the plodding foot. Boisterous picketing and insulting behavior on the picket line foil the purpose of the appeal. License is often confused with liberty, and those who assemble often forget that the Constitution calls for the action to be "peaceable." But bad manners seem to be one of the barnacles of freedom.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. Yes, I yield.

Mr. GOLDWATER. The Senator from Arizona will accept as true what the Senator from Oregon says relative to these communications.

Mr. MORSE. I thank the Senator from Arizona. That leads me to make a statement which does not have the slightest tinge of flattery to it, Mr. President.

I appreciate the remark just made by the Senator from Arizona. He and I, I think, differ on about 95 percent of the votes we cast in the Senate. I think that is about what the voting record would show; meaning, of course, on legislative issues and not procedural matters.

He and I are not intimate friends, in that we have not had the opportunity to meet outside the Senate, as one does when he establishes intimate friendship. But I want to say to the Senator from Arizona that I appreciate very much the many courtesies which he has extended to me, the very fair attitude and professional attitude he has always extended to me in our relationships here in the Senate.

We have debated each other vigorously at times, but professionally and never personally. I want to say that I am very appreciative of the statement he just made, because I take the same pride in a principle applying to me that he takes in that principle applied to himself; that is, when we give our word here in the Senate, it is our bond. When I gave my word with respect to these wires, that they do not violate rule XIX, that is my bond. I am deeply appreciative of his acceptance of my word.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GOLDWATER. The Senator from Arizona would like to thank the Senator from Oregon for those kind remarks. I concur in what the Senator from Oregon says about our differences on many issues of the day, but I must tell the Senator from Oregon that I differ with him honestly and I know that he differs with me honestly. Debating with him is always a pleasure. I have always enjoyed listening to his remarks, because they are well prepared. While I do not always agree even with his remarks, I do appreciate professionalism and attention being paid to the preparation of debate.

Mr. MORSE. Mr. President, I want to say I thank the Senator from Arizona very much for those expressions. I would be less than human if I did not appreciate them, because if anyone thinks this role of mine in the Senate of the United States is an easy one, he ought to occupy it for awhile. If anyone thinks that following my political course of action results very often in such expressions of kindness as I have just received from the Senator from Arizona, he ought to sit behind my desk for awhile. And yet, Mr. President, that is the price we must be willing to pay for our convictions. I have no regrets for it. I expect it.

I expect most people who do not know me and who do not share my political views to make that common human mistake of attributing false motivations. That is so common. We all have to be on guard against it; each one of us.

If there is someone we disagree with, if we do not know him, we are tempted always to attribute to him some bad motive, because that puts him off in a class by himself and it makes it possible for us to preen in our own self-righteousness. That is one of the great human failings of most individuals. We have to be on guard against that. When we see it manifested, we have to be charitable and understanding.

So when I find that many people who do not know me disagree violently with me about something and are sure that I have horns, I know that is just a normal reaction which is common to many people.

Yet I have gotten into this little personal sort of a method which is confessional with my friend from Arizona here tonight because I feel very much in the mood of reflecting on some of these things that have happened already in this debate, with men who are tired. There is a tendency to make sometimes false assumptions with regard to some of their colleagues. I think we have to be exceedingly charitable about that. When it happens we have to understand that frequently men in the heat of debate, particularly when fatigued, are going to say something which, after 8 hours' sleep, they will wish they had not said.

That is why here in the Senate I make it a practice of fighting very hard for the points in which I believe, but never let myself get concerned about unkind things which are sometimes said about me; because, you know, usually it happens the next day in the cloakroom that fellow comes up and says:

"Well, you know what was the matter with me; I was tired, and you exasperated me."

I can be exasperating; I know that.

So I am glad that the Senator from Arizona and I had a chance to raise this point for these observations.

Now, I want to read a little history. I want to read a little history which I think has a direct bearing on the problem which confronts the Senate. It is a little history that bears out what I said on two occasions today; first, this morning in my colloquy with the junior Senator from Washington [Mr. JACKSON], and later in my short speech in reply to the distinguished majority leader, when I objected earlier today to his proposed unanimous-consent request to limit debate.

I think, Mr. President, that we have reached the point in this conflict here in the Senate where sincere men with strong differences of opinion over this bill ought to sit down with the President of the United States and make certain that he at least understands the reasons for the differences; because, frankly, I do not think he does. I mean no reflection on the President. I do not know why he should be expected to. When you think of the magnitude of his duties and when you think of the tremendous pressures brought to bear upon him just to get the work done in a day, you just cannot expect him to be familiar with all the reasons for this very great difference of opinion here in the Senate over this bill.

That is why I pointed out earlier today that we should not be too surprised over the fact that the President, in his press conference of a couple of days ago—I guess it was a couple of days ago. The calendar sort of slips by us in this prolonged debate.

However, 2 or 3 days ago the President had a press conference, and in that press conference it was brought out that he was unaware of the fact that 3 members of the Atomic Energy Commission, constituting a majority of the Commission, were opposed to his order that the Commission enter into a contract with Dixon-Yates. I am sure, Mr. President, that if the President of the United States had known that he would have wanted to familiarize himself with the reasons as to why three of his own Commissioners thought that it was not good policy to enter into that contract.

But here we have been going along with a bill which dragged that contract, really by the heels, into the bill. That Dixon-Yates contract has about as much place in this bill as the Washington Monument. That contract should not be considered at all in connection with this bill. The contract ought to be considered separate and distinct from this bill.

Be that as it may, certainly the President of the United States should have been advised as to what the majority of his own Commission thought about it before he let that bill get up here on the floor of the Senate and permitted himself to get into the position where he would be subjected to the comments—factual as they are—that have to be made in order to tell the whole story about this; to wit, he did not even know that the majority of his Commissioners thought it was a bad directive order.

I have a lot of differences with the President of the United States on many, many policies. But I refuse to believe, that the President of the United States: First, would not be interested in trying to find out if it might be possible to compose some differences in regard to this bill; and, second, I refuse to believe that he would not be openminded about it if some of the reasons that we have advanced that have convinced us and which have convinced many, many Americans as to the unwisdom of the course of action he is following in respect to this bill, would not modify his position.

I do not believe we have a President of the United States who suffers from pride of opinion. I do not know of anything that is much worse for an administrator to suffer from than pride of opinion, because if you are going to be a good executive or a good administrator, if you are going to be a good legislator, you had better not be bitten by pride of opinion. You better be willing to change your opinion as the facts are presented to you that justify a change of opinion.

If you are in a legislative position, you ought to be willing, in the last 5 minutes of debate, to change your opinion if someone comes in with evidence and argument you cannot answer.

Paradoxical as it may seem, Mr. President, I have pride in one opinion, and that is the duty to change; your opinion is a responsibility you owe your constituents.

I owe to the people of my State the duty to change my mind on any legislative issue whenever it is shown to me that I was wrong about a previously held opinion.

Out home, when people do not see the ethics of that, when they do not realize when you are talking about that principle you are talking about political ethics, they say by way of their harsh criticism, which I think is unfair but, of course, I think so because it is applied to me, "We never know where he is going to stand on anything. You never can tell. You think he is going along all right on an issue, and the first thing you know there he is over on the other side. He may even be making a speech on the other side. He is the most inconsistent fellow you ever saw." But, of course, they never stop to ask the question, "What made him change his opinion? What were the facts that caused him to modify a previously held opinion?"

That is why I say all over my State so many times, "I pledge to you it will always be true, I pledge to you you will never get out of me an irrevocable commitment on a controversial issue."

When I speak of a controversial issue, I mean an issue about which reasonable men can reasonably disagree. Why do I say that? Because I have a duty to them, to represent them here in the Senate, not on the basis of political pressure, but on the basis of objective facts.

My duty is to vote on these issues in accordance with what I think the right is as established by the fact.

Now, Mr. President, I have the opinion that Dwight Eisenhower does not suffer from pride of opinion. I want to believe that if you can get the facts to him and present an argument based upon those facts, that justify some modification in his point of view, he will change his point of view.

If he would not, if you ever get a President of the United States that is pegged by pride of opinion, he is really pegged down, Mr. President, where his liberty of action is very limited, and the country will suffer.

I want to presume here, and I think I am right in presuming, that the President of the United States just does not understand the reasons in back of all the differences of opinion here between the very sincere group which is for the bill and the equally sincere group which happens to be against it. I think over the weekend the leadership of this Senate owes it to the President of the United States to consult with him and take along in that consultation such men as the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennesse [Mr. GORE], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from Mississippi [Mr. STENNIS], and others that I could name, not including myself because I think by reason of the differences that exist here within the Senate and because of the fact that I have made this suggestion, I should not be in that group. Others can represent my point of view just as well as I can because others share my point of view. I am perfectly willing to have the distinguished junior Senator from Tennessee [Mr. GORE] exercise my proxy, so to speak, at such a conference.

What I am interested in is end result, Mr. President, and I think that is the approach that ought to be made. I think at least we ought to be certain that the President of the United States understands what this fight is all about, why it is being made, so that he can determine whether or not he wants to sit down and consult in regard to working out a composition of our differences. I think he could do so.

Mr. GORE. Will the Senator yield?

Mr. MORSE. Does the Senator from Tennessee want me to yield for a question?

Mr. GORE. The Senator from Oregon realizes, no doubt, does he not, that the use of a proxy in the exercise of an independent judgment is hardly necessary. For whatever purposes, however, the proxy of the junior Senator from Oregon may be beneficial, the junior Senator from Tennessee is very grateful for the generous remarks and the proffer of this very valuable contribution.

Mr. MORSE. May I say to my good friend from Tennessee that I do not think the use of the word "proxy" was appropriate or accurate. What I meant, and now I will correct the record although the record can stand as taken down by the reporter, was that I am perfectly willing to have the Senator from Tennessee present what he knows are the views of the Senator from Oregon in opposition to this bill, most of which coincide identically with his own, and supplement them, of course, with his own and with such differences as he may have with the views of the Senator from Oregon, if any. I have not discovered

any yet, but if there are any I would want him to express them to the President.

I am speaking in dead seriousness about this proposal, Mr. President, because I think it is the commonsense approach to this conflict. You are going to end this conflict here on the floor of the Senate by parliamentary tactics and contests of endurance.

Mr. President, if the group opposed to this bill wants to prevent the bill from coming to a vote, it is not going to come to a vote between now and doomsday. With a bill of 104 pages the number of dilatory amendments that could be offered, if it were desired to resort to that parliamentary technique, would be beyond imagination.

We have not been doing that. This discussion, and let us be frank about it, has been on substantial amendments, amendments that represent an honest opinion here in the Senate, amendments that a considerable number of us think ought to be adopted.

Look at these rollcall votes. Of course, I think it is regrettable. I am not going to talk about it personally. I will talk about it only from a parliamentary procedural standpoint. I think it is regrettable, Mr. President, that motions are being made to lay amendments on the table with really no debating, substantial amendments with only the proponents of the amendments saying anything about them, with the opposition not even answering or making any attempt to answer the arguments.

Do you know, Mr. President, what I think that parliamentary tactic is doing? I think it is doing damage to the Senate because the American people are entitled an answer to these amendments. The American people are entitled to know from the opponents what the opponents think is wrong with the amendments, why the bill should not be amended that way. I think this parliamentary strategy is hitting the proponents of it, not those against whom it is used, and I think they are going to discover that in the immediate future. But we are going to go on through with the amendments and then if a situation arises where the proponents of this bill use that sort of a parliamentary tactic in order to conduct a parliamentary war, then those of us against the bill, in all fairness to the interests of the people we are seeking to protect, will, at that time, be justified in using parliamentary tactics by way of retaliation. They can be pretty messy when you look at the 104-page bill and you think of all the amendments that can be proposed to 104 pages.

Before I speak further on my proposal for a White House conference from the standpoint of a great historic precedent—there are others, but I am just picking one—I want to advise my friends on this side of the aisle that I saw a good example here today of the price they have to pay for their moving-to-lay-on-the-table technique. Without mentioning any names, an amendment was offered today, with the same good faith that every other amendment has been offered, and when it was suggested to the mover of the amendment that probably he would be met with a motion to lay the amendment on the table, he just laughed at the idea and said, "That is impossible. They wouldn't think of doing that. This amendment must be discussed."

They did it, Mr. President. I think they thereby guaranteed to us a new enlistment in the ranks of the opponents of the bill.

I close my comment on that matter of parliamentary strategy by saying that I hope the majority will not press with that procedure, because it will receive a negative reaction in the country, and it will be interpreted as a confession of weakness on their part in the position that they take on the bill.

It will do injury, I think, to orderly debate in the Senate. I think it will leave unnecessary parliamentary wounds in the Senate. I think that reasonable debate should be conducted on each one of the amendments, and that then we should proceed with the next one. If necessary, we should do what is the common traditional practice in the Senate, namely, lay the bill aside for conference reports, lay it aside for privileged matters, and lay it aside for some particular piece of legislation, if there is any that must be passed by a certain date, and then return to the consideration of the bill. If we do that, we will eventually relax our muscles in the Senate and agree on some compromises, and in that way an equitable and fair bill will be passed.

Frequently, in the cloakroom, when a Senator is becoming highly agitated, I always say, "Wait for the period of relaxation to arrive." It is very interesting to observe human emotions.

MESSAGE FROM THE HOUSE

A mesage from the House of Representatives, by Mr. Bartlett, one of its clerks, communicated to the Senate the intelligence of the death of Hon. Albert Sidney Camp, late a Representative from the State of Georgia, and transmitted the resolutions of the House thereon.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2846) to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5173) to provide that the excess of collections from the Federal unemployment tax over employment security administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes; and it was signed by the President pro tempore.

THE LATE REPRESENTATIVE CAMP, OF GEORGIA

Mr. MORSE. Mr. President, it is always a sad moment when there is announced on the floor of the Senate the death of a colleague in Congress, be he in the House or in the Senate. I did not have the privilege of being personally acquainted with Representative CAMP, but I believe my colleagues in the Senate would consider it fitting and proper for me to say that the entire Senate is saddened by the news and would wish to have extended to the family of the deceased our very sincere sympathy and expression of sorrow.

Mr. GORE. Mr. President, would the Senator from Oregan be willing to ask unanimous consent that he may yield to the junior Senator from Tennessee for the purpose of my making some brief remarks about the deceased?

Mr. MORSE. I make that request, with the understanding that I will not lose my right to the floor.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Without objection, it is so ordered.

Mr. GORE. Mr. President, the late ALBERT SIDNEY CAMP, a Representative from the State of Georgia, was my personal, close friend. He and I were colleagues in the House of Representatives. He came from the State of Georgia. He was a stalwart, rugged individual of integrity and ability. Soon after he came to the House he was assigned to the Ways and Means Committee, where he labored well and ably. Representative CAMP had relatives in my home State of Tennessee. In the course of my political adventures there were occasions when Mr. CAMP helped me quite materially. There were opportunities from time to time in the House of Representatives to sit down beside this fine man, there to converse and there to enjoy the friendship and fellowship that we knew.

Later, he lost his eyesight. That would have discouraged an ordinary man. It would have brought about sadness in the personality of an ordinary person. Not so with SID CAMP. He was a fine, congenial, happy soul. When I would meet him after his blindness, he always knew my voice. Invariably he would say, "Hello, there, Albert," and he would start reaching for my hand.

His death comes as a sad shock. With a deep feeling in my heart I wish to extend to the bereaved members of his family and to his friends: This was a fine man.

Mr. GOLDWATER. Mr. President, will the Senator from Oregon yield with the same understanding, that he will not lose the floor?

Mr. MORSE. I yield, with the same understanding.

Mr. GOLDWATER. Mr. President, the acting majority leader did not have the honor of knowing the deceased Representative. However, I would be remiss in my duty, to my conscience, and to the party I represent tonight if I did not express to the members of the deceased Representative's family the deep feeling of loss felt by all members of the Republican Party in the Senate.

RUDOLPH BLOCK

Mr. MORSE. I am very glad that my colleagues have made those statements for the RECORD upon the receipt of that very sad information.

I wish to add a comment on the loss of another friend, although not a Member of Congress, but a member of the fourth estate, of whose death I learned shortly before I took the floor tonight. He was a newspaperman and a radio man who had served the Senate and the House since I have been here, for the past several years, diligently, fairly, and objectively. He is Rudy Block.

I was advised this evening that he passed away today. He was a very good friend. He was one of the most courageous men I have ever known. He had known for the past several years that death for him was a constantly beckoning call, because he suffered from Hodgkin's disease, and he knew that it was only a matter of time. Never from his lips, however, did I ever hear a word of discouragement or complaint about his physical condition.

Not so long ago I received a telephone message from him to come to the hospital to see him. He said he had a very important bit of information for me. I went out to see him. Rudy taught me a great lesson in human courage. As I looked at him I knew I was really looking at a dead man alive. He had been thinking, he said, about a point he thought I could use in debate in connection with a piece of legislation that was about to come up on the floor of the Senate, and he told me his point of view. He demonstrated to me the activity of his mind and the clearness of his mind; and he was close to the end.

But I left the hospital room without hearing one single word of discouragement—nothing but an expression of hope and expectation of being with us again, and asking me to express to a good many of our mutual friends his regards.

Somehow, I think, Mr. President, that men such as that never die. I know that those in the Senate who shared the same fondness for Rudolph Block that I hold, and I know his many friends in the radio and press gallery, join with me tonight in deep feelings of sorrow and loss over the passing of a very able newspaper and radio man, and over the loss of a very courageous person and one who helped to personify for each one of us lessons of human faith and courage from which we can profit if we will but take them to heart.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. MORSE. Mr. President, returning to the point I was making before the sad announcement arrived, I was saying that it is interesting about human behavior that when men follow a course of action which is motivated by anger, or lack of consideration, or temper, we need watch for the period of relaxation, because the strange thing about human physiology is that no human being can remain tense very long. It is also interesting that when one is tense when emotionally agitated, it is the thalmus and not the cortex that controls the so-called motor reactions of the human body, and I have a feeling that there is a little too much tension in the Senate over this conflict. What is needed is some relaxation and recognition that, after all, we have got a problem to be solved and it is not going to be solved by abusing each other. It is going to be solved only by fairminded men coming together and trying to work out a composition of their differences.

That is why I proposed earlier that we try to join in an effort to get the President to see the basis of these differences, because, let us not be foolish about it, we all know that if the President found that he shared a different point of view after he had some information which I believe has not been given to him up to this time, and so expressed himself, it would be a matter of a very short time when we would see it reflected in the course of action of the Senate of the United States, and men who now think they must stand behind the President for this bill, without modification, would take the same attitude if the President suggested some modifications. I have a hunch he would, if he understood our differences.

So I cite now, as I said I would, a precedent from history. I invite the attention of the Senate to Ray Stannard Baker's work on Woodrow Wilson's Life and Letters, volume 4. Starting at page 131 is a chapter entitled "The Reform of the National Currency." It tells a very interesting story of how the Federal Reserve Bank Act came into existence. As we know, the issue over the currency was one of the hot issues of the 1912 campaign. Although Woodrow Wilson during the campaign did not specify a particular program of reform, at least by way of a proposed bill of particulars, he certainly did pledge to the American people that if elected President of the United States he would propose and support a reform of the banking and currency law. It was in the Democratic platform of 1912. So, after he was elected, as this historical account points out, he proceeded to consult with his official advisers and received a variety of advice. He got advice that he should not do anything about it in the session of the spring and summer of 1913; that he had better feel his way in the matter. There were the Bryanites who were in conflict with the banking policies and proposals being made by the American Bankers Association. There was Robert L. Owen, of Oklahoma, who was chairman of the Senate Committee on Banking and Currency, who had views somewhat, shall I say, less extreme than those held by Bryan; at least, they were considered as not going as far as Bryan would go. There was Carter Glass in the House of Representatives, later to make a similar distinguished record in the Senate of the United States. He was at that time chairman of the Banking and Currency Committee of the House. McAdoo was Secretary of the Treasury.

Woodrow Wilson found himself being pummelled, shall I say, by conflicting advice and counter proposals, but he came to place a great deal of reliance upon Carter Glass, with the result that the Carter Glass bill was drafted.

I think it is clear from the historical record that Woodrow Wilson did not commit himself to the crossing of every "t" and the dotting of every "i" in the Carter Glass bill but he did indicate very clearly to Glass and to others that he favored in general the major provisions of the Glass bill.

But the quarrel over the banking and currency reform ran very deep in the Congress, certainly as deep as the differences which exist today over the atomic-energy bill. In a sense, after that time, it probably was as major an issue as is the atomic-energy bill in our time.

But it is very interesting to see how Woodrow Wilson handled that conflict with strong congressional personalities involved, men with deep convictions, but with a tendency to be unyielding. There was a threat that the bill would be talked to death if it came to the floor of the Senate. There was a threat that it would be recommitted on the floor of the House. So it was suggested that he better find out if there was an area for composition.

As I read the account, it becomes perfectly clear to me that Woodrow Wilson learned a good deal as the result of his conferences. He did not have only one, but a whole series of them, and they extended over quite a period of time, as a result of his conferences with congressional leaders on varying points of view on the banking and currency bill.

Here we have a fight over a major piece of legislation in the Wilson administration which really started along in June and finally ended with the adoption of the conference report on September 23. That is how long that bill took. One would think, listening to the discussion today, that we can do these things overnight. There is something to be said for long incubation for a bill that will have a tremendous influence and effect on the American people for years and years to come, as a major banking and currency reform, such as the Federal Reserve Act was, or as an atomic energy program under the bill now pending in the Senate. So I should like to read for the record, because I think it is interesting history, and very apropos of the problem that confronts us, and I think it a pretty good historical precedent, backing up the suggestion I made earlier today, that the President ought to confer and be conferred with on this problem. As I said, I think he wants to do the right thing about it, and I think he knows that, after all, it is much better to place on the statute books a bill that will have the confidence and the respect and the support of the largest possible number, rather than to place on the statute books a bill that is going to leave deep ill feeling across the country in the hearts and minds of millions of our citizens. So I think there is quite a lesson to be learned from these pages, and I shall read them, starting with the paragraph on page 153, and skipping the first part of the chapter, which had a lot to do

with the events that led up to the conflict. The author states:

It was truly a great task that confronted Wilson and Glass and McAdoo and Owen and other leaders concerned in currency reform during the heat of that Washington summer. The real fight had only begun. Internal disagreements within the party had to be patiently ironed out; provisions of the bill had to be drawn so that, while satisfying the progressives, they would not wholly alienate the more moderate banking interests in the West. No bill could be drawn that would meet the approval of the extreme conservatives of New York on the one hand and on the other the more radical western leaders—men like Congressmen Henry, of Texas, and Wingo, of Arkansas. It came especially hard upon Wilson, because the demands upon his time and strength in many other important matters were at that time so insistent. During the very weeks in May and early June, when the currency bill was being molded in the fire of criticism into its final form, he was in the midst of the bitter tariff fight on the wool and sugar schedules.

Mr. President, digressing for a moment, it is interesting to consider the pending farm bill. We just got through with action on the wool bill, which left some differences of opinion in the Senate. Politics do not change much, and politics do not change much in the sense of legislative problems that confront the Senate. When I read that, I thought it was rather interesting that back in 1913, when another great contest was going on in the Congress, this author should point out that the President was confronted with the problem over tariff and the problem over the matter of what was really an agriculture bill. One might say, "That's where we came in."

The author goes on to say:

In late May he was attacking the tariff lobbyists, giving painful consideration to the Japanese land question, then so acute that war was not an impossibility, and, incidentally, being driven almost to distraction by the importunities of hungry officeseekers. Even on Sundays, as he wrote to a friend, he was "studying pardon cases and documents of every other sort. * * *

"* * * we live distracting days. * * * We are at the beck and call of others (how many, many others), and almost never have a chance to order our days as we wish to order them, or to follow our own thoughts and devices. The life we lead is one of infinite distraction, confusion, fragmentary, broken in upon and athwart in every conceivable way."

If it were not for friends, those "fixed points" in his life, the inner Wilson could never have borne the pressure to which the outer Wilson was daily subjected. We find again and again, in his most intimate letters of that time, the intense expression of this need. He may be outwardly relentless or cold as steel in the pursuit of his objectives, but he must have the constant sympathy of friends.

My intercourse with them helps me restore my identity from time to time, to get the confusion out of my nervous system, and feel like the real Woodrow Wilson, a fellow of fixed connections, loyal to long-established, deep-rooted friendships and associations, living through his heart and his affections, his tastes, and all that runs in him independent of circumstance and occupation and momentary tasks.

Then on page 156, the author states:

Late in May, Wilson had to take up seriously, in connection with the proposed currency legislation, the problem of harmonizing his own party following. It would never do to go into Congress unless the principal leaders of the House and the Senate could be brought into agreement upon the provisions of the bill to be introduced. McAdoo had become much worried over the situation. He had not only heard the criticisms of the bankers in New York, but he has been conferring with Untermyer and Owen. McAdoo was a dynamo of energy; no member of Wilson's Cabinet was more avaricious of labor than he. If a difficult task appeared anywhere upon the horizon, McAdoo saw it first and, having brought it to the attention of the President, demanded eagerly, "Let me do it." His correspondence can only be described as colossal; no other man connected with the administration wrote such a number of letters to the President as McAdoo.

Since he was Secretary of the Treasury, he felt himself peculiarly charged with responsibility regarding currency problems, and he now began to see bankers, economists, political leaders, who might have views to express. Wilson also forwarded to him various documents for his consideration: Owen's plan, certain of Untermyer's suggestions, with a postscript written in his own hand, "I do not like the idea," and some of the letters and criticisms of the bankers. Sometimes he sent such documents to Glass first and asked him to forward them to McAdoo, writing a brief memorandum in his own hand:

"This is Mr. Untermyer's paper to which I referred.

"When you have read it, will you not let Mr. McAdoo have it? I have only this copy."

As a result of his inquiries, McAdoo began to fear that Glass's bill, which had the President's tentative approval, might fall between two stools, proving unacceptable either to the Bryan element or to the restive bankers.

He therefore prepared, with the assistance of John Skelton Williams, the outline of a bill of his own, his idea being that an administration measure vigorously approved by Wilson would secure a more effective following in both Houses of Congress and in the country than the Glass measure.

May I digress to point out that President Eisenhower last February sent a couple of drafts of proposed atomic energy bills to the joint committee; one on the international proposal and the other on the domestic. So the Wilson precedent has that element in common, too, with the present situation.

Speaking of the Wilson draft, the author says:

It was designed primarily to meet certain demands of the Bryan element—for example, the Government issue of currency; it also provided, to pacify the conservatives, "a bureau bank in the Treasury with all the elements of a central bank." After McAdoo had talked the plan over with certain bankers and secured the general approval of Senator Owen, he showed the proposed measure to Glass, who opposed it hotly, considering that, if adopted, it meant an "end of currency reform for the time." Glass brought it at once to the attention of various of the more liberal bankers of the country—among them George M. Reynolds and E. D. Hulbert of Chicago. James B. Forgan telegraphed that he considered it "impracticable, inadvisable, and unworthy of serious consideration." Armed with these opinions, Glass went to see Wilson at the White House. He was stirred to the depths, and must have made a stormy presentation of his case.

"I am surprised, Glass, at your vehemence," remarked the President.

It is improbable that Wilson had given any other plan serious consideration, since he assured Glass that he adhered, as formerly, to his bill as the solid basis for the legislation. Wilson no doubt talked the matter over with McAdoo, for Glass soon had the strong assurance of McAdoo's support.

"McAdoo," relates Glass, "met the situation like a prince. Not for an instant did he exhibit a sign of resentment or even of disappointment. * * * From that moment, he never wavered. * * * His zest in behalf of currency reform, with his personal attachment to the committee chairman, proved a powerful incentive to success. Without his fine spirit and absolute dependability, the task of the committee would have been infinitely harder, if not wellnigh impossible."

McAdoo's allegiance and the President's new assurances of steady approval added greatly to Glass' confidence. One of Wilson's strong points as a leader was his unwavering support through thick and thin of men whom he had come to trust. As Burleson once said of him:

"Wilson was a man one could go into a panther fight with."

While the discussion of the McAdoo plan, which had genuinely alarmed the bankers, had served to bring conservative support to the Glass measure, it had by no means pacified the party radicals. Quite to the contrary. Bryan and his following had felt that certain of their demands had been met in McAdoo's measure, and they grew more restive than ever before.

Although Bryan knew well enough that Wilson did not agree with some of his views, the personal relations of the two men were marked not only by mutual confidence but by real warmth. This appears abundantly in the correspondence and in the accounts given in various memoirs, particularly in Bryan's own book.

Wilson invited Bryan to the White House and discussed the Glass plan with him, and found him frankly opposed to the consideration of any currency measure at that time; and he strongly criticized two provisions in the Glass bill:

"I called his attention to the fact that our party had been committed by Jefferson and Jackson and by recent platforms to the doctrine that the issue of money is a function of government and should not be surrendered to banks, and that I was so committed to the doctrine that I could not consistently endorse the authorization of more bank notes and that to do so would forfeit the confidence of those who trusted me—this confidence being my only political asset, the loss of which would deprive me of any power to assist him.

"I also pointed out my objection to a divided control and argued in favor of making the entire board of control appointive by the President, so that the Government would have complete and undisputed authority over the issue of the Government notes which, in my judgment, should be substituted for the contemplated bank notes."

While the conference was conducted with the greatest friendliness of spirit, there were in Bryan's firm position all the implications of an ultimatum; and behind that lay his powerful following in the Houses of Congress and in the Nation.

"I assured him," said Bryan, "of my entire confidence in his desire to do what was best for the people and of my deep regret that we could not view these two phases of the subject in the same light."

Wilson was naturally disturbed. He asked his secretary, Mr. Tumulty, to "drop in" on Bryan for a further discussion of the subject. It was plain that the commoner was much exercised. He got out the party planks to show that Democrats had long favored the Government issuance of notes. He feared that the bankers were bringing undue pressure to bear on the President. He asked:

"Who from Wall Street has been discussing this bill with the President?"

Bryan also discussed the subject with McAdoo, expressing his "distress at not being

able to agree with the President on these points and my fear that the plan under consideration would divide our party and make any currency reform impossible."

This was serious. Supposing Bryan resigned from the Cabinet and made an issue in Congress and the country? Other leaders were also urging the historic position of the party. Senator Owen had sent the President copies of the currency planks in recent Democratic platforms.

More than this, Owen, who had been frequently in conference with Bryan and Untermyer and who, as chairman of the Committee on Banking and Finance, must be depended upon to champion any currency measure in the Senate, had drawn up a bill of his own. It contained both of the provisions that Bryan demanded: a board of governors, "all of them Government officials," and "a note circulation consisting of United States Treasury notes."

Late in May, just at the height of the controversy, Owen sent a copy of his proposed bill to the President. It added a further and very serious complication to the problem. Wilson had now three bills before him: that of Glass, to which he had given his general approval, the McAdoo compromise, and the Owen bill.

To add to the difficulties, the financial situation in New York, in early June, began to be alarming. Credit was tight. There were mutterings of a silent panic—interpreted in some quarters, though without any very credible evidence, as due to nervousness over political tinkering with the national financial organization. Certain conservative Democratic Senators, notably Hitchcock and O'Gorman, had become much disturbed, and expressed strongly their opinion that currency legislation ought not to be pressed. Secretary Lane, who had heard disturbing reports from New York, also came to urge upon the President a policy of delay. No member of the cabinet mirrored conservative opinion more consistently than Lane. Wilson wrote to him on June 12:

"I realize very keenly how unfortunate it is that so many circumstances should be combined to render it an anxious and ticklish business to change the tariff and also the basis of the currency, but I feel that if we allow ourselves to be forced to a modification of plan by the alarms and embarrassments of the moment, we shall never find the time more suited to what we wish to do, because whenever action is contemplated, the same obstructions will arise. A steady purpose and a just execution of it seems to me the only course open to us."

While Wilson was unalterably determined to go ahead, he had yet to settle the divergencies in his own party. How far could he disregard the militant New York bankers? How far yield to the Bryan following? The issue, as always, was one of control. Where should control of the new system reside—in the banks or in the Government?

I digress to say we are confronted on this bill with the question: Where should the control of atomic energy rest; in the private utilities or in the Government?

Mr. President, these issues of political philosophy are not new. They have been with us from the beginning of democratic society.

How far shall the Government go to protect the public interest? What checks should it place upon monopoly so that monopoly cannot exploit the public interest but at the same time so that monopoly can serve the public interest and under reasonable control make a fair profit? Wilson was confronted with that problem. Eisenhower is confronted with it today in connection with this atomic-energy program. But I respectfully say, Mr. President, that I do not think the record on this bill shows that the President of the United States today has the information about this bill that Woodrow Wilson had about the Federal Reserve Bank Act before he made his final decision.

The interesting thread of analogy that runs through these two conflicts in the Congress with the White House is that in 1913 the President of the United States sought the information that he needed in order to help compose and resolve the differences. I am suggesting that we ought to make certain that the President in 1954 has like information in relation to this bill that Wilson had in relation to the banking and currency bill.

Thus the author goes on to say, and I think this is an interesting bit of history:

In this crisis Wilson was greatly assisted by a conference with Louis D. Brandeis, of Boston, in whose judgment he had much confidence. Brandeis presented powerful arguments in support of Bryan's main contentions, first, that "power to issue currency should be vested exclusively in Government officials, even when the currency is issued against commercial paper," and, second, that the board should be distinctly a Government body and "the function of the bankers should be limited strictly to an advisory council."

He warned Wilson also that the "conflict between the policies of the administration and the desires of the financiers and of Big Business is an irreconcilable one." He went on to say, however, "While we must give the most careful consideration to their recommendations and avail ourselves of their expert knowledge, it is extremely dangerous to follow their advice even in a field technically their own."

He urged Wilson also not to be alarmed into passing a bill "in order to prevent panic conditions" before he had made sure that the changes proposed would really inure to the benefit of the people.

Wilson regarded these as weighty words. Added to the criticisms of Bryan, McAdoo, Owen, and Untermyer, they brought the essential issue of control to a point where a final decision was unavoidable. The Glass bill, after submission to Wilson in printed form, was summarized in the newspapers on June 16. There was danger that the Owen bill, if made public, would make it appear that the House and Senate leaders were in hopeless disagreement before the congressional struggle had even begun. There were already covert intimations that Bryan was in opposition to the Glass bill, and Glass and Owen had been in conference without being able to arrive at an agreement.

Something had to be done at once if the bill was to be considered at all at the special session, and on June 18 Wilson summoned McAdoo, Glass, and Owen to a conference at the White House. He knew the delicacy of the task he had in hand. He had given his assent, in general, to Glass' bill; he knew the fiery earnestness with which Glass adhered to its provisions and the labor he had devoted to the difficult business of bringing even the more liberal bankers to its support. He had, however, become thoroughly convinced that changes must be made in it—changes that would certainly arouse bitter opposition among the bankers.

In other words, Mr. President, Woodrow Wilson, as a result of conferences, came to recognize that his first held opinions in regard to the Glass bill were going to have to be modified. As the author pointed out, he had been greatly moved by what he considered to be the weighty words of Brandeis. Brandeis did not go all the way with Bryan, but Brandeis stressed the point of Government control and check as a substitute for what was interpreted at least as too much unlimited power placed in the bankers by the Glass bill.

I think there is a lot of similarity to the problem of composition that faces the Senate in respect to the atomic-energy bill. I think the thread of similarity is pretty clear.

We have a bill here which has been apparently sold to the President, which places too much control in the private utilities. He has run into trouble, just as Wilson was running into trouble with the opposition in the Glass bill in 1913. But Wilson sought to get the facts and the point of view, and an understanding of the differences among the different forces on the issue in the Congress as well as in the Nation.

I think that President Eisenhower would want to do that, if somehow we could get through the barrier that I fear exists that has kept from him, to date, I believe, a clear understanding of what this dispute is all about on the merits.

I repeat, I am led to believe that when we find that a couple of days ago the President did not even know that a majority of his Atomic Energy Commission did not approve of his directed order on the Dixon-Yates matter and did not think it was wise. I am told by newspapermen that were there that the President showed a considerable amount of surprise when Doris Fleeson brought out in that press conference the fact that a majority of his Commission are against his proposal and the Dixon-Yates contract.

All I am saying, Mr. President, is that I believe that if the leaders of this Senate, representing both sides of this controversy, could sit down with the President and say, "Here is the situation. We want you to understand the situation. We want to understand your viewpoint, too. But we have come down to see, first, if we can clear up any misunderstandings that may exist among us as to the basis of our respective points of view. And then we have come down to see if there is any basis on which we can compose these differences, recognizing that the legislative process is a process of compromise but it must fall short of being a compromise of principle."

I do not know why, Mr. President, but something tells me intuitively, that tremendous progress could be made in resolving the conflict that has arisen over this bill if the President was given an opportunity to exercise his qualities of leadership in this regard.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. Perhaps my friend will wait for a moment, because I want to make this point while it is in my mind, relating to the President participating in such a conference.

No one argued in 1913 that such a conference invaded either the executive powers of the President or the legislative powers of the Congress. That is not

involved at all, Mr. President. I want to say that now in case anyone should try to dig up that argumentative carcass.

I am not talking about invading the rights or prerogatives of the President, and I am not suggesting that the President should invade the prerogatives and rights of the Congress. But I do say, Mr. President, when it comes to passing major legislation in the Congress of the United States, if the Congress can come to an understanding with the President, and the President with the Congress, it certainly helps to put the legislation through. I think it is proper to do that and, by doing it, certainly there is no infringement upon the rights of either the executive or the legislative. But, to the contrary, use is made in a cooperative fashion of the jurisdiction and the powers of both branches of the Government to the end that a bill may be enacted, as in 1913 Wilson and the Congress succeeded in enacting a bill which became known as the Federal Reserve Bank Act, which would have died aborning, so the historians say, if Wilson had taken the position "It is this bill or no bill."

The same thing would have been true if Congress had taken the position "It is another bill or no bill."

If either side had taken that adamant position, the chances are that in one case the bill never would have gotten out of the Senate, and it might have been recommitted in the House, or, if the Congress had taken an adamant position, it would have been confronted with a veto. The votes obviously did not exist to override the veto.

So I say, when you get this loggerhead situation, what is the horsesense solution? It is obviously to try to get together and work out a composition. Do not follow the course of action of saying, "You are going to vote for what we tell you to vote for and like it." Some people do not respond enthusiastically to that approach on a piece of legislation that they sincerely feel would play havoc with the welfare of the people. I now yield for a question to my good friend from Tennessee.

Mr. GORE. Mr. President, in pursuit of the intriguing suggestion which the junior Senator from Oregon has made, if such an opportunity should occur, does not the Senator think that the first matter on which a common understanding must be reached is that the Atomic Energy Commission is an independent agency, not subject to be overruled by Executive order?

Mr. MORSE. I think that is essential. Something tells me also that if it were presented to the President in a fair and proper light, he would say, "I am not trying to dictate to the Atomic Energy Commission. That is not my intention at all. I did not realize that my action would be subject to that interpretation."

There would follow a conversation and an exchange of points of view that would be expressed to the President in the form of: "Why, that is bound to be the interpretation that is going to be made of this directive wtih respect to the Dixon-Yates matter."

Mr. President, I just cannot believe that the President wants to leave himself in a light where very sincere people holding differences of opinion with him would develop the fear that what he wants to do is dictate on certain matters according to his own determinations, irrespective of the rights of a democratic process in the operation of the Atomic Energy Commission.

I think that is one of the reasons why the kind of conference that I am suggesting ought to be held.

Going back to the conference that Wilson had with McAdoo, Glass, and Owen, the author says it was a tense, even a stormy, session.

The author continues:

> The issue was squarely joined at once on the question as to the control of the proposed Federal Reserve Board. As Glass himself relates:
>
> "I was very definitely committed to giving the banks some voice. Senator Owen, of the Senate committee, had sided with Mr. Bryan in opposition. At the White House conference McAdoo agreed at first with me; but later in the evening he proposed a compromise."
>
> The President after listening to the arguments decided against any banking representation whatever. It must be a Government board, Glass argued valiantly, urging the "essential injustice and political inexpediency" of exposing "the banking business of the country to political control." He even wrote him a letter afterwards reiterating his convictions.
>
> But Wilson, having made up his mind, was adamant. It was the crucial decision—the test of his leadership. It had a larger significance than any mere change in the Federal Reserve bill, or even a necessary political compromise to gain the support of the Bryan elements in the party; it was a recognition of a deep-seated progressive principle, that the Government, not private interests, must be supreme.

Mr. President, let us not forget that he became adamant only after he had been fully informed and he had a full opportunity to come to an understanding of the differences in the points of view of the great leaders of Congress who were in deadlock over the Federal Reserve Bank bill.

Let us not forget that for a long time he was tentatively, as the author says, committed to the Glass bill. The Glass bill did not provide for Government control. It was only after these conversations that I have been referring to, it was only after his talks with Brandeis, and Untermyer, Owen, and Bryan, and McAdoo and the rest, that caused him to come to the point of view that he should change his previously held opinion.

That is the point I wish to stress. I do not accept the talk one hears around the cloakrooms in regard to this bill, namely, that this is the bill the President wants, without change. I do not believe that is so, I respectfully suggest, because I do not think the President is fully informed about all the contents of the bill—a bill of 104 pages. With all the legal implications and significance and policies that will flow from the passage of this bill, at least we ought to make certain that the President fully understands the two major schools of thought on this bill as they exist in the Senate.

The author goes on to say:

> It was a yielding of the classical doctrine of laissez faire in banking in favor of the idea of public participation and direction.

It is interesting, is it not, by way of analogy, that what we are urging on the Atomic Energy bill is what Wilson finally came to accept, although at first he had rejected it. We are urging the idea of public participation and operation in the development of electric power from atomic reactors.

Glass, says the author, was entirely right in his prediction that the decision would raise an uproar among the bankers.

I have no doubt that if the President should change his position in regard to the system of control that we find in the bill, which in the opinion of those of us who oppose it vests entirely too much control in private utilities, there would be just as much an uproar from them today as there was from the bankers in 1913, when Wilson switched from the Glass principle to the so-called Owen or McAdoo principle of Federal control and governmental participation.

That delegation went down there. Mr. President, this is nothing new that I am suggesting. I am going into some detail on this particular historic precedent because I think in principle it has very much in common with the fight that is going on in Congress today. The idea of both ends of Pennsylvania Avenue just sitting down and trying to compose differences that have arisen is a part of the legislative pattern. In the passage of legislation in Congress I believe we ought to relax and take advantage of some of the precedents of history, and we should stop trying to outendure each other in the Senate, or follow the jungle law of muscle and brawn. We should use our heads.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in a moment, after I have finished this thought. We should use our heads and say, "Listen, Mr. President, we do not know whether we understand you, and we are pretty sure that you do not understand us. What is wrong with this suggestion that we would like to make to you?"

Let us hear him.

We might be surprised; he might convince us on some points. We might surprise ourselves by convincing him on some points. We might not come out with a bill that all of us would like in every detail. That is usually the case. We seldom get a bill that we like in every detail, if it is a major bill. But at least we could say to our conscience that we are not selling the American people short when we vote for that bill. Or, if we then vote against it, we can say at least that we feel we have exhausted every remedy and have traveled every channel that was open to us under this system of Government and in keeping with the rules of the Senate.

That is what I am asking for. I say to the leadership of the Senate that if it proposed that kind of an approach

to the problem, I would not be at all surprised if we came out with an acceptable bill, in that it would pass the Senate not by a close vote, as this bill will pass if it is put to a vote, but it will pass the Senate as the Federal Reserve bank bill passed the Senate in 1913 after the differences were resolved by the procedure which I am suggesting.

I yield to the Senator from Tennessee for a question.

Mr. GORE. Mr. President, being particularly impressed by the suggestion of the able Senator with respect to relaxing, I wondered if he had any particular time element in his mind?

Mr. MORSE. Well, I think we should relax over the weekend, starting at an early hour in the morning. I should like to tell the Senator what I would like to do tomorrow, and I think I would be a better Senator on Monday morning if I were given the advantage of a recess when I finish this speech. We should all take the weekend off, and I think every Senator would be a better Senator on Monday morning.

I should like to go out to my friend's farm and break a colt, because I should like to get her ready for the Oregon State fair in September. If the Senator has ever broken a roadster he knows it cannot be done in one weekend. I feel in the mood for breaking that colt tomorrow. In fact, I should like to invite my friend from Tennessee to come along and get plenty of relaxation—maybe more than we want, before we get through with it. But I think with that kind of a weekend, that kind of a day tomorrow, and with our usual activities on Sunday, and coming back here on Monday with colleagues who have had the benefit of a weekend relaxation, we would be able to get together on something, even without seeing the President, although I urge that a presidential conference be held also. At least, I think it would be more sensible than to follow the suggestion made earlier this evening by the majority leader that he will hold us in session until about midnight tomorrow night.

I think we should demonstrate that we are men and not mice, and vote for a recess. That is what we should do. We should not give the country the impression that we are going to stay here and follow some party line about remaining in session all day tomorrow after we have worn out the loyal staff around here.

Mr. GORE. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. Yes—for a question. I almost forgot to say that. [Laughter.]

Mr. GORE. With the Senator's persuasive power, will he not approach, in a very kindly manner, the gentle Senator from Minnesota [Mr. THYE] and gain his consent that we may recess at this time?

Mr. MORSE. I am very fond of the Senator from Minnesota, and I would not want to embarrass him, because he has obligations. I can almost tell the Senate verbatim his instructions.

Mr. THYE. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I know if he should make such a suggestion, he would do it with the greatest of reluctance. He would do it only like a lawyer going into a courtroom to try a case against some person. He really hates to do it, but that is the law. So we insist on the enforcement of the law. It has nothing to do with this fine, beautiful, personal relationship which exists between the Senator from Oregon and the Senator from Minnesota. I would not ask him to join in any motion to recess or adjourn now, because he is not free to do that. But I want him to know that I am happy to have him here. I was about to say something to him when I got through with this point, about his being here again tonight, because he was here for a long time during the tidelands debate, both in the Chair and in his seat in the Chamber. He and I had several delightful colloquies.

I now yield to the Senator from Minnesota for a question.

Mr. THYE. The question is whether the Senator would yield for a unanimous-consent request to vote at an hour certain. If he would, I am sure we could all take tomorrow off and the Senator from Oregon could proceed to break his colt, or his friend's colt. I rather think it is his own colt kept at his friend's place. I am sure the Senator could get his colt ready for the Oregon fair. I would wish him that opportunity, because I know he is a great horseman. I know we would all be better off if we had tomorrow free. For that reason the question is, Will the Senator agree to a unanimous-consent request that we vote at an hour certain, come next week? If he will, I should be glad to suggest the absence of a quorum right now and proceed.

Mr. MORSE. Before I answer that question I want to show how the Senator from Minnesota and I are illustrating the very point I have been trying to make for the past hour or so, how we get men talking together and we begin to see how much they agree. Look at what the Senator and I agree upon. We agree that it would be better if we all had a recess tomorrow. That is a remarkable agreement. We agree, I think it is clearly implied, that it would do us good to have the kind of weekend each Senator chooses. We agree it would be a good thing if I get that colt broken. I am very desirous of doing it. I have the urge to do it tomorrow. I think there is implied in the exchange between the Senator from Minnesota and the Senator from Oregon that we agree that we do not think the other fellow is such a bad fellow.

As to the little difference we have in regard to the question the Senator asked, I want to go just as far as I can on that. I am perfectly willing, with the understanding that I do not lose my rights to the floor, to yield long enough for the Senator to offer such a unanimous-consent request. Once it is offered, I shall consider it. But I would not want him to think that I would be inconsiderate enough to be unwilling to yield long enough for him to offer it, with the understanding that I would not lose my right to floor. I am perfectly willing to go that far. I want quickly to inform him what my answer will be if he offers it, because, in spite of references made to my being the leader of the liberal wing of the Democratic Party, it just is not so. Here I stand as a buck private in the rear ranks of the group which happens to be determined to have a full debate on this subject, amendment by amendment, so that the American people can be fully informed of what is involved.

To show, Mr. President, that I am not even a corporal in this army—and I do not want to be; I am very happy to be a private in that army—I am assigned to the graveyard shift of guard duty. I am the fellow who holds down the graveyard shift. In a good many of my Labor Board decisions I have granted substantial overtime to the graveyard shift. But I do not get any overtime on this graveyard shift. In fact, my administrative assistant has been serving me the poorest tea tonight that I have ever seen. I do not know what is in it. I have sent him back three times. The tea must have been near soap or something. I am not even getting good tea, let alone overtime for this job. The orange juice I have is canned rather than squeezed, and I do not like that——

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). The Chair would not mind having some orange juice on his desk.

Mr. MORSE. I shall instruct my administrative assistant to get some orange juice from which I have not sipped, and place it on the Presiding Officer's desk as a compliment from the Senator from Oregon to the Senator from Nebraska.

I yield to the Senator from Minnesota for a question.

Mr. THYE. Drawing on my memory as a buck private in the rear ranks, if the Senator would make an about-face, he would be leading that column.

Mr. MORSE. Yes, but I tell my colleague what I think the command would do. They would shoot me for disobeying military orders. That is the punishment I would get for that. When I think of what would be lost by that——

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. GORE. The Senator from Oregon has referred to himself as a private and to the junior Senator from Tennessee as a general. Will he not concede that the general and the private are both on the graveyard shift?

Mr. MORSE. Yes; but I think the reason for it is that the general has decided he has to watch the private. I am sure there is not, in this instance, any coordinate and coequal status.

I want to say for the RECORD, so my good friend from California can read it tomorrow, he did me a great honor when he attributed to me, but falsely, without justification in fact, the leadership of the liberal wing of the Democratic Party. I want to note for the RECORD that the great leaders of this group who are insisting that there be ample discussion of the bill, are represented by such distinguished Democrats as the Senator

from Tennessee [Mr. GORE], and the two Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from New Mexico [Mr. ANDERSON], the Senator from Oklahoma [Mr. MONRONEY]—well, I could go right down the line. They are the leaders, and I am just helping out, in my feeble way, to try to bring out some points of view that I think the American people ought to understand before any final decision on the bill is made.

Now, going back to the interesting conflict that existed in the House and the Senate, and between the House and the Senate and the President. I had just pointed out that Glass had led a delegation down to the White House to discuss the differences. I continue to read:

Among the bankers who were thus received were some of the foremost in the Nation, though mostly of the more liberal midwestern group who had been more or less favorable to the Glass bill as originally drawn. Glass himself gives an account of the meeting.

"Forgan and Wade, Sol Wexler and Perrin, Howe, and other members of the currency commission of the American Bankers Association constituted the party. The first two, peremptory and arbitrary, used to having their own way, did not mince matters. They evidently were not awed by titled consequence, for they spoke with force and even bitterness. Sol Wexler and Perrin were suave and conciliatory. The President was courteous and contained. These great bankers, arbiters for years of the country's credits, were grouped about the President's desk in the Executive office adjoining the Cabinet room. I sat outside the circle, having already voiced my own dissent from the President's attitude. President Wilson faced the group across the desk; and as these men drove home what seemed to me good reason after good reason for banker representation on the central board, I actually experienced a sense of regret that I had a part in subjecting Mr. Wilson to such an ordeal. When they had ended their arguments, Mr. Wilson, turning more particularly to Forgan and Wade, said quietly:

" 'Will one of you gentlemen tell me in what civilized country of the earth there are important government boards of control on which private interests are represented?'

"There was painful silence for the longest single moment I ever spent; and before it was broken, Mr. Wilson further inquired.

" 'Which of you gentlemen thinks the railroads should select members of the Interstate Commerce Commission?'

"There could be no convincing reply to either question, so the discussion turned to other points of the currency bill; and, notwithstanding a desperate effort was made in the Senate to give the banks minority representation on the Reserve Board, the proposition did not prevail."

Wilson's arguments at this time, if they silenced the bankers, entirely convinced Glass.

Mr. President, it is my point that some of us representing the point of view that our group holds might find that, as a result of a conference with the President, and a mutual exchange of points of view, we might be convinced that certain features of the bill are not as bad as we think they are, once we come to understand the reasoning that causes the President to support those features.

I am perfectly willing to find out, but I say the evidence is very clear that what exists now, just as it existed in 1913, is a lack of mutual understanding between the conflicting groups as to what the facts are and as to what each other's point of view really is. So, as the author says:

"Mr. Wilson knew more about these matters than I did." And from that time onward Glass was a vigorous defender of this change in his measure.

The other vital contention of the Bryan element, that relating to the issuance of currency, also resulted in sharp exchanges. The President wanted Federal Reserve notes to be "obligations of the United States." When Glass heard the proposal from the President's lips he "was, for an instant, speechless." He himself relates how he poured out his objections:

"With all the earnestness of my being I remonstrated, pointing out the unscientific nature of such a thing, as well as the evident inconsistency of it. The President was reminded of what was behind the Federal Reserve note: the liability of the individual member bank, with the double liability of its stockholders; the considerable gold cover with the 100-percent commercial secondary reserve; the liability of the regional banks, individually and jointly, as well as the double liability of the member banks; the banking instinct behind every discount and every rediscount transaction; the right of the regional bank to reject business, and, finally, the power of the Federal Reserve Board to withhold notes.

" 'There is not, in truth, any Government obligation here, Mr. President,' I exclaimed. 'It would be a pretense on its face. * * * The suggested Government obligation is so remote it could never be discerned,' I concluded, out of breath.

" 'Exactly so, Glass,' earnestly said the President. 'Every word you say is true; the Government liability is a mere thought. And so, if we can hold to the substance of the thing and give the other fellow the shadow, why not do it, if thereby we may save our bill?' "

Although Glass acceded to this and other less important changes in his bill with great reluctance—"the proposed amendments were practically ordered incorporated in the pending measure"—Wilson's decisions were at once effective in bringing Bryan to his support. McAdoo and Owen also expressed their approval. Bryan, who was promptly informed of the changes, remarks:

"I was greatly relieved that the two difficulties which had seemed insurmountable had been removed.

"I expressed the opinion that the bill in its final form would be acceptable to the party and, being acceptable, its immediate introduction would no longer menace the tariff bill."

I will tell my colleagues what I think happened, as I read this history. The President worked out a compromise on procedure, as far as the Glass bill was concerned, and worked out a compromise with the Bryan-Owen-McAdoo group, as far as the substantive objectives of a banking reform bill were concerned. As a result, they came forward with a bill which did not have in it the dangerous possibilities, procedurally, of control by self-interests in the banking fraternity that would have been the case if the Glass bill had gone through without this compromise.

Let us relate that to the problem that is before us. I am not so sure—and I am speaking only tentatively—but what is needed in the atomic energy bill is some revision in its procedure. I do not think we are far apart in the objectives.

But I think we need some procedural checks on the private utilities so that they will not be free under the bill, as they are at the present time, to get a monopolistic strangle hold on power development in this country. It is quite analogous on this particular point of procedure to what confronted Wilson when he had to work out this compromise between the Glass group on the one hand and the Bryan group on the other.

Bryan now came to the support of the measure with all sincerity—

Says the author—

giving out a strong statement of approval to the press on June 23.

There has been much futile controversy over the question, "Who is entitled to the credit for the Federal Reserve Act?" It is clear from the evidence here set forth that the credit belongs to no one man and to no one group. Many strong men shared in the labor: it was in the end, like every great reconstructive measure, a compromise which did not fully meet the views of either extreme of opinion.

Then over on page 169 the author says:

There had to be quick action, since the delay in bringing the subject definitely before Congress had already caused irritation and anxiety. Wilson wanted to present his address immediately. He therefore—

Notice, Mr. President, the many steps of conference that Wilson went through during the weeks of controversy over this bill. Here he had finally worked out an agreement among Bryan and Owen and Glass and McAdoo, but he still had some others who were not convinced. So he was willing—and in fact he went through with it—as this author said, to invite the entire Banking and Currency Committee to the White House for a conference.

While all of the members accepted, one of them "protested that he did not 'conceive any service that I or any other member of the committee can render, as the President already has committed himself on the principles and policies of the bill you, Owen, and McAdoo are said to have drafted.' "

Referring, of course, to Glass when he referred to the person designated in the quotation as "you."

The President made an impressive presentation of the main provisions of the bill, set forth the need of prompt action, and urged united support. He supplied "a large part of the essential quality" of tact, which Glass observes that he himself lacked.

"A good spirit prevailed, only one member exhibiting the least sign of ill temper."

Although much occupied at that time with other affairs of great moment, there is no doubt that Wilson allowed no detail in the preparation for the coming currency battle to escape him.

There was a bipartisan group; men with many differences of opinion, men on that committee who had expressed themselves in no uncertain terms in their opposition to the President. They ironed out their differences. To me that is commonsense. I again recommend it for consideration in connection with this bill.

I turn now to page 181 of this account which records one of the last steps in this great contest over the final passage of the currency bill in 1913. The author says:

The Senate constituted a far more difficult problem.

The author had pointed out in the material I have omitted that the President worked out his differences with the Committee of the House and the leaders of the House and still had, however, the hurdle of the Senate. The author says:

> Here, as in the case of tariff legislation, conservative influence was more potent: the lobby more effective. Hearings in the House had been refused on the ground that inquiries by various committees had been under way for years and that no new facts could be adduced; but the Senate, yielding to tremendous pressure, sat down to listen to the bankers. It was precisely the tactics so recently employed in opposing tariff legislation; and the object was the same, delay, the hope of wearing out a Congress already weary with the labors of a Washington summer. It appeared that most of the great bankers were opposed to the legislation. The American Bankers' Association in its regular session condemned the bill and prevailed upon the United States Chamber of Commerce and hundreds of its subsidiaries to do likewise.

Again, we might say this is where we come in. There is nothing new about this pattern: the same old lobby tactics of the vested interests.

I do not know why all this surprise and concern confronts us in connection with this bill. Why, of course, the private utilities have been lobbying their heads off for this bill. Why, they have had their representatives sitting here in the gallery for days. Dixon-Yates representatives and a corps of lawyers big enough to run a law school have been sitting here in the gallery. Nobody is fooled by that, Mr. President. That is part of the democratic process, too. They have a right to do that in free America.

In fact, I am a strong supporter of the lobbying practice. No one ever heard me say we ought to abolish lobbying. I have only urged that we see to it that we elect officials in the Congress of the United States who stand up against the undue pressure from the lobbys and are free from control by the lobbys, but recognize that a legitimate lobby, special pleaders as they are, nevertheless can bring to bear upon controversial issues a lot of information and facts and data that we would not have. It would not be called to our attention if it were not for the work they did.

I am not worried about the lobbys. I listen to them. They are entitled to be listened to. I had a group of them the other day in my office on this District Columbia fair trade bill. They had some good points, too. They were not good enough to convince me, but they had some good points. The main point was that the better points were on the other side.

Nevertheless, Mr. President, I learned a lot. In fact, I look on this job as a continuing seminar day by day. We get a wealth of new information every day on this job. It is the greatest postgraduate course I ever took.

I do not know why we should be disturbed about the fact that there has been a lot of lobbying on this bill, on both sides. But each Senator has the obligation to weigh all the evidence that has been presented to him and then come to a conclusion on which side of the bill is to be found the public interest. There are sincere differences of opinion.

I am trying to see what can be done to resolve those differences into a bill which will attain the objective which I think we all have in mind—I hope we have, anyway—and that is to work out a program which will permit of the development of the maximum electric power potential of an atomic-energy program. That is what the people need. That is what the economy needs. That is what in my judgment is going to bring great changes, for example, in the economy of New England.

If the people there can get cheap power we will see less migration of industry from New England into other areas. I think it is desirable to have a balanced economy in this country. That means it is not good to have an area in which the tendency or the trend is for industry to withdraw from it. We all know that one of the reasons that trend exists in New England is the high power costs and high power rates.

I want to see us develop an atomic-energy program for the generation of electric power which will bring cheap power to New England and every other segment of the United States, because my faith in our economic system is such, Mr. President, that I believe we can stand prosperity everywhere in the United States. I do not think this economy of ours can well operate on the basis of having great prosperity in one section of the country and retreating industry in another section.

I do not think we have scratched the surface of the economic potentials of our system. We have not started to produce the goods the American people really need. We have not started to use all of the potentials of our great free enterprise system for the building up of a standard of living much higher than we presently enjoy.

We think it is pretty wonderful now, and it is; but it can be a lot better. It is an economic system where we should not see, as we see today, in every major city of the country, horrible conditions for living on the part of too many of our people. There are still too many wondering where the next dollar is going to come from; how they are going to pay the doctor's bills; where the money is going to come from to put the children through school.

Wonderful as our system is, Mr. President, we have a long road to travel yet before we can say we have kept faith with that great clause of the Constitution based upon what I think is the primary objective of this society of the free people of ours, organized into a political democracy; namely, the promotion of the general welfare. Until we promote the general welfare to the end that the conditions to which I have just alluded no longer exist in America, we cannot rest on our oars. There is still work to be done. I want this atomic energy bill to be molded in a form that will make it possible to put the electric power generated from great atomic reactors to work for the general welfare of the American people and not for the greedy profits of private monopoly. That represents, I say, and I say it most respectfully, a great difference in political philosophy with the underlying philosophy of this bill as it is presently written. This is not a bill based upon the philosophical principle of promoting the general welfare of all the people. This is a bill that is based upon the philosophy of exploiting the atomic energy resources of this country into which the people have already invested more than $12 billion, for the benefit not of the general welfare but of the few private utilities which we respectfully submit under this bill run a good chance of getting control of the whole atomic energy program.

It is the same problem that confronted Woodrow Wilson in regard to the banking bill. Are we going to have a piece of legislation that places the control in the Government, that places the participation in the Government, or are we going to have a banking bill that turns the control of the currency over to the bankers? Woodrow Wilson changed his mind on that as a result of the conferences I have talked about, and he came to the political philosophy that we think is identical in principle to the one we are fighting for in the atomic energy bill, the principle that the Government shall have a check on atomic energy reactors by being able to build them. That does not mean the Government will be the sole builder of them, but that it shall have the right to build them, and provide for public preference to public bodies, like REA's cooperatives, and municipalities, provide for a public power yardstick so private utilities cannot run hog-wild as they will in the rate structure problem if we do not have Government checks upon them by way of a public power yardstick.

What we are saying, what we are pleading with the American people to understand before it is too late, is that this is the same old pattern. It is the same old fight. It has been fought on the floor of the Senate for decades and decades gone by. It is the old fight of the people's right to be protected in a free-enterprise system against the attempts of monopolies to get a stranglehold on great economic essentials.

Once they have that stranglehold, they control the economy within the sphere and realm of the operation of those essentials.

At one time it was the railroad fight. We had to end up with an Interstate Commerce Commission with Federal control. Yes, and in the very real sense, Federal participation in this whole matter of regulating an industry that very well could have become, and was for a time a monopoly that exploited the American people.

Sometimes we have had the same fight in regard to the matters relating to banking and currency. Sometimes we have had to provide checks in regard to natural resources, such as oil, gas, electric power, control of the streams. As I have suggested so many times in this debate and in previous speeches, we have the great example of the illustrious Norris in the Senate, fighting to protect the American people from monopolistic con-

trol of the electric power resources developed by the streams of our country by private utilities.

Where would we be in many sections of the country today if Norris had lost that fight? Oregon would still be an economic colony of Wall Street. In my judgment, the victory Norris and that band of liberals that stood with him won in the field of electric power, with the development and the passage of the flood control acts and Bonneville Act, and the Federal Power Act over the years, emancipated the West from an economic colonization policy of the financiers of the East.

The cheap power that has been brought to the West has resulted in a great stimulus to private enterprise throughout the West. That is why I say go to the economic environment of any of the great multiple-purpose dams; ask the merchants on the main streets of the towns; ask the farmers who have the water with which to irrigate their fields and the power with which to run their machinery if they feel that they are confronted with creeping socialism, and you will get your answer. They will tell you that is a lot of bunko. They will tell you that is the craziest concoction of political quack medicine that has ever been put on the political market for sale to voters.

They have discovered that that political snake oil does not cure. They are going to make that very clear, I think, in the elections ahead. I think those people are going to make very clear in elections ahead that those of us that are fighting for Government control of an atomic energy program are following a course of action that the American people want, and that does not mean a denial of cooperation with private utilities.

I cannot understand it. Some people get the idea that if you stand for the amendments that we are urging in this bill, that means we are against private utilities developing any electric power from atomic energy reactors. It just is not so. It is not so any more than it is true to say that because we are for the Norris program in the field of electric power, the building of great multiple purpose dams by the Government, that we are against private utilities building low-head dams. Or, for that matter, multiple-purpose dams if they ever wanted to foot that bill. But, you see, they do not want to foot the bill for a multiple-purpose dam. They just want to skim off the cream in the form of the electric power.

Let me make that clear, Mr. President. I am not against private utility participation in the atomic energy program. I am all for it. I think it is essential, but I am not for giving the private utilities monopolistic control over it, which is quite a different thing. I am not for a bill which, in my judgment, on the basis of its present wording, will result in leasing to the private utilities the uranium which we keep under governmental ownership, then buying back at an entirely different price standard the plutonium ash. What I am afraid of is that we will buy back the plutonium ash at a price that they will pay for the entire operation, and they in turn will sell the electricity at rates based upon the old jungle law of charging what the traffic will bear. Mr. President, I cannot be sucked in on that one. I can see that one just as clearly as I can see the moon at full moon without a cloud in the sky. We must get that changed in the bill before we will yield. We must get the people protected in that respect before we will yield. I am not going to go along with a bill that permits the undermining and the eventual scuttling of TVA. Here is the beginning of it. That is what the Dixon-Yates contract spells out in letters so emblazoned on the pages of this debate that those that can see and read cannot ignore. The American people will understand it before the debate is over. I am not going to be sucked in on that one. I will not go along on a bill that has these hidden subsidies in it. I shall have a lot to say about those hidden subsidies before I finish tonight. I have a whole speech on that subject. The bill is honeycombed with hidden subsidies. I will not get sucked in on that one. We will get some amendments on the bill before I agree to yield.

I go back to the point that I have been stressing here, namely, that I do not think the President fully realizes that those things are in the bill.

I refuse to believe that he would want to do that injury to the American people. So I am urging that he follow a course of action similar to the one Woodrow Wilson followed in 1913.

I am urging that he consult with those of different points of view in the Congress about this bill, because I believe that if he were to do that we might work out a composition.

On page 187 of this very interesting account the author says:

> In the middle of October—

That had been going on for some time. It started in May. That period of time was characterized by a series of conferences the President had with the leaders of Congress on the differences over the bill. The author says:

> In the middle of October the bill seemed really in danger of defeat or of modification that would destroy its efficacy. Congress was weary, Wall Street was nervous, the Nation was confused.

That is almost identical with the situation in America tonight on this bill, because Congress seems to be weary; Wall Street, I am sure, is nervous it will not be able to get this haul it is after in this bill; and the Nation certainly is confused, but it is beginning to understand what is involved.

The author says:

> Delay was working the expected results. The bankers redoubled their pressure. There was great complaint, echoed especially in the New York press, that Wilson would not listen to the opposition, that he refused to see even the most important bankers. One of the greatest New York lawyers, himself an old-fashioned Democrat, who represented a group of bankers, complained to Roland Morris, of Philadelphia, a friend of Wilson's, that the financial men in New York were becoming extremely bitter.

Wilson saw them. I think President Eisenhower ought to follow a similar course of action in regard to this conflict.

Finally, on page 191, the author says, quoting Wilson:

> I have been conferring within the last few days with members on the committee of both parties and feel confident that we may expect action without further unnecessary delay.

That is exactly what happened. As a result of this exchange of points of view, this composing of differences, this appeal to the rules of reason, they got a bill that people of all points of view thought was at least a fair compromise of their differences.

> On December 19 the bill finally came to a vote and was passed by the Senate, 54 to 34.

That was a pretty good majority.

> Every Democrat present voted for the bill; 3 Republicans and 1 Progressive also voted for it.

That sounds almost like today. It illustrates again that there is not really much in the Senate from the standpoint of procedural operations, or from the standpoint of the repetition of old patterns of alinement. I ask the Senator to listen to that.

> Every Democrat present voted for the bill; 3 Republicans and 1 Progressive also voted for it. Success being now assured, conferences between the Houses easily ironed out divergencies and on December 23, the measure went to the President for his signature.

I read somewhere else about this great conflict, that the President said something about it being the most wonderful Christmas present he could possibly receive.

I have taken this time, Mr. President, to put into the RECORD this historic precedent. I think its many lessons ought to touch us in the debate that is going on in the Senate these days. I think it sets a pretty good precedent for the President to follow. I recommend it to the President. I recommend it to the leaders of the Senate of both points of view on this bill. I offer it as very clear proof that at least the Senator from Oregon, contrary to the repeated accusation of my good friend from California, the majority leader, is not the obstructionist that the Senator from California seems to think he is. I say that because that is a constructive suggestion. There is nothing obstructing about that. There is nothing obstructive in suggesting that we confer with the President of the United States, or in suggesting that we iron out the differences, or that we at least try to make certain that the President knows our point of view. There is no obstructing about that, in my judgment. That is a part of a very sound legislative process.

Mr. President, I wish to say something about the problem of hidden subsidies that are involved in this bill, because as surely as the bill passes in its present form we will wind up with the American taxpayer paying most of the cost by way of tax amortization benefits. Therefore I want to talk about tax amortization. There is a great deal of misunderstanding in this country as to the

price that the taxpayer pays for the tax amortization handouts. It is a tremendous price. It is an example of the kind of misinformation and clear misrepresentation that some journalistic mouthpieces of big business are spreading in this country on the tax amortization problem.

At this time I propose to discuss the subject of Government subsidies and other Government handouts to business under our free-enterprise system. In my judgment this is a matter very pertinent to the debate on the administration's atomic energy bill, because my study of the bill convinces me that it contains one of the most potentially outrageous subsidies to big business ever to be found in a legislative proposal.

Government subsidies to business exist in a variety of forms. They may take the form of direct grants of Government money to certain industries, but more often they arise as windfalls to business resulting from loopholes in the law. I shall discuss one type of indirect subsidy a little later in this speech, but first I want to talk about the built-in subsidy in the atomic energy bill.

The bill proposes that the Federal Government shall relinquish its exclusive ownership rights in facilities for production or use of special nuclear material but retain ownership of the material itself.

When nuclear material is used in an atomic reactor to produce energy for power, it is not destroyed. In fact, according to an AEC report to the Joint Committee on Atomic Energy, the new breeder reactors may produce more material than they consume. "As a consequence," says the minority report of the joint committee, "the incidents of private and public ownership are intermingled in such a way that not only may vexatious problems of administration arise, but the private companies licensed for a maximum period of 40 years to own and operate production facilities—atomic reactors—legally can depend on the Government to compensate them adequately for whatever they produce during the lifetime of the license. This constitutes a built-in subsidy for licensed atomic enterprise until about the year A. D. 2000."

The atomic energy bill provides for no fee to be paid for the use of nuclear materials. Instead, it proposes that the Government shall distribute the materials to licensees for a "reasonable charge" and buy the materials produced by a licensee for a "fair price."

It proposes that the Government shall distribute special nuclear materials for licensees for a reasonable charge, and to buy the material produced at a fair price. Watch out for that one, Mr. President. If I ever saw a sleeper clause, there it is. We sell at what price? Well, we license for a reasonable charge. That is magnanimous of us. But we buy the material back at a fair price. If we mean the same thing, why do we not use the same language? Of course, we do not mean the same thing. We mean that in the license situation we are dealing with a lease. Let me tell the Senate where the sleeper danger is. We lease it out for a very nominal charge, which is called reasonable. That is the uranium; that is the nondestructible material. We buy back the plutonium ash, which is material that is used in bombs and other atomic weapons. What is the pattern? When we come to buy defense materials, when we come to buy bomb material and start dealing with war equipment, believe me, we pay plenty. We have to have it. When we get through with this monopolistic giveaway, the source is going to be the monopoly to which we in effect have given away uranium. Believe me, the monopolies will charge plenty for the plutonium ash. They have plenty of legal doctrine behind them if we want to take any legal action. They will get a big price under the standard of "fair price" for the plutonium ash. That is why there are men in the minority on the joint committee, men like CHET HOLIFIELD, warning us of the danger of this section of the bill as being a hidden sudsidy.

I am not going to get sucked in by that one. That has got to be changed. We have got to get it tied down so the American people cannot be held up that way.

The bill provides in section 56 that in determining a "fair price" to be paid by the Government for nuclear material, the Atomic Energy Commission shall take into consideration the value of the special material for its intended use by the United States.

See what a joker that is—intended use. A bomb is the intended use. If we take that intended use into account when we fix the price, the price will be higher than the Washington Monument, figuratively speaking. That is the joker in the bill. They know the average fellow on the street is not going to catch the legal implications of that. We have a duty to protect him. It is our job in the Senate to see to it that that kind of language is rewritten, and its effects restricted.

Listen to it again: In determining a fair price to be paid by the Government for nuclear material the Atomic Energy Commission shall "take into consideration the value of the special material for its intended use by the United States," and it "may give such weight to the actual cost of producing that material as the Commission finds to be equitable."

What discretion; what wide open, arbitrary discretion that is. We have not got a legal standard there binding upon the Commission. Just imagine. It is proposed to give to the Commission discretion authorizing it to give such weight to the actual cost of producing material as the Commission finds to be equitable. Can we not hear them? "We have got to have those bombs; we have got to have this artillery weapon; we have got to have this newly invented atomic device for airplanes; we have got to have this material." One would think the whole security of the Nation were at stake.

I served on the Armed Services Commitee for 8 years, and I felt many times that when the military come up asking for something the country was about to collapse if they did not get the money the next day.

One would think we are in the throes of complete destruction. The price they present and the testimony they present require immediate action; right now; no time to waste; they must have it right now. We discover 9 or 10 months later that they have not done a thing after they got the authorization.

So I learned early on the Armed Services Committee that it is almost a military pattern as they appear before congressional committees to try to scare us to death in order to get approval for tremendous financial outlays involving, too frequently, great waste of the taxpayers' money.

But here, Mr. President, look how far we are going. We are going to give almost unlimited discretion to the Commission in fixing the price. That has got to be changed if we are going to protect the taxpayer. I should like to see the President of the United States have an opportunity in conference to help to change it.

As to the reasonable charge for the material, the Commission is directed in section 53 of the bill to "make uniform, nondiscriminatory charges" for the use of the material.

See how clever that is. They do not say anything there, as they did in regard to fixing the price of the material that the Government buys back, about any uniform, nondiscriminatory price. Oh, no. They talk there about fixing the price on a basis which the Commission thinks is reasonable, which means a lot of variations. But when it comes to the Government collecting, there has to be a uniform, nondiscriminatory charge. To be sure, it is going to be the least charge. It is not going to be much. In fact, one of the lessons I have learned in the Senate, as I have "watchdogged" now since 1946, the disposal of Federal property, if the task of getting rid of Federal property was left up to the commissions and departments—and one would think that they were permanent employees of the Santa Claus union, wearing the costume every day of the year—they would give away the people's property almost every time.

Someday I would like to sit in a Senate committee and have one single property disposal bill brought before us for approval in which the Federal Government really struck a hard bargain in the interest of the taxpayers of the United States.

When it comes to the Government's selling its property, I do not know why there is such a great spirit of charity which seems to overcome our Government officials, particularly in the disposing of property to great, powerful financial interests in the country.

I will try to stop that, too, and I have been doing my best here since 1946 to stop it in a small way. I get a lot of beating and battering around for trying to uphold what is known as the Morse formula, which just requires 50 percent of the appraised market value for surplus property going for a public use, and 100 percent for property going to private use.

One would think I was a Scrooge, to hear some of my colleagues climb up my back when I am blocking a bill transferring property they are trying to get for nothing. But I want to be fair to

most of my colleagues. I want to say they have been very wonderful about it, once they have come to understand the principles for which I was fighting, because Senator after Senator has said, "Well, I don't like it when you apply it to me, but if you will just be uniform about it, I have got to admit it is sound."

So the application of that formula, requiring 50 percent of the appraised fair market value of the surplus property if the property goes to a public use, in a sale to a State, county, municipality, school board, or some other public agency at the local governmental level, and 100 percent if it goes to a private use, has saved the American people, since 1946, a little over $450 million that we know about, and we do not know how many millions more, because of the fact that bills which involved a giveaway did not come before the Senate because their authors knew very well that if such bills did, they would be met by my objection on the floor of the Senate.

It has been interesting to note, in the last couple of years, how many of the bills coming before the Senate have had the Morse formula written into them. I think I can be pardoned for a little expression of a feeling of satisfaction over accomplishing that kind of a saving for the taxpayers of the country. But I am not so sure that the principle we have established is not as valuable as the savings we have made, because I think the principle we have established has been a good lesson to those Americans that have come to understand the so-called Morse formula. That formula is based on the idea that persons are really not entitled to something for nothing from the Government, and that persons in any particular community are not entitled to property belonging to all the taxpayers of the United States for nothing.

I think it is good for the political health of a nation to be required to recognize the soundness of the political ethics that is involved in that principle.

One of the things I do not like about the pending bill, in connection with the hidden subsidies, is that I think it encourages what I fear is a growing attitude on the part of some that "It is all right to get it away from the Government if you can get by with it." This idea of getting it away from the Government if one can get by with it has got to be stopped in America, because I think that principles like that breed bad ethics on the part of those who participate in taking advantage of them.

I do not like the bill in regard to this point of hidden subsidies, because I think it is going to encourage a type of sharp practice on the part of people that think they can make an economic killing from the bill by taking advantage of the unfortunate language in it. I think that undermines government. I think it is those little things, added one to another, that corrupts government. It is not easy to see what causes a wave of political corruption. One can take one thing and say that is the cause, or take another and say that that is the cause. But I do have the feeling, Mr. President, that to whatever extent we countenance legislation that permits groups or individuals to take advantage of their Government, we will be encouraging political corruption. I do not like this part of the bill because I think it puts the Government at a disadvantage. I think it strengthens the attitude of selfish groups to take an attitude that "It is all right to take it if you can get by with it." We should not urge them to do that by tempting them. The Government should not be a tempter to sharp practices.

A Federal Power Commission analysis of the proposed legislation had this to say about the lack of legislative standards in the bill and its subsidy implications. I am quoting authority, Mr. President. Certainly it can be seen what would happen if sufficient safeguards protecting the interests of the taxpayers were not included in the bill. This is what the Federal Power Commission says:

> There is not and probably never will be a free market to provide a standard of what a "fair price" would be * * * there is little, if anything, in the legally established concepts of utility regulations that can be deemed to provide meaning for the term "fair price" * * * For all the bill now provides, the AEC may pay more for the ashes than it charges for the fuel. If the Government is thus to subsidize the electric utilities and other persons developing atomic energy by paying operating costs in addition to giving them the license privilege without charge, it would seem that Congress should fix that policy—not attempt to pass the responsibility to the AEC.

This is not just WAYNE MORSE charging that the AEC is likely to follow a course of action—or can, if it has the desire to—that will mulct the taxpayers of the country. It is not my charge alone, although I think it is self-evident from the language. But here is the Federal Power Commission supporting the same premise, Mr. President.

Here is the Federal Power Commission talking about this identical bill and this particular section of the bill that I am criticizing in this part of my speech, and they say for all the bill now provides the AEC may pay more for the ashes than it charges for the fuel. What it is saying is that it may pay more for the plutonium ash, which is the vital valuable ingredient that goes into the bomb, than it will to lease the uranium, which, through the fissionable process, gives off the tremendous heat that operates the boilers that generate the electric power. It is as clear as the nose on your face.

Can anyone tell me we should not talk to the President about that? Does anyone think we do not owe it to the President to make certain that he knows what his own Federal Power Commission says about this? He has already demonstrated he does not know that a majority of his own Atomic Energy Commission is opposed to the contract. I have no reason to believe that he knows the Federal Power Commission makes this criticism of this section of the bill. If he does not, I think we ought to tell him.

I have a hunch that his advisers just keep too much information from him. I just have a feeling he would not make the many mistakes he makes if he had the information on the subjects about which he makes the mistakes. I just feel that Dwight Eisenhower is not fully informed on many of the issues about which he makes public pronouncements and therefrom commitments. I do not want to see him make this mistake. I would like to help him. I would like to find out if he knows that the Federal Power Commission has warned that this section of the bill does not have adequate standards of protection in it.

I am going to offer some amendments on this. They may be laid on the table, but the record will be made, and those who lay such amendments on the table will have to answer for their course of conduct, because do not have any doubt about it, Mr. President, the American people will understand this. The American people will understand that adequate standards ought to be written into this bill so that you do not pay more for the residue that you buy back than you do for the material you lease to create not only the residue but the great electric power that is developed through the process.

It is the electric power that they sell out of which they make another tremendous economic profit. It looks to me as though there is a danger that that is going to be just pure "gravy." The whole process will be paid for by the plutonium ash sale, for which they will get a bigger return than they paid the Government in the first instance, and then they will have the electric power as a surplus. If you give them a monopoly over it, they will sell it for whatever the traffic will bear.

I have a hunch you are about to be relieved, Mr. President.

I agree with the FPC analysis of these sections of the bill.

As he leaves the chair, may I say to the Senator from Nebraska that I have been delighted with the courtesies and attention that he has extended to me during these many hours.

Mr. REYNOLDS. I thank the Senator from Oregon.

Mr. MORSE. I bid the new occupant of the chair good morning.

The PRESIDING OFFICER (Mr. BUSH in the chair). The Chair responds.

Mr. MORSE. I have never seen you look more fresh and more handsome than you do now.

The PRESIDING OFFICER. The Senator is always very polite.

Mr. MORSE. I meant no flattery by it, I can assure you. It was a sincere politeness.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. MORSE. I was saying, I agree with the FPC analysis of these sections of the bill.

It seems to me quite obvious that for military purposes the processed material—the "ash"—will have more value than the unprocessed nuclear fuel. Section 56 of the bill, which I quoted a few moments ago, which allows the Commission to determine the price it will pay by taking into consideration the value of the material for intended use by the United States, leaves wide open the possibility that the licensee will receive much more for the material that he has used in generating the power than he

was required to pay for the material in the first instance.

Then there is the matter of allowing the Commission to take into consideration such actual cost of producing that material as the Commission finds to be "equitable." The bill implies that the reactor operator may be paid for his production costs without consideration being given to the fact that in the process of producing the material which the Government must buy, electric energy from which a big profit can be realized, has been created.

Assuming that the utility company owns a breeder type of reactor, which, as the AEC report states, may well produce more nuclear material than it consumes, the company will make profits out of the production process, even though the "reasonable charge" figure and the "fair price" figure might be the same. But I doubt it. They seldom will be, if ever.

The Government handout which deserves consideration at this time, however, is one that appears to have captured the imagination of Big Business throughout the Nation. Like the subsidy contained in the atomic-energy bill, it is hidden—concealed beneath the intricate maze of the corporate accountant's books and records.

The giveaway to which I now refer takes the form of accelerated tax-amortization certificates of necessity. Big Business in the United States has been feasting on these at the expense of the rest of the taxpaying public. The accelerated tax-amortization program has become a legalized raid on the Federal Treasury. It has been characterized by one committee of Congress as "the biggest bonanza that ever came down the Government pike"—House Report No. 504, 82d Congress, 1st session, page 1.

The accelerated tax-amortization certificate-of-necessity plan is now found in the Internal Revenue Code, section 124A. Under its World War II predecessor, section 124 of the Revenue Act of 1940, there were issued certificates of necessity totaling about $7.3 billion, of which about $5.7 billion was authorized for rapid depreciation. Section 124A is very attractive to industry. As of June 28, 1954, there have been granted certificates totaling $29,346,861,000, of which 60 percent, or $17,619,629,000, is eligible for rapid amortization.

Those are the official reports of the Office of Defense Mobilization, released June 28, 1954.

WHY IS IT RAPID AMORTIZATION IS SO POPULAR WITH BIG BUSINESS?

What is it about this program that is so alluring to big business?

Mr. President, the answer is quite apparent upon careful analysis: Rapid amortization offers opportunities, first, for enormous interest savings on deferred taxes; and second, minimizing tax liability in periods of high tax rates. Also as the rapid amortization program is administered by Government agencies it provides lush benefits for big business.

Mr. President, let me make one point very clear. I have no quarrel with a law which makes available to private capital an inducement by way of rapid depreciation on the construction of emergency facilities used in the preparation of materials for defense or for the prosecution of any war into which we may be forced. Apparently it is asking too much to suggest that big business risk capital for these purposes. I do not ask it. Therefore, if we justify emergency rapid amortization deductions, we must do so upon the theory that they supply the necessary inducement for the construction of facilities essential to national defense, but which would be of little value to the owners after termination of the emergency or convertible to peacetime uses only at prohibitive costs.

A law enacted for a very worthwhile purpose can produce unfortunate results if it is administered by Government agencies without careful recognition of the basic objectives of the law.

Unfortunately this observation applies to the rapid amortization plan under section 124 of the Internal Revenue Code. As we shall see later, it has been administered so as to permit certification of facilities that bear little relation to defense. Certifications often have been unduly high. Certificates have been issued despite the fact that idle plant facilities were available to produce the needed items. These and similar administrative shortcomings have cost the taxpayers huge sums of money and have produced windfalls that were never contemplated by the Congress.

There are some folks, though, who solemnly assert that there are really no substantial benefits to certificate holders under accelerated amortization.

PROPAGANDISTS SPREAD FALSEHOODS

Unfortunately there exists in my own State of Oregon one such propaganda mouthpiece which has spread a great deal of misinformation on accelerated amortization. These deceptions had their origin in a little magazine known as the Oregon Voter, a self-appointed oracle on the elective franchise. In its issue of November 21, 1953, it published a diatribe entitled "Untruths Nailed," which dealt with the subject of accelerated tax amortization, particularly in the private electric utility field. The Voter expressed a desire to impart the truth on this topic and modestly reassured us with a self-serving declaration of its own strict truthfulness. It partially fulfilled its objective. It gave its readers a liberal dose of half truths.

The Voter criticized the speaker for comments which he made on the floor of the Senate in April 1952 with respect to the enormous benefits the steel industry has enjoyed at the expense of American taxpayers through the rapid tax amortization program. It charged that statements made by the speaker and others regarding so-called benefits of accelerated amortization of costs of new plants are wholly untrue. It cheerfully assured its readers, "The United States Government gets its tax dollars in full," and added that the Federal Government "actually does not lose or donate a dollar of tax" in these amortization cases. This cleverly worded language falls far short of presenting the whole story concerning rapid tax amortization.

The voter labored arduously to create the impression that any attack on the tax amortization program is pure demagogery. However, the "tongue-in-cheek" nature of the article was made apparent in statements that might be missed upon a casual reading. For example, there was tucked away in the text of the November 21 article the following little concession:

> If you must figure that the noncollection of interest on that part of the income tax which is deferred to later years is a donation, then you are privileged so to term it.

The readers of that article certainly deserved more information about the interest charge. What they were handed was a fragmentary picture, and a very blurred one at that.

I want to repeat that little escape mechanism the Oregon Voter really sort of hid within the forest of verbiage found in the article: "If you must figure that the noncollection of interest on that part of the income tax which is deferred to later years is a donation, then you are privileged so to term it."

Wait until you see what that little donation amounts to, and then you will see what I mean by hidden subsidy. Then you will see what I mean by the hidden subsidies in this bill. Here is an example of one of them. Of one thing you can be sure, and that is if you vote this bonanza to the private utilities as contained in this bill, they will follow the private utility pattern of recent years, seeking tax amortization benefits. It amounts to a pretty penny, a pretty penny taken right out of the pockets of the people of the United States in the sense that the money is really taken out of the Treasury of the United States because it does not get there in the first place due to this giveaway feature of tax amortization.

At the Labor Temple in Portland, Oreg., on November 23, I had something to say about this interesting problem as follows:

> As part of the propaganda fight waged by the private electric utility monopoly, there has been circulated throughout the State a very clever and misleading article on the subject of tax amortization certificates of necessity. "One sweeping generalization of the utility propaganda article demonstrates that its arguments bear little relation to reality. In bold type it reports that the Federal Government does not lose or donate a tax dollar in these tax amortization cases. Does the author of that suggestion believe his readers are that naive? If the private utility makes no tax savings by the amortization device, why are amortization certificates so eagerly sought?

This must have hit a tender spot because the December 12 issue of the Voter produced two more articles on tax amortization. In these the Voter yelped like a hound dog, but it never did get a good bite at the truth.

In one of these December 12 pieces entitled "Phony Figures," the Voter did a bit of backtracking. In words that must have been uttered reluctantly, it said:

> Lest there be misapprehension, the Voter does not disclaim that a certificated company derives some nominal benefits from accelerated amortization. But we believe these benefits are smaller and more temporary than the managements usually assume.

Then followed a rambling discussion of compound interest which took the reader over a circuitous route to a conclusion boldly labeled, "Gains All Canceled." With amazing brashness the magazine called the Voter, using a chart that told only part of the story, attempted to demonstrate that interest benefits of accelerated tax amortization, as listed in its chart, cancel out. One insult to the readers' intelligence lay in the fact that the chart concentrated on a 45-year period and avoided full disclosure of the interest savings of the 5-year rapid writeoff period.

I welcome the majority leader. I have a very good report for him. He was ably relieved by a series of very competent colleagues, whose presence I immensely enjoyed. I am delighted to welcome the Senator back to the majority leader's chair. He is refreshed. He is obviously in better spirits than when he left last night. I would not be surprised that we may be able to do some business today, leading to an early recess. I do not know. We had a little discussion about that a few hours ago, and the Senator from Minnesota agreed with me almost entirely, except when we got to the point where he suggested his offering a unanimous-consent agreement. I told him I was just a private in the rear ranks, carrying out my military orders in this parliamentary battle. I explained to him how mistaken the majority leader was in paying me the great compliment last night of being the leader of the liberal wing of the Democratic Party. I told the Senator from Minnesota that I should like to offer clear proof of how mistaken the majority leader was; because if that were true, if I were anything but a buck private in the rear ranks, I would not be holding the graveyard shift, night after night, on guard duty. That is clear evidence that I can offer that I am far removed from any leadership of the liberal wing of the Democratic Party.

Nevertheless, such kind thoughts make an individual feel good, even though he knows he does not deserve them.

All facetiousness aside, I am very happy to have the majority leader back with me.

Later in this discussion I will have more to say concerning the Voter's phony chart on interest.

Normally, materials on serious subjects appearing in a pulpwood publication are understood to be shallow, slanted, and inadequate. Thus, readers are on guard and not usually grossly misled. However, the propaganda put out in the Voter's articles on tax amortization is so misleading in its cleverly worded half-truths that it cannot be ignored.

WHAT IS MEANT BY ACCELERATED AMORTIZATION

The word "amortization" as used in this discussion has reference to the businessman's practice of gradually writing off—"amortizing"—his investment in capital assets, such as factory buildings and machinery. Obviously, the term has a close relationship to the more commonly understood business concept of depreciation.

Businessmen are well aware of the physical fact of depreciation; they know that their capital investments decline in value through wear and tear, obsolescence, and other causes. They take this into consideration in determining the cost of producing the articles they manufacture. Instead of charging the total cost of a new factory building against current income, the businessman, under recognized accounting practice, "spreads out" the cost over a period of many years. He will charge to each year's cost of production an amount equivalent to a fraction of the total cost of his new factory building, and he will do this for the period of years deemed equivalent to the estimated useful life of the building.

For example, where there is attributed to a new factory building a useful life of 33 years, the businessman depreciates that capital asset 3 percent annually for 33 years. This 3 percent will constitute one of many elements of the year's production costs. In other words, he "amortizes" his factory building—figuratively repays himself its cost—over a 33-year period. In the case just mentioned, the Bureau of Internal Revenue will allow him to deduct from the gross income of his business for 33 years an annual amount equal to 3 percent of the cost of his factory building. Our hypothetical case illustrates the well-known "straight-line" method of depreciation, under which the cost of the facility is written off evenly for a number of years.

When we depart from the physical facts of depreciation and make amortization of the capital investment more rapid by compressing it into a less-than-normal span of its useful life, we say that amortization is accelerated. Thus, section 124A of the Internal Revenue Code allows accelerated—60-month—amortization deductions on emergency facilities that are certified as necessary in the interest of national defense. This is in lieu of, not in addition to, the normal depreciation deductions permitted by the Internal Revenue Code—section 23 (e). Normal deductions are based on the expected life of the facility and, of course, vary depending upon the type of capital asset involved.

ACCELERATED TAX AMORTIZATION—WORLD WAR I

Accelerated tax amortization is a by-product of war. Shortly after the end of hostilities in World War I, the revenue acts of 1918 and 1921 included provisions for the amortization of war facilities (Feb. 24, 1919, ch. 18, sec. 234 (a) (8), 340 Stat. 1078; Nov. 23, 1921, ch. 136, sec. 214 (a) (9), 342 Stat. 240).

In general, the World War I law permitted the taxpayer to request the Commissioner of Internal Revenue for a reexamination of his income tax rates for the years 1918 through 1921 to determine whether additional deductions should be permitted by way of tax amortization. It applied to facilities constructed on or after April 6, 1917, for the production of articles contributing to the prosecution of the war, or vessels engaged in transportation for war purposes. It provided for a reasonable deduction for the amortization "of such part of the cost of facilities or vessels as has been borne by the taxpayer." The World War I plan was supposed to reflect properly the taxpayers' losses in value of facilities or vessels due to the termination of the war.

One would assume that this tax review, dealing with past events, would operate very successfully. It did not. It was unsatisfactory because of difficulties in determining values and ascertaining whether facilities or vessels actually "contributed to the prosecution of the war." Also, a backlog of claims resulted in administrative delays.

Critical reports of this World War I program were issued by Senate committees in 1926 and 1935 (S. Rept. 27, 69th Cong., 1st sess., pp. 168–170; S. Rept. 944, pt. 2, 74th Cong., 1st sess., pp. 32–34). The 1935 report recommended against amortization allowances and suggested Government loans in their place.

THE WORLD WAR II TAX AMORTIZATION PROGRAM

Hitler's depredations and the consequent need of becoming militarily strong in a minimum period of time confronted us with a defense problem of huge proportions. Emergency facilities had to be built in record time and the Government, following American tradition, wanted these facilities built with private capital wherever possible. As early as 1939 or 1940, it became apparent that big business was doing a great deal of heel dragging in constructing defense facilities.

Illustrative of the situation prevailing prior to the enactment of the tax amortization certificate of necessity provision of the Internal Revenue Act of 1940 is this observation of the Advisory Committee to the Council of National Defense:

> Substantial amounts of private capital will not be invested in the construction of such facilities unless corporations are assured, in view of the fact that such facilities will be of use chiefly only during the period of national emergency, that they will be permitted to amortize the cost thereof over a shorter period than would be permitted under the depreciation provisions of the Internal Revenue Code. (H. Rept. No. 2894, 76th Cong., 3d sess., p. 16 (1940).)

The impetus to production came by way of an allowance for rapid amortization. In contrast with the World War I procedure whereby refunds were allowed after termination of the war, deductions were to be permitted on a current basis. The extent of the deductions was indicated in each case in what was called a certificate of necessity issued by a Government certifying agency. The Treasury Department accepted such a certificate as authorizing the additional deductions from income tax purposes.

The World War II rapid amortization plan was enacted in 1940 (Oct. 8, 1940, ch. 757, § 302, 54 Stat. 999). This enactment added a new section—124—to the Internal Revenue Code. Briefly, section 124 authorized a 60-month tax amortization—rapid depreciation in lieu of normal depreciation—of the facility in the interest of national defense. The taxpayer was given the privilege of compressing the amortization period into less than 60 months if the period of emergency should end before 5 years. This plan stood in clear contrast with the World War I tax amortization program in that it eliminated an element

of uncertainty. The taxpayer was assured in advance that he would get a specific tax writeoff. Also, defense agencies rather than the Treasury made amortization rulings. At first, the Army and Navy, and later, the War Production Board administered the program.

Railroads, iron and steel, coal, petroleum, aircraft, chemicals, nonferrous metals, machinery, and electrical equipment industries were the chief recipients of these rapid amortization certificates. It has been estimated that rapid tax amortization produced a $3.2 billion reduction in corporate taxes between 1940 and 1945—hearings, Certificates of Necessity and Defense Loans, Subcommittee on Expenditures in Executive Departments, United States House of Representatives, 82d Congress, April 23, 1951, page 335.

These enormous benefits were available until the program was terminated by a Presidential proclamation on September 29, 1945—Proclamation 2669, 59 Statutes 886.

In 1948 the Brewster committee had this to say about the tax-amortization program of World War II:

> Legal profiteering resulted from certificates of necessity. Many companies came out of the war with new, valuable, fully amortized facilities which they could either use or, as some have done, sell. In this way a facility actually paid for out of a contractor's war taxes was additional war profit to him to the extent of its postwar value. (S. Rept. 440, 80th Cong., 2d sess., pt. 2, p. 233.)

RAPID TAX AMORTIZATION TODAY—RESPECTABLE "CREEPING SOCIALISM"

Within a few months after the outbreak of the Korean war, Congress again followed the theory of granting accelerated amortization inducements to encourage the expansion of defense facilities with the use of private rather than public funds.

Section 124A of the Internal Revenue Code, the present law, was enacted on September 23, 1950. The adoption of this section once again demonstrated that Congress wanted to provide a cushion for industry in an emergency period in all cases wherein privately constructed defense facilities might possibly become obsolete or useless by reason of the cessation of hostilities. Section 124A reflects the view that the risk of loss of capital investment in defense facilities should be spread throughout our entire society.

Let me make it very clear, Mr. President, that I do not quarrel with that. I do not think there was anything wrong in theory or principle or policy with the rapid amortization of a true defense plant, namely, a defense plant that we needed in order to protect the security of this country, as part of the war cost. I quite agree with the principle that it ought to be spread throughout all society. I am fully aware of the fact that when we criticize, as I do, the danger of the hidden subsidy in the atomic energy bill with respect to tax amortization certificates, that was bound to follow, because that is the private utility pattern. I shall present evidence showing how many of these certificates are now outstanding and how many are being sought by private utilities. I think it follows, therefore, that we can expect the same kind of hidden subsidy to flow from this bill. I am saying that these private utility plants are not defense plants. I do not think we can justify the subsidy which these private utilities will receive on any ground except that they constitute a handout. I think we have got to stop this kind of a handout. I think there should be some language in the bill that will stop it. I am not so sure it should not be done by general legislation and not as a part of this bill. I am inclined to think that what we should do is to pass some general legislation reviewing the whole matter of tax amortization and to provide for it on an emergency basis where the facts justify the privilege. It will be recalled that when the tax bill was before the Senate a little while ago, I offered an amendment dealing with the tax amortization problem in connection with that bill, but it was rejected. But we can come back to it. I am one who is never discouraged by defeat. I think it takes a lot of defeat sometimes before a point prevails.

Here, again, as the Senate and the country come to understand this problem, we are going to get some legislation which will correct some abuses which I think are developing in the field of tax amortization. But I think it is very apropos that in discussing the hidden subsidies in this bill, as I have been doing, previously to this point of tax amortization, the tax-amortization problem be incorporated in the discussion, because it is my fear and my expectation that if this bill passes, here is one of the handouts that the private utility monopoly, which is going to be the chief beneficiary from this bill, will reap at the expense of the taxpayers as a whole.

A comparable type of subsidy insuring private individuals against the risk of loss, such as the farm price support program, has been called an example of "creeping socialism." The expansion of agricultural production is clearly recognized by everyone as having been stimulated by World War II requirements and justified by the continuation of emergency conditions. Now the farmer, instead of being given tax benefits similar to those of section 124A, is being told that he can expect cuts in price supports.

The accelerated amortization program is not a direct cash grant. It is not a direct Government subsidy or loan. However, to the extent that it brings about reductions in Federal income taxes during the 5-year acceleration period, it makes more cash available to the taxpayer, helps finance the cost of new facilities, and partakes of the nature of an interest-free loan of funds that would otherwise be available for use by the Government.

I seem to have great difficulty in getting some palatable food this morning. I have just been brought a bowl of soup which contains so much pepper that it is hot enough to kill a horse.

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question.

Mr. KNOWLAND. The Senator has just mentioned that the food with which he has been furnished was hot enough to kill a horse. That brings up the subject of horses. I wonder if the Senator would not desire to go for a horseback ride this afternoon and would be willing to agree to a unanimous-consent request this morning.

Mr. MORSE. Before the Senator arrived from his obviously very restful sleep, his predecessor in the majority leader's chair asked me what I would like to do today and I told him that I would like to break a colt. I have a fine roadster out at a friend's farm at Poolesvile, Md., which I am in the process of training and breaking to get it ready for the Oregon State Fair. I cannot do that in one weekend. It takes time and patience. The acting majority leader asked me what I would like to do today and I told him that was what I would like to do. I said I thought it would be a fine thing if the majority leader would recess the Senate and carry out the suggestion on which I spent a couple of hours, of arranging for a conference with the President to discuss the areas of disagreement in this bill, to make certain that the President fully understands the different points of view with reference to the bill, and find out, for example, what the Federal Power Commission has said about the lack of legal standards in the bill with respect to the matter of price. Although I made the proposal, I want it clearly understood that I am not suggesting that I be in the delegation to go to the White House. I am perfectly willing to leave my point of view to the Senator from Tennessee [Mr. GORE], and I would go on out and break my colt.

I think the acting majority leader was very fine about it. He agreed with me that that would be a good idea. He had one suggestion to make, and that was that I agree to a unanimous-consent request to limit debate. I told him I would yield long enough, with the understanding that I not lose my rights to the floor, for him to offer the request. I said, "I am not going to take any advantage of you, but I must assure you that I shall have to object."

That is when we have the very interesting discussion about my functions as a private in this army. I certainly could not agree to such a request without full consultation with the generals, in fact, with the chiefs of staff. I wanted to be sure that I was following the parliamentary instructions exactly. I think I indicated very clearly that I would like to be heard within the counsels, presenting one man's opinion. Then after there was full discussion, a final conclusion could be reached one way or another. That ended the conversation.

Now I yield to the Senator from California for a question.

Mr. KNOWLAND. Does the Senator not realize that the colloquy had earlier is not too encouraging to the majority leader, relating to the fact that the distinguished Senator from Oregon may get out and break that colt? May I inquire what is the date of the Oregon fair?

Mr. MORSE. In the latter part of September. I may not get there at all. That would be a great disappointment to

me. But if not getting there is the price I have to pay to contribute to saving the American people the great losses they would suffer if the bill passes, I would forego that great pleasure. But something tells me we shall get out of here before then. Time will tell.

With regard to those matters, I always follow what I have found to be a very encouraging principle of philosophy on the part of my wife. When things are pretty discouraging and the going is rather tough, and one wonders if there is not going to be, figuratively, some sunshine sometime about something, she gives me great encouragement by saying, "Don't forget, this too will pass." When one gets meditating, it is a lot of satisfaction to reflect on the idea that this too will pass.

I may say to the majority leader that earlier today I was talking about this matter of relaxation and what happens physiologically after there has been sustained tension. Inevitably relaxation sets in, because there must be a physical law that the human body can remain tense just so long. If the body is kept tense beyond a certain point, it breaks. The interesting thing is that people do not get to the breaking point if they relax. I think there has been a lot of tension in the Senate the last few days. I think that is one of the reasons we have not made progress in composing our differences. I was hoping there would be a longer weekend for relaxation than the majority leader promised when he suggested he was going to keep us until midnight tonight.

I am sure the majority leader knows I would not want to say anything out of his presence that I would not be willing to say in his presence. I said that if he felt that way about it, we ought to start acting like men instead of mice, and move to recess or adjourn, and then have a vote on it. We should not let the majority leader dictate to us as to when we should adjourn or recess. I am a realist about even that. I do not anticipate that such a motion would pass, but it ought to, if my good friend from California does not see fit to give us more time. The whole Senate needs it. I think the poor staff needs it more than we do. More time is needed for the relaxation to which the Senator has referred.

But, again going back to my wife's suggestion, I shall take a great deal of comfort in knowing that this too will pass; but I am going to do the best I can to see the bill does not pass. That I do not want to see, because with respect to that, I think we ought to stop it if we can. I am not a betting man, but I would be willing to wager an exchange of cups of coffee that if the problem could be presented to the President, and if points of view could be expressed to him, he would follow the pattern which Woodrow Wilson followed in 1913 on the Federal Reserve Banking Act that I discussed a couple of hours earlier today. Discussions went on for weeks, with give-and-take conferences with the White House. They finally worked out a bill, when it looked as if no bill would ever possibly be worked out, and it pleased a very large majority of the Senate. I am just willing to wager an exchange of cups of coffee on the proposition that if the President was given a chance to get his hand into this problem, and an opportunity to modify some of his views after he has received full information on the differences, some of us would be surprised how quickly it might come to pass that the controversy in the Senate would end. But, be that as it may, I wish to return now to a discussion of what I think is one of the hidden subsidies in the bill by way of the probability that the provisions will lead to a great deal of accelerated tax amortization.

The accelerated amortization program is not a direct cash grant. It is not a direct Government subsidy or loan. However, to the extent that it brings about reductions in Federal income taxes during the 5-year acceleration period, it makes more cash available to the taxpayer, helps finance the cost of new facilities, and partakes of the nature of an interest-free loan of funds that would otherwise be available for use by the Government.

Section 124A was first administered under regulations issued by the National Securities Resources Board. The certifying function was later transferred to the Defense Production Administration and is now under the Office of Defense Mobilization.

Again, as in World War II, a certificate of necessity, when granted, authorizes the taxpayer to compute his Federal tax deductions on certified facilities upon the rapid, instead of the normal, basis of depreciation.

One has only to read the applicable regulations to become aware of the fact that the administration of the accelerated-amortization law carries us into the realm of conjecture concerning the basis for permitting rapid amortization. It is not at all surprising, therefore, to read the comments of Mr. Vance Kirby, at one time Tax Legislative Counsel of the Treasury Department, who had something to say about the guesswork in these cases. His comments were made during the course of a House subcommittee hearing on April 23, 1951. In a colloquy with Congressman PORTER HARDY, Jr., and Mr. Ralph Casey, counsel of the House Government Operations Subcommittee, the remarks were as follows:

Mr. CASEY. Could you explain the statement you made that the Treasury Department does not have the authority without the assistance of section 124A to allow increased amortization of a facility?

Mr. KIRBY. Well, the Internal Revenue Code permits a reasonable allowance for depreciation. In the case of defense facilities, the question is whether this facility is going to be useful after a certain period, the duration of which no one knows. Within the meaning of the depreciation provision, it would not be reasonable but just guesswork to allow a deduction for the loss of the useful value of such a facility by reason of the termination of that period.

Mr. HARDY. Is that not the way the depreciation is determined now?

Mr. KIRBY. Yes.

* * * * *

Mr. KIRBY. It is a serious question; however, in three emergency periods a special provision has been thought necessary. I think that we have to have some definition relating to defense facilities and granting the allowance by reason of a "guess" as to a facility's usefulness for defense only.

Mr. HARDY. You know that is what is being done under the specific authority today; this pricing is largely a guess?

Mr. KIRBY. Yes. (Citing authorities and sources.)

That is an interesting series of comments by two experts in this tax field; pointing out, after all, this process is pretty much a process of guesswork.

Thus far we have explored something of the legislative history and the rationale behind the idea of rapid amortization under the Internal Revenue Code. We know that the plan has many elements of guesswork. We are now ready to inquire into some of the real gains enjoyed by those segments of our business community—primarily big business—that are so fortunate as to hold certificates of rapid amortization.

THE VOTER DUCKS THE ISSUE

The pulpwood publication—the Oregon Voter—would have us believe that tax amortization certificates are really of little value to their holders. The Voter attempted to gloss over the enormous benefits of rapid writeoffs by the use of glib expressions designed to distract us from the true facts. Thus, it referred to them as "temporary concessions." Again, it characterized them by expressions such as "deferral—no handout," "nominal benefit," "minor benefit," "gains all canceled."

Instead of meeting the issue squarely, the Voter resorted to statements of the arithmetically obvious in order to create the impression that it had covered the whole field of inquiry. For example, it said: "The Government gets its tax dollars in full. It actually does not lose or donate a dollar of tax in these amortization cases." This represents the time-worn tactic of building a strawman and emphatically knocking it down.

In an effort to create the illusion that it had uncovered remarkable facts which would silence those who dispute its conclusions, the Voter supplied charts showing that over a 50-year period, assuming a constant tax rate, depreciation deductions for tax purposes are the same under accelerated amortization as they are under normal depreciation; that the total tax offsets and total tax payments are identical under each plan. I know of no one who disputes these elementary facts.

When the Voter finally made what must have been the painful concession that a "certificated company derives some nominal benefits from accelerated amortization," it made one of the primary understatements of the year 1953. It failed to go on with the next chapter in this fascinating story. It failed to explore the substantial interest savings accruing to certificate holders by way of deferred tax funds. It did not point out that these retained sums are available for other business uses without resorting to the money market for assistance. It overlooked the correlative fact that the Government, in the absence of the rapid writeoff program, would have had the use of tax money thus deferred by the issuance of necessity certificates. It omitted a discussion of the fact that 5-year rapid writeoffs of capital assets are of special value in emergency periods of

high taxes, with the likelihood that the taxpayer will have the benefit of lower tax rates in the future when his depreciation deductions are reduced or eliminated.

In the following paragraphs I shall discuss some of the very substantial benefits of accelerated amortization accruing to taxpaying companies, particularly to the voters' very good friends, the private electric utilities. These benefits are enjoyed at the expense of the rest of us—the taxpayers of the United States.

BENEFITS ENJOYED BY HOLDERS OF TAX-AMORTIZATION CERTIFICATES

At the outset, let there be no misunderstanding on one point. If we assume a uniform Federal corporate tax rate over the estimated life of a capital asset, the aggregate total taxes paid on the facility will be the same, with or without the benefit of accelerated tax amortization, provided the corporate income remains high enough every year to make the maximum rate applicable. On the other hand, if tax rates and interest rates change favorably for the business, then substantial benefits will be realized.

Any discussion of the effect of rapid depreciation involves matters of a technical nature that can be analyzed adequately only by the use of actual dollar computations.

For that reason, I shall use the voter's hypothetical case of a taxpayer company's $2 million investment in new facilities, a million dollars of which is certified for 5-year rapid amortization and the balance being subject to normal depreciation at the rate of 2 percent a year. Also, a uniform corporate tax rate of 52 percent is assumed. I ask unanimous consent to insert in the RECORD at this point in my remarks a chart designated as schedule 1, entitled "Effect of 5-Year Amortization Compared With Depreciation—Deductions for Tax Purposes and Tax Savings Thereon."

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

SCHEDULE 1.—*Effect of 5-year amortization compared with depreciation—Deductions for tax purposes and tax savings thereon*

Assumptions: Investment, $2,000,000. Total period of amortization and depreciation, 50 years. Amount subject to 5-year amortization (50 percent), $1,000,000

	With amortization	Without amortization	With amortization savings (+) loss (−)
(A) Deductions for tax purposes:			
Each year for the first 5 years:			
Amortization (20 percent of $1,000,000)	$200,000		
Depreciation (2 percent per annum)	20,000	$40,000	
Total	220,000	40,000	+$180,000
Each year, 6th to 50th (all depreciation)	20,000	40,000	−20,000
Total deductions:			
First 5 years:			
Amortization	1,000,000	0	
Depreciation	100,000	200,000	
Total	1,100,000	200,000	+900,000
6th to 50th year (45-year period)	900,000	1,800,000	−900,000
Total	2,000,000	2,000,000	0
(B) Tax saving by reason of deductions for depreciation and amortization (at uniform rate of 52 percent):			
Each year for the first 5 years	$114,400	$20,800	$+93,600
Total, first 5 years	572,000	104,000	+468,000
Each year, 6th to 50th	10,400	20,800	−10,400
Total, 6th to 50th year	468,000	936,000	−468,000
Total tax saving, 50 years	1,040,000	1,040,000	0

Mr. MORSE. Part (A) of the foregoing schedule shows that for each year of the first 5 years the company would be able to deduct $180,000 more per year using rapid amortization than it would if it used normal depreciation. The total increase in deductions for 5 years amounts to $900,000. For the 6th year and each year thereafter up to and including the 50th year, the deductions under the rapid amortization election would be $20,000 per year less than normal depreciation, or a diminished total of $900,000 for the 45-year period against $1,800,000 for the 45-year period under normal depreciation. The total deduction over the 50-year period is, of course, identical in both cases—$2 million.

Again referring to schedule 1, we see in part (B) thereof that the tax saving during the first 5 years is $93,600 per year greater by reason of the increased deductions permitted under rapid amortization. In the 6th year and each year thereafter to the 50th year, the amortization method results in additional tax liability of $10,400 per year. Inasmuch as we assume a uniform tax rate, there would be no net tax saving for the 50-year period as a whole by reason of the rapid amortization election.

THE INTEREST WINDFALL

Mr. President, we now come to an issue of utmost significance in the rapid amortization tax cases. It involves the item of interest saved by reason of the tax benefits enjoyed by the company under the rapid amortization plan. I ask unanimous consent to insert at this point in my remarks a chart designated as Schedule 2, entitled "Effect of 5-Year Amortization Compared with Depreciation-Interest on Tax Savings at 4 Percent Per Annum."

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

SCHEDULE 2.—*Effect of 5-year amortization compared with depreciation*

Interest on tax savings at 4 percent per annum:		
1st year, $93,600 at 4 percent		$3,744
2d year, $187,200 (2 years tax savings) at 4 percent		7,488
3d year, $280,800 (3 years tax savings) at 4 percent		11,232
4th year, $374,400 (4 years tax savings) at 4 percent		14,976
5th year, $468,000 (5 years tax savings) at 4 percent		18,720
Total interest saved on tax savings for first 5 years		56,160
Interest saved per year on tax savings for 6th and subsequent years, up to 50th year, is $18,720, less interest on additional taxes in 6th and subsequent years up to 50th year:		
6th year:		
Interest on tax savings for first 5 years	$18,720	
Less interest on additional tax of 6th year ($10,400 at 4 percent)	416	
		$18,304
7th year:		
Interest on tax savings for first 5 years	18,720	
Less interest on additional tax of 6th and 7th years ($20,800 at 4 percent)	832	
		17,888
8th year	18,720	
Less $31,200 at 4 percent	1,248	
		17,472
9th year		17,056
10th year		16,640
11th year		16,224
12th year		15,808
13th year		15,392
14th year		14,976
15th year		14,560
16th year		14,144
17th year		13,728
18th year		13,312
19th year		12,896
20th year		12,480
(And so forth, to 50th year)		
50th year	$18,720	
Less $468,000 at 4 percent	18,720	
Total, 6th to 50th year		411,840
Total, 50 years		468,000

Mr. MORSE. Schedule 2 shows that for the first year the interest saved, computed at 4 percent per annum, would be $3,744 by reason of the tax reduction of $93,600 for that year—see schedule 1, part (B). For the second year the accumulated tax savings would be twice this amount, or $187,200. At 4 percent this results in interest savings of $7,488. For the third year the accumulated tax saving is $280,800, and the interest at 4 percent is $11,232. Continuing this process for the first 5 years, we find that in the fifth year the interest on the tax savings of $468,000 is $18,720 and the total interest attributable to tax savings for the first 5 years is $56,160.

The annual gain in interest of $18,720 continues in the sixth year and thereafter up through the 50th year, except that it is reduced by the interest loss on the additional taxes which the business would have to pay commencing with the sixth year. For the sixth year the additional tax is $10,400 which, at 4 percent, results in an interest cost of $416. Therefore, for the sixth year, we start with interest saving of $18,720 and reduce that by $416, leaving a net saving for the sixth year of $18,304. For the seventh year the interest on the additional taxes is computed on the accumulated additional taxes for the sixth and seventh years. The amount of additional tax is $20,800. At 4 percent this results in interest of $832. Again, taking our inter-

est on the accumulated tax saving for the first 5 years—$18,270 per annum—and reducing it by $832 we find a net interest saving for the seventh year of $17,888.

This process is continued each year with the interest saving being reduced so that in the 50th year the reduction is the same as the original interest saving and there is no interest saving for that year. The total accumulated saving, however, for the 45-year period from the 6th year through the 50th year is $411,840. The total for the 50-year period amounts to $468,000. Mr. President, we now begin to appreciate the key significance of interest savings in our rapid amortization cases.

We should not overlook the fact, however, that the element of interest saving would have an effect on income taxes of the company involved. The interest saving would have to be reduced by the amount of additional Federal income tax which would have to be paid thereon. Any study of benefits gained must take into consideration the fact that the reduction will be equivalent to the rate paid by the taxpayer. In our hypothetical, that rate is 52 percent.

THE VOTER'S PHONY FIGURES

In a stupendous effort to obtain a result it very much desired to reach, the Voter, in its issue of December 12, 1953, ran an article entiled "Phony Figures." The phony figures are there all right but they were created by the Voter. These figments are included in a chart which appears on page 18 of the December 12 issue.

The chart is labeled: "Under Accelerated Amortization, Interest Loss on Extra Tax Payments Cancels Out Pretended Interest Gain." Though it may perhaps be considered unfeeling and even rude on my part, I have to ask the Voter this question: What happened to the interest on tax savings enjoyed during the first 5 years—the rapid writeoff years? Does the Voter have a conveniently forgetful memory? The plain fact is that this 5-year interest accumulation represents investable funds that are made available by accelerated amortization deductions. They are funds that would not otherwise be at hand.

One paragraph of the December 12 article referred to a "nutshell." Apparently, under this nutshell was placed by the Voter, never to be found again, the computations of the first 5 years' interests gains. Had the Voter not resorted to this crude version of the old shell game, it would have acknowledged under its 6 percent interest computations an interest saving of $84,240 for the rapid amortization period.

The Voter's December 12 phony chart is divided into two sections. That on the left hand side is captioned "So-Called 'Interest Benefits' Under Accelerated Amortization." The computations of this table produce a total sum of $631,800 interest benefits for a 45-year period at 6 percent. This total is reasonably accurate. However, the Voter conveniently omitted, as noted above, the interest accumulation based upon 5 years' tax savings. Had this sum been included, interest benefits under accelerated amortization would have been shown as $716,040 instead of $631,800.

In addition to this omission the "funds retained" figure is reduced by $10,400 beginning in the 6th year and each year thereafter over a 45-year period. This has the effect of reducing the annual interest saving each year. Presumably the Voter justifies such annual reductions on the ground that after the 5th year tax payments are increased by $10,400.

It may be assumed that the accumulated tax savings of the first 5 years are being treated as a reserve set aside for the purpose of meeting the increased tax liability after the 50th year. However, once having made this choice, neither the Voter nor the business can proceed as has been done in the right hand section of the December 12 chart entitled, "cancellation of 'interest benefits' via interest on extra tax payments," and count as an offset, interest on the $10,400 extra tax. This additional tax of $10,400 payable each year from No. 6 to No. 50 is already taken into consideration in the computation in the left-hand side of the table. Therefore, to show this also as cancellation of interest benefits, is a duplication of additional interest cost to the company and there is no justification either in arithmetic, accounting, or ordinary logic for taking these annual amounts of interest on $10,400 into consideration twice, as the Oregon Voter does in the article.

In all charity, the most that can be said of the Voter's "rigged" chart of December 12 is that it illustrates an attempt to have one's cake and to eat it.

COMPOUND INTEREST

The Voter, apparently an exponent of the idea that the best defense is an offense, launched an advance attack against the use of compound interest computations in cases of rapid writeoffs. It did not resort to the use of a phony chart on this point. Instead it peddled a mixture of vituperation and conclusion jumping. The best it could offer was the suggestion that it is "real ridiculosity" to bring compound interest into the picture. It would be most difficult to find a more shallow analysis than that presented by the Voter on this point.

It its endeavor to cast off the compound interest benefits as immaterial, the Voter exposed itself to ridicule by wise businessmen. Surely the normal presumption is that when businessmen are put in command of working capital they will invest it in productive activity. Interest earnings, therefore, will not be buried in a vault nor will they be squandered in a spendthrift manner. Frugality, thrift, and financial sobriety have always been important attributes of business behavior; I leave it to the Oregon Voter magazine to make contrary assumptions if it cares to do so.

In the name of commonsense there is no reason why interest earnings on tax savings should not be put to work and thereby compounded, just as any other investment funds.

Mr. President, in order to present the facts concerning the effect of compound interest on the tax savings of our hypothetical holder of a $1 million certificate of necessity, I ask unanimous consent to insert in the RECORD at this point in my remarks a chart designated as schedule 3, entitled "Effect of 5-Year Amortization Compared With Depreciation—Interest Savings Compounded (4 Percent), Uniform Tax Rate."

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

SCHEDULE 3.—*Effect of 5-year amortization compared with depreciation—interest saving compounded (4 percent)—uniform tax rate*

Years to go	Interest saving	Factor	Compounded
49	$3,744	6.83334937	$25,584.06
48	7,488	6.57052824	49,200.12
47	11,232	6.31781562	70,961.71
46	14,976	6.07482271	90,976.54
45	18,720	5.84117568	109,346.81
44	18,304	5.61651508	102,804.69
43	17,888	5.40049527	96,604.06
42	17,472	5.19278391	90,728.32
41	17,056	4.99306145	85,161.66
40	16,640	4.80102063	79,888.98
39	16,224	4.61636599	74,895.92
38	15,808	4.43881345	70,168.76
37	15,392	4.26808986	65,694.44
36	14,976	4.10393255	61,460.49
35	14,560	3.94608899	57,455.06
34	14,144	3.79431634	53,666.81
33	13,728	3.64838110	50,084.98
32	13,312	3.50805875	46,699.28
31	12,896	3.37313341	43,499.93
30	12,480	3.24339751	40,477.60
29	12,064	3.11865145	37,623.41
28	11,468	2.99870332	34,928.90
27	11,232	2.88336858	32,386.00
26	10,816	2.77246978	29,987.03
25	10,400	2.66583633	27,724.70
24	9,984	2.56330416	25,592.03
23	9,568	2.46471554	23,582.40
22	9,152	2.36991879	21,689.50
21	8,736	2.27876807	19,907.32
20	8,320	2.19112314	18,230.14
19	7,904	2.10684918	16,652.54
18	7,488	2.02581652	15,169.31
17	7,072	1.94790050	13,775.55
16	6,656	1.87298125	12,466.56
15	6,240	1.80094351	11,237.89
14	5,824	1.73167645	10,085.28
13	5,408	1.66507351	9,004.72
12	4,992	1.60103222	7,992.35
11	4,576	1.53945406	7,044.54
10	4,160	1.40824428	5,858.30
9	3,744	1.42331181	5,328.88
8	3,328	1.36856905	4,554.60
7	2,912	1.31593178	3,831.99
6	2,496	1.26531902	3,158.24
5	2,080	1.21665290	2,530.64
4	1,664	1.16985856	1,946.64
3	1,248	1.124864	1,403.83
2	832	1.0816	899.89
1	416	1.04	432.64
0	0	0	0
Total			1,770,386.04

Mr. MORSE. Mr. President, upon referring back to schedule 2, we will observe that the interest saved for the first year of the 5-year rapid amortization at 4 percent was $3,744. The interest constitutes funds currently available to finance fixed capital investments or to invest, and it is proper to show this benefit by computing interest on the interest saving or compounding it.

Schedule 3, based on the data previously submitted, illustrates dramatically the effects of compounding this interest savings over the 50-year period under review. When compounded, the interest saving amounts to $1,770,386.04. Of course, this total will have to be reduced by the income tax to be paid by the company over the years. However, even if we assume a relatively high corporate income tax rate and cut the last mentioned figure in half, we observe how the amortized facility is practically paid for by interest benefits flowing from the certificate of necessity.

Yet this Oregon Voter magazine would seek to give its readers the impression that these businesses gain no financial advantage by a tax amortization plan. I repeat what I said here on the floor of the Senate many months ago, to which the Oregon Voter magazine took such a strong objection, and that is that this tax amortization plan constitutes a bonanza for the company that gets its benefit, and it results in the American taxpayer paying for a substantial part of the cost of the facility that is being built.

I say that is all right in the case of a war plant. I say that is all right in the case of a defense plant that has to be built to protect the security of this country. I say that is all right as a defense measure in those situations in which we need the plant for the prosecution of the war or a defense program, and which will have practically little value or use after the emergency is over.

That is not true of a private utility plant. Most of the private utility plants, because of changes in economic conditions, will be worth more money, as the economy expands, years and years after they are built than they were worth the first year they were built.

We are not dealing with something that is going to be of little value after there has been a period of use. We are dealing with something of value. We are dealing with something, the value of which really increases as the economy in the territory where it is used expands. It is the bringing of the power into the territory that results in the expansion of the economy. It is the increase in the power that brings in new businesses and new industries and produces improvements on the farm that supplies the power for the irrigation systems, thereby increasing the productivity of the farms, all of which economic activities result in a greatly expanding economy.

We are not dealing here with plants that are worthless after 50 years. We are dealing with plants that in all probability in most instances will have as much, if not more, value than when they were first put in operation.

To seek to give the impression to the people of my State through articles published in this magazine that they are not contributing to the payment of these facilities by way of a tax-amortization handout, is to fly in the face of the truth.

In passing, we should not overlook the fact that the Voter's phony chart on page 18 of its December 12 issue based its computations upon a rate of 6 percent rather than 4 percent. Apparently, this rate was used by the Voter because it is the rate charged by the Government on delinquent taxes and is the rate paid by the Government in making tax refunds. The interest rate of 4 percent, as employed in our computations, is conservative, but the rate of interest does not alter the principle involved. It merely changes the amount of dollars employed in our example.

HIGH WRITEOFFS AGAINST HIGH TAXES

The Voter's article of November 21 touched gently upon the possibility of there being downward changes in tax rates after periods of war emergency. In comments that appear to blow hot and cold in the same breath, the Voter had this to say:

> The general presumption is that a cut or cuts in rate will occur. There might be the answer to this that though the tax may go down it is possible also that it may go up, especially assuming that the Government goes to pressing taxpayers real hard in an effort to reduce the national debt, or should there be war or depression.

The foregoing folksy, but quite meaningless, comments were followed by a bit of a concession:

> It is admitted that a reduction in income-tax rate for corporations will result in some extra benefit for the corporations which availed of the rapid amortization opportunity.

I should think that the editor would have choked on that concession. However, when he conceded it, he conceded a great deal. When he conceded it, although he did not expand upon the subject, and he was not fair enough to his readers to point out what his concession really meant or what its significance was, he admitted a great big chunk of my case.

The latter quotation is the nub of the case, and alert businessmen will not be misled by the Voter's attempt to tone down the financial importance of tax-rate changes in accelerated amortization cases. An analysis of Federal income-tax rates indicates that downward trends are common in the years following the termination of a war emergency. This was true after World War I and likewise after World War II. For example, we have the 1951 testimony of the Treasury Department's tax legislative counsel that—

> Possible tax reductions after the end of the emergency period should be taken into account in estimating net tax savings, as occurred following World War II when the excess-profits tax was repealed and the income-tax rate reduced to 38 percent for the years 1946–49. Corporations during World War II had the benefit of writing off their "emergency" facilities at maximum excess-profits-tax rate of 95 percent (less 10 percent postwar credit) and sacrificed depreciation deductions at a rate of 38 percent in the postwar years. Subsequent rate increases have narrowed this disparity, but a substantial rate differential still remains. (Hearings, Subcommittee of the Committee on Expenditures in the Executive Departments—Certificates of Necessity and Defense Loans, pp. 336–337, Apr. 23, 1951.)

Where the certificated property continues to have value in use, and we know that substantial numbers of certificated facilities do have useful lives after the rapid writeoff period, taxable income is deferred to the post-emergency period when tax rates are lower. Bringing the situation down to date, we know that the excess-profits tax of the Korean war expired at the end of 1953. Corporations holding emergency certificates of necessity in prior years have had the benefit of deductions against high excess-profits-tax rates.

We should also note that unless extended by affirmative action the post-Korean increase in the corporate surtax rate will expire in 1955.

The net result is that the Treasury has to borrow money and pay interest, borne by the taxpayers, to make up for the deficit in receipts caused by the tax postponement. The Federal borrowing must be done during periods of higher interest rates and the deficit in tax receipts can be made up only after we assume a uniform tax rate over the useful life of the facility. As we have seen, this is a very large assumption.

HANDY MONEY AND THE BIRD-IN-HAND THEORY

The taxpayer who holds a tax-amortization certificate of necessity has another important advantage. The enlarged depreciation deductions for the rapid writeoff period make available funds which otherwise would have gone to the Treasury pursuant to the normal depreciation provisions of the Federal tax law.

Tax-savings dollars have a special significance. This was brought out in the minority report of the House Committee on Ways and Means in the following comments concerning tax reductions proposed in section 167 of the revenue revision bill, H. R. 8300.

> Increased income as a result of tax savings to businesses can be much more advantageous than increased gross income. For example, it normally takes about $10,000 in gross sales to yield as much net profit as a $560 saving in taxes. This is based on the assumption that a business has a net profit, after taxes, of 5.6 percent on each dollar of sales. A dollar saving in taxes would be worth about 20 times more than a dollar earned in sales. (H. Rept. No. 1337, 83d Cong., 2d sess.)

Also, most companies electing to amortize emergency facilities over the 5-year rapid amortization period have the advantage of predicting operating results and taxes thereon. Generally a company with emergency facilities has Government contracts and some assurance of substantial taxable income at least for a few years. This means that the company is pretty well assured that it will be able to take full advantage of the amortization deduction in computing its income tax and that the tax will be at relatively high rates. It is much more difficult to predict operating results or tax rates over the longer period. It is a question of applying a bird-in-the-hand policy which is generally a wise business decision.

HANDOUTS FOR BIG BUSINESS THROUGH ADMINISTRATIVE INTERPRETATIONS OF THE TAX-AMORTIZATION PROGRAM

As I have indicated heretofore, we are committed, as a Nation, to the incentive of rapid writeoffs to obtain the new facilities that may be needed in the interests of our national defense or in the prosecution of a war against aggression. But we were never committed to an acceptance of administrative interpretations which result in rapid write-off benefits that are far afield of the basic purpose for which section 124A and its predecessor, section 124 of the Internal Revenue Code, were enacted.

A very revealing report on the many aspects of the maladministration of section 124A was issued early in 1952 by the Senate Select Committee on Small Business (S. Rept. No. 1068, 82d Cong., 2d sess., pp. 130–137). A brief summary

of some of the observations made in that report will be worth considering at this point.

EXCESSIVE CERTIFICATIONS

The Senate Small Business Committee reported that certificates under section 124A were excessively high as early as 1952. For example, certificates for railroad facilities, it indicated, averaged 73 percent in spite of the fact that most of the facilities amortized would remain valuable equipment after the 5 years that were set up as a controlling factor in the regulations. Similarly, the regular rate on integrated steel facilities was early set at, and remained, 85 percent despite the fact that the new facilities, as at Morrisville, Pa., were the most up-to-date and efficient plants in the industry, and therefore likely to displace older and less efficient operations. Not only has the percentage of tax amortization been excessively high in view of probable post-emergency utility, but facilities have been certified which bear little relation to defense, or which represented little, if any, more than normal economic expansion.

IDLE PLANTS AND ADDITIONAL CERTIFICATIONS

In many instances, certificates were issued, as pointed out in the same report, while existing idle-plant facilities to produce the required items were available, even though the new construction strained an already tight materials situation. Such an example was the General Motors' Delco division application to build a $7,500,000 plant in Dayton, Ohio, to fulfill a $2,500,000 subcontract for the manufacture of landing-gear struts.

BIG BUSINESS FEASTS; SMALL BUSINESS GETS THE LEFTOVERS

The foregoing report clearly demonstrates that the larger companies, with full technical staffs and legal advisers, were able to file detailed requests for certificates of rapid tax amortization before small business was even able to formulate its plans. Thus, in many instances the expansion goals set for the emergency program, large as they often were, were within sight before the first applications filed by small business were received. Inasmuch as no further certificates were granted once those issued, together with existing facilities, making allowances for slippages, totaled the designated expansion goal, the role of small business in the certified expansion was necessarily limited. The precise way in which industry, and particularly big industry, is benefited by the provisions of section 124A, to the detriment of the average taxpayer, is not always readily apparent.

A further and more detailed discussion of the shortcomings of the emergency rapid tax amortization plan will be found in the May, 1951, request of the House Committee on Expenditures in the Executive Departments—House Report 504, 82d Congress, 1st session.

RETIREMENT OF MARGINAL PLANTS

Mr. President, a benefit which is less direct, but hardly less important, is the freedom gained by the largest, multiple-plant-owning corporations, to retire their older, less efficient plants which have been fully amortized, and which cannot be further depreciated, while utilizing the new and efficient plants, which, at the peak of their efficiency, are being amortized more rapidly than is justified on a physical or economic basis. The result is a substantial gain in net income, a substantial reduction in taxes, and very little, if any, gain in production. Moreover, the financial impunity with which a company can close down one or more of its existing installations puts it in a most advantageous position to dictate unfair financial terms to its employees.

It is little wonder then, that certificates of necessity have been issued under section 124A totaling nearly $30 billion, with rapid writeoffs authorized in the sum of nearly $18 billion. The tax amortization program obviously has been administered in such a fashion as to be good business for big business.

THE COST TO THE TAXPAYERS

It is an interesting fact that current estimates of the cost to the taxpayers resulting from the operation of the emergeney tax amortization program are extremely scarce.

In April 1951 a representative of the Treasury Department testified before a House subcommittee as follows:

> As a result of amortization, the Government incurs a revenue loss which reflects the value of this privilege to industry. It is not possible to forecast the aggregate amount of necessity certificates which will be awarded, the percentage of amortization allowed, or the trend of future tax rates.
>
> However, on the basis of necessity certificates granted on or before March 23, 1951, on which $2,800,000,000 amortization is allowed, it is estimated that the decrease in income and excess-profits-tax liabilities during the next 5-year period would be $1,500,000,000, at the present corporation rates. If the rates proposed by the Treasury are enacted, the immediate loss in revenue is estimated at $1,700,000,000. Even higher rates in the future would of course increase this revenue loss correspondingly.
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> * * * * *
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> * * * since the statement was prepared we have estimated the immediate tax loss that will result from the applications which have been granted up to the present time, or up to April 13.
>
> On the basis of certificates granted on or before this later date, on which $3,370,000,000 amortization is allowed, it is estimated that the decrease in income and excess-profits tax liabilities during the next 5-year period would be approximately $1,800,000,000, at the present corporation rates. If the rates proposed by the Treasury are enacted, the immediate loss in revenue would be approximately $2 billion. (Hearings, Certificates of Necessity and Defense Loans, Subcommittee on Expenditures in Executive Departments, U. S. House of Representatives, 82d Cong., Apr. 23, 1951, p. 337.)

Members of my staff have inquired of the Office of Defense Mobilization, the Treasury Department, and the Senate-House Joint Committee on Internal Revenue Taxation and have been advised that there are no current estimates of revenue lost and to be lost by reason of section 124A. However, according to estimates made by the Department of Commerce in 1952 in a publication entitled "Markets After the Defense Expansion," corporate funds available from depreciation allowances had been increasing at a rate of about $1 billion a year between 1946 and 1952.

With reference to the rapid amortization program of section 124A the Commerce Department publication estimated that—

> The rapid amortization program which is currently in operation will step up substantially this annual rate of increase since a sizable portion of current fixed capital program is under certificates of necessity.

It further noted:

> If fixed investment were maintained at relatively high levels—not far from recent rates—the annual increase in depreciation and amortization would amount to as much as $1.5 billion a year over the next 3 years and by 1955 the total of such allowances would reach between $14 billion and $15 billion.

It is evident from these data that corporate deductions from income have been increased by approximately one-half billion dollars a year directly as a result of the rapid amortization program. Using the 52-percent corporate tax rate we can estimate that since 1952 taxes which would otherwise have gone to the Treasury have been approximately $250 million annually. The Government has been making up this loss of revenue by borrowing. In recent months the average rate paid by the Treasury has been 2.4 percent—Treasury Bulletin, May 1954.

The cost of this emergency rapid writeoff program is of deep concern to the people of the United States and it is regrettable, if not somewhat startling, that reliable estimates of the losses to be sustained by the Treasury in the years to come as a result of this program are not available for consideration by the public. It is not beyond the realm of possibility to provide estimates of this type. We have statisticians who can be put to work with all the available figures. I am sure they can come up with information that is essential to a determination of whether the rapid amortization program is worth its cost. For that reason, I think it is important that studies of the costs to the Treasury resulting from section 124A be made in each session of the Congress.

PRIVATE ELECTRIC UTILITIES RIDE THE GRAVY TRAIN

The private electric utilities, with ever-watchful eyes on the easy dollar, whether it be that of the ratepayer or the taxpayer, were quick to scent the profits to be found in the rapid amortization trough.

Mr. President, if the test of economic usefulness of the facility for other than defense purposes after the initial 5 years were the sole criterion, not one of these electric utilities would have a claim on emergency rapid amortization benefits. Newly constructed facilities of this type have useful lives that range anywhere from 25 to 100 years. It would appear that ODM bases its certification of electric utility facilities upon some mysterious formula which takes into consideration many factors, including the departures from what is thought to be normal growth of the company. Electric utility certifications sometimes go as high as 65 percent of the cost of new facility.

The latest figures made available to me by the Office of Defense Mobilization show that the total amount certified for rapid depreciation in the electric utility industry since the inception of section 124A is $2,217,472,000.

The private utilities seem to like that. Private utilities seem to think that is pretty good. Now, first, if you listened to the Oregon Voter, you would come to the conclusion that it is of no benefit to the private utilities at all; and, of course, if that were true, they would not be after these certificates. What do they want them for? They want them for the tremendous financial advantages that I have brought out previously in this speech; and I say that, under this atomic energy bill, if you pass it in its present form, you give the private utilities the monopolistic control over the atomic-energy electric power development program, and you will have a rush to get certificates for amortization purposes; because it is just like going out and picking berries. Just go out and pick the money off the taxpayer's bush under this program.

It is a hidden subsidy in this bill. I am against it. I am for either getting, as I said earlier, some general legislation on this tax amortization problem or I am for writing some safeguards in this bill. And I think we had better play it safe and write the safeguards in the bill, and pass some general legislation.

This $2,217,472,000 is truly amazing when we recall that under the World War II rapid amortization program all industries received certificates of necessity authorizing $5.7 billion in rapid writeoffs.

Mr. President, this anomalous situation is worthy of deep reflection. Here we have a case in which enormous Federal assistance, to the tune of $2.2 billion in rapid writeoffs has been given to an industry that has conducted a huge and expensive propaganda campaign damning as "creeping socialism" most public benefits that are conferred by the Federal Government on individuals or groups outside the private electric utility field. Apparently Federal assistance that tends to swell the profits of the electric utilities is good business—at least for the private electric utility monopoly.

PRIVATE ELECTRIC UTILITIES STILL KNOCK AT THE FEDERAL HANDOUT DOOR

A few months ago the Office of Defense Mobilization placed the electric utilities on what is called the "suspended list" of its expansion goals—ODM release, January 29, 1954. Does this mean that these utilities have finished gorging themselves with rapid amortization benefits? In view of their selfishness, this is highly unlikely.

There are now pending approximately 25 private electric-utility applications in ODM for further certificates of necessity. Knowing of the persistence of the utilities and their highly-paid lobbyists, it is quite likely that the electric utilities soon will be returned to the "open" list of expansion goals and that once again they will be shoving against each other for an advantageous place at the trough.

Included in this pending list are two applications for certificates of necessity on proposed new construction by that Maine corporation, the Idaho Power Co. These applications ask the Government for a rapid write-off handout on two proposed projects, Oxbow and Brownlee, on the Snake River, which the company lists in its applications as involving outlays of $35,944,000 and $67,138,000 respectively.

Mr. President, you will recall that the Idaho Power Co. is using every means at its disposal to scuttle the development of the magnificent Federal multipurpose Hells Canyon dam project on the Snake River.

I am so delighted that my good friend, the Senator from Idaho [Mr. DWORSHAK], is present to hear this discussion of mine about the Idaho Power Co., Hells Canyon Dam, and what I consider to be the scuttling attempts of this avaricious company to take from the people of the Pacific Northwest their heritage in the great natural resources belonging to the people, not to the Idaho Power Co. It proposes to do this by the construction of three low-head dams at the Hells Can-Canyon, Oxbow, and Brownlee sites on the Snake River. If such construction materializes it will be impossible to go ahead with the high Hells Canyon project. In other words, the Idaho Power Co. is seeking to prevent full development of this tremendous river resource, which belongs to all the people, by substituting three puny dams which it will operate in the production of high-cost electric power. The irony of the situation lies in the fact that the Idaho Power Co. wants to deprive the American people of the benefits of a high Hells Canyon dam, and at the same time it wants the American taxpayers to pick up the rapid amortization tabs on two of the low dams to assist its machinations against the public interest.

Does the absence of a pending application for rapid amortization on the company's low Hells Canyon dam proposal mean that the Idaho Power Co. really does not intend to build this third puny project?

THE VIRGINIA ELECTRIC POWER CO. FIASCO

The Idaho Power Co. is not alone in its insistence on this form of Federal subsidy—the kind of hidden subsidy that I say is involved in the pending bill, and the kind of hidden subsidy that I say must be checked before this bill is passed.

Consider, for example, Mr. President, the case of the Virginia Electric Power Co. This company filed an application for a certificate of necessity on its investment in facilities at Roanoke Rapids—an investment estimated to total $33,095,000. These facilities were to be constructed in conjunction with the development of a power dam on the Roanoke River—a power site wrested from the people via a Federal Power Commission decision. This FPC decision granting a license amounted to a grant to VEPCO to skim the cream from the Roanoke River after the Corps of Engineers had built the great, expensive river regulating dam at Buggs Island. The Roanoke Rapids site was to have been the power-producing dam. Buggs Island Dam—now John Kerr Dam—was chiefly regulatory, with part of its cost to be recouped through power generated below at Roanoke Rapids. After the former Secretary of the Interior, Mr. Chapman, and the rural electric cooperatives had lost their fight to prevent this giveaway, VEPCO came up with its request for an accelerated depreciation certificate.

Mr. President, I call your attention to the fact that VEPCO had applied to the FPC for the license to build the Roanoke Rapids Dam, and had asserted that it needed and could market that power before a shot was ever fired in Korea; and I call your attention to the further fact that the certificate issued by ODM for these "defense facilities" was issued after an armistice had been declared in Korea. Yet ODM certificated almost 65 percent of this $33 million as eligible for accelerated depreciation, presumably on the grounds that VEPCO would not build the facilities without the certificate. This certificate covers $21,511,750 of the cost of construction and will entitle VEPCO to tremendous benefits from the American taxpayer. The total benefits which will accrue to VEPCO over a 50-year period—assuming a 50-year life of the project—will exceed the total cost of the Roanoke Rapids facilities. This will be readily ascertained by referring back to our table of computations, bearing in mind the fact that the bulk of the certification is for almost 65 percent, not merely 50 percent, as in our charts.

This is an illustration of the manner in which the accelerated tax-amortization program, authorized by the Congress, is being operated as regards private electric utility corporations. Defense certificates are being issued for facilities planned before the outbreak of hostilities in Korea and such facilities are being declared defense facilities more for the convenience and profit of the private utility corporations than for aid in national defense.

Moreover, the essence of such grants is that unless action is taken, the taxpayers of this country are paying for the cost of private electric facilities, but do not become owners of the plants.

WHAT BECOMES OF THE INTEREST WINDFALL ENJOYED BY THE ELECTRIC UTILITIES UNDER SECTION 124A?

We have seen that when a private electric utility obtains a certificate of necessity, it has excellent chances of enjoying large interest benefits on deferred taxes. What becomes of these interest windfalls? Do they go to the ratepayers to relieve their burdens on electric bills rendered each month? In practically every instance the answer is "No."

The truth of the matter is that once the benefits from this accelerated depreciation program began to show up on the books of the utilities, they moved into the various State commissions, asking for accounting and ratemaking rules concerning these interest-free loans and the profits accruing under them. The language of the various State decisions and the actual decisions themselves, if we examine them, will leave no doubt but that there was a concerted national agreement among the utility corpora-

tions themselves as to the way in which these tax certificates should be handled by regulatory commissions.

Of the 21 State commissions which have ruled on these interest-free loans, 20 of the 21 have insisted that any benefits accruing therefrom should accrue to the utilities—not to the ratepayers, not to the consumers; and only one, the Georgia Commission, has ruled that the benefits, or at least a part of the benefits, should accrue to the electric consumer. The Georgia Commission ruled that since the withheld tax money had been collected from the ratepayer in the form of electric power bills, the consumer should be looked upon as supplying capital to the utility corporation. Putting it briefly, the Georgia Commission held that for every dollar an electric utility corporation placed in its "deferred tax kitty" it should deduct $1 from the rate base on which rates are established for electric consumers. And why not, Mr. President? There is no reason in the world why that saving should not go to the benefit of the consumers. But not so, say the commissions of 20 other States.

The other 20 State commissions by one accounting device or another have told the electric utility corporations that they can use the interest-free loans from the Federal Treasury, which were originally collected from the rate payer in the form of Federal income-tax requirements. They can hold these interest-free loans and use them, but they must keep track of them, so that over the years the books will indicate that "the deferred Federal income taxes" have been repaid to the Government. This procedure disregards the fact that these deferred taxes constitute a tremendous and profitable resource of funds for the utility corporations.

Last year the Federal Power Commission wrestled with the problem of what to do with rapid depreciation under section 124A, for utility operations that come within its jurisdiction. The National Rural Electric Cooperative Association, having a deep interest in the subject, filed a very comprehensive written statement with the Commission. The NRECA did this on behalf of the rural electric cooperatives, but in a larger sense it also represented the interest of consumers of electricity throughout the country.

On December 4, 1953, the Power Commission issued a statement of policy in its opinion No. 264. In this statement it indicated that for purposes of ratemaking, depreciation should be computed on the basis of the actual service life of the facilities. It also decided that the utilities should retain the benefits flowing from accelerated amortization. This means that in computing costs to the consumer, Federal income taxes are computed on a normal depreciation basis, rather than on an accelerated basis, even though 5-year rapid amortization has been certified. This will not translate into lower costs to the consumers.

Federal Power Commissioner Doty disagreed with the majority in this case, and issued a powerful dissenting opinion, in which he stated, in part:

> I dissent from the action of my associates in their decision in the above-mentioned docket. In my opinion the decision will require rate payers to pay far more than a fair return for utility services, contrary to a long line of precedents established by this Commission which have been upheld by the courts. The decision will give utilities returns in excess of those necessary to render adequate service and to attract capital for proper expansion of facilities; it will impose unjust burdens on consumers equal to these excessive returns; it will unnecessarily complicate the regulatory process.

Later in the decision he said:

> The amounts which the utility will thus collect under the guise of taxes payable to the Government over some 25 to 100 years after the close of the amortization period will be available to the utility for its ordinary capital needs. The amount recouped as taxes will be substantially in excess of the actual taxes payable for a long period in the future and the excess could be used to pay off pro tanto securities issued to finance the emergency facilities or to purchase other facilities, the cost of which would then be included in the rate base. Unfortunately, under the decision of the majority in this case, the consumers will not in any manner whatsoever receive any credit for these large payments which, as noted above, can readily be used for capital purposes.
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> Suffice it to say that on the basis of a 6-percent return and an average life of 40 years, the additional income to the utility in excess of a fair return over the life of the property would amount to about $491,000 for every million dollars of investment subject to accelerated depreciation.

THE RATE PAYERS GAIN NO BENEFITS OF INTEREST SAVINGS ON RAPID AMORTIZATION

Mr. President, the huge savings of interest on deferred taxes will be used by the managements of the private electric utilities for purposes best known to themselves. Of one thing we are certain. They will not pass on the benefits of these rapid amortization interest savings to electric power consumers, with a possible exception of utility operations under the jurisdiction of the Georgia regulatory body.

Will overly generous management salaries be fattened by further dips into this interest windfall jackpot? Will fees of the utilities' lawyers be considerably increased? Will utility expense accounts, including liquor accounts, be even more liberalized? Will the American public be subject to even greater avalanches of private electric utility false propaganda?

Will these funds be used indirectly to sponsor private utility stooge candidates for elective office?

Mr. President, patterns of the past make it not too difficult to surmise what these private electric utility operators will do with any extra funds coming into their hands. But we know that the electric consumer will be left standing with his hat in his hands.

It is difficult to believe that in this age of great research and rapid communication any vested interest could have gotten away with so much without any general awakening on the part of the public. The principal reason is that electric consumers are not organized, but the power companies are. The only electric consumers in America that have a voice in their rates are those served by municipal systems, public utility and public power districts and the rural electric cooperatives. These nonprofit bodies are concerned with the consumers' interests because they are consumer controlled.

In view of the campaign of the National Association of Electric Companies denouncing alleged subsidies to Federal power projects and by implication, rural electric cooperatives, it is interesting to note that the interest-free loan arising from accelerated depreciation is equal to over one-third of all Rural Electrification Administration loans outstanding; and equal to over one-third of the cost of all power facilities of the Tennessee Valley Authority, Bureau of Reclamation projects, projects of the Corps of Engineers, Bonneville Power Administration, and the Southwestern Power Administration.

I wish to tell you, Mr. President, that I think this private utility monopoly gang have colossal gall ever to utter one word about subsidies, when they are the hoggish beneficiaries of tremendous subsidies in the form of tax amortization certificates and the financial benefit that flows therefrom.

REA borrowers pay 2 percent interest on their loans from the Federal Government, and the various Federal power projects pay or earn from 3 to 4.5 percent interest on their costs. The consumer-owned, publicly or cooperatively managed, interest-paying cooperatives, power districts, and Federal power agencies are discriminated against. They get no interest-free loans.

Mr. President, the Independent Party believes in democracy and in free enterprise. It does not believe in and will expose at every possible opportunity unregulated monopoly and unjustified subsidy.

The enormous subsidy granted private utility corporations under section 124A of the Internal Revenue Act—and now given the blessing of the FPC—must be stopped.

This form of hidden subsidy, which I think is inherent in this atomic-energy power bill now pending before the Senate, must be stopped. That is why, among other reasons, a group of us are taking the position that this bill shall not pass until we work out at least some reasonable compromises of the most glaring injustices in the bill.

We feel that we have a tremendous duty to the American people to insist that these hidden subsidies be taken out of this bill. That was one of the reasons why some hours ago I went into a discussion of a historic precedent as to what happened in the year 1913 in a conflict between the White House and the Congress over the Federal Reserve Bank Act. It was because I think we find there a lesson of procedure that we ought to follow here. We ought to make certain that the President of the United States really understands the dangerous provisions of this bill. I am going to continue to believe that if he really understood them, which he obviously showed in his press conference the other day he does not, he would agree with

us that at least some of the amendments we are insisting upon ought to be accepted as fair compromises by the proponents of this bill.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I will yield for a question.

Mr. GORE. Does not the Senator think the amendment offered by the senior Senator from Oklahoma [Mr. KERR], substituting the McMahon Act provisions with respect to compulsory patents, instead of the unwise provisions in the pending bill, was one of the most important amendments to be offered to this entire bill?

Mr. MORSE. I most certainly do. I think it should have been debated. I think it should have been thoroughly considered by the Senate, and I think it was most unfortunate and unfair for the majority to lay it on the table immediately after the Senator from Oklahoma had presented his case in support of it, when there were others that wanted to speak on its pros, and when those of us who favored the amendment thought that we at least ought to have been extended the courtesy of getting into the RECORD the objections of the opposition to the amendment if they have any objections that they could really put down in argumentative form.

I am inclined to think that regarding some of these amendments, such as that one, the opposition knows it cannot answer. So it follows the course of action of moving to lay on the table. In my judgment, that is going to hurt the opposition.

Mr. GORE. Is that consideration the kind of consideration the junior Senator from Oregon thinks this important legislation is entitled to have?

Mr. MORSE. It is not. It is not, and I do not think that it is a credit to the Senate to have that kind of a parliamentary process followed in the Senate. I think that the American people are entitled to have the proponents of this bill come forward and meet us on the merits of our arguments, by setting forth any countersuggestions or any rebuttal points that they might have in mind.

Now, Mr. President, if the Federal Power Commission and State regulatory commissions refuse to protect the electric consumer, who will or who can?

The rural electric cooperatives already live precariously surrounded by these great feudal monopolies. These cooperatives, tied in here and there with low-cost Federal power plus some public power districts and municipally owned plants, are the only yardstick by means of which some competitive force is brought to bear upon electric rates.

It is apparent from these data that the private power companies have received or will receive subsidies that dwarf any assistance either Federal or rural electric cooperative power has received over the years. These subsidies arise largely as a result of the failure of State utility commissions to regulate, and of the recent ruling of the Federal Power Commission on rapid amortization.

There is real doubt that the certificates of necessity granted to power companies should have been granted at all, as a matter of policy, in terms of section 124A as written—that is, that facilities covered by certificates should be facilities "necessary in the interest of national defense."

In this country, for many years, there has been what has amounted to a shortage of power or a dangerously low reserve of generating capacity in many, many areas. As long as such a situation prevails, it is difficult to understand why power companies should not have met the shortage by adequate expansion without Federal subsidy. It is difficult to conceive of an industry where expansion of capacity involves less risk than it does to the electric-power industry.

This not the case of a surplus; this is a case where there was a great shortage of supply, and the power companies could have sold their product, so to speak, just as rapidly as they could have got it off the generators. Here was no case, in my judgment, which met the purpose and the policy for the granting of certificates of necessity. This is not a case where business is being urged to build a defense plant, and is being offered an inducement for building it, on any theory that the plant would be worthless as soon as some emergency was over. There was no emergency which would have had the effect of destroying the value of these utility plants. To the contrary, the great demand for more and more power assured to the private utilities a good business and a good profit. It was not necessary for them to have had the assurance of a nice bonanza handout by way of the subsidy I have been discussing.

In the atomic-energy power bill there is the same availability of a hidden subsidy. All that is being done is to let the private utilities put their hands into the pockets of the American taxpayers and to take out the taxpayers' money legally. But it is larceny by law. That is what it is. In my judgment, it cannot be reconciled with political morality. It cannot be reconciled with statesmanship.

I am perfectly willing to be of help, through the Government, in legitimate subsidy programs, if it can be shown that the public interest requires it. There is no such showing in regard to the private utility plants. When it is seen what they do and the great savings which they make through interest, when it can be seen that 20 out of 21 State regulatory bodies—the State of Georgia being the only exception—hold that the savings on interest, as a result of the tax-amortization program, go to the utilities, and do not go to the consumers, one has a pretty clear idea as to what the private utility monopoly is up to.

Now we have the Federal Power Commission, as a result of the appointments of this administration, following the same line—with one dissenting opinion, that of Commissioner Doty.

I think it is most unfortunate that Congress sits idly by and allows this kind of exploitation of the rights of the American taxpayers to continue, without the passage of a general law, other than is on the books at present, which would provide for some regulation of the entire tax amortization plan.

I shall argue that point in connection with the bill, because I think here is one specific instance in which the situation can be remedied, just as I felt, when the tax bill was before the Senate not so long ago, that my amendment for the regulating of the accelerated depreciation allowance should be included. As I said then, I am willing to take the advice of the experts on the staff of the House committee, who estimated that in that tax bill the American taxpayers would lose $19 billion in 18 years, as the result of the accelerated depreciation allowance provided for in the bill. To me that is shocking. The depreciation allowance provision of the tax bill is so wide open, Mr. President, that one can buy an office lamp for any business office, and depreciate it at the accelerated rate. Let anyone justify that on the basis of necessity, from the standpoint of the public interest. Let anyone justify it on the basis of any fairness to the American taxpayer. You know who pays that bill, Mr. President. Not the people of this country who have high incomes, who go in for the depreciation allowance, but the little fellow, the little fellows, the consumers in America having low incomes, incomes of $7,500 a year or less. They are the ones who get caught in that bite. They are the ones who really are paying the tax, to give away, really, the taxpayers' money to people who have the ability to pay their taxes without the hidden subsidy. It it not so hidden in the tax bill—without the subsidy of an accelerated depreciation.

As I said during the tax debate, I repeat this morning: Is there no limit to the selfishness of the people who have the ability to pay? Must we place an inequitable and unfair burden upon the books of the people least able to pay? For that is what is being done under the tax bill as it left Senate. That is one of the reasons why I voted against it. I shall always be proud of the vote I cast against the tax bill. I shall always be proud that I was never a party to voting for a bill which does the injustices and places the inequities on the backs of the people least able to pay in this country, that that tax bill does.

Mr. President, a similar principle is involved in the pending bill. Again, there is the whole problem of hidden subsidy. We see greed, selfishness, and the private utility monopoly of this country trying to come in again, and to take advantage through law of the masses of the American people. That will not be done with my vote.

Something tells me that as the American people come to understand this problem, there will be some other people doing some of the voting in the Senate of the United States after November 1954.

Something tells me that once the American people come to understand the give-away features of the atomic electric power energy development program, as set forth in the bill, they will take advantage of that election to provide themselves with some new Senators and Representatives—and I wish them well; I intend to do what I can to help them to that end.

Mr. President, the demands of the electric power industry in recent decades have led to a doubling of capacity every 7 to 10 years, an almost incredible rate of expansion when carried on over a considerable period of time. As long as demand on the industry is growing at this rate, it is difficult to conceive of the industry's being threatened with excess capacity. And even if the industry did temporarily over-build its capacity, the regulatory commissions doubtless would rush through increases in rates to protect the investors in the industry.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. GORE. Does the junior Senator from Oregon agree that the atomic energy industry presents a situation different vitally from the ordinary situation with respect to other industries?

Mr. MORSE. Oh, I think so.

Mr. GORE. Will the Senator from Oregon agree with me that there are three—at least three—basic differences: First, the basic technology of the industry is a closely guarded secret by the Government.

Mr. MORSE. That is correct.

Mr. GORE. Second, the basic technology is a monopoly of the Government, with a few of its principal contractors under security discipline designed to exclude all outsiders from any knowledge of the techniques involved.

Mr. MORSE. That is correct.

Mr. GORE. Third, the entire technology of the industry has been subsidized, up to this point, by the people of the United States, through expenditures of billions of dollars of public funds.

Mr. MORSE. That is correct. I agree. My answer is, "Yes."

Mr. GORE. Mr. President, will the Senator further yield for a question?

Mr. MORSE. I yield for a question.

Mr. GORE. With those three basic factors applying to the atomic energy industry differing from those of any other industry, is it not a basic fallacy, then, to undertake to apply the patent law as it relates to normal industry, to economic interchange, where the forces of development and interplay have been for years in operation?

Mr. MORSE. I think so. That is why I supported the Humphrey amendment, which was laid on the table. That is why I felt that the Kerr amendment should have received some fair consideration. Where do we get the idea in this country—or put it this way—where do the private monopoly boys get the idea that when the Government foots the entire bill, and some member of its staff, working under a Government project, develops some particular device, he should be allowed a patent on the device which the Government has very clearly paid for? I do not know where that notion comes from.

Consider the scientists in the Bureau of Standards. They are constantly developing very important discoveries. They know that when they do it as a part of their governmental work, they will not get a patent on it.

Mr. GORE. What is the hurry to write laws which admittedly will not be used for 5 years? Why could we not wait until this program gets into operation, or at least into further development?

Mr. MORSE. I will tell the Senator why.

Mr. GORE. So that we could act in the light of knowledge instead of leaping into things?

Mr. MORSE. I will tell the Senator why.

As more of the private monopolies are financed in a cooperative program with the Government in the field of atomic energy, with all the risks having been assumed by the Federal Government, the private companies would not have a chance to lose a dollar, and they could not possibly lose a dollar.

They get in on the know-how. They discover a lot of secrets. They know that there is a rich field of harvest.

They seek to get a monopoly on the patents. They not only want a monopoly on the electric power generated, from the arrangement I discussed some hours ago on the floor of the Senate, but they want a monopoly on the secret processes they they have run into in this cooperative program of the Government and they want to control the processes through the patent system that they would then have advantage of.

Mr. GORE. Will the Senator yield?

Mr. MORSE. I simply say that we are stupid if we go on with it. Not only that, but we are derelict in our duty, in my judgment, if we do not fight them, and if we do not prevent that, the people back home want to make certain that we stay home the first chance that they have to render these decisions.

Mr. GORE. Will the Senator yield?

Mr. MORSE. I yield.

Mr. GORE. Is not this monopoly upon the know-how to which the junior Senator from Oregon referred been protected by these contractors with the Government by the strictest of security regulations and laws?

Mr. MORSE. Yes.

Mr. GORE. What other companies are allowed this information?

Mr. MORSE. None of them.

Mr. GORE. Then why must we open up the patenting door in order that the few companies that get the information in their hands would have an advantage over all other concerns to secure patents necessary to bring to the people the advantages of this vast new industry?

Mr. MORSE. It cannot be justified. That is one of the reasons why the patenting provisions of this bill should be written in the public interest. There is no justification for our giving this handout to a few favored utilities of this country and their personnel.

Mr. GORE. Why is it that throughout the day yesterday we were unable to secure consideration of the amendment to revise this unwise section of the bill?

Mr. MORSE. I just think we have the opposition at a very weak spot, and they cannot meet us on it, so they just move to lay it on the table.

I think the people will wake up to their strategy and are going to become aware of it.

I should like to thank the Senator from Tennessee for helping me point up this important matter on the objection to this bill.

Mr. GORE. Will the Senator yield further?

Mr. MORSE. I would be happy to yield for a question.

Mr. GORE. In this situation is it not correct that there are some basic guideposts upon which we should depend in the consideration of this bill, some basic goals?

Mr. MORSE. I think so.

Mr. GORE. Would one of those be the interests of the United States, in preserving from our enemies any technology which might fall into their hands which might jeopardize the national interest, be insured?

Mr. MORSE. That is clearly one of them.

Mr. GORE. Would this be another: To the extent that it is desired to open the atomic energy industry to exploitation by private enterprise that legislation must be adequate to neutralize monopolistic effects must be adequate to neutralize monopolistic effects of the preexisting control and to assist affirmatively outsiders who enter the industry?

Mr. MORSE. I think that is a very important one.

Mr. GORE. Does the Senator think the pending bill provides such protection?

Mr. MORSE. It certainly does not, and that is why we want to put the amendments on the patenting issue that we have been offering.

I do not think this bill even begins to be as good as the McMahon Act on this matter. I would settle for the McMahon Act or on the patenting issue as of now.

Mr. GORE. What is wrong with the McMahon Act provisions on patenting?

Mr. MORSE. That is what I would like to know.

Mr. GORE. Would the Senator concede that this would be a further guidepost or goal: Whatever fees are taxed against newcomers for the privilege of entering the industry shall not be permitted unjustly to enrich those whose experience and technology was gained at public expense?

Mr. MORSE. That is my point. That is why I brought out the Bureau of Standards example a few minutes ago. That is why we do not grant to those employees patent privileges.

Mr. GORE. Measured in the light of those goals and those standards, is not the pending bill woefully inadequate?

Mr. MORSE. Not only is it woefully inadequate, but it is a dangerous policy for us to adopt, and we ought to block that phase of the bill.

Mr. GORE. If we must give this away, could we not do that next month or next year? From reading Commissioner Morris' testimony in the record of this hearing, that we are not going to get reactors on the line in all probability, so far as the manufacturing basis is concerned, until 1965.

Will the Senator yield?

Mr. MORSE. I will yield for a question; yes.

Mr. GORE. Is there any provision of this law in the pending bill which would

change the security provisions concerning atomic energy and to open the door for other industries and other corporations to gain the knowledge and the know-how that these contractors already have?

Mr. MORSE. In my opinion, not.

Mr. GORE. In the interest of national security, I take it the junior Senator would not favor such relaxation.

Why must we open up the patenting door for those who not only have a monopoly already on the know-how, but would be guaranteed by the laws of the country from here on?

Mr. MORSE. We should not, as the Senator from Tennessee well knows, run into this danger, that once they get the patents, they can put them to sleep, as we say, in the patent law. The patents are simply stored away.

The Federal Government will need, unquestionably, all the advantages that it can get from new devices, and the Senator, and the rest of the taxpayers, will have to pay through the nose to get this patent out of storage, and into operation.

It is another way to increase the cost to the American taxpayer. It is another way of giving a bonanza handout to the people that run the private utility monopoly.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. GORE. Does the pending bill provide any protection against the national cartelization of the patent privileges which would be opened up by the pending bill?

Mr. MORSE. No, it does not; and I think that is one of the great dangers in this bill. I am very much worried about the possibility of cartelizing atomic energy developments. It must be watched, because I think there is stalking across the face of the earth, now, an interesting combination of monopolies that have branches in various countries, which leads to cartelization; and I think it is one of the serious dangers that confront us.

Mr. GORE. Will the Senator agree with the junior Senator from Tennessee that the bill is not only lacking in safeguards in that respect, but that, by operation of its provisions, it would invite such a development?

Mr. MORSE. That is correct. I agree with that. I agree with that.

Now, Mr. President, I want to go back to the point I was making before this very helpful interruption by the Senator from Tennessee, in which he enabled me to bring out for the record some of the great dangers of this bill from the standpoint of its patent provision. I want to go back to the point I was making, namely, that as far as granting these private utilities the benefits of accelerated depreciation and tax amortization certificates, you are not dealing, here, with a company or a group of companies that are faced with a surplus. There is no need here for a subsidy, because there is such a shortage of power that they sell every kilowatt-hour of it that they can get on the lines, and as fast as they can generate it. Thus, as I was saying, the attempts of the electric industry in recent decades have led to a doubling of capacity in from 7 to 10 years, an incredible rate of expansion carried on over a considerable period of time. As long as the demand on the industry is growing at this rate, it is difficult to conceive of the industry's being threatened with excess capacity; and, even if the industry were to temporarily overbid its capacity, the regulatory commissions would doubtless rush through increases in rates to protect investors in the industry.

Regulatory commisions, State and Federal, have a long history of being more concerned with the rate of return to capital than justice to the electric consumer.

One aspect of this subsidy to the private electric companies which is particularly disturbing is that it upsets a quarter of a century of the Federal power yardstick which has been developed to cope with inadequate regulation and the lack of free competition in the private electric power industry. In recent decades it has been a deliberate part of Federal policy to sponsor this type of yardstick—a yardstick with which to measure the fairness of private electric rates—by providing Federal generation facilities. It was felt that such Federal generation cooperating with nonprofit local retail distribution would give a fair measurement of electric power costs. Now, if we are going to hand out such staggering depreciation writeoff subsidies to private-power companies and exclude the Federal and local nonprofit bodies from such subsidies, the result can only be the development of a situation where the yardstick becomes ineffective in forcing some competition into this monopolistic industry. This can mean higher power rates to everybody in the Nation.

This crippling or destruction of the yardstick principle by extending subsidies to private power companies is even more serious in the face of the present administration's power policy. Under previous administrations even if the regulatory commissions, Federal and State, failed to perform their duties, the pressure of Federal-local competition, growing out of a true, not a phoney, Federal-local partnership of long standing would have tended to squeeze some of the subsidy benefits out of investors into the hands of consumers.

The present administration seems intent upon destroying the well-established and genuine Federal-local partnership, a partnership between Federal generation facilities and local public or cooperative nonprofit retail distribution facilities, and put in its place these dubious partnerships with local interests like that of the Idaho Power Co., and others that are equally anxious to destroy the people's public power yardstick. This abandonment of the genuine partnership with its yardstick concept, coupled with the loss of competitive pressure on power rates which is resulting, will doubtless lead to an increase in electric rates.

The new administration has what my colleague Senator SPARKMAN has termed the "reverse yardstick." The present administration seems determined to reduce the pressure on private power companies to cut costs and rates, and instead, increase the power rates of Federal projects and local nonprofit distributors. This policy is showing up all over. It is showing up in slashing funds for steam plants for TVA; it is showing up in the policy of slowdowns on existing projects and no new starts on Federal power projects in the Pacific Northwest; it is showing up in Interior's announcement that henceforth they will not firm up Federal hydropower to the optimum point—optimum in getting the cost of power down—but will instead turn over most of the secondary energy to the private power companies by firming up only to the average—or less than average—water year. This same reverse yardstick shows up in the attempt in the Missouri Basin to rob the farmers' cooperatives of their preference rights. It is showing up in the McKay 20-year Bonneville contract and in the rash of so-called "partnerships" bills of the Pacific Northwest, including those relating to the Cougar, Green Peter and John Day projects.

Last, but not least, this reverse yardstick is showing up in the manipulations of the costs of multiple purpose Federal projects—manipulations designed to increase the allocations of cost to power by many millions, thereby increasing the costs of power to consumers.

In other words, Mr. President, we appear at this time to have handed over a gigantic subsidy to the private power companies; the Federal Power Commission hands down a decision that gives no relief to the electric consumer and at the same time the Department of Interior and this Republican administration seem determined to manipulate the costs of Federal power to such an extent that the competitive influence of the Federal power yardstick will be destroyed.

Lest there be those here who think that the consumer is well off as long as the investor is fat, let me urge you to examine this whole power situation with great caution. This matter of power rates is not merely a matter of fairness, of justice to tens of millions of electric consumers; it is also a matter of national productivity, of national levels of living, and not least, of national security.

If by this process of sabotage of Federal power policy and subsidy to utility investors we bring about a return to the days when scarcity and high prices were the way of life in the electric industry, we also bring about a situation in which the use of this great energy source is not supplied in the quantities necessary even for the national defense.

Mr. GORE. Mr. President, will the junior Senator from Oregon yield?

Mr. MORSE. In a moment. Low costs, competitive-yardstick pressure, and abundance of electric power go hand-in-hand. The power policy of the present administration is designed to recreate the old monopolistic situation which prevailed prior to 1935. That situation if it can be recreated will result in a slow-down of growth in the use and development of electricity which may very well spell disaster for us in time of armed conflict.

I now yield to the Senator from Tennessee for a question only.

Mr. GORE. Would the Senator be enlightened by a brief reading from United States against General Electric Co., in which a case not unparalleled with the present development is brought to issue?

Mr. MORSE. Will the Senator pause for a moment? He has asked me a question. I am also aware of certain precedents in the parliamentary situation in which I find myself; and I would be delighted to hear the reading from that decision, but I would not want to hear it unless it would be understood before the Senator started reading the quotation, that there would not be an interpretation that I would lose my rights to the floor, if he reads the quotation, even though the quotation is the tail end of a question.

Mr. GORE. Would the Senator think it an undue trespass upon his time for me to read three sentences from this historic case?

Mr. MORSE. I would not think so, but I would not know what the Presiding Officer thinks.

The PRESIDING OFFICER (Mr. FERGUSON in the chair). The rule is that a Senator who has the floor can yield only for a question.

Mr. MORSE. I think that statement by the Presiding Officer indicates what the Presiding Officer thinks. If the Senator from Tennessee would like to have me read the part of the decision to which he has referred, and if he will bring the decision to my desk, I shall be glad to read it.

Mr. GORE. Will the Senator from Oregon read from page 771 of Federal Supplement 82, the first three sentences under "Introduction"?

Mr. MORSE. I shall be delighted to.

The incandescent lamp industry has its foundations in the invention of the carbon filament vacuum electric lamp by Thomas A. Edison in 1879. A number of companies were organized to exploit this invention, patented in 1880. In 1891, a consolidation of the Edison General Electric Co., Thomson-Houston Co. and the Thomson-Houston International Electric Co. resulted in the organization of the General Electric Co. By this consolidation General Electric obtained control of the basic Edison patents and until expiration of the patents had a virtual monopoly of the domestic supply in electric lamps. Upon expiration of the basic patents in 1894, General Electric entered into a cross-licensing patent agreement with Westinghouse and organized the Incandescent Lamp Manufacturers, an unincorporated association consisting of several independents who entered the field upon expiration of the Edison patents. In 1901, General Electric acquired a majority stock interest in the National Electric Lamp Co. which in turn obtained control of the Lamp Manufacturers Association. By 1911—

And here let me say to the Senator from Minnesota [Mr. THYE] that the suit he is wearing is a very good looking one.

Mr. THYE. I left you, sir, and I thought——

Mr. MORSE. Oh, I cannot listen to the Senator from Minnesota. I continue to read:

By 1911 National Electric controlled 18 subsidiaries engaged in the incandescent lamp industry. Although National Electric was an alter ego of General Electric, National Electric and its subsidiaries held themselves out to the public as competing establishments.

As a result of the cross-license agreement with Westinghouse and stock interest in National Electric, General Electric controlled approximately 80 percent of the incandescent lamp business by 1911, although the basic Edison patents had expired. The Government, in 1911, charged General Electric, Westinghouse, National Electric and its affiliates with violations of the Sherman Act. By a consent decree, National Electric was ordered dissolved and General Electric directed to acquire the assets of its subsidiaries to prevent the public from being misled as to the real nature of General Electric control (Ex. G 1). General Electric continued its 80 percent control of the industry so that the decree had no effect upon its dominance of it, but lamp manufacturers were enjoined by the decree from engaging in certain price fixing practices.

All I wish to say is that it is a very clear case of the way in which patents and patent licenses can be abused, and it is also a very interesting disclosure of how persons can get around the antitrust laws.

Mr. BUTLER. Mr. President, I see the Senator from Oregon is very chipper——

Mr. MORSE. Mr. President, I am not yielding to the Senator from Maryland, although I am very glad to have that comment from him; it is very kind of him.

Mr. GORE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield for a question.

Mr. GORE. Does not this case clearly show that by a patent on but the filament of the incandescent lamp, one industry for years and years and years took a toll upon every single light blub sold in America?

Mr. MORSE. That is what it shows.

Mr. GORE. Will the Senator from Oregon agree that it is possible to show that through the same little patent and the cartelization of the industry, this toll was placed upon the sales in many countries throughout the world?

Mr. MORSE That is correct.

Mr. GORE. Will the Senator agree that now—with the vast vistas of the future opening for atomic energy—we are laying ourselves liable to have many little patents fastened upon the bottlenecks that it is necessary to protect in order to make this energy available to the people?

Mr. MORSE. I quite agree with the Senator from Tennessee, and I wish to thank him for helping me point up this matter, because we should recognize the economic revolutionary character of the atomic-energy process. We ought to recognize, before it is too late, what that is going to do—as we develop it into an economic, commercial basis—to the whole economy of this country. And as Senators, we have the duty of protecting the interest of the masses of the people in this process. But the interest of the masses of the people in it will not be protected through the patent provisions of this bill.

Mr. GORE. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield for a question.

Mr. GORE. What protections of the antitrust laws are placed in the pending bill?

Mr. MORSE. I do not think any are.

Mr. GORE. What regulatory protections on electricity generated from atomic energy are included in the bill?

Mr. MORSE. I think the bill is a legal vacuum on that point.

Mr. GORE. A complete legal vacuum?

Mr. MORSE. Yes; I think it is a complete legal vacuum.

Mr. LANGER. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield for a question.

Mr. LANGER. As a matter of fact, does not the Senator from Oregon agree that there has not been a full and sufficient hearing before the Antimonopoly Subcommittee of the Judiciary Committee that is dealing with the question of patents?

Mr. MORSE. That is true, and I am glad the distinguished chairman of the Judiciary Committee has raised this point, because there are two things I wish to say to him and that I wish to say to the American people about him: The Senator from North Dakota [Mr. LANGER], who is the chairman of the Judiciary Committee, has been making a heroic attempt to conduct an effective antimonopoly investigation by the appropriate subcommittee of the Judiciary Committee. But the Senate of the United States has not given him the funds with which to do so. At the beginning of this session I thought we really had, in effect, gotten approximately $75,000, as I recall, for this particular antimonopoly investigation. But I have discovered that the committee did not get the money.

I wish to say that the Senator from North Dakota has been carrying on in a magnificent way with no funds, as I understand it, for his antimonopoly investigation. He has been carrying on with staff personnel that really are on his office payroll, although they should be on the payroll of the subcommittee of the Judiciary Committee, in order to protect the interests of the people in this antimonopoly investigation.

The Senator from North Dakota has, under these great restrictions, already produced some very important results for the benefit of the American people, in the antimonopoly investigation he has already conducted in the field of power—for example, in pointing to what is happening in that field on the part of the private utilities, in trying to grab at the natural resources of the country belonging to all the people.

I wish to say that the Senate has a great deal to answer for, in that it has not given to this distinguished fighter, the chairman of the Judiciary Committee, and the known opponent of monopoly in this country, the funds to enable him to conduct the kind of hearing that is needed.

In the next few months the American people should be told what happened at this session, from the standpoint of freezing out the chairman of the Judiciary Committee, as regards not giving him the funds he should have had in order to conduct the investigation.

We sit here on the floor of the Senate and vote the appropriations of thousands upon thousands upon thousands of dollars for other investigations, but not 1 cent to protect the American people from the creeping monopolistic control that is taking over large segments of the economy of the country.

I desire to congratulate the Senator from North Dakota [Mr. LANGER] for what he has accomplished without any funds. But I wish to say that I deplore the fact that he has not received the funds he ought to have received.

Mr. LANGER. Mr. President, will the Senator from Oregon yield at this point?

Mr. MORSE. I yield.

Mr. LANGER. I thank the distinguished Senator from Oregon for the good things he has said. But, Mr. President, you know, the Senator from North Dakota has a good sense of humor, and he has been very much amused at the action of those in control of the Senate in not giving our committee any funds for the antimonopoly investigation. I have watched them appropriate money for a score of other things; and, as I say, I have listened with amusement to the excuses they have given for not giving us the small sum of money we asked for, after it was unanimously approved by and reported by the Judiciary Committee to the Senate.

I wish to ask my friend, the Senator from Oregon, a question.

Mr. MORSE. Very well; I yield for a question.

Mr. LANGER. Does not the Senator from Oregon believe that, of the work done by this antimonopoly subcommittee, the first portion, and one that will stand out for years to come, has been the subcommittee's investigation of the Dixon-Yates contract, in the course of which the subcommittee dragged the contract out into the broad light of day?

Mr. MORSE. I think the job the committee did was of great service to the American people.

In connection with the Dixon-Yates contract, the subcommittee pointed out that there had been no competition. For example, the subcommittee pointed out that the Dixon-Yates group did not even know in the first instance that the contract was being handed to them on a silver platter, or a gold platter—in fact, I should say it was a subsidy platter.

The Senator from North Dakota [Mr. LANGER] has done an outstanding service to the American people, in pointing to what went on behind the scenes in connection with the Dixon-Yates contract.

CONGRESS MUST BE VIGILANT

Mr. President, we must be ever on the alert to make certain beyond a question of a doubt that Congress and the citizens of our Nation are fully aware of the implications of the emergency rapid tax-amortization program, about which I have been speaking most of the time for the past few hours.

We pay a price for this program because we believe we have to do so in the interest of national defense. Are we sure, however, that the price is not too high? Are there not equally good, or better, alternatives?

These questions should be explored by Congress. There have been investigations on the subject in recent years, and I think these investigations have turned up some highly important facts. Such investigations should continue.

The subject of depreciation allowances in the field of Federal income taxation, particularly as it applies to the giant corporations in our country, is assuming proportions that may have extremely adverse effects upon our efforts to bring the national budget into balance.

On July 1 of this year the Senate turned down an amendment to the internal revenue revision bill, H. R. 8300, which permitted the double-rate declining balance depreciation allowances contained in that bill. I pointed out in the Senate during our debate on the amendment that the double-rate depreciation plan promises billions of dollars in lost income to the Treasury. If the double-rate formula becomes law, and it has every promise of doing so, we will have rapid depreciation for both emergency and nonemergency facilities in our tax statutes.

We know that these depreciation plans can reap huge financial benefits for big business. They represent the New Look in free enterprise—enterprise for free. Congress and the American people should take another look at this New Look in depreciation formulas.

Mr. President, I close this part of my speech by pointing out that I think it is of utmost importance that we eliminate the hidden subsidies that are found in this bill. One of the first things we should do is to work for amendments which will write into the bill restrictions in regard to tax amortization subsidy handouts; and, second, we ought to get to work on a general law that governs the whole matter of depreciation.

I want to say a few words, Mr. President, on the subject of Administration Power Policies versus Fifty Years of Experience.

The atomic energy bill which has been proposed is to a very large extent an electric power policy bill.

It opens the atomic field to private interests. This means it opens the field to the handful of big corporations which have some know-how about the atom, a select group which has had development contracts with the AEC or can get them. It provides for licensing commercial atomic projects upon clearance by the Atomic Energy Commission and a showing that the applicant will handle leased nuclear material to protect the public from explosions or radiation. As introduced it limits the AEC activity in the electric-power field to sale of byproduct power which may be produced incidentally to other than power projects.

The bill as introduced provided no safeguards of the public interest in power resources in the licensing of use of publicly-owned nuclear materials for commercial electric powerplants.

The determination demonstrated by Senators opposing the bill has resulted in two great victories—the adoption of the Johnson and Gillette amendments, which I supported.

Unfortunately other safeguards, which are the subject of amendments which will come before the Senate before final action on the bill, were rejected by a majority of the joint committee.

The Humphrey amendments providing for notice and a degree of preference to public bodies and cooperatives in the issuance of licenses for atomic powerplants also represent great gains for those in the Senate who seek to preserve the hard-won gains of 50 years of Federal power policy.

However, these are not final victories. In this Congress amendments have been won on the Senate floor that were lost in conference, and I understand that an amendment similar to the Johnson amendment was defeated in the House yesterday.

The Hill oil-for-education amendment is the most heartbreaking example. The conference report on the tax bill is another instance. The authorization of funds for John Day Dam planning is another. The roll call is a sad one.

A majority of the Senate conferees who oppose the Johnson amendment in committee, I am afraid, might result in the loss of that amendment in conference. We could lose in conference these hard-won safeguards.

This speech is concerned with relating the problems of atomic electric power to the overall power policies of the administration which would turn back the clock 50 years.

This speech is in the nature of a warning to the American people—and to the administration. There is a group of us in the Senate determined to correct the injustices of this bill before it passes.

We have seen too much damage done to sound Federal power policy by administrative order. We have seen negative actions by failure to request appropriations and to provide funds for power development.

We do not intend to see the do-nothing, scuttling policy go a step further if we can prevent it.

Nuclear materials are, and under the bill would remain, public property. They have been produced at a cost of billions of dollars to the taxpayers of the Nation. Public research has made atomic energy possible. Great tax-supported plants have produced all the materials and technology we have. Nuclear materials are as much a part of the public domain as hydroelectric-power sites.

If the measure that has been proposed is enacted in its original form, we will create a situation in relation to atomic-power resources like that which prevailed with respect to hydroelectric-power resources 60 years ago, in the 19th century.

Until the year 1901 our country had no safeguards whatever around the people's hydroelectric resources. Anyone could go into the public domain and homestead or acquire a hydroelectric site formerly belonging to the people of the Nation without any limitation or safeguard of the public interest. They had no obligation whatever to make the power sites productive, to develop them for their best use, to submit to regulation on a net-investment basis, or anything else. Power sites, even on

navigable streams, were similarly unprotected.

The Congress in 1901 passed an act requiring that licenses be obtained to use the publicly owned hydroelectric resources from the Secretary of the Interior, and further provided for the revocation of such licenses at the discretion of the Secretary of the Interior.

The House Lands Committee in 1916, reviewing early neglect of the public's resources, declared that, "as we look back on this procedure, it seems like criminal neglect."

The early situation in regard to the public hydropower potentialities was a situation that developed gradually as a consequence of the harnessing of electricity. Realization of the great potential social and economic effect of electric energy on our lives came slowly. When its potentialities were realized by the Congress, safeguards were provided including recapture, then the preference clause, and other provisions, which were codified in the Federal Power Act of 1920.

Today we are faced by a challenge like that which confronted the Congress of 1901. There is a realization that the public owns a new resource of enormous energy potential. There are needed safeguards to assure that its use will be in the public interest; that abundant low-cost energy will flow from it, and that the people's own resource will not be used to fasten monopoly upon our society or be used as a vehicle of predatory interests to exploit the people.

It was proposed in the atomic-energy bill, as reported, not that we take advantage of a half century of experience with hydroelectric-resource management in the public interest and extend long-established safeguards to nuclear energy, but that we make atomic materials available to a few big commercial interests without safeguards.

If we enact this bill without historic safeguards, we will be putting the public's great nuclear resources out on the counter and giving them away, and it would be a giveaway that makes all other giveaways in all history—including the record giveaways by this administration and Congress—look puny, paltry, and picayune.

The energy potential of the atom probably exceeds the energy potential of all hydro resources, all petroleum, all coal, all fuel resources on the outer crust of this planet which we inhabit.

Very basic public policy matters are involved. The people of the Nation have not been made aware of their nature until the last few days. There has never been a report of the social, economic, and political significance of impending commercial developments of the atom to help create public understanding, as provided under section 7 (b) of the McMahon Act.

The steamroller fashion in which this bill was scheduled for debate has required a band of Senators to buy time for study and consideration of the measure by the Senate and the public with their voices and determination.

This bill is of such historic importance that our efforts are the minimum required by conscience.

THE POWER ISSUE TODAY

The Nation stands at one of the vital crossroads of its history. We are engaged in a colossal struggle to block private monopoly domination of electric power, which is also a struggle to preserve democratic control of political power.

If we protect the resource development road marked out by the Tennessee Valley Authority, the Bonneville Power Administration, the Missouri Valley development, and the other river basin and regional programs initiated during the last 20 years, the end will be the fulfillment of democratic freedom, economic as well as political, enjoyed in thriving regions.

That road leads to low electric rates for homes and farms, low-cost power to expand existing industries and to encourage new industries, wider markets for electric facilities and appliances, more prosperous agriculture, fuller employment—in short, all that is required for a healthy expanding economy in a democratic society.

But if we follow the road down which the Eisenhower administration is leading, with Purcell Smith and his power company executives and propagandists setting the signposts, the end of the road will be subservience to a gigantic energy monopoly, a colossus of great magnitude, which could dominate our entire way of life, political and economic.

If the country is compelled to follow that false road by the subtle manipulation of the public mind by all the techniques and instruments of propaganda, it will mean high electric rates, instead of low rates, for homes and farms; it will mean high-cost power cramping expansion of existing industries and discouraging the starting of new industries in which electric power is of predominant importance; it will mean restricted markets for both agricultural and industrial products. In short, it will mean a halting economy.

We, as a people, face the choice between these two roads. The choice is being forced upon us today by every new development in the power-company strategy which a Republican administration has chosen to carry out.

For tens of millions of voters throughout the great river valleys, the hypnotism of the Power Trust advertising, its radio and television programs, its slogans, is wearing off. They are recognizing anew the effects of cheap, yardstick electric power upon their regional development programs, upon their municipal electric plants, upon their rural electric cooperatives, upon their very livelihood. The people are beginning to hear disturbing echoes of the boasting of the hucksters, hired by the millions of dollars taken from rate payers' pockets, telling them that taking the Federal Government out of the power business is only their first objective.

The end which would result is private monopoly of the electric-power business, with the fine municipal and rural electric cooperatives, which have played such a part in lowering electric rates and bringing electricity to the farms, slowly strangled out of existence.

The people are rediscovering that there is no contradiction between public power and vigorous free enterprise. They see that across the border in Canada, the Province of Ontario, with the longest and most successful record of public power, is the province with the best record of expanding private enterprise.

They are relearning an old lesson that public power, like public roads and public postal service, becomes necessary to rising living standards and an expanding full employment economy. The public-power yardstick is needed to prevent private utility monopoly.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. LANGER. Is it not a fact that that is true in the Province of Saskatchewan, as well as in the Province of Ontario?

Mr. MORSE. It is.

Mr. LANGER. And that Saskatchewan is doing an even better job?

Mr. MORSE. It is.

They are relearning the lessons taught by Theodore Roosevelt that they cannot be politically free where a vast publicly franchised industry, reaching into every community, into every home, use the vast resources collected from the people in attempts to dictate the policies of Government, to infiltrate their communities, to bore into their very minds with a continuous flow of propaganda.

The power issue should be bipartisan. And it used to be bipartisan over the long period from the administration of President Theodore Roosevelt to the battles led by the great Senator from Nebraska, George Norris, before and after the arrival of the New Deal.

But the issue has now lost its bipartisan character. The Republican administration now dances to the private utility tune. It proudly claims credit for legislation authorizing the St. Lawrence project. It was done at the cost of turning over the potential of the St. Lawrence power project indirectly, but nevertheless effectively, to the private utilities.

Yes; I believe a great reaction is setting in against the power lobby and in the direction of public power, supporting the establishment of Federal interregional power grids based on great concentrations of generating capacity, using every available type of energy resource: hydro, coal, lignite, oil, gas, atomic energy, to provide the lowest cost power supply in the world as a basis for the American economy. There may be temporary setbacks and compromises, delaying actions, until the full impact of what is happening has aroused public opinion to move forward again. But, when that occurs, the temporary threat to tear apart the unity of the Columbia Basin program through turning over the great Hells Canyon site to a less comprehensive private development, and all the new so-called partnership proposals which the administration's policy is fostering in that greatest of all power streams, are going to be swept aside by a demand by the people of the Pacific Northwest for a continuation of the unified Federal program under that form of regional administration that the people choose.

THE STAKE IN THE COLUMBIA BASIN

The Federal Power Commission has estimated that the Columbia Basin will ultimately provide the Pacific Northwest with at least 32 million kilowatts of hydroelectric capacity, capable of supplying some 150 million kilowatt-hours a year. But that estimate is based on the assumption of a comprehensive Federal program of multipurpose projects using all feasible conservation storage rendered economical by low Federal fixed charges. The potential of 32 million kilowatts must be compared with the present capacity of about 4 million kilowatts now in operation in the Columbia Basin.

The Federal Power Commission has been told in the course of its hearings on Hells Canyon that the effect of a decision to license the Idaho Power Co. plan for partial development, if extended to other sites, might easily cut the potential capacity available to the region from that great Columbia river in half. That is the danger of this administration's program.

I predict that the people are not going to accept an EBASCO Valley Authority, ruled by the remnants of the holding company empire, as a substitute for a Federal program for the comprehensive development of the Columbia Basin for navigation, irrigation, flood control, recreation, and hydroelectric power, with all that such a program has proved capable of doing for a region.

I will come back to pay my respects to the Eisenhower administration's scuttling of the true Federal-local partnership in the field of power. But first I want to get the entire situation in focus so that we can see just how the administration forces are carrying out the power company strategy, how they are succeeding and what we must do here in the Senate to turn back the attack on one of the foundation stones of a healthy American economy, capable of meeting the needs of the next generation and the many generations to follow for hundreds of years to come.

As the American people learn about this bill, and they are learning about it because of this debate, they will insist that this vast new energy resource be brought within the Federal power policy which began in the days of Teddy Roosevelt with the Reclamation Act of 1906, and expanded to include the Federal Power Act of 1920, the 1928 resolution starting the Corps of Engineers making comprehensive studies—308 reports—of all the rivers of the country, the TVA Act, the REA Act, the flood control acts, the Bonneville Act, and all the other laws designed to assure low-cost power for the people.

And this brings me to the beginning of my canvas of the power issue as it stands today, to the exposure of the administration's negative, destructive intent. For President Eisenhower's readiness to use the Atomic Energy Commission from the all-important purposes for which it was created to an instrument for containment and ultimate destruction of the TVA, is the clearest evidence we have had of the lengths to which the administration is willing to go in its efforts to carry out the power trust campaign against all public and cooperative power systems.

President Eisenhower, as candidate Eisenhower, pledged that TVA, the great regional agency that has built a new and expanded life, not only into its own valley but into the entire South, pledged that if elected "TVA will be operated and maintained at maximum efficiency." That was the pledge.

But the power-trust backers had other ideas. And the appropriation hearings in the House on the TVA budget requests for the 1954 and 1955 fiscal years brought to light their strategy. In simple terms, it is to ring the TVA with great private steam-electric stations. Then, by cutting off all appropriations for additional TVA generating capacity, the way could be opened for the surrounding private-power companies to raid the TVA territory, eventually destroying its control of its own business.

The Appropriations Committee hearings brought to light the fact that, as a substitute for the TVA 600,000-kilowatt steam plant proposed to meet the expanding needs of its municipal and rural cooperative power customers in 1957, the Mississippi Power & Light Co., the Southern Co., the Appalachian Power Co. offered to provide the necessary supplies from the Southwest, the Southeast, and the Northeast boundaries of TVA. The plants built by combinations of private-power companies to meet part of the Atomic Energy Commission's needs in the Portsmouth, Ohio, and Paducah, Ky., areas, are potential suppliers to the Northeast, should the AEC demand fall off.

So TVA was given no money for its needed Fulton steam-electric station. Then President Eisenhower proposed consideration of reducing demands on the TVA power system by reducing AEC of a portion of the power which the TVA was under contract to supply from its huge Shawnee steam station near Paducah, buying the necessary power to replace it from the private-power combination.

This looked like an unsound proposition, because the Shawnee plant is located in terms of the expanding non-AEC needs of the TVA system. And then it began to come out that, under administration pressure, the AEC was considering entering into a contract for the construction by a group of companies of the south and west of TVA of a 600,000 kilowatt plant to take the place of the TVA Fulton plant. Recently, as a result of hearings before the Joint Committee on Atomic Energy, the entire sordid story to begin the liquidation of TVA has come to light.

In simple terms it is this. As a substitute for investing $100 million over the next 3 years in a self-liquidating TVA powerplant, the AEC would contract to buy power from a proposed private plant built by the combined Middle South and Southern holding company groups, the plant to be located near West Memphis, Ark. This would be power that the AEC does not need. So it would reach an agreement with the TVA to take the power and allow the AEC to continue to take the equivalent power from TVA's Shawnee plant—which it is already entitled to under contract.

The result would cost the AEC from $90 million to $140 million more during the 25-year contract than it would cost to buy the power from TVA as at present it is entitled to do. And at the end, the private companies would keep the powerplant, even after all the investment has been paid off by the Government.

The fact that the Bureau of the Budget has been the driving force behind this deal and that, when the AEC balked at taking responsibility for such an improvident performance, the Bureau secured a Presidential directive to the AEC to sign the contract, reveals the extent to which an administration which puts itself forward as representative of the entire American people has become an instrument for the execution of power trust strategy.

The people understand what has happened and they do not like it.

The proposed AEC private monopoly deal to put the squeeze on TVA was too much for the stomachs of a majority of the Commission until President Eisenhower cracked the whip. Two of them frankly told the Bureau of the Budget, which means the President, that it was an awkward way of doing what the AEC had no business doing—buying power which it does not need; paying more for that power than is necessary for it to pay. Even the Acting Chief of the General Accounting Office, watchdog for keeping Federal expenditures within the law, doubted whether it could be legally done except under the President's war powers.

This notorious AEC-Dixon-Yates contract, as it has come to be known, is just one of the engagements in the all-out war which the power trust is carrying on against the people's power policy in its entirety. And let us not kid ourselves.

If their multiple offensive succeeds in stamping out the power program which, in a 20-year period, has brought the greatest reductions in the cost of electricity and the most stupendous expansion in the use of electricity in the history of our country, I am willing to predict that within a very few years the annual tribute paid by the American people will be running at the rate of hundreds of millions of dollars.

That is a conservative estimate of the tribute the power trust will be able to levy on homes and farms and small businesses once they achieve their goal of power dictatorship.

President Theodore Roosevelt and Gov. Clifford Pinchot, of Pennsylvania, great partner of Teddy Roosevelt in starting the conservation movement, and former Senator George Norris, joint author of the TVA and REA Acts, warned and warned again that the private electric-power monopoly, if it got in the saddle, would prove the most gigantic monopoly ever to fasten itself on the American people.

The course which this administration is following is fostering the establishment of that gigantic private monopoly as the dominant factor in our economy.

This holds great peril for our free, political institutions as well as the kind

of free, competitive enterprise which is an indispensable part of our way of life.

I want to review just how this all-out attack on the people's right to choose how they will be supplied with electric power is being carried out—from Niagara Falls to Hells Canyon—from Bonneville to Central Valley—from the Missouri Basin and the region drained by the Arkansas-White-Red River combination, in the Southwest, to Georgia in the Southeast—from the Tennessee Valley back again to the St. Lawrence, natural partner of Niagara in providing low-cost electricity to the entire Northeast, where low-cost electricity does not exist.

A most significant part in the entire picture is the fact that, while the Republican administration is creating the opportunity for strangulation by abdicating Federal responsibility, groups of private companies are moving in by regions upon their prey. These regional private combines may well prove the way in which monopoly moves to get around the limitations on holding companies and fasten an even firmer grip on the power business of the Nation.

In the Niagara battle, five power companies—the Niagara Mohawk Power Corp., the Rochester Gas & Electric Co., the New York State Electric & Gas Corp., the Central Hudson Gas & Electric Co., and the Consolidated Edison Co.—have formed a combine to undertake the mighty Niagara redevelopment if they can get the Capehart-Dondero bill through Congress. Here is a combine which practically blankets New York State with its 5 million electric customers.

In the TVA battle, the administration has offered the first chance to take over a part of the responsibility for the valley's growing needs, to a combination of the remains of two holding-company groups. These allies in the raid, if the administration-sponsored AEC double deal goes through, will be—

First. The Middle South Utilities, Inc., once famous as Harvey Couch's branch of the Electric Bond & Share Holding Co.; and

Second. The Southern Co., also well known as the southern branch of the Commonwealth & Southern Corp.

These two new holding-company groups, which are in on the double-dealing attack on the integrity of TVA, include the following private power companies, which surround the valley on the south and west: Georgia Power Co., Alabama Power Co., Gulf Power Co., Birmingham Electric Co., Mississippi Power Co., Mississippi Power & Light Co., Louisiana Power & Light Co., New Orleans Public Service Co., and Arkansas Power & Light Co.

To the north of the Tennessee Valley is another such holding-company group which has also indicated an interest in taking over a part of TVA's responsibility for future power supply. This is the American Gas & Electric Co. group, including: Appalachian Power Co., Ohio Power Co., Indiana & Michigan Power Co., Kanawha Valley Power Co., Kentucky & West Virginia Power Co., Kingsport Utilities, Inc., and Wheeling Electric Co.

All three holding-company groups, although the stimulus of TVA competition has brought many of them an increase in stockholders' earnings far above the countrywide average, are eager to play their part in raising power costs and rates throughout the TVA area. They want to get rid of the yardstick which has proven such a blessing to all the people of the Nation. The administration's reversal of Federal power policy is designed to help them.

Altogether, these private power combines, operating in the States of Georgia, Alabama, Mississippi, Louisiana, Arkansas, Kentucky, Ohio, West Virginia, and Virginia, effectively ring the TVA with powerful systems ready to move in and conquer the most effective instrument yet created by the people to check the restrictive influence of monopoly in this vital energy field.

In the Pacific Northwest the administration has opened the way for the rejuvenation of another important holding-company combination to move in on the greatest waterpower resource in the Nation, and perhaps the world, the Columbia River Basin, in my home area. Here, with a sound multipurpose program, the people of the region and the Nation have an energy resource capable of providing well over 30 million kilowatts of hydroelectric generating capacity producing annually well over 150 billion kilowatt-hours of electricity.

What a prize for a rejuvenated holding company to carry off.

The combination poised to infiltrate and ultimately take over the people's huge Columbia Basin program again carries the Electric Bond & Share holding-company banner, a revival of the original American Power & Light subholding company corresponding with the Electric Power & Light subholding company in the Southwest. This group is composed of the Washington Water Power Co., Montana Power Co., Mountain States Power Co., Pacific Power & Light Co., and Portland General Electric Co.

These five private power companies have federated to set up the Pacific Northwest Power Co., with a charter which is broad enough to enable it to take over the entire Bonneville Power Administration Federal transmission grid, lock, stock, and barrel, as well as the reimbursable power features of all water resources projects in the Federal comprehensive basin program—past, present, and future. They are out to establish a private EBASCO "Valley Authority."

Closely associated with this regional private power combine, and prospective members, are the Idaho Power Co., and the Utah Power & Light Co., also former Electric Bond & Share subsidiaries. Furthermore, the Washington Water Power Co. is trying to bring about a merger with the Puget Sound Power & Light Co., former Stone & Webster subsidiary, serving the northwestern portion of the State of Washington in the general area surrounding two of the country's outstanding municipal power systems—those of Seattle and Tacoma.

It is a very interesting containment device. It is a very interesting tactic with which to surround the enemy, because they look upon public power developments as their enemy, when, in fact, they are great servants of the American people. Here, Mr. President, we have these great public-power projects providing the American people with a public-power yardstick with which to check upon the monopolistic practices of the selfish private utility combines. These combines, nevertheless, are out to surround the enemy—that is, in their eyes, their enemy—and we are going to see, under this administration, if we do not stop it cold in its tracks, a squeeze play on public-power projects and agencies.

A group of public utility districts have already negotiated a deal to deprive the Puget Sound system, but the private power companies are using every device—financial, political; and I emphasize political, and litigious—to prevent its consummation and to substitute a private power merger.

Now, I want to go on to show how the Republican administration is aiding and abetting these private power combines in the Northwest as well as in other parts of the country—how it is going back on legitimate Federal responsibility to further the design of this combine against all public and cooperative power systems.

Behind the scenes, quietly operating in many sectors of the private power attack on the people's power program, is EBASCO, the original engineering and management organization of Electric Bond and Share. EBASCO is busy in the Pacific Northwest attacking public power. EBASCO was originally in charge of the construction of the big EEI—Electric Energy, Inc.—steam plant being built for the Atomic Energy Commission by a group of private power companies at Joppa, Ill. Its inefficiency and failure to keep on schedule there is a matter of public record. EBASCO has been handling the technical aspects of the AEC-Dixon-Yates deal to build a private substitute for the TVA's proposed Fulton steam station near Memphis.

Private power monopoly has quite a bit to say about the people's power program being creeping socialism. But I warn the Senate today that the real threat to the people lies in the fact that this administration's reversal of power policy is opening the way to a plague of creepers—the private power company abuses of the Insull holding company era, which were exposed by the historic Federal Trade Commission investigation of private utilities. If this plague of Power Trust creepers is not halted, it will soon be found that those abuses were only temporarily controlled by the power and regulatory legislation which created the Securities and Exchange Commission and gave wider jurisdiction to the Federal Power Commission in the 1930s.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question only.

Mr. HILL. Is not EBASCO, to which the Senator refers, the same concern that made such a fiasco of the building of the Joppa plant?

Mr. MORSE. That is correct. I pointed that out, in the absence of the Senator.

Mr. HILL. Did not the cost of that plant amount to approximately $58 million over and above the estimates?

Mr. MORSE. That is correct; and it, of course, involved the tremendous waste and inefficiency which characterize that kind of operation, when they are pretty sure that they can get a handout from the public treasury that will take care of the waste.

Mr. HILL. Is it not true that the taxpayers will be paying that $58 million, and profits on the $58 million for some 25 or 30 years?

Mr. MORSE. Yes; and when they get all through, of course, the private utility will own the project, whereas, if we had a public power program here, the project would be owned by the taxpayers, and it would return to the United States Treasury, during its lifetime, many times its cost.

Mr. HILL. Mr. President, will the Senator yield for another question?

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not the same basic idea that is tied right in with a part of the Dixon-Yates proposal?

Mr. MORSE. They are brothers in the blood; and, believe me, they are draining the taxpayers' blood, too.

Mr. President, I have come to the end of a section of this speech, and there are just two things I want to do before I yield the floor, because I am going to yield it, shortly. I am yielding it, again, under the instructions, orders, and requests of my captains, although I would be perfectly willing to go on quite indefinitely. They tell me that they have so many other Senators who want to do their stints and who want to present their particular point of view on this matter, that, being the good soldier that I am, in the rear ranks, I am going to yield to these two great captains of mine, whom I now promote again to generals—General HILL and General GORE.

The PRESIDING OFFICER. The Chair would remind the Senator that he cannot yield to any particular person, even though he may think they are generals.

Mr. MORSE. The Chair misunderstood me. I was just going to take their orders, that is all—take their orders, not yield to them. That is quite a difference.

The PRESIDING OFFICER. The Chair reminds the Senator that he cannot take the orders and compel the Senate to adopt them.

Mr. MORSE. Oh, no; but surely I can carry out the orders and have the Senate listen to me, and that is all I am doing.

I hope eventually to succeed in getting a little clearer insight into the dangers of the bill, on the part of those of my colleagues who have been supporting the bill.

Mr. President, in closing I wish to obtain permission to add to the telegrams I inserted in the RECORD earlier in my speech, some additional telegrams that have come in, which have been carefully checked, and regarding which I give my word—just as I did earlier, when it was accepted by the Senator from Arizona [Mr. GOLDWATER], namely, that none of the telegrams are in violation of any Senate rule.

So, Mr. President, I ask unanimous consent to have the telegrams printed in the RECORD, in addition to the other telegrams I have already submitted for the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Perseverance in your fight to prevent the dissipation of TVA.

The E. R. WILLIAMS,
C. O. WILLIAMS,
N. G. ASHMORES,
D. L. ASHMORES,
B. W. CROWS, *and*
K. W. CROWS.

PORTLAND, OREG., *July 24, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

I am opposed to filibusters in general. Yours is exception which proves rule. More power to you and to the people.

FRANCIS A. STATEN.

PORTLAND, OREG., *July 24, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

You are doing the right thing for taxpayers.

Good luck.

JOE REINIKKA.

PORTLAND, OREG., *July 24, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

You are doing a good job.

EARL ANDERSON.
ASTORIA, OREG.

PORTLAND, OREG., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Keep awake, keep us awake. More power for the people.

MILDRED BERGSTROM.

PORTLAND, OREG., *July 24, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Congratulations on your courageous efforts. We are solidly behind you.

Mr. and Mrs. W. LEE FOUST.

PORTLAND, OREG., *July 23, 1954.*
Senator MORSE,
Senate Office Building,
Washington, D. C.:

Congratulations for your fight against another giveaway.

Mr. and Mrs. THOMAS C. CORRIE.

SALEM, OREG., *July 23, 1954.*
Hon. WAYNE MORSE,
United States Senate,
Washington, D. C.:

Congratulations to you and colleagues on great fight to safeguard people's lives in atomic energy. This giveaway to private interests, if it succeeds, will be worst yet perpetrated by this administration. Keep debate going to November, if necessary, until people have chance to learn facts and elect new Congress. Regards.

ARTHUR H. BONE,
Editor, Oregon Farmer Union.

MILWAUKEE, WIS., *July 23, 1954.*
Senator WAYNE L. MORSE,
Senate Office Building,
Washington, D. C.:

Keep up the fight to protect the public rights in atomic energy development.

FRANK P. ZEIDLER,
Mayor.

TACOMA, WASH., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Keep up good work; we are watching. Don't let the administration turn the TVA over to the private atomic-energy forces.

THE COUNTY COUNCIL OF THE
WASHINGTON PENSION UNION.
STELLA RICHTER,
Secretary-Treasurer.

MUSKEGON, MICH., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Building, Washington, D. C.:

I suppose that many times the fight of the angles must seem a lonely and losing one. However, there are many Americans who believe as you do that the American public as a whole should benefit from the development of atomic power rather than a few private companies.

Congratulations.

ARTHUR OLEINICK.

PITTSBURGH, PA., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Congratulations on your undaunted efforts to protect the interest of the people. Sorry we don't live in Oregon.

Dr. and Mrs. HOWARD B. FINKELHOR.

DALLAS, TEX., *July 23, 1954.*
Senator WAYNE MORSE,
Washington, D. C.:

We just saw you on television, realized your valiant stand. Know your speeches will mean nothing to some but to us as true Americans, may I add, Democrats, you cannot give away our country to some private corporations that will take our future progress from us. You and your fine colleagues continue on in opposition to this giveaway bill.

Mr. and Mrs. ARCH STIENER.

BOISE, IDAHO, *July 23, 1954.*
Hon. WAYNE MORSE,
United States Senator from Oregon,
Washington, D. C.:

More power to you in your atomic energy fight. Win we must.

RALPH CUPPERNULL.

SALT LAKE CITY, UTAH, *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

Intermountain States machinist conference in session Salt Lake City, Utah, congratulation on your fight to stop atomic energy giveaway and back you 100 percent in your battle.

JOSEP L. MCBREEN,
Vice president, International Association of Machinists.
WILLIAM G. KURTZ,
President, Oregon Machinist Council.
MILO HOLT,
Secretary, Oregon Machinist Council.

CHICAGO, ILL., *July 23, 1954.*
Hon. WAYNE MORSE,
Senate Chamber,
Washington, D. C.:
Keep pitching. Do not let bill pass.
W. G. HAYES.

ALBANY, N. Y., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Our 75,000 members are vitally concerned about atomic legislation now before the Senate. We are convinced this is one of the most vital pieces of legislation considered in years. We believe the public should retain control of atomic energy, and that preference clause for public agencies and cooperatives should pass. We are strongly opposed to weakening or attempted scuttling of TVA. We are fundamentally opposed to any giveaway legislation. At times like this, we look for our most openminded and progressive Senators to put public interest ahead of party loyalty.
PAUL L. PHILLIPS,
President, International Brotherhood of Paper Makers.

BERKELEY, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.
DEAR SENATOR: We hope you win fight to protect citizens interests regarding atomic energy giveaway.
C. B. THRELKELD.
L. A. PATCH.

LOS ANGELES, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Our union strongly objects to administration proposals in regards to changing atomic energy in system of operations. We believe public control of such an important source both for peace and war is essential. We urge if bill cannot be properly amended to provide preference for cooperative and other public controls then bill be defeated.
Respectfully submitted.
International Brotherhood of Pulp Sulphite and Paper Mill Workers, AFL, 4314 South Broadway, Los Angeles, Calif.; South Gate Local, No. 253; Vernon Local, No. 254; Los Angeles Local, No. 266; Los Angeles Local, No. 268; Los Angeles Local, No. 303; United Local, No. 303. Unity Local, No. 307; St. Regis Local, No. 55; Long Fibre Local, No. 280.

TACOMA, WASH., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Members of our organization strongly support public control of atomic energy and defend the position of TVA. We urge support for preference clause for public agencies and recognize that if amendments to said bill are defeated that the bill as a whole should be defeated. Public power is essential to the citizens not only on the Pacific coast but to the entire Nation and urge that you give all possible support so that public control will be made effective. We urge this action on behalf of all of our people in the States of Washington, Oregon, and California.
JOHN SHERMAN,
Vice President, IBPS & PMW.

NARRAGANSETT, R. I., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Keep it up, there is much more at stake here than public versus private power. Letter follows.
G. D. REED.

NEW YORK, N. Y.

TOLEDO, OHIO, *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Bravos for your A-bill stand. We have wired Senator BURKE to support you.
THELMA DORE.
BLANCHE MCGREGOR.

BOSTON, MASS., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.
DEAR SENATOR MORSE: Although we are not from your State, we wish to express our thanks for your outstanding leadership in the fight in preventing monopolistic control of AEC. Urge you continue the fight at same time we are urging our Senators to support you.
Wolger and Helen Johnson, James and Anne Alach, Dorothy O'Connor, Jerome and Frances Olrich, Herman and Florence Tansky, Olive Leith, Irving L. Jones, Orlando Murano, Walter and Laura O'Brien, Charles and Juanita Wojchowski, Leon and Sylvia Rabin, Herbert Hyson, Joseph and Sylvia Kelley, Lewis and Charlotte Marks, Leo and Sylvia Blacker, Boston, Mass.

VANCOUVER, WASH., *July 23, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
May I express my appreciation shared by millions for the fight you are waging on behalf of the people.
E. M. STRONG.

DENVER, COLO., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Heartfelt thanks for your valiant fight on AEC and that of your colleagues. Beg you don't give up.
CAROLYN T. DUFFIELD.

LARKSPUR, CALIF., *July 23, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Group of California citizens admire and support your fight.
JOHN LYNCH,
WM. HANCHETT,
WM. PIER,
(and families).

DETROIT, MICH., *July 23, 1954.*
Hon. WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Congratulations on inspiring battle for TVA and public power.
MILDRED FRANKLIN.

SAN FRANCISCO, CALIF., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Fine work on atomic energy bill. That's being a good American first, with politics coming second. The West is proud of you.
RICK RUSSELL.

SAN FRANCISCO, CALIF., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Congratulations to you and your supporters for your fine spirit and good fight. Keep it up.
MILAN MILLER.

SEATTLE, WASH., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
We wish to commend you on your fight against atomic power bill. Don't give up fight—your fight, the fight for American public and the taxpayers' money, also future. Hold our secrets at home. Who knows our allies tomorrow?
CONWAY DAVIS WARDEN.

NASHVILLE, TENN., *July 24, 1954.*
Senator WAYNE MORSE,
Washington, D. C.:
Congratulations on your courageous fight to protect TVA and to safeguard the public's interest in atomic power production. We are proud of you and grateful for your devoted service.
MILTON and HELEN SHANE.

INGLEWOOD, CALIF., *July 24, 1954.*
Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:
Wish we had your type representation in this State. Keep up the good work. There are thousands like myself behind you and your support of the present atomic-energy program.
JOHN LESPERANCE.

ELIZABETH, N. J., *July 24, 1954.*
Senator WAYNE MORSE,
United States Senate:
Congratulations to minority group for splendid fight.
ROBERT T. LINEHAN.

Mr. MORSE. Mr. President, I wish to take the last minute of my speech, up to the point of the 8-hour day—because I am a great supporter of the 8-hour day, and I told my associates that I would be perfectly willing to do my 8-hour stint without pay, and that I would even be willing to speak for longer than that, without overtime pay. But as I have said, they are very insistent that I close my speech at this time, and keep myself available for another speech next time.

Mr. President, I am improving; my last speech was for 6 hours, and this speech has been for 8 hours. As we proceed, my colleagues will be the beneficiaries of the training I am getting through these warmups.

But now I wish to summarize my position on my amendment, which is pending, and at the desk.

I wish to refresh the memory of the Senate as to what the amendment is about. The amendment takes out of the bill the "official spokesman" label for the Chairman of the Atomic Energy Commission. As I said earlier in the morning, when the bill was first proposed the Chairman of the Commission was referred to in it as "the principal officer." That stirred up a hornet's nest of objection and protest. Even some members of the Atomic Energy Commission itself, it will be recalled, Mr. President, made to the press statements expressing their disapproval of attaching any such title to the Chairman of the Commission, and they pointed out that there was great danger that if he were given any such title, equal responsibility among the members of the Commission—as clearly contemplated by the McMahon Act—would be destroyed.

But now those in charge of the bill have decided to change the phrase "the principal officer" to "the official spokesman." What do they mean by "official spokesman"? It must be that they intend to give him some function, duty, or administrative power which the other

members of the Commission do not have. Does it mean the other members of the Commission cannot speak unless they get the official approval of the so-called official spokesman? Does it mean he will be made the official censor of the other members of the Commission? Does it mean that by this language it is intended to imply that he shall have some kind of veto power, direct or indirect, over the other Commissioners?

Mr. President, I said earlier that probably if this title is atached to him, there will be no great change in his activities at the very beginning. But I know something about the actions of bureaucratic officials. I know that if they are given some language they can use as authority for doing what they wish to do, a process of legislative accretion develops around the language. So, in this case, Mr. President, the first thing you know, the Chairman will not be just the Chairman, but he will be the chief mogul and dictator and director of policy for the Commission. But that is not what we contemplated in setting up the Commission. We contemplated a Commission of five, with each member having equal responsibility. Certainly some one is to be designated as Chairman. But what does the title of "Chairman" carry with it? It carries with it just the ordinary authority of a presiding officer. It does not at all give him any jurisdiction or authority over the other members of the Commission. When we are dealing with a commission established on a chairmanship basis, we clearly imply that the good, old American doctrine of majority-vote rule shall prevail in determining the policies and decisions of the commission.

But, Mr. President, there is a paradox in this bill, and in my judgment there is an ambiguity in the bill, because it talks about equal responsibility and it also talks about the Chairman as being the official spokesman of the Commission.

As I said earlier, I do not like to engage in criticism; but the fact is that within the Atomic Energy Commission setup, there are a great many persons who are fearful of the designs of the present Chairman of the Commission. They are fearful that, with his military background, if he is made the official spokesman of the Commission, we shall be beginning to set up a military chain of command or system of command, with the other four Commissioners being subordinate to, rather than equal with, the official spokesman.

But I do not wish to make this argument based upon the growing criticisms of Admiral Strauss. Neither do I wish to make this argument based upon the fact that the morale in the Commission, from the Washington office to the field offices, is steadily going down because of the increasing evidence of the motivations and designs on the part of the Chairman of the Commission. But I make this argument because of an opposition to giving any such authority or title to any Chairman of the Commission, whether Mr. Strauss or his successor.

It is enough simply to have it understood that there will be 5 Commissioners, with 1 functioning as Chairman—meaning only that he will have the presiding officer duties that go along with the chairmanship.

Mr. President, in closing, let me warn the Senate that before it takes negative action on my amendment, it had better look into the situation, because there is great protest and criticism against the provision of the bill which makes the Chairman the official spokesman of the Atomic Energy Commission. Mr. President, if my colleagues talk to some of those within the organization, they will know what I am saying today is an accurate expression of the great fear existing within the atomic-energy organization. Certainly the title which the bill as it now stands would give the Chairman of the Commission is unnecessary. An official spokesman is not needed for the Atomic Energy Commission. The Commission should speak for itself, and the five members of the Commission should function on a basis of equal responsibility. We should not establish in the Commission some kind of chain of command, inasmuch as in another part of the bill we profess that these Commissioners are to have coequal responsibility.

Therefore, Mr. President, I urge favorable action on the amendment, which would strike from the bill the language which would designate the Chairman of the Commission as the official spokesman of the Commission.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names.

Aiken	George	Martin
Anderson	Gillett	Maybank
Barrett	Goldwater	McCarran
Beall	Gore	McCarthy
Bennett	Green	Millikin
Bowring	Hayden	Morse
Bricker	Hendrickson	Murray
Bridges	Hennings	Neely
Burke	Hickenlooper	Pastore
Bush	Hill	Payne
Butler	Holland	Potter
Byrd	Humphrey	Purtell
Capehart	Ives	Reynolds
Carlson	Jackson	Robertson
Chavez	Jenner	Russell
Clements	Johnson, Colo.	Saltonstall
Cooper	Johnson, Tex.	Schoeppel
Cordon	Johnston, S. C.	Smathers
Crippa	Kennedy	Smith, Maine
Daniel	Kerr	Smith, N. J.
Dirksen	Kilgore	Sparkman
Douglass	Knowland	Stennis
Duff	Kuchel	Symington
Dworshak	Langer	Thye
Ervin	Lehman	Upton
Ferguson	Long	Watkins
Flanders	Magnuson	Wiley
Frear	Malone	Williams
Fulbright	Mansfield	Young

Mr. SALTONSTALL. I announce that the junior Senator from South Dakota [Mr. CASE], the senior Senator from South Dakota [Mr. MUNDT], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from North Carolina [Mr. LENNON], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries.

NOTIFICATION RELATING TO DOUBLE TAXATION CONVENTION WITH NETHERLANDS ANTILLES—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER. The Chair lays before the Senate Executive I, 83d Congress, 2d session, being a notification given by the Government of the Netherlands, in accordance with article XXVII of the convention of April 29, 1948, between the United States of America and the Netherlands, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and certain other taxes, with respect to the Netherlands Antilles.

Mr. WILEY. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from the notification, and that the President's message and notification be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the injunction of secrecy will be removed, and the notification, together with the President's message will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD.

The message from the President is as follows:

To the Senate of the United States:

With reference to the convention of April 29, 1948, between the United States of America and the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and certain other taxes, I transmit herewith, for consideration and approval by the Senate, a notification given by the Government of the Netherlands, in accordance with article XXVII of that convention, with a view to extending the operation of the convention, with certain limitations, to the Netherlands Antilles. The notification is embodied in a note dated June 24, 1952, addressed by the Netherlands Ambassador in Washington to the Secretary of State, a copy of which is transmitted herewith together with the report by the Secretary of State in regard to the proposed extension.

Upon the recommendation of the Department of State and the Department of the Treasury, it is urged that the Senate approve the extension to the Netherlands Antilles, as proposed, of provisions

of the convention of 1948 with the Netherlands.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 24, 1954.*

(Enclosures: 1. Report by the Secretary of State. 2. Copy of note of June 24, 1952, from the Netherlands Ambassador.)

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I desire to move that the Senate proceed to the consideration of executive business, to consider nominations down to, but not including, the nominations of postmasters. I ask that the nominations of postmasters be passed over temporarily.

I ask also to have passed over temporarily the nomination in the Federal Housing Administration. The distinguished Senator from South Carolina [Mr. MAYBANK] is not present, and he has expressed the wish to be on the floor when that nomination is considered. I do not believe there is any objection on his part, but he has expressed an interest to be on the floor.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the first nomination on the Executive Calendar.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The Chief Clerk read the nomination of Andrew N. Overby, of the District of Columbia, to be United States Executive Director of the International Bank for Reconstruction and Development.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Chief Clerk read the nomination of Charles Irwin Schottland, of California, to be Commissioner of Social Security of the Department of Health, Education, and Welfare.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES CUSTOMS COURT

The Chief Clerk read the nomination of David John Wilson, of Utah, to be judge of the United States Customs Court.

Mr. MORSE. Mr. President, with respect to this nomination, I think that for the RECORD I should simply say, what the Committee on the Judiciary well knows, that a protest was filed with me by two Oregon constituents with respect to the appointment. The Committee on the Judiciary is aware of the fact that two of my Oregon constituents filed protests with respect to this particular nomination. The protests were of such a nature that I felt it only fair and right that the matter should be handled in executive session.

I submitted to the committee such information as I had received from my constituents, together with a letter which made perfectly clear that, of my own knowledge, I had no basis in fact for passing judgment on the allegations, by assuming that the were factual.

I left with the Committee on the Judiciary a letter setting forth certain questions which I asked the committee to look into, and to be certain that it was satisfied itself that the answers of Mr. Wilson to the questions were of such a nature that the committee felt that he was entitled to the committee's approval of the nomination.

I have no desire or intention now, I may say, to discuss the charges on the floor of the Senate. I only wish to ask either the Senator from North Dakota [Mr. LANGER] or the Senator from Utah [Mr. WATKINS] two questions:

First. Were answers secured to the questions I left with the committee bearing upon the allegations which were made against Mr. Wilson?

Second. Did the answers of Mr. Wilson to those questions satisfy the committee that he was qualified for the nomination, and that there was no ground in fact for anyone protesting the nomination, on the basis of what the record showed?

Mr. LANGER. Mr. President, the senior Senator from North Dakota appointed himself as chairman of the subcommittee, which consisted also of the distinguished Senator from New Jersey [Mr. HENDRICKSON], and the distinguished Senator from Tennessee [Mr. KEFAUVER]. We went into the letter submitted by the Senator from Oregon in the greatest detail. We had the nominee present, and examined him thoroughly. He answered very satisfactorily all the questions which the Senator from Oregon wished us to ask him. But we were not satisfied with that.

As chairman of the subcommittee, I called by long-distance telephone the person who had made the complaint, and told him at the time that I was making a recording of the entire conversation, a recording which was placed in the record before the subcommittee.

In addition, we got in touch with three men who, the chief complainant said, would testify, and secured their affidavits. Those affidavits also are in the record.

The subcommittee unanimously reported the nomination favorably to the full committee, and the full committee recommended unanimously to the Senate the confirmation of the nomination.

Both the senior Senator from Utah [Mr. WATKINS] and the junior Senator from Utah [Mr. BENNETT] appeared before the committee. They gave open statements and were willing to be interrogated about them.

I particularly was gratified by the attitude of the nominee. I am certain that if the Senator from Oregon had been present and had listened to the answers given, he would have been entirely satisfied with the replies which were given to his questions.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. McCARRAN. This matter was brought before the full committee. At my instance, and the instance of other Senators, hearings were to have been held, and the witnesses were to have been called before the subcommittee.

Mr. LANGER. And they were called.

Mr. McCARRAN. They were called, but they did not appear. They said they were in court and could not appear on the day on which the hearing was set, but they said they could appear at another time.

Mr. LANGER. The subcommittee took the affidavits of the persons whose affidavits were requested.

Mr. McCARRAN. No affidavits ever were brought before the full committee. No report ever was made to the full committee. The full committee has never acted since the matter was referred to the subcommittee.

Let me follow up. The Senator from Idaho [Mr. WELKER] stated that, if it was satisfactory to the subcommittee, after the witnesses had been called before the subcommittee and had been heard, then it would be satisfactory for him to vote, because he would not be present. But that has never taken place.

Mr. LANGER. It was my understanding——

Mr. McCARRAN. There was no understanding at all. The hearing has never taken place. I challenge the statement of the Senator from North Dakota.

Mr. LANGER. It is my understanding, and I am certain I will be borne out by the Senator from Utah [Mr. WATKINS], who was present, and by some other Senators, that if the reports were satisfactory to the subcommittee, there would be no objection to the nomination being reported.

Mr. McCARRAN. That was not the unanimous action of the full committee. The unanimous action of the full committee was that the witnesses should be called before the subcommittee and should be heard.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. JENNER. As I recall the record, the full committee authorized the subcommittee to make a direct report from the subcommittee to the Senate favoring the confirmation of the nomination. The subcommittee had notified witnesses that a hearing would be held on Wednesday. I have talked with Senators who were present, and what the distinguished senior Senator from North Dakota has stated actually happened. The witnesses were notified; and on the basis of the letter of the Senator from Oregon, it was found that the evidence which the witnesses were said to have been able to produce was not in their possession in the first place.

In other words, it has been alleged that a conversation had taken place in a hotel room with the man who was the

nominee. There was nothing which the witnesses could have testified to had they been present. When the subcommittee tried to get them here, and notified them to come, it was found that they could not come, because they were in court themselves on a perjury charge, and I did not think the Senate should take up its time to listen to that kind of person.

Mr. McCARRAN. I do not know whether they were in court on a perjury charge or not, but I was aware of the chairman stating that they could not be present on the day specified, but that they could be before the committee on another date.

Mr. JENNER. Their statement to the Senator from Oregon indicated what their evidence would be; and even if they could have been present, and had not been in court on a perjury charge themselves, their evidence would not have been of any benefit to the committee, because the nominee was present in the room, and he stated he had nothing to do with it. He was only the local counsel for the California attorney.

Mr. McCARRAN. I am speaking only about the action of the full committee. The action of the full committee should have been carried out. There should have been hearings, and the witnesses should have been heard.

Mr. LANGER. They were heard.

Mr. McCARRAN. They were not heard. The witnesses never came before the committee.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WATKINS. This matter came before the full committee as the result of a letter from the Senator from Oregon [Mr. MORSE], stating certain questions which had been raised by constituents of his. At the meeting of the full committee, and on the request of the Senator from Idaho [Mr. WELKER], it was unanimously agreed that the matter should go to the subcommittee again, and that they should further consider the matter. If the subcommittee were satisfied with the investigation they had made, it was agreed that the subcommittee should report the nomination favorably to the Senate. That was carried out by the subcommittee in full.

Mr. McCARRAN. I shall ask that the nomination go over.

Mr. WATKINS. I wish to explain exactly what happened. The subcommittee considered the matter. Mr. Wilson was called in, and the other persons were given an opportunity to appear. They did not claim that they had any knowledge of the situation personally, but merely raised the questions. The matter was taken care of, and in accordance with the unanimous consent authority given to the subcommittee, the nomination was reported favorably, because the record had been made.

The only other matter to which these persons called attention was gone into at great length. The subcommittee acted in full compliance with the recommendation of the subcommittee.

Mr. MORSE. I wish to make it very clear that I am perfectly satisfied to abide by whatever decision the Committee on the Judiciary makes in the matter, because I knew nothing about the facts. I made that very clear to the Committee on the Judiciary, but I have an obligation that I owe to any constituent of mine in this case, too, who files protests. I, too, had an obligation to transmit the protests to the Committee on the Judiciary.

I was at the Bethesda Hospital on the morning when the subcommittee had its meeting, but I understood there was to be another meeting at 2 o'clock that afternoon, when I was to have submitted certain questions, to which I had hoped the committee would secure answers from the nominee. The Senator from Idaho [Mr. WELKER] and I arrived at the committee room at 2 o'clock that afternoon for the meeting. The Senator from Idaho then discovered that the matter had been disposed of, and it was perfectly agreeable to him that it had been disposed of that morning by what I understood had been the action of the Judiciary Committee.

It was then agreed between the Senator from Idaho and myself that I would simply place my questions on file with the committee, and the Senator from Idaho would see to it that the committee acted to secure the information requested in the questions. I understood they did. That is the sum and substance of my participation in the matter; except that I agreed that when the matter came to the floor of the Senate, I would make inquiry as to whether or not the committee had satisfied itself with respect to my questions. That is all there is to my position in the matter. I have no desire to get into any controversy with the Judiciary Committee as to whether they followed a proper procedure in accordance with their own rules.

If the Committee on the Judiciary tells me they are satisfied with respect to this nomination, I have no objection.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. McCARRAN. I have no knowledge of the nominee. I know nothing about him. I do know of the proceedings in the Judiciary Committee. The slipshod way in which this matter was handled is not in keeping with the traditions of that great committee.

The fact of the matter is that when the nomination came before the full committee, the question arose as to whether certain matters had been gone into. At the end of the discussion, it was concluded by the full committee that the matter should be heard on the Wednesday following the Monday on which we were then sitting, which was last Monday.

A telegram was received, which was presented to some of us, addressed to the chairman of the committee, saying that the witnesses were in court and could not be present on the day set, which was last Wednesday, but that they could be present to testify on another day—naming the day. That is all I know about it. From that point on, nothing was done. Nothing was done by the full committee in keeping with the unanimous order of the full committee.

I have no further interest in the matter except to say that the order of the full committee should have been carried out. When the subcommittee had been notified that the witnesses could not be present on Wednesday, at least the matter should have been laid before the full committee, so that the full committee could have said, "We will hear the matter on another day."

Mr. LANGER. In the opinion of the chairman of the committee, the orders of the full committee were carried out completely. The only witness the committee wanted to have present, whom the distinguished Senator from Oregon had wanted to have questioned, was in court. Manifestly there was no use in having that person come to Washington unless the committee knew what he would testify to. Therefore, I called him by long distance and told him I was making a recording of the conversation. In the conversation he said he had absolutely no personal knowledge that the nominee ever had been in the room where the transcript had been taken.

I had the recording of the telephone conversation played back before the subcommittee and the Senator from Utah [Mr. WATKINS] was present. The recording was then filed and it is now in the files of the full committee.

As I understood the resolution, it was that if the subcommittee was satisfied it could report the nomination to the Senate.

Mr. McCARRAN. Mr. President, will the Senator from North Dakota yield for a question?

Mr. LANGER. I yield.

Mr. McCARRAN. Were the witnesses who were directed to be present before the subcommittee on Wednesday present before the committee?

Mr. LANGER. Of course not, because I called them by long distance and they gave their conversations. A recording was made of what was said and they said they had absolutely no knowledge of the nominee being in the room. The recording is on file in the room of the Committee on the Judiciary.

Mr. McCARRAN. I do not care to raise any controversy about the subject, except to say that when the full Committee on the Judiciary says that a certain thing should be done in keeping with its judgment, then it should be done. In this case it was not done. There is no argument that can be made to justify saying that it was done. The person concerned may be as innocent as a newborn babe, but the order was an order of the full committee and it should have been carried out. The witnesses should have been brought before the committee and a report made of it for submission to the full committee.

Mr. LANGER. The chairman of the Committee on the Judiciary says that the order of the committee was complied with. As I understand what was to have been done by the subcommittee, it was that the subcommittee should make an investigation. The investigation was made. Witnesses were asked to appear. They stated they could not appear. Testimony was taken in a long-distance telephone conversation and was recorded and the recording was filed.

As I understood, whatever was done by the subcommittee it would be satisfactory to the full committee to have the subcommittee report it to the Senate.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WATKINS. The chairman of the Committee on the Judiciary is correct. I think that if the Senator from Nevada will investigate the minutes of the full committee, which authorized the subcommittee to act in the matter, he will find that the subcommittee acted fully in keeping with those instructions. The subcommittee was instructed that if it found nothing against the nominee, it was authorized to make a favorable report to the Senate. That is what the subcommittee did. A transcript was made of the entire proceeding, and it showed that Wilson was completely, 100 percent in the clear; that the 2 persons who made the statements to the Senator from Oregon [Mr. MORSE] knew absolutely nothing about the case personally. There has been no reflection in any way, shape, or form on Mr. Wilson. All this happened after the original date had been set for the hearings. The witness did not appear on time, although notice had been given in the record, nor did they come afterward.

I think the chairman of the committee is completely correct. I believe that if the Senator from Nevada checks into the situation, he will find that that is true.

Mr. McCARRAN. The only interest I have in the matter is to lay before the Senate of the United States the slipshod way of doing business in a hearing which should be doing its business otherwise.

Mr. LANGER. There was no slipshod method used. The Senator from Nevada knows it. A telegram had been received saying that the witnesses could not be present on a certain day.

The only question was, Did they know that the nominee was in a certain room at a certain time? Instead of wasting money, I called them by long-distance and said, "A recording is being made of this conversation. To your knowledge, do you know whether Mr. Wilson was in that room?"

They said, "We do not."

In addition, the committee secured affidavits from every person in the room, and they said that Mr. Wilson was not present. What more could the committee have done? Instead of acting in a slipshod manner, the subcommittee used every precaution which it possibly could have taken.

Mr. McCARRAN. Does the Senator desire an answer to his question?

Mr. LANGER. Yes.

Mr. McCARRAN. The subcommittee did not do what the full committee directed it to do.

The PRESIDING OFFICER. Without objection, the nomination of David John Wilson to be a judge of the United States Customs Court is confirmed.

FEDERAL HOUSING COMMISSIONER

Mr. KNOWLAND. Mr. President, I note that the distinguished Senator from South Carolina is now present. I suggest that the Senate consider the nomination of Mr. Mason to be Federal Housing Commissioner.

The PRESIDING OFFICER. The nomination will be stated.

The Chief Clerk read the nomination of Norman P. Mason to be Federal Housing Commissioner.

Mr. MAYBANK. Mr. Chairman, I would first like to thank the distinguished majority leader for waiting until I got here. I went to my office to get out some mail. That is the reason for my being late. As soon as I was advised that I was wanted, I came to the floor.

Mr. KNOWLAND. Mr. President, may we have order, so the distinguished Senator may be heard?

The PRESIDING OFFICER. Let the Senate be in order. The occupants of the gallery will also be in order.

Mr. MAYBANK. I have heard many good things about Mr. Mason. As a matter of fact, I attended the hearing on his nomination. The full committee reported, unanimously recommending that the Senate confirm the nomination.

But I am well aware of the fact that, following the pending business, I understand the housing conference report is to be brought up, or shortly thereafter, anyway.

For the record, I wish to make it absolutely clear that the windfalls being uncovered by our investigation are continuing. They have continued since the new administration came in. I do not blame Mr. Mason—his nomination is just now being confirmed—but these windfalls have been going on, and they still are going on. My only fear is that they may continue. I have nothing but disgust for the irregularities committed under the previous administration, and I have only disgust for what is going on now. I hope that Mr. Mason has the background and integrity to stop these windfalls. I am loath to oppose legislation from the Banking Committee, but I know about the smart people who perpetrate these scandals. Some of them are pretty shrewd, and they have able lawyers and accountants, who are paid large sums of money to find out how to do things within the law, and at the same time make money.

I want to warn Mr. Mason that there are plenty of loopholes still, as everyone on the committee knows. The conference report on the housing bill we will consider next is intended to plug the loopholes.

Some persons are making a lot of money out of these windfalls, and they will continue to do so unless Mr. Mason uses a strong arm. I hope he will. I pray that he will. I do not now criticize him, although others may.

Mr. ROBERTSON. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. I will ask the distinguished Senator from South Carolina whether it is not a fact that all the laws we have had on the subject of housing construction generally have always been better than their enforcement?

Mr. MAYBANK. Yes.

Mr. ROBERTSON. Is it not a fact that, under the FHA and allied laws, we will have when we adopt the conference report, the situation will be tighter than under the previous law?

Mr. MAYBANK. That is correct, but unfortunately——

Mr. ROBERTSON. Is it not also an undoubted fact that we cannot——

Mr. MAYBANK. Let me answer the first question. Yes; it is a fact, but we will have to expect windfalls even under the new law. Millions of dollars in windfalls have been taken by subcontractors dealing with contractors. When I stood on this floor and spoke on a previous occasion I did not think such a thing could happen.

Mr. ROBERTSON. Is it not a fact that the Congress cannot write a law that will be capable of strict enforcement in this field?

Mr. MAYBANK. That is correct.

Mr. SPARKMAN rose.

Mr. LANGER. Mr. President, I yield to the distinguished Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. I should like to bring out at this juncture a point I do not believe has been brought out. I gathered from the hearings our committee has been holding under the able guidance of the distinguished Senator from Indiana [Mr. CAPEHART], the chairman of the committee, ably assisted by the former chairman of the committee, the Senator from South Carolina [Mr. MAYBANK], that most of the wrongdoing—if that is a proper term to employ—has been made possible because of a loophole outside the housing act.

It is true that profits were made under the housing act; but one can find all kinds of expressions by Members of the Congress to the effect that there should be a profit motive in order to assure the building of houses. What happened after the builders got the profit? They discovered a loophole in the tax laws; and if there has been wrongdoing, that is largely the source of it. I venture the assertion, if there are to be prosecutions, they will grow out of the evasion of the tax laws, rather than under the housing law.

Mr. MAYBANK. The Senator is correct, because we have put into the tax laws recognition of capital gains, enabling builders to get around the law and make millions of dollars of profits on construction work. They have used the capital gains provision, to get around the law on the resale of property they own to somebody else. They have used the capital-gains provision to affect the transactions of certain corporations and eleemosynary institutions. The Senator is right.

Mr. CAPEHART. Mr. President——

Mr. KNOWLAND. I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I should like to say that in the committee we are doing the very best we can. I want to tell the Senate some of our problems in connection with this investigation and some of the President's problems, and some of Mr. Cole's problems, and also some of Mr. Mason's problems. There are problems of personnel and problems of management on the part of those who have been running the FHA for the past years.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes, I yield for a question.

Mr. MAYBANK. Will the Senator from Indiana name the officials to whom he refers, outside of Mr. Foley? What official committed a misdeed?

Mr. CAPEHART. Yes. Give me a couple of minutes.

Mr. MAYBANK. Did Mr. Foley commit any misdeeds?

Mr. CAPEHART. Give me a couple of minutes, and I will try to explain.

The PRESIDING OFFICER. The Senator from California has yielded to the Senator from Indiana.

Mr. CAPEHART. My point is there is a bad mess. The able Senator from Virginia is continually talking about this bad situation. There has been much irregularity. There is a bad mess. The able Senator from Virginia is continually talking about it. The able Senator from South Carolina called it to our attention this morning, as did the able Senator from Alabama.

Mr. MAYBANK. Will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. For years we have been trying to work this out. I think the Senator will agree with me.

Mr. CAPEHART. Let me finish, please. There is no question that we are doing the very best we can, but we are doing it under some exceedingly tough circumstances, namely, that in my personal opinion 98 percent of the trouble has been mismanagement on the part of those who have been running FHA for many, many years.

For example, as we call these gentlemen before us, we find that in practically every instance the high officials were appointed in 1934 or 1935. Mr. Powell, for example, who has been in complete, 100 percent charge of FHA rental properties, was appointed in 1934. At that time he filled out a civil service application form. Question No. 19 asked whether he had ever been arrested. The answer was "No."

Of course, as we all know now, the record shows that he had been arrested on numerous occasions. Yet he is the man who has been heading the office having to do with rental properties. He has been there for 20 years and has been head of it since 1940. He came before our committee on two occasions, but would not answer a single question. He hid behind the fifth amendment.

The general counsel is Mr. Bovard, who has been at the FHA since 1934. He has been general counsel, I think, since 1940.

He has been a part and parcel of it. He is a lawyer, supposedly. We have had him before our committee on 2 or 3 occasions. He does not know what is going on at the FHA. If he does, he fails to answer our questions. He does not know any more about what is going on there than a child. So the FHA discharged him, but he will not get out. He is fighting his discharge in the courts. Others are doing likewise. FHA has a system that Congress put into effect, the civil service system, which makes it hard to get rid of these gentlemen. They are there, and they are entrenched, if you please—these men who have been part and parcel of the collusion which resulted in the windfalls of which the able Senator from Virginia is talking—and rightfully so—and about which the able Senator from South Carolina is talking—and rightfully so. We are having trouble getting rid of these people.

We have discovered, as Senators on the other side of the aisle have properly said, collusion, windfall profits, and mismanagement; and it has been on the part of employees who were hired back in 1934 and 1935 by the Democratic administration, if you please, not by the Eisenhower administration; and we cannot get rid of them.

Mr. MAYBANK. Will the Senator name Mr. Hollyday as one official?

Mr. CAPEHART. I will name them all. I will name Mr. Foley, I will name Mr. Richards. I will name them all, and stand on this floor to tell the Senate about them.

Mr. MAYBANK. What did Mr. Richards and Mr. Foley do?

Mr. CAPEHART. I will name them all, and I will stand on this floor to say that there is collusion, if there are windfall profits, and there are.

For the things that are wrong in FHA the responsibility lies at the feet of Mr. Foley, Mr. Richards, Mr. Greene, and others, because they were running FHA 100 percent. I have been sitting in the committee for several weeks, and we have been trying to do a good job of cleaning up a mess caused by people whom we did not employ, and now we find we cannot even get rid of them.

Mr. MAYBANK. Mr. President, if the Senator will yield. I have no criticism of him, for he has done a good job, and I know he has no criticism of me.

Mr. CAPEHART. No. I am just trying to be factual.

Mr. MAYBANK. But I want to repeat that the builders have been getting around the law; and plenty of laws were passed by the 80th Congress when the Republicans were in the saddle.

Mr. CAPEHART. Possibly.

Mr. MAYBANK. I might speak of the Wherry Act and other acts; and there is just as much wrongdoing under them as there is under some of the other laws. None of those who got the windfalls have been indicted. They were getting around the law the Republicans passed in the 80th Congress, and the law we passed in the 79th Congress. Someone wrote to Mr. Murchison only 2 days ago and stated that he had already made arrangements with FHA. There was a new project, to which the Senator refers, the Idaho property, and the Government has not even bought the land; or, if it has bought the land, has not transferred it.

Mr. CAPEHART. Mr. President, I should like to keep the record straight.

There is no question but that there are windfall profits and, in my opinion, collusion and mismanagement beyond description and beyond imagination. We are trying to clear it up.

There is talk about prosecutions. The able senior Senator from Virginia talks about prosecutions. But he knows that in that connection it is necessary to have sufficient evidence presented, if convictions are to be obtained. That is in the process of being done, and we are going to continue to do it. There has never been a fairer investigation than the one we are conducting. I am getting a little tired having the able senior Senator from Virginia and other Senators bob up all the time and talk about collusion and mismanagement, when we are doing the best we can to clean up the mess that the other administration, not this administration, created. If there is a mess, the other administration created it; we did not. We are trying to clear it up.

Mr. MAYBANK. Mr. President, I cannot let that remark go without reply, when I so well remember the so-called Wherry Housing Act and remember that the late Senator Wherry came to me and asked me, as chairman of the committee, to do what I could to have that measure passed. It was at the request of Senator Wherry that we extended the section 608 program. That is in the record.

When I was chairman of the committee, we regularly did all we could to stop the windfalls.

Again I say the present administration has done nothing to stop the windfalls.

Mr. CAPEHART. Mr. President, there is no question but that the committee did what it could to stop the mismanagement and abuses that grew up under the previous administration. There is no question about that. But we must be given a little time to clear up the terrific mess, for it cannot be cleared up overnight.

Mr. ROBERTSON. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. ROBERTSON. Did the Senator from Indiana say he was tired of seeing the junior Senator from Virginia bob up?

Mr. CAPEHART. No; I said the senior Senator from Virginia.

Mr. ROBERTSON. Is it not true that the only time the junior Senator from Virginia bobbed up was in January 1953, when he put the committee on notice regarding these frauds? But nothing was done until we started the investigation about 2 months ago. Is it not true that the junior Senator from Virginia put the committee on notice?

Mr. CAPEHART. Unquestionably; and it has been talked about over the years.

Mr. ROBERTSON. I do not remember that anyone else talked about it.

Mr. CAPEHART. But my point is that those running the program—Mr. Foley, Mr. Greene, and Mr. Powell—were constantly saying there was nothing wrong; they were covering it up all the time. Now we are having trouble getting rid of those people.

Mr. ROBERTSON. Is it not true that I told the Senate and told Mr. Cole—in January 1953—that something was wrong, and that Mr. Cole then promised an investigation?

Mr. CAPEHART. And he started the investigation. We are now in the middle of it, and we are doing a good job of it.

Mr. President, I like to be fair and honest, and I want the record to be

straight in regard to the Mountain Home project, in Idaho, that the able Senator was talking about. The day before yesterday we had before us representatives of the Air Force. The able Senator called attention to the fact that they awarded the contract before they had the land.

The fact is that the Government has the land. The Air Force owns X number of acres, and the Department of the Interior owns X number of acres; and now the two governmental departments are trying to get together in regard to the acreage. They are not buying any land from outside sources. The governmental departments have owned the land for many months.

Mr. ROBERTSON. I said they have not decided on how to proceed with it. The Air Force people tell me one thing, and they tell the Senator from Indiana another thing; and the FHA people tell me one thing, and they tell the Senator from Indiana another thing. The conflicting stories or statements are in the record. One story was brought up in the committee, when the Senator from Nevada [Mr. McCARRAN] was presiding; and then another story was given by Mr. Mason. All that is down in black and white.

Mr. CAPEHART. The able Senator has been very helpful to the committee, and the Senator from Alabama has also been very helpful. All Senators have been most helpful.

We have been trying to do a good job. So we do not appreciate sniping—although I do not refer to other Senators, in this connection. We wish to make as much progress as possible, because, as every one knows, evidence is required if convictions in court are to be obtained.

Mr. SPARKMAN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. SPARKMAN. A few days ago I complimented the able Senator from Indiana on the very careful and fair manner in which he is conducting the investigation. I know the Senator from Indiana will agree that he has had 100 percent cooperation from Senators on both sides.

Mr. CAPEHART. That statement is 100 percent true.

Mr. SPARKMAN. I think it should be made clear that the profits made possible under the act do not come as a surprise to the Senate or to the Congress as a whole. If the able Senator will examine the CONGRESSIONAL RECORD for the time when the renewal of section 608 came up, in the 80th Congress, he will find that the late Senator Taft of Ohio, who knew as much about housing as did any other Member of Congress, said on the floor of the Senate that the incentive for profit had to be provided if we were to obtain the rental housing we needed.

Goodness knows, Mr. President; talk about mismanagement. It was known all the time that, for instance, the contractors were allowed a flat fee of 5 percent, and the architects were allowed a flat fee of 5 percent. That is where most of the profits came from. Furthermore, it was known all the time that the land was allowed to be put in as a part of the builder's equity.

Here is something that many persons overlook: Every one of the builders of a section 608 project had to give his personal security, in addition to that of the corporation.

The able Senator from Louisiana [Mr. LONG], who at that time was a member of our committee, tried repeatedly to write into the law a provision to limit the architect's fee to 2 percent or 3 percent or some reasonable figure. It was known by all the——

Mr. CAPEHART. Mr. President, I believe I have the floor.

Mr. SPARKMAN. Let me make this point, and then I shall be through.

Mr. CAPEHART. Very well.

Mr. SPARKMAN. I appeal to the Senate not to lose sight of this fact, which I think is most important: I think there are going to be very, very few prosecutions, so far as violation of the Housing Act is concerned. If prosecutions are obtained, they will be obtained because of violations of the income-tax laws. If we overlook that point, we are going to fail to obtain the greatest good that could possibly come from these investigations.

Mr. CAPEHART. Mr. President, I have great respect for the able Senator from Alabama, but I must correct the record in connection with the statement he made when he spoke about profits. There should not be any profits in the building of rental apartments, for the reason that the man who builds them continues to own them. We must keep that point in mind. There can be profits under section 203 only when houses are built and then are sold. So why he would wish to leave the impression that there must be profits is beyond me.

Mr. LONG. Mr. President, will the Senator from Indiana yield for a question?

Mr. CAPEHART. I do not yield now, Mr. President.

I wish to keep the record straight, because this matter is very important. There should be a profit in such a case, because they build the apartments for rental purposes and they continue to own them. But if there is to be a profit, it should come from the rentals.

The Senator has talked about the 5-percent builder's fees, and the 5-percent architect's fees. In every instance the FHA allowed a 5-percent architect's fee and a 5-percent builder's fee. The builders were to get 90 percent of the cost; but, in addition, they were given a 5-percent builder's fee—which makes no sense.

Mr. LONG. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I ask the Senator from Louisiana to wait a minute, please.

The PRESIDING OFFICER. The Senator from Indiana declines to yield.

Mr. CAPEHART. I do not think we would object to 100 percent—giving them the full 5-percent architect's fee and the full 5-percent builder's fee. But when the 5-percent architect's fee and the 5-percent builder's fee are added, they make a grand total of 100 percent. They got windfall profits beyond the 5 percent. They got windfall profits of 5 percent, 10 percent, 15 percent, or 20 percent. In New York, one man got $5 million; and another man got $10 million.

So let us not talk about profits in this case, for it is not a profit. A man cannot make a profit from something he owns and does not sell. If the total cost of building one of these projects is $1 million, and if the builder can be guaranteed a mortgage for $1,200,000, the $200,000 will be in addition to the cost, but he will still owe the $1,200,000. In that way the builder would get $200,000 more than it cost to build the project.

Here is what they did: They organized a corporation with $1,000 or $2,000 worth of stock. Of course they had to put money into the operation, in order to build these projects. But they put in the money in the form of a loan; and then, when they got the proceeds of the Government-guaranteed mortgage, they paid themselves back all that money. Then they sat there, with a corporation with a capital of possibly $1,000 or $6,000 controlling a project worth $1 million or $2 million. They call a windfall profit the money which in many, many instances they took during the operation and put in their own pockets. That is what we are talking about. We are talking about the money they got over 100 percent, and no Senator must ever forget that they continued to own these projects.

Here is a man who had built a project with a Government guaranty of $5 million. It cost him, let us say, $4 million. When he got all through he owned the buildings, the Government financed the mortgage for a million dollars more than the project cost. He took the million dollars out and then sat there with a little corporation worth a thousand dollars, $2,000, or maybe $3,000 behind the Government's guaranty.

Mr. LONG. Will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Louisiana.

Mr. LONG. The Senator is familiar with the fact that title 608 requires that all of the housing projects be constructed by a corporation. Any time the corporation borrows $3 million and with a Government guaranty for $2,700,000 on the mortgage builds a project for $2 million, let us say, and declares to the stockholders $700,000 of clear profit, that is profit to the individual stockholders, that is not to the corporation but it is profit to the stockholders and the law requires people to do business with the corporation.

Mr. CAPEHART. The law requires them to have a corporation. But the law did not say to FHA that corporations could be organized with assets of only $1,000. That is the complaint I had against the former mangement at FHA. That is why I can stand up here and say that Mr. Foley and Mr. Greene and every other man that had anything to do with it used poor judgment in knowingly permitting them to organize companies with assets of only $1,000, $2,000, or $3,000.

I want to give an example. A man organized 28 small corporations. The Government has financed his mortgages to the extent of about $40 million. He is

now in default in a certain section of the United States on one of the building projects. He is making a lot of money on the others. Yet the Government has to take the one losing project back. If the former management at FHA had an ounce of business sense it would have put all the projects of that man, the 28 projects, into one project.

Mr. President, I do not think Senators ought now to condemn Mr. Cole and Mr. Mason and what we are trying to do when, in reality, we are really trying to clean up the mess.

The PRESIDING OFFICER. Is there an objection to the confirmation of this nomination?

Mr. HUMPHREY. Mr. President, I should like to object.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. The Senator from California.

Mr. KNOWLAND. The majority leader would like to say that when we have completed the work on the pending bill we will then call up the conference report on the housing bill and there will, of course, under the rules of the Senate, be ample time to debate the great merits and points of view on housing after we have completed action on the pending measure.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. I understand it is the purpose of the majority leader to proceed with the consideration of the pending bill and not take up any conference reports until the consideration of this bill has been completed?

Mr. KNOWLAND. That is correct. I should like also to say that it seems to me as a matter of public policy the work carried on under the distinguished Senator from Indiana [Mr. CAPEHART] and the distinguished ranking member of that committee [Mr. MAYBANK] and their respective committee members is very important to the country. I hope they will continue on the basis of finding the facts and letting the chips fall where they may. I am sure that the Banking and Currency Committee, representing the Senate of the United States in its highest traditions, will dig out all the facts and will not withhold any information regardless of who may be affected by it.

I also wish to say that I am sure that the contribution made by the distinguished Senator from Virginia [Mr. BYRD] has been helpful in this field, as it has been in the field of taxation and government, under the committee of which he has been in charge for so long.

Long before I came to the Senate of the United States, I might say, Mr. President, I belonged to the school that hoped that there would be more Byrds in Congress and not fewer. So, I know that there is ample room for the work to go on that has been conducted both by the Senator from Virginia, and the distinguished Committee on Banking and Currency headed by the Senator from Indiana.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Indiana.

Mr. CAPEHART. I agree with the Senator 100 percent, but, whether it be BYRD or whoever it may be, I am not going to permit statements to be made which I do not think are factual and I am not going to permit statements to be made which attempt to point the finger of scorn at the Republicans, at Mr. Cole and Mr. Mason and others.

Mr. KNOWLAND. I can assure the Senator that I have no desire to do that, and I know that the Senator from Indiana certainly has no desire to do it. I know that he is conducting a competent and able investigation. I know that he and his committee have already brought out facts of vital interest to the American public. I believe that when they have finished they not only will have uncovered the facts that need to be uncovered but will have laid the basis for additional legislation which may be needed after the pending housing-conference report has been disposed of and perhaps as we go into the next session of Congress.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MAGNUSON. If I understood the majority leader correctly, he said that he planned to proceed with the present business before the Senate until it had reached its conclusion and then he would bring up the housing legislation. Is it not correct that the housing conference report is a privileged matter?

Mr. KNOWLAND. It is only privileged to the extent that the request can be made and a motion can be made in the Senate to take it up, but it would still take action of the Senate to supplant the pending business. Personally I should recommend to the Senate that the pending business not be laid aside until it has been disposed of.

Mr. MAGNUSON. Would the majority leader have the same approach to other conference reports that may come in?

Mr. KNOWLAND. It seems to me that the matter has become of such interest to the Senate on both sides of the aisle that it is important that we keep on the pending business before the Senate until we dispose of it. I hope all of us had 2 or 3 hours' sleep last night and that on this day, perhaps with some of the cogitations that may have been going on, some Senator will come up with a formula which will be agreeable not only to the Democrats and Republicans but maybe to the Independent Party as well. It is said that hope springs eternal in the human breast, and maybe I will be disappointed again, but if what I have intimated should happen to come about by some miracle, I may say that then I would expect to move to recess the Senate at a reasonable hour this evening until Monday. Otherwise we shall proceed as previously announced until about midnight and then we will meet at 10 o'clock Monday morning. One hour after the Senate meets automatically the vote on cloture comes up.

The majority leader was under no illusions as to the difficulties in obtaining a cloture vote, but it was one of the procedures open to him though not the only procedure. If cloture should be adopted there would be some end in sight to the debate. If it should not be adopted, we would then propose to keep the Senate in uninterrupted session next week until we arrive at some conclusion.

Mr. MAGNUSON. But the Senator will agree with me that if the majority leadership, who have been complaining about the delay of much important legislation, wanted to do so we could pass all legislation in the form of conference reports by a motion which is privileged.

Mr. KNOWLAND. The Senator is correct. After all, the Senator knows, as I am sure every other Member of this body knows, that the majority leader has only one vote and unless he has the Senate to support him the majority leader can be overturned 365 days of the year if that is the judgment of the Senate. Normally in the orderly procedures of the Senate that is not done, but certainly the Senate has it within its power to do anything it wants to do. All I am saying is that so long as I occupy this position, in the circumstances which confront us, I shall continue to have hope that some formula may be devised whereby reasonable men can get together on. Secondly, until we can arrive at that formula my recommendation to the Senate will be that we keep on with the pending business until it is disposed of.

There are amendments to the bill, with some of which I agree, and others which I oppose, but each Member of the Senate may vote on them and register his convictions, and finally the vote on the bill itself will come, and Senators will either vote for it, or they will vote against it. I am not urging a Senator as to how he shall vote. All I am asking is that we find some formula so that the Senate can vote and determine certain policy issues.

With that background, and in answer to the inquiry of the minority leader, I thought it only fair that I make my own position clear.

Mr. MAGNUSON. I agree with what the majority leader says, but I wonder if the majority leader will agree with me. What I am trying to say is that there are now in the so-called major program two important measures; one, the conference report on the tax bill, and the other the conference report on the housing bill.

Mr. KNOWLAND. If the Senator will permit an interruption, I recognize the importance of that legislation. We have other measures, the farm bill, the extension of the social-security coverage, unemployment insurance, foreign aid, supplemental appropriations, and the appropriations for foreign aid. I can say to the Senator that whether this bill was laid aside or was not laid aside we expect to get a vote of the Senate on all those measures prior to adjournment. I am frank to admit, reluctantly though it may be, that this prolonged discussion has taken a big bite out of my estimated date of adjournment. But again we may by some fortuitous circumstance make up a part of that, and I hope perhaps it may be possible. In any event, I want

the Senator to be assured that all of these bills are going to be considered by the Senate prior to adjournment.

Mr. MAGNUSON. Of the program which has been announced, in which there are probably 6 or 7 so-called legislative matters pending, 2 out of the 6 or 7 that are at the desk are conference reports. It would be possible, would it not, to get rid of two of them by calling them up by a privileged motion?

Mr. KNOWLAND. The Senator knows that it is possible to get rid of them, but it is also possible to debate them for an unlimited period of time. Since we are going to act on them anyway, we might just as well take them up in an orderly way.

Mr. MAGNUSON. I have one more question. The Senator is aware that it has always been customary at the end of the session when major pieces of legislation are ready to expedite their consideration, and when a conference report comes in not to displace the pending business in a technical legislative sense, but to break in on it and get rid of the conference report.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. KNOWLAND. As a matter of fact, from a purely mechanical legislative point of view it is far more important that the Senate act on the basic legislation than that it act on a conference report except in a rare instance where there might be an expiration date affecting certain authority, because in the case of conference reports, particularly those on which the House has already acted, no further action is needed by that body and, even if they should finally adjourn or not have a quorum, or whatever the circumstances were, the action by the Senate on the conference report would complete it and the bill would go to the President, whereas some of the bills I have mentioned will require either House action or a conference with the House. So I think it is far more important that we expedite the legislation that is left than to expedite the conference reports.

If the Senator were majority leader, and some day he may be, of the great political party on the other side of the aisle, he might have a little different philosophy. In answer to a question, I merely am asserting what I believe the situation to be under the circumstances we face, and what my recommendation would be. It is up to the Senate to decide whether they will follow that recommendation or will override it. I do not deny they have the power to do whatever they want.

Mr. MAGNUSON. I agree with the Senator from California that there are some times when it is better to let a conference report rest because of the legislative situation.

A conference report is something that can always be disposed of quickly toward the end of a session. All other action has been taken on the matter. But the point I am trying to make is that I have heard on this floor time and time again severe criticism of those of us who feel that this bill proposes very important legislation that we are delaying a certain part of what the Republicans have said is their major legislative program.

I am trying to tell the majority leader that in two major instances we are not delaying anything because if I made a motion now to consider the housing conference report and the tax bill conference report Senators on the other side would oppose it. Is that correct?

Mr. KNOWLAND. I would at this time, though I expect both the reports to be adopted. As the Senator knows, if he made such a motion, and the Senate agreed to the motion, the conference report would then be subject to unlimited debate.

Mr. MAGNUSON. But it would go right to the President.

Mr. KNOWLAND. After the conference report was adopted, of course.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Indiana?

Mr. KNOWLAND. I yield.

Mr. CAPEHART. Should we bring up the housing bill conference report, and let filibuster run against that, or bring up the tax bill, and let filibuster run against that?

Mr. MAGNUSON. I am ready to vote on conference report now.

Mr. CAPEHART. Let us call a spade a spade.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from New York.

Mr. LEHMAN. The distinguished majority leader a few minutes ago asked whether it would be possible to suggest a formula that would make action on this bill possible and permit the Senate to proceed with many important measures with the responsibility for which they are charged.

I should like very much to repeat a proposal which I made a week ago today. We know that there are many issues contained in this bill, highly technical, highly complex, on which there is honest difference of opinion. We on our side, many Senators on the other side, feel strongly that this bill is a giveaway and against the interest of the people who have provided $12 billion. We feel that there are involved many serious issues of that kind. Other Senators do not agree with us. But, obviously, feeling that we have a great responsibility to protect what we believe to be the interest of people, we are not going to yield on matters which are our responsibility.

On the other hand, in regard to the international feature of this bill there is little, if any, disagreement on our side or I believe on the Republican.

The suggestion which I made in a speech just a week ago, which has been echoed many times, I believe, by other Members of the Senate, is that we draft an amendment which will permit the prompt adoption on a sound basis of the international part of this bill and lay aside for the time being, either to a later date in the session, or probably until the next session of Congress, the many, many doubtful provisions of the bill which in the meantime should be further studied. That will permit the passage of what the President, I believe, considers one of the most important, if not the most important, feature of the bill, the international feature.

Mr. KNOWLAND. As late as yesterday I happened in the course of my responsibilities as majority leader to have conferred with the President of the United States. I know that he feels the entire bill is important. Since the day he was sworn in as President of the United States he has recognized that he has a constitutional responsibility in his state of the Union message and in special messages to Congress to make certain recommendations. That he has done. He has recommended the enactment of legislation along these lines. But President Eisenhower has never taken the position that the Congress should pass word for word or paragraph for paragraph, or comma for comma what somebody in the executive department has recommended, and certainly the President recognizes that under the Constitution, which makes Congress the legislative branch of the Government, it has all the legislative power, and if in the judgment of the Senate it wants to divide the bill and a majority votes to divide it, that is within its legislative power. If it wants to strike out certain amendments or if it wants to add certain amendments that is within its legislative power. All we ask is that there may be a determination by the representatives of 48 sovereign States, who in this body, at least, are equal, the smallest State being equal in power and responsibility to the greatest State represented by the Senator from New York, or my home State, or some others which are in the higher population bracket.

I believe in that system. I think that is the system which has made our great Nation possible. It was one of the great compromises which assured the adoption of the Constitution of the United States. All I am asking, as 1 of the 2 Senators from the State of California, is that I not be denied the right to vote on these measure. If the Senate by a majority vote takes a different position, under the American system, I accept that. That is the way I thought our system was supposed to operate.

The only thing that I feel is not in keeping with the highest traditions of our land is that what may be a minority, and we will never know until we get to a vote, how small a minority of the 96 Members of the Senate, is denying us the right to vote. That is the basic issue which is facing us today, and that is the situation which by one means or another and with great patience I have tried to meet, and I assure the Senator with good humor and friendliness, I shall try to meet it in the future. I think if all of us will get our heads together we will be able to devise some formula. I shall continue to work on it until this bill is finally disposed of by the Senate of the United States being able to exercise its legislative function of voting on the bill and the amendments, up or down. But so long as I sit in this chair, I do not intend to abdicate the legislative power of the Senate and be told that we will not pass

a bill because what perhaps may be a minority will not permit the Senate of the United States to come to a vote on it. If I have to stay here all summer and all winter I intend, so far as I am concerned, to see that the Senate of the United States has the opportunity to operate as a great legislative body, a part of the Congress of the United States, in whose hands rests all the legislative power put there by the Constitution of the United States.

Mr. BENNETT. I should like to make a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Will the Senator yield for a parliamentary inquiry? The Senator from California has the floor.

Mr. KNOWLAND. I yield.

Mr. BENNETT. My parliamentary inquiry was to ask who has the floor?

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. BENNETT. Mr. President, I ask for the regular order.

Mr. KNOWLAND. I hope we can conclude this discussion because we are on the Executive Calendar.

Mr. BENNETT. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. May the Chair suggest that when we are on the Executive Calendar we keep to executive business.

Mr. KNOWLAND. I suppose, Mr. President, the reason we got into this discussion was because we are on one nomination, it moved from there to the general situation of housing, it moved from there as to why we did not lay aside the pending legislative business to take up a housing conference report, and like a chain reaction in the atom which we are discussing considerably on the floor, the chain reaction has gone on. I hope we can terminate it very soon.

I yield to my friend from New York and then I will yield to my friend from Minnesota.

Mr. LEHMAN. I assure the distinguished majority leader that there is no disposition on my part, and I feel I am very safe in saying there is no disposition on the part of any of our group that is fighting for what we believe to be the interests of the people, to prevent the complete and full expression of opinion on the floor of the Senate. We have from time to time been denied that right to the extent that we felt justified in protesting. But what I want to emphasize is this: The distinguished majority leader has frequently drawn attention to the great amount of important legislation that still must come before Congress. I am willing to stay here, like the distinguished majority leader, all summer and all autumn, but I want to make it very clear that we have the very important business now pending, the many pieces of important business which the majority leader has referred to, the tax bill, social security, the farm bill, and many others.

The PRESIDING OFFICER. The Senator from Utah has asked for the regular order. The Senator from California has the floor. He can yield only for a question instead of a speech.

Mr. KNOWLAND. If the Senator will rephrase his statement into a question I hope we can get back onto the Legislative Calendar. Undoubtedly during the day we are going to pursue this matter a little further. But I yield for a question from my good friend from the State of New York.

Mr. LEHMAN. Let me ask, why does the distinguished majority leader seek to make it appear that the Democratic Party is responsible for the delay?

Mr. KNOWLAND. I have never said, "the Democratic Party." I said the "so-called liberal wing of the Democratic Party."

Mr. LEHMAN. The so-called liberal wing is a pretty substantial number, as has been shown on at least a half a dozen, or a dozen votes.

Mr. KNOWLAND. I have never charged the Democratic Party with trying to obstruct the legislative program. I have had the greatest cooperation a majority leader could ask for from the minority leader on the other side of the aisle, and we could not have passed as much of this legislation as we have, sitting here, as we do, at one time with only 47 votes. At the present time, there are just 48 Republicans.

Obviously, with the absences from time to time due to death and sickness—and that has struck the Senate—we could not have passed legislation had we not had the support from the other side of the aisle. Sometimes it has been practically overwhelming, or unanimous. Sometimes it has been by large numbers.

I have frankly and publicly acknowledged it, but I also want to point out to the Senator that that is the way our system has worked. When you had a Democratic President and we controlled the Congress, we passed a great deal of legislation which had been recommended—after we considered it—as our legislative responsibility.

I never thought that we should act as though we were enemies across the aisle. We should have a common purpose for our country, its defense, its welfare, and the well-being of its people.

Mr. LEHMAN. Is it not a fact that the so-called liberal wing of the Democratic Party, aided by other liberals on the Republican side, was the means of beating the Bricker amendment which was so keenly and vigorously opposed by the President of the United States, by the State Department, and which the distinguished majority leader refused to back?

Mr. KNOWLAND. Mr. President, I am not going to reopen the debate on the Bricker amendment. On that I might say that a great Democrat, one I believe to be one of the greatest Democrats of the country, as I previously mentioned, Senator BYRD, and I hope there will be more Byrds in the Senate, and not fewer, and the distinguished Senator from Georgia [Mr. GEORGE] who has been chairman of the Finance Committee and is one of the outstanding Members of this body, sat down with those of us on the Republican side of the aisle and others from the Democratic side of the aisle, and tried to work out an area of agreement, and time after time we felt we were within the thinness of a razor's edge of being able to get together on something that could be agreeable all the way around.

Now, at the proper time, if I have to, I can go into that in detail, but I do not think this is the time and the place, and I hope that the distinguished Senator will not be critical of an amendment, regardless of how he might have felt on either the George amendment or the Bricker amendment which had the overwhelming support of both the members of his party and the members of my party, in the Senate.

Mr. LEHMAN. I am not critical at all. It was our votes that saved the President.

Mr. BENNETT. Mr. President, I ask for the regular order.

Mr. HUMPHREY. Will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. HUMPHREY. I want to speak on this nomination in my own right.

Mr. LANGER. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. The Committee on the Judiciary as a whole has the highest regard and respect for the distinguished Senator from Nevada. I cannot believe that, had it not been for the peculiar exigencies of the case, he would have charged the Republicans with being slipshod in the matter of the nomination of Mr. Wilson, which is now before us, for the office of judge of the Court of Customs.

The question is whether or not the report of the subcommittee should have been sent to the full committee. I therefore desire to read from page 20 of the proceedings of the full Judiciary Committee at its regular meeting held on Monday, July 19, 1954, at 10 o'clock a. m., in room 424 of the Senate Office Building, at which time we considered the nomination of Mr. David J. Wilson:

At this point Senator WELKER asked unanimous consent that with reference to the nomination of David J. Wilson, for judge of the United States Customs Court, in the event the subcommittee, after the hearing which has been set for Wednesday, July 21, finds no merit in the allegations and objections which have been made—

And that refers to the letter of the distinguished Senator from Oregon, Senator MORSE—

That this nomination be reported favorably without further ado. There being no objection, the unanimous-consent request was granted.

Thereafter, the subcommittee met, and I quote now from the official proceedings of the subcommittee held on the 22d day of July 1954, after the recording that I have referred to had been taken.

The CHAIRMAN. I might say I am entirely satisfied, further, that Mr. Wilson had nothing whatsoever to do with that recording being made; that it is legal to make that recording under the laws of Utah, but that whether it is, whether it is not, certainly Mr. Wilson is not to blame for what his associates may have done; that he at all times acted in a very ethical manner.

As far as the chairman is concerned, he believes that this subcommittee should report favorably to the full committee on this nomination.

Mr. DAVIS. Mr. Chairman, here is a wire which just came in.

Senator HENDRICKSON. May the junior Senator from New Jersey associate himself with the remarks of the distinguished chairman and urge that Mr. Wilson's nomination be reported?

Thereafter the telegram was read, and the following proceeding took place:

The CHAIRMAN. There is nothing new in that telegram. Do you move that he be reported favorably?

Senator HENDRICKSON. I do indeed.

The CHAIRMAN. Your nomination is reported unanimously by this committee to the full committee, Mr. Wilson. We will meet on Monday, and at that time we expect that your nomination will be reported out by the full committee to the Senate, and you ought to be confirmed Tuesday or Wednesday.

Senator WATKINS. If you will read the record there, Senator, we had unanimous consent of the committee that the subcommittee would make the report.

Senator HENDRICKSON. If we reported favorably, the full committee would accept our report.

The CHAIRMAN. It is reported favorably to the Senate, and I am authorizing Senator WATKINS, a member of this committee, to make the report.

Senator WATKINS. Thank you, Senator. I appreciate your courtesy and patience in this matter, and I am sure that the people of Utah will, likewise.

Mr. MORSE. Will the Senator yield for a minute?

Mr. LANGER. I mention that solely because I would not want any Senator upon this floor to believe for a single minute that the Republicans would conduct the business of the Judiciary Committee in a slipshod manner. We pride ourselves in doing just the opposite, and I am satisfied my distinguished friend from Nevada [Mr. MCCARRAN] never would have made the remarks he made if it had not been for the peculiar circumstances of these last 2 nights. As I said before, he is a warm personal friend of every member of the Judiciary Committee. I have the deepest affection for him. I think he is cooperating in every way to get the work done well that comes out of that committee.

Mr. MORSE. I most respectfully suggest, if I understood the distinguished chairman of the Judiciary Committee correctly, the minutes ought to be clarified so that they will not leave the impression that the Senator from Oregon made any allegations against this nominee. All I did was transmit to the committee allegations made against him by constituents of mine, and I made very clear to the committee that I was making no allegations.

I do not know what the facts were, but I had a duty to my constituents to transfer their allegations and ask the committee to investigate.

Mr. LANGER. That is certainly the truth.

Mr. MORSE. I want the Senators from Utah to know that I did not make any allegations against the nominee, but I had a duty, the same as the Senators if any constituents of theirs make a similar charge, to transmit the allegations to the appropriate committee.

Mr. LANGER. I wish to state that what the Senator from Oregon says is true. It was only his duty to transmit those complaints to the full committee.

Mr. HENDRICKSON. The subcommittee understood the situation from beginning to end.

Mr. BENNETT. I should like to add my confirmation of the same understanding, and I suppose I could speak for my senior colleague as well.

Mr. HUMPHREY. Mr. President, I gathered that the business before the Senate was the Executive Calendar.

The PRESIDING OFFICER. It is; and the confirmation of Mr. Wilson.

Mr. HUMPHREY. That is correct. I wish for a moment to mention a word in reference to this matter of confirmation, and the Federal Housing Administration. First of all, I have heard nothing else but good about Mr. Mason, and I concur in the remarks of the Senator from South Carolina [Mr. MAYBANK], that Mr. Mason exercised the duties of his office with the most careful diligence, and with the most firm type of administration.

Mr. President, I have been deeply moved by the debate that has taken place here as to who is at fault for what has gone on in the FHA. Well, I think the facts ought to be quite clear, namely, that both administrations are not without sin, and I think the facts ought to be crystal clear that the Congress itself, in passing the law, did not do what it might have done to prevent the kind of abuse and outright corruption which has taken place.

Mr. President, I refer to the CONGRESSIONAL RECORD of April 9, 1951, which I have before me. I have examined the debate of that day very carefully, going back to the consideration of the National Defense Housing and Community Facilities and Services Act, S. 349. On page 3464 of the CONGRESSIONAL RECORD, volume 97, part 3, that debate starts. I refer you to the CONGRESSIONAL RECORD, volume 97, part 3, page 3492. The RECORD will reveal there was considerable debate over the Long amendment just prior to this stage. The Long amendment was an amendment to the Bennett amendment. The purpose of the Long amendment was to increase the amount of equity capital that was required for builders under 608 projects. That amendment was hotly debated, and, as we know from the RECORD, it was finally adopted in the Senate and then was dropped in conference—was lost in conference.

Mr. President, at that time the junior Senator from Minnesota asked for the floor, and I wish to read certain portions of the RECORD to show clearly how much difficulty I had in getting the floor.

First of all, I asked for 5 minutes. I read now from the RECORD, on page 3492:

Mr. MAYBANK. Mr. President, I now yield 5 or 10 minutes to the Senator from Minnesota.

Mr. WHERRY. Five minutes?

Mr. MAYBANK. I understand that half an hour is available on the question of the final passage of the bill.

The VICE PRESIDENT. On the question of the final passage of the bill, 1 hour is available, to be divided equally.

Mr. MAYBANK. Then I yield 5 minutes to the Senator from Minnesota, if that is agreeable to him.

Mr. HUMPHREY. That will be ample, Mr. President. I thank the Senator from South Carolina for yielding that time to me.

Then I proceeded with a discussion of that portion of the bill which is known as title IX, section 608, and I would like these words to again ring through this Chamber, because never was I more right, and never did I take more criticism for saying what I said than I did on that afternoon.

What did I say? Mr. President, this is what I said:

However, Mr. President, I think this bill is adequate testimony in regard to what happens when private interests make up their minds that at long last they are going to have their way in their relationships with the Federal Government. It is interesting to me to note the hue and cry which went up in the 81st Congress and the hue and cry which is going up in this Congress about the welfare state, and about the intrusion of Government into all aspects of private enterprise. We have heard many speeches in regard to how private initiative is being destroyed by the heavy hand of the Government and in regard to the destruction of the moral fiber of the Republic because of Government subsidies. Yet, Mr. President, if I have ever seen a bill in which there is private subsidy and complete underpinning of an industry, this bill, as it thus affects the building industry, is it. If I have ever seen a bill which discriminates against the little man who wishes to build his own home, and in favor of the building construction industry, this is it. Under this measure, the FHA, in its operations, will not give to the little citizen who wishes to build his own home the same benefits as those which will be given to the building industry.

As has well been pointed out by the Senator from Louisiana [Mr. LONG] and the Senator from Illinois [Mr. DOUGLAS], section 608, as it relates to housing, has gone into the records as being one provision by the Government which has not simply been insurance, but has been insurance plus premium. It has been insurance plus a great premium, to those who have been able to get hold of it.

In the case of section 608, Housing, Mr. President, let me say that if ever there was something which constituted a scandal in the housing industry, that is it. It makes a mink coat look like a 10-cent-store toy. Under this proposal, we are going to go so far that the Federal Government does not insure more than 100 percent, in case of a loss, to a would-be investor who would not put a nickel of his own money into such operations. What a risk that is for capitalism on the march—at a snail's pace. This proposal involves no more risk to private investors than there is risk of freezing to death at the equator.

The enactment of this measure will not result in the investment of capital for the good of the country or to enable private industry to operate for the good of the country. This measure, if enacted, will do nothing more than have the Government of the United States subsidize, underwrite, and support private contractors and prevent them from losing a dime.

Then, Mr. President, I proceeded:

In view of the action proposed to be taken by way of the enactment of the pending bill, I wish to state what I believe the future holds in store. I desire to make quite clear at this point that I do not possess a crystal ball and that nowhere in the New Testament do we find a listing of any of the Humphreys as having prophetic vision. Nevertheless, I wish to prophesy now the effect this measure will have when it is enacted.

Of course, I realize that a great deal of very had work has been required in preparing this measure, and I pay fitting tribute to those whose valiant efforts have been required in framing the provisions of the bill. In particular, I commend the chairman of the committee and his colleaguse, the Senator from Alabama [Mr. SPARKMAN], because I know what is in their hearts, and I know how hard they had to work to get even this kind of a bill reported from the committee to the Senate. In fact, in spite of my misgivings, I shall vote for the bill for we need defense housing desperately.

At the same time I wish to make it quite clear, so far as the junior Senator from Minnesota is concerned, that this is a matter of getting into the Public Treasury, not with a teaspoon but with a scoop shovel.

Mr. MAYBANK. Will the Senator yield? This is the second Long amendment, is it not?

Mr. HUMPHREY. That is the second Long amendment in the debate of the Defense Housing Act.

Mr. MAYBANK. The first Long amendment, which was for 80 percent. At that time I was chairman of the committee.

Mr. HUMPHREY. That is correct.

Mr. MAYBANK. I voted for it.

Mr. HUMPHREY. That is correct.

Mr. MAYBANK. I think that I accepted the amendment.

Mr. HUMPHREY. The Senator did indeed. The chairman of the committee accepted the amendment.

The debate proceeded:

It is an effort on the part of certain persons who have been adverse to socialism, who have worried about the New Deal and about a Fair Deal, to give one of the biggest raw deals to the American taxpayers in terms of insurance, as an insurance principle under the FHA, that we have had in housing legislation for a long time. But it is a little better than section 608. It is section 608 revised, slightly deodorized; but not much. It still smells. I want to make it crystal clear that the failure to include adequate funds in this bill and additional provisions for Government-constructed housing where it is needed in the protection of the public interest and the national security, is a vital weakness in the bill.

The VICE PRESIDENT. The Senator's time has expired.

Mr. HUMPHREY. May I request 2 or 3 minutes more, in order that I may conclude?

Mr. MAYBANK. I yield another 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. I merely want to be sure that, once this bill has been passed, and once the "gravy train" starts to move down the track of abundance and privileges, the tax gatherers will watch over the profits which will be made under the bill. I hope, by the way, that the FHA will follow the very prophetic warning which was given by the Senator from Illinois, that so long as we have investigations here, perhaps we could start another investigation. Perhaps we could look into FHA. Perhaps we could find out whether FHA is an agency which is working in behalf of the average American citizen, the man who earns about $3,000 to $5,000 a year, or whether FHA is a contractor's holding company. I am not saying that it is, I merely say that the breezes from the Potomac are not always filled with the odor of cherry blossoms. We should look into it.

Then I went on to admonish my colleagues as to what might happen. And we know what happened, Mr. President.

But on April 9, 1951, the Senator from Minnesota was really "giving the works"—and in that connection I read further from the RECORD of April 9, 1951:

Let me now admonish those who are so strongly for this piece of legislation not to be moved by what happened only a few months ago to think that simply because certain things happened in the countryside last November, it can always happen that way. Mr. President, the hand may be overplayed. I say to Senators, watch out. After it has been made so completely obvious, after the glove is taken off and the mailed fist is put on, and a knocking starts on the door, somebody is apt to hear, somebody is apt to see, and this kind of legislation is that loudest about waste in Government.

Regarding the amendment proposed by my friend, the Senator from Louisiana [Mr. LONG], let us protect the public interest by law, not by administrative rulings, as suggested by the Senator from Nebraska [Mr. WHERRY]. Is it not interesting that whenever something is proposed which will protect the public interest, something which can be written into law, there are those who rise to say that we ought to take care of it administratively? I desire to pay my respects to the Senator from Louisiana for his vigilance in the protection of the public interest.

The VICE PRESIDENT. The Senator's time has again expired.

Mr. CAPEHART. Mr. President, will the Senator from Nebraska yield me a little more time, not to exceed 10 minutes?

Mr. WHERRY. I am glad to yield 10 minutes more to the distinguished Senator from Indiana.

Mr. CAPEHART. Mr. President, after listening to the able Senator from Minnesota [Mr. HUMPHREY]—

I appreciate the Senator's use of that adjective—

I am perfectly convinced that we have one of the finest bills ever to come before the Senate. I am further convinced that it is a great bill because the CIO is opposed to it, because the Real Estate Board is opposed to it, and because the able Senator from Minnesota is opposed to it—which in my mind cannot but make it an excellent bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. CAPEHART. I decline to yield.

The VICE PRESIDENT. The Senator declines to yield.

Mr. HUMPHREY. I certainly wish to thank the Senator.

Mr. CAPEHART. Many of the arguments which the able Senator from Minnesota used a moment ago are taken from a bulletin which was handed to me by the lobbyists of the CIO outside the Senate door, and I presume that, after reading this bulletin, had I desired, I could have risen and made the same kind of speech which the able Senator from Minnesota made.

Oh, Mr. President, I will bet that the Senator from Indiana wishes he had made that speech. [Laughter.]

I wish to thank my friends in the CIO if they gave me that information. I do not recall that they did; but I did not have any information, to be able to smell some of the odors that were coming from the Potomac at that time. We knew there was trouble under section 608. The able Senator from Louisiana [Mr. LONG] and the able Senator from Illinois [Mr. DOUGLAS], among other Senators, tried to prevent it.

Mr. KNOWLAND. Mr. President, let me inquire what year that was.

Mr. HUMPHREY. 1951.

Mr. KNOWLAND. I thank the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I wish to make clear that in 1951, the Democratic Party had control of the Congress.

Of course, Mr. President, the Senator from California, the able majority leader, is a subtle man. [Laughter.]

But I want him to know and I want everyone else to know that then, as now, the Republicans were trying to move in, and they were moving.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. I wish to say that the able Senator from Minnesota is 100 percent correct when he reads from the CONGRESSIONAL RECORD what I said. Let me state why I said it. I had sat in the committee for days and days, listening to the FHA officials testify, and listening to witnesses from the industry testify. I had listened to the testimony of everyone concerned.

In each and every case they assured us that the things which since then have happened—as prophesied in the article to which reference is made in the CONGRESSIONAL RECORD for April 9, 1951—would never happen; and, unfortunately, I believed them. There is no question but that I was wrong. There is no question but that everyone else who believed them was wrong. As I go back and read the RECORD—and I have read just what the able Senator from Minnesota read a moment ago; I have read what I have said, and I have had it read—I find that, frankly, they pulled the wool over our eyes; I refer to those who were responsible for the operation of these different titles—because they assured us—and I can dig out the record and can read for perhaps several hours the testimony on the part of representatives of the industry and on the part of FHA officials—Mr. Foley, Mr. Powell, Mr. Greene—when all of them said it just could not happen. Unfortunately—and I am willing to admit it—I believed them, when I should not have.

Mr. HUMPHREY. Mr. President, I want to commend the Senator from Indiana, who now is the chairman of the committee, for the diligence with which he pursues the investigation. He does a good job. I wish to make that quite clear. I say the same for the Senator from Virginia [Mr. BYRD].

All of us have some responsibility for this situation; and I say it was not just due to the administration, bad as it was.

By the way, Mr. President, the Senator from Indiana would be interested in knowing that after I made that speech, the FHA officials came to see me, and said I should not be making speeches like that. But I pointed out to them that I thought what I said was the truth.

Mr. CAPEHART. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. HUMPHREY. I yield.

Mr. CAPEHART. Many of us have been serving in the Senate for about 10 years. Let me say that during my

service here, one of the things I have learned is that each of us should use his own best judgment.

At the time to which the Senator from Minnesota has been referring, we were right. But we were sold on the idea that it could not happen.

Let me say that the things all of us were trying to do at that time possibly would have permitted 100 percent but never would have permitted more than 100 percent.

However, we are getting thousands of cases where more than 100 percent was obtained. There is no question but that the wool was pulled over the eyes of many persons in respect to this whole matter. In fact, it is one grand national scandal.

Mr. MAYBANK. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. MAYBANK. I wish to agree with the able Senator from Indiana, when he says the wool was pulled over our eyes by the mortgage bankers and the big-business interests of the country. However, Mr. President, let me say the wool was not pulled completely over my eyes, because I voted with the Senator from Louisiana [Mr. LONG] on his amendment, and we talked together about it; and, as I recall, the Senator from Illinois [Mr. DOUGLAS] was included in that conference; and, as chairman of the committee, I accepted the amendment, and took it to conference.

Mr. HUMPHREY. You certainly did.

Mr. MAYBANK. And in the conference, day after day, the conference report was held up because the House of Representatives refused to give in, in regard to the amendment of the Senator from Louisiana, which had been adopted on the floor of the Senate.

So finally, in order to obtain a conference report on the bill—as I recall, in the early morning hours; and also, as I recall, the Senator from Ohio [Mr. BRICKER] and the Senator from Alabama [Mr. SPARKMAN] had to take a trip abroad, and had already left, and were on the high seas—in order to obtain a conference report on the bill, we finally agreed to let the amendment of the Senator from Louisiana be omitted from the conference report, although I always tried to get it included.

As I recall, the Senator from Ohio [Mr. BRICKER] and the Senator from Alabama [Mr. SPARKMAN] went to Denmark, to examine the housing installations there.

So that is the reason why we let the amendment be removed by the House conferees.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Minnesota yield, to permit me to ask a question of the chairman of the Banking and Currency Committee?

Mr. HUMPHREY. First, I should like to read a further passage from the CONGRESSIONAL RECORD for April 9, 1951; I wish this further passage to appear in today's RECORD, in the interest of continuity. I wish to pay tribute to the Senator from Indiana [Mr. CAPEHART], who is in the Chamber with me. I now read from the CONGRESSIONAL RECORD, volume 97, part 3, page 3491, the remarks made by the Senator from Indiana [Mr. CAPEHART] as he concluded his argument on the amendment which, as chairman of the committee, he accepted and took to conference. I now shall read from the remarks made on that occasion by the Senator from Indiana:

However, Mr. President, first I shall read from the conclusion of the argument of the Senator from Louisiana [Mr. LONG]:

> As I suggested to the senior Senator from Illinois [Mr. DOUGLAS], if we want to eliminate improper influences in Government, then let us eliminate these types of transactions where the Government takes all the risk and some profiteer takes all the profits. Then we will not have so many people trying to rush in to grab up projects when they see that they are not going to make a great profit without taking a risk.

In speaking of what went in the bill, I reminded the Senate that there had been some improvement. I said:

> But it is a little better than section 608. It is section 608 revised, slightly deodorized; but not much. It still smells.

Then I made a comment which I thought completely proper, regarding the bill:

> Let me now admonish those who are so strongly for this piece of legislation not to be moved by what happened only a few months ago to think that simply because certain things happened in the countryside last November—
>
> Speaking of the elections—
>
> it can always happen that way. Mr. President, the hand may be overplayed. I say to Senators, watch out. After it has been made so completely obvious, after the glove is taken off and the mailed fist is put on, and a knocking starts on the door, somebody is apt to hear; somebody is apt to see, and this kind of legislation is that loudest about waste in Government.

Mr. LONG. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. LONG. First, I wish to thank the Senator for his very kind and generous references to me.

I should like to refer him to what occurred more than 2 years before that, when I offered a similar amendment. At that time I conducted some hearings. Someone lifted an extract from the hearings, trying to indicate that I was in favor of these excessive profits. If anyone gained that impression he can be set aright by looking at the hearings of the lobbying investigation that occurred simultaneously with the hearing at which the testimony of the housing people was brought in. They knew that 10 days thereafter the Senator from Illinois moved to cut the guaranty from 90 percent to 80 percent, and that was agreed to, in the committee, by a vote of 7 to 5. That was an effort by some of us to prevent what at that time we regarded as an abuse.

At that time I said in the hearings that I felt certain—because I had been informed—that these projects were being built for 77 cents on the dollar, and that therefore the windfalls were made under section 608. That is why I offered the amendment—in an effort to prevent this situation from developing.

It is my judgment that if it had not been for bad administration, it would have been possible for a person to build a project for less than 90 percent of the estimated cost. In other words, the man building the project was allowed to include, as part of the cost, a flat fee of 10 percent; and the committee knew it. But in most instances the corporation was owned by the contractor. So he was in a position to declare dividends to himself. An allowance was made for an architect's fee of as much as 5 percent. Those contractors did not feel they needed an architect to watch them. They were building their own projects. Many of them did not even hire an architect. There were allowances for real estate. Then again many contractors when they estimated the job could build that job for less than what it was estimated it was going to cost.

All those things the junior Senator from Louisiana tried to point out to the committee. He tried to point it out to the Senate as far back as 1949. That is 5 years ago. Many people at that time said it could not happen, that you might get one of these items through but that you could not get all of them through.

Mr. HUMPHREY. I do not want to warm over old biscuits. I merely want to say that when I heard on this floor today that the scandal that has developed in FHA was the responsibility just of the Democrats and their administration I think the record ought to be made clear what kind of law we passed. I also think it ought to be clear where the pressures came from.

Mr. President, I was accused in my statement of having been influenced by the CIO. I may say that the CIO did not get one penny of the gravy that was going by. The working man in an automobile factory did not get anything but the privilege of paying a big mortgage with interest; that is all.

The people who were on the gravy train—there was plenty of gravy—are coming out every day in the newspapers, for the kind of outright profiteering that went on in the name of the Government, and at the time this measure was being considered there was a war on then, as there is now, against public housing. There was a struggle on the floor over cooperative housing. There was argument on the floor for better terms on individual ownership of FHA housing.

Mr. MAYBANK. The biggest argument at that time was in relation to rent control.

Mr. HUMPHREY. The Senator is eminently correct. What I want to say now is that what we really had bearing down upon us was the constant barrage of state-ism, welfare state, state-ism, welfare state. And now what do we have? We have ourselves in a state of embarrassment, a state of embarrassment over a wonderful program that was abused. Why was it abused? Because of excessive profits. I say that whenever excessive opportunity for profit is offered to anyone he will pay any price to get it.

That is why I am against this bill we are talking about, the atomic energy bill. A man ought not to stretch his luck too much, but I am going to make this

prediction: The scandal and corruption under FHA will look like the widow's mite. It will look like the pauper's fortune compared to what is going to happen under the atomic energy bill which involves $12 billion of the taxpayers' money.

This United States Senator, who, if he had not the good judgment, at least had the good fortune, of seeing what was in the wake of the possibilities of the abuse of section 608 of the Housing Act, predicts again that if the atomic energy bill that is before us now is passed every Member of this body who votes for it will be ashamed of his vote. He will live to regret it, because, believe me, when we are talking about fissionable material, when we are talking about atomic energy, when we are talking about patents that run into perpetuity, when we are talking about the opportunity of a whole new area of power and of energy, we make a little housing project look like a child's plaything. This housing business is bad enough. So let the record be clear. Let us take every precaution to see that what once happened is not repeated. We are always closing the doors after someone has stolen the golden horse. I suggest that we not only close the door on the barn, but we close it on the machine shed, the milk shed, the storm cellar, the house, the garage, and every other little piece of property to which we are supposed to be the custodians for the people of the United States.

I want to thank the majority leader for his cooperation today. I felt that the RECORD at least ought to be made clear. I do not want someone getting up and saying that it was all the Democrats' fault when 1 Democrat, or 3 or 4 or 5, here on this floor, saw this danger in the housing program. I recall that there were Senators that said on this floor that the Long amendment was not needed. The Long amendment was dropped. Why? Because some of us who wanted to see the Long amendment adopted were supposed to be without adequate faith in free enterprise. I have a lot of faith in free enterprise. I want the enterprisers to be free and enterprising. I do not want them running around with a sponge to see if they can sop up some excess capital that someone left around. If they are willing to build and work rather than to connive and cheat, they will get my support. I do not like cheaters and speculators; I will be frank about it. I like people who work long hours, such as we are doing in the Senate, 24 hours a day. Frankly, I do not like them, and I see no reason in the world why we should ever pass a bill in the Congress that makes it so that a man does not have to do an honest day's work in order to make a living.

I am somewhat amazed. When we try to help the farmer a little bit so that they may keep body and soul together, one would think the whole Capitol was going to fall down.

Mr. KNOWLAND. Will the Senator yield for a question?

Mr. HUMPHREY. I am in the midst of a wonderful thought.

We talk about helping the family-size farmer who has his wife and 4 children, including 2 daughters, working on his farm. By the way, anyone who visits my section of the country will see them on tractors. Mother will be riding the tractor. Father will be working in the fields. The sons and daughters will be working.

We talk about a little price-support program which gives them 10 percent less than anybody else gets. That is what 90 percent of parity means; it means 10 percent below what the rest of the community gets. Yet, it is said "Oh, he is being subsidized, it is too expensive," but here we have before us a proposal which is about to turn over $12 billion worth of assets, of revenues, that the people have paid for the development of atomic energy.

Mr. KNOWLAND. Mr. Mason is not doing that.

Mr. HUMPHREY. Mr. Mason is a wonderful man.

There are $12 billion worth of atomic energy materials, and we do not seem to bat an eye. I will be back to that theme a little later.

I think the majority leader is right; Mr. Mason is going to run the housing program. He has a strong heart, a clear mind, and a firm grip on the situation. I suggest he also have a strong foot; for he may have to boot out a few people.

Mr. KNOWLAND. Mr. President, I ask for the regular order.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). The question is, Will the Senate advise and consent to the nomination of Norman P. Mason, of Massachusetts, to be Federal Housing Commissioner?

Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

The Chief Clerk proceeded to read sundry promotions and/or appointments in the Diplomatic and Foreign Service.

Mr. KNOWLAND. I ask unanimous consent that these nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection the nominations are confirmed en bloc.

Mr. KNOWLAND. Mr. President, in conformity with the prior announcement, we are not taking up the nomination of postmasters today.

THE NAVY AND MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Navy or in the Marine Corps.

Mr. KNOWLAND. I ask unanimous consent that the nominations in the Navy or in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Navy and Marine Corps nominations are confirmed en bloc.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

Mr. MAGNUSON. Mr. President, before we leave the Executive Calendar, will the Senator from California yield for a question?

Mr. KNOWLAND. I yield.

Mr. MAGNUSON. I wanted to ask the distinguished Senator from Kansas in regard to the postmaster nominations. The committee, under the leadership of the Senator from Kansas, was kind enough, before the nominations were reported, to submit the names to the Senators from the States wherein the post offices are located. That was done regardless of political affiliation. We, in turn, have expressed approval, disapproval, or no opinion. But I notice—and I suppose this might happen at the end of the session when we have a great number of names—that in the State of Washington there are several on which, so far as I know, the junior Senator from Washington [Mr. JACKSON] and myself have received no notice and thus we have not had opportunity to express approval or disapproval. My question is whether that practice has been discontinued, or whether—because we are so close to the end of the session—it was impossible to submit all the names to us at the same time.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CARLSON. I wish to state to the distinguished Senator from Washington that every Senator has received, or is supposed to have received, a card with respect to every nomination which has come from the President of the United States. The committee sends out the cards. If a reply has not been received, we have written to the Senators holding the cards, suggesting that if they do not have a personal objection, as to which they have notified the committee, the nomination will remain on the calendar.

Mr. MAGNUSON. I appreciate the Senator's information. It may be that in the last 2 or 3 days many Senators have not looked at everything on their desks. I have no objection, so far as I know, to any of the nominations, but there has been some concern about the fact that in some cases Senators did not have the names of the nominees.

LEGISLATIVE SESSION

Mr. KNOWLAND. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1945, as amended, and for other purposes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield for a question.

Mr. MORSE. I desired to make an announcement of legislative intent. I desire to withdraw my amendment.

Mr. KNOWLAND. Is that the amendment now pending before the Senate?

Mr. MORSE. It is.

Mr. KNOWLAND. Might I ask the distinguished Senator from Oregon if he proposes to reoffer the amendment? If it is an amendment on which the Senate would have to vote anyway, I wonder if the Senator would not be just as well satisfied to have a vote on the amendment, since there has been a considerable amount of discussion on it. I know I entered the Chamber this morning during the latter stages of the Senator's speech.

Mr. MORSE. I am sorry the Senator was not present to hear all of it.

Mr. KNOWLAND. I am too, but I was trying to get at least 3 hours' sleep last night.

Mr. MORSE. I was only joshing.

Let me be frank with the Senator from California. He knows I always put my cards on the table. I think it is a very important amendment, but frankly I think we are in a situation in the Senate where the amendment will not receive the consideration which I think it deserves. In fact, I even have a hunch there are other Members of the Senate who are very much interested in the objective of this amendment, and who actually contemplated offering a similar amendment, although I did not know it. In fact, one Senator came to me while the debate was in progress today, and laughingly said, "I did not know you had this amendment at the desk, because it is an amendment I had intended to offer later."

I say to the majority leader that I am very much of a realist about these things. I have a feeling that perhaps a few days from now, after we have moved further along with the objective which I have been working to accomplish, further along with the position which I think we are going to accomplish, that amendment or a similar amendment, will be brought up by someone else, by a Member of the other side of the aisle, and it might receive more favorable consideration. I feel that I am within my parliamentary rights. I am now in a very cooperative spirit about this. I should prefer to withdraw the amendment now. I would not want to say that under no circumstances would I not bring it up again.

After we reach an agreement, which I think we are going to reach in a matter of a few days, on the position with respect to some of our differences. But I would prefer to have another Senator call up the amendment.

Mr. KNOWLAND. The Senator from Oregon encourages me, but he would have encouraged me more if he had suggested that he thought we would reach an agreement within a few hours, rather than a few days.

Mr. MORSE. The Senator from California expects too much.

Mr. President, I withdraw my amendment.

Mr. KNOWLAND. I have not yielded to the Senator from Oregon for that purpose.

Mr. MORSE. I would not want the Senator from California to yield for that purpose, unless he desired to do so.

Mr. KNOWLAND. I recognize that it is necessary to consider certain parliamentary situations. Normally in this great body, of which we both have the honor of being Members, our rules are applied somewhat loosely in the normal course of affairs.

During debate in the normal course of affairs, we do not require yielding only for questions. Sometimes speeches of several hours are made in the midst of the consideration of other business. If a Member must be out of town or be otherwise absent from the Senate, an effort is made to accommodate him to that extent. But when we get into the closing month, or the closing days of a session, the problem is somewhat different.

Unfortunately, we have been experiencing a situation which has not been pleasant to the majority leader, because, after all, the Senator from Oregon and I, while we have had our differences on the floor, have served together for approximately the same time in the Senate. We have had many very pleasant relationships together during the 9 years I have been a Member of the Senate.

The majority leader has had to ask that the rules be rather strictly applied—I think technically I am correct in the matter—by not yielding at this time to make a motion—by not yielding at this time for the purpose of allowing the Senator from Oregon to make a motion. I have the floor at the moment, and I could bring the matter to a head. But I may say to the Senator from Oregon that I am not inclined to do it.

Mr. MORSE. I want the Senator from California to do whatever he thinks is right.

Mr. KNOWLAND. The Senator from Oregon has laid his cards on the table, so to speak. I want to make a frank statement of my own.

Whenever an amendment is called up, there is, of course, discussion on that. Under the rules, each Senator is allowed to speak twice in the same day on either the bill or an amendment. If an amendment were offered, and there were prolonged speeches, some speeches might run for 15 or 20 hours. The Senator's speech this morning was, as he said, a warmup; merely a warmup; just a mere 8 or 10 hours.

Mr. MORSE. Eight hours and 2 minutes.

Mr. KNOWLAND. Other Senators might discuss the amendment for 4 hours, 3 hours, 10 hours, or 22 hours, perhaps more, depending upon their energy; and then, just as the Senate reached the point of voting, the amendment would be snatched away, and another amendment, perhaps almost the same amendment, would be offered by another Senator, and the same process would be repeated.

This, of course, would make the Senate look foolish and ridiculous, and the present occupant of the Chair would have some apologizing to do to his colleagues.

While I recognize the fact that I could make a motion to lay the amendment on the table, and ask for the yeas and nays, and get them, I do not intend to do that because the Senator from Oregon has requested that he have the right to withdraw his amendment.

I am hopeful that when there has been more cogitation, and perhaps after the Senator gets his sleep——

Mr. MORSE. Oh, I am going horseback riding.

Mr. KNOWLAND. I think that when he gets out in the fresh air, and communes with his horse——

Mr. MORSE. I sometimes find that to be better than being with my colleagues. [Laughter.]

Mr. KNOWLAND. I am not going to object to the Senator's withdrawing his amendment in this case, but I wish to say I am certain the Senator can appreciate the position I would be in if there were long debate on an amendment, and it were then pulled out before I had a chance to move that it be laid on the table.

But both of us having made frank statements, and in the hope that the generous attitude I find in the Senate today may help us to solve some of the problems which confront us, I shall not object to the Senator's request.

Mr. MORSE. I thank the Senator from California.

The PRESIDING OFFICER. Does the Senator from Oregon withdraw his amendment?

Mr. MORSE. I withdraw my amendment.

TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I am about to take a little risk, in what I am about to propose. I told several Senators I would make this request.

I ask unanimous consent that we may have a morning hour, under the usual 2-minute limitation on speeches, so the Senators who have material which they desire to present for the RECORD may have the opportunity to do so.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9584. An act to protect the rights of vessels of the United States on the high seas and in territorial waters of foreign countries;

H. R. 9786. An act to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes; and

H. R. 9835. An act to provide for the termination of Government operations which are in competition with private enterprise.

AMENDMENT OF ARMED FORCES RESERVE ACT OF 1952 RELATING TO ALLOWANCES FOR UNIFORMS AND EQUIPMENT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Air Force, transmitting a draft of proposed legislation to amend section 243 (a) (3) of the Armed Forces Reserve Act of 1952 relating to allowances for uniforms and equipment (with an accompanying paper); to the Committee on Armed Services.

ACCEPTANCE BY MADEMOISELLE GENEVIEVE DE GALARD-TERRAUBE OF INVITATION OF CONGRESS TO VISIT THE UNITED STATES

The VICE PRESIDENT laid before the Senate a letter addressed to him by Mademoiselle Genevieve de Galard-Terraube of France, accepting the invitation of the Congress to visit the United States, and requesting that her thanks be submitted to the Congress, which with an accompanying paper, was ordered to lie on the table.

LEGAL HOLIDAY FOR BIRTHDAY OF FRANKLIN DELANO ROOSEVELT—RESOLUTION OF NEW ENGLAND CONFERENCE OF MACHINISTS, PORTSMOUTH, N. H.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution adopted by the New England conference of machinists in session on Saturday, April 24, and Sunday, April 25, 1954, in Portsmouth, N. H., in connection with the legal holiday for birthday of Franklin Delano Roosevelt.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF NEW ENGLAND CONFERENCE, INTERNATIONAL ASSOCIATION OF MACHINISTS

LEGAL HOLIDAY FOR BIRTHDAY OF FRANKLIN DELANO ROOSEVELT

"Whereas Franklin Delano Roosevelt holds a high place in the memory of the people of this country both as a friend to labor and a great humanitarian; and

"Whereas this memory should be perpetuated with other great Americans and statesmen: Therefore be it

"*Resolved*, That the New England Conference, I. A. of M., take the necessary steps to effect and promote legislation to make January 30, the birthday of Franklin D. Roosevelt, a national holiday in his memory."

Sponsored by Arsenal Lodge 150, I. A. M. Adopted by Massachusetts State council.

Resolution adopted by New England Conference of Machinists in session on Saturday, April 24, and Sunday, April 25, 1954, in Portsmouth, N. H.

ANTHONY NOVICKI,
Secretary-Treasurer.

THE TAFT-HARTLEY LAW—RESOLUTION OF NEW ENGLAND CONFERENCE OF MACHINISTS, I. A. OF M.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred, a resolution adopted by the New England Conference of Machinists, I. A. of M., on Saturday, April 24 and Sunday April 25, 1954 in Portsmouth, N. H., in connection with the Taft-Hartley law.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

RESOLUTION OF NEW ENGLAND CONFERENCE, INTERNATIONAL ASSOCIATION OF MACHINISTS

TAFT-HARTLEY LAW

Whereas the Taft-Hartley law has utterly failed as a Labor-Management Relations Act in bringing about its heralded peace in industry, but has instead been the direct cause of much greater and more bitter industrial unrest; and has also succeeded by its illegal restrictions on the peaceful organizing activities of labor organizations in preventing hundreds of thousands of underpaid wage-earners from exercising their constitutional rights of becoming members of a bona fide labor union of their respective choice; and

Whereas the said Taft-Hartley law by repealing the Norris-LaGuardia act and removing that great legal protection that union men and women had in the event of a labor dispute with an employer; has set up procedure which has been and will continue to be of inestimable value to the sweatshop employers of the Nation by assisting hard-boiled management in enforcing intolerable conditions upon defenseless employees; and

Whereas the said Taft-Hartley law has successfully thwarted the efforts of the International Association of Machinists in its efforts, many times, to establish more equitable working conditions and wages for members of our craft in nonunion shops and factories, by reason that the law protects the antagonistic employer in his efforts to resist a labor union: Therefore be it

Resolved, That the New England Conference of Machinists, I. A. of M., in body assembled on Saturday, April 24 and Sunday, April 25, 1954, in Portsmouth, N. H., do hereby denounce and condemn the said Taft-Hartley law as being an unholy and immoral and degrading piece of antilabor legislation, and we also declare it to be at variance with the constitutional rights of American citizens, in their liberty of forming voluntary organizations, therefore, it should be repealed outright.

ANTHONY NOVICKI,
Secretary-Treasurer.

INCREASE IN SALARIES OF POSTAL EMPLOYEES — RESOLUTION OF CITY COUNCIL OF QUINCY, MASS.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the City Council of Quincy, Mass., at its meeting of June 7, 1954, in connection with S. 3406.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Resolved, That the City Council of Quincy, Mass., memorialize the Congress of the United States as in favor of bill No. S. 3406, now pending before the Senate Committee on Civil Service and Post Office Affairs, which provides for a 10-percent salary increase, with a minimum of $400 and a maximum of $800 for postal employees. And be it further

Resolved, That a copy of this resolve be sent to the United States Senators and Congressmen from the Commonwealth of Massachusetts.

Adopted June 7, 1954.

AMELIO DELLA CHIESA,
Mayor.

HATTIEMAY THOMAS,
Clerk of Council.

PROTEST AGAINST INVASION BY RUSSIA OF CERTAIN BALTIC STATES

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, resolutions adopted at a mass meeting held by the Lithuanians of Worcester, Mass., protesting against invasion by Russia of certain Baltic States.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

At a mass meeting held by the Lithuanians of Worcester, in the Commonwealth of Massachusetts, at Maironis Park in the town of Shrewsbury in said Commonwealth, the following resolutions were unanimously adopted:

"Whereas on June 15, 1940, Soviet Russia, without warning and by brutal force of arms invaded and occupied the Baltic States of Lithuania, Latvia, and Estonia and ensalved those countries and their peoples; and

"Whereas on the days of June 14, and 15, 1941, Soviet Russia by use of armed force, contrary to all laws and human rights committed brutal atrocities and murder of the innocent men, women, and children of the occupied Baltic States, deported some 50,000 Lithuanian men, women, and children to the slave labor camps in Siberia and other remote parts of the Soviet Union, imprisoned thousands of Lithuania's nationals, and proceeded to systematically destroy the democratic forms of government of the enslaved Republics of Lithuania, Latvia, and Estonia; and

"Whereas the illegal and by force of arms occupation and the commitment of wholesale murder and torture of the innocent populations of the occupied countries and imprisonment and deportation of the nationals of said countries continues to the present day: Be it

"*Resolved*, That the Lithuanians of Worcester in the Commonwealth of Massachusetts, in commemoration of the tragedy which befell their homeland on days above mentioned, do hereby most vigorously condemn the illegal, by force of arms occupation of Lithuania, Latvia, and Estonia, the commitment atrocities, the brutal killing, deportation and imprisonment of the peoples of the occupied countries and the destruction of their democratic forms of government; and be it further

"*Resolved*, That the Lithuanians of said Worcester do hereby express their thanks and gratitude to the Government of the United States of America for its support of Lithuania's cause for freedom and for its refusal to recognize the illegal, by force of arms annexation of the Baltic States of Lithuania, Latvia, and Estonia by Soviet Russia; and be it further

"*Resolved*, That the Lithuanians of said Worcester do hereby most earnestly entreat and request the Government of the United States of America to use its influence to the utmost to the end that the armed forces of the Soviet Union be withdrawn from the territory of Lithuania and the other occupied countries, that the genocide of the peoples of said countries be ended, and that the Republic of Lithuania and said other occupied countries be restored as free and independent countries among nations of the world as

enunciated in the Atlantic Charter; and be it further

"*Resolved*, That a copy of these resolutions be forwarded to the President of the United States of America, the Secretary of State, the Ambassador of the United States to the United Nations, to Senators and Congressmen of the United States, and the press.

"Joseph K. Shaloviejus, Chairman; Alexander Kuzmickas, Lionginas Leknickas, Cochairmen; Pranas A. Aukstuolis, Secretary; Jonas Palubeckas, Jonas Vizbaras, Pranas Stanelis, Mrs. Marija Zidziunas, Alfonsas Kausevicius, Vaclovas Zidziunas, Committee Members."

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. BUSH, from the Committee on Banking and Currency:

H. R. 9236. An act to amend the Federal Credit Union Act, as amended; without amendment (Rept. No. 1981).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN:

S. 3800. A bill to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended; to the Committee on Agriculture and Forestry.

By Mr. CARLSON:

S. 3801. A bill to authorize the Secretary of the Treasury to prescribe regulations relating to qualifications of persons who assist taxpayers in the determination of their Federal tax liabilities, and for other purposes; to the Committee on Finance;

S. 3802. A bill relating to the payment of money orders; and

S. 3803. A bill to authorize the Civil Service Commission and the heads of all establishments in the Federal Government to make available, on a voluntary prepayment basis, group hospital, medical, and other personal health service benefits for civilian officers and employees in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CARLSON when he introduced the last above bill (S. 3803), which appear under a separate heading.)

By Mr. McCARTHY:

S. 3804. A bill to amend titles 18 and 28 of the United States Code; to the Committee on Interior and Insular Affairs.

By Mr. LANGER:

S. 3805. A bill to provide that the judge of the United States District Court for the District of Puerto Rico shall hold office during good behavior;

S. 3806. A bill to provide for the relief of certain Army and Air Force nurses, and for other purposes;

S. 3807. A bill for the relief of Leon Roman; and

S. 3808 (by request). A bill for the relief of Hans Kuzura; to the Committee on the Judiciary.

(See the remarks of Mr. LANGER when he introduced the last above bill (S. 3808), which appear under a separate heading.)

By Mr. KENNEDY:

S. 3809. A bill to prohibit the assignment of certain duties to members of the Armed Forces; to the Committee on Armed Services.

GROUP LIFE INSURANCE FOR FEDERAL EMPLOYEES

Mr. CARLSON. Mr. President, at the time I introduced the bill on group life insurance for Federal employees, S. 3681, which passed the Senate July 8 and is now pending before the House Post Office and Civil Service Committee, I inserted in the report that this group life insurance bill was the first of two associated bills and that the administration expected later to present proposed legislation for group hospitalization. I therefore, today, introduce a bill to authorize the Civil Service Commission and the heads of all establishments in the Federal Government to make available, on a voluntary prepayment basis, group hospital, medical, and other personal health service benefits for civilian officers and employees in the Federal service.

This proposal is a continuation of the President's important long-range objective of putting the Federal personnel program on a par with the best practices of progressive private employers.

I wish to insert in the RECORD at this time, as a part of my remarks, an explanatory letter pertaining to the bill, signed by Philip Young, Chairman of the Civil Service Commission.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). The bill will be received and appropriately referred, and, without objection the letter will be printed in the RECORD.

The bill (S. 3803) to authorize the Civil Service Commission and the heads of all establishments in the Federal Government to make available, on a voluntary prepayment basis, group hospital, medical, and other personal health service benefits for civilian officers and employees in the Federal service, and for other purposes, introduced by Mr. CARLSON, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The letter presented by Mr. CARLSON is as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., July 22, 1954.

Hon. FRANK CARLSON,
Chairman, Committee on Post Office and Civil Service,
United States Senate:

DEAR SENATOR CARLSON: The Civil Service Commission respectfully submits for your consideration a draft bill to make available, on a voluntary prepayment basis, group hospital, medical, and other personal health service benefits for civilian officers and employees in the Federal service.

This proposal is an important part of the President's long-range objective of putting the Federal personnel program on a par with the best practices of progressive private employers.

The draft bill, in brief, does three things:

(1) It would require all departments and other employing units within the executive, legislative, and judicial branches of the Government and the municipal government of the District of Columbia to make available to their employees a plan or plans of voluntary group hospitalization and other health-insurance benefits through private carriers;

(2) It would authorize each department and agency, at the request of the employee, to withhold and deduct from the employee's pay the latter's share of the cost of such insurance;

(3) It would provide for a governmental contribution of one-half of the premium cost up to a maximum of $1 per biweekly pay period per employee. The employee would pay the remainder of the premium cost.

It would place upon the head of each agency of the Government the responsibility for developing a suitable program of hospital and medical insurance for his employees. The Civil Service Commission would establish broad standards for the program, would provide technical assistance to the different agencies at their request, would review the program adopted, and would annually report to Congress on the operation of the program and the extent to which it meets the needs of Federal employees.

The program proposed in this bill, when enacted, should be of great benefit to the Federal Government and to the Federal employees. By making group hospitalization and other health-insurance benefits available to employees and their dependents, and encouraging and assisting them to take advantage of it, the program should improve the health of employees, reduce disability and time lost from illness, and promote efficiency by relieving employees of the worry of large medical costs in serious illness. By enactment of this proposal, the Federal Government will be doing for its employees what the great majority of large private employers are already doing.

The program as drawn up would entail a maximum annual cost to the Federal Government, assuming participation by the vast majority of all employees, of about $60 million.

In summary, this plan has two features that particularly commend it as an enlightened step forward for the Government as an employer. First, Federal employees would be given the advantage of payroll deduction for the purchase of group hospitalization and other personal health benefits, thus giving them an opportunity that workers in private industry long have had. Second, the contribution by the Government toward the purchase of such insurance will encourage many employees for the first time to avail themselves of the benefits of voluntary prepaid protection against the cost of hospital and medical care.

The Commission, in accordance with established procedure, has been informed by the Bureau of the Budget that there would be no objection to the submission of the proposed legislation for the consideration of the Congress.

Sincerely,

PHILIP YOUNG,
Chairman
(By direction of the Commission).

HANS KUZURA

Mr. LANGER. Mr. President, by request, I introduce for appropriate reference a bill for the relief of Hans Kuzura. I ask unanimous consent that a letter addressed to the Vice President from the Secretary of the Army, dated July 14, 1954, relating to the bill, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred and, without objection, the letter will be printed in the RECORD.

The bill (S. 3808) for the relief of Hans Kuzura, was received, read twice by its title, and referred to the Committee on the Judiciary.

The letter presented by Mr. LANGER is as follows:

DEPARTMENT OF THE ARMY,
Washington, D. C., July 14, 1954.

Hon. RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is inclosed herewith a draft of a proposed bill "for the relief of Hans Kuzura," which it is recommended be enacted into law. This proposed legislation is submitted by the Department

of the Army in accordance with the procedures prescribed by the Secretary of Defense.

The attention of the Department of the Army has recently been directed to the case of Hans Kuzura, RA 10,812,250, a Ukrainian national who enlisted in the United States Army on April 14, 1952, at Sonthofen, Germany, under the provisions of section 1, Act of June 30, 1950 (64 Stat. 316), as amended (10 U. S. C. 621c). Kuzura entered the United States pursuant to military orders on July 1, 1952, and was honorably discharged at Fort Devens, Mass., on November 26, 1952, for physical disability, in accordance with the provisions of the Career Compensation Act of 1949 (63 Stat. 802; 37 U. S. C. 231 et seq). The physical disability was incurred in the following manner: Found to have an ulcer, duodenal, recurring episodes two or three times a year averaging a week or more.

Pursuant to section 4, of June 30, 1950 (64 Stat. 316), as amended (section 402 (e), Immigration and Nationality Act (Public Law 414, 82d Congress, 66 Stat. 276)), an enlisted alien must complete five or more years of military service before he is eligible for naturalization. As Kuzura was physically disabled in line of duty while serving in the United States Army, he was unable to complete the required period of military service. Consequently, he cannot qualify for naturalization and the Department of Justice is considering deportation proceedings against him.

The Department of the Army considers that the depreciation of an opportunity to qualify for citizenship and the deportation of Kuzura under the stated circumstances would be manifestly inequitable in view of the termination of his service by causes beyond his control. This is the only case of this nature which requires action at the present time, and it is not contemplated that there will be any significant number in the future.

There is attached a proposed private relief bill, which would give Kuzura the status of one who has been lawfully admitted to the United States for permanent residence and so make it possible for him to apply for naturalization after compliance with the residence requirements of the Immigration and Nationality Act.

The enactment of this proposed legislation will have no fiscal effects.

The Bureau of the Budget advises that there is no objection to the submission of this legislation to the Congress.

Sincerely yours,

ROBERT T. STEVENS,
Secretary of the Army.

REVISION OF THE ATOMIC ENERGY ACT OF 1946—AMENDMENTS

Mr. MAGNUSON submitted amendments intended to be proposed by him to the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

INCREASE IN SALARIES OF MEMBERS OF CONGRESS, ETC.—AMENDMENTS

Mr. McCARRAN. Mr. President, the bill S. 1663, to increase the salaries of Members of Congress, judges of United States courts, and United States attorneys, has been pending on the Senate Calendar for 15 months.

As I think nearly all my colleagues will agree, salary raises for Members of Congress and for Federal judges and justices are fully justified. Such raises were recommended by the Independent Commission on Judicial and Congressional Salaries in its report last January. Yet the bill has never been brought up for consideration in the Senate.

It has occurred to me that perhaps someone is worried about the political effect of the bill. Perhaps there is a feeling that Members of the Congress would not want to vote to raise their own salaries just before election.

To meet this fear, if it exists, Mr. President, I submit an amendment intended to be proposed to this bill. The amendment is very simple, and simply provides that the effective date of the proposed salary raises shall be January 1, 1955, instead of the first day of the month following the date of enactment of the bill.

I am hopeful that with this amendment some of the reluctance to vote for the bill, on the part of Members of Congress, may evaporate. Certainly, all Members of either House of the Congress who are running for reelection could not be accused of voting themselves a raise, under this amendment, as they cannot know for sure that they will be back here next year.

I have spoken about this bill a number of times, Mr. President, and while I am on my feet in this instance, I should like again to ask the able majority leader if he will not give consideration to scheduling this bill for discussion in the Senate. I am confident that if the bill comes up it will be approved, and I feel sure that the other body also will approve it, once the Senate has acted favorably.

The PRESIDING OFFICER. The amendment submitted by the Senator from Nevada will be received and printed, and will lie on the table.

The amendment intended to be proposed by Mr. McCARRAN to the bill (S. 1663) to increase the salaries of Members of Congress, judges of United States courts, and United States attorneys, and for other purposes, was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 9584. An act to protect the rights of vessels of the United States on the high seas and in territorial waters of foreign countries; and

H. R. 9786. An act to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 9835. An act to provide for the termination of Government operations which are in competition with private enterprise; to the Committee on Government Operations.

ADDITIONAL FUNDS FOR COMMITTEE ON BANKING AND CURRENCY—REFERENCE OF RESOLUTION

Mr. KNOWLAND. Mr. President, I consulted with the minority leader concerning calendar No. 1982, Senate Resolution 289, to provide additional funds for the Committee on Banking and Currency, as stated some time ago by the Senator from Arizona [Mr. HAYDEN], under the rules of the Senate, the resolution needs to be referred to the Committee on Rules and Administration before it can be acted on a call of the calendar.

I ask unanimous consent that Senate Resolution 289 be taken from the calendar and referred to the Committee on Rules and Administration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LEAVE OF ABSENCE

During the delivery of Mr. MORSE's speech,

Mr. GILLETTE. I should like to have the Senator from Oregon yield for the purpose of my presenting a unanimous-consent request, without his losing the right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, I understand that the Senator from Iowa desires to present a unanimous-consent request to be excused from attendance in the Senate on Monday and Tuesday of next week. I have no objection, if I do not lose my right to the floor by yielding for that purpose.

Mr. GILLETTE. Mr. President, I ask unanimous consent that I may be excused from attending the sessions of the Senate Monday and Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONVENTION OF TEACHERS—EDITORIAL

Mr. McCARRAN. Mr. President, I hold in my hand an editorial from the Ledger, a newspaper in Montrose, Calif. The caption of this editorial is "Convention of Teachers." It refers to the convention of the National Education Association.

I ask unanimous consent that the text of this editorial may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONVENTION OF TEACHERS

America is a representative Republic. So long as the elders of the land have a vote, this form of government will not be changed. The only way, then, to change that form of government is to create a substitute for it, and plant a love for that substitute in the minds of America's schoolchildren.

Those with the greatest opportunity for influencing the minds of youth are the teachers of America. Since they are the logical target for subversion, what is in store for them?

From June 28 until July 2, the National Education Association, an organization with some 500,000 members, will hold a conference in New York City, in cooperation with the United Nations. The theme, "Education and the United Nations," will meet with immediate opposition from fiercely patriotic American teachers, but their 20,000 repre-

sentatives will be subjected to a carefully planned brainwashing, at the hands of the world's best salesmen of internationalism.

The conferences will be held at United Nations headquarters, implementing the U. N. General Assembly resolution that "recommends to all member governments that they take measures at the earliest possible date to encourage teaching of the U. N. Charter and purposes and principles, the structures, background, and activities of U. N. in schools and institutes of higher learning of their countries, with particular emphasis on such instruction in elementary and secondary schools."

In Glendale Unified Schools, the administration, in accordance with the wishes of parents, report they have carefully winnowed from the curriculum all teachings of the so-called United Nations and its agencies. Doubtless thousands of other American school systems still prefer to teach Americanism, patriotism, the Constitution of the United States of America, the Declaration of Independence, to the youth of America. Yet, delegates to the 92d annual convention of the NEA will be spoonfed the gospel of the godless United Nations. While cities and States have adopted the words "under God" as an addition to their American pledge of allegiance, their teachers are being brainwashed by the godless U. N.—which refused to ask divine guidance at its San Francisco Conference, because it might antagonize the Communists.

To speak to the NEA are representatives of such noted anti-Communist countries as France, Uruguay, Yugoslavia, Indonesia, Dominican Republic, and one V. K. Krishna Menon, a close adviser to India's Nehru. People Magazine for June 30, 1954, calls Krishna Menon a "far-leftist Travencore Brahmin, hostile to the United States and to white men generally." What possible good can he do? And what harm?

Also slated as speakers are James J. Wadsworth, deputy United States representative to the U. N.; Eleanor Roosevelt; William G. Carr, executive secretary of NEA; Earl McGrath, president of University of Kansas and Rufus E. Clement, president of Atlanta University. In Madison Square Garden, U. N. Secretary General Dag Hammarskjold will speak at an official NEA session, and some 3,000 teachers will visit at U. N. headquarters each day of the week. Programs for instruction of America's teachers will include: "How We Teach About U. N.," "Human Rights in Practice," "Economics and Social Aspects of U. N.," "Political and Social Problems of the U. N." Also scheduled, is a panel discussion on "The Citizen and the U. N." with emphasis on work of nongovernmental organizations and on UNESCO.

The facts of the meeting are boldly published by the United Nations, and naively, perhaps, broadcast by the NEA. "Information sessions" will discuss such topics as "Safeguarding freedom through education." Does this mean "freedom" to teach loyalty to the United Nations, rather than loyalty to America?

And there's how to reach "the nonparent group in the community." Are schools supported by the taxpayers to "reach" their influence even into the homes where there are no children to teach?

And there'll be, as a "highlight" of the convention, the premiere showing of "Freedom to Learn," a movie on the "teaching of controversial issues," produced by the NEA. No doubt this will touch upon the very theme of the convention, the freedom of education to teach your children what Mrs. Roosevelt and others tell the conclave about the United Nations. No doubt it will discredit the right of the parents and taxpayers to violate "academic freedom" in their demands for teachings of Americanism instead of one worldism.

There are many teachers who will come away from the NEA convention with a feeling of nausea, for they can see through the plan and the plot to get our teachers to lure young America away from its instinctive love of their country.

There are those teachers, also, who will applaud this blatant attempt to dictate to a 92-year-old American institution. They perhaps applauded also last year, when a resolution calling for the dismissal of teachers who used the fifth amendment as the basis for their refusal to testify as to Communist affiliations, died on the floor of the National Education Association convention at Miami.

With perhaps thousands of American teachers present, it died for want of a second.

MAINTENANCE OF BASIC 8-HOUR DAY FOR AIRLINE PILOTS

Mr. McCARRAN. Mr. President, on June 9, 1954, I joined with the Senator from Colorado [Mr. JOHNSON], the Senator from Idaho [Mr. WELKER], and the Senator from Arizona [Mr. GOLDWATER], in addressing the Chairman of the Civil Aeronautics Board with respect to the desirability of maintaining the basic 8-hour day for airline pilots.

Under date of June 22, the Honorable Chan Gurney, former Senator from South Dakota and now Chairman of the Civil Aeronautics Board, replied to this letter, at some length.

On June 25 I received a letter from Mr. C. R. Smith, president of American Air Lines, reciting the text of a statement of his company's position on the 8-hour rule.

Under the date of June 28, I received a letter from Mr. Clarence N. Sayen, president of the Airline Pilots Association, enclosing a copy of another letter which he had written 3 days earlier to Mr. Gurney. Mr. Sayen's letter comments on Mr. Gurney's earlier letter to me.

Let me say, Mr. President, that I am much impressed with Mr. Sayen's letter. Because of the importance of this matter, not only to the aviation industry, but to all Americans who fly or who may fly, I ask unanimous consent that these items of correspondence, to which I have referred, may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the items of correspondence were ordered to be printed in the RECORD, as follows:

JUNE 9, 1954.

Hon. CHAN GURNEY,
Chairman, Civil Aeronautics Board,
Department of Commerce,
Washington, D. C.

MY DEAR MR. CHAIRMAN: The basic 8-hour day for airline pilots has remained unchanged for over 20 years. Now, in what appears to be an effort to legalize an illegal procedure, application has been made for waiver of flight time limitations for DC-7 transcontinental flight.

From the standpoint of safety in flight—and that means, from the standpoint of public interest—the flight time limitation should not be waived, nor increased. Sacrifice of flight safety is never justified on the basis of possible competitive advantage to an airline or airlines which might result.

The safety record of United States airlines has some black spots, but on the whole it is amazingly good. The imposition of excessive hours could not fail to jeopardize this record. It cannot be said that the present flight time limitation is not close to the limit of pilot fatigue. If this time limitation is increased or waived, and pilots start working longer and longer hours, inevitably there will be more and more accidents. Ironically, it is probable that a majority of such accidents will be charged (if not in fact properly chargeable) to pilot error.

Because of our deep interest in the welfare and progress of aviation under the flag of the United States, our concern for safety in flight, and what we consider to be the obligations of our office to support the public interest, we think it not amiss to express in this way the very strong views we hold with respect to this matter. We shall be grateful if you will communicate our views to the Board in connection with its consideration of this subject.

Kindest personal regards and all good wishes.

Sincerely,

PAT MCCARRAN.
BARRY GOLDWATER.
EDWIN JOHNSON.
HERMAN WELKER.

JUNE 22, 1954.

Hon. PAT MCCARRAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARRAN: This will acknowledge your letter of June 9, 1954, which was endorsed by Senators WELKER, JOHNSON, and GOLDWATER, concerning the application of American Airlines et al., for a waiver of the daily flight time limitations of part 40 of the Civil Air Regulations.

I should like to express the appreciation of the Board for the views contained in your letter despite the different assessment which we have made of the facts, conditions, and circumstances surrounding this matter. The following observations are made with respect to each of the comments contained in your letter in order that you may be fully apprised of the basis for the action taken by the Board.

You state that the "basic 8-hour day" for airline pilots has remained unchanged for over 20 years. This is incorrect in at least two important aspects. First, there has never been in a strict sense an "8-hour day" in domestic air carrier operations. The pertinent limitation in part 40 has been with respect to the "ramp-to-ramp" flight time logged by a pilot within a 24-hour period. Frequently, however, the total duty time of a pilot for a particular trip has been approximately twice the flight time logged. No restriction with respect to duty time limitations for pilots has appeared in the regulations, for scheduled air carriers, although this matter has been the subject of rulemaking activity by the Board for several years. In fact, we recently deferred regulatory action in acquiescence with a recommendation of both the Air Line Pilots Association and the Air Transport Association in order to permit those organizations to develop a joint proposal with respect to certain matters involving flight time limitations. This observation is particularly significant because the amount of duty time in excess of logged flight time in nonstop operations is considerably smaller percentagewise than that in multistop operations. We believe the regulations have permitted and continue to permit far more taxiing operations than those currently conducted in transcontinental nonstop operations. As compared to many nonstop operations, the Board considers transcontinental nonstop operations in aircraft such as the DC-7 highly desirable from a safety viewpoint.

Secondly, the Board in 1945 adopted a part 41 for scheduled international air carrier operations which contained flight time limitations permitting a pilot to be scheduled for 12 hours in a 24-hour period, when serving as a member of a crew consisting of two pilots and an additional airman. The history of

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operations under this requirement has been eminently satisfactory. The excellent safety record in these operations can be attributed to the fact that they have been generally conducted in 4-engine aircraft on long-range nonstop scheduled operations. This experience proved particularly compelling when the Board considered the petitions for waiver in this instance.

You also express concern over the fact that certain of these operations appear to have been illegal. We share your concern and state unequivocally that the Board in no respect condones or excuses any violations which may have occurred.

With respect to your view that sacrifice of flight safety is never justified on the basis of possible competitive advantage, the Board agrees wholeheartedly. While the Board is well aware of the fact that increasing the duration of any given flight will tend to increase the possibility of accident, it is also well aware of the fact that exposure to accident is caused by many factors other than flight duration. There is every indication from the Board's accident investigation experience that the probability of an accident is more closely related to the number of flights; i. e., the number of takeoffs and landings, than to the duration of flight. It appears, however, that the long-range nonstop flight in question will avoid the necessity of making more than one landing. Flights will generally be conducted at high altitudes under conditions of less traffic density and better weather. Thus, it is the Board's belief that a nonstop high-altitude flight of 9 or 10 hours' duration may be even safer than one of somewhat shorter duration, but with several intermediate takeoffs and landings, with their attendant involvement in traffic, weather, and additional ground-duty time.

The Board agrees with your view that the safety record of the United States airlines is generally good. It should be pointed out, however, that the best of this safety record has been compiled on long-range nonstop flights in 4-engine aircraft. The "black spots" to which you refer have not occurred in operations such as these nor have we been able to determine that pilot fatigue has been responsible for any of the major problems arising in our accident record. While obviously the imposition of "excessive" hours would jeopardize the excellent record of the United States civil aviation, we are of the opinion that transcontinental nonstop operations in certain modern aircraft may be accomplished without "excessive" flight time.

On several occasions during recent years the Board has been called upon to consider the application of flight-time limitations to certain long range nonstop operations. On at least two occasions the Board or its staff has published notices of proposed rulemaking proposing to permit flights in excess of 8 hours in domestic scheduled air carrier operations. As has been indicated above, however, this rulemaking activity was postponed during 1953 at the request of both the Air Line Pilots Association and the Air Transport Association. In view of the fact, however, that no joint proposal has been developed by these organizations during the past year and in view of the initiation of operation of such aircraft as the DC–7, the Board again circulated a notice of proposed rulemaking which proposed to permit the scheduling of flight crew members in excess of 8 hours. This proposal was contained in Draft Release 54–16, dated May 28, 1954, copies of which are enclosed.

It was on the basis of the foregoing views that the Board considered that the public interest also required the adoption of Special Civil Air Regulation SR–405 which temporarily authorizes air carriers in the conduct of scheduled transcontinental nonstop flights to schedule flight crew members for more than 8 but not more than 10 hours of continuous duty aloft without an intervening rest period; provided that the flight is conducted in pressurized airplanes with a flight crew of at least two pilots and a flight engineer. This regulation applies only to scheduled transcontinental nonstop operations and for a temporary period, terminating with the effective date of any final action taken by the Board in respect to Draft Release No. 54–16. Copies of this special Civil Air Regulations are also enclosed.

Thank you for bringing your views to our attention.

Sincerely yours,

CHAN GURNEY, *Chairman.*

[From Civil Air Regulations Draft Release No. 54–16]

FLIGHT TIME LIMITATIONS FOR LONG DISTANCE SCHEDULED INTERSTATE OPERATIONS

The Civil Aeronautics Board has under consideration amendments to part 40 of the Civil Air Regulations. The explanatory statement contained in the attached proposal sets forth the reasons therefor.

The proposal is being published in the Federal Register as a notice of proposed rulemaking concurrently with the issuance of this draft release.

The Board desires that all interested persons in the aviation industry who will be affected by the requirements of this proposal be fully informed as to the effect of the proposal upon their operations. To accomplish this objective the proposal is being circulated to the aviation industry in order to afford interested persons ample opportunity to submit to the Board such comments as they may desire. In order that such persons may have complete information readily available without the necessity of referring to other documents, we have attached an exact copy of the proposal being published in the Federal Register.

Because of the large number of comments which we anticipate receiving in response to this draft release, we will be unable to acknowledge receipt of each reply. However, you may be assured that all comment will be given careful consideration.

It should be noted that comments must be submitted in duplicate and in order to insure consideration must be received by the Board not later than July 1, 1954.

M. C. MULLIGAN,
Secretary.

[Civil Aeronautics Board (14 CFR, pt. 40)]

FLIGHT TIME LIMITATIONS FOR LONG DISTANCE SCHEDULED INTERSTATE OPERATIONS

NOTICE OF PROPOSED RULEMAKING

Notice is hereby given that the Civil Aeronautics Board has under consideration the adoption of an amendment to part 40 of the Civil Air Regulations in substance as hereinafter set forth.

Interested persons may participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should be submitted in duplicate to the Civil Aeronautics Board, attention Bureau of Safety Regulation, Washington 25, D. C. In order to insure their consideration by the Board before taking further action on the proposed rules, communications must be received by July 1, 1954. Copies of such communications will be available after July 7, 1954, for examination by interested persons in the docket section of the Board, room 5412, Commerce Building, Washington, D. C.

The Board has recently been petitioned by 8 transcontinental carriers for waivers of section 40.320 of part 40 of the Civil Air Regulations insofar as that section would prevent the scheduling of flight crew members in excess of 8 hours for nonstop transcontinental operations. Without hereby deciding the merits of the requests for waivers, the Board believes that rulemaking proceedings should be immediately instituted to determine the desirability of a general rule which would extend the 8-hour limitation for long distance nonstop operations. At the present time, section 41.55 of part 41 of the Civil Air Regulations, applicable to international flight operations, allows the scheduling of pilots to fly up to 12 hours during any 24 consecutive hours when an aricraft carries 2 pilots and 1 additional flight crew member. The Board desires to determine whether a somewhat similar rule should be made applicable to domestic long distance operations.

The Board therefore has under consideration an amendment to part 40 of the Civil Air Regulations which will permit air carriers to schedule flight crew members to fly aircraft having at least 2 pilots and 1 additional flight crew member up to 12 hours during any 24 consecutive hours, provided that such aircraft be pressurized and that the flight be scheduled for not more than one takeoff and landing. The Board also desires comment as to what restrictions or limitations, if any, should be applicable to flights scheduled in excess of 8 hours.

This amendment is proposed under the authority of title VI of the Civil Aeronautics Act of 1938, as amended. The proposal may be changed in the light of comments received in response hereto and the matter may be set down for oral presentation before the Board should the comments submitted indicate the desirability thereof.

(Section 205 (a), 52 Stat. 984; 49 U. S. C. 425 (a). Interpret or apply sections 601–610, 52 Stat. 1007–1012 as amended; 49 U. S. C. 551–560.)

Dated May 28, 1954, at Washington, D. C.

By the Civil Aeronautics Board:

M. C. MULLIGAN,
Secretary.

AMERICAN AIRLINES,
New York, N. Y., June 25, 1954.

Hon. PAT MCCARRAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARRAN: Thank you for the pleasure of the visit with you on yesterday; I know how busy you are at this time of the session.

For your information, we have given a statement of our position on the 8-hour rule to our pilots this morning and I am quoting that statement here:

"Our position on the 8-hour rule is this:

"We believe the 8-hour rule as it is written is a sensible standard for the operation of our services. We are not in favor of repealing or abandoning that standard. If there should be any attempt to abandon the 8-hour standard and leave the hours open we would join with the pilots in opposing that. We have asked for no change in the 8-hour rule for the operation of any of our services with an intermediate stop and have no intention of doing so. The authorization of increased time we seek is confined to the operation of nonstop flights from coast to coast with DC–7 airplanes.

"The 8-hour rule should be left alone as it applies to the operation of services in the domestic field where there are scheduled intermediate stops but the Government should have the ability to make a different rule for good cause which will govern the operation of nonstop coast-to-coast flights with suitable equipment.

"For your information the application of United Airlines is also confined to coast-to-coast nonstop flights with DC–7 airplanes and during the hearing before the Civil Aeronautics Board the application of TWA was amended to be confined to nonstop flights with the Constellation airplane."

Sincerely yours,

C. R. SMITH,
President.

AIR LINE PILOTS ASSOCIATION,
Chicago, Ill., June 28, 1954.

Hon. PAT MCCARRAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARRAN: Thank you for your very kind letter of June 23, 1954, with which you enclosed a letter received from the Honorable Chan Gurney, Chairman of the CAB, concerning the application of American Airlines for a waiver of the daily flight time limitation in part 40 of the Civil Air Regulations. We appreciate an opportunity to comment on Mr. Gurney's letter.

We cannot agree with the Chairman's conclusions and it is our opinion that they are based upon naivete and a desire to accommodate the economic wishes of 1 or 2 air carriers. It is quite impossible that the majority of the Board, who voted in favor of a waiver of the historic 8-hour rule, could have been informed on the subject since two of them are very recent appointees to the Board and this matter has never been investigated since they have been on the Board. The waiver in question was granted without a hearing and only on the basis of assertions on both sides and a very limited oral argument.

We would like to comment in order on the specific arguments advanced by Mr. Gurney.

It is true that the present 8-hour day refers to scheduled flight duty. This is a very inexact situation inasmuch as some of the carriers publish unrealistic schedules, incapable of being completed in the 8-hour period, as a means of avoiding the regulations. Under such practice, a pilot, although scheduled to fly less than 8 hours, may actually fly 11 or 12 hours on a particular assignment. This has been true during the recent American Airlines nonstop westbound schedules in DC–7 aircraft where the carrier published a 7-hour and 55-minute schedule and the flight proved to take almost 9 hours on the average. This condition continued for almost 7 months, despite vigorous protests by the pilots and complaints to the Civil Aeronautics Administrator and Civil Aeronautics Board, without enforcement action of the regulation by the Board. When the Administrator finally indicated that he would enforce the regulation, the Board bent it to accommodate the carrier's problem.

It is true also that the Board has completely failed to provide any protection for pilots against excessive on-duty time. A pilot presently scheduled to fly 8 hours or less may actually put in an unlimited number of on-duty hours in a day insofar as the Board's regulations are concerned. We have had individual pilots on duty 20 and more continuous hours.

The point that Mr. Gurney fails to make is that any extension of the allowable flight time aggravates the exposure of the pilot to excessive continuous flying and excessive on-duty time.

You may be interested to know that during the Korean airlift, the Board granted a waiver of the international 12-hour flight rule so that a two-pilot crew at times flew as many as 16 and 17 hours continuously. It is completely amazing but it is true. This was done so that the carriers involved would not have to employ an additional pilot. It was the only possible justification.

With respect to the excellent safety record achieved in international operations where the pilots are permitted to fly over 8 hours, we are attaching for your information a copy of a letter addressed to the Civil Aeronautics Board with reference to their report just issued on the British Commonwealth Pacific Airlines, Ltd., crash at Half Moon Bay, Calif., on October 29, 1953. It is evident that the safety record on this subject will continue to be excellent as long as the Board is permitted to investigate accidents occurring under its own rules.

With reference to Mr. Gurney's comments in which he shares your concern over the illegality of flights, you will probably be interested to know that the Board to this date has still not taken any action whatsoever against American Airlines for 7 months of admitted illegal operation under the Board's own regulations. The Administrator found the operation to be in violation of the Board's regulations and assessed fines against the carrier. The carrier, however, refused to discontinue. The Administrator asked the Board for a cease and desist order, which the Board has to this date failed to issue or to act upon.

With reference to the sacrifice of flight safety to gain competitive advantage, this entire problem grew out of American's violation of the Civil Air Regulations giving them almost a complete monopoly on transcontinental air service. They have forced their competitors, United and TWA, to adopt similar practices, including their present violation of private contracts with the Stewardesses Association. The profit to American Airlines has mounted to many millions of dollars.

With reference to the Board's views on the safety of nonstop flights, we would like to bring to your attention the fact that a pilot scheduled for 10 hours under the Board's rule and a subsequent interpretation issued, may actually fly 13 or 14 hours and be on duty for an indefinite period since any delay or interruption which is unscheduled is not contemplated by the waiver. The Board's interpretation to us is that "if the pilot becomes fatigued, he should stop." The answer of the carriers to us has been that the pilots will either fly these flights the way they are scheduled or they will be discharged.

With regard to Draft Release 54–16, purporting to be an effort at rulemaking on this subject, we should point out that 54–16 now deals exclusively with the proposition of extending the waiver for nonstop flights from 10 hours to 12 hours, thereby compounding the problem with which we are presently concerned. The majority of the Board have already voted to waive the 8-hour law to 10 hours and the draft release is restricted to a proposal by the Board to extend the 8-hour rule to 12 hours for nonstop flights.

This has been to us a most amazing situation. The Board's decision was adopted along strict party lines with strong dissents being filed by two Board members. A rule which had been in effect and around which aviation has been built for 23 years was destroyed without so much as a hearing. Following the waiver, we asked the individual air carriers concerned not to schedule pilots to fly in excess of 8 hours. The reply from each carrier was the individual pilot would fly such flights or he would be discharged. If we were to accept this situation, it would mean that the historic responsibility and authority of the aircraft commander to provide for the safety of his passengers would be rendered worthless. The confidence which the traveling public has that the commander of the aircraft would not fly unless he felt that all conditions were satisfactory would be lost. We have no alternative, therefore, than to take the strongest possible action, either by litigation, by congressional enactment, or by the utilization of economic force under the procedures provided by the Railway Labor Act to provide support for the united and individual pilot judgment that such an operation is not in the best interest of safety.

We greatly appreciate your interest in this most urgent problem. The pilots have always regarded you as being one of their greatest friends and one who thoroughly understood their sometimes technical and complex problems.

Thank you for your very kind remarks concerning my talk before the Aero Club. It was a pleasure to have an opportunity to visit briefly with you and it is hoped that another such opportunity will become available in the near future.

With best regards, I am,
Sincerely yours,
CLARENCE N. SAYEN, *President.*

AIR LINE PILOTS ASSOCIATION,
Chicago, Ill., June 25, 1954.

Mr. CHAN GURNEY,
Chairman, Civil Aeronautics Board,
Washington, D. C.

DEAR MR. GURNEY: We have just had an opportunity to read the accident-investigation report of the British Commonwealth Pacific Airlines, Ltd., crash near Half Moon Bay, Calif., October 29, 1953, which was released by the Board on June 15, 1954. The Board determines the probable cause of this accident was the failure of the crew to follow prescribed procedures for an instrument approach.

The finding is general and no effort is made to explain why the crew failed to follow prescribed procedures for an instrument approach. It is not presumed that this was a deliberate act on the part of the crew; therefore, we must presume that, if the Board's probable cause is in any way correct, there was a reason for the failure to follow prescribed procedures.

At no place in the entire report is any mention made of the fact that this flight departed Honolulu at 11 at night with a 2-pilot crew scheduled to fly in excess of 8 hours and that this may well have been a contributing cause of the accident. The report merely mentions in passing that the estimated flying time of the flight was 9 hours and 25 minutes and there was 12 hours and 53 minutes of fuel on board. There is no mention made as to whether the flight was delayed in departing. Evidently no significance was placed on the fact that the flight was scheduled to depart almost at midnight and the crew was scheduled to fly 9½ hours without any relief from the controls for the 2 pilots assigned.

It is interesting to note also that this accident-investigation report was released the day after the Board issued SR–405 waiving the historic 8-hour rule flight-time limitation in domestic operation which would permit this same type of scheduling for domestic air carriers.

We have long been very critical of the Board's issuing general probable causes in accident reports without attempting to determine the underlying causes. It should be perfectly obvious that the aircraft involved in this accident did not follow prescribed procedures for an instrument approach since, obviously, if it had there would not have been an accident. However, some attempt should at least be made to determine why. From every report, the pilots involved were competent, well-trained, conscientious, and experienced men. The pilots of this country have been calling to your attention for some time the fact that we do not consider it in the interest of safe operation, whether in international or domestic flying, to schedule pilots beyond normal working limits. Yet, in your accident-investigation report, no significance whatsoever is attached by the Board to the fact that the pilots had been continuously flying for more than 8 hours at the time of the crash.

It is evident that this entire problem requires further intensive study.

Sincerely yours,
CLARENCE N. SAYEN,
President.

SECRET ARMY INFORMATION AND ARMY CONTRACTS TO UNDERWORLD ASSOCIATES

Mr. WILLIAMS. Mr. President, on Tuesday, July 20, I made a statement on the floor of the Senate to the effect that

a man associated with members of the underworld had been given top-secret clearance. I included in my remarks a letter from Lt. Col. L. H. Walker, Jr., who said that the individual to whom I had referred had not received top-secret clearance, but had received only secret clearance. I still insisted that this individual, Mr. Louis I. Pokrass, had received top-secret clearance.

Under date of July 20, the same afternoon, I received a memorandum from Lieutenant Colonel Walker to the effect that on a reexamination of their records it had been found they had erroneously given me the wrong answer, and that a reexamination of their files disclosed that this individual had been given top-secret clearance under date of March 20, 1951, and that this clearance had remained in effect until May 31, 1951, at which time even then it was not canceled but merely reduced to secret.

I ask unanimous consent that this letter be incorporated in the body of the RECORD as of today, and I also ask unanimous consent that in the printing of the permanent RECORD this letter be printed immediately following my remarks of July 20.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The letter referred to is as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF
LEGISLATIVE LIAISON,
Washington, D. C., July 20, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: Confirming my telephone conversation this date with Miss Lenhart of your office and in further response to your oral inquiry of June 28, the Department of the Army has continued to inquire into the issuance of a letter of consent granting top-secret security clearance to Mr. Louis I. Pokrass, chairman of the board of the Tele King Corp., of New York.

Records of the Signal Corps Supply Agency, Philadelphia, Pa., indicate that—

a. A letter of consent granting Mr. Louis I. Pokrass access to top-secret contracts and information was issued erroneously to the Tele King Corp., by Headquarters, First Army, Governors Island, N. Y., under date of March 20, 1951.

b. Assistant Chief of Staff, G–2 Headquarters First Army, by letter dated May 26, 1951, requested the Signal Corps Supply Agency to withdraw the letter of consent granting top-secret clearance to Mr. Louis I. Pokrass, and to reissue to the Tele King Corp., a letter of consent by Headquarters, First Army, bearing date of March 20, 1951, granting Mr. Louis I. Pokrass access to secret contracts and information. This action was accomplished on May 31, 1951.

With the exception of the foregoing, the information respecting the Tele King Corp., which was transmitted to Miss Lenhart of your office on June 29, in response to your questions in this matter, remains unchanged.

Sincerely,

L. H. WALKER, Jr.,
Lieutenant Colonel, GS,
Chief, Staff Operations.

FIVE-POINT PROGRAM ON SOUTHEAST ASIA AND EUROPE

Mr. WILEY. Mr. President, today I am submitting five brief suggestions with respect to European and Asiatic policy.

Under the present circumstances of the extended debate on the atomic-energy bill, I shall not comment in detail on all of these points. I shall, however, briefly list them as follows:

First. As an interim protection, to fill what is clearly a dangerous vacuum in Southeast Asia, there should be a prompt declaration of intention on the part of all the free nations, including the so-called neutralist bloc, against further aggression by means of external invasion or internal penetration.

Second. Simultaneously, every effort should be made to move promptly ahead on the longer range goal of hard and fast military commitments under a Southeast Asia defense pact. While all the many Asiatic powers we would like to see join such a pact may not be willing to enter it, that should not serve as a veto on all the others.

Third. Our French ally should rededicate itself toward ratification of the European Defense Community, and in a manner which will definitely not require renegotiation on the part of the signatory powers.

Fourth. As for ourselves, we should promptly pass the pending mutual-security bill intact. We should not allow any punitive, arbitrary, or ill-tempered emotion over the partitioning of Vietnam to result in emasculation of that vital bill.

Fifth. In this critical hour when we are at the crossroads in Europe and Asia, there should be at least a moratorium on irresponsible criticisms, the type of criticisms in which the United States State Department and our allies are condemned willy-nilly, no matter what they do, under the philosophy that "they can do no right."

No realistic individual can possibly ignore the serious implications of the partitioning of Vietnam.

No realist would for one moment gloss over the very unfortunate reverse which the free world has suffered.

The great challenge to us, however, is not to "mourn over spilt milk"—not to exercise emotions in frustration and frenzy against our allies or our own State Department—but to go forward together, at home and abroad, on a basis of unity.

The challenge to us and to our allies is to learn and never forget the lessons which our bitter experience in Indochina has taught us, so that never again will there be set in motion a sequence of events which lead to an inevitable loss such as has now been suffered.

If the free world learns its lessons, then the bitter experience will not have been in vain. These lessons on the need to assure the popular support of native peoples, the need for improved economic standards of living in underdeveloped areas, and for the arming of free loyal native armies in defense of their own birthright were learned too late to save all of Vietnam, but definitely not too late for the saving of other nations in Southeast Asia.

We are not, however, going to be in a position to do our part to help save those remaining nations if critics in this country take the irresponsible position of condemning our Government when it proposes united action and then condemning it for the consequences if, through no fault of its own, united action does not come to pass.

These critics have obviously been playing both sides of the fence simultaneously. They condemn the Indochinese Truce Agreement, but most of them would have been totally unwilling to commit American manpower for the defense of Indochina.

In other words, they have taken the position that the State Department can do no right and that it is fair to hit the Department "coming and going."

These critics talk of a Munich; but, as Under Secretary of State Bedell Smith well stated on his return, "At Munich things were given away when there was no fighting, whereas the French had been engaged in a costly, losing 8-year struggle which had involved terrible casualties."

Moreover, contrary to the condemnation which has been unleashed against the State Department itself, I believe that Secretary of State Dulles and Under Secretary of State Smith ought to be commended for the judicious and understanding course which they carried out in relation to the very difficult circumstances of the Geneva Conference.

General Smith, like the good and great soldier that he is, took on a dangerous and unpleasant diplomatic mission, but performed it with skill and courage.

What do the critics propose that he should have done at that 11th hour when most of Vietnam's fate had already been sealed on the battlefield?

Most of the critics of the present armistice agreement never offered a reasonable, practical alternative.

Many of the same critics will be fighting tooth and nail against United States military commitments for the proposed Southeast Asia pact. How, then, can they justify their absurd criticism?

If responsible critics are willing to speak frankly and to have America consider sacrifices, that is one thing; but irresponsible critics who want something for nothing, who always want "George to do it"—meaning our allies—are in a totally different category.

Like many other Americans, I personally would frankly have opposed sending United States troops to Indochina. I shall not, therefore, criticize the French for taking cognizance of America's attitude in that respect.

But like most Americans, I want America and other free nations to take a stand now, while there is still time, in relation to the rest of Southeast Asia.

So, the big question is "Where do we go from here?" Accordingly, I recommend the following:

First. Immediate steps should be taken to secure a declaration of intentions on the part of all the free nations of Asia against further internal or external aggression.

There is every reason to enlist in such a declaration all of the countries in that area, including the countries which have been neutralist in their outlook, but which in principle, certainly can and should subscribe to such a declaration.

It is clear that the actual formation of the longer range Southeast Asia de-

fense pact will take considerable time, but we should not permit the continuation of a vacuum which the Communists would obviously quickly exploit to their own advantage.

Second. Meanwhile, however, we should move ahead in the setting up of a Southeast Asia treaty organization with hard and fast mutual-defense commitments.

Third. As a third step, our French ally should, once and for all, come to grips with the problem of European security, and should ratify the EDC. It should do so in such a manner as not to require renegotiation of the pact; no man could now foresee all the tragic consequences which might ensue if EDC were to be altered by the French Assembly by enactment of substantive and harmful reservations.

Fourth. Next week the Senate will be taking up the mutual security bill. This is, of course, the foundation of the free world alliance. I am confident that this bill will pass intact. If it were to be slashed, emasculated in a fit of childish ill temper against our allies, then the very disintegrative process which already has given us so much concern would have been aggravated. That must not and will not happen. I have confidence in the Senate.

Fifth. Last of all, toward the end of unity, let me say that irresponsible critics should keep their peace. The crisis in the world is too serious to permit of transatlantic boxing bouts.

It is a fact that we differ with our allies, and they with us, on some important points. Let the differences be aired firmly and forthrightly. But let us not by interallied recrimination give our Communist enemy cause for more rejoicing. We have enough problems with our enemies without creating more unnecessary frictions with our friends.

THE GORGAS MEMORIAL LABORATORY

Mr. HILL. Mr. President, one of the outstanding research institutions of the tropical world is the Gorgas Memorial Laboratory, located in the city of Panama, in the Isthmian Republic. It was founded in 1929 by the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., under the act of Congress—approved May 7, 1928, chapter 505, section 3.45 Statute 491—of which a former distinguished Member of the House of Representatives, Hon. Maurice H. Thatcher, of Kentucky, was the author. I was serving in the House at the time, and it was my pleasure—and privilege—to support the measure, and to speak in behalf of its enactment at the time it was considered and passed by that body.

Under the basic act there was authorized the annual appropriation of $50,000 for the operation and maintenance of the laboratory. Following the end of World War II, with greatly increased cost of operation, and necessary growing expense of the laboratory's work, I introduced in the Senate and brought about the enactment—after full committee hearings—an amendment to the original act, increasing the maintenance and operation authorization to a sum not exceeding $150,000 annually—act of July 1, 1948, chapter 787, 62d Statute, page 1213.

The reasons for the establishment of the laboratory were twofold: First, and paramount, was the urgent need for an institution to be founded and operated on the Isthmus of Panama for purely research work concerning the cause and prevention of tropical diseases, both human and veterinary; the health protection of the isthmus and the Canal Zone was, and is, a major concern of the United States. The second reason was to honor the late Gen. William Crawford Gorgas, whose great and distinguished work for health and sanitation on the isthmus, during the construction period of the Panama Canal—and before that in Cuba—made it eminently fitting that any such research institution in the Isthmian region should bear his name. The institute, just mentioned, is a nonprofit, humanitarian institution, organized under a flexible corporate charter to aid in bringing about better conditions of health and sanitation in general. Its activities, since the enactment of the legislation creating the Gorgas Memorial Laboratory, have been restricted to the work of supervising the operation and maintenance of the laboratory. Its achievements have indeed been of the most outstanding character, and, as Mr. Thatcher has well said, there is no appropriation made by the Congress of the United States that yields a larger return for the money expended than that which is provided for this great research work.

On the 10th of May 1954, the Senate Appropriations Subcommittee having charge of the supply bill for the Departments of Labor, and Health, Education, and Welfare, had before it the item for the Gorgas Memorial Laboratory. Dr. Victor H. Haas, Director of the National Microbiological Institute, was the representative of the Department of Health, Education, and Welfare to present to the subcommitee, formally, this particular item. Also appearing at the same time and setting forth the general work and character of the laboratory, was former Congressman Thatcher, of Kentucky, who, after his years of service in the House, has lived in Washington, and served as vice president and general counsel for the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc.; and the labors thus involved, I believe, have constituted one of the chief reasons why he has remained in Washington. His services have been purely of a gratuitous character and his incentive has been the very laudable ambition to serve the great cause of medical research and the prevention of disease.

It is to be noted that he is the only surviving member of the Isthmian Canal Commission which had in charge the construction of the Panama Canal. He served in that capacity during the construction period, and was, in addition, head of the Department of Civil Administration—Civil Governor—of the Canal Zone; and his services in these capacities were of a faithful and distinguished character; and he did much to promote better relationships between his own country and the Panamanian Republic. He was thus a fellow member of General Gorgas on the Isthmian Canal Commission, and was in position to aid—and did aid—the latter in a very substantial manner in and about the sanitary and health work of the isthmus; and for which General Gorgas always evinced his strong appreciation. Governor Thatcher served in the House as the Representative from the Louisville, Ky., district for five terms, 1923–33, and throughout his congressional tenure was a member of the House Appropriations Committee.

Also appearing at this hearing was Col. Joseph F. Siler, who has long served as president of the indicated institute, performing fine and efficient labors in that connection—without compensation. He and Governor Thatcher are certainly to be highly commended for their effective and continuing services in behalf of these unselfish and humanitarian services.

What they have said—at the hearings—and what Dr. Haas had to say, give a fine picture of the work and achievements of the laboratory, and a wide dissemination of these statements will serve, I am sure, a most salutary purpose. The reappearance of yellow fever on the Isthmus of Panama, and in other Central American regions, make the work of the laboratory of commanding interest and value—not only to the United States and the canal, and all the Central American countries and Mexico, but, as well, to the entire world. Under leave accorded I am now including herewith the testimony of Governor Thatcher and Dr. Haas at the hearings.

The amount asked for the maintenance and operation of the laboratory for the fiscal year 1955 was $131,000—indeed a modest sum for so important a work—and this item has been fully approved by the Appropriations Committees of the two Houses, and enacted into law—Public Law 472, 83d Congress.

I ask unanimous consent that statements by Governor Thatcher and Dr. Haas be printed in the RECORD at this point.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

STATEMENT OF MAURICE H. THATCHER, FORMER REPRESENTATIVE IN CONGRESS FROM THE STATE OF KENTUCKY

Mr. THATCHER. First, I wish to thank the subcommittee for the courtesy accorded Colonel Siler and myself in permitting us to be heard on this occasion. For a good many years Col. Joseph F. Siler has served as president of the Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., and I have served as vice president and general counsel of the institute, which has administrative charge of the work of the Gorgas Memorial Laboratory, whose establishment was authorized by H. R. 8128, of which, in Congress, I was the author, and which after full hearings was passed by unanimous votes in the two Houses and became, upon approval by the President, the act of May 7, 1928.

As you may know, Colonel Siler served several years as chief health officer of the Panama Canal, after the completion of the canal. Also, as you may know, I served on the isthmus several years as a member of the

Isthmian Canal Commission, charged with the immediate supervision of the building of the canal, and its related activities. In addition, during my Isthmian tenure, I was in charge of the civil affairs of the Canal Zone, as head of the Department of Civil Administration, or governor, as popularly designated.

These are the general backgrounds which have brought Colonel Siler and myself into the overall picture of the institute and the laboratory. Through all these years his services and my own in connection with both the institute and the laboratory have been rendered without a penny of charge or compensation. In addition, in the discharge of my duties in these connections. I have incurred considerable expense in the way of telephone items, postage, stenographic work, office rental, and the like, for which I have never asked nor received any reimbursement whatsoever.

I deem it fair to ourselves and to all concerned to mention this subject in order that it may be fully understood that the appropriations sought will carry not the least financial benefit to either of us. We simply are glad of the opportunity which has been presented to us to render a public welfare service of substantial character. This fact, we believe, qualifies us to speak in all sincerity and selflessness.

ISTHMIAN CANAL COMMISSION

Colonel Gorgas, like myself, was a member of the Isthmian Canal Commission. He had charge of the sanitary and health work of the Isthmus, and without his great labors in dealing with yellow fever and malaria it is believed that the canal could not have been built. A part of my official duties on the Isthmus was to represent the Isthmian Canal Commission in all its dealings and relations with the Government of the Panamanian Republic and the foreign diplomatic and consular officers accredited to it with respect to anything that affected the interests of the Panama Canal project or the Canal Zone Government.

Thus in the years of my isthmian tenure (1910–13) it was my duty and privilege to cooperate with Colonel Gorgas in the health and sanitary work required; and in this connection I may say that no request to the Panamanian Government ever submitted by me for that work—or for any other matter—was ever refused by it.

Panama was once accounted the greatest pesthole of the world; yet under the effective skill of Gorgas it became a place of health, comparable to the best that the United States could offer. If, however, all the methods installed during the Gorgas era were now disregarded, within a short time—perhaps a few months—yellow fever, malaria, bubonic plague, and the like would take over again, and the Isthmus would revert to its former status.

Of course, the cooperation and aid of the Panamanian Government and people in all this health and sanitary work have been required, and most freely given. The recrudescence of yellow fever—transmitted by newly discovered vectors—has presented new problems on the Isthmus, and the laboratory, as Colonel Siler points out, today is dealing effectively with them; and, as well, with the many other tropical menaces there to be encountered. Thus, eternal vigilance is as necessary for the protection of health and vigor as it is for the protection of liberty.

The achievements of the Gorgas Memorial Laboratory stamp it as one of the outstanding research institutions—perhaps the most outstanding—dealing with human and veterinary diseases in all the tropical world. Its investigations, determinations, and methods are universally acclaimed. Not only has its work contributed to better the health conditions on the Canal Zone and the Isthmus, but all lands and peoples, sooner or later, are beneficiaries.

The laboratory's location, in the heart of the tropics, in immediate touch with the Canal and the Canal Zone, is ideal; and all things considered is, I believe, the most propitious one in the world. The interests of the Canal are paramount, and must be protected; and the laboratory aids in the work involved. Research institutions deal chiefly with prevention of disease. Their work is the ounce of prevention that means so much.

The Government of Panama donated the buildings and grounds for the home of the laboratory—a very generous gift, notwithstanding the fact that the Republic and its people are beneficiaries of its work. So long as the laboratory is maintained and operated, the property is owned in fee simple by the parent organization, the indicated institute; but if the laboratory ceases to function, then the property reverts to the Panamanian Government. The corporate provisions of the institute's charter permit it thus to take title to property in a foreign land; whereas our Government could not take such title. This demonstrates the value of the corporate form of the institute, which is a nonprofit organization, organized and operating only for the purpose of carrying on health and sanitary work.

ANNUAL APPROPRIATION AUTHORIZATION

The original annual authorization of Federal funds for the maintenance and operation of the laboratory was $50,000. After World War II, with the increased salaries and cost of supplies, this was altogether inadequate. Hence, in 1948 there was sponsored by Senator HILL, of Alabama, a measure (S. 2341) increasing the authorization ceiling to a sum not to exceed $150,000 annually; and this was enacted and became Public Law 867, 80th Congress. Since its enactment the full authorization has never been asked, although the conditions have made necessary an increase of the annual appropriation, and this has varied from year to year, more or less. See House and Senate reports and Senate hearings on that bill (herewith).

Deadly diseases lurking in the jungles of the tropics are pressing for transmission to the Temperate Zones; this because of the multiplied contacts by air, by sea, and by roadways. Tropical research institutions are, therefore, of the most vital importance; and their researches and findings must be relied on, in the largest measure, for protection. The so-called sylvan yellow fever—transmitted through animals by newly discovered types of mosquitoes—illustrates what has just been stated. The Gorgas Memorial Laboratory staff have done, and are doing, invaluable work in this connection.

As director of the Gorgas Memorial Laboratory, Dr. Herbert C. Clark ever since its establishment has rendered outstanding and notable service, and has earned the plaudits of the scientific world. In such magazines as the Saturday Evening Post, on October 4, 1952, his achievements as Director and the work of the Laboratory, in feature articles, have been commended in the highest terms. The Panamanian National Assembly, the Council of the city of Panama, and officials of Panama, have formally expressed the warmest approval of his labors. Reference is made to all these matters, and it is to be hoped that the members of the subcommittee may find time to consider some of the data thus mentioned, now furnished.

The laboratory has been a fine bond of strength and good will between the United States and Panama, and this is an added reason why its splendidly useful activities should be continued in full vigor. Also because of their tropical experiences members of its staff are from time to time drafted for emergency and research labors in other parts of the world. Thus, also, in its unique field the laboratory is a great training school.

In the present Congress there has been enacted a measure (S. 1456, sponsored also by Senator HILL) which amends section 1 of the basic act of 1928, with respect to invitations to Latin American countries to contribute to the maintenance and operation of the laboratory. The reasons for this legislation are fully stated in the Senate report herewith on the bill which, upon receiving Presidential approval on April 29, 1954, became a law (Public Law 339, 83d Congress). This amendment will meet certain suggestions of the General Accounting Office, and will make for better administration of the provisions mentioned.

Attention is also called to the hearings before the Foreign Affairs Committee of the House on the basic act. See the printed volume entitled "Gorgas Memorial Laboratories," a copy of which is now furnished the subcommittee. This volume was printed at the personal expense of Sir Henry Wellcome, until his death, the head of the great Burroughs-Wellcome establishment. He was one of the world's greatest benefactors and a close friend of Colonel (later Major General) Gorgas.

See also the letters from Colonel Siler and myself to Senator SALTONSTALL (Senate Appropriations Committee), March 3, 1950, now furnished.

By those who are familiar with the work of the Gorgas Memorial Laboratory, it is believed that in no category of our Federal expenditures is public money more wisely and beneficially expended than in the maintenance and operation of this institution.

Duplication of effort is avoided. The laboratory collaborates with related activities, but no more than this. The directorate of the institute is made up of the Surgeons General of the armed and public health services, and outstanding medical and other scientific and experienced men. The cooperation and advice of all these enter the laboratory picture.

I would like to show you a map. Then Colonel Siler will fill in with his statement.

Senator THYE. The next person I will call on is Dr. Haas, the Director of the Microbiological Institute.

Mr. THATCHER. Here is a world map of North and South America. In the last few years yellow fever has crept up from the jungles of Brazil, up through Colombia, and evidences of yellow fever have been found as far north as southern Mexico. The lowly opossum is supposed to be a conveyor. Hence the dread disease might get into the United States again if the problem is not solved.

Our staff has been among the first who have believed the monkey was a reservoir of yellow fever. It has been demonstrated that monkeys are subject to yellow fever and die of it just as do human beings, and that a mosquito biting a monkey can convey to a noninfected human yellow fever.

These are new types of mosquitoes not known in the Gorgas era. The old type was the stegomyia—domestic in character. They bred in the wheelbarrows, puddles, and pools. The great work of the Gorgas outfit was to clean up that situation by destruction of larvae, and by quarantine, and to make the Isthmus a place of health. This yellow fever coming northwardly with monkeys as reservoirs, and through the mosquitoes that live in the treetops, presents a new menace and shows how we have to be on guard. That is the work of this laboratory. Its activities are not being duplicated.

For the dollar given, I do not believe there is in the entire scale of Government expenditure money better expended than for the work of this laboratory, and the interests of the canal are paramount. These diseases that are in the jungle must be taken care of. Through modern transportation facilities they move to the Temperate Zone and must be met and mastered in their native habitat. This is the only way to do it.

Colonel Siler will be glad to give you something in detail, when you get to him, of the specific work and results achieved there by the laboratory.

STATEMENT OF DR. VICTOR H. HAAS, DIRECTOR, NATIONAL MICROBIOLOGICAL INSTITUTE, PRESENTED IN BEHALF OF GORGAS MEMORIAL LABORATORY

Dr. HAAS. Mr. Chairman and members of the committee, the Gorgas Memorial Laboratory, research agency of the Gorgas Memorial Institute of Tropical and Preventive Medicine, was established in Panama in 1929. Both the institute and the laboratory were named for General Gorgas in honor of his many contributions to the control of diseases common to tropical areas. A building was donated by the Republic of Panama to serve as a permanent home for this agency. The laboratory was established in Panama so that the benefits of its research might be applied primarily to the prevention of tropical diseases in the population of the Republic of Panama, the Panama Canal personnel, and the military forces stationed in that area.

Since 1929, the United States Government has made an annual appropriation to finance the laboratory's research activities. Because these activities had been greatly expanded during World War II and because a number of projects of special interest to the Army had not been completed, Congress amended the original act in 1948. The authorized amount which could be appropriated annually was increased from the original $50,000 to a figure not to exceed $150,000.

The program of the Gorgas Memorial Laboratory has been developed primarily around the disease problems of the region in which it is located, but scientific contributions made by the staff have had application in many parts of the world. An example of a current project which is of considerable importance to the continental United States is the research now being conducted on jungle yellow fever. This disease was absent from Central America for many decades, but an ominous situation came to our attention in 1949 when it was learned, largely through the research of staff members of the institute that yellow fever was creeping northward through the jungles of Central America toward Mexico. This progression continues and at present the disease is being reported in both Costa Rica and Nicaragua. The direction of spread indicates that there is a distinct possibility of invasion of Mexico. This country contains species of mosquitoes known to be capable of carrying the disease, and similar mosquitoes are prevalent throughout the southern portion of the United States. During the past century yellow fever repeatedly devastated the Mexican gulf-coast ports as well as our own, and the present threat is one which requires careful attention in the interests of the United States.

Investigations by the staff of the Gorgas Laboratory have indicated that monkeys and probably other animals in the jungle serve as hosts for the virus causing yellow fever. Mosquitoes acquiring infection from these animals pass the disease on to humans. Finally, human-to-human transmission occurs as a result of mosquito activity. It is important that this situation be kept under close surveillance and that all new developments be investigated in order that their significance can be evaluated in time to protect the cities of Central America and to forestall accidental importation of the disease into the United States.

Malaria, which was one of the most serious problems in construction of the Panama Canal, is a disease of worldwide importance, and present investigations in this field by the laboratory staff have implications that go beyond the areas of study in Central America. It has been shown that since 1952 the spraying of houses with DDT is no longer as effective as formerly in bringing about reduction of Anopheles mosquitoes. Since this type of spraying is now being relied upon in many regions of the world to control malaria, any indication that anopheline mosquitoes are capable of developing resistance will be important to malaria-control authorities everywhere. Thus far, the areas under observation in Central America have not shown increases in malaria rates in spite of the diminished effect of mosquito control, but close observation is necessary in order to follow any trends which may develop.

In many parts of the world insects commonly called sandflies transmit a disease known as leishmaniasis, which sometimes occurs sporadically and sometimes in the form of widespread epidemics. This disease is prevalent in Central and South America, and the staff of the laboratory have shown that spraying with DDT can bring about sufficient reduction in the sandflies to diminish the prevalence of the human disease which they spread. The observations made by the laboratory staff in Peru have been applied in Italy, Greece, and elsewhere where leishmaniasis is a public-health problem.

The Gorgas Memorial Laboratory is small and its staff is composed of only a few scientists and helpers. It is known all over the world because of the excellence of its work and because it is one of the few laboratories which is able to apply modern scientific skills to the problems of tropical health.

RESEARCH ON TROPICAL DISEASES

First, I think it is a conservative statement to say that for the small staff employed at this laboratory and the very small amount of money expended over the years, a great deal has been accomplished and a great deal of scientific information has been accumulated. This laboratory has been the pioneer in research in diseases prevalent in Central America and parts of South America, and it represents today one of the few opportunities which American scientists still have to conduct research in an actual tropical environment.

There have been times, for example, during World War II when tropical diseases and research on tropical diseases have constituted one of our foremost problems. There were times when a great many Americans were forced to live and operate in parts of the world where these peculiar diseases are prevalent.

Since those people have come home and our commitments have become of a different nature, there has been a tendency to diminish the research in tropical diseases, at least from the standpoint of intensity of interest. This laboratory remains to us as a resource which is functioning now and which can be made to function on a much wider scale, as it did in the past if circumstances should require.

YELLOW FEVER

Perhaps its most outstanding contribution in recent years has been its contribution to our knowledge of the spread of yellow fever which Governor Thatcher has mentioned and which from the scientific standpoint is of great interest and great potential importance to the public health of the United States.

We have had yellow fever in this country on numerous occasions in bygone years. It has been imported. For many years it was assumed that the problem of yellow fever in Central America had been overcome. The disease was not known to exist there, and it is only through the efforts of this small group of scientists at the Gorgas Laboratory that the presence of the disease was demonstrated in its northward spread toward, or perhaps into, Mexico.

MALARIA

Their work on malaria carried on over a great many years has been valuable in the control of this disease not only in the Canal Zone and in Central America, but in other parts of the world where the scientific information accumulated by the laboratory has been put to good practical use. Their work on sandflies and diseases spread by those insects has attracted attention all over the world. One of their scientists who has made many contributions along this line is now helping the Armed Forces with some of their problems in Korea.

EFFECT OF FUND REDUCTION ON WORK

Senator THYE. Doctor, I note there is a $12,000 proposed reduction over the current funds. How will that affect the work? Where will the work have to be curtailed in order to make possible a $12,000 reduction, if it is made?

Dr. HAAS. Mr. Chairman, the laboratory employs a number of part-time employees, people who are available for work at certain times of the year, and reductions can be made by lessening the period of employment or the number of these people. This is an act on the part of the outgoing director to comply with his understanding of the needs for governmental economy.

CARRYOVER FUNDS

Mr. THATCHER. May I interject? Funds that are being carried over that were not expended because of conditions will go into the amount needed for the year 1955. That helps us to reduce. We are trying to keep it as low as possible.

Senator THYE. Then you have how much you are carrying over?

Mr. THATCHER. Colonel Siler in his statement will give that.

Senator THYE. From a standpoint of the program, it is that you have no concern that the program itself is going to be injured because you did not use all the funds last year and therefore you have a carryover; and using the carryover, then there is no question but what your program can go on even though the $12,000 is reduced in the new fiscal appropriations?

Dr. HAAS. I consider this to be a sound program.

Mr. THATCHER. It can go on under present conditions, unless there should be some outbreak of yellow fever.

Senator THYE. I interrupted your statement. Were you through, Doctor?

Dr. HAAS. I believe, sir; those are some of the highlights, and perhaps that will illustrate the extent of the work.

Senator THYE. Senator HILL have you any questions?

CONTRIBUTIONS TO WORLD WAR II PROBLEMS

Senator HILL. Except to call attention to this last sentence in the doctor's prepared statement. He says that the laboratory is known all over the world because of the excellence of its work and because it is one of the few laboratories which is able to apply modern scientific skills to the problems of tropical health. I think Mr. Thatcher, who is the distinguished author of the legislation, the father of the laboratory, will tell us at the time he introduced the bill that brought the laboratory into being, those of us in the House could not foresee World War II. We could not foresee the service this laboratory would render when our boys and our Armed Forces had to be sent out into the tropics around the earth.

EXCERPT FROM PANAMA MAGAZINE

Mr. THATCHER. That is correct. If I may say, I am filing with the committee—and I do not know whether you will have time to read this—but here is an article in the Panama magazine of September 1952, published by the Free Port of Colon. It is a very praiseworthy magazine. It has an article on Dr. Clark and the work of the laboratory. It takes occasion to refer to what I said to the House at the time this bill was before it for passage when you were there, Senator. It embodies in it something of what you have just said. It reads as follows:

"General Gorgas had been dead several years when the need for a laboratory for research on tropical diseases was felt in Panama, and leaders in both Washington and

Panama agreed that this was the place for such an institution and that it should be named for the famed sanitarian who had achieved so greatly for the young Republic, the Canal Zone, and the world at large.

"The House of Representatives of the United States Congress, in its 70th session, opened hearings before the Foreign Affairs Committee on H. R. 8128 authorizing a permanent annual appropriation of $50,000 for the maintenance and operation of Gorgas Memorial Laboratory. The bill was presented by Representative Maurice H. Thatcher, of Kentucky, a former member of the Isthmian Canal Commission who knew Panama well and was a friend of the late General Gorgas. He had done much to promote the international agreement for establishment of the memorial here in Panama.

"Thatcher told the committee that the Gorgas Memorial Institute of Tropical and Preventive Medicine, an American corporation created under the laws of the State of Delaware and aimed toward education along sanitary and health lines, favored the establishment of such a research laboratory to carry on Gorgas' work on the actual scene of his labors. He proposed the name of Gorgas 'as a tribute to the character and value of this (Gorgas') work to all mankind; as a tribute to one who is generally conceded to be the greatest sanitarian the world has ever known.' This work, Thatcher pointed out, had made possible the construction of the Panama Canal.

"Not only would such a laboratory be of protective value to the Canal Zone organization, Thatcher argued, but it would continue to combat and conquer other malignant tropical diseases. Such a research laboratory, he added, would insure health conditions not only for the Zone and Panama, but the entire Caribbean area."

I have lived there and know something of the conditions. It was not exactly a prediction, but a statement of fact.

THE CEASE FIRE IN INDOCHINA—ARTICLE FROM THE NEW YORK TIMES

Mr. MANSFIELD. Mr. President, I note in this morning's New York Times a story entitled "Vietnam Pact Text Shows Reds Get Wide Freedom." The story is by Dana Adams Schmidt. In the body of the Times itself is the text of the agreement on the cessation of hostilities in Vietnam.

I ask unanimous consent that this story and the text be printed in the body of the RECORD as a part of my remarks.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

VIETNAM PACT TEXT SHOWS REDS GET WIDE FREEDOM—AGENTS TO HAVE ACCESS TO SOUTH—REGIME, DENIED ARMS IMPORTS AND TREATIES, SAYS IT WILL BE POWERLESS

(By Dana Adams Schmit)

WASHINGTON, July 23.—All Communists and other political prisoners of Vietnam are to be released under the truce agreement, the text of which, previously undisclosed, became available to the New York Times today.

Under the accord, enemy agents are free to roam Vietnam at will and the country may not import arms and foregoes defensive alliances.

It was learned that the Vietnam Government on examining the document had advised allied diplomats in Saigon that it would be powerless to resist Communist expansion militarily or politically.

As the treaty text came to light, Secretary of States Dulles said at a news conference in answer to questions about the document that "the important thing from now on is not to mourn the past but to profit by the lessons of the past."

Although Vietnam has refused to sign the treaty, Mr. Dulles told reporters that one good aspect of the Geneva conference that produced the document was that it "advanced the truly independent status of Cambodia, Laos, and South Vietnam."

That particular lesson Mr. Dulles mentioned was that "resistance to communism needs popular support and this in turn means that the people should feel that they are defending their own national institutions."

Citing the French Government's instructions for completing projects transferring authority to the native government by July 30, he expressed the view that "the evolution from colonialism to national independence is thus about to be completed in Indochina, and the free governments of this area should from now on be able to enlist the loyalty of their people to maintain their independence as against Communist colonialism."

Other diplomats who studied the terms of the agreement expressed the view, however, that the seeds of trouble for the non-Communist Government of South Vietnam and of friction between its organs and those of the French Army had been sown by the treaty itself.

The South Vietnam Government's sovereignty is restricted by the agreement and the army in control of the area, namely, the French Union command, is made responsible for enforcing these restrictions under the watchful eyes of the joint French-Viet Minh commission and an international commission composed of India, Canada, and Poland.

VIETNAM DUBIOUS OF ELECTION

This situation is to prevail until nationwide elections are held 2 years hence, but the Vietnamese and many other observers have little confidence that it will actually prove possible to hold such elections any more than it has proven possible in divided Korea or Germany.

South Vietnam may not import arms or enter military alliances. Such restrictions will be relatively easy to supervise in South Vietnam's ports, but enforcement of similar restrictions on North Vietnam's jungle routes into South China will be far more difficult.

Under these terms South Vietnam could not become a party to any southeast Asia defensive alliance; nor may it build up its own native forces, although France has declared her intention to repatriate her forces.

The most bitter aspect, however, for the Vietnamese is that about 12 million persons are assigned to Communist rule in North Vietnam. While this provision is mitigated by the provision that during a period of 300 days Vietnamese may move freely to the zone of their choice, diplomats well versed in the ways of Communist regimes doubt that any considerable movement out of Communist areas will be permitted.

Claiming that the French high command had no authority from the chief of state of Vietnam to make such a grave decision, the Government of Vietnam has informed diplomats in Saigon that it does not believe that under the circumstances it will be able to resist Communist expansion militarily or politically.

Communist agents will be enabled under the terms of the treaty to move freely into the south.

The treaty calls for liberation not only of prisoners of war but of political prisoners. This will set free a considerable number of Communists detained in South Vietnam.

FRENCH BITTER ABOUT EXIT

For France the bitter part of the treaty lies in the humiliation of military defeat spelled out in the paragraphs on the evacuation of the French Union forces from the Tonkin Delta.

In Mr. Dulles' words this morning the results of the Geneva negotiations reflected inevitably the military developments in Indochina.

"After nearly 8 years of war the forces of the French Union had lost control of nearly one-half of Vietnam, their hold on the balance was precarious, and the French people did not desire to prolong the war," Mr. Dulles said.

Since the settlements contained "many features which the United States does not like," and since "the United States itself was neither a belligerent in Indochina nor subject to compulsions which applied to others, we did not become a party to the conference results," the Secretary explained.

Instead, the United States asserted that in accordance with the United Nations Charter, it would not seek by force to overthrow the settlement.

The treaty provides that French Union forces must leave Hanoi within 80 days. Meanwhile the French are restricted to the area of a circle with a radius of 15 kilometers (9.3 miles) around a central point in the city.

The French must be out of the Haiduong perimeter, between Hanoi and Haiphong within 100 days, and out of Haiphong within 300 days. Under similar obligations the Viet Minh must withdraw from the following areas of Southern Vietnam:

Hamtan and Xuyenmoc sector within 80 days; central Vietnam, first installment, 80 days; Plaine des Joncs sector, 100 days; central Vietnam, second installment, 100 days; Point Camau sector, 200 days.

On each side of the partition line, running near the 17th parallel, a demilitarized zone with a width of not more than 5 kilometers on each side of the line will be established. All military forces and supplies must be withdrawn from this zone within 20 days from day of signature. Thereafter, movement into the zone will be permitted only by the joint commission.

The final ceasefire goes into effect in different sectors as follows: Northern Vietnam: 8 a. m. local time, July 27; central Vietnam: 8 a. m., August 1; Southern Vietnam: 8 a. m., August 11.

These delays were established because of the difficulty of transmitting cease-fire orders to remote jungle areas, from which many of the Communist Viet Minh operate. Local time is Peiping time.

France will remain responsible for civil administration in South Vietnam until nationwide elections are held. This is indicated in the following paragraph:

"Pending the general elections which will bring about the unification of Vietnam, the conduct of civil administration in each regrouping zone shall be in the hands of the party whose forces are to be regrouped in virtue of the present agreement."

RESPONSIBILITIES OF FRENCH

France, as the signing party, is indicated as responsible for enforcing the following military restrictions in South Vietnam:

"No military base under the control of a foreign state may be established in the regrouping zone of either party. The two parties shall ensure that the zones assigned to them do not adhere to any military alliance and are not used for the resumption of hostilities or further an aggressive policy."

Replacements of personnel and equipment—but no new troops or arms—may enter South Vietnam only at seven points: Tourane, Quinhon, Nhatrang, Bangoi, Saigon, Cap St. Jacques, and Tanchau.

Points of entry for the Viet Minh in the north are Lackay, Langson, Tienyen, Haiphong, Vinh, Donghoi, and Muong-sen.

Inspection teams of the International Commission will be stationed at these points.

The International Commission will establish a special body to coordinate execution of the agreements for Vietnam, Laos, and Cambodia.

TEXT OF AGREEMENT ON CESSATION OF HOSTILITIES IN VIETNAM SIGNED IN GENEVA WEDNESDAY

(Following is the text of the agreement on cessation of hostilities in Vietnam signed in Geneva, Wednesday, by the commander in chief of the French Union forces in Indochina and the commander in chief of the People's Army of Vietnam (other agreements were signed with Cambodia and Laos):)

CHAPTER I.—PROVISIONAL MILITARY DEMARCATION LINE AND DEMILITARIZED ZONE

Article 1

A provisional military demarcation line shall be fixed, on either side of which the forces of the two parties shall be regrouped after their withdrawal, the forces of the People's Army of Vietnam to the north of the line and the forces of the French Union to the south.

The provisional military demarcation line is fixed as shown on the map attached.

It is also agreed that a demilitarized zone shall be established on either side of the demarcation line, to a width of not more than 5 kilometers from it, to act as a buffer zone and avoid any incidents which might result in the resumption of hostilities.

Article 2

The period within which the movement of all the forces of either party into its regrouping zone on either side of the provisional military demarcation line shall be completed shall not exceed 300 days from the present agreement's entry into force.

Article 3

When the provisional military demarcation line coincides with a waterway, the waters of such waterway shall be open to civil navigation by both parties wherever one bank is controlled by one party and the other bank by the other party. The Joint Commission shall establish rules of navigation for the strength of waterway in question. The merchant shipping and other civilian craft of each party shall have unrestricted access to the land under its military control.

Article 4

The provisional military demarcation line between the two final regrouping zones is extended into the territorial waters by a line perpendicular to the general line of the coast.

All coastal islands north of this boundary shall be evacuated by the armed forces of the French Union, and all islands south of it shall be evacuated by the forces of the People's Army of Vietnam.

Article 5

To avoid any incidents which might result in the resumption of hostilities, all military forces, supplies, and equipment shall be withdrawn from the demilitarized zone within 20 days of the present agreement's entry into force.

Article 6

No person, military or civilian, shall be permitted to cross the provisional military demarcation line unless specifically authorized to do so by the Joint Commission.

Article 7

No person, military or civilian, shall be permitted to enter the demilitarized zone except persons concerned with the conduct of civil administration and relief and persons specifically authorized to enter by the Joint Commission.

Article 8

Civil administration and relief in the demilitarized zone on either side of the provisional military demarcation line shall be the responsibility of the commanders in chief of the two parties in their respective zones. The number of persons, military or civilian, from each side who are permitted to enter the demilitarized zone for the conduct of civil administration and relief shall be determined by the respective commanders, but in no case shall the total number authorized by either side exceed at any one time a figure to be determined by the Trunggia Military Commission or the Joint Commission. The number of civil police and the arms to be carried by them shall be determined by the Joint Commission. No one else shall carry arms unless specifically authorized to do so by the Joint Commission.

Article 9

Nothing contained in this chapter shall be construed as limiting the complete freedom of movement into, out of, or within the demilitarized zone of the Joint Commission, its joint organs, the international commission to be set up as indicated below, its inspection teams, and any other persons, supplies, or equipment specifically authorized to enter the demilitarized zone by the Joint Commission. Freedom of movement shall be permitted across the territory under the military control of either side over any road or waterway which has to be taken between points within the demilitarized zone when such points are not connected by roads or waterways lying completely within the demilitarized zone.

CHAPTER II. PRINCIPLES AND PROCEDURE GOVERNING IMPLEMENTATION OF THE PRESENT AGREEMENT

Article 10

The commanders of the forces on each side, on the one side the commander in chief of the French Union forces in Indochina and on the other side the commander in chief of the People's Army of Vietnam, shall order and enforce the complete cessation of all hostilities in Vietnam by all armed forces under their control, including all units and personnel of the ground, naval, and air forces.

Article 11

In accordance with the principle of a simultaneous cease-fire throughout Indochina, the cessation of hostilities shall be simultaneous throughout all parts of Vietnam, in all areas of hostilities and for all the forces of the two parties.

Taking into account the time effectively required to transmit the cease-fire order down to the lowest echelons of the combatant forces on both sides, the two parties are agreed that the cease-fire shall take effect completely and simultaneously for the different sectors of the country as follows:

Northern Vietnam, at 8 a. m. (local time) on July 27, 1954. Central Vietnam, at 8 a. m. (local time) on August 1, 1954. Southern Vietnam, at 8 a. m. (local time) on August 11, 1954.

It is agreed that Peiping meantime shall be taken as local time.

From such time as the cease-fire becomes effective in Northern Vietnam, both parties undertake not to engage in any large-scale offensive action in any part of the Indochinese theater of operations and not to commit the air forces based on Northern Vietnam outside that sector. The 2 parties also undertake to inform each other of their plans for movement from one regrouping area to another within 25 days of the present agreement's entry into force.

Article 12

All the operations and movements entailed in the cessation of hostilities and regrouping must proceed in a safe and orderly fashion:

(a) Within a certain number of days after the cease-fire agreement shall have become effective, the number to be determined on the spot by the Trunggia Military Commission, each party shall be responsible for removing and neutralizing mines (including river and sea mines), booby traps, explosives, and any other dangerous substances placed by it. In the event of its being impossible to complete the work of removal and neutralization in time, the party concerned shall mark the spot by placing visible signs there. All demolitions, mine fields, wire entanglements and other hazards to the safe movement of the personnel of the joint Commission and to joint organs, known to be present after the withdrawal of the military forces, shall be reported to the Joint Commission by the commanders of the opposing forces.

(b) From the time of the cease-fire until regrouping is completed on either side of the demarcation line:

(1) The forces of either party shall be provisionally withdrawn from the provisional assembly areas assigned to the other party.

(2) When one party's forces withdraw by a route (road, rail, waterway, sea route) which passes through the territory of the other party (see article 21), the latter party's forces must provisionally withdraw 3 kilometers on each side of such route, but in such a manner as to avoid interfering with civilian traffic.

Article 13

From the time of the ceasefire until the completion of the movements from one regrouping zone into the other, civil and military transport aircraft shall follow air corridors between the provisional assembly areas assigned to the French Union forces north of the demarcation line on the one hand and the Laotian frontier and the regrouping zone assigned to the French Union forces on the other hand.

The position of the air corridors, their width, the safety route for single-engined military aircraft transferred to the south and the search and rescue procedure for aircraft in distress shall be determined on the spot by the Trunggia Military Commission.

Article 14

Political and administrative measures in the two regrouping zones, on either side of the provisional military demarcation line:

(a) Pending the general elections which will bring about the unification of Vietnam, the conduct of civil administration in each regrouping zone shall be in the hands of the party whose forces are to be regrouped there in virtue of the present agreement.

(b) Any territory controlled by one party which is transferred to the other party by the regrouping plan shall continue to be administered by the former party until such date as all the troops who are to be transferred have completely left that territory so as to free the zone assigned to the party in question. From then on, such territory shall be regarded as transferred to the other party, who shall assume responsibility for it.

Steps shall be taken to insure that there is no break in the transfer of responsibilities. For this purpose adequate notice shall be given by the withdrawing party to the other party, which shall make the necessary arrangements, in particular by sending administrative and police detachments to prepare for the assumption of administrative responsibility. The length of such notice shall be determined by the Trunggia Military Commission. The transfer shall be effected in successive stages for the various territorial sectors.

The transfer of the civil administration of Hanoi and Haiphong to the authorities of the democratic Republic of Vietnam shall be completed within the respective time limits laid down in article 15 for military movements.

(c) Each party undertakes to refrain from any reprisals or discrimination against persons or organizations on account of their activities during the hostilities and to guarantee their democratic liberties.

(d) From the date of entry into force of the present agreement until the movement of troops is completed, any civilians residing

in a district controlled by one party who wish to go and live in the zone assigned to the other party shall be permitted and helped to do so by the authorities in that district.

Article 15

The disengagement of the combatants, and the withdrawals and transfers of military forces, equipment, and supplies shall take place in accordance with the following principles:

(a) The withdrawals and transfers of the military forces, equipment, and supplies of the two parties shall be completed within 300 days, as laid down in article 2 of the present agreement.

(b) Within either territory successive withdrawals shall be made by sectors, portions of sectors, or provinces. Transfers from one regrouping zone to another shall be made in successive monthly installments proportionate to the number of troops to be transferred.

(c) The two parties shall undertake to carry out all troop withdrawals and transfers in accordance with the aims of the present agreement, shall permit no hostile act, and shall take no step whatsoever which might hamper such withdrawals and transfers. They shall assist one another as far as this is possible.

(d) The two parties shall permit no destruction or sabotage of any public property and no injury to the life and property of the civil population. They shall permit no interference in local civil administration.

(e) The Joint Commission and the International Commission shall ensure that steps are taken to safeguard the forces in the course of withdrawal and transfer.

(f) The Trunggia Military Commission, and later the Joint Commission, shall determine by common agreement the exact procedure for the disengagement of the combatants and for troop withdrawals and transfers, on the basis of the principles mentioned above and within the framework laid down below:

1. The disengagement of the combatants, including the concentration of the armed forces of all kinds and also each party movements into the provisional assembly areas assigned to it and the other party's provisional withdrawal from it, shall be completed within a period not exceeding 15 days after the date when the cease-fire becomes effective.

The general delineation of the provisional assembly areas is set out in the maps annexed to the present agreement.

In order to avoid any incidents, no troops shall be stationed less than 1,500 meters from the lines delimiting the provisional assembly areas.

During the period until the transfers are concluded, all the coastal islands west of the following lines shall be included in the Haiphong perimeter:

Meridian of the southern point of Kebao Island.

Northern coast of Ile Rousse (excluding the island), extended as far as the meridian of Campha-mines.

Meridian of Campha-mines.

2. The withdrawals and transfers shall be effected in the following order and within the following periods (from the date of the entry into force of the present agreement):

Forces of the French Union—Hanoi perimeter, 80 days; Haiduong perimeter, 100 days; Haiphong perimeter, 300 days.

Forces of the People's army of Vietnam—Ham Tan and Xuyenmoc sector, 80 days; central Vietnam (1st installment), 80 days; Plaine des Joncs sector, 100 days; central Vietnam (2d installment), 100 days; Point Camau sector, 200 days.

CHAPTER III. BAN ON THE INTRODUCTION OF FRESH TROOPS, MILITARY PERSONNEL, ARMS AND MUNITIONS, MILITARY BASES

Article 16

With effect from the date of entry into force of the present agreement, the introduction into Vietnam of any troop reinforcements and additional military personnel is prohibited. It is understood, however, that the rotation of units and groups of personnel, the arrival in Vietnam of individual personnel on a temporary duty basis and the return to Vietnam of individual personnel after short periods of leave or temporary duty outside Vietnam shall be permitted under the conditions laid down below:

(a) Rotation of units (defined in paragraph (c) of this Article) and groups of personnel shall not be permitted for French Union troops stationed north of the provisional military demarcation line laid down in Article 1 of the present agreement, during the withdrawal period provided for in Article 2.

However, under the heading of individual personnel not more than fifty (50) men, including officers, shall during one month be permitted to enter that part of the country north of the provisional military demarcation line on a temporary duty basis or to return thereafter short periods of leave or temporary duty outside Vietnam.

(b) Rotation is defined as the replacement of units or groups of personnel by other units of the same echelon or by personnel who are arriving in Vietnam territory to do their overseas service there.

(c) The units rotated shall never be larger than a battalion—or the corresponding echelon for air and naval forces.

(d) Rotation shall be conducted on a man-for-man basis, provided, however, that in any one quarter no more than fifteen thousand (15,000) members of the armed forces shall be admitted into Vietnam under the rotation policy.

(e) Rotation units (defined in paragraph (c) of this Article) and groups of personnel, and the individual personnel mentioned in this article, shall enter and leave Vietnam only through the entry points enumerated in article 20 below.

(f) Each party shall notify the Joint Commission and the International Commission at least two days in advance of any arrivals or departures of units, groups of personnel and individual personnel to or from Vietnam. Reports on the arrival or departures of units, groups of personnel and individual personnel in or from Vietnam shall be submitted daily to the Joint Commission and the International Commission.

All the above-mentioned notifications and reports shall indicate the places and dates of arrival or departure and the number of persons arriving or departing.

(g) The International Commission through its inspection teams, shall supervise and inspect the rotation of units and groups of personnel and the arrival and departure of individual personnel as authorized above, at the points of entry enumerated in article 20 below.

Article 17

(a) With effect from the date of entry into force of the present agreement, the introduction into Vietnam of any reinforcements in the form of all types of arms, munitions and other war material, such as combat aircraft, naval craft, pieces of ordnance, jet engines and jet weapons and armored vehicles, is prohibited.

(b) It is understood, however, that war material, arms and munitions which have been destroyed, damaged, worn out or used up after the cessation of hostilities may be replaced on the basis of piece-for-piece of the same type and with similar characteristics. Such replacement of war material, arms and munitions shall not be permitted for French Union troops stationed north of the provisional military demarcation line laid down in article 1 of the present agreement, during the withdrawal period provided for in article 2.

Naval craft may perform transport operations between the regrouping zones.

(c) The war material, arms and munitions for replacement purposes provided for in paragraph (b) of this article, shall be introduced into Vietnam only through the points of entry enumerated in article 20 below. War material, arms and munitions to be replaced shall be shipped from Vietnam only through the points of entry enumerated in article 20 below.

(d) Apart from the replacements permitted within the limits laid down in paragraph (b) of this article, the introduction of war material, arms and munitions of all types in the form of unassembled parts for subsequent assembly is prohibited.

(e) Each party shall notify the Joint Commission and the International Commission at least 2 days in advance of any arrivals or departures which may take place of war material, arms and munitions of all types.

In order to justify the requests for the introduction into Vietnam of arms, munitions and other war material (as defined in paragraph (a) of this article) for replacement purposes, a report concerning each incoming shipment shall be submitted to the Joint Commission and the International Commission. Such reports shall indicate the use made of the items so replaced.

(f) The International Commission, through its inspections teams, shall supervise and inspect the replacements permitted in the circumstances laid down in this article, at the points of entry enumerated in article 20 below.

Article 18

With effect from the date of entry-into-force of the present agreement, the establishment of new military bases is prohibited throughout Vietnam territory.

Article 19

With effect from the date of entry-into-force of the present agreeemnt, no military base under the control of a foreign state may be established in the regrouping zone of either party, the two parties shall ensure that the zones assigned to them do not adhere to any military alliance and are not used for the resumption of hostilities or to further an aggressive policy.

Article 20

The points of entry into Vietnam for rotation personnel and replacements of material are fixed as follows:

A zone to the north of the provisional military demarcation line: Lackay, Langson, Tienyen, Haiphong, Vinh, Donghoi, Muongsen.

A zone to the south of the provisional military demarcation line: Tourane, Quihhon, Nhatrang, Bangoi, Saigon, Cap St. Jacques Tanchau.

CHAPTER IV. PRISONERS OF WAR AND CIVILIAN INTERNEES

Article 21

The liberation and repatriation of all prisoners of war and civilian internees detained by each of the two parties at the coming into force of the present agreement shall be carried out under the following conditions:

(a) All prisoners of war and civilian internees of Vietnam, French, and other nationalities captured since the beginning of hostilities in Vietnam during military operations or in any other circumstances of war and in any part of the territory of Vietnam shall be liberated within a period of 30 days after the date when the cease-fire becomes effective in each theater.

(b) The term "civilian internees" is understood to mean all persons who, having in any way contributed to the political and armed struggle between the two parties, have been arrested for that reason and have been kept in detention by either party during the period of hostilities.

(c) All prisoners of war and civilian internees held by either party shall be surrendered to the appropriate authorities of the other party, who shall give them all possible assistance in proceeding to their country of origin, place of habitual residence or the zone of their choice.

CHAPTER V. MISCELLANEOUS

Article 22

The commanders of the forces of the two parties shall insure that persons under their respective commands who violate any of the provisions of the present agreement are suitably punished.

Article 23

In cases in which the place of burial is known and the existence of graves has been established, the commander of the forces of either party shall, within a specific period after the entry into force of the armistice agreement, permit the graves service personnel of the other party to enter the part of Vietnam territory under their military control for the purpose of finding and removing the bodies of deceased military personnel of that party, including the bodies of deceased prisoners of war. The Joint Commission shall determine the procedures and the time limit for the performance of this task. The commanders of the forces of the two parties shall communicate to each other all information in their possession as to the place of burial of military personnel of the other party.

Article 24

The present agreement shall apply to all the armed forces of either party. The armed forces of each party shall respect the demilitarized zone and the territory under the military control of the other party, and shall commit no act and undertake no operation against the other party and shall not engage in blockade of any kind in Vietnam.

For the purposes of the present Article, the word territory includes territorial, waters and air space.

Article 25

The commanders of the forces of the two parties shall afford full protection and all possible assistance and cooperation to the Joint Commission and its joint bodies and to the International Commission and its inspection teams in the performance of the functions and tasks assigned to them by the present agreement.

Article 26

The costs involved in the operations of the Joint Commission and joint organs and of the International Commission and its inspection teams shall be shared equally between the two parties.

Article 27

The signatories of the present agreement and their successors in their functions shall be responsible for insuring the observance and enforcement of the terms and provisions thereof. The commanders of the forces of the two parties shall, within their respective commands, take all steps and make all arrangements necessary to insure full compliance with all the provisions of the present agreement by all elements and military personnel under their command.

The procedures laid down in the present agreement shall, whenever necessary, be studied by the commanders of the two parties and, if necessary, defined more specifically by the Joint Commission.

Article 28

Responsibility for the execution of the agreement on the cessation of hostilities shall rest with the parties.

Article 29

An International Commission shall ensure the control and supervision of this execution.

Article 30

In order to facilitate, under conditions shown below, the execution of provisions concerning joint actions by the two parties a Joint Commission shall be set up in Vietnam.

Article 31

The Joint Commission shall be composed of an equal number of representatives of the commanders of the two parties.

Article 32

The presidents of the delegations to the Joint Commission shall hold the rank of general.

The Joint Commission shall set up joint teams, the number of which shall be determined by mutual agreement between the parties. The joint teams shall be composed of an equal number of officers from both parties. Their location on the demarcation line between the zones of regroupment shall be determined by the parties while taking into account the powers of the joint committee.

Article 33

The joint committee shall insure the execution of the following provisions of the agreement on the cessation of hostilities:

(a) A simultaneous and general cease-fire in Vietnam for all regular and irregular armed forces of the two parties.

(b) A regroupment of the armed forces of the two parties.

(c) Observance of the demarcation lines between the zones of regroupment and of the demilitarized sectors.

Within the limits of its competence it shall help the parties to execute the said provisions, shall insure liaison between them for the purpose of preparing and carrying out plans for the application of these provisions, and shall endeavor to solve such disputed questions as may arise between the parties in the course of executing these provisions.

Article 34

An International Commission shall be set up for the control and supervision over the application of the provisions of the agreement on the cessation of hostilities in Vietnam. It shall be composed of representatives of the following states: Canada, India, and Poland.

It shall be presided over by the representative of India.

Article 35

The International Commission shall set up fixed and mobile inspection teams, composed of an equal number of officers appointed by each of the above-mentioned states. The fixed teams shall be located at the following points: Lackay, Langson, Tienyen, Haiphong, Vinh, Donghoi, Muongsen, Tourane, Quinhon, Nhatrang, Bangoi, Saigon, Cap St. Jacques, Tanchau. These points of location may, at later date, be altered at the question of the Joint Commission or of one of the parties, or of the International Commission itself by agreement between the International Commission and the command of the party concerned. The zones of action of the mobile teams shall be the regions bordering the land and sea frontiers of Vietnam, the demarcation lines between the regrouping zones, and the demilitarized zones. Within the limits of these zones they shall have the right to move freely and shall receive from the local civil and military authorities all facilities they may require for the fulfillment of their tasks (provision of personnel, placing at their disposal documents needed for supervision, summoning witnesses necessary for holding inquiries, insuring the security and freedom of movement of the inspection teams, etc.). They shall have at their disposal such modern means of transport, observation, and communications as they may require. Beyond the zones of action shown above, the mobile teams may, by agreement with the command of the party concerned carry out other movements within the limits of the tasks given them by the present agreement.

Article 36

The International Commission shall be responsible for supervising the proper execution by the parties of the provisions of the agreement. For this purpose it shall fulfill the tasks of control, observation, inspection, and investigation connected with application of the provisions of the agreement on the cessation of hostilities, namely:

It shall—

(a) Control the movement of the armed forces of the two parties, effected within the framework of the regroupment plan.

(b) Supervise the demarcation line between the zones of regroupment, and also the demilitarized zones.

(c) Control the operations of releasing prisoners of war and civilian internees.

(d) Supervise at ports and airfields as well as along all frontiers of Vietnam the execution of the provisions of the agreement on the cessation of hostilities, regulating the introduction into the country of armed forces, military personnel, and of all kinds of arms, munitions, and war materials.

Article 37

The International Commission shall, through the medium of the inspection teams mentioned above, and as soon as possible either on its own initiative, or at the request of the Joint Commission, or of one of the parties, undertake the necessary investigations both documentary and on the ground.

Article 38

The inspection teams shall submit to the International Commission the results of their supervision, their investigation, and their observations, furthermore they shall draw up such special reports as they may consider necessary or as may be requested from them by the Commission. In the case of a disagreement within the teams, the conclusions of each member shall be submitted to the Commission.

Article 39

If any one inspection team is unable to settle an incident or considers that there is a violation or a threat of a serious violation the International Commission shall be informed. The latter shall study the reports and the conclusions of the inspection teams shall inform the parties of the measures which should be taken for the settlement of the incident, ending of the violation, or removal of the threat of violation.

Article 40

When the Joint Commission is unable to reach an agreement on the interpretation to be given to some provision or on the appraisal of a fact, the International Commission shall be informed of the disputed question. Its recommendations shall be sent directly to the parties and shall be notified to the Joint Commission.

Article 41

The recommendations of the International Commission shall be adopted by majority vote, subject to the provisions contained in article 42. If the votes are divided the chairman's vote shall be decisive.

The International Commission may formulate recommendations concerning amendments and additions which should be made to the provisions of the agreement on the

cessation of hostilities in Vietnam, in order to insure a more effective execution of that agreement. These recommendtaions shall be adopted unanimously.

Article 42

When dealing with questions concerning violations, or threats of violations, which might lead to a resumption of hostilities, namely:

(a) Refusal by the armed forces of one party to effect the movements provided for in the regroupment plan.

(b) Violation by the armed forces of one of the parties of the regroupment zones, territorial waters, or air space of the other party. The decisions of the International Commission must be unanimous.

Article 43

If one of the parties refuses to put into effect a recommendation of the International Commission, the parties concerned or the Commission itself shall inform the members of the Geneva Conference. If the International Commission does not reach unanimity in the cases provided for in article 42, it shall submit a majority report and one or more minority reports to the members of the Conference. The International Commission shall inform the members of the Conference in all cases where its activity is being hindered.

Article 44

The International Commission shall be set up at the time of the cessation of hostilities in Indochina in order that it should be able to fulfill the tasks provided for in article 36.

Article 45

The International Supervisory Commission in Viet Nam shall act in close cooperation with the International Supervisory Commissions in Cambodia and Laos.

A body comprising an equal number of representatives of all the states members of the International Commissions shall be created to coordinate, whenever the execution of the agreements on the cessation of hostilities in Cambodia, Laos, and Viet Nam makes this necessary, the activities of the three Commissions.

Article 46

The International Commission may, by agreement with the coordinating body, and having regard to the development of the situation in Cambodia, Laos, and Viet Nam, formulate recommendations concerning the progressive reduction of its activities. These recommendations shall be adopted unanimously.

Article 47

All the provisions of the present agreement, save the second subparagraph of article 11, shall enter into force at 2400 hours (Geneva time) on July 22, 1954.

Done in Geneva on the 20th of July, 1954, in French and Viet Namese, both texts being equally authentic.

TQ-QUANG-BUU,
Vice Minister of National Defense
(For the Commander in Chief of the People's Army of Viet Nam).
BRIGADIER-GENERAL DELTEIL
(For the Commander in Chief of the French Union forces in Indochina).

ANNEX TO THE AGREEMENT ON THE CESSATION OF HOSTILITIES IN VIETNAM

1. Delineation of the provisional military demarcation line and the demilitarized zone (article 1 of the agreement, reference map: Indochina 1/100,000).

(a) The provisional military demarcation line is fixed as follows, reading from east to west:

The mouth of the Song Benhat (Sua Tung River) and the course of that river (known as the Raothanh in the mountains) to the village of Bohosu, then the parallel of Bohosu to the Laos-Vietnam frontier.

(b) The demilitarized zone shall be delimited by Trunggia Military Commission in accordance with the provisions of article 1 of the agreement on the cessation of hostilities in Vietnam.

2. General delineation of the provisional assembly areas (article 15 of the agreement, reference maps: Indochina 1/400,000).

(a) North Vietnam:

Delineation of the boundary of the provisional assembly area of the French Union forces.

1. The perimeter of Hanoi is delimited by the arc of a circle with a radius of 15 kilometers, having as its center the right bank abutment of Oumer Bridge and running westward from the Red River to the Rapids Canal in the northeast. In this particular case no forces of the French Union shall be stationed less than two kilometers from this perimeter, on the inside thereof.

2. The perimeter of Haiphong shall be delimited by the Song Van Uc as far as Kimthanh and a line running from the Song Van Uc 3 kilometers northeast of Kimthanh to cut road No. 18 2 kilometers east of Maokhe. Thence a line running 3 kilometers north of road 18 to Chotroi and a straight line from Chotroi to the Mengduong ferry.

3. A corridor contained between: In the south, the Red River from Thanhtri to Bangnho, thence a line joining the latter point to Domy (southwest of Kesat), Gioloc and Tienkieu, in the north, a line running along the Rapids Canal at a distance of 1,500 meters to the north of the canal, passing 3 kilometers north of Phalai and Seven Pagodas and thence parallel to Road No. 18 to its point of intersection with the perimeter of Haiphong.

Note: Throughout the period of evacuation of the perimeter of Hanoi: the river forces of the French Union shall enjoy complete freedom of movement on the Song Van Uc. And the forces of the People's Army of Vietnam shall withdraw three kilometers south of the south bank of the Song Van Uc.

Boundary between the perimeter of Hanoi and the perimeter of Haiduong.

A straight line running from the Rapids Canal 3 kilometers west of Chine and ending at Domy (8 kilometers southwest of Kesat).

(b) Central Vietnam:

Delineation of the boundary of the provisional assembly area of the forces of the Vietnam People's Army south of the Col des Nuage Parallel.

The perimeter of the Central Vietnam area shall consist of the administrative boundaries of the provinces of Quangngai and Binhdinh as they were defined before the hostilities.

(c) South Vietnam:

Three provisional assembly areas shall be provided for the forces of the People's Army of the Vietnam. The boundaries of these areas are as follows:

1. Xuyenmoc, Hamtan area:

Western boundary: The course of the Songray extended northward as far as road No. 1 to a point thereon 8 kilometers east of the intersection of road No. 1 and road No. 3.

Northern boundary: Road No. 1 from the above-mentioned intersection to the intersection with Route Communale No. 9 situated 27 kilometers west-southwest of Phanthiet and from that intersection a straight line to Kimthanh on the coast.

2. Plaine des Joncs area:

Northern boundary: The Vietnam-Cambodia frontier.

Western boundary: A straight line from Tongbinh to Binhthanh.

Southern boundary: Cours of the Fleuve Anterieur (Mekong) to 10 kilometers southeast of Caolanh. From that point, a straight line as far as Apmydien, and from Apmydien a line parallel to and 3 kilometers docloc Canal, this line reaches Myhanhdong and thence Hungthanhmy.

Eastern boundary: A straight line from Hungthanhmy running northward to the Cambodian frontier south of Doibaovoi.

Northern boundary: The Songcailon from its mouth to its junction with the Rachnuoctrong, thence the Rachnuoctrong to the bend 5 kilometers northeast of Apxeola. Thereafter a line to the Ngandua Canal and following that canal as far as Vinhhung. Finally from Vinhhung a north-south line to the sea.

DESTRUCTION OF CATHAY PACIFIC AIRLINER BY CHINESE COMMUNIST FIGHTER AIRCRAFT

Mr. SMITH of New Jersey. Mr. President, I rise to announce to the Senate certain information which has come to me in elaboration of an article published in the Washington Post and Times Herald this morning. I have made inquiry of the State Department, and have received information which I think all Members should know. I suspect we may have further information upon it within a few hours.

I have been advised that there have been some further developments with regard to the incident related in the Washington Post and Times Herald this morning under the headline, "Two MIG's Down Airliner."

As the Post and Times Herald reported, a British Cathay-Pacific commercial plane, on its regular course from Bangkok to Hong Kong was shot down. American citizens positively were identified as being passengers on the plane. The first report was that the plane was shot down by Russian MIG's. The report has now been corrected. The planes were not Russian MIG's, but were propeller-type planes of the Red Chinese Air Force.

The British have instructed their charge d'affaires in Peking to protest to the Red Government there against the shooting down of a Cathay-Pacific airliner off Hainan. A British Foreign Office spokesman said the two aircraft which attacked the plane could not have come from anywhere else than from Hainan, according to British information from Hong Kong. The plane was on its proper course en route from Bangkok to Hong Kong, and there was no excuse for its having been shot down.

Our own State Department considers this an inexcusable act and we may expect future developments.

The Secretary of State presently is going to make a statement concerning this incident and the Americans who were aboard the British airliner when it was shot down.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MORSE. I wish to say on this day, as I have on two other occasions, that when there is involved a matter protecting the sovereign rights of the United States, in connection with an international violation of those rights, then we owe it to our country as a people to close ranks and to see that our rights are protected.

I grant that we have available only fragmentary information as yet in regard to the incident. But certainly we should not stand by and have the sov-

ereign rights of the United States transgressed upon when a plane belonging to a friendly nation, and carrying American civilians, flying where it has a right to fly, is shot down. If those are the facts then we must take diplomatic steps to protect our rights.

We know that incidents of that kind can happen as a result of trigger-happy, irresponsible nationals of a foreign country acting without their government's knowledge or sanction. Nevertheless, if this act can be traced to a Red Chinese military plane, then, so far as I am concerned, the Red Chinese Government must be called upon to demonstrate some responsibility for preventing this type of transgression upon the sovereignty of our Nation, or upon any friendly nation whose planes are carrying American passengers.

That has always been my position.

Let us find out what the facts are and hold responsible any nation that seeks to violate the sovereign rights of the United States.

Mr. SMITH of New Jersey. I thank the Senator for his remarks, and I thank him for——

The PRESIDING OFFICER. Under the 2-minute rule, the Senator's time has expired.

Mr. SMITH of New Jersey. I ask for 1 more minute.

Mr. MANSFIELD. How much time has been consumed already?

The PRESIDING OFFICER. The Chair would have to estimate about 4 minutes.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Is it not true that the Senator from Montana in his own right could use 2 minutes and the Senator from Minnesota in his own right could use 2 minutes?

Mr. President, I hope that the Chair will grant the Senator from New Jersey an additional minute or 2 or 3 on a matter of this importance, if he has a further statement to make to the Senate about it.

The PRESIDING OFFICER. There has been no objection to the granting of the additional time requested.

Mr. SMITH of New Jersey. Mr. President, my further statement will be very brief.

As chairman of the Far Eastern Subcommittee of the Committee on Foreign Relations, my attention had been especially directed to this matter. I will report to the Senate any more facts which come to me.

The Senator from Oregon has made a sound statement. I believe we should be alerted to the fact that sovereign citizens of the United States have been put in jeopardy—I do not know whether they have been killed or not. But I think this outrage must be followed through by our Government, and, I believe, by the British Government now that the plane has been shot down.

Mr. WILEY. I feel as chairman of the Foreign Relations Committee that I should get some advice on this question, and I am doing it. In view of the statement of the Senator from Oregon, I think we should be alerted to the fact that sovereign citizens of the United States have been put in jeopardy. I do not know whether any of them have been killed. This must be followed up by our Government, and now the British Government, since it was their plane.

ORDER OF BUSINESS

Mr. WILEY. Mr. President, in view of the comments which have been made, I should like to ask that I be given time, not to exceed 10 minutes, to speak on what I have prepared relating to a program for southeast Asia and Europe. I ask unanimous consent that I be allowed to proceed.

The PRESIDING OFFICER. Is there objection to the request of the Senator that he be allowed to speak for 10 minutes?

Mr. CARLSON. Mr. President, this is the morning hour, and there are several Senators who would like to have insertions made in the RECORD, under the restriction that remarks will not exceed 2 minutes.

Mr. THYE. Mr. President, as acting majority leader, if there are many unanimous-consent requests to speak for not more than 2 minutes and to make insertions in the RECORD, I would have to object, because we are in the morning hour, and I am trying to accommodate Senators who would like to present matters for the RECORD. However, I recognize that, due to the world situation, and the shooting down of the commercial plane yesterday, the chairman of the Committee on Foreign Relations should have a right to make known for that committee what the committee has decided upon. I take it the Senator is speaking as chairman of the Committee on Foreign Relations.

Mr. WILEY. Yes, Mr. President.

Mr. THYE. If the Senator will withhold the request until Senators have an opportunity to make insertions in the RECORD, it would be appreciated.

Mr. WILEY. I withhold the request.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER (Mr. AIKEN in the chair). The Chair so understands.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. THYE. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I offer, and send to the desk, my amendment identified as "7-22-54-C." I ask that the amendment be read.

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be read.

The CHIEF CLERK. On page 47, in line 21, after the letter "b.", it is proposed to insert the following:

> Where activities under any license might serve to maintain or to foster the growth of monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of new, freely competitive enterprises in the field, the Commission is authorized and directed to refuse to issue such license or to establish such conditions to prevent these results as the Commission, in consultation with the Attorney General, may determine.

Mr. HUMPHREY. Mr. President, the amendment which I have proposed, which the clerk has read, applies to the section of the bill that relates to the antitrust provisions.

First of all, may I say that the general provisions as provided in section 105 which would relate the antitrust laws to the use of nuclear energy are, in the main, generally good as far as the Senator from Minnesota can ascertain. The purpose of my amendment is essentially one, Mr. President, of clarification. It is also one of appropriate emphasis, and the difference between the provisions or the language of the bill before us and my amendment is that before a license would be granted by the Commission to a private utility for the purpose of the creation of electrical energy the Commission, in consultation with the Attorney General, would be authorized and directed to refuse to issue such license if it appeared that in doing so the issuance of the license would foster the growth of a monopoly, restraint of trade, unlawful competition, or other trade position inimical to the entry of a new competitive enterprise in the field.

The language of the bill provides that the Commission, if it ascertained, after having issued the license, that there has been restraint of trade or that the issuance of the license does promote monopoly, then the Commission would refer that matter to the Attorney General for appropriate action. In other words, one would be after the fact of issuance of license. That would be the language of the bill. The amendment of the Senator from Minnesota would be that you would attempt to ascertain those conditions prior to the issuance of the license.

Now, I think there is a good case that can be built for both of these positions. The purpose of my amendment is to get legitimate discussion and clarification as to just what the committee members that presented this bill to us had in mind and how they felt the antitrust laws might best be enforced. I feel that the amendment that I have offered is exceedingly important, because we are, as has been repeated so often in this debate, discussing an area of economic activity which will have the widest and broadest implications to the growth and development of our economy.

The Johnson amendment which was adopted as of Wednesday or Thursday

provided what we call a yardstick method of enforcing competition. I must say that I personally believe that there is no better regulatory device upon any business or any organization than that of competition. It may be superior to antitrust laws as such. However, the purpose of our antitrust laws is to make sure that the reality of competition lives, and not just the fiction. Therefore, my amendment appears to me at least to be of vital importance to the basic policy that pertains to this legislation.

I have personally been primarily concerned on this bill with two aspects of law, first to the inclusion in the measure of the provisions of law, namely, existing law, regulating the generation and the distribution of electrical energy as provided in the Federal Power Act. Now, I have said on other occasions that to me the Federal Power Act, the Federal Power Commission, the rules and regulations that have been promoted under the terms of the Federal Power Act by the Federal Power Commission are tried and tested, have proven their efficacy and have worked in the public interest.

I make note of the fact, Mr. President, that with the Federal Power Act and with the administrative powers of the Federal Power Commission we have been able to see the growth of private utility industry in this country to great proportions. We have likewise been able to integrate into our economy, into our private enterprise economy, the flow of Government-generated hydroelectric power. In other words, the Federal Power Act has not acted or served to limit the growth of the electrical industry. It has, in fact, I think, augmented it, supplemented it, and permitted that growth to be in healthy and normal channels.

The Federal Power Commission is the consumers' guardian. The Federal Power Commission has jurisdiction over the gas, oil, fuel, electrical energies that are involved in interstate commerce. The Federal Power Commission is looked upon by the citizenry of this country as their protector in an area of economic activity which by its nature is rather exclusive. It is generally accepted that in any area one electric power company is adequate to serve that area.

Therefore, it is of the utmost importance that where there is but one electric company, government rules and regulations, at Federal, State, and local levels, will be needed to make certain that the service is efficient, and to make certain, even more importantly, that the rates are fair.

It is now an accepted standard of American public law that the Federal Government and State and local governments will have and do have the right to exercise regulatory functions and power over the generation, distribution, and sale of electrical energy.

Therefore, as we move to the consideration of this important bill, S. 3690, pertaining to the generation of electrical energy from the use of nuclear power, I feel that we would apply the same standards of conduct, the same business standards of competition, the same Government regulations, and to make certain that that competition and service is the same as that afforded under the traditional or more conventional forms of electrical energy as generated by thermopower or hydroelectrical capacity.

I hope that during the discussion of the bill this amendment might be adopted. I am quite sure that if the distinguished vice chairman of the committee, the Senator from Iowa [Mr. HICKENLOOPER], were present, we would have little or no difficulty in reaching an agreement upon the amendment.

I have had the finest cooperation from the senior Senator from Iowa in my discussion of amendments. We were proceeding rather well in the Senate the the other evening, until we become embroiled in, or shall I say we became enmeshed in, a number of parliamentary procedures, which unfortunately delayed the normal and regular consideration of the amendment to the bill.

We are now in the midst of 4 days of continuous debate. During the last few hours I have had an opportunity to give serious thought to the developments which are taking place, and to the comments and parliamentary tactics and devices of the majority leadership. At this point I wish to clear the record, because I feel I made an error the other day.

I feel that in this debate integrity and honor are of the utmost importance. At the time I was speaking yesterday, I mentioned the majority leader, in proposing his unanimous-consent request, had not consulted with anyone. I was wrong. At the time the majority leader proposed his unanimous-consent request concerning the amendment I had offered as of Thursday night, he had consulted with the minority leader [Mr. JOHNSON]. The minority leader, in turn, had asked me if it would be agreeable to limit debate upon my amendment. I replied to the majority leader that it would, since I had already worked out the details of the amendment with the staff of the Joint Committee on Atomic Energy, and with its distinguished vice chairman, our Senate chairman, the distinguished senior Senator from Iowa [Mr. HICKENLOOPER].

When my amendment had been agreed to, and other amendments had been agreed to, including the amendment of which I was proud to be a cosponsor, relating to the preference clause, an amendment offered by the Senator from Iowa [Mr. GILLETTE], I felt that we were proceeding in an orderly way and were making substantial progress.

Then, when the unanimous-consent request was made, the RECORD will reveal that the junior Senator from Minnesota expressed no objection. In fact, I said I was willing to accept the request. I did so because the request was limited to the specific amendment, and I felt that the amendment could be quickly disposed of. I felt quite encouraged in the realization that the amendment would be agreed to.

However, that was the limit of the consultation I had. As we know, in this body a unanimous-consent request requires unanimous consent. As the result of an objection, my amendment was tabled, and that has been the procedure since that time.

But I wanted to be accurate. I feel that in the long hours of debate we are pursuing, we are likely, at times, to be extravagant in our comments. We are apt at times to jump to conclusions, and sometimes we may inadvertently injure or hurt one of our colleagues. I have no such desire.

I wish to say now, in the morning, as I said the other evening, that the majority leader has given us a legislative program which has been vigorous and heavy, one as to which he has always told the Senate what to expect. In this instance, I say that all of us have not been as fully aware of the details as we should like to be. But in this specific instance of the amendment I offered, I was informed on the subject. There was an objection, and from that moment on we have had trouble.

I am hoping, I am really appealing, through the means of the RECORD, that we will no longer engage in this kind of play or this kind of maneuver. I want to vote on the bill. I want my position to be made clear.

Mr. PAYNE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. Yes; of course, I yield to my friend, the distinguished Senator from Maine.

Mr. PAYNE. May I ask if it is not true that the distinguished majority leader, the Senator from California [Mr. KNOWLAND] has, to the best of the Senator's knowledge, at all times endeavored to cooperate fully in consulting with the minority leader, and with any such other Members as may be indicated, the facts which may relate to a particular amendment, in question, with reference to a unanimous consent agreement, before the offering of such an agreement?

Mr. HUMPHREY. Yes. I say "Yes."

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FERGUSON. I hope the Senator will allow me to say this without my asking a question.

Has the Senator from Minnesota now come to the conclusion after some 60 hours of debate, that he is willing to vote on the bill?

Mr. HUMPHREY. I may say to my distinguished friend, the Senator from Michigan, that the junior Senator from Minnesota is willing to vote on any bill at any time. The Senator from Minnesota has always felt that there should be rules of cloture in the Senate, which would make it possible to vote on these measures.

I have always felt that there should be ample time to explore any bill. We are dealing with a measure which is 104 pages long. I am not going to reach each and every page, as has been suggested by my colleagues—that is, I am not going to read them for the RECORD. We have all had an opportunity to study the bill. I shall, of course, be glad to give the Senator from Michigan my point of view as to what I consider to be a controversial area in the proposed legislation, and the necessity for the fullest consideration.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FERGUSON. I hope that on Monday, when the cloture petition comes up, which the Senator now favors, we shall have his vote for it.

Mr. HUMPHREY. I may say that the Senator may very well have my vote for a cloture petition, but I also think that one of the strategic mistakes made by the majority leader—and this is merely my opinion—was when he offered the cloture petition, because he used his final weapon; he used his final parliamentary tactic, in a premature effort, from my point of view.

Secondly, I do not think the majority leader has the votes. I think I can honestly say I do not think he has the votes.

But that is not the important issue. The important issue is that we should vote on the amendments. The important issue is that we have the proposed legislation discussed and debated, and finally accepted or rejected.

I can make my position quite clear now. If the proposed legislation stays exactly as it is, it appears to me, from what I have heard and said, that I could not support it. But with 1 or 2 amendments offered by the Senator from Oklahoma [Mr. KERR], pertaining to licensing, and the amendment which I have offered, pertaining to the enforcement of the antitrust provisions, I think I would support it. Frankly, I think I could support the bill, by the inclusion of 2 or 3 important amendments: One which the Senator from Rhode Island [Mr. PASTORE] has proposed, which would unshackle the hands of the President in the matter of international negotiations for the use of atomic energy for peacetime purposes and civilian purposes. If that amendment were included, I believe the bill would be much more desirable.

But I am afraid that what has happened is that the irresistible force has met the immovable object.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PAYNE. The Senator from Maine is interested in the statements made by the Senator from Minnesota, and he will wait until the Senator has concluded.

Mr. HUMPHREY. The Senator from Maine is a perfect gentleman. He is an honor to the Senate. I am delighted he is present for this discussion. I know he has worked hard. He has been kind enough to remain in the majority leader's chair as the acting majority leader. I feel that that is a most friendly act. I may say also that the Senator from Maine is a most perceptive and intelligent participant.

With reference to my comments on the bill, I have made this statement before. The bill came to the Senate, after the hearings were printed, on July 9. I have the hearings before me. There are two volumes of testimony. The committee report on the bill was made available on July 13. The bill was called up for discussion under the leadership of the Senator from Iowa [Mr. HICKENLOOPER], on the afternoon of July 13. That is most unusual. I do not say that practice has not been followed before, but it is rather unusual for a measure of this complexity, relating to a fundamental revision of the basic law of the land, pertaining to the development and use of atomic energy, within 2 or 3 hours, or less time, after a report has been made available, and printed copies of the bill have been placed on the Senators' desks, to proceed forthwith into a discussion and debate on the bill.

I believe there were many statements made at that time that the debate would be over in very short order, perhaps in 2 or 3 days, and that the Senate would proceed to the consideration of other measures. That was an assumption based upon the belief that the Senate was going to be a rubberstamp. I listened to the majority leader this morning when he said that the President was in support of the bill. I regret that. I think the President will regret it in due time.

I listened to the majority leader say that the President did not expect the Congress of the United States to be a rubberstamp. I am pleased to hear that. But may I say, with all due humility and with a sense of responsibility, that there are some in the Senate who simply do not expect to be rubberstamps for a committee bill, particularly when the committee bill was brought up on an afternoon, and debate began within the hour, within the same afternoon.

I am not positive of the amount of time which elapsed between the presentation of the committee report and the taking up of the bill.

So the Senate proceeded with a discussion of the bill. The first area of discussion was over a contract which has no direct economic bearing upon the part of the Nation I have the privilege of representing, in part, with my colleague, the distinguished senior Senator from Minnesota [Mr. THYE]. We do not live in the Tennessee Valley. There are many persons in our part of the country who are not in favor of the TVA. They are not in favor of the TVA because they believe it thwarts fair competition.

I do not think that way. I have personally supported the TVA. My feeling is that what is good for one part of America is good for all of America. I resent using sectionalism as an argument against the passage of legislation. I am just as much interested in the development of mining in my part of the country. We need the development of natural resources. We need the mines for the miners. We need the kind of policy in this country that will provide work for the miners and a profit for the investors.

I am as much interested in the development of the east coast and the west coast as I am in the development of the great ports of Duluth and Two Harbors, a sister port city of Wisconsin.

I am as much interested in the development of the South as I am of the North.

Provincialism, parochialism, and socialism are a curse upon the Nation.

In the beginning of the debate, the contract which is known as the Dixon-Yates contract, was the only issue which grabbed the headlines, so to speak, the only issue that attracted the attention of the participants in the debate, but had not attracted the attention of the Nation.

And I would have my friend on the other side of the aisle remember that one of their most distinguished Members, the Senator from Kentucky [Mr. COOPER], gave one of the most powerful speeches against the consummation of that contract that was given here in this Chamber. And I would have the record be clear that the Senator from Kentucky [Mr. COOPER], a Republican, took this issue up as far as he could—to the White House. I gather he did not get to see the President, but he at least tried and discussed it with an assistant to the President, and talked to other officers of the Government.

So it is fair to say there was at least a sharp disagreement over that contract.

Now, the record is clear the contract had little or no relevancy to the activities of the Atomic Energy Commission. The record bears out the fact that not 1 single kilowatt-hour of electrical energy would be used by the Atomic Energy Commission from the private utility plant that was to be created on the basis of the Dixon-Yates contract.

It was supposed to be—at least it was so termed—a replacement powerplant for the TVA. The point was that the Atomic Energy Commission was used as the broker, the middleman, to make the contract with a private utility, which private utility was to send the current, the electrical power, into the Tennessee Valley system, which in turn was to service the community of Memphis, Tenn. And I say, that is a long way around. It is indeed a long, tortuous, circuitous road to the activities of the Atomic Energy Commission.

Now, how many days did that issue take? I think the RECORD will reveal 7. This is not unusual. We have had many debates in this Congress over issues of less consequence than that which lasted for 7 days. The urgency seems to be because somebody said that July 31 was the date of adjournment.

Mr. HICKENLOOPER. Will the Senator yield for a question? Is it not a fact that the law itself says the Congress shall adjourn on July 31, under the Reorganization Act?

Mr. HUMPHREY. Unless there is a joint resolution extending the date of adjournment, and may I say to my friend from Iowa, it ill behooves my friend on the Republican side of the aisle to talk about adjournment. They kept the Democratic-controlled Congresses of 1949, 1950, and 1951 here for weeks. I recall that we used to have a guessing game. And, by the way, it still goes on right upstairs here in the radio gallery. One of our distinguished friends of that gallery has a little chart on the wall, and Senator after Senator is asked "Guess the date that Congress will adjourn." There is a jackpot.

Now, if the law is so specific, may I say to the Senator from Iowa [Mr. HICKENLOOPER], why, all you have to do

is to say July 31 and everybody wins the jackpot. Every man a king.

Let us not try to fool each other around here. I wanted to go home in the summer of 1949. I was lonesome for Minnesota, and I wanted to go back to the cool climate, to the State of 10,000 lakes, and may I invite everyone within the range of my voice to visit the glorious State of Minnesota in the summer. It has the city of Washington beat seven ways from Sunday. It is beautiful. You have the most beautiful accommodations. You will have fish from the cold waters of the many lakes of Minnesota. You will meet the finest people that God ever placed on this earth. You will come into communities that are modern and beautiful, sparkling and progressive. You can travel in Minnesota through the rich agricultural areas and into the virgin forests. You can fish in our blue lakes. You can attend our community festivals in July, in August, and we will even be glad to accept you in September and guarantee you good weather. You can see the Golden Gophers on Saturday.

Mr. PAYNE. Will the Senator yield? The Senator would like to ask if the Senator from Minnesota has ever been to Maine?

Mr. HUMPHREY. The Senator from Minnesota has never been to Maine. His life is incomplete. I am a man heavy of heart because I have not had that opportunity, but if my Republican colleagues will cooperate and reassure my reelection, I promise that I will visit Maine as of next year.

Mr. PAYNE. May the Senator from Maine say that he hopes sincerely that as a result of the marvelous cooperation that was indicated earlier in the speech of the distinguished Senator from Minnesota, that if it may be possible at a date that we cannot determine now but perhaps sometime in the near future to be able to adjourn, after having completed the public's business, the distinguished Senator from Maine would love to invite his distinguished colleague, and all those within the sound of my voice, and beyond that, to come not only to witness the beautiful mountains, the lakes, the rivers and the hills, but also the seacoast, which I am sure my distinguished colleague does not have the opportunity to enjoy in the great State of Minnesota.

Mr. HUMPHREY. I want to thank the Senator from Maine for that invitation. I thought for a moment he was giving me the credentials of reelection, but he was careful to time that invitation for this summer, and I regret to say that because of the nature of events, the power of the opposition, that it will be necessary for me to deny, or have to reject that gracious invitation this year. But I say to you, my dear friend, that next year the Humphrey family shall journey to the North to the seacoast and we shall visit that wonderful State of Maine. But may I say now, since the Senator extended an invitation to the junior Senator from Minnesota, nothing would please us more than to have one of my favorite Republicans come to the State of Minnesota and enjoy the wonders of our beautiful State and see the Great Lakes, Lake Superior—not the sea. It is a little better than the sea. You can drink the water. And what beautiful shorelines we have. You will love it.

Now, I do not know how we got into this. As a matter of fact, by the time we are through with this debate, we will all want the cool climate of Minnesota and Maine. You will pardon me for making the appropriate designation of which comes first.

We spent 7 days on Dixon-Yates. That was settled. We debated it. We voted. We voted on that issue. Those of us who were opposed to this contract lost that fight. This is not the first fight I have lost. I have lost a lot of them. I respected the will of the majority in that instance. I regret that the majority did as it did, but that is the way we operate. That is the way we work here in this Legislative Chamber.

Then we proceed with the debate on the bill, and the first speech that the Senator from Minnesota made on this bill was on the general context of the bill. That was 4 days ago. I do not know whether or not it was my speech that necessitated the majority leader raising the cry of filibuster or not. It was not a long speech in particular. I could have completed it within an hour and 15 minutes, but I had several questions that lasted 2 hours and 10 minutes. I was through with my address. I felt that I had made some reasonably intelligent analyses of the provisions of the measure. I was engaged in colloquy by a number of Senators who took exception to some of my remarks. Some agreed.

Then the boom was lowered. All night sessions. Let the record be clear, this is not my idea of fun—all night sessions. I love to see the dawn in Washington, D. C., but I can see it just as well from the window of my home as I can from walking out on the veranda of the Nation's Capitol. In fact, it even looks better from the window of our homes.

The majority leader said we are going to have night sessions, so we have been in night session.

I want to be very practical and very honest about this: Does any Member of this body really think you do any business in the Senate of the United States in all-night session? Let us face up to it. That is no time to transact the business of the Government, so the all-night sessions are filled with long speeches. I think it is slightly childish. It seems to me it yields no positive results.

The view is you will tire those out that are going to speak, and may I say only one can speak at a time in the chamber. There are times when it appears that several tried to, but only one as a rule can speak at a time, so all that happens is those that are not speaking are out into the arms of Morpheus, refreshing themselves.

Mr. PAYNE. If the Senator will yield for a question: Is it not true that the distinguished majority leader, the Senator from California [Mr. KNOWLAND], in consultation with the distinguished minority leader, the Senator from Texas [Mr. JOHNSON], arrived at an agreement apparently in connection with the unanimous-consent agreement after debate had been undertaken on this bill for a period of time, at least, endeavoring to secure the support of the membership of this body, of proceeding in an orderly manner in arriving at a date, whether it be on a Monday, whether it be on a Tuesday, whether it be on a Wednesday, whether it be on a Thursday, or whether it be on a Friday establishing a period of time in which each amendment that was under discussion could be taken up, properly debated upon the floor, proponents and opponents having an opportunity to have their say on it, and then for the Senate to determine by a majority vote as to the wisdom of enactment of that particular amendment; is it not true that that took place?

Mr. HUMPHREY. May I say to the Senator that he has recited the facts as I know them with the exception of one very important point: That act of generosity came after the most arduous and most difficult session that we have had here for many a month. We had already gone through an all-night session. We were well into the second all-night session, and the majority leader not only offered the proposal of unanimous consent, but as I said on that evening, he was armed in every pocket with a resolution of some kind or other, and several of them tucked on the inside pocket, and the last of which was the cloture petition.

I want to make it perfectly clear that when you offer a unanimous-consent agreement, which, as I understand it, had been discussed with the minority leader, and that is the appropriate person to discuss it with, for it to become effective it has to be unanimous. Now, the junior Senator from Minnesota did not object. But there are those here that objected, and I am having a difficult time being responsible for my own actions without being responsible for the actions of someone else, and the Senator from Maine might well comprehend, as I am sure he does, that in this body, to get a unanimous-consent agreement there is required a considerable amount of negotiation, considerable amount of a combination of individual wishes and desires, and also it is generally arrived at in the spirit of good humor, fair play, and friendly negotiation, and if anybody thinks anyone was too friendly after the second all-night session, may I say that he is indeed optimistic about some of the frailties of human nature.

Mr. PAYNE. Will the Senator yield for a question?

Mr. HUMPHREY. Of course I yield.

Mr. PAYNE. Are you positive the original unanimous-consent agreement was offered to this body following the first all-night session?

Mr. HUMPHREY. That is my recollection.

Mr. PAYNE. Well, now, of course, days have passed, and nights have passed, so we may both be confused.

Mr. HUMPHREY. Let us not say "confused"—wrong.

Mr. PAYNE. I think it might be interesting that we check the record to see if it is not true that the unanimous-consent agreement that was entered into with the full knowledge and consent of

the minority leader, and majority leader, was presented to this body at least a day before, and maybe 2 days before we even started on the all-night sessions. What you have said is correct, of course, that any Member of this body does have a right to object, but in the objection that was entered at that time will the distinguished Senator from Minnesota advise whether or not he recalls that there was even an unwillingness on the part of the individual who at that time objected to even arrive at a compromise, a satisfactory or reasonable compromise, on when we could plan to arrive at a finish, and debate this bill, and the amount of time that each side might have in the debate of each amendment?

Mr. HUMPHREY. I am not positive about that. My recollection is, since I have not been on the floor all the time, that there are Members of this Chamber that are opposed, at least, as of now, or have been in recent days, to any unanimous-consent agreement. I say I can only speak for myself.

Mr. PAYNE. I think the Senator from Minnesota has indicated a very splendid spirit of cooperation in his earlier remarks, to indicate that he hopes that we now can reach a point where we can finish the debate upon amendments in an orderly fashion, get rid of them, and then proceed on the vote itself.

Mr. HUMPHREY. That is correct. Of course, the Senator from Maine clearly understands what my views are on the bill. We respect each other's views here.

It has always been quite amazing to me, and very refreshing, that despite our debate, the vehemence of our arguments at times, despite the fact that we hammer the desks and glower at one another, we can walk out into the corridors, visit, and exchange pleasantries, thoughts of friendship, and then come back to the battle. This is the way a parliamentary body ought to be operated, and I think one of the most encouraging signs of the times, despite the long hours of debate; despite the vigor with which this debate has been conducted, is that as of yet I do not believe anyone has felt he has been insulted, or that any Member of the Chamber feels that he has had his integrity questioned, his honor impugned, or even the veracity of his argument under question.

Now, we are going to have my good friend, the Senator from Connecticut, speak, and there is another distinguished Republican Senator for whom I have the greatest affection going to speak. As a matter of fact, there is not one thing wrong with my Republican colleagues except their politics. I like every one of them. I just wish that my powers of persuasion were adequate to bring them into the fold of political righteousness and political enlightenment; but hope springs eternal. One of the reasons that we have conducted this debate to the extent it has been pursued is to fulfill again our faith in education, and even though we should lose I still will believe that the processes of education will prevail in the long run because we will then, of course, have to take this issue to the people, and the people frequently are more receptive to education than some of the educators, and the people will undoubtedly respond and will send to the Congress in 1955, in January, those that they have faith in and trust, and I would hope those that would come would immediately proceed to protect the public interest if this bill should become law; that they will forthwith provide for its amendment, or its repeal and to get back on the course of conservation and sound public policy that has characterized the administrations of Theodore Roosevelt, Woodrow Wilson, Franklin Roosevelt, Harry Truman, and the great senatorial service of that wonderful Senator from Nebraska, George Norris, and others that stood with him in those difficult days.

Mr. President, at this time I wish to yield, to permit a distinguished Senator on the other side of the aisle to read an important message to the Senate.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

DESTRUCTION OF CATHAY PACIFIC AIRLINER BY CHINESE COMMUNIST FIGHTER AIRCRAFT

Mr. HUMPHREY. Mr. President, at this time, I wish to yield to one of my favorite Republicans, Mr. President, my good friend the Senator from New Jersey, the senior Senator from New Jersey [Mr. SMITH], who has an important message that he would like to read to the Senate. I feel so charitable today and so goodhearted and goodnatured that I want to accommodate him and ask unanimous consent that our distinguished colleague, the senior Senator from New Jersey [Mr. SMITH], may have the privilege of reading, or stating his message, without my losing my rights to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. HICKENLOOPER. May I ask the length of time?

Mr. SMITH of New Jersey. Probably less than 2 minutes.

Mr. HICKENLOOPER. I have no objection to the Senator's delivering his message except that we are attempting to follow a pattern of objecting to speeches or statements that consume a substantial amount of time.

Mr. SMITH of New Jersey. I will say to the Senator from Iowa [Mr. HICKENLOOPER] that I mentioned this morning the very serious incident in the Far East, and I have a message to read.

Mr. HICKENLOOPER. If the Senator takes a minute or two, I have no objection on that basis.

Mr. HUMPHREY. I want to say that even if it took longer I want my Republican friends to have what time they want. If they do not want to talk on the bill, I want them to talk on whatever they want to talk on.

Mr. SMITH of New Jersey. I wish to state that I am not participating in this debate at the present time. We have a very critical situation in the Far East with the shooting down of a British airliner, with the loss of American lives; and I want to read to the Senate a statement just issued by the Secretary of State on this matter.

Mr. President, I have requested permission of my distinguished friend, in order that I may read the statement. It will take me a little more than 1 minute to read it. It is a statement by the Secretary of State, the Honorable John Foster Dulles:

JULY 24, 1954.

This Government has been informed by Consul General Julian F. Harrington at Hong Kong that a Cathay Pacific commercial airliner on a routine—

I emphasize the word "routine"—

flight from Bangkok to Hong Kong was deliberately shot down by 2 Chinese Communist base fighter aircraft about 30 miles south of Hainan Island at 6:45 a. m., July 23, local time, or 6:45 p. m. eastern daylight time, July 22.

The passengers included 6 American citizens, of whom 3 perished and 3 were rescued by a relief operation in which United States, French, and British planes cooperated.

The Secretary of Defense has issued orders directing two United States aircraft carriers to proceed to the scene and to cover and protect further rescue and search operations by United States ships and aircraft in the vicinity of the spot.

So far as is known, there are 8 survivors out of a total of 17 passengers and 4 crew.

The Americans lost were Mr. Leonard Lee Parish, of Iowa Park, Tex., and his 2 sons, Lawrence, age 4, and Phillip, age 2.

Mrs. L. L. Parish and her daughter, Valerie, age 6, survived.

Peter S. Thatcher, of Stonington, Conn., also survived. Mrs. Parish, her daughter, and Mr. Thatcher were among survivors brought to Hong Kong by an amphibious United States Air Force plane based on Clark Field, Philippines.

The loss of life among passengers and crew of a civilian plane proceeding on a normal scheduled flight elicits our deepest feelings of sympathy. The United States Government takes the gravest view of this act of further barbarity for which the Chinese Communist regime must be held responsible. The action to be taken by the United States will be subsequently announced. The British Government has advised us that it has instructed its diplomatic representative in Peiping to lodge a strong protest against this wanton attack on a civilian aircraft.

That is the statement by the Secretary of State, Mr. John Foster Dulles.

Mr. President, I thank the Senator from Minnesota for yielding to me.

Mr. HUMPHREY. Mr. President, we are indebted to the Senator from New Jersey for bringing us that information. Certainly we must advise those who do not abide by the rules of international conduct that we will not tolerate violations of those rules.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. HUMPHREY. Mr. President, in discussing this amendment, let me say that in the course of my previous remarks during the debate, I said that I myself had not spent too much time discussing the Dixon-Yates contract—although the charge of filibustering was made.

Now that we are in the midst of 4 days of continuous debate, I wish to point out that during the last few hours I have had an opportunity to give serious thought to the developments that now

are taking place, and to the comments, parliamentary tactics, and devices of the majority leadership. I have also had an opportunity to discuss these developments with a number of my constituents and associates. I rise to summarize my reactions and to state the facts.

Certainly the administration has demonstrated unusual vigor and determination in its effort to have the pending bill, Senate bill 3690, enacted without amendment and without too much debate and public discussion. The people of the United States should understand why it is that the administration has shown this unusual anxiety to rush through, during the closing days of the session, a complicated and important piece of unnecessary legislation.

I believe that the answer is that the administration fears that it will not have control of the Congress in January, and believes that this is its last chance to exert its influence in attempting to have this bill enacted.

As the Senator from Oklahoma pointed out, this measure is perhaps the last will and testament of the Republican Party. I remind this august body that we really would have to work overtime if we were to attempt to giveaway more than we have already given away. It was not very long ago that we had one of the big giveaways—the tidelands bill. More recently we had the tax bill; and now we have this atomic-energy bill.

The administration seems to have rewarded some of its most prominent backers. The fiscal charts and statistics reveal that, upon the raising of the interest rate and the tightening of credit, back in 1953, the banks and investment houses were running at all-time high profits. The record shows that they made millions of dollars from the issuance of the 3¼-percent general bond issue; and the record further reveals that the general rise in the interest rate has been of great advantage—not to the consumer, not to the independent businessman—but to those in the money markets. They have been fine backers of the Grand Old Party.

We all remember very well when there was brought to our attention, by the administration, the highly controversial issue of offshore oil. Ever since the time of Thomas Jefferson, there has been in this country a feeling that the offshore lands were under the trusteeship of the Government of the United States, for all the people. But, Mr. President, I make mention of the fact—and it has not been without public notice—that some of the large oil companies have demonstrated unusual generosity in their support of the GOP. So no doubt they have some sense of gratitude in their hearts. They have depletion allowances, the like of which no one else in the United States enjoys. They now have opportunity to explore the offshore resources—after the United States Supreme Court had on three occasions held that those resources belong to the people of all the 48 States.

Then came the tax bill. That bill had tied to it provisions for the relief of working mothers and a little tax relief for fathers and mothers who send their children on to higher education, and a little tax relief for those of our citizens who become ill—that is to say, those who have to pay large medical bills. That bill entitled them to charge off a certain percentage of those expenses as a deductible allowance. In fact, I felt that there were several other provisions of the tax bill that were good.

I personally offered an amendment to give the farmers an opportunity to build grain-storage facilities and to charge off the cost as a deductible item, chargeable to business expense. I notice that although many of the lush, special-privilege provisions remained in the bill, Mr. Farmer ended up with no deduction or allowance for his grain-storage facilities. He is the forgotten man of this administration. He, indeed, is the forgotten man.

Mr. LANGER. He got the axe.

Mr. HUMPHREY. As my friend, the senior Senator from North Dakota [Mr. LANGER], has just indicated to me, what the farmer got was the axe. However, I am not sure that the farmer got a whole axe. Perhaps he got just the handle.

And now we come to atomic energy. The administration has already taken care of the commercial bankers and the investment bankers and those in the money markets. Of course, some of us tried as hard as we could and fought as vigorously as we could to prevent such giveaways.

And, of course, the administration took care of the oil barons. And then we saw included in the tax bill a provision for relief for the holders of large corporate wealth; and the tax bill is essentially a bill for the benefit of that group. For instance, just consider the depletion allowance. I think the allowance in the case of uranium is 23 percent. Other depletion allowances were placed very high.

However, when we proposed a $100 increase in the dependency allowance; we were told that that would be impossible, that it would upset the Treasury. Well, Mr. President, the Treasury has been upset for a long time. Nevertheless, our proposal for an increase of $100 in the dependency allowance was defeated; every version of it was defeated.

When we had before us the farm-equipment amendment, sponsored by the Senator from Illinois [Mr. DOUGLAS]—an amendment to give farmers an opportunity to take credit for accelerated depreciation on their machinery, and to stimulate the farm-equipment business, where there is a big lag, with many unemployed workers—that amendment was defeated.

I was the sponsor of the amendment to give farmers credit in the case of grain-storage facilities; and the Senator from North Dakota voted for the amendment. But all those amendments are out of the bill.

And now, Mr. President, in the latter days of the session, we have before us the atomic energy bill, and we are told that the bill will be pushed through. The administration is almost irresistible. Would, Mr. President, that there had been as much determination to increase the allowance for needy widows and orphans or to increase the pay scale of the civil service. I have in my files hundreds of letters from workers in the Postal Service, where the pay scale is so low that often both a man and his wife have to work, in order to keep body and soul together; and even with the wages of both the husband and the wife, they find that their income is still running behind their expenses. In the morning newspaper I noticed a headline that a bill providing a 5-percent increase will be reported from the committee. But that increase will be totally inadequate. Why not more than 5 percent, Mr. President? In this instance, the economizers say we cannot afford it. Well, Mr. President, we can afford many things if we protect our natural resources. We can afford to build better schools and better roads, and to have a better standard of living in this country, if we do not give away God's heritage to us—our water, our minerals, our oil and gas, and atomic energy. Why, Mr. President, if we continue these giveaway programs, we will not be able to pay for the glue on the postage stamps.

Yes, Mr. President, we certainly have an example of the most exaggerated generosity on the part of our Government that I have ever seen—generosity for the few, I may add.

Mr. Roosevelt was frequently termed as a Santa Claus; but as it was appropriately noted here as of yesterday, there is one thing one can say about the late Franklin D. Roosevelt—whatever was given under his administration in the main was given for the many, and at that time what a howl went up in the land. We had some poor soul out here on WPA getting $40 or $50 a month, and you would have thought it was going to wreck the country.

Mr. President, we are dealing in matters that revolve around billions in this bill. Every last ounce of those atomic materials, every ounce of them is owned, by the taxpayers of the United States. We are now preparing to license the use of these materials for private gain. I am not opposed to that at all, but I want to be sure that when we license the use of these fissionable materials in this nuclear power for private gain and private development, that in the licensing we place rules and regulations which protect the public interest, rules and regulations that we have found necessary throughout generation after generation when you are dealing with the development of natural resources.

We permitted the lumber barons to denude our forests, and we came around with the forestry program after the trees were practically gone. We permitted our soil to be exploited, and now we have to spend millions and hundreds of millions of dollars in soil conservation.

Well, this United States Senator is not willing to lock the door upon the stockpile of atomic energy after the energy is gone. I am not willing to see a licensing system that will give special privilege to those who have a headstart. Do you know where special privilege should go? It is to those who are running behind. Special privilege, if it is ever to be used, should be for the weak, for the lame, and for the persons of inadequate capacity of talents. And that is why in this society of ours we have often said that

there are two groups that deserve everything that the Government can possibly do to be of benefit—the young, the children, and the senior citizens, the old people.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. LANGER. And especially it should not be given away to create monopoly; is that not true?

Mr. HUMPHREY. The Senator is of course right, and the very amendment I have introduced, that amendment is to make sure that there is no license authorized by the Commission that would foster monopoly or restraint of trade or prevent competition. My amendment provides that in the case the Commission feels that the license would do so, they must take it up immediately with the Attorney General, the Justice Department, the Anti-Trust Division, and if the Justice Department after consultation with the Commission, or the Commission after consultation with the Justice Department, feels that the licensing in this particular instance would foster monopoly and thwart competition, or serve as a restraint of trade, then the license is not to be issued.

What is wrong with that?

It seems to me that that is sound public policy, particularly again when I say that you are dealing with a public resource.

Now I will for a moment consume a glass of nature's finest food, and may I say that in the State of Minnesota we produce great quantities of this beverage, known as milk, and I lift a glass now to toast Ezra Taft Benson, and may he join us in getting price supports on milk up to where they belong.

I yield to the Senator from North Dakota.

Mr. LANGER. The Senator says that under his bill the matter will be referred to various organizations, the Attorney General and others, and he says the Antitrust Division and the Federal Trade Commission will be notified. Why not also include the Antimonopoly Subcommittee of the Committee on the Judiciary of the United States Senate?

Mr. HUMPHREY. I think that that is a very good suggestion, because that Antimonopoly Subcommittee of the Committee on the Judiciary of the Senate has been doing splendid work, with little help from this body.

I want to say now to the distinguished chairman of the Committee on the Judiciary, who likewise has taken on the responsibilities of the Chairman of the Subcommittee on Antimonopoly, that he has had very little help in the form of appropriations or any other help from the Senate. Is that not correct?

Mr. LANGER. That is correct.

Mr. HUMPHREY. Mr. President, what is the rush on this bill? Apparently the rush is that everything was set for its quick passage. It was whizzed through the House of Representatives last night, but it is sort of spinning its wheels in the Senate. It is not whizzing.

I said that I felt that one of the reasons this measure was being pushed is that there was some sort of prophetic vision on the part of some of our deans on the other side of the aisle, that they may not have a majority next year. The time to give away to the few is while they are still in the majority. I think the conclusion is well founded. The theory behind this legislation is that we are now ready to proceed hastily and quickly with the civilian development of nuclear energy, but the one agency of Government which by statute was given the responsibility to inform the President, and the Congress, that our Nation is in fact ready for this new civilian development, has refused to notify the Congress and the President. I am going to continue to say that like a broken record, that the one agency of Government that has under the law the mandate to inform the Congress and the President when we are ready for the civilian development of atomic energy is the Atomic Energy Commission. I say that there is no report from the Atomic Energy Commission that says that we should proceed with this legislation or with the body of law proposed to be incorporated in this bill.

Mr. DOUGLAS. Mr. President, may I ask the Senator from Minnesota if I understood him correctly when he said that one reason for the haste of the majority in pushing this bill through was the fear that they would not have a majority next year?

Mr. HUMPHREY. I made that statement, and that seems to be the analysis the Senator from Minnesota at least has made.

Mr. DOUGLAS. May I ask the Senator from Minnesota if he would agree then with the comment of the senior Senator from Missouri [Mr. HENNINGS] that this is an act in anticipation of something?

Mr. HUMPHREY. I would say the Senator has come mighty close to the proper description of this act. The Senator from Oklahoma stated as of yesterday that possibly the Republican majority will maintain itself next year, just as a possibility, and he said that if they did then they could have something to give away next year. If you give it away all this year, you would not have very much to give away next year. The Senator felt that in answer to a question from the junior Senator from Minnesota that anticipation was generally better than realization anyway. If you just anticipate this gift, the bonanza, just look at the happiness that the people will have if they think "Well, next year we are going to get this," and they can more or less rely upon the Republicans to give it to them. They may hold out a little longer, but they will get around to it.

I reminded the Senate a moment ago that the one agency in a position to know the facts as to the possibility of the development of nuclear power in civilian uses was the Atomic Energy Commission, and the Commission has refused to certify the facts for the administration. The only conclusion we can draw from this is that the Atomic Energy Commission knows that there is no haste for this piece of legislation. The interesting thing to me is that the Atomic Energy Commission seems to be bypassed on all of these matters of policy. Three members of the Atomic Energy Commission were opposed to the Dixon-Yates contract, 3 out of 5. I want everyone in this Chamber to know that 3 out of 5 of the appointed representatives of the Atomic Energy Commission were opposed to the Dixon-Yates contract. Yet the contract was ordered. Now, the law of the land says that the Atomic Energy Commission must make a report. The law says the Commission must make a report before we proceed with the amendment of the Atomic Energy Act. That is a report as to the possibilities of the development of fissionable material for civilian purposes. No such report has been made. In the two instances this bill refers to, the Dixon-Yates contract and the basic change of law for the use of atomic-energy materials for civilian use, the Atomic Energy Commission has either not reported or has reported in the negative.

If my colleagues in this Chamber feel that they are better informed as to the possibilities of the development of atomic energy for civilian purposes than the Commission and its staff, then may I suggest that they have an insight into these problems which the junior Senator from Minnesota does not possess.

Now, if there is no haste, and if the issue is complicated as it is, then why does the administration act with haste in certain stubborn determination to override the public interest?

May I emphasize the phrase, "stubborn determination." The administration does not dare to allow the next Congress, the 84th Congress, to act on this question. Apparently it does not. It knows, or at least, it must feel, that the 84th Congress which will convene next January will be a Congress over which they do not exercise control.

During the past week, the administration has found that it faces a stubborn and relentless group of Senators, who insist on being interested in the public good, and dedicating their efforts for the vitality of free enterprise.

This group of Senators with whom I am proud to be associated, set out more than a week ago to bring the facts to the American people. We set out to study the bill, to understand the bill, and then to explain the bill to the Senate and to the country.

Mr. President, one of the reasons why we are engaged in debate is not merely to explain the bill to the Senate, but to explain it to the country, because the people of this great Nation need to understand what is happening to their investment. It is the people's investment that we are talking about.

How did the administration leadership react to this legitimate and responsible endeavor by the minority Members of the Senate? It set out to coerce and to stifle free discussion and debate.

At the risk of endangering the health of the Members of this body, the health of the staff of the Senate, the health of the clerks, the official reporters, and the page boys, the administration leadership served notice that it was going to force the Senate into all-night sessions.

What does this mean? It means the administration attempted to coerce the minority and to stop its discussion. It attempted to frighten the minority; it attempted to intimidate the minority.

But this tactic did not work. Instead, an ever-growing group of Senators on this side of the aisle, particularly, came to see the issues more and more clearly.

Just as of yesterday, we obtained a new recruit, the Senator from Oklahoma [Mr. KERR].

Mr. PAYNE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. PAYNE. Will the distinguished Senator from Minnesota advise me now, in view of the fact that we have had previous colloquy on this situation as to the matter of arriving at some reasonable degree of unanimous agreement, whether the Senator from Minnesota presently has before him a copy of the CONGRESSIONAL RECORD under date of July 13, which was considerably in advance of the date upon which the Senate went into continuous, around-the-clock sessions? Will the Senator determine whether that was considerably in advance of that period, as mentioned by the junior Senator from Maine earlier?

Mr. HUMPHREY. Yes; I have in my possession the CONGRESSIONAL RECORD for July 16, which relates to the debate on that day, which was 3 days following the beginning of the debate on the bill.

The RECORD, at page 10700, shows that the Senator from California [Mr. KNOWLAND], the majority leader, sent to the desk a proposed unanimous-consent agreement. The proposed unanimous-consent agreement was objected to by, I believe, the Senator from Oregon [Mr. MORSE].

Mr. President, this only goes to show what I have been talking about. We had barely gotten the debate open. The debate opened on the afternoon of July 13. July 14 was Wednesday, July 15 was Thursday, and July 16 was Friday. There had been 3 days of debate on a bill which is 104 pages long; debate on a report which is 138 pages long; debate on one of the most complicated pieces of legislation ever to have been presented in this Chamber. And the majority leader says, "Let us have an agreement to vote."

The majority leader would have made a better case if he had waited a week.

"Let us have an agreement to vote," he said. Of course, somebody would object. I think I am fair in saying not a fraction of the Members of the Senate had even read the bill by July 16. Frankly, these have been busy days.

The report on the bill was on our desks on July 13. Maybe some Members had a chance to read it on the 14th. We were busy; we were in session.

On July 16, in the first period of the day, a unanimous-consent request was made to begin debating, with a limitation on the time. I believe the limitation was to the effect that debate on any amendment or motion was to be limited to not exceeding 2 hours, to be equally divided and controlled.

Mr. President, 1 hour of debate upon the patent section of this bill? We would be derelict in our public duty. One hour of debate on the international defense provision of the bill? We would have been guilty of failing in our public duty. One hour of debate upon the antimonopoly section of the bill? No, Mr. President, when it is proposed to change the whole law pertaining to atomic energy, it cannot be done in 2 hours. If we do that, we should be ashamed of ourselves.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. PAYNE. Is it not true that the Senator—will not the Senator agree that the unanimous-consent proposal was agreed to between the majority leader and the minority leader? May I ask whether it is not also true that in failing to agree to that unanimous-consent proposal, no Member on the Senator's side of the aisle was even willing to offer a compromise as to a reasonable time under which the amendments or the bill itself could be debated, and arrive at a determination of what the majority of the body felt was in the best interests of the country?

Mr. HUMPHREY. I will answer the Senator's question. I imagine the unanimous-consent agreement was discussed with the minority leader, although I am not in a position to know. The RECORD does not state, but I imagine it was.

Mr. PAYNE. If the Senator will be good enough to refer to the latter part of the unanimous-consent agreement, which he holds in his hands, he will note that upon the debate on the final passage of the bill the distinguished minority leader, the Senator from Texas [Mr. JOHNSON], would be in control of the time of the opposition.

Mr. HUMPHREY. That is correct.

Mr. PAYNE. That indicates, does it not, that undoubtedly the majority leader had discussed the proposed agreement with the minority leader, and had the minority leader's concurrence before the agreement was presented to the Senate, and was entered into.

Mr. HUMPHREY. I imagine the Senator from Maine is correct. But I may say to my friend, the Senator from Maine, that if the Republicans will debate the issues in the bill, and not just be willing to debate the time schedule, we will get on with the issues. The Republican Members are afraid to stand up and debate in this way. They want to debate the question of cloture. They want to debate how quickly we can dispose of this colossal giveaway bill.

I say to my friends on the other side of the aisle, when you are about ready to open up the vault or the safe, of course you want a quick, fast job done. You do not want to give a little advance notice, and you do not want to turn on the light of public interest. You do not want to tell the people anything about what you are doing.

So we have the peculiar situation of a unanimous-consent agreement which was objected to. Was this unusual?

Unanimous-consent agreements have been objected to more often than they have been accepted. I do not think that is the issue in the debate at all. I think we are now about at the point, after having discussed the bill, where we can arrive at a unanimous-consent agreement. I want that to be crystal clear. I think we are possibly at the point now where we can say we have debated all aspects of the bill; that men of good reason and sound minds should be able to make up their minds as to what they want to do about the bill. But I am willing to give testimony today that from the 10th to the 16th day of July, the junior Senator from Minnesota did not have an opportunity to study the bill.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BUTLER. Does not the Senator from Minnesota think it would be better to say that public opinion is beginning to bear upon the Senator?

Mr. HUMPHREY. Public opinion will bear on the Republican leadership for this colossal giveaway and this colossal misrepresentation of the public trust.

Mr. BUTLER. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield for a question.

Mr. BUTLER. The Republican Party is willing to assume that responsibility, if the Senator is ready to assume the responsibility of tying up the public business for some 9, 10, or 12 days, and then not even be willing to state at any time when he will be ready to vote.

Mr. HUMPHREY. I may say to my friend, the Senator from Maryland, that what we are talking about is the public business. It is public business to protect $12 billion of the people's investment. My Republican friend is of the opinion that the development of atomic energy is a private matter, which is not an act of public business.

Every time the Republicans talk about the public business, they talk about social security, they talk about the Foreign Operations Administration, they talk about the farm bill. That is public business, to be sure, but what is more public than the public's investment in atomic energy?

I say to my friends that instead of going around and saying, "You are tying up the Senate," they should remember that the Senate of the United States is here to work. What does the Senator from Maryland suggest we should do? Take the vacation which has been offered?

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. BUTLER. I hope this will be a question, and I hope the Senator may be able to give us an answer to the question after it has been propounded.

Does the talk which the Senator has referred to include the time taken up by the indiscriminate reading of daily newspapers, into the RECORD at the expense of the taxpayers?

Mr. HUMPHREY. If there has been any indiscriminate reading of daily newspapers into the RECORD, it has been for the purpose of pointing out what the daily newspapers of the country are at long last revealing to the people.

Mr. DOUGLAS. Is the Senator from Maryland asking a question or making a speech?

Mr. BUTLER. I am asking a question.

Mr. HUMPHREY. May I say to my friend from Maryland that as of yesterday the Chair was most precise in the application of the rule but I am a charitable soul. If the Senator from Maryland wants to make a speech, as with any man that has the propensities of Demosthenes I suggest he get a chance to unburden himself. I shall be glad to yield to the Senator for a few moments to make a speech.

Mr. BUTLER. I would like to have the Senator answer a question.

Mr. HUMPHREY. I am glad to yield for a question, speech, introduction of motions, anything that any Senator wants me to yield for.

Mr. President, a moment ago we had the experience of another one of these hit-and-run attacks. I think the RECORD is quite clear that the determined effort here is to maintain the Senate in continuous session, leave us without any surcease, so to speak, from our grief and sorrow. That was after we had had some substantial victories in the procedure of amendment. Let the RECORD be clear; we have amended this bill: the Johnson amendment which was basic to the bill, which permits the Atomic Energy Commission to build its own power plants and to sell power; the Gillette amendment, of which many of us were cosponsors, that writes into this bill the preference clause for public bodies, municipalities, and rural electric cooperatives and areas that have high power costs. Two other amendments, one which made it necessary for the Atomic Energy Commission to give the widest notification before any licensing could be entered into, and another amendment which the junior Senator from Minnesota offered, were likewise adopted. Four amendments, and when the fifth amendment was about ready to be adopted, then Casey lowered the boom. We really had the procedures applied to make sure that the victory that was within our grasp was not to be realized.

I am perfectly willing to take this issue to the American people. That is where we will have to go with it. When we are all through with it, Mr. President, I am going to have some questions to ask. I am going to say that if the great rules and regulations pertaining to the transmission and the sale of electrical energy generated from thermal heat or thermopower or hydroelectric power were good enough for that, why were they not good enough for the atomic energy electricity? Why do we write a new code in this field? Because we are talking about electrical energy in the main and electric energy can be created out of many substances. Whether it is created out of lignite, by steam plants, whether it is created by the use of oil or gas or peat, whether it is created from hydroelectric facilities, it is still electric power. And we have a body of law that regulates the transmission, the distribution and the sale of that electric power.

I will tell you, Mr. President, what this bill is, and may my colleagues remember what I say. This bill is the first major attack upon the whole concept of Federal regulation of private utilities. This bill is the frontal attack. It is the atomic attack upon the whole code of law for a half century that we have created since 1906 to protect the public interest.

I would remind this body of the days of Samuel Insull. I would remind this body of the days of the holding companies. I say that it is not to the interest of the private utilities, the Government, or the public to have legislation that permits the widest abuse.

A few hours ago on this floor we were discussing the housing scandals, the Housing Administration. The junior Senator from Minnesota read from the RECORD, pointing out that on April 9, 1951, I stated that the law as it was written was an invitation to graft, and that the scandals that would come out of that law would make a mink coat look like a 10-cent toy, and I was right, because we did not put the proper precautions and protections in the law.

Now, Mr. President, we are about to do it all over again, only in a much more dramatic and a much more expensive field.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield for a question.

Mr. DOUGLAS. The Senator from Minnesota is aware, I think, that the Senator from Illinois is one of those who exposed the so-called mink scandal.

Mr. HUMPHREY. I am, and I am aware of the fact that the Senator from Illinois, along with the distinguished junior Senator from Indiana, was a sponsor of the amendment in that housing bill which, if it had been agreed to in conference, might have very well put aside and done away with any possibility of the unfortunate circumstances that we have in the headlines and the public record of today.

Mr. DOUGLAS. Would the Senator from Minnesota agree with the Senator from Illinois, however, that petty thefts, being visible, are subject to punishment and to general disapproval, but that thefts upon a grand scale by their very enormity command admiration and fear so that they are not attacked or reprobated to the degree that petty thefts or petty larcencies actually are?

Mr. HUMPHREY. The Senator is, of course, correct. I remember the Senator's splendid work in the Ethics Subcommittee. We held hearings and discussions in this whole area of what one might appropriately term public responsibility, and the failure to fulfill that responsibility. As the Senator is pointing out, in some of the areas of stealing the apple, putting the hand in the cash register, that is looked upon as outright dishonesty and corruption, and justly so. But when you get into the area of taking away the great resources of gas and oil that belong to the Nation, stealing the atom, then it becomes only a matter of just public discussion and not too much of that. The main debate in this Senate has been over the unanimous-consent agreement. The main debate in the Senate has been over procedure.

May I say that one of the first signs of corrosion of the society is when the leaders of that society spend their time arguing over the minutiae of procedure, and forget the substance of the argument or the issue.

Now, we want to have procedures which expedite the consideration of business, and we are going to have them. I have given my commitment here as one Member of the Senate that I shall stand for procedures that will assure that we get votes on this measure. We are what I consider to be at the point where we should do just that. I have listened to so much talk about what terrible things we are doing to the President's program. May I say, Mr. President, some of that program I am for. I am not for the President's program giving special benefits in this field of atomic energy to the few, not at all. I am for the President's program of the use of atomic energy for civilian purposes in an international pool, as that great speech of his at the United Nations outlined. I applauded that speech. I am supporting our President in that measure. I want to support him, but this bill limits his power.

Here is the so-called administration bill that limits the power. I wanted to support the President on his foreign-trade program. I supported his message. The trouble is, Mr. President, I cannot keep up with what program they are talking about. The President's message asked for a 3-year extension of reciprocal trade. By the time it got to us, it was down to 1 year, and rather immobilized. I had to call up. I was still for the 3-year program. That was the recommendation of the President, himself. I have here on my desk the recommendations of the Department of Agriculture in this very field—I have a report of some 18 pages long—as a result of all the trade missions that went to Europe and Asia. They reported back.

May I point out, Mr. President, that one of their recommendations is that the Reciprocal Trade Agreement Act should be extended for not less than a 3-year period?

Mr. President, when was that report made available to the public? During the time when we were debating the reciprocal trade agreement bill.

Here is the President's own Cabinet office, the Department of Agriculture. It was a report that was written during the time we were debating the reciprocal-trade agreements here in the Senate. This Cabinet officer says—and he apparently must have had the support of the President or he could not have stayed there—"We must have a 3-year extension." That is what the President said. But later on I was told the President's program was a 1-year extension.

Mr. President, the President of the United States suggested some amendments to the Unemployment Compensation Act. The Senator from Massachusetts [Mr. KENNEDY] offered those amendments, and the only votes for those amendments were Democratic votes. The only votes, with very, very

few exceptions, for the 3-year extension of the Reciprocal Trade Act, were Democratic votes, and it was a Democrat yesterday, Senator PASTORE, that got up here and offered the President's program on the international aspects of atomic energy.

I think that we have done pretty well in supporting the President's program. What happens to the President's program is that by the time some of our leaders get through working this over—our Republican leaders—the President is forced to withdraw, to compromise. Some of us would like to support his program in these areas where we have agreement, but I have noticed, for example, that great hue and cry has been raised in this land about this debate on this atomic-energy bill stopping the consideration of the farm bill.

Mr. President, the farm law is pretty explicit. It says that 90 percent of parity will come to an end on December 31, 1954. Mr. Eisenhower knew that when he spoke in Minnesota in September of 1952 because he promised out there he would not let it come to an end; he was going to see that 90 percent kept right on going.

There has been a little change of view, of course, since that time, on the part of the administration—a substantial change—but the administration has known about this. We could have started hearings on the farm bill last year; we did not. We could have had hearings on a farm bill much earlier this year, but we did not, and we could have reported out a farm bill this year by June, but we did not.

I may say that there is no reason to feel that we cannot act upon a farm bill in the Senate next week or the following week or now—right now. The bill is on the calendar.

Was there a more important item in the program than the Bricker amendment? The President made it crystal clear that he was opposed to the Bricker amendment. Yet my good and distinguished friend, the majority leader, when the chips were down, left the majority leader's chair and went to the back of the room. What happened to the President's program then? Where were the tears for the President's program at that hour? The President felt that the Bricker amendment was not in the public interest, or in the security interests of this country. I did not see anyone sitting up here lecturing us then because we debated it over 25 days. Oh, no. As a matter of fact, when the final days came around, as I said, the majority leader said, "I join the President's opposition," and he voted against the very motion that would have saved the President's proposition.

Really, I am not very much impressed when I hear the leadership say this long debate on the atomic energy bill is interrupting the President's program. The President's program becomes important in the eyes of some when there is nothing else that seems to be more important.

I had the record checked by the Legislative Reference Service, and I find out that during the debate on the Bricker amendment—which, by the way, Mr. President, was an amendment to the Constitution, to the basic law of this land—four times, Senators, we set aside the Bricker amendment to take up other measures. Then, Mr. President, the adjournment date was not just around the corner either. There was no particular urgency, but four times we set aside the Bricker amendment to take up other measures.

Mr. LANGER. Will the gentleman yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. And there were no night sessions.

Mr. HUMPHREY. The Senator is correct. There were no night sessions, and we did not meet at 10 o'clock in the morning.

When a basic issue was before us, an amendment to the Constitution, four times the leadership said, "Let us set this aside and take up other bills," so the junior Senator from Minnesota says if there are bleeding hearts on the other side for the farm bill, take it up now.

I may say in reference to that farm bill, they are not taking it up to give the farmer what was promised; they are taking it up to give the farmer less than what was promised; to give the farmer 75 percent of parity rather than 90 percent. There are ways of being able to handle the legislative process of this body. The farmers are not being fooled. Practically every telegram I have received on this debate has been from a farmer. I am going to go into those very shortly.

Mr. LONG. Mr. President, if the Senator will yield for a question, inasmuch as the Senator refers to the telegrams he has received, has the Senator received a single wire from anyone urging him to vote for the pending bill?

Mr. HUMPHREY. Not one, and one of the things that disturbs me so much about this bill is that our own private utility company in my own State, one of the finest utilities in America, the Northeastern States Power Co., would be discriminated against under this bill.

Take the Dixon-Yates contract, for example. The Federal Government pays all of the Federal taxes, all of the State taxes, and all of the local taxes. What a deal. That is a bad precedent to start around this country. It might catch on. I say if the Federal Government is going to pay the taxes of Dixon-Yates, they are going to pay the taxes for the Northeastern States Power Co., and any other power utility in the United States. It is only fair.

Mr. LONG. Does the Senator share my experience, that while not having received a single letter or wire from anyone asking me to vote for the bill, I have received a considerable number of requests to vote against the bill?

Mr. HUMPHREY. That is my experience. I have been trying to find out where is this great grassroots demand for this bill? I am of the opinion that the only grassroots demand for this bill is on top of some penthouse up in New York.

What kind of great public acclaim has there been? I have not seen any Gallup polls—are you for giving away the atomic energy or not? I have not seen any indication of the great demand for this legislation. In fact, as the junior Senator from Minnesota, may I say to my friend from Louisiana that the Atomic Energy Commission has not even made a report on the civilian use of atomic energy as required by the law. But this is a part of the program.

But here stand our old people and their need for greater social security. They are going to have to wait until we take care of the handful of big boys. They are going to have to wait here now until we make up our minds, or until the majority leadership can drive through the Senate this bonanza, this gift of all time, for a handful of people. We are not even going to take up conference reports, which are privileged matters. Everyone knows that a conference report can be brought up at any time.

Here is a conference report on the housing bill. Why do not we bring it up and get it out of the way? No. I will tell you why, Mr. President. It is because somebody wants to be able to go forth into the countryside and say, "You know, just a handful of Senators held up the housing program, the social-security program, and the farm program." I will welcome any of those propagandists coming into my State, because I will tell them that the reason we were standing here fighting was because we were not of the mind to turn over the secrets and the materials of the Atomic Energy Commission, in which the public has invested $12 billion, to a handful of profiteers. I will welcome that struggle.

We are willing to turn over these materials for legitimate development. I want to vote for a bill that will make it possible for private developers to engage in this field, under proper rules and regulations. That is all.

So, as I said, the farmers are not being fooled. Farmers know that when this great atomic energy revision bill came to the Senate it did not have one line in it for the REA cooperatives. They had been forgotten, and it was only by the Gillette amendment, of which several Senators were co-sponsors, that we got the preference clause written into the bill, and provided that if electrical energy is developed, the preferred customers of that electrical energy will be REA cooperatives or farm people.

The farmer friends of ours know the administration would like to let flexible price supports slide in the back door by refusing to give priority to this new farm bill, but they are not going to have a chance, because we are going to be here and we are going to fight the farm fight, and we are going to do our level best to make sure that our farmers are given fair and equal treatment.

Speaking now on matters of public concern and pressing issues, I think the Senators would be interested in yesterday's newspapers. I read:

Food cost rise pushes up price index for second month.

My colleagues who are here with me, look at this headline: "State Farm Prices Drop 6 Percent 1 Month; Parity Ratio at 88."

In the State of Minnesota it is down to about 82. But here is one article which says that food prices rise and the next article says that farm prices are down, down, and down.

Mr. PAYNE. Mr. President, will my colleague yield for a question?

Mr. HUMPHREY. I will be delighted to yield for a question.

Mr. PAYNE. I am just wondering whether we are debating the farm bill or the atomic energy bill?

Mr. HUMPHREY. I am only trying to be of help to those who have set the terms of the argument. I thought we were debating the atomic energy bill until I picked up yesterday morning's newspaper and all I read was "Farm bill blocked by filibuster."

You know, Mr. President, that reminds me of a story about Abraham Lincoln. According to the story, one day he was walking across a pasture; and, as he was meandering across it, enjoying the beautiful day, the pleasant breeze, and the sunlight, an old bull came charging out of a corner of the field. Lincoln, with those long, lanky legs of his, for which he was so famous, naturally lit out for the edge of the field, hoping to get over the fence before the bull got too close. But the bull began to get closer and closer, and the situation looked rather serious. So Mr. Lincoln veered toward a haystack which happened to be in that part of the field, and got around the corner of the haystack just ahead of the bull. Well, things were rather lively for a few minutes. The bull was going full blast; but, even so, he was no match for Mr. Lincoln's speed. After they had circled the haystack 3 or 4 times, with the bull still in hot pursuit, Mr. Lincoln began to pull farther and farther ahead of the bull. Before long he actually caught up with the bull, as they still circled the haystack; and he grabbed the bull by the tail, and began to twist it very hard. At that, the bull let out a tremendous bellow. Whereupon Mr. Lincoln said, "Well, you started this thing, anyhow." [Laughter.]

So, Mr. President, when I am asked whether we are debating the farm bill or the atomic-energy bill, I reply, "Well, who started the argument about the atomic-energy bill, anyhow?"

It was started on the other side of the aisle, in the quarters of the propaganda mills of the Republican committees, and it will be finished in this Chamber in due order, with due consideration for the interests and the well-being of our country.

Mr. President, now we see a great, new rush occurring—a rush almost reminiscent of the famous rushes of the old days. This one is a great, new rush for the public domain. Now the rush is on.

Mr. President, I am sure that all Members of the Senate remember seeing the pictures of the historic rushes of the old days, showing everyone lined up, waiting for the signal—frequently the shot of a pistol, and when the signal was given the rush was on, and everyone rushed across the line to stake out their part of the public domain.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is not the present rush somewhat different from the sort of rush that occurred in the old days? In the old historic rushes, the participants were mostly poor men. They would arrive at the scene either on foot or on horseback, or perhaps riding in a buggy, whereas in the present case the participants drive up in Cadillacs, and are extremely well "heeled." Does not the Senator from Minnesota agree?

Mr. HUMPHREY. No; the Senator from Illinois is mistaken. These participants' cars are not Cadillacs; they are Jaguars—expensive, imported models. [Laughter in the galleries.]

Mr. BUTLER. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. CAPEHART in the chair). The Chair admonishes the occupants of the galleries that they are the guests of the Senate, and there must be order.

Mr. HUMPHREY. Mr. President, I appreciate the remarks by the Presiding Officer; it is necessary that there be order in the Chamber. But I say that although order must be preserved in the Senate, because of the rules, yet, Mr. President, once the word of this bill gets out to the American public, then—to use the vernacular, "You ain't heard nothing yet," because when the news gets to the American people, the few repercussions of chit-chat and laughter that have been heard in this Chamber will seem like the silence of the night. Certainly there will be great concern on the part of the American people.

So, Mr. President, let me say to the Senator from Illinois that the new rush is on. It is not like the historic Oklahoma land rush, when all citizens who desired land were lined up and given an equal chance to stake out claims to land in that new territory. It is not like the settlement of much of our public domain, where citizens can take up reasonably sized tracts of land, and by occupancy and improvement gain title to a homestead.

The new rush is to stake out private titles—patents—in the great new atomic domain—a domain of inconceivable magnitude; a domain so large, so secret and unexplored that no one has yet measured its importance and potential effect on human society. The atom is at once one of the tiniest things known to man, and the most colossal. Contained in the known deposits of radioactive material in the crust of this planet is many times the energy of all of our worldwide coal reserves—billions and even trillions of tons of coal, all our petroleum, all our natural-gas deposits, and all our hydroelectric sites. It is not just their equivalent in energy. The potential energy of the atom is many, many times the total of all of these.

Mr. President, that is what we are talking about here. We are, in this bill, setting public policy for this great resource. We are not proposing to license a popcorn man, you know. We are not talking about personal, private relationships. We are talking about licensing the materials owned by the American people, under the trusteeship of licensing arrangements administered by the Atomic Energy Commission.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Would it not be helpful to get some idea of the mathematical possibilities which come from splitting the atom?

Mr. HUMPHREY. It would be very helpful.

Mr. DOUGLAS. Is it not true that under 1 of Einstein's 2 fundamental theories, as a result of which work on the atom was begun, he worked out the mathematical possibilities which would come from splitting the atom? Is it not correct that it may be stated in this way: That energy equals mass multiplied by the square of the velocity of light; and since the velocity of light is 186,000 miles a second, this would mean that a pound of matter could be converted into 38 billion times that amount of energy?

Mr. HUMPHREY. Mr. President, the Senator from Illinois is one of the most brilliant Members of this body. He is an accomplished and profound student of economics; and I think he has already given us, by means of his interrogation in the Socratic method, the dimensions of the problem with which we are dealing.

I must confess to my distinguished colleague and friend, the Senator from Illinois, that the mere mention of the staggering statistical total he has brought to our attention tells me how terribly important it is that we be most careful as we legislate in this field; and that is what we are trying to do here. I wish to thank the Senator from Illinois. In a few succinct words, he has made a remarkable contribution to our deliberations.

Mr. President, the people of the United States have invested $12 billion in learning how to concentrate and release the energy of atoms, and how to control them. We have built an atomic energy unit for a submarine. We have authorized five electric power stations to be fueled with atomic piles. We are on the verge of commercial application of this great new energy resource.

And what happens? Why the grabbers have descended on Washington, to take over.

A bill now being pressed on the floor of the Senate would open the doors for private industries to start filing private patents, practically unregulated, on all atomic processes except those involving atomic military weapons. It is proposed, in effect, to give away the whole civilian, peacetime values of the entire new atomic domain—but not as the Oklahoma lands and the public domain have been distributed, on a widespread and fair basis. Instead, a few gigantic corporations, which have had contracts with the Atomic Energy Commission, and have had access to atomic secrets for many years, are to be permitted to retain their head start. They would be

permitted to stay years ahead in the rush to stake out private titles—to take patents of unlimited extent—in this new atomic domain.

The tidelands oil grab of 1953, the western land grab still before Congress, the electric power grabs now in progress—Mr. President, these represent what I consider to be giveaways of the people's resources.

Let me say to my friends, Members of the Senate, who disagree with the position we took on the tidelands issue, that on that issue there was room for what might be called legal disagreement, because of contesting legal opinions as to ownership. But there is not one iota of contest as to who owns the atomic energy piles and equipment.

Men of different points of view, different backgrounds, different insight into the law, could argue vigorously that the boundary of such-and-such a State was 3 miles from the shore line or 10 miles from the shore line, and could argue that the resources under the water adjoining the shore line belonged to the State or belonged to the Nation. In the course of that controversy, reference was frequently made to court opinions—at times, with split decisions. There was very real difference of opinion in that instance.

But I venture to say I am correct in stating that there is not a bit of difference of opinion as to who owns the stockpiles, the patents, the reserves, and everything else that is part of this program.

Therefore, Mr. President, is it not all the more important that we carefully guard this great resource, that we carefully protect the public trust?

Mr. President, in connection with this debate, let us make it very clear that no one wishes to husband this resource, so it can never be used. On the contrary, we want it to be used by many, many private developers. We want many developers to be given access to it. We want to have pilot plants—many pilot plants—established to test the suggested methods for the conversion of atomic energy into electrical power. We want the benefit of the kind of program that will open up this great new vista, this new horizon of scientific knowledge and development. That is all I am asking for.

As I said earlier in my speech, I think that with the adoption of a very few amendments, we can round out a bill that may do that. But the bill will never be passed if the attitude is to drive the bill through, without amendment.

Of course, Mr. President, Senators are here to vote as they think best, and to express their individual views. Senators are free to vote as they wish.

I should like to state at this time that one of the most wonderful experiences I have had in connection with my service in the United States Senate comes from the knowledge that when one serves as a Senator, no one tries to compel him to vote in any particular way. A Senator can vote as he wishes, in representing the area from which he comes; and he can do so without fear of recriminations from his colleagues. I think this is one of the great tests of our parliamentary structure.

Mr. LANGER. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. HUMPHREY. I yield.

Mr. LANGER. Is it not true that when a Senator does just that—does vote his honest beliefs, his conscience, and as he himself believes is in accordance with proper representation of the people of his State—time and time again he will find that the people back home really appreciate it, in spite of what the newspapers may say about him or in spite of attempted smears?

That has been my experience—for instance, in connection with a post-office contract in New York.

But finally the people get the truth, and then they reelect their Senator.

Has not that been the experience of the Senator from Minnesota?

Mr. HUMPHREY. That is my experience, and I want to say I am talking to a man that is a living embodiment of that experience, a man who votes as he sees fit. He is a member of his political party and carries his argument to the leaders of that party and to his constituents, and he votes his own convictions. The American people respect the Senator even if they think the Senator is wrong, if they think that the Senator is not beholden to somebody or not controlled.

I honestly believe that a man could vote again and again in opposition to what seems to be the majority view of his constituency and still have the affection and respect of his constituency if they knew the man were voting as he believed.

This is what we call exercising independent judgment.

I will tell you when it comes to these basic issues, such as we have before us here, it is absolutely essential that we exercise independent judgment. I was pleased to see, particularly on the first vote on the Dixon-Yates contract, and on the Johnson amendment, that we had men from both sides of the aisle.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will yield for a question.

Mr. BUTLER. I want to be fair with the Senator from Minnesota, my good friend. If there were no further amendments adopted to this bill, would the Senator from Minnesota vote for it in its present condition?

Mr. HUMPHREY. No.

Mr. BUTLER. The Senator just said a minute ago that he did not want any of these present amendments rushed through. Now, the two amendments to this bill were not rushed through; they were adopted after a very long debate, and I will say a very illuminating debate.

Mr. HUMPHREY. I thank the Senator for that concession.

Mr. BUTLER. Fairly arrived at, and those amendments were adopted by the full Senate. Now, if the Senator has made up his mind he is not going to vote for the bill as it now stands——

Mr. HUMPHREY. I did not say that.

Mr. BUTLER. The Senator said he would not vote for it if there were no further amendments.

Mr. HUMPHREY. Wait a minute. We have many amendments to offer to this bill yet.

Mr. BUTLER. I said if it was not further amended, would the Senator vote for it, and I thought the Senator said no.

Mr. HUMPHREY. If it is not further amended, my present feeling is, always subject to reappraisal, may I say, that I would be of a mind not to support the bill.

Mr. BUTLER. Even if the amendments arrived at were arrived at after days of debate, and on a full and fair vote of the Members of the Senate.

Mr. HUMPHREY. May I say to the Senator that he reminds me of the person that goes out to look at a house. The person looks at the kitchen and the front porch on the house and the seller says "Will you buy the house?" And the buyer says "No, but I would like to take a look at the front room and the bedrooms and the bathrooms," and the prospective seller of the house says "You cannot see that; you have already made up your mind that you do not want the house."

No; that is not it at all. I want to see the full product, and when I see the full product I will make up my mind, and I will call upon the Senator to help me.

Mr. BUTLER. The question of the Senator from Maryland was a hypothetical question, and it assumed that the Senator from Minnesota now had seen the whole house. He has the bedroom and the bathroom and the living-room and he has even the roof. Now, I ask the Senator in all fairness, would the Senator vote for that bill when it comes on for a final vote? I believe he heretofore said "No."

Mr. HUMPHREY. Does that help the Senator, and does he feel better in view of my information?

Mr. BUTLER. The Senator says we are rushing these amendments, that seems to disturb the Senator, and it should not disturb him, because he has said he is not going to vote for the bill anyhow.

Mr. HUMPHREY. I appreciate the Senator's ability to understand the innermost thoughts of my mind, and he seems to have a connection with my subconscious which I do not have, and he seems to know what I am going to do and not do.

Mr. BUTLER. I only know what the Senator told me he was going to do.

Mr. HUMPHREY. Would the Senator just permit me to explain what I might be of a mind to do. I want to help the Senator, and the Senator is concerned about what I am going to do.

The Senator from Minnesota did not say we were rushing through these amendments; but the Senator from Minnesota said that we were having some rushing of the burial of the amendments. What I am seeking is that the amendment of the Senator from Rhode Island [Mr. PASTORE], be a part of this bill. I want to help President Eisenhower, and I am begging our Republican friends to help him a little bit. He is getting weary of carrying the whole load.

He really cannot elect all of you alone. He has to have a little help, and we are glad to give a little help.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I think that is as good a point to yield on as any.

Mr. BUTLER. Does not the Senator know the President of the United States did not want the Pastore amendment?

Mr. HUMPHREY. Well, the President wanted it last February.

Mr. BUTLER. The President did not want it when it came to the debate on this floor, and he so told the leaders of the majority party.

Mr. HUMPHREY. Well, I want to say to my dear friend——

Mr. BUTLER. I think we ought to keep this record somewhat straight.

The PRESIDING OFFICER. Does the Senator yield?

Mr. HUMPHREY. I am glad to accommodate my friend from Maryland.

The PRESIDING OFFICER. The Senator can only yield for a question.

Mr. HUMPHREY. I thank the Presiding Officer and I know that is the rule, but I wanted to be considerate and help my friend from Maryland to make any speech that he would like to make.

Mr. BUTLER. I appreciate that.

Mr. HUMPHREY. As I understood the message of the President, and I would be glad to get it and read it but I am afraid I might be accused of dilatory tactics, the message of the President called for the use of some of our atomic knowledge and scientific accomplishments in this field in international efforts, international pools, nation to nation.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. LONG. As a matter of fact, did not the President of the United States make a special trip up to the United Nations to advocate that we share with all of the other nations in developing peacetime use of atomic energy?

Mr. HUMPHREY. That is correct, and not only that, but the President and the administration sent a bill down here on the use of atomic energy for international purposes, and like many other fine messages, it is over in the Archives.

Mr. LONG. Now the President of the United States has changed his mind, after he put it in the newspapers all over the country and made a speech before the world. Why does the President not tell us he has changed his mind? He certainly did not tell me. I do not think that he told the junior Senator from Minnesota.

Mr. HUMPHREY. I would not expect him to give me any personal message, but just a general comment at a press conference would be helpful. Now, I recall that yesterday the Senator from Rhode Island [Mr. PASTORE] made it quite clear where he stood, and I do not recall that anybody pointed out with any success where the Senator from Rhode Island was in error. As a matter of fact, I think he made a very persuasive case, and I think the motion to table his amendment indicated that he had made a very persuasive case. That is just one of the measures where I say that one of the amendments would be helpful. The Senator from Oklahoma offered an amendment upon patents, a very important amendment. We feel that that amendment might very well be given further consideration, possibly in some modified form, or in its present nature be adopted. The Senator from Minnesota has some amendments that have been lying on the desk for days, and they have not been thought up just as we have been in overnight sessions. My amendments were all printed and were all offered to the desk, at least, before this round-robin, this 24-hour swing-shift of legislative activity got under way. They are amendments and some undoubtedly will be rejected, but I had a pretty good batting average. I offered 4 amendments, and I was able to put 3 in the bill. I thought that was fairly good. I was a cosponsor on anothher, and I was about ready to get the fourth in the bill when they lowered the boom.

The chairman of the committee was for it, and we ironed out our difficulties, and my opinion was, and it is just my opinion, that if we had proceeded in the normal routine manner, we would have had many more of the amendments in the bill.

Mr. PASTORE. Will the Senator yield?

Mr. HUMPHREY. I will be glad to yield.

Mr. PASTORE. It has just been brought to my attention that in the colloquy between the distinguished Senator from Minnesota and the Senator from Maryland, it was stated by the Senator from Maryland, that President Eisenhower told the majority leader that he was not in favor of the amendment which I proposed.

Mr. HUMPHREY. That is correct.

Mr. PASTORE. Let me say this: Of course, I have no way of knowing whether or not that statement is a fact, but all during the time that I spoke on my amendment yesterday afternoon, the majority leader was sitting at his desk, and he never once made that charge or that claim. Now, if it is a fact that President Eisenhower had informed the majority leader that he was not in favor of the amendment which I proposed, in order to facilitate the international pool idea that was expressed by the President before the United Nations on December 8, 1953, surely the majority leader, who was in this Chamber during all of the time that I spoke on my amendment, did not make that statement to me. I think that the record ought to show that.

Mr. HUMPHREY. The Senator is correct.

Mr. PASTORE. All during the time I was speaking on my amendment, the gentleman from North Dakota was in this Chamber, and I do not think he heard that, either.

The PRESIDING OFFICER. The Senator can only yield to a question.

Mr. HUMPHREY. I have been trying to be fair about this. The Senator from Maryland made an affirmative statement, and I felt the Senator from Rhode Island might do the same to sort of equalize this, and I want to say to the Presiding Officer that any time that any of my colleagues wish to make a statement, I think it all helps the debate, and I sometimes think the questioning process is a bit clumsy.

The PRESIDING OFFICER. I might say the reminder by the Chair was for the protection of the Senator from Minnesota, because if he yields for other than a question he can be taken off the floor.

Mr. HUMPHREY. I appreciate that, and I know the only reason I am not being now is because we have such a fine man in the chair, and a very fair-minded man who would not do that.

Mr. LANGER. Will the Senator yield for a question?

Mr. HUMPHREY. I yield to the Senator from North Dakota for a question.

Mr. LANGER. Is it not true that President Eisenhower not only gave that speech to the United Nations, but before that time he went down to Tennessee and he investigated the TVA, if you can call it an investigation, or at least he gave a speech. That was before the election. In that speech he said that he was in favor of TVA and would help it. Is that not true?

Mr. HUMPHREY. That is right, and the President reiterated that position in a conference, I believe, on Thursday of this week. It might have been on Wednesday or Thursday, but he stated he was for the TVA.

Mr. LANGER. I wanted to get the record clear that the President went to Tennessee as well as to the United Nations. He made his position very clear at that time.

Mr. HUMPHREY. That is correct. I want to thank the Senator from North Dakota who has been a very active participant in our discussions on this bill.

The giveaways which have been going on for a year and a half in Washington has almost calloused America to the new and bigger giveaways that keep coming up.

Gradually the Nation has been conditioned to the point that this most colostal giveaway in human history can be seriously proposed; a giveaway so big that no one knows its implications.

The framers of the first Atomic Energy Act knew that a tremendous new world was being opened up. They knew that some time in the future this tremendous new discovery would have to be integrated into our human society; that it would possibly revolutionize our way of life.

So the framers of that act provided, in section 7–b, that when a commercial application of atomic science approached feasibility, the Atomic Energy Commission should make a public and publicized report on the social, economic, and international implications of the new development. After that report was made—and only after the public had been given a glimpse at its great importance—was it contemplated that Congress would act to permit the release of the discovery.

Then, and only then, could the Members of Congress and the American people have any conception of the importance of the release. Then, and only then, would they be qualified to prescribe the conditions, the regulations and

the manner in which the release of this great publicly owned asset should be made.

There has been no such report to the people of America. We have only bits of information. We know that electric power can be generated from atomic units. We hear that it is expensive, but shows promise of becoming economically feasible. We do not know if it must be in giant central generating stations, or if there is promise of economic small units, which will provide power for a single small community, or a single small industry.

I digress to say that it is so tremendously important that the licensing be safeguarded, so that small communities and small producers can participate. It is very important that there be a preference clause in the Atomic Energy bill, so that if it is economically feasible to produce electric power from atomic energy for a single unit, then a small rural or urban area which has rural electric cooperatives and other public bodies, they will have an opportunity to share and to participate.

As sketchy as our information is about the use of atomic piles to produce electrical energy, it is much more than we have about the possible usefulness of atoms in other fields of activity. We hear that atomic action may prove useful in medicine, chemistry, agriculture, food preservation—there are just hints of such potential values.

But only a select few, only the handful of powerful corporations which have had development contracts with the Atomic Energy Commission and thereby have gained access to atomic secrets, are in a position to know what can be done with atomic materials and to start filing patent applications establishing private ownership of great segments of this new domain, which belongs today to the people of the United States who have $12 billion dollars invested in it.

The Wall Street Journal, in an article about the revised Atomic Energy Act now under consideration, described it as a "bill designed to permit private operation of electric powerplants using nuclear energy as fuel."

That is an appropriate designation; but I say that with that as the basic objective, when we are talking about the private operation of electric powerplants using nuclear energy as fuel, we must include the same body of law, rules, and regulations which have been provided for other electrical energy created from other forms of fuel. What is so different about electrical energy created from atomic forces, so long as it is electricity? It seems to me that we need to be most careful not to start an entirely new empire of electrical production, having one set of rules, which will compete with the conventional empire of electrical production, operating under separate rules.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LONG. Has it ever occurred to the Senator that by permitting private concerns to take out patents on peacetime use of atomic power, we may actually be holding back the development and the use of atomic power, rather than expanding and increasing it?

Mr. HUMPHREY. I thank the Senator for bringing to my attention the fact that the taking out of a patent does not necessarily mean that anything will be done with it; that the use of the patents could be controlled.

Mr. LONG. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER (Mr. CAPEHART in the chair). The Chair rules that the Senator will have to address the Chair. Then he will have to confine his remarks to questions.

Address the Chair, please.

Mr. LONG. Mr. President, a parliamentary inquiry. Is the Presiding Officer prepared to rule that I have not asked a question in every instance?

The PRESIDING OFFICER. Does the Senator from Minnesota yield for a parliamentary inquiry?

Mr. HUMPHREY. I do, indeed, without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Louisiana will state his parliamentary inquiry.

Mr. LONG. Is the Chair of the opinion that I have asked anything other than a question?

The PRESIDING OFFICER. The Chair is of the opinion that the Senator from Louisiana addressed the Senator from Minnesota, instead of addressing the Chair. The able Senator from Louisiana knows that he must address the Chair, and then the Chair will inquire of the able Senator from Minnesota whether he will yield to the Senator from Louisiana.

Mr. LONG. Mr. President, will the Senator from Minnesota yield for a question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I do.

Mr. BUTLER. Mr. President, it would not be necessary for the Senator from Louisiana to address the Chair on each occasion, would it?

The PRESIDING OFFICER. It would. The rules provide that Senators must address the Chair. The Chair will then make inquiry of the Senator of whom it is desired to ask a question as to whether or not he will yield; and if so, to whom. I am advising the Senator from Minnesota of the rules, in order that he may not lose the floor.

Mr. LONG. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Minnesota yield for a parliamentary inquiry?

Mr. HUMPHREY. I yield for a parliamentary inquiry, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. Has the Chair properly advised the Senator from Minnesota that he can yield for a question without losing his right to the floor?

The PRESIDING OFFICER. The Chair has, I think, reminded the Senator of that fact no less than 6 or 8 times in the last 15 minutes.

The Senator from Minnesota may proceed.

Mr. LONG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Louisiana for a question?

Mr. HUMPHREY. I yield to my good friend, the Senator from Louisiana for a question.

Mr. LONG. Is the Senator aware of the fact that in some cases an application for patent involves enormous amounts of harassment in instances where the patents are not actually valid?

Mr. HUMPHREY. Yes; I think that was brought out in some of the testimony on this particular measure.

Mr. LONG. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. Is the Senator aware of the fact that permitting large concerns to apply for patents puts those concerns in the position of being able to harass smaller groups which may wish to use atomic power?

Mr. HUMPHREY. The Senator is correct. I may point out to the Senator that some large concerns already having had large development contracts and research contracts are in a much more desirable situation. They have obtained advance information. They are in a strategic situation as to getting patents which they themselves can control, patents which may very well, as the Senator points out, harass and impede the possibility of smaller concerns from moving ahead in this area.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. HUMPHREY. I yield to the Senator from Louisiana, provided I do not lose my right to the floor.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Minnesota yield for a parliamentary inquiry?

Mr. HUMPHREY. I yield for a parliamentary inquiry, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator will state his parliamentary inquiry.

Mr. DOUGLAS. The parliamentary inquiry I wish to raise is whether or not it is understood that the Senator from Minnesota will not lose his right to the floor in replying to the question. Is that understood?

The PRESIDING OFFICER. Is that a parliamentary inquiry?

Mr. DOUGLAS. It is.

The PRESIDING OFFICER. The answer is that if the Senator yields for any other purpose than for a question, he will lose his right to the floor.

Mr. HUMPHREY. The Senator from Minnesota wishes to say——

The PRESIDING OFFICER. That is why the Chair has been reminding the Senator of that fact.

Mr. HUMPHREY. The Senator from Minnesota wishes to say that he has great respect for his colleagues in the Chamber. With very, very few exceptions, we seldom lose our sense of good humor and respect for one another.

I am not too much worried about the strict application of the rule, because I have faith in the "judge." I should like to expedite the discussion. I am certain that my friend, the Senator from Maryland [Mr. BUTLER], will see to it that we do not get out of line. He is a capable attorney. Whenever I shall see a sort of frown upon his angelic brow, I will know that I shall have to be careful.

Mr. LONG. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Louisiana?

Mr. HUMPHREY. I surely do yield—for a question.

Mr. LONG. Is the Senator from Minnesota aware of the fact that in many instances the development of atomic power has been going forward under the provisions of contracts with corporations like Du Pont and others?

Mr. HUMPHREY. I am aware of that. The same situation applies to Westinghouse, Union Carbide, General Electric, and other companies, which are best equipped by their great investment, their tools, and their trained technicians. Of course, much of the research work they have done has been under contract for the Atomic Energy Commission.

Mr. LONG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Louisiana for a question?

Mr. HUMPHREY. I yield for a question only.

Mr. LONG. Is the Senator from Minnesota aware of the fact that those who have worked on these contracts have employed scientists and others, who undoubtedly know already of the great peacetime possibilities of atomic power, and who have acquired that information while working on the Government payroll, on Government time?

Mr. HUMPHREY. The Senator, of course, is correct. That is what the Senator from Oklahoma was directing his very able, intelligent remarks to as of yesterday, with respect to the patent procedures in the bill. He wanted to make certain that the advance, or head start, which someone had obtained was not so great that it would leave everybody else back, so to speak, in the lurch. He wanted to equalize this area and to tighten it up.

I think the amendment which was offered by the Senator from Oklahoma was a pretty basic amendment in terms of equity under the bill. I hope the amendment can be reoffered, with possibly some slight modification, after we have once come to an agreement as to how we intend to proceed, because I think my friend, the Senator from Maryland [Mr. BUTLER], listened, part of yesterday, to the argument made by the Senator from Oklahoma, and I think he would agree with me that that kind of amendment deserves the fullest consideration; and once we get it, we will vote it up or down.

If we bring that into the bill, then my friend from Maryland will have his friend from Minnesota closer and closer to his legislative bosom.

Mr. BUTLER. Will the Senator yield?

Mr. HUMPHREY. For a question.

Mr. BUTLER. The basic maxim that he who remains silent——

Mr. DOUGLAS. A parliamentary inquiry?

The PRESIDING OFFICER. Will the Senator yield for a parliamentary inquiry?

Mr. HUMPHREY. I was of the opinion that my friend from Maryland was merely prefacing what was going to be a very good question.

The PRESIDING OFFICER. The Senator from Minnesota yielded to the Senator from Maryland for a question?

Mr. HUMPHREY. That is right.

The PRESIDING OFFICER. Now do you yield for a parliamentary inquiry?

Mr. HUMPHREY. I would prefer at this moment to continue to yield to the Senator from Maryland for a question.

The PRESIDING OFFICER. The Senator yields to the Senator from Maryland for a question.

Mr. BUTLER. Does not the Senator know that it is a basic maxim that he who remains silent when he should speak will not be heard to speak when he should remain silent? I therefore respectfully say to the Senator that when that amendment is called up I shall vote "No."

Mr. DOUGLAS. Mr. President, a parliamentary inquiry. Is the Senator from Maryland making a speech or addressing an inquiry?

The PRESIDING OFFICER. Will the Senator yield for a parliamentary inquiry?

Mr. HUMPHREY. I yield for the purpose of a parliamentary inquiry to the Senator from Illinois without losing my right to the floor.

Mr. DOUGLAS. Mr. President, I should like to ask whether the last sentence of the remarks by the Senator from Maryland constituted a question or whether it was a statement and out of order?

The PRESIDING OFFICER. I think it was a question but a little sloppy on the tail end.

Mr. HUMPHREY. May I say to the Presiding Officer he has just reaffirmed my faith in his judgment.

Mr. BUTLER. Will the Senator yield for a parliamentary inquiry?

The PRESIDING OFFICER. Will the Senator yield?

Mr. HUMPHREY. I yield without losing my rights to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. HUMPHREY. I think we have had it, Mr. President; I mean we have really had it. I would like to proceed.

The Senator from Louisiana has been very helpful in assisting us in the discussion of how a few companies have had a tremendous headstart in this field of nuclear research, atomic energy, and appeared to be in a position to get the patent control of the use of atoms before small public systems and private groups could begin to learn the secret processes upon which experimentation could even be started. That is why the 5-year period is included in the bill. In 5 years they will not even get a chance probably to build a plant; it will take 5 years to put up the reactor. Then you have all the processes, all the time afterwards, to see whether or not the reactor that you put up is worth anything and produces what you hope it will produce. So I would hope that we can get back to that further amendment.

I am only mentioning a few of these amendments which I think are extraordinarily worthy. My friend from Maryland has indicated he will vote against it. I regret he has said that, because he has not heard all the argument, but we will let him keep the door open a little bit so that the vote against is not quite as it sounded.

Now, it is my intention, as I have announced earlier, to oppose the passage of any bill with every vigor at my command until such of these amendments and provisions which I have discussed are included. I think that we have made very substantial progress on the first few amendments, and it appears to me that the opposition, the opponents of the bill, as it came from the Senate, knew that, and when they saw the Senate progressing, adopting one amendment after another, then they started resorting to procedures rather than substance. We saw the majority leadership resort to techniques and tactics rather than the issue. I prefer that we discuss the issues in the bill, and we will not have very much trouble with the procedures if we really have a sincere desire to get a good bill, and not a bill that represents the desire to have the Senate be a rubber stamp for the committee.

I go back to what I said earlier; that it is wonderful to hear that the President does not expect the Congress to be a rubber stamp. It is very refreshing. May I point out that it is equally refreshing to note that the Senate itself does not have to necessarily accept the final judgment or the best judgment of the committee. In most instances we do because we rely, in all instances we rely, upon our committees to do the bulk of the work. In this complex area I think it is fair to say that it is to be expected that there will be different views and that they will be held rather sincerely and with tenacity.

Now, Mr. President, I want to direct my attention to a much more localized situation. I would like to talk about rural electric cooperatives in Minnesota and atomic power. I use my own State of Minnesota as a classic example in this great new uncharted land of atomic development.

The rural electric cooperatives in this country and their 4 million farm members have a tremendous stake in this discussion which is now under way on the floor of the Senate. On the action taken by the Senate of the United States will depend the future of the power supply of these farmer-owned rural electric systems which have done so much to transform the face of rural America and make farm living a little easier and a little more productive.

There is no question but that the rural electric cooperatives are well aware of the issues involved in this great debate. They fully realize that the course of this debate may change Federal power policy which has been in existence for over 50 years and which has been carried out by every administration, both Republican and Democratic, up until the present administration. They realize that they have benefited from this Federal power policy and that in some areas in the North Central States it is only because of this policy and the availability of Federal power that the rural-electrification program was even able to start. Before the availability of this Federal power there was no available wholesale power supply for some of these rural electric systems or the available power supply was so costly as to make it impossible for them to even start construction.

There have been many examples of the interest of the rural electric systems in this great new technology which offers so much promise to rural America. I have before me a resolution which was unanimously adopted by the more than 5,000 farm members who attended the annual meeting of their national association, the National Rural Electric Cooperative Association, in Miami, Fla., in January 1954. I would like to read to you this resolution which so ably expresses the views of these farm people from all our many States, including many from my own State of Minnesota. The resolution is entitled "Atomic Power":

Whereas the rural electric systems during 1953 purchased or generated over 15½ billion kilowatt-hours at a total cost of approximately $121,700,000; and

Whereas in many areas the systems are paying excessively high costs for their wholesale power supplies and do not have adequate supplies of wholesale power to take care of future growth in loads; and

Whereas the people of the United States have invested over $12 billion in the atomic-energy program, the benefits from which should accrue to the people: Now, therefore, be it

Resolved, That we urge the Congress and the Atomic Energy Commission to continue the development of atomic power by the Federal Government and to consider the needs of the rural electric systems in such development and also invite their active participation and cooperate with them in such development on a partnership basis; and be it further

Resolved, That we urge the Congress not to amend the provisions of the Atomic Energy Act which prohibit private patents on atomic-power developments, but instead insist on the use of nonexclusive licenses for the development and production of atomic power as provided in the act so that atomic power development will be considered a part of the public domain and available to all the people.

Now, Mr. President, there is the resolution of the National Rural Electric Cooperative Association that represents approximately 4 million farm members. That resolution was adopted in January of 1954 and it is indeed very strange to this Senator that the wishes of that great body of men and women representing one of the greatest developments in this country, rural electrification, went unheeded—went, if not unnoticed, at least unheeded, that the resolution was literally disregarded. That is why here on the floor of the Senate we have argued, that is why we join together here in an amendment known as the preference clause, that is why the Johnson amendment was offered, including section 5 of the Federal Power Act. I say that if you can find two glaring weaknesses in a bill so obvious on casual notice, that if you examine this bill just a little bit more you will find many other weaknesses.

I wonder what excuse anyone could have for not having included in the provisions of this legislation specific legislation referring to rural electric cooperatives which are as much a part of America today as Niagara Falls and the Statue of Liberty.

The farmers understand the issues in this bill and they are carefully watching the action of the Senate on this matter. They know what monopoly means and they know what a lack of safeguards in any sort of power legislation means to the rural electric systems. The history of America tells a sad tale, a sad story of the impact of monopoly upon farmers. How well we remember the days in the late 1800's when the railroads of this country dominated the agricultural markets and the State legislatures finally had to pass what are known as warehouse acts and the courts of the land had to step in to protect the economic opportunity of our farm people. Farmers know what it means to be faced with a monopoly. Farmers in America were within a few miles of cities that were illuminated with electric lights only not to be able to get the electricity until the REA came along. They saw what private monopoly can do. They are not anxious to see it repeated. I charge that this bill has inadequate precautions and protections and safeguards for the rural electric cooperatives.

The farmers know what monopoly means, and they know what a lack of safeguards in any sort of power legislation means to the rural electric systems. It means that these small competitive producers and generators of electric power will be forced out of business and their members will be left at the mercy of the giant power companies, which in some cases are only waiting to gobble them up. I say to my colleagues in the Senate that we must put the proper safeguards in the pending bill to protect the interests of the farmers, and I promise the farmers in Minnesota that I will defend their rural electric systems and I will insist that such safeguards be put in this bill. In fact, I have already introduced amendments providing for such safeguards. Later I hope to deal in some detail with these amendments.

Just yesterday I received a thorough and well-thought-out telegram advising me of the action taken by the board of directors of the National Association of the Farmers' Electric Cooperatives. It is unfortunate that this board of directors is now meeting in Wausau, Wis., instead of Washington, D. C., where it could witness one of the fights on the floor of the Senate which will make history, where they could truly identify who are their friends and who are not their enemies. I say to the farmers in Minnesota that I am proud to stand on my voting record on these issues. I am proud to have it publicized all across the land. I am sure the other defenders of this great new public resource feel as I do, and feel that their voting records on these issues should be made available to all the people, and that the farmers they represent will take these voting records into account when they have to vote whether or not to return them to the Senate of the United States.

I now wish to read to my fellow Senators this telegram, which I received only yesterday, and which states the action taken by the Board of Directors of the National Association of the Farmers' Electric Cooperatives at their semiannual board meeting which is now taking place in Wausau, Wis.:

The telegram reads:

By resolution passed unanimously at a meeting of the Board of Directors of the National Rural Electric Cooperative Association at Wausau, Wis., July 21, 1954, the following message is sent to all Members of the Congress:

"It is our firm belief that the atomic-energy program, developed with the people's funds to the extent of $12 billion, is a part of the public domain as much as public lands, the navigable rivers and other resources long considered to be the people's property. We feel most strongly that this is the basic premise which should guide the Congress in the consideration of S. 3690 and H. R. 9757.

"We commend those Members of the Senate who have courageously set forward the issues in S. 3690 and urge the continuation of debate until all issues are clarified and the bill satisfactorily amended.

"We urge that the licensing provisions and procedures be brought into line by appropriate amendments to make such licensing subject to the same safeguards applicable to water resources under the Federal Power Act. This includes public notice to interested parties, public hearings, and preference to public bodies and cooperatives on all licenses for the construction, operation, and fueling of atomic establishments for the production of electric power.

I digress from the text of the telegram to say to my friends in the rural electric cooperatives that we have been able to obtain that through the Johnson amendment, the Gillette amendment, cosponsored by many of us, and the Humphrey amendment, the very provisions which they asked for in the part of their telegram which I just read. I continue reading the telegram:

We oppose the granting of private patents on discoveries made with Government funds, in the past or the future, directly or indirectly, and we urge compulsory licensing of all patents affecting the use of this great resource. No private monopoly should be permitted to jeopardize the domestic welfare and national security.

We urge that preference in the purchase of electric energy generated as a byproduct of the atomic energy program be given to public

bodies and cooperatives. Section 44 should be so amended.

Madam President, I am happy to say that has been accomplished in the amendment adopted just about 2 days ago. I now return to the telegram:

We urge amendment of the bills to empower the Atomic Energy Commission to construct and operate or license any other Federal agency to construct and operate electric generating facilities, and that preference in the purchase of electricity generated in such facilities be given to public bodies and cooperatives.

I digress again to say that very proposition was incorporated in the amendment known as the Johnson amendment, with which amendment I was very happy to associate myself, and the objective mentioned in the telegram has been accomplished. In other words, we have now had written into the bill before the Senate several of the recommendations that the board of directors of the National Rural Electric Cooperative Association has suggested.

Mr. DOUGLAS. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Minnesota yield?

Mr. HUMPHREY. I yield for the purpose of having the Senator state a parliamentary inquiry, without losing my right to the floor.

Mr. DOUGLAS. The Senator from Illinois inquires whether the rules of the Senate permit reference to the proceedings of the House of Representatives. I am aware that the rules of the House of Representatives prohibit such references, and I rise to inquire whether the rules of the Senate prohibit such references, or whether they are permitted under our rules.

The PRESIDING OFFICER. The Chair will state there is no rule to prevent a Senator from referring to the proceedings of the House of Representatives, but a Senator is not permitted to refer to its character, integrity, and so forth.

Mr. DOUGLAS. Will the Senator yield further for a question?

Mr. HUMPHREY. I yield to the Senator from Illinois for a question.

Mr. DOUGLAS. Is the Senator from Minnesota aware of the fact that the House of Representatives, last evening, on motion of the gentleman from New York [Mr. COLE], removed the 5-year provision for the pooling of patents, and provided instead that from the very beginning patents could be taken out by private companies, and that provision was passed by a vote of 137 to 113?

Mr. HUMPHREY. Yes; I see the RECORD, I may say to the Senator, and I am shocked. I really and truly could not believe that would happen because the 5-year provision was the very minimum that prudent judgment would require. If I recall, the President considered that period to be a minimum in his message of suggestions. If the Senate now passes the pending bill, with the 5-year provision, the conferees will undoubtedly compromise somewhere in between the 2 provisions. They will not go above 5 years. It will not be better; it will have to be worse. That is all the more reason that the amendment offered by the Senator from Oklahoma or the amendment offered by the Senator from Alabama [Mr. SPARKMAN] be adopted. It seems to me that what we are seeing is a determined effort to emasculate any form of protection of the wise and equitable use and the distribution of this great resource. I cannot imagine what impelled that kind of vote. However, it was rather close, so the issue was sharply drawn.

Madam President, I return to the telegram:

We deplore the attempt to use the Atomic Energy Commission to open the way for invasion of TVA by the private power companies via the so-called Dixon-Yates contract and we urge both Houses to amend the Atomic Energy Act to specifically forbid the signing of such contracts.

I digress to say to my friends of the rural electric cooperatives that we received a very disappointing defeat in this vote.

The Dixon-Yates contract has been reaffirmed by a majority vote of the Senate. I feel very strongly in opposition to it. I would only hope before we are through with this debate we might be able to reverse that decision.

I conclude the telegram:

We urge the Congress to recognize the vital importance of this wholesale revision of the Atomic Energy Act; that the Congress recognize that S. 3690 and H. R. 9757 are primarily electric-power bills; and that the rights of the people to the full benefits of their investments of $12 billion be recognized and safeguarded against monopolistic restraints and exploitation, through licenses, patents, subsidies for atomic fuel and any and all other devices.

J. E. SMITH,
President
(For the Board of Directors of National Rural Electric Cooperative Association).

Madam President, in order to have continuity of the RECORD, I ask that the full text of this telegram be printed in order in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 21, 1954.*
Senator HUBERT H. HUMPHREY,
The Capitol, Washington, D. C.:

By resolution passed unanimously at a meeting of the board of directors of the National Rural Electric Cooperative Association, at Wausau, Wis., July 21, 1954, the following message is sent to all Members of the Congress:

"It is our firm belief that the atomic-energy program, developed with the people's funds to the extent of $12 billion, is a part of the public domain as much as public lands, the navigable rivers, and other resources long considered to be the people's property. We feel most strongly that this is the basic premise which should guide the Congress in the consideration of S. 3690 and H. R. 9757.

"We commend those Members of the Senate who have courageously set forward the issues in S. 3690, and urge the continuation of debate until all issues are clarified and the bill satisfactorily amended.

"We urge that the licensing provisions and procedures be brought into line by appropriate amendments to make such licensing subject to the same safeguards applicable to water resources under the Federal Power Act. This includes public notice to interested parties, public hearings, and preference to public bodies and cooperatives on all licenses for the construction, operation, and fueling of atomic establishments for the production of electric power.

"We oppose the granting of private patents on discoveries made with Government funds, in the past or the future, directly or indirectly, and we urge compulsory licensing of all patents affecting the use of this great resource. No private monopoly should be permitted to jeopardize the domestic welfare and national security.

"We urge that preference in the purchase of electric energy generated as a byproduct of the atomic-energy program be given to public bodies and cooperatives. Section 44 should be so amended.

"We urge amendment of the bills to empower the Atomic Energy Commission to construct and operate or license any other Federal agency to construct and operate electric-generating facilities, and that preference in the purchase of electricity generated in such facilities be given to public bodies and cooperatives.

"We deplore the attempt to use the Atomic Energy Commission to open the way for invasion of TVA by the private power companies via the so-called Dixon-Yates contract, and we urge both Houses to amend the Atomic Energy Act to specifically forbid the signing of such contracts.

"We urge the Congress to recognize the vital importance of this wholesale revision of the Atomic Energy Act; that the Congress recognize that S. 3690 and H. R. 9757 are primarily electric-power bills; and that the rights of the people to the full benefits of their investments of $12 billion be recognized and safeguarded against monopolistic restraints and exploitation, through licenses, patents, subsidies for atomic fuel and any and all other devices."

J. E. SMITH,
President
(For the board of directors of National Rural Electric Cooperative Association).

Mr. HUMPHREY. It appears to me we see a situation where some of the most honorable representatives of private groups, the representatives of our rural-electric cooperatives, are of similar mind to many of us here in the Senate. I have not been in touch with these distinguished citizens. They have wired to each and every Member of this body, I would gather, from their telegrams. They have come to a judgment on this bill on the basis of their own finding and their own study.

I notice that one farm group after another seems to agree with them.

I have in my possession a telegram dated July 22, the hour 3:23 p. m., 1954. It is from the president of the National Farmers' Union, Mr. James G. Patton, addressed to the Hon. HUBERT HUMPHREY, Senate Office Building, Washington, D. C.:

WASHINGTON, D. C., *July 22, 1954.*
Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

Members of the National Farmers' Union commend you for your efforts to safeguard the right of the American people to develop and use electric-power and atomic-energy resources which are rightfully their own.

Federal power policy and programs which have been developed over a period of 50 years must not be destroyed. The right of the Federal Government as an instrumentality of all the people to build yardstick electric-power and atomic-energy plants which produce electricity must be preserved.

The right of cooperatives and municipalities to build atomic-energy plants which produce electric power and the right of these groups to have first call on such power should be set forth in the atomic-energy bill.

We urge you to continue to bring to the attention of the American people the attempt of the Power Trust to take over atomic-energy resources and development.

We urge you to seriously consider the Lehman substitute, an amendment which was proposed by the administration as a basis for cooperating with other nations in matters relating to atomic-energy information and projects.

JAMES G. PATTON,
President, National Farmers' Union.

May I say to my colleague, the National Farmers' Union represents thousands of farm families. This organization is as grass roots as you can be close to the soil. This is truly an indigenous farm organization. This organization, through its president, speaks out, and it does not speak out in behalf of S. 3690. It speaks out in criticism of it, and it offers us constructive suggestions.

Who is for this bill, anyhow? Who is for it except the majority leader and the party which he has discipline over? Where are the telegrams in support of S. 3690?

Where are the letters in support of S. 3690? Where are all the documents in support of this measure? What interests in this country are asking for the passage of this legislation?

I would think it would be a mystery which should be somewhat explored. Is there some sort of hidden force out in the hinterland which tells us we should have S. 3690, the bill to amend the Atomic Energy Act? If there is, let them show themselves. The time for the show-up is at hand. Let them parade themselves before public inspection.

We know who is against it. Let us find out what it is that has motivated its presentation here to the Senate.

The Atomic Energy Commission did not present any report saying that we needed it. The TVA did not. I do not know how we suddenly find this as such "must" legislation. This became "must" legislation because the man who can apply the tag "must" said, "It must be."

Mr. DOUGLAS. Madam President, would the Senator yield for a question?

The PRESIDING OFFICER. Will the Senator yield?

Mr. HUMPHREY. I yield for the purposes of a question.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DOUGLAS. Would the Senator from Minnesota say that the words of the Greek philosopher Plato might be apropos in this connection; namely, "That it was conceived in darkness and black night"?

Mr. HUMPHREY. Well, Plato was indeed a wise man, and he had great prophetic vision. I would not be a bit surprised that he might have even been able to see into the future, to see that we would be amending the Atomic Energy Act. If he did he chose the right words for this measure.

Now, Madam President, I would like to read a telegram which I have received from the Minnesota Association of Cooperatives, one of the finest organizations in my State, signed by Harry J. Peterson, dated July 20, 1954:

ST. PAUL MINN., *July 20, 1954.*

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

We are opposed to the Cole-Hickenlooper atomic energy bill. We do not believe the bill protects the public and its investments in atomic energy development. We urge your opposition to the bill this looks to us like another natural resources giveaway deal.

MINNESOTA ASSOCIATION OF COOPERATIVES,
HARRY J. PETERSON.

All wonderful people. Plain language. But these good substantial people with plain commonsense can understand what is going on.

I wired back to Mr. Harry J. Peterson of the Minnesota Association of Cooperatives on the date of July 21:

SENATE OFFICE BUILDING,
July 21, 1954.

HARRY J. PETERSON,
Minnesota Association of Cooperatives, St. Paul, Minn.:

I am pleased at your support for my amendments to protect public investment in atomic energy program. I addressed the Senate today.

HUBERT H. HUMPHREY,
United States Senate.

You can rest assured I sent him a copy of the speech; which I did. I sent him the speech. It was the release of my address as of July 19, 1954.

I have another telegram from the Central Minnesota Cooperative Power Association, the fine community of Clements, Minnesota, July 19:

CLEMENTS, MINN.,
July 19, 1954.

Senator HUBERT H. HUMPHREY,
Member of Congress, Washington, D. C.:

We urge you to oppose passage of bills H. R. 9757 and S. 3690 unless amended to protect rural electric cooperatives and retain present preference policies.

CENTRAL MINNESOTA
CO-OP POWER ASSOCIATION.

I then wired:

UNITED STATES SENATE,
July 20, 1954.

CENTRAL MINNESOTA COOPERATIVE POWER ASSOCIATION,
Clements, Minn.:

I have introduced amendments to atomic energy bill along lines you favor. Will work for their adoption in Senate.

HUBERT H. HUMPHREY.

Madam President, these are good solid citizens who have wired to me. The refreshing thing about these wires is that they are not this form mail, these synthetic wires where some "fancy Dan" public relations artist has written up the language and then goes around and says "You wire the Senator."

I have about as much respect for those wires as the paper they are written on. I like the wires and the letters that come from the heart and from the mind. These people have wired. They were not encouraged to. They have been reading the newspapers and listening to the radio, and they know something is wrong.

I have a wire here from the executive secretary of the National Association of Rural Electric Cooperatives, from Wausau, Wis., dateline July 21, 4:19 p. m.:

WAUSAU, WIS., *July 21, 1954.*

Senator HUBERT HUMPHREY,
Senate Office Building:

DEAR SENATOR: Board of Directors of National Rural Electric Cooperative Association have just passed strong resolution commending the stand your group is taking on the atomic energy bill. Board members further strongly urge that the debate continue as long as possible in order that the American people can have a complete and close look at the provisions of the bill.

It is essential, in the interest of the rural electric cooperatives, that you use all effort possible in fully debating the amendments which have been proposed. If debate ends now, short of your goal, industrial use of atomic energy will pass into the hands of a select few.

I regret I am unable to speak with you personally but please do your utmost to continue debate on bill and amendments until every possibility of forcing concessions or postponement of action have been exhausted. Be assured that you have my loyal support in continuing this effort.

CLYDE T. ELLIS.

Now, Madam President, may I say if anybody wants to ask me why am I in here battling, why have we been arguing and debating this measure, the evidence is clear. We are doing it because people who represent farm people and farm people themselves and city folks who are interested in this legislation have asked us to do it; along with our own firm conviction that this measure needs to be sharply and drastically amended in the public interest.

I have another telegram which I think would be of some help. It is a second telegram from Mr. J. E. Smith, president, for the board of directors of the National Rural Electric Cooperative Association. I will just abbreviate this telegram. It asks us to continue the debate.

We commend the Members of the Senate for courageously setting forth the isues on S. 3690 and urge the continuation of debate until all issues are clarified and the bill satisfactorily amended.

I have a letter here from the American Public Power Association. I ask unanimous consent that this letter be incorporated in the body of my remarks, with this possibility: I notice the Senator from Oregon on the floor.

It is possible that the Senator from Oregon has already incorporated this letter, and if he has I would not want to burden the RECORD with an additional copy.

Mr. MORSE. Madam President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question only.

Mr. MORSE. Would the Senator tell me what letter it is?

Mr. HUMPHREY. It is a letter of the American Public Power Association, dated July 21, setting forth the views of the 700 local publicly owned electric utilities in 38 States on the amendments to the Atomic Energy Act.

Mr. MORSE. Would the Senator yield for a question?

Mr. HUMPHREY. I yield for the purposes of a question only.

Mr. MORSE. Will the Senator permit me to tell him I have already put the letter in the RECORD?

Mr. HUMPHREY. I am very grateful to the Senator. There is no need of my incorporating it in the RECORD, except to make note of the fact that the position which the Senator from Minnesota is now upholding, and the arguments which I have advanced on many of the issues in this bill, are supported by the testimony that has been presented in the letter dated July 21 from the American Public Power Association.

Again I want the RECORD to be clear that this Association represents over 700 locally owned, publicly owned public utilities in 38 States and Puerto Rico; so I think we are in pretty good company.

Many of these locally owned utilities are the pride and joy of their community, as well as the great financial resource for the community.

Mr. MORSE. Madam President, will the Senator yield for a question?

Mr. HUMPHREY. I yield, Madam President, for the purposes of a question.

Mr. MORSE. Does the Senator agree with me that the constituency represented by this letter constitutes a considerable segment of the grassroots of America?

Mr. HUMPHREY. I certainly do agree with the Senator that the constituency represented by this letter and the association from whence it comes constitutes a very good cross-section of the grassroots opinion of America.

Mr. MORSE. Would the Senator yield for a further question?

Mr. HUMPHREY. I yield for a question only.

Mr. MORSE. Does the Senator agree with me that the fight we are putting up to protect the interests of all the people in the country to their heritage in an atomic energy electric power program is a fight that will protect the thousands of people represented by this power association?

Mr. HUMPHREY. I surely do, and I think it will go even further than that. Not only will it protect the people represented by this power association, which is a very reputable organization of long standing, but it may very well protect the whole future economic development of our Nation, because electrical energy and power are the backbone of industry.

I have brought into the RECORD statistical evidence to show that within the next few years we are going to have requirements for power which are equal to a 200-percent increase of what we now have; a 200-percent increase in power requirements. Surely when we are talking in such terms and such proportions we must take the utmost care and the most far-reaching look we can into the kind of policy that we now establish to regulate the use of atomic energy for civilian and peacetime purposes.

Mr. MORSE. Will the Senator yield for another question?

Mr. HUMPHREY. I yield for a question only.

Mr. MORSE. Does the Senator agree with me that the constituency represented by this letter happens to be a group of people who have come to appreciate the importance of Government participation in a power program by way of the development of a public-power yardstick, because the multiple-purpose dam program that has been developed under the power policy of the United States, fostered by such great liberals in the Senate as George Norris, of Nebraska, has brought tremendous economic advantage to this constituency?

Mr. HUMPHREY. Yes; the Senator is eminently correct, and I pay my tribute to the Senator for his courage and determination and valor in this struggle. His addresses have been filled with factual information and, above all, with sincerity of conviction.

Mr. MORSE. Will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. MORSE. I wonder if the Senator fully understands that the Senator from Oregon considers it a great honor to be associated with the Senator from Minnesota in this fight to protect the people's interest.

Mr. HUMPHREY. I appreciate the Senator's comment, and may I say that the regard in that respect is mutual.

I also have in my possession a letter from the Congress of Industrial Organizations. I have seen the day here in the Senate when you had to be a little careful if you mentioned that you had a letter from the CIO, but after having read into the RECORD this morning what the CIO had to say, or what somebody had said the CIO had to say back in 1951 about the housing bill, and the subsequent mess, I think perhaps this letter is in better understanding than ever. I will read the letter; I am proud of it. It is an organization that represents working people, and these working folks are not going to get very many licenses for the development of atomic energy. The best they are going to get is light bulbs. That is about all. They are hoping that the situation will be such that they will be able to share in the progress that is made available through the proper use of atomic energy. The letter reads:

CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D. C., July 16, 1954.

The Honorable HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: After careful consideration of H. R. 9757, a bill to amend the Atomic Energy Act of 1946, I urge you to vote against it. I do this on behalf of the Congress of Industrial Organizations for reasons stated in our attached memorandum.

Sincerely yours,

WALTER P. REUTHER,
President.

Madam President, I asked that the attached memorandum, which has been presented to me from the office of the president of the Congress of Industrial Organizations, be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM IN OPPOSITION TO H. R. 9757, A BILL TO AMEND THE ATOMIC ENERGY ACT OF 1946

H. R. 9757 has two basic objectives: (1) To provide a freer exchange of atomic information with friendly nations, and (2) to grant the right of private ownership and patent rights in the production of atomic energy for civilian purposes.

I. THE EXCHANGE OF INFORMATION

We are in full accord with the objective of more freely exchanging information regarding atomic weapons with our allies and of providing for the establishment of an atomic pool, as President Eisenhower had proposed before the United Nations General Assembly.

However, the bill's provisions with regard to an international atomic pool, which are ostensibly designed to facilitate that development, would actually make it more difficult, if not impossible.

II. OWNERSHIP AND PRODUCTION OF ATOMIC ENERGY

In regard to the second major objective of the bill, namely, to amend the Atomic Energy Act so as to provide for private ownership of production facilities and patent rights in atomic energy for civilian uses, we believe that the bill fails in so many ways to provide adequate safeguards for the public interest that it must be rejected.

It is our strong conviction that if there is to be private ownership of atomic energy facilities for the purpose of producing electric power, it is important that the Federal Government also be permitted to participate in the development of electric power from atomic energy and that adequate safeguards be established against the development of monopoly in this field.

The proposed bill would, in effect, exclude the Federal Government from the participation in such development. We fully agree with the statement of Congressman HOLIFIELD and PRICE in their report on the bill:

"If the Nation is to realize the maximum power benefits from its investment in this new resource, a positive program of atomic power production by the Federal Government is essential. The history of electrical power development in this country affords ample evidence that a reasonable balance between public and private power serves as the most important check on monopoly control in the vital field of energy resources. The very magnitude of economically feasible nuclear powerplants persuades us to believe that the balance will be thrown heavily in favor of private monopoly unless provision is made for Federal development of atomic power, particularly where supply is desired by public or cooperative systems."

The bill has no provisions which encourage public or cooperative distribution of power from atomic energy or assure that privately owned utilities producing such power would sell it at reasonable rates.

Under the present law, the Atomic Energy Commission is required to present a report to the President whenever, in its opinion, any industrial, commercial, or other nonmilitary uses of atomic energy have been sufficiently developed to be of practical value, which report would state the Commission's estimate of the social, political, economic, and international effects of such uses.

The Atomic Energy Commission has not submitted any such report to the President. The Commission has indicated that such a report at this time would be premature because such uses of practical value have not been developed.

Under such circumstances, it appears to us that the proposed fundamental changes in the law are certainly premature and that such amendments should await the time when the Commission can make the report so wisely required by the present law.

Our principal objection to the amendments, providing for private ownership of production facilities, and to the patent sections of the bill is that they fall far short of providing the safeguards necessary to prevent the establishment of monopoly. The bill lacks the provisions necessary to give

the people of this Nation the maximum benefit from the tremendous investment they have made in the development of atomic energy. If this bill is enacted into law, it will lay the groundwork for yielding a colossal bonanza to giant industrial concerns and utilities.

The provisions for compulsory licensing of patents do not adequately protect the public interest. Those who, by virtue of their intimate knowledge of present atomic technology, obtained through their preferred position as contractors, will obviously be in a position to obtain control by the acquisition of patents based on new developments which they are in the best position to make.

If the compulsory licensing provisions are to be effective, they must require that every qualified applicant shall have the right to use them on the payment of reasonable royalties, and this right should continue for a much longer period than the 5 years which would be provided. There is no way to assure that it will take only 5 years for the development of the necessary techniques to produce power for atomic energy generally at competitive prices. If such developments occur after the end of the 5-year period, compulsory licensing privileges will have proved of little protection. Furthermore, the language of the bill appears to us to make the so-called compulsory licensing process extremely difficult and cumbersome, and is not intended really to make that process effective.

In this connection it must be observed that the provisions in the present law, looking toward the prevention of monopoly, will be deleted and nothing adequate put in their place.

In view of the tremendous power which the bill proposes to place in the hands of the Commission, in regard to the licensing of applicants to produce atomic energy for civilian purposes, and in view of their power in regard to the licensing of patents, it appears to us to be absolutely essential that the Atomic Energy Commission shall have a continuing obligation to make certain that there is equality of opportunity for all businesses to participate in the atomic energy program effectively.

We have reviewed only a few of the deficiencies of H. R. 9757. We could point out many additional important ones. However, those cited above, in themselves, are so substantial that they require the defeat of this bill. If the amendments to the Atomic Energy Act proposed in H. R. 9757 are adopted, the people of the United States will have suffered an incalculable loss.

Mr. HUMPHREY. Now, Madam President, I also would like to call to the attention of the Senate the memorandum dated July 6 to all United States Senators, from Clyde T. Ellis, executive manager of the National Rural Electric Cooperative Association, which reads as follows:

NATIONAL RURAL ELECTRICTIVE COOPERATIVE ASSOCIATION,
Washington, D. C. July 6, 1954.

Memorandum to all United States Senators.
From Clyde T. Ellis, executive manager.

The rural electric systems were astounded that the Joint Congressional Committee on Atomic Energy on June 30, reported bills (H. R. 9757 and S. 3690) to amend the Atomic Energy Act without either further public hearings or the opportunity for interested groups to present their views on such a vital piece of legislation which differs in some important aspects from that on which the committee held public hearings. This is a momentous piece of legislation, one which may affect the lives of all our citizens and one in which the rural electric systems have a tremendous stake. Why should there be such haste to report this legislation without thorough hearings?

The rural electric systems testified on the original Cole-Hickenlooper bills. They were denied an additional hearing on the revised Cole-Hickenlooper bills which they requested when testifying on the original bills. The language of the revised bills was not then known. The rural electric systems were told they could submit their views in writing, but were later advised by the committee not to do this because the bill which the committee was going to report differed so much from the Cole-Hickenlooper bills that the committee print would be made public and the views of interested groups would be invited and considered by the committee before this far-reaching legislation was reported. But in the haste to report the legislation, it appears this further review by the public was forgotten. Now the Congress must consider legislation which the public has never had an opportunity to adequately consider and to present their views on.

The rural electric systems are anxious that the civilian atomic energy program get rolling. They believe the present Atomic Energy Act adequately protects the public interest and insures that the benefits of nuclear power research and development financed primarily by the Federal Government will be available to all the people, not to just a few large private utility and industrial companies which have the resources to participate in the program.

The rural electric systems are opposed to the legislation reported by the joint committee. Attached you will find their main objections to this legislation.

The farmers of America must not be denied the benefits of this great new and promising technology. They look to the Congress to display the same wisdom it has in preserving and furthering the REA program and to insure that this new power resource be considered a part of the public domain and be made available to all the people, not just a select few.

Sincerely,

CLYDE T. ELLIS,
Executive Manager.

OBJECTIONS OF THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION TO H. R. 9757 AND S. 3690 REPORTED BY THE JOINT CONGRESSIONAL COMMITTEE ON ATOMIC ENERGY ON JUNE 30, 1954

1. Section 7 (b) of the present act, which requires a report to the President and the Congress on the social, political, economic, and international effects of any practical use of atomic energy before a license can be issued, has been so watered down that it is hardly recognizable. The Congress is being asked to approve far-reaching amendments before it and the American people fully understand the implications of this great new energy resource.

2. The proposed amendments permit private ownership of nuclear power facilities. We feel this is undesirable because of the newness of the technology and the failure of the AEC to make the comprehensive report on the economic, social, and political effects of any nonmilitary use of atomic energy as required by present section 7 (b) of the Atomic Energy Act.

3. Private patents are permitted by the proposed amendments. Although the AEC can declare a patent affected with the public interest and make it available under a patent license to interested parties upon payment of reasonable royalty fees, we see no assurance in the amendments that private patents could not be obtained from research financed primarily by Federal funds and also that the amount of administrative discretion permitted will not permit the exclusion of some interested parties if desired. The proposed amendments even make it possible to retroactively obtain a private patent denied under the present act. We favor the compulsory licensing provisions of the present act.

4. The licensing provisions of the proposed amendments are not comprehensive or as well defined as those contained in the Federal Power Act and under the operation of the Federal Power Act the rural electric systems have had a difficult time protecting their interests.

5. No preference is provided for cooperatives and public bodies in obtaining a license for a nuclear powerplant. The only preference contained in the proposed amendments is for facilities located in high-cost power areas in this country.

6. No preference is provided for the nonprofit rural electric systems in obtaining nuclear materials as regards availability of these materials which are a public resource and should be so considered.

7. No preference in the marketing of power from federally financed nuclear powerplants is provided for rural electric cooperatives and public bodies.

8. There is no provision in the proposed amendments prohibiting the AEC from contracting for power which will not directly be used to meet its needs. The AEC can continue to contract for power under long-term, no-risk contracts with the private utilities and force TVA under exchange agreements to absorb this high-cost power, thereby destroying the TVA yardstick.

I make note of the fact to my colleagues that Mr. Ellis states:

But in haste to report the legislation it appears that this further review by the public was forgotten.

That is referring to the possibility of more hearings. Now, the Congress must consider legislation which the public has never had an opportunity to adequately consider and present their views on. So we see that situation relating to the public, where the bill comes before us here on July 13, and we are expected by some magic formula to be able to understand the complexities of this entire matter.

Now, I also have in my hands communications from Einar Bergan, manager of the Border Counties Power Cooperative, Warroad, Minn.; Edward E. Wolter, manager of the Rural Cooperative Power Association, Elk River, Minn.; J. Mauritz Nelson, secretary of the Rural Cooperative Power Association, Elk River, Minn.; C. N. Gravgaaro, president of the Rural Cooperative Power Association, Elk River, Minn.; Harry J. Peterson, Minnesota Association of Cooperatives, Central Minnesota Cooperative Power Association, Clements, Minn.

Mr. LEHMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from New York?

Mr. HUMPHREY. I yield for a question.

Mr. LEHMAN. Is it not a fact that while the Senator from Minnesota has in the last 20 minutes or half hour been reading very convincing telegrams and letters from our rural population, from the rural electrification cooperatives, and from the labor unions, that what we are battling for, we in the group that has been carrying on this fight, is to protect and to safeguard the interests, and to advance the interests of all of the people of this country.

Mr. HUMPHREY. The Senator is absolutely correct, and may I say that the resolutions of the rural electric cooperatives have also indicated that same keen interest because they know that there is no chance for them to be effective participants in this program on fair and equitable terms, unless all people are. I have made it crystal clear, and I want my position to be known to one and all.

I support the private utility development of electrical energy from atomic sources or from atomic materials, provided that the appropriate safeguards to protect the public interest are embodied within the legislation that authorizes such development. I consider appropriate safeguards to be those accepted standards of regulation that pertain to the transmission, the distribution, and the sale of electrical energy as are embodied in the Federal Power Act, and as are administered by the Power Commission. I also feel that the body of antitrust laws which apply to all American business should likewise apply to the development of electrical energy from the use of atomic or nuclear materials or nuclear power. There is no radical departure that I am seeking. As a matter of fact the radical departure from the established form of conduct, from the established pattern, is this bill itself, S. 3690. This is the radical departure and I charge this bill as being a very radical proposal. It throws literally upon the legislative ash heap some 50 years of progress in the appropriate control and regulation of one of the great industries of America, the electric industry.

I stated earlier, while the Senator was detained, that with all of this regulation—and the word "regulation" generally means to some people oppression, thwarting of private enterprise—with all of the regulation, that we have developed the most magnificent electrical power industry that the world has ever known. Fabulous profits are made from it, or at least let me put it more moderately, and more restrained, very reasonable profits are made from the electrical private utility industry.

Eighty percent of all the electrical energy generated in the United States of America is generated by private utility, and only 13 percent by public generation systems. There is no Federal Government monopoly in the electrical energy business. The Federal Government at best is but a token competitor. The Federal Government is, in fact, a producer of electrical energy which in the main is used by private utilities themselves. Of that 13 percent that the Government generates, most of it is purchased by the private utilities and sold to the consumers at a profit. Well, and good. I am not opposed to it. I believe in that system. I happen to be a part of it. I want to see it work. However, I do not want to see a basic law established which ignores the rule of experience. We have had periods in American history when we exploited our resources. Then what happened? We lost our treasure, or a part of it, and there was public indignation. The time to legislate a reasonable rule is when people are reasonable. In a period of exploitation and abuse we are in an irrational attitude in a legislative body, instead of rational. Reason will give way to passion, and we will find ourselves in more difficulty than ever. There is not anything complicated about the proposition we face. By the adoption of a limited number of amendments, which have been carefully thought out, which are not based upon theory but based upon reason, we will be able to come out with a bill that will be worthy of our respect and trust.

The board members assembled at this meeting represent 92 percent of all the rural electric cooperatives in the United States, and these rural electric cooperatives are serving over 3½ million farm families, and I might say that I am proud of the fact that 188,947 of these farm families are in the State of Minnesota. I myself have received letters and telegrams from the rural electric systems in Minnesota expressing an interest in these proposed amendments to the great McMahon Act and also wondering how they can participate in the nuclear power program. I have read some of the letters. I wish to read one of these letters which I received in April 1954. I believe this letter from Mr. Bergan, the manager of the Border Counties Power Cooperative, Inc., Warroad, Minn., does an excellent job of presenting the problems faced by the rural electric cooperatives in my State and also detailing why they feel they should be allowed to participate in this great new technology.

I ask my colleagues to listen to this letter.

The letter is addressed to me, and reads, in part, as follows:

DEAR SENATOR: Attached is a copy of a letter we have written to Hon. Ancher Nelsen, Administrator of Rural Electrification. The letter is self-explanatory, and we hope will give you a general idea of what we are trying to do.

We feel that our location is ideal for an atomic plant. Plenty of wasteland and an unlimited supply of water which we understand are two of the important requirements in locating a site. Also according to a recent survey Minnesota has the highest power rates in the United States and we have the highest costs in Minnesota because of the high fuel cost. This seems to make it very plain there is no more logical place to construct an atomic plant of the size the Commission is proposing—1500 kilowatts—down in our area.

I may point out that a 1,500-kilowatt plant is a very small plant. In fact, it is too small.

Your suggestions as to what we might do to secure an atomic-energy powerplant would be appreciated.

I want to tell my distinguished constituent, Mr. Bergan, that as a result of his letter, and letters from other Minnesotans, I took the matter up with the Rural Electrification Administration. I have letters on file with that Administration urging prompt development of atomic energy for electrical purposes in cooperation with the REA.

At the time the Senate debated the appropriation bill for the Department of Agriculture the junior Senator from Minnesota engaged in a colloquy with the junior Senator from North Dakota [Mr. YOUNG]. The Senator from North Dakota was chairman of the subcommittee on that particular appropriation item pertaining to REA.

If Senators will review the RECORD they will find that as we discussed the appropriation it became clear that funds which REA has appropriated to it could be used for the purposes of development of a reactor plant that would produce electrical energy for the REA system or systems.

Therefore, I have tried to follow through on that idea. I consider that I am being loyal to my constituents in fulfilling my responsibilities by following through on it. I ask my colleagues to remember what this gentleman has pointed out, namely, that a recent survey reveals that the State of Minnesota has the highest power costs in the Nation. Is it any wonder that I was interested in the amendment proposed by the Senator from Rhode Island [Mr. PASTORE], with a modification? That was the preference clause amendment. That amendment provided that a high-cost power area would also have preferential treatment with any new development from atomic energy in the electric power area. The State of Rhode Island has a very high power cost. Many of the New England States have high-power costs.

The proposed legislation, if it is designed with adequate safeguards, may be a lifesaver for those areas and would contribute to our industrial and agricultural well-being in particular.

There is no question that the rural electric cooperatives in the State of Minnesota have many wholesale power problems. Since wholesale power constitutes 32 percent of the total operating expenses of the average REA-financed distribution system in the United States, one can realize that such problems are most important. In fact, in many of the cooperatives in my State it is the most important problem. The rural electric cooperatives in the State of Minnesota for the fiscal year ending June 30, 1953, purchased 645,981,109 kilowatt-hours, while for the previous fiscal year they purchased 583,923,326 kilowatt-hours, or an increase of over 16 percent. In the great dairy State of Minnesota it is only natural to expect that these loads are growing all the time. Once the farmer is able to get dependable electric services at the lowest possible cost, he is not one to be stingy in its use. The farmers in the State of Minnesota are always trying to find increased uses for this great new hired hand.

In Minnesota we call REA power "Willie, the Wire Hand." In other words, he is the new hired man of the average farm. The farm folks in Minnesota are constantly purchasing new electric water heaters, electric ranges, milking machines, milk coolers, barn cleaners, bale hoists, and other types of equipment which can make life on the farm a little easier and a little more productive.

I digress to say that it is because our farmers are modern and that we cannot live on the Benson formula of price supports.

Mr. Benson apparently received his economics back in the kerosene-lamp era. We have moved out of that era

into a much more pleasant one, namely, one with electricity and modern agriculture, and our farmers are constantly making an increased use of that new hired hand. However, in order for the farmer to make increasing use of this hired hand it is necessary for his electric cooperative to be able to secure ample supplies of wholesale power at the lowest possible costs and also for his electric cooperative to have ample loan funds available to heavy up the lines to carry the increasing loads. I might say here that it was because of the wisdom of the Senate, and, in fact, also the House, in adopting the Humphrey-Douglas-Gillette amendment that an additional $35 million was made available to the rural electric cooperatives for electric-loan funds during this new fiscal year. I am proud that my name was associated with this amendment which means so much to the rural electric cooperatives in my State of Minnesota.

The rural electric cooperatives, in addition to needing more wholesale power to meet their ever-increasing loads in my State of Minnesota, also face the problem of high wholesale power costs. For the fiscal year ending June 30, 1953, the rural electric cooperatives in the State of Minnesota purchased 645,981,109 kilowatt-hours at a total cost of $9,023,204, or an average cost per kilowatt-hour of 1.4 cents. This is actually an increase of one-tenth of a mill from the average of June 30, 1952. This compares with a national average of 0.78 cent per kilowatt-hour. Therefore, it is obvious from this that the cooperatives in Minnesota have to pay considerably more for their wholesale power than those in other States. In fact, Minnesota ranks near the top of the Nation in the high cost of wholesale power. The rural electric cooperatives in Minnesota had to pay from 0.84 cent per kilowatt-hour to over 2.3 cents per kilowatt-hour for their wholesale power.

These high costs of wholesale power alone could explain the interest of the rural electric systems in this new source of electric generation, the use of fissionable fuel. I want to see the rural electric systems in my State participate in this nuclear-power program. But how can they participate and how can the benefits of this great new technology be made available to them?

Recently the Atomic Energy Commission announced a 5-year reactor-development program. This program was carefully reviewed by the Joint Congressional Committee on Atomic Energy and its views were released in a report of the Subcommittee on Research and Development on the 5-year reactor-development program proposed by the Atomic Energy Commission. This report, dated March 1954, calls for the construction of five reactors of varying costs and electrical capacity. The largest of these reactors is the pressurized water reactor which it is estimated will cost $85 million, and which will have a minimum capacity of 60,000 kilowatts. This reactor is expected to be completed by 1957, and is to be constructed by Westinghouse and Duquesne Light Co. of Pittsburgh. The Federal Government will pay the major share of this reactor as it will for most of the reactors in this 5-year development program. The Duquesne Light Co. will furnish the site for the project, will build and operate the conventional part of the generating plant—the reactor will replace only the fire pot and boiler of a conventional steam plant—and also furnish labor to operate the reactor.

In addition to this, Duquesne Light Co. will pay $5 million of the total development costs of $85 million and will purchase steam power used in the turbines from the Atomic Energy Commission. Of course, the Duquesne Light Co. will be able to pass its part of the development costs on to its rate payers as a part of the operating expenses on which its rates are based. Also, if it is able to purchase steam from the Atomic Energy Commission at a very favorable rate, in the long run it will more than make up its development costs.

Other reactors included in this 5-year development program are the boiling-water reactor which is estimated to cost $17 million, with a capacity of 5,000 kilowatts, and is to be completed by 1956; the homogeneous thorium reactor estimated to cost $47 million, with a 16,000-kilowatt capacity, and estimated to be completed by 1958–59; and the experimental breeder reactor, with a capacity of 170 to 15,000 kilowatts, and an estimated cost of $40 million and to be completed by 1958. In addition to this, there is a sodium-graphite reactor which is estimated to cost $10 million and to be completed by 1955, and to have a kilowatt capacity of 20,000 kilowatts of heat, but it will not be equipped for generating electricity. This reactor is to be constructed by the North American Aviation Co. which will pay only two and one-half million of the estimated cost of ten million. Therefore, one can see from this that there is no question but that the Federal Government is financing a major part of this reactor-development program.

I have mentioned the five types of reactors, and I have done it on purpose to point out that we need a great research and development program. One of the reasons why we needed the Johnson amendment was to provide much-needed reactors so that we could really develop energy in large enough quantities to reduce the unit cost of each kilowatt-hour.

The Joint Congressional Committee on Atomic Energy's Subcommittee on Research and Development stated in its March 1954 report:

> The program outlined calls for financing primarily by the Government. Except for the pressurized water reactor, it consists of small, experimental reactors. All these units will produce technical and cost information which will make possible more accurate evaluation of the future of nuclear power. It is hoped that the new technology will encourage industry to take over an increasing share of the financing of further research and development and to consider with increasing favor the actual construction of pilot or full-scale powerplants. * * *
>
> Private financing thus far has been only a small fraction of total reactor development costs.
>
> Economic evaluations by the Commission and its contractors show that the probability of producing electricity from nuclear fuel at a cost competitive with electricity from coal, oil, or gas is good. The estimates generally indicate that if the goal of economic nuclear power is pursued with vigor, costs can be brought down—in an established nuclear-power industry—until the cost of electricity from nuclear fuel is about the same as the cost of electricity from conventional fuels, and this within a decade or two. This does not mean that such low-cost nuclear power will be obtained from the very first plants which might be built, but that it may well come from succeeding plants which, as a result of experience with the first, it should be possible to construct and operate more economically.

I cannot help believing that as we read this report, knowing what we know today about the potentialities of atomic energy for civilian purposes, we are pulling back the veil from a great, new continent, a new picture of hope and of plenty for the years to come. With a little imagination we can see what this could mean—every home in America heated by electricity, an abundance of power to reduce consumer costs, because power costs in industry are a substantial factor. As we reduce the costs we reduce consumer costs, and thereby make money go that much further in improving the standard of living. Think what can happen in terms of our railroad systems. We went from the coal burner, from the steam boiler, to the diesel engine, and I predict we can go further to the atomic engine. We have made much progress already.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. For a question only.

Mr. LEHMAN. Is it not a fact that history shows that wherever the cost of power has declined the consumption of power in homes and factories has greatly increased, thus benefiting the entire economy of the country?

Mr. HUMPHREY. Of course. Everytime we reduce power costs there is greater power consumption, greater use of supplies that are customarily associated with electrical energy. It has benefited everyone, from the investor to the consumer, with all the middlemen, such as manufacturers of electrical appliances, the distributors, and the wholesalers.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield in order that I may make an announcement to the Senate?

Mr. HUMPHREY. I shall be happy to yield, with the understanding that I shall not lose my right to the floor.

VISIT TO THE CONGRESS BY PRESIDENT SYNGMAN RHEE OF THE REPUBLIC OF KOREA

Mr. KNOWLAND. Mr. President, on Wednesday next there will be a joint session of the House and Senate to hear an address by President Syngman Rhee, of the Republic of Korea. I have not been advised by the House as to the precise time of the joint session, but I assume we will leave here about 12:30 to go to the Hall of the House of Representatives. It might be at 12:15 or 12:45, but I should like to give advance notice to the Senate so that whatever the status of the legislative business may be at that time, the majority

leader would expect to request whoever has the floor at the moment to yield at that point, or whatever the parliamentary situation may be, so that we might recess the Senate and go in a body to the Hall of the House of Representatives, returning to the Senate subject to the call of the Chair when the joint session has concluded on next Wednesday.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. HUMPHREY. Mr. President, I wish to assure the majority leader that I do not have much more of this presentation. At the conclusion of it I hope we can take up my amendment. I have asked members of my staff to work with the staff members of the Joint Committee on Atomic Energy to see if there are any differences of opinion that need to be ironed out, and I may want to modify the amendment which I have sent to the desk. I should like to set a little pattern to get something done. I am going to cooperate with the majority leader, and I know that with the spirit he has exhibited we shall be able to cooperate and possibly to make a little progress.

I had just completed reading some rather important portions of the report of the subcommittee on research and development of the Joint Committee on Atomic Energy.

It is significant that this statement points out that this 5-year-reactor-development program will be financed primarily by the Federal Government and that it will consist mainly of the construction of small reactors except for the pressurized water reactor.

I believe this partnership between the Federal Government and these large private industrial companies and private utilities is fine, but I also believe that the small rural electric and municipal systems should have the opportunity to participate in this 5-year program. Why cannot a Federal-local partnership be worked out whereby the REA Administrator makes a loan for a conventional generating plant or unit where it is needed as he has the power to do under section 4 of the REA Act, and then have the Atomic Energy Commission, with the full cooperation of the local rural electric cooperative construct a nuclear powerplant along the lines of a rural electric system? This was the intent behind the amendments I have been introducing and supporting. It is also the intent behind the Johnson amendment which the Senate accepted. The REA cooperative would pay the cost of the conventional plant through its loan from REA and the Atomic Energy Commission could pay the development costs, as it is doing and will continue to do in so many instances. This certainly could be justified by both the REA and the Atomic Energy Commission as a basic contribution to the technology of nuclear power, and also because it would make this new technology available to the people of rural America, and I hope in particular to the people in my State of Minnesota and the upper Midwest.

The rural electric cooperatives in Minnesota, as in the other States, of course, are nonprofit, consumer-owned cooperatives. They are locally owned and controlled, and are proud of that fact. Since they are nonprofit corporations, there is no question that the construction of a nuclear power plant along the lines of one of these organizations will result in a real yardstick of the actual cost of nuclear generation. There will be no watered costs, no high engineering fees, but only the actual costs of constructing and operating the plant. I am sure that any one of our rural electric systems in the State of Minnesota would be honored to be selected as the site for the first rural central station nuclear power plant in the United States.

Also, there is no question that nuclear power will become feasible first in high wholesale power cost areas such as exist in the State of Minnesota. One hears all sorts of conflicting reports about the promise of nuclear power. Recently John J. Hopkins, president and general manager of General Dynamics Corp., a firm which is engaged in nuclear power research and development, stated that atomic reactors should be able to produce power at 4 to 7 mills. At such cost, nuclear power, of course, would be more than competitive for the rural electric systems in the State of Minnesota.

As a matter of fact, at such costs we would be able to compete successfully with hydroelectrical generation, because a 4-mill rate is about what the charge for power that would be expected from a hydroelectrical source. The Missouri Valley power rate will be at approximately 5 mills.

On July 21, 1954, Dr. Lawrence R. Hafstad, Director, Division of Reactor Development, Atomic Energy Commission, stated in a speech before the Missouri Basin Inter-Agency Committee in Rapid City, S. Dak.:

> Interest in atomic energy stems from the fact that in uranium we have what promises to be both a compact and cheap source of energy. It is certainly compact. One pound of uranium, about a cubic inch, contains as much energy as several trainloads of coal, more precisely, 1,500 tons of coal.

Just think of that. One cubic inch, a little block about as big as a caramel that we see in a candy store—one cubic inch of uranium will contain as much energy as several trainloads of coal, or approximately 1,500 tons of coal.

> That this energy promises to be cheap, we can see by calculating the cost of the 1,500 tons of coal. At $8 a ton, this would be in the neighborhood of $10,000, whereas the cost of 1 pound of uranium is more like $20.

It is pretty hard to get coal at $8 a ton, particularly when freight rates must be paid to transport that coal.

Mr. KENNEDY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SMITH of New Jersey in the chair). Does the Senator from Minnesota yield to the Senator from Massachusetts?

Mr. HUMPHREY. I yield for a question.

Mr. KENNEDY. The prospect looks particularly hopeful for areas of the country which lack natural resources such as coal, natural gas, oil, and natural hydropower. I am thinking particularly of the northeastern section of the United States, where the power rates have been so high. Is it the Senator's opinion that in the next 10 years, when the peacetime use of atomic power becomes possible, that is going to mean a new way of life to those parts of the country which have depended upon the importation of raw materials to produce power, and which will then be able to have advantages which other sections of the country now enjoy?

Mr. HUMPHREY. I think the Senator from Massachusetts is eminently correct. I would reply to his question by saying, from what little knowledge and imagination I have, from whatever information has been reported, and the research we know about, that the potentialities and possibilities of the use of atomic energy for the purposes of electric energy, fuel, for heating homes, and for industrial use, or the use which is normally associated as being utilized by gas, oil, and other thermo products, will replace those conventional products, at reasonable rates. That is one of the reasons why I wanted to see a powerplant developed of sufficient size so that the unit cost would really be cut down. That is the one way we can really determine whether atomic energy will be competitive with more conventional types of fuel, such as coal, oil, and gas, which we customarily regard as normal fuels. To Massachusetts and the New England area, I think atomic energy is a godsend.

I wish to recite that while the record has been very clear that the New England States are in a high-cost power area, a recent survey shows the State of Minnesota is in the highest-cost power area. The cost to the rural electric cooperatives there is as high as 22 mills, as compared with a national average of 9.7 mills.

To me this is not just a matter of "visiting" about a bill. We are talking about dollars, comfort, progress, industrialization, and relieving ourselves from the task of attempting to depend on other sources for fuel and power.

I can assure my good friend the Senator from Massachusetts that the availability of atomic energy would be as important to the economic development of Massachusetts as was the clipper ship in the early 1800's, and as was the railroad to the industrial areas of the East in the late 1800's and the early 1900's.

Mr. KENNEDY. I thank the Senator.

Mr. HUMPHREY. I thank the Senator from Massachusetts. I have listened to the Senator's addresses on an economic program for the New England area. I have assured him more than once that I want to do all I can to assist in the promotion and successful accomplishment of that program.

Mr. KENNEDY. I thank the Senator.

Mr. HUMPHREY. Mr. President, I continue reading:

> When one stops to realize the endless hours of engineering effort which have gone into improving the various commonplace energy using machines by a few percent in efficiency

to reduce costs by a corresponding few percent, one can realize the challenge felt by engineers when presented with an opportunity of decreasing costs, not by a few percent but by a factor of 500. This is the challenging technical problem that we face.

I have been reading from a speech by Dr. Lawrence R. Hafstad, Director of the Division of Reactor Development, Atomic Energy Commission. I now continue to quote Dr. Hafstad's speech further:

There is no longer any question then that power, specifically, electric power, can be produced from nuclear powerplants. The question of practicability revolves solely around the question of cost. It is natural to ask, how close are we now to economic atomic power? Unfortunately, this is a difficult question to answer. We really don't know because as yet no plant specifically designed for economic civilian power has been built and operated. All we have available are estimates based on extrapolations from experimental units or units designed for military operation for which costs are hardly representative of industrial or "civilian" central station plants. It is significant, however, that the engineers' cost estimates, made by groups representing the Commission's development contractors and by independent groups representing both publicly and privately financed utility organizations, are arriving at figures which indicate that nuclear powerplants should be able to produce power at a cost within a factor of about two of the present national average. It is significant, too, that whereas a few years ago the low cost estimates came only from enthusiastic amateur groups, while the estimates of our experienced industrial contractors were invariably disappointingly high, in recent months accumulated reactor experience has led even our most conservative and sophisticated contractors to support predictions of power costs close to the competitive level.

For example, a recent report of the General Electric Co. considers two different types of nuclear powerplants, one estimated to cost $195 per kilowatt of installed capacity, and the other $215. These investment figures compare with $130 per kilowatt for a conventional coal plant. For the nuclear plants, however, the fuel costs are only 1.35 and 1 mill per kilowatt hour, respectively, as against 3.4 mills for the coal plant with coal at 35 cents per million B. t. u.'s. The low fuel costs compensate for high plant costs so that, for the nuclear plants, the overall energy cost becomes 6.7 and 6.8 mills per kilowatt-hour as against 6.9 mills for the conventional plant.

To simplify that, what the statement of the scientist I have just read means is that the cost of putting up the plant for a nuclear plant is very expensive, but that the cost of the fuel is less than it is in the conventional plant, so that by the time you blend those two cost factors together you will find that your overall energy costs will be about 6.7 mills per kilowatt-hour in a nuclear plant as compared to 6.9 mills in a conventional plant.

Then Dr. Hafstad goes on:

It may seem to some of you that I am too concerned with mills and fractions of a mill in power costs. Before fractions of a mill are dismissed as unimportant, it would be well to realize that a 1-mill-per-kilowatt-hour saving on electricity in the United States would represent a total annual saving to the Nation of about $430 million.

Cutting the power cost in the United States today by 1 mill would be equivalent to $430 million in actual savings to consumers in this country.

I think that kind of a study, directed toward lowering power costs, is an economic study. If we were to spend as much as $50 million to $100 million in lowering the power costs or in studies that would lower the power costs we would allow ourselves a substantial dividend.

Conversely, if nuclear power costs stabilize at a figure one mill above the average of electricity from conventional energy sources, the high cost of development of nuclear power may have to be written off as premature. The stakes are indeed high.

Some have even predicted that within a decade nuclear power will be competitive with hydropower. My State hopes that some day it will be fortunate to have the Minnesota transmission line constructed so that it can obtain some of the low cost Missouri Basin hydropower. I have fought and I shall continue to fight for appropriations for the construction of this line. But even if the rural electric systems are able to obtain this low cost hydropower in Minnesota, they may still have to depend on nuclear power even if it becomes competitive with hydro.

The proposed bill states in section 182 (C) that in case of conflicting applications preference shall be given to applications for facilities which will be located in high-cost power areas in the United States. I believe this preference is desirable, although I also believe there should be a preference for cooperatives and public bodies in the granting of licenses for nuclear facilities.

As I mention this, let me state that I offered an amendment to provide this kind of preference. I am happy to say that that amendment was accepted and is now part of the bill we are discussing.

I believe the State of Minnesota which I represent and which has such high wholesale power costs and which the proposed bill has recognized as a preferred area to locate a nuclear powerplant, should be the site of the first rural central station nuclear powerplant in the United States.

Also, I believe that in many areas of rural Minnesota a nuclear powerplant could be constructed along the lines of a rural electric system without any danger to the health and safety of the people. Unless controls are well developed, I do not believe that such a plant could be constructed in a congested urban area without some danger to the health and safety of the population. Since the technology is so new, and since the plants which are going to be included in the 5-year reactor development program are pilot plants, there seems to be no question that such a plant should be constructed in a sparsely settled rural area. I believe the two plants for which contracts have already been let are being constructed in rural areas. The Duquesne Light Co. plant will be constructed at Shippingport, Pa., and the North American aviation graphite reactor will be constructed in the Santa Susana mountains, north of Los Angeles.

The rural electric systems in Minnesota require comparatively small units for generation. The letter from the Border Counties Power Cooperative which I have just referred to mentions a unit of 1,500 kilowatts. There are seven cooperatives in Minnesota which generate some or all of their power requirements and also some of them are federated cooperatives which supply the power requirements of a federation of distribution cooperatives. The size of the generating units of these cooperatives, according to the Federal Power Commission report entitled "Plant and Ownership List" dated June 30, 1952, ranges from 838 kilowatts to 23,000 kilowatts. One can see that on the whole their generating requirements call for fairly small units. Of course, the units which are going to be constructed in the 5-year reactor development program of the Atomic Energy Commission are on the whole small generating units. Such units could probably be adapted to the needs of the rural electric systems in my State of Minnesota providing a Federal-local partnership could be developed whereby REA would make the loan for the conventional part of the plant and the AEC would pay all the development costs over and above the conventional costs. The farmers in the State of Minnesota would be grateful to REA and to the AEC for years to come for pioneering in our State in this great new technology.

I mentioned above that one of the problems of the rural electric systems in the State of Minnesota is the fact that their loads are constantly increasing. None of us can see an end to these increasing loads. For that, of course, we are grateful. In fact, REA recently estimated that for the Nation as a whole the loads of the rural electric systems would double in 10 years. Some feel that this estimate is conservative because the loads in the past have doubled every 4 to 5 years. But under any condition the rural electric systems in my State of Minnesota will require new sources of power in order to take care of their increasing loads. We hope that in order to satisfy this need for new power sources the Atomic Energy Commission will see fit to consider one of the rural electric systems in the State of Minnesota as a site for a nuclear powerplant. I shall do all within my power to see that a nuclear-power plant is constructed within the confines of the State of Minnesota and that this great new technology is made available to the farmers of America.

Also, I hope the Rural Electrification Administration will take an active part in making this technology available to the rural electric systems. I was very much in favor of the language contained in the recent Senate Agriculture Appropriations Committee report, which stated:

The committee feels that the amount recommended for salaries and expenses should be used by the Rural Electrification Administration to the extent necessary to provide adequate funds to handle new problems and developments in both the electrification and telephone programs, including the additional workload occasioned by the increased loan authorizations, and the giving of appropriate

attention to the possibility of utilization of atomic energy for electric-power generation in rural areas.

I believe the REA should hire some consultants who are experienced in the field of nuclear-power development and who are cleared with the Atomic Energy Commission to examine the classified information they have available. These consultants could report to REA and advise them about developments in the field of nuclear power. This field is so specialized that it actually required men who have had years of experience in nuclear physics and engineering in order to properly assess the progress that has been made. It is for this reason that I hope the REA will see fit or perhaps has already hired some of the consultants which are available in the field. I believe the REA Administrator should report to the Senate on what action he has taken along these lines.

In addition to that, I believe the REA should establish a study group composed of some of its engineers and management people in order to relate nuclear-power developments to the needs of the rural electric systems. Such a study group should also receive clearance from the Atomic Energy Commission so it can participate in research in Atomic Energy Commission facilities and also receive reports on such research. The main purpose of this study group should be to try to relate the AEC research and development activities to the practical operating problems of the rural electric cooperatives. It is my understanding that the REA Administrator testified before the Senate Agriculture Appropriations Subcommittee that he was considering such a step. I wonder if he has taken any action to implement his statement which was made over 3 months ago.

I urge that he do take that action. I know he is interested in this proposal, because it has been my privilege to talk with him.

This technology is changing every day, and it is important that the rural electric systems are not left out in the cold while the large private utilities keep abreast of these developments and take full advantage of them, which, of course, they have perfect right to do.

The rural electric systems are small enterprises which do not have much in the way of financial and personnel resources, but at the same time they are an important competitive stimulus in the economy of our country. Because of this fact it is important that the Federal Government do everything it can to maintain that stimulus, and one of the ways it can do this is by REA and AEC keeping abreast of the latest developments in the nuclear power field and making this information available to the rural electric systems and encouraging their active participation in the nuclear power program. I feel that such a vigorous Federal-local partnership will make this great new technology available to all of rural America.

Mr. President, I have presented today discussion first of the amendment I offered. I hope the amendment will be adopted. I, secondly, have dismissed what I considered to be other important amendments which are here on the table or at our desks. Finally, I have reviewed what I thought was important in terms of the application of nuclear power to rural electrification. I want to say that, while the majority leader is here in the Chamber, I have indicated in no uncertain words my desire to progress with this bill. I feel that we should vote on amendments and to try to improve this bill. I feel that with a certain number of amendments such as I have discussed—I will not burden the Senators any longer—the changes which could be made would make this a very desirable bill. If those amendments are not adopted I would feel that the bill was not in the public interest.

With that, Mr. President, I yield the floor.

Mr. KNOWLAND. Mr. President, I first want to send to the desk for the information of the Senate a proposed unanimous-consent agreement, and ask that it be read.

The PRESIDING OFFICER. The clerk will read the proposed agreement.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment 7-22-54-C to S. 3690 submitted by the Senator from Minnesota [Mr. HUMPHREY], including any amendment or motion submitted thereto, shall be limited to not exceeding one-half hour, to be equally divided and controlled, respectively, by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. Mr. President, because I think we are getting to the point of having some further discussion on the floor, I suggest the absence of a quorum.

Mr. FERGUSON. Prior to that, Mr. President, will the Senator yield?

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	Martin
Anderson	Gillette	Maybank
Barrett	Goldwater	McCarran
Beall	Gore	McCarthy
Bennett	Green	Millikin
Bowring	Hayden	Morse
Bricker	Hendrickson	Murray
Bridges	Hennings	Neely
Burke	Hickenlooper	Pastore
Bush	Hill	Payne
Butler	Holland	Potter
Byrd	Humphrey	Purtell
Capehart	Ives	Reynolds
Carlson	Jackson	Robertson
Chavez	Jenner	Russell
Clements	Johnson, Colo.	Saltonstall
Cooper	Johnson, Tex.	Schoeppel
Cordon	Johnston, S. C.	Smathers
Crippa	Kennedy	Smith, Maine
Daniel	Kerr	Smith, N. J.
Dirksen	Kilgore	Sparkman
Douglas	Knowland	Stennis
Duff	Kuchel	Symington
Dworshak	Langer	Thye
Ervin	Lehman	Upton
Ferguson	Long	Watkins
Flanders	Magnuson	Wiley
Frear	Malone	Williams
Fulbright	Mansfield	Young

The PRESIDING OFFICER (Mr. SMITH of New Jersey in the chair). A quorum is present.

Mr. KNOWLAND. Mr. President, just prior to the quorum call I offered a suggested unanimous-consent agreement which I ask to have read.

The PRESIDING OFFICER. The Secretary will read the proposed unanimous-consent agreement.

The Chief Clerk read as follows:

Ordered, That any debate on the amendment 7-22-54-C to S. 3690 submitted by the Senator from Minnesota [Mr. HUMPHREY], including any amendment or motion submitted thereto, shall be limited to not exceeding one-half hour, to be equally divided and controlled, respectively, by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. Mr. President, I yield for a question to the Senator from Minnesota.

Mr. HUMPHREY. I should like to modify my amendment. I discussed it earlier with the Senator from Iowa.

The PRESIDING OFFICER. Does the Senator from California yield for that purpose?

Mr. KNOWLAND. That is a modification of the amendment that is pending?

Mr. HUMPHREY. That is correct.

Mr. KNOWLAND. As a matter of information, has the amendment been discussed with the Senator from Iowa [Mr. HICKENLOOPER]?

Mr. HUMPHREY. Yes; and with the members of his staff, and it is agreeable to the Senator from Minnesota.

Mr. KNOWLAND. I yield for that purpose.

Mr. HUMPHREY. I send to the desk the modified amendment and ask that it be read.

The PRESIDING OFFICER. Does the Senator from California yield for the purpose of accepting the modified amendment?

Mr. KNOWLAND. If I understand the parliamentary situation, the Senator from Minnesota has a right to modify the amendment. He is now asking that it be read as modified?

Mr. HUMPHREY. That is correct.

The PRESIDING OFFICER. The Secretary will state the amendment as modified.

The CHIEF CLERK. On page 2, line 3, of the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER], identified as 7-14-54-I, after the period, it is proposed to insert the following:

If the Attorney General advises the Commission that issuing the license would create or maintain a situation inconsistent with the antitrust laws, then the Commission shall not issue such license unless it makes a finding approved by the President, that the issuance of such license is essential to the common defense and security, and the finding is published in the FEDERAL REGISTER.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KNOWLAND. Will the Senator from Oregon withhold his objection for a moment so that I may make a brief statement?

Mr. MORSE. I withhold my objection.

Mr. KNOWLAND. As I understand the situation, this is an amendment which was offered by the Senator from Minnesota relative to the pending bill. There has been some discussion apparently between the Senator from Minnesota and the Senator from Iowa [Mr. HICKENLOOPER], who is in charge of the bill on the floor of the Senate. Following those discussions, apparently a modification was agreed to. I understand the modification is acceptable to the Senator from Iowa.

In view of the peculiar parliamentary situation this afternoon, when the author of the amendment has modified his amendment and the modification is satisfactory to him and to the distinguished Senator from Iowa [Mr. HICKENLOOPER], who is in charge of the bill on the floor, it was my thought that we might under those circumstances, at least, be able to agree to a unanimous-consent request.

Agreement to the request would still leave the bill open for amendment and debate on the part of any Senator who desired to debate the bill.

However, it would give us an opportunity to make some progress with voting on the amendment.

If the suggested half hour for debate, to be equally divided, is not mutually satisfactory, or satisfactory to other Senators, if suggestion is made about increasing the time to 1 hour, which I understood the Senator from Minnesota was going to suggest, I would be prepared to modify my unanimous-consent request from a half hour, to be equally divided, to 1 hour, to be equally divided. If a different time is agreeable to the Senate—which, after all, must make that determination—we could work out a satisfactory arrangement along that line.

I wanted to make this explanatory statement, in the hope that, under these rather unusual circumstances up to the moment, perhaps the Senator from Oregon, knowing the background, might feel that it would not be necessary for him to object to this request.

Mr. MORSE. Mr. President, reserving the right to object, it seems to me, in view of that very clear statement of the majority leader, there is certainly no need for any unanimous-consent request to limit the time for debate. I would assume that the Senator from Iowa and the Senator from Minnesota are practically in agreement on this amendment. I think, if that is true, under the ordinary practice in the Senate, the Senator from Iowa could say that he has no objection to the amendment and is willing to take it to conference, and in that way we could have a vote on it.

Mr. MAYBANK. Vote.

Mr. MORSE. If that is the situation, we do not need any unanimous-consent agreement to limit debate on the amendment. I believe under those circumstances it would go through as a pro forma matter.

In the second place, I should like to say that the parliamentary situation that confronts some of us is that over the weekend—that is, those in opposition to the bill—could get our heads together to determine if we cannot work out a composition with reference to this bill and proposals for modifications of the bill. Then, come Monday, we could sit down with the leaders of the proponents of the bill, outside the session of the Senate, and find out if we cannot come to an agreement as to the minimum things that need to be done in order to have a reconciliation of our points of view.

We desire to do that, Mr. President, because we desire to pass an atomic energy bill, if we can. However, we do not feel, until that effort is made, that there should be any agreement to limit debate.

There is a cloture petition coming up on Monday, and we will have to vote on that. If we have a vote on it, then perhaps we will be in an even better position to work out a compromise among ourselves.

I do not like, Mr. President, always to be in the position of seeming to object on this side of the aisle, when I know very well that my objection is not singular. That happens to be the role I will play in this instance, however, and I want to say——

Mr. KNOWLAND. Mr. President, will the Senator yield at that point, before he raises his objection?

Mr. MORSE. I had not quite finished my statement.

Mr. KNOWLAND. I hope before the Senator finishes——

Mr. MORSE. I assure the Senator from California that I will pass the matter back to him before I file my objection. However, I wanted to make this final point. I think that we need this weekend for more conferences on this subject, without having made any commitments on the part of anyone with regard to any one with regard to any unanimous-consent agreement today.

I am frank to say that there are those among us, with the cloture petition lying on the desk, and the fact that it will be there until we act on it—it is filed, and it calls for action—who feel that we should have a vote on it on Monday, and then see if some of the proposals that we may be able to work out over the week end are appealing as a composition, to the majority leader and to the Senator from Iowa and to the other proponents.

I still wish that it would be possible to have a discussion with the President about these differences, because I think it is very important that we ought to try to get this matter behind us next week and do the best we can along that line.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. Mr. President, I yield to the Senator from New Mexico so that he may make an observation.

Mr. ANDERSON. I think possibly our trouble is that some Senators are afraid to offer good amendments, because the amendments will be laid on the table without discussion.

Mr. KNOWLAND. Mr. President, if the Senator will yield at that point, I should like to say that at no time during this legislative procedure have I ever made a motion to lay an amendment on the table until I had first diligently tried to get a unanimous-consent agreement. I am sure the Senator understands that to be the fact. I challenge him to examine the RECORD. There has not been one motion made to lay an amendment on the table until I had first propounded a unanimous-consent request and had stated a certain time, because the unanimous-consent request had to be in proper form, and I always invited alternative proposals. In a number of instances, when amendments were very short and had been discussed, I suggested a half-hour of debate, equally divided. In the case of amendments that were more complicated I suggested 6 hours, or 5 hours. I have always been pleased, and would be pleased now, to receive any suggestions from the authors of amendments, particularly, to what would be a reasonable time for debate.

I hope the Senator has not misunderstood the situation, which may be the case in view of the long hours that we have been keeping, and in view of the fact that many of us have been in and out of the Chamber, and I hope he was not under the misconception that I have in a single instance moved to lay on the table, up to this time, an amendment on which there had not been given an opportunity for discussion, and in connection with which a unanimous-consent request had not been offered.

Mr. ANDERSON. I am happy to say that the circumstances as outlined by the majority leader are correct, but I want this fact to be borne in mind also. The able Senator from Oklahoma [Mr. KERR] presented a very important amendment on patents, a subject on which the committee spent hours and days. He was allowed to make his statement, but when he finished his statement, no one on the other side gave any courtesy to him. A unanimous-consent request was presented, and a counter proposal——

Mr. KNOWLAND. Mr. President, the RECORD will not bear out that statement. I was in the process of seeing whether we could arrive at a later agreement, when an objection was raised. I forget the exact number, because there were various amendments, but I think I had suggested 1 hour equally divided. I think the Senator from Oklahoma suggested 2 hours.

Mr. ANDERSON. Two hours to a side.

Mr. KNOWLAND. I have a pretty clear recollection on that. He suggested 2 hours, meaning 2 hours on a side. When he said "2," I thought he was raising the "1" I had suggested to 2. So there was, for a time, a misunderstanding between us. When I finally found out what he had in mind, that it would be 4 hours, I then moved over to 3, and we were at that point when some Senator raised an objection.

Mr. ANDERSON. Unless the Senator from Oklahoma was willing to agree to the unanimous-consent request, his amendment then could be laid on the table without any opportunity for discussion. I think that is the problem which is causing some concern.

Mr. KNOWLAND. I will say to the Senator that I do not deny that. We have been here a long time, and there is a great deal of important legislation to follow this bill. But I certainly have not tried to misrepresent my position to the Senate, that I felt that in view of the heavy legislative schedule we had to arrive at some method of moving ahead

with the program. But I do not think that at any time there has been an unreasonable suggestion made or one that was not made perfectly clear. There was left room for discussion and negotiation.

Mr. ANDERSON. The same thing happened to the Senator from Rhode Island [Mr. PASTORE]. Whether we like his proposal or not, the international aspects are extremely important. It has been acted on with a one-sided showing. It went against him. I shared the viewpoint of the Senator from Ohio, but, nevertheless, there was no opposition to it and no discussion of it. I think it is the sudden cloture by means of a motion to lay on the table that is disturbing. I think it has caused a feeling that it is not desirable to have unanimous-consent agreements.

Mr. KNOWLAND. The steps which I have taken have been taken with great reluctance on my part, and only under the most trying circumstances, with the adjournment in prospect and the heavy legislative program. I am not sure that the Senator from New Mexico was present last evening when we discussed the so-called gentlemen's agreement that I thought we had a week ago in relation to getting a vote by the following Monday.

Mr. ANDERSON. I want to clear that record up a little bit. I did call the distinguished majority leader and I did suggest to him that I hoped he would not ask for unanimous consent because I thought it might be possible to vote if he did not. The majority leader came back to the floor with the unanimous-consent request, and when the Senator from Oregon objected, he was called an obstructionist, and the fat was in the fire.

Mr. KNOWLAND. The Senator has not related the facts exactly as I recall them, but his memory may be different from mine. He is entitled to his honest judgment of the situation. I certainly do not believe I have misrepresented the circumstances on the floor, either last night, when we discussed it, or today.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that the amendment as modified by the Senator from Minnesota must be taken up by unanimous consent because it seeks to amend a section which has already been agreed to.

Mr. KNOWLAND. Mr. President, under the circumstances, and because I have been assured by the Senator from Minnesota that he does not believe there will be much debate on the amendment, and the Senator from Iowa [Mr. HICKENLOOPER] has indicated he is prepared to accept the modified amendment—under those circumstances I am willing in this instance to withdraw my request for a unanimous-consent agreement, so that we may proceed with the discussion of the amendment of the Senator from Minnesota, as modified, but I do not want that to be taken as a precedent for future action.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that it will take unanimous consent to make the amendment in order.

Mr. HUMPHREY. Mr. President, the vice chairman of the Joint Committee on Atomic Energy, in reporting the bill, made some committee amendments and also offered amendments to the bill, which were accepted. There was an amendment by the Senator from Iowa which was a substitute for subsection (c), on page 48, and it is that amendment to which the Humphrey amendment is directed. Therefore, Mr. President, I ask unanimous consent that I be permitted to offer my amendment to the Hickenlooper amendment which was offered as a substitute for subsection (c), on page 48 of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I should like merely to make this statement in reference to the amendment which has been discussed with the Senator from Iowa and members of the staff. The purpose of my amendment is to strengthen the antitrust laws and the antimonopoly laws as they apply to the subject matter of the pending bill. My amendment provides that there must be a finding approved by the President that the issuance of a license is essential to the common defense and security, and the finding is to be published in the Federal Register. The difference between the modified amendment and the original is literally the escape clause, that if there is a license issued where there may be some conflict with the antitrust laws, it can only be done if the President says it is vital to the defense and security of the United States. I would not want to deny the President that opportunity, in view of his heavy responsibilities.

I think the language which the Senator from Iowa substituted was a decided improvement of the bill. All my amendment does is to make a little more precise, at least to me, and I hope to others, the purpose and intent of the Senator from Iowa with reference to the application of the antitrust laws to the licensing provisions of this measure. I think it will have a salutary effect and clearly demonstrate that the purpose of the legislation is not to circumvent the antitrust laws and antimonopoly laws of the land.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota, as modified, to the amendment of the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. Mr. President, I understood the question was on the unanimous-consent request.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota, as modified.

Mr. HICKENLOOPER. Was unanimous consent given?

The PRESIDING OFFICER. It has been given. There was unanimous consent given to consider the amendment as modified.

Mr. HICKENLOOPER. Reserving the right to object, I wish to say that I certainly would not object if the discussion which we may have can very well be amicable and mutual. If there are to be any speeches which are not addressed to the subject, I certainly would object to unanimous consent on this matter. If it merely opens up the subject to collateral speeches prior to our possible action on this amendment at this time, I would have to object. I want to expedite the matter.

Mr. HUMPHREY. Mr. President, it is my intention to expedite it, but I understand the distinguished Senator from New York [Mr. LEHMAN] who has been gracious enough to stand aside until we consider this amendment——

Mr. HICKENLOOPER. I do not want to foreclose the right of any Senator to make a speech, of course. I thought this amendment would be the pending business. If there are speeches on other matters, I shall have to await a more favorable climate.

Mr. HUMPHREY. The climate is very favorable.

Mr. ANDERSON. Does the Senator from Iowa think that having silence is the only way to get the amendment agreed to?

Mr. HICKENLOOPER. Not at all. I said I did not care to give consent for its consideration if I thought it would merely hold the amendment in abeyance while speeches on collateral matters are made.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. Has unanimous consent been granted?

The PRESIDING OFFICER. It has.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota, as modified, to the amendment of the Senator from Iowa [Mr. HICKENLOOPER]. [Putting the question.] The ayes seem to have it; the ayes have it, and the amendment is agreed to.

Mr. HICKENLOOPER. Mr. President, I have been attempting to secure recognition. I wish to say, from the standpoint of my position on the Joint Committee on Atomic Energy that this amendment, which is a modification of the amendment which I offered the other day and which was adopted, is, I believe, a helpful amendment.

The amendment which was offered the other day provided that if the Attorney General advised the Commission that the issuance of a certain license might tend to foster or sustain a monopoly in violation of the antitrust laws, then, under those circumstances, the Commission might or might not grant the license. The reason why it was put in the permissive form was that after all is said and done, those who apply for licenses may have their side of the question, and it should be presented. Since the Attorney General is the official adviser of the Government, when he in his capacity advises the Commission that a license might tend to foster monopoly, I think the agencies of the Government are bound to take that advice as controlling their action.

The Senator from Minnesota has consented to an inclusion that if a finding is made by the Commission, and consented to by the President, or joined in

by the President, that the national security or defense require that the license be given, even though it may possibly tend, at some future time, toward the fostering of monopoly; under an emergency situation the Commission can, under his judgment and with that finding, grant the license.

I think it is a safeguard. I think it is necessary in the national interest that there must be at least that much leeway in order to protect the country in time of emergency. Therefore, Mr. President, as far as I am concerned, I shall be glad to accept the amendment, if the Senate cares to vote.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. THYE. The objective which is endeavored to be arrived at is that in the event a corporation or individual is to be granted a license by the Atomic Energy Commission, the application will be submitted to the Attorney General, and the Attorney General will then determine whether it conflicts with existing laws relating to monopolies. Is that not correct?

Mr. HUMPHREY. That is correct.

Mr. THYE. Is that not primarily what is involved in the entire question?

Mr. HUMPHREY. Yes.

Mr. THYE. It does not preclude or exclude; it just says the Attorney General will examine the question to see whether it conflicts with any laws relating to monopoly. For that reason, I cannot see why we should object.

Mr. FERGUSON and Mr. CAPEHART addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield; and if so, to whom?

Mr. HUMPHREY. I yield to the Senator from Michigan.

Mr. FERGUSON. I inquire whether or not the Senator from Minnesota has in mind a monopoly which may be created by virtue of the granting of a license in the particular field to which the license relates or in the business in which the licensee may be engaged. What is the monopoly the Senator has in mind?

Mr. HUMPHREY. Primarily, the business operation.

Mr. FERGUSON. Do I understand correctly that if a license were granted to an electric light company and there was no other light company in that particular city, that would be considered a monopoly?

Mr. HUMPHREY. No.

Mr. FERGUSON. And therefore no license could be granted?

Mr. HUMPHREY. No; of course not.

Mr. FERGUSON. I am merely trying to find out.

Mr. HUMPHREY. No; it would apply only respecting, for example, the Clayton antitrust law, the restraint of trade formulas, or the restraint of trade laws, if a license or patent granted by the Atomic Energy Commission would actually restrain the flow of commerce rather than fulfill the obligations under the license. It has nothing to do with electric energy and such a natural monopoly serving the community. It has something to do with an instance wherein a license is given that would thwart the flow of commerce between competitors.

Mr. FERGUSON. Will the Senator from Minnesota cite a hypothetical case?

Mr. HICKENLOOPER. If the Senator from Minnesota will yield, I think I can clear that question up.

Mr. FERGUSON. I should like to have it cleared up.

Mr. HICKENLOOPER. The amendment reads:

> If the Attorney General advises the Commission that issuing the license would create or maintain a situation inconsistent with the antitrust laws——

Mr. HUMPHREY. That is correct.

Mr. FERGUSON. Would the Senator give a hypothetical case which he thinks would be covered by that provision?

Mr. HICKENLOOPER. The cases are legion.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Does the Senator from Minnesota yield to the Senator from Iowa?

Mr. HUMPHREY. I yield to the Senator from Iowa.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Minnesota yield for that purpose?

Mr. HUMPHREY. I yield to the Senator from Iowa so that he may discuss the amendment.

Mr. MAGNUSON. What is before the Senate?

Mr. HUMPHREY. An amendment offered by the Senator from Minnesota.

The PRESIDING OFFICER. The question before the Senate is on agreeing to the amendment offered by the Senator from Minnesota, as modified.

Mr. MAGNUSON. We just adopted that. We are expediting things.

The PRESIDING OFFICER. The Chair respectfully states that the Senator from Minnesota has the floor. The amendment has not been agreed to. To whom does the Senator from Minnesota yield?

Mr. FERGUSON. Will the Senator yield for a question?

Mr. HUMPHREY. I yield to the Senator from Michigan for a question.

Mr. FERGUSON. Would the Senator give to the Senate a hypothetical situation in which the provision would be applicable, so that we might determine whether there was a monopoly in a particular field or a monopoly in some other respect?

Mr. HUMPHREY. In general, it is desired that the antitrust laws be made applicable. When we speak of licensing, we include the many operations of fissionable power or fissionable materials. They could be used in the fields of medicine, chemistry, food preservation, and electric-energy production.

If the Attorney General finds that in the issuance of any license for any development or project having commercial value under the Atomic Energy Commission, it would promote the restraint of trade or be inconsistent with the laws relating to the control of monopoly, or the antitrust laws, then the license shall not be granted. I do not have a crystal ball to see the situation which may confront us in the future.

Mr. FERGUSON. Is it not true that at the present time the United States Government has a monopoly in atomic-energy development?

Mr. HUMPHREY. That is correct.

Mr. FERGUSON. If the United States Government grants such a license, will there not be a monopoly created in that particular field?

Mr. HUMPHREY. I may say to my friend, the Senator from Michigan, that there may be a thousand or tens of thousands of licenses granted for many different kinds of development. We want to be sure that we do not grant all the licenses to Westinghouse or General Electric, so that no other company may be able to get into the competitive picture.

Mr. FERGUSON. Now the Senator is getting down to cases.

Mr. HUMPHREY. The hope is that we may be able to get enough atomic-energy development so that its use will be spread throughout the land and be available to many industries, and not to just a few.

Mr. FERGUSON. Let us take the field of medicine.

Mr. HUMPHREY. I am not experienced particularly in that field.

Mr. FERGUSON. Let us take the field of drugs.

Mr. HUMPHREY. Yes.

Mr. FERGUSON. If a license was granted only to one drug company——

Mr. HOLLAND. Mr. President, will the Senator yield for just a moment, so that I may call attention to the fact that the bill specifically provides that no license shall be exclusive? Therefore, that would not apply.

Mr. HUMPHREY. That is correct; it provides that no license shall be exclusive.

Mr. FERGUSON. Then, how would a monopoly be created?

Mr. HUMPHREY. While no license may be exclusive it is possible, by granting a minimum of two licenses, to create a monopolistic situation that will restrain trade. The language does not say "antimonopoly." It says "inconsistent with the antimonopoly or antitrust laws." Restraint of trade does not always apply to one particular exclusive producer. There may be several licensees that may actually have a kind of combine. If that happens, then the Attorney General can see to it that no further license is granted. Or if there is an application to grant a second license to one who already has a license, and that would create a monopoly, the Attorney General would see to it that the license was not granted.

Mr. FERGUSON. Do I understand that the idea of monopoly is not the question before us, but the question is whether there would be created a situation that would relate to a monopoly?

Mr. HUMPHREY. Or actually create one.

Mr. FERGUSON. It would not necessarily have to be a violation of the antimonopoly law or antitrust law?

Mr. HUMPHREY. But it might tend toward that.

Mr. FERGUSON. The Senator wishes to provide that the Attorney General may say it tended toward a monopoly?

Mr. HUMPHREY. Or was inconsistent with those laws.

Mr. FERGUSON. If it was inconsistent with those laws, it would be a violation of them, would it not?

Mr. HUMPHREY. Yes.

Mr. FERGUSON. However, that is not permitted.

Mr. HUMPHREY. No. We say "inconsistent with." The language of the amendment is pretty definite.

Mr. HICKENLOOPER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I think it is impossible to give a clear cut or a series of clear-cut illustrations of situations under the atomic energy power development licensing situation which could be called or pinpointed as inconsistent with the antitrust laws. The antitrust laws might be different next year than they are now. The whole situation and the circumstances surrounding power development may be different 2 years or 5 years from now than they are now. I think the meat of the question is that, whatever the antitrust laws of the country may be at the moment, the Attorney General should examine the license and its purposes, and the terms and conditions of that license, and then attempt to relate those terms and conditions to whatever antitrust laws may be in effect at that time, and advise the Commission whether or not, in his opinion, the issuance of that license would create or maintain a situation inconsistent with the antitrust laws.

I say to the Senator that the newness of this art in this industry is such that we have no historic background on it. We have no experience with monopolistic practices in the development of power. We do not even know what the pattern of the terms of the license application or of the license itself will be.

We have laid down certain general broad principles. It is an administrative duty of the Commission to fill in the details.

I am sorry not to be able to be more specific, but I just do not know what the situation could be. If I gave an illustration at this moment, 2 years from now it might not be apropos at all.

The responsibility is on the Attorney General to give his opinion, based on the legal requirements and all the circumstances at the moment, and upon the terms and conditions which are proposed in the application and the license itself.

Mr. HUMPHREY. The Senator is correct. As I see it, you cannot foresee every development. What we are trying to do is to make sure that in this very unusual field of activity, many dimensions of which we do not even know about, there is nothing which will subvert the antitrust laws, nor by some action of the Atomic Energy Commission through licensing will we create or maintain a position inconsistent with the antitrust laws.

The only man who can go through on this matter, rather than relying completely on the AEC and its own General Counsel, is the Attorney General; and, in my opinion, if the Attorney General finds that the license is inconsistent with the antitrust laws, despite whatever may be the general value of that license the Commission shall not issue said license except and when it is vital to the common defense and security as is proclaimed or defined by the President, who is the one man who can make that decision.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. FERGUSON. I would have no trouble at all, if you were using this in the legal sense that it was a violation of the antitrust or the antimonopoly law. But when you get into the field of the possibility of tending to, and not an actual violation of the law, it would open the field so that the Attorney General could stop any of these licenses except where the President of the United States declared that it was——

Mr. HUMPHREY. It does not say "tend."

Mr. HICKENLOOPER. It does not say "tend."

Mr. FERGUSON. What does it say?

Mr. HICKENLOOPER. It says:

> If the Attorney General advises the Commission that issuing the license would create or maintain a situation inconsistent with the antitrust laws——

Mr. FERGUSON. And the Senator says it is a violation of the law he is discussing.

Mr. HICKENLOOPER. Well, the Attorney General looks over this application and proposed license and its terms and conditions and says: "What do these people expect to do? How do they expect to run this business?" Then he leafs through the statutes and holdings and comes up with a decision and says to the Commission: "If you grant this license under its terms and conditions it will establish and maintain a condition in violation of the antitrust laws."

Mr. FERGUSON. I have no objection if that is what the Senator has in mind.

Mr. HUMPHREY. That is exactly what we have in mind, and it is before the fact rather than after the fact.

Mr. FERGUSON. Then I would have no objection.

Mr. AIKEN. Is this not a similar safeguard to that we had exercised in the disposal of the war plants after the war, when the Attorney General was required to find that disposal of a plant to a certain company would not—if I may use the word—tend to create a monopoly? The word "tend" has been used.

Mr. HUMPHREY. That is right. It is the same general principle.

Mr. AIKEN. I have a specific case in mind, where before disposing of a plant to a certain company that company virtually had to agree not to produce a certain type of product.

Mr. HUMPHREY. That is right.

Mr. AIKEN. It seems to me this is just a similar safeguard.

Mr. HUMPHREY. I want to thank the Senator from Vermont.

Mr. CAPEHART. Mr. President.

The PRESIDING OFFICER. The Senator from Minnesota has the floor. Does he yield the floor?

Mr. HUMPHREY. Yes, unless there is a question.

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. CAPEHART. I do not believe we can take this amendment, and I shall give my reasons.

In the first place, I do not think we should ask the Attorney General of the United States to rule upon whether something creates a monopoly or not, because at the best he can only have a few facts. If the Attorney General rules upon it without all the facts, then he estops himself later if a monopoly is created as a result of this license, and he can do nothing about it.

Mr. HICKENLOOPER. Mr. President——

Mr. CAPEHART. Let me finish.

Mr. HICKENLOOPER. Let me straighten the Senator out.

Mr. CAPEHART. Go ahead.

Mr. HICKENLOOPER. The Attorney General does not rule, under this amendment, that it does not create a monopoly.

Mr. HUMPHREY. No.

Mr. HICKENLOOPER. The only time the Attorney General rules and the only position he takes is a positive position that it does create a monopoly.

Mr. HUMPHREY. That is correct.

Mr. HICKENLOOPER. The Attorney General's finding would be either that it creates a monopoly or "We do not find that this necessarily creates a monopoly." That is a sort of negative, passive operation, and it does not put the Attorney General in the position of saying they are lily white. It just does not make a positive finding.

Mr. CAPEHART. Let me give a couple of other reasons, then. I am not admitting the Senator is right on this one, but let me give some other reasons.

First, I am certain that the bill requires that the Government, which has the complete licensing power, will license anyone who wants a license. At least, I hope so. I hope that the Federal Government, if it starts licensing under the atomic energy, will give a license to anyone who wants it.

Does it do that? I would like to ask the Senator from Iowa: Does the bill do that?

Mr. HICKENLOOPER. Does the bill do what?

Mr. CAPEHART. Does the bill require the Government to give a license to any citizen of the United States who wants one or asks for one?

Mr. HICKENLOOPER. It does not necessarily require it. It is a matter of discretion. It would involve the ability of the applicant to handle this material or to equip himself to handle it. It is a discretionary matter.

Mr. CAPEHART. Are we saying that some may get a license and others may not?

Mr. HICKENLOOPER. No.

Mr. CAPEHART. If so, who is to be the judge as to whether A gets a license or whether B gets a license.

Mr. HICKENLOOPER. The Commission.

Mr. CAPEHART. The Commission?

Mr. HICKENLOOPER. The Commission.

Mr. CAPEHART. Then we are going to say to the Attorney General of the United States that all these licenses must be submitted to him and he—a very, very busy person—hands them down to the second, third, fourth, fifth, sixth, seventh, eighth, or tenth Attorney General, who sits there and decides that it may create this situation. Therefore, we are going to deny it and deny the person who made the application the right to be heard and the right to come in and plead his case.

Mr. HICKENLOOPER. Oh, no. No.

Mr. CAPEHART. All right. What does the bill do?

Mr. HICKENLOOPER. The proposed law sets up ample provisions for hearings and presentations and appeals and all sorts of things.

Let me suggest to the Senator that the Federal Communications Commission and many other commissions pass on the qualifications of people who get permission to establish radio stations and television stations.

Mr. CAPEHART. Yes. One can well understand that, for the simple reason that there are only so many channels in television. There are only so many stations which could be had. Therefore, they are automatically limited. But we are talking about atomic energy now.

Mr. HICKENLOOPER. All right.

Mr. CAPEHART. I do not know how big it is going to be or how small.

I certainly want to make certain that every American citizen has an equal right with every other American citizen. Frankly, I do not want the Attorney General of the United States or the 10th Attorney General sitting back here some place and saying, "This fellow can and this fellow cannot" because I think when the Attorney General makes a ruling that it does not create a monopoly or violate the antitrust laws——

Mr. HICKENLOOPER. The Attorney General does not make that ruling.

Mr. CAPEHART. What does the Attorney General rule?

Mr. HICKENLOOPER. The only positive ruling the Attorney General makes is in case it does create a monopoly.

Mr. CAPEHART. All right. I will present it the other way.

Mr. HICKENLOOPER. The Attorney General does not make a ruling that it does not.

Mr. CAPEHART. The Attorney General makes a ruling it does create a monopoly.

Mr. HICKENLOOPER. If the circumstances surrounding the license can, in fact, create a monopoly, the Attorney General so rules.

Mr. CAPEHART. I do not want the 10th boy behind a desk ruling that it does. I do not think we ought to put that responsibility upon the Attorney General of the United States. I think when the Attorney General does rule he estops himself from later taking any action he might want to take. I think this is all wrong.

Mr. HICKENLOOPER. Well, if it does create a monopoly in fact, then the Attorney General is not estopped from prosecuting people for violating the antitrust laws. If it does not create a monopoly and does not violate any law, what business is it of his? He is glad to get out of the work. He does not have to prosecute.

Mr. CAPEHART. Let us read it:

If the Attorney General advises the Commission that issuing the license would create or maintain a situation inconsistent with the antitrust laws—

What does that mean?

Mr. FERGUSON. Violation of the antitrust laws.

Mr. CAPEHART. It reads:

If the Attorney General advises the Commission that issuing the license would create or maintain a situation inconsistent with the antitrust laws, then the Commission shall not issue such license unless it makes a finding, approved by the President, that the issuance of such license is essential to the common defense and security, and the finding is published in the Federal Register.

In other words, the Attorney General makes the decision that it is inconsistent with the antitrust laws, which means it violates the antitrust laws.

Mr. FERGUSON. I would say that when the President issues the report with that recommendation, then this would not be a violation of the antitrust laws. But if they issued it without the President's approval, then, naturally, in the mind of the Attorney General it would be a violation, and he should prosecute.

Mr. CAPEHART. Why do we say to every 1 of the 160 million Americans who may want a license, "You must go to the Attorney General and get an opinion as to whether it does or does not violate the antitrust laws," and permit someone to sit over in the corner and make these decisions?

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CAPEHART. I still maintain that if that is done the hands of the Attorney General are tied and he is estopped. If at a later date other circumstances come into the picture which make it a violation of the antitrust laws, the Attorney General is estopped.

Remember, we argued this out on the rubber disposal bill, and the bill on the disposal of surplus property and surplus plants. We argued this out.

The Attorney General of the United States is opposed to this. I am certain he is. I am positive he is; and I do not know about it. I ask the Senator from Iowa if the Attorney General of the United States is not opposed to the bill. I say I am sure he is, but I do not know. By that I mean that I do not know about it.

Mr. HICKENLOOPER. I cannot say that the Attorney General is opposed to it. I cannot say that he must be relieved of all responsibility in these matters, but the Department of Justice did O. K. and approve the provisions which are put into the bill by way of amendment, to which this modification is attached. While this particular modification has not been submitted to the Attorney General for his specific approval on these 2 or 3 sentences, I feel it has the approval of the Attorney General, because of the approval of the basis upon which this is based.

Mr. HUMPHREY. That is correct.

Mr. CAPEHART. What is being said to a person who makes an application for a license is for them to take it to the Attorney General, and then the Attorney General rules upon it and it is all right to issue a license. The man then accepts the license on the basis of "I am not violating the antitrust laws."

He may well be violating the antitrust laws, because the Attorney General of the United States can never have sufficient information in advance of all the circumstances surrounding a situation of what they may or may not do with this product when they get it.

I say to you that it is unfair. I again repeat that if the Attorney General, or any Attorney General, or any judge on the floor here now would speak, he would tell you that he did not want that authority, that he would not know what to do with it if he had it.

It is unfair to ask him to take, and it is unfair, I think, to the people.

Mr. HICKENLOOPER. The Senator from Indiana is confused in this matter.

Mr. CAPEHART. I am not confused.

Mr. HICKENLOOPER. The Senator keeps saying that the Attorney General will give them a clear bill of health and then be embarrassed later. That is not the case at all. This applies only when the Attorney General finds, from an examination of the application of the proposed license, that it clearly creates a situation in violation of the antitrust laws. That appears on the face of it. He does not have to know what they will do in the future. He says "Right here it is plain it violates the antitrust laws."

Mr. CAPEHART. He rules that it does not violate the law. Therefore, if he rules that it does not, or takes no action, the inference is that the man that gets the license, what he is doing, is not viclating it.

I say to you that it is not good legislation and it is not good to put into the hands of the Attorney General of the United States.

Mr. HICKENLOOPER. That is not the case, Mr. President. The Senator, as I say, is confused.

Mr. CAPEHART. The Senator is not confused one iota.

Mr. HICKENLOOPER. The Attorney General does not rule in advance that the applicant has carte blanche approval to do what he wants to do. All he says is "Under the present terms of the license, I do not find that it, in and of itself violates the antitrust laws." That is all he says.

Mr. HUMPHREY. And, based upon the existing facts.

Mr. HICKENLOOPER. As they exist now. If later the fellow violates the antitrust laws, the Attorney General ought to act.

Mr. CAPEHART. The Attorney General has not ruled on these things. The little fellow sitting in the corner cannot have enough information to pass upon the subject, and you ought not to ask him to do it. I think you are mak-

ing a great mistake if you accept this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER], as amended.

The amendment was agreed to.

Mr. HICKENLOOPER subsequently said: Mr. President, with regard to the question raised by the Senator from Indiana concerning the attitude of the Attorney General on the matter of giving advice to the Atomic Energy Commission on the probable lack of legality of some of these licenses, I would like to quote from the testimony of Mr. Rankin, Assistant Attorney General. It appears on page 712 of part II of the hearings before the Joint Committee on Atomic Energy, 83d Congress, 2d session, on bills S. 3323 and H. R. 8862, which later ripened into the bill which we are now considering.

With regard to the matter of securing advice from the Attorney General on the legality of licenses, Mr. Rankin said:

As presently drafted, the committee print authorizes the Commission to select such licensees, but does not include among its criteria for the issuance of such licenses, antitrust considerations. For this reason, it is suggested that the committee print be amended to require the Commission to inform the Attorney General of all licenses proposed to be issued by that body for such purposes and to request his advice as to the effect the granting of such licenses may have upon our competitive economy in relation to the antitrust laws.

Mr. LEHMAN. I send to the desk an amendment, and I ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 52, it is proposed to delete section 122, and to renumber succeeding sections accordingly.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. LEHMAN. Mr. President, I merely wish to observe in passing that I wonder if there could be a better illustration of trying to rush this bill through the Senate than the bitter dog fight that has been in process for more than an hour over just one tiny clause in the bill.

I am sure that many of my colleagues on this side of the aisle must from time to time in the course of this debate stop and ask themselves, "What are we doing? Why are we engaging in this might effort? What is our objective? Why are we taking this punishment? Why are we accepting the penalty of all-night sessions, placed upon us by the majority leadership, which has resulted in the continuous session of the Senate for these endless hours and even days?"

I am sure that most of us know the answers to these questions, but perhaps there are some on the other side of the aisle as well as many of the American public to whom the answers are not clear.

Obviously, Mr. President, we would not be making this effort if we did not deem the matter at issue to be fraught with the gravest and highest public interest. There have been a number of vital issues before the Senate this year—issues on which there was a sharp division of opinion. On no issue was there the resolve and determination to force a thorough airing of the problem as there has been on this one. Conversely, there has been no issue on which the majority leadership has shown itself so determined to force an early vote—a determination which has evidenced itself in the decision of the majority leader to hold these continuous all-day, all-night sessions.

What are the reasons for this determination on the part of the majority leader? With what urgent public interest is the immediate passage of this bill fraught? I have listened in vain to hear from the other side of the aisle any substantial justification for this urgency?

It is true that there are important and perhaps even essential provisions in the pending bill—those provisions dealing with the exchange of atomic information with our allies.

Well, Mr. President, I am perfectly willing—I think all of us are perfectly willing—to separate these provisions out, and to enact them with such amendments as we think are required by the public interest.

I ask unanimous consent to insert into the RECORD at this point in my remarks an editorial from yesterday's edition of the Washington Post entitled "He Asked for It." This editorial urges exactly this course of action—a course of action I have urged since the beginning of this debate.

Just a week ago today I made a very long speech on this very subject. I also entered into a colloquy with the majority leader this morning, when I made exactly the same proposal.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HE ASKED FOR IT

The gaseous diffusion process is one method of making plutonium for atomic energy. The same technique seemingly was adapted in the Senate to stall action on the amendments to the Atomic Energy Act. Filibusters are almost always disruptive, and the Democratic performance has been no exception. It has delayed the farm bill and other pressing legislative matters, and it almost certainly means that additional important items will get lost in the adjournment rush. For these reasons, however good the cause, the spate of oratory has been regrettable.

When this is said, however, it must be acknowledged that Majority Leader KNOWLAND certainly asked for the filibuster. Mr. KNOWLAND's dogmatic insistence on pushing through the atomic energy bill intact, despite its questionable provisions, served notice on the Democrats that they would have to engage in this kind of fight if they were to insure adequate consideration of the bill.

There is not the slightest reason why the international section of the bill, which is the really important section for immediate enactment, could not be separated from the domestic power section. The international portion could be readily amended and passed; but the domestic power section, even if it should be bulled through, would remain a canker sure to cause trouble later. To be sure, the Johnson amendment adopted yesterday makes the power section more palatable. But the philosophy governing atomic power requires as thorough consideration as that given the original McMahon Act. This portion could just as well be put aside for more study and cooler discussion at the beginning of the next session.

Indeed, Mr. KNOWLAND seems intent on alienating not only the Democrats but also some of the Republicans whose general outlook reflects President Eisenhower's. Mr. KNOWLAND's refusal to compromise on the private power contract in the Tennessee Valley was upheld by a Senate vote. But the method by which the contract was arrived at remains a shoddy one, involving both an abuse of the authority of the Atomic Energy Commission and a negation of the principle of competitive bidding. Senator JOHN SHERMAN COOPER, one of the stanchest administration supporters upon whose reelection the President is counting heavily, felt compelled to suggest a compromise. The cold shoulder he received at the White House, and later from Senator KNOWLAND, certainly did no service to his reelection.

In yet another field Mr. KNOWLAND has done his best to slap down Senator FLANDERS, whose censure resolution on Senator MCCARTHY presumably represents President Eisenhower's own feelings. Just whom does Senator KNOWLAND represent, anyhow? His ruthless tactics may prevail in the short run, but they are an open invitation to the sort of protest that has taken place in the Capitol, and they can scarcely advance the real interests of a progressive Republican administration.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I yield for a question.

Mr. MANSFIELD. Is it not true that what the Senator from New York proposes to do is to separate the bill by taking the most important part, the part which the President has in reality requested—and it is the only part—and to give the Senate a chance to act on that much-needed part of the present bill under consideration?

Mr. LEHMAN. I may say to the distinguished Senator from Montana that on the bill itself, exclusive of the international part, there are grave differences of opinion in the Senate, both on this side of the aisle and on the other side of the aisle. There are differences with regard to scores, if not hundreds, of provisions of the bill. We have not been able to resolve those differences. We have not been able to resolve them because the experts have not yet been able to resolve them. In my opinion, that part of the bill requires much longer study and exploration and debate than can possibly be had on the floor of the Senate. That part of the bill which refers to the international situation is the subject of very little difference of opinion.

As the Senator from Montana has pointed out, that is what the President has mainly asked for. That is what he should have.

The passage of that part of the bill would, in my opinion, greatly facilitate and assist the efforts of the President of the United States and of our State Department in securing a unity of purpose in outlawing the bomb. It would help them very much in their efforts to bring about a unity of defense among the freedom-loving countries of the West, and, I hope, of Asia.

Mr. MANSFIELD. Will the Senator yield for a further question?

Mr. LEHMAN. I am very glad to yield.

Mr. MANSFIELD. If the proposal of the distinguished Senator from New York is adopted it would mean that this so-called Dixon-Yates contract, under which the Government guarantees that concern a 9 percent profit, under which the Government pays local, State, and Federal taxes, under which the Government gives to the company, at the end of the 25-year period, a plant which had been erected largely through Government money, and which creates a private monopoly, then of course there would be no consideration given to the directive of the President of the United States directing, over the opposition of a majority of the Atomic Energy Commission, that a contract should be awarded to this particular concern. Is that not correct?

Mr. LEHMAN. That is entirely correct. Under the amendment which I have submitted, we would provide certain changes in the international features of the bill. Everything else in this voluminous and highly complicated and complex bill would be deleted, including, of course, the Dixon-Yates contract, which, as has already been pointed out by my distinguished colleague, would guarantee to that company, without even the submission of plans as yet, a guaranty on its investment, a cancellation clause which is more liberal than anything I have ever seen, the payment by the Government of all taxes, and would require the contracting utilities to assume no risk or hazards whatsoever.

It is one of the most fantastic contracts that I have ever seen, and it would certainly, in my opinion, destroy much of the usefulness of the TVA. Yet that provision and many other provisions of the bill, to which I shall later refer, would open the entire door to exploitation, and would give away this great asset, which the people have paid for to the extent of $12 billion. It would give that investment away to a few favored public utilities.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. LEHMAN. I am very glad to yield for a question.

Mr. MANSFIELD. Would the Senator say that the proposed contract between the Atomic Energy Commission or, we may say, the United States Government and the Dixon-Yates Co. is as yet unseen and only talked about?

Mr. LEHMAN. I am advised that that is the fact.

Mr. MANSFIELD. Can the distinguished Senator from New York state that to the best of his knowledge, either the joint committee or the Atomic Energy Commission or the Dixon-Yates Co. has as yet seen the contract which creates this huge profit, which establishes that bonanza, and which puts a gravy train on the track?

Mr. LEHMAN. I do not believe that anyone has seen it. There have been more or less authoritative reports of the guaranty and the cancellation clause, which would amount to about $40 million for the payment of taxes. All those things arose in the process of negotiation.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. LEHMAN. I am glad to yield.

Mr. MANSFIELD. Is it not true that under this particular kind of procedure the cost will be anywhere from $90 million to $140 million more to the United States Government than either under the offer made by another private concern or by the TVA itself?

Mr. LEHMAN. I am advised that it would be a minimum of $115 million, and might be in excess of that amount.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. LEHMAN. I am very glad to yield.

Mr. MANSFIELD. If the Senator's proposal is accepted, does it not mean also that that part of the present bill which deals with licenses and patents will not be considered at this time?

Mr. LEHMAN. That is true.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. LEHMAN. I may say that there is nothing more important in the bill than the question of licenses and patents, because we are really mortgaging the property of 160 million people of the country in this bill, which has been barely considered, and cannot be carefully and authoritatively and exhaustively considered on the floor of the Senate at this time.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. LEHMAN. I yield.

Mr. MANSFIELD. Is it not true that the action taken yesterday by the House of Representatives did away with the 5-percent proposal contained in the present bill, and therefore pulled the noose tighter so far as this particular situation is concerned?

Mr. LEHMAN. Yes. The natural inference is that if the Senate bill goes to the House for conference—that is, if it should be passed in the Senate, which I hope it will not be—with the 5-year limitation in it, it will go to conference with the House bill, which has no limitaton in it whatsoever. It is almost inevitable that we will come out with a compromise that will involve only, at the most, 2½ years or 3 years more.

I think the 5-year period is all wrong. Men who have been in this business the longest, because of the positions they have assumed under Government guaranty in plants which the Government has erected, would certainly have a tremendous advantage. A man may receive a patent of unimaginable value, and he can sit on it for 5 years, and the Government may not know what is represented by the patent.

Mr. MANSFIELD. Is it not true that some of these companies which have been subsidized to a large extent by Government funds are already sitting on patents?

Mr. LEHMAN. I have no doubt that is true.

Mr. MANSFIELD. Is it not true, furthermore, that if the bill is passed in its present form, which I hope it will not be, there is no room for a compromise, because it might take 5 years to build the kind of plant contemplated to work out?

Mr. LEHMAN. I think it is an iniquitous provision, as I think are some other provisions of the bill. I shall later this evening offer an amendment providing that in 1958 the Atomic Energy Commission shall send to the Congress of the United States a report on patents and its estimates as to the value and usefulness of the patents, so that at that time the Congress of the United States can decide with at least some degree of accuracy whether it should fix the period at 5 years, 10 years, 15 years, or without any limitation whatsoever.

Mr. MANSFIELD. Mr. President, will the Senator yield for a further question?

Mr. LEHMAN. Gladly.

Mr. MANSFIELD. Has the Senator heard any rumors—and I do not ordinarily like to bring up rumors—regarding testimony given before the Joint Committee on Atomic Energy to the effect that representatives of some of the companies doing business with the AEC have been able to keep patents under their own lid, keep them off the market, throttle competition, and thereby strengthen their own monopoly?

Mr. LEHMAN. I have heard rumors to that effect. I must say that I have no authoritative knowledge.

Mr. MANSFIELD. Nor have I, but I raised the question because I would like an answer. I thank the Senator from New York.

Mr. LEHMAN. Mr. President, I am sure it will be possible to present to the Senate a substitute proposal—a substitute for this entire bill—which will carry out this plan.

But the advocates of this bill have not, as far as I can recall, stressed the urgency of the international features of the pending measure, although President Eisenhower, in his special message of February 17, did give this matter the major emphasis, and his subsequent statements on this subject have given the same impression.

No, Mr. President, I get the definite impression from the advocates of this bill that they are even more interested, even more determined, to enact at this session under the pressure of the impending adjourment, the other features of this bill—the giveaway features—the features that would alienate from the public domain, and turn over, lock, stock and barrel to private monopolists, the uncharted potentialities—worth uncounted billions of dollars—of atomic energy for commercial power purposes.

Here is the real issue, Mr. President. Here is the nickel under the foot—the only explanation I can see of the urgent demand that the legislation in its present form be enacted immediately, at this session of Congress.

And this is the reason, Mr. President, that we who are opposing the passage of the bill in its present form are so determined to pursue our efforts to subject this bill to the searching and critical examination which, in my judgment, it fully merits.

I think most of us unquestionably prefer that the complex questions and issues involved in the domestic aspects of the pending legislation be left to consideration in the next Congress. I feel strongly that there should be sufficient time, not only for us here in the Senate to examine this legislation more care-

fully at leisure, but for the experts and authorities on this subject to examine and study it and to give us the benefit of their views.

My information is, Mr. President, that there were no actual hearings on the bill before us. The hearings that were held were on the original Cole-Hickenlooper bill, which was different in many major respects from the present bill. I am advised that subsequent to the introduction of the revised Cole-Hickenlooper bill many organizations which testified on the original bill, and which represented people or groups interested in the atomic energy program, expressed their desire to be heard but were told that the revised Cole-Hickenlooper bill would not be reported.

They were told that a further revision of the revised Cole-Hickenlooper bill would be prepared by the joint committee and that further hearings would be held on that. But there were no further hearings, and many organizations with a major interest in the development of peacetime atomic energy, especially with respect to electric power, were precluded from presenting their views on the bill before the Senate.

Mr. President, I have no original information on this matter. I make this statement on the say-so of some of the organizations which are most vitally interested in this subject; and if the chairman or any member of the joint committee wishes to correct me on this matter, I would, of course, be glad to be straightened out on this point. Surely in a matter so all important and all pervasive as the pending matter there can be no justification for failing to provide adequate time for all the public-interest groups with a stake in this program to express themselves and make a record of their views on every aspect of this legislation.

Opportunity should have been afforded for a careful line-by-line study of this legislation by Members of the Senate and by the public over a period of months, not merely of hours or days. And there certainly should have been the fullest kind of public hearings on this bill in the form in which it was actually considered by the committee. The information I have received indicating that there were no such hearings greatly increases the misgivings I had already had on this measure.

Mr. President, I wish to say that while I was desirous of giving any member of the joint committee the right to question my information, I have no doubt that my information is correct. It has been strengthened by the remarks of the distinguished Senator from Minnesota [Mr. HUMPHREY], who put into the RECORD today many letters from people who stated they had been refused the opportunity of appearing before the committee at hearings on the revised Cole-Hickenlooper bill.

Now we are engaged in an intensive and not-too-well-coordinated effort to improve this bill, to remedy its most obvious defects by floor amendment. Already we have adopted a number of these amendments, the most important of which were the Johnson amendment and the Gillette amendment, both of which I strongly supported. In fact, I had introduced amendments to the same effect myself. But this is patchwork, Mr. President, on a complex body of law. While the Johnson and Gillette amendments markedly improve some aspects of this bill, they do not remedy the basic defects in intent and purpose, namely, to give away the peacetime development of atomic energy exclusively and completely to private monopoly.

I wish to emphasize that again, as I have so many times on the floor of the Senate and elsewhere. And, of course, there are many other defects in this bill which I have been able to ascertain, and undoubtedly many others which I do not know about and which very few individuals know about.

No, Mr. President; this is not a subject for which legislation should be considered and enacted in haste. This legislation disposing of an absolutely unexplored and uncharted subject matter should be deliberately exposed to the intensive and prolonged scrutiny of every expert in this field. I trust my colleagues will excuse me for stressing so heavily the necessity of submitting this legislation to long study and consideration.

I do not think that most of us fully comprehend the radical nature of this legislation—the complete departure which it makes from the philosophy of the McMahon Act and from the philosophy of those who originally built the structure of Federal controls over the atom.

Mr. President, it is very easy to talk about freeing the atom from the shackles of Government bureaucracy and of turning peacetime atomic development over to free enterprise. These are expressions that have a certain vogue in the present political atmosphere and which are part of the trend of the present administration—to get the Government out of business—out of the business of serving the public.

The advocates of this bill claim that they want merely to let private enterprise apply its genius to the task of developing the peacetime potentialities of the atom. Yes, Mr. President; that sounds good—at least to some people. But what this bill actually does is to turn the atom—the priceless secrets of atomic energy—over to a select elite of private enterprise, to a few huge monopolies who could, under the terms of this bill, establish within the next few years such a grip upon the technology of atomic energy as to make it impossible for the rest of private enterprise—the great mass of industrialists and businessmen—ever to have effective access to the technology of atomic power.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I yield.

Mr. HOLLAND. I note that the amendment of the Senator from New York provides simply for striking out of the bill section 122, which is that portion of the bill that gives maximum effect to the policies worked out by international treaty or future acts of Congress. I have not heard the Senator from New York mention that subject. I was wondering what the meaning of his amendment was, and what the reasons were why the Senator from New York wanted to strike that section. As I listen to his argument, it seems to me he was emphasizing the international aspects of the bill. Yet he was proposing to strike out all future policy matters, whether coming from future treaties or future acts of Congress.

Mr. LEHMAN. I am rather surprised by the question of the distinguished Senator from Florida. I have not heard any Member of this body declaim the right of a Senator or question the right of a Senator during debate to proceed in the manner in which the Senator wanted to treat the subject matter which was before the Senate. I am speaking now without limitation, as is my right as a Member of the Senate. I shall be glad later on to explain, during my discussion, the purpose of the amendment, but in the meantime I doubt very much the propriety, or the appropriateness, if I may say so, of the question of the Senator from Florida regarding the manner in which I am presenting the argument before the Senate.

Mr. HOLLAND. Mr. President, will the Senator yield further for a question?

Mr. LEHMAN. I yield for a question.

Mr. HOLLAND. Does not the Senator from New York think when a Senator feels that, from the statement up to now, a Senator may have made a mistake about the particular amendment he was discussing, he should, out of kindness and consideration, call that matter to his attention?

Mr. LEHMAN. If that is the reason for the question of the Senator from Florida, then I want to express my deep appreciation to him. I thought the question was addressed to the Senator from New York in criticism of the manner in which he was conducting this part of the debate.

Mr. HOLLAND. Will the Senator yield further?

Mr. LEHMAN. I yield.

Mr. HOLLAND. I wish to assure the distinguished Senator I was trying to do him a kindness, because I had been waiting expectantly and with anticipation for the last 20 minutes to hear the statement which the Senator said related to his amendment. I was fearful that, having other amendments which the Senator from New York has mentioned, he had addressed himself to another amendment.

Mr. LEHMAN. No. The Senator from New York has been in the Senate several years, and he has listened to many debates in which, for much more than 20 minutes, the matter which was of interest to him was not set forth in the remarks of the speaker.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. LEHMAN. I am very glad to yield to the Senator from Texas.

Mr. DANIEL. In all sincerity, I wanted to know if we were correct in assuming that the amendment of the Senator from New York proposes to strike out of the bill section 122, which simply reads:

In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any

international arrangement made after the date of the enactment of this act.

Mr. LEHMAN. I can assure the Senator from Texas that the junior Senator from New York knows exactly what he is doing. He is addressing himself now to many phases of the bill. He will get to the subject matter of the amendment later on.

Mr. DANIEL. Would the effect of the amendment not be to strike out section 122?

Mr. LEHMAN. That certainly would be the effect of my amendment, but I shall later explain why I am offering the amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I yield to the Senator from Montana.

Mr. MANSFIELD. Is it not very true that what the Senator from New York is doing is laying a broad foundation before he comes to the point? After all, the bill covers a large area. While the Senator from New York is offering an amendment which relates to a particular section of the bill, it takes a good deal of elucidation and groundwork and cementing before the distinguished Senator from New York can reach the point at which he will explain his amendment. Is that not correct?

Mr. LEHMAN. The Senator from Montana is eminently correct, but not everything that I am saying at this time, or which I shall say during the course of my remarks, will necessarily be connected with or be the groundwork for the amendment which I have offered, although this entire discussion has a very definite connection.

Mr. President, there is a tendency to compare atomic energy with ordinary energy and to consider the atom as being just another resource like coal or oil. The advocates of this measure confuse the atom with some kind of mineral deposit. Indeed, I would not be surprised to see an early proposal made for a percentage depletion allowance on the atom.

Seriously and actually, Mr. President, atomic energy is completely different, both in its scientific nature and in its political implications. This difference was clearly grasped by the great American statesmen of the beginning of the atomic age, less than 10 years ago. Listen, for instance, to what the late Senator Arthur Vandenberg wrote in his private papers published in 1951. On page 354 of that book, that great Republican statesman, who was never accused of being anything other than a political conservative, wrote:

> Until we have completed the peace treaties and until we have negotiated a competent international agreement to outlaw the use of atomic energy for destructive purposes, it is absolutely vital, in my opinion, that public ownership and public control of atomic energy should be as completely airtight and foolproof as it is possible to make it. Anything less would be a surrender to the greatest hazard of the ages. We cannot hope for these final treaties and for this international agreement short of another couple of years in all probability. During this time I know—and I am very dogmatic about it—that I am best serving my country when I provide the tightest possible public control of atomic energy in the United States.

On page 356 Senator Vandenberg wrote further:

> We, the Congress, have declared by law that the control of atomic energy must be the tightest Government monopoly ever set up in the United States—pending the day when the destructive use of atomic energy shall be outlawed for keeps. * * * We solemnly and unavoidably decreed that Government ownership and management, no matter how much we dislike it in other aspects of our national economy and life, is an indispensable public necessity for the sake of national security in respect to the control of atomic energy.

These statements by Senator Vandenberg, along with similar declarations by the author of the McMahon Act, my late and beloved friend, Senator Brien McMahon, clearly reflected an understanding that atomic energy was to be considered in a completely different category from any other source of energy or any other natural resource, and it must be so, Mr. President.

Atomic energy, as I have said several times in the course of this debate, opens up a new vista of undreamed proportions. It may change the entire nature of our economy and every aspect of our way of life. On the military side it holds the key to war and peace; it holds the key to the survival or the destruction of civilization. Yet the development of the peacetime potential and of the military potential of atomic energy are very closely related; the two cannot be completely separated. It is recognized even in this legislation that they must remain under the same overall jurisdiction—that of the Atomic Energy Commission. We cannot and must not treat atomic energy like a mineral resource subject to unlimited private exploitation, with only minimal Government controls. Indeed, Mr. President, as has been said in this debate, there are many more laws and regulations covering the mining of coal or the extraction of oil from the ground than are here proposed to be established in the pending bill for the control of the peacetime uses of atomic energy.

There are so many things to be said on this matter that it beggars the imagination and defies the limitations of time. I would just like to cite one example. On the political and international front the international control of atomic weapons is one of the controversial subjects of negotiation among the nations of the world. It is one of the divisive issues between the West and the East, as well as among the allies of the West. On the constructive solution of this issue and the settlement of the differences that now exist depend, in large measure, the peace of the world, on the one hand, and the unity of the free world, on the other.

Yet, Mr. President, we can by hasty action on the legislation now before us greatly curtail, if not completely frustrate, the possibilities of reaching agreements with both our allies and our enemies. We can establish such a statutory pattern for the disposal of peacetime atomic energy as to make it impossible to negotiate successful agreements on the control of the military uses of the atom.

Mr. President, the United States is still on record as advocating and supporting the Baruch plan for the international control of atomic weapons. In fact, the Baruch plan has been and still is, as far as I know, the basis of our official position in regard to world disarmament. As recently as a few months ago, in a meeting of the United Nations Disarmament Commission in London, the United States was still supporting the Baruch plan or any reasonable modification thereof.

But, as I read this bill, Mr. President, its provisions with regard to the issuance of licenses to private companies for the construction of atomic reactors is directly repugnant to the Baruch plan, which presupposes Government ownership and control of all means of atomic production.

Thus, while we propose on the international front we dispose in a completely contrary way on the home front—here in Congress.

Mr. President, I have made informal inquiries to the State Department, and am advised that although the United States is still advocating the Baruch plan, there is not much prospect that Russia will accept the Baruch plan. The State Department is said to feel that if Russia should, by some miracle, reverse its position and accept the Baruch plan, the United States Government could reacquire the atomic reactors from private industry.

Mr. President, I do not presume to be an expert or a prophet in such matters, but I would guess that it will be much harder, once the licenses are granted to the big private corporations for the construction of reactor plants, to get these reactor plants back from the private companies than it will be to get Russia to change her position on the Baruch plan, and I am quite certain the difficulties of that are vast.

Mr. President, this is just one example of the complications and implications of the pending bill. As far as I can find out, only passing attention was paid by the joint commitee to this vital phase of the matter. It should have had the most exhaustive examination.

Mr. President, for all practical purposes what we are doing here in this legislation is to repudiate the Baruch plan. It may be that the Baruch plan is no longer realistic or feasible, and that there is no longer a need to consider it in framing legislation on atomic energy.

But if that is true, Mr. President, that, in itself, is a momentous decision, to be taken with the advice and counsel and indeed on the initiative of the President of the United States and the State Department. It should not be a decision taken obliquely, almost covertly, and certainly in an incidental manner, in the process of passing the legislation before us. I would certainly not want to vote on this matter until I had a formal and explicit expression of opinion from the President of the United States and the Secretary of State.

Mr. President, this is only one of the hundreds, implicit in the legislation be-

fore us. I have not heard the Baruch plan discussed in the course of this debate. I think it should be discussed, and discussed at length. So should all the other problems involved in this measure.

How then can we consider the peacetime development of atomic energy in the same class with the mining of coal or the digging of oil wells or other aspects of private enterprise? As I have said time and time again, and many of us have said, we have no desire to prevent fullest possible participation by private enterprise in the industrial and commercial development of atomic energy and of electric power from the atom. Indeed, we wish to encourage it. But what we are opposed to is the outright giveaway, the naked and unashamed giveaway of the public's right and the public's investment in atomic energy to a few big monopolistic corporations—those which are at the present time equipped with the know-how and with the financial backing to build reactor plants.

The development of atomic energy for power purposes is the public's business. Atomic energy is clearly in the public domain by right of discovery and, above all, by the essential nature of atomic energy. Our Government has spend $12 billion on the atom. Here it is proposed to give away the precious know-how, and to license the fissionable material to those corporations which are big enough and which already have the inside track, to build atomic reactor plants.

The advocates of this legislation say very blandly—and with the assurance that they are giving utterance to a popular sentiment—that they want the Atomic Energy Commission to stay out of the power-producing business, that this is not and should not be the business of the Atomic Energy Commission. Well, Mr. President, maybe it is not the business of the Atomic Energy Commission, but it certainly is the business of the United States Government. The Government should not only have the authority—but should exercise it—to construct and maintain a certain number of reactor plants, first, to meet the Government's own needs for power, and second, to serve as public yardsticks against which private performance in this field can be measured.

Of course, the Senate saw the wisdom of this point of view when it approved the Johnson amendment. But I would like to assure my colleagues that the Johnson amendment does not by any means remedy the defects in the bill. The bill is tailored and designed for the giveaway, and the Johnson amendment is a forward-looking seat on a backward-moving vehicle.

This bill has any number of provisions designed to discourage, if not to prevent, the very type of activity envisioned in the Johnson amendment. Under section 44, this bill does permit the Atomic Energy Commission to sell or otherwise dispose of incidental power obtained as a byproduct from its research activities. But there are no safeguards or standards governing the sale or disposal of even this power—not to speak of the power that might, but probably will not be, made available under the authority of the Johnson amendment.

The pending bill refers piously to State regulation of rates as a means of insuring that the power it disposes of will reach the consumer at fair and reasonable rates.

The fact is that rate regulation by State commissions is, in many States, a mere front for high-profit gouging of the public. And there are six States in the Union which do not have regulatory commissions or bodies of any kind.

There are no standards in this bill in any way equivalent to the standards laid down in Federal law governing the disposal of hydroelectric power from Government-generated sources. These standards or safeguards have been established in the Federal Power Act and in the Flood Control Act of 1944. These laws codify the national power policy so painstakingly evolved from a half century of experience. Now here in the pending bill, in regard to atomic power, we discard all these lessons of experience, and these standards and safeguards, and purposes to issue licenses for reactor plants to develop electric power without any safeguards or standards whatever.

Let us recall the history of the development of the national policy with regard to hydroelectric power. Here was a new technology. The first commercial application of electricity to a working machine occurred in France in 1858. Edison invented the incandescent bulb in 1886. By 1896 nearly 300 hydroelectric plants operated in the United States. True, they were small and, compared to today's giants, they are now antiquarian relics, of almost archeological interest. Yet they utilized the Nation's waterways, sometimes constituting blocks to navigation. The Congress had granted permits for the construction of such plants without charge, without safeguards, without right of recapture.

In the first decade of this century already, according to early reports, the private utilities, while their progress in electric technology had not been slow, had made much more rapid strides in monopolization and consolidation of control over the Nation's waterways.

President Roosevelt in 1908 pointed this out when he said:

> We are now at the beginning of great development in water power. Its use through electric transmission is entering more and more largely into every element of the daily life of the people.

That was the good part. But here is the bad part, as he continued—

> Already the evils of monopoly are becoming manifest; already the experience of the past shows the necessity of caution in making unrestricted grants of this great power. The present policy—

He said—

> pursued in making these grants is unwise in giving away the property of the people in the flowing waters to individuals or agencies practically unknown and granting in perpetuity these valuable privileges in advance of formulating definite plans as to their use.

Mr. President, that statement was made by a great Republican President nearly 50 years ago. The President was talking about water power. Then, of course, it was in the early stages of its development; but the remarks the President made at that time apply equally forcefully to the question which is before us now, and I would say even more appropriately, because I believe the potential value of the atom, both for commercial purposes and for the defense of the country, is so vast that it defies any possible computation.

I want to quote again from that great President, Theodore Roosevelt, who, with Gifford Pinchot, was really the founder of conservation of our natural resources in this country.

President Roosevelt recommended that some official in the Government should have the duty to see to it that in approving the plans, the maximum development of navigation and power is assured, or at least, that in making the plan, these may not be so developed as ultimately to interfere with the better utilization of the water or complete development of the power.

If we substitute in this statement today's date, and instead of talking about "giving away flowing water," we substituted "giving away atomic power," it would sound very appropirate to the present issue.

The Congress of the United States was slow to catch up with the private utilities which managed to obtain grant after grant from them, for waterpower sites. These grants contained no conditions whatsoever; nothing was said about duration, except that some were granted for 99 years instead of in perpetuity. Nothing was said about the type of development to be constructed. Nothing was said about how the utility should serve its customers. Rates, service, structures, monopolization—all these matters received little attention from an overgenerous Congress. And so by 1896 we had almost 300 little hydro projects, and unquestionably many more, but it could not find the exact figure, in the year 1903, when Teddy Roosevelt issued the first in an historic series of vetoes, to stop this wanton dissipation of water resources, whose value was then just barely beginning to be understood.

Said President Roosevelt in his veto of the bill which would have granted power rights at the famous Muscle Shoals site to a private utility company:

> The recent development of the application of water power to the production of electricity available for use at considerable distance has revealed an element of substantial value in streams which the Government is or is liable to be called upon to improve for purposes of navigation, and this value, in my judgment, should be properly utilized. * * * Wherever the Government constructs a dam and lock for the purpose of navigation, there is a waterfall of great value. It does not seem right or just that this element of local value should be given away to private individuals of the vicinage, and at the same time people of the whole country should be taxed for the local improvement.
>
> I think it is desirable that the entire subject of granting privileges of the kind referred to in this bill, should be considered in a comprehensive way and that general policy appropriate to the new conditions caused by the advance in electric science should be adopted under which these valuable rights will not be practically given away, but will be disposed of after full competition in such way as shall best conserve the public interests.

So wrote Teddy Roosevelt in 1903, in stopping that particular giveaway bill. I wonder whether those of you listening to me are, like myself, struck with the applicability of the language to the situation confronting us here today?

Mr. President, the situation, essentially, is no different. There we proposed to give away many of our valuable rights, hydraulic rights, rights belonging to all the people of the Nation.

Had it not been for the foresight, the courage, the determination of a great President of the United States, a great Republican President of the United States, Theodore Roosevelt, those great resources would have been forever lost to the people of the United States. He used the word "giveaway," and he used it appropriately. He used it with great meaning.

Now we are proposing, Mr. President, to do exactly the same thing, only on a large scale, which Mr. President, Theodore Roosevelt stopped nearly 60 years ago.

Unless we take steps, unless we take counsel of the lessons of the past, Mr. President, we will make the same mistakes which the Congresses made just before and after the turn of the century. When we do make those mistakes, Mr. President, it is not going to be possible for us to retreat, to go back. We will have given away the things, irremedially, without recourse, without any recapture clause whatsoever.

Even in waterpower that is licensed today by the Government of the United States, licensed to private utilities or licensed to States or public agencies, there is in every instance, I am advised, a recapture clause. The license may be for a considerable period of time, but at some time, whether it be in 25 years, 50 years, or in 99 years, as in a few cases, the Government of the United States in every instance has the right to recapture.

Even in the case of the license that has recently been issued to the State of New York to develop the great waterpower resource of the St. Lawrence River, there was and is a recapture clause. But we propose to do nothing of this sort at all. We propose under this bill to give the Atomic Energy Commission or the Government the exclusive right, the comprehensive right, to give away this property without any standards, without any conditions, without any way of retracing our steps or remedying the mistakes which are inevitable in a great undertaking of this kind.

Now, Mr. President, it is maintained by the advocates of this legislation that we need to pass this measure here and now in order to provide for the participation by private enterprise in the development of the peacetime uses of the atom. As far as I can ascertain, Mr. President, this is not substantially true. The fact is that from the very beginning, the Atomic Energy Commission has cooperated closely with private industrial corporations, both in the construction of its production facilities and in the operation of these facilities. The AEC has always worked through private contractors.

And at this very moment, under the authority of the McMahon Act, the Atomic Energy Commission has already taken steps to construct an atomic-energy power-production reactor by contract with the Duquesne Light Co. of Pittsburgh. Recently, the General Dynamics Corp. built an atomic-powered submarine for the United States Government, and for some time privately owned airplane companies have been working on atomic airplane engines. These are but a few examples of private participation in the atomic-energy program, and all this is taking place under the terms of the McMahon Act.

This kind of cooperation and participation could continue, without additional legislation at this session. There would be no great loss as far as I can see, and the Government would continue to maintain control of industrial atomic-energy development instead of surrendering that control to private monopoly.

I am sure that we need further legislation on this front, but, as I have said before, that legislation should be drawn with the most scrupulous care, and studied and examined and reexamined over a long period of time before being enacted into law. I do not wish to see a pattern established which will be difficult, if not impossible, to modify by action of a subsequent Congress.

Mr. President, there is no advantage whatsoever to the passage of the pending legislation in its present form. Indeed, it would be, in my judgment, the greatest catastrophe that I can envision. I hope and I trust that this bill in its present form will not be approved. I would prefer to see this legislation lie over until next session—with the exception of the international provisions which we can separately approve now.

But, Mr. President, if the majority of the Senate is unwilling to dispose of this legislation in this manner, we must persist in our efforts to amend this bill, to scrutinize it section by section, and to consider amendments to it section by section—until we have, if a majority of the Senate be willing, perfected this bill to the extent that our present wisdom, knowledge, and information permit.

If we cannot separate the bill into an international part and a domestic part, which I have proposed and which some of my colleagues have proposed, then we, in my opinion, should consider, study, and debate this bill section by section.

We cannot do less if we are to protect the interests of the people of the United States.

In regard to the amendment which I have sent to the desk, I shall debate it further on another occasion. I understand under the rules of the Senate I may debate an amendment twice.

Section 121 states:

Effective international arrangements: Any provision of this act or any action of the Commission to the extent and during the time that it conflicts with the provisions of any international arrangement made after the date of enactment of this act shall be deemed to be in no force or effect.

Section 122 provides:

In the performance of its functions—

The functions are described under section 123—

under this act, the Commission shall give maximum effect to the policies contained in any international arrangement made after the date of enactment of this act.

In other words, that section is objectionable because it serves notice we should proceed with agreements made prior to the enactment of this legislation, if it is ever enacted, in a way entirely different from the way we proceed with regard to international agreements made after the date of the enactment of this act.

I think that would very greatly tie the hands of the President and of the State Department in their negotiations with other countries, either separately or as a group. It would handicap them with regard to dealing with organizations or regional combinations under agreements that were made prior to the enactment of the bill.

There is no reason for that being in the bill. Therefore I propose to move that it be stricken from the bill. I am not calling up my amendment tonight, because I will probably wish to speak on it at another time when there are more Senators on the floor.

POLISH ARMY VETERANS IN GREAT BRITAIN

Mr. FERGUSON. I ask unanimous consent to insert in the RECORD two statements referring to information that the British Government has agreed to guarantee readmission certificates for veterans of the Army of the Republic of Poland who are now living in Great Britain. This complies with an amendment that I had proposed to the Displaced Persons Act, and I am glad to report the information to the Senate. I ask that the statements be made a part of my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FERGUSON

POLISH ARMY VETERANS IN GREAT BRITAIN

The Secretary of State informed me this morning that he has obtained from the British Government the necessary guaranties of readmission certificates for the veterans of the Army of the Republic of Poland who are now living in Great Britain.

This action will permit 2,000 of these men, who have fought so long and bravely for the cause of freedom, to come to the United States under the terms of a section of the Refugee Relief Act of 1953 which I was proud to sponsor.

Like our action in closing the Communist Polish consulates in this country, today's action marks still another step furthering the just cause of a free Poland.

I am pleased that my insistance that the consulates be closed was accomplished, and that my efforts to facilitate the admission of the 2,000 veterans of the Army of the Republic of Poland living in England have been successful.

ANNOUNCEMENT OF SENATOR FERGUSON

Senator HOMER FERGUSON revealed today that the British Government has agreed to grant the necessary reentry assurances, thus clearing the way for veterans of the free Polish Army now living in Great Britain to come to the United States.

The Refugee Relief Act, under terms of a provision sponsored by Senator FERGUSON, permits up to 2,000 veterans of the free Army of Poland to come to the United States. These men served under General Anders in

the campaigns in Italy during World War II, and now live in Britain.

The British Government earlier in the year refused to grant the assurances but negotiations were reopened by the United States State Department at the request of Senator FERGUSON.

The Michigan Senator, who is chairman of the Senate Republican Policy Committee, made public a letter from Secretary of State Dulles announcing the British willingness to cooperate. The text of the letter follows:

DEPARTMENT OF STATE,
July 23, 1954.

The Honorable HOMER FERGUSON.

DEAR HOMER: Because of your close personal interest, I am happy to inform you that the British Government has finally acceded to our wishes and we have now received from them the guaranty of readmission certificates for the Anders Poles.

Sincerely,

JOHN FOSTER DULLES.

"This is a big step forward for these brave men and I am delighted at the success of the Secretary of State in the matter," Senator FERGUSON said.

The readmission certificates are required from the British under the terms of the United States law and the British have refused to grant them until now.

Action to process the applications of the Polish Army veterans will start in the near future, Senator FERGUSON said. However, he urged interested groups and individuals in this country to provide the necessary assurances of housing and employment required for prospective immigrants. Forms and information on these assurances may be obtained at the local offices of the United States Immigration Service.

Mr. LEHMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hennings	Martin
Barrett	Hickenlooper	Millikin
Beall	Hill	Murray
Bowring	Holland	Payne
Bridges	Humphrey	Potter
Butler	Jackson	Saltonstall
Capehart	Jenner	Schoeppel
Carlson	Johnson, Tex.	Smathers
Clements	Johnson, S. C.	Smith, N. J.
Crippa	Kilgore	Sparkman
Daniel	Knowland	Stennis
Ferguson	Kuchel	Thye
Flanders	Lehman	Upton
Goldwater	Magnuson	Wiley
Gore	Malone	
Hayden	Mansfield	

The VICE PRESIDENT. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BENNETT, Mr. BURKE, Mr. BUSH, Mr. BYRD, Mr. CHAVEZ, Mr. CORDON, Mr. DOUGLAS, Mr. DWORSHAK, Mr. ERVIN, Mr. FREAR, Mr. FULBRIGHT, Mr. GEORGE, Mr. GILLETTE, Mr. GREEN, Mr. HENDRICKSON, Mr. JOHNSON of Colorado, Mr. KENNEDY, Mr. KERR, Mr. LANGER, Mr. LONG, Mr. MAYBANK, Mr. MCCARRAN, Mr. MORSE, Mr. NEELY, Mr. PASTORE, Mr. PURTELL, Mr. ROBERTSON, Mr. RUSSELL, Mrs. SMITH of Maine, Mr. SYMINGTON, Mr. WATKINS, and Mr. YOUNG entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. KNOWLAND obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me for the purpose of making a very brief statement and submitting a proposed unanimous-consent agreement on behalf of myself and the majority leader?

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be permitted to yield to the distinguished minority leader without losing my right to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, after consultation with a goodly number of Senators on both sides of the aisle, including the able majority leader, I have prepared a unanimous-consent agreement, which I should like to send to the desk and ask to have the clerk read, prior to a brief statement which I plan to make.

The VICE PRESIDENT. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read the proposed unanimous-consent agreement, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That following the morning business on Monday, July 26, during the further consideration of S. 3690, to amend the Atomic Energy Act of 1946, as amended, and for other purposes, debate on any amendment or motion, including appeals, shall be limited to not exceeding 2 hours on each amendment, except patent section, which shall be 6 hours, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the Senator from Iowa [Mr. HICKENLOOPER] in the event he is opposed to any such amendment or motion; otherwise, by the mover and the minority leader or some Senator designated by him. No amendment shall be in order for consideration that has not been filed before 8 p. m., Saturday, July 24. When all amendments have been disposed of and the third reading of the bill has occurred, a motion to recommit will be in order with debate thereon to be limited to 4 hours, equally divided and controlled, respectively, by the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Texas [Mr. JOHNSON]: *Provided,* That no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further,* That debate upon the bill itself shall be limited to not exceeding 6 hours, to be equally divided and controlled, respectively, by the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. President, as all Senators will recognize, the unanimous-consent agreement proposed is the standard unanimous-consent agreement which on occasion we enter into. Of course, we have different hours on amendments, usually a number of hours on one specific amendment, and a substantial number of hours on recommittal and passage of the bill.

I hope this request will be pondered, considered, and given proper reflection. It can be modified. It can be amended. It can be changed.

I have no pride of authorship, because there are many Senators who participated in the preparation of this proposed unanimous-consent agreement. My feeling, Mr. President, is that there is a time when every man must reach a decision. I think many of the Senators, indeed, most of the Senators, have reached that point already.

I believe most of the Senators realize that the minority leader, the Senior Senator from Texas, is well known as an advocate of the fullest freedom of debate possible in the Senate of the United States. My first speech in this Chamber addressed itself to that very point. It does not become necessary, Mr. President, to change my views in order to point out certain facts about the pending measure.

The bill presently under consideration was studied by a special joint committee composed of some of the ablest Members of this body and the body at the other end of the Capitol. No member of that committee, I am informed, cast a single vote against reporting this measure to the Senate or the House. Minority members of the committee have filed some courageous and rather sound views on the measure. They are views which are worthy of consideration and, I think, worthy of a vote.

Under all the circumstances which confront us this evening, I think we should pause for a moment and reflect upon the position in which the Senate finds itself. This is a political body, political in the truest and highest sense of the word. The Senate was established by the Founding Fathers to resolve political questions; to determine, if you please, which view should prevail for a given period of time. We do not resolve questions, Mr. President, by merely offering an amendment, speaking on it, and perhaps subsequently withdrawing the amendment. We resolve political questions by deciding them.

There may be some Senators—and I am sure there are—who are willing and anxious, even eager, to recommit this bill if they can ever bring that issue to a vote.

There may be some Senators who are willing to make major amendments to this bill if they can have their major amendments voted upon and the roll called.

There may be some Senators who want to defeat this bill.

But we can do none of these things, Mr. President, if we spend all of our days and all of our nights speaking—speaking hour after hour. I believe we have reached the point—at least we are nearing the point—where the public has been sufficiently informed of the positions of various Members on both sides of the aisle. The issues have been reported over the radio, in the press and through the medium of television. The issues have gone throughout the length and breadth of the land.

A reasonable debate limitation, if we should be able to accomplish a miracle tonight and agree to some form of unanimous consent—not necessarily the one that is submitted by the able majority leader and the senior Senator from Texas, but some form of debate limitation—is desirable. I still think if tonight we had such a consent agreement as has now been proposed we would have at least 1 whole week left to inform our constituencies and our colleagues of our respective views.

There is another question I should like very briefly to call to the attention of the Senate. We have many important and very vital issues awaiting our attention. The other House is awaiting our action on most of these issues—the farm bill, the social-security bill, the housing bill conference report, the tax bill conference report, and many others. The Senators need no information from me with regard to these issues.

I want to ask the Members on both sides of the aisle—the Members constituting all three parties—to consider what is thought to be a reasonable agreement drafted by reasonable men for the use of reasonable people. In offering this agreement I want to make it abundantly clear, Mr. President—and I want to stress this—that I have not polled each individual Member, not even on this side. I am advancing the proposal in the hope it will appeal to most reasonable Democrats, and to most reasonable Republicans—that reason will prevail and finally, down the road, we can bring an important issue to a determination.

Mr. President, through many decades my party, the Democratic Party, has been truly a responsible party. These are times, Mr. President, the Senator from Texas thinks, which call for responsible actions by responsible parties made up of responsible men.

I believe every Member of the Senate is a patriot. I believe each Senator operates with but one motive, namely, to do what he conceives to be best for all the people of the United States.

Mr. President, I can speak only for myself in this respect. I want to do what I think is reasonable, what I think is fair, what I think will expedite the public business with proper regard for the protection of every Member of either the majority or the minority or the Independent Party.

I think, Mr. President, this is the hour for each of us to search his heart and his soul and ask himself the question: Are we exercising the responsibility of which we are capable?

That is about all I have to say. If this agreement is not entered into, I have no ultimatums to issue, no threats to make, because I accord to every Member the highest of motives.

I think the days and nights we have gone through will long be remembered by every Member, as well as by many of our fellow citizens throughout the Nation. If we have been too lenient, we can yield back the time if it is accorded. If we have been too stringent, if we have placed any Member in a straitjacket by saying, "Let us confine our discussion after many, many hours of honest expression from honest hearts," if some Member thinks he does not have quite enough time on the motion to recommit, on individual amendments, on the patent section, on the passage of the bill, then we are open to suggestion.

The debate has brought much information to many Senators. I spent all of night before last, and the night before that, in this Chamber. The junior Senator from Minnesota delivered me at my home about 7 o'clock in the morning. The next night I was here until about 4 a. m., and last night until about the same hour.

Mr. President, whatever my destiny may be, it was decided in Texas about 7 o'clock, and I have not had time to determine exactly what the decision is. But, regardless of what the electorate said about the Senator from Texas in the primary today, I am going to be here with my colleagues until the program of the American people is acted upon. I hope that we can get away from Washington as soon as possible. I believe we can get away quicker if we reach an agreement.

I believe this agreement is a reasonable agreement, prepared, as I said, by reasonable men to serve reasonable purposes. It does not represent a victory or defeat for anyone. It simply means that we have agreed on a procedure that will protect every Member of this body in the rights he feels he should exercise. If it does not, then let him come forward and make a suggestion. There will be no one more willing to meet him half way than the minority leader and, although I am not commissioned to speak for the majority leader, I believe the majority leader, as well.

Mr. President, I would be glad to answer any questions. My colleagues have indulged me longer than I had anticipated. I have said what is in my heart. I have felt that on this Saturday night it was time to say what I have said. I should like to have the Chair put the request, and I express the hope that, united, we can march toward resolving and determining, on the basis of logic and merit, the questions involved in this bill.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

Mr. LEHMAN. Mr. President, reserving the right to object, may I have the copy of the proposed unanimous-consent agreement?

(A copy of the proposed agreement was handed to Mr. LEHMAN.)

Mr. LEHMAN. Mr. President, this unanimous-consent agreement was read hurriedly by the clerk. I have not had the chance to read it and consider it carefully, and I do not believe that my colleagues have.

I see something in it which struck me very forcibly when it was hurriedly read.

It was to me a vision that I have not seen in any previous unanimous-consent agreements, although I may be wrong. My service in the Senate is much shorter than some of the other Members.

Here I read a provision:

> No amendment shall be in order for consideration that has not been filed before 8 p. m., Saturday, July 24.

I do not believe that such a provision has ever before been in a consent agreement. To my knowledge, it has never been in a consent agreement. The minority leader has stated that we shall probably be debating this bill throughout next week, even under this agreement. I cannot conceive of the Senate, which is supposed to be the greatest deliberative body in the world, agreeing now not to permit amendments to be offered and to be considered, discussed, and acted on during that period.

I can perfectly well believe that there may be occasions or may be reasons when, within 10 minutes of the final vote on a bill, an amendment may be offered by some Senator that deserves the most careful consideration and possibly acceptance.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. LEHMAN. If I may finish my statement, then I shall be glad to yield. I do not know whether the rest of the agreement is acceptable or not. I certainly do not speak for my associates, as I have no right to speak for them, nor am I disposed to speak for anyone but myself.

I do not know whether I should raise objection to this agreement for other causes, but I can say that so long as the provision remains in the unanimous-consent agreement, that no amendment shall be in order for consideration which has not been filed before 8 p. m., Saturday, July 24, which was a half-hour ago, I certainly do not feel justified in accepting it.

Mr. KNOWLAND. Mr. President, I should like to ask the distinguished Senator this question: Is it not a fact that under the terms of the agreement, amendments to any of the amendments that are on the desk, or have been offred up to 8 o'clock tonight, would be in order, so that Senators would not be foreclosed in any way for offering amendments to amendments which have been offered or amendments modifying them?

Mr. LEHMAN. I may say to the Senator from California, that I am just as anxious to get through the work of the Senate as is he or my colleague from Texas. But I do not know what may arise in the debate next week. Nobody can answer that question. Even with the wisdom I know the majority leader has, he does not know the answer.

To impose a complete prohibition against the offering of amendments throughout many days of debate, to prohibit them after an hour which has already passed, to prohibit them during the discussion which may run, as the minority leader has said, throughout the entire week, seems to me the height of unreasonableness. I cannot conceive of the members of a body like the Senate being willing to cut themselves off from consideration of any amendment that may be offered at any time later than 35 minutes ago, with possibly 5 or 6 days before the final passage of the bill.

The majority leader, from his great wisdom and his great experience, may be able to cite precedents for this sort of arrangment, but I have never known

such a thing to be done either in the Congress of the United States or in the State legislature where I was privileged to be a member.

Mr. JOHNSON of Texas. Mr. President, I must say that I regret that the Senator from New York feels that the problem cannot be solved, with the 34 amendments now pending on the desk; with the many hours, many days, yes, even weeks, that we have spent preparing amendments, voting on amendment, withdrawing amendments.

Mr. President, we spent almost one complete working day, yesterday, discussing an amendment only to see it withdrawn at the end of the discussion.

I anticipate that other Senators will offer amendment, will speak in behalf of the amendments, and speak so persuasively that they will, at the end of the discussion, convince themselves that the amendment ought to be withdrawn.

Mr. HUMPHREY. Will the Senator yield?

Mr. JOHNSON of Texas. I will yield in a moment.

Mr. President, the proposed unanimous-consent agreement is not without ample precedent. The fact is that we must be realists. Tonight at 8:35, after all the days we have spend on this bill, there are at the desk, undisposed of, 34 amendment which would consume, under this agreement, if all the time was used, 68 hours.

Then the agreement allows an additional 4 hours, an additional 6 hours for the patent section, and an additional 6 hours on the bill. So actually more than 100 hours could be consumed before we disposed of the amendments now at the desk. I felt that no Senator would want to prepare amendments purely for the purpose of preventing a vote. I did not feel that Senators had not had ample opportunity during these days and these nights of consideration of the bill to offer any amendments they felt would cure defects in the measure.

Mr. President, I will not attempt to persuade the Senator from New York. I have stated the position of the Senator from Texas. The Senator from New York has a perfect right to raise the objection he is raising. He has a valid right to do so, and he is within his rights to object to any form of unanimous-consent agreement.

I should like to ask the Senator from New York, if that clause were removed, would the agreement be acceptable to him?

Mr. LEHMAN. I am, of course, anxious to dispose of this matter. I had hoped that we would discuss it just as long as it needed to be discussed. I am no more anxious to remain in Washington than is any other Senator. Certainly I do not want to impede the proceedings of the Senate.

However, this bill is so important that I hope it will receive full consideration. I know that on every day of the debate so far I have learned something new in connection with the subject matter covered by the bill. I have learned about new dangers in the bill that I had not conceived of as being present in the bill. How many of us have given thought to this whole subject?

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. JOHNSON of Texas. I would say that there would be ample opportunity for debate under the proposed unanimous-consent agreement. As a matter of fact, it is the view of the Senator from Texas that there will be more opportunity to reason out the wisdom of the various amendments under the unanimous-consent agreement than the Senate would likely have otherwise.

Mr. LEHMAN. I may say to the Senator from Texas, the minority leader, that I had hoped there would be ample debate.

Mr. JOHNSON of Texas. Does the Senator from New York believe that a hundred hours of debate are not ample?

Mr. LEHMAN. We have had a hundred hours of debate, but they have been a hundred hours under great difficulty.

Mr. JOHNSON of Texas. I am not referring to the hours of debate we have spent on the bill already. I am talking about the hundred hours that would be available under the unanimous-consent agreement. I believe the Senator from New York has already forgotten my question. If we eliminate that clause from the agreement, would the agreement be acceptable to the Senator from New York?

Mr. LEHMAN. I would certainly object if it remained in the agreement. I certainly speak only for myself on this side of the aisle, and certainly for no one on the other side of the aisle, when I say that, so far as I am concerned, if that provision were taken out I would not object to it. I refer to the clause: "No amendment shall be in order for consideration that has not been filed before 8 p. m., Saturday, July 24"—or any other date. I would not want any limitation on debate in that regard. Also the time for debating a motion to recommit should be extended from 4 hours to 8 hours. Under those conditions, I would not object.

Mr. JOHNSON of Texas. I thank the Senator. I am sorry that we do not find ourselves in agreement. However, I realize that the Senator is fully within his rights, and I shall always assist him in protecting his rights. I now yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, my question is not directed to the body of the agreement. I think it is clear that we ought to come to a vote on this subject.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The VICE PRESIDENT. The Senate will be in order.

Mr. HUMPHREY. I want the RECORD to be clear on my position. Some of us have given a little time and energy and what limited ability we have to the discussion of this bill. I heard the distinguished minority leader refer to the withdrawal of amendments. We have withdrawn some amendments. Why? We have withdrawn them because we did not want to have them tabled. I think it has been quite clear that many of us hoped to be able to have a vote on the amendments. I want to see that happen. I find myself pretty much in the same position the Senator from New York finds himself in, so far as the general terms of the unanimous-consent agreement are concerned. With the elimination of the hour—by the way, I say to my distinguished friend, he started to read the agreement after 8 o'clock——

Mr. JOHNSON of Texas. I certainly did not anticipate, I will say to the Senator from Minnesota, that any Senators had any additional amendments to offer. As a matter of fact, at first, the time was set at a much earlier hour in the day. If the Senator from Minnesota has an amendment in mind, or if any other Senator has an amendment, or some member of a committee or of the staff can think of an amendment, the Senator from Texas has no objection to trying to work out an arrangement. Such a provision has been written into many unanimous-consent agreements.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. The Senator from Minnesota had enough perception to prepare his amendments and present them 5 days ago, and some of them 3 days ago.

Mr. JOHNSON of Texas. I commend the Senator from Minnesota.

Mr. HUMPHREY. They have been available for review by my colleagues. I have tried to debate them as a gentleman and as an informed citizen and as a responsible United States Senator. My only point in connection with the presentation of the unanimous-consent agreement—and I commend the Senator from Texas for his presentation, and I know that he is deeply disturbed that we may have over-extended ourselves in the Senate, was to make clear that the reason some of us withdrew amendments was because it was the only way in which we could preserve the integrity of the amendments and preserve the right to bring them up at such time as we might be able to get a vote on them.

Mr. JOHNSON of Texas. I do not question the motives of any Member of this body. Every Senator has operated within his rights. Senators on both sides of the aisle have withdrawn amendments. I am happy to say that one of them was withdrawn by a Senator on the other side of the aisle. I had hoped to receive assurance from the distinguished majority leader and from the vice chairman of the Joint Committee on Atomic Energy that the amendment which the Senator from Iowa [Mr. HICKENLOOPER] had offered and later withdrew, would not be reoffered. I felt that that would permit us to expedite action on the bill. I had expressed the hope to the majority leader that he could give me such assurance if there was any possibility of getting a unanimous consent agreement.

I am an optimistic man. I had many other hopes, too. Some of them are fading. I had hoped that the majority leader, if we could get a unanimous consent agreement—considering the difficulty he and I have in keeping up with the Senator from Rhode Island [Mr. GREEN]—could perhaps work out a schedule under which, instead of remaining in session around the clock for

24 hours, we could meet in the morning and sit until a reasonable hour in the evening to consider the 34 amendments, with ample time devoted to each one. If we have not provided ample time in the agreement, we can arrange to do that.

However, if the unanimous consent agreement is objectionable to some Senators, or to a Senator, perhaps it is best that it be set aside by objection of a Senator and proceed to another course.

My judgment is not worth much. I have been in this body a relatively short time. A man's judgment is no better than his information. However, from the information I have, realizing the responsibility the majority leader feels, and always attempts to measure up to, I felt I was performing a service, not only for the minority Members but for the Members of the majority as well who may have amendments, in proposing this kind of agreement. If it is objected to, there is not anything anyone can do about it.

Mr. HUMPHREY. I am not raising objection to the Senator's unanimous-consent request. I did not want him to be editorializing, if I may say so to my beloved friend, the minority leader, whom I hold in as much affection as it is possible to hold anyone, and I felt that some of us have tried desperately to make some progress on this bill. I want to make one final suggestion by asking whether the cloture motion would also be withdrawn. I think that would be a point of information that might be of value and concern to the Senate. Is the cloture motion to be withdrawn also?

Mr. JOHNSON of Texas. If the unanimous-consent agreement were entered into I would hope that the majority leader would agree to withdraw the cloture motion. Is it the Senator's feeling that it should be withdrawn if we enter into this unanimous-consent agreement?

Mr. HUMPHREY. It is, because as a matter of comity and general cleaning of the decks, so to speak, we ought to start with an approach of no recriminations and no efforts made to line Senators up in such an effort.

Mr. JOHNSON of Texas. As the Senator from Minnesota knows, I am not the author of the cloture motion, and I did not attach my signature to it. However, I do not think it was offered in a spirit of recrimination. The majority leader is well able to take care of himself and needs no apology or explanation from me. I do not think it was offered in a spirit of recrimination. I think it was offered because of his burning desire to discharge his responsibility as he sees it, and to get action on the bill, so that he could proceed to have the Senate consider another bill which will require some attention, too. I hope the Senator will contribute to that discussion also.

Mr. HUMPHREY. I will be here.

Mr. JOHNSON of Texas. I anticipate that the Senator will be here. I hope he will exercise the same perception in connection with the farm bill he has exercised in connection with the atomic-energy bill.

Mr. HUMPHREY. I wish to say, in reference to the word "recrimination," that it is not involved in the presentation of the cloture petition. It just so happens that feelings do become somewhat aroused, and I was of the opinion that it might be worthy of the consideration of the majority leader to think in terms of withdrawing that kind of a parliamentary proposal, so that we would have a chance to consider this unanimous-consent agreement in the freshness of a new dawn. I am like the majority leader. I am filled with love and affection at this hour.

Mr. JOHNSON of Texas. Mr. President, I cannot speak for the majority leader. Of course, he must speak for himself. In the event the majority leader should withdraw the cloture motion with the understanding that this unanimous-consent request will be entered into, would the agreement be generally acceptable to the distinguished Senator?

Mr. HUMPHREY. With the general consideration of the orderly procedure of the Senate, giving us some chance to get back into the normal operations in our offices and to proceed as men of reason, and, I would say, of ordinary good ability, I think so.

Mr. JOHNSON of Texas. I should like nothing better than to have this agreement accepted. I should like to feel free to counsel with my Democratic colleagues at some length regarding the wisdom of our position as to several aspects of the proposed legislation. I invite attention to the fact that a motion to recommit is provided, with ample opportunity for discussion, after all the amendments have been taken care of. I hope we can avoid these round-the-clock sessions. It may be possible for those who have not exercised too much perception up to this time, including the senior Senator from Texas, to take the provisions of the bill that may cause grave concern, and determine the best remedy to apply. I do not think we shall be able to do that very well in the circumstances under which we are now operating.

Mr. HUMPHREY. I would say to the Senator that if he had had the opportunity to be here earlier—I know he was in a very important conference, because there were matters to be discussed—he would have heard the view of the junior Senator from Minnesota as to the necessity of orderly procedure, as to the desire to get action upon amendments, and as to the ultimate desire of making a decision on this bill and voting it up or down. That has been my feeling, and I have tried to approach in that spirit the measure which is before us. I regret to say that that approach has not always been successful. Anything we can do to have orderliness and, at the same time, full and free discussion will, of course, receive my sympathetic understanding and support.

Mr. MAGNUSON. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. Let me have an opportunity to reply, and then I shall be delighted to yield to my friend from Washington. I never would have thought that I would try to persuade any Member of the Senate to agree to a unanimous-consent request, but the Senator from Minnesota encourages me.

If the minority leader, after consultation with the majority leader, can give the Senator assurance that any of his colleagues who have not exercised the perception of which they are capable, and desire to exercise it over the Sabbath, on Monday, may offer any amendment prior to the operation of the unanimous-consent agreement, between now and at noon on Monday; that the cloture motion will be thrown into the wastebasket; and that we will hold reasonably long sessions but not round-the-clock sessions, would that form of agreement be acceptable to my distinguished friend?

Mr. HUMPHREY. I may say to my good friend that if we can get into that spirit of orderly procedure, we might even dispense with the unanimous-consent request, and we would be on our way to achievement. But I want to be very frank with my leader and say that the arrangement which he has suggested, orderly procedure and adequate time for discussion, with a motion to recommit and ample time for final debate—I, personally, as one individual, could not object to that.

Mr. JOHNSON of Texas. I thank the Senator from Minnesota.

Mr. HUMPHREY. And I would not object to it, as an individual.

Mr. JOHNSON of Texas. Before I yield to the Senator from Washington I wish to ask the Senator from New York if the proposed modification of the clause which he found objectionable is reasonable enough to meet with his approval.

Mr. LEHMAN. Mr. President, I am glad the minority leader has asked that question. I feel a very heavy responsibility in this matter. I am not sure that I have the sympathy of my colleagues on this side of the aisle, but I also feel I have a very heavy responsibility to the people of my State and just as much to the people of the other States of the Union. I reluctantly say to the distinguished Senator from Texas that unless he agrees with me—and I believe my request is a very moderate one—that the offering of amendments prior to the passage of the bill should not be prohibited, which has always been the custom in this body, and also that the period of time for debate on a motion to recommit be increased—although I feel much less strongly on that than I do as to the other matter—I very reluctantly say that I shall be compelled to continue my objection. I think my request is a sound and moderate one, and I think it is in the interest of the Senate itself and of good government, and I cannot yield from that position.

Mr. JOHNSON of Texas. Mr. President, I must say to the Senator from New York that it has been the custom in this body—at least that is my information—to make provision for a cut-off date for offering amendments, just as no more witnesses are heard after a committee starts certain processes on a bill. This bill has been before individual Senators for some time. The Senator from Texas is willing to have it stay there a reasonable time in the days ahead.

If any Senator has in mind an amendment he wishes to offer with respect to the date, we could move up the date.

With reference to the motion to recommit, I consulted several interested Senators. The Senator from Texas might want some time on that motion himself. We thought 4 hours was sufficient. But, if the majority leader will agree, I shall have no objection to complying with the Senator's request and making the recommittal period 8 hours instead of 4 hours. If the time is not consumed, if the Senator from New York has overestimated the need, it is a very simple matter to yield the time back.

I wonder if the majority leader, who has joined with me in this proposal, would agree to double the time on the motion to recommit?

Mr. LEHMAN. Mr. President, I do not want to mislead the distinguished majority leader.

Mr. JOHNSON of Texas. I should like to have an expression from the majority leader.

Mr. KNOWLAND. Mr. President, I think we are getting into such an extended period that it presents some problems. I would, in the interest of finding an area of agreement, be willing to have the request modified to extend to 8 hours the time on the motion to recommit.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. KNOWLAND. I wish also to say to the Senator from Texas, in response to his other inquiries, that if the unanimous-consent agreement is adopted tonight by the Senate, it will be my desire to recommend that the Senate not meet around the clock, because, obviously, it is hard on all of us, on both sides of the aisle, but that we start on Monday at 10 o'clock and run through to perhaps 9 or 10 o'clock at night. I would hope we would not have to run later than that. Perhaps in the final windup we might find it necessary to run later than that, but I would expect to consult with the minority leader if that became necessary. I am sure there would be good reasons, if that request were made. If we get this bill out of the way we can perhaps begin to make up a little lost time, at least, on subsequent legislation.

So, Mr. President, in order to cooperate with the suggestion of the distinguished minority leader, and speaking for myself—I cannot speak for others because I have not had time to discuss it with my colleagues—I shall at least recommend to them that they not object to the doubling of the time.

Mr. JOHNSON of Texas. Mr. President, I ask that the proposed unanimous-consent agreement be modified by striking out the sentence which reads, "No amendment shall be in order for consideration that has not been filed before 8 p. m. Saturday, July 24." and inserting in lieu thereof "12 o'clock meridian, Wednesday, July 28."

Mr. LEHMAN. I object.

Mr. JOHNSON of Texas. I understand I have a right to modify my proposal.

The VICE PRESIDENT. The Senator cannot object to that.

Mr. LEHMAN. I did not mean to object.

Mr. JOHNSON of Texas. I am trying to accommodate the Senator from New York.

The VICE PRESIDENT. The unanimous-consent request is modified as requested by the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I further ask that the limitation of 4 hours relating to a motion to recommit be changed to 8 hours.

The VICE PRESIDENT. The unanimous-consent request propounded by the Senator from Texas is so modified.

Mr. JOHNSON of Texas. I do not want to mislead the Senate. I have not cleared this with the joint author of the unanimous-consent request, and I, myself, would object to it unless it was satisfactory to him.

I yield now to the Senator from Washington, and I apologize to him for the delay.

Mr. MAGNUSON. I was merely going to make a suggestion. The minority leader has asked for suggestions, and I am sure he would like to have some. I think what I am about to say illustrates what my suggestion is. The unanimous-consent request is quite involved. I agree that it is not an unusual one, but it involves a question of time to debate pending amendments. Debate on some amendments might take only 2 minutes, and discussion on others might take as long as 5 or 6 hours.

Mr. JOHNSON of Texas. If debate on an amendment were to take only 2 minutes, it would be a relatively simple matter to yield back the remainder of the time.

Mr. MAGNUSON. I agree that the time could be yielded back. However, if the unanimous-consent agreement goes into effect, it will restrict time on other amendments on which it is desired to take sufficient time. There are 2 or 3 amendments pending on which there might be as much time consumed as on all the others.

Mr. JOHNSON of Texas. The Senator from Tennessee [Mr. GORE] suggested to me that it is very important that there be sufficient time for discussion of the patent section of the bill. I have discussed with him and his associates the question of what would be ample time for such discussion—in their judgment; not in mine—and we arrived at a period of 6 hours. If the Senator from Washington feels that amount of time is inadequate——

Mr. MAGNUSON. If the Senator will let me make my statement, I think it might be helpful. We are trying to work out hours and minutes for debate, on a very important bill. The truth of the matter is that many of us who have had much interest in the bill have been responsible for much of the debate. I think we have stuck to the issues.

I know I have in the two speeches I have made. We have not had an opportunity to examine the unanimous-consent proposal. The proposal was made without adequate consultation. The minority leader never discussed it with me, although we knew there was going to be an attempt made to have an agreement.

I think it would be the better part of discretion to clear the whole matter up by taking time to examine the proposal. Many of us want to vote on the amendments. I think many of the amendments which are pending can be disposed of in 5 or 10 minutes. Others will take a longer time. I know many Senators on this side of the aisle who showed an active interest in the bill were not consulted about the proposal. I am not criticizing the minority leader——

Mr. JOHNSON of Texas. I want to reply to that statement.

Mr. MAGNUSON. I said many of us——

Mr. JOHNSON of Texas. I understood the Senator from Washington the first time. The Senator from Texas attempted to make clear that he had not polled every Member on this side of the aisle. The Senator from Texas said that because of statements made last night that this side of the aisle was inadequately consulted.

Mr. President, I do the best I can to consult with each Member on this side of the aisle, and with as many on the other side of the aisle as will indulge me. Most of my day is spent consulting, instead of speaking. I have occupied the floor tonight much longer than I had anticipated. But, apropos of what the distinguished Senator from Washington has said, prior to the formal submission of this proposed unanimous consent agreement, the minority leader took the precaution of consulting with several Members of the Senate who have been closely associated with the debate on the bill.

As a matter of fact, I must say that most of the good provisions in the proposed unanimous-consent agreement were the product of their suggestions. The Senator from Texas did not pick out individual members and call the roll. The Senator from Texas sat down and discussed the proposal with the Senator from Tennessee [Mr. GORE] and asked for his suggestions.

Mr. MAGNUSON. Whom else did the Senator from Texas consult?

Mr. JOHNSON of Texas. The Senator from Texas discussed the matter with many Senators. Any Senator can object to the proposal. I had understood from the colloquy last night, which related to the fact that the majority leader had consulted with the minority leader, and the minority leader had consulted with the Senator from Tennessee regarding the unanimous consent agreement, and subsequently with the Senator from Minnesota, that that appeared to some Senators to be inadequate consultation.

As a preface to the statement I made this evening, I made it abundantly clear that I had not taken a poll on this side of the aisle. I have no desire to take a poll, quickly read a proposal, and then be subject to the criticism that someone is trying to slip something over on someone else. The proposed agreement is in the RECORD. Any member who cares to read the RECORD can read it over the weekend. I would say that during the day perhaps a dozen Senators on this side of the aisle have been consulted.

I am sorry I did not touch base with the Senator from Washington.

Mr. MAGNUSON. No; I did not say that.

Mr. JOHNSON of Texas. So far as the Senator from Texas is concerned, he withdraws the proposed unanimous-consent agreement. It is obvious there is going to be objection to it.

Mr. MAGNUSON. If the Senator will allow me to complete my statement, I should like to say that what I said was that the proposal was made in haste so far as some of us were concerned. I did not say who the Senators were. I was going to say that I think we all want to work out an agreement. If the Senator will let the proposal lie on the table for a sufficient time to enable us to get together and work on it, I am sure we can come forth with a unanimous-consent agreement. Is the Senator from Texas willing to do that? If the proposal were allowed to lie on the table, instead of taking action on it now, we could find out the amount of time desired to speak on amendments. Such a procedure might shorten discussion of this question.

Mr. JOHNSON of Texas. I have no desire to rush any Member of the Senate.

Mr. MAGNUSON. I know that.

Mr. JOHNSON of Texas. I know that if the opportunity had presented itself, I would have consulted the Senator from Washington. I do not remember when the Senator from Washington was here today.

Mr. MAGNUSON. I have been here all day.

Mr. JOHNSON of Texas. The Senator from Texas has been here all day. That is just one base the Senator from Texas should have touched, but he frequently makes errors. I do not desire to rush any Senator into an agreement about which he may have grave doubts. Obviously the Senator from New York is not pleased with the cutting off time for offering amendments, even though the date was advanced to next Wednesday. I hope, generally speaking, that the time allotted for debate on the patent section, the motion to recommit, and the bill is satisfactory. If we have made no more progress than to get Senators to think along those lines, perhaps the time has been well spent.

Mr. MAGNUSON. I made no suggestion that the Senator from Texas should have consulted me. My statement was that there are many of us who are desirous of working out an agreement, and that those who did not have a chance to examine the proposal should be given time to do so. I am sure not much can be accomplished tonight, but I think an agreement can be arrived at. I do not say that the Senator from Texas should have consulted me. I do not know which Senators he consulted.

Mr. JOHNSON of Texas. The majority leader, on Thursday or Friday of another week, suggested we ought to try to have an agreement. I had in my pocket the proposed agreement that provided for a vote on Saturday. The Senator from Tennessee, who had taken somewhat of a leading part in the debate, was sitting at my desk, and I reviewed the proposed agreement with him. Subsequently I told the majority leader that we could make a proposal, and have the Members consider it.

Mr. MAGNUSON. We will do that if we have time.

Mr. JOHNSON of Texas. We will have ample time. The Senator from Texas does not allot the time. Each Senator has time. I am not going to force this agreement on any Senator.

When that agreement was submitted, there were Members on this side who thought that the leaders had not consulted the proper Members, or any Member. I am sorry for that. I think frequently the leadership on the other side makes mistakes, particularly when the leadership does not agree with my recommendations 100 percent, but no one is more aware of the human errors of the minority leader and his limitations than the minority leader himself.

Today I discussed this matter with all Democratic members of the Atomic Energy Committee, and I discussed the specific agreement with three of them. I did not have a chance to discuss it with the other Democratic member. The reason I did not have a chance to do it is because other Senators were coming in to discuss the situation which existed. I discussed with them the wisdom of the agreement and their ideas upon it.

I discussed at length with the Senator from Tennessee [Mr. GORE] the desirability, as I saw it, of an amendment, and asked for specific suggestions. I discussed it with the whip. I discussed it with several Senators I see in the Chamber now.

It was the opinion of all there was not any single Member who was deliberately going to delay a vote on this bill and try to filibuster it to the end that the public business could not be transacted.

Mr. MAGNUSON. That is what we are trying to work out.

Mr. JOHNSON of Texas. I believe that is true. If it is true, I think we can do it.

I want to yield to the Senator from New Mexico. However, maybe every Senator who has something on his heart has not expressed himself. I wonder if the majority leader might, after I yield to the Senator from New Mexico, consider a reasonable recess of the Senate so that those who have not had an opportunity to understand and digest fully this complicated amendment, which provides 2 hours on each amendment, could study it. Then we could resume our session a little later.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I promised to yield to the Senator from New Mexico. If the majority leader will give consideration to that, I would appreciate it. I know the majority leader does not want to act hastily, either, so I will come back to that later.

I yield to the Senator from New Mexico.

Mr. ANDERSON. I want to say to the minority leader I think the discussion we have had here illustrates the importance of some consultation on this matter. I saw the proposed agreement tonight for the first time, but I do not complain about that, because I know the minority leader has been busier than I have been.

For example, the minority leader had a provision in the agreement that no amendment should be in order for consideration that had not been filed before 8 p. m. Staturday. There was provision for discussion of 6 hours on the patent amendment. There is no patent amendment laying at the desk. While the agreement provided for 6 hours of debate, there would be nothing to debate, because the amendment on the patent section offered by the able Senator from Oklahoma was laid on the table at the insistence of the majority leader and the vote of the Senate.

Mr. JOHNSON of Texas. I will say to the Senator that as to the patent amendment I reviewed the situation with the majority leader. The reason for the provision being included in the agreement is that one of the distinguished leaders on our side of the aisle offered that suggestion.

Mr. ANDERSON. Yes, but it meant nothing.

Mr. JOHNSON of Texas. It was the Senator's opinion. That was discussed. The Senator from Tennessee [Mr. GORE] felt that there was an approach to it and that perhaps it could be done.

Am I correct; let me ask the Senator from Tennessee?

Mr. GORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Tennessee.

Mr. GORE. It was my purpose to preserve adequate time for the consideration of an amendment on what seems to me to be the single most important section in the bill. I was not aware that the agreement would be limited to amendments offered before 8 o'clock. I had in mind some provision by which the amendment of the senior Senator from Oklahoma [Mr. KERR], which was summarily laid on the table without consideration, would be made in order.

I hope the senior Senator from Oklahoma will hear this: I just said that it was the idea of the junior Senator from Tennessee that some arrangement would be made by which the amendment offered by the senior Senator from Oklahoma to the patent section, which amendment was summarily laid on the table without discussion and consideration, would be made in order.

Mr. KERR. Mr. President, would the Senator yield?

Mr. JOHNSON of Texas. Does the Senator have any other questions?

Mr. ANDERSON. I was only going to say that if anything could be worked out or not, it would take unanimous consent to revive the amendment of the Senator from Oklahoma and 50 Senators have said they want no part of it.

Mr. JOHNSON of Texas. I cannot enlighten the Senator any more than I was enlightened.

I will say to the Senator that today in a private discussion between the Senator from Oklahoma and the Senator from Tennessee reference was made to the patent section and the desirability of considering amendments to it. The Senator from Oklahoma expressed the

opinion that perhaps it could be done. Action had been taken on his amendment.

The very able leader in this battle, the very talented lawyer and parliamentarian, our beloved colleague from Tennessee [Mr. GORE] expressed the opinion that it could be done and that it should be done.

The agreement which was drafted shortly after I came here this morning provided for a cutoff time of 11 or 12 o'clock. I talked to at least one of the leaders of the fight on this bill, and the Senator asked me to give him time to discuss it with several Senators interested in the general situation with the understanding we would get together again today.

The Senator came to talk to me, as did many other Senators. We did talk about it. We talked about it with the Senator from Oklahoma and the Senator from Tennessee. The 6-hour provision, after consultation with the parliamentarian, was put into the agreement at the suggestion—and I might say direction—of the Senator I looked to, in the light of the colloquy last night, as the one appropriate to consult under the circumstances. I think that is a fair statement.

If the Senator from Tennessee disagrees, or the Senator from Oklahoma, I should be glad to have him say so.

Mr. KERR. Mr. President, will the Senator from Texas yield for a parliamentary inquiry?

Mr. JOHNSON of Texas. I yield.

Mr. KERR. Is it not a fact that by unanimous consent the action of the Senate in tabling the motion of the Senator from Oklahoma could be set aside and thereby under the terms of the proposed unanimous-consent agreement, the amendment would again be before the Senate for consideration, as though the other action had not been taken?

The PRESIDING OFFICER. The Senator from Oklahoma is correct.

Mr. ANDERSON. I assume, then, every amendment which has been voted down would be in order again.

Mr. KERR. Not at all. The proposed unanimous-consent agreement, Mr. President, specifically sets forth the provisions with reference to that amendment.

Mr. ANDERSON. Please find the provision. There is no such thing. I am not trying to be critical.

Mr. KERR. I am not trying to be technical. I will read the language referred to.

Mr. ANDERSON. If it provides that the Senator's amendment shall be revived, I should like to have him read the provision.

Mr. KERR. "Amendments, except the patent section, which shall be 6 hours."

Mr. ANDERSON. There is no amendment before the Senate on the patent section, so the provision is void.

The PRESIDING OFFICER. The language has some significance, and if the Senator from New Mexico desires it spelled out, the Chair is sure the distinguished Senator from Texas will spell it out for him.

Mr. ANDERSON. It does not need to be, now, with the change extending the period to next Wednesday. That is what was required. The cutoff date was too early. I think a very good thing has been done by changing the cutoff date, which would make it possible for Senators to offer amendments, such as that of the junior Senator from Mississippi which I know, is a very important amendment.

That is all I have tried to say. I think the Senator has greatly improved the unanimous-consent request, and I hope it may work out.

Mr. JOHNSON of Texas. Mr. President, I have been informed that there was objection to an agreement of this kind. I was hopeful that the discussion would convince all of us that such an agreement, particularly as modified, would be acceptable; but as I understand my distinguished friend from New York, the amendment even as modified is not completely acceptable to him.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator for a question.

Mr. LEHMAN. In the first place, I want to say this sop which is being offered us with respect to the amendment——

Mr. KERR. Mr. President, will the Senator talk a little louder?

Mr. LEHMAN. The sop which is offered us with regard to the withdrawal of the amendment does not impress me a bit. I shall vote on that as my conscience dictates.

Mr. JOHNSON of Texas. The Senator from Texas wants to comment at this point.

Neither the Senator from Texas nor the Senator from California, the distinguished majority leader, made any offers of a sop to anybody.

The distinguished Senator from Minnesota made an inquiry as to what effect the unanimous consent request would have upon the cloture motion. It was the opinion of the Senator from Texas that it would mean it would be withdrawn, so I inquired of the majority leader, who presented the cloture motion, and the Senator said that is what would be done. It was not offered as a sop to anybody.

Mr. LEHMAN. I thank the Senator. I made the statement that one of the two reasons on which I would object to the unanimous consent—and I again want to say I speak for nobody except myself—concerned the extension of the period in which the debate would be carried on, in regard to an extension to 48 hours. That is much more important to my mind. The other reason was that I felt particularly strong on the limitation or the offering of amendments.

I see the majority leader has just put up his hand to show the agreement, but let me explain to the majority leader that the Senator from Texas already expressed the thought that that period be extended until Wednesday noon.

Mr. JOHNSON of Texas. Mr. President, the Senator from Texas suggested that the proposal be modified to that extent because of the suggestion of the Senator from New York. The Senator from Texas did not suggest it. I attempted to meet the objections voiced by the Senator from New York.

Mr. LEHMAN. Then I will amend my remarks that it was suggested by the distinguished minority leader to meet the objections of the Senator from New York.

May I say if we wanted to play a slick, shoddy game, I would offer a hundred amendments between now and Wednesday. I would not have to wait. I could offer them between now and Tuesday, or between now and Monday afternoon. So, if the Senator is trying to prevent what I would consider a slick, shoddy trick of filibuster, under the guise of a constitutional right, then it can be done in any reasonable length of time.

Mr. JOHNSON of Texas. Mr. President, I do not know how many hours we would run, but if we ran 12 or 14 hours a day, it is conceivable that some Members would like to have the opportunity to be sure that the amendments were presented, were printed, were considered, prior to the time they are called upon to vote.

The Senator from Texas has not suggested that anyone is slick, or anyone is shoddy, or anyone is filibustering.

The Senator from Texas does not question anyone's motive.

Mr. LEHMAN. May I say to the Senator that he is not trying to do so, but he is a little bit inadvertently twisting my remarks. What I say is that I am opposed to the principle of limiting the offering of amendments while a bill is before the Senate. I think it is bad government; I think it is dangerous, highly dangerous. No more harm can be done if harm is sought to be done. If we who are opposing this bill, honestly opposing it, are trying to filibuster, we can offer between now and Monday or between now and Tuesday, or even between now and Wednesday, all the amendments that we want to offer. So why put this in, which is bad principle, which is bad government?

Mr. JOHNSON of Texas. The Senator from Texas just gave one reason, and another reason was probably given by 48 other Members sitting on the other side of the aisle. We cannot accommodate only the views of one man. The majority leader felt we ought to have that provision. I assume one of the reasons was that the amendments could be printed, could be available to the membership and could be read to the membership.

Mr. LEHMAN. Will the Senator yield for a question?

Mr. FERGUSON. Will the Senator yield?

Mr. DOUGLAS. Will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Illinois.

Mr. DOUGLAS. I appreciate the minority leader's argument, but I should like to make a suggestion if I may. We have now been in session continually for 84 hours. I imagine that most of us are tired. I wonder if it would not be appropriate to recess for an hour and, during that time, try to work out some arrangement quietly, in peace.

Mr. JOHNSON of Texas. I appreciate the suggestion of the Senator from Illinois. It is constructive and helpful. I suggested a 30-minute recess a few moments ago. I do not know that that suggestion will be well received, but it has been made.

Mr. FERGUSON. Mr. President will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. FERGUSON. The Senator from Michigan has a suggestion. Instead of recessing for half an hour, or an hour, I understand the distinguished Senator from Missouri has some remarks to make. I suggest that he proceed with his remarks, while those who wish to confer do so during that period.

Mr. JOHNSON of Texas. Mr. President, the Senator from Texas would like to be as agreeable as possible to all members on both sides of the aisle. I simply suggest that the request lie on the table for the information of the Members. If it appears later in the evening that either the request as presently written or with proposed modifications will meet the pleasure of all of the Senators, then we can call it up.

I want to thank all the Members of the Senate for their attention, for their consideration, for the reasonable approach evidenced, and the good suggestions that have been made.

Mr. STENNIS. Mr. President, does the Senator from Mississippi understand that there has been no objection to this proposal?

The PRESIDING OFFICER. The Senator from Texas has requested that the unanimous-consent request lie on the table without action.

Mr. STENNIS. I thank the Senator. I did not hear just what it was.

The PRESIDING OFFICER. The unanimous-consent agreement can be, in the discretion of the Senator from Texas, presented at a later time.

Without objection, the request will lie on the table.

The question is on agreeing to the amendment of the Senator from New York [Mr. LEHMAN]. All those in favor of the amendment will say "aye"; those opposed, "no."

The Chair is in doubt. All those in favor of the amendment of the Senator from New York will stand.

Mr. FERGUSON. Mr. President, a parliamentary inquiry. Will the clerk read the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York [Mr. LEHMAN].

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capehart	Flanders
Anderson	Carlson	Frear
Barrett	Chavez	Fulbright
Beall	Clements	George
Bennett	Cordon	Gillette
Bowring	Crippa	Goldwater
Bridges	Daniel	Gore
Burke	Douglas	Green
Bush	Dworshak	Hayden
Butler	Ervin	Hendrickson
Byrd	Ferguson	Hennings
Hickenlooper	Long	Russell
Hill	Magnuson	Saltonstall
Holland	Malone	Schoeppel
Humphrey	Mansfield	Smathers
Jackson	Martin	Smith, Maine
Jenner	Maybank	Smith, N. J.
Johnson, Colo.	McCarran	Sparkman
Johnson, Tex.	Millikin	Stennis
Johnston, S. C.	Morse	Symington
Kennedy	Murray	Thye
Kerr	Neely	Upton
Kilgore	Pastore	Watkins
Knowland	Payne	Wiley
Kuchel	Potter	Young
Langer	Purtell	
Lehman	Robertson	

The PRESIDENT pro tempore. A quorum is present. The question is on agreeing to the amendment offered by the Senator from New York [Mr. LEHMAN].

Mr. HENNINGS. Mr. President, at the outset I should like to make it perfectly clear that what I am about to say is not part or parcel of any punitive or implied filibuster. I have been asked to speak by the distinguished majority leader, the acting majority leader, the Senator from Michigan [Mr. FERGUSON], and by the Senator from Texas [Mr. JOHNSON], the distinguished minority leader, the purpose being to allow for an opportunity for consultation in an effort to arrive upon an agreement looking to the disposition of the pending business.

Mr. President, last Thursday afternoon Democratic Members of the Senate supported by 6 Republicans passed in the Senate by a vote of 45 to 41 an amendment introduced by Senators JOHNSON of Colorado, and GILLETTE of Iowa. Thereafter, the Senate adopted by voice vote a companion amendment introduced by Senator GILLETTE and cosponsored by 12 other Senators, including the senior Senator from Missouri. These amendments will enable the Atomic Energy Commission to produce electrical energy as part of the atomic energy program and to sell such energy to public bodies, to rural electric co-ops, and to privately owned utilities and other private consumers at reasonable and nondiscriminatory prices. The amendments further direct that in the sale of electric energy so produced preference and priority shall be given to public bodies and to cooperatives. Except for the vote to be taken on the first passage of this bill, the votes on these amendments are perhaps the most important that will be taken by the Senate during its consideration of the pending amendment to the Atomic Energy Act.

These votes on Thursday were a great victory for the general welfare of the people throughout the Nation, but, in particular, they represented a great victory for the people in my home State of Missouri and the other States of the Middle West.

Mr. MAYBANK. Mr. President, may we have order?

The PRESIDENT pro tempore. The Senate will be in order.

Mr. MAYBANK. May I ask the distinguished Senator from Missouri to repeat what he has just said about the vote on Thursday?

Mr. HENNINGS. I thank the distinguished Senator from South Carolina. I have undertaken to say that those votes on Thursday were a great victory, some of us believe, for the general welfare of the people throughout the Nation, but in particular, as affecting the senior Senator from Missouri, they represented a great victory for the people in my home State and for the other States of the Midwest.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HENNINGS. I yield.

Mr. MAYBANK. And for the other States in the Southeast.

Mr. HENNINGS. Certainly, and for all the States in the Union, to the best of my knowledge. I thank the Senator for his contribution. Here we are presently faced with an electric-power shortage and we must look forward to a potential power shortage of even greater proportions. While the States of the Missouri Basin have a few sites which are suitable for the production of hydroelectric energy, these Missouri Valley States and the other States of the Middle Western Plains are not in as advantageous a position for the production of hydroelectric energy as, for instance, the States of Washington and Oregon in the Northwest. In the development of atomic-energy reactors, however, the States in the Middle West and the Western Plains are provided potentially with the means of producing an enormous potential of cheap electric power.

As I understand it, in the future, atomic-energy reactors of various sizes and capacities could be located in any city or town or, for that matter, in a barren field anywhere in the Middle West, as well as any place in the country. We do not have to have hydroelectric dams in order to produce cheap electric power. This fact has tremendous significance for those areas of our country which have not been favored by nature with the facilities for producing hydroelectric power. With cheap power available, think what it means to every farm family, every urban dweller, and every manufacturer in the country and, in particular, in the Middle West.

This, also, will mean potentially a tremendous future for the manufacturers of electrical appliances wherever located and thus, for our whole economy. For instance, during the past few weeks of devastating heat and drought in the Middle West and particularly in Missouri thousands of air conditioners and electric fans were sold, almost by the carload. I can look forward to the time when with an abundance of cheap power available almost every farmhouse and dairy barn will be air conditioned. The same will also be true of every home, factory and office building in the towns and cities subject to the intense heat such as my State has suffered during the past month and often suffers at this time of year. All this is made possible in the future by the vote of 39 Democrats and 6 Republicans last Thursday.

This picture which I have painted with optimism can only be true if the country is provided with an abundance of cheap electrical power. Under the bill as proposed by the Republican majority this picture which I have boldly painted is hardly likely. Mr. President, the Republicans would, under their bill, without the amendment pushed through by

the Democrats, let the electric power developed by atomic reactors, be monopolized by the big private utilities, which would in turn charge high rates to farmer, city dweller, and manufacturer, alike.

In contrast to the great victory for the country won by the Democrats on Thursday we were confronted last night by the action of the Republican-controlled House of Representatives which passed an amendment to the Atomic Energy Act without the safeguards which the Senate so wisely adopted on Thursday. Some newspaper writers and radio commentators have been contrasting the time-consuming debate here on the floor of the Senate with the fast action in the House of Representatives. Mr. President, may I suggest that the House acted too hastily. I cannot believe that Representatives would have passed these amendments minus the proper safeguards adopted by the Senate if they had been privileged to have a full and adequate opportunity to contemplate the consequences of their actions. It is interesting to note that the 2 Republican Senators from North Dakota, the 2 Republican Senators from South Dakota, as well as 2 other Republicans understood the issues involved in this vote thoroughly and knew that the farmers and townspeople of their respective States wanted the Congress to adopt a preference clause guaranteeing the equitable distribution of electric power at rates which they can afford to pay. I am sorry to say that other Republican Senators from the Middle West did not see their way to join with the Senator from Iowa [Mr. GILLETTE], the Senator from Colorado [Mr. JOHNSON], the Senator from Minnesota [Mr. HUMPHREY], the Senators from Montana, the Senators from Oklahoma, and the junior Senator from Missouri and myself, as well as other Democrats, in supporting these amendments.

With the Republican-dominated House of Representatives voting in favor of private power monopoly the outlook for the future development and distribution of cheap electric power is very dark. I can only express great concern here today and hope that the Senate will instruct its conferees on this bill to remain firm in the conference with the House managers in a determination to report back a bill containing these amendments.

All of this is—or should be—of considerable concern to those of us in the Senate who represent the 10 Missouri Basin States. The requirements for electricity in the Missouri Basin area increase sharply from year to year, necessitating a corresponding increase in generating capacity in one form or another. In the Missouri Basin, as elsewhere, electricity in its earlier stages served chiefly for purposes of lighting and to drive motors of various types. The loads were largely centered in small cities and towns. Where local production of relatively small amounts of electric power at high cost was once adequate, the increased demands for power have now reached the point where it is necessary to generate large quantities of low-cost power and to find the means of transmitting it economically—sometimes over long distances.

There are numerous conditions today which have created the heavy demand for power. Among these, of course, are the concentration of heavy industries in the urban centers, and the increased use of electrical equipment on the farms. I am referring not only to the use of electricity for lighting in rural and farm homes, but also to the use of milking machines, freezers, and canning and processing equipment. Added to this, we have increased use of electricity for domestic purposes, such as cooking, water heating, and house heating.

In many areas of the Missouri Basin, as, for example, in much of the northern Great Plains and Mountain States, the demands for power are just beginning to emerge. New industries and new domestic users are creating a demand for great blocks of power each year. Rural electrification brings in demands for thousands of additional kilowatts each year. Domestic users are using larger and larger quantities of electricity for electrical appliances of all sorts in our homes.

In other words, the existing facilities which may have been adequate, even if not totally satisfactory, to meet the demands of a few years ago are totally inadequate to meet present day needs.

I have given a great deal of study to the needs for power in the Missouri Basin area, particularly in connection with the work of the Missouri Basin Survey Commission, of which I had the privilege to be vice chairman. I might just say in passing, Mr. President, that the study of our commission was by no means superficial. The Commission spent over a year on its work. We held public hearings in every part of the 10 basin States. We received testimony from more than 400 witnesses during that period. As a result, I think I can say with assurance that the findings of the Commission are of considerable significance.

We learned much from the people of the basin area. They, in turn, began to recognize that the control of the great river basin, constituting one-sixth of the land area of the Nation, is, indeed, a vexatious and most complex problem, something which extends far beyond the effect of the river upon a given area at a given point, or even within a single State. I think they realize that the river problem is one of integration, and that there are many problems connected with it. We have the flood-control problem, the problem of power, navigation, and all the other problems which are and which have been taxing the ingenuity of man ever since man settled in the wilderness in that area some 300 years ago.

Mr. NEELY. Mr. President, will the Senator from Missouri yield for a question?

Mr. HENNINGS. I yield.

Mr. NEELY. I simply wish to inquire whether the report of the hearings held by the Senator's Commission has been printed.

Mr. HENNINGS. The report was printed, may I say to the distinguished Senator from West Virginia, in both summary and comprehensive form and presented to the President of the United States by the members of this bipartisan commission.

Mr. NEELY. Will the Senator briefly indicate the conclusions stated in that report?

Mr. HENNINGS. The conclusions were so varied and manifold that it would be impossible for me to give the Senator the conclusions in a short space of time. I am sure the Senator was furnished with a copy of the report, as were all Members of the Senate. I have recently introduced a bill which I think embodies most of the major conclusions reached by the Commission, with some modification and some effort to arrive at a consideration of the interests of the States, through, not a compact plan, but through an advisory commission or committee comprising representatives of the States in the Missouri Basin area.

Mr. NEELY. Did the majority of the opinions expressed by the witnesses who appeared before the Commission indicate that the people generally were in favor of the development of the Missouri River Basin in a manner similar to that under which the Tennessee Valley Authority has been operating?

Mr. HENNINGS. It is scarcely comparable to the Tennessee Valley area. Our problem is either too much water or too little water. The area is ravaged by floods, and we are now going through our second summer of severe and intense droughts in the State of Missouri.

In the upper reaches of the river there are, and have been built, many large dams for the purpose of conservation and reclamation. There is great division of opinion as to whether navigation should be attempted on the river as part and parcel of the river program. There is a division of respectable opinion on that question. Even General Pick expressed the thought that the river should not be developed with a view to accommodating navigation, but that navigation would have to accommodate itself to the river, after flood control and reclamation and other high-priority uses had been established and were in operation. If the Senator from West Virginia is interested in the matter, and I am sure he is in matters affecting the whole country, whether West Virginia is directly affected or not, I would commend to the Senator that he examine the report. He will find that it will not take too much of his time, and may be of some interest to him, if he has not had an opportunity to read it as yet.

I thank the Senator from West Virginia for his question and his contribution.

I wish to say at this point, Mr. President, that while I am naturally concerned about the problem of available power as it affects Missouri, I am speaking now of all the Missouri Basin States, that vast area of 529,000 square miles, comprising one-sixth of the land area of our Nation.

In its study of the power requirements in the Missouri Basin, our survey commission also had the help of the Missouri Basin Interagency Committee and various utility groups. The estimates

indicate that there will be a peak demand of 8.1 million kilowatts in December 1960, and that this will increase to 13.8 million kilowatts by December of 1970. This means that with needed reserves added, the total capacity required would be 9.4 million kilowatts in 1960, and would increase to 15.5 million kilowatts in 1970.

When we compare these estimates with the demand in December of 1950, which was calculated at 3.8 million kilowatts, and with the estimated installed capacity of 5.4 million kilowatts at the end of 1951, it is perfectly clear that there is a tremendous gap which must somehow be made up if we are to continue to increase our industrial production, and if we are to find wider and wider use for electric appliances in our homes, and if we are to bring more and more of the labor-saving benefits of electricity to families on our farms and in rural areas.

Let me say a word about the power needs of the rural market, because the Missouri Basin area is predominantly agricultural. I must say that it is gratifying to me, and I am sure it is to the constituents in their States, that all of the Democratic members and at least some of my Republican colleagues from the Missouri Basin States, thoroughly understand the importance of agriculture in the basin, and indicated that they did by voting in favor of the amendment that would make power available to preference customers, including the REA co-ops, at reasonable rates—rates that farmers can afford to pay.

For the benefit of some of my friends on the other side of the aisle who do not seem to recognize the economic facts of life with regard to agricultural production in the basin, I would like to cite a few elementary facts.

With a reasonably good break in the weather, the basin produces a substantial proportion of the Nation's food and feed grains and livestock. According to the census of agriculture, in 1949 the basin harvested 36 percent of the Nation's wheat crop and 46 percent of its rye. We produced 26 percent of the Nation's corn, 33 percent of the barley, 23 percent of the oats, 16 percent of the grain sorghum, and half of the flaxseed. The basin raised one-fifth of the Nation's meat animals, including cattle and calves, hogs and sheep. Its share of the Nation's sales of livestock and wool amounted to 27.5 percent of the $2½ billion national total. Farm real property in the basin, which was reported at $6.6 billion in 1945, was worth nearly twice that amount in 1950, and constitutes approximately 15 percent of the national investment in farm real estate.

I suggest, Mr. President, that some of our Republican colleagues from the basin States voted as they did against the preference clause amendment because they may not have understood completely the importance of agriculture to the economy of the area, or because they failed to understand fully the vital contribution which the basin makes to the agricultural needs of the Nation. It is estimated that by 1975 the Nation will require an increase of 40 percent in farm products to satisfy the increased demand. That means that the basin will have to augment its production, and one of the most crucial problems, therefore, will be the availability of sufficient power to meet the demands of greater production.

To illustrate the increased need for power in rural areas, I would point out that representative rural electric cooperative loads in 1945 averaged about 1,300 kilowatt-hours per consumer. In 1952, they were averaging 2,800 kilowatt-hours. It is expected that the average load will increase to about 6,000 kilowatt-hours yearly by 1960. The whole rural market will be proportionately larger as more and more farms draw on electricity for more and more diversified uses, such as refrigeration, cooking, water pressure systems, farm shops, grain and feed handling, and dairying. As the Missouri Basin Survey Commission said in its report: "In the use of electric power to lift the efficiency of farm operations in the basin, farmers have barely crossed the threshhold of the potential time and labor savings that the use of power captures. Once utilization has been developed and the necessary equipment purchased, it is unlikely that the farm use of energy will decline."

These facts should make it abundantly clear, I believe, why it is imperative to avoid discrimination in favor of private monopoly in the power field and why it is essential to adopt a preference clause relating to the sale of electric energy generated by atomic reactors.

The policy of preference to publicly owned or municipal systems and to cooperative power systems has been basic in Federal power policy for nearly half a century. It began back in 1906, when the Reclamation Act of that year provided that the power developed in connection with Federal irrigation projects should be marketed with a preference to public agencies. The next important step was contained in the Federal Water Power Act of 1920, which provided that in connection with any private application for a license to develop hydroelectric power the Federal Government should have the first refusal to develop the site in question. Thereafter, if any State or municipality applied for the development of the site, it should receive preference over private applicants.

Following these we have the Tennessee Valley Authority Act, the Fort Peck Act, the Bonneville Power Act, the Rural Electrification Act, and the Flood Control Act of 1944. All of these reaffirmed the principle first established in the Reclamation Act of 1906 and broadened it to include rural electric cooperatives along with public electric systems as having preference—that is, as entitled to first claim to the power supply from Federal power projects. It is clear that a policy which has been so firmly established with regard to power from Federal hydroelectric projects should apply equally to energy developed at nuclear powerplants.

Even though the preference clause for municipalities and rural electric cooperatives has been a matter of public policy for almost 50 years, the present administration has not been reluctant to chip away at it and try to cripple it in every way possible, even by the backdoor method of denying necessary funds. It seems quite apparent that the Republican Party has committed itself quite definitely to turn the great public power programs developed over the last decades into the hands of the private power monopoly.

This action is not too surprising, since the Republican platform back in 1952 was ambiguous when it said, "We support the principle of farm-operated cooperatives and urge the further development of rural electrification with Federally assisted production of power and facilities for distribution," and then, in effect, reversed this position by adding "when these are not adequately available through private enterprise at fair rates." This qualifying phrase, I suppose, is intended to justify the Republican contention that there is no power shortage or that power is readily available through private companies at reasonable rates. On both scores, I think we know better.

The intentions of the present administration with respect to power were revealed last year in the report of the House Committee on Appropriations in the Interior Department's appropriation bill for fiscal 1954. It was this report that eliminated all funds for the Southwestern Power Administration's continuing fund. This report contained the following statement:

> The Interior Department should be concerned with only those functions or activities which private enterprise cannot or will not undertake. Where private enterprise is unable to completely develop resources without assistance, there should be a working partnership between the Federal Government and private interests in which the latter should discharge its obligations to the fullest to serve the public interest and place additional property on the tax rolls.
>
> With respect to construction activities, essential and completely justified projects in the construction stage shall be carried to completion to avoid waste of Federal funds, but wherever possible, private enterprise shall be taken into partnership to build, own, and operate that part of each project that can be handled by private ownership under conditions that protect the interest of all the people. In all future projects or new starts which include transmission lines, private enterprise shall be urged to take the initiative in constructing, owning, and operating such works before money is made available for Federal construction.

These words, I think, spell out very clearly the Republican plan to place the great development of power, whether hydro or nuclear, in the hands of private utilities companies. The present administration's strategy on public power, I think, can well be characterized by the term used by the power industry—"dimout." The administration dimout of public power is being accomplished primarily by three means: First, a cutback in funds for Federal generating facilities; second, a cutback in funds for Federal transmission lines; and third, a bypassing of the vital preference provisions which have been the backbone of the public power program for the past decades.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HENNINGS. Yes; I would be glad to yield to my friend from Kansas.

Mr. CARLSON. The distinguished Senator from Missouri is discussing a section of the country I am somewhat familiar with, since we live in neighboring States.

Mr. HENNINGS. I am sure the distinguished Senator, the former great Governor of the State of Kansas and former Member of the House of Representatives, now Senator from that great State, is indeed well familiar with this section of the country.

Mr. CARLSON. If the distinguished Senator will further yield, I wish to state it has been a pleasure to serve with the distinguished Senator in the House of Representatives and now in the United States Senate.

Mr. HENNINGS. I thank the Senator. I mutually and heartily reciprocate the generous sentiments he expresses.

Mr. CARLSON. I was greatly interested in the matter under discussion, because the distinguished Senator from Missouri was a member of a commission which made a great study of the Missouri Basin; and I appreciated very much the description of the basin, its great productive capacity, and its great future possibilities not only from the standpoint of power and electric energy that would be needed and used, but from the standpoint of control of water runoffs and use at its source.

We live in an area, as the distinguished Senator from Missouri knows, which has sections that are very arid and sections with ample rainfall.

Mr. HENNINGS. That is one of the great problems of our particular part of the valley, is it not? There is too much water, or too little.

Mr. CARLSON. I will say the distinguished Senator from Missouri is absolutely correct. In 1951 we suffered one of the most disastrous floods in the Nation's history, which caused great damage not only to Kansas and Missouri but also to Oklahoma. This year and last year we have suffered from an extreme drought, which has cost our citizens millions of dollars and literally billions of dollars, and we are suffering at the present time.

Therefore, we both appreciate the value of water and the beneficial use of water.

I was greatly interested in the Senator's discussion of the use of water for the generation of electric current. I think we all are in favor of using it. Unfortunately, in the State of Kansas we have streams which do not have sufficient flow to produce electric energy and, therefore, we do not get the advantage of that particular beneficial use of water; but we are concerned about the conservation and the use of water and the control of water runoff.

It has been a pleasure to have cooperated with the distinguished Senator from Missouri in promoting and securing the enactment of legislation which will provide for the control of the use of water at its source, as well as the impounding of water for the beneficial use.

I did want to ask the Senator this question:

The Senator from Missouri brought up the policy of this administration in regard to the production of electric energy, as I understood his statement. In the statement which he read, he stated the Federal Government should not participate in the construction of electric energy-producing projects unless it was in places or in locations where the private industry could not and would not construct the project and produce the electricity at rates which would be beneficial to the people; is that correct?

Mr. HENNINGS. I think that is the substance of what I undertook to say.

Mr. CARLSON. Does not the distinguished Senator from Missouri believe, at a time when our Federal Treasury has a deficit of some $3 billion, and any money which we invest or spend for the future, although these projects are worthwhile, represents funds which will have to paid off by our children and our children's children, if private industry will come along and make the capital investment and pay the taxes and pay the interest it would be better to do it that way? Their rates are regulated by the State agencies. I think that is important. No rates for electrical energy are permitted in the States of Kansas, Missouri, and other States without the approval of the State Corporation Commission or utility body.

Does the Senator not think we should take every advantage of using private funds to construct these projects in the present situation?

Mr. HENNINGS. Well, I do not know that the present situation differs greatly, may I say to my good friend from Kansas, from the situation last year or 10 years ago. We get into a rather involved discussion, of course, when we get into the question of whether the private utilities are able and willing to construct facilities. As you know, that is really the heart of the question.

Mr. CARLSON. If the distinguished Senator will yield further on that, of course if they are not willing and do not construct the projects, then I think the Federal Government ought to enter into it. But until they have had an opportunity, it seems to me that the present administration's position is very sound on that point.

Mr. HENNINGS. Well, we get into the question of fact, do we not, sometimes? The Senator and I have run into that a good deal.

I am sure the Senator and I have had experiences where it has been claimed that the private power company could and would serve an area, but in fact did not elect to do so. The REA's have moved in and have done so. The REA's, of course, are self-supporting and are no strain upon the Federal Treasury. They do not diminish the Treasury.

I do not know whether the Senator is referring to hydroelectric dams or transmission lines.

Mr. CARLSON. Would the Senator yield further? The junior Senator from Kansas is greatly interested in having sufficient power and an assured supply of power, but if my view would prevail it would be that the private industry should be given the first opportunity and every opportunity to construct the plants and transmit the current at rates which are controlled and set by corporation commissions in the various States.

Mr. HENNINGS. I certainly believe that private industry should be given that opportunity. The difficulty seems to have been, at least in our State, may I say to my good friend from Kansas, that the private companies have failed to give the service. They have failed to extend the lines and have failed to bring electricity to the farms and smaller communities.

I could cite one illustration, and that would be the town of Springfield, Mo.

Mr. CARLSON. If the Senator would yield further, I would agree that the private power companies in this Nation, especially in the State of Kansas, which I think I can discuss very frankly, did appreciate the opportunity they had in the beginning, in the construction of the REA program.

Mr. HENNINGS. They opposed the REA program; did they not?

Mr. CARLSON. The Senator is absolutely correct.

Mr. HENNINGS. Some of us voted for the REA program as far back as the 1930's.

Mr. CARLSON. I think that was a shortsighted policy, if I may say so, on the part of the power companies. I can state definitely, as to the State of Kansas, at least, that the private power companies and the REA's have a coordinating committee. They are working together at the present time and getting along very well. In fact, we have some private power companies in our State which built rural electrification lines out in very sparsely settled areas, demonstrating that private companies could have done it. I regret sincerely they did not construct the required facilities.

I want to say to the distinguished Senator from Missouri that I appreciate the discussion very much this evening. I think the Senator's talk has been timely. In view of the Senator's background, having served on this Commission, I think it is a very important statement.

Mr. HENNINGS. I thank my good friend from Kansas, with whom I have had the pleasure of working for a number of years on matters relating to our great valley, and I look forward to having the Senator's cooperation and extending to the Senator my cooperation in the future, as we have both undertaken to cooperate in the past.

Mr. President, the majority leader in his determination to ram through the atomic energy bill has repeatedly cried filibuster. In anguish he pleads with the Senate to move forward with the President's legislative program. We Democrats can only suggest to him that the present bill is not necessary and should be laid aside so that the entire matter of this legislation, which is so complex and so little understood, may receive the adequate study and debate throughout the country it needs. The bill should be deferred until the next Congress and during the fall campaign the issues can be fully debated. This, indeed, the majority leader does not want because he fears that his party is going to be defeated next fall and that he will not

have the votes at his command to pass this private power monopoly bill. This is one reason, I believe, why he is so unwilling to lay this matter aside.

Mr. President, why not let the Senate proceed with the really urgent and necessary legislation. The Senate Agriculture Committee has voted to report out a farm bill providing for 90-percent parity. Could it be that the majority leader wants to stay on this bill so that the Senate will be unable to pass a farm bill providing 90 percent of parity? Could it be, Mr. President, that the majority leader is the one who is really carrying on a filibuster here in the Senate? If he really wants this farm bill passed all we have to do is to move to table the pending legislation and the Senate can then begin on the really urgent legislation.

In addition to the farm bill, in many States in the Middle West and elsewhere, we are faced with a devastating drought. Governor Donnelly, of Missouri, on the recommendation of the Missouri Drought Committee has certified to President Eisenhower the entire State of Missouri as a major disaster area. The Secretary of Agriculture, Mr. Ezra Benson, has indicated that he will look into the matter and while he is looking into the matter, farmers are being wiped out.

The Missouri State Emergency Drought Committee, as I indicated earlier, has asserted that the current drought in our State is the most critical in the history of the State and although all of the members of the Missouri delegation of the Congress have been seriously concerned over this matter, and have asked repeatedly for assistance from the Federal Government to meet this emergency, two letters which I have just received emphasize the urgent need for prompt action.

The first letter comes from Mr. Fred V. Heinkel, president of the Missouri Farmers Association, and it encloses a copy of a wire sent to President Eisenhower. I would like to read that wire to the Senate:

The board of directors of the Missouri Farmers Association, representing more than 152,000 farm families in Missouri, in a meeting here today, directed me to apprise you of the awful drought conditions in our State and to make recommendations which we believe would alleviate the situation.

This is the 3d year of drought in Missouri. Rainfall has not only been much less than last year, at which time we experienced the worst drought in history, but temperatures this year have been the highest on record. Missouri has had 41 days with temperatures higher than normal, with 17 of them above 100 degrees. Corn and soybean crops are practically ruined. Pastures have been wiped out. Water supplies for people and livestock are exhausted in some areas and are near exhaustion in many other areas. Livestock herds are being liquidated in wholesale numbers at ruinously low prices. Local bankers advise that thousands of farmers have totally exhausted their borrowing power and are faced with bankruptcy.

After 3 years of continuous drought of unprecedented severity, coupled with the constant decline in farm prices, the disaster is of such magnitude that the State of Missouri cannot possibly deal with it alone. Only immediate and aggressive action by the Federal Government can save thousands of farm families from financial ruin and prevent future damage to agriculture which will take years to repair.

The catastrophe which has descended upon us has crippled agriculture beyond estimation, and the adverse results are certain to be felt by all the American people. There is no way for us ever to recoup the losses, but the Federal Government can do much to rekindle hope in farm people and help them to keep their farms and their herds and remain on the land instead of migrating to our cities to swell the ranks of the unemployed.

In view of the grave situation confronting us, the Missouri Farmers Association recommends and strongly urges that the Federal Government take action as follows:

1. That the Federal Government immediately start a beef-purchasing program for school lunches, hospitals, and the Armed Forces; and that, in addition, a cattle-buying program be inaugurated at once which will insure that farmers receive not less than $10 per hundred for utility grades of cattle. If these two steps are taken without delay, livestock prices will be stabilized and the harmful effects of the disaster will be mitigated.

2. That surplus grains held by the Commodity Credit Corporation be immediately made available through regular trade channels for livestock feed in disaster areas. That the feed relief program of last year, which was terminated in March, should be reinstated; while, in addition, CCC grains should be made available at very low cost to farmers whose corn crops have been destroyed, in order that they can use them for feeding purposes.

3. That grants of surplus seeds held by the Commodity Credit Corporation be made available through regular trade channels, with farmers paying only transportation costs and the handling charges of seed dealers. This would enable large numbers of farmers who have lost all their crops to hang on for another year.

4. That the Farm Credit Administration be directed to defer loan and interest payments 1 year.

5. That in order to forestall the liquidation of irreplaceable dairy herds, which have taken many years to establish, as well as to prevent enormous loss to the dairy industry (in which the people of Missouri have an investment of more than $2 billion in processing plants and other facilities alone) we urge that a subsidy be paid to dairy farmers in drought areas at the rate of $1 per hundredweight on whole milk, and that this be started at the earliest possible time and continued until May 31 next year.

6. That 30-year loans be made to farmers for drilling wells in areas where the water supply is exhausted.

7. That the Congress appropriate $1 billion for relief purposes in drought disaster areas of the several States, this fund to be used for grants, subsidies, and other aids incident to the emergency, as such may become necessary.

The Missouri Farmers Association respectfully calls attention to the fact that the situation grows worse each day—crops suffer further damage, more wells go dry, more livestock is sacrificed on a glutted market, more dairy herds are dispersed, and more people are forced out of farming. Every American will in some measure feel the effects of this disaster. It is our earnest hope that action will be taken by the Federal Government before the Congress adjourns.

FRED V. HEINKEL,
President, Missouri Farmers Association, Columbia, Mo.

The other letter, Mr. President, comes from the Missouri Farm Bureau Federation and contains a copy of a letter addressed to Secretary Benson, which I would also like to read because it gives additional details on this disastrous situation:

Disaster is again striking the State of Missouri and most of the States around us. The following is part of a story in last evening's Columbia Missourian:

"The mercury at 1 p. m. today read 104 as Columbia's heat wave pressed toward new records. It was the eleventh day this month that temperatures exceeded 100.

"All of 1953 had only 10 days that topped 100.

"Yesterday's high of 111.4 at 3:45 p. m. broke Columbia's old record here for that date, which was 109 in 1934. The high of 111 last Saturday also broke the record here for that date, 103 in 1936.

"This morning's low here was 77 at 5 a. m. Yesterday morning's low here was 82. Today's humidity was 25 percent."

This heat wave has ruined most of the corn and pastures that have not recovered from the drought of the last 2 years are dried up. Springs and wells that have been furnishing water for several generations are now dry and farmers are having to move cattle to market as fast as they can secure transportation to take them. Many counties report that truckers are from a week to 10 days behind in their movement. The price on these commercial grades are off from $2 to $3 per hundredweight, in the past 2 weeks.

Many farmers who have exhausted their resources to hold their herds together the past 2 years are now being forced to liquidate at prices about half what they were just a little over 1 year ago.

Most of the things a farmer buys are costing more than they did last year, and when he has to liquidate his livestock at about half price, he feels that other groups are being protected at his expense.

Most farmers feel that the Government will have to buy a considerable amount of beef and other livestock for school-lunch and other relief programs, and in their opinion this program should be started now.

The meeting held here in Jefferson City yesterday, in which the Missouri Farm Bureau Federation participated, strengthened the Kansas City market some 50 cents to $1 per hundredweight, according to this morning's radio. We feel sure that an announcement that the Government is going to resume its cattle-buying program will strengthen the market materially. An actual resumption of cattle buying will maintain a higher level of prices and develop a different attitude, as well as actually saving from ruin many of our most substantial livestock producers.

This cattle-buying program was in effect last year when things were better than they are now.

You know that it is much easier to hold a market than it is to rebuild it, and if something is not done soon the price on these lower grade cows will be demoralized beyond redemption, ruining many of our good livestock men.

Very truly yours,
H. E. SLUSHER, *President.*

P. S.—This year the drought disaster is statewide, caused more by heat than lack of rainfall, and the drought-disaster area should be the State of Missouri.

Mr. ANDERSON. Would the Senator yield for a question?

Mr. HENNINGS. Yes, I will be glad to yield to the distinguished Senator from New Mexico.

Mr. ANDERSON. Does the Senator from Missouri feel that the cattle situation is such that a cattle buying program should be instituted at once?

Mr. HENNINGS. I have just so undertaken to say, and in so doing have had the support of the Missouri Farm

Bureau and the Missouri Farmers Association.

Mr. ANDERSON. I thought I heard the Senator say that. Does the Senator know that some of the other States have taken the same position?

Mr. HENNINGS. I have understood that they have.

Mr. ANDERSON. I understand that the able Senator from Oklahoma [Mr. KERR], and probably others, went to the White House not long ago to talk about this question. Does the Senator not feel that the combination of the drought and the combination of numbers, excess numbers, some 10 million to 12 million more on the range than may be needed to take care of the beef population, may threaten greatly the beef price situation unless a very aggressive program is undertaken?

Mr. HENNINGS. No one is more qualified to speak with knowledge of that situation than the distinguished Senator from New Mexico, the former Secretary of Agriculture. I am sure he is eminently correct in what he says.

This situation is charged, secondly, with peril and great hazard.

Mr. ANDERSON. Will the Senator agree with me that when you have a combination such as you have in Missouri, as you have in southeastern Colorado, as you have in all the eastern part of New Mexico, and the great central area of Texas, where there is extreme drought and very high temperatures, and then very high numbers, that the combination of drought plus the sort of panic effect of those extreme numbers makes it a very difficult thing to handle in the stockyards? Does the Senator not feel that is true?

Mr. HENNINGS. The Senator is eminently correct. We have been getting reports from the St. Louis, Kansas City, and St. Joseph stockyards, which bear out that point. It has become literally impossible to handle the influx in the stockyards.

Mr. ANDERSON. Would the Senator agree that this has had a depressing influence on prices in the last 10 days? I think I heard him mention the fact that prices are going down rapidly.

Mr. HENNINGS. Yes; prices have been demoralized in the past 10 days. As I have indicated, there was some relief last week.

Mr. ANDERSON. Does not the Senator believe that that situation is true in other parts of the country, other than the State of Missouri?

Mr. HENNINGS. Unhappily I fear it is true in many parts of the country.

Mr. ANDERSON. I think it is true. While this is not exactly a question, I believe the Department of Agriculture is probably prepared to institute a program as soon as the condition gets severe enough so that they believe action is necessary. If that happens, does not the Senator agree that it is a good program, and should be put into operation as soon as possible?

Mr. HENNINGS. I think it is an excellent program. I say to the Senator that we are fast approaching the time when that program should be put into operation. Certainly conditions are worsening in our State, and they are worsening rapidly in other States, and there seems to be little or no hope for any improvement this year.

Mr. ANDERSON. Does the Senator think that when thin cows get down to where they are sold for 5 cents, that the condition has gone far enough and that the time has come for something to be done about it?

Mr. HENNINGS. I believe that even in the opinion of the Secretary of Agriculture, Mr. Benson, that would be a correct statement.

Mr. JOHNSTON of South Carolina. Will the Senator yield?

Mr. HENNINGS. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that when cattle is forced on the market in that way, with an oversupply on hand, that the consumer does not get the benefit of the reduced rates?

Mr. HENNINGS. That is, unfortunately, invariably true. The Senator is eminently correct.

Mr. JOHNSTON of South Carolina. Cattle should be fed into the market gradually so that no one will be hurt. Is that correct?

Mr. HENNINGS. The consumer certainly does not benefit from the reduced rates.

Mr. CARLSON. Will the Senator yield?

Mr. HENNINGS. I yield to the Senator from Kansas.

Mr. CARLSON. Did I understand the distinguished Senator from Missouri to read some resolutions and statements adopted by the Missouri Farmers Association and the Missouri Farm Bureau with regard to the drought situation in Missouri?

Mr. HENNINGS. I have undertaken to read them.

Mr. CARLSON. If the Senator will permit me to say so, the Kansas Livestock Association and other organizations have wired me along the same line. I am in accord with the program being instituted at an early date, because I think for its effectiveness it is important that it should be undertaken as soon as possible.

Mr. HENNINGS. I am happy to hear the distinguished Senator from Kansas say that. I know that he has used, is using, and will continue to use his great influence to see to it that this program is put into effect and that we will not have the unfortunate situation of too little and too late, by having this assistance and help come after our livestock herds are decimated.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HENNINGS. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. The very able Senator from Missouri has been speaking of the heat and drought in Missouri. Living, as he does, in St. Louis, and being acquainted with conditions across the Mississippi River, he knows, does he not, that we have had for several weeks intense and searing heat in Illinois south of Springfield, which has ruined probably the major portion of the corn and soybean crop and has killed very large numbers of poultry and hogs and livestock, and that the water supplies of a number of towns and cities are drying up rapidly, and that human beings are in distress because of lack of adequate water?

Mr. HENNINGS. I do not know whether the Senator from Illinois was in the Chamber when I detailed some of those conditions which he has just related as obtaining in Missouri, and which now are true in the adjacent and neighboring State of Illinois. I have been distressed to note that that condition is present through the breadth of the State of Illinois south of Springfield and down. We realized that we had very much the same thing last year just a little later in the season, and something less of it in the preceding year. Therefore this is the third year of intense drought that we have suffered in that general area.

Mr. JOHNSTON of South Carolina. The Senator's State has suffered from an intense drought, and several States in that part of the country have suffered from intense heat. I have read reports coming from Pittsburg, Kans., which is about 70 or 80 miles from Kansas City, to the effect that the heat for several days there ranged from 120° to 121°. With that intense heat and the dry weather, the raising of crops has been made almost impossible.

Mr. HENNINGS. Springs which have been in families for generations have been drying up for the first time.

Mr. JOHNSTON of South Carolina. The people that were raising cattle, of course, have not been able to graze their cattle because there is no grass for the cattle to graze on. Is that correct?

Mr. HENNINGS. I spent in the neighborhood of 2 months last year going all over the State during that drought period. What we saw was beyond belief. We saw cattle dying and herds decimated, and the livestock people being ruined. It was an unbelievable state.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HENNINGS. I yield.

Mr. CARLSON. The distinguished Senator from South Carolina [Mr. JOHNSTON] mentioned 121° of heat at Pittsburg, Kans. I know there have been some unofficial reports of some heat in Kansas, but we have not had several days of 121° of heat.

Mr. JOHNSTON of South Carolina. I said around 121°.

Mr. CARLSON. We have had an official reading of 114°. I do not want the record to show that we had several days of 121° of heat, although we have had some hot weather out there.

Mr. HENNINGS. Kansas is vindicated. It is only 114°.

Mr. JOHNSTON of South Carolina. A young lady, who was formerly my secretary and who is now married and lives in Kansas, wrote to me about the heat, and about how they have suffered out there. She gave me the temperature reading for several days, and she said that they had to stay in the basement, because it was too hot to stay upstairs. They had to take their children and go to the basement.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HENNINGS. I am very glad to yield.

Mr. HILL. I am sure the Senator will agree that although it was only 114° in Kansas, that was hot enough.

Mr. HENNINGS. Yes.

Mr. HILL. Mr. President, I wish to commend the Senator on his very timely speech about a very emergent situation. In my State of Alabama we have the worst drought situation that we have had in the history of the State. I regret to say that this is the fourth successive year that we have had a drought. The drought this year has been particularly severe, in that we have had nothing like our normal rainfall. We have had it pretty hot down there. Much of our grain has been burned up. Our pastures are burned up, and we are confronted with a very dire need for the very relief to which the Senator from Missouri is addressing himself now. I certainly wish to commend and congratulate the Senator for bringing this matter so ably and forcefully to the attention of the Senate.

Mr. HENNINGS. I thank my very distinguished friend from Alabama. I am particularly grateful for this opportunity to call these matters to the attention of the Senate, inasmuch as I was requested to make this speech by both the distinguished majority leader and the distinguished minority leader.

I wish to make it clear that the speech is not in the nature of a filibuster or a speech to take the time of the Senate. It is made for the specific purpose of giving other Senators an opportunity to reach an agreement, if possible, to dispose of the pending business.

I wish to make it perfectly clear that I am not making this speech for the purpose of a filibuster. I appreciate the remarks of my distinguished friend the Senator from Michigan [Mr. FERGUSON] before I got the floor this evening.

Mr. FERGUSON. Mr. President, there was no intent or desire on my part to cast any reflection by anything that I have said. I wish the RECORD to be clear in that regard. The Senator had a very important message for the Senate, and some Senators have been engaged in discussing a very important matter off the floor. The Senator from Missouri has made a very important contribution. It was a speech that he would have had to make at some time, and it is fortunate that he has been able to make it while the other discussion was going on.

Mr. HENNINGS. It was a speech that had to be made sometime and I appreciate the remarks of the distinguished chairman of the Republican policy committee and acting majority leader for making his statement for the further enlightenment of Senators who may not have been in the Chamber when I undertook to discuss these matters, which I believe are of vital interest to all sections of the country.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HENNINGS. I am very glad to yield to the Senator from Alabama.

Mr. HILL. Is it the Senator's suggestion that praise from Caeser is praise indeed?

Mr. HENNINGS. I shall be very happy to accept that suggestion.

As I stated, Mr. President, the Missouri delegation in Congress has been so alarmed over the situation that we have repeatedly appealed for Federal assistance. By way of response to my own appeals to the Secretary of Agriculture, I received a letter signed by Mr. K. L. Scott, Director of the Agricultural Credit Services—a letter which is truly astounding.

Mr. Scott undertook to assure me and the farmers of Missouri presumably, that the Department of Agriculture is "watching the situation carefully" but that really they could not find much to worry about. The letter, in what I am sure was intended to offer aid and comfort to the farmer, said that "with the prospects for continued strong consumer demand for beef and for large feed crops, we hope there will not be a need for the Department to resume beef purchases."

Other information contained in Mr. Scott's letter was so contradictory of the facts with regard to marketings and prices in the livestock exchange and even the facts reported in the Department of Agriculture's own publication, Livestock Market News, that I again wrote Secretary Benson.

Mr. BARRETT. Mr. President, will the Senator from Missouri yield for a question?

Mr. HENNINGS. I yield.

Mr. BARRETT. The Senator made the statement that Mr. Scott had said he saw no good reason to institute the beef-purchasing program for this year. Was that the Senator's statement?

Mr. HENNINGS. I will read it again. He said they were watching the situation carefully. I suggested that the letter was intended to offer some aid and comfort to the farmers. He went on to say:

> With the prospects for continued strong consumer demand for beef and for large feed crops, we hope there will not be a need for the Department to resume beef purchases.

Mr. BARRETT. I may say to the Senator that in Wyoming, Colorado, and many of the mountain States, at least, it is quite evident now that the hay crop will be extremely low, perhaps less than 20 percent of normal, and the livestock growers in our part of the country will be forced to liquidate their herds because the price of hay and grain will be so high that it will be almost prohibitive to try to winter their full herds. I am surprised at that statement, because it seems to me it follows as a logical conclusion that before very long there will be a terrific run in the big markets of the country, and, naturally, the prices of cattle will be affected.

Mr. HENNINGS. I do not know whether the Senator from Wyoming was present when it was suggested that the run is considerably large now.

Mr. BARRETT. I think the market has held up reasonably well up to the present time, although there has been some drop; but it seems to me it is asking too much to expect it to hold up when a large measure of liquidation affects the market.

Mr. HENNINGS. I am very sorry to hear the report my friend from Wyoming has to bring us with respect to the hay crop. We have been relying on some of that hay to take care of our cattle. In fact, we bought a good deal last year under a hay-buying program.

Mr. BARRETT. I will say to the Senator that last week I was in Wyoming with the Assistant Secretary of Agriculture, and we flew about 1,400 miles. It was very evident to me that the hay crop is already very low, so that most of the ranchers will be forced to ship their cattle to market or to ship them to some other area for wintering. Most of them found that to be a very unsuccessful venture in years gone by.

However, I should like to ask the Senator if the date of his letter from Mr. Scott is not sometime back, because I understand the Department has already announced that it will reinstitute the beef-purchasing program.

Mr. HENNINGS. I am very glad to hear that. The date of the letter is 2 or 3 days ago. I do not have the original letter here, but it was within the past 2 or 3 days.

Mr. BARRETT. Some notice has been given that there is at least the intention to reinstitute the beef-purchasing program. Whether it has been finally determined I am not sure, but after talking to representatives of the industry in Western States, it is the unanimous conclusion of those people who are well informed that, certainly, we need to have the program reinstituted this year.

Mr. HENNINGS. I thank my good friend for his contribution and for his assurance.

I wrote the Secretary as follows:

> DEAR MR. SECRETARY: You will recall that I took up with you on July 9 the urgent matter of the drought in Missouri and particularly called your attention to the forced movement of livestock into the Kansas City market and the depressed prices, and I urged that you give immediate consideration to plans for emergency action in order to avert a recurrence of the 1953 disaster.
>
> In reply, I have just received a letter from Mr. K. L. Scott, Director, Agricultural Credit Services. The statements in this letter are nothing short of astounding.
>
> The letter states that the Department of Agriculture has been "closely watching conditions in the cattle industry" and that "we shall continue to watch the situation carefully." The letter also contains the following paragraph:
>
> "Cattle marketings are large, but they are not out of line with the record numbers on farms and ranches. The large marketings at this time do not indicate forced liquidation of cows or other classes of cattle in such numbers that would immediately necessitate the Department's resuming beef purchases as a surplus removal operation. Prices of most classes of cattle have continued above last year. Also, storage stocks of beef continues smaller than usual, so that there is no price-depressing influence from that factor."
>
> The facts of the matter indicate quite the contrary. Prices are not steady, and they are not above last year, as Mr. Scott reports them. May I refer you to page 554 of the Department of Agriculture Livestock Market News for July 13, 1954. You will see that the prices of cattle in which marketings are affected by the drought are considerably under 1 year ago. For example, let me cite the following figures for the weekend of July 10 of this year as compared with the weekend of July 11 of last year.
>
> The figures from the Kansas City market indicate that heifers are down from 50 cents to $1.88 under last year. Commercial cows

are down from $13.28 last year to $12.50. Utility-grade cows are down from $11.95 last year to $10.40. Canners and cutters are down from $9.72 last year to $8.38. Bulls, utility and commercial, are down from $13.68 last year to $12.70. Calves, choice and prime, are down from $18.70 to $16.94. Calves, commercial and good, are down from $14.75 to $13.31.

In addition, I would call your attention to the enclosed item from the Kansas City Star of Monday, July 19, 1954, which indicates that the classes of cattle affected by the drought continue to decline: Commercial-grade cows brought up to $11.25, a decline from last week; utility grades brought from $9 to $10, again down from last week; and canners and cutters sold mostly at $6.50 to $8.75, also a decline. That these figures indicate excess marketings of drought-distressed animals is clear from the fact that 1 month ago prices were as good or a little above 1 year ago.

There are some indications that farmers have been holding off cattle from the market a few days longer in the hope that the Government would implement its beef-buying program. Meanwhile, Governor Donnelly has certified the entire State of Missouri as a major-disaster area.

This is a situation which assistance should have been started some time ago, and should not now be delayed a single hour that is unnecessary.

Sincerely yours,

THOMAS C. HENNINGS, Jr.,
United States Senate.

In the face of comments from the Department of Agriculture which indicated that the Secretary and officials of that Department are not inclined to take this situation very seriously, I was certainly gratified to learn that President Eisenhower does consider this a serious matter.

In reply to a wire from Gov. Phil Donnelly recommending that the entire State of Missouri be designated as a drought disaster area and calling upon the Federal Government for immediate assistance, the President said:

I have read with sympathetic understanding your message regarding the critical drought situation in the State of Missouri and have referred your requests for expeditious consideration by the Secretary of Agriculture and the Administrator of the Federal Civil Defense Administration. The Secretary will, of course, give prompt attention to your suggestions relating to programs operating under authority vested in him.

The Administrator, after examination by the Department of Agriculture, will report to me regarding the need for a "major disaster" area designation under the provisions of Public Law 875, 81st Congress. Just as soon as that report is received, I shall take whatever action is appropriate under the law. It is my sincere hope that the serious conditions brought about by the drought may soon be alleviated.

In addition to recommending the immediate designation of the entire State of Missouri as a drought disaster area, the Governor recommended the immediate resumption of the Federal beef-purchase program as an effort to stabilize the Commercial Grade cattle market, and that grain feeds held by the Commodity Credit Corporation be made available for livestock feed in Missouri.

Earlier this week I wired Secretary Benson pointing out that he already had authority under existing law to put into effect emergency feed and beef purchase programs, and I urged him promptly to request action by the Congress to provide whatever additional funds might be needed for this purpose.

I might add, in this connection, that I wrote to every Member of the Senate Appropriations Committee giving them full details on the drought disaster so that the committee would be fully informed and able to act promptly in approving the necessary funds.

I bring up the matter at this time, Mr. President, because prompt action or procrastination can spell either economic life or death in this stricken area. Unfortunately, with all the scientific and technical knowledge at our command, we have not been able to control the forces of nature, to produce needed rain, or to hold back the searing sun. We do have at our command, however, resources for alleviating the disaster if we act without delay.

I have 2 editorials, Mr. President—1 from the St. Louis Globe-Democrat of July 21 and 1 from the St. Louis Post-Dispatch of the same date. Both point out that, in addition to the conditions I have already mentioned, crops in many sections of the State have been further damaged by a plague of grasshoppers. I ask unanimous consent to have both editorial printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch of July 21, 1954]

DROUGHT RIDES AGAIN

Governor Donnelly's appeal to the Federal Government for drought relief reflects an increasingly disturbing situation. Senator SYMINGTON had earlier called on Secretary of Agriculture Benson for help. The Governor's plea, following a conference of his Emergency Drought Relief Committee, asserts that the existing drought situation is "the most critical in the history of Missouri."

Somewhat rainier weather the last several months may have led some urban dwellers to suppose the drought emergency had passed. While the water supply has improved in some areas, elsewhere it remains acute or has worsened.

Exceptionally hot weather, with temperatures well over 100, has burned pastures and feed crops as well as dried up springs and wells. In addition, crops have been damaged by a plague of grasshoppers.

In consequence of these combined disasters, cows are being forced onto the market in Missouri at distress prices as low as $4 a hundredweight. State Agriculture Commissioner Carpenter found heavy marketing of cattle on the Kansas City and St. Louis markets and the same situation in prospect in the Springfield and St. Joseph stockyards unless something is done.

Under Governor Donnelly's leadership the same group of farm leaders that drew up last year's relief program has mapped measures to deal with the present emergency. A basic element of that program is a request for resumed purchases by the Department of Agriculture of commercial grades of beef for the school lunch program and public institutions. The Department has already started negotiations looking toward a new hay program.

The governor is also asking the Federal Government to designate Missouri a drought disaster area, as he has already done, and to make grain feeds of the Commodity Credit Corporation available for livestock in this State. Missouri spent $9,250,000 in its hay program to bring its beef and dairy herds through last winter. That considerable effort would be lost if the present emergency were allowed to liquidate the herds that thus far have been saved.

This State has given the most concrete evidence that it will do what it can to help itself. As Senator SYMINGTON and Governor Donnelly are pointing out, the cooperation of the Federal Government is needed also, for the burden is heavy, and drought is running in its third severe year with the end not yet in sight.

[From the St. Louis Globe-Democrat of July 21, 1954]

DROUGHT RELIEF

Federal relief for Missouri drought-stricken farmers is urged by Governor Donnelly's drought emergency committee which, at a meeting this week in Jefferson City, made certain recommendations. The committee is comprised of 24 farm leaders and representatives of the agricultural department of the University of Missouri, the extension service of the same university, big farm organizations, and various chambers of commerce.

The committee agreed that the entire State should be declared eligible for whatever relief the Federal Government has available. It also asked for the reinstatement of the Federal beef-purchase program, and would make stocks of grain held by the Government in surplus available for livestock feed in emergency areas.

Conditions are bad in many areas, doubtless worse than last year when a haylift was established to provide needed feed, for which the legislature appropriated $9,250,000 of State funds. Not only has there been a drought that has burned up the fields, but there has been a plague of grasshoppers in some sections. There is a water shortage. Plus the fact that many farmers are financially pinched because they all but exhausted their credit last year.

Missouri farmers should receive every needed attention. They have been hard hit in relation to production of crops due to the drought, and market prices for what they have to sell are down, with the cost of living down only slightly. If the Federal Government has money for such emergencies—and it has—Missouri farmers are certainly eligible for relief.

Mr. HENNINGS. Mr. President, I would like briefly to discuss the situation whereby the Government is giving to the Dixon-Yates Co., for an investment of about $5 million, a contract guaranteeing a 9-percent return on its investment for 25 years, then, at that time, the entire facility will be turned over to Dixon-Yates for whatever purpose they see fit. Mr. President, I was happy that the devastating effects of this provision have been somewhat mitigated by the adoption of the Gillette and Johnson amendments.

I think that this transaction bears out, better than anything I know, the Republican philosophy of government. We have the property of the United States being put into the hands of a select few. The United States Government, not only guarantees a high rate of interest to the company on their initial investment, but, at the same time, agrees to reimburse all the taxes paid, be they local, State, or Federal. The hundred and two million dollars over and above the $5 million financed by the Dixon-Yates group for the construction of the this project will be financed by bonds guaranteed by the Government and yielding an interest of 3½ percent. Let there be no mistake,

Mr. President, this is not free enterprise which the Republicans profess is being safeguarded; this would lead to nothing more or nothing less than the biggest giveaway in the history of the United States.

The part that President Eisenhower played in this giveaway should be seen for what it is—a clear abuse of Executive power. The Atomic Energy Commission was created as an independent agency. The Atomic Energy Act of 1946 clearly pointed out the powers of the President. One was to appoint, with the consent of the Senate, a 5 member commission and to designate 1 member as its chairman. Another was the appointment of an advisory commission. Finally the production of atomic bombs, their parts, or other military weapons utilizing fissionable materials is to be carried on only to the extent authorized expressly each year by the President.

Mr. President, I could not find anywhere in the McMahon Act of 1946 a provision which gave to the President the right to compel the Commission to enter into or begin negotiations for a contract, such as this one, or any other one, for that matter, of which the Commission had expressed their disapproval. By such arbitrary action, the effectiveness of the Atomic Energy Commission as an independent agency is seriously hampered. The President stated, according to a news story in the Washington Star, that he "did not believe that the AEC was an independent commission in the sense that the Interstate Commerce and the Federal Communications Commissions are." Mr. President, at this point I would like to say that his very statement perverts the provisions of the Atomic Energy Act of 1946. Nowhere in that law is he given any semblance of authority to direct the Commission to enter into contractual arrangements with private companies. On the contrary, such discretion is left to the Commission. That the Commission in this case felt that such a contract should not be entered into makes little impression upon the President. In fact it is reported that the President was ignorant of the Commission's opposition to the Dixon-Yates contract. Their comments in a letter to the Budget Bureau include a statement that the "new contract was incongruous, roundabout, and a perversion of their sober primary mission." The President also indicated that the Attorney General had given him an opinion on the matter. Yet the Attorney General on a recent TV program stated "No; that has not come to the Department of Justice in any way." I wonder, Mr. President, what basis the President used when he gave the Bureau of the Budget the instructions to have the Atomic Energy Commission proceed with the negotiations leading toward the contract.

Other sections of the bill, Mr. President, which commanded my wholehearted attention were sections 123 and 124, dealing with cooperation between nations for the peaceful development of atomic energy. I was happy that yesterday the able junior Senator from Rhode Island attempted to have certain sections dealing with this matter amended to eliminate the discrimination between United States cooperation with one nation in the peaceful development of atomic energy and United States cooperation with a group of nations for this purpose. One-nation cooperation is permitted by an agreement for cooperation in the nature of an Executive agreement, with several very adequate safeguards guarding against arbitrary and capricious action on the part of the President. Not the least of these, Mr. President, and the one which I consider of prime importance, is that section requiring that the proposed agreement for cooperation, together with a determination in writing from the President—"that the proposed agreement will promote and not constitute an unreasonable risk to the common defense and security"—be submitted to the joint committee, and that such proposed agreement will not become effective until 30 days have elapsed after such submission while the Congress is in session. The amendments offered yesterday by the Senator from Rhode Island would have placed on an equal plane with that provision, international arrangements with a group of nations.

As the matter now stands, Mr. President, the President of the United States is trusted to enter into arrangements with one nation by agreement, without treaty or prior legislative authorization from the Congress, but not so with a group of nations. It seems to me it makes little difference whether the arrangement is with one nation or a group of nations; if the President can be trusted to exercise sound judgment in agreements for cooperation with one nation, he can be trusted, under the same safeguards, to enter into an agreement for cooperation with a group of nations. I feel the requirement, particularly, that the proposed agreement for cooperation be submitted to the joint committee to become effective 30 days thereafter, during the time which Congress is in session, is as much a safeguard as a treaty or legislative authorization. If the joint committee feels that the proposed agreement is detrimental to the best interests of the United States, it can take necessary legislative action to overcome such an agreement. It would seem to me that 30 days is a reasonable time. The majority party has said that the whole power policy and atomic energy program of the United States could be passed in one all-night session.

It seems just a difference in degree when we give the power to the Executive to enter into an agreement of cooperation with one nation and one with a group of nations. When we consider that the United States, under the act as it now stands, can enter into separate agreements with country A and country B, and country A and B may also enter into an agreement with each other, there is being achieved by indirection that which cannot be accomplished under this bill by direction. Such a result seems manifestly absurd.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HENNINGS. I yield.

Mr. FERGUSON. Mr. President, I ask that the Senate recess before 12 o'clock, so that it will not hold a session on Sunday.

I shall ask unanimous consent that when the Senate concludes its labors tonight, it recess until 10 o'clock Monday morning next.

Mr. ANDERSON. Mr. President, does the Senator from Michigan desire to recess when the Senator from Missouri has finished his address?

Mr. FERGUSON. I desire to afford an opportunity to the minority leader to return to the Chamber so that he may offer a proposed unanimous-consent agreement.

Mr. ANDERSON. Suppose the Senator from Missouri has not finished his address.

Mr. HENNINGS. Mr. President, I am speaking by request, and with the understanding that I would address the Senate, not only for making statements which might well be said, but also for the purpose of allowing the minority and the majority leaders and others to arrive at some understanding, if such understanding is possible.

Mr. FERGUSON. I assume the Senator from Missouri would not desire to continue his address beyond midnight.

Mr. HENNINGS. Mr. President, I am practically through now.

Mr. FERGUSON. Mr. President, there are two matters which I shall ask the Senate to take up as soon as the Senator from Missouri completes his statement. One is a message from the President relating to disaster areas, which I shall ask to have read. The second matter is a resolution by both Senators from Georgia in relation to the death of our distinguished colleague and Member of the House of Representatives, the late Honorable ALBERT SIDNEY CAMP.

Mr. HENNINGS. Mr. President, if I may make a short statement, I shall yield the floor.

Mr. FERGUSON. Mr. President, I intend to suggest the absence of a quorum so that an opportunity may be afforded to the distinguished minority leader to be present.

Several Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Missouri yield; and if so, to whom?

Mr. HENNINGS. Mr. President, I shall not yield until I complete my statement. I shall then yield the floor.

Next Wednesday, July 28, will mark the second anniversary of the death of that great statesman and noble American, Brien McMahon, who was the father of the Atomic Energy Act, which the Senate is now undertaking to amend. I like to think of the debate had throughout the past several days and the efforts on the part of Members of the Senate from both sides of the aisle who have dedicated their talents and energies to the enactment of amendments designed for the general welfare as a fitting tribute to Brien McMahon and as a commemoration of his farsighted wis-

dom and leadership, which resulted in the passage of the Atomic Energy Act of 1946.

I again want to thank the distinguished majority and minority leaders for offering me this opportunity, and I thank other Senators for the indulgence which they have given me at this late hour. I hope my colleagues understand that my statement was not in the nature of a filibuster, but was an effort to make a contribution toward reaching some solution of the impasse at which we have arrived.

ORDER FOR RECESS UNTIL MONDAY

Mr. FERGUSON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock next Monday morning.

The VICE PRESIDENT. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

DISASTER RELIEF—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read by the Chief Clerk:

To the Congress of the United States:

The 81st Congress enacted Public Law 875, known as the Disaster Relief Act, expressly "to provide an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters, to repair essential public facilities in major disasters, and to foster the development of such State and local organizations and plans to cope with major disasters as may be necessary."

I am submitting herewith a report of the status of funds appropriated by the Congress and a summary of the allocations to each State under provisions of the act. This covers the complete period from the enactment of Public Law 875 to June 30, 1954. This report is submitted for your consideration and referral to the Committees on Appropriations and the Committees on Public Works of the Senate and the House of Representatives.

The authorities contained in Public Law 875 at the present time provide for a coordinated effort by the Federal Government in assisting States and political subdivisions affected by disaster. The consolidation of authorities enacted into one document has resulted in the elimination of delay, duplication, and misdirection of efforts.

Historically, the Disaster Relief Act is a continuation of Federal assistance by the United States Government which great natural disasters, both foreign and domestic, have occasioned for many years. In early history, congressional action was often required and was provided on an individual disaster basis. This type of action was necessary inasmuch as Federal agencies lacked statutory authority and/or appropriations to provide immediate assistance in a crisis.

In later years, certain Federal agencies were authorized by Congress to provide assistance in specified fields such as the responsibility for flood control of the Corps of Engineers, and the Federal aid highway authority of the Bureau of Public Roads. Such authorities, while effective in providing specific assistance, were limited and often did not meet the needs of individuals and public bodies affected by disasters to a degree commensurate with our increased population, our rapid urban expansion, and the increased requirements of individuals brought about by higher standards of living.

While the American National Red Cross has long been a recognized leader in disaster relief activity, its resources and its basic responsibilities are limited to providing direct personal relief to the stricken population. Funds of the American National Red Cross, while providing emergency housing, food, and financial contributions for individuals, are not available for repair and emergency restoration of public facilities. In these phases of the disaster operations, States and local public bodies often find themselves unable to cope with the situation, physically and financially, and have to call on the Federal Government for help. Requirements which are often beyond the capacity of the State and local public bodies consist of monetary assistance, extension of credit, supplies, equipment, manpower, and various services.

Since enactment, Public Law 875 has been amended several times, and now provides legislative authority and establishes coordination of assistance under which immediate and effective assistance can be provided in disaster situations, thereby reducing loss of life, minimizing damage, avoiding financial collapse of local governments, reducing to a minimum the degree of hardship and suffering which accompanies disaster, easing the financial burden on individuals by relaxation of credit requirements and various other aids which either directly or indirectly are of ultimate benefit.

The authority which Congress provided by enacting this legislation has proven its worth in many stricken areas with a minimum expenditure of Federal funds.

The act authorizes me, as President, to make the determination that a disaster is or threatens to be a major disaster of sufficient severity and magnitude to warrant Federal assistance. As prerequisite to such determination, the governor of the State in which such catastrophe has occurred must formally request that I invoke the provisions of said law. He must certify the need for Federal assistance and he must give assurance as to the expenditure of a reasonable amount of the funds of the State and local governments for the same or similar purpose as the Federal assistance requested.

The act authorizes whatever degree of Federal activity is required. The act, while excluding permanent restoration and rehabilitation work, provides for emergency repair and temporary restoration of essential public facilities and certain other emergency types of assistance. It also provides authority for the permanent restoration of Federal facilities which are damaged or destroyed by major disasters if such restoration is deemed advisable, and provided the required work cannot be effected within the statutory authority and/or appropriations of the Federal agency concerned.

The administration of this program is a responsibility of considerable magnitude and importance which has been vested in the Federal Civil Defense Administration by Executive Order 10427, issued January 16, 1953.

This Executive order revokes the authorities pertaining to this program previously vested in the Housing and Home Finance Agency by Executive Order 10221, issued March 2, 1951. Federal Civil Defense Administration has been given much broader authority in its delegated responsibility than the previous administering agency. This step has been taken in order to further streamline disaster operations of the Federal Government.

The transfer of jurisdictional responsibility to the Federal Civil Defense Administration has also served other purposes. It has provided training for State and local civil-defense organizations and has proven that an organized, trained civil-defense group is an important asset in a community. In 1953 civil defense, through its disaster-relief operations, became a recognized community service, thereby creating a new dimension of peacetime citizenship. The participation of civil-defense organizations in natural disaster operations will increase their capacity and effectiveness to cope with situations which could occur in event of enemy attack.

The authority contained in Public Law 875 does not duplicate statutory authority of other Federal agencies to function in disaster situations, nor do the funds appropriated to carry out its purposes duplicate their appropriations. Public Law 875 can be effectively utilized to bridge any inadequacy in authority and appropriation in other Federal agencies when a major disaster situation requires. When such action is required, I will authorize whatever assistance is required to eliminate hardship and suffering of individuals and damage to public property, in addition to protection or repair of Federal property where required.

The basic legislation has been amended by Congress several times since its enactment. As of this time, the specific enactments are as follows:

Public Law 875, 81st Congress, approved September 30, 1950, authorizing Federal assistance in major disasters.

Public Law 107, 82d Congress, approved August 3, 1951, amends Public Law 875, authorizing housing relief in major disasters.

Public Law 134, 83d Congress, approved July 17, 1953, amends Public Law

875, authorizing Federal surplus property in major disasters.

In addition, Public Law 115, 83d Congress, approved July 14, 1953, amends basic statutory authority of the United States Department of Agriculture as vested by Public Law 38, 81st Congress. This specific amendment contains two sections pertaining to emergency assistance in agricultural areas which can only be effected by the United States Department of Agriculture in areas determined major disasters under authority of Public Law 875.

Appropriations to carry out the purposes of Public Law 875 have been made in the amount of $55,800,000 as follows:

Public Law 70, 82d Cong	$800,000
Public Law 80, 82d Cong	25,000,000
Public Law 202, 82d Cong	5,000,000
Public Law 326, 82d Cong	25,000,000

The 83d Congress has also appropriated funds to the United States Department of Agriculture to reimburse the disaster fund for monetary assistance advanced to the Department and necessitated by the recent drought and dust bowl situations in various States for which the United States Department of Agriculture lacked authority and funds to meet the need. In those specific situations, I authorized the use of disaster relief funds as temporary measures pending congressional enactment of sufficient authority and appropriations to enable the United States Department of Agriculture to assume its own basic responsibility to the individuals concerned. The disaster fund has been utilized in this way three times in the past year, in amounts totaling $28 million.

While permanent repair and replacement of damaged public facilities are not authorized under Public Law 875, a practical application of the law has been made by the Federal Civil Defense Administration to provide that a contribution equal to the agreed cost of emergency repair or temporary replacement may be paid to the State or local government to be applied to the cost of permanent repair or replacement provided the additional cost of permanent repair and replacement is assumed by the State and local government from its own funds.

The Federal contribution under this interpretation represents only the amount of preventative or protective work necessary to provide minimum protection. It has resulted in a more equitable distribution of the assistance authorized and has prevented undue financial burden in several municipalities which were already heavily burdened with disaster losses.

The surplus property amendment to the disaster relief law has proven beneficial in many areas. This amendment, as enacted by the 83d Congress, provides that property, surplus to the needs of the Federal Government, may be donated or loaned to a State for use or distribution in any area in which the Disaster Act has been invoked. Such property may be used in connection with the restoration of public facilities damaged or destroyed in a major disaster or for the essential rehabilitation of individuals in need as the result of the disaster.

The State is responsible for contacting Federal agencies which may have surplus property on hand in order to determine the availability of such surplus which may be donable to the States. Such determination by the State officials is presented to the disaster administering agency, the Federal Civil Defense Administration, which, in turn, issues a directive to the Federal agency involved to release such surplus to the State. Items in this category may be of consumable or nonconsumable nature. Nonconsumable items in small or odd-lot quantities which cannot reasonably be returned to the Federal Government may be donated, as may similar items intended and actually used for the purposes previously outlined. Nonconsumable Federal surplus property such as bulldozers and trucks may be loaned to the States for the purposes authorized by the act.

The assistance authorized by such amendment is effected without cost to the Federal Government. All costs incident to the transportation and handling of surplus property must be assumed by the State and local governments. When surplus provided is not utilized within 90 days after receipt by the State, it must be returned to the Federal Government for disposal. Donated Federal surplus property may not be sold, traded, leased or otherwise disposed of for profit by any State or local government, or by any individual who has been the recipient of such property.

In most disasters, the affected local governments utilize reasonable amounts of their available resources, including funds, in relief activities. Participation by States varies. Some States are well equipped, in terms of authority, organization and funds, to assist the local public entities within their area. Other States are prohibited, either by State constitution or other restrictions, from providing assistance except in terms of "aid in kind." Emphasis has been given to encouraging States to provide sufficient authority and appropriations to enable them to assume more responsibility in natural disaster operations.

States have also been encouraged to amend their civil defense laws to include authority to use their civil defense forces and those of the local governments within the State in assisting in natural disasters.

Use of civil defense forces in the various disaster situations has proven most effective. The Federal Civil Defense Administration has made excellent progress in fostering the development of State and local plans to equip themselves for operation in such situations. However, States and local governments are still far from being self-sufficient and still require Federal assistance even in areas where certain types of disasters tend to recur.

A study of available State authorities and appropriations designed specifically for disaster relief has been made. This study will be used to encourage State governments to provide legislative authority to cope with disasters as much as possible without Federal activity. In States where adequate provisions have not been made for disaster authority, the Federal Civil Defense Administration will request the Governors of such States to present the problem to the next assembly of their State legislatures. This action will be taken to conform to the intent of Congress as expressed in Public Law 875.

PREDISASTER PLANNING

In conformance with the authority vested in the Federal Civil Defense Administration by Executive Order 10427, Federal Civil Defense Administration has developed a predisaster plan with various Federal agencies which will facilitate the provision of Federal assistance in a disaster situation. Every agency of the Federal Government with major disaster assistance capabilities is included in this plan which, in most cases, is represented by formal agreement in the form of "Memoranda of Understanding."

These agreements state the responsibilities of the agencies involved and outline procedures for coordinating the provision of Federal assistance through the Federal Civil Defense Administration.

The Federal agencies with which such agreements have been completed are:

Department of Health, Education and Welfare.
Department of Defense.
General Services Administration.
Department of Agriculture.
Department of Commerce.
Department of the Interior.
United States Coast Guard (Department of the Treasury).
Housing and Home Finance Agency.
United States Civil Service Commission.
Veterans' Administration.

In addition, Federal Civil Defense Administration has a formal understanding with the American National Red Cross, long a leader in providing direct assistance to people in time of distress. This understanding describes the responsibilities of both agencies, particularly in the field of welfare services, which services are the basic responsibility of the American National Red Cross.

The Federal Civil Defense Administration maintains constant liaison with my staff at the White House, the Bureau of the Budget, other Federal agencies, the American National Red Cross, and State and local officials in order to maintain a close, constant watch over potential disaster situations and in order to accelerate activity when necessary. The pattern of organization and operation results in assistance when needed.

The Federal Government functions in disaster situations by use of the military resources; solution of public-health problems beyond State ability; use of

Federal resources of supply, equipment, and manpower; emergency financing and credit assistance to communities, individuals, and business enterprises; the restoration of community facilities; emergency and long-term rehabilitation of agricultural enterprises; use of agricultural surplus; assistance in food and drug inspection, livestock feeding and commodity warehousing; use of available communication and power-generating facilities; utilization of air power and many others.

The assistance mentioned above is for items where local municipal governments are generally deficient, either by lack of necessary resources, manpower, equipment supplies, and so forth, or relatively limited budget provisions to cover such emergency action. By the same token, most States are incapable of adequate action in those fields for similar reasons.

When a disaster strikes a community, local governing authorities are expected to utilize all available resources to meet the situation. When the action required is beyond the capability of the local public body it is only reasonable to assume that the State will be called on to provide assistance. When the situation is beyond State capabilities, the Federal Government may come to the assistance of the area.

Many agencies of the Federal Government have statutory authority and appropriations which allow them to operate to a limited degree in disaster situations. Such capabilities are applied in disasters but often the problem is of greater magnitude then can be handled by existing authority and funds. In such cases, I will invoke the provisions of Public Law 875 and provide additional Federal assistance to supplement State and local efforts and existing Federal authorities.

The costs to the Federal Government in the operation of this program are minor in comparison to the dollar value of the damage incurred. The local public bodies normally bear a large part of the public cost while individuals and private interests must underwrite a major part of the recovery effort.

The Federal investment under authority of Public Law 875 since its enactment has averaged about 14 percent of the overall costs, while local municipal authorities have furnished an estimated 73 percent, and State participation has been about 13 percent.

The estimated expenditure under Public Law 875 authority is minor in comparison to expenditures of other Federal agencies in that its use has been mainly restricted to emergency repair and temporary replacement of damaged public facilities. This indicates the need for increased preventative measures in certain types of disaster such as floods and agricultural disasters. Such measures can be accomplished to a great extent through normal programs of Federal agencies such as the Corps of Engineers and the United States Department of Agriculture. A complete breakdown of areas in which Public Law 875 has been invoked since the inception of the law follows. This detailed listing shows disaster activity under two administering agencies, Housing and Home Finance Agency and Federal Civil Defense Administration, and under two separate Executive orders, 10221 and 10427. Also included is a financial résumé and a report on the status of appropriated funds as of June 30, 1954.

Areas declared "major disaster" under provision of Public Law 875, 81st Cong.

EXECUTIVE ORDER 10221—HOUSING AND HOME FINANCE AGENCY

Date of Presidential declaration	Disaster area	Nature of disaster	Federal funds allocation
May 21, 1951	Minnesota—Minnesota River watershed.	Flood	$50,000
June 6, 1951	Hays, Kans.	do	25,000
	Total		[1] 75,000
July 14, 1951	Kansas	Mississippi and Missouri River floods.	10,543,000
	Kansas (trailers)		5,050,000
Do	Missouri		2,525,000
Do	Oklahoma		250,000
	Reimbursements:		
	Corps of Engineers		2,710,864
	Department of Agriculture		281,268
	Federal Security Agency		104,002
Jan. 29, 1952	South Dakota	Snowstorms	255,000
Mar. 14, 1952	Montana	do	90,000
Mar. 20, 1952	North Dakota	do	102,000
Do	Nevada	do	150,000
Mar. 25, 1952	Arkansas	Tornado	700,000
Apr. 29, 1952	Tennessee	do	0[1]
	For purposes of National Production Authority requirements re material control and to allow insurance of Federal Housing Administration mortgages at 100 percent of value.		
Apr. 14, 1952	South Dakota	Flooding of Missouri, Mississippi, and Minnesota Rivers and of the Red River of the North.	$250,000
Do	Iowa		650,000
Apr. 15, 1952	Minnesota		250,000
Apr. 16, 1952	Nebraska		250,000
Apr. 24, 1952	Missouri		650,000
Do	Kansas		100,000
May 1, 1952	North Dakota		100,000
Apr. 18, 1952	Wrangell, Alaska	Fire	50,000
Apr. 19, 1952	Montana (that portion above Fort Peck Reservoir).	Flood—Milk River	550,000
May 21, 1952	Utah	Flood	563,570
Dec. 11, 1952	Hopkins, Mo.	Tornado	20,000
Oct. 31, 1952	North Carolina, 2 counties		
Aug. 7, 1952	Tennessee		
Aug. 27, 1952	Alabama, Mississippi		
Aug. 28, 1952	Georgia		
Aug. 7, 1952	Kentucky		
Sept. 17, 1952	Missouri, approximately half	Drought	[2] 9,500,000
Aug. 30, 1952	Arkansas		
Sept. 5, 1952	Texas, greater portion		
Oct. 31, 1952	Louisiana, approximately half		
Do	Oklahoma		
	Total		35,694,704

EXECUTIVE ORDER 10427—FEDERAL CIVIL DEFENSE ADMINISTRATION

Date of Presidential declaration	Disaster area	Nature of disaster	Federal funds allocation
May 2, 1953	Counties of Muscogee, Macon, Houston, Twiggs, and Bibb, Ga.	Tornado	$178,500
May 15, 1953	Waco-San Angelo, Tex.	do	365,000
May 29, 1953	Louisiana	Flood	424,000
June 2, 1953	Port Huron, Mich.	Tornado	52,036
June 6, 1953	Montana	Flood	321,400
June 9, 1953	Flint, Mich.	Tornado	143,718
June 11, 1953	Iowa	Flood	173,664
Do	Worcester, Mass.	Tornado	510,000
June 19, 1953	Counties of Orange and Newton, Tex.	Flood	40,800
July 2, 1953	New Hampshire	Forest fire	152,931
Oct. 3, 1953	Alaska	Severe hardship	51,000
Oct. 22, 1953	Florida (31 counties)	Flood	255,000
Dec. 6, 1953	Vicksburg, Miss.	Tornado	167,280
Feb. 5, 1954	Angeles National Forest and county of Los Angeles and San Bernardino, Calif.	Flood and erosion	[3]
Mar. 17, 1954	City of Macon and Bibb County, Ga.	Tornado	$153,000
June 23, 1954	Iowa	Flood	[3]
June 30, 1953	Area involved includes following States: Alabama, Arkansas, Colorado, Kansas, Kentucky, Mississippi, Missouri, Nevada, North Carolina, New Mexico, Oklahoma, Tennessee, Texas, Utah, Virginia, West Virginia, Wyoming, and Territory of Hawaii.	Drought	8,000,000
			10,000,000
May 4, 1954	Area involved includes following States: Colorado, Kansas, New Mexico, Oklahoma, and Texas.	Drought (Dust Bowl)	10,000,000
	Total		30,988,329

[1] Funds totaling $75,000 authorized from President's emergency fund, prior to appropriation to accomplish Public Law 875 assistance.

[2] This Federal allocation was authorized to reimburse the Department of Agriculture for any unrecoverable portion of the cost of procuring, transporting, and distributing livestock food (through the facilities of the Department of Agriculture) in the above-declared drought areas.

[3] No allocation as yet.

Status of appropriation	
Total appropriation	$55,800,000
Authorized allocation to Housing and Home Finance Agency (Executive Order 10221)	35,694,704
Balance available for disaster purposes upon issuance of Executive Order 10427 (Federal Civil Defense Administration)	20,105,296
Authorized allocation to Federal Civil Defense Administration (Executive Order 10427)	[1] 30,988,329
Deficit	−10,885,033
Authorized and appropriated to United States Department of Agriculture for reimbursement to Federal Civil Defense Administration for credit to disaster account	28,000,000
Balance	17,116,967
Recovery from allocations under Executive Order 10221—Returned to Federal Civil Defense Administration and credited to Nester Disaster Account:	
Drought	1,500,000
Audited projects (Housing and Home Finance Agency)	2,439,295
Total available for allocation	[2] 21,056,262

[1] Actual allocations to Federal Civil Defense Administration, $2,988,329.

[2] Includes pending reimbursement to disaster account by United States Department of Agriculture.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 24, 1954.*

The VICE PRESIDENT. The message will be referred to the Committee on Appropriations and the Committee on Public Works, respectively.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. FERGUSON. Mr. President——

The VICE PRESIDENT. The Senator from Michigan is recognized.

Mr. FERGUSON. Does the Senator from Texas desire that I yield to him?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Dworshak	Jenner
Anderson	Ervin	Johnson, Colo.
Barrett	Ferguson	Johnson, Tex.
Beall	Flanders	Johnston, S. C.
Bennett	Frear	Kennedy
Bowring	Fulbright	Kerr
Bridges	George	Kilgore
Burke	Gillette	Knowland
Bush	Goldwater	Kuchel
Butler	Gore	Langer
Byrd	Green	Lehman
Capehart	Hayden	Long
Carlson	Hendrickson	Magnuson
Chavez	Hennings	Malone
Clements	Hickenlooper	Mansfield
Cordon	Hill	Martin
Crippa	Holland	Maybank
Daniel	Humphrey	McCarran
Douglas	Jackson	Millikin
Morse	Russell	Symington
Murray	Saltonstall	Thye
Neely	Schoeppel	Upton
Pastore	Smathers	Watkins
Payne	Smith, Maine	Wiley
Potter	Smith, N. J.	Young
Purtell	Sparkman	
Robertson	Stennis	

The VICE PRESIDENT. A quorum is present.

Mr. FERGUSON. Mr. President, I yield to the Senator from New Mexico. The Senator from New Mexico was asking for recognition.

Mr. JOHNSON of Texas. Mr. President?

Mr. ANDERSON. I was trying to get the floor, while the discussion was going on to say a few words about the upper Colorado River, but I cannot do it on the time of the Senator from Michigan.

Mr. FERGUSON. I yield to the Senator from Texas.

The VICE PRESIDENT. Will the Senator suspend?

Mr. JOHNSON of Texas. I should like to have the Presiding Officer put the question on the unanimous-consent request.

The VICE PRESIDENT. The Clerk, for the information of the Senate, will report the unanimous-consent agreement as modified.

The Chief Clerk read the proposed unanimous-consent agreement, as follows:

Ordered, That following the morning business on Monday, July 26, during the further consideration of S. 3690, to amend the Atomic Energy Act of 1946, as amended, and for other purposes, debate on any amendment or motion (including appeals) shall be limited to not exceeding 2 hours on each amendment, except patent section, which shall be 6 hours, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the Senator from Iowa [Mr. HICKENLOOPER] in the event he is opposed to any such amendment or motion; otherwise, by the mover and the minority leader or some Senator designated by him. No amendment shall be in order for consideration that has not been filed before 12 o'clock Wednesday, July 28. When all amendments have been disposed of and the third reading of the bill has occurred, a motion to recommit will be in order with debate thereon to be limited to 8 hours, equally divided and controlled, respectively, by the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Texas [Mr. JOHNSON]: *Provided,* That no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further,* That debate upon the bill itself shall be limited to not exceeding 6 hours, to be equally divided and controlled, respectively, by the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Texas [Mr. JOHNSON].

Mr. MORSE. Mr. President?

The VICE PRESIDENT. Is there objection?

Mr. JOHNSON of Texas. Mr. President, I should like to make an inquiry. Have the modifications suggested by the Senator from Texas been incorporated?

Mr. LEHMAN. Will the Senator speak louder?

Mr. JOHNSON of Texas. Have the modifications suggested by the Senator from Texas earlier in the evening been inserted into the copy which the clerk just read?

The CHIEF CLERK. The modification reads as follows:

No amendment shall be in order for consideration that has not been filed before 12 o'clock Wednesday, July 28. When all amendments have been disposed of and the third reading of the bill has occurred, a motion to recommit will be in order thereon with debate to be limited to 8 hours.

Mr. JOHNSON of Texas. Mr. President, earlier in the evening, the Senator from New York raised some question about the precedents of the Senate. I do not want to take the time of the Senate for a long recitation of the precedents of the Senate. The Parliamentarian has placed before me a number of precedents.

I shall merely call attention to one or two so that the Senator from New York may know that the unanimous-consent request does not blaze any new trials in the Senate.

Senate Joint Resolution 111, the St. Lawrence Basin agreement, was submitted on February 27, 1948. At the hour of 4 o'clock the Senate proceeded with debate upon this measure. Among the provisions of that consent agreement we find the following: No amendment shall be received to said joint resolution which has not on or before February 23, 1948, been submitted as an amendment intended to be proposed thereto, and has been ordered to lie on the table and ordered to be printed.

Mr. President, in 1950, February 1, at the hour of 3 o'clock, the Senate proceeded to vote without further debate upon amendments to a pending joint resolution on final passage of the joint resolution, and the provision is made there that no vote on any amendment shall be taken that has not been printed and has not been introduced prior to that time.

Mr. LEHMAN. Will the Senator repeat that?

Mr. JOHNSON of Texas. On Wednesday, February 1, 1950, at the hour of 3 o'clock, the Senate proceeded to vote without further debate on the amendments to the pending resolution upon the final passage of the joint resolution, provided no amendment that is not germane to the subject matter of the said joint resolution be received, that no vote on any amendment shall be taken after the said hour of 3 o'clock, no amendments shall be in order which have not been formally offered or submitted as a proposed amendment prior to the hour of 1 o'clock, and ordered further that the time between 1 o'clock and 3 o'clock be equally divided between the opponents and proponents of the said joint resolution, and be controlled respectively by Mr. Lodge and by Mr. FERGUSON.

I have not had the opportunity, since returning to the Chamber from a very important mission of receiving the election return from Texas, to review the other precedents with which the Parliamentarian presented me, but he assures me that we are not breaking any of the traditions or precedents of the Senate in the provisions in the proposed unanimous consent. I do not want to make any point of it. I feel in justice to

my colleagues I should point out it is not any trailblazing provision.

I yield to the Senator from Oregon.

Mr. MORSE. I should like to reserve objection.

Mr. LEHMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New York desire to speak?

Mr. KNOWLAND. The Senator from Michigan has the floor.

For what purpose does the Senator from Oregon desire to reserve objection?

Mr. MORSE. I wish to reserve objection to the unanimous consent, and I think I can do that without asking anyone to yield to me for that purpose, under the rules of the Senate.

The VICE PRESIDENT. Does the Senator from Michigan desire to retain the floor or does he desire to yield the floor?

Mr. MORSE. Mr. President, I raise a point of order that I am entitled to address myself, by way of reservation, to the unanimous-consent proposal, without asking the Senators' permission to yield to me.

Mr. FERGUSON. At the present time I yield to the Senator from Arizona.

Mr. JOHNSON of Texas. Mr. President——

Mr. ANDERSON. Mr. President, I request regular order.

The VICE PRESIDENT. Does the Senator from New Mexico request the regular order?

Mr. ANDERSON. Yes.

The VICE PRESIDENT. Regular order has been demanded. Does the Senator from Oregon object?

Mr. MORSE. I am reserving the right to object.

The VICE PRESIDENT. If the Senator from New Mexico insists on the regular order, the precedents require that the Senator either object or consent.

Mr. MORSE. I object.

The VICE PRESIDENT. The Senator from Oregon objects.

Mr. KNOWLAND. Mr. President, I send to the desk a resolution——

Mr. GOLDWATER. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. Yes; I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, during the past trying week we have had an example of great leadership on this side of the aisle, and tonight the leader of the minority, the distinguished Senator from Texas [Mr. JOHNSON], has exerted himself in affording a fine example of leadership.

I should like to report to the Senate at this time that the people of Texas, in their wisdom, as the early returns of the primary show, have renominated the minority leader by a ratio of 3 to 1. [Applause.]

Mr. President, I want to conclude this short report by saying that it is good to know that my neighboring State of Texas is showing intelligence in backing solid American thinking in these trying hours. [Applause.]

Mr. JOHNSON of Texas. Mr. President——

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Texas?

Mr. KNOWLAND. I yield to the minority leader.

Mr. JOHNSON of Texas. Mr. President, I appreciate the expressions of my overly generous colleague from Arizona, and of all of my colleagues in the Senate. I only want to express the avowed hope that none of them are premature.

Mr. KNOWLAND. I wish to join in the remarks made by the Senator from Arizona, and pay personal tribute to a great American, a great leader, and a man who has devoted his public service to the people of his native State of Texas and to the entire American people. I hope that he may serve long in positions of trust and responsibility, for I know few men in public life who are entitled to greater respect or from whom I have more affection.

Mr. BUTLER. Mr. President, I wish to associate myself with the remarks just made by our distinguished majority leader. In the minority leader we have a wonderful man and a fine American.

Mr. HOLLAND. Mr. President, I should like to say that every Senator on this side of the aisle, of course, appreciates the generous comment that has come from the other side of the aisle as a compliment to the leader of the Democrats who sit on this side of the aisle. We have been made very happy by the returns that have been mentioned, and we feel that it is a compliment, in a sense, to the good judgment of the Democrats in the Senate who have named the Senator from Texas [Mr. JOHNSON] as their leader. We appreciate particularly the kindness of the remarks as to the sound Americanism of the leader, who has just been overwhelmingly renominated by the great State of Texas. We thank our friends on the other side of the aisle.

Mr. SMATHERS. A few minutes ago we discussed with the minority leader, in his room, the fact that he was leading, and there was some talk as to whether we should come down and mention it on the floor of the Senate. It was his view that because he had started out a couple of times previously leading a race and had not ended up quite so well, he thought it might be the better part of precaution not to say anything about it until later in the evening.

However, we now know that it has become a trend, which we hope will not be broken, because he is leading by a big majority, something in the neighborhood of about 3 to 1.

I know that everyone, Senator, on this side of the aisle, and I am sure every Senator on the other side of the aisle, appreciates the fact that the people of Texas are making it possible for us to have the good fortune of continuing to enjoy the great ability of the minority leader.

Mr. DANIEL. Mr. President, I regret that the Senator from Arizona beat the junior Senator from Texas in making the announcement concerning the good news about the minority leader. We have heard that a trend has been established. The junior Senator from Texas appreciates not only the returns from Texas, but the kind words that have been said about the senior Senator from Texas.

Mr. CORDON. Mr. President, as a full-fledged Oregonian who happened to be born in Texas, I simply want to say as a Texan that my native State, as usual, has come through with honor to itself.

THE DEBATE ON THE PENDING BILL

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed at this point in my remarks two editorials, one published in the New York Herald Tribune of July 23, 1954, and the other published in the New York Times of July 23, 1954.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of July 23, 1954]

OBSTRUCTIONISTS AT WORK

Many Americans agree with Senator KNOWLAND that the Democratic speaking marathon to block action on the President's revised atomic energy bill is a filibuster to sabotage the President's whole legislative program. What had seemingly begun as a normal Senate debate to offer amendments to this all-important bill was turned by a spearhead of certain Democrats into an obstructionist talking spree, full of sound, fury, and irrelevancies. This obstructionism not only blocked action on a vital law; it consumed much of the precious time needed for consideration of other urgent items of the administration program before Congress adjourns.

The administration's first decisive victory in the course of the filibuster was a 55-to-36 vote by the Senators to kill an amendment that would have prevented the Atomic Energy Commission from buying privately produced power through the TVA, and another vote to authorize it specifically to do so. Although this issue was at best only indirectly connected with the revision of the basic atomic energy law, Senator GORE and other Democrats tried to use it on the Senate floor as a lever against the entire bill.

Many Senators discovered that they had been fetched from their homes in the small hours only to listen to a personal attack against the President by Senator NEELY and a "short speech" of 5 hours by Senator MORSE. There can be no equivocation about the two main objectives of the atomic energy bill; sharing atomic know-how with friends abroad who need it, and the assurance that private industry will play a key role in developing a tremendous power source, over which a Government monopoly would be unthinkable. There were ways to discuss the measure briefly and constructively; the Democrats have shown how not to do it.

[From the New York Times of July 23, 1954]

NO TIME FOR HORSEPLAY

The Senators who started to filibuster—for that was what Senator MORSE, of Oregon, admitted he and the others were doing—against the amendments to the Atomic Energy Act had a legitimate criticism of President Eisenhower's power policy. They disapproved of his order to the Atomic Energy Commission to supply the Tennessee Valley Authority with privately produced power to take the place of power used by the AEC itself.

That issue, however, was decided on Wednesday night by a vote of 55 to 36 in the Senate itself. This vote killed an amendment which would have denied the President the right to order the feeding of privately produced power into the TVA system.

There was no longer any excuse for a filibuster after this question had been decided, even though some of the filibustering Senators objected to some other features of the atomic energy amendments. Wise legislators would thereafter have felt some responsibility for the further delays in essential legislation which were caused by the Senators' frittering away of valuable time. Majority Leader KNOWLAND's move for a cloture to end this meaningless flow of eloquence was understandable, even though one might not agree with his position on the administration's proposal to bring into the Tennessee Valley the power that will be produced by the proposed privately owned steam plant at West Memphis, Ark.

The President took occasion at his Wednesday press conference to define his attitude toward the Tennessee Valley Authority. He intends, he said, to support it as it stands with all the strength he has. What he does not seem to grasp is that if the Government begins to bring privately produced electric power back into the Tennessee Valley, TVA will be less able to function efficiently. An electric power system, like any other human agency, must develop if it is to be healthy.

For the moment, however this issue has been settled. The President has ordered, and the amendments to the Atomic Energy Act will doubtless specify in their final form, that the AEC can buy private power to replace that which it takes from TVA. It is the duty of every Senator, whether he belongs to the minority or the majority, to accept this result for the present and get on with his work.

DEATH OF REPRESENTATIVE ALBERT SIDNEY CAMP, OF GEORGIA

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from the House of Representatives, which the clerk will read.

The resolution (H. Res. 685) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. ALBERT SIDNEY CAMP, a Representative from the State of Georgia.

Resolved, That a committte of 14 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. KNOWLAND. Mr. President, on behalf of the senior Senator from Georgia [Mr. GEORGE] and the junior Senator from Georgia [Mr. RUSSELL], I submit a resolution and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 293) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ALBERT SIDNEY CAMP, late a Representative from the State of Georgia.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT. Under the second resolving clause, the Chair appoints the two Senators from Georgia [Mr. GEORGE and Mr. RUSSELL] as members of the committee on the part of the Senate to attend the funeral of the late Representative.

REVISION OF ATOMIC ENERGY ACT OF 1946—AMENDMENTS

Mr. GORE submitted amendments intended to be proposed by him to the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. SPARKMAN submitted an amendment intended to be proposed by him to Senate bill 3690, supra, which was ordered to lie on the table and to be printed.

Mr. STENNIS submitted an amendment in the nature of a substitute intended to be proposed by him to Senate bill 3690, supra, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted an amendment intended to be proposed by him to Senate bill 3690, supra, which was ordered to lie on the table and to be printed.

Mr. ANDERSON submitted an amendment intended to be proposed by him to Senate bill 3690, supra, which was ordered to lie on the table and to be printed.

Mr. GORE submitted an amendment intended to be proposed by him to Senate bill 3690, supra, which was ordered to lie on the table and to be printed.

Mr. LEHMAN. Mr. President, I submit for appropriate reference an amendment to section 152 (h) of the pending bill, and ask that it be printed and lie on the table.

This amendment is quite simple. At present the pending bills provides that there shall be an automatic cut-off date 5 years from now on the provisions which protect the public's rights in patents, and which operate to prevent the utilization of patent information to create a monopoly in the development of peacetime uses of atomic power.

I am in agreement with the committee majority in wishing to provide a number of years before this provision is removed from the law. But I believe that the 5-year limitation, now written into the law, for automatically shutting off control of patents that are held to be in the public interest, is neither wise nor fair.

My amendment would require that 4 years from now—after we have had time to see how this provision is operating—the Atomic Energy Commission is directed to submit to the Congress a report surveying the impact on the public interest of the patent licensing and other requirements of section 152. And the Commission would be further directed to make its recommendations to the Congress with respect to the necessity of continuing this provision, modifying it, or abolishing it altogether.

To me this provides a considerable amount of flexibility—it provides for a period in which these provisions outlining patent licensing procedure can be tested—and it further provides that 1 year before the deadline now established in the bill, the Congress shall have a full report and recommendations on this provision from the Atomic Energy Commission.

The VICE PRESIDENT. The amendment will be received and printed and will lie on the table.

Mr. MURRAY. Mr. President, it had been my intention to address the Senate at this time on the pending measure, but I understand that it is the majority leader's intention to recess the Senate at 12 o'clock tonight. Therefore, if it is satisfactory to the majority leader, I will make my address on Monday.

Mr. KNOWLAND. I would say to the Senator from Montana that there will be no problem about the Senator making his address on Monday. However, I would not be prepared at this time to give unanimous consent that the Senator be recognized first on Monday morning, because there will be only 1 hour between the time the Senate convenes and the automatic vote on the cloture motion. I believe the Senator understands that fact.

Mr. MURRAY. Yes, I understand. I would be satisfied to follow those proceedings.

Mr. KNOWLAND. I think without question the Senator from Montana will be recognized, but at what precise time, I cannot say. That is not within my prerogative.

PROHIBITION OF TRANSPORTATION OF LIQUOR ADVERTISING IN INTERSTATE COMMERCE

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which I have received from Mrs. E. B. Noble, president of the Montana Woman's Christian Temperance Union, with regard to S. 3294, a bill to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages, and for other purposes.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KALISPELL, MONT., *June 19, 1954.*

Senator JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am asking for a favorable report on bill S. 3294 to the Senate. I ask you vote for the passage of this bill 3294.

Each year the liquor industry spends a vast amount of money to increase the sale of beer, wine, and other hard liquors. The increase of 250,000 alcoholics yearly is alarming. I feel we must do something to control this power. I ask you to vote for S. 3294.

I ask this letter be made a part of the CONGRESSIONAL RECORD.

Mrs. E. B. NOBLE,
President, Montana W. C. T. U.

Mr. MURRAY. Mr. President, I send to the desk a petition signed by many citizens of my State, calling for the passage of the Langer bill, S. 3294, and

requesting that the petition be inserted in the CONGRESSIONAL RECORD. I therefore ask unanimous consent that the petition be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

KALISPELL, MONT.

Senator JAMES E. MURRAY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We, the undersigned, feel the need of the passage of the Langer bill, S. 3294.

We are asking you to ask for a favorable report on this bill and to vote for its passage (S. 3294).

We ask that this petition become a part of the CONGRESSIONAL RECORD.

DISTRIBUTION OF MOTOR-VEHICLE TIRES

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the statement of Charles P. Raney, Jr., of the Raney Tire Co., 60 East Cedar, Akron, Ohio, before the Senate Judiciary Committee, May 21, 1954, with regard to S. 175, a bill to provide for the distribution of motor-vehicle tires, and for other purposes.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I am Charles Raney, Jr., owner and operator of Raney Tire Co., located in the city of Akron, Ohio. My company is engaged in all phases of selling and servicing rubber tires, including the distribution of new tires, tire treading, repairing, balancing, and complete servicing. We provide no other types of merchandise or service.

The company was founded in 1921 by my father, Charles P. Raney, Sr., who owned and operated the business for 30 years until January of 1951. I was employed by the company in June of 1941 and became manager of the business in March of 1946 after returning from 3 years in the United States Army Air Corps. In January 1951 the company was purchased by me and that is the situation as of today.

The purpose of my statement at this hearing is to convey to your committee my outlook on future prospects for the independent tire dealer. I have worked in no other line of endeavor. My entire background is that of the tire business and so at 32 years of age, I am immensely disturbed by what appears to me to be a rapidly closing avenue of opportunity. Under existing field rules, I am very much afraid that the days of the independent tire dealer, and in a broader sense, all small business, are numbered.

The reason they are numbered is simply this: In an effort to obtain what the tire manufacturer calls "his share of the market" he has viciously and undeniably gone directly to the consumer to sell his tires, bypassing all the established routes of distribution. This has been accomplished directly from the factory door or from another door down the street facetiously called a company-owned store. This has been accomplished at prices wholly inconsistent with a decent price structure necessary for an independent dealer to be profitable or even a company-owned store to be profitable. When one factory determines to deal direct with the consumer, the others must apparently follow in order to be what some term as competitive. It matters not what share of the business is being handled in this and various manners. What does matter is that if a principle is wrong, it should be corrected. It appears that low price, not procedures, has become accepted as the yardstick of free trade, whereas, in reality, price becomes only relative when principle is involved.

If I thought that the past and present trends in the distribution of tires were to continue without correction, I would sell my business without further consideration and attempt to obtain employment with one of the major rubber companies, because as surely as time passes, there is where we dealers would eventually be if we wished to remain with the tire industry. How can I, as an independent tire dealer, hope to compete with my own suppliers, when they are attempting to make deals direct with the consumer at prices very near those that I pay and in some instances considerably below? The tire dealer who does compete is either losing money or he is acting merely as a commissioned salesman for the factory wherein he receives a small subsidy. When I refer to "my own suppliers" I do not refer to any particular supplier, because I represent one manufacturer who does not believe in direct deals and engages in such only in rare instances and then on mileage contract. This I believe to be true. Nonetheless I am attempting to compete with those manufacturers who do deal direct. Pity the poor dealer who tries to compete on such a basis with his own brand tire.

There are those who feel that a change in methods of distribution is inevitable; that times have changed; that anything contrary to the present is a yearning for the good old days. I for one never experienced the so-called good old days and do not view the present methods of tire distribution as conducive to free enterprise.

Let us analyze the situation for a moment: Here we have a tremendous, expanding business virtually controlled, not influenced by, but controlled by 4, and we could possibly say 5, big rubber companies. A layman could tell that they do not truly operate separately and independently of one another. One need merely to compare their advertising, their pricing structure, their willingness to even produce each other's tire, to see that true competition over and above cutthroat pricing tactics at the dealer level and encouraged by the manufacturer just doesn't exist.

What does all this mean to me? It means that unless legislation, such as proposed in S. 175, is enacted to eliminate some of the tactics currently accepted as shrewd business by the tire manufacturers, I see no relief for the tire dealers. I consider myself of average business ability and talent, but without protection from the suppliers of my own line of business, I feel that 12 years of my working life have been wasted.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, prior to moving to recess the Senate, and in conformity with my policy of keeping the Senate as fully advised as possible on the program for the week ahead, I should like to state that the vote on the cloture motion will be had 1 hour after the Senate convenes on Monday.

If the cloture motion should be adopted, the rules set forth certain time limitations for debate. If, on the other hand, it should not be adopted, I should like to give advance notice to the Senate that we will be prepared to have a series of continuous sessions of the Senate such as we have had this week.

WHEAT-MARKETING QUOTAS

Mr. HUMPHREY. Mr. President, I had intended to read a statement, but I will ask unanimous consent to have the statement printed in the body of the RECORD, instead of taking the time of the Senate to read it. It deals with the farmer approval of wheat-marketing quotas in Friday's referendum.

I merely wish the RECORD to show that the previous votes in favor of quotas were as follows: in 1941, 81 percent; in 1942, 82.4 percent; in 1944, 87.2 percent. The quota this year was established by a vote of 77 percent. I ask unanimous consent that the statement be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WHEAT FARMERS PUTTING THEIR TRUST IN SENATE

Senator HUBERT H. HUMPHREY today issued the following statement in connection with farmer-approval of wheat marketing quotas in Friday's referendum:

"America's wheat farmers, by approving wheat marketing quotas, have once again demonstrated their overwhelming approval of the existing price-support program.

"Under the adverse conditions surrounding this particular referendum with farmers unable to know what support level they will be assured in return for agreeing to restrict their production, I believe it is a resounding rejection of the oft-repeated administration claim that farmers would prefer a 'free market' to 'controls.'

"It is ample evidence to me that these wheat farmers, speaking for all farmers, are asking the Congress and particularly the Senate, which votes next week, to preserve the 90 percent of parity price-support program. In my opinion America's wheat farmers are putting their trust in the Senate, and by this vote repudiating Secretary Benson's campaign for lower price supports.

"The trust must be fulfilled by the Senate. With our farmers showing their overwhelming willingness to do their part to bring production into line with demand, the least we can do is to see that they are not compelled to take drastic reductions in prices at the same time they are accepting reductions in the amount of wheat they are going to produce.

"The proposed 30 percent cut in wheat production invoked by Secretary Benson, and accepted by the farmers in the hope of getting continued 90 percent of parity, means a 30 percent reduction in farm income from wheat. Can our economy stand further reducing wheat income and farm purchasing power by adding a cut in prices? My answer is 'No.' While farmers themselves are making use of the only means available to them of bringing production into line with demand, the least we can do is to provide them with some assurance of fair prices for the wheat they do produce."

Senator HUMPHREY said it was "apparent" that the administration had attempted to discourage wheat farmers over the outlook for continued price support in the hope it would make them reject the quotas, thereby giving them an excuse for cutting price supports still further.

As an example of administration efforts to discourage wheat farmers before the referendum vote, Senator HUMPHREY called attention to SEecretary Benson's statements at a press conference that he believed that price supports for next year would be around 80 percent of parity.

"What right has the Secretary to be saying such things when the Senate has not yet voted upon what the support level shall be for next year?" Senator HUMPHREY asked.

For wheat-marketing quotas, 195,801; against wheat quotas, 71,303; percentage approving present program, 73.3 percent.

Previous votes approving quotas: 1941, 81 percent; 1942, 82.4 percent; 1954, 87.2 percent.

In each of other instances farmers knew they would be protected by 90 percent of parity if they accepted acreage reductions.

In present vote farmers have no assurance what support level will be, and have been informed that the quotas will mean the heaviest production restrictions yet invoked.

They still approved, by more than the required two-thirds, rather than risk losing effective price support.

COMMITTEE HEARINGS ON CERTAIN FHA SCANDALS

Mr. CAPEHART. Mr. President, the able majority leader for several days has been trying to obtain a unanimous-consent agreement. Tonight both he and the minority leader made a great effort to secure one. In many respects, I am glad that they did not and in other respects, I am sorry.

My reason for being glad about it is that the Committee on Banking and Currency has scheduled approximately 8 weeks of hearings on the FHA scandals.

We intended to hold hearings in the field. Now that we are going to be in Washington for another 8 weeks, we will simply schedule all the hearings for Washington and bring all the witnesses here. I am glad to know that the other Senators will be here also to help us conduct 8 weeks of hearings.

RECESS TO 10 O'CLOCK A. M. ON MONDAY

Mr. KNOWLAND. Mr. President, as a further mark of respect to the late Representative CAMP, I move that the Senate stand in recess until 10 o'clock a. m. Monday, July 26, 1954.

The motion was unanimously agreed to; and (at 11 o'clock and 49 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, July 26, 1954, at 10 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 24 (legislative day of July 2), 1954:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Andrew N. Overby, of the District of Columbia, to be United States Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

FEDERAL HOUSING ADMINISTRATION

Norman P. Mason, of Massachusetts, to be Federal Housing Commissioner.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Charles Irwin Schottland, of California, to be Commissioner of Social Security of the Department of Health, Education, and Welfare.

UNITED STATES CUSTOMS COURT

David John Wilson, of Utah, to be judge of the United States Customs Court.

DIPLOMATIC AND FOREIGN SERVICE OF THE UNITED STATES OF AMERICA

PROMOTIONS AND/OR APPOINTMENTS

The following-named Foreign Service officers for promotion to grade indicated:

Francis A. Flood, of Oklahoma, for promotion from Foreign Service officer of class 2 to class 1.

William W. Walker, of North Carolina, for promotion from Foreign Service officer of class 3 to class 2.

The following-named Foreign Service officers for promotion from class 4 to class 3:

William Barnes, of Massachusetts.
Findley Burns, Jr., of Minnesota.
John E. Devine, of Illinois.
Harrison Lewis, of California.

The following-named Foreign Service officers for promotion from class 5 to class 4 and to be also consuls of the United States of America:

Frank J. Devine, of New York.
David H. Ernest, of Massachusetts.
Douglas N. Forman, Jr., of Ohio.
Harold G. Josif, of Ohio.

The following-named Foreign Service officers for promotion from class 6 to class 5:

Alan G. James, of the District of Columbia.
Abraham Katz, of New York.
Lawrence C. Mitchell, of California.
Jacob M. Myerson, of the District of Columbia.
Peter J. Peterson, of California.

Milton K. Wells, of Oklahoma, now a Foreign Service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons, now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

C. Vaughan Ferguson, Jr., of New York.
Paul Paddock, of Iowa.

The following-named persons, now Foreign Service officers of class 5 and secretaries in the diplomatic service, to be also consuls of the United States of America:

Thomas H. Murfin, of Washington.
Harry F. Pfeiffer, Jr., of Maryland.
DeWitt L. Stora, of California.

William O. Hall, of Oregon, for appointment as a Foreign Service officer of class 1, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named persons for appointment as Foreign Service officers of class 2, consuls, and secretaries in the diplomatic service of the United States of America:

Alexander B. Daspit, of Louisiana.
Harvey Klemmer, of Maryland.

The following-named persons for appointment as Foreign Service officers of class 4, consuls, and secretaries in the diplomatic service of the United States of America:

John M. Bowie, of the District of Columbia.
Miss Edelen Fogarty, of New York.
Francis J. Galbraith, of South Dakota.
William F. Gray, of North Carolina.
Miss Jean M. Wilkowski, of Florida.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Sam G. Armstrong, of Texas.
Daniel N. Arzac, Jr., of California.
Robert S. Barrett IV, of Virginia.
Melvin Croan, of Massachusetts.
Walker A. Diamanti, of Utah.
Richard W. Finch, of Ohio.
Martin B. Hickman, of Utah.
Edwin D. Ledbetter, of California.
S. Douglas Martin, of New York.
Calvin E. Mehlert, of California.
John E. Merriam, of California.
J. Theodore Papendorp, of New Jersey.
Harry A. Quinn, of California.
Charles E. Rushing, of Illinois.
Robert H. Wenzel, of Massachusetts.

The following-named Foreign Service staff officers to be consuls of the United States of America:

John L. Hagan, of Virginia.
Arthur V. Metcalfe, of California.
Nestor C. Ortiz, of Virginia.
Normand W. Redden, of New York.

The following-named Foreign Service reserve officers to be secretaries in the diplomatic service of the United States of America:

Lucius D. Battle, of Florida.
Richard E. Funkhouser, of the District of Columbia.
John T. Hanson, of Maryland.
Donald D. Kennedy, of Oregon.

IN THE NAVY

PERMANENT PROMOTIONS

The following-named women officers of the Navy for permanent promotion to the grade of lieutenant commander in the staff corps indicated, subject to qualification therefor as provided by law:

In the Supply Corps

Margaret E. Barton
Natalie T. Bell
Betty J. Brown

In the Medical Service Corps

Frances Spear

APPOINTMENTS IN THE NAVY

The nominations of Harold W. Sill and 258 other persons for appointment in the Navy, which were confirmed by the Senate today, were received on July 14, 1954, and may be found in full in the proceedings of the Senate for that date, under the caption "Nominations," beginning with the name of Harold W. Sill, which appears on page 10514 of the CONGRESSIONAL RECORD, and ending with the name of Fred Moore, Jr., on page 10515 of the said RECORD.

IN THE MARINE CORPS

APPOINTMENTS IN THE MARINE CORPS

The nominations of Max C. Aaron and 2,053 other persons for temporary appointment in the Marine Corps, which were received by the Senate on July 14, 1954, were confirmed today, and may be found in full in the Senate proceedings of the CONGRESSIONAL RECORD under the caption "Nominations," beginning with the name of Max C. Aaron, appearing on page 10515, and ending with the name of Walter S. Zuck, which is shown on page 10519.

SENATE

MONDAY, JULY 26, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. Charles C. Cowsert, of Fairlington Presbyterian Church, Alexandria, Va., offered the following prayer:

Dear God, our Father, whose power is undiminished in our day, and whose long arm of mercy has not yet been cut short:

Refrain us from confusion in mind, lest we be tempted to call evil good, and good evil.

Make us discontent with legality that knows no morality.

Teach us that the great victories of our time must be won first in the souls of men—"out of the heart are the issues of life."

Fortify the Members of this branch of Government in body, mind, and soul against the pressures exerted by time as well as by unscrupulous interests.

Strengthen all our citizens against the onslaughts of fear; and enlighten them to see that greed in government may be replaced only by unselfishness in private

affairs, that hatred in the world may be overcome only by love nourished in personal lives, that communism in principle may be removed only by improving democracy in practice, that war among nations may be eliminated only by souls that know the joy of peace.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of the preceding day was dispensed with.

CALL OF THE ROLL

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	McCarran
Anderson	Gore	McCarthy
Barrett	Green	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bowring	Hennings	Murray
Burke	Hickenlooper	Neely
Bush	Hill	Payne
Butler	Holland	Potter
Byrd	Humphrey	Purtell
Capehart	Ives	Reynolds
Carlson	Jackson	Robertson
Chavez	Jenner	Russell
Clements	Johnson, Colo.	Saltonstall
Cooper	Johnson, Tex.	Schoeppel
Cordon	Johnston, S. C.	Smathers
Crippa	Kennedy	Smith, Maine
Daniel	Kerr	Smith, N. J.
Dirksen	Kilgore	Sparkman
Douglas	Knowland	Stennis
Duff	Kuchel	Symington
Dworshak	Langer	Thye
Eastland	Lehman	Upton
Ervin	Long	Watkins
Ferguson	Magnuson	Welker
Frear	Malone	Wiley
Fulbright	Mansfield	Williams
George	Martin	Young
Gillette	Maybank	

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Vermont [Mr. FLANDERS] are absent on official business. The Senator from Ohio [Mr. BRICKER], the junior Senator from South Dakota [Mr. CASE], and the senior Senator from South Dakota [Mr. MUNDT] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. LENNON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

The VICE PRESIDENT. A quorum is present.

Mr. KNOWLAND. At 11 o'clock, Mr. President, under the rule, the Senate, regardless of what business may be pending, will proceed first to have a quorum call, and establish that a quorum is present, and then, without further debate, proceed to a vote on the cloture motion. That leaves at this moment 40 minutes before the vote on cloture. Under the cloture rule, only those amendments which have been read can be considered. Therefore, technically, as of this time, the only amendment which has been read, of course, is the Lehman amendment. The other 30 amendments, or whatever the number is, would be excluded. So that they may not be excluded, in the event cloture should be adopted—although I am under no particular illusions on that score at the moment—but because they should not be foreclosed from being voted on, I ask that the suggestion of the Assistant Parliamentarian be adopted and that all amendments on the desk be considered as read in the event the cloture motion should be adopted.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Now, Mr. President, I am going to propose another unanimous-consent request.

Mr. MORSE. Will the Senator yield for a parliamentary inquiry?

Mr. KNOWLAND. I yield.

Mr. MORSE. The request raises one question in regard to the amendment I submitted the other day, and withdrew, proposing to strike the words "official spokesman" from the bill. It was my understanding that some Senator on the Democratic side of the aisle had a similar amendment. I should like to make inquiry first as to whether there is such an amendment pending, submitted by some other Senator.

The VICE PRESIDENT. The inquiry of the Senator from Oregon is whether there is an amendment dealing with the general subject covered by his amendment which has been withdrawn, lying at the desk.

Mr. KNOWLAND. Mr. President, I should like to make an additional inquiry which may help to clarify the situation.

The amendment of the Senator from Oregon had been the pending amendment before the Senate. I understand he withdrew his amendment. Does that mean it is completely withdrawn, or is it still at the desk?

The VICE PRESIDENT. It is at the desk.

Mr. KNOWLAND. The amendment would be covered by my unanimous-consent request.

The VICE PRESIDENT. The fact that the amendment has been withdrawn does not mean it is not still on the desk. It retains its parliamentary status. The Senator's amendment and other amendments in that category which have been withdrawn are still on the desk and will be included in the unanimous-consent request.

Mr. MORSE. I made this statement because I wanted to say to my friends on the other side of the aisle that I am not pressing my amendment if they want to offer one of identical nature, as I withdrew it because some of them told me that is what they wanted to do. However, if they do not offer one, then at a later time I will offer this one.

Mr. KNOWLAND. Mr. President, there are 35 minutes left before the vote takes place. I have the floor, and technically I could hold it for 35 minutes. Obviously it would not be fair for me to do, and I have no intention of doing so. So that the time may be equitably divided, I ask unanimous consent that the time between now and 11 o'clock be equally divided, to be controlled by the majority leader and the minority leader or the Senator acting for him.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry. Is there to be a morning hour this morning?

Mr. KNOWLAND. There will not be a morning hour.

Mr. NEELY. Mr. President, reserving the right to object, I ask the Senator from California if he does not think that the time should be divided by including the representative of the Independent Party in the operation?

Mr. KNOWLAND. No; I do not. I am dealing with the responsible leadership of the Democratic Party and with the Republican Party. We are not going to divide the time into three parts. I assume that the Senator from Oregon is opposed to the cloture motion. If so, he can get time from those on the other side who are opposed to it. If he is for the cloture motion, he can get some time from this side of the aisle. But time is now running, and I desire to propound my unanimous-consent request.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator.

Mr. NEELY. Does the Senator not think that the Independent Party has responsible leadership?

Mr. KNOWLAND. I would say that if each Senator out of the 96 Senators, by withdrawing from his party, established an independent party, and had to be dealt with separately, we would have chaos and not order.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I would like to suggest that the time is running out, and this is being taken out of the time of both sides. I will yield for a short inquiry.

Mr. DOUGLAS. Mr. President, I wonder if the majority leader will mitigate the severity of his proposal by permitting a few minutes for the morning hour, for the transaction of routine business such as insertions in the RECORD.

Mr. KNOWLAND. No, because I would have no way of controlling that. There are undoubtedly many Senators who would like to make insertions in the RECORD, which would require so much time that there would be little, if any, left for discussion. I think this is as important a question as we have had before the Senate. For that reason we do not plan to have a morning hour this morning.

Mr. MURRAY. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I will yield for a question.

Mr. MURRAY. It is my intention to offer an amendment this morning.

Mr. KNOWLAND. If the Senator desires to send the amendment to the desk so it will be covered by the prior unanimous-consent agreement, I will yield for that purpose and that purpose only, but it should be physically at the desk.

Mr. MURRAY. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. Without objection, the amendment will be received and printed, and will be considered as read.

The amendment submitted by Mr. MURRAY is as follows:

On page 15, line 4, add the following new section 28 and renumber present sections 27 and 28 as 29 and 30:

"SEC. 28. Electric Power Liaison Committee: There is hereby established an Electric Power Liaison Committee consisting of—

"a. A chairman, who shall be the head thereof and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for the Chairman of the Military Liaison Committee; and

"b. A representative of the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, the Southeast Power Administration, the Corps of Engineers, and such other Government agencies as the President may from time to time determine. The chairman of the Committee may designate one of the members of the Committee as acting chairman to act during his absence. The Commission shall advise and consult with other Government agencies, through the Committee, on all atomic energy matters which relate to electric power applications of atomic energy, including the development, manufacture, and use of atomic reactors for power purposes, the allocation of special nuclear material for such purposes, the technical, economic, and accounting relationships between production of special nuclear material and atomic energy for electric power and for atomic weapons, appropriate policies to govern the production and distribution of electric power from atomic energy in order that the benefits of such power shall be widely distributed and maximum revenues shall be returned to the Federal Treasury, and the integration of atomic power policies and administration with other power activities of the Federal Government; and shall keep other Government agencies, through the Committee, fully and currently informed of all such matters before the Commission. Other Government agencies, through the Committee, shall have the authority to make written recommendations to the Commission from time to time on matters relating to civilian applications of atomic energy as they deem appropriate."

Mr. KNOWLAND. Mr. President, I renew my request that the time between now and 11 o'clock be equally divided, one-half of the time to be controlled by the majority leader and the other half of the time to be controlled by the minority leader.

The VICE PRESIDENT. Is there objection? The Chair hears none and it is so ordered.

Mr. KNOWLAND. I yield to myself 3 minutes.

The VICE PRESIDENT. The Senator from California is recognized for 3 minutes.

Mr. KNOWLAND. Mr. President, the Senate is about to vote on a cloture motion. I recognize that historically in this Chamber many Senators have been fundamentally opposed to cloture. Certainly they are opposed to it except under the most trying conditions. The Senate of the United States has been considering this bill for 11 days. We have had 4 days of around-the-clock sessions.

This rule is a protective rule. A two-thirds vote of the entire membership of the Senate is required in order that it may be invoked. This gives adequate protection to those who favor unlimited debate. But, Mr. President, if there was ever a time when cloture was in order, in my judgment, this is the time, under the conditions which prevail and when not only the majority party leadership but the minority party leadership as well have time and time again tried to work out reasonable limitations on debate.

I do not believe the Senate of the United States, the greatest deliberative body in the world, should advertise to the Nation and to the world that it is so paralyzed, so impotent, that it cannot conduct the public's business. We have only asked that the Senate of the United States be permitted to vote. Those who claim to believe in representative processes of constitutional government have time and time again said that they believed in majority rule, that they believed the representatives of the people should be allowed to vote. If we are allowed to vote on some amendments we may win, while on others we may lose.

The majority of the Senate may decide to recommit the bill, or they may decide to continue with the bill. They may decide to approve it, or they may decide to disapprove it. But, Mr. President, the only way we can determine what the judgment of the Senate is, in my opinion, is to bring this matter to a vote.

I do not believe that the Senate of the United States should permit obstructionist tactics, what has become an obvious filibuster, for the purpose of defeating the capacity of the Senate of the United States to function. I do not believe that the Senate of the United States should permit this to go on any further.

Mr. President, there are other courses of action open to one occupying the position I now occupy. Some of them are even more drastic than cloture. I hope that it will not be necessary to invoke them.

The VICE PRESIDENT. The time of the Senator from California has expired.

Mr. KNOWLAND. Mr. President, I yield myself 1 additional minute.

I do not believe it is in the interest of the Nation to permit this great body to be paralyzed. If the cloture motion is not adopted today, there is nothing under the rules to prevent me from offering another cloture motion, 1, 2, or 3 days from now. There may be Senators who today will vote against it, but who recognize that these obstructionist tactics are not in the Nation's best interests, and who have indicated, at least, that on the next cloture motion they may, for the first time in their lives, change their viewpoint.

The VICE PRESIDENT. The time of the Senator from California has again expired.

Mr. JOHNSON of Texas. Mr. President.

The VICE PRESIDENT. The Senator from Texas is recognized.

Mr. JOHNSON of Texas. I yield 5 minutes to the Senator from New York [Mr. LEHMAN].

Mr. LEHMAN. I thank the Senator from Texas.

Mr. President, in a short while the Senate will vote on a motion, invoked under a bad rule to achieve a mistaken purpose, namely, to shut off debate on the atomic energy bill, perhaps the most important piece of legislation to come before the Senate at this session.

Some of us, Mr. President, a considerable number of us recruited from both sides of the aisle, from all three parties represented here in the Senate, have been engaged for some days in debating the pending bill.

We have not been merely debating it, Mr. President, we have been acting on it. We have not sought to prevent votes. We have been voting on amendments. Thus far we have adopted perhaps a dozen, perhaps more, important amendments to this bill, some proposed by the committee chairman, Mr. HICKENLOOPER, and some by those of us who are seeking to improve the bill, to make it, as we see it, compatible with the public interest.

This bill of 104 pages, covering one of the most complex of all subjects, a new subject to almost every Member of the Senate except those on the committee, was, on the record, reported to the Senate on June 30. But the report was not actually printed and available to Senators until Tuesday, July 13, on the very day the majority leader brought the bill up for consideration.

Although the printed report of the joint committee bears the date June 30, and although the CONGRESSIONAL RECORD records the submission of the report on that date, the CONGRESSIONAL RECORD of Monday, July 12, records, in the Daily Digest, page D–820, that on that day, the joint committee met in executive session and adopted the report, which was not printed and available until the succeeding day, July 13.

It was not until that day, too, that copies of the bill, S. 3960, were made available to the Members of the Senate.

Hence, in actual fact, despite the RECORD which is misleading in this regard, the bill and the report were not physically available for inspection and study by the Senate until Tuesday, July 13, less than 2 weeks ago.

This report consists, in itself, of 138 pages, and includes not only the majority views, but three additional statements of separate views on various aspects of the bill, including a comprehensive statement of separate views which is really a minority report, by Representatives HOLIFIELD and PRICE, of 33 pages, covering 15 separate aspects of the bill, on which these two Members, at least, took strong and articulate exception.

Of the period during which the Senate has been considering this complex matter, approximately half was taken up with a discussion of one single collateral phase of this legislation, the Dixon-Yates contract. This phase was debated and then brought to a vote. In subsequent days other phases of this legislation have been debated and brought to a vote.

Here is a bill affecting the whole future of our national economy and one of

the most basic problems, indeed the most basic problem of our international relations. We get this bill, whose specific subject matter is completely new and strange to almost all of us and less than two weeks after the bill is actually reported. Now we are confronted with a motion to invoke cloture, to put debate under the severe limitations of rule XXII.

Mr. President, the forces of active opposition to this bill have included 3 of the 4 Democratic Senators on the joint committee, and, while I have not checked the actual record of debate in the House, there are at least 2 of the Democratic House members of the joint committee.

Is the desire on the part of some Members of the Senate to debate this bill carefully and intensively, to study it, to solicit the views of experts on it, unreasonable?

It should be pointed out that there were no hearings on the final version of this bill as reported to the Senate.

And finally, Mr. President, does the actual record of voting on the amendments to this bill reflect a desire to obstruct action, or rather does it reflect a concerted and determined desire to debate this bill fully and minutely, taking the time to study this bill while it is actually under consideration, time that should have been afforded us before this debate ever began, had it not been for the unseemly haste of the majority leadership to ram this bill through, with all its complexities, at this session of Congress, against an arbitrary adjournment deadline?

Some of us have offered to give quick consideration to the international features of this bill, and to vote upon it after seeking some amendments to it. But the majority leadership has been adamant in demanding all or nothing, and has resorted, first to grinding and punishing all-night sessions, to untimely motions to lay on the table, motions frequently made when many of our colleagues were home asleep, and now, finally, to this cloture motion under rule XXII.

Mr. President, I am a long-time advocate of a sound and sensible cloture rule. I have been urging appropriate amendments to rule 22, the so-called Wherry rule, ever since I have been a Member of the Senate. Both while my party was in the majority and since we have been in the minority, I have urged appropriate changes in rule 22, to make it a flexible, feasible, fair, and reasonable rule for limiting debate on any subject on which a Senate minority is determined to obstruct action and prevent a vote on a proposition desired by an overwhelming majority.

The present rule, the Wherry rule, is not such a rule. It is a rigid, inflexible, impracticable, and unrealistic rule. It is an unwieldly blunderbuss which has proved incapable of protecting and advancing the rights of minorities in the country, or of majority in the Senate.

Now, Mr. President, I do not intend to lend myself to the invocation of a rule which has proved incapable of defending the rights of the people, for the purpose now of depriving the people of their inherent rights.

What narrow sophistry that would be, in my judgment, to give force to a bad rule to achieve an evil result, when those who now invoke it have steadfastly declined to support the amendment of that rule to permit it to achieve the result of assuring fundamental rights to all the people of our country.

If logic and consistency call for such a course of action, there is something wrong with logic and consistency.

But no, Mr. President, the logical course of action for those who would defend the peoples rights is to vote against the cloture motion and to send it down to the defeat it deserves. This cloture was conceived as a political gesture. Let it be disowned and defeated without glory.

Let those who seem now so intent on bringing this debate to an untimely close join with us in amending rule 22, so that cloture will be available for the defense of the peoples rights, as well as for the giveaway of the peoples heritage. Let that be a test of their sincerity.

Meanwhile, let us defeat this motion. Let us not be sophists, and confuse the letter of consistency with the spirit of what is right. Let us carry on, to the extent that we are capable, to the extent that is necessary, the fight to make this bill a good bill, consistent with the interests of our people and of the free world.

Mr. KNOWLAND. Mr. President, I yield 3 minutes to the distinguished Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. Mr. President, I wish to say a few words in support of the motion for cloture. There can be no question in the mind of any reasonable person who takes an objective look at the proceedings of the past 2 weeks that a deliberate, obstructionist filibuster is in progress. The evidence to establish that fact is simple. The majority leader, time and time again, and, in fact, in connection with almost every amendment which has been submitted, has proposed a limitation of debate, and has even offered to let those who proposed them write their own ticket, so to speak, on the matter of the time limitation, but his offer has been refused.

Limitation of debate on many amendments which manifestly would have taken but a few minutes to discuss, and which were of small consequence, perhaps, in the operation of the bill, has been resisted. The limitation on time has been refused by the arbitrary action of a small group engaged in obstructionist tactics on the floor of the Senate.

Then the minority leader, backed, I am certain, by a substantial majority of the members of his own party, has offered a plan for the limitation of debate, which will not unduly curtail any Member in presenting the merits of his amendment or his proposition, and likewise will not prevent those who are opposed to the particular amendment from adequately discussing it.

His offers have been refused by those whose desire is not to reach a vote on the bill, but rather to prevent a vote, and to prevent passage of a bill which is, indeed, of far-reaching importance, and provides untold benefits to the American people, the American economy, and also our international relations in the future.

Mr. President, I think the philosophy of the individual should have some reasonable consistency. A great many of us have, from time to time in the past, supported cloture. I have never supported cloture until debate has reached the point of a filibuster.

The VICE PRESIDENT. The time of the Senator from Iowa has expired.

Mr. HICKENLOOPER. I ask that I may have 1 additional minute.

Mr. KNOWLAND. I yield 1 minute to the Senator from Iowa; but since the rest of my time has been allotted, I cannot yield further.

Mr. HICKENLOOPER. I have supported cloture when a filibuster has become evident. There are Senators who have been most vocal and vociferous against filibusters in the past, when measures to which they were opposed were being delayed, but who now find themselves strangely in the position of supporting the very thing which they have repeatedly called evil, in order to further their own purposes.

I hope the Senate will support the motion for cloture and will bring the debate to a close, with the reasonable safeguards which the motion proposes.

Mr. ANDERSON. Mr. President——

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, a filibuster is designed for three purposes: To prevent a vote, to carry on debate, or to prevent discussion not pertinent to the issues. Any Member who has been present for the last 10 or 11 days knows that the discussion has been pertinent to the issue. He knows also that votes have been taken. There have been several year-and-nay votes taken since the debate began. If there had been any disposition not to have a vote, the votes which have been taken would not have been possible. As a matter of fact, we would have made much better progress if the cloture motion had never been filed. We were making headway. The amendment offered by the Senator from Colorado [Mr. JOHNSON] had been accepted. Several amendments offered by the junior Senator from Minnesota [Mr. HUMPHREY] had been accepted.

The Senator from Minnesota was in process of securing an agreement with respect to some 15 of his amendments, whereby he would have withdrawn about 7, and 4 or 5 would have been modified in accordance with suggestions made by the able Senator from Iowa [Mr. HICKENLOOPER]. Some amendments have been presented as to which there was no possibility of compromise.

There was one amendment which dealt very extensively with the international situation, offered by the able Senator from Rhode Island [Mr. PASTORE]. Was there any opportunity to debate that? Not one word; there was merely a motion to lay it on the table.

What a contrast that was to the previous situation. When my amendment was pending, there had been very ample and very strong debate from the other side of the aisle. Democrats were persuaded to vote against my amendment by those very arguments. But now those

Democrats are given the silent treatment, with no discussion at all from the other side of the aisle.

I intend to vote against the cloture motion. I have been an advocate of a liberalization of the cloture rule. I shall probably advocate such a procedure again. But I certainly do not intend to vote for cloture at any time to stop a discussion of this nature. There are many items left in the bill yet to be considered. I hope they will receive favorable consideration. Senators now do not offer amendments, for fear they will be promptly laid on the table, and there will not be any opportunity to consider them later.

The distinguished Senator from Mississippi [Mr. STENNIS] has offered an improved amendment. Does he dare call it up? No, of course not, because it will be laid on the table.

The same thing is true of the amendment offered by the Senator from Oklahoma [Mr. KERR] relating to the patent section. That is now dead. It cannot be considered. These amendments cannot be disposed of properly. At the end of 30 minutes the Senate disposed of patent rights worth billions of dollars to American civilization. That is not the way the Senate should proceed.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. JOHNSON of Texas. Does the distinguished Senator from New Mexico think that if the cloture motion should be defeated, we could take the amendment of the distinguished Senator from Mississippi to separate the bill, the proposed amendment to the patent section, and perhaps amendments with respect to other provisions, and work out a schedule whereby reasonable discussion could be had, followed by a vote on the principal issues at stake?

Does the Senator from New Mexico think that that plan is feasible and would be acceptable to most of the Members on this side of the aisle?

Mr. ANDERSON. I think it would be. I think that if the minority leader would come forward with a program of that nature, to provide for ample discussion on that point, he would not have any trouble, and that it would not be necessary to continue around-the-clock sessions.

I believe we could then vote on these questions.

Mr. JOHNSON of Texas. Mr. Presiden, will the Senator further yield?

Mr. ANDERSON. I yield.

Mr. JOHNSON of Texas. I may say to the Senator from New Mexico that the minority leader felt the other evening that a proposed unanimous-consent agreement, with modifications, and other suggestions, would result in attaining that very objective.

During the day, if the motion for cloture is defeated, the minority leader hopes that he may be able to get general agreement, at least on this side of the aisle, upon such a plan.

Mr. ANDERSON. I should be happy to assist in that sort of endeavor, because most Senators will not try to prevent a final vote on the bill. Although I do not like all the provisions in the bill, I did not sign the minority views.

The VICE PRESIDENT. The time of the Senator from New Mexico has expired.

Mr. JOHNSON of Texas. Mr. President, how much time have I remaining?

The VICE PRESIDENT. The Senator from Texas has 7 minutes remaining.

Mr. KNOWLAND. How much time have I remaining, Mr. President?

The VICE PRESIDENT. The Senator from California has 7½ minutes remaining.

Mr. JOHNSON of Texas. I yield a minute and a half to the distinguished Senator from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON of South Carolina. Mr. President, I believe that each Senator on the floor at this moment will acknowledge, in the beginning, that the bill before the Senate is a very important one. It needs discussion from many angles. The unfortunate position in which we find ourselves at present was brought about, I think, by some of the activities which have taken place on the floor. I fear that the majority leader, by action which he has taken in moving to lay amendments on the table, has brought about even further discussion of the bill.

I remind each one of my colleagues that a horse can be led to water but he cannot be made to drink. That is the attitude that has developed on the part of many Senators who have been fighting against this bill. I intend to vote against cloture at this time. I believe there are many amendments that should be fully discussed, and I do not believe that under the cloture rule they can be adequately explained.

Mr. KNOWLAND. Mr. President, I yield one-half minute to the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG. Mr. President, I shall vote against the cloture motion. I hope my vote will not be interpreted as a vote against the administration. I have long been opposed—in fact, even before I came to the Senate—to invoking cloture except in extreme emergencies. I do not feel there is such an emergency at the present time.

I have never during the 9½ years I have been a Member of the Senate objected to unanimous-consent agreements to control the time of debate, and I do not intend to in the future except in unusual conditions.

Mr. KNOWLAND. Mr. President, I yield 4 minutes to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, I intend to vote for the pending cloture motion, though I have no illusions as to the outcome. Along with every other Southern Senator and many others, I supported the adoption of rule 22 in its present form, in the effort to secure a more workable rule. The Senate well knows that in its provisions exempting from cloture any motion to take up an amendment of the rules, and requiring 64 affirmative votes to make cloture effective, the new rule gives greater protection than heretofore against such a measure as a compulsory FEPC law, with all its grave implications upon the established social structure of an entire region and involving, as it would, grave questions of constitutionality, bitter conflict between Federal and State laws, and probable civil disorder and strife. At the same time the new rule is much more efficient than the old in that it makes subject to cloture all the parliamentary proceedings on any pending legislation, excepting only a motion to take up an amendment to the rules.

I have always regarded the new rule as a two-edged sword upon which I can and always will rely in opposing such measures as FEPC and similar vital measures which are wholly unacceptable to great regions of our Nation. At the same time I believe we have the right to use it in a proper case in enabling the Senate to come to a vote upon measures of less grave importance after they have been subjected to reasonable debate. In other words, I do not regard the present rule 22 as wholly defensive, but I regard it also as an effective offensive provision which should be used to end futile filibusters such as the pending one, which has been frankly described as such by one of the participants. Every Senator must in his own judgment decide what measures can be properly subjected to cloture and at what stage in the debate. For myself, I think that the pending measure should be subjected to cloture and that the debate has long since exceeded the limitations of reasonable argument.

The fact that this filibuster has been employed in the closing days of the second session of a Congress when many vital measures still await final action is a strong argument for the application of cloture. The farm bill, the social security bill, the tax revision bill, and others of great importance still require Senate action.

Aside from that, in this critical stage of world affairs it is particularly necessary that the Senate show its capacity to function on such important matters rather than to be held in a state of frustration and futility by the marathon talking of a decided minority. Any other course would hold us up to the ridicule of our own people and of the world at large, particularly the other free peoples who look to us for leadership and example.

Mr. President, I have been particularly distressed by the oft-repeated demands of the recalcitrant minority that all of the domestic features of this bill be stricken while the international features alone are enacted. Such a demand is apparently based upon profound distrust of the workings of our American free enterprise system in the field of electric power production, as well as equal distrust of the judgment of our executive department, the Atomic Energy Commission, and the 16 distinguished members of our Joint Congressional Committee on Atomic Energy, all of whom are given effective supervisory powers under the pending act. It is unthinkable that the Senate would so forget its responsibility to our own people that it would grant to our allies important benefits arising from American discoveries in the field of atomic energy

while postponing or withholding from our own people the opportunity to adapt atomic power to great peacetime service.

Mr. HUMPHREY. Will the Senator from Florida yield to me?

Mr. JOHNSON of Texas. The next 16 minutes of the time has been apportioned. The Senator from Alabama has asked for 5 minutes. If the Senator from Alabama is ready to take that 5 minutes, I will yield to him; and if it is possible for him to yield a part of his time, I will try to accommodate the Senator from Minnesota. This is the first time the Senator from Minnesota has requested the floor.

I yield 5 minutes to the Senator from Alabama, Mr. President.

Mr. HILL. It would be agreeable to me to yield the 2 minutes to the Senator from Minnesota.

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from Minnesota 2 minutes.

Mr. HUMPHREY. Mr. President, I wish to vote on this bill. I not only want to vote on the bill, but I want to vote on the amendments to the bill, within the normal legislative processes. I charge in the Senate that we have not had an opportunity to vote on very many amendments to this bill because of the procedural tactics which have been used by the majority and majority leader.

It is a very strange situation we see here. Practically all of the time of the Senate has been spent on arguing procedure rather than arguing substance. An examination of the RECORD will show that on every amendment which has been offered there has not been as much as 10 minutes' honest debate on the other side of the aisle on the part of those who are for this bill and against the amendments, with the exception of the Dixon-Yates proposal, which, by the way, was debated and voted upon and debated.

As to whether or not this is a filibuster, I think the fact has been stated that there have been nine yea and nay votes. If that is a filibuster it is a strange one. If it is a filibuster it is because the majority leader has driven us into all night sessions in the process of political attrition. I say to the majority leader that political attrition will not work. It will do only one thing—firm up the opposition of those of us who believe that this bill as it is now written is not in the public interest. Every speech that has been made by those of us opposed to this bill has been germane. Every speech has been, I think, pointed to the question.

I charge that the opposition, who support this bill without amendment, have never once engaged in a full discussion of the amendments, nor have they permitted us reasonably and intelligently to argue the amendments in the cross-current of debate.

Finally, Mr. President, I may say my position on the question of cloture is well known, but the right of cloture is one thing and the exercise of it is another. I happen to believe that this bill is so important and the public questions involved are so all-embracing that it is absolutely essential that we vote upon the amendments that are before us. I shall vote against closure in this instance.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Alabama.

Mr. HILL. The distinguished majority leader spoke of paralyzing the Senate. Mr. President, no one wishes to paralyze the Senate, but I insist that we should not change the character of the Senate as a deliberative body. We often proudly speak of the Senate as the greatest deliberative body in the world. There is no way to change the character of the Senate, there is no way to destroy the deliberative functions of the Senate, without also changing the Government of the United States, because the Senate is here as the citadel set up in the Constitution, the guardian of free speech for the protection of the rights, the interests, and the welfare of the people of the United States.

In the first place, this bill should never have been taken up, when it was. Here is a bill of 104 pages, with a report constituting some 138 pages. The bill was taken up almost before the report on the bill could get to the Senate from the Government Printing Office. It is a bill the magnitude and consequences of which no man now can properly estimate, a bill that may affect the life of the people of our country more than any other bill which has come before the Congress of the United States, certainly in recent times. The bill is filled with references and cross-references, with technicalities and complexities. It could not only fasten huge monopoly upon us but lead to a corporate state.

This bill, with all its weaknesses, with all its failures, with all its dangers, with all its iniquities, should have careful, deliberate consideration and debate by the Senate. But instead of the Members of the Senate having an opportunity to examine the bill and to weigh the bill carefully before it came to the Senate, it was thrust before us and we were told it had to be passed, and passed now.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, how much time do I have?

The VICE PRESIDENT. Two minutes.

Mr. JOHNSON of Texas. I will yield the Senator an additional 2 minutes.

Mr. HILL. Mr. President, the distinguished majority leader spoke of the bill having had 11 days' consideration. There has not been 11 days of consideration of this bill. As a result of the long sessions, the around-the-clock continuous sessions which have been forced upon the Senate the Senators have been tired, they have been wornout, they have been fatigued, and there has not been deliberation, there has not been proper consideration. The Senate cannot deliberate, consider, and legislate, from cots. Instead of the Senate being a forum of intellect, of reason, of persuasion, of presentation of facts, we find the Senate turned into an arena of physical endurance to determine who has the physical strength to stick it out.

There has been no real deliberation on this bill since we adopted the Johnson amendment which came along in due process and in good time.

Let the Senate have the opportunity to proceed normally, and we will make progress on this bill. The cloture motion should be overwhelmingly defeated.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President.

The VICE PRESIDENT. The Senator from Texas.

Mr. JOHNSON of Texas. I yield to myself the remaining time.

Mr. President, I did not favor the cloture motion when it was filed. I do not favor it now. As I told the Senate at its last session, I do favor the determination of the basic issues at stake in this bill. The minority leader is heartened by the suggestion made by the able Senator from New Mexico that perhaps we can take 4 or 5 of the basic issues and agree to a reasonable discussion of those issues and then proceed to vote upon them. I had hoped, Mr. President, we could do that by unanimous consent.

I am glad that we came near reaching unanimous consent the other evening. Most of the Members, I believe, would favor the provisions carried in that agreement.

Since we cannot have unanimous consent, I hope we can have the consent of most of the Members on both sides to a reasonable discussion of important issues, followed by a vote.

I shall vote against the cloture motion and I believe we may actually save time by voting it down.

Mr. KNOWLAND. Mr. President, how much time am I supposed to have?

The VICE PRESIDENT. The Senator from California is entitled to 3 minutes.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I be allowed, under the theory of an equal division of the time, to have the 3 minutes which was allotted to our side.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. I yield the remainder of my time to the Senator from Michigan [Mr. FERGUSON].

Mr. FERGUSON. Mr. President——

The VICE PRESIDENT. The Senator from Michigan is recognized.

Mr. FERGUSON. Mr. President, this debate at the present moment is on a motion to close debate, in compliance with the cloture rule.

The pending bill is a vital one, because it involves the use of atomic energy by the civilians of the United States, as well as by foreign governments or their citizens.

Mr. President, we are accused of not replying to the arguments submitted in the debate. The fact that we have been able to express ourselves clearly in a few minutes—as compared to the many hours used by Senators on the opposite side—should hardly be regarded as a reason for not closing debate at the present time. During the debate on the atomic-energy bill I submitted an amendment which I explained in remarks which occupy approximately one

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page of the CONGRESSIONAL RECORD. However, 137 pages of the CONGRESSIONAL RECORD were required by the remarks made in opposition to that particular amendment.

We have spent nearly 137 hours on this bill. At 8 hours a day, that is approximately 23½ days. Mr. President, when the debates proceed for 6 hours on one amendment, and then the amendment is withdrawn, that is clear evidence, and beyond a reasonable doubt, that we are faced with obstruction, in an attempt to prevent voting on the amendments and on the bill.

I am willing to be tolerant, and I wish to be tolerant, of Senators who cannot express themselves on a particular item except in the course of hours of debate. We should be tolerant of those Senators, and we have been tolerant. But when we reach the point—and this has occurred, not only on a few occasions, but on a number of occasions—when up to 6 hours have been spent on one amendment, and then the amendment is withdrawn, Mr. President, if anyone can say that is evidence of a deliberative body, I do not know what a deliberative body is.

I think the people of the United States are having doubts that this is a great deliberative body, and the Senators upon this floor are bringing that doubt into the minds of the people.

Yes; we do want debate. We want to be able to express ourselves fully upon issues. But, Mr. President, I ask the Members of the Senate, cannot we do it in less time? Cannot we spend some time outside the Senate chamber, so that we can formulate our arguments upon issues, and actually have a deliberative body, instead of a talkathon contest?

The VICE PRESIDENT. The time of the Senator from Michigan has expired.

Mr. FERGUSON. Mr. President, I intend to vote for the motion.

The VICE PRESIDENT. All time has expired.

The hour of 11 o'clock, as modified by the unanimous-consent agreement, having arrived——

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. Just a moment, please.

The hour of 11 o'clock, as modified by the unanimous-consent agreement, having arrived, under rule XXII, further debate is not now in order.

The Chair lays before the Senate the motion of the Senator from California [Mr. KNOWLAND] that the Senate proceed to invoke cloture on Senate bill 3690, to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Under the rule, the clerk will call the role for a quorum.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Capehart	Duff
Anderson	Carlson	Dworshak
Barrett	Chavez	Eastland
Beall	Clements	Ervin
Bennett	Cooper	Ferguson
Bowring	Cordon	Frear
Burke	Crippa	Fulbright
Bush	Daniel	George
Butler	Dirksen	Gillette
Byrd	Douglas	Goldwater
Gore	Kuchel	Reynolds
Green	Langer	Robertson
Hayden	Lehman	Russell
Hendrickson	Long	Saltonstall
Hennings	Magnuson	Schoeppel
Hickenlooper	Malone	Smathers
Hill	Mansfield	Smith, Maine
Holland	Martin	Smith, N. J.
Humphrey	Maybank	Sparkman
Ives	McCarran	Stennis
Jackson	McCarthy	Symington
Jenner	Millikin	Thye
Johnson, Colo.	Monroney	Upton
Johnson, Tex.	Morse	Watkins
Johnston, S. C.	Murray	Welker
Kennedy	Neely	Wiley
Kerr	Payne	Williams
Kilgore	Potter	Young
Knowland	Purtell	

The VICE PRESIDENT. A quorum is present.

The question is, Is it the sense of the Senate that debate should be brought to a close? Under the rule, the clerk will call the roll. Those in favor will answer "yea" when their names are called, and those opposed will answer "nay" when their names are called.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] and the Senator from New Hampshire [Mr. BRIDGES] are absent on official business. The Senator from Ohio [Mr. BRICKER], the junior Senator from South Dakota [Mr. CASE], and the senior Senator from South Dakota [Mr. MUNDT] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from North Carolina [Mr. LENNON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

I announce further that if present and voting, the Senator from North Carolina [Mr. LENNON] would vote "nay."

The yeas and nays resulted—yeas 44, nays 42, as follows:

YEAS—44

Aiken	Dworshak	Payne
Barrett	Ferguson	Potter
Beall	Gillette	Purtell
Bennett	Goldwater	Reynolds
Bowring	Hendrickson	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler	Holland	Smith, Maine
Capehart	Ives	Smith, N. J.
Carlson	Jenner	Thye
Cooper	Johnson, Colo.	Upton
Cordon	Knowland	Watkins
Crippa	Kuchel	Welker
Dirksen	Martin	Wiley
Douglas	McCarthy	Williams
Duff	Millikin	

NAYS—42

Anderson	Hennings	Mansfield
Burke	Hill	Maybank
Byrd	Humphrey	McCarran
Chavez	Jackson	Monroney
Clements	Johnson, Tex.	Morse
Daniel	Johnson, S. C.	Murray
Eastland	Kennedy	Neely
Ervin	Kerr	Robertson
Frear	Kilgore	Russell
Fulbright	Langer	Smathers
George	Lehman	Sparkman
Gore	Long	Stennis
Green	Magnuson	Symington
Hayden	Malone	Young

NOT VOTING—10

Bricker	Flanders	Mundt
Bridges	Kefauver	Pastore
Case	Lennon	
Ellender	McClellan	

The VICE PRESIDENT. On this vote the yeas are 44, the nays are 42. Two-thirds of the Members of the Senate having failed to vote in the affirmative, the motion is not agreed to.

Mr. PASTORE subsequently said: Mr. President, I was unavoidably detained and could not be here at 11:15, when the vote was taken on the cloture petition. Had I been present, I would have voted in the negative. I desire to have the RECORD so indicate.

The VICE PRESIDENT. The RECORD will so show.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF STATE (S. Doc. No. 147)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the Department of State, in the amount of $900,000, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REVISION OF A PROPOSED SUPPLEMENTAL APPROPRIATION, PAYMENT OF JUDGMENTS (S. Doc. No. 146)

A communication from the President of the United States, transmitting a revision of a proposed supplemental appropriation involving an increase of $78,102 in the amount necessary for payment of judgments (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL APPROPRIATION, FUNDS APPROPRIATED TO THE PRESIDENT (S. Doc. No. 148)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for funds appropriated to the President, in the amount of $37,500,000, for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

APPORTIONMENT OF THE APPROPRIATION "FEES AND EXPENSES OF WITNESSES"

A letter from the Director of the Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a report on the apportionment of the appropriation "Fees and Expenses of Witnesses," for the fiscal year 1955 (with an accompanying paper); to the Committee on Appropriations.

REPORT ON APPORTIONMENT OF ADMINISTRATIVE EXPENSE AUTHORIZATION OF THE COMMODITY CREDIT CORPORATION

A letter from the Director of the Bureau of the Budget, Executive Office of the President, submitting, pursuant to law, a report on the apportionment of the administrative expense authorization of the Commodity Credit Corporation for the fiscal year 1955

(with an accompanying paper); to the Committee on Appropriations.

REPORT ON AUDIT OF RURAL ELECTRIFICATION ADMINISTRATION, DEPARTMENT OF AGRICULTURE

A letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report on the audit of the Rural Electrification Administration, Department of Agriculture, for the fiscal year ended June 30, 1951 and 1952 (with an accompanying report); to the Committee on Government Operations.

OPERATION AND MAINTENANCE OF CERTAIN FLOOD-CONTROL PROJECTS BY LOCAL INTERESTS

A letter from the Acting Secretary of the Army, transmitting a draft of proposed legislation to provide for the operation and maintenance of certain flood-control projects by local interests (with an accompanying paper); to the Committee on Armed Services.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the committee on the part of the Senate.

PETITIONS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of New Jersey; to the Committee on the Judiciary:

"Senate Joint Resolution 4

"Joint resolution rescinding a resolution proposing an amendment to the Constitution of the United States relative to taxes on income, inheritance, and gifts, adopted February 25, 1944, and rescinding and withdrawing the application to the Congress of the United States of America to call a convention for the purpose of proposing such amendment to the Constitution of the United States

"Whereas the 168th legislature adopted a joint resolution in the following form:

" 'Resolution proposing an amendment to the Constitution of the United States relative to taxes on incomes, inheritances and gifts

" '*Resolved by the Senate and General Assembly of the State of New Jersey,* That application be and it hereby is made to the Congress of the United States of America to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

" 'ARTICLE —

" 'SECTION 1. The sixteenth article of amendment to the Constitution of the United States is hereby repealed.

" 'SEC. 2. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration. The maximum aggregate rate of all taxes, duties, and excises which the Congress may lay or collect on, with respect to, or measured by, income, however, shall not exceed 25 percent. In the event that the United States shall be engaged in a war which creates a national emergency so grave as to necessitate such action to avoid national disaster, the Congress by a vote of three-fourths of each House may, while the United States is so engaged, suspend, for periods not exceeding 1 year each, such limitation with respect to income subsequently accruing or received.

" 'SEC. 3. The maximum aggregate rate of all taxes, duties, and excises which the Congress may lay or collect with respect to the devolution or transfer of property, or any interest therein, upon or in contemplation of or intended to take effect in possession or enjoyment at or after death, or by way of gift, shall not exceed 25 percent.

" 'SEC. 4. Sections 1 and 2 shall take effect at midnight on December 31 following the ratification of this article. Nothing contained in this article shall affect the power of the United States after said date to collect any tax on, with respect to, or measured by, income for any period ending on or prior to said December 31 laid in accordance with the terms of any law then in effect.

" 'SEC. 5. Section 3 shall take effect at midnight on the last day of the sixth month following the ratification of this article. Nothing contained in this article shall affect the power of the United States after said date to collect any tax with respect to any devolution or transfer occurring prior to the taking effect of section 3, laid in accordance with the terms of any law then in effect; and be it further

" '*Resolved,* That the Congress of the United States be, and it hereby is, requested to provide as the mode of ratification that said amendment shall be valid to all intents and purposes, as part of the Constitution of the United States, when ratified by the legislatures of three-fourths of the several States; and be it further

" '*Resolved,* That the Secretary of State be, and he hereby is, directed to send a duly certified copy of this resolution to the Senate of the United States and one to the House of Representatives in the Congress of the United States.'

"Whereas it is now desired to rescind such action and to withdraw the application made to the Congress of the United States of America to call a convention for the purpose of proposing the article set forth in said resolution as an amendment to the Constitution of the United States: Be it

"*Resolved by the Senate and General Assembly of the State of New Jersey:*

"1. The action of the 168th legislature of the State of New Jersey in adopting the resolution hereinbefore set forth hereby is rescinded.

"2. The application made to the Congress of the United States of America to call a convention for the purpose of proposing the article therein set forth as an amendment to the Constitution of the United States hereby is rescinded and withdrawn.

"3. The secretary of state be and he hereby is directed to send 1 duly certified copy of this resolution to the United States Senate and 1 duly certified copy of this resolution to the House of Representatives in the Congress of the United States."

A resolution adopted by the State Bar of Texas, in convention assembled in San Antonio, Tex., commending the Government upon its refusal to agree to the admission of Red China into the United Nations; to the Committee on Foreign Relations.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MILLIKIN, from the Committee on Interior and Insular Affairs, with an amendment:

S. 1555. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Colorado River storage project and participating projects, and for other purposes; together with minority views of Mr. KUCHEL (Rept. No. 1983).

By Mr. MILLIKIN, from the Committee on Finance, with amendments:

H. R. 8932. A bill to reclassify dictaphones in the Tariff Act of 1930 (Rept. No. 1984).

AMENDMENT OF TRADING WITH THE ENEMY ACT—REPORT OF A COMMITTEE—ADDITIONAL CO-SPONSOR OF BILL

Mr. DIRKSEN. Mr. President, from the Committee on the Judiciary, I report favorably, with amendments, the bill (S. 3423) to amend the Trading With the Enemy Act, and I submit a report (No. 1982) thereon. I ask unanimous consent that the name of the chairman of the Committee on the Judiciary, the Senator from North Dakota [Mr. LANGER] be added as a cosponsor of the bill.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the name of the Senator from North Dakota will be added as a cosponsor of the bill.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 3810. A bill for the relief of William A. Kenny; to the Committee on the Judiciary.

By Mr. FERGUSON:

S. 3811. A bill for the relief of Tadeusz Gasowski; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 3812. A bill for the relief of Thomas F. Harney, Jr., doing business as Harney Engineering Co.; to the Committee on the Judiciary.

By Mr. WELKER:

S. 3813. A bill for the relief of certain alien sheepherders; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 3814. A bill for the relief of Teruo Juan Tsutsui; to the Committee on the Judiciary.

REVISION OF THE ATOMIC ENERGY ACT OF 1946—AMENDMENTS

Mr. LEHMAN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. LANGER submitted amendments intended to be proposed by him to Senate bill 3690, supra, which were ordered to lie on the table and to be printed.

AGRICULTURAL ACT OF 1954—AMENDMENTS

Mrs. SMITH of Maine (for herself and Mr. PAYNE) submitted amendments intended to be proposed by them, jointly, to the bill (S. 3052) to encourage a stable, prosperous and free agriculture, and for other purposes, which were ordered to lie on the table and to be printed.

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EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MILLIKIN, from the Committee on Finance:

Laurence B. Robbins, of Illinois, to be Assistant Secretary of the Treasury;

W. Randolph Burgess, of New York, to be Under Secretary of the Treasury for Monetary Affairs;

Glenn W. Sutton, of Georgia, to be a member of the United States Tariff Commission for the term expiring June 16, 1960, vice George McGill, term expired;

Albert V. Becker, of Illinois, to be comptroller of customs with headquarters at Chicago, Ill., to fill an existing vacancy;

Raymond L. Rhodes, of New Jersey, to be comptroller of customs with headquarters at New York, N. Y., to fill an existing vacancy; and

Arthur Rogers, of Tennessee, to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn., in place of Abe D. Waldauer, resigned.

ATTACK BY CHINESE COMMUNISTS ON AMERICAN AIRCRAFT

Mr. KNOWLAND. Over the wire of the news ticker has come the following statement this morning:

The State Department announced that two United States naval carrier-based planes have shot down two Chinese Communist fighter aircraft off the Red Chinese coast.

The American Navy planes were searching for survivors of the Cathay Pacific (British) airline shot down by Communist fighter planes.

The two United States planes of the rescue type were attacked over the high seas by two Chinese Communist fighter aircraft, apparently of the same type that shot down the British airliner.

Three Americans were lost in the shooting down of the airliner on Friday and three others were saved in a daring rescue operation by United States planes.

When the attack on the American naval planes was made, "the United States planes returned the fire and the two Chinese Communist planes were shot down," Secretary Dulles said in a statement.

"There were no casualties on the United States side."

Dulles said the State Department will "protest most vigorously against this further evidence of Chinese Communist brutality and their belligerent interference with a humanitarian rescue operation being conducted over the high seas."

Mr. SMITH of New Jersey. Will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I have just received over the telephone from the office of the Secretary of State the following official statement with regard to the incident referred to by the Senator from California:

STATEMENT FROM SECRETARY DULLES' OFFICE

As I announced on Saturday, July 24, the Secretary of Defense had ordered two United States aircraft carriers to proceed to the scene of the Chinese-Communist assault upon the British commercial airliner, which resulted in the death of three Americans and the wounding of three others. The mission as stated then of these ships and their planes was to conduct and protect further rescue and search operations in the vicinity of the tragedy.

This Government is now informed that two United States carrier-based planes of the rescue type while conducting their mission of mercy and seeking possible survivors were attacked over the high seas by two Chinese-Communist fighter aircraft apparently of the same type as shot down the Cathay Pacific commercial airliner. The United States planes returned the fire and the two Chinese Communist planes were shot down. There were no casualties on the United States side.

The United States plans to protest most vigorously against this further evidence of Chinese-Communist brutality and their belligerent interference with the humanitarian rescue operation being conducted over the high seas.

That is the end of the Secretary's statement. I thank the Senator.

Mr. KNOWLAND. I yield to the Senator from Texas, the minority leader.

Mr. JOHNSON of Texas. Mr. President, the announcement just made by the distinguished majority leader is one of tremendous significance. We do not yet have enough information as to what happened to enable us to grasp the full meaning of this event. We only know that our aircraft were engaged on a mission of mercy when they were attacked by Chinese Communists. We do not yet have a sufficient grasp of the full significance of what occurred so that we may know just what our course of action should be.

But we must all know, Mr. President, that this is an hour for all America to unite. Regardless of what the facts may be, Chinese Communists are shooting at American boys. There can be no partisanship, or divided loyalties on an issue like this. We must, of course, await disclosure of the facts before we can determine what steps we must take. But meanwhile we should all resolve to remain cool, to act decisively, and to be ready as Americans first to always act as Americans do in the face of danger.

I thank the majority leader for yielding.

Mr. KNOWLAND. Mr. President, I yield to the Senator from Oregon.

Mr. MORSE. When the Senator from New Jersey [Mr. SMITH], last Saturday, I believe it was, at a time when few Senators were on the floor, announced the first news of the shooting down of the British commercial liner with Americans aboard I expressed a plea for our closing ranks. The loss of life as a result of that international atrocity on the part of the Chinese Communists calls for unity on the part of all of us. Therefore last Saturday the representative of the Independent Party took the floor of the Senate and made a brief statement, which I repeat because it is as applicable today as then. We cannot stand by, as a sovereign nation, and permit anyone anywhere in the world to transgress upon the sovereign rights of the United States. If that British commercial airliner with Americans aboard was where it had a right to be, and if it was in no way violating any rights of another sovereign country, we have to take whatever course is necessary to protect the sovereign rights of this Nation.

My feeling is exactly the same today as it was last Saturday except that it is even more intensified in regard to this latest atrocious incident. If the Red Chinese are now shooting at American military aircraft, and those aircraft are where they have a right to be, I agree, as I said last Saturday, we must close ranks in America whenever the sovereignty of this Nation is jeopardized.

We must make clear to any power, whether it is Communist Russia behind the Red Chinese, or the Red Chinese themselves, that the American people never in their history have permitted the American flag to be attacked when it was flying where it had the right to be, without our taking whatever course of action was necessary to protect the flag.

I do not want my remarks to be interpreted as the Independent Party saying "We should hasten into a war." I agree with the Senator from Texas that we have to get all the facts in regard to this matter. I understand the Red Chinese Government has admitted its fault and offered to make amends as best as can be done now under international law by paying damages and making diplomatic assurances against repetition of such incidents to the extent it can prevent them. However that will not bring back to life the Americans and others who were murdered by this atrocity. We must make very clear to our allies in the United Nations that we entered into a compact that contained, so far as NATO is concerned, for example, article 5, which clearly states that an attack upon one shall be considered an attack upon all.

In my judgment this is a worldwide principle so far as the allies are concerned. I think, without delay, we should find out whether or not the free nations of the world are going to make clear to the Red segment of the world that we are not going to permit further transgressions and aggressions upon the sovereign rights of the free nations of the world.

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. Mr. President, I rise to speak briefly on this important question. I think it demonstrates that in the Far East the agreement at Geneva did not settle the great dispute between communism and noncommunism. We note that even though a truce was signed, a vicious attack was made yesterday in Indochina south of the 17th parallel, the dividing line set up in the truce agreement. Then we had, prior to that, the attack upon the British plane in which several Americans were passengers, when the plane was over the high seas. Our citizens were shot down without justification, as is shown by the evidence.

Mr. President, two American planes from an airplane carrier which had been sent into those waters on a mission of mercy to try and rescue the survivors of this vicious attack, were also attacked.

This is a very important hour in our history. I hope, even though the Senate has decided not to vote cloture on the pending bill, that, as Senators of the United States, united, we can debate the issue on its merits, that the members of the Foreign Relations Committee may have time for the consideration of the matter that has now come before the Senate, before the American people, and before the world. We should ob-

tain the facts and then not act in haste, but act so that the American people will be proud of our action and so that the people of the world will be proud of America's action in this hour of peril.

I believe this is an hour of peril, an hour of peril because of the continued aggression of the Communist world against the free world.

Mr. KNOWLAND. Mr. President, I am about to propound a unanimous-consent request, but the distinguished Senator from Missouri [Mr. SYMINGTON], the former Secretary of the Air Force, has asked for 2 minutes to make a statement. Since we have had two statements on this side of the aisle, and the statement by the minority leader, I shall be glad to yield to the distinguished Senator from Missouri.

The VICE PRESIDENT. The Senator from Missouri is recognized.

Mr. SYMINGTON. I thank the distinguished majority leader for his typical graciousness and courtesy.

Mr. President, on Wednesday last, to the best of my ability I presented on the Senate floor the growing strength of Communists in the air, on the sea, and on the land.

Mr. President, I would recommend that the facts I then set for, which to the best of my knowledge are accurate, should be studied by the White House, the Bureau of the Budget, the Appropriations Committee, and every Member of the Senate.

Based upon the news today, I repeat what I have said for many years. I do not believe that we are taking adequate and proper steps to defend ourselves against the great and growing strength of Soviet communism.

Mr. NEELY subsequently said: Mr. President, the dispatch which the distinguished majority leader has read to the Senate is more alarming and important than any other news heard on Capitol Hill since the conclusion of the Second World War. It should have an arousing and unifying effect on the American people.

In the absence of extenuating circumstances, the dispatch means that blood-red and bloodthirsty Communist China has deliberately made a murderous, war-like air attack on the United States.

If President Eisenhower promptly seeks redress for this infamous injury in the firm, courageous manner in which Andrew Jackson, Abraham Lincoln, Theodore Roosevelt, or Franklin Roosevelt would have sought it, then every Democrat, Republican, and Independent in the land will, in this critical international matter, hold up the President's hands, work with him, march with him, and if the worse unfortunately becomes the worst, they will fight with him to the last ditch and the last man. With the beacon light of the cross that never grows dim before them and the flag of the Republic that never suffers defeat advancing with them, they will win over all the forces of wickedness that may rise against them a glorious victory that will once more make secure liberty, peace, and happiness throughout the world.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, I send to the desk a proposed unanimous-consent agreement, and I ask that the clerk read it for the information of the Senate.

The VICE PRESIDENT. The Clerk will read the proposed agreement.

The proposed unanimous-consent agreement was read, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment 7-24-54-N to S. 3690, submitted by the Senator from New York [Mr. LEHMAN], including any amendment or motion submitted thereto, shall be limited to not exceeding one-half hour, to be equally divided and controlled, respectively, by the Senator from New York [Mr. LEHMAN] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. LEHMAN. Mr. President, I have no objection, and I will go a step further in order to expedite the business of the Senate, and say that I discussed this amendment last Saturday. I do not want any more time. I am perfectly willing to have it voted on now.

Mr. MORSE. Mr. President——

The VICE PRESIDENT. The Senator from Oregon is recognized.

Mr. MORSE. May I reserve the right to object in order to present very briefly some views on this proposed unanimous-consent agreement, and not take any more than 2 minutes?

The VICE PRESIDENT. Unless the regular order is insisted upon, the Chair will entertain the reservation of the right by the Senator from Oregon.

Mr. MORSE. Mr. President, on an amendment of such an important nature as this one, I will have no objection to a limitation of debate, provided adequate time is given for the debate. I respectfully say that debate on the whole international section of this bill, which is the heart of President Eisenhower's atomic-energy program, as I see it, has been most inadequate because, outside of the remarks made by the Senator from New York, and 2 or 3 rather brief comments by other Senators, there has been little discussion of the so-called international section of the atomic-energy bill.

I am perfectly willing to have a reasonable time limitation placed upon the debate on this amendment, with no commitment whatsoever on my part in regard to limitations on any other amendment.

I want to say to the Members of the Senate that I think this amendment is of the most vital importance. I believe the principle of this amendment certainly ought to be enacted into law at an early date. I am presently of the frame of mind that the international situation being what it is, we had better look at this amendment very carefully in order to make certain that we are not giving away some very important secrets which, from the standpoint of the security of this country, we better keep unto ourselves for a little while longer.

There has been a pretty strong attitude, and I think with great justification, on the part of many people, including many scientists, that until world conditions are more definitely peaceful than they are at the present time we better be very careful about opening to full view, even of some alleged allies, the secrets that we have in this whole atomic energy field. These secrets do have a way, Mr. President, of leaking out.

I think that when we have at this very hour increasing evidence of the nonpeaceful intentions of the Communist segment of the world, we should not debate an amendment such as this under a limitation of 30 minutes to a side.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from California.

Mr. KNOWLAND. I want to be reasonable, and I am willing to accept any reasonable recommendation. I understood that a limit of a half hour time would be agreeable to the author of the amendment. This is not the amendment he has on international control. It is the first of his two amendments. The author thought that that amount of time would be sufficient.

If there is a desire to increase the time to an hour, I shall be glad to modify my request accordingly. If there is a desire for an hour and a half to be used for this particular amendment, I shall be glad to agree, in the interest of arriving at cooperation and of proceeding with the public business. If there is a desire for 2 hours, I shall be glad to agree to that. The only point in my mind is that I should like to proceed with the amendment, if possible, so that we will at least be able to have some votes taken.

This is the procedure I attempted to follow last week. The next motion that would be open to me would be to lay the amendment on the table. I do not want to do that. I think we ought to get votes up or down on these amendments. I think it is the more orderly way to proceed.

I have an entirely open mind. I want to see if we cannot arrive at some agreeable arrangement with respect to time. If the Senator wants to increase the half hour to a reasonable extent, I should like to have the suggestion. If we can do that, I hope we can then start this bill moving again.

Mr. MORSE. If the Senator will permit me to complete my observations of the situation, which will not take very long, I shall then make a suggestion to the majority leader for an agreement as to the time on this amendment.

I want to say, Mr. President, that I am not greatly motivated to enter into any blanket consent agreement on this bill by any argument that we ought to proceed now with great haste to consider the bill because the international situation has worsened.

To the contrary, I think the very subject matter of the bill, and its importance to the defense of the country,

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should cause us to go slower than before, in view of what has happened in connection with the world situation in recent hours. I think we had better take a long look at the bill before we start to follow any let-down in our very closely guarded security program in the the field of atomic energy.

If I am correctly informed by experts, if I have read aright, when I have read some of their warnings which have been issued, the atomic energy program cannot be separated into so-called military features and commercial features, because what are being dealt with are scientific laws and scientific principles, and they operate the same whether we seek to develop energy for commercial uses or for military uses.

I think we should take a look at this situation very, very carefully.

Also, I may say on that point, there is nothing which would stop us from displacing the atomic energy bill long enough to consider any new emergency which may come up, while the atomic energy bill is under discussion. But because it is my understanding that the amendment has great implications in it, I should think that a debate of at least an hour to a side on the amendment would be reasonable. If the Senator from California would be agreeable to that, I would have no objection.

Mr. KNOWLAND. Mr. President, I so modify my unanimous-consent request.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from California, as modified?

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. McCARRAN. I did not understand the purport of the unanimous-consent request.

Mr. KNOWLAND. I have modified my unanimous-consent request to the extent that on the pending amendment the time will be increased from the original 30 minutes to 2 hours, which will be equally divided, one hour to be controlled by the Senator from New York [Mr. LEHMAN], and the other hour to be controlled by the Senator from Iowa [Mr. HICKENLOOPER].

The VICE PRESIDENT. Is there objection to the unanimous-consent request? The Chair hears none, and the unanimous-consent request is agreed to.

Mr. LEHMAN. Mr. President, I ask that my amendment be read.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from New York [Mr. LEHMAN].

The CHIEF CLERK. On page 52 it is proposed to delete section 122 and renumber the succeeding sections accordingly.

The VICE PRESIDENT. The Senator from New York is recognized for 1 hour. The Senate will be in order.

How much time does the Senator from New York yield to himself?

Mr. LEHMAN. I yield myself 5 minutes.

Mr. President, since I spoke at considerable length on last Saturday, I shall take but very little time of the Senate today, but shall yield time to some of my colleagues.

My amendment proposes to delete section 122, on page 52, of the bill. Section 122 reads as follows:

SEC. 122. Policies contained in international arrangements: In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any international arrangement made after the date of enactment of this act.

It is my understanding that the United States has in the recent past entered into a considerable number of international agreements with regard to the use of atomic products such as medical isotopes and also some very important agreements on some military aspects of atomic energy, the latter with such nations as Great Britain and Canada. These are highly important arrangements from the viewpoint of our relations with our friends and allies, although most of them are not important from a policy standpoint.

The fact that section 122 states that maximum effect shall be given to the policies contained in any international arrangement made after the date of enactment of the bill is, in my opinion, virtually serving notice that we must treat agreements entered into prior to the enactment of the bill in a different category and in a different way from those entered into after the enactment of this bill. I am told that the many arrangements and agreements entered into in the past are still of very great importance. I do not think that Congress should, by law, give the implication that our Government is to treat those agreements less seriously than or in a manner different from that in which we will treat agreements which will be reached after the enactment of this bill.

Therefore, since I believe this section may bring about great misunderstanding and confusion, and even grave difficulties in our international relations, I have offered this amendment to delete section 122 from the bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. AIKEN. Would not the Senator's amendment give validity to any agreement, express or implied, oral or written, which may have been made at Yalta or Potsdam, relative to sharing secrets and modern weapons at a time when we were allied with nations which are not now considered friendly to the United States?

Mr. LEHMAN. No; no more validity than our Government gives to such agreements at the present time.

Mr. AIKEN. Certainly the atomic bomb was discussed at Potsdam, was it not?

At that time the United States was allied with Russia, and possibly other nations which are not now considered friendly to the American way of life. Is the Senator certain that his amendment would not give some validity to agreements which may have been made at Potsdam, whether those agreements were express or implied, or whether they applied specifically to atomic bombs, or to whatever they may have applied?

Mr. LEHMAN. There is nothing in nothing in section 122 which would vitiate or——

The VICE PRESIDENT. The time of the Senator from New York has expired.

Mr. LEHMAN. I yield myself 5 additional minutes.

There is nothing in section 122, as it now stands, which in any way vitiates previous agreements. Even if section 122 is approved, such agreements would still remain in effect, to the extent that they are in effect today. If Congress and the President feel that any agreements now in existence and effect should be disavowed, that may be done by appropriate executive action or legislation. But section 122, as it stands in the bill, does not in any way disavow such agreements, or does not in any way vitiate them or cancel them. It simply places the whole class of agreements, which have been entered into, including international agreements or arrangements entered into prior to the enactment of the bill, in a completely different category from those which may be entered into after the enactment of section 3690.

If the Senator from Vermont is fearful about agreements previously entered into, and if Congress and the President want to disavow agreements which we have previously entered into, then appropriate action can be taken and should be taken. But section 122 does not accomplish such a direct purpose. My amendment would not change that, either.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield to the Senator from Michigan.

Mr. FERGUSON. If the Senator's statement is correct, the amendment would not recognize any previous agreement made in relation to atomic energy.

Mr. LEHMAN. Oh, no. The distinguished Senator from Michigan is misquoting me. I did not state that. I think that some of the agreements entered into prior to the enactment of the bill, if it shall be enacted, may be of great importance.

I simply said that if it is deemed wise, in the opinion of the Congress of the United States and the President, that we disavow those agreements entered into prior to the enactment of the act, then I think that is a different proposition.

Mr. FERGUSON. What is wrong with a declaration by the Congress of the United States that at least the Congress of the United States does not want to have itself put on record as recognizing previous secret or other agreements in relation to atomic energy when the act of 1946 did not authorize any such agreement?

Mr. LEHMAN. I do not think we are doing that.

Mr. FERGUSON. Then why does the Senator object to this provision?

Mr. LEHMAN. Because I believe there are many agreements, with Canada and with Great Britain, and with many other friendly countries—I am not familiar with the details of these agreements, for I am not on the Atomic

Energy Committee—that may be of very great value, and yet we are serving notice that those must be treated quite differently from the ones that are entered into after the enactment of this measure.

Mr. FERGUSON. Why should they not be treated differently when they are secret? They are not known to the Congress. Why should the Congress treat a secret agreement of which it has no knowledge in the same light as agreements it has authorized?

Mr. LEHMAN. I desire to make it very clear that I am not advocating that we endorse all previous agreements which are described by the Senator from Michigan [Mr. FERGUSON] as secret and without authority. That is one thing. But I am not proposing that. But this bill says that all contracts, all arrangements, all agreements entered into prior to the enactment of this act must be treated in an entirely different manner from those that are entered into later.

Mr. FERGUSON. I do not read it that way at all. This provision does not recognize any previous agreements. As I understand the 1946 act, it did not authorize agreements with foreign nations, and therefore we are now starting anew to recognize some agreements with foreign nations. We say, "In the performance of its functions under this act"—who do we say "under this act"? Because this is the beginning; this is the authority for agreements with foreign nations—continuing—"the Commission shall give maximum effect to the policies contained in any international arrangement made after the enactment of this act."

We do not want to put ourselves in the position that we are recognizing secret agreements under some other administration which were not authorized by law. Is that not correct?

Mr. LEHMAN. I may say to the distinguished Senator from Michigan that I am aware of the fact that in this bill under the definition of international arrangements it is specified that they must be those that have been entered into after the enactment of the bill.

Mr. KNOWLAND. Mr. President, if the Senator will yield, I should like to have the yeas and nays ordered on this amendment. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I yield.

Mr. HOLLAND. Looking at the definition of the term "international arrangements" appearing on page 7 of the printed bill, subsection (k)——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LEHMAN. I yield myself 5 minutes more.

Mr. HOLLAND. In subsection (k), section 11, I note that—

> The term "international arrangement" means any international agreement hereafter approved by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include any agreement for cooperation.

Is it not true that that definition——

Mr. LEHMAN. I was in a colloquy with the Senator from Arizona [Mr. HAYDEN] and I am afraid I did not hear the question. Will the Senator repeat it?

Mr. HOLLAND. I call the distinguished Senator's attention to the fact that the definition of the term "international arrangement" appearing on page 7 of the printed bill is limited to two kinds of actions by the Congress: First, international agreements approved by the Congress itself, that is, enacted by congressional act; and, second, any treaty as ratified by the Senate during the time such agreement or treaty is in full force and effect.

The provision looks prospectively because it speaks of the international agreement as being hereafter approved by the Congress.

The question I should like to ask is this: What conceivable reason is there that the section in question, section 122, which provides that the maximum effect must be given to those two kinds of agreements, one by treaty, the other by congressional act after this date, should not provide that those shall prevail as the latest declarations of policy legally made under our form of government, and shall have maximum effect in the operations under this particular pending act?

It seems to the Senator from Florida that that is the natural course which the Congress would want to give to the latest declarations of policy made in the strictest legal way and in each case approved by the Congress, one a treaty approved by the Senate and the other an enactment of the entire Congress after this date.

Mr. LEHMAN. If, as claimed by the Senator from Florida—and he has referred me to that part of the bill from which he has quoted—it is true that the international agreements are limited in the manner which he says and are limited only to those which are in the form of treaties or agreements approved by the Congress from this time on, after the enactment of this act, then what is the use of that section? There is no use in it at all.

If we agree to the provisions that have been quoted, then of course there is no legality for agreements entered into prior to the enactment of this bill.

I think under those circumstances the intent should be spelled out in clear language, or section 122 should be eliminated. That is why I offered my amendment. I think the section quite redundant, and very confusing.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. LEHMAN. I am glad to yield.

Mr. HOLLAND. Does the Senator contend that the term "international arrangement" as appearing in section 122 has any broader meaning than that stated in subsection (k) of section 11 of the bill, on page 7, which reads, and I quote in full that subsection:

> The term "international arrangement" means any international agreement hereafter approved by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include any agreement for cooperation.

Does the Senator contend that the words "international arrangement" as appearing in section 122 have any different meaning or any wider meaning than as stated in the definition which I have just read into the RECORD?

Mr. LEHMAN. To me it is very confusing. The Senator refers to "maximum effect." It seems to me that is a relative term. It does not mean that an effect of a lesser degree cannot be given to arrangements made prior to the enactment of this act. I interpret the words "maximum effect" as a comparative and relative term.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. LEHMAN. I yield myself 2 more minutes, and then I will yield to some of my colleagues.

It seems to me that it presupposes or implies that while we want maximum effect given to contracts or agreements entered into after the enactment of this act, nonetheless we recognize the existence of the agreements entered into prior to that time, and they should have less than maximum effect. It seems to me to be entirely relative.

Mr. HOLLAND. Will the Senator yield for one more question?

Mr. LEHMAN. I will be glad to yield.

Mr. HOLLAND. Is it not true that the provisions which should have maximum effect should be the latest declarations under our form of government; that is, those by act of Congress passed through both Houses and approved by the President, or by the act of the Senate in ratifying a treaty? Should they not have the latest effect and the most powerful controlling effect upon any arrangement or group of arrangements we are making with other nations.

Mr. LEHMAN. The question addressed to me by the Senator from Vermont and the Senator from Michigan implied, insofar as my understanding is concerned, that we should not give consideration or recognition to agreements entered into prior thereto.

Mr. FERGUSON. Mr. President, if the Senator from New York will yield, let me say we referred to no legislative recognition.

Mr. LEHMAN. Then why have the section in the bill at all? In the section the word "maximum" is used.

Mr. FERGUSON. Yes, but the reference is to "any international agreement made after the date of enactment of this act." In other words, the meaning is that we shall not recognize legislatively any such arrangements made prior to the date of enactment of this act.

I do not know what agreements other countries might claim they have now—for instance, whether Russia might claim she now has secret agreements.

So I believe this section is a very important one, and should remain in the bill.

OFFICIAL ANSWERS TO FALSE PROPAGANDA AGAINST FOREIGN AID (S. DOC. NO. 149)

Mr. HAYDEN. Mr. President, will the Senator from New York yield 3 minutes to me, to permit me to make a statement at this time?

Mr. LEHMAN. I shall be glad to do so, provided I may have unanimous

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consent to yield for that purpose without losing my right to the floor.

The PRESIDING OFFICER (Mr. BARRETT in the chair). Without objection, it is so ordered.

Mr. HAYDEN. Mr. President, not long ago Mr. Dean A. Sisk, of Phoenix, Ariz., who serves as consultant and conciliator for a labor union, directed my attention to a communication that had been sent to labor organizations throughout my State. It is a circular letter, the opening and closing paragraphs of which I shall ask to have reprinted in order to expose a brazen attempt to propagandize Congress by dissemination among some 5,000 labor unions in the United States of false and misleading statements about legislation relating to foreign aid, which is at this time under active consideration by Members of the Senate. The author of the circular letter is Mr. James H. Dillon, who maintains himself as president and executive secretary of a corporation called the Construction Men's Association in New York City.

In this letter Mr. Dillon ignores four established facts:

First. That the people of Soviet Russia and the occupied nations of Eastern Europe are governed by a Communist dictatorship in Moscow which does not hesitate to use armed force to kill men who dare to oppose it.

Second. That it is the openly avowed purpose of that dictatorship to impose godless communism on all mankind.

Third. That at present the best available defense against this Communist aggression is the ability of American military aircraft to deliver atomic bombs over Moscow and Stalingrad from air bases located in Europe and North Africa in less than half the time that it would take to fly the bombs from the United States.

Fourth. That the defense and operation of these air bases requires the use of European manpower adequately armed and equipped by implementing the North Atlantic Treaty Organization, details of which are given in letters that I have received from the Director of the Foreign Operations Administration, the Assistant Secretary of Defense, and the Secretary of State, all of which I ask unanimous consent to have printed as a Senate document, together with a letter to me from the President of the American Federation of Labor and the extracts from the circular letter to which I have referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. LEHMAN. Mr. President, at this time I yield 25 minutes to the Senator from Montana [Mr. MANSFIELD].

Mr. CLEMENTS. Mr. President, I desire to ask the Senator who is controlling the time for the other side whether it will be agreeable to him to yield 15 minutes to the Senator from Montana.

Mr. HICKENLOOPER. Mr. President, upon the conclusion of the 25 minutes just yielded by the Senator from New York to the Senator from Montana, I shall yield 15 minutes of my time to the Senator from Montana.

Mr. CLEMENTS. I thank the Senator from Iowa.

Mr. MANSFIELD. Mr. President, I thank both Senators.

Mr. HICKENLOOPER. Mr. President, let me observe that it will not be necessary for the Senator from Montana to request that I yield, following the expiration of the 25 minutes yielded to him by the Senator from New York. Instead, it will be quite satisfactory to those of us on this side to have the Senator from Montana speak for 40 minutes without interruption.

Mr. MANSFIELD. Mr. President, I appreciate the courtesy of both Senators.

The PRESIDING OFFICER. The Senator from Montana is recognized for 40 minutes.

Mr. MANSFIELD. Mr. President, the Cole-Hickenlooper bill amending the Atomic Energy Act of 1946 is without a doubt one of the most important pieces of proposed legislation to be brought before the Congress in recent years. Its passage would have a profound influence on American life for many future generations, for it would set the pattern for peacetime use of a great new source of energy. Needless to say, it would have a particularly great effect on the future of the electric industry.

The method of presentation and the timing of this legislation are most unfortunate. The bill represents a complete rewriting of the McMahon Act—carrying over intact some provisions of the existing law, modifying others, and adding entirely new sections. Thus, the Congress is confronted, in the closing days of this session, with a single-package bill comprehending a bewildering array of technical matters. Some are timely; others could well be postponed. The form and wording of the bill, with its many new definitions and cross-referenced and interrelated sections, make it virtually impossible for the Congress to select the more urgent matters for action at this time. It is an all-or-nothing proposition.

During the past 10 days—night and day—the Senate Chamber has been the scene of an extremely long debate on the bill now before us revising the Atomic Enery Act of 1946. This extensive debate seems to be the only method by which the administration's scheme to convert the atomic-energy program into a private monopoly can be properly exposed. We have been accused of filibustering, but wrongly so. In that connection, Mr. President, I should like to call the attention of the Chair to the fact that this is my first speech in the course of this very lengthy and involved discussion.

We have discussed and examined only matters relative to the proposed legislation at hand. We have been accused of interrupting the President's program. It is said that we are obstructing the majority leader's adjournment goal of July 31. The President himself sparked this extended debate by ordering the Atomic Energy Commission to make a deal with a private utility combine to build a powerplant to supply electricity to the Tennessee Valley Authority. That is a bad deal, and we want to expose it as such. As to adjournment, there is no risk to the national welfare in having Congress fail to adjourn on July 31. Congress can stay in session through August and September, and even later, if necessary to get its work done. We must not forget that we are paid by the year.

Thus far, much of the Senate debate has centered about the so-called Dixon-Yates proposal, by which a private utility holding company combine would furnish 600,000 kilowatts of power to the TVA, as a replacement for power which TVA now furnishes the Atomic Energy Commission.

Under this arrangement, the AEC would be used as a broker to buy power for the TVA, even though TVA is already adequately furnishing the power requirements of the AEC. It has been estimated that under the Dixon-Yates contract the additional cost of power to the AEC would range from $3,685,000 a year to $5,567,000 a year. Moreover, the Federal Government would reimburse the Dixon-Yates combine for its payment of Federal income taxes—a scheme which is unprecedented in the history of our Government.

The independence and integrity of the Atomic Energy Commission as a Commission are seriously threatened not only from within, by the position of dominance assumed by the Chairman, but from without, by overriding orders of the President.

The nation has seen the unpleasant spectacle of the Commission's being ordered, against its better judgment, to enter into this 25-year contract with a private utility syndicate. The contract is not for the purpose of providing utility services to the atomic-energy program, but has all the earmarks of a clever maneuver, figured out in the White House and the Budget Bureau, to have the Atomic Energy Commission run interference for the private utilities in their contest with the TVA.

Again I wish to emphasize that the proposed new contract has nothing to do with the power needs of the atomic-energy program. In the words of Commissioners Smyth and Zuckert:

> The present proposal would create a situation whereby the AEC would be contracting for power not 1 kilowatt of which would be used in connection with the Commission's production activities.

The scheme is for the Commission to maintain its present firm contract for TVA power to run the Paducah plant while contracting for some 600,000 kilowatts of additional power to be delivered by the private-utility group to the TVA for service in the Memphis area, several hundred miles away from any atomic-energy installation. In other words, the AEC would become a power broker, purchasing power it does not need for an

area far removed from its activities. The TVA would be forced into buying the power from the private groups through AEC, instead of building its own plant to serve the Memphis area.

Over the life of the contract, the taxpayers would foot a bill of at least $90 million over and above the cost of power that the TVA itself could produce. The $90-million figure is the AEC's own estimate; the TVA estimate is that this new proposal would result in $140 million of added cost to the taxpayers.

When the members of the Commission and their General Manager went before the joint committee, they said in effect: "This proposal did not originate with us. We don't like it, but higher authority has decreed it, and we will be good soldiers and carry out orders."

A great deal is involved here, more than a simple controversy between private and public power. We must decide whether the Atomic Energy Commission, created by the Congress as an independent agency of Government to administer the vast atomic-energy program, which now represents a public investment of $12 billion, is to lay aside its collective judgment in deference to unrelated budgetary and power policies of the current administration. Who, may I ask, is in charge of the Atomic Energy Commission?

There is a line to be drawn between Presidential direction of the executive branch for good administration and Presidential usurpation of the authority of independent commissions. The members of the Atomic Energy Commission do not serve at the pleasure of the President. They are appointed by him, of course, but the Senate confirms the appointments, and the period of tenure is fixed by law. The President can remove a Commissioner only for inefficiency, neglect of duty, or malfeasance in office.

The President has directed a reluctant Atomic Energy Commission to select a private utility combination, the Dixon-Yates Corp., without competitive bids to build a huge steam plant at West Memphis, Ark., and to sell to TVA at a stipulated contract price power equal to that which TVA is to supply to AEC plants. The capital is to be secured by private borrowing on the strength of a 25-year Government contract, but the AEC is to pay the Dixon-Yates taxes.

Is it good law or good policy for a Government agency to pay a private company's taxes?

The question of whether the Dixon-Yates power would cost the AEC—hence the taxpayer—more than if TVA did the job has been debated over and over again here on the Senate floor and I think that whatever figure is taken, the results will show that the private contract would cost more than service by TVA.

This private arrangement makes extraordinary use of the Atomic Energy Commission's authority to let 25-year contracts. AEC would be concerned very indirectly indeed. Only by stretching interpretations to the limit can it be said that the private West Memphis plant—which would rule out the TVA Fulton steam plant—would replace TVA power furnished to the Atomic Energy Commission 250 miles away.

In regard to the proposed steam plant at Fulton, Tenn., I wish to say that I have received a letter, as many Senators have, from Walter von Tresckow, financial and economic consultants. This letter states that a group of firms have made an offer to finance, design, build, and operate a steam generating station at Fulton. The estimated cost of this power would be practically the same as that produced by TVA. This offer would cost the Government between $90 million and $150 million. If the administration is so determined to bring private companies into the power program, why have not we heard anything about consideration being given to this proposal? This proposal as stated in the letter would take the AEC out of the power business except for providing its own needs. In addition this group proposes to supply the same benefits of low-cost power to the consumer as does TVA.

At this point in my remarks I wish to have printed the letter from Walter von Tresckow, financial and economic consultants, dated July 19, 1954.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD as follows:

WALTER VON TRESCKOW FINANCIAL AND ECONOMIC CONSULTANTS,
New York N. Y., July 19, 1954.

Hon. MIKE MANSFIELD,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MANSFIELD: We, the undersigned, have made an offer to finance, design, build, and operate a steam-generating station at Fulton, Tenn., to supply the power needs of the TVA in the Memphis area. The cost of this power is to be 3½ mills per kilowatt-hour or less. This is practically at the same rate as power produced by the TVA. Our offer will cost the Government between $90 million and $150 million less than any alternative proposal you have for consideration.

We are repeating this offer, made to TVA and other governmental agencies concerned, to you and to every other Senator and Representative. We are now adding to this offer as follows:

"We will build steam-generating stations on the same basis wherever they are needed in the TVA area. Power from these generating stations will also be available to the private utility companies in the adjacent territory at the same rates as TVA."

We respectfully ask that you interest yourself in the consideration of this offer by the proper Government agency, for the following reasons:

It is best for the Government because it saves $90 to $150 million; it eliminates the need for the AEC to make a power contract to supply the needs of TVA; it takes the AEC out of the power business; it eliminates need for further Government appropriations for the construction of TVA generating stations.

It is best for TVA because the Authority can continue to make its own power contracts for its own needs; it enables the TVA to supply all the power the AEC needs at the cheapest price; the Authority retains its ability to meet the growing needs of its own customers; the cost of power remains the same to its present customers; the great benefits, brought by TVA to the area it serves in 7 States, are maintained through private money and private initiative.

It is best for the private utility companies in the territory adjacent to TVA because it enables them for the first time to obtain power at TVA rates and to compete with TVA on a price basis.

It is best for the consumer because his monthly bill for electricity in the TVA area remains the same and will be substantially less than he is paying now in the adjacent territory.

It is best for the country because it spreads the benefits of low-cost power over a vastly greater territory to a larger number of people.

Respectfully yours,
WALTER VON TRESCKOW

(For Walter von Tresckow, New York City; Burns & McDonnell Engineering Co., Kansas City, Mo.; Salomon Bros. & Hutzler, investment bankers, New York City; Long Construction Co., Kansas City, Mo.; Robert W. Larrow, Burlington, Vt.; Harvey Weeks, New York City; George H. Schwartz, Zelig R. Nathanson, Schwartz-Nathanson-Cohen, New York City; John N. Mitchell, Caldwell, Marshall, Trimble & Mitchell, New York City).

Mr. MANSFIELD. Mr. President, I should like to say that I have no information whatever about this particular concern but certainly they advance some interesting proposals which I think should be brought to the attention of the membership of the Senate.

Before turning to another phase of the atomic energy bill I would like to comment about the specifications for the new plant which show every indication of being "rigged" to favor the private Dixon-Yates combine. The fact has been brought out in the hearings, however, that the Dixon-Yates group did not even have the specifications at the time it submitted its proposal in April. The specifications later drawn, which had the effect of discouraging other bidders, conformed to the Dixon-Yates proposal. The result of the contract would be that a private company would own a plant built with substantial Government help, with the Government assuming much of the risk, and the power rate would be materially in excess of the TVA standard.

It is still difficult for me, as well as for millions of Americans, to understand why the Dixon-Yates concern was selected from among all other concerns interested in the possible production of electricity from atomic energy in reactor plants? Why was the Dixon-Yates concern selected and given this juicy plum, although the representatives of the Dixon-Yates group who appeared before the joint committee had to admit, in the course of their testimony before the joint committee, that they did not know what the specifications of the contract were? Why was this particular concern given that particular bonanza? I have my suspicions, but I would prefer that the administration would clear this up, if they feel that it is truly justified contract.

Although the Dixon-Yates controversy is extremely important, particularly from the standpoint of the future of TVA, there are some extremely important power and related provisions of the atomic energy legislation which have been largely obscured from public view.

One of the important provisions of this bill deals with patents. Testimony

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presented to the Joint Committee on Atomic Energy on May 12, 1954, described the patent provisions of the identical bills then before the committee (S. 3323 and H. R. 8862) as affording "opportunity for the creation of a monopoly on a scale never before known in America."

The atomic energy bill broadens the permissible area of private patenting and authorizing others to have access to the patented inventions or discoveries under certain conditions. The fact that a few large industrial corporations, as contractors to the Atomic Energy Commission, have acquired an overwhelming head start on would-be competitors by virtue of technical know-how acquired on the inside, is enough to warrant the utmost care on the part of the Congress in legislating patent privileges.

The President's proposal for compulsory patent licensing until such time as interested industrial concerns are on a more equal footing in their acquisition of skills and experience in atomic technology is fine. But, I believe both the President and the sponsors of this bill are unduly optimistic in the hope that a period of 5 years will suffice to reach that stage.

Incidentally, I may say that in the House of Representatives on last Friday, on the basis of the Cole amendment, even this 5-year period on patents was knocked out. The result is, of course, that this bill is made worse than ever. It will take at least 5 years to construct a sufficient number of reactors for making comparative evaluations of performance, and it will take at least 5 years more to accumulate the economic and engineering data for these evaluations. Perhaps it would be better to leave open the time for legislative removal of compulsory licensing. The Congress could then enact the necessary legislation at such time as a broadened industrial base for atomic energy became evident.

The patent provisions of this bill are very complicated and need a great deal of study. In addition, the procedures to be followed by the Commission in compulsory licensing are not well defined, and the way is open for favoritism in the granting of exclusive patents.

Labor strikes at the Oak Ridge and Paducah plants of the Atomic Energy Commission at the very time when comprehensive legislation to revise the Atomic Energy Act is before Congress, serves to highlight an area of legislative concern which the bill has completely ignored.

Chronic discontent and frequent strife are attributes of employment in atomic occupations. I am told that labor unions in these occupations believe they are unduly handicapped by the use of secrecy and security as a weapon of management to bludgeon their members into submission and to distort or nullify the procedures of collective bargaining.

Whether or not legislative provisions can be written to alleviate the persistent sore spots in atomic labor-management relations, certainly the legislation can at least provide for more effective labor-management representation in the councils of the Atomic Energy Commission.

The fields of interest and attention on the part of the Labor-Management Advisory Committee would encompass more than assistance in promoting healthier attitudes toward collective bargaining problems in an area hedged in by difficult security requirements.

The whole difficult area of personnel security, which would involve, under this bill, investigations by the Civil Service Commission and the FBI of the "character, associations, and loyalty" of privately employed persons having access to restricted data might well come under the continued scrutiny of a Labor-Management Advisory Committee.

Assistance could be provided in the application of safety standards, adequate workman's compensation provisions, and other protective measures in licenses for new and hazardous atomic occupations.

Studies and preparatory steps could be undertaken to minimize the impact of atomic enterprises in industries or areas whose populations depend on competing activities for a livelihood. The economic distress of the coal-mining industry, for example, might become even worse by the substitution of atomic fuel for coal in generating electrical power.

The administration bill proposes that private electric utilities be allowed to move into the field of producing electricity from atomic reactors.

There is nothing wrong with this in principle. The Government obviously should not claim a monopoly in producing electricity from atomic piles. Private utilities, which now furnish electricity from steam plants or hydroelectric operations, have a proper place in the atomic field.

The trouble with the administration's bill is that it provides no safeguards against private-utility monopoly. The American taxpayers have put up some $12 billion so far to advance atomic research and experiment to the place at which relatively small reactors, producing electricity at commercially competitive rates, seem feasible.

Are these taxpayers supposed to treat their $12 billion investment as a pure subsidy to which the private utilities have some special rights? So far as the administration bill provides, the answer seems to be "Yes."

The bill as presented to Congress would give some favored utility in each section of the country an effective monopoly in the field of atom-produced electricity. And there would be no Government-controlled yardstick by which to test prices to be charged by the utilities to the ultimate consumers.

The private utilities did not put up any part of the $12 billion to advance the atomic program, but they are proposed as the companies eligible to demand AEC private-power licenses without paying a penny for the privilege.

Two amendments to the administration bill would cure many evils, but not all. One would provide that any utility licensed by the AEC would have to follow the historic public-preference clause, thus assuring cooperatives and municipalities of first rights to electricity produced from privately owned and licensed atomic reactors.

The second would allow the AEC itself to build its own reactors, check costs and fair prices, and provide a true yardstick by which to measure the price schedules decided on by private utilities. The Johnson amendment which was adopted by the Senate provides these safeguards. Even if we could be assured that the Johnson amendment would survive the conference, there would still be a lot of things too difficult to digest in this bill.

For all practical purposes, the Atomic Energy Commission and other Federal agencies are prohibited from building nuclear reactors for the commercial generation of electric power.

I fail to see, Mr. President, why the Atomic Energy Commission should be enjoined from producing atomic power for commercial use when it would be given broad authority to license others for such production. If the Nation is to realize the maximum power benefits from its investment in this new resource, a positive program of atomic power production by the Federal Government is essential. The history of electrical-power development in this country affords ample evidence that a reasonable balance between public and private power serves as the most important check on monopoly control in the vital field of energy resources. The very magnitude of economically feasible nuclear power-plants persuades me to believe that the balance will be thrown heavily in favor of private monopoly unless provision is made for Federal development of atomic power, particularly where supply is desired by public or cooperative systems.

This does not seem much for the people to ask in return for their $12 billion investment in atomic research.

The President and his leadership in Congress have been very insistent upon pushing through the atomic-energy bill intact, despite its questionable provisions. The more thought I give to this matter the more I feel that there is only one really important section which needs congressional approval immediately, and that is the international section. There is not the slightest reason why this section could not be separated from the domestic issues.

The domestic power section, even if it should be pushed through, would remain a sore spot to many and would cause trouble later. The proper thing to do is to postpone these revisions of the Atomic Energy Act until early next year, when there is ample time to give thorough consideration to these matters.

I am in full agreement with the proposal made by the junior Senator from New York [Mr. LEHMAN] which would separate the bill by taking the most important part, the part which the President has in reality requested and to give the Senate a chance to act on that much-needed part of the present bill under consideration. Such a proposal would implement the President's proposal, made before the United Nations General Assembly, for an atomic pool of resources to encourage peacetime accord on atomic armaments. I see no compelling reason why the legislative requirements to facilitate an exchange of atomic information with friendly nations, whether for purposes of mutual defense or peacetime endeavor, have to be coupled with the granting of private ownership and patent rights in atomic

energy to domestic corporations. Defense of the free nations and world peace demand more urgent attention than the desire of a few industrial and utility companies to own and operate atomic reactors.

We should enact the international provisions now, and then later on we should take a long, hard look at the pending proposals to confer private ownership and patent rights in the atomic field.

The plan proposed by my distinguished colleague, Senator LEHMAN, deletes everything from the bill, with the exception of the international section. There would be no consideration given to the Dixon-Yates contract, a fantastic arrangement whereby the company receives a guaranty to build a power project without even the submission of plans; the Government would pay their taxes, and there would be absolutely no risk involved. If this contract should become effective, it would destroy much of the usefulness of TVA, open the door of exploitation, and would give away this great asset which the people of this Nation paid for.

The American people can rightly take pride in the careful manner in which the Congress, over the past 50 to 75 years, has developed legislation which protects for all Americans their rights to natural resources. We are at the threshold today of developing for the benefit of many future generations an entirely new source of energy. Depending upon the manner in which we of the Senate act upon the pending legislation, this energy source, holding such bright potentialities for the future, can either be developed for the benefit of all Americans, or it will become the tool of relatively few.

Mr. President, I suggest the absence of a quorum.

Mr. THYE. Mr. President, I must call to the Senator's attention the fact that we are operating under a unanimous-consent agreement, with the time allotted. If a quorum is called, it must come out of the time allotted to the Senator. The Senator has only 16 minutes remaining.

Mr. President, I must also call to the attention of the Senator from Montana the fact that he has been allowed 15 minutes from the time controlled by the Senator from Iowa [Mr. HICKENLOOPER], but that was for the purpose of explaining the bill rather than for the purpose of a quorum call.

The PRESIDING OFFICER. The time of the Senator from Montana is continuing, and he has until 12:42, under the agreement.

Mr. MANSFIELD. In the time allotted to me by the Senator from Iowa, I suggest the absence of a quorum.

Mr. THYE. Mr. President, I must respectfully call to the Senator's attention the fact that that is not provided for in the unanimous-consent agreement, and the time was allotted to the Senator from Montana by the Senator from Iowa.

Mr. SMATHERS. Mr. President, who controls the time on this side at the present moment?

Mr. KENNEDY. Mr. President, may I be informed as to how much time the Senator from New York has remaining?

The PRESIDING OFFICER. Sixteen minutes.

Mr. KENNEDY. How much time has the majority side?

The PRESIDING OFFICER. Forty-five minutes.

Mr. KENNEDY. Does the majority side care to take any of its time now? We will try to get the Senator from New York back on the floor.

Mr. THYE. The majority has allotted 16 minutes to the Senator from Montana, and the Senator was operating on that 16 minutes.

Mr. MANSFIELD. Mr. President, that is correct, but we do not have any more speakers.

Mr. THYE. But the Senator from Montana still has time that was allotted to him by the majority.

Mr. MANSFIELD. Mr. President, the acting minority leader is trying to ascertain from the acting majority leader if anyone on the majority side wants to speak. If no one on the majority side desires to speak, and no one on this side desires to speak, then we can terminate the debate on the amendment and have a quorum call.

The PRESIDING OFFICER. The Chair wishes to inquire of the Senator from Minnesota if he desires to yield back the remainder of the time on behalf of the Senator from Iowa.

Mr. THYE. Am I to understand that the question is whether the acting majority leader objects to the Senator from Montana yielding back the remainder of the time?

The PRESIDING OFFICER. No. As the Chair understands, the acting minority leader has stated that if the Senator from Iowa will yield back the remainder of his time, then all time will have expired, and we can proceed with the quorum call and the vote.

Mr. THYE. Mr. President, I cannot answer for the Senator from Iowa. The Senator from Iowa is not on the floor. I have sent for him, and he should be here momentarily.

The PRESIDING OFFICER. Will the minority leader yield to someone?

Mr. JOHNSON of Texas. Mr. President, under the unanimous consent agreement entered into, in the absence of the minority leader, who controls the time?

The PRESIDING OFFICER. The Senator from New York has 16 minutes, and the Senator from Iowa has 45 minutes.

Mr. MANSFIELD. Who has the floor, Mr. President?

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Texas.

Mr. JOHNSON of Texas. The Senator from New York, who is the author of the amendment, has 16 minutes remaining, as I understand.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. The Senator from Iowa has 45 minutes remaining. I have no authority to yield the time of the author of the amendment, as has been implied by the Chair. If it is agreeable to the Senators who are on the floor at this time, I suggest that the Senator from Florida be permitted to make a brief statement, with which he is prepared to proceed. It is agreeable to the minority leader, until the author of the amendment can be summoned to the floor, to yield time, by unanimous consent, and with the approval of the Senator from Iowa [Mr. HICKENLOOPER], to permit the Senator from Florida to proceed for 5 minutes.

Mr. SMATHERS. I thank the Senator from Texas, but I may say that it probably will take me longer than 5 minutes; it will probably take 10 or 15 minutes.

Mr. THYE. Mr. President——

Mr. MANSFIELD. Mr. President, I have the floor, and the Chair had been addressing me.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Will the Chair continue his statement?

The PRESIDING OFFICER. The question which the Chair desires to propound to the Senator from Montana is this: The Senator from Montana has until 12:42. If he desires to yield that time to the Senator from Florida, the Chair will recognize the Senator from Florida.

Mr. THYE. Mr. President, I simply thought——

The PRESIDING OFFICER. The Senator from Montana has the floor. Does the Senator from Montana yield to the Senator from Minnesota?

Mr. THYE. If the Senator from Montana will yield to me momentarily, I should like to suggest that if the Senator from Montana would yield the remainder of his time to the Senator from Florida, the acting majority would yield 5 minutes to the Senator from Florida, providing the Senator from Florida might be recognized.

The PRESIDING OFFICER. Does the Senator from Montana yield the remainder of his time to the Senator from Florida?

Mr. MANSFIELD. I shall be delighted to do so.

THE PRESIDING OFFICER. The Senator from Florida is recognized for the remainder of the time yielded by the Senator from Montana, and for 5 minutes yielded by the Senator from Minnesota.

SECOND ANNIVERSARY OF PUERTO RICAN INDEPENDENCE

Mr. SMATHERS. Mr. President, yesterday, July 25, the people of Puerto Rico celebrated the second anniversary of their commonwealth status, and I believe it is fitting and proper that we pay tribute to them for the remarkable strides which they have made under this form of self-government.

Progress under the commonwealth status is a monumental achievement, both on the part of the peoples of Puerto Rico and of the United States. They no longer seek statehood, nor what was once the only alternative, independence, but a continuation of commonwealth status.

This was accomplished when they were granted a Commonwealth status, a

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pattern of political freedom which permitted the peoples of this island to virtually pull themselves up by the bootstraps from poverty and despair to a sound status, economically, culturally, socially, educationally, and judicially. It is a pattern of self-government which strengthens them, making it possible for them to play a larger and ever-increasing role in their own self-defense while at the same time making a marked contribution to the defense of the free world.

Theirs is a government which is a perfect example of the progress which can be made in all these fields of endeavor under the democratic way of life.

When Puerto Rico attained its self-governing status, the President of the United States informed the United Nations of a decision of the United States not to continue reporting on the social, economic, and educational development of Puerto Rico, as is required pursuant to the provisions of article 73 of the Charter of the United Nations, for all dependent areas. There the question of it becoming a self-governing political entity was fully debated, and the achievements of the people of Puerto Rico and the United States fully recognized. This was a marked demonstration to the peoples all over the world that the United States did not embrace any ambition to become a colonial power. On the contrary, it was evidence that its policy is one to continue to help its dependent areas to achieve full self-government.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of the resolution adopted by the General Assembly of the United Nations on November 27, 1953, after a full discussion was had with respect to the United States granting Puerto Rico its Commonwealth status.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CESSATION OF THE TRANSMISSION OF INFORMATION UNDER ARTICLE 73 E OF THE CHARTER IN RESPECT OF PUERTO RICO—RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY AT ITS 459TH PLENARY MEETING ON NOVEMBER 27, 1953

Sponsors: Brazil, Chile, Colombia, Costa Rica, Ecuador, Panama, Peru.

Vote: 26 in favor, 16 against, with 18 abstentions.

The General Assembly—

Considering that, in Resolution 222 (III) of November 3, 1948, the General Assembly, while welcoming any development of self-government in non-self-governing territories, considers it essential that the United Nations be informed of any change in the constitutional status of any such Territory as a result of which the government responsible for the transmission, under article 73 e of the charter, of information in respect of that Territory thinks it unnecessary or inappropriate to continue such a practice.

Having received the communications dated January 19 and March 20, 1953, informing the United Nations of the establishment of the Commonwealth of Puerto Rico, as a result of the entry into force on July 25, 1952, of the Constitution of Puerto Rico, and stating that, in consequence of these constitutional changes, the Government of the United States of America would cease to transmit information under artice 73 e of the charter,

Having studied the report[1] prepared by the Committee on Information From Non-Self-Governing Territories, during its session of 1953, on the question of the cessation of the transmission of information on Puerto Rico, and presented to the General Assembly in conformity with paragraph 2 of resolution 448 (V) of December 12, 1950,

Having examined the communications of the Government of the United States of America in the light of the basic principles embodied in chapter XI of the charter and of all the other elements of judgment pertinent to the issue,

Considering that the agreement reached by the United States of America and the Commonwealth of Puerto Rico, in forming a political association which respects the individuality and the cultural characteristics of Puerto Rico, maintains the spiritual bonds between Puerto Rico and Latin America and constitutes a link in continental solidarity,

Bearing in mind the competence of the General Assembly to decide whether a non-self-governing territory has or has not attained a full measure of self-government as referred to in chapter XI of this charter.

1. Takes not favorably of the conclusions set forth by the Committee on Information From Non-Self-Governing Territories in its resolutions;

2. Recognizes that the people of the Commonwealth of Puerto Rico, by expressing their will in a free and democratic way, have achieved a new constitutional status;

3. Expresses the opinion that it stems from the documentation provided that the association of the Commonwealth of Puerto Rico with the United States of America has been established as a mutually agreed association;

4. Recognizes that, when choosing their constitutional and international status, the people of the Commonwealth of Puerto Rico have effectively exercised their right to self-determination;

5. Recognizes that, in the framework of their constitution and of the compact agreed upon with the United States of America, the people of the Commonwealth of Puerto Rico have been invested with attributes of political sovereignty which clearly identify the status of self-government attained by the Puerto Rican people as that of an autonomous political entity;

6. Considers that, due to these circumstances, the declaration regarding non-self-governing territories and the provisions established under it in chapter XI of the charter can no longer be applied to the Commonwealth of Puerto Rico;

7. Takes note of the opinion of the Government of the United States of America as to the cessation of the transmission under article 73e of the Charter of Information on Puerto Rico;

8. Considers it appropriate that the transmission of this information should cease;

9. Expresses its assurance that, in accordance with the spirit of the present resolution, the ideals embodied in the Charter of the United Nations, the traditions of the people of the United States of America and the political advancement attained by the people of Puerto Rico, due regard will be paid to the will of both the Puerto Rican and American peoples in the conduct of their relations under their present legal statute, and also in the eventuality that either of the parties to the mutually agreed association may desire any change in the terms of this association.

Mr. SMATHERS. Mr. President, self-government is not necessarily synonymous with independence or statehood. In the case of Puerto Rico, its a status which means government by the people with full recognition of the right of the people to self-government. It is a status which means self-determination, embracing the democratic way of life in association with the United States. It is a political entity which is not subordinate in any way, but rather a partnership with equal dignity and respect.

With an area of only 3,423 square miles and a population of approximately 2,210,000 people, Puerto Rico has made almost miraculous strides under the commonwealth type of government. It afforded to the people of this island dynamic potentialities for growth since it was one which in itself attained the highest ideals of human dignity. As a commonwealth, Puerto Rico has increased its national income one-third and has raised the standard of living so that now it is the highest in the Caribbean.

There is a fundamental bond of union between the people of the Commonwealth of Puerto Rico and the people of the United States. This fundamental bond is that of common citizenship with mutual interests in common defense, as well as a common international relationship in economic union and judicial integration. Through economic union our markets are open to them and their markets are open to us with reciprocal protection. This provides for a sound relationship commensurate with the strength and potentialities of the overseas areas, which is to the mutual benefit of all concerned.

Puerto Rico is unquestionably our Gibraltar in the Caribbean. It is a Latin American country comprised of good citizens of these United States. It is no wonder then that our defense establishments in Puerto Rico are surrounded by loyal, freedom-loving, patriotic people, who are earnest believers in the democratic way of life. Their good citizenship and patriotism was amply demonstrated whenever an emergency situation arose. In the Second World War, and in the Korean war, the number of volunteers from Puerto Rico in these wars of aggression made it almost unnecessary to implement the Selective Service Act in the islands. Their combat record in both these wars is an outstanding one, and one in which the people of Puerto Rico and the United States can take just pride. Their good citizenship was further demonstrated by the quick and effective way in which their Government refuted Communist propaganda which attempted to depict the United States as an imperialistic colonial power. It was also demonstrated by the manner in which the people and their Government, with all the power at their disposal, repudiated the nationalist fanatics. By their very acts they have more than amply demonstrated that they desire to continually associate themselves with us in their self-governing commonwealth status. I am confident that it is also our desire to forever continue such association of mutual understanding and good will with them.

Last year Puerto Rico purchased almost one-half billion dollars of goods from the United States. In line with our policy of providing a free market no customs are collected on American goods

[1] See Official Records of the General Assembly, Eighth Session, Supplement No. 15, pt. I, sec. VII.

going into the Islands, and at the same time foreign merchandise imported into Puerto Rico is subject to the same tariff rates as though imported into these United States.

Puerto Rico pays for the expenses of its self-government with its own taxes and though we maintain a military establishment and Federal agencies in Puerto Rico to carry out Federal functions, the residents of Puerto Rico are not called upon to support these institutions. In other words, the people of Puerto Rico help support the United States Government only to the extent which is commensurate with their participation in the United States Government. Therefore the people of Puerto Rico pay taxes to the United States only on income earned outside of Puerto Rico, either in the United States or in foreign countries. They are represented in the United States Congress by a Resident Commissioner, who though he has no vote, possesses all the other privileges of a Member of the Congress.

Under United States grants-in-aid laws, joint programs are being developed in Puerto Rico, the costs of which are shared both by the United States and Puerto Rico. These programs are carried out both in the local and national interest. Under these joint programs, Puerto Rico has developed a fine system of public roads; it has advanced public health and it has an excellent school-lunch program. They have moved far ahead in housing; their mortality rate has gone down to less than 9 per 1,000 a year from about 18 per 1,000 of 2 decades ago. They have a modern waterworks system all over the island, and they are rapidly industrializing, thereby coping with the unemployment problem and making their island more attractive so that emigration may not provide the only escape from poor living conditions.

Self-government in Puerto Rico in political association with the United States, in a position of equal dignity, and of mutual esteem, is demonstrating to the world the progress that can be accomplished by pursuing the democratic way of life. Freedom, democracy, respect for the dignity of man, the American way of life, once more have proved their worth. Puerto Rico is a splendid example of what a devoted and industrious people can do amidst almost unsurmountable difficulties.

Puerto Rico, the show window of American freedom at the crossroads of the New World—in the Caribbean—is a neighbor of which Florida continuously grows more proud. We are united by history, by friendship, and above all, by common loyalties.

In conclusion, Mr. President, I would like to congratulate the people of Puerto Rico for having made such a fine selection in choosing their representatives. Resident Commissioner, A. FERNÓS-ISERN has been their Representative in the Congress since 1947, and in that capacity has done a wonderful and most effective job in handling Puerto Rican problems before the Congress. Although he has no vote, he has said on frequent occasions that he has the votes of 435 Members of the House of Representatives and 96 votes in the United States Senate. It was he who was chairman of the constitutional convention which drafted the constitution of Puerto Rico. It was he who was chosen as a member of the United States delegation to the United Nations when the President of the United States informed the United Nations of Puerto Rico's self-governing status. In his capacity as Resident Commissioner he has earned the admiration and respect of every Member in both Houses of the Congress.

In Gov. Luis Muñoz Marín, Puerto Rico has a most outstanding chief executive, for it was during his administration that efforts were made and success obtained in industrializing Puerto Rico so that more people obtained more jobs which provided them with an increased standard of living.

It was through the leadership of these men that the progress of Puerto Rico has advanced and is continuing to advance under a truly self-governing associated status with the United States.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an editorial entitled "Puerto Rican Anniversary," published in the Washington Post and Times Herald of July 25, 1954.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PUERTO RICAN ANNIVERSARY

The Commonwealth of Puerto Rico celebrates today the second anniversary of a relationship with the United States which warrants at once a keen sense of pride among the people of the mainland and a high feeling of hope for the future among the people of the island. Puerto Rico, which became an American dependency a little more than a half-century ago, achieved in 1952, by act of Congress, and by ratification of its own people, full self-government within the American political system. For its own political and economic reasons, Puerto Rico desired neither statehood nor complete independence. It chose, instead, a commonwealth status—full local autonomy with full citizenship in the United States along with a recognition of American sovereignty in foreign affairs.

The relationship is a statesmanly adaptation to the facts of Puerto Rico's contemporary life. The chief architect of this relationship, Puerto Rico's first elected governor, Luis Muñoz Marín, had this to say about it in an article in the current issue of Foreign Affairs: "Puerto Rico is not asking for statehood. Puerto Rico is not demanding independence. Puerto Rico is dead-set against colonialism. In other words, Puerto Rico is developing a new pattern of political freedom."

In a time when colonialism has come into widespread disrepute and other sovereignties have been slow to grant the demands of dependent people for political liberty, the United States can point proudly to the Puerto Rican story. The parent nation, in this case, helped the colonials to grow to political maturity and when they were ready for self-government granted it to them gladly, recognizing at the same time their economic problems and continuing to extend a helping hand in the solution of them. Puerto Rico stands as an examplar of American principles. We congratulate the people of the island on their progress and rejoice in the testimony of their impressive Governor:

"No matter how sincerely a man may have been bemused by propaganda aimed against the United States, the things that he sees in Puerto Rico and the realization that on 5 occasions within 6 years our people have voted overwhelmingly against independence, against statehood, against colonialism and in favor of this joint experiment in statesmanship—this constitutes a massive answer to that propaganda. In this connection, the creative relationship that has been worked out between the American Union and the Commonwealth of Puerto Rico is an eloquent manifestation of a goodness and a greatness in the spirit of the United States."

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. KENNEDY. Mr. President, I understand we have 11 minutes remaining. If it is agreeable to the Senator from Iowa, we yield back all that time with the exception of 3 minutes, which we will yield to the Senator from New York.

Would the Senator from Iowa care to comment on the amendment? The Senator from New York will be right back, and then we will be finished on this side.

Mr. HICKENLOOPER. How much time do I have, Mr. President?

The PRESIDING OFFICER. Forty minutes.

Mr. HICKENLOOPER. I yield myself as much time as may be necessary. I expect to use 4 or 5 minutes and then to yield back practically all the time that may remain.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HICKENLOOPER. I had 40 minutes. I said I would yield myself such time as may be necessary.

Mr. President, the amendment of the Senator from New York would strike section 122, which has been read by him, and which provides as follows:

In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any international arrangement made after the date of the enactment of this act.

That is in general keeping with the present provisions of the law and is the exact language of the present law except for the addition of the words "made after the date of enactment of this act."

Mr. President, an examination of the proposed act shows that there is a definition of the words "international arrangement." It is chapter 2, section 11 (k):

The term "international arrangement" means any international agreement hereafter approved by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include any agreement for cooperation.

Mr. President, this provision is in the bill to protect the Congress and the people of the United States against secret agreements which may be pulled out of somebody's archives or safe, and which may commit the United States to some action which Congress has never passed upon and which we do not now know to be in existence.

I can give one very glaring and startling example. The nefarious and, I

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think, unconscionable agreement that was made at Quebec in which the British were given an absolute veto over the use by the United States of the atomic bomb at any time in the future at any place, is an arrangement or agreement which would not be tolerated by this provision.

Under the definition of "international arrangement," so far as I know, there has been no international arrangement or agreement which has been put into effect in the past with the approval of both Houses of Congress. So this would have no effect on anything past that comes under the definition of international arrangement.

This is a protective safeguard against unknown and secret agreements which have been made heretofore, and which have not had the benefit of examination by the Congress, and have not even been reported to the Congress. I think it is a very important provision to remain in this proposed law.

The joint committee considered this provision at length and, so far as I recall, there was no objection to it in the committee and it was adopted unanimously in the committee as a needed provision in this bill.

As I said a moment ago, it is substantially a carry-over from existing law.

I do not think I have anything further to say about the matter at the moment. From our standpoint, from the standpoint of the committee which unanimously approved it—it was approved by the joint committee after long consideration—it is considered to be an essential part of this bill and very helpful and very protective to the rights of the American people and to the responsibilities of the Congress.

I think, Mr. President, that is about all I care to say about the subject.

If there are questions, I shall be glad to attempt to answer them. Otherwise, I am prepared to yield back all but 3 minutes of the time.

Mr. KENNEDY. Mr. President, I ask unanimous consent, that we may yield back the remainder of our time, that we may have a quorum call and then that the Senator from New York may speak 3 minutes——

Mr. HICKENLOOPER. I understood the Senator was reserving 3 minutes, and I shall reserve 3 minutes.

Mr. LEHMAN. I shall be glad to have the quorum call and have the right to speak for 3 minutes after the quorum call.

Mr. HICKENLOOPER. I had already agreed with the Senator from Massachusetts.

Mr. JOHNSON of Texas. I wonder if we could arrange for the Senators to consume whatever time they propose to consume, and then have the quorum call.

The PRESIDING OFFICER. The Chair is advised that by unanimous consent, Senators can yield back amounts of their time and save 3 minutes and use that after the quorum.

Mr. HICKENLOOPER. So far as I am concerned, Mr. President, I would just as soon yield back all of my time, and have a quorum call and proceed to vote. However, I am perfectly sympathetic to the desire of the Senator from New York to have 3 minutes reserved. If he wants to reserve 3 minutes, in order that I might comment on anything that may come up, I should like to reserve 3 minutes myself. I do not like to yield all of my time and then have no time left. If both sides yield back all of their time, I am perfectly prepared to yield mine all back and have a quorum call and proceed to vote. But I will abide by the desires of the Senator from New York on that score.

Mr. LEHMAN. I shall be very glad indeed to yield back all but 3 minutes of my time, with the understanding that those 3 minutes can be used by me, if so desired, after the quorum call, giving, of course, the identical right to the Senator from Iowa.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request that each side yield back all of their time except 3 minutes; that there be a quorum call; and after the quorum call each side will be permitted to use 3 minutes?

Mr. HICKENLOOPER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Millikin
Anderson	Gore	Monroney
Barrett	Green	Morse
Beall	Hendrickson	Murray
Bennett	Hennings	Neely
Bowring	Hickenlooper	Pastore
Bridges	Hill	Payne
Burke	Holland	Potter
Bush	Humphrey	Purtell
Butler	Ives	Reynolds
Byrd	Jackson	Robertson
Capehart	Jenner	Russell
Carlson	Johnson, Colo.	Saltonstall
Chavez	Johnson, Tex.	Schoeppel
Clements	Johnston, S. C.	Smathers
Cordon	Kennedy	Smith, Maine
Crippa	Kerr	Smith, N. J.
Daniel	Kilgore	Sparkman
Dirksen	Knowland	Stennis
Douglas	Kuchel	Symington
Duff	Langer	Thye
Dworshak	Lehman	Upton
Eastland	Long	Watkins
Ervin	Magnuson	Welker
Ferguson	Malone	Wiley
Frear	Mansfield	Williams
Fulbright	Martin	Young
George	Maybank	

The PRESIDING OFFICER (Mr. BENNETT in the chair). A quorum is present.

Under the time limitation on debate, 6 minutes remain, 3 of which are available to the Senator from New York [Mr. LEHMAN], and 3 to the Senator from Iowa [Mr. HICKENLOOPER].

What Senator wishes to be recognized?

Mr. LEHMAN. Mr. President——

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. LEHMAN. Mr. President, my amendment is a very simple one. It would delete section 122, on page 52 of the bill, reading as follows:

SEC. 122. Policies contained in international arrangements: In the performance of its functions under this act, the Commission shall give maximum effect to the policies contained in any international arrangement made after the date of enactment of this act.

Mr. President, in my opinion this amendment would do 1 of 2 things: It would either place all agreements and arrangements made prior to the enactment of this measure in a subordinate position, as compared to agreements or arrangements made after enactment of this measure; or it would vitiate and repudiate, sight unseen, all agreements and arrangements made before the enactment of this measure.

Mr. President, I do not know exactly to what agreements or arrangements this section of the bill relates, but I have been informed that many agreements and arrangements concerned with atomic energy and atomic weapons have been made in the past, with our trusted allies—notably, with Great Britain and Canada, and possibly with others. I believe it would be an act of bad faith if in this bill we were to imply that we were repudiating those agreements which had been entered into in good faith with our allies.

Mr. KERR. Mr. President, will the Senator from New York yield?

Mr. LEHMAN. I am sorry, but I have only 3 minutes.

Mr. President, we have no specifications regarding the agreements to which this section refers. We have no idea with whom they were entered into, what the purpose was, or what the contents were. This section of the bill would either put them into a subordinate position or—and I believe this to be much more serious—would vitiate and repudiate them. I do not think we can afford to do that in the case of agreements and arrangements about which we in Congress know absolutely nothing.

Mr. President, in conclusion, let me say that I believe this section of the bill is quite unnecessary.

Mr. DANIEL. Mr. President, will the Senator from New York yield to me at this time?

The PRESIDING OFFICER. The time of the Senator from New York has expired.

The Senator from Iowa is recognized for 3 minutes.

Mr. HICKENLOOPER. Mr. President, as I pointed out a moment ago, the amendment of the Senator from New York would, in my judgment, do violence to this bill. This section of the bill is carried over verbatim from existing law, except for the words "international arrangement made after the date of the enactment of this act."

An international arrangement is defined by the proposed law as an international agreement which has been submitted to both Houses of Congress and approved. We do not know what secret agreements have been made heretofore. Two or three have come to light. I use only one illustration—the nefarious agreement made at Quebec, in which unfortunately our people gave the British the right to veto our use of the atomic bomb any time they pleased. That is a secret agreement that did not come to light until long after it was made.

Other agreements are alleged to have been made, to which we have no access. We do not know what secret agreements might rise up to smite us. The proposed law provides that international arrange-

ments, which mean agreements, which have been submitted to and approved by both Houses of Congress, shall be given maximum effect hereafter; that is, that arrangements which are made hereafter shall be given maximum effect by the Commission.

The Joint Committee on Atomic Energy unanimously approved this provision of the proposed law. There was not the slightest objection to the provision as it now appears, and, Mr. President, I earnestly hope that in the interest of legislation on this subject, and in support of the careful consideration given to this matter by the joint committee, and its unanimous approval of the provision as it is, the pending amendment may be defeated.

The PRESIDING OFFICER. All time for debate has expired, and the question is on the amendment offered by the Senator from New York [Mr. LEHMAN], designated "7-24-54-N."

The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The Senator from Ohio [Mr. BRICKER], the junior Senator from South Dakota [Mr. CASE], the Senator from Kentucky [Mr. COOPER], the Senator from Wisconsin [Mr. MCCARTHY], and the senior Senator from South Dakota [Mr. MUNDT] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Arizona [Mr. HAYDEN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from North Carolina [Mr. LENNON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The result was announced—yeas 18, nays 65, as follows:

YEAS—18

Anderson	Humphrey	Monroney
Chavez	Jackson	Morse
Eastland	Johnston, S. C.	Murray
Gore	Kilgore	Neely
Hennings	Langer	Sparkman
Hill	Lehman	Stennis

NAYS—65

Aiken	Frear	Millikin
Barrett	Fulbright	Pastore
Beall	George	Payne
Bennett	Goldwater	Potter
Bowring	Green	Purtell
Bridges	Hendrickson	Reynolds
Burke	Hickenlooper	Robertson
Bush	Holland	Russell
Butler	Ives	Saltonstall
Byrd	Jenner	Schoeppel
Capehart	Johnson, Colo.	Smathers
Carlson	Johnson, Tex.	Smith, Maine
Clements	Kennedy	Smith, N. J.
Cordon	Kerr	Symington
Crippa	Knowland	Thye
Daniel	Kuchel	Upton
Dirksen	Long	Watkins
Douglas	Magnuson	Welker
Duff	Malone	Wiley
Dworshak	Mansfield	Williams
Ervin	Martin	Young
Ferguson	Maybank	

NOT VOTING—13

Bricker	Gillette	McCarthy
Case	Hayden	McClellan
Cooper	Kefauver	Mundt
Ellender	Lennon	
Flanders	McCarran	

So Mr. LEHMAN's amendment was rejected.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. MURRAY. Mr. President, earlier today, I proposed an amendment to the pending bill to establish an electric power liaison committee within the Atomic Energy Committee, to be composed of representatives of the various Government agencies which are concerned with our great regional power developments and with the energy supply of the Nation. The amendment I am proposing would insert a new section 27 on page 15 of the bill. In order that Senators may be thinking of it, I ask that it be read. I believe I sent it to the desk earlier today and it is now lying on the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read Mr. MURRAY's amendment, as follows:

On page 15, line 4, add the following new section 28 and renumber present sections 27 and 28 as 29 and 30:

"SEC. 28. Electric Power Liaison Committee: There is hereby established an Electric Power Liaison Committee consisting of—

"a. A chairman, who shall be the head thereof and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for the chairman of the Military Liaison Committee; and

"b. A representative of the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, the Southeast Power Administration, the Corps of Engineers, and such other Government agencies as the President may from time to time determine. The chairman of the committee may designate one of the members of the committee as acting chairman to act during his absence. The commission shall advise and consult with other Government agencies, through the committee, on all atomic energy matters which relate to electric power applications of atomic energy, including the development, manufacture, and use of atomic reactors for power purposes, the allocation of special nuclear material for such purposes, the technical, economic, and accounting relationships between production of special nuclear material and atomic energy for electric power and for atomic weapons, appropriate policies to govern the production and distribution of electric power from atomic energy in order that the benefits of such power shall be widely distributed and maximum revenues shall be returned to the Federal Treasury, and the integration of atomic power policies and administration with other power activities of the Federal Government; and shall keep other Government agencies through the committee, fully and currently informed of all such matters before the commission. Other Government agencies, through the committee, shall have the authority to make written recommendations to the commission from time to time on matters relating to civilian applications of atomic energy as they deem appropriate."

Mr. KNOWLAND obtained the floor.

Mr. HICKENLOOPER. Mr. President will the Senator yield for a parliamentary inquiry?

Mr. KNOWLAND. I yield for a parliamentary inquiry.

Mr. HICKENLOOPER. Mr. President, has this amendment been printed?

The PRESIDING OFFICER. The amendment has not been printed.

Mr. KNOWLAND. Mr. President, I send to the desk a proposed unanimous-consent agreement, and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read the proposed unanimous-consent agreement, as follows:

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Montana [Mr. MURRAY], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Montana [Mr. MURRAY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The PRESIDING OFFICER. Is there objection?

Mr. MURRAY. Mr. President, reserving the right to object, I wish to call attention to the fact that my remarks will take considerable time. They will take at least an hour.

Mr. KNOWLAND. I shall be glad to modify the agreement to make the time 2 hours, one-half to be controlled by the Senator from Montana [Mr. MURRAY], and the other half to be controlled by the Senator from Iowa [Mr. HICKENLOOPER].

Mr. MORSE. Mr. President?

The PRESIDING OFFICER. The Senator from California modified his request.

Mr. MURRAY. Mr. President, I do not think an hour would be sufficient to permit me to cover the matter I am going to discuss. I would like an hour and a half.

Mr. KNOWLAND. I will modify the agreement, Mr. President, to make it 3 hours, to be equally divided.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The proposed unanimous-consent agreement has now been modified to make it 3 hours, with an hour and a half to each side. Is there objection to the proposed agreement, as modified?

Mr. MORSE. Reserving the right to object, I wish to have the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. GORE], and the Senator from New Mexico [Mr. ANDERSON] on the floor.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

Mr. MORSE. If the Senator will wait a moment, I should like to make an explanatory statement.

I do not like to be speaking for other Senators. A group of us have just come out of a meeting, in which we were trying to prepare an adjustment of some of the difficulties. Suggestions were made as a result of that meeting. I think they are now being considered with the minority leader. That is my hunch. I do not know that to be a fact, but seeing so many Senators absent from the floor, and knowing the way Senate conferences operate, I have a hunch that is true. I wish that we could have some

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delay on this unanimous-consent agreement until the leaders are back on the floor.

Mr. KNOWLAND. Mr. President, I believe that to be a reasonable request. I ask unanimous consent that I be allowed to ask for a quorum call without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	McCarran
Anderson	Gore	Millikin
Barrett	Green	Monroney
Beall	Hayden	Morse
Bennett	Hendrickson	Murray
Bowring	Hennings	Neely
Bridges	Hickenlooper	Pastore
Burke	Hill	Payne
Bush	Holland	Potter
Butler	Humphrey	Purtell
Byrd	Ives	Reynolds
Capehart	Jackson	Robertson
Carlson	Jenner	Russell
Chavez	Johnson, Colo.	Saltonstall
Clements	Johnson, Tex.	Schoeppel
Cooper	Johnston, S. C.	Smathers
Cordon	Kennedy	Smith, Maine
Crippa	Kerr	Smith, N. J.
Daniel	Kilgore	Sparkman
Dirksen	Knowland	Stennis
Douglas	Kuchel	Symington
Duff	Langer	Thye
Dworshak	Lehman	Upton
Eastland	Long	Watkins
Ervin	Magnuson	Welker
Ferguson	Malone	Wiley
Frear	Mansfield	Williams
Fulbright	Martin	Young
George	Maybank	

The VICE PRESIDENT. A quorum is present.

Mr. KNOWLAND. I ask that, for the information of the Senate, that the clerk reread my proposed unanimous-consent request as modified.

The VICE PRESIDENT. The clerk will state the unanimous-consent agreement as modified.

The legislative clerk read as follows:

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Montana [Mr. MURRAY], including any amendment or motion submitted thereto, shall be limited to not exceeding 3 hours, to be equally divided and controlled, respectively, by the Senator from Montana [Mr. MURRAY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The VICE PRESIDENT. Is there objection?

Mr. HUMPHREY. Reserving the right to object, in order to keep the RECORD clear, the agreement applies specifically only to this amendment, does it not?

Mr. KNOWLAND. It applies only to the amendment offered by the Senator from Montana [Mr. MURRAY].

The VICE PRESIDENT. Is there objection?

The Chair hears none, and it is so ordered.

The time will be controlled by the Senator from Montana and the Senator from Iowa. The Senator from Montana has 1 hour and one-half. The Senator yields himself how much time?

Mr. MURRAY. I yield myself an hour and 15 minutes, if I can finish in that time.

The VICE PRESIDENT. The Senator yields himself an hour and 15 minutes.

The Senator from Montana is recognized for an hour and 15 minutes.

Mr. MURRAY. Mr. President, the sole purpose of this amendment is to create a committee, chosen from the agencies of Government which are concerned with our energy supply and with regional developments and economic development, to sit as advisers to the Atomic Energy Commissioners as this great new force comes into being.

There is a Liaison Committee on Military Application of the Atom. This would establish a similar liaison committee of experienced people—public servants with experience in the field—on electric power phases. It would make available to the Atomic Energy Commissioners, through the agencies, the finest men in the Government in the power and resources development fields.

Mr. President, I am proposing this amendment in the sincere hope that it is one upon which we can agree. Without some sort of planning, without some sort of approach to the problem of management and use of this great new source of energy, there may be piecemeal development which will concentrate industry in a single area to the detriment of the people in that congested area, and to the detriment of other regions that need some industrial development. Without some sort of planning there can be power gluts in one area and power shortages in another.

Mr. President, the Democratic 79th Congress enacted a law of the most basic and fundamental importance to the present and future economy of the Nation. I refer to the Employment Act of 1946.

The declaration of intention, which is found in section 1021 of that act, reads as follows:

> The Congress declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

I want to emphasize a portion of that quotation which I consider to be especially pertinent to the pending measure, S. 3690, to amend the Atomic Energy Act:

> The Congress declares that it is the continuing responsibility of the Federal Government * * * to coordinate and utilize all its plans, functions, and resources for the purpose of maintaining * * * maximum employment, production, and purchasing power.

This means, Mr. President, that in our consideration of the Atomic Energy Act, one of the guides we should have before us is how to assure that this great new source of energy we are concerned about can be utilized to promote national welfare, maximum employment, and maximum prosperity.

All our scientific knowledge concerning the development of nuclear energy is the property of the people of the United States. This new source of energy can, under the direction of Congress, be used to provide abundant electrical energy to stimulate the expansion of our economy, bring about better standards of living, and create limitless opportunities for our people.

Or, if the Congress so wills, it can be given away improvidently to special-interest groups for exploitation and private profit, controlled by them to maintain a scarcity of electric energy to be sold at excessive prices, thus providing only a minimum contribution to the national welfare and prosperity.

Mr. President, in these perilous times, when democracy is on trial and is being observed by the entire world—when people in many sections of the earth are choosing between democracy and totalitarianism—the greatest service we could render our country would be to utilize this unique scientific discovery for the advancement of the welfare of all our people. Nothing could win these people in other parts of the world to our way of life more effectively than an economy of abundance, of full employment, and high living standards in America. Mr. President, we are in the midst of an extended debate in which some of us feel very deeply that this may prove to be the most important legislation of our generation—legislation which may determine whether our generation and those that follow us will travel the road of abundance, maximum employment, and prosperity; or whether selfish, shortsighted monopolists will control and exploit this great natural resource.

When I spoke some time ago on this subject, I outlined with some care how policies have been developed in the regulation and control of our great, publicly owned water-power resources. I believe that the self-same policies offer us splendid guidelines for the development and use of nuclear-energy resources. I refer especially to the guidelines contained in the Federal Water Power Act.

We have had a vast experience, dating back over 50 years, which we should keep in mind as we consider this Atomic Energy bill. One of the vital fields of planning in which the Federal Government has, by logic and necessity, taken the role of leadership for a half-century is that of hydroelectric-power development. That was one of the most important steps the Government of this country has ever taken, as is indicated by the vast expansion of business, industrial, and agricultural development.

We have come to realize that by proper planning and programing of great, multiple-purpose river projects, and by comprehensive development and management of our hydroelectric energy resources in our great river systems, we can establish the foundations for vast economic growth—for new industries, new payrolls, new jobs, constantly expanding opportunity for free, competitive enter-

prise. We have done it. We have brought about tremendous economic growth in the Tennessee Basin, spectacular growth in the Columbia Basin, and substantial growth in other areas. We know that the vision and statesmanship, the engineering skill, and the management experience which we have brought to bear to develop and harness our great river systems for the general welfare—and not just for the particular welfare of the few—are realized and deeply valued by the American people.

Now we have, as a supplement to our other resources, the tremendous capabilities of atomic energy. Unfortunately, it has not come to us with directions for use attached. We must fit it into our existing economic, social, and political structure, so it will help us achieve our great goals of continuing full employment and national prosperity.

Section 7 (b) of the McMahon Act called for a report by the Atomic Energy Commission to the President, the Congress, and the people whenever this great nuclear resource approached economic utilization. The AEC report was to give us the best possible picture of the social, economic, and political consequences which might be expected from this fabulous discovery.

Lacking that report, it is not clear to us today whether actual economic utilization of atomic energy is still many years away, or whether it may burst upon our social and economic structure at an early date, with almost the disrupting effect of the A-bomb itself. There are those who fear that it will end coal mining. There are those who fear that some of our existing power sources may, in the course of time, become impractical as competitors. There are those who tell us that it will be 5 or 10 years before power is available from nuclear generators which will compete with existing systems of electric power production, even in high-cost areas, for commercial markets.

The only thing that appears clear to many of us is that, whatever this great force is, whenever it shall come into practical use, we should apply all our ingenuity, all our scientific skill, all our engineering capabilities, all our management experience, all our vision and statesmanship, to see that in the commercial peacetime fields it enriches our economy and does not exploit it.

Mr. President, the underlying philosophy of free and responsible citizens of our Republic in approaching and dealing with resources generally, and in dealing with the complexities of the interrelationship of energy and resources to our human life, can be stated no better than it was stated by former President Theodore Roosevelt, the Bull Moose Republican father of our great conservation and reclamation movements, when he transmitted to the Congress the 1908 report of the Inland Waterways Commission.

President Roosevelt was dealing with river resources, but the philosophy and the concept are just as valid today if we add references to nuclear energy to his words. I quote from his letter:

> The report rests throughout upon the fundamental conception that every waterway should be made to serve the people as largely and in as many different ways as possible. Every stream should be used to its utmost. No stream can be so used unless it is planned in advance. When such plans are made we shall find that instead of interfering, one can often be made to assist another. Each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such. The first condition of the successful development of our waterways is a definite and progressive policy. The second is a concrete general plan prepared by the best experts available, covering every use to which our streams can be put.

The 1912 report of the same Commission said:

> In the nature of the case, so comprehensive a policy could be administered only by the Federal Government, and consequently the eventual desirability of Federal control is easy to predict.

Since the beginning of the conservation movement 50 years ago, we have, step by step, been building our programs of power and river development within the broad framework of the policy I have just quoted. The declaration of intention contained in the Employment Act of 1946 was, in a considerable degree so far as resources development is concerned, simply an exposition of the Theodore Roosevelt statement that resources—"should be made to serve the people as largely and in as many ways as possible."

It put into specific terms the doctrine of full employment and maximum economy. Beyond the application of technical, scientific, and engineering knowledge employed to derive the ultimate benefit from a resource, lie the goals of economic, social, and cultural advance of all the people, maximum employment, maximum income, prosperity, and ever-improving standards of living.

We must keep these goals constantly before us during our consideration of the pending measure. We must determine how nuclear energy can best be utilized to improve our society—how it can best be developed to bring about great regional advances, supplementing the resources of areas which are lacking in adequate fuels or hydroelectric power.

Instead of hurriedly making a gigantic giveaway of the atom, amidst a hectic legislative scene, we ought to apply all the principles, all the basic concepts, and all of the knowledge we have regarding harnessing resources for the greatest human good.

But, Mr. President, as I have previously stated, we do not even have from the Atomic Energy Commission, as required by law, a report on the social, economic, and political consequences of the development of electric power through the utilization of atomic energy. Therefore, it would be well if this bill could be set aside, and a commission of our finest experts appointed to study this problem and report to us early next year. However, in view of the existing legislative situation, there would appear to be no possibility of creating such a commission. So I believe the most we can hope to accomplish is to arrange for planning within the framework of the Atomic Energy Act.

The Senator from South Dakota [Mr. CASE], in discussing atomic possibilities with the Senator from Iowa [Mr. HICKENLOOPER], brought out that the people of the middle Missouri Basin hope for atomic generators to firm up the power from their great dams. Atomic generators may very possibly be needed as a supplement to hydroelectric power in many areas; they may be needed as the backbone generating capacity in other areas lacking an adequate supply of low-cost fuels.

I observe that the authors of Senate bill 3690 themselves took cognizance of one such use problem when they directed that a preference should be given areas of scarce and costly power in the location of the first generators.

That is an approach to just one of the problems of integration which we shall have as this new power becomes available. It is just one relatively small problem that will present itself, for the future of atomic energy clearly will affect the life of people in every hamlet and on every farm in America.

I have a strong impression that atomic generators can become a great supplement to hydroelectric power—an energy resource that can make regional development possible in watersheds where hydroelectric potentialities amount to little or nothing in areas lacking in rainfall or natural dam sites.

I fear that in the approach to licensing of power generators contained in the bill—an approach which leaves planning entirely to licensees, and does not make provision for the great regional agencies to build atomic generators—we shall turn the clock back 50 years, and ignore all the regional development and economic development knowledge we have acquired. There are, therefore, included in the liaison committee proposed in this amendment representatives of the regional agencies, including not just TVA and Bonneville, but also the Southwest Power Administration and the Southeast Power Administration, as well as the Bureau of Reclamation and the Corps of Engineers.

I can conceive that these agencies, together with the REA, Federal Power Commission, and the Securities and Exchange Commission, can help guide the Atomic Energy Commission in the granting of licenses so regional development will be supplemented as much as is possible.

Without this sort of unified and integrated approach to the problem of basic resources management and use—and atomic energy is a new basic resource which should be included with others in planning future economic growth in any of our agencies—some of our regions, without aggressive public or private agencies, might not share in the new energy, and therefore would cease to be a source of economic stimulation. Their ability to provide expanding opportunities for constantly increasing population might come to a halt. People dependent on employment from resources now declining might be stranded in blighted areas; and as private enterprise faced such diminishing outlets for new investment, so would material sources and public income dry up, living standards drop, and the entire Nation would be adversely affected.

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But if our present knowledge, resources, and ability to stimulate regional development can soon be supplemented with economical new energy, and if our knowledge is properly applied, every region in the Nation should be capable of becoming secure and productive, and a greater contributor to our total national economic goals set forth in the Employment Act of 1946.

Mr. President, one of the agencies that is suggested as a member of this Electric Power Liaison Committee is the Federal Power Commission.

In the printed hearings we find that the Power Commission has rendered some very valuable advice to the Atomic Energy Commission and to the Joint Committee on Atomic Energy concerning safeguards that should be included in licenses for construction of electric powerplants.

The advice of a Power Commission representative could be a great protection to the public interest, for that Commission has had a great deal of experience in the field.

Mr. President, before we complete consideration of the bill, it is my hope that we shall have included in it, by legislation, several of the safeguards which we have thrown around our hydroelectric resources. Regardless of whether we do, the advice of the Federal Power Commission would be important with regard to including such safeguards in the conditions of licenses to be granted, or in the matter of administering the required safeguards.

One of the primary safeguards which should be included in this act is found in section 7 (b) of the Federal Water Power Act. The Atomic Energy Act should contain a similar provision. This section reads as follows:

SEC. 7. (b) Whenever, in the judgment of the Commission, the development of any water resources for public purposes should be undertaken by the United States itself, the Commission shall not approve any application for any project affecting such development, but shall cause to be made such examinations, surveys, reports, plans, and estimates of the cost of the proposed development as it may find necessary, and shall submit its findings to Congress with such recommendations as it may find appropriate concerning such development.

This section recognizes the public's right to develop its own resources. It is intended to prevent private utilities from taking resources that are essential to a great regional development, and thereby making them uneconomical or unsound, or thereby disrupting integrated development.

In the case of atomic energy, the great regional development agencies ought to have the first right to build any new nuclear generators that are going to be located in areas where they need additional power, especially to firm up their hydroelectric energy. Certainly, licenses should not be permitted to become the device by which our regional agencies are disrupted.

I have been provided an analysis of pertinent provisions of the Federal Water Power Act which should be made applicable to atomic power resources of the people. This analysis was made by Mr. Leland Olds, a former member of the Federal Power Commission and an eminent authority in this field. He cites this section, safeguarding the rights of the people themselves to make use of their energy resources, through their great Federal agencies, first in his analysis.

Continuing, the analysis of the act says:

The act has previously provided, in section 4 (a), that the Federal Power Commission is authorized and empowered to make investigations concerning, among other things, "whether the power from Government dams can be advantageously used by the United States for its public purposes, and what is a fair value for such power, to the extent necessary or useful for the purposes of this act."

The act further assumes that a State or any of its subdivisions may legitimately engage in the business of developing, transmitting, utilizing or distributing power. In fact, it provides, in section 7 (a), that in issuing preliminary permits or licenses for the development of any waterpower resources, "the Commission shall give preference to applications therefor by States and municipalities" provided the plans of such public agencies are equally well adapted to meeting the requirements of the act for full use of water resources.

The full text of section 7 (a) of the act reads as follows:

"SEC. 7. (a) In issuing preliminary permits hereunder or licenses where no preliminary permit has been issued and in issuing licenses to new licensees under Section 15 hereof the Commission shall give preference to applications therefor by States and municipalities, provided the plans for the same are deemed by the Commission equally well adapted, or shall within a reasonable time to be fixed by the Commission be made equally well adapted, to conserve and utilize in the public interest the water resources of the region; and as between other applicants, the Commission may give preference to the applicant the plans of which it finds and determines are best adapted to develop, conserve, and utilize in the public interest the water resources of the region, if it be satisfied as to the ability of the applicant to carry out such plans."

In its definition of the word "municipality," the act recognizes the legitimacy of public ownership in the field of electric power. It says: "Municipality" means any city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting, utilizing, or distributing power.

Further recognizing the prior right of the people to employ public agencies for the development of waterpower resources, the act provides not only for limited term licenses but also, in Section 14, for the right of the Federal Government to recapture private hydroelectric developments at the conclusion of the license period. This section provides in part:

"Upon not less than 2 years' notice in writing from the Commission the United States shall have the right upon or after the expiration of any license to take over and thereafter to maintain and operate any project or projects as defined in section 3 hereof; and covered in whole or in part by the license, or the right to take over upon mutual agreement with the licensee all property owned and held by the licensee then valuable and serviceable in the development, transmission, or distribution of power and which is then dependent for its usefulness upon the continuance of the license, * * * upon the condition that before taking possession it shall pay the net investment of the licensee in the project or projects taken, not to exceed the fair value of the property taken, plus such reasonable damages, if any, to property of the licensee valuable, serviceable, and dependent as above set forth but not taken, as may be caused by the severance therefrom of property taken, and shall assume all contracts entered into by the licensee with the approval of the Commission."

Beyond this, the act provides in section 7 (a) and section 15, taken together, that States and municipalities may again exercise their preference at the termination of a license to a private power undertaking if the Federal Government does not decide to take over the project or projects.

Still further safeguarding the public right to the development and use of such resources on a nonprofit basis, the act, in section 14, specifically reserves the right of the United States or any State or municipality to take over, maintain, and operate any licensed project at any time by condemnation proceedings.

As a final indication that Federal power policy, as embodied in the Federal Power Act, considers it in the public interest to foster nonprofit development and use of such energy resources, I refer you to section 10 (e) providing that a licensee shall pay to the United States reasonable annual charges to cover (a) reimbursement for the cost of administering the act; (b) recompense for the use, occupancy, and enjoyment of Government lands; (c) expropriation of excessive profits until the States have made provision for preventing such profits or themselves expropriating them; and (d) charges for the use of Government dams.

This section of the act contains a proviso specifically exempting States and municipalities holding licenses from such charges, to the extent that such power is sold to the public without profit, or is used by them for State or municipal purposes. The proviso reads:

"That licenses for the development, transmission, or distribution of power by States or municipalities shall be issued and enjoyed without charge to the extent that such power is sold to the public without profit or is used by such State or municipality for State or municipal purposes."

Subsequently, I shall discuss briefly the fundamental importance of such provisions in any legislation governing the use of a public-energy resource, whether hydro or atomic, for the development of electricity. Here I would simply urge: (a) that the Nation has a parallel situation to deal with as we consider the rules which should apply to the opening up of atomic energy to development of atomic-electric power; (b) that, along with provision for licensing non-Federal development of such power, there should be similar safeguarding of the prior right of the people to have the resource developed by an agency of the Federal Government for public purposes; (c) that this should apply whether the power development is to be associated with Federal investment in the reactor or the entire atomic-electric power undertaking is to be financed as a unit; and (d) that, should the decision of the competent Federal body not favor Federal development, States and municipalities, as defined in the Federal Power Act, should enjoy a preference, provided their plans are equally sound.

Before turning to a discussion of sections of the Federal Power Act, which should be considered to safeguard the public interest where licenses are issued to non-Federal, and particularly private, interests to develop atomic-electric power, I shall refer briefly to other Federal power legislation which reflects the evolution of the principles which I have already noted.

BOULDER DAM ACT ADOPTS PRINCIPLES BY REFERENCE

The act of Congress, approved December 21, 1928, providing for the construction of Boulder Dam, now called Hoover Dam, in the Colorado River, explicitly directs that determinations as to use of the energy of the falling water or the power derived therefrom shall be in accordance with the provisions of the Federal Water Power Act, giving preference to public agencies.

Dealing with the authorization to the Secretary of the Interior to enter into contracts for "the use of water and necessary privileges for the generation and distribution of hydroelectric energy or for the sale and delivery of electrical energy," the Boulder Dam Act (sec. 5 (c)) continues:

"In case of conflicting applications, if any, such conflicts shall be resolved by the said Secretary, after hearing, with due regard to the public interest, and in conformity with the policy expressed in the Federal Water Power Act as to conflicting applications for permits and licenses, except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy, or for the delivery at the switchboard of a hydroelectric plant, shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants."

The Boulder Dam Act provides further:

"That no application of a State or a political subdivision for an allocation of water for power purposes or of electrical energy shall be denied or another application in conflict therewith be granted on the ground that the bond issue of such State or political subdivision, necessary to enable the applicant to utilize such water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy or the electrical energy applied for, has not been authorized or marketed, until after a reasonable time, to be determined by the said Secretary, has been given to such applicant to have such bond issue authorized and marketed."

In the last 2 years there has been considerable talk about return to the principles of the Boulder Canyon Act, in providing for the potential power associated with Federal investment in dam and reservoir projects. Former President Herbert Hoover, now chairman of the Commission on Government Operations, has made this plea in a number of public statements. It was also set forth by the House Appropriations Committee in its report on the Interior Department Appropriations Bill for the fiscal year 1954.

The inclusion of similar provision for preference to States and their political subdivisions, as well as to rural electric cooperatives, would seem a sound embodiment of public policy in connection with legislation providing for the development and marketing of atomic-electric energy.

As in the case of the power in the falling water of their streams, the people have a proprietary interest in atomic energy and their nonprofit agencies should have first call upon its use as a source of supply for their most vital public service business.

THE TENNESSEE VALLEY AUTHORITY ACT AFFIRMS THE SAME PRINCIPLES

Section 10 of the Tennessee Valley Authority Act of 1933 provides this same preference for nonprofit agencies in connection with the sale of power generated at the Authority's projects. It reads, in part, as follows:

"SEC. 10. The Board (TVA Board of Directors) is hereby empowered and authorized to sell the surplus power not used in its operations, and for operation of locks and other works generated by it, to States, counties, municipalities, corporations, partnerships, or individuals, according to the policies hereinafter set forth; and to carry out said authority the Board is authorized to enter into contracts for such sale for a term of not to exceed 20 years, and in the sale of such current by the Board it shall give preference to States, counties, municipalities, and cooperative organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members."

Here it may be noted that the enumeration of "States, counties, municipalities, corporations, partnerships, or individuals," in that order, as potential customers of power made available through Federal investment, tends to clarify the intent of an act dealing with this public business and might well be adopted in connection with legislation dealing with the application of atomic energy to the electric power field.

The Tennessee Valley Authority Act includes important statements of the objectives which shall govern the sale of power. In accordance with section 11, power projects are to be considered "primarily as for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available and accordingly that sale to and use by industry shall be a secondary purpose, to be utilized principally to secure a sufficiently high load factor and revenue returns which will permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity.

Furthermore, the last proviso in section 10 of the act authorizes and directs the Tennessee Valley Authority Board of Directors "to make studies, experiments, and determinations to promote the wider and better use of electric power for agricultural and domestic use, or for small or local industries, and it may cooperate with State governments, or their subdivisions or agencies, with educational or research institutions, and with cooperatives or other organizations, in the application of electric power to the fuller and better-balanced development of the resources of the region."

These are important public purposes. As I shall suggest at the conclusion of this part of my statement, they must be considered and safeguarded in any sound atomic-electric power legislation. Here I simply summarize the principles which Congress has deemed important in connection with hydroelectric power.

OTHER LAWS ARE CONSISTENT

The Bonneville Act of 1937, in section 2 (b), authorizes and directs the Bonneville Administrator to construct, operate, and maintain a transmission system, interconnecting other Federal projects, publicly owned power systems now or hereafter constructed, and markets. The object of this provision is threefold: (a) To encourage the widest possible use of all electric energy that can be generated; (b) to provide reasonable outlets for the energy; and (c) to prevent monopolization of such energy by limited groups.

The act provides further, in section 4 (a), that in order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public and particularly of domestic and rural consumers, the Administrator shall at all times, in disposing of electric energy generated at said project, give preference and priority to public bodies and cooperatives.

The act, in section 4 (c), follows the Boulder Dam Act in assuring public bodies and cooperatives a reasonable time in which to authorize and market securities necessary to enable them to enter into the public business of selling and distributing the electric energy. But in section 4 (d) it goes even further, providing as follows:

"SEC. 4. (d) It is declared to be the policy of the Congress, as expressed in this act, to preserve the said preferential status of the public bodies and cooperatives herein referred to, and to give to the people of the States within economic transmission distance of the Bonneville project reasonable opportunity and time to hold any election or elections or take any action necessary to create such public bodies and cooperatives as the laws of such States authorize and permit, and to afford such public bodies or cooperatives reasonable time and opportunity to take any action necessary to authorize the issuance of bonds or to arrange other financing necessary to construct or acquire necessary and desirable electric distribution facilities, and in all other respects legally to become qualified purchasers and distributors of electric energy available under this act."

The Bonneville Act, in sections 6 and 7, establishes fairly precise principles governing the rates to be charged for sale of the electric energy generated at the project. They shall be fixed "with a view to encouraging the widest possible diversified use of electric energy." They may be uniform throughout prescribed transmission areas "in order to extend the benefits of an integrated transmission system and encourage the equitable distribution of the electric energy developed at the Bonneville project." They shall be drawn "having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the Bonneville project) of the cost of producing and transmitting such electric energy, including amortization of the capital investment over a reasonable period of years." They shall be based on an allocation of costs of this multiple-purpose project.

Mr. LANGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. MURRAY. I yield to the Senator from North Dakota.

Mr. LANGER. The Senator has just mentioned the sale of securities. Did the distinguished Senator know that in May the Francis I. duPont & Co., issued a circular dealing with atomic energy, apparently feeling that this law is going to be passed?

Mr. MURRAY. I know that such a circular was issued, but I am not entirely familiar with what it contained.

Mr. LANGER. Will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Montana yield further to the Senator from North Dakota?

Mr. MURRAY. I yield to the Senator from North Dakota.

Mr. LANGER. Did the distinguished Senator know that not only did the issue tell what great profits could be made by various corporations, but they also told their clients to buy this particular stock because of the fact that apparently the bill was going to become law? Is the Senator familiar with that?

Mr. MURRAY. I read that in the press. I have no direct information about it, but I believe such a suggestion was made.

Mr. LANGER. Would the Senator be interested in having the Senator from North Dakota mention some of the corporations who suggested they were going to get into the atomic energy field

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and advised people to go ahead and buy some of this stock?

Mr. MURRAY. I suppose there has been some effort along that line, but it seems to me they are proceeding a little precipitately before the bill has become a law. It seems to me they should wait until the bill is finally passed, before beginning to finance a program based on the assumption that they are going to be favored as a result of this legislation.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. MURRAY. I yield.

Mr. LANGER. Of course, if they could buy stock now, at a cheap price, and the private corporations, as a result of the act, made terrific profits, the value of the stock would go up.

Mr. MURRAY. That is the usual course in promotions of that kind.

Mr. LANGER. Does the distinguished Senator believe that Francis I. duPont & Co., issued the circular to their clients with the expectation that the bill would be passed, and that if their clients bought stock, they would make a large profit on their investment?

Mr. MURRAY. Yes, of course. The Du Pont people, who were in close contact with Atomic Energy Commission activities, probably were better informed than anyone else in the United States with reference to the matter, and probably felt assured that the bill would pass.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. MURRAY. I am very glad to yield.

Mr. LANGER. I do not desire to impose upon the time of the distinguished Senator now, but I wish to ask him if he does not believe it would be well for the Senator from North Dakota to make that list public, by spreading it upon the RECORD, together with the statement issued last May by Francis I. duPont & Co., about the stock?

Mr. MURRAY. I think it would be interesting to have the public know about their activities. I think the Senator should make the information public.

Mr. LANGER. Mr. President, will the Senator yield for a final question?

Mr. MURRAY. I yield for a final question.

Mr. LANGER. Does not the distinguished Senator believe that the Government should be prohibited from granting a license to any person or corporation which was previously convicted of violating the antitrust laws, is now under indictment for a violation of the antitrust laws, or which has plead nolo contendere to such an indictment?

Mr. MURRAY. It seems to me it would be very appropriate to take such matters into consideration.

I thank the Senator from North Dakota for his contribution to the discussion.

I continue to read from the report:

Substantially the same provisions protecting the public interest in the use of electric energy derived from a public water resource are found in the Fort Peck Dam Act of 1938.

Both the Bonneville and Fort Peck Acts have identical definitions of "public bodies" and "cooperatives," accorded a preference in securing power from the respective projects. The term "public body" or "public bodies," "means States, public power districts, counties, and municipalities, including agencies or subdivisions of any thereof." The term "cooperative" or "cooperatives," "means any form of non-profit-making organization or organizations of citizens supplying, or which may be created to supply, members with any kind of goods, commodities, or services, as nearly as possible at cost."

The Flood Control Act of 1944 extended substantially the same principles to the marketing of power by the Secretary of the Interior from all reservoir projects under the control of the War Department. In view of the fact that, since 1906, electric power developed at all projects constructed under the reclamation acts had been marketed with a preference to public bodies, the legislation covering a period of nearly 50 years had established a substantially uniform pattern for protecting the public interest in our waterpower resources, based on the prior right of the people to public development, public marketing, and public distribution through any level of government.

Meanwhile, in 1936, Congress had established the Rural Electrification Administration for the purpose of extending financial and technical assistance in connection with the construction and operation of generating plants and electric transmission and distribution lines or systems for the service of the people of rural areas not then receiving central station electricity. The act authorizes the Administrator to make loans for this purpose to private, cooperative, and public agencies but provides that, in making such loans he "shall give preference to States, Territories, and subdivisions and agencies thereof, municipalities, people's utility districts, cooperative, nonprofit, or limited dividend associations, the projects of which comply with the requirements of this act."

Many States amended their laws to enable cooperative nonprofit organizations to undertake rural-electric service.

AN ANTIMONOPOLY POLICY

It is of unquestionable importance to the country's future that, before any legislative steps are taken to provide for development of atomic-electric power for civilian use, this structure of local, State, and Federal power policy law be carefully studied and the Federal provisions applying to waterpower be adapted to bringing the electric-power phases of atomic progress within the control of that policy.

Since President Theodore Roosevelt, the evolving Federal power policy has been recognized as an antimonopoly policy. It may be recalled that in his James River veto message President Theodore Roosevelt esteemed it his duty "to use every endeavor to prevent this growing [power] monopoly, the most threatening which has ever appeared, from being fastened upon the American people." Gifford Pinchot and George W. Norris have echoed these words.

So far I have been discussing power-policy legislation safeguarding the right of the people to choose public generation, transmission, and distribution of electric energy. I have discussed this phase of the necessary legislative approach to the civilian use of atomic energy as a source of electric power first because, as consistently affirmed by Congress, it is a prior right.

But I have not intended thereby to suggest that development of atomic-electric power be limited to public agencies. I intend next to discuss the legislative framework necessary to protect the public interest in connection with the licensing of private corporations to develop this new form of power generation.

Before undertaking that discussion, however, I will summarize briefly the objectives of Federal power policy, which stand out clearly in my foregoing analysis. This will provide an outline of the objectives which legislation, opening the way to atomic-electric power taking its place with hydroelectric power and thermal power generated with conventional fuels in the service of the Nation, must safeguard. These objectives may be considered "public purposes," as the term is used in the Federal Power Act.

In the first place, Congress has clearly recognized that nonprofit operation of a portion of the electric power business is desirable in the public interest for it has not only provided a preference to public bodies in the development of waterpower resources and to both public and cooperative bodies in the marketing of power from Federal hydroelectric developments, but has specifically exempted nonprofit public hydroelectric developments from the charges assessed by the Federal Power Commission against other developments.

In the second place, Congress has affirmed the objectives of this policy to include (1) encouragement of the widest possible diversified use of electric energy; (2) prevention of monopolization of the electric energy by limited groups; (3) extension of the benefits of an integrated transmission system; (4) equitable distribution of the electric energy among States, counties, and municipalities within transmission distance; (5) benefit to the general public and particularly domestic and rural consumers; (6) encouragement of increased domestic and rural use of electricity at the lowest possible rates; (7) promotion of the wider and better use of electric power for agricultural and domestic purposes as well as for small or local industries; and (8) application of electric power to the fuller and better balanced development of the resources of the region.

All these are vital public purposes involving the standards of living and future well-being of the American people. They are of as vital importance in connection with the development of atomic-electric power as with hydroelectric power. Any sound legislation providing the policy framework within which atomic-electric power will be developed must take them into account.

These public purposes will not be taken into account if the development is predominantly by privately owned power systems, even if subject to the normal processes of utility regulation. I shall support this statement after a brief analysis of the necessary conditions which should be attached to licenses for development of atomic-electric power by privately owned electric utilities.

THE FEDERAL POWER ACT AND PRIVATE DEVELOPMENT

The Federal Power Act provides a complete set of principles and procedures for protecting the public interest in connection with the licensing of non-Federal waterpower development and, more particularly, of private development of waterpower resources. I shall select some of these for purposes of illustration, but all of them should be reviewed to determine their applicability to the licensing of the development of atomic-electric power by privately owned electric utility systems.

In the first place, in order to safeguard the preference right of States and municipalities, the act makes it mandatory for the Commission to give written notice of a private application for a preliminary permit or a license to any State or municipality likely to be interested in or affected by such application. A preliminary permit may be sought to maintain a priority of application for a license during the period required to make the examinations, surveys, and financial arrangements necessary to support the license application.

In the second place, the act provides the basic conditions which shall be attached to all licenses, including the following:

(1) The project must be best adapted to a comprehensive scheme for use of the resource for all purposes, including development of power.

(2) No substantial alteration or addition to the project shall be made without prior approval of the Commission.

(3) The licensee shall maintain the project works in an adequate condition of repair, including all necessary renewals and replacements and shall establish and maintain adequate depreciation reserves.

(4) After the first 20 years of operation, the licensee must put a specified portion of any excess profits over a fair return upon actual legitimate investment in the project in an amortization reserve to be held until termination of the license, or applied from time to time in reduction of net investment.

(5) The licensee shall pay the United States certain specified annual charges.

(6) Combinations, agreements, arrangements, or understandings to limit the output of electricity, restrain trade, or to fix, maintain, or increase rates are prohibited.

In the third place, the act provides in section 19 that a private licensee engaged in public service shall agree as a condition of the license to abide by reasonable regulation of its services, rates, and security issues either by a State commission or, where there is no State regulation, by the Federal Power Commission. It provides further, in section 20, that when project power or any part thereof enters interstate or foreign commerce the rates, charges, and the service rendered by any such licensee, or by any subsidiary corporation, the stock of which is owned or controlled directly or indirectly by such licensee, or by any person, corporation, or association purchasing power from such licensee for sale and distribution or use in public service, shall be reasonable, nondiscriminatory, and just to the customer.

All unreasonable, discriminatory, and unjust rates or services are prohibited and declared to be unlawful and, lacking State commission jurisdiction, the Federal Power Commission is given jurisdiction over such rates and services as constitute interstate or foreign commerce.

In the fourth place, by the final paragraph of section 20, a licensee is precluded from claiming any value for its project or projects for ratemaking purposes in excess of net investment or fair value, whichever is the least. In section 3 of the act "Net investment" is defined as follows:

" 'Net investment' in a project means the actual legitimate original cost thereof as defined and interpreted in the 'classification of investment in road and equipment, of steam roads, issue of 1914,' Interstate Commerce Commission, plus similar costs of additions thereto and betterments thereof, minus the sum of the following items properly allocated thereto, if and to the extent that such items have been accumulated during the period of the license from earnings in excess of a fair return on such investment: (a) unappropriated surplus, (b) aggregate credit balances of current depreciation accounts, and (c) aggregate appropriations of surplus or income held in amortization, sinking fund, or similar reserves, or expended for additions are betterments or used for the purpose for which such reserves were created."

From the above it is crystal clear that, in addition to providing a prior right of public development by either Federal, State, or municipal governments, together with the right of condemnation at any time or recapture for public operation at the conclusion of the license term, the authors of the Federal Water Power Act in 1920 were determined to set up every possible regulatory safeguard for the public interest in good service at the lowest possible rates.

To assure the Federal Power Commission the necessary accounting tools to enforce this strict regulation, section 4 (f) of the act authorizes and empowers the Commission, irrespective or whether or not the licensee is engaged in interstate commerce, to prescribe rules and regulations for the establishment of a system of accounts and for the maintenance thereof by licensees.

In this connection the Commission is further authorized and empowered "to examine all books and accounts of such licensees at any time; to require them to submit at such time or times as the Commission may require statements and reports, including full information as to assets and liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation and other reserves, cost of project, cost of maintenance, and operation of the project, cost of renewals and replacements of the project works, and as to depreciation of the project works and as to production, transmission, use, and sale of power; also to require any licensee to make adequate provision for currently determining said costs and other facts."

These illustrations from the Federal Power Act are sufficient to indicate the safeguards for the public interest which the authors of the Federal Power Act deemed it wise to throw around the private development of the Nation's hydroelectric resources, to provide power supply for a public service industry. These terms were hammered out of a period of consideration which extended over many years and had its roots in the conservation movement initiated by President Theodore Roosevelt.

Clearly, Congress then recognized that, in dealing with a source of power supply for a public service industry, it was dealing with something which involved the public interest beyond that associated with the ordinary commodity offered for sale by a variety of producers in a competitive market.

Use of the Nation's atomic-electric power resource by privately owned public utility corporations as a part of their power supply involves the public interest in at least the same degree, and legislative provision for the licensing of such use should include similar safeguards.

In short, arrangements for the use of the Nation's atomic energy resource to produce commercial electric power should be brought within the four walls of Federal power policy.

PROTECTION FOR NONPOWER FEDERAL RESPONSIBILITIES

This is not to ignore the fact that the use of atomic energy to produce electric power must be under legislation which also safeguards the relationship of such use to other aspects of atomic development, including those for which the Atomic Energy Commission must retain full responsibility. But, as I have already pointed out, the Federal Power Act is full of provisions which safeguard a corresponding responsibility of the United States Corps of Engineers for maintaining the navigability of the Nation's streams.

For instance, section 4 (d) of the Federal Power Act, authorizing and empowering the Federal Power Commission to issue licenses for hydroelectric power development, provides among other things, "that no license affecting the navigable capacity of any navigable waters of the United States shall be issued until the plans of the dam or other structures affecting navigation have been approved by the Chief of Engineers and the Secretary of War."

Numerous other provisions of the act are designed to require the licensee to protect or enhance the navigability of the waterway affected by any proposed project. Section 18 is a case in point, which provides among other things, "that the operation of any navigation facilities which may be constructed as a part of or in connection with any dam or diversion structure built under the provisions of this act, whether at the expense of a licensee hereunder or of the United States, shall at all times be controlled by such reasonable rules and regulations in the interest of navigation, including the control of the level of the pool caused by such dam or diversion structure as may be made from time to time by the Secretary of War."

Corresponding provisions, including provisions to that effect in H. R. 8862, the bill before us, could safeguard the concern and responsibility of the Atomic Energy Commission in connection with what would otherwise be power-policy legislation.

PUBLIC COMPETITION AS AN ELEMENT IN THE AMERICAN SYSTEM

At the beginning of my discussion of the necessary legislative safeguards to protect the public interest in connection with the licensing of private development of a great public-energy resource, I stated that such protection would be inadequate if development is turned over predominantly to private-power systems, subject only to the normal processes of utility regulation. I now turn to the portion of my statement supporting that conclusion.

To present a full picture, it is necessary to discuss briefly two points: (a) the importance of keeping open the public or cooperative alternative as a supplement to regulation of privately owned power systems and (b) the necessity for the Federal Government to play a part in keeping that alternative open.

"The first point rests on the fact that regulation is not an effective substitute for competition in assuring people the maximum use of their resources at the lowest rates consistent with sound business principles.

The second rests on the fact that, without Federal assistance, modern power supply technology would ultimately enable far-flung private-power systems to strangle existing public and cooperative systems, as well as rendering new efforts to substitute public ownership practically impossible.

The result of failure to maintain the conditions which will keep the opportunity for public competition open will be a private monopoly so gigantic, with such a stranglehold on the American economy, as to threaten the dynamic character of our civilization.

Let me briefly support these general statements.

First, I will deal with the ineffectiveness of regulation. This was brought out by two well-known authorities at a symposium on power costs staged by the American Society of Civil Engineers in 1937. The speakers were Prof. Alden B. Thresher, of Massachusetts Institute of Technology, and Vice President Leverett S. Lyon, of the Brookings Institution.

Thresher definitely attributed the direction taken in broadening Federal power policy during the 1930's to the inadequacy of regulation. He suggested that the accepted scheme of regulation in the United States is, by its very nature, static and ill-adapted to the economical and technical changes characteristic of the power industry. He said:

"It is more accurate, therefore, to regard the Federal power program, whatever its merits or defects, as a response to a long-standing maladjustment, not as a punishment meted out to malefactors. The machinery of State regulation is often said to have 'broken down.' More strictly speaking, it has always lagged behind the situation with which it strove to grapple. This was true even in the days of local power units, because of the rapid rate of technical change. It is doubly true now that regional interconnections extend over areas beyond the jurisdiction of regulative authorities."

Lyon attributed the introduction of the Federal yardstick policy to the lack of any satisfactory cost basis for fixing rates under regulation.

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Lyon pointed out that in a competitive field, as contrasted with the monopolistic utility business, the costs of an individual company may have no direct relation to the prices at which it can sell its product; that it does high-cost companies no good to complain that their costs will not permit them to compete profitably; that, in such a situation a high-cost manufacturer has no choice but to forget part of his costs, closing his eyes to some of his fixed charges and accepting the fact that his investment is not worth as much as he thought it was.

He stated that a buyer should be in a position to purchase, at any time, at as low a price as anyone will offer, if the resources of the Nation are to be used so as to give the greatest possible output for the smallest possible input. He held that the theory that prices should cover costs is in conflict with this objective and provides no incentive to keep costs down.

Mr. Lyon then asserted that in the field of power, because it is a natural monopoly, the competitive method of price determination will not apply and that, since a monopoly cannot be trusted to create prices in the public interest, social regulation of rates has been established in every State. He continued:

"Since the commissions which have been given this responsibility have no competitive tests they have groped none too happily, in an effort to relate costs to prices. * * *

"It is the raising of such issues of costs as these which has introduced the now much-discussed yardstick as a proposed method of determining what prices should be. Of course, the so-called yardstick is not a new idea. Every method that can be applied to determining what prices shall be—even competition—is a yardstick; but the great extension of Government operations as a means of comparing costs does offer, in size at least, something new."

Putting the two statements together, we see that the inadequacy of utility regulation is due to the fact that (a) without competition it has no cost standards to go by and (b) it is static.

Just a word or two as to what is meant by the statement that regulation is static. Rate regulation has always proceeded mainly by determining whether a public-utility company is making more or less than a fair return on some rate base. This is determined in terms of an accounting analysis of the last full year for which complete figures are available. Thus, utility rates never reflect the lowering of costs which would result from enterprising sales objectives. Instead, it promotes a lazy monopoly attitude toward the business.

Most unit costs in the electric-power business come down rapidly as average consumption of electricity goes up. If a private power company would make rates based on such low costs and then put on a campaign to achieve the sales objectives which would make them profitable, we would have more justification for the privately owned segment of the power industry. I need only quote an editorial from Electrical World, the journal of the industry, to make clear what I mean. The McGraw Hill editor, writing in the June 26, 1943, issue, said:

"In a competitive business there is the same eagerness to secure a fair return on invested capital, but the approach is different. Return in competitive business comes from expansion of sales—from volume. * * *

"In a competitive business one does not start with a rate that will produce a return and struggle to build business at that price. Just the opposite; one sets a goal and then finds out what price is necessary to reach that figure. The costs are adjusted to make the price bring a return on the estimated volume.

"What is the difference? Just this, that growth under the monopolistic concept is necessarily slower than under the competitive concept. Rates in one case are protective of investment, while in the other they are volume creative."

Regulation does not produce these expansive results. Public or cooperative competition does.

Examples of the effect of actual or potential public competition in bringing down electric rates where regulation has failed show these things:

The lowest electric rates in the Northeast are in close proximity to the Ontario frontier on the other side of which are the low rates and large average consumption of the public Ontario hydroelectric system and become higher in proportion to the distance from the border.

The lowest rates in Ontario were for many years in Ottawa, where for a generation a private system operated in competition with the public system, maintained rates far lower than the TVA yardstick rates and consistently made 9 percent on its net investment.

The small public system in the borough of Westmount in Montreal, Canada, consistently pulled the rates down for customers of the entire Montreal Light, Heat & Power Co.

The Consolidated Edison Co., in New York City, blocked through court action a public service commission order to reduce rates, insisted it was entitled to rate increases, and then reduced rates when Mayor LaGuardia came forward with a complete plan for a municipal yardstick plant. The result was hailed as highly satisfactory by the company's chief executive.

The New York power companies all made drastic cuts in their charges for serving rural customers when the farmers of Seneca County, with the help of the New York Power Authority, prepared to go forward with a rural electric cooperative.

The decision of the city of Auburn, N. Y., to hold a referendum on the question of establishing a municipally owned system led to two rate reductions which the private company serving the city offered to its entire service area.

The 250-kilowatt-hour residential bills of the Central Illinois Light Co., go up from $5.22 in the vicinity of Springfield, Ill., where it competes with a well-managed municipal plant, to $5.78 some 60 miles away in Peoria, and again to $7, in DeKalb, Ill., 150 miles away from such competition.

The lowest electric bills charged by private companies in the country as a whole reflect the presence of competitive areas such as those served by TVA and Bonneville Power Administration.

Rural electric cooperatives secure their wholesale power supply from private companies influenced by the presence of public competition at about half the cost which similar cooperatives pay where there is no competition or threat of competition.

High average consumption reflects the same influence. The private companies stimulated by public competition are doing as well as or better than their fellows who are content with high rates and low use.

Finally, TVA's low-cost power supply to the Atomic Energy Commission stimulated the private power companies into devising new methods of financing power stations which will greatly reduce their power costs. Although, due to management problems, they are still unable to meet TVA rates, this offers an outstanding example of how public competition rather than regulation brings low electric rates.

This brief summary should be sufficient to suggest why public or cooperative competition must supplement regulation if the people are to have the widest use of electricity at the lowest possible rates.

Analysis of the evolution of the electric power industry makes the second point equally clear. By the end of 1882, the birth-year of central station electricity, there were already four publicly owned electric systems. By 1923 the number had reached more than 3,000, but dropped to 2,300 in 1927 and to around 2,000 in 1951.

Writing in 1929 on the Changing Character and Extent of Municipal Ownership in the Electric Light and Power Industry, Prof. H. B. Dorau, chairman of the department of public utilities of New York university, and sometime consultant to the Edison Electric Institute, commented on the decline. He said that the large-scale, centralized production of electricity, the development of long-distance transmission, and interconnection of central supply stations "appears to have been the most important condition affecting the character and extent of municipal ownership of electrical establishments."

In other words, the reduction in the number of publicly-owned electric systems following 1923 was not due to a change in public opinion but to the fact that small-scale local generating stations were ceasing to be an economical source of power supply as compared with great power supply networks linking together combinations of large generating plants. Until the Federal Government entered the power supply picture, as a partner with local municipal and cooperative systems, this meant that such community systems became increasingly dependent for their power supply on their private competitors and as a result were required to pay excessive rates for such supply.

This means that in the future the survival of effective public or cooperative competition will depend upon Federal or State assistance to communities in securing the low-cost power supply necessary to meet the expanding requirements which low electric rates stimulate and which are the true objectives of this public service.

In considering proposals for legislation to establish the conditions under which atomic-electric power is to be produced and marketed, it should be clear that the Federal Government must provide either for the construction of large scale atomic powerplants, interconnected with Federal river basin hydroelectric plants, or for the development of such economical small atomic powerplants as will provide municipalities or rural areas, which choose public or cooperative power, their supplies of energy at as low wholesale rates as would be possible from a publicly-owned interconnected system.

Only in this way can the people of this country get the returns to which they are entitled on their great investment in this new energy resource. For the dividends must come in the form of an abundance of electricity at the lowest possible rates. The people must have the opportunity to take advantage of the low fixed charges, associated with the use of their own credit, to secure the wholesale power supply required to meet the expanding needs of their public and cooperative systems.

This must be the interpretation placed on a statement made by Chairman Lewis L. Strauss of the Atomic Energy Commission, in the course of his April 28, 1954 speech in New York City. Addressing the Brand Names Foundation, he said:

"Do not infer from this that the sum spent on atomic energy is lost as is the case with most other expenditures.

"It is true the taxpayer has put up $11 billion thus far, but the American people now own a vast industrial complex which, at today's replacement value, is probably worth in excess of its cost. The major product which has been produced, that is to say

the fissionable material in atomic weapons, can be just as well used for power, if it is ever safe to do so—safe, that is, in the international political sense. It is not perishable. Viewed in this light, therefore, we have used our $11 billion to build a capital plant and to stockpile uranium 235, plutonium, and other special materials as enormous reserves which may ultimately return their cost to us—perhaps far more than that—in the production of economical electrical energy."

Mr. President, in order to get an idea of what yardstick rates would mean in savings to the Nation as a whole, I requested the Federal Power Commission early this year to make up a table for me of the sort that John Rankin, former Congressman from Mississippi, supplied for the RECORD, from Federal Power Commission statistics, once each year.

I got caught in the economy wave. My request to the Commission brought the reply that the Commission was trying to save money and that, therefore, this revealing table could not be prepared as it had been prepared in the past for the Congressman.

The best indication of the enormous sums that might be saved the people of this Nation if public power rates were prevalent everywhere are the 1950 statistics—the last that Congressman Rankin supplied us.

We know that electric power use has increased mightily since 1950. Mr. Rankin's tables show a total consumption of 370 billion kilowatt-hours of electricity in 1950. I introduced a table in the RECORD, compiled from Federal Power Commission reports, which shows that 1952 power consumption was 463 billion kilowatt-hours—an increase of close to 100 billion kilowatt-hours, or in the neighborhood of 25 percent. So the 1950 figures supplied to Congressman Rankin, and by him to Congress, may show potential savings that are far less—25 percent less—than the reality today.

But even the 1950 figures are stupendous. They show that for 1950 the estimated sales of electricity in the Nation were 280 billion kilowatt-hours (some was generated by industries for their own use). The electric customers were charged $5,086,000,000 for this power. The table then shows that if the customers had been able to buy this power at TVA rates, they would have paid only $2,626,000,000. And they would have saved $2,400,000,000.

If the electric consumers of the Nation had been able to get all this power at the rates charged in Tacoma, Wash., they would have paid $2,267,000,000 instead of $5,086,000,000. The savings would have been more than half, or $2,818,000,000. Remember, that is a municipal electric plant at Tacoma.

If the electric consumers of the Nation had been able to get their power at the rates charged by the great Bonneville Power Administration, they would have paid $3,064,000,000, with a savings of $2,022,000,000.

Or if they had lived in Ontario, Canada, where there is a great Provincial power authority, they would have paid $2,705,000,000 for the power instead of $5,086,000,000. Their saving would have been $2,380,000,000.

Mr. President, I ask unanimous consent to have the table reflecting these comparative rates by States printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Total electric sales, 1950*

State	Estimated sales data for 1950			Estimated revenues and consumer savings if services were rendered under basic rates in effect in—							
	Number of customers	Kilowatt-hours	Revenues	Area served by Tennessee Valley Authority [1]		Tacoma, Wash.		Area served by Bonneville Power Administration [2]		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	725,075	6,905,918,000	$73,040,300	$45,893,184	$27,156,116	$38,453,937	$34,595,363	$52,771,785	$20,277,514	$47,959,017	$25,090,283
Arizona	203,846	1,667,592,000	27,056,460	13,588,111	13,468,289	12,143,478	14,912,922	16,232,327	10,824,073	14,133,391	12,923,009
Arkansas	465,181	2,065,118,000	39,257,000	21,147,085	18,109,915	17,912,560	21,344,440	24,501,203	14,755,797	22,186,421	17,070,579
California	3,667,001	23,234,462,000	373,889,500	256,355,298	117,534,202	218,284,203	155,605,297	297,816,297	76,073,203	269,088,994	104,830,506
Colorado	408,098	1,620,517,000	39,248,100	20,529,275	18,718,825	18,113,730	21,134,370	24,167,063	15,081,037	20,877,559	18,370,541
Connecticut	660,854	3,484,864,000	85,051,000	38,579,163	46,471,837	33,429,260	51,621,740	44,997,462	40,053,538	39,320,846	45,730,154
Delaware	101,525	591,065,000	12,828,500	6,645,415	7,183,085	4,905,222	7,923,278	6,600,654	6,227,846	5,793,843	7,034,657
District of Columbia [3]											
Florida	852,650	3,754,920,000	97,371,100	39,615,488	57,755,612	35,705,779	61,665,321	46,962,163	50,408,937	39,275,370	58,095,730
Georgia	823,224	4,879,843,000	84,834,400	45,283,831	39,550,569	39,914,588	44,919,812	53,176,851	31,657,549	45,577,653	39,256,747
Idaho	196,266	1,890,774,000	22,935,800	14,564,928	8,370,872	12,773,236	10,162,564	17,022,962	5,912,838	14,598,169	8,337,631
Illinois	2,653,133	17,306,945,000	340,098,900	170,311,173	169,787,727	145,084,098	195,014,802	197,868,627	142,230,273	177,536,588	162,562,312
Indiana	1,267,181	8,165,388,000	157,234,800	78,216,765	79,018,035	66,849,190	90,385,601	90,743,682	66,491,118	80,790,588	76,444,212
Iowa	849,577	3,499,536,000	85,420,600	40,882,949	44,537,651	35,906,524	49,514,066	47,826,730	37,593,870	41,343,290	44,077,310
Kansas	604,949	2,647,908,000	60,324,000	29,540,136	30,783,864	25,647,492	34,676,508	34,475,231	25,848,769	30,152,106	30,171,894
Kentucky	717,357	3,830,635,000	68,899,800	37,716,271	31,183,529	32,237,381	36,662,419	43,657,517	25,242,283	38,721,691	30,178,109
Louisiana	670,917	3,488,607,000	62,109,200	29,700,942	32,408,258	25,906,753	36,202,447	34,764,432	27,344,768	30,322,301	31,786,899
Maine	311,427	1,340,542,000	30,087,700	13,895,286	16,192,414	12,102,414	17,985,286	16,180,984	13,906,716	13,975,297	16,112,403
Maryland and District of Columbia	836,659	5,585,014,000	107,349,800	56,083,866	51,265,934	48,034,269	59,315,531	65,548,546	41,801,254	59,079,356	48,270,444
Massachusetts	1,533,260	6,534,798,000	174,177,500	74,144,968	100,032,532	63,533,515	110,643,985	85,925,028	88,252,472	76,027,683	98,149,817
Michigan	1,993,871	13,241,267,000	263,052,000	122,864,464	140,187,536	107,458,670	155,593,330	143,951,439	119,100,561	124,566,596	138,485,404
Minnesota	971,404	4,057,338,000	102,861,700	48,948,420	53,913,280	43,058,490	59,803,210	57,282,755	45,578,945	48,962,994	53,898,706
Mississippi	449,514	1,617,956,000	35,530,300	17,984,797	17,545,503	15,823,539	19,706,761	21,064,136	14,466,174	18,044,799	17,485,501
Missouri	1,179,436	5,477,229,000	113,015,500	60,253,099	52,762,401	52,803,055	60,212,445	70,811,568	42,203,932	61,552,511	51,462,989
Montana	181,282	2,351,265,000	24,824,300	14,909,028	9,915,272	12,647,874	12,176,426	17,249,414	7,574,886	15,506,837	9,317,463
Nebraska	403,416	1,513,151,000	35,304,300	19,200,892	16,103,408	17,215,447	18,088,853	22,666,226	12,638,074	18,984,307	16,319,993
Nevada	49,616	449,668,000	7,427,900	3,750,060	3,677,840	3,380,897	4,047,003	4,485,771	2,942,129	3,843,011	3,584,889
New Hampshire	198,639	831,435,000	20,386,800	9,609,194	10,777,606	8,301,846	12,084,954	11,167,184	9,219,616	9,723,346	10,663,454
New Jersey	1,602,970	8,023,122,000	189,160,500	84,523,403	104,637,097	73,313,697	115,846,803	98,725,614	90,434,886	86,714,864	102,445,636
New Mexico	166,775	643,10,000	16,359,600	7,037,044	9,322,556	6,093,511	10,066,089	8,328,583	8,031,017	7,076,859	9,282,741
New York	4,790,289	26,266,922,000	540,279,400	231,010,654	309,268,746	206,261,865	334,017,535	275,264,415	265,014,985	237,394,063	302,885,337
North Carolina	1,048,053	6,401,531,000	102,365,198	58,437,639	43,927,559	49,617,649	52,747,549	67,482,258	34,882,940	60,420,506	41,944,692
North Dakota	166,088	479,559,000	17,332,300	7,175,516	10,156,784	6,646,746	10,685,554	8,578,200	8,754,100	6,846,262	10,486,038
Ohio	2,475,250	19,318,066,000	336,846,400	171,244,838	165,601,562	145,359,931	191,486,469	198,235,975	138,610,425	178,386,562	158,459,838
Oklahoma	641,175	2,292,417,000	54,766,500	27,603,955	27,162,545	23,890,887	30,875,613	32,199,061	22,567,439	28,315,924	26,450,576
Oregon	503,182	5,903,567,000	58,999,700	42,006,751	16,992,949	37,064,060	21,935,640	49,322,570	9,677,130	42,213,519	16,786,181
Pennsylvania	3,137,845	23,747,217,000	425,310,200	212,915,349	212,394,851	178,766,532	246,543,668	245,528,714	179,781,486	223,288,988	202,021,202
Rhode Island	258,423	1,135,797,000	30,301,800	12,993,828	17,307,972	11,064,066	19,237,734	15,044,126	15,257,674	13,477,690	16,824,110
South Carolina	504,618	3,062,218,000	46,638,002	27,062,338	19,575,664	22,997,277	23,640,725	31,275,787	15,362,215	27,937,719	18,700,283
South Dakota	178,870	513,191,000	17,330,600	6,699,996	10,630,604	6,156,146	11,174,454	8,004,004	9,326,596	6,515,556	10,815,044
Tennessee	824,339	10,236,478,000	84,450,400	64,972,139	19,478,261	55,459,902	28,990,498	75,051,016	9,399,384	66,230,563	18,219,837
Texas	2,124,857	10,625,148,000	207,066,700	109,494,036	97,572,664	95,175,000	111,891,700	128,531,724	78,534,976	113,521,652	93,545,048
Utah	200,816	1,066,684,000	19,860,000	11,388,785	8,471,215	9,973,952	9,886,048	13,290,905	6,569,095	11,379,602	8,480,398
Vermont	124,895	511,574,000	13,427,800	6,280,526	7,147,274	5,432,001	7,995,799	7,292,193	6,135,607	6,354,285	7,073,515
Virginia	811,003	4,324,771,000	85,169,200	43,919,067	41,250,133	38,414,634	46,754,566	51,479,896	33,689,304	44,591,325	40,577,875
Washington	760,026	13,018,717,000	92,180,600	69,039,364	23,141,236	60,173,369	32,007,231	80,803,127	11,377,473	70,232,172	21,948,428
West Virginia	522,903	4,420,396,000	67,486,600	34,020,496	33,466,104	28,012,093	39,474,507	38,916,369	28,570,231	36,220,358	31,266,242
Wisconsin	1,106,656	6,075,079,000	128,734,400	64,933,550	63,800,850	56,575,450	72,158,950	76,160,221	52,574,179	66,816,241	61,918,159
Wyoming	81,903	329,735,000	8,772,900	4,030,695	4,742,205	3,665,346	5,107,554	4,810,884	3,962,016	4,026,768	4,746,132
United States total	44,986,294	280,538,654,000	5,086,465,000	2,626,004,057	2,460,460,943	2,267,871,580	2,818,593,420	3,064,243,670	2,022,221,330	2,705,886,052	2,380,578,948

[1] Based on rates applicable in Tupelo, Miss.
[2] Based on rates applicable in McMinnville, Oreg.
[3] Included in Maryland data.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. MURRAY. Mr. President, the figures I have just given are the overall figures, composed of the varying rates paid by residential consumers, commercial consumers and industrial consumers combined.

The breakdown in these potential savings is important, for they reflect the amount of overcharges paid by our homeowners, by big and little business houses, and by factories.

The residential consumers—37½ million of them—paid a total of $1,931,000,000 for electricity during the year. If they had been able to get that power at the Tennessee Valley rates, it would have cost them only $1,015,000,000. The savings would have been $915 million.

At Tacoma, Wash., rates, the residential users would have paid $950 million for their electricity and saved $950 million. Again, I remind Senators that Tacoma is a municipal plant.

At Bonneville Power Administration the residential users of the Nation would have paid $1,830,000,000 instead of $1,931,000,000. They would have saved $748 million.

If they had lived in Ontario, Canada, the residential users would have been billed $848 million and they would have saved $1,083,000,000.

Mr. President, I ask unanimous consent to have the table on residential rates by States printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Residential electric service, 1950*

State	Estimated sales data for 1950			Estimated revenues and consumer savings if services were rendered under basic rates in effect in—							
	Number of customers	Kilowatt-hours	Revenues	Area served by Tennessee Valley Authority [1]		Tacoma, Wash.		Area served by Bonneville Power Administration [2]		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	556,357	1,166,277,000	$24,847,900	$15,902,656	$8,945,244	$14,883,892	$9,964,008	$18,511,686	$6,336,214	$13,268,779	$11,579,121
Arizona	173,375	351,972,000	10,008,900	4,824,290	5,184,610	4,514,014	5,494,886	5,614,993	4,393,907	4,023,578	5,985,322
Arkansas	329,347	377,354,000	14,215,400	6,951,331	7,264,069	6,510,653	7,704,747	8,088,563	6,126,837	5,799,883	8,415,517
California	2,932,202	5,054,935,000	130,238,200	82,831,495	47,406,705	77,621,967	52,616,233	96,50[illegible],506	33,731,694	69,156,484	61,081,716
Colorado	322,752	513,639,000	16,494,200	8,692,443	7,801,757	8,131,641	8,362,559	10,127,439	6,366,761	7,257,448	9,236,752
Connecticut	577,552	1,057,759,000	32,763,300	16,348,887	16,414,413	15,300,461	17,462,839	19,035,477	13,727,823	13,629,533	19,133,767
Delaware	86,562	138,653,000	5,156,200	2,232,635	2,923,565	2,093,417	3,062,783	2,603,881	2,552,319	1,861,388	3,294,812
District of Columbia [3]											
Florida	734,750	1,425,248,000	45,869,100	19,953,059	25,916,041	18,714,593	27,154,507	23,255,634	22,613,466	16,650,483	29,218,617
Georgia	731,207	1,520,584,000	36,799,900	20,939,143	15,860,757	19,614,347	17,185,553	24,398,334	12,401,566	17,479,953	19,319,947
Idaho	161,944	651,737,000	11,090,000	6,864,710	4,225,290	6,432,200	4,657,800	8,006,980	3,083,020	5,733,530	5,356,470
Illinois	2,173,401	3,570,825,000	100,885,700	59,997,592	40,888,108	56,261,478	53,624,222	69,997,191	30,888,509	50,107,879	59,777,821
Indiana	1,044,074	1,955,688,000	57,442,600	29,525,496	27,917,104	27,629,891	29,812,709	34,408,117	23,034,483	24,642,875	32,799,725
Iowa	667,929	1,147,551,000	39,072,200	18,207,645	20,864,555	17,074,551	21,997,649	21,216,205	17,855,995	15,199,086	23,873,114
Kansas	479,936	698,370,000	25,230,000	12,362,700	12,867,300	11,580,570	13,649,430	14,406,330	10,823,670	10,319,070	14,910,930
Kentucky	590,136	877,791,000	26,444,500	15,046,921	11,397,579	14,094,919	12,349,581	17,532,704	8,911,796	12,561,138	13,883,362
Louisiana	570,439	894,863,000	25,363,900	12,225,400	13,138,500	11,439,119	13,924,781	14,229,148	11,134,752	10,196,288	15,167,612
Maine	265,289	408,758,000	14,344,000	6,368,736	7,975,264	5,967,104	8,376,896	7,430,192	6,913,808	5,321,624	9,022,376
Maryland and District of Columbia	686,293	1,129,629,000	34,076,400	17,871,338	16,205,062	16,713,470	17,362,930	20,813,571	13,262,829	14,895,029	19,181,371
Massachusetts	1,333,498	1,714,244,000	67,790,100	29,556,484	38,233,616	27,726,151	40,063,949	34,437,371	33,352,729	24,675,596	43,114,504
Michigan	1,751,669	3,581,400,000	101,759,600	53,729,069	48,030,531	50,269,242	51,490,358	62,582,154	39,177,446	44,875,984	56,883,616
Minnesota	812,260	1,517,036,000	47,422,300	23,568,883	23,853,417	22,051,370	25,370,930	27,457,512	19,964,788	19,680,255	27,742,045
Mississippi	365,558	567,795,000	16,362,900	8,426,894	7,936,006	7,903,281	8,459,619	9,817,740	6,545,160	7,036,047	9,326,853
Missouri	975,399	1,483,819,000	44,872,100	21,993,760	19,878,340	23,378,364	21,493,736	29,121,993	15,750,107	20,865,527	24,006,573
Montana	156,186	378,135,000	10,216,000	5,342,968	4,873,032	5,005,840	5,210,160	6,231,760	3,984,240	4,464,392	5,751,608
Nebraska	332,391	600,549,000	18,080,100	9,907,895	8,172,205	9,275,091	8,805,009	11,535,104	6,544,996	8,262,606	9,817,494
Nevada	39,579	168,370,000	3,205,600	1,503,426	1,702,174	1,407,258	1,798,342	1,753,463	1,452,137	1,256,595	1,949,005
New Hampshire	172,709	265,021,000	9,353,900	4,265,378	5,088,522	3,994,115	5,359,785	4,976,275	4,377,625	3,563,836	5,790,064
New Jersey	1,382,187	1,980,454,000	71,132,800	33,788,080	37,344,720	31,654,096	39,478,704	39,336,438	31,796,362	28,168,589	42,964,211
New Mexico	140,728	207,703,000	7,569,300	3,232,091	4,337,209	3,027,720	4,541,580	3,761,942	3,807,358	2,694,671	4,874,629
New York	4,075,226	5,703,095,000	199,192,300	92,624,420	106,567,880	86,648,651	112,543,649	107,763,034	91,429,266	77,286,612	121,905,688
North Carolina	876,795	1,534,512,000	40,967,596	21,794,761	19,172,835	20,401,863	20,565,733	25,358,942	15,608,654	18,189,613	22,777,983
North Dakota	140,021	257,236,000	9,834,200	4,445,058	5,389,142	4,159,867	5,674,333	5,182,623	4,651,577	3,707,493	6,126,707
Ohio	2,075,875	3,919,420,000	112,122,100	60,321,690	51,800,410	56,397,416	55,724,684	70,188,435	41,933,665	50,342,823	61,779,277
Oklahoma	520,378	876,222,000	24,08[illegible],000	11,041,464	13,066,536	10,342,333	13,765,668	12,873,672	11,234,328	9,233,364	14,874,636
Oregon	423,089	1,998,211,000	29,022,200	19,357,807	9,664,393	18,109,853	10,912,347	22,550,249	6,471,951	16,136,343	12,885,857
Pennsylvania	2,658,905	4,456,001,000	143,349,100	70,527,757	72,821,343	65,940,586	77,408,514	82,139,034	61,210,066	58,773,131	84,575,969
Rhode Island	225,674	262,205,000	11,078,300	4,763,669	6,314,631	4,464,555	6,613,745	5,550,228	5,528,072	3,977,110	7,101,190
South Carolina	422,169	738,839,000	18,665,004	10,265,752	8,399,252	9,612,477	9,052,527	11,964,268	6,700,736	8,567,237	10,097,767
South Dakota	146,743	240,020,000	9,014,900	3,763,228	5,246,672	3,533,841	5,481,059	4,399,271	4,615,629	3,146,200	5,868,700
Tennessee	737,974	2,476,824,000	36,606,500	27,235,236	9,371,264	25,514,731	11,091,769	31,774,442	4,832,058	22,732,637	13,873,863
Texas	1,701,700	2,320,854,000	78,855,300	40,137,348	38,717,952	37,535,123	41,320,177	46,761,193	32,094,107	33,513,503	45,341,797
Utah	180,809	403,553,000	9,413,800	5,488,245	3,925,555	5,139,935	4,273,865	6,391,970	3,021,830	4,575,107	4,838,693
Vermont	103,310	175,748,000	6,540,800	2,760,218	3,780,582	2,583,616	3,957,184	3,218,074	3,322,722	2,302,362	4,238,438
Virginia	687,575	1,272,834,000	36,576,700	19,019,884	17,556,816	17,812,853	18,763,847	22,165,480	14,411,220	15,874,288	20,702,412
Washington	651,012	3,061,426,000	39,432,900	29,732,407	9,700,493	27,839,627	11,593,273	34,661,519	4,771,381	24,803,294	14,629,606
West Virginia	426,588	568,820,000	19,290,100	9,625,760	9,664,340	9,008,477	10,281,623	11,207,548	8,082,552	8,924,682	11,265,418
Wisconsin	862,828	1,736,137,000	46,311,300	25,471,215	20,840,085	23,850,320	22,460,980	29,685,543	16,625,757	21,256,887	25,054,413
Wyoming	69,678	122,581,000	4,207,600	1,939,704	2,267,896	1,817,683	2,389,917	2,259,481	1,948,119	1,619,926	2,587,674
United States total	37,532,549	67,030,427,000	1,931,695,800	1,015,782,028	915,913,772	950,984,621	980,711,179	1,163,289,709	784,406,091	847,710,788	1,083,985,042

[1] Based on rates applicable in Tupelo, Miss.
[2] Based on rates applicable in McMinnville, Oreg.
[3] Included in Maryland data.

Mr. MURRAY. Mr. President, now we come to the commercial electric service rates—the rate charged stores and businessmen.

There were 5,466,000 customers in this class. They paid out $1,333,000,000 for their year's supply of electric current.

If these businessmen had been in the Tennessee Valley they would have paid $580 million for their electricity and saved $753 million, on which they could have paid their own income taxes. Instead, the power companies paid the income taxes on the $753 million, but only after they had collected the taxes from the businessmen.

If these businessmen could have had electricity at the same rates as charged by the municipal plant at Tacoma, Wash., the cost would have been $554 million and they would have saved $779 million.

In the Bonneville service area, the cost would have been $744 million and the savings $589 million.

Over in Ontario, the cost would have been $608 million and the savings $665 million.

I have been using round figures in my comparisons. The tables, actually compiled at the Federal Power Commission for Representative Rankin, give the statistics in much greater detail, so I ask that the commercial table be printed in the RECORD at this point, showing these comparisons by States, as well as totals for the United States.

There being no objection, the table was ordered to be printed in the RECORD.

TABLE 3.—*Commercial electric service, 1950*

State	Estimated sales data for 1950			Estimated revenues and consumer savings if services were rendered under basic rates in effect in—							
	Number of customers	Kilowatt-hours	Revenues	Area served by Tennessee Valley Authority [1]		Tacoma, Wash.		Area served by Bonneville Power Administration [2]		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	62,013	521,231,000	$10,948,200	$6,185,733	$4,762,467	$5,912,028	$5,036,172	$7,959,341	$2,988,859	$7,160,123	$3,788,077
Arizona	28,247	752,053,000	11,075,500	5,294,089	5,781,411	5,061,504	6,013,996	6,789,282	4,286,218	1,102,601	4,972,899
Arkansas	45,350	357,285,000	10,086,400	4,175,770	5,910,630	3,984,128	6,102,272	5,345,792	4,740,608	4,811,213	5,275,187
California	544,696	4,460,981,000	100,264,100	56,950,009	43,314,091	54,343,142	45,920,958	72,691,473	27,572,627	65,271,929	34,992,171
Colorado	49,138	517,515,000	12,611,400	5,649,907	6,961,493	5,397,679	7,213,721	7,213,721	5,397,679	6,469,648	6,141,752
Connecticut	78,397	637,649,000	21,487,000	7,692,346	13,794,654	7,348,554	14,138,446	9,884,020	11,602,980	8,874,131	12,612,869
Delaware	12,758	143,373,000	3,619,600	1,317,534	2,302,066	1,259,621	2,359,979	1,686,734	1,932,866	1,512,993	2,106,607
District of Columbia [3]											
Florida	109,602	972,225,000	32,843,300	11,396,625	21,446,675	10,871,132	21,972,168	14,582,425	18,260,875	13,071,633	19,771,667
Georgia	89,257	981,814,000	24,672,700	10,584,588	14,088,112	10,091,134	14,581,566	13,569,985	11,102,715	12,188,314	12,484,386
Idaho	25,376	284,473,000	5,518,200	2,979,828	2,538,372	2,841,873	2,676,327	3,802,040	1,716,160	3,410,248	2,107,952
Illinois	322,323	2,528,369,000	81,370,500	33,361,905	48,008,595	31,815,866	49,554,634	42,882,254	38,488,246	38,569,617	42,800,883
Indiana	141,975	1,196,688,000	32,734,700	14,894,289	17,840,411	14,206,860	18,527,840	19,051,595	13,683,105	17,120,248	15,614,452
Iowa	109,324	665,079,000	21,000,900	9,114,391	11,886,509	8,694,373	12,306,527	11,655,500	9,345,400	10,479,449	10,521,451
Kansas	71,945	485,509,000	15,103,500	6,222,642	8,880,858	5,950,779	9,152,721	7,974,648	7,128,852	7,159,059	7,944,441
Kentucky	70,177	512,777,000	13,603,500	6,339,231	7,264,269	6,053,558	7,549,942	8,121,290	5,482,210	7,291,476	6,312,024
Louisiana	76,713	683,498,000	19,599,700	7,153,891	12,445,809	6,820,606	12,779,004	9,133,460	10,466,240	8,192,675	11,407,025
Maine	37,965	225,709,000	6,809,400	2,021,619	4,187,781	2,499,050	4,310,350	3,336,606	3,472,794	2,989,327	3,820,073
Maryland and District of Columbia	105,842	942,437,000	26,263,800	14,059,948	12,203,852	13,417,310	12,846,490	18,073,357	8,190,443	16,250,263	10,013,537
Massachusetts	185,773	998,670,000	38,969,100	13,171,556	25,797,544	12,548,050	26,421,050	16,834,651	22,134,449	15,081,042	23,888,058
Michigan	217,630	2,425,046,000	68,777,700	28,336,412	40,441,288	27,029,636	41,748,064	36,314,626	32,463,074	32,600,630	36,177,070
Minnesota	112,963	832,244,000	26,856,500	10,259,183	16,597,317	9,802,623	17,053,877	13,132,829	13,723,671	11,790,004	15,066,496
Mississippi	42,439	366,727,000	9,446,300	3,939,107	5,507,193	3,759,627	5,686,673	5,044,324	4,401,976	4,524,778	4,921,522
Missouri	137,618	1,290,453,000	33,469,100	15,529,662	17,939,438	14,826,811	18,642,289	19,914,115	13,554,985	17,905,969	15,563,131
Montana	21,813	218,721,000	5,290,600	2,587,103	2,703,497	2,470,710	2,819,890	3,311,916	1,978,684	2,973,317	2,317,283
Nebraska	53,163	440,316,000	10,219,100	4,935,825	5,283,275	4,711,005	5,508,095	6,325,623	3,893,477	5,692,039	4,527,061
Nevada	8,803	190,336,000	3,169,000	1,448,233	1,720,767	1,381,684	1,787,316	1,850,696	1,318,304	1,663,725	1,505,275
New Hampshire	22,117	123,394,000	4,168,200	1,650,607	2,517,593	1,575,580	2,592,620	2,113,277	2,054,923	1,896,531	2,271,669
New Jersey	210,823	1,630,075,000	52,688,800	18,915,279	33,773,521	18,072,258	34,616,542	24,236,848	28,451,952	21,760,474	30,928,326
New Mexico	19,947	202,906,000	5,477,800	2,108,953	3,368,847	2,010,353	3,467,447	2,695,078	2,782,722	2,421,188	3,056,612
New York	691,447	8,242,425,000	221,126,500	79,605,540	141,520,960	76,067,516	145,058,984	102,602,606	118,523,894	92,209,751	128,915,749
North Carolina	99,499	827,393,000	19,778,799	9,632,275	10,146,524	9,197,142	10,581,657	12,282,634	7,496,165	11,016,791	8,762,008
North Dakota	24,304	166,989,000	6,183,100	2,170,268	4,012,832	2,071,339	4,111,761	2,776,212	3,406,888	2,491,789	3,691,311
Ohio	275,373	2,516,527,000	67,984,100	31,612,607	36,371,493	30,184,946	37,799,160	40,586,508	27,397,592	36,507,462	31,476,638
Oklahoma	71,487	462,455,000	13,751,700	5,995,741	7,755,959	5,720,707	8,030,993	7,659,697	6,092,003	6,875,850	6,875,850
Oregon	63,545	1,100,187,000	15,493,500	10,163,736	5,329,764	9,698,931	5,794,569	12,983,553	2,509,947	11,651,112	3,842,388
Pennsylvania	405,007	2,906,121,000	83,564,500	34,261,445	49,303,055	32,673,720	50,890,780	43,954,927	39,609,573	39,526,009	44,038,491
Rhode Island	30,423	173,433,000	6,686,500	2,400,454	4,286,046	2,286,783	4,399,717	3,062,417	3,624,083	2,768,211	3,918,289
South Carolina	47,907	398,470,000	9,011,301	4,433,560	4,577,741	4,226,300	4,785,001	5,659,097	3,352,204	5,073,362	3,937,939
South Dakota	26,297	192,542,000	6,307,800	2,100,497	4,207,303	2,005,880	4,301,920	2,687,123	3,620,677	2,409,580	3,898,220
Tennessee	77,756	815,135,000	13,444,300	9,357,233	4,087,067	8,927,015	4,517,285	11,938,538	1,505,762	10,715,107	2,729,193
Texas	248,782	2,707,303,000	63,751,600	29,198,233	34,553,367	27,859,449	35,892,151	37,422,189	26,329,411	33,597,093	30,154,507
Utah	17,906	186,368,000	4,722,200	2,162,768	2,559,432	2,063,601	2,658,599	2,771,931	1,950,269	2,488,599	2,233,601
Vermont	14,035	96,419,000	2,786,700	1,124,734	1,631,966	1,072,356	1,684,344	1,430,727	1,325,973	1,284,622	1,472,078
Virginia	88,687	970,831,000	24,181,000	10,301,106	13,879,894	9,817,486	14,363,514	13,202,826	10,978,174	11,848,690	12,332,310
Washington	811,132	1,452,914,000	21,712,600	15,068,544	6,644,056	14,395,454	7,317,146	19,389,352	2,323,248	17,435,218	4,277,382
West Virginia	57,559	322,518,000	9,361,500	4,278,206	5,083,294	4,090,976	5,270,524	5,495,201	3,866,299	4,933,511	4,427,989
Wisconsin	121,205	1,190,562,000	32,511,000	16,353,033	16,157,967	15,605,289	16,905,720	20,969,595	11,541,405	18,856,380	13,654,620
Wyoming	9,643	129,364,000	3,281,800	1,391,483	1,890,317	1,329,129	1,952,671	1,778,736	1,503,064	1,598,237	1,683,563
United States total	5,466,181	50,445,709,000	1,333,755,100	580,487,728	753,267,372	554,051,628	779,703,472	744,181,465	589,573,635	668,522,018	665,233,082

[1] Based on rates applicable in Tupelo, Miss.
[2] Based on rates applicable in McMinnville, Oreg.
[3] Included in Maryland data.

Mr. MURRAY. Mr. President, the final category is the great industrial users.

These comparisons in terms of full employment, in terms of a good economy and abundance, are very important. As power becomes an important cost factor, it determines whether or not an industry can be started, or stay in business, or compete with other like enterprises. These comparisons are very significant in terms of stimulation of industrial activity—or discouragement of industrial activity. It should be remembered that some great industries generate their own electricity—they do not buy. It is indicated that about 65 billion kilowatt-hours were produced in the year in question, 1950, by industries for their own use.

The remaining power-buying industries actually paid in 1950 $1,821,000,000 for electric energy. Had they had the advantage of TVA rates, it would have cost them only $1,029,000,000. They would have saved $791 million and they could have paid their own income taxes on that, instead of the power companies.

If all these industries had enjoyed the rates charged by the Tacoma, Wash., municipal plant, they would have paid only $762 million for power, and they would have saved $1,058,000,000—around 60 percent of all the money they paid out for electric energy.

If the industries had been in the Bonneville area, getting their power at Bonneville rates, it would have cost them $1,136,000,000, and they would have saved $684 million.

Over in Ontario, their cost would have been $1,189,000,000, and their savings would have been $631 million.

I ask unanimous consent that the industrial comparisons be printed in the RECORD at this point, so that Senators may study the figures for their own States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*Industrial and other electric services, 1950*

State	Estimated sales data for 1950			Estimated revenues and consumer savings if services were rendered under basic rates in effect in—							
	Number of customers	Kilowatt-hours	Revenues	Area served by Tennessee Valley Authority [1]		Tacoma, Wash.		Area served by Bonneville Power Administration [2]		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings	Revenues	Savings
Alabama	106,205	5,308,410,000	$37,253,200	$23,804,795	$13,448,405	$17,658,017	$19,595,183	$26,309,789	$10,962,441	$27,530,115	$9,725,085
Arizona	2,224	563,567,000	5,972,000	3,469,732	2,502,268	2,567,960	3,404,040	3,828,052	2,143,948	4,007,212	1,964,788
Arkansas	90,484	1,330,479,000	14,955,200	10,019,984	4,935,216	7,417,779	7,537,421	11,066,848	3,888,352	11,575,325	3,379,875
California	190,103	13,718,546,000	143,387,200	116,573,794	26,813,406	86,319,094	57,068,106	128,618,318	14,768,882	134,640,581	8,746,619

[1] Based on rates applicable in Tupelo, Miss.
[2] Based on rates applicable in McMinnville, Oreg.

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TABLE 4.—*Industrial and other electric services, 1950*—Continued

State	Estimated sales data for 1950			Estimated revenues and consumer savings if services were rendered under basic rates in effect in—							
	Number of customers	Kilowatt-hours	Revenues	Area served by Tennessee Valley Authority [1]		Tacoma, Wash.		Area served by Bonneville Power Administration		Ontario, Canada	
				Revenues	Savings	Revenues	Savings	Revenues	Savings [2]	Revenues	Savings
Colorado	36,209	589,363,000	$10,142,500	$6,186,925	$3,955,575	$4,584,410	$5,558,090	$6,825,903	$3,316,597	$7,150,463	$2,992,037
Connecticut	4,905	1,789,456,000	30,800,700	14,537,930	16,262,770	10,780,245	20,020,455	16,077,965	14,722,735	16,817,182	13,983,518
Delaware	2,205	309,039,000	4,052,700	2,095,246	1,957,454	1,552,184	2,500,516	2,310,039	1,742,661	2,419,462	1,633,238
District of Columbia [1]											
Florida	8,298	1,357,447,000	18,658,700	8,265,804	10,392,896	6,120,054	12,538,646	9,124,104	9,534,596	9,553,254	9,105,446
Georgia	2,760	2,377,445,000	23,361,800	13,760,100	9,601,700	10,209,107	13,152,693	15,208,532	8,153,268	15,909,386	7,352,414
Idaho	8,946	954,564,000	6,327,600	4,720,390	1,607,210	3,499,163	2,828,437	5,213,942	1,113,658	5,454,391	873,209
Illinois	137,409	11,207,751,000	148,842,700	76,951,676	71,891,024	57,006,754	91,835,946	84,989,182	63,853,518	88,859,092	59,983,608
Indiana	81,132	5,013,012,000	67,057,500	33,796,980	33,260,520	25,012,448	42,045,052	37,283,970	29,773,530	39,027,465	28,030,035
Iowa	72,324	1,686,906,000	25,347,500	13,560,913	11,786,587	10,037,610	15,309,890	14,955,025	10,392,475	15,664,755	9,682,745
Kansas	53,068	1,464,029,000	19,990,500	10,954,794	9,035,706	8,116,143	11,874,357	12,094,253	7,896,247	12,673,977	7,316,523
Kentucky	57,044	2,440,067,000	28,851,800	16,330,119	12,521,681	12,088,904	16,762,896	18,003,523	10,848,277	18,869,077	9,982,723
Louisiana	23,765	2,110,516,000	17,145,600	10,321,651	6,823,949	7,646,938	9,498,662	11,401,824	5,743,776	11,933,338	5,212,262
Maine	8,173	706,075,000	8,934,300	4,904,931	4,029,369	3,636,260	5,298,040	5,414,186	3,520,114	5,664,346	3,269,954
Maryland and District of Columbia	44,524	3,512,948,000	47,009,600	24,152,580	22,857,020	17,903,489	29,105,111	26,661,618	20,347,982	27,934,064	19,075,536
Massachusetts	13,989	3,821,884,000	67,418,300	31,416,928	36,001,372	23,259,314	44,158,986	34,653,006	32,705,294	36,271,045	31,147,255
Michigan	24,572	7,234,821,000	92,514,709	40,798,983	51,715,717	30,159,792	62,354,908	45,054,659	47,460,011	47,080,982	45,424,718
Minnesota	46,181	1,708,058,000	28,582,900	15,120,354	13,462,546	11,204,497	17,378,403	16,692,460	11,890,486	17,492,735	11,090,165
Mississippi	41,517	682,534,000	9,721,100	5,618,796	4,102,304	4,160,631	5,560,469	6,202,062	3,519,038	6,483,974	3,237,126
Missouri	66,419	2,702,957,000	34,674,300	19,729,677	14,944,623	14,597,880	20,076,420	21,775,460	12,898,840	22,781,015	11,893,285
Montana	3,283	1,754,409,000	9,317,700	6,978,957	2,338,743	5,171,324	4,146,376	7,705,738	1,611,962	8,069,128	1,248,572
Nebraska	17,862	472,286,000	7,605,100	4,357,172	2,647,928	3,229,351	3,775,749	4,805,499	2,199,601	5,029,662	1,975,438
Nevada	1,234	90,962,000	1,053,300	798,401	254,899	591,955	461,345	881,612	171,688	922,691	130,609
New Hampshire	3,813	443,020,000	6,864,700	3,693,209	3,171,491	2,732,151	4,132,549	4,077,632	2,787,068	4,262,979	2,601,721
New Jersey	9,960	4,412,593,000	65,338,900	31,820,044	33,518,856	23,587,343	41,751,557	35,152,328	30,186,572	36,785,801	28,553,099
New Mexico	6,100	233,001,000	3,312,500	1,696,000	1,616,500	1,255,438	2,057,062	1,871,563	1,440,937	1,961,000	1,351,500
New York	23,616	12,321,402,000	119,960,600	58,780,694	61,179,906	43,545,698	76,414,902	64,898,685	55,061,915	67,897,700	52,062,900
North Carolina	71,759	4,039,426,000	41,618,803	27,010,603	14,608,200	20,018,644	21,600,159	29,840,682	11,778,121	31,214,102	10,404,701
North Dakota	1,763	55,334,000	1,315,000	560,190	754,810	415,540	899,460	619,365	695,635	646,980	668,020
Ohio	124,002	12,882,119,000	156,740,200	79,310,541	77,429,659	58,777,575	97,962,625	87,461,032	69,279,168	91,536,277	65,203,923
Oklahoma	49,310	1,253,740,000	16,906,800	10,566,750	6,340,050	7,827,848	9,078,952	11,665,692	5,241,108	12,206,710	4,700,080
Oregon	16,548	2,805,169,000	14,484,000	12,485,208	1,998,792	9,255,276	5,228,724	13,788,768	695,232	14,426,064	57,936
Pennsylvania	73,933	16,385,095,000	198,396,600	108,126,147	90,270,453	80,152,226	118,244,374	119,434,753	78,961,847	124,989,858	73,406,742
Rhode Island	2,326	700,159,000	12,537,000	5,829,705	6,707,295	4,312,728	8,224,272	6,431,481	6,105,519	6,732,369	5,804,631
South Carolina	54,551	1,944,909,000	18,961,697	12,363,026	6,598,671	9,158,500	9,803,197	13,652,422	5,309,275	14,297,120	4,664,577
South Dakota	5,830	80,629,000	2,007,900	831,271	1,176,629	616,425	1,391,475	917,610	1,090,290	959,776	1,048,124
Tennessee	8,609	6,944,519,000	34,399,600	28,379,670	6,019,930	21,018,156	13,381,444	31,338,036	3,061,564	32,782,819	1,616,781
Texas	174,375	5,596,991,000	64,459,800	40,158,455	24,301,345	29,780,428	34,679,372	44,348,342	20,111,458	46,411,056	18,048,744
Utah	2,101	476,763,000	5,724,000	3,737,772	1,986,228	2,770,416	2,953,584	4,127,004	1,596,996	4,315,896	1,408,104
Vermont	7,550	239,407,000	4,130,300	2,395,574	1,734,726	1,776,029	2,354,271	2,643,392	1,486,908	2,767,301	1,362,999
Virginia	34,741	2,081,106,000	24,411,500	14,598,077	9,813,423	10,814,295	13,597,205	16,111,590	8,299,910	16,868,347	7,543,153
Washington	27,882	8,504,377,000	31,035,100	24,238,413	6,796,687	17,938,288	13,096,812	26,752,256	4,282,844	27,993,660	3,041,440
West Virginia	38,756	3,529,058,000	38,835,000	20,116,530	18,718,470	14,912,640	23,922,360	22,213,620	16,621,380	23,262,165	15,572,835
Wisconsin	122,623	3,148,380,000	49,912,100	23,109,302	26,802,798	17,119,850	32,792,250	25,505,083	24,407,017	26,702,974	23,209,126
Wyoming	2,582	77,790,000	1,283,500	699,508	583,992	518,534	764,966	772,667	510,833	808,605	474,895
United States total	1,987,564	163,062,518,000	1,821,014,100	1,029,734,301	791,279,799	762,835,331	1,058,178,769	1,136,772,496	684,241,604	1,189,653,276	631,360,824

[1] Included in Maryland data.

Mr. MURRAY. Mr. President, many Senators will remember John Rankin, of Mississippi. He was for public power. He knew the value of yardstick rates to the economy of his own home town of Tupelo, Miss.; and he was unselfish about it. He wanted the whole Nation to have the advantage of low rates; he wanted the whole Nation to enjoy the economic well-being that low rates had stimulated in his home country.

John Rankin was not a Socialist. He will be remembered as the very vigorous chairman of the House Un-American Activities Committee for many years.

When Mr. Rankin put these tables in the CONGRESSIONAL RECORD several years ago, he had some very vigorous things to say. I should like to read a few paragraphs of his statement at that time:

Both the enemies of the TVA and the Columbia River development are always shouting socialism when they refer to public power.

The truth of the business is that the power business is public business. Electricity has become a necessity of our modern life, and it must be handled by a monopoly. It would be an absolute waste of money to have a half-dozen concerns supplying electricity to the same city, town, or community. The overhead charges would be so great the people could not pay them.

I want to get electricity to every farmhouse that can be reached by the draft of wartimes, or that the tax collector can find in times of peace. As late as 1933, less than 10 percent of our farmers even had an electric light. We now have more than 85 percent of our farms electrified. The farmers of this Nation, their wives and children, are enjoying conveniences, and are living on standards, of which they never dreamed 50 years ago.

But the opposition tells us that this is socialism, and that we should turn all the waterpower of this Nation and our rural electrification programs over to the Power Trust and give the private-power interests complete control.

I predict that if the Congress goes to sleep and lets the Power Trust get a monopoly in this country, the rates will skyrocket by leaps and bounds, and the chances are that many farmers will have the electricity taken out of their homes, just as was done by the telephone monopoly when it got control.

John Rankin will long be remembered for his valiant fights for adequate power for the people of America. His predictions of higher power rates if the utilities ever gained a monopoly have been proved true, even without their taking over the yardsticks.

Recently I read an illuminating article by Judson King, whom many of us know as the long-time Director of the National Popular Government League—a man who has devoted a useful lifetime to power for the people. In the article, Mr. King finds that public-power systems—the 2,400 municipal plants and the great public projects—have kept their rates down in recent years, while the great monopoly power companies have been increasing rates.

Mr. King wrote:

For many years now—30 that I can easily recall—the American people have been assured of the superiority of "privately owned but publicly regulated" power systems over municipal and Government systems. Of late the cordial radio spokesman for the companies, who accompanies Corliss Archer and her boy friend in their romantic adventures, constantly informs us that electric service is the cheapest thing in the family budget.

I am possessed of a trustful disposition, hence it was disconcerting when studying the annual statistical number of Electrical World (Jan. 17), voice of the private industry, to come across a page titled "Regulation" and filled with tables which, when analyzed, showed that during the past 6 years State commissions had made 333 "grants" to private companies which upped private rates to a total annual collection by around $316 million.

More specifically, the "known" increases from 1948 to 1953, inclusive, were $216 million. It is not out of line to add $100 million for the 123 "unknown," hence the above figure. There were 34 applications pending as of December 31, of which the 24 "known" totaled $52 million and if we add a modest $20 million for the 10 "unknown" we have a further uppage of around $72 million in 1954.

My curiosity was aroused. For years it has been legendary that public rates have been far below private rates as a general

rule. But expenses had gone up, perhaps rates had also. Calling up the editor of Public Power, I was promptly informed that with minor exceptions there had been no such general increase in retail rates among the 2,400 municipal plants of the Nation. Official reports and personal inquiry disclosed the same fact respecting Federal and State power systems, public power districts, and the REA co-ops.

Then the question came: Why this startling contrast? It lay, of course, principally in two different systems of finance. Public systems set rates to meet fixed charges and operating expense on the actual cash spent on the projects and to amortize the investment; private systems in the past have been found to contain watered stock, and even today none of them amortize.

I reflected that for a quarter-century and longer private utility spokesmen had been warning us against the Federal Government increasing the national debt by spending the money of the Nation's taxpayers on projects like TVA, leaving the distinct impression that no repayments were being made, and that millions of people believe this shameless falsehood.

I began to wonder how much the United States Treasury had gotten back on these so-called "spending sprees." I put the question to a top expert in the Department. He replied that no such cumulative figure was available. It was a huge amount, but would take weeks to figure it.

Blocked there, I sought a few samples to get some idea of the amount of actual cash entered on the books as repayments. Following are official figures on four projects much in the headlines:

Tennessee Valley Authority: "In the fiscal year (June 30, 1953), TVA paid $10 million into the United States Treasury general fund and retired $5 million in bonds, bringing total repayments of power investment to more than $81 million. * * * TVA is ahead of schedule on repayments." (Annual report, p. 9.) A statement on January 15, 1954, showed the grand total from power proceeds to be $93,600,000. But, in addition, $214 million of said power proceeds, not tagged "repayments," had been plowed back into new construction.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The time of the Senator from Montana has expired.

Mr. MURRAY. Mr. President, I yield myself an additional 6 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized for 6 minutes more.

Mr. MURRAY. Mr. President, I read further from the article by Mr. King:

Columbia River power system: Repayment of the Federal investment in the power system continues well ahead of schedule. Total cash receipts of $292,782,000 returned to the Treasury through June 30, 1953, have covered operation and maintenance expenses of $74,865,000 and interest expense of $72,060,000, leaving $145,857,000 repaid on the capital investment * * * 19.6 percent of the power capital investment on the Columbia Basin project. (1953 report, p. 11.)

Boulder Canyon project: The repayment record for the Boulder Canyon project shows that for the 15-year period through May 31, 1952, approximately $70,456,000 has been repaid to the United States Treasury. * * * This is, of course, after paying operation and maintenance expenses of $35,380,000 and payments to the States of Arizona and Nevada and to the Colorado River Development Fund, totaling $16,500,000. (Special statement by Los Angeles Department of Water and Power.)

Rural Electrification Administration: As of January 1, 1954, the amount due from 1,079 borrowers stood at $407,100,000. Total repaid, $468,500,000. That is, the farmers are $61,400,000 ahead of contract requirements. (Official figures not yet printed. See also Statistical Bulletin No. 152, October 1953.)

So, right there I had a handy figure and could say to any doubting Thomas: "Don't let them kid you. These 4 projects alone, each of which has been operating less than 20 years, have already returned $443,200,000; all will be repaid within 40 years from the dates the various plants began functioning. If you don't believe it, ask Lindsay Warren's boys at the United States General Accounting Office. They audit the books."

Now, although statistics are not as interesting as radio music or love stories or magazine ads, bear with me a little longer. Thirty years ago I learned from research experts in Ontario that an electrified home would enable a housewife to do her work in one-half the time and with one-third the bone labor she would expend without such aid. Since I have always been interested in the Nation's health problem and home security, I verified this statement by many interviews with housewives and it remains fixed in memory.

So, when scanning the 1952 report of the Ontario hydroelectric power system, which began operating in 1910 with 14 municipalities connected, I found that a large majority of the 324 now connected were out of debt. This public system has been amortizing for over 40 years. And what are the benefits to consumers from the effects of amortization, and the absence of watered stock and other antics of business managers too numerous to mention? Well, 20 years ago, in 1934, the average industrial and commercial costs were already less than one-half our private costs, and domestic service had dropped below 2 cents per kilowatt-hour, when our national average stood at 7.4 cents. Further, since 1946 the domestic average has been at 1.04 cents or less for the Province, but many of the largest and longest connected places reported the domestic average to be from 6 to 9 mills.

Turning to the 1952 Statistical Bulletin of the Edison Electric Institute (p. 43), I found that American railroads were paying private companies 1.05 cents—that is 10.5 mills—to run their trains and shops, with large industries also at 1.05 cents. The residential average stood at 2.77 cents.

There emerged the startling fact that many thousands of Canadian housewives are paying less for service from their public system than American railroads and big industries pay private utilities.

How about the United States? We are on our way. Years ago when investigating the how and why of low Ontario rates I used to say to their engineers: "Our Government power systems when in operation will soon catch up with you." The prediction is coming through faster than I expected.

The PRESIDING OFFICER. The time the Senator alloted himself has expired. The Senator has 9 minutes remaining.

Mr. MURRAY. I will yield to myself 4 minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized for 4 minutes.

Mr. MURRAY. Mr. President, I continue with the quotation:

For example, last year homemakers in the cities and towns of the Tennessee region paid an average of 1.3 cents per kilowatt-hour for electricity; out on the Columbia, 1.34 cents; down on the Colorado, 2.1 cents. As to farmers, the national average for REA co-ops was already down to 3.4 cents; for TVA farmers, 2 cents, with 1 cent as the fighting objective of the National Rural Electric Cooperative Association, for all America, which is why they fight for cheap Government wholesale power.

The human side of the picture is this: Two hundred and fifty kilowatt-hours will partially and 500 kilowatt-hours will fully electrify the average home, exclusive of heating. Many millions of middle-class and low-income families can afford that service when the costs are from $3 to $5 per month, but the lady of the house cannot balance her budget if she has to pay from $8 to $15. What this means to the health, happiness, culture, and security of the family and the Nation, our many public and private health agencies should sharply consider.

Balance-sheet minds which think only in terms of dollar profits will complain that this article does not tell the whole story. True. It would be worse for them if it did, including the truth about taxes. Kindly remember that I set out to demonstrate three things only: Private rates are going up by millions; public rates remain relatively stable, and Uncle Sam is getting his money back. Done.

Finally, the American people might reflect that when all municipal and Federal powerplants are amortized and rates are still lower, that they have paid and will continue to pay to kingdom come dividends on the $25 billion which enterprising gentlemen claim to have invested in privately owned electric facilities today.

In closing, Mr. President, I want to pay tribute to a Member of the House of Representatives who is entitled to the gratitude of every citizen of this land.

That is Congressman CHET HOLIFIELD, of California.

Congressman HOLIFIELD has done a stupendous job of analyzing, of debating, of seeking modifications—and getting some of them—and of informing the public about this Atomic Energy Act.

I believe that the work he has done, supported by Congressman MELVIN PRICE, of Illinois, has been one of the outstanding jobs I have seen in my career in the Congress. Regardless of self, he has burned the lights into the early mornings to keep informed, to gather information, to see that this legislation, which may prove one of the most important acts in all the history of our economy, received the consideration it deserves.

Few men have worked as hard in this session of the Congress as the Congressman from California. Few men have given of themselves as CHET HOLIFIELD has given of his great talents.

Someday the people of America will do the honor he deserves to the man who for days and weeks and even months fought this fight ceaselessly. It has been a historic fight.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. MURRAY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. A quorum cannot be called unless one of the Senators controlling the remaining time is willing to yield for that purpose.

Mr. HICKENLOOPER. If the Senator from Montana cares to have a quorum call in the remaining minutes he has, I will yield sufficient of my time to complete the calling of the quorum, but I do not want the quorum call taken entirely out of my time.

The PRESIDING OFFICER. Does the Senator from Montana yield the remainder of his time? There are 5 minutes remaining, I believe, of the time of the Senator from Montana.

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Mr. HICKENLOOPER. I will yield from my time whatever may be necessary to complete the quorum call if the remaining time of the Senator from Montana is not sufficient.

Mr. MURRAY. I withdraw the suggestion of the absence of a quorum.

Mr. BUSH. Mr. President, a parliamentary inquiry. Can I ask for a quorum call and ask unanimous consent to have it all taken out of our time?

Mr. HICKENLOOPER. I ask unanimous consent that there be a quorum call to be taken out of the time of neither side.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Anderson	Gore	McCarran
Barrett	Green	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bowring	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Chavez	Johnson, Colo.	Russell
Clements	Johnson, Tex.	Saltonstall
Cooper	Johnston, S. C.	Schoeppel
Cordon	Kennedy	Smathers
Crippa	Kerr	Smith, Maine
Daniel	Kilgore	Smith, N. J.
Dirksen	Knowland	Sparkman
Douglas	Kuchel	Stennis
Duff	Langer	Symington
Dworshak	Lehman	Thye
Eastland	Lennon	Upton
Ervin	Long	Watkins
Ferguson	Magnuson	Welker
Frear	Malone	Wiley
Fulbright	Mansfield	Williams
George	Martin	Young
Goldwater	Maybank	

The PRESIDING OFFICER (Mr. PAYNE in the chair). A quorum is present. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. HICKENLOOPER. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. How much time does the Senator from Iowa yield to himself?

Mr. HICKENLOOPER. I yield myself 15 minutes.

RESPONSIBILITY FOR SOIL CONSERVATION

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Iowa yield 1 minute to me?

Mr. HICKENLOOPER. I yield 1 minute to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a statement issued by the legislative committee of the National Association of Soil Conservation Districts, Southeastern Area, made at Panama City, Fla., July 12, 1954, by W. M. Hodgson, chairman; and also the text of a pamphlet entitled the "Why, What, and How of Soil Conservation Districts."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF LEGISLATIVE COMMITTEE, NATIONAL ASSOCIATION OF SOIL CONSERVATION DISTRICTS, SOUTHEASTERN AREA, PANAMA CITY, FLA., JULY 12, 1954

Your legislative committee reviewed pending and needed State and Federal legislation to help soil-conservation districts exercise more fully their responsibilities for conservation, development, and self-government. Your committee also considered carefully the authenticated reports that the so-called Missouri balanced-farming plan is being proposed for other States. The committee concluded from the evidence available that the Missouri balanced-farming plan was instigated to prevent the organization of the farmers' own soil-conservation districts.

Grave concern also was expressed because the Secretary of Agriculture has not yet announced the appointment of the Advisory Soil Conservation Committee which he mentioned at our national association convention in New Orleans.

Your committee asks that our southeastern vice president, A. D. Holmes, Jr., be instructed to send immediately the following telegram to Secretary of Agriculture Benson:

"Southeastern area meeting of soil-conservation districts here yesterday and today deeply concerned lest the nationwide adoption of Missouri's balanced-farming plan become acutely competitive with and a costly duplication of our program. Also wondering about current status Soil Conservation Advisory Committee mentioned by you at New Orleans convention February 23 and to our board of directors at Washington on May 7. Would appreciate your early and frank reply to both points, addressed to me at Gallion, Ala."

Passed by convention without dissenting vote July 13, 1954.

W. M. HODGSON,
Chairman.

BAY MINETTE, ALA.

THE WHY, WHAT, AND HOW OF SOIL CONSERVATION DISTRICTS

OUR FIGHT

Do you know what soil-conservation districts are?

And what we are fighting for?

Almost 200 years ago, Americans in 13 colonies organized a Revolution and fought King George III.

In World War I we fought the German Kaiser and imperialism.

Not long ago we fought Mussolini and fascism.

We fought Hitler and the Nazi idea.

Now we are fighting again—against the Communist aggression that threatens us from both the East and West.

From the beginning, Americans have fought for a great principle—the principle that freemen can govern themselves successfully, without a dictator, king, or fuhrer. We have fought and are still fighting for personal liberty and the dignity of the individual. We are determined that our families shall have the opportunity to live in peace and safety, without threats of violence or fear of compulsion.

Our Government is founded on the principle that we—all of us together—have the spirit and the ability to decide for ourselves the actions we want to take together in our joint interest and common welfare. This is what we fight for. This is a representative self-government—the best government and the best society that men and women have ever enjoyed on earth. This is the kind of government and society that offers the greatest advantages in personal liberty and the greatest opportunities for accomplishment.

This is the form, the spirit, and the practice of soil-conservation districts.

Freemen can govern themselves

Americans have decided they want to protect their land and water resources. But there is no man in Washington who can order all the people to apply modern soil-conservation measures. So we have organized ourselves, freely and voluntarily, to do the job according to the principle of self-government in watersheds, counties, and communities all over the country.

Our organization is the soil-conservation district—free, local, representative self-government in the best tradition of America.

The farmers and ranchers of a soil-conservation district decide for themselves what they want to do in their district about soil and water conservation, when they want to do it, where they want to do it, who they want to help them, and how they want to do it.

Freemen can organize

A soil-conservation district is organized by the citizens of a watershed, county, or community under the provisions of State law. It is a subdivision of the State government. But the soil-conservation district is not directed by the governor, the State legislature, or any agency of the State government. And it is not directed by the Federal Government in any way.

A soil-conservation district is directed only by the citizens of the district—the landowners and operators who organized it in the first place. Through an elected governing body, usually called a board of district supervisors, composed of citizens of the district, they direct and manage their own soil-conservation programs and affairs.

The soil-conservation district is American self-government.

And the right to continue American self-government is one of the great rights for which we work and fight and sacrifice. It is one of the rights Americans have died for in the past and now, again, are defending with their lives and all their resources.

WHY SOIL-CONSERVATION DISTRICTS?

Never have the people of a free country faced a greater challenge to their resourcefulness and ability than the challenge of soil and water conservation. Here is a real test of self-government.

Our land and water resources, as we know, are the very foundation of our fabulous industrial and agricultural strength. They are the principal source of our wealth. Our great cities, with all their complex activities, are dependent directly on these resources. Our material standard of living—highest on earth—is built largely on the abundance and fruitfulness of American land and water.

Over the years, though, our use of these resources has been accompanied by accelerated soil erosion, ruinious floods, sedimentation of our reservoirs and harbors, and other forms of severe damage to land and water. Our agricultural productive capacity has been reduced by this damage—and is still being reduced. It now costs us more—more in fertilizer, seed, machinery, equipment, and labor—to produce a bushel of wheat or a bale of cotton than it did before we hurt our land.

Modern farming methods and new plant varieties, like hybrid corn, are holding our production at high levels, it is true. But what if we had not damaged our land? Modern developments would have brought us unparalleled increases in production per acre and per farm at litle rise in cost. If we do not stop damaging our land and water resources, our very ability to produce adequately for our ever-increasing needs will be threatened. Most certainly the cost of production will go up and up.

Some alternatives

With so much at stake, the temptation was to use the power of the Federal Government, or the State governments, to compel the control of erosion and put a halt to excessive

land and water exploitation. There are still people in the country who say we should—people who say the job is so urgent and so important we cannot afford to wait for the process of self-government to function.

But in all parts of the country there were farmers and ranchers who said they were both willing and able to take on the job. Soil-conservation leaders in Washington and elsewhere agreed they should. There was a certain amount of experience to indicate they would. And always there was the fact that in a free country like America, the farmers and ranchers themselves own the land they cultivate and graze. Still, the alternatives of State or Federal Government on the one hand, or responsible, local self-government on the other, remained.

Time for decision

In the early 1930's, the pyramid of mounting soil erosion, floods, and land damage was topped by monstrous dust storms, sweeping soil from the Plains over large areas of the country. Coupled with the depression, thousands of farm families were faced with poverty and forced to move.

By the middle 1930's, the time for decision grew near. Conservation leaders studied the wind-erosion-control districts of Texas and the grazing districts of Montana. They studied the Miami and Muskingum Conservancy Districts of Ohio. They analyzed the experience of the Soil Conservation Service with its early erosion-control projects and the Civilian Conservation Corps camp areas. Everywhere it was apparent that really effective soil-conservation work was done faster and better when the farmers themselves took a large and active part in the job. Where Government men did the job, farmers didn't understand what was being done or why. And when the Government men left, the farmers didn't maintain the work.

Out of all this experience the soil-conservation-district idea was born. The men most concerned with conservation realized that as long as land was used by free people, the people themselves must organize to use it safely and permanently. They understood that, though the soil of America is of concern to all Americans, no agency of government—even one with police powers—could bring proper land use to our farms, forests, and ranges. State and Federal agencies could help, but the users of the land themselves would have to shoulder a heavy part of the burden.

Enabling legislation

With these ideas in mind, on February 26, 1937, President Roosevelt wrote the governors of all the States. He asked that each State legislature pass enabling acts permitting, but not forcing, local land owners and occupiers to join together legally into soil-conservation districts. With that letter he enclosed what was called "A Standard State Soil Conservation Districts Law." None of the States passed the standard law verbatim; they made modifications to suit local conditions, and many of them have since been amended.

By May 1947, each of the 48 States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, had passed laws permitting, by vote of the local people, the formation of soil-conservation districts. By 1951, 2,330 soil-conservation districts had been organized. They covered more than 75 percent or America's farmland.

This phenomenal growth is a tribute to the basic concepts of soil-conservation districts—that our land must be kept permanently productive and the people themselves must assume the main responsibility for doing the job.

WHAT ARE SOIL-CONSERVATION DISTRICTS?

Erosion has a chain of reactions. Soil washes off a field and finally piles up in a reservoir behind a manmade dam. A gully creeps up the slope without regard to fences, property lines, county lines, or State lines. Dust from a bare field buries a neighbor's wheat. Water rushes off overgrazed pastures to flood the land and towns below.

The only American answer to these problems is for people to cooperate in their solution. The machinery for such cooperation is a soil-conservation district.

The wording of the laws permitting the formation of soil-conservation districts varies from State to State. But the State laws do follow a general pattern. The administration of the laws is in the hands of State soil-conservation committees, boards, or commissions. The men who make up these committees are usually State agricultural department heads, or active farmers or ranchers, or both. They receive no Federal funds nor are they under any form of Federal control.

How districts are formed

To form a soil-conservation district, a group of farmers or ranchers petitions the State committee. The petition gives the need for the formation of the district and its proposed boundaries. The State committee then holds public hearings to decide if there is enough local interest to form a successful district. If the State committee finds that many local people want a district, it holds a referendum. This referendum is similar to any other special election. Each landowner and operator is entitled to vote "yes" or "no" on whether he wants a district. If enough vote "yes," the district is established. It is granted a certificate of organization by the State. It then becomes a unit of government similar to counties, cities, and drainage or irrigation districts.

An important difference between soil-conservation districts and other units of government is that districts nowhere have the power of eminent domain. And only in Colorado and California may they levy taxes.

Funds for operating soil-conservation districts come from State appropriations and voluntary contributions from interested citizens or groups. Some districts develop other sources, such as the renting of machinery.

More than half of the States have provisions in their laws permitting districts to adopt land-use regulations. Opponents of soil-conservation districts distort these possible regulations out of all reason. In every instance, they are self-regulations. They can be adopted only by the people of the district themselves. The people vote on the exact wording of the proposed regulations. And they vote only after public hearings. The people themselves have the power to say how the land shall be treated just as they have the power to mortgage themselves by bond issues. So far, land-use regulations have been adopted by the people in only a few districts in three States. But the right to adopt them is in more than half of the State laws for use when and if the people believe they are needed.

How districts are governed

Soil-conservation districts are governed by local citizens. The members of the governing bodies are called supervisors in most States. In some their title is commissioner or director. Generally, supervisors donate their time and pay their own expenses. In some States they do receive a small per diem and travel allowance out of local or State funds. In no case are they on the Federal payroll.

Most State laws provide that each soil-conservation district shall have five supervisors. The usual provision is that 3 shall be elected locally and 2 appointed by the State soil-conservation committee. The supervisors must be local citizens. Uusually they must also be active landowning farmers or ranchers.

Through their district governing body, local people formulate their own soil-conservation program. This governing body—usually called a board of supervisors—directs the activities of the district. It also coordinates the conservation efforts of various State and Federal agencies and other organizations. Where funds permit district-owned equipment, the governing body controls the use of it. The governing body also handles the district's money and signs the checks.

In brief, soil-conservation districts are a true example of local self-government. The people of a community join together voluntarily and legally to solve their own problems in their own way.

HOW SOIL-CONSERVATION DISTRICTS OPERATE

After the governing body of a new soil-conservation district takes office, it appoints and calls together committees of farmers. These committees make studies of the agricultural and economic conditions within the district. They get the advice and assistance of Government and private agencies. Then they develop their own plan of action.

Reports of these committees are published as the district's program and plan of work. Since no two districts are exactly alike, the programs and plans all differ from each other. But each of them represents the opinions and plans of the local people. And each can be amended by the local people when they see the need.

How districts get technical assistance

Soil-conservation districts soon discover that the successful management of land is closely related to water management. They also discover that both present problems that only skilled technicians can solve. To secure the needed technical assistance, soil-conservation districts normally apply to the United States Department of Agriculture for the facilities of the Soil Conservation Service. The Soil Conservation Service furnishes technical help to the district on the basis of an agreement with the governing body. This agreement includes a promise that Soil Conservation Service technicians will be removed from a district on 60 days' notice from the governing body. This provision protects soil-conservation districts from bureaucratic control. But so far it has never been necessary to invoke this safeguard.

In addition to Soil Conservation Service technical assistance, districts get educational and other kinds of help from other local, State, Federal, and private sources. Each has its place in helping the work of the district.

The application for assistance

The district furnishes assistance only to farmers or ranchers who apply for it. The application is made to the district governing body. The way of granting this assistance is a matter for the district to decide. In the interest of efficiency, applications for individual farmers or ranchers are tabled by some districts until groups of them have an opportunity to join together. Other districts give first priority to areas in critical need of protection from floods. Such decisions are made by the district governing bodies in the best interests of whole districts.

The land-capability inventory

After the district governing body approves a farmer's application, it requests the Soil Conservation Service to make a scientific inventory of the farmer's land. This is done by a specially trained, experienced technician. On an aerial photograph of the farm, he makes a map that shows the soil, slope, degree of erosion, land use, and other important physical features. Using this inventory, the farmer and the farm conservation planner of the Soil Conservation Service together work out a conservation plan for the farm. They decide how each field, pasture, and woodlot should be treated and managed to conserve the land and at the

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same time accomplish the most desirable, sustained production.

The cooperative agreement

The conditions shown by the land inventory, what the farmer or rancher agrees to do about them, and what help the district will supply are all written down on what is known as a cooperative agreement. It is also the farm or ranch conservation plan. Each has a copy of the photographic map and a map showing what conservation work the farmer or rancher intends to do over his entire unit. Such an agreement becomes effective only after the approval of the district governing body. The only ones who sign the cooperative agreement are the landowner and operator and the offices of the district. There is no compulsion involved. The district agrees to furnish the technical help to carry out the conservation practices. These are the practices the farmer or rancher himself says he needs to protect and improve his land. If he doesn't do his part, the district simply cancels his name off the list of those receiving assistance. That is the only penalty involved.

These complete farm and ranch conservation plans are becoming more and more popular every year. On January 1, 1951, more than 851,000 were in effect on more than 237,800,000 acres. Another 200,000 farmers and ranchers, owning about 60 million acres, were then on the waiting list of soil conservation districts. The limited facilities of the Soil Conservation Service are all that prevent their land and millions of other acres from being benefited by this detailed planning and application of scientific conservation measures.

Why are Districts popular?

There are two main reasons for the tremendous demand for the facilities of soil conservation districts—pride and profit. Farmers and ranchers are fast becoming ashamed to own a gully or a blowing sand dune. They are as proud of the new conservation agriculture as their wives are of new kitchens with all the modern equipment.

And these modern soil conservation farming programs put money in the farmers' and ranchers' bank accounts. Crop, grazing, and timber yields of soil conservation district cooperators have increased about 35 percent, on the average, while production costs have generally declined. Then, too, farming scientifically according to the conservation plan saves money for the owner by insuring that the practices are applied correctly the first time. There is no need to pay for costly mistakes caused by bad guesses.

Through soil conservation districts the landowners of America are keeping the land in good, productive condition to meet the requirements of their country in war and peace—and also for future generations. They are protecting the very base of their own and the Nation's prosperity.

In the years ahead soil conservation districts offer America the greatest opportunity it has had in modern times to strengthen its ideal of self-government and solve at the same time one of the most fundamental problems—the protection of its vital land and water resources.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. HICKENLOOPER. Mr. President, the amendment offered by the Senator from Montana is purely, simply, and entirely an amendment designed to put the Federal Government exclusively into the production of power from atomic sources from now on.

It would exclude private enterprise from participating in this venture, and would make the Federal Government the sole producer and sole dispenser of electricity generated from atomic sources.

Unfortunately, the amendment is not printed, and therefore is not on the desks of Senators. But I call the attention of the Senate to its provisions. It provides for the creation of an electric power liaison committee, consisting of a chairman and representatives from the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, the Southeast Power Administration, the Corps of Engineers, and such other Government agencies as the President may, from time to time, determine.

The amendment then provides that the committee shall consult, investigate, and pass on to other Government agencies information in connection with the allocation of nuclear material and of such other things necessary for the production of electric power, especially nuclear material used in connection with atomic weapons.

The amendment simply opens to the complete domination by the Federal Government of the whole electric power field, to the exclusion, Mr. President, of any private venture or the American private-enterprise system. There is no provision in the amendment for any representation of the American private-enterprise system in the group which will preempt and take over this great field.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I will yield.

Mr. BUSH. Does not the Senator think the amendment is highly restrictive, in that it provides that the Atomic Energy Commission shall advise and consult with other Government agencies through this committee? In other words, the amendment is literally so worded as to take away from the Atomic Energy Commission the privilege of consultation with other agencies of the Government, and to require that the Commission shall discuss such matters only through the proposed committee.

Mr. HICKENLOOPER. The Senator from Connecticut is exactly correct.

I have had Members tell me that they thoroughly misunderstood the provisions of the amendment offered by the Senator from Colorado [Mr. JOHNSON], an amendment which put the Atomic Energy Commission into the business of commercial power production.

So that there may be no mistake about it, the amendment offered by the Senator from Montana is a complete and exclusive public-power amendment. If the amendment shall be adopted and remain in the bill, the Federal Government will be the exclusive producer of power from atomic sources from this time forward. So that there may be no misunderstanding about the issue, that will be the effect of the amendment.

Mr. President 1 or 2 Members on this side of the aisle have asked me to yield time. This is all I shall have to say about the amendment. I have stated what it will accomplish, when it is uncloaked, unmasked, and its bare bones are laid out.

Mr. FERGUSON. Mr. President, will the Senator yield 10 minutes to me?

Mr. HICKENLOOPER. After I have made a final statement, I shall be prepared to yield for as long as Senators desire to speak; and then I shall yield back the remainder of my time. I do not wish to foreclose any Senator who opposes the amendment from having adequate time to discuss it.

I now yield 10 minutes to the Senator from Michigan.

Mr. FERGUSON. Mr. President, the statement by the distinguished Senator from Iowa about the amendment causes me to read to the Senate an editorial entitlel "Socialization's Filibuster," published in the Detroit Free Press of Saturday, July 24, 1954, as follows:

SOCIALIZATION'S FILIBUSTER

Socialism versus private enterprise is the stake in the Senate filibuster over the administration's atomic-energy bill.

Those opposing the administration want atomic energy for civilian purposes kept as a Government monopoly. Further, they don't want any private power producer to compete with the TVA in supplying electricity to Government atomic-energy plants.

Oratory about giving away something which belongs to the public is sheer demagoguery. Atomic power represents nothing whatever but conversion of a raw material to a useful product. It is as senseless to say that this particular branch of manufacture should be a Federal monopoly as it is to insist that wheat be milled to flour only by the Government, or steel smelted only in Government furnaces.

Nor does that fact that atomic energy was first evolved as a weapon in Government nuclear arsenals have any bearing. The issue today is not a military application of atomic energy but a vast new source of power—something capable of bettering the lot of man just as have steam, electricity, and internal combustion.

To say that because it emerged under Government auspices demands that it be kept there in all its aspects is as illogical as to insist that better growing processes discovered by the Department of Agriculture must not be used by farmers, but applied only on some kind of a system of Federal farms.

That is sheer nonsense. It also is sheer nonsense to say that fundamentally the Senate fight is anything but a conflict between exponents of a socialization not a whit different than Britain's socializing of steel and those who comprehend democracy's reliance upon private initiative for survival in a world drifting left.

Apparently we never learn the lessons of history. We have had in this country for the past 20 years a whole series of adventures in Government action. Prior to January 1953, during the preceding 20 years, the heart of these adventures was the gradual moving of Government in Washington into the control of the economic life of our Nation. I am sure many perfectly well-intentioned and patriotic Americans believe that there is something good in all this, and they think also that it is something new.

History, Mr. President, shows that it is neither good nor new.

I am certain that most Americans would be surprised to be told that what we have been doing in the United States in the past 20 years is almost precisely what was done in Germany between 1870 and 1914. It was done by Bismarck. Bismarck was no Socialist. But it is one of the curiosities of history that socialism in its early stages is promoted and advanced often by conservative elements who are foolish enough to suppose that they are engaged in reform, that they are bringing about something new. They do not realize that they are going back to the feudal system, when they are actually engaging in creeping, reactionary revolution.

At the end of the Franco-Prussian War Germany was sitting on top of the world in a sense. For once in history a nation emerged from a war without a debt. Germany got from France an indemnity which equalled 4 billion marks and Bismarck after uniting the German States into an empire set out for business with money in the bank. But about this time the great Marxian revolution began to express itself in Germany more than any place else. The Socialist movement worried Bismarck. Indeed it worried him so much that he actually declared that he, the arch conservative and reactionary, could do all the things that the Socialists could do and do them better. As a result, he took over the railroads of Prussia. The other German States began to acquire their own railroads. The cities took over the street railways, the electric powerplants and Bismarck himself in Prussia acquired either for Prussia or for the empire a dozen different industries operated by the government. Here was the great reactionary statesman actually pushing Germany into socialism on the incredible theory that he was saving it from the Socialists.

But even this was not enough to satisfy the appetities he had created. He could not produce jobs for all, as he said, and to do this he turned to militarism. Most people imagine that Germany went in for conscription—universal military service—because the Germans loved arms and the military. They did but Bismarck's real reason for promoting militarism was to provide jobs—jobs for all as he promised. There were several hundred thousand men in the army instead of being idle and there were five times as many men employed in the armament industry all of which had to be paid for with taxes. Many people think that militarism in Germany was the dream child of the Junkers—the soldiers—the warriors. Actually, every attempt made to cut down appropriations in Bismarck's Germany for military purposes was opposed most furiously by the farmers. There was a reason for this. The reason for this was because the biggest arm of the military was the cavalry and the farmers supplied the horses and the feed and every attempt made to cut down on this was opposed by the farmers. Militarism became the big business of Germany and when the Czar of Russia proposed disarmament and Bismarck sent the proposal to the Kaiser he wrote across it, "who will hire Krupp's men?"

But to do all these things Germany which started out without a debt had to go into debt year after year until 1913 dawned—the year before the war—the Finance Commission of Germany warned the Kaiser that Germany's debt was threatening Germany with bankruptcy and that no subject could be discussed without debating the terrible problem of the debt.

The result was that as has happened over and over again in history. The monarchs and the statesmen, trapped into fiscal and unemployment problems and the crushing debts of their nations and not knowing which way to turn, have turned to war as an escape. However, the point I am trying to make is that in every country in Europe, including England and France, most of the spade work for the coming of socialism has been done by men who are not really Socialists—who did not realize the gravity of what they were doing—who would never vote for socialism but who were perfectly willing either out of good hearts or for political results to add first one and then another Socialist apparatus to the machinery of the state.

In a sense the same thing happened in Britain. In the early days of his parliamentary career Lloyd George was an ardent and eloquent defender and promoter of various Socialist schemes which did not seem like socialism but just as reform measures—reform measures which chopped off the system of free enterprise and added it to the state machine. The war of 1914 was over and Lloyd George was confronted with the rise of the Socialist movement and a Socialist actually the Prime Minister of England, Ramsay MacDonald, wailed and wept crocodile tears and he said—quoting him roughly, that it was as it said in the Bible in the days before the flood they were eating and drinking and knew not that the deluge was approaching.

I now ask unanimous consent to have printed in the RECORD a portion of an article written by David Lawrence, and published in today's Washington Star.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

There is always a plausible excuse given by the filibusterers. This time it is that they wish to prevent what they call a giveaway of certain atomic-energy developments by the Government to private industry, though Government-owned channels in radio and television have long been awarded to private companies which make profits thereon. It's an age-old controversy between Government ownership and private ownership, between state socialism or Communist socialism and private enterprise. The steady pressure for an all-powerful state, in which a political bureaucracy shall dispense favors to its political henchmen, has never let up since the New Dealers and Fair Dealers began to apply the scheme in various pieces of legislation.

The American people are really behind President Eisenhower in his drive to get the Government out of business and to give the people the opportunity to earn their own living and to conserve their savings and invest them in business enterprises, but the minority in the Senate uses the specious argument that the issue isn't fully understood—as if the voluminous record of millions of words spoken in several days of continuous debate will ever be read by anybody except the official stenographers.

The issue is well understood already. It is the difference between freedom of initiative and the stifling of initiative, between private enterprise and Government ownership or control of every business, every retail store, and every doctor's office, with no incentive to service and no competition to insure the quality of the product at the lowest price.

Mr. LANGER. Will the Senator from Montana yield 4 or 5 minutes to me?

Mr. MURRAY. I yield 4 minutes to the Senator from North Dakota.

Mr. LANGER. In reply to the distinguished Senator from Michigan, I desire to quote the words of Senator Vandenberg from the book edited by his son, Arthur W. Vandenberg, Jr., which completely refute the argument of the Senator from Michigan. I quote from page 354, answering the charge of socialism and communism or anything like them. I have not time to read it all, but I will read this paragraph:

Until we have completed the peace treaties and until we have negotiated a competent international agreement to outlaw the use of atomic energy for destructive purposes, it is absolutely vital—in my opinion—that public ownership and public control of atomic energy should be as completely airtight and foolproof as it is possible to make it. Anything less would be a surrender to the greatest hazard of the ages. We cannot hope for these final treaties and for this international agreement short of another couple of years, in all probability. During this time I know—and I am very dogmatic about it—that I am best serving my country when I provide the tightest possible public control of atomic energy in the United States.

I quote now from page 356, and I particularly commend the attention of the distinguished Senator from Michigan [Mr. FERGUSON] to this statement:

We, the Congress, have declared by law that the control of atomic energy must be the tightest Government monopoly ever set up in the United States—pending the day when the destructive use of atomic energy shall be outlawed for keeps. We solemnly and unavoidably decreed that Government ownership and management, no matter how much we dislike it in other aspects of our national economy and life, is an indispensable public necessity for the sake of national security in respect to the control of atomic energy.

I thank the Senator from Montana for yielding.

Mr. FERGUSON. Mr. President, will the Senator from Iowa yield 1 minute to me?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Michigan for 1 minute?

Mr. HICKENLOOPER. I yield.

Mr. FERGUSON. Mr. President, what my late distinguished colleague said was that in the early stages of the atomic discovery and when we were developing it as a weapon for the security of the United States, it had to remain a public monopoly, and I agree wholeheartedly with that statement. But now we are endeavoring to take a step out of that field and to make atomic energy available for civilian use, and therefore we

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should not keep it as a Government monopoly. What has been read by the Senator from North Dakota does not dispute my statement.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. LANGER. Mr. President, will the Senator from Montana yield for 10 seconds to me?

Mr. MURRAY. I yield.

Mr. LANGER. The statement of the late Senator Vandenberg was made on February 17, 1947, which was long after the beginning of what the distinguished Senator was describing.

Mr. HUMPHREY. Mr. President——

Mr. MURRAY. I yield a minute to the Senator from Minnesota.

Mr. HUMPHREY. I merely want to support the statement of the Senator from North Dakota [Mr. LANGER], and to call the attention of the distinguished Senator from Michigan [Mr. FERGUSON] to what Mr. Vandenberg really said. What he said was that until we had completed the peace treaties, which we have not completed, Mr. President, until we had negotiated a competent international agreement to outlaw the use of atomic energy for destructive purposes, it was absolutely essential that public ownership and public control of atomic energy should be as completely airtight and foolproof as it was possible to make it.

I ask the Senator from Michigan, has he any inside information that we have an international agreement on atomic energy? If he has, I wish he would tell the Senate about it. Does he have any inside information that we have signed the peace treaties? If he has, I wish he would give it to the Senate.

Finally, all I got out of the statement of the Senator from Michigan was that we ought not to have a general running the country. He kept talking about Bismarck. It seems to me that leads to a lot of trouble.

Mr. KNOWLAND. Mr. President, will the Senator from Iowa yield for a parliamentary inquiry?

Mr. HICKENLOOPER. I yield.

Mr. KNOWLAND. Mr. President, have the yeas and nays been ordered on the pending amendment?

The PRESIDING OFFICER. They have.

Mr. FERGUSON. Mr. President, I want just 1 moment to say that these remarks of my late distinguished colleague from Michigan were made when America and the American Government had a monopoly of atomic energy for military purposes, but we have moved from that field and have come to the time when we believe it is safe to venture into civilian production for the whole community instead of using atomic energy exclusively for weapons of war.

Mr. CORDON. Mr. President——

Mr. HICKENLOOPER. Mr. President, I yield 5 minutes to the Senator from Oregon.

Mr. CORDON. Mr. President, I think my views with respect to public versus private power are reasonably well known. For the purpose of this short statement I will reiterate my belief in private enterprise.

I believe, however, Mr. President, that the people of the United States can still govern themselves, and the majority of them have a right to determine whether they desire service from private sources or whether they desire to serve themselves cooperatively.

In connection with the future development of atomic energy for peaceful purposes, there are people who have cooperative, self-serving, electrical devices, whether for the generation and transmission of electricity or for its transmission and distribution without generation. I believe that there is an obligation on the Government to make available to those people adequate information so that they may utilize electric power from atomic energy whenever it becomes available or usable.

However, when that time comes—and it is not here yet and will not be for several years—it will be necessary for the Government of the United States, through the Atomic Energy Commission, under the direction of a sound and well-planned and well-thought-out law, to provide for the handling of these new sources of energy, in such a way as, first, to protect the source of the energy and, second, to protect the safety of the people in the areas where it is used. Therefore it will be necessary, Mr. President, to have well thought out and stringent safeguards and rules and regulations.

I believe that in due time it will be necessary for Congress to give attention to that matter. I cannot agree to the creation of a liaison committee such as is envisioned in the pending amendment, or as being the answer to that need.

Such a committee would be made up of representatives of various agencies and departments and divisions of departments of the Government, serving ex officio. In my humble opinion, when the time comes to provide the information, as well as the usability of atomic energy, not only to public bodies but to private enterprise, it will be necessary to create some type of agency of Government to enforce the application of the rules and regulations which will emanate ultimately from the Atomic Energy Commission.

We have adequate time to work out that sort of thing. There should be no hurried effort in that field. Certainly the Atomic Energy Commission should have a free hand, so far as the present handling and the present supervision and the present control of atomic energy is concerned. It should have a free hand to seek its information direct from any department of Government and from any source, not through the office of any other committee. I think we are attempting to advance, before we have equipped ourselves with the necessary knowledge to do the kind of job that is requisite in this field. I shall oppose the amendment.

Mr. HICKENLOOPER. I yield 5 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I intend to vote against the amendment. I am afraid we are becoming a little confused as to what Senate bill 3690 proposes to do. This bill has nothing to do with the generation of power or with the distribution of power. The pending bill, if I read it correctly, and if I understand the intent of the Joint Committee on Atomic Energy, is to allow American private know-how and American private money to make an investment in the development of atomic energy. For what reason, may I ask?

Not for the manufacture of atomic bombs, but for the manufacture of electric power, to be used in our peacetime industry.

What are we doing to protect the $12 billion that have been invested by the American public in developing the fundamental science of the atom?

I repeat what I said some days ago, namely, that we are just as far away today in the science of the actual practicability of using atomic energy as Franklin was from Edison. We are only at the dawn of this venture. We are at the beginning, where we are inviting American capital to come in and take its part in this great venture.

If we are to win the race against Russia, if we are to develop atomic energy for industrial purposes, we must protect it with proper safeguards, and of course we must defend the public interests. We cannot say to the American stockholder "You invest your dollars in the development of atomic energy science, and then you will be confronted with all these public agencies under this amendment that will make the various policies and tell you what you should do.

I say to the distinguished Senator from Montana the highest power rates in the whole country are in the New England States. We do not have a Tennessee Valley Authority, or a Bureau of Reclamation, or a Bonneville project, or a Southwestern Power Association, or a Southeastern Power Administration.

What are we going to do for the people in the country where the rates are so high? The only chance they have is to allow their private industry to become a partner in this venture by investing their money, so they will be able to realize the dream of producing the same electric power that is now being produced from coal and oil, which is very, very expensive in the part of the country from which I come.

When we get down to a discussion of who is going to distribute the current, we are getting outside the four corners of this bill.

The first phase of the bill has to do with the research and development that is necessary in order to get to the practicability of the development. After that has been established, we come to section 103, whereby licenses will be issued to people for the development of the reactors.

However, we are just as far away from that now as anyone can possibly imagine. According to the testimony that was adduced by our committee, we will not get close to that stage for another 10 or 15 years, and all of that is speculative to the *n*th degree.

I say to Members of the Senate, if we want to emasculate the bill we should vote for the pending amendment. If we do not want to have private enterprise come in, we should vote against the bill.

However, if Senators say to me that they want private enterprise in this

country—and I am in favor of all projects like TVA and Hells Canyon and Bonneville, and if I had had an opportunity to vote for them I would have voted for them—then this amendment should be voted down.

We are becoming a little confused. If we want private industry to come into this development—with the proper safeguards, of course, so as not to create a private monopoly of the kind that the Government enjoys with reference to the development of atomic energy in the manufacture of war weapons—and if we want a partnership, and if we want to make it attractive enough to private industry, we must not engage in this emotional approach, which has a very attractive appeal to many people, but does not get us anywhere.

I say as sincerely as I can say it that we should stop misunderstanding the bill. If we are against private industry coming into this field, we should vote against the bill. However, if we want private industry to come into this venture—and it must, if we are to get the benefit of all the know-how of private industry—then we should not adopt the amendment, because no one will invest a nickel in it.

Mr. MURRAY. Mr. President, I have a minute and a half remaining.

The PRESIDING OFFICER (Mr. IVES in the chair). The Senator from Montana has one and a half minutes.

Mr. MURRAY. I have a minute and a half.

The PRESIDING OFFICER. That is correct; one and a half minutes.

Mr. MURRAY. I shall make my remarks very short. I wish to observe that the distinguished Senator from Iowa [Mr. HICKENLOOPER] and the distinguished Senator from Michigan [Mr. FERGUSON] have not stated the facts with reference to the amendment. There is nothing in the amendment that would exclude private enterprise from participating in this program. It would merely set up a liaison committee to consult with the Atomic Energy Commission and advise them with reference to the various sections of the country where programs may be undertaken.

Mr. PASTORE. Will the distinguished Senator yield?

THE PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Rhode Island?

Mr. MURRAY. I only have a half a minute.

It seems to me that the committee the amendment proposes to create is absolutely proper to assist the Atomic Energy Commission in determining the questions of where these plants will be located; otherwise, you may have them concentrated in congested areas and not in areas where they are really needed. We want, of course, private enterprise in this program. We want some of these plants built down in the area where the distinguished Senator from Rhode Island lives; we want them in every part of the Nation where it is appropriate and possible to locate them. We are not opposing private enterprise from participating in this program, and this amendment does not exclude private enterprise in any manner, shape, or form.

Mr. PASTORE. Will the Senator yield a minute?

Mr. HICKENLOOPER. I yield 1 minute.

Mr. PASTORE. The one thing that is significant in this amendment, and we must not misunderstand it, is the fact that this liaison committee will influence the policy. If it does not influence the policy, then it is not worth the paper it is written on, and if it has that function, then it will set the policy.

Mr. LEHMAN. Will the Senator yield?

Mr. PASTORE. I yield.

Mr. LEHMAN. If the things the Senator from Rhode Island has said are accurate—that we are still years away from any practical application of this bill—what, in the name of sound, good sense, or reason, would justify our trying to rush the bill through the Senate in the face of, as described by the Senator from Rhode Island, misinterpretation, misunderstanding, lack of knowledge, and lack of debate?

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PASTORE. Mr. President, may I have 5 minutes?

Mr. HICKENLOOPER. I yield the Senator from Rhode Island some time.

Mr. PASTORE. I will answer that very simply. I ask the Senator: Who is able to run before he was able to walk? Who is able to walk before he was able to creep? And I say unless we pass this bill, when will we get started? The sooner the better, because already Russia has devised a reactor that will produce 20,000 kilowatts of electricity; so we have a challenge today, the challenge is at our door now, not tomorrow, not next session—but now. And unless we get started, we are going to be beaten in this race, and what a sorrowful day it will be for this country and the free world—the day that Russia beats us in this race of producing reactors to give to mankind the benefits of atomic energy for industrial purposes.

That is why we reported the bill to the Senate. That is why we are having all of these discussions on this floor. But the time is of the moment. Now is the time for us to start, and unless we get started the day will never come that humanity will enjoy the benefits of this great secret.

Mr. LEHMAN. Will the Senator yield?

Mr. PASTORE. I yield.

Mr. LEHMAN. It is true, is it not, that the Senator from Rhode Island has described the great confusion, the great uncertainty, and the misunderstanding that have arisen in the debate on this bill—misunderstanding that is entirely logical because of the complexities of this bill, and because there were no hearings on the bill?

Now, certainly, I cannot conceive that under those circumstances——

Mr. HICKENLOOPER. Will the Senator yield?

Mr. LEHMAN. I yield.

Mr. HICKENLOOPER. That statement is utterly erroneous.

Mr. PASTORE. Mr. President, I can take care of myself.

The PRESIDING OFFICER. The Senator from Rhode Island has the floor by consent of the Senator from Iowa.

Mr. PASTORE. The Senator from Rhode Island can take care of himself and can answer any question.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. PASTORE. I will yield to the Senator from New York.

Mr. LEHMAN. Is it not a fact that although there were hearings on the original bill which was considered, but when a revised bill was introduced, a number of organizations, great organizations, asked to be heard and they were told, "No, we cannot give you a hearing now. We are re-revising this revised bill and when it is ready we will have hearings at which time you can appear."

And will the Senator from Rhode Island deny that those hearings were refused?

Mr. PASTORE. Oh, I do not want to say it categorically that way, but let me answer the Senator from New York by putting it in the affirmative. So far as I know, no one who desired to present his case to the committee was denied that privilege.

Mr. LEHMAN. The organizations I have in mind certainly were denied the privilege of presenting their cases and their views.

Mr. PASTORE. I do not know of the instance.

Mr. LEHMAN. The bill as it is now before the Senate is a bill confused, insufficiently debated and insufficiently studied. There is no question about that. The Senator from Minnesota read into the RECORD 2 or 3 days ago the statements of a number of organizations to that effect.

Mr. PASTORE. I should like to say to the distinguished Senator from New York that I do not agree with every single sentence of it. Surely, when a bill 104 pages long is written, necessarily many compromises have to be made. As a matter of fact, not a single piece of important legislation passes either branch of the Congress that is not the result of some compromise, unless it is steamrollered through, and that does not happen in the Senate of the United States—not if we can help it.

I should like to say to the distinguished Senator from New York that we had months and months of hearings. The hearings started last fall, 1953. In the heat of summer we heard all the witnesses who cared to appear before the committee. I do not say the bill is a perfect document. I admit it needs some refinement, and that process has gone on on the floor of the Senate. I am not arguing that a filibuster is going on. I am not alluding to that at all. But certainly it cannot be charged that this bill is the product of haste. The last charge that can be made against it is that it is the product of haste. But I say to the distinguished Senator from New York the question involved in this amendment is a very simple one—do we want private industry to come into this field, or do we not want private industry to come into it? If we do not want it to come into it, then vote for this amendment. If we want it to come into it and share the

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know-how in the development of this great power of nature, then vote against the amendment.

Mr. HUMPHREY. Mr. President, will the Senator from Iowa yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. HICKENLOOPER. Is the Senator supporting the amendment, or opposing it?

Mr. HUMPHREY. I am supporting the amendment.

Mr. HICKENLOOPER. Then I cannot yield the Senator from Minnesota any time.

The PRESIDING OFFICER. The Senator from Iowa declines to yield.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Is it possible to amend the amendment of the Senator from Montana?

The PRESIDING OFFICER. No time would be gained by doing so, because all amendments to the amendment would be included in the overall time.

Mr. HUMPHREY. I shall remember that when the next consent agreement is proposed.

Mr. HICKENLOOPER. Mr. President, I think the Senator from Rhode Island has very well expressed one of the fundamentals involved in this amendment. With reference to the statement made a moment ago by the Senator from New York in which he charged flatly that no hearings had been held on this bill, I do not know how that charge could have been made.

Mr. LEHMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New York?

Mr. HICKENLOOPER. I yield for a question.

Mr. LEHMAN. Is it not a fact that there were no hearings held on the bill as it is now presented to the Senate of the United States?

Mr. HICKENLOOPER. It is not a fact.

I hold in my hand the hearings, 1,124 pages of hearings on this bill. I agree with the Senator from Rhode Island that, so far as I know, no witness who had any connection with this matter and who desired to testify was refused the opportunity to testify. I have heard repeatedly in this debate the statement that no hearings were held on the bill, but it is not a fact and those who make it are uninformed.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Minnesota.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield first to the Senator from Minnesota, and then I yield to the Senator from New York.

Mr. HUMPHREY. I do not dispute the fact that hearings were held on a bill, but if there were hearings on Senate bill 3690 will the Senator tell me where are the hearings. I have hearings on S. 3323 and H. R. 8862, but not on the bill before us which is S. 3690. I do not deny that the Senator is most likely right when he said that there were hearings held on the bill, but where are the hearings?

Mr. HICKENLOOPER. The Senator, Mr. President, is indulging in what I think is called "thimble rigging," because he well knows that the two bills were introduced in the respective Houses and hearings were held on them. The substance of those bills in great measure is found in the pending bill. The committee merely rewrote certain provisions and adopted the amendments, as a result of the hearings, so as to make what is called a clean bill. So the bill before the Senate is in fact the bill that went to the Atomic Energy Commission with the recommended amendments in the form of a clean bill, rather than with portions of the text marked out and amendments substituted, as is sometimes done.

Mr. HUMPHREY. I appreciate the Senator's answer and on my own time, under some other amendment, I shall make my comments because I want to get back to the record.

I would like to ask the Senator one question with reference to the amendment of the Senator from Montana [Mr. MURRAY], referring now to the liaison committee. Does the Senator from Iowa interpret his amendment which reads: "The Commission shall advise and consult with other agencies through the committee," to mean that the committee shall set the policy, shall issue licenses, and so forth, or does he interpret it to mean merely that it shall advise and consult?

Mr. HICKENLOOPER. I interpret it to mean what I think it means and what I think it is intended to mean.

Mr. HUMPHREY. What is that?

Mr. HICKENLOOPER. That this so-called liaison committee would stand between the Commission and the general operation in the economic field of atomic energy, and that, in effect, it would be the policymaking body instead of the Atomic Energy Commission.

I should like to call the Senator's attention to the representatives on this committee as provided by the amendment—representatives from "the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, the Southeast Power Administration, the Corps of Engineers, and such other Government agencies as the President may, from time to time determine." With that kind of a setup, it would give private enterprise just about as much chance to be considered as the proverbial snowball when it gets near the fire. It would give the business to private enterprise, without any question, and it is so designed, in my judgment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. Does the Senator have any evidence to indicate that, other than the mere assertion? Does the Senator realize that today, in the field of development of hydroelectric energy, for every dollar the Federal Government has put into it, industry has put in $15? Does the Senator realize that 87 percent of all electric power generated in the United States of America last year was generated by private utilities, and 13 percent by public utilities, and that of the 13 percent, 9 percent was purchased by private companies? Where is the truth of the statement that private industry would be dealt a fatal blow under a provision calling upon the Commission to advise and consult with certain Government agencies?

Finally, I should like to ask, Who better has the right to represent the public than the Government? If I had my choice of being represented by a corporation or by the Government, I would pick the latter, because at least I have one vote in Government. Who better has the right to represent the public?

Mr. HICKENLOOPER. I would prefer to have the Congress of the United States represent the public than bureaucrats. I wish to make a comparison, and I do not mean to have it be an odious one from a political standpoint, but under the proposal in the amendment, private venture would have about as much chance as would the free world if representatives of Poland, Latvia, and Czechoslovakia were to arbitrate disputes between Russia and the free world—just about as much chance.

Mr. LEHMAN and Mr. HUMPHREY addressed the chair.

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator yield, and if so, to whom?

Mr. HICKENLOOPER. I shall come back to the Senator from Minnesota, I assure him, after I yield to the Senator from New York. I shall be glad to give the Senator 2 minutes, if he has some purpose. I do not want to give him too much time to be "kicking" my position. I yield to the Senator from New York for a question.

Mr. LEHMAN. I may say that the Senator from Minnesota has already covered the point I want to make, which is that the hearings before us at this time do not cover S. 3690, but S. 3323 and H. R. 8862. I should like to ask the Senator from Iowa if the hearings were held. If he assures me they were, I will have no doubt that they were. But where are the hearings?

Mr. HICKENLOOPER. The hearings are before the Senator; he has just had them in his hand. The numbers of the bill contained on the hearings were arbitrary numbers placed on the proposed legislation in order to give the Senate a clean approach.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. HICKENLOOPER. I yield to the Senator from California.

Mr. KNOWLAND. Is it not a course which is followed in a number of instances when a committee is considering a bill, whether it be the Foreign Relations Committee, the Committee on Armed Services, or any other committee, which involve long hearings? Sometimes a clean copy, so to speak, of the bill is reported, dealing with the subject matter, covering most of the parts of

the other bills, so as not to have the situation so complicated as it otherwise would be?

Mr. HICKENLOOPER. Yes. I will say every provision of S. 3323 and H. R. 8862, which happened to be an arbitrary number for the hearings, was considered. The bill was subject to thorough hearings, and the pending bill, S. 3690, is merely a cleaned-up copy of those provisions after eleven or twelve hundred pages of hearings on them. Any statement or assertion that no hearings have been held on S. 3690 is erroneous. The Senator is mistaken. Twelve hundred pages of hearings were held on the provisions of S. 3690.

Mr. LEHMAN. Am I not correct in saying, from the remarks of both the Senator from Iowa and the majority leader, that reference was made to most of the provisions?

Mr. HICKENLOOPER. I said all the provisions.

Mr. LEHMAN. I understood the Senator to say most of them.

Mr. HICKENLOOPER. Then I shall correct the RECORD and say all the provisions. Hearings were held on the identical bill. One of the bills was introduced in the Senate and one in the House, which is the reason for two different numbers. The point is that all the provisions of the bill were subject to exhaustive hearings.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Vermont for a question.

Mr. AIKEN. In looking over part 1 of the hearings I find in the list of witnesses the following names:

Solomon Barkin, Textile Workers Union of America;

Andrew J. Biemiller, national legislative committee, American Federation of Labor;

Charles F. Boss, Jr., executive secretary, Board of World Peace of the Methodist Church;

James Finucane, associate secretary, National Council for Prevention of War;

William A. Higinbotham, executive committee, Federation of American Scientists;

Miles D. Kennedy, of the American Legion;

Theodore S. Kenyon, chairman of the atomic energy committee of the New York Patent Law Association;

Murray S. Levine, secretary, New York Committee on Atomic Information, Inc.;

Murray D. Lincoln, president, Farm Bureau Insurance Companies, Ohio;

Angus MacDonald, speaking on behalf of James G. Patton, president, National Farmers Union;

Samuel B. Morris, chairman, atomic power policy committee, American Public Power Association;

Leland Olds, on behalf of the Public Affairs Institute;

Benjamin C. Sigal, attorney at law, on behalf of the Congress of Industrial Organizations.

Now, did they or did they not testify before the committee?

Mr. HICKENLOOPER. They did, and many more.

Mr. AIKEN. Did not the chairman of the committee invite them to testify, in pursuance to the President's message with the following objectives in mind:

First. Widened cooperation with our allies in certain atomic-energy matters;

Second. Improved procedures for the control and dissemination of atomic-energy information; and

Third. Encouragement of broadened participation in the development of peacetime uses of atomic energy in the United States.

In other words, were they not entitled to "cover the waterfront" in the testimony?

Mr. HICKENLOOPER. The entire provisions were covered.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a list of witnesses representing private companies and organizations at the hearings, as shown in part 1 of the hearings.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF WITNESSES

(Pt. I contains statements of witnesses representing private companies and organizations)

Francis L. Adams, Chief, Power Division, Federal Power Commission.

ATOMIC ENERGY COMMISSION

Represented by Lewis L. Strauss, Chairman; Henry D. Smyth, Commissioner; Thomas E. Murray, Commissioner; Eugene M. Zuckert, Commissioner; Joseph Campbell, Commissioner; K. D. Nichols, General Manager; William Mitchell, General Counsel; H. L. Price, Deputy General Counsel; Edward R. Trapnell, Assistant to the General Manager.

C. R. Bradshaw, Assistant Chief Counsel, Bureau of Land Management, Department of the Interior.

Lucius E. Burch, Jr., of Burch, Porter & Johnson, attorneys at law, Memphis, Tenn., accompanied by Walter Von Tresckow.

Joseph Campbell, member, Atomic Energy Commission.

R. W. Cook, Director of Production, Atomic Energy Commission.

Hon. John Foster Dulles, Secretary of State, Gerard Smith, and T. B. Morton, Department of State.

Hon. E. C. GATHINGS, a Representative in Congress from the State of Arkansas.

Hon. ALBERT GORE, a United States Senator from the State of Tennessee.

R. A. Kampmeier, Assistant Manager of Power, Tennessee Valley Authority.

Hon. JOHN F. KENNEDY, a United States Senator from the State of Massachusetts.

Hon. JOHN M. MCCLELLAN, a United States Senator from the State of Arkansas.

William Mitchell, General Counsel, Atomic Energy Commission.

Thomas E. Murray, member, Atomic Energy Commission.

Kenneth D. Nichols, General Manager, Atomic Energy Commission.

Harold L. Price, Deputy General Counsel, Atomic Energy Commission.

Hon. Donald A. Quarles, Assistant Secretary of Defense for Research and Development; accompanied by Jack L. Stempler, Assistant General Counsel, Office of Secretary of Defense; Maj. Gen. Howard G. Bunker; Maj. Gen. Harry McK. Roper; Rear Adm. George Wright; Maj. Gen. Alvin R. Luedecke.

J. Lee Rankin, Assistant Attorney General, Office of Legal Counsel, Department of Justice, accompanied by Nathan Siegel, Office of Legal Counsel, Department of Justice.

Henry D. Smyth, member, Atomic Energy Commission.

Lewis L. Strauss, Chairman, Atomic Energy Commission.

G. O. Wessenauer, Manager of Power, Tennessee Valley Authority; and R. A. Kampmeier, Assistant Manager of Power, Tennessee Valley Authority.

Eugene M. Zuckert, member, Atomic Energy Commission.

GOVERNMENT AGENCIES REPRESENTED AT THE HEARINGS

Atomic Energy Commission.
Members of Congress.
Department of Defense.
Federal Power Commission.
Department of the Interior.
Department of Justice.
Department of State.
Tennessee Valley Authority.

Mr. HICKENLOOPER. I also ask unanimous consent to have printed in the RECORD at this point a list of witnesses and correspondents represented at the hearings, as shown at the beginning of volume 2 of the hearings.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF WITNESSES AND CORRESPONDENTS

(Pt. II contains statements of Government witnesses)

Ed M. Anderson, chairman, legislative committee, the National Editorial Association.

Solomon Barkin, Textile Workers of America.

Wm. K. Beard, Jr., president, the Associated Business Publications.

Andrew J. Biemiller, member, national legislative committee, American Federation of Labor.

Lyle B. Borst, professor of physics, University of Utah.

Bennett Boskey, lawyer, Volpe, Boskey & Skallerup, Washington, D. C.

Charles F. Boss, Jr., executive secretary, Board of World Peace of the Methodist Church.

Walter L. Cisler, president, the Detroit Edison Co.

Karl Cohen, president, Walter Kidde Nuclear Laboratories, Inc.

Wilson M. Compton, on behalf of the United States Chamber of Commerce; accompanied by Richard Smith, Milton Smith, and Warren Nystrom.

Chester L. Davis, attorney at law.

E. H. Dixon, chairman of the committee on atomic power of the Edison Electric Institute, and president, Middle South Utilities, Inc.

Clyde T. Ellis, executive manager, National Rural Electric Cooperative Association, accompanied by Charles Fain and Robert Kabor, staff members, NRECA, Virgil Hanlon, manager, East River Electric Power Co-operative, Madison, S. Dak., and Marlin S. Stewart, manager, Chugach Electric Cooperative, Anchorage, Alaska.

James Finucane, associate secretary, National Council for Prevention of War.

John J. Grebe, director of nuclear development, The Dow Chemical Co., Midland, Mich.

M. D. Griffith, executive vice president, New York Board of Trade, Inc.

C. Willard Hayes, patent lawyer, Washington, D. C., and chairman, committee on laws and rules of the American Patent Law Association.

William A. Higinbotham, member, executive committee, Federation of American Scientists.

Alfred Iddles, president, the Babcock & Wilcox Co.

Harry E. Jordan, secretary, American Waterworks Association, Inc.

Miles D. Kennedy, the American Legion.

Theodore S. Kenyon, chairman of the atomic energy committee of the New York Patent Law Association.

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Andrew A. Kucher, director, Scientific Laboratory, Ford Motor Co.

Murray S. Levine, secretary, New York Committee on Atomic Information, Inc.

Murray D. Lincoln, president, Farm Bureau Insurance Companies, Ohio.

Dr. L. C. Longarzo, chairman, New York Committee on Atomic Information, Inc.

Jerome D. Luntz, editor, Nucleonics, McGraw-Hill Publishing Co., Inc., New York, N. Y.

Angus MacDonald, speaking on behalf of James G. Patton, president, National Farmers Union.

Francis K. McCune, general manager, atomic products division, General Electric Co., accompanied by Stuart MacMackin, counsel.

Paul W. McQuillen, chairman, legal committee, Dow Chemical—Detroit Edison and Associates atomic power development project.

John R. Menke, president of Nuclear Development Associates, Inc., White Plains, N. Y.

Samuel B. Morris, chairman, atomic power policy committee, American Public Power Association.

Leland Olds, on behalf of the Public Affairs Institute.

R. J. S. Pigott, president, Engineers Joint Council.

Blucher A. Poole, chairman, sanitary engineering division, American Society of Civil Engineers.

Alden A. Potter, of Montgomery County, Md.

Stanley B. Roboff, manager, industrial coordination, atomic energy division, Sylvania Electric Products, Inc.

Oscar M. Ruebhausen, chairman, special committee on atomic energy, of the Association of the Bar of the City of New York.

Thorndike Saville, president, Engineers Joint Council.

Benjamin C. Sigal, attorney at law, on behalf of the Congress of Industrial Organizations.

Dr. Chauncey Starr, North American Aviation Corp.

E. Blythe Stason, dean, University of Michigan Law School, appearing on behalf of the American Bar Association special committee on atomic energy.

Newton I. Steers, Jr., president, Atomic Development Mutual Fund, Inc.

William A. Steiger, chairman, committee on patents of the National Association of Manufacturers.

C. G. Suits, chairman, committee on research of the National Association of Manufacturers.

Gilmore Tillman, attorney at law of Los Angeles, Calif., representing the American Power Association, and Department of Water and Power of the city of Los Angeles, Calif.

Jerry Voorhis, executive director, Cooperative League of the USA, 343 South Dearborn Street, Chicago, Ill.

J. R. Wiggins, chairman, the American Society of Newspaper Editors.

Eugene P. Wigner, Palmer Physical Laboratory, Princeton University.

E. Raymond Wilson, of the Friends Committee on National Legislation.

Woodrow L. Wroble, Dynamics Design Co.

COMPANIES AND ORGANIZATIONS REPRESENTED AT THE HEARINGS

American Bar Association.
American Federation of Labor.
The American Legion.
American Patent Law Association.
American Power Association.
American Public Power Association.
American Society of Civil Engineers.
The American Society of Newspaper Editors.
The American Water Works Association.
The Associated Business Publications.
Association of the Bar of the City of New York.
Atomic Development Mutual Fund, Inc.
The Babcock and Wilcox Co.
Chugach Electric Cooperative.
Congress of Industrial Organizations.
Cooperative League of the United States of America.
The Detroit Edison Co.
Dow Chemical Co.
Dow Chemical-Detroit Edison and Associates atomic power development project.
Dynamics Design Co.
East River Electric Power Cooperative.
Edison Electric Institute.
Engineers Joint Council.
Farm Bureau Insurance Cos.
Federation of American Scientists.
Ford Motor Co.
Friends Committee on National Legislation.
General Electric Co.
Los Angeles (Calif.) Department of Water and Power.
Methodist Church, Board of World Peace.
Middle South Utilities.
National Association of Manufacturers.
National Council for Prevention of War.
National Editorial Association.
National Farmers Union.
National Rural Electric Cooperative Association.
New York Board of Trade, Inc.
New York Committee on Atomic Information, Inc
New York Patent Law Association.
North American Aviation Corp.
Nuclear Development Associates, Inc.
Nucleonics (magazine), McGraw-Hill Publishing Co.
Princeton University.
Public Affairs Institute.
Sylvania Electric Products, Inc.
Textile Workers Union of America.
United States Chamber of Commerce.
Utah, University of.
Volpe, Boskey and Skallerup.
Walter Kidde Nuclear Laboratories, Inc.

WORLD CHRISTIAN ENDEAVOR CONVENTION—SPEECH BY THE PRESIDENT

Mr. WATKINS. Mr. President, will the Senator yield me 9 minutes?

Mr. HICKENLOOPER. I yield 9 minutes to the Senator from Utah.

Mr. WATKINS. Mr. President, there was a very significant speech made yesterday to the World Christian Endeavor convention held in Washington. It called attention to a matter that has been generally overlooked by far too many Americans and peoples of the world in the great crisis which now confronts all the nations of the world. The President of the United States, in talking to the young people, put his finger on one of the greatest powers that the free nations of the world could use if they but had the desire and the will to do so. In this memorable address, he declared:

Because, my friends, though today we must remain strong, we must remain strong in all the economic and the scientific affairs of the world, we must remain strong militarily for the protection of our firesides and our rights to prevent domination by those who would seek to enthrall us, yet bullets and guns and planes and ships, all the weapons of war can produce no real or lasting peace.

Only a great moral crusade, to determine that men shall rise above this conception of materialism, rise above it and live as people who attempt to express in some faint and feeble way their conceptions of what the Almighty would have us do, that is the force that will win through to victory, and the world will have prosperity and peace—prosperity beyond all imaginings of the past. And science will be developed and devoted to the happiness, the welfare of man, and not to his destruction, and all of us can live together peacefully and happily.

This speech of the President's should rank with his great state papers. Few have ever stated more clearly the great truth that all the scientific weapons of modern war cannot produce a real or lasting peace. In the din of worldwide news of great moment, and in the sounds of filibustering debate over a measure providing for the peaceful use of one of the great weapons of modern times, the President's great message seems to have been lost.

In a sense, his is a "voice crying in the wilderness." Yet in these peril-laden, momentous times, his is a message that the world desperately needs to hear and to heed, lest the forces of destruction set loose in the world today carry man and twentieth century civilization across the brink of an Armegeddon in which those who rely only on the sword and the H-bomb will perish by those weapons and international chaos and misery may be the result.

The President's message is not that of a misguided pacifist nor an appeaser. He plainly states that in a world of strife and tension, we must remain strong militarily to protect our firesides and our rights as free men. But it is significant that he, one of the world's greatest military leaders, has seized the real meaning of the message brought by the Carpenter of Nazareth and preached by earnest Christians and laymen and leaders of other religious sects for the past 2,000 years. "Yet bullets and guns and planes and ships, all the weapons of war can produce no real or lasting peace," declared President Eisenhower.

Beginning with Christ, this simple truth has been uttered many times over the centuries. Yet we who profess to follow the Man of Nazareth must admit that, for the most part, this basic message has fallen on deaf ears. Today, after three world conflicts in less than a half-century, we see the world engaged in a feverish arms race with the most destructive weapons ever devised by man. We have an armed truce in Korea and another in Indochina. On the open seas, for the first time in many years, airships engaged in a mercy rescue mission are fired upon by planes of a country whose leaders are not only anti-Christ, but whose armed minions are engaging in repeated acts of brutality and aggression that make them a threat to world peace and order throughout a large part of the globe.

The President's message is one that should be dinned out over free radio stations set up to penetrate the fear-clogged recesses behind the Iron Curtain in Europe and Asia. It is a message that people everywhere will be able to appreciate, regardless of the propaganda to the contrary that has been forced upon them by their oppressors. It is a message so starkly different from those emanating from the war lords of Russia

and Red China that is is bound to gain attention and to demand respect for its obvious honesty and sincerity.

The President has told the world the basic truth that more of us should give heed to and live the teachings of Christ. It is that simple. It is that profound.

He has said that while we must remain strong; the only real salvation of the world is not a military crusade but a moral crusade, in which every man and woman who aspires to world peace and security can contribute.

In these troubled times, I urge each American to read and study this great historic speech by President Eisenhower, and to lend support to a moral crusade to save the world from self-destruction.

Let us keep our sword ready and at hand, and our powder dry, lest international bandits strike at our hearth and our home. But let us be militant crusading Christians, seeking earnestly to convert those who would transgress against moral laws and world peace, and recognizing that a victory for peace and Christian living would restore hope again to the world and let peace and prosperity reign for the good of all mankind.

Mr. President, I ask unanimous consent that there be printed in this part of my remarks the entire text of the speech delivered by President Eisenhower to the World Christian Endeavor convention.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Dr. Poling and friends: It is indeed a very great honor to be invited to come here to extend to you, on behalf of this Government, a greeting to the Capital of the United States. Those of you who come from our own country, and those who come from abroad, are met here in a fellowship from which we naturally expect much, and because of which we extend to you a greeting that is more than usually sincere.

While I am talking about this matter of just meeting you, I should like to ask each of you a favor. You will return soon to your homes, and I should like for you, whether you live abroad or in America, to take to all your associates personal good wishes, a personal expression of hope from me and from this Government, that all of your labors, all of your meetings, all of your endeavors, will lead toward, ever toward, that closer bond of brotherhood and friendship without which this poor old world is indeed in trouble, and which I believe that the young people of this world can do so much to promote.

Now, when we talk about such high moral efforts in this world today, we sometimes encounter in the diplomatic field the statement that an international relationship does not use moral standards, that it is based upon expedience, or upon practical solutions to practical problems of the moment. And mayhap this is sometimes true, in the temporary sense. But it cannot possibly be true in the permanent sense, if we are to win that security, that peace, for which all mankind so desperately longs.

We must remember the spiritual base that underlies man's existence, and the spiritual base that underlies all free government, else we shall surely fail.

A SPIRITUAL BASE

That there is a spiritual base to all free types of government is not difficult to demonstrate, of course. Free government makes as its cornerstone the concept, or the idea, that men are equal, they are equal before the law, they have equal rights and equal opportunities in the governments maintained to protect them.

Now we know that men and women are not equal among themselves, physically; they are not equal among themselves mentally. Consequently, they must be equal if free government has any validity; they must be equal in some way that has nothing to do with the physical or intellectual makeup of man. And that can be only his spiritual side.

If we do not promote, therefore, if we do not believe in the spiritual character of man, we would be foolish, indeed, to be supporting the concept of free government in the world; free government as opposed to dictatorship. But so long as we do recognize the spiritual values in man, and his spiritual side, and recognize the dependency of free government upon these spiritual values, then everything that we are trying to do makes sense. Then the words "the dignity of man" assume real meaning. We work for it with our whole hearts; we may work for true brotherhood among men without any qualification whatsoever, except doing everything honorable to achieve success.

In the great conflict that is going on in the world today one side upholds the freedom and dignity of man, and therefore recognizes the spiritual character. The other lives by something it calls the materialistic dialectic, meaning only that it denies all the kinds of values that you young people support. It says there are no values in life except the material ones, what you can see or express in the material or intellectual way.

ONLY GOVERNMENTS ARE STUPID

And this, of course we know to be false. So not only do you people get the satisfaction that comes to every human in this world as he labors for the benefit of his brothers and his sisters, you know that in laboring to promote an understanding of these spiritual values, to raise them even higher in our calculations of everything we do, that you are working for a permanent, lasting, durable peace among all the men of the world who so desperately thirst for it.

And I should like, of course, to give you this one conviction of my own: That all men, all masses, do truly long for peace. They want you to win the struggle you are waging. It is only governments that are stupid, not the masses of people. Governments may seek for power, for the right to dominate, to extend their authority over others. Free people do not seek that.

So your task is to help every man realize that he himself, because he has been born in this world, is valuable. He is meaningful. He is important to you, because as you defend his rights you are defending your own.

And then we must make them understand that people who believe that way must unite among themselves if they are to meet successfully the opposition which is united by force, by the threat of the MVD, by the threat of the police, the threat that comes about when a child is asked to inform upon its parents, when there is no sanctity left in family life, or in community life, in anything, indeed except slavish devotion to the head of the state.

A BIG INVESTMENT

Most of you are still young. You have your whole lives to live. You have, in other words, a 60-or-70-year investment in this old earth. People my age, if they are lucky, have 10 or 15 years still invested in it. This earth is very much important to you then, possibly, than it is to us elders.

I say to you this, as possibly the only worthwhile word I can bring to you: If you remain ever true to the principles lying behind the organization to which you belong, if you believe in them with all your heart if you live them, and if you get countless others to join with you in supporting those values, then, indeed your lives will be fruitful and happy ones, and all those that come after you will be the beneficiaries of your great work.

Because, my friends, though today we must remain strong, we must remain strong in all the economic and the scientific affairs of the world, we must remain strong militarily for the protection of our firesides and our rights to prevent domination by those who would seek to enthrall us, yet bullets and guns and planes and ships, all the weapons of war can produce no real or lasting peace.

Only a great moral crusade, to determine that men shall rise above this conception of materialism, rise above it and live as people who attempt to express in some faint and feeble way their conceptions of what the Almighty would have us do, that is the force that will win through to victory, and the world will have prosperity and peace—prosperity beyond all imaginings of the past. And science will be developed and devoted to the happiness, the welfare of man, and not to his destruction, and all of us can live together peacefully and happily.

To each of you, wherever you go, I say: Good luck and may God bless you.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY]. The Senator from Iowa [Mr. HICKENLOOPER] has 27 minutes left. All time has expired on the other side.

Mr. LEHMAN. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield for a question.

Mr. LEHMAN. Am I not accurate in stating that the considerable list of public interest organizations appearing at the hearings is a list of those appearing at the first hearing held in May, and is shown in part I of two parts?

Mr. HICKENLOOPER. Part I and part II. I put in both.

Mr. LEHMAN. Am I not correct in that, in the first place?

Mr. HICKENLOOPER. That is right.

Mr. LEHMAN. Am I not reading accurately from the record of part II, which reads as follows——

Mr. HICKENLOOPER. Will the Senator state the page?

Mr. LEHMAN. Page 561:

After the bill had been introduced for a relatively short period of time, executive hearings were held with the Commission, representatives of the Department of State, the Department of Defense, and then later on public hearings were conducted, and in all of those hearings criticisms were voiced, suggestions were made, with the result that H. R. 8862 was revised to meet many of the objections. The revised edition of H. R. 8862 has again been transmitted to the agencies of Government, including the Atomic Energy Commission, and it is for that purpose that we have met this morning renewing the open meetings of this Committee for consideration of H. R. 8862, as revised.

May I ask the Senator from Iowa whether at that meeting any public interest groups testified or were invited to testify?

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Mr. HICKENLOOPER. Will the Senator repeat the question, please?

Mr. LEHMAN. May I ask the Senator from Iowa whether in the second hearing which took up a revised version of the bill, as the result of the first hearing, there were any public interest groups present, or invited to be present, or which testified?

Mr. HICKENLOOPER. That hearing was only the first of many. Hearings were held repeatedly, and 1,200 pages of hearings were held after that.

Mr. LEHMAN. Mr. President will the Senator yield for one more question?

Mr. HICKENLOOPER. Yes.

Mr. LEHMAN. I have before me the list of witnesses for part II. I wonder whether the Senator from Iowa could point out the witnesses who represented any public interest group, who appeared or testified at those hearings.

Mr. HICKENLOOPER. In part II?

Mr. LEHMAN. Part II, yes?

Mr. HICKENLOOPER. The list of witnesses speaks for itself. I am looking at the list.

Mr. ERVIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. HICKENLOOPER. Mr. President, I now call the attention of the Senator to part II, the contents of which lists Government agencies represented at the hearings:

Atomic Energy Commission.
Members of Congress.
Department of Defense.
Federal Power Commission.
Department of Interior.
Department of Justice.
Department of State.
Tennessee Valley Authority.

Mr. LEHMAN. I refer to public-interest groups.

Mr. HICKENLOOPER. What does the Senator mean by "public-interest groups"?

Mr. LEHMAN. Any large organizations—labor organizations.

Mr. HICKENLOOPER. They were heard in part I.

Mr. LEHMAN. I refer to rural-electrification groups, the reclamation organizations and organizations of that sort. I think the term "public-interest groups" is quite clear.

Mr. HICKENLOOPER. Every group which asked to be heard was heard. Nobody was refused the opportunity.

Mr. ERVIN. Mr. President, I call attention to page 302.

Mr. HICKENLOOPER. My attention has been called to page 302 of the testimony. That is volume I, which shows the REA representatives were there. There is a list of them.

Mr. LEHMAN. I was talking about part II.

Mr. HICKENLOOPER. They all had a chance in part I. There were dozens of them.

I would like to place in the RECORD at this point in my remarks another list of witnesses at hearings held in 1953, which was last year. It consists of four pages of witnesses and organizations.

There being no objection, the list of "witnesses and correspondents" was ordered to be printed in the RECORD, as follows:

LIST OF WITNESSES AND CORRESPONDENTS

J. L. Atwood, president, North American Aviation, Inc.

J. H. Aydelott, vice president, Association of American Railroads (submitted).

Robert F. Bacher, California Institute of Technology.

William E. Barbour, Jr., president, Tracerlab, Inc. (submitted).

S. D. Bechtel, of the Bechtel Corp.

J. G. Beckerley, Director of Classification, Atomic Energy Commission.

Manson Benedict, Massachusetts Institute of Technology (submitted).

Andrew J. Biemiller, member of the national legislative committee of the American Federation of Labor.

Robert Blum (submitted).

Calvin M. Bolster, Chief of Naval Research, accompanied by Maj. Gen. Ernest M. Brannon, Judge Advocate General of the Army, and Comdr. D. H. Dickey, patent counsel for the Navy.

M. W. Boyer, General Manager, Atomic Energy Commission.

C. R. Braun, manager, atomic power section, Allis-Chalmers Manufacturing Co.

Arnold K. Brown, executive vice president, American Machine & Foundry Co.

L. E. Brownell, University of Michigan (submitted).

Oliver E. Buckley, member, General Advisory Committee to the Atomic Energy Commission.

John C. Bugher, Director, Division of Biology and Medicine, Atomic Energy Commission.

Joseph Campbell, Commissioner, Atomic Energy Commission.

Clark E. Center, Carbide & Carbon Chemicals Co.

Walker L. Cisler, president, Detroit Edison Co.

J. E. Coats, president, Patent Law Association of Los Angeles (submitted).

Karl Cohen, vice president, Walter Kidde Nuclear Laboratories, Inc.

F. R. Collbohm, director, the Rand Corp.

J. M. Costello, executive vice president, South Carolina Electric & Gas Co. (submitted).

W. L. Davidson, Director, Office of Industrial Development, Atomic Energy Commission.

C. E. Davies, secretary, the American Society of Mechanical Engineers.

Chester L. Davis, attorney at law (submitted).

Gordon Dean, Chairman, Atomic Energy Commission (term expired June 30, 1953).

Edgar H. Dixon, chairman, committee on atomic power, Edison Electric Institute; president, Middle South Utilities, Inc., accompanied by Paul Hallingby, Jr., assistant to the president, Middle South Utilities, Inc.

R. L. Doan (submitted).

Alton P. Donnell, coordinator, Dow-Edison project.

Dale E. Doty, member, accompanied by Francis L. Adams, Chief, Bureau of Power, and Howard E. Wahrenbrock, General Counsel, Bureau of Law, Federal Power Commission.

Clyde T. Ellis, executive manager, National Rural Electric Cooperative Association.

J. F. Fairman, vice president, Consolidated Edison of New York.

Malcolm P. Ferguson, president, Bendix Aviation Corp.

Enrico Fermi, University of Chicago (submitted).

Philip A. Fleger, Duquesne Light Co.

John Anson Ford, board of supervisors, county of Los Angeles (submitted).

Willis Gale, chairman, accompanied by Murray Joslin, vice president, Commonwealth Edison Co.

Tyrone Gillespie, general counsel, Dow Chemical Co.

Dr. John Grebe, Dow Chemical Co.

C. H. Greenewalt, president, E. I. du Pont de Nemours & Co.

Arthur S. Griswold, assistant to the president, Detroit Edison Co.

W. P. Gwinn, general manager, Pratt & Whitney Division, United Aircraft Corp. (submitted).

Dr. Lawrence R. Hafstad, Director of the Reactor Division, Atomic Energy Commission.

Broderick Haskell, Combustion Engineering, Inc.

Fred R. Haviland, Jr., director of market development, Minneapolis-Honeywell Regulator Co. (submitted).

Willard C. Hayes, chairman, committee on laws and rules, American Patent Law Association (submitted).

J. H. Hayner, Henry J. Kaiser Co.

James A. Hootman, technical assistant to the director, National Advisory Committee for Aeronautics.

L. A. Hyland, vice president (engineering), Bendix Aviation Corp.

Alfred Iddles, president, The Babcock & Wilcox Co.

Fred C. Kellogg, president, Pioneer Service & Engineering Co.

Walter E. Kingston, general manager, atomic energy division, Sylvania Electric Products, Inc.

Ernest O. Lawrence, University of California.

Robert LeBaron, Assistant to the Secretary of Defense (atomic energy).

David E. Lilienthal, former Chairman, Atomic Energy Commission (submitted).

Elmer Lindseth, president, Cleveland Electric Illuminating Co.

Eugene S. Loughlin, president, National Association of Railroad and Utilities Commissioners, and chairman, Connecticut Public Utilities Commission.

Hon. GEORGE W. MALONE, United States Senator from the State of Nevada.

J. W. McAfee, president, Union Electric System, the North America Co., the Electric Energy, Inc. (by Edwin Putzell).

F. K. McCune, general manager, accompanied by Stuart MacMacklin, counsel, Atomic Products Division, General Electric Co.

Hon. Douglas McKay, Secretary of the Interior.

John R. Menke, president, Nuclear Development Associates, Inc.

Clarence R. Miles, Chamber of Commerce of the United States (submitted).

Vice Adm. Earle W. Mills, president, Foster Wheeler Corp.

Samuel B. Morris, chairman, Atomic Power Policy Committee, accompanied by Alex Radin, manager, American Public Power Association.

R. H. Morse, Jr., president, Fairbanks, Morse & Co. (submitted).

E. V. Murphree, president, Standard Oil Development Co. (submitted).

Homer S. Myres, president, Radioactive Products, Inc. (submitted).

John V. Neumann, University of California.

James R. Newman, former counsel to the Senate Special Committee on Atomic Energy.

Leland Olds, Public Affairs Institute (submitted).

Casper Ooms, former United States Patent Commissioner and Chairman of the AEC Patent Compensation Board.

Prof. William J. Pierce, Law School, University of Michigan.

R. J. S. Pigott, president, Engineers Joint Council.

Sumner T. Pike, chairman, Public Utilities Commission, State of Maine.

K. S. Pitzer, dean, College of Chemistry, University of California (submitted).

Gwilym A. Price, president, Atomic Power Division, Westinghouse Electric Corp.

B. E. Proctor, Massachusetts Institute of Technology.
Edwin J. Putzell, Jr., secretary, Monsanto Chemical Co.
I. I. Rabi, Chairman, General Advisory Committee to the Atomic Energy Commission.
Walter Raleigh, executive vice president, New England Council.
R. G. Rincliffe, president, Philadelphia Electric Co.
Edward R. Rowley, production manager, National Lead Co.
Oscar M. Ruebhausen, chairman, special committee on atomic energy, the Association of the Bar of the City of New York.
Beardsley Ruml.
Hudson R. Searing, Consolidated Edison Company of New York.
Carleton Shugg, electric boat division, General Dynamics Corp. (submitted).
Benjamin C. Sigal, Congress of Industrial Organizations.
Walter Bedell Smith, Under Secretary of State.
Dr. Henry D. Smyth, Commissioner, Atomic Energy Commission.
Philip Sporn, president, American Gas & Electric Co. (submitted).
Dr. Chauncey Starr, director, atomic energy research department, North American Aviation, Inc.
William A. Steiger, vice chairman, committee of patents, National Association of Manufacturers.
R. S. Stevenson, executive president, by C. R. Braun, manager, atomic-power section, Allis-Chalmers Manufacturing Co.
Lewis L. Strauss, Chairman (effective date July 2, 1953), Atomic Energy Commission.
Dr. C. G. Suits, chairman, subcommittee on atomic energy of the committee on research of the National Association of Manufacturers.
Elwood D. Swisher, international president, United Gas, Coke, and Chemical Workers of America, CIO.
Edward Teller, radiation laboratory, University of California (submitted).
R. W. Thomas, vice president, Phillips Petroleum Co. (submitted).
K. C. Towe, president, American Cyanamid Co.
Jerry Voorhis, executive director, Cooperative League of the U. S. A. (submitted).
Dr. Eric Walker, dean, school of engineering, the Pennsylvania State College.
J. Carleton Ward, Jr., Vitro Corporation of America (submitted).
Robert C. Watson, Commissioner, United States Patent Office, Department of Commerce (submitted).
Charles H. Weaver, manager, atomic-power division, Westinghouse Electric Corp.
Dr. George L. Weil, former Assistant Director, Reactor Development Division, Atomic Energy Commission.
Alvin M. Weinberg, technical director, Oak Ridge National Laboratory, Atomic Energy Commission.
Eugene P. Wigner, professor of physics, Princeton University.
Hon. Walter Williams, Under Secretary of Commerce.
Charles S. Wilson, chairman, patent committee, Aircraft Industries Association of America, Inc. (submitted).
Walter H. Zinn., Director, Argonne National Laboratory Commission.

COMPANIES, GOVERNMENT AGENCIES, AND ORGANIZATIONS REPRESENTED AT THE HEARINGS OR REPLYING TO INVITATION TO SUBMIT VIEWS

Aircraft Industries Association of America, Inc.
Allis-Chalmers Manufacturing Co.
American Bar Association.
American Cyanamid Co.
American Federation of Labor.
American Gas & Electric Co.
American Machine & Foundry Co.
American Patent Law Association.
American Public Power Association.
American Society of Mechanical Engineers.
Department of the Army.
Association of American Railroads.
Association of the Bar of the City of New York.
Atomic Energy Commission.
Argonne National Laboratory.
Oak Ridge National Laboratory.
The Babcock & Wilcox Co.
Bechtel Corp.
Bendix Aviation Corp.
California Institute of Technology.
University of California.
Carbide & Carbon Chemicals Co.
Chamber of Commerce of the United States.
University of Chicago.
Combustion Engineering, Inc.
Department of Commerce.
Commonwealth Edison Co.
Congress of Industrial Organizations.
Connecticut Public Utilities Commission.
Consolidated Edison Company of New York, Inc.
Cooperative League of the U. S. A.
Department of Defense.
Detroit Edison Co.
Dow Chemical Co.
Duquesne Light Co.
Edison Electric Institute.
E. I. du Pont de Nemours & Co.
Electric Boat Division, General Dynamics Corp.
Electric Energy, Inc.
Engineers Joint Council.
Fairbanks, Morse & Co.
Federal Power Commission.
Foster Wheeler Corp.
General Advisory Committee to the Atomic Energy Commission.
General Electric Co.
Department of the Interior.
Henry J. Kaiser Co.
Board of Supervisors, Los Angeles County.
Massachusetts Institute of Technology.
University of Michigan.
Middle South Utilities, Inc.
Minneapolis-Honeywell Regulator Co.
Monsanto Chemical Co.
National Advisory Committee for Aeronautics.
National Association of Manufacturers.
National Associaton of Railroads and Utilities Commissioners.
National Lead Co.
National Rural Electric Cooperative Association.
Department of the Navy.
New England Council.
North American Aviation, Inc.
The North American Co.
Nuclear Development Associates, Inc.
Patent Law Association of Los Angeles.
The Pennsylvania State College.
Phillips Petroleum Co.
Pioneer Service & Engineering Co.
Princeton University.
Public Affairs Institute.
State of Maine Public Utilities Commission.
Radioactive Products, Inc.
The Rand Corp.
South Carolina Electric & Gas Co.
Standard Oil Development Co.
Department of State.
Sylvania Electric Products, Inc.
Tracerlab, Inc.
Union Electric System.
United Aircraft Corp., Pratt & Whitney Aircraft Division.
United Gas, Coke & Chemical Workers of America, CIO.
Vitro Corporation of America.
Walter Kidde Nuclear Laboratories, Inc.
Westinghouse Electric Corp.

Mr. HICKENLOOPER. There are many public-interest groups listed there.

I would like also to place into the RECORD some statistics. The committee held 91 meetings on this subject matter, and developed 4,643 pages of record, executive and public. We indeed spent a lot of time on this matter.

The PRESIDING OFFICER. Does the Senator want the statistics printed in the RECORD?

Mr. HICKENLOOPER. Only my statement of the figures. The rest of it is extraneous.

I will yield 3 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. I am very grateful to the Senator from Iowa.

I may say this is a very refreshing experience we are having today. We are discussing the issues. I think as a result we will undoubtedly be able to make some progress. I should like to direct my attention to the amendment of the Senator from Montana [Mr. MURRAY]. I do so primarily to clarify the RECORD. Each Senator has his own point of view on this amendment. I think I have a pretty good idea of what is going to happen to it. Nevertheless, I want it to be quite clear, insofar as my own point of view of it is concerned.

No. 1, this amendment establishes a liaison committee on electric power to advise with the Atomic Energy Commission, just as there is a military liaison committee for military matters to advise with the Atomic Energy Commission. A person can look at this bill and make all the interpretations he wishes, Mr. President, but when he is all through there is one basic feature of this bill which is new, and that new feature is the licensing and the patent feature, as related to the use of atomic energy for the development of electric energy. It is just that simple.

This is an electric-power bill basically, insofar as the new features are concerned. Therefore, it seems appropriate we should be considering measures and amendments which relate to the distribution and generation and the sale of electrical energy.

I remind my good friend from Iowa, who has been very considerate in this debate, that we did adopt the Johnson amendment. The Johnson amendment was not in the original bill, but the Senate adopted it. We put the Atomic Energy Commission in the power business. Some people may not like it, but that is what we did.

Since we put the Atomic Energy Commission into the power business, it seems to me that the amendment of the Senator from Montana is most germane and most to the point. This does not mean that we deny private industry the right to get patents and licenses; not at all. Private industry will have its opportunity, but private industry will have its opportunity in the full realization that atomic energy is a government monopoly.

I hope that no Senator is prepared to change that. Atomic energy belongs to the Government. The use of atomic energy may be licensed to private industry. If private industry gets a license, it ought to be subject to rules and regulations such as we have had laid down for 50 years in the distribution and sale and generation of electrical energy.

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This is no more new than Ben Franklin's Almanac, so let us not act as if something all at once happened and a great new socialistic plot were coming upon the country. This is as socialistic as Teddy Roosevelt and root beer. That is about how socialistic it is.

Now, Mr. President, I remind my colleagues that we also have, on page 23, section 44, what is known as the by-product energy provision. That was in the committee bill—byproduct energy, as an incidental of the Atomic Energy Commission's research and development projects.

That byproduct energy is to be sold. That byproduct energy is to be distributed; and it is to be distributed as the bill provides:

> If the energy produced is electric energy, the price shall be subject to regulation by the appropriate agency, State or Federal, having jurisdiction.

The PRESIDING OFFICER. The 3 minutes of the Senator from Minnesota [Mr. HUMPHREY] have expired.

Mr. HUMPHREY. How times does fly.

The PRESIDING OFFICER. The Senator from Iowa has 16 minutes remaining.

Mr. HICKENLOOPER. Mr. President, with reference to the statements made by the Senator from Minnesota as to what is American and what is not, it is my conception that America, in its greatness and its strength, is still based upon the private free-enterprise system, and not upon the dead hand of bureaucratic operation of the American economy. The camel got his head under the tent in the Johnson amendment, and the pending amendment is the neck or the front quarters of the camel getting under the tent of the American system of free enterprise so far as the development of electric power and the electrical activities of the Atomic Energy Commission and the whole atomic energy program are concerned.

Mr. President, I yield back the remainder of my time.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Iowa yielded his time back; unless he wants to take his time back, he has yielded. All time for debate has expired.

Mr. MURRAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Montana?

Mr. HICKENLOOPER. I yield for a question.

Mr. MURRAY. I want to ask unanimous consent——

Mr. HICKENLOOPER. I yielded for a question.

Mr. MURRAY. The distinguished Senator from Iowa yielded for a question.

Mr. HICKENLOOPER. Mr. President, a point of order.

The PRESIDING OFFICER. All time for debate has expired, under the unanimous-consent agreement.

Mr. MURRAY. Mr. President, I ask unanimous consent that I be permitted to modify my amendment.

The PRESIDING OFFICER. The Senator from Montana asks unanimous consent that he be permitted to modify his amendment. The Senator has that right.

Mr. MURRAY. At the end of subparagraph (a) I desire to strike out the word "and" and insert "three representatives of the private utilities to be appointed by the President and."

I ask that that modification be made.

The PRESIDING OFFICER. The amendment will be modified as indicated.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Maybank
Anderson	Gore	McCarran
Barrett	Green	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bowring	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Chavez	Johnson, Colo.	Russell
Clements	Johnson, Tex.	Saltonstall
Cooper	Johnston, S. C.	Schoeppel
Cordon	Kennedy	Smathers
Crippa	Kerr	Smith, Maine
Daniel	Kilgore	Smith, N. J.
Dirksen	Knowland	Sparkman
Douglas	Kuchel	Stennis
Duff	Langer	Symington
Dworshak	Lehman	Thye
Eastland	Lennon	Upton
Ervin	Long	Watkins
Ferguson	Magnuson	Welker
Frear	Malone	Wiley
Fulbright	Mansfield	Williams
George	Martin	Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment, as modified, offered by the Senator from Montana [Mr. MURRAY]. The yeas and nays have been ordered.

Mr. MURRAY. Mr. President, I ask that the clerk may read the amendment, as modified.

The PRESIDING OFFICER. Without objection, the amendment, as modified, will be read.

The Chief Clerk read as follows:

On page 15, line 4, add the following new section 28 and renumber present sections 27 and 28 and 29 and 30:

"SEC. 28. Electric Power Liaison Committee: There is hereby established an Electric Liaison Committee consisting of—

"a. A Chairman, who shall be the head thereof and who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate prescribed for the Chairman of the Military Liaison Committee; three representatives of the private utilities, to be appointed by the President, and

"b. A representative of the Federal Power Commission, the Securities and Exchange Commission, the Rural Electrification Administration, the Tennessee Valley Authority, the Bureau of Reclamation, the Bonneville Power Administration, the Southwest Power Administration, the Southeast Power Administration, the Corps of Engineers, and such other Government agencies as the President may from time to time determine. The Chairman of the Committee may designate one of the members of the Comittee as Acting Chairman to act during his absence. The Commission shall advise and consult with other Government agencies, through the Committee, on all atomic energy matters which relate to electric power applications of atomic energy, including the development, manufacture, and use of atomic reactors for power purposes, the allocation of special nuclear material for such purposes, the technical, economic, and accounting relationships between production of special nuclear material and atomic energy for electric power and for atomic weapons, appropriate policies to govern the production and distribution of electric power from atomic energy in order that the benefits of such power shall be widely distributed and maximum revenues shall be returned to the Federal Treasury, and the integration of atomic power policies and administration with other power activities of the Federal Government; and shall keep other Government agencies, through the Committee, fully and currently informed of all such matters before the Commission. Other Government agencies, through the Committee, shall have the authority to make written recommendations to the Commission from time to time on matters relating to civilian applications of atomic energy as they deem appropriate."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana [Mr. MURRAY] as modified. The yeas and nays have been ordered, and the Secretary will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business. The Senator from Ohio [Mr. BRICKER], the junior Senator from South Dakota [Mr. CASE], the Senator from Wisconsin [Mr. MCCARTHY], and the senior Senator from South Dakota [Mr. MUNDT] are necessarily absent.

If present and voting, the Senator from Wisconsin [Mr. MCCARTHY] would note "nay."

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "nay."

The result was announced—yeas 30, nays 56, as follows:

YEAS—30

Burke	Hill	Magnuson
Chavez	Humphrey	Mansfield
Clements	Jackson	Maybank
Douglas	Johnson, Tex.	Monroney
Eastland	Johnston, S. C.	Morse
Frear	Kennedy	Murray
Fulbright	Kerr	Neely
Gore	Kilgore	Sparkman
Hayden	Langer	Symington
Hennings	Lehman	Young

NAYS—56

Aiken	Capehart	Ferguson
Anderson	Carlson	George
Barrett	Cooper	Goldwater
Beall	Cordon	Green
Bennett	Crippa	Hendrickson
Bowring	Daniel	Hickenlooper
Bridges	Dirksen	Holland
Bush	Duff	Ives
Butler	Dworshak	Jenner
Byrd	Ervin	Johnson, Colo.

Knowland	Payne	Smith, N. J.
Kuchel	Potter	Stennis
Lennon	Purtell	Thye
Long	Reynolds	Upton
Malone	Robertson	Watkins
Martin	Saltonstall	Welker
McCarran	Schoeppel	Wiley
Millikin	Smathers	Williams
Pastore	Smith, Maine	

NOT VOTING—10

Bricker	Gillette	Mundt
Case	Kefauver	Russell
Ellender	McCarthy	
Flanders	McClellan	

So Mr. MURRAY's amendment, as modified, was rejected.

Mr. GORE. Mr. President, I call up my amendment 7–24–54–G, as modified.

The PRESIDING OFFICER. The secretary will state the amendment.

The LEGISLATIVE CLERK. On page 82, between lines 19 and 20, it is proposed to add a new section, as follows:

SEC. 170. No contract entered into under the authority of this act shall provide, and no contract entered into under the authority of the Atomic Energy Act of 1946, as amended, shall be modified or amended after the date of enactment of this act to provide, for direct payment by the Commission of any Federal income taxes on behalf of any contractor performing such contract for profit, or for any payments to any such contractor as reimbursement for any Federal income taxes paid by such contractor.

Mr. KNOWLAND. Mr. President, I send a proposed unanimous-consent agreement to the desk, and ask that the secretary may read it.

The PRESIDING OFFICER. The secretary will read the proposed unanimous-consent agreement.

The Chief Clerk read as follows:

Ordered, That any debate on the amendment 7–24–54–G to S. 3690 submitted by the Senator from Tennessee [Mr. GORE], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Tennessee [Mr. GORE] and the Senator from Iowa [Mr. HICKENLOOPER]: Provided, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The PRESIDING OFFICER. Is there objection?

Mr. GORE. Reserving the right to object.

The PRESIDING OFFICER. The Senator may proceed.

Mr. GORE. I do not expect to address the Senate for more than a period of 30 minutes.

The issue involved by this amendment which I have presented is simple. The discussion of it should not require very long.

I would expect to resist the temptation to address the Senate for more than an hour, but I would not like to address the Senate for any period of time under a threat that the amendment which I have offered will be laid on the table without consideration; therefore, I am not prepared to give my consent to the unanimous consent of the distinguished majority leader.

Mr. KNOWLAND. Will the Senator withhold his objection for one moment while I make a statement?

Mr. GORE. I will withhold the objection.

Mr. KNOWLAND. Mr. President, I want to say earlier in the day I understood the Senator [Mr. GORE] thought half an hour would be sufficient to make the presentation on his side of the case, and I understand that the Senator from Iowa feels half an hour would be sufficient to make it on the other side. However, if the distinguished Senator from Tennessee feels that an hour is not sufficient time, I am prepared to modify my request to make it an hour and a half or to make it 2 hours, if the Senator desires. I will hereby modify my request to make it 2 hours instead of 1 hour.

The PRESIDING OFFICER. Is there any objection to the request as modified?

Mr. GORE. Reserving the right to object.

The distinguished majority leader is a man of great capacity in whom all Members have faith. He is a man possessed of many fine attributes.

I have thought during this debate that his many fine attributes have been exemplified.

I have wondered, though, if he did not lack just a little in the human equation. Perhaps I am in error.

I remember a few nights ago that he sought a unanimous-consent request. The distinguished Senator from Mississippi [Mr. STENNIS] desired to speak on an amendment and asked for a modification of only an additional 30 minutes. The distinguished majority leader advised the Senator from Mississippi [Mr. STENNIS] that the senior Senator from California could not modify.

To serve in this body as an individual Member requires flexibility, the ability to make adjustments to meet situations. It seems that the position of leadership requires even more the capacity to be flexible and to modify. If the junior Senator from Tennessee must now offer an amendment and discuss it under the threat of having it laid on the table without consideration—and a meritorious amendment, in his opinion—the junior Senator from Tennessee would prefer not to address the Senate. The majority leader need not undertake to bargain by increasing the time to 2 hours or to 20 hours. In the opinion of the junior Senator from Tennessee, no one on this side of the aisle desires to speak on the amendment except himself.

If the majority leader who occupies the mighty chair of the majority leader, and who has the votes to lay an amendment on the table, will just keep still in that mighty seat, I believe that this amendment can be disposed of in less than 1 hour, but if he insists upon being obstinate, then—well, I do not wish to go any further. I trust that the distinguished majority leader can operate with some confidence in his colleagues.

Earlier in the week some of us on this side gave him a gentlemen's agreement.

Mr. KNOWLAND. I remember that.

Mr. GORE. That gentlemen's agreement—further reserving the right to object——

Mr. JENNER. I want to object.

The PRESIDING OFFICER. You want to object?

Mr. JENNER. I want to object.

Mr. KNOWLAND. I hope the Senator will not try to take the Senator from Tennessee off his feet.

Mr. JENNER. I want him to talk as long as he wants to. I do not want to take him off the floor.

The PRESIDING OFFICER. The Senator from Tennessee has the floor if he wants to hang onto it.

Mr. KNOWLAND. Mr. President, as I understand it, I have a unanimous-consent request here.

The PRESIDING OFFICER. The Senator from California yielded for that purpose, but in the meantime the Senator from Tennessee took the floor.

Mr. GORE. Is the junior Senator from Tennessee recognized?

The PRESIDING OFFICER. No. The Senator is recognized to the extent that the Senator from California has yielded the floor to the junior Senator from Tennessee to object.

Mr. GORE. Reserving the right to object?

The PRESIDING OFFICER. Yes.

Mr. GORE. Members on this side of the aisle, as the RECORD will show if anyone desires to read it, gave to the distinguished majority leader a "gentleman's agreement" that we would assist in bringing to a vote the Anderson amendment, and the Ferguson amendment on a day certain. We not only assisted, we succeeded.

I wish to assure the distinguished majority leader that if he will show a little faith in a considerable number of his colleagues and realize that the rules of the United States Senate are not bad rules; if he will show a little trust, a little flexibility, then we will assist in bringing this amendment to an issue, I believe, within an hour. But under all the circumstances the junior Senator from Tennessee does not like to offer an amendment and then have to consent to a limitation of debate in order to enjoy the privilege of addressing the Senate with the implied threat that otherwise his amendment will be laid on the table without consideration.

The PRESIDING OFFICER. Does the Senator from Tennessee object or does he not object?

Mr. KNOWLAND. I again want to say to the distinguished Senator that if he feels a half hour would be insufficient, I have suggested doubling the time. If the Senator feels 3 hours is required, I want to be fair and reasonable about it. However, I call attention to a statement which came over the wire services a few minutes ago, which reads:

MORSE—

Speaking of the junior Senator from Oregon—

who sat in on the Democratic caucus—

It was not; I understand it was a caucus of the group that has been engaged in this discussion, or filibuster—

told newsmen that he has not abandoned his all-out battle against the bill. He said he will object to all unanimous consent requests involving the limitation of debate on matters that he considers important.

I want to say to the Senator it is not pleasant to sit here and be told that the

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majority leader lacks certain human qualities. I have certainly tried to lean over backwards, and I think most Senators will bear me out. I have tried to the best of my ability to work out the schedule so the Senate can conduct its business. I do not like night sessions. They are wearing and tiring on all Senators. I know the heavy responsibility on them as a result of these all-night sessions. But I am trying to expedite the public's business. We are now in a situation where we have spent the equivalent of 17 eight-hour days on the bill up to 10 o'clock this morning. It does seem to me under all those circumstances that if the majority leader, carrying out his responsibilities, some of them unpleasant, has agreed to double the time, has agreed to treble the time, he is not being arbitrary and he is not being unreasonable.

This has not been done without prior notice to the Senate earlier that if we could not succeed in the cloture vote, which we did not do, and I do not complain about it, because, frankly, I was under no illusion I could get 64 votes for cloture. However, I have the responsibility to break the filibuster some other way if it could not be broken in that manner.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. STENNIS. It might very well be that there are only two Senators in the Chamber who wish to speak on the amendment. Would not the Senator entertain inquiring whether there are any other Senators who wish to speak on the amendment besides the Senator from Tennessee and the Senator from Iowa? It could well be that those are the only two Senators present who wish to speak on it. If that is true, we certainly——

Mr. KNOWLAND. In the spirit of trying to cooperate with the other side of the aisle, and on the assurances made by the distinguished Senator from Tennessee, and despite the fact that I have been more or less served notice indirectly in regard to this matter, without stating a precedent for any other amendment, I will withdraw my unanimous consent request and suggest that the Senator proceed to debate his amendment.

The PRESIDING OFFICER. The Senator from Tennessee is recognized and has the floor.

Mr. GORE. Mr. President, I now wish to advise the distinguished majority leader that the junior Senator from Tennessee did not say the Senator from California was lacking in any of the fine human qualities. He said rather that he had wondered about this during the course of this debate. I now wish to resolve those doubts and say he is possessed of all of them.

Mr. President, I ask for the ayes and nays on my amendment.

The ayes and nays were ordered.

Mr. GORE. Mr. President, I now wish to ask unanimous consent that the clerk reread the amendment for the information of the Senate, and then I shall address the Senate for no more than 20 minutes.

Mr. DIRKSEN. Reserving the right to object——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Illinois?

Mr. DIRKSEN. The Senator asked for unanimous consent and I reserve the right to object.

Mr. GORE. I asked for the ayes and nays. That does not require a unanimous consent request. However, I yield to the junior Senator from Illinois.

Mr. DIRKSEN. Mr. President, I hope the Senator from Tennessee will withdraw the remark he made a little while ago about the majority leader.

Mr. GORE. I withdrew it.

Mr. DIRKSEN. It was a clear transgression of the rules.

Mr. GORE. I had already retracted it. I withdraw it and apologize.

The PRESIDING OFFICER. Is there objection to the amendment being read?

Mr. GORE. I ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the amendment.

The LEGISLATIVE CLERK. On page 82, between lines 19 and 20, it is proposed to add a new section as follows:

SEC. 170. No contract entered into under the authority of this act shall provide, and no contract entered into under the authority of the Atomic Energy Act of 1946, as amended, shall be modified or amended after the date of enactment of this act to provide, for direct payment by the Commission of any Federal income taxes on behalf of any contractor performing such contract for profit, or for any payments to any such contractor as reimbursement for any Federal income taxes paid by such contractor.

Mr. GORE. Mr. President, the amendment is not directed to any particular contractor, nor is it added to a particular section of the bill. The amendment adds a new section to the bill. It would prohibit the Atomic Energy Commission, under the authority of the bill, to make a contract by which it is agreed that the Atomic Energy Commission will reimburse a corporation or person contracting with the Government for profit for the payment or repayment of its Federal income tax.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. FULBRIGHT. With regard to that last qualification, the corporation or person contracting with the Government for profit, I take it that the contract with the TVA, which has a similar provision in it, would not be affected by the provision?

Mr. GORE. This applies to Federal income taxes levied against citizens and corporations throughout the United States.

Mr. FULBRIGHT. Does that apply only to income tax?

Mr. GORE. Only to Federal income tax.

Mr. FULBRIGHT. It would not apply to local or property tax?

Mr. GORE. It would not. As I originally introduced the amendment, it would have. I realized that there are precedents for that in cost-plus contracts. There are no precedents for reimbursement of income tax.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Connecticut.

Mr. BUSH. Do I understand there is no precedent in any cost-plus contract for reimbursement of Federal income taxes?

Mr. GORE. For reimbursement of Federal income taxes. I am advised there is no such precedent.

Mr. BUSH. I am aware of 1 such contract between 2 private companies.

Mr. GORE. I am not speaking of a contract between two private companies; I am speaking of a contract between the Government and a private company. I have asked the Library of Congress and the General Accounting Office to give me whatever information they have with regard to the question. Neither one could come up with a precedent. I have precedents showing that such reimbursement was denied, going back to 1919.

I will say to the distinguished Senator, and also to the rest of my colleagues, that if such a contract or contracts are permitted, then the Senate Finance Committee should consider that. This is a tax matter involving the question of whether certain corporations with Government contracts under certain conditions should have reimbursement of their taxes. The distinguished junior Senator from Colorado and the eminent senior Senator from Georgia ought to report such a matter to the Senate from the Finance Committee. This is an attempt to alter our Federal tax policy. I merely offered an amendment to provide that they could not be reimbursed for Federal income taxes. I trust that the distinguished senior Senator from Iowa will accept the amendment. I see no justification——

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HICKENLOOPER. With respect to the Senator's statement about the lack of precedents, I say to the Senator from Tennessee that there are two very pertinent precedents where exactly that has been done. One is the OVEC and the other is the EEI contract, in which Federal income taxes are taken into consideration in calculating the cost, which is the same thing as reimbursement. In the Dixon-Yates contract it is not a reimbursement, but it is taken into consideration in calculating the basic costs. There is no substantial difference in the Dixon-Yates proposed contract with respect to Federal income taxes than there is today in the Ohio Valley Electric contracts or the Electric Energy contract group, located at Joppa. I will say to the Senator, I discovered that fact just a very short time ago, really while the last controversy was going on. The Senator will find that the Dixon-Yates contract with respect to the Federal income taxes provision follows the same pattern as in the OVEC and the EEI contracts made in 1952.

Mr. GORE. I appreciate that statement.

Mr. HICKENLOOPER. I shall attempt to get the Senator a little more detailed information on it. I shall try to get it by telephone now. I have my information by telephone confirmed from two different sources.

Mr. GORE. I think the distinguished senior Senator from Iowa [Mr. HICKENLOOPER] may well find that in those cases there is not actual repayment of Federal income tax or reimbursement of taxes paid, but rather that the income taxes paid, and to be paid, are taken into consideration in the contract, and in the rate structure.

I say to the able Senator it would be a very unwise precedent indeed for us to start reimbursing a corporation for its taxes. That means that no matter how much we may have to raise taxes on other people in the future, this particular concern or particular person having such a contract would not have to pay any additional burden, and would not have any additional burden during the life of the contract.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. GORE. I will yield.

Mr. HICKENLOOPER. I will say it is my understanding that the pattern and the formula proposed to be used in the Dixon-Yates contract for the calculation of basic costs upon which the rate structure depends follow the same pattern as the EEI and OVEC contract. I do not understand that it is proposed for the Government or the Atomic Energy Commission to write a check in reimbursement of the taxes, but it is considered and mentioned that way so that the financial structure of the company vis-a-vis its rates charges can be calculated. I think the pattern is the same. That is my understanding.

Mr. GORE. Well, if the pattern is the same then it was not so described to the committee of which the distinguished Senator is vice chairman.

Mr. HICKENLOOPER. I think the Chairman is correct, substantially, on that. I think there was perhaps an unfortunate or ill-advised use of words. I may be wrong about that.

Mr. GORE. Why does the distinguished Senator not accept this amendment, then? There may have been a misuse of words, but the Congress is on notice that such a proposal has been made contrary to any precedent in American history. I say it would be very bad.

If we start reimbursing people for the taxes they pay, where is the private enterprise to pay taxes?

Mr. HICKENLOOPER. Of course, this contract has not been made yet. It is in the process of negotiation.

Mr. GORE. No. But it is proposed and submitted to the Congress. Instead of adding an amendment to the particular section, I have added a new section so that it will not have limited application to just one concern, but to all concerns.

Mr. HICKENLOOPER. The Senator is aware of the fact, is he not, that at no place in the Dixon-Yates proposal is the matter referred to as a reimbursement of Federal income taxes? The word "reimbursement" crept in in the Bureau of the Budget analysis, and they used the term "reimbursement."

The Dixon-Yates people, so far as I could find, did not use the word "reimbursement" of Federal income taxes, but used the general reference to that, and the actual Federal income taxes which they might have to pay, because of the equity capital situation, which would be part of the basic cost structure upon which the rate was based.

Mr. GORE. Whether it is reimbursement or repayment, I think it amounts to the same thing.

I would like to read to the Senate the position the Government has taken throughout the years in this matter. I read from a summary of cases arising out of World War I. This is January 31, 1919. Here is the summary and here is the position:

> Federal income and excess property taxes cannot be allowed as part of costs under Navy cost-plus-profit contracts, even when the contracts include "taxes of all kinds, including munitions tax," because the statute commands the contractor to pay such taxes from profits.

Therefore it is clear. I can read case after case of the General Accounting Offices cases. I have other books I can cite. In no instance has the profit made from a contract or any portion of the taxes levied on that profit been allowed to be deducted as an operating cost of the contract. I say that it would be most unwise, whether the word "reimbursement" is used or "repayment" is used.

How are you going to levy a tax on a person making $30 a week? How are you going to levy a tax on other corporations in the country if you start to have Uncle Sam reach down in his pocket and repay one particular concern or several particular concerns for the taxes they have paid?

Mr. MORSE. Mr. President.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. GORE. I do not want to exceed 20 minutes. Will the Senator make it brief?

Mr. KILGORE. I regret very much that the Senator said "20 minutes," because a few things on this item deserve more than 20 minutes.

Mr. GORE. I only said that in a desire to cooperate.

Mr. KILGORE. I know. We have had hearings in the Appropriation Committees on windfalls in which the airlines collected back more than the income tax paid and stuck it in their pockets. We have had those things.

If you talk about windfalls, we have had those.

In this case how many Members of this body or of the Congress knew about these contracts for power and knew about the fact that the rates were fixed so as to reimburse them for all the income tax and give them more than any States public utility commission would give them by way of normal profit? It would give them more than that after the payment of taxes. That has been done under the guise of classified contracts.

Are we going to permit that to go on? That is the question I want to ask the Senator. This is the first time it has come out in the open and come out to congressional view, shall I say?

May I say to the Senator from Tennessee: Is it not necessary that the Congress take a logical view and treat these special companies the same as we treat other people in the United States of America?

Mr. GORE. I thank the Senator. I say this: If you are going to accord this treatment to one corporation with a Government contract, then how are you going to deny it to others? No matter what emergency might arise in the future, which would require a reimposition of excess-profit taxes or require us to raise taxes on other corporations and other people, a person or a firm with this kind of contract would bear no heavier burden. He would be insulated. He would have tax immunity. It is not fair. It is not right. It is not wise.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator.

Mr. AIKEN. Assuming that the amendment of the Senator from Tennessee [Mr. GORE] would apply to the proposed Dixon-Yates contract, will the Senator from Tennessee [Mr. GORE] advise the Senate what the overall effect on the operations of the Tennessee Valley Authority would be from the adoption of this amendment?

Mr. GORE. None at all.

Mr. AIKEN. There would be none at all?

Mr. GORE. It applies only to the payment or repayment or reimbursement of Federal income taxes by the Government on behalf of and to persons or private corporations.

Mr. AIKEN. The Senator from Tennessee [Mr. GORE] does not believe, then, that the proposal of the Government to pay these taxes was for the purpose of enabling the Tennessee Valley Authority to get lower rates?

Mr. GORE. The TVA is not involved in this.

Mr. AIKEN. All right.

Mr. GORE. I have tried not to direct it to Dixon-Yates in particular. If such a contract is seriously proposed, then I think the Congress ought to take a position on it. The Government has never had such a contract, so I am advised by the Library of Congress and the General Accounting Office.

I do not think it would be wise to have such a contract. Since the Senate is on notice that such has been proposed, I think the Senate should take a position.

Mr. AIKEN. The Senator feels it would have no effect whatsoever on the operation of the Tennessee Valley Authority?

Mr. GORE. None at all.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator.

Mr. MORSE. I have a few questions and in those questions I think I can show my attitude of seeking information on this.

First, do I understand one basis of the objection of the Senator from Tennessee [Mr. GORE] to the particular language of the bill which he seeks to amend now by his amendment is that he feels the language in the bill really constitutes tax

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legislation and being tax legislation it ought to go to the Senate Committee on Finance? Is that the Senator's position?

Mr. GORE Well, if we are to set up certain conditions under which corporations will be reimbused for the taxes they pay then surely it ought to be considered by the tax writing committee. We should not allow it to go on by way of a contract.

Mr. MORSE. Is it then the Senator's position that because he thinks this is tax language and therefore it results in tax legislation we ought to have the judgment of the Committee on Finance before we write into this bill what may be a very bad tax precedent which will rise to plague the Committee on Finance later when it comes to consider tax legislation?

Mr. GORE. Well, I agree with the Senator. I think I have fairly well presented it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. JOHNSON of Texas. Has the Senator finished?

Mr. GORE. I am sorry. I thought the Senator had finished.

Mr. MORSE. I wanted to find out what the theory of the Senator is. I understood from some of the Senator's remarks the Senator was objecting because he thought it was an encroachment on the province of the Finance Committee, because it was tax language. I just wanted to make certain.

Mr. GORE. It is certainly a tax matter.

Mr. MORSE. My next questions is: If that is true, does the Senator know what the position of the Finance Committee is in respect to this kind of tax legislation? Has the Finance Committee in the past rejected this kind of a proposal?

Mr. GORE. I know of no time when the Congress has taken the position of exempting anyone from taxes on income except by a rule that applies to all. The standards are set out and everybody is measured by the same yardstick. I am saying this would be a special situation.

Mr. MORSE. Will the Senator answer this question: To the extent that the cost-plus contract to which the Senator has referred and the other contracts which have been entered into by the Government and private concerns in this country are involved, is it not true that those contracts have been in respect to war contracts and defense contracts and not so-called business or commercial contracts, which really are involved in this legislation, because the type of contract we are talking about really is a contract for commercial operations and not defense operations? Am I wrong about that?

Mr. GORE. Well, I am trying to present an amendment without specific reference to the proposed Dixon-Yates contract. I think it is broader than that, though it will apply to it also. If the Senator has referred to the Dixon-Yates contract then that is not a defense contract. I think that a national defense contract would have priority over one which was not. This is a broad provision applying to all.

Mr. MORSE. That is the point. It is a very broad provision, and it is a provision so broad that it can be applied to so-called commercial operations by one of the contracting parties who enters into an arrangement with the Government that has nothing to do with defense or war plants in that contract; so what I am trying to find out is whether or not I am correct, because I have not had a chance to study this in detail, that whatever tax provision we have had in any prior contract with the Government related, after all, to contracts that had to do with defense and war operations, and not with commercial operations; and if I am right about that, then my next question, I think, becomes very pertinent: Is there not a danger here that we are laying down language in this bill, if the language of the Senator from Tennessee [Mr. GORE] is not adopted, which is going to have the effect of taking a certain group of American corporations or individuals, setting them apart from all the other taxpayers in this country, and giving them some tax benefits that the rest of us do not enjoy, as far as Federal income tax is concerned?

And, if that is true, then, really, does it not provide for a most unjust and unfair, discriminatory principle in this bill in the field of taxes?

Mr. GORE. I wish to say to the distinguished Senator that I believe I have so said. I appreciate his further emphasis.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Apropos of what the junior Senator from Oregon [Mr. MORSE] has stated, today I discussed his proposed amendment with the distinguished ranking minority member of the Finance Committee, the senior Senator from Georgia [Mr. GEORGE]. He told me that he favored the inclusion in this bill of such an amendment.

And, Mr. President, the minority leader had further conferences with the Senator from Colorado [Mr. JOHNSON], who is also a member of the Finance Committee, and the ranking member of the Joint Committee on Atomic Energy, one of the senior members on the Senate side. He very strongly favors an amendment of this kind, as do all the Democratic Senate members of the Joint Committee on Atomic Energy. They are unanimous in their view that such an amendment to this bill should be adopted. I am very hopeful that the distinguished vice chairman would agree to take this amendment to conference.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. HICKENLOOPER. I am concerned about one point. As I say, I said to the Senator from Tennessee [Mr. GORE] a moment ago, and if he will accept my word for it——

Mr. GORE. I will accept the Senator's word for anything he says.

Mr. HICKENLOOPER. I have it by telephone from good sources in the Atomic Energy Commission, who have access to it, that the OVEC and the EEI contracts for Paducah and Portsmouth do contain a formula for the recognition of Federal income taxes in the cost structure upon which the rate charged is based. That is one of the factors.

Now, I take it that the Senator from Tennessee does not deny that the question of income taxes is a part——

Mr. GORE. Of the rate structure.

Mr. HICKENLOOPER. Of the cost structure and the rate structure.

Mr. GORE. I realize it must be, and have no objection to that.

Mr. HICKENLOOPER. And the Senator from Tennessee is attempting to reach in this amendment—I am trying to get the Senator's position clear.

Mr. GORE. Yes, sir.

Mr. HICKENLOOPER. The Senator is attempting to reach in this amendment which, as I understand it, says, and I will begin reading line 5 of the amendment, if I have the amendment correct, and I have an interlined amendment here: "for direct payment by the Commission of any Federal income taxes on behalf of any contractor performing such contract for profit, or for any payments to any such contractor as reimbursement for any Federal income taxes paid by such contractor." That is my understanding as to the language of the amendment.

Mr. GORE. That is right.

Mr. HICKENLOOPER. As I understand the Senator's amendment, he is trying to avoid what he believes to be a precedent of direct reimbursement by the Federal Government of income taxes as a specific item.

Mr. GORE. That is right.

Mr. HICKENLOOPER. Well, Mr. President, I just want to say that so far as I am concerned, with that understanding, I do not believe we are so far apart. I think we can shorten this matter up unless someone else——

Mr. GORE. I thank the Senator. Mr. President, I ask unanimous consent to withdraw the request for the yeas and nays.

Mr. HICKENLOOPER. Mr. President, I will say, while I am on my feet, that I am perfectly willing to accept the amendment then.

Mr. GORE. I yield the floor.

Mr. MORSE. I have no objection to withdrawing the request for the yeas and nays.

The PRESIDING OFFICER. Is there objection to the unanimous consent for withdrawing the request for the yeas and nays? Without objection, it is so ordered.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I have only 2, 3, or 4 minutes to comment on this amendment.

I want to say that I heartily endorse the amendment, as I understand its purpose. I tried to bring out that understanding in a series of questions I asked the Senator from Tennessee.

I want to say that if the Senator from Iowa has been correctly informed by the Atomic Energy Commission as to what they have done in connection with the other two contracts he has men-

tioned, all the more reason, Mr. President, why we should put this legislative check on the Atomic Energy Commission. If they are entering into some contracts for which we can find no precedent in the records of the General Accounting Office, for which no one in high position, in the Government, who has knowledge of the whole field of taxation is able to cite to the Senator from Tennessee a single precedent and for which the Congressional Library could not find a single precedent. I say if that is true, Mr. President, and now in the last minutes of the debate on this particular amendment, the Atomic Energy Commission advises the Senator from Iowa that they are doing this in a couple of contracts they have let, then we had better put a legislative check on them, and in a hurry. Why do I say that, Mr. President? I think the Senator from West Virginia [Mr. KILGORE] used a very apt phrase when he said that this constitutes a type of hidden windfall.

Now, I believe in taxation in accordance with ability to pay. We cannot reconcile this kind of discriminatory favoritism for certain selected corporations and businesses with the principle of ability to pay.

My fear is, Mr. President, that what is being done by certain language in this bill is to set up a tax windfall for a favored few corporations in this country. This amendment is essential if we are to have uniformity of tax liability in this Nation. I am shocked if it is true that the Atomic Energy Commission is giving tax advantages to some corporations with which it is entering into contracts.

Mr. President, I cannot reconcile that with any justice to the ordinary masses of our people. There is no reason why we should be taxing the rank and file of our people under the Federal income-tax law on the basis of the principle of uniformity, but have a group of favored corporations or business operators getting what amounts, in effect, to a tax exemption.

The next point I want to make is that we are talking about an amendment in relation to an atomic energy bill that is pointed toward commercial operations, and not defense and war operations. I do not think we should ever lose sight of that.

The objection many of us have to this bill is that it gives for commercial purposes to big business really a monopolistic control over the atomic energy program, at least in respect to the development of electric power from atomic energy. Now, to add to that, Mr. President, tax favortism makes this bill nauseating, in my opinion. That must be the feeling of everyone who believes that we ought to stand for sound American principle of a uniform application of tax principles to all our people in respect to peacetime operations and particularly commercial operations.

In emergency situations, in time of war, when defense needs are great, when the very security of our country is at stake, I think a case can be made for granting some special privileges to business corporations that are using their facilities in order to develop war materials required for the security of the Nation. But that is not what we are talking about in connection with the particular language in the bill to which we are objecting.

We are talking, Mr. President, about a tax formula or principle that is going to apply in respect to what amounts to commercial operations by American business concerns.

It is not helped any, in my judgment, by saying, "Well, it is going to apply only to contracts between the Government and business concerns," because these contracts are not going to relate to war needs. They are going to relate at best, it seems to me, if I understand the situation correctly, to contracts in the field of electric power supply—of supplying the electric power for the needs of various agencies of the Government.

But, be that as it may, I think there is no answer to my argument that what we are doing here is establishing a tax principle of favortism or, as the Senator from West Virginia called it, the granting by law of a tax windfall to certain favored corporations and businesses.

That is one of the things which has engendered so much fear on the part of many of us as to what is really embodied in a bill of 104 pages, which has not had adequate analysis in the course of the debate.

If the Atomic Energy Commission is doing what the Senator from Iowa says it is doing, I think at this point we must insist that it be checked by law. I believe the language proposed by the Senator from Tennessee does check it and brings a halt—at least I hope it does—to this kind of favoritism.

Let me say something about taking the amendment to conference. I am perfectly willing that it be taken to conference, and I want it to be taken to conference.

In view of the very strong differences of opinion that exist on the floor of the Senate on the part of very sincere Senators on both sides of the argument, I believe nothing should be taken to conference unless it is clearly understood that a vigorous fight will be made for it in conference. The idea of just taking something to conference and kicking it out after little debate in conference should not be the basis on which any amendment is taken to conference.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. THYE. Mr. President, I believe that this is an amendment that should be adopted. I for one am in favor of the amendment. I assure the Senator from Oregon that I will be just as critical as anyone else if, after the conferees have worked on the amendment, they bring a bill back without having properly considered the amendment.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MORSE. I yield, provided I do not lose the floor.

Mr. KNOWLAND. I do want to join in expressing the hope that the distinguished Senator from Iowa will take the amendment to conference, as he has indicated he will. I believe this tax question is basically one for the Committee on Ways and Means of the House and for the Committee on Finance of the Senate to consider. The fact that there are two contracts which furnish a precedent, having been first negotiated in 1952, under a prior administration, does not necessarily mean to me that the precedent is a good one.

Secondly, I think that either a remission of or offset for the Federal income taxes is a matter, certainly, about which I have grave doubts. I think, as a matter of public policy, that it is unsound. I do not know, Mr. President, if we once start down that road, where we will draw the line, whether in the atomic energy field or the field of defense plants, or other fields.

Therefore, I hope that the distinguished Senator from Iowa, who has said he would take the amendment to conference, will take it to conference, and that the Senate will vote for it. So far as I am concerned, this is no empty gesture.

Mr. MORSE. Mr. President, I am deeply grateful to the Senator from Minnesota [Mr. THYE] and the Senator from California [Mr. KNOWLAND] for supporting the thesis that I am seeking to defend in my speech.

I wish to finish the point I was discussing. I do not believe that any amendment should go to conference by way of any understanding we reach in the course of the remaining part of this debate, unless there is a sincere determination to fight for the position the Senate takes on the amendment.

If any Senator feels that an amendment should not go to conference and be fought for in conference, we ought to fight out the question on the floor and vote the amendment up or down. We are trying to compose our differences on this bill, and I think a very valiant effort has been made by the Senators on both sides of this bill to find some basis for composing our differences. Unless we mean to fight for these amendments in conference then we should not adopt them as a parliamentary tactic to close this debate.

But here again I want to make it very clear that I will not fly under any false colors as to what my position is.

The Senator from California [Mr. KNOWLAND] read a ticker tape report a few minutes ago as to the position that the press quoted me as having taken on objecting to unanimous consent agreements.

I stand on that press report, with this interpretation of it. I was called out by the press, and I was asked if I had gone along with any agreement on the part of any group in the Senate that I would not raise objections to unanimous-consent proposals to limit debate on various amendments.

I said that, to the contrary, I made it very clear to the group this morning that I was not going to bind myself by any commitment. I want it to be perfectly clear that I have very deep convictions about this bill. We are dealing with a bill that will affect our people for many years to come. If it should be attempted

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to pass the bill in its present form, without some amendments being added to it—and this happens to be one of the amendments we consider to be very vital—so far as I am concerned I would fight to beat the bill as long as I can stand up on the floor of the Senate and speak.

That is what I said, and I believe the press was justified in interpreting my remarks as being what the Senator from California [Mr. KNOWLAND] read from the ticker.

I do not know how the majority leader could have received any finer cooperation than I have attempted to give him all day long. I believe that on both sides of the issue there is a sincere effort to try to compose our differences. I was asked by the press as to what the greatest stumbling block was that existed with reference to this bill. It is the unrestricted principle in this bill in connection with the Dixon-Yates contract. Some of us feel called upon to say very strongly that if we do not place any restrictions upon that particular part of the bill we will, in effect, create the great possibility of scuttling TVA, and we will create the great possibility of scuttling the whole public power yardstick program.

I know that honest men differ with me. Some say, in the first place, it will not have that effect; others say, in the second place, if it does have that effect, that is exactly what they want. That is what the conflict over this bill is all about.

I still feel that there is a good opportunity and a good chance that we can compose our differences if we try to approach the issues with reason. The attempt to use a parliamentary bludgeon to force the minority to accede to the demands of the majority should stop.

The last point I wish to make is this—and the Senator from California alluded to it—the language the amendment seeks to correct is tax language. It falls within the jurisdiction of the Finance Committee. It has no place in this bill. I think it is an encroachment upon the Committee on Finance. I think we are entitled to have hearings before the Committee on Finance and to have the judgment of the Committee on Finance as to the desirability of this part of the bill.

As the Senator from California has pointed out, and as I had previously mentioned, there are the precedents which at the last minute are announced to us by the Atomic Energy Commission. We had better stop the Atomic Energy Commission from entering into such tax windfall contracts. They are contracts which, in our judgment, do not provide uniformity in connection with taxes but which grant to certain groups rank favoritism that is not enjoyed by the rest of the taxpayers who are not within those favored groups.

SEVERAL SENATORS. Vote! Vote!

Mr. LEHMAN. Mr. President, I send to the desk an amendment, in the nature of a substitute, and ask that it be printed.

This proposed amendment in the nature of a substitute is designed to accomplish a purpose similar to that sought by my amendment numbered 7-20-54—B, which is also in the nature of a substitute. This amendment, like the earlier one, seeks to separate the international aspects of the pending bill from those more extensive and controversial provisions dealing with the development of atomic power within the United States.

My previous amendment numbered 7-20-54—B would substitute for the present bill those provisions dealing with the international exchange of atomic information, both military and industrial, as recommended by President Eisenhower in his special message of February 17. The language of that amendment is identical with the language of the amendment drafted by the Atomic Energy Commission and recommended by President Eisenhower, to meet the immediate need of facilitating the exchange of atomic information with our friends and allies.

The amendment I am introducing today would accomplish virtually the same purpose but would use the provisions already included in S. 3690 as the base, but would make therein essential changes needed to free President Eisenhower and the State Department from the shackles which would be imposed under the terms of the present language contained in S. 3690. This present amendment would incorporate the changes recommended by the junior Senator from Rhode Island [Mr. PASTORE] which he submitted to the Senate in the form of an amendment to S. 3690—an amendment tabled on July 23.

My present amendment would permit the negotiation and agreement with groups of nations as well as with single nations or regional defense organizations.

This proposal is, of course, a complete substitute for S. 3690 and would have the effect of enacting the necessary provisions covering international relations but would leave to more leisurely and comprehensive study the complex provisions in S. 3690, dealing with licenses, patents, and the other provisions which have the effect, in my judgment, of giving away the public's rights in atomic energy to a few huge corporations.

The basic pattern of my amendment is the same as that originally approved by the Atomic Energy Commission and recommended by President Eisenhower.

Special provisions are incorporated in this amendment to insure that existing agreements between the United States and other nations on atomic matters—a wide range of agreements, some of them without policy importance but of great importance to the conduct of our foreign relations, will not be abrogated or endangered.

I have drafted this amendment in consultation with experts who have been working on this matter for years. There may be technical imperfections, but the major sections are quite clear in their intent.

That intent is to overcome the handicaps presently existing to the freer exchange of nonmilitary atomic information with our friends and allies and the relaxation of the inflexible restrictions which now prevent us from telling our allies, and their military forces, essential information about the handling of atomic weapons. The latter inflexibility has placed severe handicaps on the operation of the joint defense command provided for under NATO.

This substitute clearly contains the necessary authorization to permit the President to proceed with the project for the establishment of an international atomic pool for peacetime purposes—whether or not the Soviet agrees to participate in such a group undertaking.

This substitute contains all the necessary safeguards requiring congressional supervision of those aspects of atomic energy exchange with our allies which clearly involve the extension and delegation of congressional authority, but retains in the hands of the Chief Executive and the State Department the conduct of diplomatic affairs, including the making of arrangements with foreign governments. The right of the Senate to consent and advise as to treaties on atomic energy is expressly retained.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That section 5 (a) (3) (C) of the Atomic Energy Act of 1946, as amended, is amended to read as follows: '(C) directly or indirectly engage in the production of any fissionable material outside of the United States, except (i) under an agreement for cooperation made pursuant to section 8 (d), or (ii) upon authorization by the Commission after a determination that such activity will not be inimical to the interest of the United States.'

"SEC. 2. Section 5 (d) (1) of the Atomic Energy Act of 1946, as amended, is amended by inserting before the period a colon and the following: 'Provided, That nothing contained in this subsection (d) shall be construed to prohibit the Commission from cooperating with any nation or group of nations by distributing fissionable source, or by-produce materials pursuant to the terms of an agreement for cooperation to which such nation or group of nations is a party and which is made in accordance with section 8 (d).'

"SEC. 3. (a) Section 8 (a) of the Atomic Energy Act of 1946, as amended, is amended to read as follows:

" 'SEC. 8. (a) Definitions: As used in this act, (1) the term "international arrangement" means any international agreement approved, after the date of enactment of the Atomic Energy Act Amendments of 1954, by the Congress or any treaty during the time such agreement or treaty is in full force and effect, but does not include any agreement for cooperation; and (2) the term "agreement for cooperation" means any agreement with another nation, group of nations, or regional defense organization authorized or permitted under this act, and made pursuant to section 8 (d).'

"(b) Section 8 of such act is amended by adding at the end thereof a new subsection as follows:

" '(d) Cooperation with other nations: Cooperation with any nation, group of nations, or regional defense organization pursuant to this act may be undertaken if—

" '(1) the Commission or, in the case of those agreements for cooperation arranged pursuant to subsection 10 (a) (3) (B), the Department of Defense has approved the proposed agreement for cooperation, which proposed agreement shall include (1) the terms, conditions, duration, nature, and scope of the cooperation; (2) a guaranty by

the cooperating party that security safeguards and standards as set forth in the agreement for cooperation will be maintained; (3) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purpose; and (4) a guaranty by the cooperating party that any material or any restricted data (as defined in section 10 (b) (1)) to be transferred pursuant to the agreement for cooperation will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement for cooperation;

"'(2) the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

"'(3) the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee on Atomic Energy and a period of 30 days has elapsed while Congress is in session (in computing such 30 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days): *Provided*, That nothing contained herein shall be construed to prohibit cooperation with any nation, group of nations, or regional defense organization if such cooperation is undertaken pursuant to an agreement existing on the date of enactment of the Atomic Energy Act Amendments of 1954.'

"SEC. 4. (a) Section 10 (a) (1) of the Atomic Energy Act of 1946, as amended, is amended by inserting ', except as provided in paragraph (3) of this subsection, or' immediately following 'That.'

"(b) Section 10 (a) (3) of such act is amended to read as follows:

"'(3) (A) The President may authorize the Commission to cooperate with another nation or group of nations and to communicate to that nation or group of nations restricted data on—

"'(i) refining, purification, and subsequent treatment of source material;

"'(ii) reactor development;

"'(iii) production of fissionable material;

"'(iv) health and safety;

"'(v) industrial and other applications of atomic energy for peaceful purposes; and

"'(vi) research and development relating to the foregoing:

Provided, however, That no such cooperation shal involve the communication of restricted data relating to the design or fabrication of atomic weapons: *And provided further*, That the cooperation is undertaken pursuant to an agreement for cooperation entered into in accordance with section 8 (d), or is undertaken pursuant to an agreement existing on the effective date of the Atomic Energy Act amendments of 1954.

"'(B) The President may authorize the Department of Defense, with assistance of the Commission, to cooperate with another nation, a group of nations, or with a regional defense organization to which the United States is a party, and to communicate to that nation, group of nations, or organization such restricted data as is necessary to—

"'(i) the development of defense plans;

"'(ii) the training of personnel in the employment of and defense against atomic weapons; and

"'(iii) the evaluation of the capabilities of potential enemies in the employment of atomic weapons,

while such other nation, group of nations, or organization is participating with the United States pursuant to an international arrangement by substantial and material contributions to the mutual defense and security:

Provided, however, That no such cooperation shall involve communication of restricted data relating to the design or fabrication of atomic weapons except with regard to external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof but not including any data in these categories unless in the joint judgment of the Atomic Energy Commission and the Department of Defense such data will not reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon: *And provided further*, That the cooperation is undertaken pursuant to an agreement entered into in accordance with section 8 (d).'

"(c) Section 10 (b) (1) of such act is amended to read as follows:

"'(1) The term "restricted data," as used in this act, means all data concerning (A) design, manufacture, or utilization of atomic weapons; (B) the production of fissionable material, or the use of fissionable material in the production of energy, but shall not include data declassified or removed from the restricted data category pursuant to subsection (d) of this section.'

"(d) Section 10 of such act is amended by adding at the end thereof a new subsection as follows:

"'(d) Classification and declaration of restricted data:

"'(1) The Commission shall from time to time determine the data, within the definition of restricted data, which can be published without undue risk to the common defense and security and shall thereupon cause such data to be declassified and removed from the category of restricted data.

"'(2) The Commission shall maintain a continuous review of restricted data and of any Classification Guides issued for the guidance of those in the atomic-energy program with respect to the areas of restricted data which have been declassified in order to determine which information may be declassified and removed from the category of restricted data without undue risk to the common defense and security.

"'(3) In the case of restricted data which the Commission and the Department of Defense jointly determine to relate primarily to the military utiliation of atomic weapons, the determination that such data may be published without constituting an unreasonable risk to the common defense and security shall be made by the Commission and the Department of Defense jointly, and if the Commission and the Department of Defense do not agree, the determination shall be made by the President.

"'(4) The Commission shall remove from the restricted-data category such data as the Commission and the Department of Defense jointly determine relates primarily to the military utilization of atomic weapons and which the Commission and the Department of Defense jointly determine can be adequately safeguarded as security information: *Provided, however*, That no such data so removed from the restricted-data category shall be transmitted or otherwise made available to any nation, or group of nations, or regional-defense organization, while such data remains security information, except pursuant to an agreement for cooperation entered into in accordance with subsection 10 (a) (3) (B).

"'(5) The Commission shall remove from the restricted-data category such information concerning the atomic-energy programs of other nations as the Commission and the Director of Central Intelligence jointly determine to be necessary to carry out the provisions of section 102 (d) of the National Security Act of 1947, as amended, and can be adequately safeguarded as security information.'

"SEC. 5. This act may be cited as the Atomic Energy Act Amendments of 1954.'"

The PRESIDING OFFICER. The amendment submitted by the Senator from New York will be received and printed and will lie on the table.

The question is on agreeing to the amendment, as modified, offered by the Senator from Tennessee [Mr. GORE].

The amendment, as modified, was agreed to.

Mr. LANGER. Mr. President, I send to the desk two amendments to S. 3690. One provides that no patent or license under this act shall be granted to any individual or firm which at any time in the immediately preceding 10 years has been convicted of or held in violation of the antitrust laws or antimonopoly laws, has pleaded nolo contendere to such charges, or has been held in violation of the antitrust laws by the Federal Trade Commission.

The other amendment provides that patents granted under this act and held by any individual or company, or controlled by any individual or firm, which is convicted of or held in violation of the antitrust or antimonopoly laws shall automatically become the property of the Federal Government, available to the public without royalty fee or other charge. It further provides that in the case of decisions by the Federal Trade Commission any subsequent rulings of the courts in relation to a Federal Trade Commission decision shall be controlling.

I submit the amendments on behalf of myself and the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER. The amendments will be received and printed and will lie on the table.

Mr. STENNIS. Mr. President, I desire to call up my amendment 7-24-54-Q, in the nature of a substitute.

The PRESIDING OFFICER. Does the Senator from Mississippi desire to have the amendment stated at this time, or does he desire to have it printed in the RECORD at this point?

Mr. STENNIS. It will not be necessary to read it, if it is printed in the RECORD.

The amendment, in the nature of a substitute, offered by Mr. STENNIS is as follows:

Strike out all after the enacting clause, and insert the following:

"SECTION 1. Section 5 (a) (3) af the Atomic Energy Act of 1946, as amended, is amended to read as follows:

"'(3) Prohibition: It shall be unlawful for any person to—

"'(A) possess or transfer any fissionable material except as authorized by the Commission;

"'(B) export from or import into the United States any fissionable material, except as provided in section 5 (d) (1);

"'(C) directly engage in the production of any fissionable material outside of the United States, except subject to the limitations and conditions contained in section 10 (a) (3), as authorized by the Commission; or

"'(D) indirectly engage in the production of any fissionable material outside of the United States except either subject to the limitations and conditions contained in section 10 (a) (3), as authorized by the Commission, or upon a determination by the

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President that such activity will not be inimical to the interest of the United States.'

"SEC. 2. Section 5 (d) (1) of the Atomic Energy Act, as amended, is amended to read as follows:

"'(1) distribute any fissionable material to—

"'(A) any person for a use which is not under the jurisdiction of the United States except pursuant to the provisions of this section;

"'(B) any foreign government, except that notwithstanding any limitation of any provision of this section the President may authorize the Commission to enter into direct agreements with the government of any other nation for the distribution of fissionable material to such government for research or industrial use: *Provided, however,* That no fissionable material shall be distributed to any foreign government unless the proposed agreement includes:

"'(i) the terms, conditions, duration, nature, and scope of the agreement;

"'(ii) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement will be maintained;

"'(iii) a guaranty by the cooperating party that any material to be transferred pursuant to such agreement will not be used for atomic weapons, or for research on or development of atomic weapons, or for any other military purposes; and

"'(iv) a guaranty by the cooperating party that any material to be transferred pursuant to the agreement will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement; and

Provided further, That no fissionable material shall be distributed to any foreign government until:

"'(i) the President has approved and authorized the execution of the proposed agreement, and has made a determination in writing that the agreement and the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and securtiy; and

"'(ii) the proposed agreement, together with the approval and the determination of the President, has been submitted to the joint committee and a period of 30 days has elapsed while Congress is in session (in computing such 30 days, there shall be excluded the days in which either House is not in session because of an adjournment of more than 3 days); or

"'(C) any person within the United States, if the Commission finds that the distribution of such fissionable material to such person would be inimical to the common defense and security.'

"SEC. 3. Section 7 (c) of the Atomic Energy Act of 1946, as amended, is amended by striking the period at the end thereof, inserting a comma, and the following: 'except that the Commission may issue licenses for activities to be conducted in connection with agreements made pursuant to section 5 (a) (3) (C) or (D), section 5 (d) (1), or section 10 (a).'

"SEC. 4. Section 10 (a) of the Atomic Energy Act of 1946, as amended, is amended to read as follows:

"'(a) Policy: It shall be the policy of the Commission to control the dissemination of restricted data in such a manner as to assure the common defense and security. Consistent with such policy, the Commission shall be guided by the following principles:

"'(1) Until Congress declares by joint resolution that effective enforceable international safeguards against the use of atomic energy for destructive purposes have been established, there shall be no exchange of restricted data with other nations, except that the President may authorize:

"'(A) the Commission to enter into arrangements for the communication to the government of another nation of restricted data necessary to assist another nation in the development of industrial and nonmilitary applications of atomic energy for peaceful purposes, including restricted data on—

"'(i) refining, purification, and subsequent treatment of source material;

"'(ii) reactor development;

"'(iii) production of special nuclear material;

"'(iv) health and safety;

"'(v) research and development relating to the foregoing:

Provided, however, That no such arrangement shall involve the communication of restricted data relating to the design or fabrication of atomic weapons; or

"'(B) the Department of Defense, with the assistance of the Commission, to enter into arrangements for the communication of restricted data to the government of another nation, if it is participating with the United States in the defense of the free world, or a regional defense organization of which the United States is a party, such as the North Atlantic Treaty Organization, in order to assist in:

"'(i) the development of defense plants;

"'(ii) the training of personnel in the employment of and defense against atomic weapons; and

"'(iii) the evaluation of the capabilities of potential enemies in the employment of atomic weapons:

Provided, however, That no such communication shall involve restricted data relating to the design or fabrication of atomic weapons except with regard to external characteristics, including size, weight, and shape, yields and effects, and systems employed in the delivery or use thereof, but not including any data in these categories unless in the joint judgment of the Atomic Energy Commission and the Department of Defense such data will not reveal important information concerning the design or fabrication of the nuclear components of an atomic weapon.

"'(2) The dissemination of scientific and technical information relating to atomic energy should be permitted and encouraged so as to provide that free interchange of ideas and criticism which is essential to scientific and industrial progress and public understanding and to enlarge the field of technical information.

"'(3) No communication of restricted data authorized by this section shall be undertaken until—

"'(A) The Commission, pursuant to section 10 (a) (1) (A), or the Department of Defense pursuant to section 10 (a) (1) (B), has approved an agreement with such government or regional defense organization, which proposed agreement shall include:

"'(i) the terms, conditions, duration, nature, and scope of the agreement;

"'(ii) a guaranty by the cooperating party that security safeguards and standards as set forth in the agreement will be maintained;

"'(iii) a guaranty by the cooperating party that any restricted data to be transferred pursuant to section 10 (a) (1) (A) will not be used for atomic weapons or for research on or development of atomic weapons, or for any other military purpose; and

"'(iv) a guaranty by the cooperating party that any restricted data to be transferred pursuant to the agreement will not be transferred to unauthorized persons or beyond the jurisdiction of the cooperating party, except as specified in the agreement;

"'(B) The President has approved and authorized the proposed agreement, and has made a determination in writing that the proposed agreement and the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

"'(C) The proposed agreement, together with the approval and the determination of the President, has been submitted to the joint committee and a period of 30 days has elapsed while Congress is in session (in computing such 30 days, there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days).'

"SEC. 5. Section 10 (b) (1) of the Atomic Energy Act of 1946, as amended, is amended to read as follows:

"'(1) The term "restricted data" as used in this section means all data concerning the theory, design, manufacture, or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without undue risk to the common defense and security: *Provided, however,* That, in the case of data which the Commission and the Department of Defense jointly determine to relate primarily to the military utilization of atomic weapons, the determination that the data may be published without constituting an unreasonable risk to the common defense and security shall be by the Commission and Department of Defense jointly, and if the Commission and the Department of Defense do not agree, the determination shall be made by the President: *And provided further,* That the Commission shall remove from the restricted-data category such data as the Commission and the Department of Defense jointly determine relates primarily to the military utilization of atomic weapons and which the Commission and the Department of Defense jointly determine can be adequately safeguarded as defense information, except that no such data so removed from the restricted-data category shall be transmitted or otherwise made available to any nation or regional defense organization while such data remain defense information, unless such transmittal or other communication is carried out pursuant to an agreement authorized under this section.'"

Mr. STENNIS. I am asking for recognition to speak on the amendment.

Mr. KNOWLAND. Mr. President, I send to the desk a proposed unanimous consent request and ask that the clerk may read it for the information of the Senate.

The PRESIDING OFFICER. The Secretary will read the proposed unanimous consent request.

The Chief Clerk read as follows:

Ordered, That any debate on the amendment 7-24-54—Q to S. 3690, offered by the Senator from Mississippi [Mr. STENNIS], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Mississippi [Mr. STENNIS] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided,* That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. I should like to say in explanation, that this agreement has been prepared on a 1-hour basis, but I understand the distinguished Senator from Mississippi [Mr. STENNIS] has a speech to make, which would run considerably longer than that, so obviously an hour would not be an adequate amount of time. I am prepared to modify the unanimous-consent request on any basis the distinguished Senator from Mississippi might suggest, in the hope that we can arrive at an area of agreement.

As a starter, I would modify it myself to read 3 hours, an hour and a half to each side, if that would take care of

the situation so far as the Senator from Mississippi is concerned.

Mr. STENNIS. Reserving the right to object, I should be very glad to state my views on the matter. This is an important amendment, Mr. President. It reflects largely the views of the President of the United States on the so-called international agreement, or international pool of atomic energy as amended by the joint committee. I have in my hand remarks in a specially prepared document, and I will not take over 20 minutes.

Mr. President, if unanimous consent is the price to pay to get to speak at all on this amendment, I am not prepared to pay that price to the Members of the United States Senate. But if there is no threat of a motion to table if I do not agree to something, I am willing to cooperate with the majority leader, the minority leader, or anyone else with regard to some reasonable amount of time. I think 2 hours to a side, which may not be used, would be a reasonable amount of time.

Mr. KNOWLAND. That would be perfectly agreeable so far as I am concerned.

Mr. STENNIS. So far as I know, no Senator is going to speak on it in addition to the author, except the Senator from New Mexico, and the Senator from Iowa [Mr. HICKENLOOPER], who is in opposition. But if the price of being able to speak at all is having to agree to something, I will not agree.

Mr. KNOWLAND. I am sure the Senator knows that is not the situation, and he knows there are very few members of this body for whom I have a higher regard than I have for the Senator from Mississippi.

Not too long ago I, at the invitation of the Senator from Mississippi, visited his State, really for the first time, to spend some time among the people, and to talk to what I suppose corresponds to a State chamber of commerce of agriculture. I was tremendously impressed with the developments in his area. I think his State has a great future. I think the Senator is a very able representative, not only of his State, but the country as a whole. He can be proud of it. So I know the Senator is aware there is certainly nothing personal involved.

Mr. STENNIS. Let me thank the Senator for his kind remarks about Mississippi. We certainly enjoyed and appreciated his visit there. He made a very fine impression, and he made many friends. We want him to come back.

I knew there was nothing personal about this, but I am talking about the proposition of having to pay a price to get to speak on an important amendment.

Mr. KNOWLAND. I am merely trying to explore, I will say to the Senator from Mississippi, the situation. This is an important amendment, and we want it fully discussed. We realize there are different points of view. No one can be dogmatic, a doctrinaire on the subject, and so long as there can be debate on it that will be satisfactory. I merely wanted to explore and see how far apart we were on the general time, and based upon the precedent of the last discussion on the floor and the fact that things worked out very successfully, I am prepared to withdraw my unanimous consent request and let nature take its course and see whether we can make progress as rapidly as some of us hope.

Mr. STENNIS. I think so far as the Senator from Mississippi is concerned, progress can be made upon that basis. Certainly I believe we will move along.

Mr. KNOWLAND. The Senator from California is certainly willing that the Senator from Mississippi should proceed.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator.

Mr. LEHMAN. I do not know whether I shall want to speak on this amendment or not. I shall certainly support it wholeheartedly, and I may want to say a few words. If I speak at all it will be brief.

Mr. STENNIS. I thank the Senator from New York very much.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Oregon.

Mr. MORSE. With the understanding that the Senator does not lose his right to the floor, I should like to say, Mr. President, that I think the handling of the last amendment showed very clearly the desirability of having a discussion of the pros and cons of amendments, because I surmise that 5 hours ago, if a majority of our colleagues had been asked in the cloakrooms if they thought the Gore amendment would be adopted, they would have said "no", and yet, when debate was had on both sides of that question, we know what happened.

With regard to this particular amendment I happen to be one who thinks that those of us who are supporting it really are supporting the President's program on the international phases of the atomic energy program; in my opinion, the Stennis amendment is the President's program, and I think it ought to be written into this bill.

I am glad the majority leader withdrew the request for a unanimous consent agreement because had it not been withdrawn, I would have objected to it. I was on my feet to object, because here we are dealing with, I think, one of the major features of this entire bill and it ought to be argued pro and con. I do not believe the debate will last very long, but something should develop during the discussion by the Senator from Mississippi that would cause a debate that would last for several hours, I think it would be for the best interests of the country to have that kind of a debate.

Mr. STENNIS. Mr. President, I ask unanimous consent that Mr. Walter Hamilton, a member of the staff of the joint committee may sit near me in the seat of a Senator.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STENNIS. Mr. President, this amendment is presented solely because of considerable sentiment among a number of Senators who have thought all along—and more have been thinking the same way, I understand, since the debate started—that we ought to enact that part of the bill now before the Senate that pertains to the international pooling agreement as outlined by the President in his speech to the United Nations last December; let that become law; let the machinery be set up; get it in motion, and pass over or defer action on the rest of this bill which is not related to these Presidential powers. That is the purpose and the only purpose of this amendment. It is highly technical in its language, of course, but the amendment has been prepared at the request of a member of the joint committee by Mr. Walter Hamilton and his associates, so the language is vouched for in that way.

The general purpose is to provide all the power that was requested by the President.

Further, along that line, Mr. President, in February of this year, the Atomic Energy Commission submitted a draft of proposed language to the joint committee which was intended to provide for international exchange of information in the peacetime fields and with NATO and other military allies in the military uses of atomic energy. This proposed language was intended to implement 2 out of 3 objectives set forth in the President's special message to the Congress on atomic matters.

Mr. President, all the way through, this amendment traces and tracks the recommendation of the administration, the recommendations of the Atomic Energy Commission, and, further, it traces and brings before the Senate, the recommendations of the joint committee on the administration bill. That is all there is to the amendment. It does not go into any other field. It does not restore any other power, and it does not limit any other program, but it is right down the alley, so to speak.

The joint committee examined the proposed language with considerable care, and came to the conclusion that it did not provide sufficient safeguards on the exchange of information vital to our national security. The language sent to the joint committee has been proposed as an amendment in the nature of a substitute by the Senator from New York [Mr. LEHMAN].

Since I knew that the language proposed by the Commission for the administration was unacceptable to the members of the joint committee, I have endeavored to place before the Senate another amendment, also in the nature of a substitute, which does contain the safeguards and machinery which the joint committee worked out to cover international exchange as requested in the President's message. The language used in my proposed amendment is identical with that contained in S. 3690, except that it is necessary to repeat the safeguards with slight variations where they apply to the activities of individuals, the transfer of materials to foreign governments, and the exchange of information of a restricted nature.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. STENNIS. I shall be glad to yield to the Senator from New Mexico. May

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I express to him my appreciation, before I yield, for the time and assistance that he has devoted to this subject, as well as to related subjects in this bill. I am most grateful, and I am sure the Senate is most grateful to him for his very fine service.

Mr. ANDERSON. Would I not be correct in saying that what the amendment proposes to do is take all the provisions of S. 3690 which relate to the international field, which the President presented originally to the Congress, and to incorporate them in a substitute so that all the international aspects of the bill may be considered separately, and that wherever those provisions as contained in S. 3690 needed to be changed because of other provisions of the bill, they have been changed?

Mr. STENNIS. The Senator is entirely correct. The amendment and the changes in language were prepared by experts who know the subject and who participated in writing the original bill. Therefore, I do not think the Senate is taking any chance with reference to the language of the amendment.

Mr. ANDERSON. Everyone recognizes that the whole international field is an exceedingly important one.

Mr. STENNIS. Of course.

Mr. ANDERSON. Therefore, I wanted to ask the Senator if it is not true that because of the nature of the subject, the language of his substitute has been carefully considered, that it is based upon long hearings and upon long study by the committee itself, and represents long deliberation by the Joint Committee on Atomic Energy?

Mr. STENNIS. The Senator is eminently correct. It is the result of the original planning of the President, and of the Atomic Energy Commission, and the viewpoint of the joint committee is reflected in the language presented.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. So that we may resolve the question of whether or not there is a controversy on that point, I will say the Senator's amendment is indeed carefully prepared. It is prepared exactly on the basis of the bill which the joint committee drew on the international phases of the matter. I am vigorously opposed to the Senator's amendment because of the violence it does to the rest of the bill, but the verbiage, so far as the international phases are concerned, is part and parcel of the bill presented by the committee. I am not in any way attempting to give the Senator aid and comfort for the adoption of the amendment, because I think it is a sectionalized approach to the matter. I have no quarrel with the verbiage. It will do what the Senator wants it to do.

Mr. STENNIS. I appreciate the Senator from Iowa's contribution.

Mr. ANDERSON. Following what the Senator from Iowa has said, would it not be fair to say that the purpose of the Senator was to omit the domestic sections of the bill, leave them for further study, and incorporate the international section of the bill? It does frankly drop out all the other sections.

Mr. HICKENLOOPER. The Senator has correctly stated the situation. I do not happen to agree with that position. So far as the Senator's draft regarding the international phases of the bill is concerned, I can say it is structurally all right to accomplish his purposes. I shall point out why I do not think the amendment should be adopted. If the whole bill is adopted, what is contained in the amendment would be contained in the bill.

Mr. STENNIS. I appreciate the Senator's remarks and his very frank and helpful statement about my proposal.

Mr. President, it has been agreed by the Senator from New Mexico and the Senator from Iowa, and I want to add my statement, that it is my belief that the proposed amendment would accomplish every purpose with reference to the objectives outlined by the President in his message to the Congress with reference to the international information and assistance programs. Exactly to the extent the bill before the Senate would carry out those objectives, the amendment would also do so. I wish to discuss the amendment briefly, because I think a discussion of the international provisions of the bill is deserved.

Section 1 of the proposed amendment relates to section 5 (a) (3) of the McMahon Act. In subsections (C) and (D) of my amendment provision is made to allow Americans to engage in atomic activities in foreign countries under certain conditions.

First, American engineers and firms would be permitted to go to those countries with which the United States had entered into agreements for peacetime atomic assistance programs, and do business within the terms of those agreements.

To illustrate my point, any company such as General Electric, after getting permission, of course, could go into any other country and help with reference to building an atomic powerplant, but it could do so only if American assistance to that country had been made a matter of some agreement between our country and the other nation.

The countries involved could not use or transmit to the other country any restricted data in the atomic-energy business which was not authorized to be transmitted under the intergovernmental agreement.

None of those things could happen until the President was satisfied with the intergovernmental agreement.

Secondly, this section of the proposed amendment would permit private individuals to go to foreign countries to assist indirectly in the production of atomic energy. Under the present McMahon Act, an American professor who wants to go to the University of Birmingham in England, or some other foreign university during his year of leave from his American post, cannot do so if there is even the remotest possibility that by doing so he would free another professor in the foreign country for work in that foreign country's atomic-energy plants. If he does so, it is at his own peril. As a result, even unclassified scientific exchange has virtually ceased. My amendment would permit such Americans to go abroad to teach, lecture, or consult where it can be shown to the satisfaction of the President and his advisors that the activity is in general keeping with the interests of the United States; in other words, to quote the language of my amendment, "will not be inimical to the interests of the United States."

I next call attention to section 2 of my amendment, which relates to the conditions and safeguards under which the United States would be allowed to transmit fissionable material to a foreign government. Fissionable material, as we all know, is the explosive material in the heart of atomic weapons just as much as it is the fuel for peacetime atomic powerplants. For this reason, it is essential that there be adequate protection and machinery to insure that no fissionable materials are sent to any foreign government except under carefully worked out safeguards. The provisions of my amendment are the safeguards worked out by the joint committee. They provide that the President may authorize the Atomic Energy Commission to enter into agreements with foreign governments for the sending of fissionable material for peacetime uses only under certain stipulated conditions.

First, the terms, conditions, duration, nature, and scope of the agreement must be set up in writing. I call attention to the fact that the terms of such an agreement could, and in all probability would, include many of the protective measures which we cannot now spell out in detail in the law.

Secondly, the agreement must contain a guaranty by the cooperating foreign government that the security safeguards and standards set forth in the agreement will be maintained. I would call attention to the fact that the McMahon Act now allows exchange of information—not material—on a similar condition. Unfortunately, the McMahon Act language requires that the Atomic Energy Commission and the President guarantee the adequacy of the security safeguards and standards of the foreign nation. It should be completely obvious that no American, no matter how well intentioned, can make such a guaranty.

In other words, the limitation now is the equivalent of a prohibition. The President of the United States cannot give an absolute guaranty that every phase of security in some other nation will be carried out, unless he is allowed to send a Secret Service Agency or FBI to operate in that country, which is something which cannot be done.

Under this plan, the President would be authorized to accept the guaranties he or his advisers considered sufficient in carrying out the program.

As a result of this provision in the present law, there has been almost no exchange of information with any foreign government. My proposed amendment will place the burden for maintaining this guaranty exactly where it belongs and where it will have meaning. If the proposed bill, S. 3690, does actually accomplish the President's objective of permitting American assistance to foreign countries in the building and fuel-

ing of atomic reactors, my proposed amendment does so also.

Because of the nature of the subject matter itself, some persons might be a little skeptical and hesitant about granting authority which confers so much power. The amendment does not seek to confer any more power than proposed along those lines in the bill itself.

In addition, my proposed amendment requires the cooperating foreign government to guarantee that no material will be transferred to unauthorized persons, and that none of the material will be used in connection with weapon development, weapon production, or for any other military purpose. The language "for any other military purpose," incidentally, catches such things as submarine atomic power development, development of atomic-powered aircraft, and other nonweapon devices of military importance. There can be no doubt that no fissionable material could go to a foreign government for military use under my proposed amendment any more than such a thing would be permitted in S. 3690 itself. This is indisputable, because my amendment contains exactly the same language as the proposed bill.

Unlike the substitute amendment offered by the Senator from New York, which is identical with the language proposed by the Commission last February, my amendment and the proposed bill would both require the President to make a finding in writing that these international agreements with foreign governments "will promote and will not constitute an unreasonable risk to the common defense and security." I would like to point out the reasoning behind this language. The present organic law requires that any such exchanges in the field of information will not endanger the common defense and security. Now, here again it is completely obvious that no one can make such an absolute finding. Any international agreement into which our Nation enters involves some degree of calculated risk. No matter how friendly a nation is today, there is always the possibility that at some time in the future, during the life of the agreement, that foreign government will be less friendly to the United States. Now, this is obviously more true of some countries than of others. Yet in a large number of cases where it might very well be to the advantage of the United States to cooperate in the development of atomic energy for peacetime uses, in order to win over a nation more completely and to demonstrate still again our cooperative attitude toward our friends and those whom we would like to be our friends, we can have no assurance in advance that those nations may not slip away from our circle of friends for reasons now completely unforeseen. The language of my proposed amendment has the advantage of being reasonable, workable, and of not imposing on our Chief Executive a responsibility he cannot possibly carry.

Mr. President, we are not expecting any immediate startling developments along the lines of carrying the benefits of atomic energy to any of these remote countries now. It is not necessary to pass this bill for that purpose. That is not what we are striking at.

The purpose is to try to lay the groundwork, the foundation, and to give the President of the United States a framework, something definite and tangible, whereby word can be sent to other peoples throughout the world that we are planning something definite and positive; that whatever the fruits of that plan are they are going to share in them; that they are being considered; that we are not trying to corner all of the atomic power of the world; that we are trying to put it to constructive uses; that we are thinking in those terms, and we are thinking in terms of their problems.

Of course, no President is going to rush forth and transmit material or secrets or anything else to any group of nations or any particular nation until fully satisfied as to the safety of such a course and its practicality.

But I think, as the Senator from Rhode Island [Mr. PASTORE] said, the message of the President of the United States last December, with its constructive note of hope, came nearer being heard around the world than anything which has happened along that line in many years. This is a plan to implement that program, not for immediate accomplishment, but by way of preparing the groundwork for accomplishment in years to come.

Suppose the Soviet Union should beat us to such a plan. Suppose they should make the first lasting impression on the minds of the other peoples of the world. This is not a matter of delivering something tangible now; it is a question of evolving and inaugurating a plan which will be first to capture the interest of those people and make them see that the peaceful use of atomic energy is something in which they are going to have a share, a chance, an opportunity.

Finally, Mr. President, this section of my proposed amendment would require that the proposed agreements, and the President's determination, would have to be submitted to the joint committee for 30 days while Congress is in session. If the members of the committee have any reason to suspect that the agreement is not in the best interest of the United States, they will thus have the opportunity to come before the Congress with legislative recommendations to call a halt to the particular agreement proposed. Now many of these agreements themselves, if they are to be really meaningful, will have to contain highly technical and even classified information. My natural inclination would be to have such agreements lie before the entire Congress, but I agree with the members of the joint committee that the most expeditious way to consider these matters is to have them submitted directly to the only body of Congress which has the competence to examine them and pass judgment on them. We have never had any cause to doubt the competence of the joint committee to evaluate these matters. I therefore believe that this is a workable, a sound, and a good provision.

Mr. KILGORE. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I shall be glad to yield to the Senator.

Mr. KILGORE. Does the Senator realize that only within the last 24 hours has Congress been apprised of some of these contracts? For instance, in the case of the Portsmouth project, although I was very much interested in the location of the project, I had no realization of the type of contract being signed, nor did I have any realization of the fact that the contract had been signed. Those facts were kept as classified information.

Mr. STENNIS. Yes, sir.

Mr. KILGORE. It seems to me we should protect the people of the country.

What would happen, for instance, if we should say to the steel companies, "We will do the same thing for you"? We would practically break the Government. All we have given to the steel companies and other manufacturing companies is a right to amortization of the plant.

Mr. STENNIS. Yes.

Mr. KILGORE. In this case there is 225 percent profit and the plant is left to the company at the end of the period.

Mr. STENNIS. The Senator from West Virginia is correct.

The section which the Senator from Mississippi was trying to rewrite at that time pertained to American firms which the President had authorized to go into foreign countries.

Section 3 of my proposed amendment will permit the Commission to license American individuals and firms to assist in carrying out the provisions of the revised bill which would permit exchange of restricted data and transfer of fissionable material to foreign governments. This is a vital provision of my proposed amendment, for without it we would be requiring the Atomic Energy Commission itself to conduct all of the technical and engineering assistance arranged for in these agreements with foreign governments.

Section 4 of my proposed amendment is the section which spells out the areas in which the Commission can operate with foreign governments for peacetime ends. It also sets out the mechanism which must be employed before such agreements can be consummated. All of the provisions contained here are an evolutionary product from the existing McMahon Act provisions contained in section 10 (a) (3). My proposed language in this section is identical with that contained in Senate bill 3690. It will allow the Commission to cooperate with foreign governments "in the development of industrial and nonmilitary applications of atomic energy for peaceful purposes." This is the section which allows the exchange of information, as distinguished from the shipment of fissionable material which I have already discussed. I would call your attention to the proviso at the end of section 10 (a) (1) (A) which prohibits the communication under this section of any restricted data related to "the design or fabrication of atomic weapons." This is an absolute prohibition.

The second part of this section relates to the so-called exchange of military information with NATO and other nations

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with whom the United States has mutual military assistance agreements. Again, I am proposing exactly the same language as is contained in S. 3690. The provisions of this section allow the exchange of military atomic data relating to the development of defense plans, the training of personnel in the employment of and defense against atomic weapons, and the evaluation of the capabilities of potential enemies in the employment of atomic weapons.

The first of these provisions is intended to allow the Department of Defense to work with our military allies to insure that our atomic stockpile can be used effectively in our defense plans. Naturally foreign countries seriously concerned about resisting Communist aggression cannot be expected to rely on the flat assurance of the United States that atomic weapons will be available for their defense. Such a simple and flat statement is almost meaningless to them. They need to know the conditions under which such weapons can be employed, and roughly how much of this great force will be available for their defense.

Mr. President, in that connection, the Senator from Mississippi has visited a number of the bases in foreign countries. They are thought of as our first line of defense, the first line of a quick retaliation, should that become necessary; which we pray God it never will.

But the Senators would have to get on the ground there to realize how dependent our Nation is upon the host countries. We have no police power there and cannot expect to have any surrendered to us. We are not there by right; we are there by license. We cannot plan any program. We cannot carry out any measure or any plan. General LeMay, as he sits in Omaha, as the Chief Officer of the Strategic Air Command, is absolutely helpless, so far as any base anywhere beyond the confines of our Nation is concerned, except through the active cooperation and the license of the foreign countries where our bases are, where our men are, where our planes are, and where much of our ammunition is. That is what made me realize we cannot say, "No; we will hold back everything."

I know something of the restiveness—and the reasonableness of it—on the part of those responsible for the government and policies of those countries when we do not let them know the real basis and the real heart of these plans and do not give them to some extent an opportunity to participate in carrying them out, particularly when they are right under the guns, one might say, of the potential enemy.

The second of these provisions is intended to permit our military forces to assist in the training of foreign allied troops and cadres in the art of atomic warfare. Soldiers who know nothing about atomic warfare cannot be relied on to act wisely and surely in an atomic war. If foreign allied troops are to play their maximum and effective role in defense of freedom, they are entitled to know what this new concept of warfare is all about.

Senators cannot go to those same bases—I shall not name them or say anything about what weapons I saw there—and they will realize how dependent we are on those skilled men for a cooperative program.

The third provision is simply intended to permit our military forces to cooperate with our allies in evaluating the atomic warfare capabilities of our mutual enemies or potential enemies. We know just how much of a threat Soviet atomic weapons are today. Our allies have to take this knowledge on trust. They undoubtedly have confidence in our overall intelligence judgment. But in the unhappy event that an actual atomic war should start, these allies need to know how to detect the telltale signs of Soviet atomic tactics and strategy. They need to know where and how the enemy can strike with atomic weapons, on what scale, and for how long. These are decisions foreign field commanders will have to know how to make on their own. Without this sort of information, they might turn tail and run under some conceivable circumstances simply because they did not understand what was happening. Under others, they might believe it safe to hold their ground and as a result subject themselves to unnecessary annihilation.

If we are to make the best use of our atomic and thermonuclear weapon stockpiles in the defense of the entire free world, it is essential that these provisions of the proposed legislation be enacted in this session of the Congress.

The provision included in my proposed amendment is the same as the proviso contained in S. 3690. It would limit the military atomic information which could be transmitted to a military ally or to NATO. No information relating to the design or fabrication of the nuclear components of atomic weapons can be transmitted.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. STENNIS. I will be glad to yield to the Senator from New Mexico.

Mr. ANDERSON. It is absolutely important, is it not, that the international provisions be enacted at this session of Congress? Would the Senator not agree that there is a fight on parts of the domestic program that threaten the bill, but that these sections should be enacted at this time?

Mr. STENNIS. That is one of the prime factors in the mind of the Senator from Mississippi, and I feel it is one of the prime factors in the mind of the Senator from New Mexico, based on conversations with him.

Mr. ANDERSON. Yes. I would like to see many of the domestic sections enacted also, but there is a fight on the licensing provisions and patent provisions. Those things might wait. Does not the Senator think the international sections cannot wait?

Mr. STENNIS. That is the opinion of the Senator from Mississippi. I think they constitute the urgent part of the bill, not that a great deal is going to be accomplished in a few months, but the passage of the international sections of the bill would give assurance that has been lacking all through these years, and I think those of us on the Armed Services Committee feel somewhat the result of such lack of assurance because of our failure to supply other nations, especially those where our bases are, with proper and adequate information.

The guaranties contained in section 10 (a) (3) of my proposed amendment parallel those provided for transfer of fissionable material. Again, these are the same guaranties provided in S. 3690. The mechanism requiring the President to make a determination in writing that the "proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security" is also taken from the proposed bill, S. 3690. And finally the agreement and the determination must be submitted to the joint committee for 30 days while the Congress is in session. These guaranties and provisions must be restated in my approach to amendment of the McMahon Act, whereas in the proposed S. 3690, it was possible to arrange the language so as to avoid repetition. Yet, since my amendment does incorporate these safeguards in each pertinent place in the McMahon Act, it does accomplish the same objectives as S. 3690, and it does so under the same terms, with the same safeguards, and to the same degree that S. 3690 accomplishes those objectives.

Section 5 of my proposed amendment will relieve some of the congestion now caused by language in the McMahon Act in the handling of military atomic information of a classified nature. It puts the Commission and the Department of Defense into partnership to insure protection of secrets commensurate with their character and sensitivity. The second proviso should be noted especially since this prevents the inadvertent transfer of military atomic data to foreign government through this transclassification route. All of the language contained in section 5 of my proposed amendment is taken directly from the proposed bill, S. 3690, and is inserted in the appropriate spot in the McMahon Act.

There can be no question but that the amendment which I have discussed here goes as far as is possible to implement the international cooperation objectives of the legislation under consideration. It does so without touching the problem of domestic development which has proved so controversial. I believe my proposed amendment would go far to accomplish in this session of the Congress those things which we all agree must be accomplished now. It leaves those matters on which we can apparently not reach agreement for a later session of the Congress.

Mr. President, let me emphasize, that the adoption of this amendment would end the debate on this bill. Virtually there would then be only the formality of passing the bill, as amended.

This is a certain, safe, sound way to proceed forward with this proposed legislation and dispose of it in a matter of, perhaps, a few hours.

Here is a certain, definite, well-known way to move forward in a constructive, affirmative way with a program that is on all fours with that which the President of the United States requested in his address to the United Nations last December. It is implemented in this

carefully prepared amendment, which has been combed through and slightly modified as to safeguards by the joint committee.

This amendment eliminates all controversial matters. There are some of us who favor certain of the so-called domestic provisions of the bill; there are others who favor certain other provisions. Some object to provision X, others object to provision Y. The objections are valid, and are very substantial, and there is little chance to get them reconciled in the present state of the calendar and the time of the session.

But here is the affirmative, forward-looking part of the bill that the President actually wants.

It is even in the form in which it was sent to the Congress in the Presidential message.

This is the President's plan, as he laid it before the people of the world last December. I submit that it is the one clear-cut, forward-looking, positive way to carry out his recommendations. Vested with the power of law, let the policy be applied to other nations under sound restrictions, and we will have made a very, very fine contribution; and no one, no group, will be prejudiced one bit with reference to the many other problems the bill now presents.

Mr. GORE. Mr. President——

Mr. STENNIS. I am glad to yield to the Senator from Tennessee.

Mr. GORE. The distinguished Senator from Mississippi has made a very able and intelligent address.

Mr. STENNIS. I thank the Senator.

Mr. GORE. Is it the Senator's firm contention that the adoption of the amendment which he has offered would embody the proposals and the requests of the President of the United States with respect to atomic-energy legislation at this session?

Mr. STENNIS. Yes; the Senator from Mississippi is satisfied of that, not only based on his study, but on the most expert advice of experienced legislators, staff members, and, in fact, the Senator from Iowa, being straightforward, as he always is, and helpful in debate, has agreed in a statement here on the floor that this amendment moves forward all the pertinent provisions of the bill we have under consideration on this particular subject matter.

Mr. KENNEDY. If this amendment were carried, would the Senator from Mississippi agree that the whole question of the domestic provisions would be carried over for another year?

Mr. STENNIS. Exactly. The amendment, without striking down the domestic provisions, but merely takes them out of the bill, and gives the breath of life to the so-called international provisions, and the others would automatically be carried over. There is no direction with reference to them, they would be left for another bill.

Mr. KENNEDY. It would permit all of the questions that have been brought out to be taken under consideration during the next few months?

Mr. STENNIS. The Senator is correct. Those matters would automatically be carried forward without prejudice so far as the adoption of this amendment is concerned. It is clean and it is clear cut. I thank the Senator for his timely questions.

I want to say also, Mr. President, that the thinking and the work of the Senator from New York [Mr. LEHMAN] on this same subject, has been very helpful. The amendment he offered carried exactly the same major provisions that are contained in this amendment. This amendment is different with reference to language, because I made it conform to some technique that was adopted by the joint committee.

Mr. LEHMAN. I thank the Senator.

Mr. HICKENLOOPER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Iowa?

Mr. STENNIS. The Senator from Mississippi yields the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HICKENLOOPER. Mr. President, as I said some time ago when the Senator from Mississippi began his discussion, this amendment of his is lifted bodily out of the bill we are considering. It is the international section of the pending bill.

I have no quarrel with the general verbiage of the Senator's amendment, because it is a part of the international section of the bill, and it would accomplish what he wants to accomplish, so far as international operations are concerned.

But, Mr. President, this is a fantastic approach to the atomic-energy problem so far as I am concerned, and I am quite sure, so far as the overwhelming majority of the joint committee are concerned, because in a nutshell here is exactly what the amendment of the Senator from Mississippi would do: It would authorize and direct the Atomic Energy Commission to give information to countries abroad for the construction of reactors and powerplants using atomic energy, but, otherwise, it would leave the law the same as it is now, and deny American business and American citizens in this country the opportunity to explore this field of development.

It is unthinkable, Mr. President, that we should adopt this amendment as a substitute for the atomic energy bill. So far as consideration of the subject is concerned, it has been given long consideration. Hearings were held last year on this matter and hearings have continued this year. I put the statistics into the RECORD a short time ago. We held 91 hearings on this measure. It illustrates exactly why the joint committee combined all the needed corrections in the Atomic Energy Act into one bill.

The subject of international exchange of information is a very important one. However, by the same token, the opening up of atomic energy in its domestic phases to American business and American operations is, in my judgment, far more important than the donation of our know-how and techniques and ability to foreign countries, especially in view of the fact that it would at the same time prohibit our people in this country from doing the same things that we would be aiding and abetting foreign countries in doing. I cannot conceive of that kind of situation.

Mr. STENNIS. Mr. President, will the Senator yield on that point?

Mr. HICKENLOOPER. I yield.

Mr. STENNIS. Does not the Senator from Iowa believe, if the amendment should be adopted, that before there was any actual activity under the phase of the bill he is discussing, with respect to giving information to companies or firms in foreign countries, we would have a program enacted with respect to our own people, and that the main purpose of the amendment is not to reach individual firms or people in foreign countries, but to proceed, first, from the military standpoint and military cooperation? Is that not the main part of the President's message on that phase of the subject?

Mr. HICKENLOOPER. No; I will say to the Senator that I do not think that is the main part. It is a part of it, but the industrial exchange of information is another equally important part.

When the Senator from Mississippi says that another year or so would not matter, I call attention to the fact that we have been greatly concerned recently by the claims that Russia, for instance, is getting ahead of us in atomic energy matters, and that other countries are going forward in this field.

If we give foreign countries another head start, while we prohibit American business and American firms and American people from enlarging this field and experimenting in it and developing it, I do not know how I could apologize to the American people for such action.

We have heard criticism time and time again about the amounts of money we have already spent abroad and taken out of the blood, sweat, and tears of the American people. Yet, here—and I do not think the Senator intends to do it—is an amendment which does just that. It places foreign countries in a position of advantage in atomic development, while denying it to the American people and American industry.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. STENNIS. The Senator knows this subject backward and forward. Does he think that either under the provisions of the amendment or under the provisions of the bill there will be any information given to individuals in foreign countries within perhaps a year or two after the passage of this bill?

Mr. HICKENLOOPER. Yes; I believe there would be, if the Senator's amendment were adopted. I believe it would be a direction to our officials to begin the process of giving away this information. For the past several years we have heard a great deal about giveaways. To me this program would be one of the most colossal giveaways I can think of.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. STENNIS. The Senator from Iowa is supporting the bill, is he not?

Mr. HICKENLOOPER. Yes; I am supporting the bill. However, I am also supporting giving American industry and

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American genius the same opportunity to go forward on this matter. I do not want to give away this information to other countries and lock the door on American development.

Mr. STENNIS. Mr. President, will the Senator yield on that one point?

Mr. HICKENLOOPER. I yield.

Mr. STENNIS. I refer to the giving of information to foreign concerns or individuals. The Senator says that there is a direction for our officials to proceed. As a matter of fact, the bill is entirely discretionary, is it not, and the President does not have to proceed under any circumstances? Is that not correct? In other words, it is entirely discretionary, as I understand.

Mr. HICKENLOOPER. NATO and the other international arrangements that we have made are in the main discretionary. We have given the President great leeway in saying whether he will do certain things. But, in effect, the adoption of the Senator's amendment would be an affirmative direction for the President to go ahead. Certainly the Atomic Energy Commission would make arrangements to comply with the law that is passed by Congress. As I say, the amendment is utterly offensive to me, because it provides for the giving of information and opportunity and training to foreign countries, while at the same time denying our own people an equal right and an equal opportunity to develop the program. The Senator's amendment unfortunately does just that.

Mr. STENNIS. Mr. President, will the Senator yield for one more question?

Mr. HICKENLOOPER. I yield.

Mr. STENNIS. If the amendment is adopted and becomes a part of the law, our program at home with our contractors, and the construction and development, and everything else that is going on, will continue under the present law and will not be checked or hampered in any way. Is that not correct?

Mr. HICKENLOOPER. There would be no private participation in this program at all, if the amendment should be adopted.

Mr. STENNIS. The present program in America will continue as it is now. It will not be hampered in any way.

Mr. HICKENLOOPER. But the present programs are restricted programs. They are restricted to research and development by the Atomic Energy Commission in certain phases of this subject. It is a part of the President's program and recommendation that we lay the basis for the American economy to begin to experiment and develop in this field in a free-enterprise system, just as much as in connection with the international phase.

Mr. STENNIS. The Senator from Mississippi realizes that the President made the recommendation.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. COOPER. May I ask whether S. 3690, as reported by the committee, with reference to its various provisions that relate to the transfer of materials or information to other countries, passes authority equal to the substitute offered by the distinguished Senator from Mississippi in carrying into effect such transfer.

Mr. HICKENLOOPER. The substitute offered by the Senator from Mississippi—and I say this with all due respect—is lifted bodily out of the bill. Therefore, the same provisions that are included in the Senator's substitute are already in the bill. However, what the Senator does is to strike from the bill everything except the provisions referring to the international exchange of information.

Mr. COOPER. I understand the Senator's amendment is a rearrangement of the various provisions of S. 3690, as reported by the committee.

Mr. HICKENLOOPER. Pointing toward international arrangements only, and it precludes domestic participation in this program.

Mr. COOPER. Is there any substantive difference between the provisions of S. 3690, as reported, which relate to transfers to other countries, and the substitute which has been offered by the distinguished Senator from Mississippi?

Mr. HICKENLOOPER. They are substantially the same. The Senator from Mississippi has taken a part of the bill and offers it now as a substitute for the entire bill, but strikes all the rest of the provisions of the bill which let American business and American enterprise work on this program.

My contention is that if the adoption of the Senator's amendment will permit foreign countries with our advice and our assistance to go into this field, and preclude American citizens from going into it, it is an unconscionable thing from that standpoint.

Mr. COOPER. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. Mr. President, the Senator from Iowa [Mr. HICKENLOOPER] has the floor.

Mr. HICKENLOOPER. I will yield, provided I do not lose the floor.

Mr. COOPER. I believe the Senator from Mississippi knows the high regard in which I hold his views and judgment. The Senator from Iowa has stated—and it is agreed—that the provisions of the substitute which the Senator from Mississippi has offered represent an arrangement or collection of similar sections in S. 3690, as reported by the committee.

Mr. STENNIS. The Senator from Mississippi made that clear in the opening part of his statement, namely, he was taking them out of the bill as reported by the committee.

Mr. COOPER. I do not agree with everything in the bill as reported by the committee which relates to domestic arrangements. However, I should like to ask the Senator from Mississippi—because I have great confidence in his judgment—what position he takes about carrying into effect at the same time the President's suggestions referred to in the argument of the distinguished Senator from Iowa, concerning the transfer of information and material to foreign countries before any arrangement would be made along that line on behalf of the people of this country.

Mr. STENNIS. I am glad to have a chance to state my views on that subject. I think there is a clear distinction as to the general situation. These international programs with other nations are going to start off as a part of the military picture. There will be long negotiations with different countries when it comes to the civilian side of the ledger, so to speak. The Pastore amendment was not adopted. The President will have to take up the question with each nation individually before anything can be done on the civilian side with reference to their nationals, as I understand. So there is a great distinction between the two programs.

The first part of the foreign program will deal with nations. We will have to work out agreements with them. They will have to be submitted to the committee, and they will take quite a bit of time. The psychological impact of the passage of the foreign program will all be good. It is not expected that it will be put into immediate effect, whereas in the case of the domestic aspects, I anticipate legislation will be enacted early in the year 1955, and it will doubtless go into actual operation sometime before the so-called foreign program.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. HICKENLOOPER. With respect to the statement which the Senator from Mississippi has just made about enacting a bill next year, I again cannot overemphasize the fact that the pending legislation has had intensive study for approximately a year now. That study represents the accumulated knowledge and experience and information of the Joint Committee on Atomic Energy for 7 years. The subject has not been lightly approached. I do not know what the Joint Committee on Atomic Energy would do if this bill were sent back to it except to vote to report the very same bill, because after long months of study and very serious, meticulous consideration of all of its provisions, this is the result of its study. And to say we should study it some more and come forth with some other legislation is a suggestion I cannot adopt.

I am sure the joint committee could not report any better bill after Congress convenes next January. We have here a good bill. Certain small details have met with divergent views. But almost all the committee were in agreement on the entire bill. I do not know how the Senate can consider a proposition to place foreign nationals ahead of the citizens of this country in the atomic-energy field. It is really a shock to me that we would even consider giving information, techniques, and know-how to other countries to build reactors; to go forward, and preclude and deny American industry and American technology the right to at least an equal start in this race toward atomic-energy utilities. And that is what the amendment would do, even though it gave them only a year's head start.

We have been proud of the fact we have been ahead of the world in the atomic-energy field, and our superiority in that field has been one of our strengths. Our superiority in the field of atomic energy, I think, has been a great factor in keeping the peace up until now, and yet it is proposed by this

amendment to give away a substantial advantage which we have, and the advantage would be given to foreign countries and be withheld from our own people.

I am not going to talk any more about this matter except to answer a question or two, or perhaps speak to some point that is raised. I am going to let it rest at that. The amendment does a disservice to the citizens of the United States and gives an advantage in the atomic field to the people of other nations not only industrially, but it gives them more equality in the military field. Especially in the industrial field it would give an advantage over the American citizens.

I earnestly hope that this amendment in the nature of a substitute will be defeated. I could not possibly vote for the bill if this amendment were adopted, because I would not vote to give something to foreign countries that we deny to our own American citizens. The adoption of this amendment will indeed kill the bill so far as I am personally concerned.

Mr. LEHMAN. Mr. President.

The PRESIDING OFFICER. The Senator from New York.

Mr. LEHMAN. I rise in support of the amendment offered by the distinguished Senator from Mississippi [Mr. STENNIS]. I am very glad, indeed, to support it.

Objection has been made that this amendment would merely consummate or enact the provisions of the international field, and it would delete the balance of the bill. At present we have had much debate on the provisions of the pending bill, the committee bill, tending to indicate there is very grave doubt—and certainly many of us have those doubts—as to the wisdom of some of the complex and even obscure provisions of this bill dealing with the peacetime development of atomic energy in our own country. Many of these provisions have been described—and I have so described them—as among the most radical, the most dangerous, the most repugnant to the public interest of any provisions of any bill to come before us in this session. No; I will go further than that—to come before the Congress of the United States for a great many years.

In my judgment, Mr. President, the pending bill is a thinly disguised giveaway bill, which will have the effect of forfeiting and giving away the public rights in a priceless public resource—atomic energy. I said that it is a thinly disguised giveaway bill, but I am not sure that I am not overly conservative when I make that statement, because I was very much interested when I heard the distinguished Senator from Iowa a few minutes ago refer to this bill as a "colossal giveaway." In that description I am in full agreement. It is a colossal giveaway.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. HICKENLOOPER. Do I understand the Senator from New York to refer to this amendment or this bill as a giveaway?

Mr. LEHMAN. I refer to the bill.

Mr. HICKENLOOPER. I refer to this amendment as a colossal giveaway. Is the Senator aware that it will actually give away the technique and know-how of the power developments to foreign countries but deny them to our own citizens?

Mr. LEHMAN. It is not giving them away. It is making it possible for the President to negotiate and deal with other nations, but under the safeguards clearly written into this amendment by the distinguished Senator from Mississippi.

The Government has, as I previously pointed out, spent $12 billion to unlock the innermost secrets of the atom; to harness a vast power that nature has placed in the atom. But we are dealing, in my opinion, with far greater values. The monetary value of these secrets cannot be estimated. They are worth billions and billions of dollars, in all probability far greater than the sum that I have mentioned, $12 billion, which represents only the investment. And I do want to point out that this investment of $12 billion was provided for the people of this country, the taxpayers of this country, all of the people of this country, not just a small and exclusive group, and these assets which have been paid for by the people belong to the whole American people.

I want to make it as clear as I possibly can that this effort that we are talking about, the further development of atomic energy, should be shared with private enterprise. It needs the great private industrial genius of America and that genius should be invited to participate in the development of the undreamed potentialities of atomic energy. I cannot possibly urge that too strongly. But, in my opinion, Mr. President, the Government of the United States has the unescapable obligation to safeguard the legitimate interests of the people in atomic energy in its peacetime use. The sharing of the atomic energy enterprise must be undertaken with every essential safeguard to the people's rights. We cannot be too cautious in this regard. The Government must retain full control and full sovereignty over the peacetime use of atomic energy, just as the Government must retain full control and sovereignty over our great system of navigable waters, over the ether, and over the airspace above us. Atomic energy belongs to all the people, and we must not ever fail to overlook that fact.

Mr. President, the debate in which we have been engaged has been carried on by my colleagues and me who are opposing the proposed legislation with the utmost sincerity, and in the conviction that we are serving the interests of all the people of the country. The debate has already shown that the subject is a highly complicated one, far too complicated for most of us fully to comprehend in the time that has thus far been available for the study of the proposed legislation. I believe it is far too complicated for any of us to study in the very short time that will be given to the consideration of the subject during the next few days, in order to meet an arbitrary deadline of adjournment by the Republican leadership. I am learning new things about this highly complicated subject every day and every hour. I want the advice and counsel of every expert I can get on this matter. I have every trust and confidence in the members of the joint committee and the members of the Atomic Energy Commission, but I cannot yield my responsibility, as the representative in the Senate of more than 15 million people of New York State to any committee of the Congress. The bill may effect a revolution in the economic life of my State, and of every other State of the Union. The bill may result in the development of a monopoly over the source of atomic power that will dwarf every other monopoly in the concept of the mind or in history.

I want to study the licensing provisions and the patent provisions, none of which have been adequately considered or debated. I will say that I do not, as of today, even begin to understand all of those provisions. I do not believe any of my colleagues do.

Mr. President, we have seen what has happened on the floor of the Senate when, on several occasions, provisions of a highly controversial nature were debated for hours and days. We saw what happened today when the Senator from Tennessee [Mr. GORE] raised a highly important question, and obtained the admission of the majority leader and of the senior Senator from Minnesota that the question should be very carefully considered further, taken to conference, and fought for by our conferees in the conference. I am referring to a fundamental issue, the payment of Federal taxes and local taxes by a company with which a contract may be entered into by the Atomic Energy Commission, not for the production of atomic energy at all—not a kilowatt will go into the production of atomic energy—but to be used for other purposes.

Mr. President, I think it is high time we realized the economic and social implications of the domestic provisions of the bill, and how deeply they will affect the lives of every person in this country, and the fact that they may even destroy the economic life of this country. As I have said, this bill is, in my opinion, probably the most important and far-reaching piece of legislation that has been brought before the Senate of the United States in many years. It is certainly the most important one that has been brought before the Senate since I became a Member 6 years ago.

When it comes to the international provisions of the bill, I understand those at least in part. I do not claim to understand them in detail, certainly not as much as does the distinguished Senator from Iowa. But I do understand those that will permit the President of the United States to strengthen our relationships with our allies, and to proceed with the implementation of the objectives set forth in that dramatic speech which he made before the United Nations in December of last year. I hope it will permit us, at least in some slight part, to carry on our work of raising the standard of living of some of the underprivileged people of the world whose hearts and minds and confidence we must win if we are going to have lasting peace and security in the world. I understand those aspects, and I am perfectly willing to leave them to the

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discretion of the President of the United States under the safeguards suggested by the Senator from Mississippi.

With respect to domestic matters, the Senator from Rhode Island [Mr. PASTORE], who favors the bill, stated on the floor of the Senate this afternoon that he did not believe, within any measurable time, or within any measurable number of years we could successfully hope to turn over any substantial part of this work of development to private enterprise. Then what is the hurry? Why rush into it? Why do we commit ourselves now to a course of action which we may find completely disastrous in the years to come?

Mr President, we have reached the point now where, in order to meet an arbitrary deadline, in order to keep a promise made by the majority leadership in the Senate, we are seeking to pass a bill within the next day or 2 or 3 days, which may affect the entire future of this country.

I hope with all my heart, Mr. President, that the Senate will agree to the amendment offered by the distinguished Senator from Mississippi. I admit, of course, that what the amendment will do will be to delete from the bill the domestic features on which we are not prepared to vote, because they have not received sufficient study and survey by experts, and because they do not even meet many of the views of the President of the United States, and many of the views of the majority members of the Atomic Energy Commission.

Of course, in the case of the Dixon-Yates contract, the Commissioners have been ordered to enter into that contract, even though the majority had deep and sincere reservations.

I very much hope, Mr. President, that the Senate will agree to the amendment of the Senator from Mississippi, which will permit international cooperation and an international pool, if the President deems that to be in the interest of the country, but always under the safeguards which have been written into the amendment.

I hope also that, as a result of the adoption of the amendment, there will be deleted from the bill other provisions which require far longer, deeper, and more comprehensive study than that which has been given to them.

Mr. ANDERSON. In view of the fact that the able majority leader has been hopeful that we would move forward rapidly with the bill, I shall not detain the Senate long at this time. I want to say this is purely a question of whether or not we want to make sure that the Senate passes legislation on this subject at this session. I am extremely doubtful, in view of all the questions that have been raised on the domestic front, that we will be able to get through a bill that quickly. There are many persons who did not believe that the atomic energy bill would take the form which it has now taken. There are many persons who thought we would act upon the President's suggestions and merely adopt something in the international field, and that then we would propose certain other matters relating to domestic questions, that we would study those questions for a period of 6 months, and pass that aspect of the measure early in the next session.

It was decided, and I was one who agreed to that decision, we would try to complete the bill and try to act on all sections of it. We have done that. Now I find there are many Senators who believe that the best thing to do is to pass the international section of the bill, giving the President the greatest possible opportunity to forward his program, and not enter into domestic questions on which we have been so severely divided.

As to the claim that this would give an opportunity to foreign people to profit that our businessmen would not have, it is not a correct assumption when one realizes that only recently a contract has been signed with Duquesne Power & Light involving millions of dollars, and when one realizes that the Monsanto contract is going ahead, in which the Government is pledging millions of dollars, and when one realizes that the North American Co. is going ahead with a sodium graphite reactor.

The program is not going ahead as rapidly as it would if the private parts of the bill were adopted, but that is a natural thing. It is true that if licensing were permitted for American firms without any restrictions whatever, we might move ahead more rapidly than we are doing. It is also true that we might face certain problems. That is why the Senator from Mississippi came to me and asked if there was a member of the staff who would help him draw up a provision which would sharply separate the international section of the bill from the domestic matters, so that we might pass the international provisions which the President has requested, and which the country so definitely requires, and leave the domestic provisions for later decision.

That is why, Mr. President, I am going to vote for the amendment of the Senator from Mississippi, because I believe the wisest thing now—the thing surest to obtain success—is to separate the international sections, enact them, and then give the country a chance to study this whole matter of the domestic development.

I think it may take a few months to get the domestic section adopted. I think that the country is, in the vernacular, going to "kick it around" a little bit.

Then the Senate can come back at a later date to make a decision, which may not be different from the decision now reached.

Members of the joint committee spent a tremendous amount of time on both the domestic and international sections. I certainly would be derelict in my duty if I did not say the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Ohio [Mr. BRICKER] spent a tremendous amount of time in studying those sections. There are other members of the committee whose duties called them away for a while. I am referring to the fact that the Senator from California [Mr. KNOWLAND] had his duties as majority leader; and the Senator from Colorado [Mr. MILLIKIN] was required to spend a great deal of time in the discussion of the tax bill.

Much of the effort had to fall upon the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Ohio [Mr. BRICKER]. Those two men have done a fine job.

I would not say that the committee had not made the best study it could on these domestic questions, but quite obviously, from the discussion which has been taking place on this floor, all these domestic questions have not been resolved. While it might be possible there would be some better solution than the one offered by the Senator from Mississippi [Mr. STENNIS], it seems to me there is a sentiment on the Senate floor to this effect, "We had better take a good substitute which would involve all the international sections, exactly as the committee decided upon them, after long debate, and leave to a succeeding Congress the domestic issues presented by this bill."

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator.

Mr. HICKENLOOPER. Does not the Senator feel that if we are to take any section of the bill and discard the others we should take the domestic section before we take up everything for the foreign countries, excluding our own people from participation?

Mr. ANDERSON. Mr. President, I do not think our own people would be excluded. I tried to show that the three contracts with the Duquesne Power & Light Co., the Monsanto Chemical Co., and North American Aviation represent three different types of reactors, and those three reactors would either prove to be something of value to us or not. We will decide that the type being used by Duquesne is good or that the type used by North American Aviation is better, or we will decide that neither is any good, and we will turn to a third type.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. Does not the Senator think we had better postpone this whole bill, rather than to give it all to the foreign countries and exclude our own people from this field?

Mr. ANDERSON. As I tried to say, I do not believe our people are excluded. We want to take this action now while we develop these contracts with these companies. We have contracts with Goodyear. We have contracts with Du Pont. We have contracts with Monsanto. We have contracts with Procter & Gamble and Bell Telephone and Union Carbide. I could go down a long list.

Mr. HICKENLOOPER. Those are research and development contracts.

Mr. ANDERSON. I could name 100 of the great blue-chip corporations of this country with which the Atomic Energy Commission has contracts.

I would have to agree with the Senator from Iowa that under the most ideal circumstances it would be far better if we were able now to proceed completely with all these private contracts, but it is

a certainty that the main argument over the bill has been over the domestic provisions. The controversy has been over the fact that we have made a preliminary contract with Dixon-Yates, which has caused a great deal of discussion and I think some misunderstanding.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. ANDERSON. I yield.

Mr. HICKENLOOPER. The Senator from New Mexico spent as much time as anybody else in the deliberations of the committee; and the Senator from Rhode Island [Mr. PASTORE] was very attentive and spent as much time, I think, as anybody else on the Senate side. Does the Senator recall that there was any motion made for the committee to separate the provisions of this bill and only report the international phases of the bill to the Senate? Was the entire bill not voted out, with reservations on the part of several members that certain phrases they reserved a right to object to on the floor?

Mr. ANDERSON. There is no question what the answer is. Of course, we voted to report out the entire bill. At the time I discussed whether or not I would file a minority report.

I do not like to file a minority report. I still believe in the right of the majority to rule in this country. If the majority of this Senate takes an action contrary to what I think is best, I am still going to say this is a fine democratic process.

The vote on one section of this bill was very close. The section was a controversial one. The vote on the Dixon-Yates section was 5 to 4 on the Senate side, and I believe 5 to 4 on the House side. That is as close as a vote can be and still have a majority decision. But I did not stand back and say, "Because the Senators did not accept my view I will not vote to report out this bill."

I voted to report it out because I believed the bill should come to the Senate floor. The bill did come to the Senate floor. The bill carries provisions in it which seem to be extremely controversial.

There are arguments here about the licensing provisions. There are arguments here about the patent provisions. There is a great possibility if a motion is made to recommit this bill the whole bill will be committed. Therefore, it seems to me far wiser, as the Senator from Mississippi [Mr. STENNIS] has suggested, to pass the international sections and pass them now, and take a chance that at a subsequent time the Senate may be able to do a better job on the domestic provisions. The Senate would have 6 months to discuss them, and 6 months in which to reach a more uniform conclusion.

Mr. President, I do not desire to detain the Senate. As I said earlier, I have tried to bring this bill to a vote, regardless of what some people might think. I now desire to bring the motion of the able Senator from Mississippi [Mr. STENNIS] to a vote; and, therefore, I shall not further detain the Senate of the United States.

The PRESIDING OFFICER. The question is on the amendment in the nature of a substitute, proposed by the Senator from Mississippi.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Maybank
Anderson	Green	McCarthy
Barrett	Hayden	Millikin
Beall	Hendrickson	Monroney
Bennett	Hennings	Morse
Bowring	Hickenlooper	Murray
Bridges	Hill	Neely
Burke	Holland	Pastore
Bush	Humphrey	Payne
Butler	Ives	Potter
Byrd	Jackson	Purtell
Capehart	Jenner	Reynolds
Carlson	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Clements	Johnston, S. C.	Saltonstall
Cooper	Kennedy	Schoeppel
Cordon	Kerr	Smathers
Crippa	Kilgore	Smith, Maine
Daniel	Knowland	Smith, N. J.
Dirksen	Kuchel	Sparkman
Douglas	Langer	Stennis
Dworshak	Lehman	Symington
Eastland	Lennon	Thye
Ervin	Long	Upton
Ferguson	Magnuson	Watkins
Frear	Malone	Welker
Fulbright	Mansfield	Williams
Goldwater	Martin	

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Mississippi.

The yeas and nays were ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that we may now have a morning hour for the transaction of routine business. Parenthetically, I may say this morning hour comes in the evening. Nevertheless, I ask that Senators may introduce bills and submit resolutions, make insertions in the RECORD, and transact other routine business, under the usual 2-minute limitation.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the bill (S. 3518) to amend the laws relating to fees charged for services rendered by the Office of the Recorder of Deeds for the District of Columbia and the laws relating to appointment of personnel in such office, and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7128) to amend the act entitled "An act to provide an immediate revision and equalization of real-estate values in the District of Columbia; also to provide an assessment of real estate in said District in the year 1896 and every third year thereafter, and for other purposes" approved August 14, 1894, as amended.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS:

S. 3815. A bill to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas, and for other purposes; to the Committee on Agriculture and Forestry.

JOINT CONGRESSIONAL COMMITTEE ON TIN

Mr. CAPEHART. Mr. President, on behalf of myself and the Senator from Massachusetts [Mr. SALTONSTALL], I submit a concurrent resolution providing for the establishment of a Joint Congressional Committee on Tin. I ask unanimous consent that the concurrent resolution be referred to the Committees on Banking and Currency and Armed Services, jointly.

The VICE PRESIDENT. The concurrent resolution will be received, and, without objection, will be referred as requested by the Senator from Indiana.

The concurrent resolution (S. Con. Res. 100), submitted by Mr. CAPEHART (for himself and Mr. SALTONSTALL), was referred to the Committees on Banking and Currency and Armed Services, jointly, as follows:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Tin (hereinafter referred to as the committee), to be composed of 14 members as follows:

(1) Seven Members of the Senate, 4 from the majority and 3 from the minority party, to be appointed by the President of the Senate; and

(2) Seven Members of the House of Representatives, 4 from the majority and 3 from the minority party, to be appointed by the Speaker of the House of Representatives.

A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a Member of the Senate and the other a Member of the House of Representatives.

SEC. 2. It shall be the function of the committee to make the study and investigation determined necessary by section 1 (c) of Public Law 125, 80th Congress, which provides "It is necessary in the public interest and to promote the common defense that Congress make a thorough study and investigation regarding the advisability of the maintenance on a permanent basis of a domestic tin-smelting industry and to study the availability of supplies of tin adequate to meet the industrial, military, and naval requirements of the Nation in time of national emergency."

SEC. 3. The committee shall report to the Senate and House of Representatives not later than January 3, 1955, the results of its

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study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable.

SEC. 4. The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 5. The committee is authorized to appoint, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

The expenses of the committee, which shall not exceed $50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

The committee is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government in connection with its study and investigation.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

NOTICE OF CONSIDERATION OF CERTAIN NOMINATIONS

Mr. WILEY. Mr. President, the Senate received today the following nominations:

The following-named persons to be representatives of the United States of America to the ninth session of the General Assembly of the United Nations, to serve no longer than December 31, 1954:

Henry Cabot Lodge, Jr., of Massachusetts.
H. Alexander Smith, of New Jersey.
J. W. Fulbright, of Arkansas.
C. D. Jackson, of New York.
Charles H. Mahoney, of Michigan.

The following-named persons to be alternate representatives of the United States of America to the ninth session of the General Assembly of the United Nations, to serve no longer than December 31, 1954.

Wright P. Morrow, of Texas.
Roger W. Straus, of New York.
James J. Wadsworth, of New York.
Mrs. Oswald B. Lord, of New York.
Ade M. Johnson, of Washington.

I give notice that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

WATER USES—CONSUMPTIVE VERSUS NONCONSUMPTIVE

Mr. ANDERSON. Mr. President, if the able majority leader will permit me to use 2 or 3 minutes, I should like to make a short statement that I was endeavoring to make tonight on an entirely different subject.

Mr. KNOWLAND. I have no objection to the Senator making his statement in the morning hour, so to speak.

Mr. ANDERSON. Mr. President, the Committee on Interior and Insular Affairs on Saturday agreed to report Senate bill 1555, introduced by the able junior Senator from Colorado [Mr. MILLIKIN] on behalf of himself and the other Senators of the upper Colorado River Basin States.

The favorable report on that bill represents the end of a long period of struggle on behalf of Senators from the upper Colorado River Basin States for legislation which will permit the utilization of the water of that river by the upper basin States.

The Senator from Colorado, as chairman of the subcommittee handling the proposed legislation, has done what I regard to be an extremely fine job, and I should like to pay tribute to him and to say that without his patience and his courtesy and his extremely fine spirit all along the way we would probably not have been able to report the bill.

I should also like to say that the Senator from Utah [Mr. WATKINS] has been a tremendous help to all of us who come from the area served by the bill.

I recall that the Senator from Utah invited me and other members of the committee, to come to his office, where he had special charts prepared and where he was able to demonstrate beyond any doubt the great value of this project.

I appreciate more than I can say the courtesy of the Senator from Utah [Mr. WATKINS] for the work he has done on the matter. I should also like to say that there are other Senators, whose interests may be regarded as adverse to the upper Colorado River Basin States, who participated in the hearings but who did not try to destroy the hearings. I refer particularly to the junior Senator from California [Mr. KUCHEL] whose interest was different from the interest of the upper Colorado River Basin States, who cross-examined the witnesses and who very vigorously offered testimony in behalf of his State, but who nevertheless did not prevent the bill from being reported to the Senate.

I refer also to the junior Senator from Texas [Mr. DANIEL] who, although he had a very peculiar problem on water below Elephant Butte Dam on the Rio Grande was nevertheless in favor of trying to do all he could in meeting the problem.

I desire also to say that the able senior Senator from Wyoming [Mr. BARRETT], whose long acquaintance with irrigation matters was of great use to the committee, was steadily in attendance when the subcommittee was holding hearings. I desire to express my appreciation to him for the work he has done.

The State of New Mexico's project, unfortunately, had been left out of the House version of the bill, but I am happy to say that it was reinserted in the bill by the committee, and for that I thank the Senator from Colorado [Mr. MILLIKIN] and the Senator from Utah [Mr. WATKINS] and the Senator from Wyoming [Mr. BARRETT] and other Senators who participated.

I ask that a statement which I have prepared on water uses, consumptive versus nonconsumptive, be printed in the body of the RECORD, at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WATER USES, CONSUMPTIVE VERSUS NONCONSUMPTIVE

The United States is truly a "land of plenty," but in at least one major resource the "plenty" is poorly distributed. Water is that resource. Water is the one substance, along with the air we breathe, without which life cannot exist. Although, in total there is sufficient water in the United States to meet all needs, it does not occur at the right time, in the right place and in the right amounts to satisfy the demands for water.

The United States is characterized by both humid areas and arid areas, with marginal areas in between. In the humid areas there is a surplus of water most of the time, but occasionally a short, disastrous drought occurs. In the arid area, water is limited in amount and poorly distributed. Artificial application of water to the land is required for the production of crops, and water sources, principally surface streams, have to be controlled and stored during periods of high surface runoff to supply the water needs during the periods of low runoff during summer and fall months. In the humid areas of the East, the major problem is to get rid of the surplus water safely but in spite of the large quantities of water usually available, short periods of drought become serious when they affect municipal, industrial, and hydropower water supplies. Not so long ago New York City itself suffered a severe water shortage. Recent studies by the United States Geological Survey indicate that with the rapidly growing municipal and industrial uses for water, no part of the country is safe from water shortages without holdover storage reservoirs.

Water may be used consumptively or nonconsumptively. The consumptive uses are: Domestic (serving culinary water needs of municipalities and industry), agricultural and industrial. The nonconsumptive uses are: For power generation, navigation, recreation, and fish and wildlife. Of these uses, domestic and agriculture have first priority because of these there is no substitute for water. Industrial uses follow agriculture and then comes the nonconsumptive uses. Although agriculture has a priority over industry for the use of water, there are many areas of short water supply where industry may some day compete with agriculture for the limited supply.

In the West, consumptive uses are paramount. This principle was accepted and written into the State constitutions of those States accepting the doctrine of appropriation as the basis of their water law. The other western States which recognize the doctrine of riparian rights have modified that doctrine by statute and court decisions to provide for consumptive uses. The Federal Government recognized the principle in the acts of 1866, 1872, and 1877 relating to water use and land reclamation. Still later, in the Reclamation Act of 1939, the prior rights for consumptive uses were reaffirmed for the area of the United States west of the 98th meridian.

The Colorado River compact provides in article IV (a): "The use of its waters for the

purposes of navigation shall be subservient to the uses of such waters for domestic, agricultural, and power purposes." Article IV (b) of the same compact provides: "Water of the Colorado River system may be impounded and used for the generation of electrical power, but such impounding and use shall be subservient to the use and consumption of such water for agricultural and domestic purposes." Specifically, therefore, the waters of the Colorado River allocated by the Colorado River compact are expected to be used consumptively; all other uses are secondary.

The consumptive uses in terms of priority are domestic, agricultural, and industrial. In terms of volume of use, agriculture consumes by far the most water, followed by domestic and industrial consumption.

Evaporation is a nonproductive consumptive use. It represents a loss but is an essential segment of the water production cycle.

The water allocated to the upper basin—7,500,000 acre feet annually—under the Colorado compact must cover all consumptive uses. This means that the evaporation losses from the storage reservoirs must be deducted from the allocated 7,500,000 acre feet in order to arrive at the quantity of water available for productive consumptive use. These evaporation losses are to be prorated among the upper basin States in proportion to their respective shares in the total allocation.

Present consumptive use in the upper basin is approximately 2,500,000 acre feet per year, or roughly one-third of the water to which the 4 States are entitled. Approximately 5 million acre-feet per year, therefore, is still flowing to the lower basin, where it is being used for power generation and subsequently will be used for agricultural, industrial, or domestic purposes if not put to use in the 4 upper basin States.

Consumptive use in the upper basin cannot be greatly increased in the absence of holdover storage without interfering with established rights in the lower basin during low water years which reoccur frequently and low flow seasons which occur every year. It is, therefore, quite evident that the full consumptive use of waters allocated to the upper basin cannot be made without holdover storage and that the reservoirs necessary for such storage must be provided and filled before the full upper basin consumptive use is established.

The total estimated consumptive use to result from the construction proposed in the pending legislation is about 2 million acre-feet. This means that when the current consumption is added, a total of 4.5 million acre-feet annually of Colorado River water will be used in the 4 upper basin States at the end of the construction period, some 25 years hence. Only under full development of the river—75 to 100 years from now—will all 7,500,000 acre-feet of water allocated to the upper basin States be consumptively used.

In the meantime then, water not consumptively used in the upper basin States will be available under control to flow through the wheels of the powerplants in the lower basin making firm power for lower basin uses at no cost to those power users for the falling water.

The development of the upper Colorado River basin through the authorization and construction of the Colorado River storage project and participating units will not only provide water for beneficial consumptive uses in agriculture and industry but also will provide water for municipal purposes. In addition, nonconsumptive uses for power generation, recreation, and fish and wildlife will result.

The development of the upper basin projects also will provide silt storage in the upper basin which will prolong the life of the lower basin reservoirs indefinitely. In addition, it will deliver upper basin water (3 to 4 million acre-feet per year) under a controlled supply for use in the lower basin powerplants for at least 50 years.

The Colorado River compact allocated to the upper basin States 7.5 million acre-feet annually for beneficial consumptive use. This water right, of vital importance to 4 semiarid States, cannot be exercised without the Colorado River storage project and its participating units. This project is self-liquidating. It also is a national investment in the future. Furthermore, in terms of dollars, after repayment of all costs including interest for all phases except irrigation, the annual net yield to the Government from the first 2 powerplants of the project will equal about $20 million.

RELIEF OF DROUGHT-STRICKEN AREAS

Mr. DOUGLAS. Mr. President, a very bad drought condition prevails not only in the Southwest but in the southern portion of the Middle West.

Temperatures in my State have run from 104° to 115° for a great many days, and the corn and soybean crops are largely destroyed. A great deal of damage has been done, also, to livestock, poultry, hogs, and so forth, and community water supplies are drying up.

Mr. President, I submit a concurrent resolution describing these facts, and asking that a joint congressional committee of 10 be appointed, to be comprised of Members of both Houses, to investigate the subject and to make recommendations in general for a long-range plan as well as to report short-range details for dealing with the serious drought of the Southwest and the Middle West.

I send the concurrent resolution to the desk, and ask that it be printed in the body of the RECORD at this point.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred:

The concurrent resolution (S. Con. Res. 101), submitted by Mr. DOUGLAS, was received and referred to the Committee on Agriculture and Forestry, as follows:

Whereas serious conditions of drought exist in wide areas throughout the Southwest and the Middle West; and

Whereas Members of the Senate and the House of Representatives have been petitioned for relief and assistance by citizens, banks, farm organizations and other groups, representing great populations of Illinois, Iowa, Missouri, Kansas, Nebraska, Texas, Oklahoma, and other States; and

Whereas many cities and towns in such States are suffering from acute water shortages, causing great hardship; and

Whereas drought conditions have been prevalent in this area for 2 or more years; and

Whereas telegraphic and press reports indicate high losses in grains, soybeans, egg production, livestock, poultry, and other farm products due to drought and excessively high temperatures; and

Whereas in some areas farm production has been estimated to have suffered a 75 percent loss; and

Whereas this situation presents a grave threat to the farm economy and represents extreme hardship to tens of thousands of farmers: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Secretary of Agriculture is hereby requested to proceed immediately under such authority as he has to grant disaster relief loans in these areas in order to provide for the purchase and shipment of feeds and such other supplies as are needed on an emergency basis.

SEC. 2. a) There is hereby established a joint congressional committee to be composed of five Members of the Senate who are members of the Senate Committee on Agriculture, to be appointed by the President of the Senate, and five Members of the House of Representatives who are members of the House Committee on Agriculture, to be appointed by the Speaker of the House of Representatives. In each instance two of such Members appointed shall be members of the minority party. Vacancies in the membership of the joint committee shall not affect the power of the remaining Members to execute the functions of the joint committee and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members. A quorum of the joint committee shall consist of six members, except that the joint committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(b) It shall be the duty of the joint committee to make a full and complete study and investigation of drought conditions in the United States for the purpose of preparing plans and programs for the alleviation of such conditions, including loan and feed programs, water storage, local lakes, construction of feasible reservoirs and irrigation and flood-control projects, and such other measures as are deemed practicable. In conducting such study and survey the joint committee shall take testimony with respect to such drought conditions and such plans and programs from representative farmers and other individuals residing in drought areas. The joint committee shall, not later than January 3, 1955, report to the Senate and the House of Representatives the results of its study and investigation, together with such recommendations as to necessary legislation as it may deem desirable. Upon the submission of such report, the joint committee shall cease to exist and all authority conferred by this resolution shall terminate.

(c) The joint committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the session, recesses, and adjourned periods of the 83d Congress, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses, and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(d) The joint committee shall have power to employ and fix the compensation of such experts, consultants, and other employees as it deems necessary in the performance of its duties.

(e) The expenses of the joint committee, which shall not exceed $————, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman of the joint committee. Disbursements to pay such expenses shall be made by the Secretary of the Senate out of the contingent fund of the Senate, such contingent fund to be reimbursed from the contingent fund of the House of Representatives in the amount of one-half of the disbursements so made.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD two articles published in Illinois newspapers. The first article, entitled "Drought and Heat Create Area's Worst Disaster," was published in the

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Collinsville Herald of July 21, 1954, and the second article, entitled "Crop Devastation Is Almost Total Throughout Macoupin," was published in the Macoupin County Enquirer of July 22, 1954.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Collinsville Herald of July 21, 1954]

DROUGHT AND HEAT CREATE AREA'S WORST DISASTER—100°–112° TEMPERATURES WREAK HAVOC—HOGS AND CHICKENS DON'T SWEAT, DIE; CORN SHRIVELS

The discomfort felt by the city residents during the record heat wave last week was nothing compared to the distress of the farmers who had to watch their crops wilt and "fire" under the blazing sun. Cornstalks, still a bleached green color, crumble like finely ground tobacco in the hand. Soybean plants, although still fairly green in appearance, are a delusion because the blossoms have fallen off. Horseradish, one of the big bottomland crops, is said to be almost a total loss.

Reports received here say that even the supermodern fields dampened by overhead irrigation are "cooked" with the plants wilted down to the ground.

Dairy farmers, too, took a double beating on the heat. They saw their feed crop burning up in the fields, and at the same time the heat was so severe that milk production fell off 20 percent.

Chickens, more sensitive to the temperature than cattle or hogs, died by the hundreds. The Herald heard of one nearby farmer who lost 100.

Madison and St. Clair Counties have been harder hit than the rest of the State by drought over a 3-year period, as showers have passed us by, except for the May–June sprinkles which saved the wheat crops this year. As a result, there was no deep moisture to protect the crops when the sun "poured it on" last week.

Truman May, county farm adviser, estimates the 3 days of intense heat last week cut the corn crop 20 percent. It had already taken severe damage from lack of moisture, and more is expected. There is much variation from field to field and even inside the same field, making it difficult to estimate the damage accurately, but May said it is safe to say that the corn crop will not be 50 percent of normal in this area.

Sweet corn is almost a total loss around here. May said the test plot west of Alton & Southern tracks about 5 miles west of Collinsville, containing about 80 different varieties, was given up a couple of weeks ago. Drought has been so extentive the test results would be meaningless.

Damage to crops is much worse in the Northeast quarter of the county, where soils are lighter than they are in this part of the county.

"It looks like more damage is yet to come," May said. The damage seems to show up more as the time goes on."

Highland, our neighboring city to the east, has been desperate for water for months, with car-washings, lawn sprinkling, etc., drastically limited. Arrangements have been made in advance with various cities nearby, including Collinsville, which can supply water in tank cars to Highland if the situation becomes that critical.

Last week, the Layne-Western Co. made test drills southeast of Highland in an effort to tap an underground water-bearing formation similar to the gravel which supplies Collinsville waterworks with ample supplies.

The tests failed to find water.

Madison County Farm Bureau Agent Truman May terms the past 10 days of terrific 110° to 112° heat following 3 years of subnormal rainfall the "worst disaster which ever hit Madison County farmers. We have had other disasters—floods, tornadoes, hail, and so forth—but they were all localized. This hit everybody." And there is no letup in sight.

The middle picture shows a horseradish patch photographed from Route 157 northwest of the city limits. The white leaves can't be picked off the plants—they crumble into dust. Horseradish growers of this area took a tremendous loss last year with their wet-weather crop and had to import root stock at great expense. This year's crop is said to be almost a total loss even on farms where overhead irrigation was tried this year.

Bottom view shows the only corn crop in the entire area which is in fine shape—and it flourishes in 10 acres which should be 6 feet under water at the bottom of McDonough Lake northwest of the city. Clarence Kosten put the lake bottom in cultivation this year. The photographer was standing at a point where normally the carp splash in a couple of feet of water. Other corn is "fired" very badly; many of the green-looking leaves crumble when touched.

[From the Macoupin County Enquirer of July 22, 1954]

CROP DEVASTATION IS ALMOST TOTAL THROUGHOUT MACOUPIN—ESTIMATED LOSS IS SET AT 2,000,000 BUSHELS OF CORN

Farmers throughout central Illinois are being exceedingly hardhit by the extreme heat and continued lack of moisture, with devastating effects showing greatly in the appearance of silver-topped corn, parched ground, wilted gardens and dead livestock and poultry. According to O. O. Mowery, farm adviser for Macoupin County, the heaviest damage is to the northern part of the county, but farmland in most parts of the county show ill effects of the record-breaking heat wave, which reached its climax Sunday.

Sunday was the beginning of another period of heat and drought with an official temperature reading of 113 degrees as recorded on the farm of Henry Hoelting, official weather observer, surpassing the intensity of the searing sun when the mercury jumped to 112 last Wednesday. Overshadowing storm clouds on Monday released a steady stream of rain for about 10 minutes leaving in its wake a few scattered puddles and a drop in temperature of about 4 degrees, from 100 to 96 degress, for a few hours.

SALVAGE FOR SILAGE

Mr. Mowery said: "Many farmers are anxious to salvage what forage they have. We have had very little experience with this type of drought damage before. The intense heat and low humidity has burned the stalks more than any previous droughts on record. What happens to some of these plants remains to be seen but if the heat continues like it was on Sunday it will take only a few days to complete the drying process."

Corn fields present a sight that has never before been seen by the greater part of the citizens of Macoupin and surrounding counties. The damage is spotted, some fields along the bottom lands have only occasional blasted spots, but most other fields are seas of white topped blades. A trip through county areas is proof enough of the powerful sun's rays when a large percentage of the tassels are seen dead. However, some of the late growing tassels show signs of recuperating enough to do the pollinating work.

Corn at this stage does have some food value and according to Jarry Cash, who has made some observations, the dry matter in this corn is practically equal to the dry matter in more mature corn. However, it will take a big acreage to make much volume as shown when Irvin Pocklington reported it took about 115 acres to fill his large silo in 1936.

The penetrating heat has been much more of a problem on fields which have had little or no rain since early in June. In the northern third of the country most of the corn has fired, leaving only dried up stalks which farmers are preparing to try to salvage by making into silage. In most cases, it is thought, farmers will let the crop stand either until it become a little drier or until rains revive the plants enough so that some grain can be produced.

CROPS ARE LOST

Mr. Mowery, who attended a meeting Saturday with a panel of experts from the college of agriculture in trying to determine losses in the severe cases in the county, said that it was generally agreed that many of the fields have already suffered as high as 80 percent loss, even if rain did come within the next few days. He said that without rain by the end of the present week, and continued high temperatures this will be the end of these fields.

Other crop losses are severe in many cases with soybeans suffering somewhat less than corn from the intense heat. Farmers throughout this and surrounding counties report the same story—crops are burned up. Mr. Mowery, who has been using cornfields almost as an office since the seriousness of the drouth became apparent, gave this warning:

"If I may stick my neck out to this extent I will venture to say that the corn crop has been reduced more than 2 million bushels at the present time, representing about a $3 million loss to Macoupin County farmers and the bean loss will not be much less in actual dollars. Add to this the loss from pastures and new seedings of hay and even some loss of livestock, the total loss to farmers in Macoupin County will represent several million dollars."

LIVESTOCK LOSSES

Destitute farmers who have almost given up hope in saving their crops, have turned to their one remaining concern—livestock and poultry. Many farmers in this and other areas are suffering staggering loss in hogs and chickens especially.

Near Staunton farmers said that so many head of stock had died that they had been notified to burn the carcasses as reduction plants were too busy to keep up with work of removal. Near Carlinville several farmers have reported loss of hogs—20 of which were lost on the Denby-Sanson farm.

Loss of livestock and poultry has reached the thousand mark on Central Illinois farms. In Illiopolis, 9,000 chickens were reported dead at the DeKalb Agricultural Association. Most of Sangamon County's farmers have reported animal losses. Livestock and crops have been lost in Menard, Calhoun, Montgomery, Christian, and Fayette Counties and possibly others.

WATER SITUATION HERE

The water-supply situation in Carlinville continues to meet all demands of residents and surrounding farmers. Jack Adams, waterworks superintendent, said that approximately 600,000 gallons of water are used each day meeting 2 peak periods during that time—1 between 6 a. m. and 10 a. m. and the other between 7 p. m. and 9 p. m.

In need of ironing out some of the more serious problems of water consumption, he said that something would have to be done in order to insure the farmer the supply which he needs. As in other communities, it was thought that limiting consumers to household needs and under no circumstances allowing sprinkling of lawns would abet the situation somewhat.

Robert Wiles' water station, which has been supplying from 35 to 40 farmers per day, began limiting farmers, who need from 2 to 3 tanks of water each day, to 1 tank a day.

THE BRIGHTER SIDE

"To every cloud there is a silver lining," and this is no exception. In Honey Point Township farmers have their "silver lining" due to the fact that late rains came just in time to save the corn crop from the blazing sun's rays.

It is said that in that township some of the farms have produced some of the best green crops in this county. However, if rain doesn't come soon, even the best of crops will go under.

OPERATION AMERICAN

Mr. HUMPHREY. Mr. President, in a few months we Americans will again be going to the polls to exercise one of our most cherished democratic values—the right to vote. Universal suffrage did not come to us suddenly or easily but evolved through the years along with the growth of our country. Indeed, it has been said with much truth that in the history of suffrage we can trace the history of civilization.

When we cast our ballots in November we shall be expressing our faith in self-government, and we shall be in a distinguished company of men who have contributed so much to our Government. In the words of Franklin D. Roosevelt:

When you and I stand in line * * * for our turn at the polls, we shall stand in a line which reaches back across the entire history of our Nation.

Washington stood in that line and Jefferson and Jackson and Lincoln. And in later days Cleveland stood there and Theodore Roosevelt and Woodrow Wilson. All these—in their day—waited their turn to vote. And rubbing elbows with them, their voting equals, is a long succession of American citizens whose names are not known to history but who, by their vote, helped to make history.

Yet, in every election, a discouragingly large number of Americans simply do not vote. We all hold dear the right to vote, but far too many people forget that the best way to retain this right is to use it. Democratic government means government by the people, and the most direct participation that many of us will ever have in government comes at the polls. If our Government is to remain strong and free, the people—all of the people—must participate in its affairs. Thomas Jefferson wisely stated, "That government is the strongest of which every man feels himself a part"; and in the words of Woodrow Wilson: "Freedom exists only where the people take care of the government."

It is my fervent plea that the American people this November will fully exercise their right to vote. Whether we be Democrats, Republicans, or Independents—we are all Americans first—to vote is our responsibility as Americans.

Grover Cleveland stated this responsibility well when he stated: "Your every voter, as surely as your chief magistrate, under the same high sanction, though in a different sphere, exercises a public trust."

Our aim as a people is a better America. May our votes, our lives, and our talents be directed toward this end.

Let us, therefore, join in this pledge in this great election year:

I am an American, proud of my country, grateful for the privileges and responsibilities that are found only where freedom lives. Neither by word nor deed shall I knowingly weaken the faith of the people in the institutions of representative government. I shall dedicate whatever talents God may have given me to the fulfillment of the promises of democracy.

THE MAJORITY LEADER

Mr. KNOWLAND. Mr. President, has the transaction of morning business been concluded?

Mr. DIRKSEN. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. In the many hours that have been devoted to the discussion of the pending bill, it is only natural that some sparks should fly and that feelings should become aroused. However, some of the remarks that have been made about the majority leader seem to me to be quite unbecoming to this body.

I wish to say for the Senator from California that seldom have I seen such an exhibition of patience and forbearance as he has shown under very trying circumstances. It ought to be remembered he is responsible for the administration's program, and behind this prolonged deliberation many bills, many conference reports, and other matters are piling up and are giving some concern, not only to the administration, but to the Congress.

And so I want to say for him, notwithstanding some of the rather arbitrary and some of the vitriolic editorials, that he deserves the gratitude of the country, and the gratitude of the Senate, for the forbearance and patience he has manifested under the most trying circumstances.

His is a difficult job indeed. It was about 13 months ago that Bob Taft limped down the central aisle of this Chamber and asked BILL KNOWLAND to take over the responsibilities of floor leadership. He has discharged that responsibility with courage. He has done it with vigor. He has done it with great credit to himself, to his party, and to his country.

I think the time has come to say a kind word for the majority leader, because he is eminently deserving of it, and he is deserving of the plaudits of his fellow countrymen under these very difficult circumstances.

I salute his courage as the majority leader, and I want him to know that I am in his corner under any circumstance in carrying out a very difficult assignment.

COMMUNIST ATTACKS ON OUR AIRCRAFT

Mr. DWORSHAK. Mr. President, the disclosure that American fliers have shot down two Red jet planes which had attacked them without provocation should serve notice on the Communists that we will not be threatened or intimidated. Furthermore, the incident should make it emphatically obvious to the masters of the Kremlin that the far reaches of the Pacific are not the Communists' own private sea.

However, any action of this sort carries serious implications and serious responsibilities. While we must defend ourselves against unwarranted aggression, as was the case in the Hainan incident, we must be careful not to let the Communists draw us into another local war.

Mr. President, the situation is fraught with ominous potentialities and we must not be actuated by emotionalism. I know that President Eisenhower will appraise the situation calmly, deliberately, and in the background of his years of experience. However, in times like these it is well also to have the benefit of the thinking of others who have had to face similar problems in the past. For that reason, I would like to suggest to the White House that it call for consultation the country's outstanding authority on Asia—Gen. Douglas MacArthur. General MacArthur knows the Asiatic peoples and he knows how communism operates in Asia. His views could be of tremendous value to the administration in the crucial days ahead.

I sincerely hope that the administration will see fit to summon this great soldier and patriot for his advice.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, is the morning hour completed?

The PRESIDING OFFICER. The morning hour is completed.

Mr. KNOWLAND. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. What is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Mississippi [Mr. STENNIS]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD (when his name was called). On this vote I have a pair with the Senator from Georgia [Mr. GEORGE]. Were he present, he would vote "yea." Were I permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business. The Senator from Ohio [Mr. BRICKER], the Senator from Pennsylvania [Mr. DUFF], the junior Senator from South Dakota [Mr. CASE], the senior Senator from South Dakota [Mr. MUNDT], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Georgia [Mr. GEORGE],

the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Arkansas [Mr. MCCLELLAN] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The result was announced—yeas 31, nays 51, as follows:

YEAS—31

Anderson	Humphrey	Maybank
Burke	Jackson	Monroney
Chavez	Johnson, Tex.	Morse
Clements	Johnston, S. C.	Murray
Douglas	Kennedy	Neely
Eastland	Kerr	Smathers
Gore	Kilgore	Sparkman
Green	Langer	Stennis
Hayden	Lehman	Symington
Hennings	Magnuson	
Hill	Mansfield	

NAYS—51

Aiken	Ferguson	Millikin
Barrett	Frear	Pastore
Beall	Fulbright	Payne
Bennett	Goldwater	Potter
Bowring	Hendrickson	Purtell
Bridges	Hickenlooper	Reynolds
Bush	Holland	Robertson
Butler	Ives	Russell
Capehart	Jenner	Saltonstall
Carlson	Johnson, Colo.	Schoeppel
Cooper	Knowland	Smith, Maine
Cordon	Kuchel	Smith, N. J.
Crippa	Lennon	Thye
Daniel	Long	Upton
Dirksen	Malone	Watkins
Dworshak	Martin	Welker
Ervin	McCarthy	Williams

NOT VOTING—14

Bricker	Flanders	McClellan
Byrd	George	Mundt
Case	Gillette	Wiley
Duff	Kefauver	Young
Ellender	McCarran	

So Mr. STENNIS' amendment was rejected.

Mr. KERR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. BUTLER in the chair). The clerk will state the amendment.

The CHIEF CLERK. On page 67, line 6, it is proposed to strike out "1959" and insert in lieu thereof "1964."

On page 63, line 20, before the word "patent", insert "nonexclusive."

On page 66, line 11, before the period, insert the following: "on terms no less favorable than those granted by the patentee or by the Commission to similar licensees for comparable use."

Mr. KNOWLAND. Mr. President, I send forward a unanimous-consent request and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will state the request.

The Chief Clerk read as follows:

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Oklahoma [Mr. KERR], including any amendment or motion submitted thereto shall be limited to not exceeding 1 hour, to be equally divided and controlled respectively, by the Senator from Oklahoma [Mr. KERR] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. Mr. President, if 1 hour is not sufficient, I should like to inquire of the distinguished Senator from Oklahoma whether he would have any other suggestion.

Mr. KERR. An hour is entirely adequate. It is the desire of the Senator from Oklahoma to explain briefly the purpose of the amendment, and in his opinion it will not take to exceed 10 minutes to do so. Therefore I have no objection.

The PRESIDING OFFICER. Is there objection to the request?

Mr. MORSE. Mr. President, reserving the right to object, I wish to say that I do not believe this is the proper way to proceed, in view of the great record which has been made in the Senate today. There has been a discussion of a series of amendments; in fact, for the first time in days there have been presented both sides in the arguments on a number of amendments. There was the Gore amendment, which after debate was adopted. I think that was a clear demonstration of the soundness of the position of those of us who have said that the debate should run its regular course without any threat of coercion and duress, and the forcing of a unanimous-consent agreement upon us.

In my opinion there is a very important amendment before the Senate at this time, and I do not believe it will take long to debate it, if it is debated without any limitation being forced upon the Senate. I think we should wait for the developments and not vote on an amendment as important as the one before the Senate, the amendment now pending, if there is going to be necessary, in order to bring out all the facts, the statement of different points of view involved in the amendment. I think it would be a great mistake.

Mr. KNOWLAND. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. KNOWLAND. I am informed by the distinguished Senator from Iowa that he believes that with the addition of certain language which has been worked out, he will be able to accept the amendment. Under those conditions, I withdraw the request for unanimous consent.

The PRESIDING OFFICER. The Senator withdraws his request.

Mr. KERR. Mr. President, the purpose of the amendment is to eliminate the harshness of what I have regarded as the features of the bill which would promote monopoly with reference to patents on the peacetime use of atomic energy.

We are all aware that at this time a very few industrial operators in our country, corporations and individuals, have most of the knowledge and most of the know-how with reference to the development of atomic energy and its uses for peacetime purposes.

It has been my thought that the pending bill, if it is to be written into law, should be written in such a way that those limited few with that know-how, and almost to an exclusive degree, should not become the primary or exclusive beneficiaries of that knowledge.

The Senator from Oklahoma offered an amendment a few days ago which would have continued the language of the McMahon law in that regard. That amendment was tabled. Then the distinguished Senator from Alabama [Mr. SPARKMAN] offered an amendment which would have extended the period during which compulsory cross licensing of patents would have been available for a period of 15 years instead of a period of 5 years. That amendment likewise was tabled.

The pending amendment, first, would extend the period for compulsory cross licensing for a period of 10 years, instead of 5 years, as is provided in the bill. Furthermore, it would provide for the issuance of licenses under patents on a nonexclusive basis.

Next, with reference to the 10-year period in which compulsory licensing is provided, the amendment would make it so that such licensing would be on terms not less favorable than those granted by the Commission to similar licensees for comparable uses.

I have discussed this amendment with the distinguished vice chairman of the joint committee, the senior Senator from Iowa. I am glad to say to the Senate that the Senator has looked with favor upon the amendment as it is now written, and has indicated his willingness to accept the amendment insofar as he is concerned and let it become a part of the bill.

I believe, Mr. President, in view of the lengthy discussion which has been had heretofore on this amendment in other forms, and in view of the degree to which this amendment is similar to those which we have heretofore discussed, that is all I care to say at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. KERR].

Mr. HICKENLOOPER. Mr. President, during the day the Senator from Oklahoma [Mr. KERR] and I have been discussing certain beneficial changes which might be made in the patent provisions. We have arrived at an agreement on this proposal, as the Senator has just stated. I think it is a helpful proposal and I am quite willing to accept it. I believe it will add something of benefit to safeguarding the patent provisions. Therefore, so far as I am personally concerned, I favor the adoption of the amendment.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the gentleman.

Mr. GORE. I wish to congratulate the able Senator from Iowa. Having worked with the Senator on this amendment and others today, I have found the Senator most able and cooperative, and I congratulate him and thank him.

Mr. HICKENLOOPER. I thank the Senator from Tennessee. I will say that others have been cooperative in desiring to work this amendment out.

Mr. MORSE. Mr. President, will the Senator from Iowa yield for a moment?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. The Senator's willingness to accept this amendment and accept the amendment of the Senator from Tennessee [Mr. GORE] some time ago shows remarkable progress in the Senate this afternoon, in trying to iron out some differences and to improve this bill for

final passage. I expect that from the Senator from Iowa. It is the sort of relationship I have always enjoyed with him.

After a little further consideration of the bill, Mr. President, I think we may be able to get enough amendments adopted so that we can go to a vote on it.

I am delighted with the progress which has been made with respect to the amendment of the Senator from Oklahoma [Mr. KERR] and the amendment of the Senator from Tennessee [Mr. GORE]. I regret that the amendment of the Senator from Mississippi [Mr. STENNIS] did not prevail, because I think it is just as sound as the amendments we have adopted; but, after all, the majority did not share that point of view.

I think we are beginning to get a bill which is being put into pretty good form.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. KERR].

The amendment was agreed to.

Mr. KERR. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. KERR. I want to express my deep appreciation to the distinguished Senator from Iowa for his patience and tolerance and spirit of cooperation as manifested in this matter, and I desire to express to the Senator my thanks for his willingness and devotion in helping to work out a provision which in his judgment and mine adds materially to the bill.

Mr. HICKENLOOPER. Mr. President, I merely want to say that the Senator from Oklahoma has been very generous in an attempt to arrive at a ground for mutual understanding. I appreciate the Senator's cooperation, too, in attempting to solve this problem, which is indeed of vital importance.

Mr. ANDERSON. Mr. President, I desire to call up my amendment, 7–22–54–K, and ask that the amendment, as modified, be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 36, line 10, it is proposed to change the period to a colon and to add the following: "*Provided*, That notwithstanding any other provisions of law, such leases or permits may be issued for lands administered for national park, monument, and wildlife purposes only when the President by Executive order declares that the requirements of national defense make such action necessary."

Mr. HICKENLOOPER. Mr. President, if the Senator will permit me to do so, I desire to clarify the situation. I desire to explain that I have discussed this amendment with the Senator from New Mexico. I personally feel that after the Senator has presented the reasons for his amendment it can be disposed of in a very few minutes.

Mr. ANDERSON. Mr. President, I wish to express my reasons also in a very few minutes.

In preparing this language we provided there might be leases by the Atomic Energy Commission to lands belonging to the United States. An item was apparently overlooked, and the wildlife foundation and various other people discovered that the language included the national parks and monuments, where there has always been a restriction against prospecting.

A few days ago in a bill before the Senate Commitee on Interior and Insular Affairs, as the Senator from Oregon [Mr. CORDON] well knows, we added language which would have permitted licenses in these parks, but required some safeguards. This is merely language which says: "If you want to prospect for uranium in the national parks you cannot come in and demand the right to prospect; it has to be under Executive order of the President of the United States and be concurred in by the agency involved."

Mr. CORDON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator.

Mr. CORDON. Does the language in the amendment the Senator offered follow substantially the language agreed upon in conference on the bill to amend the public-lands law with regard to minerals?

Mr. ANDERSON. It does.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

Mr. HICKENLOOPER. Mr. President, I desire to say for the RECORD I have been in consultation with the Senator from New Mexico on this amendment. I think it is an amendment with merit. I am happy to accept it insofar as my acceptance is worth anything; and I recommend its adoption.

Mr. ANDERSON. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. ANDERSON].

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I call up my amendment 7–10–54–A, as modified. I have added a modification on the second page.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 102, between lines 14 and 15, it is proposed to insert the following new section:

SEC. 271. Disposition of revenues:

a. All revenues of the Commission from licensing, the sale or leasing of material (including byproduct energy), or the furnishing of services, from and after the date of enactment of this act, shall be deposited in the Treasury of the United States and held in a special account, and such moneys shall be appropriated exclusively for the purpose of promoting the national defense and national security through grants-in-aid of primary, secondary, and higher education.

b. An Advisory Council on Education for National Security is hereby created to be composed of 12 persons to be appointed by the President with regard to their experience in the relationship of education to national defense and national security, of whom 6 shall be from the fields of education and research in the natural and social sciences. It shall be the function of such Council to recommend to the President for submission to the Congress not later than 12 months from the date of the enactment of this act, a plan for the allocation of grants-in-aid of primary, secondary, and higher education provided in subsection a. of this section.

On page 102, line 15, strike out "SEC. 271" and insert in lieu thereof "SEC. 281."

On page 102, line 19, strike out "SEC. 281" and insert in lieu thereof "SEC. 291."

On page 102, line 24, strike out "SEC. 291" and insert in lieu thereof "SEC. 301."

Mr. SALTONSTALL. Mr. President, following out what the majority leader has done, I should like to offer a unanimous-consent agreement, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The clerk will read.

The proposed agreement was read, as follows:

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Arkansas [Mr. FULBRIGHT], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. SALTONSTALL. I should like to offer this in the same spirit the Senator from California has offered similar proposals from time to time; and I ask the Senator from Arkansas if the time allowed is agreeable, or whether the Senator would like to have more time.

Mr. FULBRIGHT. Mr. President, for the same reason it was objected to the last time, I wish to object at this time. I do not expect to take very long, but I do not approve that particular procedure. So far as I am concerned, I shall not speak very long; but I will object.

Mr. SALTONSTALL. Under the circumstances, I withdraw the request.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, this amendment, which I offer on behalf of myself and the Senior Senator from Alabama [Mr. HILL], is very familiar to the Senate. The amendment provides for the use of whatever may be the income from this great new invention for the purpose of education. The Senate was thoroughly informed about the purposes of it and what would be done in the debate last year on the tidelands bill.

I have just a few words of explanation on this particular amendment, but I did desire to say that by way of a preliminary statement, so that everyone who heard the debate last year may be thoroughly familiar with the matter to begin with.

The amendment proposes that all revenues of the Commission from licensing, the sale or leasing of material—including byproduct energy—or the furnishing of services shall be deposited in the Treasury of the United States and held in a special account to be devoted exclusively for the purpose of promoting the national defense and national security through aid to education.

An Advisory Council on Education for National Security would be created. It

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would be the function of the Council to recommend to the President for submission to the Congress not later than January 1, 1956, a plan for the allocation of funds to education.

Mr. President, the dilemma which confronts us today is illustrated in no better way than by the bill which is before us.

The forces of our industrial society have presented us with atomic energy. Atomic energy may prove to be the greatest boon in the history of all mankind, or it may prove to be the force which destroys us.

We have this great power for good or evil, but we know not what to do with it. It may save us or destroy us, and in my opinion this question will be resolved by education.

The word "education" means different things to different people. I use it to mean the process designed to create the capacity and the desire to think. Thinking is the process by which we learn and also the way we create new ideas. There is nothing more difficult or more painful for human beings to do than think and yet the capacity to think distinguishes man from the other inhabitants of the globe. The animals and birds and insects do many things better than man does; they can run faster, they can fly, they have better sight, and a keener sense of smell—but none of them have man's capacity for creative thinking.

If people are to enjoy self-government, if they are to manage their own affairs, if they are to control the forces which they have harnessed, such as atomic energy, they should have the knowledge and the capacity to think clearly, to discriminate between that which is false and that which is true.

In the early days of this Republic, Jefferson recognized the significance of this principle. As you all know, he was more proud of founding the University of Virginia than he was of being President of the United States.

In 1820, after having reached the full maturity of his great intellect, Jefferson had this to say:

> I know of no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome direction, the remedy is not to take it from them, but to inform their discretion by education.

In a similar vein, Washington, in his Farewell Address, admonished his fellow countrymen:

> To promote, then, as an object of primary importance, institutions for the general diffusion of knowledge.

In the days of Washington and Jefferson, the power to think and to understand was the mark of real distinction. Our Founding Fathers were men of learning, with strong and original powers of thought. Because they were educated men—men with great wisdom—they were able to create a superior system of government for the people of this Nation.

That system is now undergoing a severe test of its strength, the most severe test since the War Between the States. It is subjected to this test largely because we have failed to make education a primary objective of our society, because we have failed to follow Jefferson's and Washington's advice.

The neglect of education in this country can be shown in the dry terms of fact and figure. In a recent year we spent over eight and one-quarter billion on public education, out of a national income of two hundred and seventy-seven billion—or, approximately 3 percent. In the same year, we spent nearly sixteen billion, almost twice as much, on liquor, tobacco, race-horse betting and cosmetics. What we spend on education is obviously not a matter of capacity, but rather a matter of choice.

During World War II, more than 5 million men within the draft age were rejected because of physical, emotional, moral, or mental deficiencies. Eighteen million men were examined, so nearly 1 out of 3 was unfit to become a soldier. In the Korean war, the proportion of unfit young men was about the same—500,000 out of a million and a half.

Of the 5 million rejected in World War II, more than 700,000 were "mentally deficient." This is equivalent in manpower to more than 40 divisions, or nearly half as many divisions as we had in the Armed Forces at the peak of mobilization. The greater part of the 700,000 mentally deficient were "educationally deprived," or—in other words—had less than a fourth grade education, although they were capable of learning if given the opportunity.

This it not all. At the outbreak of World War II, more than 4 million men in the labor force had less than 5 years of schooling and about 1½ million were totally illiterate.

Mr. President, at this point I should like to read from an article which appeared in the Washington Post and Times Herald on July 1, 1954. The headline of the article is "Eight Million Illiterates in United States Are Deplored." The article reads as follows:

> United States Commissioner of Education Samuel Brownell told American teachers today it was appalling that in a time of struggle for men's minds the Nation has 8 million functional illiterates.
>
> A functional illiterate he defined as a person with less than 5 years of schooling. In a speech before the 92d annual convention of the National Education Association he said nearly a fifth of the population of five States falls in this class and more than a tenth of the population of 11 other States.
>
> He urged that exchange-student programs with other countries be expanded. Until recently, he said, American interest in such education was only toward gaining knowledge as part of our scholarship, but today the struggle for men's minds has given education a new significance.
>
> Brownell said the most serious challenge to abolishing functional illiteracy is a shortage of qualified school and college teachers.

One of the measures of this neglect of education is the very low salary scales for teachers with the consequent failure to attract enough competent teachers especially at the elemenetary and secondary levels. In many States, it is not uncommon to find teachers receiving $1,200 to $1,500 per year. The national average for 1953 was only $3,400.

Another aspect of this problem is the comparative pay among the professions. In 1951 the estimated average annual salaries were as follows:

Dentists	$7,743
Lawyers	9,375
Doctors	13,432
Public-school teachers	3,095

Mr. HILL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HILL. Is it not true that our teachers are the lowest-paid group in America today?

Mr. FULBRIGHT. There is no question about it. They are lower paid than even the average of the employed people in factories, that is, those in occupations which are not normally considered to be a profession—the lowest group of what we call skilled labor.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I do.

Mr. HILL. Is it not true that teachers are paid lower than people who devote themselves almost entirely to manual labor, such as janitors and charwomen and people of that kind? Is not that true?

Mr. FULBRIGHT. The Senator is quite correct and, as the figures show, less than half as much as, say, the members of the dental profession receive, which, I would say, does not require greater preparation to be proficient.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HILL. Is it not true that not only is there a great shortage of teachers today, but that our teacher colleges simply do not have the students now to turn out the teachers because young men and young women are not entering the teaching profession?

Mr. FULBRIGHT. The Senator is absolutely right. I saw figures recently, in which it was estimated that there were 70,000 below normal, we will say, below the number of qualified schoolteachers required for our school system.

I may say at this point that I would like to pay a tribute to the distinguished Senator from Alabama because he has done so much in this field, and if the Senate had followed his advice, long since I think we would be in a much better position than we are today. This amendment is only applying, or seeking to apply, a new source of income, and I think it will be a great source of income, to the solution of this particular problem.

As I said a moment ago, this is following in the footsteps of the oil-for-education amendment the Senate debated last year, so I want to pay tribute to the distinguished Senator from Alabama for the work he has done.

Some day, I think, this country is going to follow that suggestion. It is a question of when, because we cannot continue to pile up illiterates, as indicated by the statement I just mentioned of the present and recently appointed Commissioner of Education. If this country is to survive, it has got to do something about this problem.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HILL. I certainly thank the Senator for his generous words, and I express to him my strong commendation for offering this amendment, and I congratulate him on the very fine case he has made in behalf of the amendment.

Permit me to ask the Senator this question: Is it not true that the Russians are making tremendous strides in the matter of education?

Mr. FULBRIGHT. The Senator is entirely correct. Nearly every day I read an article based upon that very subject as to the great increase in the number of graduates from Russian schools into the professions, especially in engineering and the physical sciences.

Mr. HILL. Yes.

Mr. FULBRIGHT. The Senator could not be more right. That is why I am really nervous about the long-term contest between the two systems of society, that is, the Russian system and our own, because they are showing great signs of appreciating the importance of education.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator.

Mr. HILL. Does the Senator recall the testimony of Dr. Waterman before the Appropriations Committee to the effect that next year, while the United States would be turning out 17,000 engineers, the Russians would turn out some 50,000 engineers?

Mr. FULBRIGHT. I remember seeing that reported in the press. The Senator, being on that committee, probably knows much more about it than I do. I remember seeing a short article.

Mr. HILL. Is it not true that the Russians are making tremendous progress not only with reference to engineers, but also with reference to physicists, chemists, indeed, scientists of all kinds?

Mr. FULBRIGHT. Yes; and, of course, they are pursuing this approach in their international relations to a far greater extent than we are.

The evidence that was uncovered when we were studying our own information program, indicated that the Russians are spending 10 times as much in that field, which is allied to education, than we are; sending abroad their artists and their scholars, and bringing students and other people aside from students, such as professors, into Russia from many of the satellite countries and from other countries, wherever they were willing to come.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield to the Senator from Alabama.

Mr. HILL. I wonder if the Senator happened to see the recent article in the New York Times written by Dr. Eric Ashby, who was for several years the scientific attaché in the Australian Embassy in Moscow. In this article Dr. Ashby said, "The Russians are just as intelligent as we are, and soon they will be just as well educated," and then Dr. Ashby went further to add, "They have one quality that we in the West have lost, the deep inferiority complex which drives them to spectacular achievements."

Is that not the story as to the Russians? We sit here day after day, week after week, month after month, and year after year, and permit this terrible situation in our school systems, in our colleges, in our universities, as well as our elementary and secondary schools, and really do nothing about the situation, whereas on the other hand the Russians are driving forward, meeting their educational needs, educating more and more of their people, and are now in a position to challenge us in the field of science, in the field of technology, and in the other fields where education must be the basis.

Mr. FULBRIGHT. The Senator is entirely correct. That is the real test, I think, of the right to survival. If this country does not do something about this particular subject, not only do I think it will not survive as a great society and as a great civilization, but it will not deserve to survive, if it is not willing to make a greater effort in the education of our young people. I ask the Senator if he thinks that today, relative to the demands of modern society—and I mean the complexity of modern society—and the number of children in our schools, we are doing as good a job as we did, say, 50 years ago.

Mr. HILL. Of course we are not. Surely we are not. We never have had the situation where our schools were so crowded as they are today and where we had so many inadequate school buildings and facilities, as we are using today. Surely our teachers have never been relatively as poorly paid as they are today, and never in the history of our country has the teaching profession had so little attraction for our splendid young men and women as today.

As the Senator knows, the teaching profession is not attracting young men and young women. The Senator recalls that at Princeton University a few months ago a poll was taken based on some examinations that were held in connection with the Selective Service Act. It was found that in the student bodies of the universities where the test was carried on the students who were preparing to become teachers failed the examination in much larger numbers than any other groups in the universities.

Mr. FULBRIGHT. I thank the Senator for his contribution. I ask unanimous consent to have printed at this point in my remarks a very short article entitled "Democracy's Secret Weapon: Education," written by James G. Deane and published in a recent issue of the Washington Evening Star.

There being no objection, the article was ordered printed in the RECORD, as follows:

DEMOCRACY'S SECRET WEAPON: EDUCATION

(By James G. Deane)

In an international arena clouded by gloom one bright spot is the continuing role of American colleges and universities in spreading enlightenment beyond national frontiers.

In the school year just ended nearly 34,000 foreign students attended American institutions of higher education. Besides the fruits of specific learning, it can be assumed that these students are carrying back with them to their homelands increased appreciation of American democracy and culture. Behind them they undoubtedly are leaving a significant imprint on the educational communities where they have lived and studied. In this way American higher education is making a practical contribution to international good will and understanding.

Who are these foreign students, why do they come, and what do they study?

Some of the answers to these and other questions are given in a booklet published by the Institute of International Education—a nonprofit agency which sponsors an extensive program of international student exchange.

The institute surveyed 2,821 higher-education institutions in every State in the Nation. Almost 1,500 reported having foreign students enrolled this year.

The students came from 129 countries, dependent areas, trust territories, international administrations, and areas under military government. More interesting than this diversity of origin, however, is the fact that increasing numbers are coming from Asia. Four of the five largest nationality groups this past school year were Asian. These nationalities were Chinese, Indian, Filipino, and Japanese. They were exceeded only by Canadians. The institute labeled this Asian increase a significant trend.

The next five countries were Mexico, Colombia, Germany, Iran, and Greece. Government-sponsored educational exchanges are bringing fewer students from most European countries than formerly, but both Spain and Greece sent more this past year.

Thirty students were tallied from the Soviet Union, and a total of 252 from other Iron Curtain countries. But the institute reported doubt about the status of these students. Some said they planned not to return home, and others supplied no pertinent information.

It might be supposed that government aid was instrumental in inspiring or at least facilitating most study trips. This was not the case. About 14,000 students reported paying their entire expenses, and another 3,000 part of their expenses, with their own funds. Nearly 6,000 reported full financial support from private organizations, and another 3,000 similar partial support. Not quite 4,000 received governmental support, and in almost 1,000 of those cases it was only partial. (Not all students gave this information, however.) On the other hand, some of the biggest groups—the Asians—received the most government help.

Another popular supposition is that American technology is the primary attraction for students from abroad, whereas for culture one should go to Europe. This is only partly borne out by the figures. Twenty percent of this year's students were engineering majors. But an equal proportion listed the humanities—languages, art, literature or theology—and another 14 percent stressed the social sciences. The other fields of interest were physical and natural sciences, 12 percent; medicine, 9 percent; business administration, 9 percent; education, 5 percent, and agriculture, 4 percent.

As might be expected, the big universities attract the most foreign students. The biggest foreign enrollments last winter were at Columbia, the University of California and New York University, each with more than 1,000. The biggest ratios of foreigners were at Massachusetts Institute of Technology, Harvard, and Cornell. Here in Washington there were 1,084 at 26 institutions, with the largest number, 226 at American University. There were 168 at the University of Maryland.

Not enough research has yet been done to gage the effects this foreign influx on international understanding, according to the institute. But "as long as education itself is considered to be a worthy goal of our interest and efforts, the existence of opportunities for study abroad will continue to be valued as an educational experience alone," its report points out. It adds significantly:

"Indorsed by congressional committees, by national leaders in the United States and abroad, the study-abroad movement will apparently continue to bring thousands of young foreign citizens into our colleges in the years to come:"

Mr. FULBRIGHT. Mr. President, I close with this thought. I do not know whether the Senate will take the amendment any more seriously than the one on education. I offer it for consideration in the hope of adoption by the Senate.

We have here a product which is essentially the product of educated minds, namely, the discovery and development of the theory and process of atomic fission—or nuclear fission, if one cares to call it that. It is a product of the laboratory. Nothing could be more fitting than that some of the returns from the licensing of that product be put back for the purpose of recharging the battery, so to speak, so that there may be continued in the future that excellent progress.

If we continue to take out of the stream of production and out of the minds of our educated people this progress, and return nothing that will build for the future and prepare minds for the future, there is no question in my mind that our civilization not only will not prevail, but will not deserve to prevail. It will produce its own bankruptcy if it does not have enough intelligence to renew the source of the driving forces in its society.

I hope the Senate will give favorable consideration to the amendment. There are no vested interests in this particular program now, but in a short time private interests will acquire an interest, and then it will be impossible to devote these resources, so to speak, to the public domain. I do hope that before the acquisition of private rights in this field becomes a reality, it can be devoted to this public purpose.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SPARKMAN. First, I wish to commend the Senator and my colleague for offering the amendment. I, too, would like to join in paying a tribute to my senior colleague for the long years of service he has devoted in behalf of this type of legislation.

I wish to ask just one question. There is, is there not, ample precedent for this type of earmarking, since it is essentially a national resource and in a sense a natural resource?

Mr. FULBRIGHT. I like to think and I always do think that the greatest thing that any Republican ever did was the inauguration of the land-grant college program under the administration of President Lincoln, when there was devoted throughout the country in every State a certain amount of public land for the purpose of education.

Every State has a great institution today which resulted from that particular act. I think that act did more with less cost to the people than anything I can think of.

In a sense I think it is the same way today in connection with this amendment. Here is a great resource which has not been taken up by the homesteaders, so to speak. It is still in the public domain, which could be devoted to this purpose without any real injury to anyone and without calling on anyone to give up anything, because no one has it yet.

The Government has invested this money in developing an idea that came out of educated minds in laboratories. It seems to me to be a very good way in which to recharge our intellectual battery, so to speak, so that it will produce additional ideas for the betterment of mankind. Perhaps there may even be discovered some means of having people live in peace.

Mr. HILL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HILL. Is it not true that beginning with the early Ordinances of 1787 and 1788, we set a precedent for making large grants of the public domain for purposes of education?

Mr. FULBRIGHT. Oh, yes. Of course, in local ways that has been done right from the beginning. I was referring to the great national act which did it on a large scale. There is no question about the precedent. It is a question of choice. Do we think it is important to do it, or is it more important to spend our substance for building roads and ships and guns?

Mr. HILL. Mr. President, does the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HILL. Is it not true that we might have all the fine roads that anyone could imagine and that we might have the oceans filled with ships, but that without education we could never have gotten atomic energy.

Mr. FULBRIGHT. That is exactly true. That was essentially the product of the education that I have in mind.

Mr. HILL. Will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. HILL. I just want again to say how delighted I am that the Senator has brought up this amendment. I wish to congratulate him on the amendment and on all that he has said in behalf of it, and to express my earnest hope that the Senate will adopt the amendment.

Mr. FULBRIGHT. I thank the Senator.

Mr. DANIEL. Mr. President, I offer an amendment in the nature of a substitute.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 102, between lines 14 and 15, it is proposed to insert the following new section:

SEC. 271. Disposition of revenues:

a. All revenues of the Commission from licensing, the sale or leasing of material (including byproduct energy), or the furnishing of services, from and after the date of enactment of that act, shall be deposited in the Treasury of the United States and held in a special account, and such moneys shall be applied exclusively to payment on the principal of the national debt.

Mr. DANIEL. Mr. President, the question of Federal aid to education has been debated in both Houses of Congress over a long period of years. There are some of us who would favor any Federal aid that is necessary to certain schools, especially for the specific types of programs which have been mentioned by the distinguished Senator from Arkansas. I would favor Federal assistance in special scientific education and other fields and in spreading information to other countries of the world. I am certainly a strong believer in and supporter of the Fulbright program for exchange students. I would favor any appropriation by Congress that was necessary in these special fields.

But there are many of us in Congress, and there have been many in previous Congresses, who feel that a general program of Federal aid to education is not desirable. Such a program was defeated by the House of Representatives last year, when it was added to the Continental Shelf portion of the so-called submerged lands bill. Every time it has been up in Congress the program of general Federal aid to education has been defeated, because a majority of the Members of the Congress have felt that it would mean Federal control of education by the Federal Government.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. DANIEL. I yield.

Mr. FULBRIGHT. Is it not true that such a general bill as the Senator mentions has twice passed the Senate?

Mr. DANIEL. I believe such an amendment to one bill passed the Senate last year.

Mr. FULBRIGHT. Prior to last year. I am sure because I was a cosponsor and the late Senator Taft was a cosponsor, and it did pass the Senate by a very large vote and was killed in the committee of the House. It was never submitted for a vote in the House and I, and many other people, believe it would have passed the House had it been submitted to such a vote.

Mr. DANIEL. I take the Senator's word for the previous action by the Senate. However, the bill was defeated in the House. It did not become law. There are some of us who sincerely believe it would be unwise to have a program of general Federal aid to education, because we believe there would be too many Federal controls on our local school systems under such a program.

Now, Mr. President, I have offered a substitute here which would apply these funds on the payment of the national debt. We now owe more money than all the other nations of the world combined. This atomic energy program has cost a lot of money, and it seems to me if we make any money out of it, one of the first things we ought to do is to pay for the cost of the program. The children of our country will be greatly benefited if we start paying something on the national debt that we now owe instead of leaving it to them and to their children to pay.

I am not sure it is a wise thing to earmark these funds at this time, but if they are going to be marked, Mr. President, I hope that the Senate will mark the funds for payment on our national debt rather than putting them into a fund for Federal aid to education, when there is no such program now in existence. It has been rejected many times. None of the details for such a program have been worked out by the Congress of the United States.

Mr. President, I believe if we are going to earmark these funds, that it would be a wiser course of action for us to apply them on the national debt and thereby pay for some of the cost of this atomic-energy program. This is the second time that I have attempted to see funds earmarked for payment on our national debt, and I hope to see the day when the Congress will take action in this direction.

Mr. SALTONSTALL. Mr. President, will the gentleman yield?

Mr. DANIEL. I will yield.

Mr. SALTONSTALL. May I ask when the vote on this matter be taken, it be taken by call of the "yeas" and "nays."

The PRESIDING OFFICER. There is a sufficient number. The "yeas" and "nays" are ordered.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Will the Senator state the parliamentary inquiry?

Mr. KERR. Did the Senator from Massachusetts make his request with reference to the substitute, or with reference to the amendment, or both?

Mr. SALTONSTALL. I made it with reference to the substitute offered by the Senator from Texas, which was the only one open to me at the time.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. HICKENLOOPER. I think I feel as many people do. I am very sympathetic with the Senator from Arkansas in his desire to aid education. I think he is well aware of that. But I am definitely opposed to the earmarkings of uncertain and unknown funds to be potentially, or possibly in the future, dedicated to any particular line of public activity.

I opposed the allocation of potential and unknown and highly speculated revenues from the continental shelf oil deposits, if any, to education, or any other specific purpose of that kind. That does not mean that I am against education, but I am against the principle of this kind of earmarking, and I would say that a majority of the committee are against it, though we did not specifically pass on this proposition.

I feel we are on safe ground, however, in supporting the substitute of the Senator from Texas, which in effect provides that if, as and when there are any revenues, and I doubt if there will be for a long time any revenues of any substance, the Congress directs that they shall be applied to the national debt. I favor that if we are to earmark such revenues. I would prefer not to earmark the funds at all, but as a preference I intent to vote for the substitute of the Senator from Texas, but not with any great enthusiasm, because I generally do not support earmarking of funds, but as a substitute for an amendment which I feel is less desirable. I shall vote for the substitute of the Senator from Texas.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator.

Mr. DIRKSEN. Mr. President, I trust that the Senate will repudiate both the substitute and the original amendment.

It must have been 17 or 18 years ago when I first encountered what was known as the Pitman-Robinson Act, to take a portion of the tax levied on ammunition and guns, and so forth, and to earmark it specifically for certain conservation purposes. I think that was my first experience, Mr. President, with a permanent and indefinite appropriation, and from that day on the woods have been full of them. It jeopardizes the flexibility of the financial operations of the Government; and if we carried out this scheme logically, there would be few dollars going into the general fund of the Public Treasury. We might just as well take the liquor tax and earmark it for the advancement of the cause of temperance. We might just as well take a portion of the gasoline tax and use it for the purpose of stopping the slaughter on the American highways. We now take 30 percent of all the customs on agricultural products and earmark them for agricultural benefits.

Where, Mr. President, is this silly scheme to stop? Are we going to earmark for some specific purpose every item of revenue that goes into the Federal Treasury? Maybe we ought to be earmarking a good portion of the individual income tax and a portion of the property income tax and let it filter back for some benefit in that particular field of activity.

It will not be very long, Mr. President, until nearly all the revenues that the Federal Government hopes to encompass will be earmarked for some purpose or the other. And it deprives the appropriating committees of the Congress of authority over those revenues for when you encounter a permanent and indefinite appropriation, neither the committee nor the Congress has anything to say about it. It is automatic, Mr. President, and that is precisely what will happen if you earmark the license fees and whatever revenues may be derived from atomic energy licenses, either for education or for the public debt. But the thing that I quarrel the most about is you completely destroy and vitiate the flexibility of the Federal financing operations. And if you carry it far enough you will completely embarrass the Treasury of the United States.

Both of these, the amendment and the substitute ought to be rejected and repudiated by a very substantial vote because it will be only another chain in a line of precedents now where first one type of revenue and then another is earmarked for a specific purpose at the expense of the Treasury and the common good. When we do, I think we depart from a very sound principle.

I said this morning, Mr. President, on a little radio cast to commemorate my affection for our former majority leader, Bob Taft, that one of the outstanding things in his credo was the common welfare of all as distinguished from any economic segment. That was primary in Bob Taft's political book. He knew that the whole was equal to all its parts, and it was greater than any part, and just as he condemned the excesses of industry and business long ago, so in his own generation he condemned the excesses of labor leaders because they sought to set over and above the common welfare the specific welfare of a single economic group.

Now, we are up against that same principle, taking revenue and earmarking it for a specific purpose. What happens finally to the well-being of the Government, and what happens to the well-being of not one group, or one segment, or one geographic facet of this country, but the welfare of the whole country? Now, there is at least this redeeming merit about the substitute offered by the distinguished Senator from Texas in that it does apply to the national debt, but even there you are earmarking the fund and you are delimiting the power of the Treasury and of the Bureau of the Budget to deal in an orderly fashion with the financing of this country.

There are billions in Government obligations coming due in the next year. I do not believe in tying the hands of George Humphrey as Secretary of the Treasury. He is doing a stalwart and courageous job under great difficulties and in the face of a very bitter inheritance that was placed upon his doorstep as a result of what happened in the years gone by.

Let us not make it more difficult. One of the jobs ahead is to get this Government out of the red. One of the jobs is to balance the budget.

But when we earmark this portion and that portion, we simply recede from a balanced budget, and for that reason I hold that both the substitute and the amendment should be rejected.

Mr. DANIEL. I wonder if the Senator from Illinois heard the Senator from Texas state that I was not sure these funds should be earmarked, but if they were I believe they should be earmarked for payment on the national debt rather than for Federal aid to education when we have no Federal-aid-to-edeeming program set up and approved by the Congress?

Are we not now faced with the question on this substitute, and the original amendment, as to which of the two shall we earmark the money for if they are to be earmarked? Is that not to be determined first before we determine whether or not they shall be earmarked at all?

Mr. DIRKSEN. That is quite correct, and I think that is a very reasonable statement on the part of the distinguished Senator from Texas, but I hope we will not follow either course because

it still goes to the flexibility of the financial operation of this Government at a time when we are still confronted with difficulties so far as the budget is concerned.

Mr. DANIEL. I hope the Senator from Illinois will vote for the substitute, and then, of course, he can vote against the amendment.

Mr. DIRKSEN. No, this Senator is going to vote both against the substitute and the amendment because I think either principle is wrong.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Texas [Mr. DANIEL] in the nature of a substitute for the amendment of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. I think the Senator from Illinois may have misunderstood the purpose of my amendment. It was not designed purely for the benefit of schoolteachers as such. He seems to make a difference between the public good and the general good that he mentioned in which the late Senator Taft was interested, and the interest of the schoolteachers. As I mentioned a moment ago, Senator Taft was a cosponsor of the last Federal aid bill that passed the Senate by a very substantial majority. It never occurred to me that the education of the citizens of this country was not for the general good of the people of the country and the future of it. I had not conceived all the funds as a largess just for the personal benefit of the schoolteachers.

It has always seemed to me that education as such was good for the country, if it was our intention to continue as a self-governing country. If we permit our governmental system to be reduced to one governed by small groups, such as in certain other countries, there would be no particular reason why the populace should be educated.

I can understand also why some people do not like to have the electorate well educated, so they would not understand what is going on in the country. It is much easier to deceive illiterate people and mislead them along false principles. So that I well understand why there has been a great and vigorous opposition to the improvement of education in this country, and I expect it to continue. But at some point, surely a country that intends to be self-governing should undertake to educate its young people so that they can understand the issues which are before them and upon which they must pass as adult members of a self-governing country.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield for a question.

Mr. HOLLAND. Noting that the Senator from Arkansas has referred to Senator Taft as a sponsor of the last Federal aid for education measure which was before the Senate, I ask the distinguished Senator if he does not recall that the late Senator Taft opposed vigorously, both in the debate on the tidelands bill and the debate on the Continental Shelf bill, the amendments which were proposed to earmark for education revenues arising from the submerged lands?

Mr. FULBRIGHT. That certainly does not prove the late Senator Taft was against the earmarking of funds for the use of education. He simply felt he was bound by a promise made in order to win an election in Texas. He lived up to his promises. One thing we can all say about the late Senator Taft is that he was a man of his word. Having made that promise, he thought it was the duty of his party to live up to it. The previous actions of the late Senator surely proved he was for aid to education. He was one of the strongest advocates in the Senate for aid to education.

Mr. HOLLAND. Mr. President, will the Senator yield further for a question?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Did not the late Senator of Ohio vigorously oppose the education amendments to the tidelands bill during the Truman administration, before the Eisenhower race was ever run?

Mr. FULBRIGHT. I do not recall that. I do not remember any particular controversy before that time. The Senator does recall that the so-called Hill amendment came up for heavy debate in 1952, and that the Senator from Ohio, the late Mr. Taft, virogously opposed the Hill amendment. I do not remember on what basis that was made. The Senator could well be right. The only part I took in that question was last year, in which, of course, as the Senator well knows, I took opposite sides from him. We do not agree on it. I was for the Hill amendment as strongly as I knew how, and we failed. I do not recall the previous one. The Senator does know that the Senator from Ohio was a cosponsor of the Federal aid for education bill which passed the Senate, does he not?

Mr. CORDON. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HILL. The distinguished late Senator from Ohio——

Mr. CORDON. Mr. President, do I have the floor?

Mr. FULBRIGHT. I have nothing further to say. I yield to the Senator from Alabama for a question.

Mr. HILL. Is it not true that the distinguished late Senator from Ohio, Mr. Taft, was chairman of the committee which studied the question and was the author of the Federal aid bill, and as the author and chairman was the leader who led the fight and fought the battle in trying to have the bill passed by the Senate of the United States?

Mr. FULBRIGHT. The Senator from Alabama is quite correct.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. CORDON. Mr. President, I rise in opposition to the original amendment. I shall vote for the substitute, but if the substitute fails, I shall vote against the original amendment. I am one of those who believes that we cannot have free money when we have a debt of $275 billion. That is my first statement.

Whatever moneys are received as a result of the development of the atomic-energy program can be applied on the debt already created by that program for a number of years in the future. There are approximately ten or twelve billion dollars charged to that account now.

I am speaking now to the original amendment, and then I shall discuss the substitute, and I shall not take long on either one.

Mr. President, the amendment is the old "oil for education" amendment applied to atomic energy. As it is drawn, it is another adventure in futility. The amendment does not provide for the appropriation of a red cent for education. It provides for sequestration of funds, but not for their appropriation or use. It sets up an advisory committee to study and to report to the President who, in turn, will, at some time in the future, report to the Congress, and then the Congress will discuss the matter and determine what, if anything, it shall do.

Every step of that operation, Mr. President, can de done without the intervention of this amendment. We are not now dealing with any proposition that will provide money that could be available for a number of years in the future.

Further, and I now refer to the argument made by the distinguished Senator from Iowa, who is in charge of the bill, and who called attention to the fact that whatever funds are, some time in the indeterminate future, received on account of atomic energy's use, either through licensing or sale of byproducts, or what have you—whatever amount will be received is now unknown, and will be unknown until the actual receipt. If an appropriation is made, an indefinite appropriation would be made.

Mr. President, if there is one thing in the wide world to which the children of this country are entitled, it is to know that the overhead for their schooling is being met dollar for dollar. There is one way to aid education from the Federal Treasury and only one, and that is to appropriate the funds directly, and let the people who are charged with their expenditure know the amount of the funds, budget them, and have an orderly expenditure of them. When that kind of bill comes to the floor of the United State Senate, I shall support it.

The amendment would provide for a trickle of funds for a number of years into a special account and not until there had been an experience that I gravely doubt can come within the next decade, and perhaps not within the next 20 years, will there be that background of knowledge by which the people in charge of schooling in this country can know in advance what funds may be available for expenditure in any system of education.

Such an arrangement would go to the lack of order or method or certainty, and therefore to the lack of usefulness of any such fund.

Mr. President, let us take a look at another facet. Let us look at the equity of the proposal.

If there is one obligation that rests upon the people of the United States as a whole, and according to their ability to pay, it is the obligation of the education of their children.

I digress for a moment, Mr. President, to say that I regret that the distin-

guished Senator from Arkansas presented the argument he did when he inferred that there are people in this country in position to act, who were motivated by the most reprehensible reasoning that I could conceive of in the action that they take—that they are seeking to maintain ignorance among the children of the United States. Mr. President, that cannot be in this country.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CORDON. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I thought it was well known—certainly it has come to the attention of the Senator—that within the last year and a half there has been a very open and notorious attack upon oral education and educated people emanating from the Senator's side of the aisle. The Senator is not unaware of that, is he?

Mr. CORDON. The Senator is wholly unaware of that.

Mr. FULBRIGHT. Is the Senator unaware of the attacks made——

Mr. CORDON. The Senator from Oregon undertakes to state that the situation does not exist on either side of the aisle, nor has it ever existed in the memory of the Senator from Oregon.

Mr. FULBRIGHT. Will the Senator yield?

Mr. CORDON. I shall not yield now. I shall complete my discussion.

I know of nobody worthy of the name of citizen of the United States who has ever acted in any respect to withhold knowledge from the children in the United States.

I am perhaps naive, but I doubt that there ever will be.

There have been critics of our educational system—honest critics; and in some respects I suspect—and I could even go to some of the records in the Federal institutions of detention for some exhibits if I desired to—in some instances some of our people have been overeducated. But that is not the fault of education; you simply cannot put a gallon of water in a pint cup.

Mr. President, I would like to call attention to this other fact: education, as I have said, in my judgment is an obligation which rests evenly on the citizenry of the United States. Were this amendment to prevail that would not be the case. Funds for division to all children in all parts of this Nation would accrue from the pockets of those who have a special use for some of the products of atomic energy. They would be called upon to pay a special amount of money above and beyond other citizens to be spread evenly over the United States for the maintenance of the educational system or in aid of that maintenance.

Again I say, Mr. President, the obligation of citizenship is general, and the obligation of education of our children is one of the highest of citizenship. We can let that burden rest where it should, evenly on the citizenship when we take the funds, if we are going to take them nationally, out of the Treasury.

Mr. President, let us take a look at this atomic energy matter for a moment. What revenues will accrue?

There can be revenues, Mr. President, from the use of byproducts of atomic energy in the treatment of the ill. It is so being used today.

There can be some revenue—and no doubt it will increase—from the use of byproducts of atomic energy in industry. It is being so used today.

But the greatest revenue, the only one which is worthy of even a moment's consideration in connection with this amendment, is the revenue which will come from use of atomic energy as a fuel, as a generator of electric power. That is where the real revenue must come from.

From what little I have learned in the short time I have been a member of the Joint Committee, I can say here today, Mr. President, in my opinion it will be but a very few years until atomic power can be harnessed for peaceful use transformed into electrical energy, and be a boon to mankind and particularly to the people of the United States.

But, Mr. President, there is no knowledge today which has come to my attention which indicates that the cost of such power will be less than the cost of electric power from some other sources, and particularly from the source of falling water.

Now, Mr. President, I might be charged here today or tomorrow, or some day, with speaking this evening against the interests of my own Pacific Northwest. We happen to have been favored by providence with steady flowing, rushing streams. We have in the Pacific Northwest the greatest source of hydroelectric energy on this continent. It can be harnessed and delivered more cheaply than any other electric energy on this continent.

Perhaps it might be better for me to join, not in supporting this amendment, but in perfecting this amendment so it would do what it is claimed sometime it may do, and saddle onto the users of electrical power created through the use of atomic energy the cost, or at least part of the cost, of educating the children in the Pacific Northwest. We would not have to pay a dime of it. We would get our power from the falling streams.

That is one way of looking at it. That is not the way the people of the Northwest would look at it. They are prepared to pay their way, dollar for dollar, with the rest of this country; and they should. I am happy to go back to my people with the argument I am making this evening.

I believe any funds for education that are to be contributed by the Federal Government should be an obligation of the taxpayers' dollars. That is not true here.

Considering that fact; and the fact that the amount which might sometime be available is an unknown quantity and, therefore, cannot be properly used in the budget for the educational process; plus the fact, Mr. President, that we are dealing in dreams when we think of revenues as being profits, when the total is insignificant in retirement of the debt resulting from the development of this new source of energy which would bring in the revenue; plus the fact that the bill does nothing, in my humble opinion; I have no other recourse but a negative vote.

I say to my friend from Arkansas [Mr. FULBRIGHT] and my friend from Alabama [Mr. HILL] that when they are ready to work out a bill which provides for the payment of funds for education and that bill carries every safeguard known to the human mind against any control, actual or potential, by the Federal Government over the public educational processes of this country they can add my name to the sponsors; but until then I must oppose both the original motion and its substitute, which at least has this virtue: The funds are used to retire the debt of the Nation. They are available prorata to the Nation. If they were ever of consequence they would be a godsend to those children who are school children today, who will be fathers and mothers tomorrow, and to the children of their children.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Malone
Anderson	Goldwater	Martin
Barrett	Gore	Maybank
Beall	Green	Millikin
Bennett	Hayden	Monroney
Bowring	Hendrickson	Morse
Bridges	Hennings	Murray
Burke	Hickenlooper	Pastore
Bush	Hill	Payne
Butler	Holland	Potter
Byrd	Humphrey	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Russell
Chaves	Johnson, Colo.	Saltonstall
Clements	Johnson, Tex.	Schoeppel
Cooper	Johnston, S. C.	Smathers
Cordon	Kennedy	Smith, Maine
Crippa	Kerr	Smith, N. J.
Daniel	Kilgore	Sparkman
Dirksen	Knowland	Stennis
Douglas	Kuchel	Thye
Dworshak	Langer	Upton
Eastland	Lehman	Watkins
Ervin	Lennon	Welker
Ferguson	Long	Wiley
Frear	Magnuson	Williams

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Texas [Mr. DANIEL] in the nature of a substitute for the amendment of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. BUSH. Mr. President, if this amendment should prevail, would there be a second vote on the question?

The PRESIDING OFFICER. There would be a vote on the amendment of the Senator from Arkansas, as amended.

The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MAYBANK (when his name was called). On this vote I have a pair with the Senator from West Virginia [Mr. NEELY]. If he were present and voting, he would vote "nay." If I were permitted

to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The Senator from Ohio [Mr. BRICKER], the junior Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. DUFF], the Senator from New York [Mr. IVES], the Senator from Wisconsin [Mr. MCCARTHY], the senior Senator from South Dakota [Mr. MUNDT], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

On this vote the Senator from Wisconsin [Mr. MCCARTHY] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Wisconsin [Mr. MCCARTHY] would vote "nay" and the Senator from North Dakota [Mr. YOUNG] would vote "yea."

If present and voting, the Senator from New York [Mr. IVES] would vote "nay."

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Georgia [Mr. GEORGE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MANSFIELD], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from West Virginia [Mr. NEELY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Montana [Mr. MANSFIELD], and the Senator from Missouri [Mr. SYMINGTON] would vote "nay."

The result was announced—yeas 37, nays 40, as follows:

YEAS—37

Aiken	Goldwater	Millikin
Anderson	Gore	Monroney
Barrett	Hendrickson	Reynolds
Byrd	Hickenlooper	Russell
Capehart	Holland	Schoeppel
Chavez	Jenner	Smathers
Cordon	Johnson, Colo.	Stennis
Crippa	Johnson, Tex.	Upton
Daniel	Kennedy	Watkins
Dworshak	Lennon	Welker
Eastland	Long	Williams
Ervin	Magnuson	
Frear	Malone	

NAYS—40

Beall	Green	Morse
Bennett	Hayden	Murray
Bowring	Hennings	Pastore
Bridges	Hill	Payne
Burke	Humphrey	Potter
Bush	Jackson	Purtell
Butler	Johnston, S. C.	Saltonstall
Carlson	Kerr	Smith, Maine
Clements	Kilgore	Smith, N. J.
Cooper	Knowland	Sparkman
Dirksen	Kuchel	Thye
Douglas	Langer	Wiley
Ferguson	Lehman	
Fulbright	Martin	

NOT VOTING—19

Bricker	Ives	Mundt
Case	Kefauver	Neely
Duff	Mansfield	Robertson
Ellender	Maybank	Symington
Flanders	McCarran	Young
George	McCarthy	
Gillette	McClellan	

So Mr. DANIEL'S amendment, in the nature of a substitute, was rejected.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The Senator from Ohio [Mr. BRICKER], the junior Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. DUFF], the Senator from New York [Mr. IVES], the Senator from Wisconsin [Mr. MCCARTHY], and the senior Senator from South Dakota [Mr. MUNDT] are necessarily absent.

If present and voting, the Senator from New York [Mr. IVES] and the Senator from Wisconsin [Mr. MCCARTHY] would each vote "nay."

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Georgia [Mr. GEORGE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Montana [Mr. MANSFIELD], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

I announce further that if present and voting, the Senator from Montana [Mr. MANSFIELD] and the Senator from Missouri [Mr. SYMINGTON] would vote "yea."

The result was announced—yeas 25, nays 55, as follows:

YEAS—25

Anderson	Humphrey	Monroney
Chavez	Jackson	Morse
Clements	Johnston, S. C.	Murray
Douglas	Kennedy	Neely
Frear	Kerr	Pastore
Fulbright	Kilgore	Sparkman
Hayden	Langer	Stennis
Hennings	Lehman	
Hill	Magnuson	

NAYS—55

Aiken	Ervin	Payne
Barrett	Ferguson	Potter
Beall	Goldwater	Purtell
Bennett	Gore	Reynolds
Bowring	Green	Russell
Bridges	Hendrickson	Saltonstall
Burke	Hickenlooper	Schoeppel
Bush	Holland	Smathers
Butler	Jenner	Smith, Maine
Byrd	Johnson, Colo.	Smith, N. J.
Capehart	Johnson, Tex.	Thye
Carlson	Knowland	Upton
Cooper	Kuchel	Watkins
Cordon	Lennon	Welker
Crippa	Long	Wiley
Daniel	Malone	Williams
Dirksen	Martin	Young
Dworshak	Maybank	
Eastland	Millikin	

NOT VOTING—16

Bricker	Gillette	McClellan
Case	Ives	Mundt
Duff	Kefauver	Robertson
Ellender	Mansfield	Symington
Flanders	McCarran	
George	McCarthy	

So Mr. FULBRIGHT'S amendment was rejected.

Mr. MAGNUSON. Mr. President, I have an amendment on the desk which I submitted last week.

The PRESIDING OFFICER. Will the Senator identify it?

Mr. MAGNUSON. I shall take about 2 minutes of the Senate's time. The amendment was in the nature of an omnibus amendment, and it included the provisions of the amendments which have now been adopted. But inasmuch as no action was taken on the omnibus amendments, I want the RECORD to show that most of the amendments I had suggested in the overall omnibus amendments have been adopted, and I therefore wish to withdraw it. I ask unanimous consent to place in the RECORD at this point an explanation of the omnibus amendments and an interpretation of them.

Therefore, there being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

I send to the desk an amendment and ask that it be printed and lie on the table. This amendment, if adopted, will incorporate in the so-called Atomic Energy Act of 1946 the long-established and time-tested procedures that prevail in the Federal Power Act—with respect to the application for and issuance of licenses on water-power sites.

The amendment modifies at least four sections of the pending bill. Collectively these modifications provide an orderly procedure for handling the application of licenses for power-production facilities to be operated by nuclear reactors. Other Members of the Senate have introduced separate amendments covering some of the same problems.

My amendment, in effect, is an omnibus provision which will give Members of the Senate an opportunity to study in a single document all the provisions we are proposing to safeguard the licensing process.

Mr. President, at this point I wish to read the amendment:

"Amendment intended to be proposed by Mr. MAGNUSON to amend the Atomic Energy Act of 1946, as amended, and for other purposes, viz:

"On page 44, before the period in line 3, add the following proviso: '*Provided*, That upon not less than 2 years' notice in writing from the Commission the United States shall have the right upon and after the expiration of any license to take over and thereafter to maintain and operate any facility or facilities for the utilization of special nuclear material for the generation of electric energy on payment of the net investment of the licensee in such facilities, with severance damages, if any, in general accordance with the terms of section 14 of the Federal Power Act: *Provided further*, That if the United States does not exercise its right to take over the facility or facilities on the expiration of any license, States, municipalities, and cooperatives shall have a prior right or acquisition on the same terms in connection with the issuance of a new license for such facility or facilities.'

"On page 86, line 18, after comma, insert the following: 'To municipalities, private utilities, public bodies, and cooperatives within transmission distance authorized to engage in the distribution of electric energy to the public.'

"On page 86, line 21, insert new sentences after the period, as follows: 'In case of protests or conflicting applications or requests for the establishment of special conditions in prospective licenses, the Commission shall prior to issuance of any license, hold public hearings on such application or

applications in general accordance with the procedures established in connection with consideration of applications for licenses under the Federal Power Act and interested parties shall have the same rights of intervention in such proceedings, application for rehearing, and appeal from decisions of the Commission as are provided in that act and in the Administrative Procedure Act. In any proceeding before it, the Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State commission, municipality, public or cooperative electric system, or any competitor of a party to such proceeding, or any other person whose participation may be in the public interest.'

"On page 87, line 3, add the following: 'Where conflicting applications include those submitted by public or cooperative bodies such applications shall be given preference.'

"On page 87, after line 20, add new section as follows:

" '3. Every licensee under this act, holding a license from the Commission for a utilization or production facility for the generation of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 303, 304, and 306 thereof and to such other provisions of the Federal Power Act as provide for the enforcement of the regulatory authority of the Federal Power Commission with respect to licensees for development of waterpower.'

"On page 89, line 9, change the period to a comma and add the following words: 'and no construction permit shall be issued by the Commission until after the completion of the procedures established by section 182 for the consideration of applications for licenses under this act.' "

The first part of this amendment provides for the recapture by the United States—the recapture by the people—of facilities licensed to non-Federal private or public corporations for the production of electric energy by utilizing special nuclear material. The provision is somewhat comparable to the recapture provisions of the Federal Power Act. In that act, Senators will recall, the Federal Government retains the right to recapture a waterpower site at the end of a 50-year license period by paying a just compensation to the owners.

The second part of the amendment prohibits the Commission from issuing a license for a facility—designed to produce commercial power—until it has given notice—not only to the State regulatory agency, but also to municipalities, private utilities, public bodies, and cooperatives—that the application is pending and a license is about to be issued.

This merely insures that the Commission cannot put over a "fast one." All parties having an interest in the distribution of electric energy within the service area covered by the application for license are put on notice.

The third part of the amendment provides that in the event there is competition between two or more licensees and that there have been protests by intervenors, the Commission shall hold public hearings before any license is issued. States, municipalities, or public or cooperative, or private utility systems are permitted to intervene.

This insures again that all parties at interest will have an opportunity to present their views in open public discussion before the Commission acts. A similar provision is contained in the Federal Power Commission Act.

It has been proved an indispensable weapon to protect the public interest. I need only to remind the Senate of the controversy going on now before the Federal Power Commission over Hells Canyon to prove the point. Had there been no such provision in the Federal Power Act as I am advocating, parties at interest in the Northwest would have had no standing before the Federal Power Commission.

The fourth provision in this amendment provides that where there is a conflict between applications for a commercial power facility, applications submitted by public or cooperative bodies shall be given preference.

The Federal Water Power Act contains a similar provision. It is based on the premise that priority and preference to the utilization of a public resource should be given to public, nonprofit agencies. This principle could be vitiated or circumvented unless there is a provision in this act requiring the Atomic Energy Commission to give first consideration to applications filed by public bodies.

The fifth provision of the amendment I am recommending stipulates that any licensee of a utilization or production facility for generation of commercial power shall be subject to the regulatory provisions of the Federal Power Act. It refers specifically to sections 301, 303, 304, 306 of the Federal Power Act.

These sections collectively set forth the criteria the licensee must follow in keeping accounts and records and stipulates that agencies of the United States, generating and distributing electric energy are subject to applicable rules and regulations of the Commission.

These sections provide for periodic reports and provide a method of filing and disposing of complaints alleging violations of the license or of the Power Act by the licensee.

Sixth and finally, the amendment prohibits the "quickie" issuance of a license by the Commission. It stipulates that no construction permit may be issued to anyone until such time as the license procedures and provisions I have already mentioned have been complied with.

This would prevent the Commission from circumventing the orderly licensing procedures which have been found so valuable in connection with the Federal Power Act.

Mr. MAGNUSON. There are also some quotes from debate on the 1919 and 1920 Water Power Act, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the quotations were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, Senate proceedings of January 6, 1920, p. 1100]

Mr. LENROOT. But, Mr. President, to get back to the legal contention that is made that the Federal Government has no power or authority to exact a charge upon navigable streams over and beyond the reasonable cost of the administration of the law, the Senator from Minnesota yesterday very frankly admitted that wherever the United States itself erects the dam it may sell or utilize the surplus water, may itself create electric power, and may sell that power, and when the Senator admits that it necessarily follows it seems to me, that he must also admit that when we choose an agent to do that which the Government itself might do we may give to the agent to do that which the Government itself might take. That has been well established in numberless decisions. I have some of them upon my desk, but I am not going to take the time to read them. However, it is well settled that wherever the Government, State or Federal, either itself erects the dam or grants authority to some private individual to do so, it may reserve to itself the surplus water power created by that dam and may dispose of it.

What is the theory of granting these licenses? So far as navigable streams are concerned, it is based wholly upon the theory that the erection of these dams will aid navigation. Otherwise it is admitted that we have no jurisdiction to authorize the obstruction of a navigable stream. All will admit that the Congress of the United States has no authority to authorize the creation of a dam on a navigable stream for the production of waterpower alone.

Unless navigation is connected with it in the legislation and is the primary purpose of it we are wholly without power. So whenever we grant a license under this bill to an individual or a corporation for the erection of a dam across a navigable stream it is upon the theory that that obstruction of the navigable stream will be an aid to navigation, that we delegate to an agency of the Government which the licensee becomes, the right to do that which the Government itself might directly do if it saw fit. Conceded, as it is, that if the Government did it directly we could utilize all of the waterpower created and sell it on such terms as we saw fit, or refuse to sell it at all, it clearly follows that in selecting an agency to do that which the Government itself might do we may say to that agent, "As a reward for thus aiding in navigation by the creation of this dam you may retain for yourself 10 percent, 15 percent, or 75 percent of the surplus water or the power created by the use of the surplus water."

We may say to that agent, "In consideration of our delegating to you this authority instead of doing it ourselves, you shall pay to us 10 percent, or 15 percent, as the case may be, of either your revenues or a given sum, measured by the horsepower created." It seem clear to me, Mr. President, that as a legal proposition I do not believe there can be any possible question concerning the right of the Congress to enact this legislation.

But it is said that it would be most inequitable to take compensation for the privilege thus granted. Let us see. I do not contend for a moment that the waterpowers of this country should be utilized for the purpose of securing revenue for the Government. I fully agree with those who contend that the consumer should have the benefit of the low-priced waterpowers of this country, and just insofar as the consumer does or will get the benefit of a nominal charge, I am in full agreement with those who so contend.

But, Mr. President, there are many, many, cases where, under this amendment proposed by the Senate committee, the consumer will not get the benefit, but it is a clear gift to the water-power corporations who become licensees under this bill, enabling them to make vast profits and to cover up those profits so that under the terms of the bill relating to an investment and the right of the Government to take it over the Government itself at no time can secure any benefit from this great concession. The result would be, under the Senate committee amendment, that we would hand this great resource belonging to the people of this country over to these water power companies with the opportunity to make vast and exorbitant returns for themselves, with no power upon the part of either State or Federal Government to give to the consumer the benefit of this cheap utility, but merely make it possible for it to be used to enrich the licensees.

[From the CONGRESSIONAL RECORD, House debate on Federal Power Act, June 27, 1919]

Mr. BEGG. Mr. Chairman and gentlemen of the House, I rather hesitate even to express my opinions on this great question of water power and water transportation, particularly when these opinions that I may have do not harmonize entirely with those of the caliber of men that are sponsoring this proposition.

The gentleman from Wisconsin, Mr. ESCH, the chairman of this committee, made the

statement that there was need for hurry, if I correctly understood him, in getting this bill through Congress, as it has been before the Congress for a period of years. I should like to call the attention of this Congress and particularly the attention of the new Members of this Congress, as I am one of those, to this fact, that it does not make any difference whether the Congress had consideration of this water-power bill for 5 years or 50 years. We, as the new Members of Congress, have had no opportunity to investigate it, and I, for one, would like to hear it, by its advocates and those opposed to it, thoroughly and clearly and unlimitedly discussed.

I do not mind saying to this House that I am not in favor of omnibus bills of any kind, and I cannot conceive of this being anything other than an omnibus bill. If I get the right interpretation of it, it turns over the control absolutely of all water power and every bit of navigable water there is in the United States under the direct and absolute control of three men with a few provisions and limitations added thereto.

I want to direct the attention of this Congress to this fact: If I have made a correct interpretation of the law as it is offered in this bill, the rights of the States to develop their waterpower are abrogated until after they get their permission from these three Commissioners, the Secretary of War, the Secretary of Agriculture, and the Secretary of the Interior. And I should like to direct the attention of my new fellow colleagues to this fact, that this Commission is probably unique in this respect. Being made up as it is of three of the Cabinet members, it is of necessity a partisan Commission.

It does not have a tenure of office as long even as that of the President of the United States, as evidenced by our present Secretary of War. He has occupied that position only a short time, and so far as anyone knows, he may resign and relinquish duties, when in will come a new man to assume this responsibility.

I want to call attention to another feature of this bill to which I strenuously object. That is the time limit for which a license may be granted to an individual or corporation. It says "not to exceed 50 years." As I interpret that, 90 percent, if not all, the licenses will be granted for a period of 50 years. We have a number of great cities on the lakes. I want to present to you a problem that I see confronting those cities if this bill goes through. The chairman of the committee, Mr. Esch, said that power was one of the things that we needed in the war.

I grant all that, and I am in favor of developing the water power of this country so far as it is possible. But power was not the only thing of which the United States found herself short. Transportation was another line of endeavor that the Government was compelled to take hold of; and according to the figures that have been produced before this Congress since this session began, while some men differ as to the amount, all agree that the loss to this Government runs into the hundreds of millions of dollars because the transportation facilities of this country were not adequate to meet the emergency. If this bill goes through, with this power granted to this Commission to license a corporation for 50 years, a permit may be granted to the Niagara Power Co. at Niagara Falls to utilize all the water that may be diverted from the falls under our treaty rights with Canada, which, if I am not mistaken, is 20,000 cubic feet per second, or thereabouts. Let us see where we are putting the people of the West, who must seek an outlet for their products through that channel if they go by water.

If that privilege is granted to the Niagara Power Co. without any restrictions other than those that are carried in this bill, for a period of 50 years, suppose that the cities on Lake Michigan, Lake Erie, and Lake Ontario see that it is to their commercial advantage to get an outlet from Lake Erie to Lake Ontario by digging a wider and deeper canal—and may I say, in passing, that there is a movement on foot today on the part of a number of the lake cities to do that very thing, to make it possible to load boats at the inland ports and unload them in the ports of the world, a thing that has not been done up to date with any great success. If this grant is given to the Niagara Power Co., or any power company—I only use the Niagara Power Co. as an illustration because they are there, and in all probability will stay there—if we give them a grant to utilize the power of all the water that can be diverted for any purpose under our treaty rights, how could we get a canal big enough to take oceangoing vessels from Lake Erie to Lake Ontario without going first to Canada and getting a new treaty granting us permission to divert more water than we are privileged to divert under the present treaty?

If we go to Canada and ask for that treaty they may say, "You can use our canal"; and I have been informed that there is a movement on foot in the Canadian Government at the present time to deepen and widen the Welland Canal. That would furnish us access around the falls and from lake to lake if we wanted to subject ourselves to the control of a canal in another country. Now I believe that is bad policy. I believe it is bad business for this Congress to go on record as favoring the centralizing of the control of all the waterpower and all the navigation in this United States Government in any commission composed of any three men of any political party in this country. I believe it is wrong. I am averse and opposed to granting to any corporation a 50-year franchise for the use of a commodity with the privilege of a renewal which makes a thing almost a perpetuity.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "Mr. Aandahl Was a Welcome Guest," published by the Wenatchee Daily World of Sunday, July 18, 1954.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MR. AANDAHL WAS A WELCOME GUEST

When an Assistant Secretary of the Interior visits us, it's news, and because Fred Aandahl, present assistant, is in charge of water and power development, his visit to this district where these are questions of vital interest to all of us, was especially welcome.

As was to be expected, we had some questions to ask the Secretary, and the Daily World reporter who interviewed him, Hu Blonk is an expert on reclamation matters, having been on the reclamation staff for a number of years, so the questions got down to the heart of the matter.

None of the questions were asked just to embarrass Mr. Aandahl, but because they were questions that people here have been asking for some time. It seemed a good idea to go to the top man in that line for the answers.

It was reassuring to us, who owe our economic growth and prosperity to a half century of irrigation to have the Secretary say that the so-called partnership program will not injure chances for expanding irrigation in the Northwest. Later Aandahl went on to add that there are already enough Federal power projects built, or under construction to support foreseeable future irrigation projects. Some of us wonder a little about this one.

One of these that this area is immediately interested in is the Chief Joseph Dam irrigation project, just approved by Congress. Here more than 5,000 acres are slated to be brought under water through the Chief Joseph Dam and Rufus Woods Lake above the dam.

Regarding rumors that the Interior Department is considering putting in effect a zone rate for power, which would mean cheaper power for the residents along the river than to coastal users. Aandahl gave little encouragement. Since such a course would benefit those of us living in north central Washington, we are interested.

Very little thought has been given to such a proposal, the secretary said.

To the much discussed, but little understood title "partnership plan," Mr. Aandahl helped a little in clearing up some of the fog of misunderstanding.

He said that when the Department refers to local agencies participating in the program, it includes public power groups as well as private power companies. Probably that is as much in the way of elucidation as we will get for awhile, and coupled with a statement reportedly made in Portland Thursday that the Government is still "feeling its way" in development of the partnership program, seems to mean that the Department hasn't got it figured out yet itself.

While we didn't get all the information we would probably have liked from our Assistant Secretary of the Interior, it was nice to have had him visit us.

Mr. MAGNUSON. I ask unanimous consent that there be printed in the RECORD at this point an editorial entitled "No One To Defend BPA," published in the East Oregonian of July 20, 1954.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO ONE TO DEFEND BPA

The vacuum in which the Bonneville Power Administration has been placed through the past year was sharply pointed up last week in Washington when the Senate debated on passage of a bill authorizing local interests to construct Priest Rapids Dam.

Under the administration of Dr. Paul Raver, BPA was very effectively implemented by the Bonneville regional advisory council.

The council, composed of business, industrial, and professional leaders, representatives of public and private power agencies, farm and labor organizations, etc., met regularly to discuss with Dr. Raver and his aides all phases of the BPA program. And advisory council committees were assigned by Dr. Raver with the responsibility for investigating almost all the program and setting down the pros and cons on it.

The advisory council has not met in more than a year. As a member we last attended a meeting of the council's research committee in Portland more than a year ago. The committee at that time recommended that BPA be permitted to purchase and market excess power from any and all dams in the region that had such power available. It was the thinking of the committee that such an arrangement would enable those persons who sought financing for new dams to better get that financing. If they could go to the source of a loan with firm assurance that BPA would buy that output from their dam which was not contracted for by other purchasers the loan would look better to the bankers. The committee furthermore proposed that a revolving fund be set up to enable BPA to handle such business. Sale of power would constantly replenish the fund.

The proposal came to the Senate last week during debate on the Priest Rapids bill.

Oregon's Senator GUY CORDON blocked it immediately and effectively. We firmly believe that Senator CORDON would have hesitated had the full weight of the Bonneville advisory council been behind the proposal. But he or any other legislator from the Northwest need have no fear of kicking the shins of BPA. There is no one in the Northwest who now feels responsibility for protesting.

Washington's Gov. Arthur Langlie and his engineer, Holland Houston, have done more to muddy the waters of Northwest water-resources development than any pair in the region. Houston has made some fantastic statements on behalf of Idaho Power Co. in the Hells Canyon Dam dispute. You will remember, of course, the public indignation that swept this region after Houston had told the Federal Power Commission that the aluminum industry had harmed the economy of the Northwest.

Mr. Langlie and Mr. Houston are at it again. They are now protesting the proposed construction of two dams on the Clearwater River in Idaho. It becomes increasingly clear, as the Oregonian pointed out last week, that Langlie has joined the coalition of Idaho Power Co. and Idaho's Gov. Len Jordan to reserve all hydroelectric development in Idaho to Idaho Power Co. Surely the citizens of Idaho will be awakened soon to the truth of what is being done to them.

Mr. HUMPHREY. I call up my amendment, "7-24-54—M."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 13, line 3, after the word "responsibilities", it is proposed to insert "including a division or divisions the primary responsibilities of which include the application of civilian power."

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. KNOWLAND. I send to the desk a proposed unanimous-consent agreement and ask that the clerk read it.

The PRESIDING OFFICER. The clerk will read as requested.

The Chief Clerk read as follows:

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Minnesota [Mr. HUMPHREY], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HUMPHREY. Reserving the right to object, I again appeal to the majority leader to let us follow through on this amendment very much the same as we have done on the others. I have already discussed much of this amendment with the chairman of the committee. I believe it will take very little time for discussion. It is primarily an organizational amendment applying to the organization of the Atomic Energy Commission.

Mr. KNOWLAND. Under the conditions, I withdraw the unanimous-consent request.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. The purpose of this amendment is to establish in the Atomic Energy Commission a division or divisions, which will have as their primary responsibility the civilian application of atomic energy. It is a modified version of the amendment I offered several days ago. Since that time, I have had the opportunity to discuss this amendment with members of the staff of the Joint Committee on Atomic Energy, as well as with the chairman. I believe this amendment will be helpful in the structural organization of the Atomic Energy Commission in view of the licensing provisions that are embodied in the pending bill.

I have no more to say about it. I do not believe it is necessarily functional in nature. It is more or less organizational.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the chairman of the committee.

Mr. HICKENLOOPER. We have been discussing this particular amendment yesterday and today. The staff was of the opinion that the amendment had been changed as submitted this evening, and that the word "power" had been eliminated.

Mr. HUMPHREY. That is correct; it has.

Mr. HICKENLOOPER. May we have the amendment read again?

The PRESIDING OFFICER. The clerk will restate the amendment.

The CHIEF CLERK. On page 13, line 3, after "responsibilities", it is proposed to insert the following: "including a division or divisions the primary responsibilities of which include the application of civilian power."

Mr. HICKENLOOPER. That is the question I raised. I understood "power" was to be eliminated.

Mr. HUMPHREY. I may say to the Senator what the modification was was not to hold this to the matter to just one division. It says "including a division or divisions the primary responsibilities of which include the application of civilian power."

Mr. HICKENLOOPER. I will have to send for a copy of the amendment as we understood it to be before I could consent to accept this particular amendment.

Mr. HUMPHREY. May I modify the amendment to strike the word "power" and insert in lieu thereof the word "uses"?

Mr. HICKENLOOPER. That is in accordance with my understanding with the staff.

Mr. HUMPHREY. That is correct. I modify the amendment by striking out the word "power" and inserting in lieu thereof the word "uses" and I think that will meet the objection.

The PRESIDING OFFICER. The Senator's amendment will be so modified.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. THYE. Will the Senator explain to me what this amendment proposes to do?

Mr. HUMPHREY. I will be happy to explain to my colleague. What it does is this: In that area of the bill, section 25, which relates to divisions of offices where a division of military application is established, it also establishes a division or divisions of civilian application for the sundry uses of atomic energy. It is a structural amendment, an organizational amendment, and it is necessary in this bill, because of the wide variety of uses of atomic energy which are contemplated under the terms of the bill for civilian uses.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield, and if so, to whom?

Mr. HUMPHREY. I yield to the Senator from Washington.

Mr. MAGNUSON. Is it the intention of the amendment to do away with the probability of a great deal of duplication between the new duties of the Federal Power Commission and what may be the duties of the Atomic Energy Commission in the future under the bill?

Mr. HUMPHREY. It would be helpful in that regard. It would provide appropriate provision in the Atomic Energy Commission to do the manifold duties prcposed in the pending bill.

Mr. HICKENLOOPER. Mr. President——

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HICKENLOOPER. In the setup of the Atomic Energy Commission, there are 11 divisions. One is specifically a military division, and the other 10 are divisions to be designated by the Commission to take care of various phases of atomic energy. I want to assure the Senator almost all of the other divisions or categories are civilian in character, but the amendment emphasizes, or is intended to emphasize, the application of civilian uses of atomic energy. I think it is a constructive amendment.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Oregon.

Mr. CORDON. There must be information available to the local power bodies, the cooperatives, and other public bodies below the level of the Federal Government, so that utilization of the power can be made if, as, and when, it is available and usable, and a division of this character might well be the basis for studies and the promulgation of necessary rules and regulations, as well as the dissemination of the information necessary for that purpose.

Mr. HUMPHREY. There is an error in the printing. It says page 13, line 3. It should be line 6, and I ask unanimous consent that it be so modified.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment of the Senator from Minnesota, as amended, will be further modified.

The question is on agreeing to the amendment of the Senator from Minnesota, as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I send to the desk an amendment, designated 7–22–54–A, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 52, in line 12, it is proposed to strike out the word "approved", and insert in lieu thereof, "favorably recommended and submitted to the President."

Mr. HUMPHREY. Mr. President, the amendment applies to that section of the bill which is entitled "SEC. 123. Cooperation With Other Nations." It is in the international section. The purpose of my amendment frankly is to overcome what I think may be a constitutional limitation on the language of the bill. What it says, in fact, is in line 12, following the words "the Department of Defense has," instead of the word "approved," "favorably recommended and submitted to the President."

In other words, the purpose of the Senator from Minnesota is to see to it that any agreement which is cleared by the Department of Defense may not stand on its own right, but to provide that it has been submitted directly to the President and has been favorably recommended to him, so that there is no doubt whatsoever as to the legality or the constitutionality of whatever action may be taken. It is, in my opinion, a technical amendment, and one which I think clarifies the purpose of the section.

Mr. HICKENLOOPER. I do not see the necessity for a change in the wording. However, the amendment of the Senator from Minnesota does the same as what is intended by the committee. The committee considers that the word "approved" meant that the Commission had approved it. Later on in the section it is required that the President shall authorize it before it can be put into effect. However, I am perfectly willing to accept the language to the effect that the Department of Defense has favorably recommended it. My own personal view is that it does not change the paragraph one whit, but if it clarifies it in the mind of some of the Members of the Senate, we are perfectly willing to accept the amendment.

Mr. HUMPHREY. My only point is that I took this up with legal counsel. I was advised there might be some question about it. I have discussed the matter with the chairman, and he has no objection to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota, on page 52, line 12.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I call up my amendment, designated 7–22–54–D, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 19, in line 14, after the word "authorized", it is proposed to insert "and directed."

Mr. HUMPHREY. This, again, Mr. President, is merely a clarifying amendment. I think the language of the present act includes the words "authorized and directed." I believe that wording should be included in the bill. I wanted to make quite sure it is not exclusive.

Section 32 is the section which pertains to research by the Commission. The present language authorizes the Commission to conduct research. The Senator from Minnesota asks that it not only be authorized but directed.

The word "directed" is not to mean solely by the Commission, but that the Commission shall undertake research, but not necessarily to the exclusion of contract research or authorization of research by universities and other technical foundations or institutions.

Mr. HICKENLOOPER. Mr. President, again I do not share the view of the Senator from Minnesota that the language is essential. The fact of the matter is the word "directed" which he would insert in the proposed bill is already a part of the existing law. We have lived with it for several years. The only reason the word was not included is that we wanted to make it doubly clear that the Commission was not required to build and operate all the facilities in which it conducts research and development; that it could use leased or contracted facilities. The Commission has been doing that for the last several years. It is perfectly legal. I see no reason, however, why, if it will bring aid and comfort to any Senator, that language cannot be put back in the bill. It will restore the law to what it has been for the past several years. Therefore, I am willing and happy to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] on page 19, line 14.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. The next amendment which I call up is designated 7–16–54–H. The purpose of the amendment is primarily to clear the legislative history in reference to the bill. I ask the clerk to state the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 89, in line 9, it is proposed to change the period to a comma and add the following: "and no construction permits shall be issued by the Commission until after the completion of the procedures established by section 182 for the consideration of applications for licenses under this act."

Mr. HUMPHREY. Mr. President, at the time I drew up this amendment I was not aware of the modifications which had been made to section 182 and also to the judicial review section, which later I discussed with the chairman of the committee. The purpose of the amendment when it was prepared was to make sure that the construction of a facility was not permitted prior to the authorization of a license, because had that been done what it would have amounted to would be getting an investment of a substantial amount of capital, which surely would have been prejudicial in terms of the Commission issuing the license. In other words, if the Commission had granted the construction permit for some form of nuclear reactor, and then the question of a license was not fully resolved, surely there would have been considerable pressure, and justifiably so, for the Commission to have authorized the license once it had authorized the permit for construction.

The chairman of the committee tells me he has modified certain sections by the committee amendments to the bill, of which at that time I was not aware. The chairman indicates to me that under the terms of the bill, as amended, the construction permit is equivalent to a license. In other words, as I understand, under the bill a construction permit cannot be interpreted in any other way than being equal to or a part of the licensing procedure. Is that correct?

Mr. HICKENLOOPER. The Senator is correct. The staff has worked on this matter. An amendment was offered on, I believe, July 16, to section 189, having to do with hearings or judicial review, and that section was tied up with other sections of the bill. A license and a construction permit are equivalent. They are the same thing, and one cannot operate until the other is granted.

The same is true with reference to hearings. Therefore, we believe, and we assure the Senator, that the amendment is not essential to the problem which he is attempting to reach.

Mr. HUMPHREY. Let me ask the chairman of the committee if subsection b of section 182, which applies to license applications, also applies to construction permits? Subsection b reads:

> b. The Commission shall not issue any license for a utilization or production facility for the generation of commercial power under section 103, until it has given notice in writing to such regulatory agency as may have jurisdiction over the rates and services of the proposed activity, and until it has published notice of such application once each week for 4 consecutive weeks in the Federal Register, and until 4 weeks after the last notice.

Mr. HICKENLOOPER. The section does. The answer to the Senator's question is "Yes."

Mr. HUMPHREY. In other words, the revised sections on judicial review and on hearings and the revised section 182 on license application all apply directly to construction permits?

Mr. HICKENLOOPER. Yes.

Mr. HUMPHREY. With that statement, Mr. President, I withdraw my amendment. The only purpose of the amendment was to clarify that section. I am grateful to the chairman for having done it before the amendment was considered.

The PRESIDING OFFICER. The Senator withdraws his amendment. The bill is open for further amendment.

Mr. HUMPHREY. Mr. President, I send one further amendment to the desk. I hope it will be received as generously. It is 7–16–54–G.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 87, after line 20, it is proposed to add a new section, as follows:

e. Every licensee under this act, holding a license from the Commission for a utilization or production facility for the generation of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306 thereof and to such other provisions of the Federal Power Act as provide for the enforcement of the regulatory authority of the Federal Power Commissoin with respect to licensees for development of waterpower.

Mr. HUMPHREY. Mr. President, the purpose of this amendment is, I think, rather succinctly and clearly stated in the language of the amendment. It simply says we have here in atomic energy a Federal resource just as much as we have in falling water or in what we call hydroelectric generation potentiality. We have in atomic-energy material the complete Federal monopoly, a Government monopoly completely owned by the people of the United States without question of doubt.

This is a matter of investment, since every dollar's worth and pound of material has been paid for by the people of the United States.

This amendment clearly says in view of the complete Federal ownership of atomic materials or fissionable materials or nuclear energy that when and if licenses are granted for the express purpose of generating power—in other words, licenses are granted for the use of a fuel which is federally owned to generate power—then the sections 301, 302, 304, and 306 of the Federal Power Act, which relate primarily to the accounting and reporting, apply to the atomically generated electricity.

My argument is this: If we can apply the Federal Power Act to hydroelectric generation both by the Government and by those who are licensed to use the rivers, the navigable streams and waterfalls, then indeed in this area, where there is not one shadow of doubt as to who owns the material, as to who in fact owns the licenses, as to the source which grants the licenses, surely the Federal Power Commission rules and regulations, insofar as reports and accounting, should apply.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BUSH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to yield to the chairman, if I may; and then I shall be happy to yield to the Senator from Connecticut [Mr. BUSH].

Mr. HICKENLOOPER. Mr. President, I should like to say that we will have to resist this amendment as vigorously as we can, because this amendment says the Federal Power Commission shall move in and control the rates and utility of electricity, even intrastate, in spite of the State regulatory bodies or municipal regulatory bodies. It is the old fight as to how far the Federal Power Commission shall move into the sovereignty of the States and local regulatory bodies.

We take the position that electricity is electricity. Once it is produced it should be subject to the proper regulatory body, whether it be the Federal Power Commission in the case of interstate transmission, or State regulatory bodies if such exist, or municipal regulatory bodies. We feel that there is no difference and that it should be treated as all other electricity which is regulated by the public.

I call special attention to section 271 of the proposed act, which says:

SEC. 271. Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power.

That is designed to keep the regulatory authority exactly as it is now, traditionally and under the law. I merely call that to the attention of the Senator.

I earnestly hope the Senator will not press this amendment, because I feel it is an alteration of the present concept of regulation of electric power.

Mr. HUMPHREY. I may say to my friend, the distinguished chairman: He has stated the case. What the Senator says is that there should not be any more regulation upon this kind of power than there is upon other forms. I agree.

What we are really talking about here are different kinds of fuels which produce the same kind of power. It makes no difference whether electricity is produced from thermal fuel or from hydro power. The fact is it becomes electricity.

Mr. BUSH. Mr. President, will the Senator yield at that point?

Mr. HUMPHREY. In a moment I shall be happy to yield to my friend.

In this instance what we have is electricity which is produced from nuclear power. I see no reason why electricity should be treated any differently because of the parentage of the generation.

I now yield to the Senator from Connecticut.

Mr. BUSH. Is the Senator under the impression that hydroelectric power which is consumed entirely within the State in which it is generated is subject to regulation by the Federal Power Commission?

Mr. HUMPHREY. No, nor am I under the impression that this kind of power which is generated entirely within the State in some small plants would be under any such control, either. The only control it is under is the same control we now have.

My argument is this: Why should the rules be changed in the middle of the game, so to speak, upon a form of energy known as electricity, despite its method of generation? The generation here under this bill is contemplated to be from a form of atomic matter or atomic energy. The generation under the Federal Power Act as we have it thus far is from hydroelectric sources and from thermal sources.

Mr. BUSH. Mr. President, if the Senator will permit an observation, any hydroelectric power which may be generated within a State and consumed within a State is not subject to regulation by the Federal Power Commission.

What the Senator's amendment intends to do, if I understand it correctly, is to make this particular type of power generated within the States subject to the Federal Power Commission as to regulation; is that not so?

Mr. HUMPHREY. What the Senator intends to do is to do exactly what is being done. What the Senator from Minnesota proposes by his amendment is very clear. It says:

The generation of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306—

I have those sections in my hand.

In other words, if they are subject to regulation under existing law by the Federal Power Commission, they are subject to regulation under the terms of this act. No more, no less.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. BUSH. Would the power generated from atomic energy not be automatically subject to the regulation of the Federal Power Commission if it came under the law? It seems to me the Senator's amendment is quite unnecessary.

Mr. HUMPHREY. No. The Federal Power Act, part III, section 301, is involved. One section is "accounts, records and memoranda."

That relates, as it says here:

Every licensee and public utility shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary—

That language may very well not be included under this bill.

Mr. BUSH. Why would it not apply to any source of new power?

Mr. HUMPHREY. Because this bill does not refer by cross reference to the Federal Power Act.

Mr. BUSH. Why should it do so?

Mr. HUMPHREY. It should for the simple reason that this is a Government-held resource. This atomic matter is Government-owned more so than the rivers and the streams and waterfalls. At least God can claim those, and this we must take credit for. I say, on that basis, maybe we had better apply manmade law.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Could the situation not be cleared up by the following question? Under the amendment of the Senator from Minnesota, if energy were developed in the State of Tennessee, as it undoubtedly will be, and sold exclusively in the State of Tennessee, it would be under the regulation of the proper State authorities?

Mr. HUMPHREY. The Senator is correct.

Mr. DOUGLAS. But if it were generated in Tennessee and shipped across State lines and sold in other States, then it would be under the jurisdiction of the

Federal Power Commission, would it not?

Mr. HUMPHREY. That is correct. That is my understanding.

Mr. DOUGLAS. Therefore, is not the proposal of the Senator from Minnesota simply to apply the same principles of Federal control over interstate shipments in the case of atomic-energy power and thermonuclear power as are now applied in the case of hydropower?

Mr. HUMPHREY. That is correct.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. Just a moment and I will be happy to yield.

My position is also as described in section 304, where it states there shall be annual and other periodic or special reports as the Commission may prescribe with regard to this power development.

In other words, let us not forget here that the Federal Government issues a license. The position of the junior Senator from Minnesota is that a license is a privilege and not a right. It is a privilege. Because it is a privilege, it is entitled to be subject to regulation and to whatever regulations the appropriate agency of Government may deem necessary.

All I am trying to make sure is that in this bill—which I say is the heart of it—once the license has been granted, unless the same rules and regulations are applied to the generation, distribution and sale of electrical energy which is the product of atomic energy, as is done with hydropower, then there is set up a special category of power and a competing source of power, which is not regulated with the same rules and the same powers as the other.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I now yield to the Senator from Michigan.

Mr. FERGUSON. I now read section 271:

> Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power.

Mr. HUMPHREY. I understand that.

Mr. FERGUSON. Does that not apply?

Mr. HUMPHREY. No.

Mr. FERGUSON. Why not?

Mr. HUMPHREY. What that really means, I may say to my distinguished friend, is that there is nothing in this act that denies the Federal Power Commission the right to regulate. That is what it means, but it does not say how, and what the Senator from Minnesota wants to be sure is that the "how" on electrical energy created by atomic matter is the same "how" that is on hydrogenerated electricity; that is all.

Of course, the act says that there shall be nothing in the act to deny the Federal Government, the State, or the local government to regulate, but what kind of regulation concerning reports and accounting is the question.

What the Senator from Minnesota says is that he does not want one set of standards for electrical energy generated by the use of a fuel known as a fissionable material or atomic matter, and another set of rules under the Federal Power Commission that is for hydrogenerated power.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Michigan.

Mr. FERGUSON. Is it not true that if there is nothing in this act that can be construed to affect the authority of the Federal Power Commission, then everything can be done by the Federal Power Commission that the Senator would provide for?

Mr. HUMPHREY. No. May the Senator from Minnesota say that what he wants to do is to convey the authority specifically in the act. What the act provides now is a broad grant, saying that there is nothing in the act that will deny a Federal agency from regulating it. That is not good enough; that is what the Senator from Minnesota calls a negative authorization of potential authority.

What the Senator from Minnesota wants is to say specifically in this act that the authority is there, that there has been a conveyance of authority, and that the same authority and the same rules and regulations apply in this instance as apply under what is now known as conventional power.

Mr. LONG and Mr. PASTORE addressed the Chair.

Mr. HUMPHREY. I yield to the Senator from Louisiana and then to the Senator from Rhode Island, if he will just be patient.

Mr. LONG. Does the Senator from Louisiana correctly understand the argument of the Senator from Minnesota, that he feels it is not adequate simply to say in the bill that "nothing herein affects the authority of the Federal Power Commission," but that he feels it is necessary to affirmatively convey the authority to the Federal Power Commission to regulate interstate transmission of electricity transmitted by atomic power?

Mr. HUMPHREY. May the Senator from Minnesota say to the Senator from Louisiana that what the amendment which the Senator from Minnesota has offered does, it applies to accounting procedure, rates of depreciation, reports and periodic memoranda. In other words, the Senator from Minnesota wants the same form of accounting procedures, the same depreciation schedule that applies to other units that create electrical energy to apply to the nuclear-created electrical energy.

The Senator from Minnesota now yields to the Senator from Rhode Island.

Mr. FERGUSON. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. FERGUSON. The Senator says he wants to compel the Federal Power Commission——

Mr. HUMPHREY. The Senator from Minnesota did not say "compel." The Senator said "convey the authority."

Mr. FERGUSON. That they must use the same method as they would use for other production of energy.

It may be entirely different.

Mr. HUMPHREY. What the Senator from Minnesota is saying to the Senator from Michigan, and saying to his colleagues, is that the Senator from Minnesota wants uniform standards applied, and the Senator from Minnesota says to his friend, the Senator from Michigan, that just as the distinguished Senator from Oregon [Mr. CORDON] said earlier this evening, that within a very short period of time, the energy that we are talking about here tonight, this atomic energy, will be available, and will be in a usable form for the purposes of electrical power. The Senator from Minnesota listened very carefully to his speech.

Mr. FERGUSON. The Senator from Michigan agrees to that.

Mr. HUMPHREY. The Senator from Minnesota listened to the speech of the Senator from Oregon. Therefore, the Senator from Minnesota does not want to see a different kind of bookkeeping for electrical energy, produced by nuclear power, than he sees from electrical energy produced by a fuel that may be oil, gas, water power, or others that are prescribed to the Federal Power Commission.

Mr. FERGUSON. Is it not possible that a different rule might apply because the depreciation will be entirely different? Upkeep, repairs, and amortization could be entirely different.

Mr. HUMPHREY. May the Senator from Minnesota say to his friend, the Senator from Michigan, that he would like to read the language of the act? I think it would be helpful.

Has the Senator read the sections of the Federal Power Act?

Mr. FERGUSON. Yes.

Mr. HUMPHREY. The Senator from Minnesota will read them again:

> SEC. 301. Every licensee and public utility shall make, keep, and preserve for such periods, such accounts, records of cost-accounting procedures, correspondence, memoranda, papers, books, and other records as the Commission may by rules and regulations prescribe as necessary or appropriate for purposes of the administration of this act, including accounts, records, and memoranda of the generation, transmission, distribution, delivery, or sale of electric energy, the furnishing of services or facilities in connection therewith, and receipts and expenditures with respect to any of the foregoing: *Provided, however,* That nothing in this act shall relieve any public utility from keeping any accounts, memoranda, or records which such public utility would be required to keep by or under authority of the laws of any State."

Mr. BUSH. Mr. President, will the Senator yield for a question on that section?

Mr. HUMPHREY. Yes; the Senator from Minnesota yields to the Senator from Connecticut.

Mr. BUSH. Does that apply to all public utilities, whether they deal in interstate commerce or not, whether they cross State lines?

Mr. HUMPHREY. It applies to those public utilities that are regulated by the Federal Power Act.

Mr. BUSH. Exactly.

Mr. HUMPHREY. That are engaged in interstate commerce.

Mr. BUSH. Exactly.

Mr. HUMPHREY. Or those given a Federal license or those that are federally owned and generate power for Federal sale.

Mr. BUSH. Yes.

Mr. HUMPHREY. That is correct.

The Johnson amendment which has been adopted provides that the Atomic Energy Commission can produce power for other than services for its own uses, and also to sell such surplus power as may be available.

Therefore, as the Senator from Minnesota says, if that power is put in this act, there should be, just as there is in the case of the Bureau of Reclamation, the accounting system, which the Federal Power Commission prescribes. All that the Senator from Minnesota proposes—this is not a complicated amendment at all—is that if those bookkeeping, those housekeeping methods and rules and regulations outlined in the Federal Power Act are applied to the business of generating electricity, then the same yardstick, the same rules, should be applied to atomically generated electricity as are applied to hydro electricity.

Mr. BUSH. Well, I ask the Senator, though, would not the Federal Power Commission automatically take jurisdiction?

Mr. HUMPHREY. I do not know.

May I say that the Senator from Minnesota——

Mr. BUSH. They would have to.

Mr. HUMPHREY. The Senator has been here just long enough to catch on that when there is doubt, it is best to write it in the law. The Senator from Minnesota has been here that long.

The Senator from Minnesota would say that once he did not know that, and how he paid for it.

Now, the Senator from Minnesota wants to be sure that when we get something here about which there is any doubt whatsoever, let us write it in the law.

The Senator from Minnesota sees the majority leader looking at him, and he wants him to know that he wishes to conclude this argument as soon as possible.

The Senator from Minnesota yields now to the Senator from New Mexico.

Mr. ANDERSON. The Senator from New Mexico wants to say to the Senator from Minnesota that he does not have the same interpretation of it the Senator has. The Senator from New Mexico thinks that the example that has been used is that where a utility that generates current that is used only in that State is concerned, it is not subject to the Federal Power Commission.

Mr. HUMPHREY. That is what the Senator from Minnesota said.

Mr. ANDERSON. But this would make every licensee subject to the Federal Power Commission, and there might be licensees, as we pointed out, near Oak Ridge, generating current feeding into that establishment, that would be subject to the Federal Power Commission Act.

Mr. HUMPHREY. Every Federal licensee, yes. Where there is a Federal license, that is so.

Mr. ANDERSON. But this is a matter of Federal licensees; not State licensees. This makes every utility, whether intrastate or interstate, subject to the Federal Power Commission.

Mr. HUMPHREY. That is not the case. The Federal Power Act relates only insofar as the Federal power is concerned, and relates only to those who are Federal licensees or those who are engaged in interstate commerce; is that correct?

Mr. ANDERSON. Yes.

Mr. HUMPHREY. What the Senator from Minnesota is saying is that you apply the same yardstick as to atomic energy in those instances where you have Federal licensees and those engaged in interstate commerce.

Mr. BUSH. Will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from New Mexico?

Mr. BUSH. The Senator from Connecticut simply wants to ask a question.

Mr. ANDERSON. What does the Senator suppose the Senator from New Mexico wants to do?

Mr. BUSH. The Senator simply wants to ask the Senator from Minnesota a question.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from New Mexico?

Mr. HUMPHREY. The Senator from Minnesota yields to the Senator from New Mexico.

Mr. ANDERSON. The Senator from New Mexico was trying to say that there is a distinction; that where there is a utility that is not under Federal regulation because it does not cross the State line, it is now proposed to make it subject to Federal regulation under the amendment, and the Senator from New Mexico thinks it is quite a change in the usual system. He may be wrong.

Mr. HUMPHREY. No.

Mr. ANDERSON. As the Senator from New Mexico remembers the discussion in the committee—it has been quite a while since we went over this ground, and he has forgotten a great deal of the points—just because one person used diesel fuel and the next one used coal and the next one used falling water, and the next one used nuclear energy, we did not seek to say that those who used uranium as a source of fuel are under the Federal Power Commission or a part of their operations are under the Federal Power Commission, but if they used coal or wood, they simply are not.

Mr. HUMPHREY. The Senator from Minnesota answers the Senator by saying that those persons who use coal or wood are not using a product that is exclusively owned by the Federal Government. The Senator from Minnesota wants his colleagues to remember one thing here.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from California?

Mr. HUMPHREY. Yes.

Mr. KNOWLAND. The Senator from California would like to have the Senator yield long enough to see if we can get the yeas and nays ordered on this amendment.

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. The Senator from Minnesota wants his position perfectly clear. We are not talking about going out here in somebody's woodshed and getting enough wood to start up a steam plant. We are not talking about getting enough coal out of somebody's mine to start up a steam plant.

The Senator from Minnesota would have his colleagues remember that we are talking about licensees using something you do not own individually. We are talking about the licensing of the use of a $12-billion investment, or at least a portion thereof, for the purposes of the generation of electrical energy, and the Senator from Minnesota says that you have a public trust in this body to protect the use of that energy, and the Senator from Minnesota says that you are granting a Federal license, and he asks any man in this body to tell him of any Federal license that you grant that is not subject to Federal regulation.

Mr. BUSH. Mr. President——

Mr. HUMPHREY. Every license granted is subject to regulation.

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Connecticut?

Mr. HUMPHREY. The Senator from Minnesota yields to the Senator from Connecticut.

Mr. BUSH. A licensee on a river who operates intrastate is not necessarily regulated by the Federal Power Commission.

Mr. HUMPHREY. If he has a Federal license, indeed he is.

Mr. BUSH. I differ with the Senator from Minnesota.

Mr. HUMPHREY. He is subject to the regulations that I am talking about under sections 301, 302, and 304 of the Federal Power Act.

Mr. BUSH. With reference to impounding, and so forth?

Mr. HUMPHREY. Yes; if he has a Federal license. We are not talking about rates. We are talking about bookkeeping and reporting—statistical reports.

Mr. BUSH. Mr. President, may I finish my question?

Mr. HUMPHREY. Yes.

Mr. BUSH. Does the Senator not believe that the language in the bill completely covers what he is talking about? I refer the Senator to section 271, which consists of only four lines, and reads as follows:

SEC. 271. Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to the generation, sale, or transmission of electric power.

Mr. HUMPHREY. What the Senator is saying refers to the subject in a negative way, that the Federal Government has the right to regulate that which it owns. What I am saying is that the Federal Government has a right to regulate what it owns, and must and shall regulate it. That is what I am saying.

Mr. BUSH. It seems to me that that section gives the Senator everything he is asking for.

Mr. HUMPHREY. It says that nothing in the act shall be construed to affect the authority. What I am saying is not only that nothing in the act shall be construed that way, but that the same authority that applies—I am not now talking about the rate structure—to accounts and records and rates of depreciation and reports and other requirements applicable to the agencies of the United States, and I say that that same authority not only should be included in the act in a negative way, but should be affirmatively stated.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is not what the Senator from Minnesota is trying to establish simply the fundamental principle in the common law that there can be no rights without duties, no privileges without responsibilities?

Mr. HUMPHREY. That is exactly right.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PASTORE. Does the Senator intend by his amendment that a license under Senate bill 3690 becomes a license under section 301 of the Federal Power Act? If that is so, does it not necessarily mean that everyone who uses fissionable material, which is owned by the Federal Government, in the production of electric power, whether it is used within a State or used in interstate, will come under the Federal Power Act?

Mr. HUMPHREY. Insofar as these rules are concerned, such as reporting, statistical reports, and accounting.

Mr. PASTORE. In other words, the mere fact that they use fissionable material makes them subject to section 301 of the Federal Power Act.

Mr. HUMPHREY. May I say that the mere fact that——

Mr. PASTORE. I am trying to find out if that is the case.

Mr. HUMPHREY. That is the case. I say to my good friend from Rhode Island that every person that uses hydroelectric power for generation of electricity comes under Federal regulation and is subject to the rules of the Federal Power Commission.

Mr. PASTORE. The use of this fissionable material is no different than the use of coal or oil——

Mr. HUMPHREY. Oh, yes; it is.

Mr. PASTORE. May I finish my question? It is no different in the generation of heat, and the only reason why the Government is retaining title in the fissionable material is because of the character of the material——

Mr. HUMPHREY. Indeed.

Mr. PASTORE. May I finish my question?

Mr. HUMPHREY. I am delighted to have the Senator ask his question on my time.

The PRESIDING OFFICER. Does the Senator yield to the Senator from Rhode Island?

Mr. HUMPHREY. I yield.

Mr. PASTORE. If that is the case, if the Federal Government is retaining title only for the purpose of acquiring back the material in case of an emergency and only because of the character of material, are we not stretching the point by saying that it is analogous to hydroelectric power, when it is analogous only to coal and oil used for that purpose?

Mr. HUMPHREY. No; I do not think so at all. I may say to my friend from Rhode Island that the history of atomic energy is one of complete Federal development, and that the history of atomic energy is one of complete and total taxpayers' expense under the trusteeship and custodianship of the United States Government.

Because this is such important material and the Federal Government does maintain title to it, it is a privilege for a licensee to have the opportunity to use this material in the creation of electrical energy.

Furthermore, from all we know, this privilege will go to a rare few. At least it will be so in the beginning.

We know that sections 301, 302, and 304 of the Federal Power Act have a great deal to do with the gathering of information that can be of value in terms of documenting what is a fair rate structure. My amendment does not apply to the rate structure. It applies to getting information that is necessary. I will not be a party to permitting one kind of records to be kept on electrical energy created by atomic energy and other records on electrical energy created by conventional fuels.

Mr. PASTORE. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PASTORE. If that is so, and if we follow the Senator's argument to its logical conclusion, when we reach the point when fissionable material is used in place of coal and oil, because we have achieved our goal of making the fissionable material comparable and competitive with conventional fuels, then in fact we are saying that the Federal Government will supervise all public utilities in the country.

Mr. HUMPHREY. May I say to my good friend from Rhode Island that if that point arrives it most likely will not be a Federal monopoly, and if that point arrives, it should not be a Federal monopoly.

Mr. PASTORE. The fact remains, whether that point arrives or not, that is what the Senator's amendment would do.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that what the Senator from Minnesota is proposing is a distinction between the procuring of information and the regulation of rates?

Mr. HUMPHREY. Indeed, that is what I am doing.

Mr. DOUGLAS. Is it not a fact that the Senator is proposing that all those holding Federal licenses to develop energy from fissionable material shall furnish information to the Federal Power Commission; but only in those cases where the energy is shipped across State lines will rates come under Federal regulation?

Mr. HUMPHREY. The Senator is corrent. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. PURTELL in the chair). The Senate will be in order.

Mr. HUMPHREY. What we are trying to do by this amendment is to apply the same yardstick and the same rules of reporting and the same strict control and memoranda and records, and the same formula and the same regulation by the same agency as apply to other utilities.

Mr. President, mark my words that electrical energy created by nuclear energy or nuclear power will be competitive with other electric energy.

What we did here a moment ago by the Gore amendment, to deny a contract or to take out of any contract the Federal payment of Federal income taxes, was for a particular purpose, namely, that we will not get a false rate structure. If in the Dixon-Yates contract the Federal Government pays the Federal, State, and local taxes, that affects the rate structure, because in other contracts the Federal, State, and local taxes are included in the rate structure.

What I want to be sure of is that in connection with this energy we will have the same kind of reporting and the same regulations applied.

I can see in this bill, and I saw in the Dixon-Yates contract, an opportunity to upset these normal standards of Federal regulation. I say that the omission of the Federal Power Act rules, as laid down in the sections that I have mentioned, namely, sections 301, 302, 304, and 306, is related directly to what is intended by some of the original provisions in the bill, namely, to set up another standard for public power and private utilities in this country separate and distinct from that which we have had for 48 years.

I will not stand idly by and permit that to happen.

Section 306 provides:

> Any person, State, municipality, or State commission complaining of anything done or omitted to be done by any licensee or public utility in contravention of the provisions of this act may apply to the Commission by petition, which shall briefly state the facts, whereup on a statement of the complaint thus made shall be forwarded by the Commission to such licensee or public utility, who shall be called upon to satisfy the complant or to answer the same in writing within a reasonable time to be specified by the Commission.

That means the Federal Power Commission.

Now, if you make a grant of license to a utility, and if you do not have the right of review, not by the Atomic Energy Commission—that is not a grievance board—but the Federal Power Commission, if you do not have the same standards there of receiving complaints, adjudicating the complaint, the same standards of measurement of performance of responsibility under the license, you are going to set up two households in this Government that relate to elec-

trical power, and I say that is something that ought not be done.

Mr. PASTORE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Rhode Island.

Mr. PASTORE. I think that there is much weight to the argument provided the amendments were confined to interstate transactions, but when he tells me that the Federal Power Commission is better able to protect the consumers in a State where you have an intrastate operation, over and above the ability of the Government to do that, I disagree with the Senator.

Mr. HUMPHREY. May I say to my friend, who was once a governor—and I know former governors are jealous of their prerogatives.

Mr. PASTORE. They should be.

Mr. HUMPHREY. But, may I say to my friend that the Federal Power Commission Act specifically states that nothing shall be by rule or regulation which will in any way nullify the reports the State wants.

Mr. PASTORE. The Senator has already said that by the mere fact that a licensee uses this fissionable material he becomes a licensee under 301 of the Federal Power Act; therefore, regardless of anything, the mere fact that a person uses this material subjects him to Federal control.

Mr. HUMPHREY. All right; will the Senator just hold for a minute and listen to this: This is from section 301 of the Federal Power Act:

> Nothing in this act shall relieve any public utility from keeping any accounts, memoranda, records which such public utility may be required to keep by or under authority of the laws of any State.

Now, the Senator should get it clear that we are not regulating rates. All we are doing is setting up a system of uniform reporting, so that on the basis of that uniform reporting there can be a uniform system of measuring the rate structure.

Mr. PASTORE. Why should the Federal Government have the jurisdiction and the authority even to control the keeping of books with regard to public utility that conducts business within the jurisdiction of the State exclusively?

Mr. HUMPHREY. Why?

Mr. PASTORE. Yes.

Mr. HUMPHREY. Because they are using a commodity known as a fuel which is an atomic matter which the Government owns, which the utility does not own, which the State does not own, which the Federal Government owns and the Federal Government has a right to regulate. These reports are invaluable to State and local regulatory bodies and to consumer and competing utilities.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, in my humble judgment the amendment that is before us will come as close to socializing the power industry of the United States as anything I have seen in all the days I have been here.

Let us take a look and see what the Senator from Minnesota proposes to do. He started out in the first paragraph by saying this was a very simple amendment. It is very simple, believe me, because it says that every licensee under this act holding a license from the Commission for two purposes: one, the utilization; or two, the production facility—for what? For the generation of commercial power. That is all he says. He does not say anything about transmission. He does not say anything about delivery. He does not say anything about the sale of power across the State line. There is a little power plant in the town where I live, a town with a population of 21,000. It makes power with coal. Neither the State commission nor the Federal Power Commission has an iota of authority over that plant. They could generate one million kilowatts in a day, but no commission would have any authority over them. It is when they start to sell and transmit the power that the authority of a Federal or State agency comes into being, and so long as that little facility does not go beyond the State lines the Federal Power Commission has nothing to say about it. It can burn coal that comes from the bowels of the earth in Illinois, and if it sells power, the Illinois Commerce Commission will say what the rates shall be. That is not what the Senator from Minnesota says. The Senator says that if they should use fissionable material instead of coal in my home town, it comes under the provisions of the Federal Power Act, and he went a little bit further than that when he said to the Senate——

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I have not had any time on this yet, so indulge me for a minute.

He points out sections 301, 302, 304, and 306 of the Federal Power Act, and then comes the residual clause. He says "and to such other provisions of the Federal Power Act that provides for the enforcement of the regulatory authority of the Federal Power Commission with respect to license fees for development of water power."

If that is not the whole story in a nutshell, I do not know what is. I will be the last to vote for an amendment that would apply to a little power plant in my home town and bring it under sundry regulations of a Federal agency, because instead of using Illinois coal it uses fissionable material.

If our hopes and our imaginings about the use of atomic energy are real, and if it reaches the dimensions we think it is going to reach, then very conceivably this can ultimately apply to every plant, large and small, local, State, and Federal, everywhere in the country because it deals with the stuff that generates the power. The Senator from Minnesota does not say anything about interstate transmission unless he wants to recur the language of section 103, and then it becomes very confusing indeed. But he says only for the utilization, or production facilities for the generation of commercial power.

If he would accept an amendment for the word "generation" and say "transportation and sale of commercial power," and then after the word "power", insert "in interstate commerce" that would make it a wholly different proposition.

But I shall be the last to vote for this amendment because it will be the beginning of socialization of the whole energy industry of the United States, and my friend from Minnesota knows it. He said that it was a simple amendment. It is indeed simple in its concept because it is going to take in the whole country and the whole energy fabric of this Nation, and I would be the last, Mr. President, to vote for it.

Mr. HUMPHREY. Mr. President.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. I used to fade away under the sharp attack of the distinguished Senator from Illinois [Mr. DIRKSEN] but I now recognize it for what it is.

It really amounts to a lack of understanding of the purpose of the amendment, and I shall be happy to edify and to educate and do whatever I can for my distinguished colleague.

First of all, this brand-new charge—socialism—is just about as new as last year's calendar, and is just about as effective.

Let us see how much socialism is involved. First of all, let us read section 103 of this private enterprise bill. This is not what the junior Senator from Minnesota has written. Listen to what the committee has written. First of all:

> Such licenses shall be issued in accordance with the provisions of chapter 16, and subject to such conditions as the Commission may by rule or regulation establish to perpetuate the purposes and provisions of this act.

Even to get a license one has to go to that "socialistic agency" known as the Atomic Energy Commission. That is not owned by Sears and Roebuck; not yet. It belongs to the people of the United States.

Now, listen to subsection b:

> The Commission shall issue such licenses on a nonexclusive basis to applicants (1) whose proposed activities will serve a useful purpose proportionate to the quantities of special nuclear material or source material to be utilized.

Who decides that? The Atomic Energy Commission. Are the members of the Atomic Energy Commission apostles, disciples, or are they just ordinary people? With what kind of a special oil are they anointed to make them superior to those good souls on the Federal Power Commission?

Now, let us take No. 2:

> The Commission shall issue such licenses on a nonexclusive basis, to applicants—

And listen to this, my dear colleague—

> (2) who are equipped to observe and who agree to observe such safety standards to protect health and to minimize danger to life or property as the Commission may by rule establish.

In other words, the Commission can say that you have to have three light

bulbs in the rest room, and that is that, if it is for the health of the people.

Now, listen to this my dear colleagues:

> The Commission shall issue such licenses on a nonexclusive basis to applicants (3) who agree to make available to the Commission such technical information and data concerning activities under such licenses as the Commission may determine necessary to promote the common defense and security and to protect the health and safety of the public. All such information may be used by the Commission only for the purposes of the common defense and security and to protect the health and safety of the public.

What else is there to do? Here you have an authority in a commission that is absolutely absolute. The Commission will determine who is going to get the licenses. The Commission will determine under what conditions you are to get a license. The Commission will determine what information you are going to give. The Commission will determine health rules and regulations. I am for that. Why? Because this material is owned by the people and the Congress has said that the Atomic Energy Commission is responsible for the custody and use of fissionable material.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. KERR. Does the Government own the coal under the public lands of the Nation to which the Government has title?

Mr. HUMPHREY. Yes.

Mr. KERR. When it gives someone a lease on the coal to be used to generate electric power, does that fix it so the Government can regulate that electric generating plant even though it is intrastate?

Mr. HUMPHREY. There is a difference. Coal is not all owned by the Federal Government; fissionable material is all owned.

Mr. KERR. Will the Senator yield for another question? Does he think the Government owns all the uranium in this country?

Mr. HUMPHREY. The Federal Government buys all of it. Nobody else can buy any under criminal penalty.

Mr. KERR. Will the Senator yield for another question?

Mr. HUMPHREY. Yes.

Mr. KERR. Could not the Federal Government pass a law and could not the Government purchase all the coal?

Mr. HUMPHREY. It could, but I hope it does not.

Mr. KERR. It has not.

Mr. HUMPHREY. I hope it will not. Let us see what the Senator from Minnesota was asking for in his amendment. My friend from Illinois [Mr. DIRKSEN] knew what he wanted, and subtle man that he is, he says—socialism. What does the Senator from Minnesota want? He wants to be sure there is no socialism. He wants to be sure that every person who is in the electrical energy business has a right to compete on fair and equal standards. I want to be sure that the reporting is fair. I have an amendment which does not apply to rate structure, transmission, or sale of electricity. It applies to one thing, I say to the Senator from Illinois [Mr. DIRKSEN]. It applies to the gathering of information of statistical evidence, reports, and accounts. That is all.

Mr. KERR. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Oklahoma.

Mr. KERR. Does the Senator mean to tell this body he advocates a regulatory system that would have any effect at all and yet would not wind up by regulating the rate?

Mr. HUMPHREY. Yes; I do.

Mr. KERR. Then the Senator has a viewpoint which is entirely different from reality. [Laughter.]

Mr. HUMPHREY. No, I do not. There are many agencies of Government which gather statistical evidence that do not regulate the rate.

Mr. KERR. Does the amendment intend to compel the Federal Power Commission to gather statistics?

Mr. HUMPHREY. The amendment merely provides that if one is a licensee under the proposed act, he shall be under the terms or provisions of the sections that are mentioned in my amendment.

Mr. KERR. Under the regulatory provision?

Mr. HUMPHREY. Under the regulatory provision, insofar as records, memoranda, and accounts are concerned.

Mr. KERR. Is there any regulatory provision, function, or responsibility of the Federal Government that has any significance whatever that does not include regulation of rates?

Mr. HUMPHREY. Of course. There are a great deal. We have, for example——

Mr. KERR. The Senator had better be careful trying to give them because he would be here a year trying to name them.

Mr. HUMPHREY. The Department of Commerce gathers all kinds of statistical information. The Health Department gathers all kinds of statistical information and requires uniform reporting. Wherever the Federal Government gives a grant, and the Senator from Oklahoma has insisted on it as a Member of the Senate, we require uniform records.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Was not the same question developed in the East Ohio Gas Co. case? Is it not a fact that the then mayor of Cleveland, Mr. Harold H. Burton, later a Member of this body, and now a Justice of the Supreme Court, requested the Federal Power Commission to make appraisals of the costs of the East Ohio Gas Co., not in order that the Federal Government could regulate the rates, but so the city of Cleveland could have the information to go before the Ohio Public Utilities Commission and make a better case? If I am wrong, the person who later succeeded him as mayor of Cleveland, the present Senator from Ohio [Mr. BURKE], can correct me.

Mr. BURKE. That is precisely correct. The Congress, however, in the Hinshaw bill, took that power away from the Federal Power Commission.

Mr. HUMPHREY. I think any person interested in rate structures and fair standards of depreciation and values of properties upon which rate structure is based would like some uniform accounting. My amendment, I repeat, can be of great service to State and local regulatory bodies, by assuring a uniform set of statistics on a basis of uniform standards. I want to clear the record and say I do not stand here easily and have my colleagues hurl charges of socialism at me in order to destroy an amendment which merely proposes to provide appropriate bookkeeping. I repeat that every Member who has ever voted 1 dollar to the Health Service has voted for uniform accounting and uniform standards of reporting. Every Member who has voted $1 for unemployment compensation, in the Eisenhower program costing $200 million, demanded uniform accounting. Every Member of this body who has ever voted $1 for any kind of grant-in-aid by the Federal Government, including the highway department, has demanded uniform accounting, because Federal money is being dealt with.

I submit to this body that they are dealing with Federal property. We are not dealing with a matter of private ownership. We are dealing with a Federal laboratory, fissionable material, Federal property, paid for by the taxpayers. Anybody who states we have the right to license use of that resource without fair and uniform accounting has some explaining to do.

The PRESIDING OFFICER (Mr. PURTELL in the chair). The question is on agreeing to the amendment of the Senator from Minnesota. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business. The Senator from Ohio [Mr. BRICKER], the junior Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. DUFF], the Senator from New York [Mr. IVES], the Senator from Wisconsin [Mr. MCCARTHY], the senior Senator from South Dakota [Mr. MUNDT], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

If present and voting the Senator from New York [Mr. IVES] and the Senator from Wisconsin [Mr. MCCARTHY] would each vote "Nay."

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Virginia [Mr. ROBERTSON] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The result was announced—yeas 23, nays 54, as follows:

YEAS—23

Burke	Humphrey	Mansfield
Douglas	Jackson	Monroney
Fulbright	Johnston, S. C.	Morse
Gore	Kennedy	Murray
Green	Kilgore	Neely
Hayden	Langer	Sparkman
Hennings	Lehman	Symington
Hill	Magnuson	

NAYS—54

Aiken	Ervin	Millikin
Anderson	Ferguson	Pastore
Barrett	Frear	Payne
Beall	Goldwater	Potter
Bennett	Hendrickson	Purtell
Bowring	Hickenlooper	Reynolds
Bridges	Holland	Saltonstall
Bush	Jenner	Schoeppel
Butler	Johnson, Colo.	Smathers
Capehart	Johnson, Tex.	Smith, Maine
Carlson	Kerr	Smith, N. J.
Clements	Knowland	Stennis
Cooper	Kuchel	Thye
Cordon	Lennon	Upton
Crippa	Long	Watkins
Daniel	Malone	Welker
Dirksen	Martin	Wiley
Dworshak	Maybank	Williams

NOT VOTING—19

Bricker	Flanders	McClellan
Byrd	George	Mundt
Case	Gillette	Robertson
Chavez	Ives	Russell
Duff	Kefauver	Young
Eastland	McCarran	
Ellender	McCarthy	

So Mr. HUMPHREY's amendment was rejected.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. MORSE. I send to the desk a proposed amendment, and ask to have it read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 29, beginning on line 25, it is proposed to strike out section 56 and to insert in lieu thereof the following:

SEC. 56. Fair price: In determining the fair price to be paid by the Commission pursuant to section 52 for the production of any special nuclear material, the prices paid by the Commission shall not exceed either (a) the estimated cost to the Government of producing similar material in facilities owned by the Commission, or (b) such amount as will, in the judgment of the Commission, provide reasonable compensation to the licensee, taking into account the estimated costs to be incurred and the estimated revenues to be derived by the licensee in the conduct of his licensed activities.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. KNOWLAND. Mr. President, I send forward to the desk a unanimous-consent request and ask that the clerk read it for the information of the Senate.

The PRESIDING OFFICER. The clerk will read as requested.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment to S. 3690, submitted by the Senator from Oregon [Mr. MORSE], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Oregon [Mr. MORSE] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

Mr. KNOWLAND. Mr. President, I should like to say, because a number of inquiries have been made as to the contemplated program for this evening, that I have been very hopeful we could bring this bill up to the point of the third reading tonight, which would dispose of all the amendments. At that point I was hopeful that we might get a unanimous-consent agreement with a division of time which would be a liberal division of time on the motion to recommit, if there is to be one, and also on final passage.

If we could bring the proceedings up to that point with the 1 or 2 unanimous-consent agreements, as the case may be, on recommittal and on final passage; or the one, if there is to be no motion to recommit; then I would be prepared to suggest to the Senate that we stand in recess until tomorrow probably at 12 noon, because I imagine by the time we finish the amendments we might have to run until 12 or 1 o'clock.

If we are not able to do that, as the previous notice was given, we would expect to continue in session through the night in order to complete the bill.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, may I say to my friend from California in all good nature and fun that his insistence on these unanimous consent agreements reminds me of the little boy at the county fair who was in the pie-eating contest. The boy had eaten so much pie that no one else was even close to him, because he was even covered with the pie down to his chest; but he still wanted that last pie, so he reached for another; and the poor fellow choked to death.

I am inclined to think, Mr. President, the majority leader, after a very remarkable day receiving splendid cooperation from both sides of the aisle—from those opposed to this bill—should not now insist at a quarter to 12 that we put this bill in shape for final passage. There are those of us who are still opposed to the bill, even in its present form, although it is greatly improved. I have cooperated all day long to help get the bill in that condition, because I felt that we probably could, if we kept at it, work out a composition which would be not satisfactory to us but one we could think at least ought to go to conference.

Some of the Senators would like to meet tomorrow morning at an early hour to discuss what further course of action we may want to take, if any, and discuss whether or not we think we ought to move to recommit this bill, and discuss whether or not two or three amendments still under discussion within our group should or should not be offered.

I think under those circumstances, in view of the progress we have made all day and the demonstration that when there is open debate on both sides of the issue with no parliamentary bludgeon being wielded over our heads, that at a quarter of 12 tonight, with the state of fatigue which exists within the professional staff of the Senate and to some extent among some of my colleagues, we should recess until 10 o'clock tomorrow morning. I respectfully suggest that to the Senator from California.

The majority leader on the other hand has a contrary opinion. The Senator from California is the majority leader. The Senator certainly is free to follow whatever course of action his best judgment dictates; but I will not agree, Mr. President, to this unanimous-consent request.

I will withhold my objection, if the majority leader desires, for any comment the majority leader may desire to make based upon anything I have said.

Mr. KNOWLAND. I would like to ask the distinguished Senator, as I made the inquiry under similar circumstances in the past: Can the Senator give any estimate of the time which would be required for the discussion of this amendment on his part?

Mr. MORSE. I differ from some of my colleagues on the Democratic side, who in my judgment impliedly committed themselves to the Senator from California in respect to the length of their speeches. I have said in private conversations with some of my friends on this side of the aisle who have come to me and asked me whether or not I would make any such implied commitment to the majority leader that I would not. The answer is "No." I shall speak just as long as I think I have something to say on this amendment.

Mr. KNOWLAND. Mr. President, I ask for the regular order.

Mr. MORSE. I object, Mr. President.

Mr. KNOWLAND. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from California.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Maybank
Anderson	Hayden	Millikin
Barrett	Hendrickson	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Murray
Bowring	Hill	Neely
Bridges	Holland	Pastore
Burke	Humphrey	Payne
Bush	Jackson	Potter
Butler	Jenner	Purtell
Capehart	Johnson, Colo.	Reynolds
Carlson	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Crippa	Kilgore	Smith, N. J.
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Dworshak	Lehman	Thye
Ervin	Lennon	Upton
Ferguson	Long	Watkins
Frear	Magnuson	Welker
Fulbright	Malone	Wiley
Goldwater	Mansfield	Williams
Gore	Martin	

The PRESIDING OFFICER. A quorum is present.

The question is on the motion to lay on the table. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. DOUGLAS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. What is the precise nature of the motion before this body?

The PRESIDING OFFICER. The question is on the motion of the Senator from California to lay on the table the amendment offered by the Senator from Oregon.

Mr. DOUGLAS. Mr. President, another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. What is it that the Senator from California is moving to table?

The PRESIDING OFFICER. The Senator from California is moving to table the amendment offered by the Senator from Oregon.

Mr. MAYBANK. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. What is the amendment?

The PRESIDING OFFICER. If, without objection, the Senator insists——

Mr. MAYBANK. No; just give the Senator from South Carolina the nub of it.

The PRESIDING OFFICER. It is not printed as yet.

Mr. MAYBANK. The Senator from South Carolina thanks the Chair.

Mr. DOUGLAS. May the Senator from Illinois make a request? Will the clerk be permitted to read the amendment which it has been moved to lay on the table?

Mr. BENNETT. Mr. President, the Senator from Utah asks for the regular order.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS] is absent on official business.

The Senator from Ohio [Mr. BRICKER], the junior Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. DUFF], the Senator from New York [Mr. IVES], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from South Dakota [Mr. MUNDT], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

If present and voting the Senator from New York [Mr. IVES] and the Senator from Wisconsin [Mr. MCCARTHY] would each vote "yea."

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL] the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from Virginia [Mr. ROBERTSON], are necessarily absent.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The result was announced—yeas 43, nays 34, as follows:

YEAS—43

Aiken	Ervin	Purtell
Barrett	Ferguson	Reynolds
Beall	Goldwater	Saltonstall
Bennett	Hendrickson	Schoeppel
Bowring	Hickenlooper	Smathers
Bridges	Holland	Smith, Maine
Bush	Jenner	Smith, N. J.
Butler	Johnson, Colo.	Thye
Capehart	Knowland	Upton
Carlson	Kuchel	Watkins
Cordon	Lennon	Welker
Crippa	Martin	Wiley
Daniel	Millikin	Williams
Dirksen	Payne	
Dworshak	Potter	

NAYS—34

Anderson	Humphrey	Mansfield
Burke	Jackson	Maybank
Clements	Johnson, Tex.	Monroney
Cooper	Johnston, S. C.	Morse
Douglas	Kennedy	Murray
Frear	Kerr	Neely
Fulbright	Kilgore	Pastore
Gore	Langer	Sparkman
Green	Lehman	Stennis
Hayden	Long	Symington
Hennings	Magnuson	
Hill	Malone	

NOT VOTING—19

Bricker	Flanders	McClellan
Byrd	George	Mundt
Case	Gillette	Robertson
Chavez	Ives	Russell
Duff	Kefauver	Young
Eastland	McCarran	
Ellender	McCarthy	

So Mr. KNOWLAND's motion to lay on the table Mr. MORSE's amendment was agreed to.

(At 12 o'clock midnight, July 26, the Senate was still in session. The proceedings will be continued in the next issue of the CONGRESSIONAL RECORD.)

NOMINATIONS

Executive nominations received by the Senate July 26 (legislative day of July 2), 1954:

UNITED NATIONS

The following-named persons to be representatives of the United States of America to the ninth session of the General Assembly of the United Nations, to serve no longer than December 31, 1954:

Henry Cabot Lodge, Jr., of Massachusetts.
H. Alexander Smith, of New Jersey.
J. W. Fulbright, of Arkansas.
C. D. Jackson, of New York.
Charles H. Mahoney, of Michigan.

The following-named persons to be alternate representatives of the United States of America to the ninth session of the General Assembly of the United Nations, to serve no longer than December 31, 1954:

Wright P. Morrow, of Texas.
Roger W. Straus, of New York.
James J. Wadsworth, of New York.
Mrs. Oswald B. Lord, of New York.
Ade M. Johnson, of Washington.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Paul Emmert Miller, of Minnesota, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1954, vice R. M. Evans, term expired.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 26, 1954

The House met at 12 o'clock noon.

Dr. Henry Grube, Mobile Gospel Tabernacle, Mobile, Ala., offered the following prayer:

Our Heavenly Father, we come today in the name of the Lord Jesus Christ. We dare not come in any other name. We plead no merit of our own, but we do ask that Thou wilt bless this session. We pray for our country. We pray for the President. We pray for all those who are in authority. We pray especially for those who are here this day. We pray that everything that is said and done may be done for the honor and glory of Christ our Lord.

In Jesus name. Amen.

The Journal of the proceedings of Friday, July 23, 1954, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On July 10, 1954:

H. J. Res. 256. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the First International Instrument Congress and Exposition, Philadelphia, Pa., to be admitted without payment of tariff, and for other purposes.

On July 12, 1954:

H. R. 8149. An act to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes.

On July 14, 1954:

H. R. 1948. An act for the relief of Mrs. Fung Hwa Liu Lee;

H. R. 2404. An act for the relief of Tibor Horanyi;

H. R. 2427. An act for the relief of Annie Litke;

H. R. 2875. An act for the relief of Dr. James K-Thong Yu;

H. R. 3191. An act conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California;

H. R. 3903. An act for the relief of Sister Iolanda Sita, Sister Guerrina Brioli, Sister Pasqualina Coppari, Sister Anna Urbinati, Sister Ida Raschi, and Sister Elvira P. Mencarelli;

H. R. 4510. An act for the relief of Mrs. Helen Kon;

H. R. 4747. An act for the relief of Gio Batta Podesta;

H. R. 5265. An act for the relief of Margarete Hohmann Springer;

H. R. 5620. An act to remove clouds on the titles of certain lands in Colorado;

H. R. 5684. An act for the relief of Walter Kuznicki;

H. R. 5820. An act for the relief of Michael K. Kaprielyan;

H. R. 5842. An act for the relief of Viktor R. Kandilin;

H. R. 6478. An act for the relief of Nick Joseph Beni, Jr.;

H. R. 6636. An act for the relief of Gregory Harry Bezenar;

H. R. 6893. An act to credit the Shoshone Irrigation District with a share of the net revenues from the Shoshone powerplant, and for other purposes;

H. R. 7146. An act authorizing the Secretary of the Interior to issue a patent in fee to John McMeel No. 1;

H. R. 7371. An act to provide for the disposal of paid postal-savings certificates;

H. R. 7913. An act to convey by quitclaim deed certain land to the State of Texas;

H. R. 9232. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to extend until June 30, 1955, the period during which disposals of surplus property may be made by negotiation;

H. R. 9340. An act to provide for the conveyance of the federally owned lands which are situated within Camp Blanding Military Reservation, Fla., to the Armory Board, State of Florida, in order to consolidate ownership and perpetuate the availability of Camp Blanding for military training and use;

H. J. Res. 537. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Fourth International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes; and

H. J. Res. 545. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Trade-Sample Fair, Dallas, Tex., to be admitted without payment of tariff, and for other purposes.

On July 15, 1954:

H. R. 222. An act to suspend for 2 years the duty on crude bauxite and on certain calcined bauxite and to remit the duty on certain bells to be imported for addition to the carillon of the Citadel, Charleston, S. C.;

H. R. 2406. An act for the relief of Andor Gellert;

H. R. 2683. An act to amend section 12 of the Alaska Public Works Act, approved August 24, 1949 (63 Stat. 629);

H. R. 2907. An act for the relief of Elizabeth Just Mayer;

H. R. 6412. An act to preserve the eligibility of certain veterans to dental outpatient care and dental appliances;

H. R. 8538. An act to provide for the revocation or denial of merchant marine documents to persons involved in certain narcotics violations; and

H. R. 9006. An act to provide for the deposit of savings of enlisted members of the Army, Navy, Air Force, and Marine Corps, and for other purposes.

On July 16, 1954:

H. R. 944. An act for the relief of Mr. and Mrs. Zygmunt Sowinski;

H. R. 1115. An act for the relief of Mrs. Suhula Adata;

H. R. 1762. An act for the relief of Sugako Nakai;

H. R. 2899. An act for the relief of Igor Shwabe;

H. R. 3333. An act for the relief of Julia N. Emmanuel;

H. R. 3624. An act for the relief of Peter M. Leaming;

H. R. 4496. An act to authorize and direct the conveyance of certain lands to the Board of Education of Prince Georges County, Upper Marlboro, Md., so as to permit the construction of public educational facilities urgently required as a result of increased defense and other essential Federal activities in the District of Columbia and its environs;

H. R. 6650. An act for the relief of Joseph Cerny;

H. R. 6998. An act for the relief of Erna White;

H. R. 9561. An act to correct typographical errors in Public Law 368, 83d Congress; and

H. J. Res. 459. Joint resolution to designate the lake to be formed by the completion of the Texarkana Dam and Reservoir on Sulphur River, about 9 miles southwest from Texarkana, Tex., as Lake Texarkana.

On July 19, 1954:

H. R. 733. An act for the relief of Hildegard H. Nelson;

H. R. 734. An act for the relief of Mihai Handrabura;

H. R. 5355. An act for the relief of Eva Gyori;

H. R. 6422. An act to authorize the Secretary of the Army to convey to the Government's grantors certain lands erroneously conveyed by them to the United States;

H. R. 7132. An act to exempt from taxation certain property of the Veterans of Foreign Wars of the United States in the District of Columbia;

H. R. 7158. An act authorizing the United States Government to reconvey certain lands to S. J. Carver;

H. R. 7500. An act for the relief of Kurt Forsell;

H. R. 7802. An act for the relief of Hanna Werner and her child, Hanna Elizabeth Werner;

H. R. 8692. An act to permit the payment of certain trust accounts to the beneficiary on the death of the trustee by savings and loan, and similar associations in the District of Columbia;

H. R. 8973. An act to amend paragraph 31 of section 7 of the act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ended June 30, 1903, and for other purposes," approved July 1, 1902, as amended;

H. R. 8974. An act to permit investment of funds of insurance companies organized within the District of Columbia in obligations of the International Bank for Reconstruction and Development; and

H. R. 9143. An act to repeal the provisions of section 16 of the Federal Reserve Act which prohibits a Federal Reserve bank from paying out notes of another Federal Reserve bank.

On July 20, 1954:

H. R. 5158. An act for the relief of Sgt. Welch Sanders;

H. R. 5433. An act for the relief of the estates of Opal Perkins, and Kenneth Ross, deceased; and

H. R. 5578. An act for the relief of Hatsuko Kuniyoshi Dillon.

On July 22, 1954:

H. R. 2617. An act for the relief of Guillermo Morales Chacon;

H. R. 6342. An act to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings thereon by executing purchase contracts; to extend the authority of the Postmaster General to lease quarters for post-office purposes; and for other purposes;

H. R. 7125. An act to amend the Federal Food, Drug, and Cosmetic Act with respect to residues of pesticide chemicals in or on raw agricultural commodities; and

H. R. 7468. An act to amend certain provisions of part II of the Interstate Commerce Act so as to authorize regulation, for purposes of safety and protection of the public, of certain motor-carrier transportation between points in foreign countries, insofar as such transportation takes place within the United States.

On July 23, 1954:

H. R. 8247. An act to provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*, and for other purposes.

On July 26, 1954:

H. R. 1673: An act for the relief of James I. Smith;

H. R. 6263. An act to authorize the Secretary of Agriculture to convey certain lands in Alaska to the Rotary Club of Ketchikan, Alaska;

H. R. 6642. An act for the relief of Mrs. Augusta Selmer-Andersen;

H. R. 6975. An act authorizing the Secretary of the Interior to convey certain lands to the Siskiyou Joint Union High School District, Siskiyou County, Calif.;

H. R. 7012. An act for the relief of Nicole Goldman;

H. R. 8713. An act to amend section 1 (d) of the Helium Act (50 U. S. C., sec. 161 (d)), and to repeal section 3 (13) of the act entitled "An act to amend or repeal certain Government property laws, and for other purposes," approved October 31, 1951 (65 Stat. 701);

H. R. 9005. An act to continue the effectiveness of the act of July 17, 1953 (67 Stat. 177); and

H. R. 9006. An act to authorize the Secretary of the Army to donate 28 paintings to the Australian War Memorial.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 260. Concurrent resolution authorizing the printing of additional copies of the conference report on H. R. 8300.

The message also announced that the Senate had adopted the following resolution (S. Res. 293):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ALBERT SIDNEY CAMP, late a Representative from the State of Georgia.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased Representative, the Senate do now recess.

CITATIONS FOR CONTEMPT

The SPEAKER. The Chair desires to announce that pursuant to sundry resolutions of the House he did, on Friday, July 23, 1954, make certifications to the United States attorney, District of Columbia, the United States attorney, southern district of California, the United States attorney, eastern district of Michigan, the United States attorney for the district of Oregon, and the United States attorney, western district of Washington, as follows:

To the UNITED STATES ATTORNEY DISTRICT OF COLUMBIA:

House Resolution 666, the refusal of Lloyd Barenblatt to answer questions before the Committee on Un-American Activities.

House Resolution 673, the refusal of Mrs. Millie Markison to answer questions before the Committee on Un-American Activities.

House Resolution 681, concerning the action of Francis X. T. Crowley in purging

himself of contempt of the House of Representatives.

To the UNITED STATES ATTORNEY, SOUTHERN DISTRICT OF CALIFORNIA:

House Resolution 667, the refusal of Richard E. Adams to answer questions before the Committee on Un-American Activities.

To the UNITED STATES ATTORNEY, EASTERN DISTRICT OF MICHIGAN:

House Resolution 664, the refusal of Bolza Baxter to answer questions before the Committee on Un-American Activities and the willful and deliberate refusal to produce certain books and records of the Labor Youth League of Michigan before the said Committee on Un-American Activities.

House Resolution 665, the refusal of Horace Chandler Davis to answer questions before the Committee on Un-American Activities.

House Resolution 674, the refusal of Benjamin F. Kocel to answer questions before the Committee on Un-American Activities.

House Resolution 675, the refusal of Paul Ross Baker to answer questions before the Committee on Un-American Activities.

House Resolution 676, the refusal of Curtis Davis to answer questions before the Committee on Un-American Activities.

House Resolution 677, the refusal of Evelyn Gladstone to answer questions before the Committee on Un-American Activities.

House Resolution 678, the refusal of Marvin Engel to answer questions before the Committee on Un-American Activities.

House Resolution 679, the refusal of Martin Trachtenberg to answer questions before the Committee on Un-American Activities.

To the UNITED STATES ATTORNEY FOR THE DISTRICT OF OREGON:

House Resolution 669, the refusal of Thomas G. Moore to answer questions before the Committee on Un-American Activities.

House Resolution 670, the refusal of John Rogers MacKenzie to answer questions before the Committee on Un-American Activities.

House Resolution 671, the refusal of Donald M. Wollam to answer questions before the Committee on Un-American Activities.

House Resolution 672, the refusal of Herbert Simpson to answer questions before the Committee on Un-American Activities.

To the UNITED STATES ATTORNEY, WESTERN DISTRICT OF WASHINGTON:

House Resolution 668, the refusal of George Tony Starkovich to answer questions before the Committee on Un-American Activities and the disruptive conduct of the said George Tony Starkovich before the said Committee on Un-American Activities.

House Resolution 680, the refusal of Carl Harvey Jackins to answer questions before the Committee on Un-American Activities.

SPECIAL ORDERS GRANTED

Mr. SIKES asked and was given permission to address the House today and tomorrow for 20 minutes, following the legislative business of the day and any special orders heretofore entered.

Mr. SIKES asked and was given permission to address the House on Thursday for 1 hour, following the legislative business of the day and any special orders heretofore entered.

SPECIAL ORDER

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. I understand I have 10 minutes in which to address the House today, following the legislative business of the day. Is that correct, Mr. Speaker?

The SPEAKER. The gentlewoman is in error. The gentlewoman has 15 minutes.

Mrs. ROGERS of Massachusetts. I thank the Speaker.

AMENDING ATOMIC ENERGY ACT OF 1946, AS AMENDED

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The Clerk read the engrossed copy of the bill.

Mr. COLE of New York (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that further reading of the engrossed copy be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALL OF THE HOUSE

Mr. BOLLING. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

Angell	Hébert	Richards
Berry	Kersten, Wis.	Riehlman
Bolton, Frances P.	Kilburn	Rogers, Tex.
Brooks, La.	Long	Secrest
Buckley	Lovre	Shafer
Chatham	Lucas	Short
Cotton	McCarthy	Springer
Curtis, Nebr.	Mailliard	Sutton
Davis, Tenn.	Morrison	Thompson, La.
Dowdy	Nelson	Thompson, Tex.
Fino	Osmers	Tuck
Fisher	Patman	Vinson
Harris	Perkins	Weichel
Harrison, Wyo.	Poage	Wheeler
	Powell	Willis
	Regan	

The SPEAKER. On this rollcall 385 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING ATOMIC ENERGY ACT OF 1946, AS AMENDED

The SPEAKER. The question is on the passage of the bill.

Mr. HOLIFIELD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOLIFIELD. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will read the motion.

The Clerk read as follows:

Mr. HOLIFIELD moves to recommit the bill H. R. 9757 to the Joint Committee on Atomic Energy.

Mr. HINSHAW. Mr. Speaker, on that motion I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. HOLIFIELD. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 165, nays 222, answered "present" 2, not voting 44, as follows:

[Roll No. 117]

YEAS—165

Abernethy	Fogarty	Mollohan
Addonizio	Forand	Morgan
Albert	Forrester	Moss
Andrews	Fountain	Moulder
Ashmore	Frazier	Multer
Aspinall	Friedel	Murray
Bailey	Garmatz	Natcher
Barden	Gary	O'Brien, Ill
Barrett	Gordon	O'Brien, Mich.
Battle	Granahan	O'Hara, Ill.
Bennett, Fla.	Grant	O'Konski
Bennett, Mich.	Green	O'Neill
Bentsen	Gregory	Passman
Blatnik	Gross	Pfost
Boggs	Hagen, Calif.	Philbin
Boland	Hagen, Minn.	Pilcher
Bolling	Haley	Polk
Bonner	Hardy	Preston
Bowler	Hart	Price
Brooks, Tex.	Hays, Ohio	Priest
Brown, Ga.	Herlong	Rabaut
Buchanan	Holifield	Rains
Burdick	Holtzman	Rayburn
Burleson	Howell	Reams
Byrd	Ikard	Rhodes, Pa.
Byrne, Pa.	Jarman	Roberts
Cannon	Javits	Rodino
Carlyle	Johnson, Wis.	Rogers, Colo.
Carnahan	Jones, Ala.	Rooney
Celler	Jones, Mo.	Roosevelt
Chelf	Karsten, Mo.	Selden
Chudoff	Kee	Shelley
Colmer	Kelley, Pa.	Sheppard
Condon	Kelly, N. Y.	Shuford
Cooley	Keogh	Sieminski
Cooper	King, Calif.	Sikes
Crosser	Kirwan	Smith, Miss.
Davis, Ga.	Kluczynski	Spence
Dawson, Ill.	Landrum	Staggers
Deane	Lane	Steed
Delaney	Lanham	Sullivan
Dies	Lantaff	Teague
Dingell	Lesinski	Thomas
Dodd	McCormack	Thornberry
Dollinger	McMillan	Trimble
Donohue	Machrowicz	Watts
Dorn, S. C.	Mack, Ill.	Whitten
Doyle	Madden	Wickersham
Eberharter	Magnuson	Williams, Miss.
Edmondson	Mahon	Williams, N. J.
Elliott	Marshall	Winstead
Engle	Matthews	Withrow
Evins	Metcalf	Yates
Feighan	Miller, Calif.	Yorty
Fine	Miller, Kans.	Zablocki

NAYS—222

Abbitt	Byrnes, Wis.	Fernandez
Adair	Campbell	Ford
Alexander	Canfield	Frelinghuysen
Allen, Calif.	Carrigg	Fulton
Allen, Ill.	Cederberg	Gamble
Andersen, H. Carl	Chenoweth	Gathings
	Chiperfield	Gavin
Andresen, August H.	Church	Gentry
	Clardy	George
Arends	Clevenger	Golden
Auchincloss	Cole, Mo.	Goodwin
Ayres	Cole, N. Y.	Graham
Baker	Coon	Gubser
Bates	Corbett	Gwinn
Beamer	Coudert	Hale
Becker	Cretella	Halleck
Belcher	Crumpacker	Hand
Bender	Cunningham	Harden
Bentley	Curtis, Mass.	Harrison, Nebr.
Betts	Curtis, Mo.	Harrison, Va.
Bishop	Dague	Harvey
Bolton, Oliver P.	Davis, Wis.	Hays, Ark.
	Dawson, Utah	Heselton
Bonin	Dempsey	Hess
Bosch	Derounian	Hiestand
Bow	Devereux	Hill
Boykin	D'Ewart	Hillelson
Bramblett	Dolliver	Hillings
Bray	Dondero	Hinshaw
Brown, Ohio	Donovan	Hoeven
Brownson	Dorn, N. Y.	Hoffman, Ill.
Broyhill	Durham	Hoffman, Mich.
Budge	Ellsworth	Holmes
Busbey	Fallon	Holt
Bush	Fenton	Hope

Horan	Miller, N. Y.	Shafer
Hosmer	Mills	Sheehan
Hruska	Morano	Simpson, Ill.
Hunter	Mumma	Simpson, Pa.
Hyde	Neal	Small
Jackson	Nicholson	Smith, Kans.
James	Norblad	Smith, Va.
Jenkins	Norrell	Smith, Wis.
Jensen	Oakman	Springer
Johnson, Calif.	O'Brien, N. Y.	Stauffer
Jonas, Ill.	O'Hara, Minn.	Stringfellow
Jonas, N. C.	Ostertag	Taber
Jones, N. C.	Patterson	Talle
Judd	Pelly	Taylor
Kean	Phillips	Thompson,
Kearney	Pillion	Mich.
Kearns	Poff	Tollefson
Keating	Prouty	Utt
Kilday	Radwan	Van Pelt
King, Pa.	Ray	Van Zandt
Knox	Reece, Tenn.	Velde
Krueger	Reed, Ill.	Vorys
Laird	Reed, N. Y.	Vursell
Latham	Rees, Kans.	Wainwright
LeCompte	Rhodes, Ariz.	Walter
Lipscomb	Riehlman	Wampler
Lyle	Riley	Warburton
McConnell	Rivers	Westland
McCulloch	Robeson, Va.	Wharton
McDonough	Robsion, Ky.	Widnall
McGregor	Rogers, Fla.	Wigglesworth
McIntire	Rogers, Mass.	Williams, N. Y.
McVey	Sadlak	Wilson, Calif.
Mack, Wash.	St. George	Wilson, Ind.
Martin, Iowa	Saylor	Wilson, Tex.
Mason	Schenck	Wolcott
Meader	Scherer	Wolverton
Merrill	Scott	Young
Merrow	Scrivner	Younger
Miller, Md.	Scudder	
Miller, Nebr.	Seely-Brown	

ANSWERED "PRESENT"—2

Klein Patten

NOT VOTING—44

Angell	Hébert	Regan
Berry	Kersten, Wis.	Richards
Bolton,	Kilburn	Rogers, Tex.
Frances P.	Long	Secrest
Brooks, La.	Lovre	Short
Buckley	Lucas	Sutton
Chatham	McCarthy	Thompson, La.
Cotton	Mailliard	Thompson, Tex.
Curtis, Nebr.	Morrison	Tuck
Davis, Tenn.	Nelson	Vinson
Dowdy	Osmers	Weichel
Fino	Patman	Wheeler
Fisher	Perkins	Wier
Harris	Poage	Willis
Harrison, Wyo.	Powell	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Osmers against.

Mr. Hébert for, with Mrs. Frances P. Bolton against.

Mr. Powell for, with Mr. Cotton against.

Mr. Perkins for, with Mr. Tuck against.

Mr. Thompson of Louisiana for, with Mr. Chatham against.

Mr. Klein for, with Mr. Harris against.

Mr. Davis of Tennessee for, with Mr. Patten against.

Mr. Willis for, with Mr. Kilburn against.

Mr. McCarthy for, with Mr. Kersten of Wisconsin against.

Mr. Long for, with Mr. Short against.

Mr. Lovre for, with Mr. Weichel against.

Mr. Berry for, with Mr. Curtis of Nebraska against.

Mr. Wier for, with Mr. Fino against.

Until further notice:

Mr. Angell with Mr. Vinson.

Mr. Harrison of Wyoming with Mr. Thompson of Texas.

Mr. Mailliard with Mr. Brooks of Louisiana.

Mr. Nelson with Mr. Regan.

Mr. KLEIN. Mr. Speaker, I have a live pair with the gentleman from Arkansas, Mr. HARRIS. If he were present, he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. PATTEN. Mr. Speaker, I have a live pair with the gentleman from Tennessee, Mr. DAVIS. If he were present, he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. COLE of New York. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 231 nays 154, answered "present" 2, not voting 45, as follows:

[Roll No. 118]

YEAS—231

Abbitt	Gavin	Nicholson
Adair	Gentry	Norblad
Alexander	George	Norrell
Allen, Calif.	Golden	Oakman
Allen, Ill.	Goodwin	O'Brien, N. Y.
Andersen,	Graham	O'Hara, Minn.
H. Carl	Gubser	Ostertag
Andresen,	Gwinn	Passman
August H.	Hale	Patterson
Arends	Haley	Pelly
Auchincloss	Halleck	Phillips
Ayres	Hand	Pillion
Baker	Harden	Poff
Bates	Hardy	Prouty
Beamer	Harrison, Nebr.	Radwan
Becker	Harrison, Va.	Ray
Belcher	Harvey	Reece, Tenn.
Bender	Hays, Ark.	Reed, Ill.
Bentley	Herlong	Reed, N. Y.
Betts	Heselton	Rees, Kans.
Bishop	Hess	Rhodes, Ariz.
Boggs	Hiestand	Riehlman
Bolton,	Hill	Riley
Oliver P.	Hillelson	Rivers
Bonin	Hillings	Robeson, Va.
Bosch	Hinshaw	Robsion, Ky.
Bow	Hoeven	Rogers, Fla.
Boykin	Hoffman, Ill.	Rogers, Mass.
Bramblett	Hoffman, Mich.	Sadlak
Bray	Holmes	St. George
Brown, Ohio	Holt	Saylor
Brownson	Hope	Schenck
Broyhill	Horan	Scherer
Budge	Hosmer	Scott
Busbey	Hruska	Scrivner
Bush	Hunter	Seely-Brown
Byrnes, Wis.	Hyde	Shafer
Campbell	Jackson	Sheehan
Canfield	James	Sikes
Carrigg	Jenkins	Simpson, Ill.
Cederberg	Jensen	Simpson, Pa.
Chenoweth	Johnson, Calif.	Small
Chiperfield	Jonas, Ill.	Smith, Kans.
Church	Jonas, N. C.	Smith, Va.
Clardy	Jones, N. C.	Smith, Wis.
Clevenger	Judd	Springer
Cole, Mo.	Kean	Stauffer
Cole, N. Y.	Kearney	Stringfellow
Coon	Kearns	Taber
Corbett	Keating	Talle
Coudert	Kilday	Taylor
Cretella	King, Pa.	Thompson,
Crumpacker	Knox	Mich.
Cunningham	Krueger	Tollefson
Curtis, Mass.	Laird	Trimble
Curtis, Mo.	Lantaff	Utt
Dague	Latham	Van Pelt
Davis, Wis.	LeCompte	Van Zandt
Dawson, Utah	Lipscomb	Velde
Dempsey	McConnell	Vorys
Derounian	McCulloch	Vursell
Devereux	McDonough	Wainwright
D'Ewart	McGregor	Walter
Dodd	McIntire	Wampler
Dolliver	McVey	Warburton
Dondero	Mack, Wash.	Watts
Donovan	Martin, Iowa	Westland
Dorn, N. Y.	Mason	Wharton
Durham	Matthews	Widnall
Ellsworth	Meader	Wigglesworth
Fallon	Merrill	Williams, N. Y.
Fenton	Merrow	Wilson, Calif.
Fernandez	Miller, Md.	Wilson, Ind.
Ford	Miller, Nebr.	Wolcott
Frelinghuysen	Miller, N. Y.	Wolverton
Fulton	Mills	Young
Gamble	Morano	Younger
Gary	Mumma	
Gathings	Neal	

NAYS—154

Abernethy	Fine	Morgan
Addonizio	Fogarty	Moss
Albert	Forand	Moulder
Andrews	Forrester	Multer
Ashmore	Fountain	Murray
Aspinall	Frazier	Natcher
Bailey	Friedel	O'Brien, Ill.
Barden	Garmatz	O'Brien, Mich.
Barrett	Gordon	O'Hara, Ill.
Battle	Granahan	O'Konski
Bennett, Fla.	Grant	O'Neill
Bennett, Mich.	Green	Pfost
Bentsen	Gregory	Philbin
Blatnik	Gross	Pilcher
Boland	Hagen, Calif.	Polk
Bolling	Hagen, Minn.	Preston
Bonner	Hart	Price
Bowler	Hays, Ohio	Priest
Brooks, Tex.	Holifield	Rabaut
Brown, Ga.	Holtzman	Rains
Buchanan	Howell	Reams
Burdick	Ikard	Rhodes, Pa.
Burleson	Jarman	Roberts
Byrd	Javits	Rodino
Byrne, Pa.	Johnson, Wis.	Rogers, Colo.
Cannon	Jones, Ala.	Rooney
Carlyle	Jones, Mo.	Roosevelt
Carnahan	Karsten, Mo.	Selden
Celler	Kee	Shelley
Chelf	Kelley, Pa.	Sheppard
Chudoff	Kelly, N. Y.	Shuford
Colmer	Keogh	Sieminski
Condon	King, Calif.	Smith, Miss.
Cooley	Kirwan	Spence
Cooper	Kluczynski	Staggers
Cosser	Landrum	Steed
Davis, Ga.	Lane	Sullivan
Dawson, Ill.	Lanham	Teague
Deane	Lesinski	Thomas
Delaney	Lyle	Thornberry
Dies	McCormack	Whitten
Dingell	McMillan	Wickersham
Dollinger	Machrowicz	Williams, Miss.
Donohue	Mack, Ill.	Williams, N. J.
Dorn, S. C.	Madden	Wilson, Tex.
Doyle	Magnuson	Winstead
Eberharter	Mahon	Withrow
Edmondson	Marshall	Yates
Elliott	Metcalf	Yorty
Engle	Miller, Calif.	Zablocki
Evins	Miller, Kans.	
Feighan	Mollohan	

ANSWERED "PRESENT"—2

Klein Patten

NOT VOTING—45

Angell	Kersten, Wis.	Richards
Berry	Kilburn	Rogers, Tex.
Bolton,	Long	Scudder
Frances P.	Lovre	Secrest
Brooks, La.	Lucas	Short
Buckley	McCarthy	Sutton
Chatham	Mailliard	Thompson, La.
Cotton	Morrison	Thompson, Tex.
Curtis, Nebr.	Nelson	Tuck
Davis, Tenn.	Osmers	Vinson
Dowdy	Patman	Weichel
Fino	Perkins	Wheeler
Fisher	Poage	Wier
Harris	Powell	Willis
Harrison, Wyo.	Rayburn	
Hébert	Regan	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Patten for, with Mr. Davis of Tennessee against.

Mr. Harris for, with Mr. Klein against.

Mr. Short for, with Mr. Rayburn against.

Mr. Tuck for, with Mr. Buckley against.

Mr. Hébert for, with Mr. Powell against.

Mr. Morrison for, with Mr. Perkins against.

Mr. Chatham for, with Mr. Sutton against.

Mrs. Frances P. Bolton for, with Mr. McCarthy against.

Mr. Cotton for, with Mr. Wier against.

Mr. Kilburn for, with Mr. Lovre against.

Mr. Osmers for, with Mr. Berry against.

Until further notice:

Mr. Angell with Mr. Long.

Mr. Scudder with Mr. Patman.

Mr. Fino with Mr. Fisher.

Mr. Harrison of Wyoming with Mr. Rogers of Texas.

Mr. Nelson with Mr. Regan.

Mr. Mailliard with Mr. Willis.
Mr. Kersten of Wisconsin with Mr. Thompson of Louisiana.
Mr. Weichel with Mr. Vinson.
Mr. Curtis of Nebraska with Mr. Wheeler.

Mr. KLEIN. Mr. Speaker, I voted "nay." I have a live pair with the gentleman from Arkansas, Mr. HARRIS. If he were here he would have voted "yea." I withdraw my vote and vote "present."

Mr. PATTEN. Mr. Speaker, I have a live pair with the gentleman from Tennessee, Mr. DAVIS. If he were present he would have voted "nay." I withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PHILBIN. Mr. Speaker, this is one of the most important bills ever to be presented to this House. At present no one could possibly envision the ramifications of atomic energy and its future effect upon our economy and national life in war and peace.

There are great uncertainties and problems connected with this subject and some very definite certainties. For example, we know how terrible and destructive atomic energy harnessed for war is and can be. We do not know whether even more terrible and more destructive substances will be discovered to take the place of atomic energy but in view of scientific progress that is quite possible, indeed very likely.

On the other hand atomic energy may be able to provide most valuable peacetime uses in medicine, in science, in power, and other fields. At present its uses are limited. In the future they may well be extensive and fabulous beyond monetary measurement. But there is no certainty that they will be. There is as yet no assurance that atomic energy can competitively produce electric power. Such is the vagueness of the field in which we now propose to legislate. Only extended time can reveal the facts concerning this vital newly discovered force.

I am a believer in our system of free enterprise. I do not believe that the Government should conduct any business that can be efficiently conducted by private business. I do not believe that the Government should ever compete with private business so long as private business is capable of doing an honest, adequate job. In industries affected with a public interest, there are times when because private business does not or cannot do the job that the Government is compelled to intervene. Huge public power dams are an example of this situation.

But even in these instances the products and byproducts of such great public projects should be made available, insofar as practicable and possible, to the public through the medium of private industry.

Under this bill many patent rights may be granted to a certain few industries. In this way, a monopoly would be conferred upon a few by the terms of the bill over atomic energy and its secrets. Such monopoly rights may be relatively worthless, or they may be valued in the billions. There is a tight security curtain over this atomic field and I am unable to get the facts.

But I am not willing to vote to create a monopoly in this field, to give a few corporations exclusive rights to what may turn out to be extremely valuable assets of truly untold wealth.

I have other fundamental objections to this bill. I am not satisfied with its international pooling provisions. We are living in a very dangerous world—a world which is ablaze with the fires of Communist conspiracy and revolt. No one can tell when further serious aggression will come or where it will strike. Our so-called allies have not lived up to their undertakings under either the United Nations or NATO and I do not say this in an uncharitable sense. They permitted us to fight the Korean war practically alone and virtually unassisted. They have failed to implement their agreements under NATO. They have more recently at Geneva departed from our view of vital Indochina and Asian questions and deliberately gave aid and comfort to the Russian position.

We have no assurance whatever of what their future policy will be. It may move them, for trade or other reasons, closer and closer to the Soviet viewpoint. It may support the doctrine of peaceful coexistence in a world literally seething with rebellion and insurrection against the existing order willfully fomented and directed by the Soviet.

In view of this situation, I do not believe that we should share further atomic secrets or any other secrets until we definitely know just where we stand, just what our allies propose and just how they intend to carry out their solemn commitments to us and the free world.

We talk about getting some affirmative expression and act of good faith from the Soviet and I believe we should demand such assurance even though I have little faith that it will be forthcoming. But above all we should secure definite assurances from our own so-called allies concerning their future course, their policy, before we give them additional secret atomic information and techniques. I do not believe this feature should be adopted without very carefully devised safeguards.

Although I cannot support this measure, I am constrained to pay sincere tribute to the great American who has so ably handled the bill on the floor, our distinguished friend, the gentleman from New York [Mr. COLE]. As one Member remarked, he conducted the debate and secured passage of the bill without ever raising his voice. That is a great tribute to STUBBY COLE. And it is an example which might well find emulation.

I believe the entire subject matter covered by this bill should be exhaustively and intensively considered by the Congress.

The bill could well reshape the entire economy and life of the Nation. It should not be enacted without further deep and most careful study.

I therefore hope the measure will be recommitted and revised to remove present unsound provisions and include proper safeguards. Thus we may be assured that the future military, economic, scientific, and humanitarian requirements of the Nation may be met, as well as we can meet them at this time when science is moving so swiftly and foreign affairs are so perilous and uncertain.

SPECIAL ORDERS GRANTED

Mr. WAINWRIGHT asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders previously entered.

Mr. REED of Illinois asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders previously entered.

THE BIG LIE TECHNIQUE

Mr. RHODES of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, according to the press, the Republican candidate for Governor of Iowa stated recently that "the Eisenhower administration had to ferret out in Washington more than 2,500 Government workers who had been disloyal to America."

As anyone who has followed the subject knows, the statement of the Republican candidate is false.

It is true that some 24 or 25 hundred persons have been tagged as "security risks" for various reasons including such things as alcoholism or conviction of a misdemeanor. No one would argue that persons with such faults should be kept in Government service—but that is no excuse for unfounded accusations of disloyalty against them. To my knowledge, not one of these persons has been convicted of an act of disloyalty; on the contrary, in all but a small fraction of these cases, their loyalty is not even questioned. Most of these persons were not even removed from their jobs under the methods set up by the President's security order, but left the Government under normal civil service procedures. Many of them had no knowledge that they were later labeled "security risk."

If the Republican candidate for Governor of Iowa made an honest mistake, I hope he will be man enough to follow the example of President Eisenhower's counsel, Bernard Shanley, who apologized publicly after making a similar misstatement.

If his false accusation was deliberate, I am confident that his attempt to deceive the people of Iowa will be unsuccessful.

REVISION OF INTERNAL REVENUE LAWS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the conferees on the bill (H. R. 8300) to revise the internal revenue laws of the United States may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE LATE ALBERT SIDNEY CAMP

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. BROWN] for 30 minutes.

Mr. BROWN of Georgia. Mr. Speaker, all of us were saddened by the passing of our beloved colleague, Hon. ALBERT SIDNEY CAMP. While his death was not unexpected, it came as quite a shock.

He has been seriously ill for some time, but with his strong sense of devotion to duty he insisted upon attending the sessions of the House many, many times when he should have been in the hospital.

SIDNEY CAMP was born in Coweta County, Ga., 62 years ago today. He was educated in the public schools of Newnan and Coweta County and received the bachelor of laws degree at the University of Georgia. He began the practice of law in Newnan in 1915.

SIDNEY CAMP has had a distinguished record of public service. He served in the United States Army 2 years, from 1917 to 1919, being a member of the American Expeditionary Force's 82d Division. He served as Representative in the General Assembly of Georgia from 1923 to 1928 and was Chairman of the Georgia House Judiciary Committee for 4 years. He was Assistant United States District Attorney for the Northern District of Georgia from 1934 until August 1, 1939, when he was elected to Congress where he has served with honor and distinction ever since.

In the House, SIDNEY CAMP worked untiringly for strengthening the unemployment-insurance program, the social-security program, balancing the Federal budget, better farm and price support programs, and veterans' benefits.

He was conscientious in all that he did and he never dodged an issue. He carefully studied all proposed legislation and voted his true convictions.

SIDNEY CAMP was a brilliant man and probably had as much knowledge on all subjects as any man in Congress. He was quite a historian and never forgot anything he ever read or heard.

His magnetic and charming personality and his love of people endeared him to all who knew him. He was a gentleman in every sense of the word. To know him was to love him.

SIDNEY CAMP was keenly interested in the welfare of his fellow man. He never lost an opportunity to do a favor or to lend a helping hand.

He was an able lawyer, a fair and effective prosecuting attorney, an energetic, conscientious, and valuable Member of Congress, and true statesman. We shall sorely miss him in this body.

I wish that all of you could have attended the fitting and appropriate funeral service of our departed colleague on Sunday afternoon, July 25, 1954, in the city of Newnan, Ga. A vast throng of friends from the Fourth Congressional District of Georgia and from the whole State were present to pay last respects and tribute to their lamented friend and devoted public servant. Their presence attested the high regard and esteem in which he was held. The Georgia delegation, including Senator RUSSELL, and other Members of the House also attended the funeral service.

SIDNEY CAMP was one of the closest and dearest friends I ever had. I have suffered a keen personal loss in his passing. We had adjoining offices and we visited each other almost daily.

During all the months of his suffering I never heard him utter one word of complaint.

SIDNEY CAMP was a devoted husband and father. To Mrs. Camp and their fine son and daughter, Albert Sidney Camp, Jr., and Molly Farmer Camp, I extend deepest sympathy in their bereavement.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. PRESTON].

Mr. PRESTON. Mr. Speaker, I rise to pay my humble tribute to my personal and deeply valued friend, ALBERT SIDNEY CAMP.

Yesterday, amid the rolling Georgia hills he loved so well, a group of us representing this House laid to rest our beloved colleague, SID CAMP, whom God in His infinite wisdom had removed from among us during the early hours of Saturday morning.

Many of you, I am sure, feel, as I do, a deep sense of personal loss in the passing of this fine friend and noble patriot, who sacrificed his life for his country, in line of duty, as surely as does any soldier amid shot and shell on a battlefield.

SID CAMP's death leaves a gap in the ranks of this House that will not easily nor soon be filled. His place in the House will soon be taken, but it will not be filled for many a long day, because SID CAMP was possessed of virtues so rare as to occur but infrequently in the passing of the years.

First of all, SID CAMP was a true friend. He understood friendship. He gave to friendship a depth of feeling that can only be truly understood by those of us who were fortunate enough to share his rare gift. His kindliness and generosity were especially treasured by the new Members, to whom he made available the fruits of his long experience and the gifts of his splendid mind.

Burdened as he was by the duties of the great committee on which he served and the requirements of his constituents and the host of friends who called upon him unceasingly, he yet took time to counsel with new Members to make their way easier and their service in this body more effective and valuable.

As one who came to rely on SID CAMP's sage counsel and wise advice during my service here, who has been fortunate to know the warmth of his great heart and the matchless fiber of his rugged integrity, I stand before you a sadder and poorer man because of the absence of his guiding presence.

But his loss to this body transcends keen pangs of heartache that any one of us may feel at his passing. The deep logic of his profound and penetrating intellect has impressed us time and again as he stood in the well of this House to analyze the complex legislation that his committee reported. Times without number he has plumbed the depths of the measures being considered to clarify obscure points and provide us with enlightened understanding of the most complex revenue measures that came before us for consideration.

But it is sadly futile for me to try to evaluate SID CAMP's contribution to our country with a few poor words. His work on this floor and in his committee has impressed his devotion in countless statutes of the laws of the land he loved. And his shining intellect, his bright spirit, and great heart have engraved themselves forever in the hearts of all who knew and loved him during his splendid years of service.

Today as we meet in saddened assembly and mourn our loss, I think it is not amiss to voice a prayer that on this day, and every day, the spirit of SID CAMP, from a brighter, fairer land, in a higher, nobler sphere, may descend to inspire and guide us in the deliberations of this House he served and loved so well.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker, I believe SIDNEY CAMP was the sweetest spirited and one of the humblest men that I ever knew. I never shall forget the help that he was so happy to extend to me when I first came to the Congress. That was his record with every man who came here from the State of Georgia, and all of the new men from other States as well who depended upon him for committee assignments and those he helped to get committee assignments. While he was a gentle and sweep-spirited man, he was tough-minded, and courageous. He was always glad to stand for what he thought was right.

Along with his other good qualities, SIDNEY CAMP had a sense of humor that was a great asset to him. While he was serious minded and took his job in the same manner, he did not take himself too seriously, which is the essence of a sense of humor. He was a raconteur and could tell wholesome and humorous yarns by the hour. He had an infectious and contagious laugh which made his stories still more appealing to his listeners.

It was this sense of humor and his wholesome outlook on life that enabled him to bear the physical infirmity which was his through the last few years of his life. He was cheerful and uncomplaining through it all.

His going is a distinct personal loss to me and to all who knew him as I did. He

had a brilliant mind, a splendid educational background, and a power of analysis that enabled him to go to the very heart of any problem he was considering. These qualities made him of great usefulness in his service on the Ways and Means Committee, which will miss him I know.

To his wife and family I extend my sincere sympathy.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, my heart is heavy as I think today of SIDNEY CAMP and the years in which I have served with him in this body. I think he was closer to me than to many Members of this House. I was born and reared in the Fourth District of Georgia which he represented for 16 years. I first had a close and intimate acquaintance with him as we served together in the Georgia House of Representatives in the years 1925, 1926, 1927, and 1928. I have watched his career with deep interest, as he went from there to a position in the United States District Attorney's office and then as he came to serve in this body, where he served so many years with distinction and ability.

Yesterday the book was closed on the life activities of SIDNEY CAMP. It was my sad experience to stand at the graveside as he was laid in his eternal resting place. But while his activities in person have been concluded, his life has not, in the deep sense of the word. He still lives in the hearts of the thousands of friends who knew him there and the many friends he made here during his period of service. I am sad indeed as I join with my colleagues in extending deepest sympathy to his widow, children, brothers, and other members of his family.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Speaker, as is human, I peculiarly feel the great loss I personally suffered in the passing of my genuine friend. I am conscious, however, that this loss is shared by a grateful Nation. In the passing of ALBERT SIDNEY CAMP, our friend and colleague, affectionately known to us as Sid, the Nation has lost one of its greatest sons. As an ambassador for the section from which he came and for the Nation that he completely loved, there has never been a greater, for every Member of this splendid body loved Sid and every person who ever knew him regarded him with affection. These facts indelibly mark a man as great and I am convinced there has never been a Member of Congress who had more friends from North, South, East, and West than did our friend, SID CAMP.

Mr. Speaker, during the illness and misfortunes Sid suffered it was amazing how all the Members were interested in Sid and deliberately sought every possible opportunity to be of service to him. For the last 2 years Sid was blind so far as eyesight was concerned, but, Mr. Speaker, that was the only blindness that could come upon Sid. There was a light in his heart, mind, and soul that illness could not touch, and that light had always been in Sid. I can hear him now when some of his numerous friends would say, "How are you, Sid?" He would reply, "My friend, I never felt better and saw less in my life." There was blindness on the outside, but the light burned brightly from within. Never have I seen a man who bore his afflictions with more grace. Never have I seen a man more appreciative of his friends.

Mr. Speaker, Sid was one of the most brilliant of men. Sid loved his country with unsurpassed love and loved this country's history and knew that history as few men ever knew it. Sid loved to discuss our history and gloried in our history. On one occasion Sid went to the Gettysburg battlefield and took the tour of that historical and hallowed battleground. The guide was lecturing upon that battle in supposed sequence and Sid, in his gentlemanly manner said, "I thought it happened this way," and proceeded to describe the battle just as it developed. The guide said, "I see you know as much about this battle as I do and from now on out I will tell you right."

Sid had one of the most analytical and retentive minds of any person I ever knew. Undoubtedly the most complex legislation in our country is in the field of taxation. Sid was a member of the House Committee on Ways and Means, the committee charged with drawing our tax laws. Sid had a complete grasp of those laws. He never forgot those laws, and after becoming blind, though he could not read the legislation, he heard the legislation read and he knew that legislation second to none.

Mr. Speaker, Sid was every inch American and this was not accidental. Sid was a member of one of Georgia's most illustrious families. The Camps were one of our pioneer families. The Camps fought for American independence, helped frame our laws, and defended our country gallantly in all of our wars. Sid valiantly fought for his country in World War I as a brave soldier in the famous 82d Division. Sid never considered himself as mustered out of his country's service, and on his return home he took up the practice of law, observing in that practice all of the fine ethics of that noble profession. Sid loved right and stood for right, and it was not accidental that he was privileged to serve his State in the general assembly and later honored by an appointment as assistant district attorney. His complete honesty and love for justice, coupled with an unusually brilliant mind naturally made Sid a great credit to his profession. Sid was sent to Congress by his people and remained in this body until God beckoned to him.

Mr. Speaker, we all knew Sid as a great public servant and as one of the most lovable gentlemen it has been our privilege to meet, but the heart and soul of that man were at their finest when we saw Sid as a husband, father and son-in-law. What blessed memories his dear family have to treasure. His complete love for his wife and children will always be an inspiration to me. Mr. Speaker, it is a model for us to follow. Sid's family returned his love in an equal manner. That family love was veritably born in heaven. His family has so much to be thankful for. Sure, they will miss him every day. Everyone will miss Sid, but though we miss Sid, we all know where we can find him. His family is fortunate for they are of the same mold as Sid and they have the blessed privilege of knowing that in heaven where there is no sickness, no sorrow, that even God's house is richer because Sid has come home. Sid's family knows he will be waiting for them to greet them with open arms so that all of them can dwell in the house of the Lord forever.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Georgia [Mr. PILCHER].

Mr. PILCHER. Mr. Speaker, I want to endorse everything that has been said about my colleague, SIDNEY CAMP. I had heard of SIDNEY CAMP all my life but had never had the pleasure of meeting him until I came to Congress. I shall never forget his full understanding of a rookie Congressman and his wholehearted desire to help one. He gave me very freely of his experience and knowledge, of which he had much.

I think the highest compliment you can pay any man is to say that he is strictly honest. SIDNEY CAMP had that qualification. In order to be loved you have to love. He loved his family, he loved his colleagues, he loved his country; that is why everyone who knew SIDNEY CAMP loved him.

Mr. Speaker, his family has lost a good husband and father; I have lost a dear friend; the country has lost a great statesman, but what SIDNEY CAMP stood for will live on.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Speaker, I do not recollect how long ago I became acquainted with SID CAMP. That is not because he made no impression upon me when I came to meet him, but because of Sid's gentle and lovable disposition; once one met him and talked with him, one felt certain he had known him during his entire life. So in the period of my acquaintance with Sid I do not think there has been any time in my life that I did not know him.

I came as a new Member of Congress in 1953 and learned quickly to rely on his counsel. I learned soon to respect and admire his courage and his keen intellect. I had known since my first meeting with SIDNEY CAMP that his personality, his heart, and his character were qualities such that all men could love and say with deep feeling that SID CAMP was a real man.

I remember with vivid recollection the last speech Sid made on the floor of this House. He stood at the microphone on my right here when we had under consideration the bill H. R. 8300, the tax bill, and with a mind as keen and as sharp as any who ever walked on this floor talked about the complexities of that piece of legislation affecting the whole country, seeing none of his audience, but seeing clearly the things which affected the people he represented in his district, his State, and his Nation. But with all of his splendid qualities, I think yes-

terday at the graveside when the Reverend Scotty Young spoke as a friend of man, he portrayed him in the character that Sid really lived and in the light that we really knew and loved him. I want to close my remarks by quoting some stanzas from the poem written by Wilbur D. Nesbit entitled "A Friend or Two." I think it typifies the life of SIDNEY CAMP.

A FRIEND OR TWO

There's all of pleasure and all of peace
In a friend or two;
And all your troubles may find release
With a friend or two;
It's in the grip of the clasping hand
On native soil or in alien land,
But the world is made—do you understand?
Of a friend or two.

A song to sing and a crust to share
With a friend or two;
A smile to give and a grief to bear
With a friend or two;
A road to walk and a goal to win,
An inglenook to find comfort in,
The gladdest hours that we know, begin
With a friend or two.

A little laughter; perhaps some tears
With a friend or two;
The days, the weeks, and the months and years
With a friend or two;
A vale to cross and a hill to climb,
A mock at age and a jeer at time—.
The prose of life takes the lilt of rhyme
With a friend or two.

The brother-soul and the brother-heart
Of a friend or two
Make us drift on from the crowd apart,
With a friend or two;
For come days happy or come days sad
We count no hours but the ones made glad
By the hale good times we have ever had
With a friend or two.

Then brim the goblet and quaff the toast
To a friend or two,
For glad the man who can always boast
Of a friend or two;
The fairest sight is a friendly face,
The blithest tread is a friendly pace,
And heaven will be a better place
For a friend or two.

We who live after him are better because of our friendship with him; America is better because of his life and service; and heaven is better because Sid lives there among "A friend or two."

Mr. BROWN of Georgia. Mr. Speaker, I yield to the chairman of the Committee on Ways and Means, Mr. REED of New York, of which committee Mr. CAMP was a member.

Mr. REED of New York. Mr. Speaker, I rise to perform a task that causes me great sadness. That task is to pay my respects to a departed colleague, ALBERT SIDNEY CAMP, a Representative in the Congress of the United States from the great State of Georgia.

SID CAMP passed away early Saturday morning, July 24, 1954, after having served in the Congress of the United States since August 1, 1939. During that time his colleagues in the House have without exception learned to love him as a man and respect him as a statesman and patriot. It has been my privilege to join with him in sponsoring many meritorious pieces of legislation, many of which were enacted into public law.

SID CAMP was not only an outstanding Representative of his great State of Georgia, but he was in true measure a statesman who had the national interest always at heart. His colleagues on the Committee on Ways and Means took confidence and strength from the presence of SID CAMP during the committee's deliberations on the important legislation pending before it. It is a tribute to his ability as a legislator that his colleagues always listened carefully to his words of counsel and judgment when he rose to speak on the floor of the House.

As a soldier, statesman, and lawyer our colleague, SID CAMP, distinguished himself in his every undertaking. That he will be sorely missed by those whom he has left behind goes without saying. We are richer in wisdom and experience for having known him. We are better prepared to carry on with our daily responsibilities because of the example he has set for us.

I know that if our distinguished former chairman of the Committee on Ways and Means, the Honorable Robert L. Doughton, were present today, he would join with us in expressing sorrow over Mr. CAMP'S passing.

It is with somber humility that I utter these few words to SID CAMP'S memory.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I could not fail to embrace this opportunity in raising my voice to join with my colleagues in paying brief but very sincere tribute to the life, character, and public service to our late colleague, the distinguished gentleman from Georgia, Hon. ALBERT SIDNEY CAMP.

Mr. CAMP and I had many things in common. We both served overseas in the Army in World War I, and both served as department commander of the American Legion of our respective States. We had worked together very closely as members of the Committee on Ways and Means for many years. We cherished a warm friendship that bound us together very closely.

He was a man of great ability and possessed the highest attributes of Christian character and all of the sterling qualities of manhood. He always demonstrated a great devotion to the public service and the welfare and interest of the people of his district and the entire country. The people of his district and State as well as the entire Nation have suffered a great loss in his untimely passing.

I join with my colleagues in conveying my deepest sympathy to the members of his family in the time of their great bereavement.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, when I heard of the death of SIDNEY CAMP I was very deeply moved, because I treasured him as one of the most lovable characters I have ever met. He was loved by every person who ever knew him. As far as I know, he never, at any time, made any derogatory remark about anybody else, and I do not think anybody who ever came in contact with SIDNEY CAMP ever made any derogatory remark about him.

He was not only a gentle soul but he had a most brilliant mind. His word carried weight. His counsel was sought by everybody who knew him. But I should also say this. When he had made up his mind, and knew that he was right, he was a formidable person in carrying his point, because everybody respected not only his strength of character, as being above and beyond what we should expect in most people, but they could not help but feel that any position he took must be nearly right. He was an inspiration to me and I know also to many other Members of Congress. The State of Georgia can justly be proud of him and his unselfish service. Only a divine providence can reward him as richly as he deserves to be rewarded. I will miss him. All of us will miss SIDNEY CAMP.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, I rise to pay humble tribute to my late beloved friend, SIDNEY CAMP. In all the years of my service in this House, in all the meetings and understandings I have had with the membership of this great assembly, I have never met anyone whose association I found so pleasant as that of our late departed friend and colleague. He was possessed of a soul that reflected the noblest character to be found in man. He could convince by the sheer force of his fine character perhaps even more effectively than he could by argument, of the needs of his consituency and of his State and of those people who were in need.

I was pleased on many occasions to aid my good friend solely on the basis of the love and devotion and confidence we had in him, because I knew that whatever SIDNEY CAMP proposed must have been fundamentally correct; that it could not be wrong.

We will miss him in this Chamber. As someone said before me, his place shortly will be filled by another whom the people will send, but we shall never forget the great accomplishments of our late and departed friend and coworker, SIDNEY CAMP. I pray God to rest his weary soul forever.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, I was shocked to learn of SID CAMP'S passing. He has answered his last rollcall. His remains have been interred, but his spirit will live on.

I served for 12 years with SID CAMP on the Committee on Ways and Means and learned not only to respect him but also to love him. To his family, his dear wife, and his children, I extend my deepest sympathy. I say to them and I say to you, my colleagues, this world is better because SID CAMP lived.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Speaker, bear with me briefly while I try to tell the feeling I had about this distinguished colleague and good friend of ours, SID CAMP, who has just passed from this

earthly scene. I have had the same experience many of you have had because of his friendliness and helpfulness. That I shall never forget. Indeed, no one who knew Sid could ever forget him.

All the beautiful things that have been said about him I endorse. I think all of us could wholeheartedly voice the beautiful sentiment about our friend Sid which is expressed in the lines which I quote as follows:

What deed or merit
Has been mine
That God to me
Should send
Of all his gifts
The most divine
My other soul,
A friend?

Mr. Speaker, SID CAMP was a true friend. I shall miss him very much. His wife and family have my sincere sympathy.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I rise on the floor of this House with sorrow and grief at the passing of our beloved friend and colleague, SIDNEY CAMP. One could speak for hours about this fine, patriotic gentleman of the highest order but that is not necessary. However, I do want to say that I lived in the same apartment house with SIDNEY CAMP, the Washington House, for the past 12 years, and my office and his adjoined in the Old House Office Building. I learned to know this man and to love him because he was for everything that was big and fine and good for his family, his district, his State, and the Nation.

On many occasions, I would take a taxi with Sidney from the apartment and come to the Old House Office Building. Then he would take my arm and I would guide him to his office, but generally there was one of his office staff waiting for him in front of the Old House Office Building who would tenderly guide him to his office. He had a wonderful office force—so kind and considerate to the man who was their boss and who a few years ago lost the sight of his eyes. I can still see SIDNEY CAMP, and I think SIDNEY CAMP, although he had lost the sight of his eyes, could still see the beauties of everything around him, especially the beauty of one's friendship which he felt so deeply and which emanated from him and everything that he did. He was a great man. I shall miss SIDNEY CAMP as I know he will be missed by a multitude of his friends in his State and here in the House of Representatives, and as I know he will be missed so greatly by his good family. My heart goes out to his wife and family. I know that he is today with the other fine people of this world who have gone to the great beyond. May God rest his soul.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Speaker, it is easy for me to join in the tributes which have been paid to our late, lamented colleague, SIDNEY CAMP, of Georgia. It was my privilege to become rather intimately acquainted with him through the years on a subject which I have not heard mentioned here today. He was a great historian and when time permitted, more than once we sat together to discuss that unpleasant period in our history, the War Between the States or the Civil War. As you might suspect, he was named after a great southern leader, Gen. Albert Sidney Johnston, the man who led the Confederate forces at the battle of Shiloh, and who there lost his life. He knew much of the struggle that I did not know, and from him I learned a great deal of southern history in connection with that unpleasant and unhappy period of our history. He saw much even though he could not see with his eyes in later years. I found him to be a perfect gentleman and a fine historian. He was a great American and a good Congressman, and as long as the people of the United States will send to the Congress the same type of high-minded American as ALBERT SIDNEY CAMP, there will be no danger that the Stars and Stripes will ever be replaced in this country by the hammer and sickle. I join my colleagues in sending my profound and sincere sympathy to his family.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, the death of the Honorable SIDNEY CAMP, or Sid, as we who knew him endearingly called him, takes from this body one of our most beloved Members. SID CAMP was a man of outstanding ability, of keen and discerning vision, a legislator of courage. And above all his kind and gentle disposition endeared him to all of us. His friends and colleagues for sometime knew of his condition and were deeply concerned about him. But his devotion to duty, when we knew he was suffering great pain, was and always will be an inspiration to us. SID CAMP represented his people in a manner which reflected credit upon them. I know they will always remember this distinguished gentleman for the honorable and trustworthy public service he rendered as their Representative in the Congress. The best evidence of the confidence and respect of his Democratic colleagues is shown by their election of him to the important and responsible assignment as a member of the Committee on Ways and Means. He loved people. His heart was with those who were sick and suffering, the underprivileged and exploited. To me, a real conservative is a sound progressive. SID CAMP was such a man. He was not only a great American, but SID CAMP was a people's Congressman. His death is a great loss to this body, to our Nation, to SID CAMP's State, and to his district.

I extend to Mrs. Camp and her son and daughter my profound sympathy in their great loss and sorrow.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, it was my privilege to know SIDNEY CAMP very well. I worked with him nearly every day for several years, and we worked on difficult matters, on taxation. He was a Democrat and I am a Republican, but I never doubted him at all because from what he said and what he did he was always understandable and always true. I speak today as having lost a real friend. He was a real man. His wife and his family can always be proud to know that SIDNEY CAMP was one man who served his country and his people well and blamelessly. Peace to his ashes.

Mr. BROWN Of Georgia. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Speaker, one of the first acquaintances I made when I came to Congress 14 years ago was SIDNEY CAMP. We served on the great Committee on the Judiciary together. He was a lovable person. He was a very able lawyer and he was a very able and distinguished Member of Congress. It was my pleasure to visit with Sid on many occasions, either in or out of committee, on matters of experiences which we had had in our lives in our respective districts. He was a very humane and deeply tolerant individual. I do not remember, either in committee or on the floor of this House, of any intemperate statement that SIDNEY CAMP ever made. He was always tolerant of the other person's viewpoint.

I join with my colleagues in paying tribute to a man who suffered blindness, who still bore up under it cheerfully, and who did a remarkable job as a Member of this House even after blindness had been visited upon him.

To his family I extend my deepest sympathy. Sid was a veteran of World War I and had served in a great division that had a magnificent war record. We had no finer or truer patriot in this House than SIDNEY CAMP, and to his family, his district which he so ably represented, and the people of Georgia I extend my deepest sympathy.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the gentlemen from Florida [Mr. LANTAFF, Mr. HALEY, and Mr. CAMPBELL] may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LANTAFF. Mr. Speaker, it is with a heavy heart that I rise to join my colleagues in paying tribute to SIDNEY CAMP. All of us will remember this distinguished, loyal American from the great State of Georgia for his untiring work on the Ways and Means Committee, and for the warm, friendly, and helpful hand he extended to us as new Members. SID CAMP was never too busy to lend his valuable counsel, advice, and efforts to any project or cause of interest to our Florida congressional delegation. The people of Miami will forever remember his leadership in furthering the establishment of the Inter-American Cultural and Trade Center at Miami. We in Congress have lost a warm and sincere friend, and the Nation has lost a brilliant, hard-working, and conscientious legislator. To his wife and family, I extend my deepest sympathy.

Mr. HALEY. Mr. Speaker, it is with heavy heart that I rise to join my colleagues in paying tribute to a great

American, SIDNEY CAMP, who dedicated his life to the service of his State and his Nation.

With his passing, Georgia has lost one of her noblest sons, the United States has lost one of her greatest citizens, and we have lost one of our most respected and able leaders. SIDNEY CAMP was a man who ever had in his heart and his words the best interests of the United States. His was a life of public service which began with his enlistment in the Army in 1917, when he served with the American Expeditionary Force in France, and found its end in his untimely death during his 13th year in the United States Congress.

Special tribute should be paid to the friendship he gave to new Members of Congress for he was a personal friend and counselor to the inexperienced. As many Congressmen, I am deeply indebted to him for the courtesies and kindnesses he extended to me since my arrival in Congress.

I extend my deepest sympathy to the members of his family, his loved ones, and the people of his State who have lost a great Representative.

Mr. CAMPBELL. Mr. Speaker, I wish to join with my colleagues and pay tribute to our late colleague, ALBERT SIDNEY CAMP.

He was truly a great and rugged American. He was keenly interested in his fellowmen and he always had time, a ready hand, and cheery word to help a new Member of Congress over the rough and difficult hurdles. His word was his bond. He loved his native State of Georgia and our Nation is finer for his having dwelled among us. He courageously represented the finest instinct of Christian America.

I offer my deepest sympathy to his wife and family.

Mr. SIKES. Mr. Speaker, death has removed one of the finest and one of the most kindly of men; one of the ablest and one of the best loved among our colleagues. As a Member of Congress, few men have inspired greater respect or confidence or have proved more effective in their work than our late colleague, the Honorable ALBERT SIDNEY CAMP. As a friend and as a counselor he was an inspiration to all who were privileged to know him. There were many who leaned upon him for guidance and we found him a source of great wisdom and of inestimable help. He had that wonderful knack of being always courteous and considerate, always patient and uncomplaining, even under the terrible physical affliction of his last years.

SID CAMP was a great and a good man. He was one of the best and truest friends I had, and my sense of loss is a deep and personal one. My earnest sympathies are extended to his family, for I know their loss is infinitely greater. His State and Nation mourn his passing, for he will long be missed.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, SID CAMP and I came to the Congress together in the 76th Congress. Since that time our association as friends from time to time has grown to a friendship which I deeply loved.

His daughter and my daughter attended the same school and were associated together. Also he has a nephew at the present time at Duke University who is known as one of the finest surgeons in the world. He probably saved my life. So I feel very heavily indebted to the Camp family.

Looking back over history, if you care to, you will find that the Camp family was probably one of the most outstanding and important families in the development of his part of the South which today is so well known. He was, as has been previously referred to, a great historian. He was also a great friend, a very close friend, of the late President Franklin Delano Roosevelt. He was the first man to place him in the pool at Warm Springs, Ga., before Mr. Roosevelt became Governor of the great State of New York. Down through the years, and even when Mr. CAMP was here in Congress, a friendship existed which he never mentioned, but it was very close and the association was frequent.

I still like to think of SID CAMP as being probably one of the greatest epicurians of his day. If you had ever attended his home or apartment, you would know that he could prepare as fine a meal as anyone ever sat down to partake.

I extend my deepest sympathy to his family. I will miss Sid. Every man who served here in this body of course is due rank. SID CAMP down through his years of service here ranked as one of the great men that has come and served in this body. And his family and children can look back on history in the years to come on a father that ranks among the great men of this time.

Mr. BROWN of Georgia. Mr. Speaker, I yield to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, the curtain of death has been drawn on a noble and illustrious life and the work and career of a fine man ends. It has been my pleasure to know and work with ALBERT SIDNEY CAMP and to form an opinion of him that placed him among the illustrious of this Nation.

When I heard of the passing of this good friend of mine I was deeply grieved. He was a grand American and rendered invaluable services, both in private and public life. He was held in the highest esteem and admiration by all of his colleagues and by all the citizens of the great State of Georgia. We have lost a valuable Member and the State of Georgia has lost a great public servant.

I feel a distinct personal loss in the passing of Sid. Being native fellow Georgians, we formed a friendship that grew through our association.

May God bless and sustain his bereaved family in this, their hour of sorrow.

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on the life, character, and service of our deceased colleague at this point in the RECORD.

The SPEAKER. Is their objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAYBURN. Mr. Speaker, ALBERT SIDNEY CAMP was a real man—noble, good, and great. He had in him all of the fine and outstanding elements of a great American—to his family I convey my deepest sympathy.

Mr. BENNETT of Florida. Mr. Speaker, I do not have the ability with words to express my sorrow and regret at the passing of Congressman SID CAMP; but I can and do say that I miss him as a true and wonderful friend of mine since I first came to Congress. He was always anxious to be of help and he was always helpful for he was an able statesman. He leaves behind him a memorial of love in the hearts of the thousands who knew and loved him. I pray that his beloved family may take comfort in their sorrow by contemplating the good way in which he used his life at all times.

Mr. DEANE. Mr. Speaker, along with my colleagues from the great State of Georgia, I would share with them in the loss all of us feel in the passing of our beloved colleague, ALBERT SIDNEY CAMP.

I especially recall his courageous devotion to duty and country no matter how great a physical handicap he was suffering, and this was particularly true during the last few months of his life when his physical condition was a source of such concern to him. I see him now walking up the corridors, entering the elevator, walking through the tunnel, or entering the House Restaurant, being guided by some faithful and loyal staff member.

His keen mind, devotion to duty and care for others were immediately noticeable when he was spoken to. Even though he lived in a little world of his own and was not able to see his friends, he knew their voices and would immediately respond by calling them by their first name. He lived in a way that will ever challenge those of us whom he has left behind.

Mr. MILLS. Mr. Speaker, I share the sadness of my colleagues in the untimely death of our friend and fellow Member, Hon. ALBERT SIDNEY CAMP. I appreciate the feelings of the other Members of the House; however, I believe that I can say that SID CAMP'S death was more of a shock to me than to most Members of the House, because I not only had the privilege of serving with him in the House, I also had the privilege of serving with him on the Committee on Ways and Means.

SID CAMP was one of the most highly respected members of our committee. This respect was given him not only because he was a true gentleman in every sense of the word, but also because of his integrity and his knowledge and understanding of the legislation which our committee handled.

Mr. CAMP'S wit and good humor were a continuous source of pleasure to the members of the committee. On many occasions, after days of hard and continuous work, SID CAMP would break the pressure and tension of our work with his homely sayings and comments.

SID CAMP's humility was matched only by his patriotism and devotion to duty. He was a man who always kept the interests of his constituents uppermost in his mind, and who would listen to any and all persons with kindness and understanding whenever they had a problem, be it personal or legislative, about which they came to see him.

I can think of few men with whom I have had the pleasure of serving in the House who were held in higher esteem than SID CAMP. His contribution to his State and the Nation will long last as a monument to his untiring and inspiring work.

The State of Georgia has lost a great champion. The Nation has lost a great statesman, and we all have lost a good friend.

I extend my deepest sympathy to Mrs. Camp, the children, and the family.

Mr. ROBESON of Virginia. Mr. Speaker, the long and faithful public service of the Hon. ALBERT SIDNEY CAMP, of Georgia, our former colleague and my good friend, is common knowledge. His devotion to his country, his State, and his people is a matter of historical record. Our testimony here regarding his service and his accomplishments in this field of endeavor evidences our knowledge and appreciation of his work.

He and I were reared in similar environments and under like conditions in small towns in the great State of Georgia. We attended different but similar public schools, and both of us completed our education at the University of Georgia.

During my first days of service here he graciously and with his customary friendliness gave me much valuable help and counsel. He contributed much toward my better understanding of the procedures and work methods of this great legislative body and encouraged me to a stronger determination through hope and faith to join with him and others here to strive for what seems best for our country and its people.

Frequently, when we could find leisure time from our congressional duties, we visited together in his office. I treasure those visits and my recollections of his interesting and informative stories which not only told of people, incidents, and events, but evidenced his sympathetic understanding and devotion to his people. He had a profound and inspiring Christian philosophy of service. His love and affection for the members of his family and his loyalty to his friends and his country were basic characteristics. He had to a remarkable degree forebearance, patience, and consideration in dealing with others.

He unselfishly helped others, and because of his talents, ability, and tenacity of purpose accomplished much. He was loved and respected and will be greatly missed.

Mr. FRAZIER. Mr. Speaker, like all Members of the House, I was deeply grieved over news of the passing of our beloved colleague, SIDNEY CAMP. I first knew him when he was an assistant United States attorney in the Georgia district adjoining the district in Tennessee that I had the honor of serving. We had many cases and other matters together in which the Government was involved. I found him then to be a lawyer of great ability, of exceptionally good judgment, and always preeminently fair.

Representative CAMP came to Congress many years before I did, but upon my arrival here he was one of the first to welcome me. He was most kind and helpful to me, as he was to all new Members who were privileged to know him. SIDNEY CAMP was a really great legislator, possessed of exceptionally fine judgment and unusual ability. The State of Georgia and the Nation have lost a great Representative, and we who served with him in the House have lost a loyal, devoted, and true friend.

I wish to join with my colleagues in exending to Mrs. Camp and other members of the family my deepest sympathy. We will all miss SID CAMP.

Mr. BYRNES of Wisconsin. Mr. Speaker, I was shocked to learn of the death of our colleague SIDNEY CAMP.

I have been enriched by the experience of knowing SIDNEY CAMP. No person could know Sid without profiting by the association.

He was a true gentleman in every sense of the word. Kind, considerate, friendly and tolerant, he was never too busy to lend a helping hand or a word of encouragement. He loved his native State of Georgia. Many times I have had the opportunity to sit and visit with Sid. He never tired of recounting the history and progress of his State. As he loved Georgia, I am sure that the people of Georgia loved him. My sincere sympathy is extended to the people of Georgia and to his family. They and the Nation have suffered a real loss. I have lost a fine and inspiring friend.

Mr. HAYS of Arkansas. Mr. Speaker, as the Members recall it was near the end of a long night's session when the news of the death of our beloved friend, SIDNEY CAMP was announced. I walked from the Chamber with a heavy heart, paused in the House Office Building for a little while, and then walked to my home east of the Capitol. The memory of our recent association was fresh in my mind. I had been privileged to know him more intimately since moving to his corridor about the time his vision failed, and out of this experience came an appreciation of qualities I had not known before. We all observed his fine performance as a legislator and were happy over the recognition he had received as a public servant. The State of Georgia and his family could indeed be proud of his achievements.

But the qualities to which I allude involved something more than a great professional career. He was a man of deep sensibilities and spiritual insight. He had told me of his enjoyment of the books which the Library provided through recorded readings and of his new appreciation for music. His uncomplaining attitude and the evidence of a deep faith were a great inspiration to those of us who had the privilege of being with him in this period of his life.

As the dawn faintly appeared on that Saturday morning walk I recalled the familiar lines of a great American poet, lines to strengthen us in the loss of friends:

> Alas for him • • •
> Who, hopeless, lays his dead away,
> Nor looks to see the breaking day
> Across the mournful marbles play!
> Who hath not learned, in hours of faith,
> The truth to flesh and sense unknown
> That life is ever lord of death,
> And love can never lose its own!

Mr. MILLER of Kansas. Mr. Speaker, again the Grim Reaper has silently entered the portals of this Chamber and taken from us one of our most beloved brothers. SIDNEY CAMP was one of that rare company of men who had courage without compromise, wisdom without pride, and love without dissimulation. As his companionship will be missed in his home, so will his good counsel be missed in this body.

I join with my colleagues in extending our sympathy to the members of his immediate family. With them we shall mourn his loss while we are yet proud to have been his friend.

Mr. EVINS. Mr. Speaker, the news of the passing of our esteemed and beloved colleague and friend, ALBERT SIDNEY CAMP, has come as a profound shock to all of us. I wish to join with my colleagues in paying a brief but sincere tribute to one whom we all admired and shall greatly miss.

The devoted family of Congressman CAMP has been deprived beyond measure. We of this body have been deprived of an inspirational colleague. The people of Georgia and the Nation have lost a faithful and able public servant whose views and efforts were devoted to the welfare of all.

ALBERT SIDNEY CAMP—or Sid, as he was known affectionately to all of us—dedicated his life to public service. His efforts and achievements in behalf of the people whom he represented were numerous. He distinguished himself as a quiet, but effective member of the great Committee on Ways and Means where he served with great ability and diligence.

His years in the Congress covered years of the most critical nature our Nation has ever experienced—and throughout the crisis and dark hours his wise and reasonable actions, speech and influence were at all times apparent and were a bulwark of strength.

In deep regret and in sadness we know that Sid will no longer be with us. He will be greatly missed.

I wish personally to extend to his bereaved family my deepest sympathy in their loss which, because of the caliber of their loved one, is also the loss of our Nation.

Mr. MURRAY. Mr. Speaker, I deeply mourn the loss of our colleague, ALBERT SIDNEY CAMP, and wish to join the other Members of the House in paying tribute to him and in expressing my deepest sympathy to his wife, son and daughter, and other members of his family. I feel a keen sense of loss in his passing away as he and I were very warm, close personal friends of many years standing. We became good friends soon after I became a Member of the House and our friendship ripened and became

warmer each year. I had such an abiding affection and high regard for him and was proud to call him one of my best and closest friends in Congress.

Over the past 12 years I have spent many happy hours in his company and I never knew a finer, more honorable, more courteous, or more affable gentleman. ALBERT SIDNEY CAMP was the soul of honor and integrity and he was always an inspiration to me. I will forever cherish the privilege of having served with him in Congress and the memory of the generous friendship he gave to me. He was a man of courage, of deep convictions, of humility, and a keen sense of justice. He was absolutely sincere and frank at all times and was wholly free of hatred, sham, pretense, and hypocrisy.

He loved people and friends and was a most interesting conversationalist and a keen student of history and government. His knowledge of the various battles of the Civil War was remarkable.

He was a plain, simple, humble man. He was a good, kindly man who was always eager to do something to help his fellow man. His many valuable contributions through a long and useful career will stand as a monument to his memory. He served our country nobly and courageously both in time of war and in time of peace, having served over 2 years, including overseas duty, with the 82d Division in World War I and having served as Assistant United States Attorney in Atlanta, Ga., before becoming a Member of Congress, where he served with honor, credit, and distinction for 15 years. He was a person of intense, deep convictions and principles and was truly a conscientious public servant. He always had the admiration and respect of his colleagues in the House and never did I hear any Member say a critical or unkind word of him. He was a good Samaritan at all times and his career was a life of service to mankind. He was truly one of God's noblemen. His countless good deeds will long be remembered and his fine sense of justice and his devotion to duty will not be forgotten. ALBERT SIDNEY CAMP was indeed a great American and an outstanding statesman.

I attended his funeral services in his home town of Newnan, Ga., along with Members of the Georgia delegation in Congress and our colleague, Representative NOBLE J. GREGORY, of Kentucky, yesterday afternoon and his many friends not only from his home town and county and from the other counties of his congressional district but from other sections of the State of Georgia were gathered there to pay their last respects. They truly mourned his loss and were deeply grieved and saddened as he was loved and admired by all classes of people in his State. He left a good name and a rich heritage to his family and his many friends. All of us will deeply miss him.

Mr. ANDREWS. Mr. Speaker, it is somehow very difficult to realize that SID CAMP is no longer with us.

SID CAMP was a quiet man, a gentle man. He spoke rarely; and when he did, his words were measured and soft.

But he walked in the mantle of greatness. He carried with him the grand traditions of an age when men were calm and diliberate; when they always weighed their words before they uttered them.

His kindliness and his courtesy were not acquired characteristics which could be shed like a cloak or a pair of gloves. They were part of his inner soul—of the inner recesses of his being.

SID CAMP was a wise man—a man of profound and balanced judgment. He had a deep understanding of the working and machinery of our Government, an understanding that is denied to most men.

He also had a basic sympathy for the problems of his fellow man—a sympathy which enabled him to comprehend the problems of people.

As a young Member of this House, I went to SID CAMP with many problems. He was my neighbor from the great State of Georgia. I always found his advice to be sound. I found his heart to be gentle and considerate.

Life is uncertain, and none of us knows how long he may be able to serve his country or his fellow man. One of the memories I shall always cherish is the loving memory of ALBERT SIDNEY CAMP. He was one of the gentlest and kindest men it has ever been my privilege to know.

Mrs. KEE. Mr. Speaker, I wish to take this opportunity to add my personal tribute to the eloquent ones paid by my colleagues to the memory of our late friend and associate, the Honorable ALBERT SIDNEY CAMP. Mr. CAMP was gentle, kindly, warm, and friendly, courageous in his personal and public life, firm in his principles and convictions, and deeply beloved by his colleagues and by all who knew him.

In remembering his sterling character, so well known to all of us and so well described by our colleagues who knew and loved him best, I am strongly reminded of two poems which were favorites of my late husband, the Honorable John Kee. The first of these poems was written by James Whitcomb Riley and was entitled "Our Kind of a Man." It was often quoted by Judge Kee in connection with friends for whom he had a particular admiration and respect. It seems to me that this poem reflects the feeling that all of us had for Mr. CAMP:

The kind of a man for you and me.
He faces the world unflinchingly,
And smites, as long as the wrong resists,
With a knuckled faith and force like fists:
He lives the life he is preaching of,
And loves where most is the need of love;
His voice is clear to the deaf man's ears;
And his face sublime through the blind man's tears;
The light shines out where the clouds were dim,
And the widow's prayer goes up for him;
The latch is clicked at the hovel door
And the sick man sees the sun once more,
And out o'er the barren fields he sees
Springing blossoms and waving trees,
Feeling as only the dying may,
That God's own servant has come that way,
Smoothing the path as it still winds on
Through the golden gate where his loved have gone.

The second poem is one that I found while going through some of Judge Kee's papers after his death. I am sorry that I do not know whether he composed it, or whether he had copied it just because it appealed to him. Anyway, it seems to me that Mr. CAMP exemplified the spirit and meaning of this poem in all that he did and said, for he was never known to say anything unkind about ayone. What a great thing it would be if more people in public life could follow his example and practice his generous and kindly philosophy. This poem is entitled "I Know Something Good About You":

Wouldn't this old world be better
If the folks we met would say—
"I know something good about you."
And treat us just that way?

Wouldn't it be fine and dandy
If each handclasp, fond and true,
Carried with it this assurance
"I know something good about you."

Wouldn't life be lots more happy
If the good that's in us all,
Were the only thing about us
That folks bothered to recall?

Wouldn't life be lots more happy
If we praised the good we see,
For there's such a lot of goodness
In the worst of you and me.

Wouldn't it be nice to practice
That fine way of thinking, too?
You know something good about me;
"I know something good about you."

I join with all of my colleagues in mourning the loss of ALBERT SIDNEY CAMP and in being grateful for the privilege of having known him. I hope that his loved ones may be comforted in their deep sorrow by the knowledge that all of us mourn and are with them in the spirit of loving sympathy and understanding.

Mr. HERLONG. Mr. Speaker, SID CAMP was one of the first men I met after I came to Washington. Both of us were named for that great general of the Confederacy, Albert Sidney Johnston. Right off we had something in common. We always addressed each other as "Albert Sidney." I believe he knew every detail of the life of the distinguished man whose name we bore. We must have fought the Battle of Shiloh a dozen times.

These memories certainly make you feel close to a man, and I was devoted to SID CAMP. He was a great and able Representative, with a heart as big as a house. He was never too busy to help some other Member. I know how much he has helped me.

I extend my deepest sympathy to his loved ones in their and America's great loss.

Mr. FERNÓS-ISERN. Mr. Speaker, a kind and great figure in the Congress passed with the death of our beloved colleague, SIDNEY CAMP. I can think of no more generous or considerate person.

I shall always think of SIDNEY CAMP as sort of a pool of sunlight. He had that manner about him which blends cheerfulness and encouragement in all situations. Even when Sid lost his sight, his cheerful attitude was not affected. He was always ready to stop for a moment and chat in a neighborly way. I feel that I have lost a dear friend.

The people of Puerto Rico whom I represent owed a special debt of gratitude to SIDNEY CAMP as one of those in the Congress who took particular concern with problems affecting Puerto Rico, and which were the subject of legislation. For example, it was he who was largely instrumental in having the social-security program extended to Puerto Rico. This was one of the most beneficial pieces of legislation for Puerto Rico which ever passed the Congress.

I believe that the extension of social security to Puerto Rico was a direct result of investigations conducted by a subcommittee of the House Ways and Means Committee which visited Puerto Rico in 1949 under the able chairmanship of SIDNEY CAMP. In a way, it will be his monument in Puerto Rico.

DISASTER RELIEF ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 479)

The SPEAKER laid before the House a message from the President of the United States, which was read, and referred to the Committee on Appropriations and Public Works and ordered to be printed.

(For President's message see pp. 11929–11932 of the Senate proceedings of Saturday, July 24, 1954.)

VISIT OF MADEMOISELLE GENEVIEVE DE GALARD-TERRAUBE—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following communication from the President of the United States, together with a letter from Mademoiselle Genevieve de Galard-Terraube, which were read:

THE WHITE HOUSE,
Washington, July 23, 1954.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I am pleased to transmit herewith a letter addressed to me by Mademoiselle Genevieve de Galard-Terraube accepting the invitation of the Congress to visit the United States and asking that her thanks be submitted to the Congress.

Sincerely,

DWIGHT D. EISENHOWER.

[Translation of letter to the President from Mademoiselle de Galard]

JUNE 28, 1954.

MR. PRESIDENT: I am profoundly touched by the great honor which it has pleased the American Congress to do me by inviting me to go to the United States. This honor belongs to all those whose lot I proudly shared for nearly 2 months and to all the nurses who, in a more obscure situation, sought to relieve the suffering of the wounded. It is on these terms that I accept with gratitude the invitation of the Congress.

In accepting this invitation I am mindful of all the families in mourning, of all those who are still out there, of those who battle and those who are in the prison camps and who, more than I, merit the honor which is paid me; their thought will stay with me and without doubt my taking to the people of the United States an echo of their heroic courage will be of a continuing aid to them.

The American Nation will understand my feelings all the better in that at this very moment it is making a generous contribution to the repatriation of the wounded of Indochina. I shall be happy, upon the occasion of my visit, to express the gratitude of the French families for this gesture which translates so well the traditional friendship of our two countries.

I beg Your Excellency to please transmit my most humble thanks to the Congress of the United States and to accept the assurances of my profoundly respectful sentiments.

GENEVIEVE DE GALARD.

CUSTOMS SIMPLIFICATION ACT OF 1954

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 10009) to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. COOPER. Mr. Speaker, reserving the right to object—and I shall not object—this bill was reported by unanimous vote of the Committee on Ways and Means. Those of us on this side are agreeable to the request of the gentleman from New York.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Customs Simplification Act of 1954."

TITLE I—REVIEW OF CUSTOMS TARIFF SCHEDULES

SEC. 101. (a) The United States Tariff Commission shall proceed promptly to make a complete study of all provisions of the customs laws of the United States under which imported articles may be classified for the purpose of determining the applicable rate of duty or exemption from duty, including the dutiable and free lists and certain special provisions of the Tariff Act of 1930, as amended and as modified, the provisions of the Internal Revenue Code relating to the duties designated as import taxes, as amended and as modified, and other laws. The Commission shall compile a revision and consolidation of such provisions of the customs laws which, in the judgment of the Commission, will accomplish to the extent practicable the following purposes:

(1) Established schedules of tariff classifications which will be logical in arrangement and terminology and adapted to the changes which have occurred since 1930 in the character and importance of articles produced in and imported into the United States and in the markets in which they are sold.

(2) Eliminate anomalies and illogical results in the classification of articles.

(3) Simplify the determination and application of tariff classifications with respect to particular products by (i) eliminating multiple provisions for the tariff treatment of the same product; (ii) revising tariff descriptions; (iii) establishing a single classification provision for each group of articles which are subject now to different classifications but which are similar in character and in competitive relationship to products of the United States; (iv) changing forms of rates of duty; and (v) establishing consistent and simplified principles and standards of tariff classification.

(b) The schedules prepared in accordance with subsection (a) shall specify two recommended rates of duty for each classification provision in the dutiable schedules, which rates may be identical or different. Such rates shall be respectively (1) the rate, or equal in ad valorem equivalent to the rate or rates, applicable on the date of completion of the schedules (even though temporarily suspended by act of Congress) to articles covered by such classification provision which are products of countries whose products are not at that time entitled to the benefits of reduced rates of duty established pursuant to trade agreements entered into under the authority of section 350 of the Tariff Act of 1930, as amended (U. S. C., 1952 ed., title 19, sec. 1351), and (2) the rate, or equal in ad valorem equivalent to the rate or rates, applicable on the date of completion of the schedules (even though temporarily suspended by act of Congress) to articles covered by such classification provision which are products of countries, other than Cuba and the Philippine Republic, whose products are at that time entitled to the benefits of rates of duty established pursuant to the aforesaid trade agreements. For the purposes of specifying all rates of duty in the schedules, such tolerances shall be applied as the Commission shall deem appropriate to round out the rates within reasonable standards of uniformity. If the Commission in preparing its schedules changes the form of the rate of any duty, or establishes a single classification provision for a group of articles formerly subject to different rates of duty, the revised rates, whether ad valorem, specific, or compound, shall be those which, in the judgment of the Commission, will bring substantially the same amount of duties as would have been collected by application of the superseded rate or rates, based upon reasonably available information as to the amounts of duties which were and would have been collected on imports entered, or withdrawn from warehouse, for consumption, during the calendar years 1952 and 1953.

(c) The schedules prepared in accordance with the preceding subsections, shall be accompanied by a statement of the amount of each difference between an existing rate and the corresponding rate in the schedule, based upon reasonably available information as to the amounts of duties which were, and which by application of the schedule rates would have been, collected on imports entered, or withdrawn from warehouse, for consumption, during the calendar years 1952 and 1953. They shall also be accompanied by summaries of all the data on the basis of which the new rates in the schedules were calculated.

(d) Not later than 2 years after the enactment of this act the Commission shall transmit copies of the schedules and accompanying data to the President and to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(e) On or before March 15, 1955, the Commission shall report to the President and to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (1) the progress that has been made in carrying out the provisions of this section, (2) the significant complexities of tariff classification that have been developed as existing in the present law, and (3) suggestions as to standards and methods which might be adopted for a simplification of existing tariff schedules without significant changes in tariff levels.

(f) There are hereby authorized to be appropriated such sums as may be required to enable the United States Tariff Commission to carry out the functions assigned to it by this section.

TITLE II—TARIFF CLASSIFICATION OF UNENUMERATED ARTICLES

SEC. 201. Paragraph 1559 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 1559), is amended to read as follows:

"PAR. 1559. (a) Each and every imported article, not enumerated in this act, which is similar in the use to which it may be applied to any article enumerated in this act as chargeable with duty, shall be subject to the same rate of duty as the enumerated article which it most resembles in the particular before mentioned; and if any nonenumerated article equally resembles in that particular two or more enumerated articles on which different rates of duty are chargeable, it shall be subject to the rate of duty applicable to that one of such two or more articles which it most resembles in respect of the materials of which it is composed.

"(b) The words 'component of chief value,' wherever used in this act, shall be held to mean that component material which shall exceed in value any other single component material of the article involved; and the value of each component material shall be determined by the ascertained value of such material in its condition as found in the article.

"(c) If two or more enumerations shall be equally applicable to any article, it shall be subject to duty at the highest rate prescribed for any such enumeration."

TITLE III—AMENDMENTS TO THE ANTIDUMPING ACT, 1921

SEC. 301. Section 201 of the Antidumping Act, 1921 (U. S. C., 1952 edition, title 19, sec. 160), is amended to read as follows:

"SEC. 201. (a) Whenever the Secretary of the Treasury (hereinafter called the 'Secretary') determines that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, he shall so advise the United States Tariff Commission, and the said Commission shall determine within 3 months thereafter whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. The said Commission, after such investigation as it deems necessary, shall notify the Secretary of its determination, and, if that determination is in the affirmative, the Secretary shall make public a notice (hereinafter in this act called a 'finding') of his determination and the determination of the said Commission. The Secretary's finding shall include a description of the class or kind of merchandise to which it applies in such detail as he shall deem necessary for the guidance of customs officers.

"(b) Whenever, in the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, the Secretary has reason to believe or suspect, from information presented to him, that the purchase price is less, or that the exporter's sale price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the cost of production), he shall forthwith authorize, under such regulations as he may prescribe, the withholding of appraisement reports as to such merchandise entered, or withdrawn from warehouse, for consumption, not more than 60 days before the question of dumping has been presented to him, until the further order of the Secretary, or until the Secretary has made public a finding as provided for in subdivision (a) in regard to such merchandise."

SEC. 302. Subsection (a) of section 202 of the Antidumping Act, 1921 (U. S. C., 1952 edition, title 19, sec. 161 (a)) is amended to read as follows:

"(a) In the case of all imported merchandise, whether dutiable or free of duty, of a class or kind as to which the Secretary of the Treasury has made public a finding as provided for in section 201, entered, or withdrawn from warehouse, for consumption, not more than 60 days before the question of dumping was presented to the Secretary, and as to which no appraisement report has been made before such finding has been so made public, if the purchase price or the exporter's sale price is less than the foreign market value (or in the absence of such value, than the cost of production) there shall be levied, collected, and paid, in addition to any other duties imposed thereon by law, a special dumping duty in an amount equal to such difference."

TITLE IV—IMPORTATIONS FROM INSULAR POSSESSIONS

SEC. 401. Part I of title III of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, subtitle III, pt. I), is further amended by inserting at the beginning thereof the following new section:

"SEC. 301. Insular possessions.

"There shall be levied, collected, and paid upon all articles coming into the United States from any of its insular possessions, except Puerto Rico, the rates of duty which are required to be levied, collected, and paid upon like articles imported from foreign countries; except that all articles the growth or product of any such possession, or manufactured or produced in any such possession from materials the growth, product, or manufacture of any such possession or of the United States, or of both, which do not contain foreign materials to the value of more than 50 percent of their total value, coming into the United States directly from any such possession, and all articles previously imported into the United States with payment of all applicable duties and taxes imposed upon or by reason of importation which are shipped from the United States, without remission, refund, or drawing back of such duties or taxes, directly to the possession from which it is being returned by direct shipment, shall be admitted free of duty upon compliance with such regulations as to proof of origin as may be prescribed by the Secretary of the Treasury. In determining whether an article produced or manufactured in any such insular possession contains foreign materials to the value of more than 50 percent, no material shall be considered foreign which, at the time such article is entered, or withdrawn from warehouse, in the United States for consumption, may be imported into the United States from a foreign country, other than Cuba or the Philippine Republic, free of duty."

SEC. 402. (a) Section 3 of the act of March 3, 1917 (39 Stat. 1133), as amended (U. S. C., 1952 edition, title 48, sec. 1394), is amended to read as follows:

"SEC. 3. All articles coming into the United States from the Virgin Islands shall be subject to or exempt from duty as provided for in section 301 of the Tariff Act of 1930 and subject to internal-revenue taxes as provided for in section 3350 of the Internal Revenue Code."

(b) Section 27 of the act of August 1, 1950 (64 Stat. 392; U. S. C., 1952 edition, title 48, sec. 1421e), is amended to read as follows:

"SEC. 27. All articles coming into the United States from Guam shall be subject to or exempt from duty as provided for in section 301 of the Tariff Act of 1930."

TITLE V—OBSOLETE PROVISIONS OF CUSTOMS LAWS

SEC. 501. The following obsolete, inoperative, and unnecessary statutes and parts thereof relating to the duties, functions, and operations of certain officers and employees of the Customs Service are repealed:

1. Section 2649, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 12).

2. Section 1 of the act of March 4, 1911 (ch. 285, 36 Stat. 1393), as amended, and so much of the acts of August 15, 1876 (19 Stat. 152), March 3, 1891 (26 Stat. 968), March 4, 1911 (36 Stat. 1393), and March 4, 1923 (42 Stat. 1453), as relate to the number and titles of special agents or members of the Customs Special Agency Service (U. S. C., 1952 edition, title 19, sec. 13).

3. Section 2651, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 14).

4. Section 2999, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 15).

5. Section 2940, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 16).

6. Section 2941, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 17).

7. Section 2942, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 18).

8. Section 2616, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 21).

9. Section 2614, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 22).

10. Section 2615, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 23).

11. Section 2617, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 24).

12. Section 2611, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 26).

13. Section 11 of the act of February 8, 1875 (c. 36; 18 Stat. 309), as amended (U. S. C., 1952 edition, title 19, sec. 27).

14. Act of September 24, 1914 (ch. 309, 38 Stat. 716; U. S. C., 1952 edition, title 19, sec. 28).

15. Section 2627, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 40).

16. Section 2687, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 53).

17. Section 2646, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 54).

18. Section 2647, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 55).

19. Section 2944, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 56).

20. Section 2648, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 57).

21. Section 2635, Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 59).

22. Section 2580, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 61).

23. Act of December 18, 1890 (ch. 22, 26 Stat. 690), as amended (U. S. C., 1952 edition, title 19, sec. 62).

24. Section 258, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 67).

25. Section 2612, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 379).

26. Section 2918, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 390).

27. Section 13 of the act of June 22, 1874 (ch. 391, 18 Stat. 188, U. S. C., 1952 edition, title 19, sec. 494).

28. Act of February 10, 1913 (ch. 35, 37 Stat. 665; U. S. C., 1952 edition, title 19, sec. 542).

29. Section 3650, Revised Statutes, as amended (U. S. C., 1952 edition, title 31, sec. 549).

30. So much of section 3689 of the Revised Statutes (U. S. C., 1952 edition, title 31, sec. 711 (7)) as reads: "Repayment of excess of deposits for unascertained duties (customs): To repay to importers the excess of deposits for unascertained duties, or duties or other moneys paid under protest."

31. So much of section 1 of the act of September 30, 1890 (ch. 1126, 26 Stat. 511), as reads: "And such clerks and inspectors of

customs as the Secretary of the Treasury may designate for the purpose shall be authorized to administer oaths, such as deputy collectors of customs are now authorized to administer, and no compensation shall be paid or charge made therefor."

SEC. 502. Subsection (f) of section 500 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1500 (f)) is amended by deleting from the second sentence the words "take the oath,".

SEC. 503. Section 583 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1583) is amended by deleting therefrom the words "the back of."

TITLE VI—CUSTOMS ADMINISTRATIVE PROVISIONS

SEC. 601. (a) The parenthetical matter first appearing in the second sentence of section 4197 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 46, sec. 91), is amended to read as follows: "(other than a licensed yacht or an undocumented American pleasure vessel not engaged in any trade nor in any way violating the customs or navigation laws of the United States)."

(b) Section 441 (3) of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1441 (3)), is further amended to read as follows:

"(3) Licensed yachts or undocumented American pleasure vessels not engaged in trade nor in any way violating the customs or navigation laws of the United States and not having visited any hovering vessel: *Provided*, That the master of any such vessel which has on board any article required by law to be entered shall be required to report such article to the collector within 24 hours after arrival."

(c) Sections 4218 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 46, sec. 106), is repealed.

SEC. 602. Section 3062 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 483), relating to forfeitures and penalties for aiding unlawful importation, is repealed, and in lieu thereof there is inserted in the Tariff Act of 1930, as amended, immediately after section 595 thereof (U. S. C., 1952 edition, title 19, sec. 1595) the following new section:

"SEC. 596. Aiding unlawful importation

"(a) Every vessel, vehicle, animal, aircraft, or other thing used in, to aid in, or to facilitate, by obtaining information or in any other way, the importation, bringing in, unlading, landing, removal, concealing, harboring, or subsequent transportation of any article which is being or has been introduced, or attempted to be introduced, into the United States contrary to law, whether upon such vessel, vehicle, animal, aircraft, or other thing or otherwise shall be seized and forfeited together with its tackle, apparel, furniture, harness, or equipment.

"(b) Every person who directs, assists financially or otherwise, or is in any way concerned in any unlawful activity mentioned in the preceding subsection shall be liable to a penalty equal to the value of the article or articles introduced or attempted to be introduced."

SEC. 603. (a) The first two sentences of section 451 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1451), are further amended to read as follows: "Before any such special license to unlade shall be granted, the master, owner, or agent of such vessel or vehicle, or the person in charge of such vehicle, shall be required to deposit sufficient money to pay, or to give a bond in an amount to be fixed by the Secretary conditioned to pay, the compensation and expenses of the customs officers and employees assigned to duty in connection with such unlading at night or on Sunday or a holiday, in accordance with the provisions of section 5 of the act of February 13, 1911, as amended (U. S. C., 1952 edition, title 19, sec. 267). In lieu of such deposit or bond the owner or agent of any vessel or vehicle or line of vessels or vehicles may execute a bond in an amount to be fixed by the Secretary of the Treasury to cover and include the issuance of special licenses for the unlading of such vessels or vehicles for a period not to exceed 1 year."

(b) The third sentence of section 451 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1451), is further amended by inserting "deposits sufficient money to pay, or" after the words "person requesting such services" now appearing therein and by deleting the words "a penal sum" and inserting in lieu thereof the words "an amount."

SEC. 604. Section 581 (d) of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1581 (d)), is further amended to read as follows:

"(d) Any vessel or vehicle which, at any authorized place, is directed to come to a stop by any officer of the customs, or is directed to come to a stop by signal made by any vessel employed in the service of the customs and displaying proper insignia, shall come to a stop, and upon failure to comply a vessel or vehicle so directed to come to a stop shall become subject to pursuit and the master, owner, operator, or person in charge thereof shall be liable to a penalty of not more than $5,000 nor less than $1,000."

SEC. 605. Section 605 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1605), as amended by adding at the end thereof the following:

"Pending such disposition, the property shall be stored in such place as, in the collector's opinion, is most convenient and appropriate with due regard to the expense involved, whether or not the place of storage is within the judicial district or the customs collection district in which the property was seized; and storage of the property outside the judicial district or customs collection district in which it was seized shall in no way affect the jurisdiction of the court which would otherwise have jurisdiction over such property."

SEC. 606. Sections 607, as amending, 610, and 612 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, secs. 1607, 1610, 1612) are amended by deleting "$1,000" wherever that amount is stated therein and substituting "$2,500."

SEC. 607. Section 545 of title 18 of the United States Code is amended by inserting after "this section" in the fifth paragraph the following ", or the value thereof, to be recovered from any person described in the first or second paragraph of this section."

TITLE VII—EFFECTIVE DATE

SEC. 701. Titles II, III, IV, and VI of this act shall be effective on and after the 30th day following the date of the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD an explanation of the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, H. R. 10009 which was reported unanimously by the Ways and Means Committee is intended to continue the program of customs simplification and management improvement in accordance with the recommendation of the President's message to the Congress on foreign economic policy of March 30, 1954. This bill, the Customs Simplification Act of 1954, is a further development and continuation of the program initiated by the Customs Simplification Act of 1953. The present bill will accomplish the following purposes:

First. Begin the work necessary to bring about a revision of the tariff classification schedules, a job which has not been done since the enactment of the Tariff Act of 1930, and also the procedures for the classification of unenumerated articles pending an overall revision of the tariff;

Second. Make certain procedural changes in the Antidumping Act, 1921, which will permit more efficient consideration and determination of dumping cases;

Third. Eliminate certain inconsistencies in the present law relating to the application of duties to products of our insular possessions;

Fourth. Repeal a number of obsolete provisions relating to the customs service; and

Fifth. Adopt a number of procedural changes designed to permit the Bureau of Customs to enforce the customs laws more effectively.

H. R. 9476 was introduced in this session of Congress, based on suggestions by the Treasury Department and designed to carry out certain recommendations of the President's message of March 30 on foreign economic policy. The Committee on Ways and Means held extensive public hearings on H. R. 9476. After consideration in executive session H. R. 10009 was introduced to embody the committee's decisions on the questions involved.

We have been informed by the Assistant Secretary of the Treasury during the public hearings that the enactment of the Customs Simplification Act of 1953, sponsored by your committee during the last session of Congress, has been largely instrumental in bringing about a substantial decrease in the backlog of uncompleted customs work. This reversed a trend which had been uninterrupted since the end of the war. In my opinion the enactment of this bill will aid the Treasury Department and the Bureau of Customs further to increase efficiency.

Title I of the bill relates to tariff classification. At the present time there are probably more than 8,000 distinct duty classifications for tariff purposes. A businessman in this country desiring to import a new product must necessarily determine the correct duty classification. Since the tariff classification descriptions were drafted in the light of the known commodities involved in international trade in the late 1920's, even experienced importers and administrative officials frequently find difficulty in deciding which tariff classification is correct.

These difficulties are complicated by the fact that the tariff classification schedules do not follow any systematic or uniform pattern or set of principles.

The bill authorizes the Tariff Commission to begin immediately the review necessary to propose a revision of the

tariff schedules in order to avoid any loss of time.

Without providing for putting any revision into effect, the bill requires that the study by the Tariff Commission be completed in 2 years and that it result in the preparation of revised schedules to be transmitted to the President and to the chairman of the appropriate committees of Congress, accompanied by summary statements of all the data on which the new descriptions or rates were based and all differences between existing and suggested rates.

The bill also requires the Tariff Commission to report to the Congress by March 15, 1955, its views and recommendations based upon its preliminary studies as to the appropriate standards and methods to be adopted for a simplification of existing tariff schedules without significant changes in tariff levels. With the benefit of these recommendations, the Congress can more effectively consider legislation to implement the revision proposed by the Tariff Commission. In suggesting methods for simplifying the schedules the Commission will, of course, take into consideration the problem of adjusting trade-agreement commitments to any proposed tariff revision.

The bill provides that under antidumping proceedings the determination of injury to domestic industry can be more effectively made by the Tariff Commission than by the Secretary of the Treasury. Title III of the bill therefore transfers this function to that Commission, thus leading to more efficient administration of the antidumping law. It is expected, of course, that the Commission will give interested parties notice of the institution of an injury investigation and will afford them reasonable opportunity to present their views at public hearings.

Titles II, IV, V, and VI are administrative measures to repeal or correct outmoded or cumbersome provisions of the customs law. These titles are explained in the section-by-section discussion of the report.

DISTRICT OF COLUMBIA DAY

The SPEAKER. This is District of Columbia day. The Chair recognizes the gentleman from Illinois [Mr. SIMPSON], chairman of the Committee on the District of Columbia.

REGULATIONS FOR PERIOD OF AMERICAN LEGION CONVENTION

Mr. SIMPSON of Illinois. Mr. Speaker, I call up the resolution (H. J. Res. 560) to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the American Legion National Convention of 1954, to authorize the granting of certain permits to the American Legion 1954 Convention Corporation on the occasion of such convention, and for other purposes, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. McMILLAN. Mr. Speaker, reserving the right to object, will the gentleman explain the purpose of the bill?

Mr. SIMPSON of Illinois. This is a joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the American Legion National Convention of 1954, to authorize the granting of certain permits to the American Legion 1954 Convention Corp. on the occasion of such convention, which will last for a period of probably 1 week.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the resolution, as follows:

Resolved, etc., That for the American Legion National Convention to be held in the District of Columbia for the period from August 25 to September 7, 1954, both inclusive, the Commissioners are authorized and directed to make all reasonable regulations necessary to secure the preservation of public order and protection of life, health, and property; to make special regulations respecting the standing, movement, and operation of vehicles of whatever character or kind during said period; and to grant under such conditions as they may impose, special licenses to peddlers and vendors for the privilege of selling goods, wares, and merchandise in such places in the District of Columbia, and to charge such fees for such privilege, as they may deem proper.

SEC. 2. For the purposes of this joint resolution, the term "Commissioners" means the Commissioners of the District of Columbia or their designated agent or agents; the term "Corporation" means the American Legion 1954 Convention Corporation of the District of Columbia; and the term "convention" means the American Legion National Convention of 1954 to be held in Washington, D. C., on August 29, 30, and 31 and September 1 and 2, 1954.

SEC. 3. The Superintendent of National Capital Parks with the approval of such officer as may exercise jurisdiction over any of the Federal reservations or grounds in the District of Columbia, other than those areas under the jurisdiction of the Congress or any committee thereof, is authorized to grant to the corporation permits for the use of such reservations or grounds during the convention, including a reasonable time prior and subsequent thereto; the Architect of the Capitol is authorized to grant like permits for the use of those areas under the jurisdiction of the Congress or any committee thereof; and the Commissioners are authorized to grant like permits for the use of public space under their jurisdiction, including the grounds and stadia of the public schools. Each such permit shall be subject to such restrictions, terms, and conditions as may be imposed by the grantor of such permit. No stand or other structure shall be built on any sidewalk, street, park, reservation or other public grounds in the District of Columbia, except with the approval of the corporation, and with the approval of the Superintendent of National Capital Parks, the Architect of the Capitol, or the Commissioners, as the case may be, depending on the location of such stand. The reservations, grounds, or public spaces occupied by the stands or other structures shall, after the convention, be promptly restored to their previous condition. The corporation shall idemnify and save harmless the District of Columbia and the appropriate agency or agencies of the Federal Government against any loss or damage to such property and against any liability arising from the use of such property, either by the corporation or a licensee of the corporation.

SEC. 4. The Commissioners are authorized to permit the corporation to install suitable overhead conductors and install suitable lighting or other electrical facilities, with adequate supports, for illumination or other purposes. If it should be necessary to place wires for illuminating or other purposes over any park or reservation in the District of Columbia, such placing of wires and their removal shall be under the supervision of the official in charge of said park or reservation. Such conductors with their supports shall be removed on or before September 15, 1954. The Commissioners, or such other officials as may have jurisdiction in the premises, shall enforce the provisions of this joint resolution, take needful precautions for the protection of the public, and insure that the pavement of any street, sidewalk, avenue, or alley which is disturbed or damaged is restored to its previous condition. No expense or damage from the installation, operation, or removal of said temporary overhead conductors or said illumination or other electrical facilities shall be incurred by the United States or the District of Columbia, and the corporation shall indemnify and save harmless the District of Columbia and the appropriate agency or agencies of the Federal Government against any loss or damage and against any liability whatsoever arising from any act of the corporation or any agent, licensee, servant, or employee of the corporation.

SEC. 5. Such agencies of the Department of Defense as the Secretary of Defense may designate are authorized to lend to the corporation such hospital tents, smaller tents, camp appliances, hospital furniture, ensigns, flags, ambulances, drivers, stretchers, and Red Cross flags and poles (except battle flags) as may be spared without detriment to the public service, and under such conditions as they may prescribe: *Provided*, That such loan shall be returned by the 15th day of September 1954, and the corporation shall indemnify the Government for any loss or damage to any of such property, and no expense shall be incurred by the United States Government for the delivery, return, rehabilitation, replacement, or operation of such equipment. The corporation shall give a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

SEC. 6. The Commissioners, the Architect of the Captiol, the Superintendent of National Capital Parks, and the corporation are authorized to permit telegraph, telephone, radio-broadcasting, and television companies to extend overhead wires to such points along the line of any parade as shall be deemed convenient for use in connection with such parade and other convention purposes. Such wires shall be removed within 10 days after the conclusion of the convention.

SEC. 7. The regulations and licenses authorized by this act shall be in full force and effect only during the period August 25 to September 7, 1954, both inclusive. Such regulations shall be published in one or more of the daily newspapers published in the District of Columbia and no penalty prescribed for the violation of any such regulation shall be enforced until 5 days after such publication. Any person violating any regulation promulgated by the Commissioners under the authority of this act shall be fined not more than $100 or imprisoned for not more than 30 days. Each and every day a violation of any such regulation exists shall constitute a separate offense, and the penalty prescribed herein shall be applicable to each such separate offense.

The joint resolution was ordered to be engrossed and read a third time, was

read the third time, and passed, and a motion to reconsider was laid on the table.

THE AMERICAN LEGION NATIONAL CONVENTION OF 1954

Mr. SIMPSON of Illinois. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the joint resolution (H. J. Res. 561) to authorize the quartering in public buildings in the District of Columbia of troops participating in activities related to the American Legion national convention of 1954, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That, notwithstanding any other provision of law, the Administrator of General Services and the respective heads of executive departments and establishments may allocate such space in any public building under their care and supervision as they deem necessary for the purpose of quartering, for a period not exceeding 5 days beginning not earlier than the 29th day of August in the year 1954, troops participating in activities related to the American Legion national convention of 1954: *Provided*, That with respect to troops other than military units of the United States, the American Legion 1954 Convention Corporation of the District of Columbia shall indemnify and save harmless the Federal Government, its executive departments and establishments from any loss or damage or from any liability whatsoever arising from the use of such space in such buildings.

With the following committee amendment:

Page 2, line 1, strike all after the colon and insert the following: "*Provided*, That the Department of Defense shall reimburse the executive agency responsible for care and supervision of the building for any damage thereto done by such troops, and such reimbursement may be credited to the appropriation or fund available for repair and maintenance of the building."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT OF COLUMBIA CREDIT UNIONS ACT

Mr. TALLE. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 3683) to amend the District of Columbia Credit Unions Act, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the District of Columbia Credit Unions Act is hereby amended by striking out "Comptroller of the Currency" and inserting in lieu thereof "Director of the Bureau of Federal Credit Unions."

SEC. 2. Section 6 of such act is hereby amended to read as follows:

"SEC. 6. (a) Credit unions established under this act shall be under the supervision of the Director of the Bureau of Federal Credit Unions. They shall make such financial reports to him (at least annually) as he may require.

"(b) Not later than January 31 of each calendar year each credit union established under this act shall pay to the Bureau of Federal Credit Unions, for the preceding calendar year, a supervision fee in accordance with the scale prescribed for Federal credit unions. All such fees shall be deposited with the Treasurer of the United States for the account of the Bureau in the special fund created by section 5 of the Federal Credit Union Act and may be expended by the Director for such administrative and other expenses incurred in carrying out the provisions hereof as he may determine to be proper, the purpose of such fees being to defray, as far as practical, the administrative and supervisory costs of the Bureau incident to the execution of its functions under this act.

"(c) Each credit union established under this act shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the Director. The scale of examination fees prescribed for Federal credit unions shall also be applicable to credit unions established under this act which fees shall be assessed against and paid by each credit union established under this act promptly after the completion of such examination. Examination fees collected under the provisions of this section shall be deposited to the credit of the special fund created by section 5 of the Federal Credit Union Act, and shall be available for the purposes specified in subsection (a) of this section.

"(d) It shall be unlawful for any credit union established under this act to transact business in the District of Columbia without procuring a license from the District of Columbia; and all such credit unions shall pay a license tax of $5 per annum to the District of Columbia. No license shall be granted for a longer period than 1 year: *Provided*, That the Commissioners of the District of Columbia may suspend or revoke a license upon proof of the bankruptcy or insolvency of any such credit union or upon conviction of a violation of any provision of this act or any law or regulation of the District of Columbia or of the United States."

SEC. 3. Section 12 of such act is hereby amended by striking out "Comptroller of the Currency" and inserting in lieu thereof "Director of the Bureau of Federal Credit Unions."

With the following committee amendment:

Page 3, line 1, after "subsection", strike "(a)" and insert in lieu thereof "(b)."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT OF COLUMBIA POLICE AND FIREMEN'S SALARY ACT OF 1953

Mr. KEARNS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 3329) to amend the District of Columbia Police and Firemen's Salary Act of 1953 to correct certain inequities, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (d) of section 102 of the District of Columbia Police and Firemen's Salary Act of 1953, approved June 20, 1953 (67 Stat. 77), as amended, is amended to read as follows:

"(d) The minimum basic salaries contained in subsection (a) of section 101 of this act in the grade or rank of chief of police shall not be increased by more than four longevity increases, nor shall the minimum basic salaries of grades or ranks below that of chief of police be increased by more than five longevity increases."

SEC. 2. Section 102 of said act is amended by adding thereto the following new subsection:

"(f) In initially adjusting salaries in accordance with the provisions of this section, any officer or member promoted from a lower grade to a higher grade prior to July 1, 1953, shall receive credit for such part of continuous service in both grades for longevity purposes as is necessary to establish his basic salary, including longevity pay, at least equal to the basic salary he would have received under the provisions of this section in the lower grade had such promotion not been made. Service for future longevity increases of any officer or member whose salary is adjusted under authority of this subsection shall begin as of the date such adjustment became effective."

SEC. 3. Subsection (d) of section 202 of said act, as amended, is amended to read as follows:

"(d) The minimum basic salaries contained in subsection (a) of section 201 of this act in the grade or rank of fire chief shall not be increased by more than four longevity increases, nor shall the minimum basic salaries of grades or ranks below that of fire chief be increased by more than five longevity increases."

SEC. 4. Section 202 of said act is amended by adding thereto the following new subsection:

"(f) In initially adjusting salaries in accordance with the provisions of this section, any officer or member promoted from a lower grade to a higher grade prior to July 1, 1953, shall receive credit for such part of continuous service in both grades for longevity purposes as is necessary to establish his basic salary, including longevity pay, at least equal to the basic salary he would have received under the provisions of this section in the lower grade had such promotion not been made. Service for future longevity increases of any officer or member whose salary is adjusted under authority of this subsection shall begin as of the date such adjustment became effective."

SEC. 5. The provisions of this amending act shall become effective as of July 1, 1953.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That subsection (d) of section 102 of the District of Columbia Police and Firemen's Salary Act of 1953, approved June 20, 1953 (67 Stat. 77), as amended, is amended to read as follows:

"'(d) The minimum basic salaries contained in subsection (a) of section 101 of this act in the grade or rank of Chief of Police shall not be increased by more than four longevity increases, nor shall the minimum basic salaries of grades or ranks below

that of Chief of Police be increased by more than five longevity increases'.

"SEC. 2. Section 201 of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by inserting after subsection (a) the following new subsection:

"'(b) The annual basic salary of a private of any class of the Fire Department of the District of Columbia shall be increased by—

"'(1) $390, while he is assigned to duty as an aide to the Fire Chief or to a Deputy or Battalion Fire Chief;

"'(2) $208, while he is assigned to duty as a regular first driver-operator or tillerman of a fire department hose wagon, pumper, aerial ladder truck, rescue squad, or fire department ambulance;

"'(3) $390, while he is assigned to duty as a chief radio technician; and

"'(4) $208, while he is assigned to duty as a chief photographer.'

"SEC. 3. Section 202 (b) of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by adding at the end thereof the following new sentence: 'In computing service in the grade of inspector for the purpose of determining longevity increases, service in excess of 3 years rendered prior to the effective date of this act in the grade of private, when the individual was assigned to duty as a fire inspector or assistant marine engineer shall be considered service in the grade of inspector'.

"SEC. 4. The amendments made by this act shall take effect on the first day of the first pay period of the Fire Department of the District of Columbia which begins after the date of its enactment, except that the amendment made by section 2 shall take effect on July 1, 1953."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF DISTRICT OF COLUMBIA TRAFFIC ACT

Mr. KEARNS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 1585) to amend the District of Columbia Traffic Act, 1925, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

Mr. McMILLAN. Mr. Speaker, I make the point of order against the bill that we did not have a quorum to report the bill to the House.

The SPEAKER. Does the gentleman from Pennsylvania desire to withdraw the bill?

Mr. KEARNS. I withdraw the bill, Mr. Speaker.

ASSESSMENT OF REAL ESTATE IN DISTRICT OF COLUMBIA

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7128) to amend the act entitled "An act to provide an immediate revision and equalization of real-estate values in the District of Columbia; also to provide an assessment of real estate in said District in the year 1896 and every third year thereafter, and for other purposes," with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out lines 3 to 11, inclusive, and insert:

"The Commissioners of the District of Columbia shall appoint as a permanent board of assistant assessors such persons as are conversant with real estate values in the District of Columbia and who have been bona fide residents of the District for a period of at least 5 years, except that 2 of such appointees may be persons who have been bona fide residents of the District of Columbia metropolitan area for a period of at least 5 years'."

Page 2, after line 19, insert:

"SEC. 2. Where any provision of this act, or any amendment made by this act, refers to an office or agency abolished by Reorganization Plan No. 5 of 1952, such reference shall be deemed to be to the office, agency, or officer designated by the Commissioners to perform the functions of the office or agency so abolished."

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

OFFICE OF RECORDER OF DEEDS, DISTRICT OF COLUMBIA

Mr. O'HARA of Minnesota. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 3518) to amend the laws relating to fees charged for services rendered by the Office of the Recorder of Deeds for the District of Columbia, and the laws relating to appointment of personnel in such office, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) notwithstanding the provisions of section 552 of subchapter 4 of chapter 16 of the act approved March 3, 1901, as amended (sec. 45–708, D. C. Code, 1951 edition); section 12 of the act approved July 2, 1940, as amended and supplemented by the act approved June 19, 1948 (secs. 45–712 and 45–712a, D. C. Code, 1951 edition), or any other act of Congress, the Commissioners of the District of Columbia may, from time to time, increase or decrease the fees authorized to be charged for filing, recording, and indexing or for making a certified copy of any instrument; for searching for records; for taking acknowledgments; for recording plats; for filing affidavits; for filing certificates of incorporation and amendments of certificates; for recording liens, assignments of liens, or releases of liens on motor vehicles or trailers; or for any other service rendered by the office of the Recorder of Deeds.

(b) The fees for services rendered by the office of the Recorder of Deeds shall be fixed at such rates, computed on such bases and in such manner as may be in the judgment of the Commissioners, be necessary to defray the approximate cost of operating the office of the Recorder of Deeds.

(c) Nothing in this section shall be construed as authorizing the Commissioners to modify any provision of the District of Columbia Business Corporation Act, approved June 8, 1954.

SEC. 2. Section 548 of the Code of Laws for the District of Columbia, as amended by the act approved June 9, 1952 (66 Stat. 129; sec. 45–701, D. C. Code, 1951 edition), is amended by adding at the end thereof the following: "All of the duties and functions of the Recorder of Deeds and of officers and employees in his office shall be performed subject to the supervision and control of the Commissioners of the District."

SEC. 3. Section 549 of the Code of Laws for the District of Columbia, as amended by the act approved June 9, 1952 (sec. 45–702, D. C. Code, 1951 edition), is amended by striking "The Recorder of Deeds is authorized to appoint a deputy recorder" and inserting in lieu thereof "The Commissioners of the District of Columbia are authorized to appoint a deputy recorder of deeds."

SEC. 4. (a) So much of the first sentence of the act approved March 3, 1925 (43 Stat. 1102, ch. 416), as amended by the act approved June 9, 1952 (66 Stat. 129); sec. 45–703, D. C. Code, 1951 edition), as read: "That the Recorder of Deeds is authorized to appoint a second deputy recorder" is amended to read "The Commissioners of the District of Columbia are authorized to appoint a second deputy recorder of deeds."

(b) The third sentence of such act approved March 3, 1925, as amended by such act approved June 9, 1952, is amended to read: "The Commissioners of the District of Columbia shall appoint all employees in the office of the Recorder of Deeds, except the Recorder, in accordance with civil-service laws and fix the compensation of all employees in such office in accordance with the Classification Act of 1949, as amended, and the said Commissioners may delegate to any officer subordinate to them the function of appointing any of the employees in such office other than the Recorder."

SEC. 5. Clause (p) of section 2 of the District of Columbia Business Corporation Act (68 Stat. 180) is amended by adding thereto the following sentence: "It shall be the duty of the Recorder of Deeds and of any other officer or agency of the Government of the District of Columbia to perform any function delegated to such officer or agency by the Commissioners pursuant to this act."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARREST BOOKS OF METROPOLITAN POLICE FORCE OPEN TO PUBLIC INSPECTION

Mr. O'HARA of Minnesota. Mr. Speaker, I call up the bill (S. 3655) to provide that the Metropolitan Police force shall keep arrest books which are open to public inspection, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. O'HARA of Minnesota. Mr. Speaker, may I say in connection with this bill that just a few minutes before the House convened at noon, I was handed a proposed amendment to the bill from the Department of Health, Education, and Welfare. The committee has had no opportunity to consider this amendment and, therefore, I do not feel that I can in good faith offer it at this time. However, I do want to say in view of the action on this bill by the other

body, and the action heretofore taken by our committee, this proposed amendment should receive further consideration after the first of the year.

Mr. McMILLAN. Mr. Speaker, I make a point of order against the consideration of the bill at this time on the ground that a quorum was not present in the committee when the bill was reported out.

Mr. O'HARA of Minnesota. Mr. Speaker, I withdraw the bill.

FEDERAL BAR ASSOCIATION

Mr. O'HARA of Minnesota. Mr. Speaker, I call up the bill (H. R. 9882) to incorporate the Foundation of the Federal Bar Association, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following-named persons, Justin Miller, California; William L. Ellis, Michigan; Betting Stalling, Illinois; William S. Tyson, North Carolina; Kennedy C. Watkins, District of Columbia; Martin C. Epstein, New York; Laurence H. Axman, District of Columbia; Julian R. Eagle, Pennsylvania; William F. Farrell, Texas; Barratt O'Hara, Jr., Illinois; Joseph F. Brodie, California; Spurgeon E. Paul, Colorado; J. Edward Hauk, Maryland; Ida I. Kloze, Maryland; William R. Valliance, New York; Clyde Baggarly, Virginia; Charles W. Freeman, California; William A. Roberts, District of Columbia; Ralph G. Cornell, Maryland; Horace Russell, Illinois;

Robert E. Freer, Ohio; Frank J. Delany, Illinois; William N. Morell, Minnesota; Heber H. Rice, Maryland; William E. Reese, Virginia; Robert N. Anderson, Virginia; Marguerite Rawalt, Texas; Robert H. Shields, Maryland; Harold Lee, New York; James E. Palmer, Jr., Virginia; John A. McIntire, Maryland; Maj. Gen. E. M. Brannon, District of Columbia; Maxwell H. Elliott, New York; Edwin L. Fisher, Maryland; Edward E. Odom, California; Rear Adm. Ira H. Nunn, Arkansas; Herman Phleger, California; Arthur J. Klayman, Illinois; F. Joseph Donohue, District of Columbia; Frank J. Parker, New York; Ernest Votaw, Pennsylvania; T. Wade Harrison, Florida; Adm. O. S. Colclough, Pennsylvania; J. Lee Rankin, Nebraska; Stanley N. Barnes, California; Newell Blair, Virginia;

Clarence A. Davis, Nebraska; Ralph E. Becker, New York; George J. Bott, Maryland; John C. Doerfer, Wisconsin; Richard S. Doyle, Maryland; Whitney Gilliland, Iowa; Abe McGregor Goff, Idaho; Earl W. Kintner, Indiana; J. Hervey Macomber, Vermont; William P. McCracken, District of Columbia; Andrew P. Murphy, Jr., Massachusetts; Lambert McAllister, Ohio; Joe E. Moody, Missouri; Lawrence C. Moore, District of Columbia; Perry Morton, Nebraska; Emory T. Nunneley, Pennsylvania; William Simon, District of Columbia; Conrad Snow, New Hampshire; William H. Timbers, Connecticut; F. Trowbridge vom-Baur, District of Columbia; Frank H. Weitzel, District of Columbia; Curtis C. Williams, Ohio; Emory J. Woodall, Virginia; Wendell Barnes, Oklahoma; Roger S. Foster, District of Columbia; Calver Magruder, Massachusetts;

George C. Sweeney, Massachusetts; John C. Knox, New York; Edward J. Dimock, New York; David N. Edelstein, New York; Clarence G. Galston, New York; John Knight, New York; John J. Parker, North Carolina; Armistead M. Dobie, Virginia; Harry E. Watkins, West Virginia; Joseph C. Hutcheson, Virginia; Thomas F. McAllister, Michigan; F. Ryan Duffy, Wisconsin; John Caskie Collet, Missouri; John Sanborn, Minnesota; Robert C. Bell, Minnesota; William Denman, California; Albert Lee Stephens, California; Alfred P. Murrah, Oklahoma; George Thomas Washington, District of Columbia; Charles Fahy, District of Columbia; Bolitha J. Laws, District of Columbia; F. Dickinson Letts, District of Columbia; Luther W. Youngdahl, District of Columbia; William P. Cole, Jr., District of Columbia; Paul D. Shriver, Guam; Dennis F. Donovan, Minnesota;

Alfred C. Clapp, New Jersey; L. Dale Coffman, California; John T. Fey, District of Columbia; Jefferson B. Fordham, Pennsylvania; Erwin N. Griswold, Massachusetts; Albert J. Harno, Illinois; L. A. Haslup, Florida; Harold C. Havighurst, Illinois; Paul M. Hebert, Louisiana; Elwood H. Hettrick, Massachusetts; Jacob D. Hyman, New York; Schuyler W. Jackson, Kansas; George M. Johnson, District of Columbia; Gordon Johnston, Colorado; Charles H. King, Michigan; Robert Kingsley, California; Arthur Larson, Pennsylvania; J. A. McClain, Jr., North Carolina; Glenn A. McCleary, Missouri; F. J. Moreau, Kansas; William T. Muse, Virginia; Russell D. Niles, New York; Maynard E. Pirsig, Minnesota; F. D. G. Ribble, Virginia; John Ritchie, Wisconsin; David E. Snodgrass, California;

Carl Spaeth, California; Elvis J. Stahr, Jr., Kentucky; Robert S. Stevens, New York; Wesley Sturges, Connecticut; Harry D. Taft, Illinois; Rev. Joseph T. Tinnelly, New York; Martin Tollefson, Iowa; Leon H. Wallace, Indiana; Clayton E. Williams, Virginia; Roscoe L. Barrow, Ohio; Henry P. Brandis, Jr., Colorado; A. L. Gausewitz, New Mexico; Spencer L. Kimball, Utah; C. W. Leaphart, Montana; Daniel J. McKenna, Michigan; Joseph O'Meara, Indiana; R. A. Rasco, Florida; Seward Reese, Oregon; Earl Sneed, Jr., Oklahoma; Brendan F. Brown, District of Columbia; O. H. Thormodsgard, North Dakota; Ray Forrester, Louisiana; are hereby created a body corporate, of the District of Columbia and there domiciled, by the name of "The Foundation of the Federal Bar Association" (hereafter referred to as the "corporation") and by such name shall be known and have perpetual succession and the powers and limitations contained in this act.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this act are authorized to complete the organization of the corporation by the adoption, amendment, and revision of bylaws, not inconsistent with this charter, and the doing of such other acts as may be necessary for such purpose.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are as follows:

(1) To receive and hold by bequest, devise, gift, grant, purchase, lease, or otherwise, either absolutely or jointly with any other person or persons or corporation, for any of the purposes hereinafter set forth, any property, real, personal, or mixed, or any undivided interest therein; to convey, sell, or otherwise dispose of such property, and to invest, reinvest, administer, and deal with the same in such manner as in the judgment of the directors of the corporation will best promote the purposes of the corporation, but without and free from restrictions applicable to trustees or trust funds,

(2) To apply its income, and if the corporation so decides, all or any part of its principal, exclusively to the following educational, charitable, scientific, or literary purposes, or any of them:

(a) To advance the science of jurisprudence;

(b) To uphold high standards for the Federal judiciary and for attorneys representing the Government of the United States;

(c) To promote and improve the administration of justice, including the study of means for the improved handling of the legal business of the several Federal departments and establishments;

(d) To facilitate the cultivation and diffusion of knowledge and understanding of the law and the promotion of the study of the law and the science of jurisprudence and research therein, through the maintenance of a law library, the establishment of seminars, lectures, and studies devoted to the law, and the publication of addresses, essays, treatises, reports, and other literary works by students, practitioners, and teachers of the law; and

(e) To provide for the acquisition, preservation, and exhibition of rare books and documents, sculptures, paintings, and other objects of art and historical interest relating to the law, the courts, and the legal profession,

(3) To do any and all things necessary or incident to the accomplishment of the foregoing purposes.

CORPORATE POWERS

SEC. 4. The corporation shall have the following powers:

(a) To sue and be sued, complain and defend in any court of competent jurisdiction.

(b) To adopt, alter, and use a corporate seal.

(c) To choose such officers, managers, and agents as the business of the corporation may require.

(d) To adopt, amend, apply, and administer bylaws, not inconsistent with the laws of the United States of America or any State in which the corporation is to operate, for the management of its property and the regulation of its affairs.

(e) To contract and be contracted with.

(f) To take and hold by lease, gift, purchase, grant, devise, bequest, or otherwise, any property, real or personal, or mixed, necessary for carrying into effect the purposes of the corporation, subject to applicable provisions of law of any State (1) governing the amount or kind of real and personal property which may be held by, or (2) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State.

(g) To transfer, lease, or convey real or personal property.

(h) To borrow money for the purposes of the corporation, and issue bonds or other evidences of indebtedness therefor, and secure the same by mortgage or pledge subject to applicable Federal or State laws.

(i) To do any and all acts necessary and proper to carry out the purposes of the corporation.

PRINCIPAL OFFICE; SCOPE OF ACTIVITIES; RESIDENT AGENT

SEC. 5. (a) The corporation shall have its principal office in the District of Columbia and may conduct its activities at any place or places in the United States, or elsewhere.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice served upon such agent, or mailed to such agent at such business address, shall be deemed service upon or notice to the corporation.

MEMBERSHIP; VOTING RIGHTS

SEC. 6. (a) The membership of the corporation consists of the persons listed in the first section of this act, the persons who hereafter become members of the National Council of the Federal Bar Association, a nonprofit corporation of the District of Columbia (for the duration of their membership as such), and such others as the corporation may provide for by bylaw or otherwise.

(b) Each member of the corporation may cast one vote on each matter submitted to a vote of the members.

BOARD OF DIRECTORS

SEC. 7. (a) The governing body of the corporation is its board of directors, which during the calendar year of this enactment, will comprise the following:

Bettin Stalling, of Illinois;
Stanley N. Barnes, of California;
Clarence A. Davis, of Nebraska;
Earl W. Kintner, of Indiana;
Lawrence H. Axman, District of Columbia;
Wendell Barnes, of Oklahoma;
William L. Ellis, of Michigan; and
Arthur J. Klayman, of Illinois,

who are currently members of the executive committee of the Federal Bar Association.

(b) Thereafter the board of directors will consist of 12 persons elected, and subject to removal at any time, by majority vote of the members of the corporation. The term of office of the elected members of the board is for 6 years, except that, for the first elected board, four shall be elected for a term of 2 years, 4 for a term of 4 years, and 4 for a term of 6 years. Vacancies in the board of directors, caused by expiration of the members' terms or otherwise, shall be filled by a majority vote of the members of the corporation.

(c) The board of directors may exercise, or provide for the exercise of, the powers herein granted to the corporation, and each member of the board shall have one vote upon all matters determined. The board shall meet at least annually. The board may delegate its powers to a prudential committee subject to the direction of, and reporting to, the board. The president of the corporation shall act as chairman of the board and of the committee.

OFFICERS

SEC. 8. (a) The officers of the corporation shall consist of a president, vice president, secretary, treasurer, historian, and such other officers as may be determined by bylaw.

The officers shall have such powers, consistent with this charter, as may be provided by bylaw.

(b) The officers shall be elected by the board of directors at its initial meeting and thereafter at its annual designated meeting and shall serve for a term of 1 year.

LIMITATIONS ON USE OF FUNDS

SEC. 9. (a) No part of the net earnings of the corporation shall inure to the benefit of any member, officer, director, or private individual, nor shall any member or private individual be liable for the obligations of the corporation.

(b) The corporation shall not make any loans to its officers or members of the board of directors. Any officer or director who votes for, assents to, or participates in the making of a loan or advance to an officer or director shall be jointly and severally liable to the corporation for the amount of such loan until its repayment.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. (a) None of the activities, funds, property, or income of the corporation shall be used in carrying on any political activity, directly or indirectly, or in attempting to influence legislation.

(b) Neither the corporation nor its officers or directors shall, as such, contribute to or otherwise support or assist any political party or candidate for elective public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents within the scope of their authority.

PROHIBITION AGAINST ISSUE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall not issue any shares of stock nor declare or pay dividends.

BOOKS AND RECORDS

SEC. 13. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its membership and of the board of directors or committees having any of the authority of the board of directors. It shall also keep at its principal office a record giving the names and addresses of its members, directors, and officers. All books and records of the corporation may be inspected by any member or his agent or attorney, for any proper purpose, at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit and full facilities for verifying transactions with the balances or securities held by depositors, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of the audit shall be made by the corporation to the Congress within 6 months after the fiscal year for which the audit is made. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. The report shall not be printed as a public document.

DISSOLUTION

SEC. 15. Upon final dissolution or liquidation of the corporation, and after the discharge or satisfaction of all outstanding obligations and liabilities, the remaining assets of the corporation shall be deposited in the Treasury of the United States as a miscellaneous receipt.

QUALIFICATIONS OF MEMBERS AND OFFICERS

SEC. 16. No person who is a member of, or who advocates the principles of, any organization believing in, or working for, the overthrow of the United States Government by force or violence, and no person who refuses to uphold and defend the Constitution of the United States, shall be privileged to become, or continue to be, a member, director, or officer of the corporation.

EXCLUSIVE RIGHT TO NAME

SEC. 17. The corporation shall have the sole and exclusive right to use the name, "The Foundation of the Federal Bar Association."

DEFINITIONS

SEC. 18. As used in this act, the word "State" includes the District of Columbia.

AMENDMENT

SEC. 19. The right to repeal, alter, or amend this act at any time is hereby expressly reserved to the Congress.

With the following committee amendments:

On page 4 line 12, strike out "Snodgress" and insert in lieu thereof "Snodgrass."

On page 14, line 1, strike the word "AMENDMENT" and insert the following "RESERVATION OF THE RIGHT TO AMEND AND REPEAL CHARTER."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REFERRAL OF CASES BY DISTRICT MUNICIPAL COURT TO DISTRICT OF COLUMBIA TAX COURT

Mr. O'HARA of Minnesota. Mr. Speaker, I call up the bill (H. R. 7670) relating to the referral of cases by the Municipal Court for the District of Columbia to the District of Columbia Tax Court, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That title IX of the District of Columbia Revenue Act of 1937, as amended by the act of May 6, 1938, the act of July 26, 1939, and the act of July 10, 1952, is further amended by adding thereto a new section, 15, as follows:

"SEC. 15. (a) Any cause in the Municipal Court for the District of Columbia involving any tax or taxes assessed by any taxing authority of the District of Columbia may, upon the order of the Chief Judge of the Municipal Court for the District of Columbia, be referred to the District of Columbia Tax Court. The District of Columbia Tax Court shall hear and determine all questions arising in said cause and shall render its decision thereon in writing. All orders, judgments, and decisions rendered in said cause after such referral shall be considered as orders, judgments, and decisions, respectively, of the District of Columbia Tax Court, and shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit as provided in section 4 of title IX of the District of Columbia Revenue Act of 1937, as amended.

"(b) Any civil cause, not involving taxation, pending in the Municipal Court for the District of Columbia may, upon the order of the Chief Judge of the Municipal Court for the District of Columbia and the approval of the Judge of the District of Columbia Tax Court, be referred to the District of Columbia Tax Court, which shall promptly hear such cause and render judgment as justice may require. In respect of such cause and all proceedings, thereon, after such referral, the Judge of the District of Columbia Tax Court shall be considered a Judge of the Municipal Court for the District of Columbia, and any order, judgment, or decision entered therein shall be considered an order, judgment, or decision, respectively, of the Municipal Court for the District of Columbia."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING TITLE IX OF THE DISTRICT OF COLUMBIA REVENUE ACT OF 1937

Mr. O'HARA of Minnesota. Mr. Speaker, I call up the bill (H. R. 8590) to amend title IX of the District of Columbia Revenue Act of 1937, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of title IX of the District of Columbia Revenue Act of 1937, as added to by the act of May 16, 1938, and as amended by the act of July 10, 1952, and as added to and as amended is amended by striking out in the first paragraph thereof the words "for term of 4 years" and inserting in lieu thereof the words "for the term of 10 years"; and is further

amended by adding thereto the following new paragraph:

"The judge of the District of Columbia Tax Court may hereafter retire—

"(1) after having served as a judge of such court for a period or periods aggregating 20 years or more, whether continuously or not;

"(2) after having served as a judge of such court for a period or periods aggregating 10 years or more, whether continuously or not, and having attained the age of 70 years; or

"(3) after having become permanently disabled from performing his duties, regardless of age or length of service.

Such judge may retire for disability by furnishing to the Commissioners of the District of Columbia a certificate of disability signed by the chief judge of the United States District Court for the District of Columbia. The judge who retires under this section shall receive annually in monthly installments, during the remainder of his life, a sum equal to such proportion of the salary received by such judge at the time of such retirement as a total of his aggregate years of service bears to the period of 30 years, the same to be paid in the same manner as the salary of such judge. In no event shall the sum received by such judge hereunder be in excess of the salary of such judge at the time of such retirement. In computing the years of service under this section, service in the Board of Tax Appeals of the District of Columbia, as heretofore constituted, shall be included whether or not such service be continuous.

"(a) the Term 'retire' as used in this section shall mean and include retirement, resignation, or failure of reappointment upon the expiration of the term of office of incumbent.

"(b) Any judge receiving retirement salary other than for disability under the provisions of this section may be called upon by the Commissioners of the District of Columbia to perform such judicial duties as may be requested of him in said court, but in any event no such retired judge shall be required to render such service for more than 90 days in any calendar year after such retirement. In case of illness or disability precluding the rendering of such service such retired judge shall be fully relieved of any such duty during such illness or disability."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MUNICIPAL COURT OF APPEALS FOR DISTRICT OF COLUMBIA

Mr. O'HARA of Minnesota. Mr. Speaker, I call up the bill (H. R. 8915) to amend the act entitled "An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as 'The Municipal Court of Appeals for the District of Columbia,' and for other purposes," and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'The Municipal Court for the District of Columbia', to create 'The Municipal Court of Appeals for the District of Columbia', and for other purposes," approved April 1, 1942 (ch. 207, 56 Stat. 190; sec. 11–772, D. C. Code, 1951 edition), be, and it is hereby, amended by adding to section 7 of said act the following new paragraphs:

"(e) The Municipal Court of Appeals for the District of Columbia is hereby vested with exclusive jurisdiction to review, in the manner hereinafter provided, the following orders or decisions of administrative agencies of the District of Columbia—

"(1) any decision of the Board of Pharmacy refusing to renew a license to practice pharmacy or refusing to renew a permit to deal in poisons for use in the arts or as insecticides under the provisions of the act of May 7, 1906 (ch. 2084, 34 Stat. 177), as amended (sec. 2–606, D. C. Code, 1951 edition);

"(2) any decision of the Board of Examiners in Veterinary Medicine revoking or suspending a license to practice veterinary medicine or any branch thereof under the provisions of the act of February 1, 1907 (ch. 442, 34 Stat. 873; sec. 2–810, D. C. Code, 1951 edition);

"(3) any order of the Commissioners of the District of Columbia or their agent or a decision of the Commissioners revoking or suspending a motor-vehicle operator's permit under the provisions of the act of March 3, 1925 (ch. 443, 43 Stat. 1121, as amended (sec. 40–302, D. C. Code, 1951 edition);

"(4) any decision of the Board of Examiners and Registrars of Architects annulling or revoking a certificate to practice architecture under the provisions of the act of December 13, 1924 (ch. 9, 43 Stat. 717), as amended (sec. 2–1028, D. C. Code, 1951 edition);

"(5) any order of the Commissioners of the District of Columbia denying, revoking, or suspending a license for a private employment agency under the provisions of the act of July 1, 1932 (ch. 366, 47 Stat. 559; sec. 47–2101, D. C. Code, 1951 edition);

"(6) any decision of the Commission on Licensure to Practice the Healing Art in the District of Columbia denying a license or a registration to practice the healing art under the provisions of the act of February 27, 1929 (ch. 352, 45 Stat. 1338; sec. 2–129, D. C. Code, 1951 edition);

"(7) any decision of the Nurses' Examining Board denying registration or reregistration of a nurse or school of nursing under the provisions of the act of March 2, 1929 (ch. 540, 45 Stat. 1521; sec. 2–406, D. C. Code, 1951 edition);

"(8) any decision of the Board of Barber Examiners refusing to issue, renew, restore, or revoking a certificate of registration as a registered barber or barber apprentice under the provisions of the act of June 7, 1938 (ch. 322, 52 Stat. 622; sec. 2–1110, D. C. Code, 1951 edition);

"(9) any final decision of the Real Estate Commission of the District of Columbia denying an application for license or suspending or revoking a license under the provisions of the act of August 25, 1937 (ch. 760, 50 Stat. 788; secs. 45–1403 to 1418, D. C. Code, 1951 edition); or

"(10) any final decision of the District of Columbia Tax Court created under the act of Congress August 17, 1937 (ch. 690, 52 Stat. 371), as amended (secs. 47–2401 to 2412, D. C. Code, 1951 edition).

"(f) Any person aggrieved by any such decision or order may obtain a review thereof by filing in the municipal court of appeals a written petition for review praying that the decision or order be set aside. The court may by rule prescribe the form and contents of the petition and regulate generally all matters relating to proceedings on such appeals. The petition for review shall be filed in said court within such time as said court may by rule prescribe and a copy of such petition shall forthwith be served by mail by the clerk of the court upon the agency affected thereby. Within such time as may be fixed by rule of the court such agency shall certify and file in the court a transcript of the entire record in the proceeding and the clerk of the court shall immediately notify the petitioner of the filing thereof. Upon the filing of the record the court shall have jurisdiction of the proceeding and shall have power to affirm, modify, or set aside the decision or order complained of, in whole or in part, and, if need be, to remand the case for further proceedings, as justice may require: *Provided, however*, That no application for review or pendency of an appeal shall operate as a stay of the operation of any such decision or order in any case where, under existing law, a stay may not be granted, nor shall such application operate as a stay in any other case unless so ordered by the Commissioners of the District of Columbia or by said court for good cause shown; and for good cause shown and upon such conditions as may be required and to the extent necessary to prevent irreparable injury, the court is authorized to take appropriate and necessary action to preserve the status or rights pending conclusion of the review proceedings; that all appeals shall be heard and determined upon the record of proceedings before the appropriate board or agency to be certified to this court in accordance with such rules or instructions as the court may from time to time prescribe, and the review of all decisions or orders by said court shall be limited to such issues of law or fact as are subject to review on appeal under the applicable provisions of existing law, or, if there be no statutory limitation, by such rules of law as define the scope and limitations of review of administrative proceedings, and which rules, by way of elaboration and not limitation, shall include the power of the court—

"(1) so far as necessary to decision and where presented to decide all relevant questions of law, to interpret constitutional and statutory provisions, and to determine the meaning or applicability of the terms of any agency action; and

"(2) to hold unlawful and set aside agency action, findings and conclusions found to be (A) arbitrary, capricious, an abuse of discretion or otherwise not in accordance with law; (B) contrary to constitutional right, power, privilege, or immunity; (C) in excess of statutory jurisdiction, authority, or limitations or short of statutory right; (D) without observance of procedure required by law; (E) unsupported by substantial evidence or facts in the record of the proceedings before the court, or (F) unwarranted by the facts.

In making the foregoing determinations, due account shall be taken of the rule of prejudicial error."

SEC. 2. This act shall apply only to decisions or orders of the above enumerated agencies rendered or entered on or after the effective date of this act.

With the following committee amendments:

On page 2, line 23, strike the word "revoking" and insert in lieu thereof "denying, revoking."

On page 4, line 5, insert "and" at the end of the line.

On page 4, line 11, strike the semicolon and the word "or" and insert in lieu thereof a period.

On page 4, strike lines 12, 13, 14 and 15.

On page 5, lines 2 and 3, strike "a transcript of the entire record in the proceeding" and insert in lieu thereof "the original papers comprising the record or any supplementary record or in the discretion of the agency, certified copies of such papers."

On page 5, line 5, strike the word "record" and insert in lieu thereof "petition for review."

Page 6, line 23, insert the following sentence before the quotation mark: "Any party aggrieved by any judgment of the Municipal Court of Appeals for the District of Columbia may seek a review thereof by the United States Court of Appeals for the District of Columbia Circuit in accordance with the provisions of section 8 of the act approved April 1, 1942 (sec. 11–773, D. C. Code, 1951 edition)."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 1089 OF THE CODE OF LAW FOR THE DISTRICT OF COLUMBIA RELATING TO ATTACHMENT PROCEEDINGS

Mr. O'HARA of Minnesota. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 8128) to modify the requirement for an oath in certain cases in attachment proceedings in the District of Columbia, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1089 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, sec. 15-304), is amended by striking out "under oath" and inserting in lieu thereof "verified by a written declaration that said answer is made under the penalties of perjury."

With the following committee amendment:

On page 1, line 3, strike out all after the enacting clause and insert "That section 1089 of the act entitled 'An act to establish a Code of Law for the District of Columbia,' approved March 3, 1901, as amended (D. C. Code, sec. 15-304), is amended (a) by striking out 'file his answers, under oath' and inserting in lieu thereof 'file his answers verified by a written declaration that such answers are made under the penalties of perjury'; (b) by inserting '(a)' after '1809', and (c) by adding thereto the following new subsections:

"'(b) Only one attachment upon goods, chattels, and credits of a judgment debtor shall be satisfied at one time. Where more than one such attachment issued against the same judgment debtor has been served on any garnishee such attachments shall be satisfied in the order in which they were served upon the garnishee.

"'(c) Every person who willfully makes and subscribes any return, statement, or other document, pursuant to this section, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter shall be subject to the penalties prescribed for perjury.'"

Mr. McMILLAN. Mr. Speaker, I would like to have the gentleman explain this bill.

Mr. O'HARA of Minnesota. Mr. Speaker, the purpose of the bill is to provide that in cases of attachments or garnishments in the District of Columbia the answers to interrogatories may be verified by a written declaration made under the penalties of perjury rather than make such statements under oath, as now required by existing law.

The bill also provides that only one attachment upon the goods, chattels, and credits of a judgment debtor shall be satisfied at one time.

This is simply an act to save persons who have to make returns the difficulty and expense of having a notary take acknowledgments but provides for a penalty of perjury if a false statement is made.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill to amend section 1089 of the Code of Law for the District of Columbia relating to attachment proceedings."

A motion to reconsider was laid on the table.

AUTHORIZING UNITED STATES ATTORNEY FOR THE DISTRICT OF COLUMBIA TO MAKE DETERMINATION IN PROPER CASES FOR THE PROSECUTION OF CERTAIN JUVENILES SHALL BE TRIED IN JUVENILE COURT OF THE DISTRICT OF COLUMBIA

Mr. O'HARA of Minnesota. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 7484) to authorize the United States attorney for the District of Columbia to make the determination in proper cases whether prosecution of certain juveniles, charged with capital offenses, those punishable by life imprisonment, and other felonies, shall be tried in the Juvenile Court of the District of Columbia, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 13 of the act of June 1, 1938 (52 Stat. 599), as heretofore amended by the act of May 15, 1947 (61 Stat. 92; 11 D. C. Code 914), be, and the same is hereby, further amended by striking existing section 13 and adding the following:

"SEC. 13. (a) If a child 16 years of age or older is charged with an offense which would amount to a felony in the case of an adult, or any child is charged with an offense which if committed by an adult is punishable by death or life imprisonment, the United States attorney for the District of Columbia shall, notwithstanding any provisions of law inconsistent herewith, after full investigation including consideration of police records and the records and reports of the juvenile court which shall be made available to him, determine whether it is necessary in the public interest that the child shall be held for trial under the regular procedure of the United States district court which would have jurisdiction over such offense if committed by an adult.

"(b) In making his determination as to the public interest in the aforementioned category, of cases, the United States attorney shall take into consideration the following factors: the age of the child the family background of the child whether the felony with which the child is charged is characterized by aggravated circumstances whether the child has been involved in any previous violations of the law; whether such previous violations of law, if any, are serious; whether upon consideration of the family background of the child there appears a likelihood of rehabilitation under parental supervision; or whether previous efforts, if any, by the juvenile court authorities toward rehabilitation of the child have met with success. After careful consideration of these factors or such of them as may be applicable, the United States attorney is hereby authorized in his discretion to make the determination that it is in the public interest that the child shall be held and tried under the legal procedure of the United States district court which would have jurisdiction over such offense or offenses if committed by an adult. The determination of the United States attorney as to the matters herein authorized shall be final and not subject to court review.

"(c) The judgment of the United States attorney for the District of Columbia that it is necessary in the public interest that the child be held for trial under the regular procedure of the United States district court shall be confirmed in a written communication over the signature of the United States attorney for the District of Columbia, addressed to the United States District Court for the District of Columbia, and shall be made a part of the record of the case or proceeding. A copy of said confirmation shall be addressed to the juvenile court of the District of Columbia and to the United States branch of the municipal court for the District of Columbia.

"(d) In the event the United States attorney for the District of Columbia decides that the facts and circumstances of the case justify reference to the juvenile court, he shall certify the case in writing to that court."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOARD OF CONDEMNATION OF INSANITARY BUILDINGS IN THE DISTRICT OF COLUMBIA

Mr. O'HARA of Minnesota. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 6127) to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended, and for other purposes, and I ask unanimous consent that the same be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906 (34 Stat. 157; sec. 5–601, D. C. Code, 1951 edition), as amended, is amended (a) by striking so much as reads "That there be, and is hereby, created in and for the District of Columbia a Board to be known as the", and inserting in lieu thereof "That the Commissioners of the District of Columbia are hereby authorized and empowered to

establish a"; (b) by striking so much as reads "to consist of the assistant to the Engineer Commissioner in charge of buildings, the health officer, and the inspector of buildings of said District, and to", and inserting in lieu thereof "consisting of one or more members, together with one or more alternates for each member, which Board shall"; (c) by striking the word "vacated" and the commas immediately preceding and following the word "demolished"; and (d) by striking the fourth and fifth sentences and inserting in lieu thereof "Nothing herein contained shall be construed as preventing the Commissioners, in their discretion, from changing the membership of said Board from time to time, and from discontinuing, abolishing, or reestablishing the same, as they from time to time may determine."

SEC. 2. Section 2 of such act (34 Stat. 157; sec. 5–602, D. C. Code, 1951 edition), as amended, is amended to read as follows:

"SEC. 2. Each member or alternate member of said Board who is not an employee of the government of the District of Columbia or the Government of the United States shall be entitled to a per diem of $25 for each day such member or alternate member is actually engaged in discharging his duties pursuant to this act. No member or alternate member of said Board shall have any property interests in the building the sanitary condition of which is under consideration."

SEC. 3. Section 3 of such act, as amended (56 Stat. 1054); sec. 5–603, D. C. Code, 1951 edition), is amended (a) by inserting the designation "(a)" immediately before the first sentence thereof; (b) by striking "and through inquiry" in the first sentence and inserting in lieu thereof "or through inquiry"; (c) by striking so much of the second sentence as reads "each owner or part owner" and inserting in lieu thereof "the owner"; (d) by striking the words "or part owner" in the fourth sentence; (e) by amending the fifth sentence to read "If, within the time to show cause fixed by the Board, or at such hearing, if the same be requested, the owner shall fail to show cause sufficient in the opinion of said Board to prevent the condemnation of such building or part building, said Board shall issue an order condemning such building or part of building, and ordering same to be put into sanitary condition or to be demolished and removed, within a time to be fixed by the Board, and shall cause a copy of such order to be served on the owner thereof, and a copy to be affixed to the building or part of building condemned,"; (f) by adding at the end of said subsection "(a)", as so designated by this section, the following: "The time to be fixed by the Board, during which the building shall be put in sanitary condition or be demolished and removed, shall not be less than 30 days, exclusive of Sundays and legal holidays, after the date of service of said order, unless the Board shall find that the condition of said premises is such as to cause immediate danger to the health or lives of the occupants thereof or of persons living in the vicinity, in which event the Board may fix a lesser time."; and (g) by adding a new subsection to read as follows:

"(b) The several provisions of sections 1, 2, and 3 of the act approved April 16, 1932 (47 Stat. 86; sec. 4–601 to 4–603, D. C. Code, 1951 edition), shall be applicable to and enforceable in any proceeding by the said Board. Each member of said Board, and each alternate member when acting in the stead of the member for whom he is alternate, is hereby authorized to administer oaths to witnesses summoned in any proceeding conducted by said Board. Any fee which may be paid any witness summoned to appear before said Board shall be assessed as a tax against the property the condition of which is under investigation by said Board, such tax to be collected in the same manner as general taxes are collected in the District of Columbia."

SEC. 4. Section 5 of such act, as amended (56 Stat. 1055; sec. 5–605, D. C. Code, 1951 edition), is amended (a) by inserting "(a)" after "SEC. 5"; (b) striking so much as reads "or, if there be several part owners of such building, from the latest date of service on any part owner;"; (c) by striking so much as reads "any owner or the latest date of service on any part owner" and inserting in lieu thereof "such owner"; and (d) by adding thereto the following new subsection:

"(b) The owner of any building or part of building condemned under the provisions of this act shall, within the time specified by said Board in the order of condemnation, or any extension of such time which may be granted by said Board, (1) make such changes or repairs as will remedy in a manner satisfactory to said Board the conditions which led to the condemnation of such building or part of building, or (2) cause such building or part of building to be demolished and removed."

SEC. 5. Section 7 of said act, as amended (56 Stat. 1055; sec. 5–607, D. C. Code, 1951 ed.), is amended to read as follows:

"SEC. 7. If the owner of any building or part of building condemned under the provisions of this act shall fail to remedy in a manner satisfactory to said Board the condition or conditions which led to the condemnation thereof, by causing the same to be put into sanitary condition or to be demolished and removed within the time specified by said Board in the order of condemnation or any extension thereof which may be granted by said Board, he shall be deemed guilty of a misdemeanor and liable to the penalties provided by section 13 of this act, as amended, and such building or part of building may be put into sanitary condition or be demolished and removed under the direction of the Board for the Condemnation of Insanitary Buildings in the District of Columbia, and the cost of such repairs or such demolition and removal, including the cost of making good damage to adjoining premises (except such as may have resulted from carelessness or willful recklessness in the demolition or removal of such building), and the cost of publication, if any, herein provided for, less the amount, if any, received from the sale of the old material, shall be assessed by the Commissioners of the District of Columbia as a tax against the premises on which such building or part of building was situated, such tax to be collected in the same manner as general taxes are collected in the District of Columbia: *Provided*, That no building shall be demolished and removed under the direction of said Board until the Commissioners have considered the necessity for such demolition and removal and have approved the same."

SEC. 6. The first sentence of section 10 of such act, as amended (34 Stat. 159; sec. 5–610, D. C. Code, 1951 ed.), is amended by striking therefrom "if published on 10 consecutive days" and inserting in lieu thereof "if published on 3 consecutive days."

SEC. 7. Such act, as amended, is amended by adding the following new section:

"SEC. 17. (a) For the purpose of this act, the term 'owner' shall mean (1) any person, or any one of a number of persons, in whom is vested all or any part of the beneficial ownership, dominion, or title of the property found by the board to be in an insanitary condition; (2) the committee, conservator, or legal guarian of an owner who is non compos mentis, a minor child, or otherwise under a disability; (3) a trustee elected or appointed, or required by law, to execute a trust, other than a trustee under a deed of trust to secure the repayment of a loan.

"(b) Wherever under this act any act is to be performed by, or any notice is to be given, an owner, such act may be performed by, or such notice may be given, an agent of such owner."

SEC. 8. The Board for the Condemnation of Insanitary Buildings in the District of Columbia created by the first section of the act approved May 1, 1906 (34 Stat. 157; sec. 5–601, D. C. Code, 1951 ed), is amended, is hereby abolished, but all actions taken by, and all suits and proceedings instituted by or against, the said Board created by the said act of May 1, 1906, prior to the effective date of this amendatory act, shall be deemed to have been taken by, or instituted by or against, the Board for the Condemnation of Insanitary Buildings in the District of Columbia as the same may be established by the Commissioners of the District of Columbia under the authority of this amending act.

(b) Wherever in the act approved May 1, 1906, as amended, reference is made to "Board," "Board for the Condemnation of Insanitary Building," or "Board for the Condemnation of Insanitary Buildings in the District of Columbia," such term shall mean the Board for the Condemnation of Insanitary Buildings in the District of Columbia established by the Commissioners of the District of Columbia pursuant to the authority contained in this amending act.

SEC. 9. This act shall take effect 10 days after its enactment.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert "That the act entitled 'An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes,' approved May 1, 1906 (34 Stat. 157; title 5, ch. 6, D. C. Code, 1951 edition), as amended, is amended to read as follows:

" 'That the Commissioners of the District of Columbia are authorized to examine into the sanitary condition of all buildings in said District, to condemn those buildings which are in such insanitary condition as to endanger the health or lives of the occupants thereof or persons living in the vicinity, and to cause all buildings to be put into sanitary condition or to be demolished and removed, as may be required by the provisions of this act. The Commissioners may authorize and direct the performance of the duties imposed on them by this act by such officers, agents, employees, contractors, employees of contractors, and other persons as may be designated, detailed, employed, or appointed by the said Commissioners to carry out the purposes of this act. The Commissioners or their designated agent or agents are authorized to investigate, through personal inquiry and inspection, into the sanitary condition of any building or part of a building in said District, except such as are under the exclusive jurisdiction of the United States. The Commissioners, and all persons acting under their authority and the authority contained in this act, may, between the hours of 8 o'clock antemeridian and 5 o'clock postmeridian, peaceably enter into and upon any and all lands and buildings in said District for the purpose of inspecting the same.

" 'SEC. 2. (a) The Commissioners are directed to appoint or designate two separate boards, each to consist of not less than three members to perform the duties and functions required by this act, as follows:

" '(1) A Board for the Condemnation of Insanitary Buildings to examine into the sanitary condition of buildings in the District of Columbia, to determine which such buildings are in such insanitary condition as to endanger the lives or health of the occupants thereof or of persons living in the vicinity, and to issue appropriate orders of condemnation requiring the correction of such condition or conditions or to require the demolition of any building, in accordance with the provisions of this act.

"'(2) A Condemnation Review Board, no member of which shall act as a member of the Board for the Condemnation of Insanitary Buildings, to review, upon written request, any order of condemnation issued by the Board for the Condemnation of Insanitary Buildings, and to affirm, modify, or vacate such order of condemnation if the Condemnation Review Board shall find that the sanitary conditions of the building under examination requires the affirmation, modification, or vacation of such order of condemnation. The Condemnation Review Board shall consist of at least three members and an alternate member for each of said members, at least two-thirds of such members and at least two-thirds of such alternate members to be residents of the District of Columbia and to be selected from among the persons designated under subsection (c) of this section, and not more than one-third of such members and one-third of such alternate members may be employed by the government of the District of Columbia.

"'(b) A majority of the members of each of the boards established by subsection (a) of this section shall constitute a quorum, and a majority vote of the members present shall be required in connection with any act of either of the said boards. No person shall act as a member of either of the said boards who has any property interest, direct or indirect, in his own right or through relatives or kin, in the building the sanitary condition of which is under consideration.

"'(c) The Commissioners shall designate a number of real property-owning residents of the District of Columbia, not employed by the government of the District of Columbia or the Government of the United States, each of whom from time to time shall be designated by the Commissioners to act as a member or an alternate member of the Condemnation Review Board established under the authority of subsection (a) of this section. Each such person shall be entitled to a fee of $25 for each day he is actually engaged in discharging his duties as a member of said Board, or as an alternate member acting in the place of a member.

"'(d) The several provisions of sections 1, 2, and 3 of the act approved April 16, 1932 (47 Stat. 86; secs. 4–601 to 4–603, D. C. Code, 1951 edition), shall be applicable to and enforceable in any proceeding conducted under the authority of this act. Each person acting as a member of either of the boards required to be established by this section, and each alternate member when acting in the stead of the member for whom he is alternate, is hereby authorized to administer oaths to witnesses summoned in any proceeding conducted by either of the said boards. Any fee which may be paid any witness summoned to appear before either of the said boards shall be assessed as a tax against the property the condition of which is under investigation, such tax to be collected in the same manner as general taxes are collected in the District of Columbia: *Provided*, That whenever any order of condemnation is vacated or set aside, either by the Condemnation Review Board or by a court, the witness fee authorized by this subsection to be assessed against the property affected by such order of condemnation shall not be so assessed, but shall be paid by the government of the District of Columbia.

"'SEC. 3. Whenever the Board of the Condemnation of Insanitary Buildings shall find that any building or part of building is in such insanitary condition as to endanger the health or lives of the occupants thereof or persons living in the vicinity, the owner of such building shall be served with a notice requiring him to show cause, within a time to be specified in such notice, why such building or part of building should not be condemned. The time to be fixed in such notice shall not be less than 10 days, exclusive of Sundays and legal holidays, after the date of service of said notice, unless the Board shall find that the insanitary condition of such building or part of building is such as to cause immediate danger to the health or lives of the occupants thereof or of persons living in the vicinity, in which case a lesser time may be specified in said notice. If within the time to show cause fixed by the Board the owner shall fail to show cause sufficient in the opinion of the Board to prevent the condemnation of such building or part of building, the Board shall issue an order condemning such building or part of building and ordering the same to be put into sanitary condition or to be demolished and removed within a time to be specified in said order of condemnation, and shall cause a copy of such order to be served on the owner and a copy to be affixed to the building or part of building condemned. The Board shall give the owner reasonable time within which to put the building in sanitary condition, but such time shall be not less than 6 months after the date of service of said order on said owner, unless the Board shall find that the condition of said premises is such as to cause immediate danger to the health or lives of the occupants thereof or of persons living in the vicinity, in which event the Board may fix a lesser time. From and after 15 days, exclusive of Sundays or legal holidays, or within such additional time as may be fixed by the Board, after a copy of any order of condemnation has been affixed to any condemned building or part of building, no person shall occupy such building or part of building.

"'SEC. 4. No person having authority to prevent shall permit any building or part of building condemned to be occupied, except as specially authorized by the Board for the Condemnation of Insanitary Buildings under the authority contained in this act, after 15 days, exclusive of Sundays and legal holidays, or within such additional time as may be fixed by the Board, from and after the date of service of a copy of the order of condemnation on the owner of such building; or, if a copy of such order of condemnation has been affixed to the condemned building or part of building at a date subsequent to the date of service of the notice on the owner, after 15 days, exclusive of Sundays and legal holidays, or within such additional time as may be fixed by the Board, from the date on which said copy of such order of condemnation was so affixed.

"'SEC. 5. The owner of any building or part of building condemned under the provisions of this act shall, within the time specified by the Board for the Condemnation of Insanitary Buildings in the order of condemnation, or any extension of time which may be granted by the Board, (1) make such changes or repairs as will remedy the conditions which led to the condemnation of such building or part of building, or (2) cause such building or part of building to be demolished and removed: *Provided*, That any owner repairing a building or part of building in accordance with the provisions of this act shall be required to make only those repairs which are reasonably related to a correction of the insanitary condition or conditions found by said Board to exist in or about said building, and nothing in this act shall be construed as authorizing the Board to require any repair not reasonably related to the correction of any insanitary condition in or about such building, or to require such building to be brought fully into conformity with the District of Columbia Building Code or other building regulations in effect at the time such repairs are made. Whenever any building is repaired or demolished in accordance with the requirements of this section, such repair or demolition shall be performed in such manner and under the authority of such permit as may be required by any applicable law or regulation.

"'SEC. 6. If the owner of any building or part of building condemned under the provisions of this act shall make such changes or repairs as will remedy in a manner satisfactory to the Board for the Condemnation of Insanitary Buildings the conditions which led to the condemnation of such building or part of building, the order of condemnation shall be canceled and the building may again be occupied. If the owner cannot make such changes or repairs within the period within which the owner may lawfully permit such building or part of building to be occupied under section 4 of this act, but proceeds with such changes or repairs with reasonable diligence during such period, said Board may, by special order, extend from time to time the period within which the occupants of said building or part of building may remain therein, and within which the owner of such building may permit the said occupants so to remain.

"'SEC. 7. If the owner of any building or part of building condemned under the provisions of this act shall fail to remedy in a manner satisfactory to the Board for the Condemnation of Insanitary Buildings the condition or conditions which led to the condemnation thereof, by failing to cause such building or part of building to be put into sanitary condition or to be demolished and removed within the time specified by said Board in the order of condemnation or any extension thereof, he shall be deemed guilty of a misdemeanor and be liable to the penalties provided by section 16 of this act, and such building or part of building may be put into sanitary condition or be demolished and removed under the direction of said Board, and the cost of such repairs or such demolition and removal, including the cost of making good damage to adjoining premises (except such as may have resulted from carelessness or willful recklessness in the demolition or removal of such building), and the cost of publication, if any, herein provided for, less the amount, if any, received from the sale of the old material, shall be assessed by the Commissioners of the District of Columbia as a tax against the premises on which such building or part of building was situated, such tax to be collected in the same manner as general taxes are collected in the District of Columbia: *Provided*, That the pendency of any review or appeal provided for by sections 13 and 14 of this act shall stay the operation of any order issued by said Board, unless said Board shall find that the condition of said premises is such as to cause immediate danger to the health or lives of the occupants thereof or of persons living in the vicinity.

"'SEC. 8. Whenever the Board for the Condemnation of Insanitary Buildings is in doubt as to the ownership of any building or part of a building, the condemnation of which is contemplated, because the title thereto is in litigation, said Board may notify all parties to the suit and may report the circumstances to the Commissioners of the District of Columbia, who may bring such circumstances to the attention of the court in which such litigation is pending for the purpose of securing such order or decree as will enable said Board to continue such condemnation proceedings, and such court is hereby authorized to make such decrees and orders in such pending suit as may be necessary for that purpose.

"'SEC. 9. Whenever the title to any building or part of building is vested in a person non compos mentis, or a minor child or minor children without legal guardian, the Board for the Condemnation of Insanitary Buildings shall report that fact to the Commissioners of the District of Columbia, who shall take due legal steps to secure the appointment of a guardian or guardians for such person non compos mentis, or minor child or children aforesaid, for the purpose of the condemnation proceedings authorized by this act, and any judge of the

United States District Court for the District of Columbia is hereby authorized to appoint a guardian or guardians for such purpose.

"'SEC. 10. Any notice required by this act to be served shall be deemed to have been served if delivered to the person to be notified, or if left at the usual residence or place of business of the person to be notified, with a person of suitable age and discretion then resident therein; or if no such residence or place of business can be found in the District of Columbia by reasonable search, if left with any person of suitable age and discretion employed therein at the office of any agent of the person to be notified, which agent has any authority or duty with reference to the land or tenement to which said notice relates; or if no such office can be found in said District by reasonable search, if forwarded by registered mail to the last known address of the person to be notified and not returned by the post-office authorities; or if no address be known or can by reasonable diligence be ascertained, or if any notice forwarded as authorized by the preceding clause of this section be returned by the post-office authorities, if published on 3 consecutive days in a daily newspaper published in the District of Columbia; or if by reason of an outstanding unrecorded transfer of title the name of the owner in fact cannot be ascertained beyond a reasonable doubt, if served on the owner of record in the manner hereinbefore in this section provided. Any notice to a corporation shall, for the purposes of this act, be deemed to have been served on such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of such corporation in the manner hereinbefore provided for the service of notices on natural persons holding property in their own right; and notice to a foreign corporation shall, for the purposes of this act, be deemed to have been served if served on any agent of such corporation personally, or if left with any person of suitable age and discretion residing at the usual residence or employed at the usual place of business of such agent in the District of Columbia.

"'SEC. 11. No person shall interfere with the Commissioners or with any person acting under authority and by direction of said Commissioners in the discharge of his lawful duties, nor hinder, prevent, or refuse to permit any lawful inspection or the performance of any work authorized by this act to be done by or by authority and direction of said Commissioners.

"'SEC. 12. No person shall, without the consent of the Board for the Condemnation of Insanitary Buildings, deface, obliterate, remove, or conceal any copy of any order of condemnation which has been affixed to any building or part of building by order of the said Board; and the owner and the person having custody of any building or part of building to which a copy or copies of any such order has been affixed shall, if said copy of said order has been to his knowledge defaced, obliterated, or removed, forthwith report that fact in writing to the Board (unless he has good reason to believe that such copy of such an order has been removed by authority of the Board), and if such copy of such order has been concealed, he shall forthwith expose the same to view.

"'SEC. 13. Any owner of property affected by an order of condemnation issued under the authority contained in this act shall be entitled to a review of such order by the Condemnation Review Board established by the Commissioners in accordance with the provision of section 2 of this act, upon making application to said Condemnation Review Board, in writing, within 15 days from the date on which such owner has been served notice of such order of condemnation, and upon payment of a fee of $25. The said Condemnation Review Board shall be authorized by the Commissioners to affirm, modify, or vacate any order of condemnation issued under the authority contained in this act.

"'SEC. 14. The owner of any building or part of building condemned under the provisions of this act may, within 15 days from the date on which such owner receives notice that such order of condemnation has been reviewed by the Condemnation Review Board established in accordance with section 2 of this act and has been affirmed or modified by such Board, appeal to the Municipal Court for the District of Columbia for the modification or vacation of said order of condemnation. The municipal court shall give precedence to any such case, shall hear the testimony adduced therein, shall view the building or part of building affected by said order of condemnation, and thereafter shall affirm, modify, or vacate said order. In any proceeding instituted in accordance with the provisions of this subsection, such proceeding shall be conducted by the judge only, and nothing herein contained shall be construed as authorizing or entitling the owner of property affected by such order of condemnation to a trial by jury.

"'SEC. 15. Whenever any insanitary condition which has led to the condemnation of a building or part of building has been caused in any part by the action or by the neglect of the tenant or tenants, occupant or occupants thereof, such tenant, tenants, occupant, or occupants shall be guilty of a misdemeanor and be liable to the penalties provided in section 16 of this act.

"'SEC. 16. Any person violating or aiding or abetting in violating sections 3, 4, 5, 7, 11, 12, or 15 of this act shall, upon conviction thereof in the Municipal Court for the District of Columbia, upon information filed in the name of said District, be punished by a fine of not more than $100 or by imprisonment for not more than 90 days; and each day on which such unlawful act is done or during which such unlawful negligence continues shall constitute a separate and distinct offense.

"'SEC. 17. Except as herein otherwise authorized all expenses, incident to the enforcement of this act shall be paid from appropriations made from time to time for that purpose in like manner as other appropriations for the expenses of the District of Columbia.

"'SEC. 18. (a) For the purposes of this act, the term "Commissioners" shall mean the Commissioners of the District of Columbia or their designated agent or agents; and the term "owner" shall mean (1) any person, or any one of a number of persons, in whom is vested all or any part of the beneficial ownership, dominion, or title of the property found by the Commissioners to be in an insanitary condition; (2) the committee, conservator, or legal guardian of an owner who is non compos mentis, a minor child, or otherwise under a disability; or (3) a trustee elected or appointed, or required by law, to execute a trust, other than a trustee under a deed of trust to secure the repayment of a loan.

"'(b) Wherever under this act any act is to be performed by, or any notice is to be given, an owner, such act may be performed by an agent of such owner, or such notice may be given to an agent of such owner who collects rent or otherwise acts as an agent for the owner in connection with said property.

"'SEC. 19. (a) All suits and proceedings instituted by or against the Board for the Condemnation of Insanitary Buildings in the District of Columbia created by the first section of the act approved May 1, 1906, supra, or the Board for the Condemnation of Insanitary Buildings established by the Commissioners under the authority of Reorganization Plan No. 5 of 1952, prior to the effective date of this act, shall be deemed to have been taken by, or instituted by or against, the Commissioners of the District of Columbia.

"'(b) With respect to any building or part of building condemned by either of the Boards aforesaid prior to the effective date of this act, and which building or part of building stands condemned as of the effective date of this act the 6-month period provided by section 3 of this act shall commence running from the effective date hereof.

"'(c) Wherever any provision of this act refers to any order of the Board for the Condemnation of Insanitary Buildings, such provision shall mean the order of such Board, or, if such order be reviewed by the Condemnation Review Board, as such order has been affirmed or modified by the latter Board; and wherever this act establishes any time limit within which there shall be compliance with an order of the Board for the Condemnation of Insanitary Buildings, such time limit shall begin running from the date on which the owner of the property affected by said order receives notice thereof, or, if such order be reviewed by the Condemnation Review Board, from the date on which the owner of such property receives notice that such order has been affirmed or modified by the latter Board.

"'SEC. 20. This act shall take effect 30 days after its approval.'"

Mr. O'HARA of Minnesota. Mr. Speaker, I offer certain amendments to the committee amendment.

The Clerk read as follows:

Amendments offered by Mr. O'HARA of Minnesota to the committee amendment:

On page 10, line 2, insert a comma after the word "members."

On page 23, line 21, insert the word "amendatory" before the word "act."

On page 24, lines 1, 2, and 3, insert the word "amendatory" before the word "act."

On page 24, line 4, strike the word "hereof" and insert in lieu thereof "of this amendatory act."

On page 24, lines 14 and 16, strike the word "receives" and insert in lieu thereof "is served with."

The amendments to the committee amendment were agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING ACTS RELATING TO ALLEY DWELLINGS IN THE DISTRICT OF COLUMBIA

Mr. O'HARA of Minnesota. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 3506) to repeal the act approved September 25, 1914, and to amend the act approved June 12, 1934, both relating to alley dwellings in the District of Columbia, and I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. McMILLAN. Mr. Speaker, I raise the point of order against consideration of this bill at this time on the ground that a quorum was not present when the bill was reported out.

Mr. O'HARA of Minnesota. Mr. Speaker, I withdraw the request for consideration of the bill S. 3506.

The SPEAKER. Without objection, the bill is withdrawn.

There was no objection.

AMENDING DISTRICT OF COLUMBIA POLICE AND FIREMEN'S SALARY ACT OF 1953

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to vacate the proceedings of the House whereby the bill (S. 3329) was passed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEARNS. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (S. 3329) to amend the District of Columbia Police and Firemen's Salary Act of 1953 to correct certain inequities, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (d) of section 102 of the District of Columbia Police and Firemen's Salary Act of 1953, approved June 20, 1953 (67 Stat. 77), as amended, is amended to read as follows:

"(d) The minimum basic salaries contained in subsection (a) of section 101 of this act in the grade or rank of Chief of Police shall not be increased by more than four longevity increases, nor shall the minimum basic salaries of grades or ranks below that of Chief of Police be increased by more than five longevity increases."

SEC. 2. Section 102 of said act is amended by adding thereto the following new subsection:

"(f) In initially adjusting salaries in accordance with the provisions of this section, any officer or member promoted from a lower grade to a higher grade prior to July 1, 1953, shall receive credit for such part of continuous service in both grades for longevity purposes as is necessary to establish his basic salary, including longevity pay, at least equal to the basic salary he would have received under the provisions of this section in the lower grade had such promotion not been made. Service for future longevity increases of any officer or member whose salary is adjusted under authority of this subsection shall begin as of the date such adjustment became effective."

SEC. 3. Subsection (d) of section 202 of said act, as amended, is amended to read as follows:

"(d) The minimum basic salaries contained in subsection (a) of section 201 of this act in the grade or rank of Fire Chief shall not be increased by more than four longevity increases, nor shall the minimum basic salaries of grades or ranks below that of Fire Chief be increased by more than five longevity increases."

SEC. 4. Section 202 of said act is amended by adding thereto the following new subsection:

"(f) In initially adjusting salaries in accordance with the provisions of this section, any officer or member promoted from a lower grade to a higher grade prior to July 1, 1953, shall receive credit for such part of continuous service in both grades for longevity purposes as is necessary to establish his basic salary, including longevity pay, at least equal to the basic salary he would have received under the provisions of this section in the lower grade had such promotion not been made. Service for future longevity increases of any officer or member whose salary is adjusted under authority of this subsection shall begin as of the date such adjustment became effective."

SEC. 5. The provisions of this amending act shall become effective as of July 1, 1953.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert "That subsection (d) of section 102 of the District of Columbia Police and Firemen's Salary Act of 1953, approved June 20, 1953 (67 Stat. 77), as amended, is amended to read as follows:

"'(d) The minimum basic salaries contained in subsection (a) of section 101 of this act in the grade or rank of Chief of Police shall not be increased by more than four longevity increases, nor shall the minimum basic salaries of grades or ranks below that of Chief of Police be increased by more than five longevity increases.'

"SEC. 2. Section 201 of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by inserting after subsection (a) the following new subsection:

"'(b) The annual basic salary of a private of any class of the Fire Department of the District of Columbia shall be increased by—

"'(1) $390, while he is assigned to duty as an aide to the Fire Chief or to a Deputy or Battalion Fire Chief;

"'(2) $208, while he is assigned to duty as a regular first driver-operator or tillerman of a fire department hose wagon, pumper, aerial ladder truck, rescue squad, or fire department ambulance;

"'(3) $390, while he is assigned to duty as a chief radio technician; and

"'(4) $208, while he is assigned to duty as chief photographer.'

"SEC. 3. Section 202 (b) of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by adding at the end thereof the following new sentence: 'In computing service in the grade of inspector for the purpose of determining longevity increases, service in excess of 3 years rendered prior to the effective date of this act in the grade of private, when the individual was assigned to duty as a fire inspector or assistant marine engineer shall be considered service in the grade of inspector.'

"SEC. 4. The amendments made by this act shall take effect on the first day of the first pay period of the Fire Department of the District of Columbia which begins after the date of its enactment, except that the amendment made by section 2 shall take effect on July 1, 1953."

Mr. KEARNS. Mr. Speaker, I offer a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. KEARNS as a substitute for the committee amendment:

"That subsection (d) of section 102 of the District of Columbia Police and Firemen's Salary Act of 1953, approved June 20, 1953 (67 Stat. 77), as amended, is amended to read as follows:

"'(d) The minimum basic salaries contained in subsection (a) of section 101 of this act in the grade or rank of chief of police shall not be increased by more than four longevity increases, nor shall the minimum basic salaries of grades or ranks below that of chief of police be increased by more than five longevity increases'.

"Sec. 2. Section 102 of said act is amended by adding thereto the following new subsection:

"'(f) In initially adjusting salaries in accordance with the provisions of this section, any officer or member promoted from a lower grade to a higher grade prior to July 1, 1953, shall receive credit for such part of continuous service in both grades for longevity purposes as is necessary to establish his basic salary, including longevity pay, at least equal to the basic salary he would have received under the provisions of this section in the lower grade had such promotion not been made. Service for future longevity increases of any officer or member whose salary is adjusted under authority of this subsection shall begin as of the date such adjustment became effective'.

"SEC. 3. Subsection (d) of section 202 of said act, as amended, is amended to read as follows:

"'(d) The minimum basic salaries contained in subsection (a) of section 201 of this act in the grade or rank of Fire Chief shall not be increased by more than 4 longevity increases, nor shall the minimum basic salaries of grades or ranks below that of Fire Chief be increased by more than 5 longevity increases.'

"SEC. 4. Section 202 of said act is amended by adding thereto the following new subsection:

"'(f) In initially adjusting salaries in accordance with the provisions of this section, any officer or member promoted from a lower grade to a higher grade prior to July 1, 1953, shall receive credit for such part of continuous service in both grades for longevity purposes as is necessary to establish his basic salary, including longevity pay, at least equal to the basic salary he would have received under the provisions of this section in the lower grade had such promotion not been made. Service for future longevity increases of any officer or member whose salary is adjusted under authority of this subsection shall begin as of the date such adjustment became effective.'

"SEC. 5. Section 201 of the District of Columbia Police and Firemen's Salary Act of 1953 is amended by inserting after subsection (a) the following new subsection:

"'(b) The annual basic salary of a private of any class of the Fire Department of the District of Columbia shall be increased by—

"'(1) $390, while he is assigned to duty as an aide to the Fire Chief or to a Deputy or Battalion Fire Chief;

"'(2) $208, while he is assigned to duty as a regular first driver-operator of a Fire Department hose wagon, aerial-ladder truck, rescue squad, or Fire Department ambulance;

"'(3) $390, while he is assigned to duty as a chief radio technician; and

"'(4) $208, while he is assigned to duty as a chief photographer.'

"SEC. 6. Sections 1, 2, 3, and 4, shall take effect as of July 1, 1953, and section 5 shall take effect on the first day of the first pay period of the Fire Department of the District of Columbia which begins after the date of the enactment of this act."

The substitute amendment was agreed to.

Mr. McMILLAN. Mr. Speaker, I wonder if the gentleman will explain this in order to throw a little more light on why this substitute was added?

Mr. KEARNS. May I inform the gentleman that when the bill was considered in committee at its last meeting we had overlooked the longevity privileges of 14 firemen who had not had longevity made retroactive to January 1, 1953. There is also one corporal on the police department who was eligible.

Furthermore, on the longevity matter, we found that the police officers who received longevity were the Chief of Police who only received four, which was correct, because he receives a greater salary than the other officers.

This is merely perfecting language to language that was not submitted in the original act or was not clarified in the original act.

Mr. McMILLAN. I thank the gentleman.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SIMPSON of Illinois. Mr. Speaker, that completes the bills on the District of Columbia Calendar.

RIVER AND HARBOR, BEACH EROSION, AND FLOOD-CONTROL PROJECTS

Mr. DONDERO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9859) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9859, with Mr. JOHNSON of California in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. DONDERO. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, H. R. 9859, generally referred to as the omnibus river and harbor and flood-control bill, comes to the floor of the House after a long series of hearings by our subcommittees and the hearings held by the full Committee on Public Works.

This bill adopts 85 river and harbor projects, located in 29 States and the Territories of Alaska and Hawaii, with a total estimated cost of $212,915,100.

It also adopts 22 beach-erosion projects, located in 12 States and the Territory of Hawaii, with a total estimated cost of $14,003,664.

It also adopts 33 flood-control projects with a total estimated cost of $294,852,750 and authorizes the modification of 8 projects heretofore approved by Congress.

The 8 authorizations for previously approved projects, including $20 million for watershed work being prosecuted by the Department of Agriculture, amount to $368,500,000.

The 140 projects in the bill are located in 41 of the 48 States and the Territories of Alaska and Hawaii.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to inquire of the distinguished gentleman from Michigan if any of those projects are in the State of West Virginia?

Mr. DONDERO. I am not able to answer that offhand, but I will answer the gentleman before the debate is over.

Mr. BAILEY. I would like to remind the gentleman that there were seven projects authorized in the district that I represent. Back in 1946 we started work on the Sutton Reservoir, and when the Korean trouble came on, that was dropped. The other 6 are still there. Nothing has been done about them despite the fact that they have been authorized since 1938.

Mr. DONDERO. Well, if they have been authorized, then they are beyond the jurisdiction of the Committee on Public Works of the House and are a subject for the Committee on Appropriations of the House.

Mr. BAILEY. I do not know that I used the proper term in saying "authorizations." They were authorized by the Congress.

Mr. DONDERO. Then it is a subject for the Committee on Appropriations. I might say to the House that certainly all of the projects that were submitted to our committee are not included in this bill, because, if they had been, this bill might have been double or more than the sum total that we bring to you. The total amount in this bill is about $890 million.

Mr. BAILEY. I would like to advise the gentleman and the Members of the House that just this past week, on Sunday last, a disastrous flood hit the area right where some of these projects have been authorized. Had they been constructed, it would not have been necessary for the Federal Government to expend vast sums of money, which they have done in the past 2 or 3 days, and we are trying to rebuild bridges and restore homes and property that has been damaged.

Mr. DONDERO. Those are acts of God.

Mr. BAILEY. That would not happen if the Congress were alert to the situation that exists there. This is the area in which 85 or 86 people have been drowned in the last 10 years in this type of flood, and apparently nothing has been done about any of those authorized projects.

Mr. DONDERO. I am sure the gentleman will show his interest before the Committee on Appropriations in the next session of Congress.

H. R. 9859 carries a total authorization of $890,271,514. Appropriations for civil works for the fiscal years 1952, 1953, 1954, and 1955 have amounted to more than $1,563,000,000. In fact, this bill carries a total authorization that is approximately $30 million less than the civil-works appropriations for the fiscal years 1952 and 1953.

The 1950 bill left the House with an authorization total of $1,117,586,175. This bill carries an amount nearly a quarter of a billion dollars less than the 1950 House bill—the last omnibus bill.

At the present time approved active projects for navigation and flood control will cost an estimated $7,566,533,000 to complete. Projects amounting to an estimated total cost of $2,534,030,000 are deferred pending further study, while projects amounting to slightly more than a billion dollars are in an inactive status due to changed economic conditions and other factors arising subsequent to authorization.

In the process of developing this bill, the Subcommittee on Rivers and Harbors, under the able chairmanship of the gentleman from Oregon [Mr. ANGELL], held 42 meetings. The Subcommittee on Flood Control, headed by the gentleman from Washington [Mr. MACK], held 41 meetings. Every project in the bill was carefully considered, and both proponents and opponents were given time to present their testimony. With only 2 or 3 exceptions, all projects were given unanimous approval both by the subcommittee and the Committee on Public Works.

Throughout the numerous hearings held by subcommittees on the projects proposed, the Corps of Engineers presented the technical details of each project. Almost from the beginning of our history as a nation, the Corps of Engineers has been charged with the responsibility for navigation and harbor work, and, later, for flood-control projects. Its record in civil-works construction stands as a monument to this efficient agency of the Federal Government and to the fine work of its officers and civilian personnel. The corps deserves the highest commendation, and I am sure that every member of the Committee on Public Works joins me in this statement.

At this time I wish to publicly commend Mr. MACK and Mr. ANGELL, the chairmen of the Subcommittees on Navigation and Flood Control, for their diligence in carrying on the hearings. This year our esteemed colleague the gentleman from Oregon [Mr. ANGELL] completes 16 years of service in the House of Representatives, and I am sure all of us regret that he will retire at the close of this Congress. He is a man of outstanding ability and has been most diligent and attentive in his committee duties and congressional work throughout the years. He has a splendid record of service to the people of his district, the State of Oregon, and the Nation. The House, I am sure, will greatly miss him.

I recommend that this bill be given favorable consideration. I hope it will pass. It is not as large a bill as the former bill which came to the floor in 1950. It is of less amount. The reason that it should not be in an excessive amount is the fact that we have a backlog in this country of river and harbor and flood-control projects which will total about $10 billion. It would take almost 12 years to complete if they started work now. So that the necessity for a large bill is not here. This is a reasonable bill. I hope that the House will do as the Committee on Public Works did, support the bill unanimously.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Florida.

Mr. SIKES. I take this time simply to express my personal appreciation, which I know is shared by the Members of the House, for the uniform courtesy and consideration shown by the gentleman's committee and all of its members to those of us who have projects we feel are deserving projects. I believe the gentleman and his committee have rendered an important service in bringing this bill to the floor, and I want the RECORD to show my appreciation for the diligence and efforts of the gentleman's committee.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Washington.

Mr. WESTLAND. The gentleman from Florida has taken the words right out of my mouth. The gentleman from Michigan should have yielded to me first. I, too, wish to congratulate the chairman and the members of this committee on bringing out this bill. Particularly, in behalf of the people of the Second Congressional District of the State of Washington, I want to express appreciation of the committee having heard me in testimony before the committee and having included six different projects from that area in this bill. It seems to me it is real recognition of the rivers and harbors in the far Northwest.

Mr. DONDERO. I thank the gentlemen for their comments.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DONDERO. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, the gentleman who has devoted more hours to the work of this committee than any other and is more responsible for the provisions of this bill than any other is our friend and colleague, the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL is chairman of the Subcommittee on Rivers and Harbors. He also is the ranking Republican member of the Subcommittee on Flood Control. Mr. ANGELL attended every session of both of those committees. Mr. ANGELL is the outstanding authority in the Congress on rivers and harbors and flood control. He has contributed much to his State, to the Pacific Northwest, and to the Nation.

The gentleman from Oregon [Mr. ANGELL] had intended to be here today to deliver his final speech in Congress, of which he has been a Member for 16 years. Illness, however, prevents that. He has requested that I ask that his remarks be inserted immediately following the remarks of our chairman, the gentleman from Michigan [Mr. DONDERO]. Therefore, Mr. Chairman, in behalf of the gentleman from Oregon [Mr. ANGELL], I ask unanimous consent that his remarks may be inserted at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ANGELL. Mr. Chairman, I approve this bill and urge its adoption. As chairman of the Subcommittee on Rivers and Harbors of the Public Works Committee it has been my privilege and duty to preside over the hearings which we have been conducting before the Rivers and Harbors Subcommittee during much of the time of the 83d Congress, with a view to passing upon the merits of the various river and harbor projects eligible for inclusion in this bill. There has not been an omnibus bill for rivers and harbors since 1950 and as a result there is a large accumulation of projects which have been examined in the field by the Corps of Army Engineers, approved and cleared by the Bureau of the Budget, and approved by the Public Works Committee. Our committee includes all such projects in one bill which has come to be known as an omnibus bill which permits the Congress to pass on all projects at one time rather than have them scattered throughout the session by individual bills. This procedure is a desirable one and results in the saving of much time for the Congress and at the same time gives adequate opportunity to pass upon the merits of each individual project included in the omnibus bill. Opportunity is given on the floor for any Member to make a motion to strike any particular item from the bill, which insures majority rule.

The Committee on Public Works, which under the Reorganization Act, has jurisdiction over rivers and harbors, flood control, public roads, and public buildings, has taken the opportunity during the 83d Congress to make inspection trips over most areas in the United States and to visit most of the important rivers and harbors in order to get first-hand information on the ground, as to the various projects coming before the committee for action. These trips included one along the Atlantic coast, through the New England States and along the St. Lawrence and Great Lakes, down the Mississippi and along the Gulf States, the central portion of the United States in the Ohio River area and on west to the Pacific coast, including the States of Montana, Idaho, California, Washington, Oregon, and the Columbia Basin area.

During these inspection trips we made actual examination of the projects on the ground and gleaned much local history and factual information as to the merits and demerits of the various projects. At the conclusion of these field examinations I set down for hearings before the subcommittee the rivers and harbors and beach erosion projects which were eligible for inclusion in the bill.

I have heard it said that there is a backlog of approved rivers and harbors projects which would require many years for completion by the Army engineers and some comment to the effect that those should be completed before new projects should be considered. However, an examination by our committee into the merits of this suggestion and the appraisal of the projects now on the approved list as well as the new projects which are urgently needed to meet changing conditions shows the lack of merit in the suggestions and the necessity for authorizing the construction of many new projects urgently needed and the elimination of some projects heretofore approved which by reason of changing conditions are no longer justified.

It may be of interest to consider the background of river development and a bit of the history surrounding it as well as some statistical information which our committee has gathered in the various hearings we have held.

The water transportation system of the United States began with the founding of the Nation and recognition of Federal responsibility in navigation stems from the very beginning of these public works. Our committee has been advised by the Corps of Army Engineers that 1,769 authorizations on river and harbor projects have now been completed. There are a few multiple-purpose projects which include some navigation not included in this list. The total cost of this river improvement program was $856 million.

Projects or modifications which are now under way but not yet completed total 143. The committee records show that the projects underway involve an additional cost of $1,409,000,000 of which $878 million has been appropriated through the fiscal year 1954 and it is estimated that $531 million will be required to complete the projects.

In addition to the projects completed or underway there is another group not yet started totaling 254 in number, the total cost of which would be $911 million of which $5 million has been appropriated to date for planning purposes, leaving a total of $906 million to complete the construction of the projects.

It is thus seen from these tabulations that the total active navigation program amounts to 2,156 projects or project modifications, having a grand total of $3,176,000,000 of which $1,739,000,000 for the cost to date has been appropriated and $1,437,000,000 is the estimated cost to complete. These estimated costs to complete are based on the 1953 price levels.

In addition to the active program the Army engineers considering navigation projects have deferred for restudy 282 projects. These deferred projects are estimated to cost, if constructed, $1,170,000,000. The active authorized navigation program described included about 28,600 miles of improved waterways, about 300 locks, 200 dams, and 290 commercial harbors. This embraces all authorized navigation projects from those not yet started to those fully completed.

It is thus seen that the comprehensive program for river and harbor development throughout the United States has proceeded throughout our history on a coordinated program in which each project is based on careful and extended engineering studies authorized by the Congress and eventually submitted to the Public Works Committees having been cleared by the Army engineers and the Bureau of the Budget.

It is at this point in the proceedings that the work of the Public Works Committees of the House and Senate take over to determine whether or not authorization for any specified project should be granted. The omnibus bill we are considering embodies the results of our deliberations and includes the projects which in the judgment of the committee are in the national interest, economically feasible, and desirable in furthering the needs of water transportation of the Nation both for war and peace.

The latest commercial statistics which are available are for the year 1952 and show that the net waterborne commerce of the United States totaled about 890 million tons in that year, of which about 660 million tons were domestic and 230 million tons were foreign. This is a 50 percent greater waterborne commerce than the prewar peak in the year 1929. The statistics given to our committee in

the consideration of the 1950 Rivers and Harbors Act, which was the predecessor to the present one, then amounted to an alltime total of 760 million tons reached in 1947, which has now been exceeded by more than 11 percent. In continuously mounting volume through the war years, traffic grew on the inland and intracoastal waterways of the United States, each year setting a new record in ton-miles of bargeborne freight. It should be recalled that in addition to their value as carriers of commercial cargo, the inland waterways were used to float 3,943 war vessels and several hundred items of auxiliary war equipment from inland shipyards down to the ocean. America's rivers and canals thus served a twofold purpose during the war. They shared importantly in the transportation of strategic materials and they made possible a widespread geographical diffusion of manufacturing processes that otherwise would have been forced into congested coastal areas, with the hazards of bomb attack.

As I have said, this omnibus bill is the first one proposed since 1950 and needless to say it includes a large number of projects which have been accumulating. It covers 140 projects including 22 under beach erosin programs, with an estimated cost for the 140 projects of $890,271,514. Under the law governing beach erosion projects they are permissible only for the protection of public property and two-thirds of the cost must be borne by local interests and one-third by the Federal Government. It is estimated that the cost of beach erosion projects will be $14,300,664.

It is the thought of a good many students of our economic programs and national economy that it is a wise move for the Federal Government to have public projects of this nature examined and approved by the Army engineers so that their worth and economic feasibility may be established and have them available on the shelf of approved projects in the event of the need for public works to bolster our economy. In the meantime, however, such of the projects as are urgently needed for immediate construction are cleared for appropriation to enable construction to start.

I call attention to the fact that our committee is a legislative committee and merely authorizes projects and before construction can proceed the Appropriation Committee must provide the funds.

The economy of the United States, the foremost nation in the world, is based upon our immense wealth of natural resources and our productive capacity and know-how in this highly developed machine age. It behooves us to guard well our natural resources and exercise every effort for their preservation, utilization, and full development in order that we may continue to hold the front rank of the nations of the world in the ability to produce the necessities of life not only for our own people but for many of the less fortunate peoples of the world.

The late Theodore Roosevelt, as President of the United States in 1908, made a great contribution to this program for the conservation, development, utilization of our natural resources, and particularly the forest, minerals, waters, and soil. He said:

> Each river system, from its headwaters in the forest to its mouth on the coast, is a single unit and should be treated as such.
>
> Running water is a most valuable natural asset of the people, and there is urgent need for conserving it for navigation, for power, for irrigation, and for domestic and municipal supply.
>
> The improvement of our inland waterways can be and should be made to pay for itself as far as practicable from the incidental proceeds from waterpower and other uses. Navigation should, of course, be free, but the greatest return will come from the increased commerce, growth, and prosperity of our people. For this we have already waited too long. Adequate funds should be provided, by bond issue if necessary, and the work should be delayed no longer. The development of our waterways and the conservation of our forests are two most pressing physical needs of the country. They are interdependent and they should be met vigorously, together, and at once. There is urgent need for prompt and decisive action.

President Theodore Roosevelt in pleading for the conservation and development of America's natural resources was only following the sage advice of another great American statesman of long ago, Daniel Webster, whose words are chiseled in the plaque over our Speaker's rostrum:

> Let us develop the resources of our land, call forth it powers, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

As in the days of Theodore Roosevelt, there was need, as he said, for prompt and decisive action in the conservation and development of these great natural resources, so today we in our time and generation will be derelict in our duty and shortsighted in our vision if we fail to provide the necessary funds and legislation needed to conserve and protect to the full, these great natural resources which belong to all the people and which are being wasted and depleted. Unless we make possible the full use of our water, forests, soil, and hydroelectric power we will be unable to meet the heavy demands upon our economy and to provide for our own people the high standard of living they now enjoy, and at the same time to perform our full part in maintaining a peaceful and stable world.

As we visualize the immense billions the United States has expended around the world in attempting to bring peace to the world and good will among men of all nations, we cannot help but be impressed with the necessity of ending the worldwide race in armament in this age of the atomic and H-bombs and returning to international cooperation and the spiritual and moral values which dominated our forebears, with the hope that the millions expended in armaments and wars may be turned into channels of peace and internal improvements and improved standards of living in order to overcome hunger, disease, illiteracy, and despair which have been the prime causes of wars.

I believe with President Eisenhower—

> We are prepared to reaffirm with the most concrete evidence our readiness to help build a world in which all peoples can be productive and prosperous. This Government is ready to ask the people to join with all nations in devoting a substantial percentage of any savings achieved by real disarmament to a fund for world aid and reconstruction. The purposes of this great work would be: To help other peoples to develop the underdeveloped areas of the world, to stimulate profitable and fair world trade, to assist all peoples to know the blessings of productive freedom. The monuments of this new kind of war would be these: Roads and schools, hospitals and homes, food and health. We are ready, in short, to dedicate our strength to serving the needs rather than the fears of the world.

Mr. Chairman, there are no projects in this bill in my congressional district. There are, however, a few projects in Oregon, of which my district is a part, which I desire to call to your favorable consideration. One of these is the deepening of the channel of the Columbia River at the mouth from 40 to 48 feet and dredging jetties and providing groins if necessary in order to give safe access to the Columbia River ports of the large volume of waterborne traffic on the river. The use of the entrance channel as it exists today at times presents great hazards and danger to shipping.

There are some 18 port districts now formed on the Columbia River from its mouth to its confluence with the Snake. The Snake River is the most important tributary of the Columbia and with its great gorge—the deepest in the United States—it presents ideal conditions for the construction of dams, storage lakes, and hydroelectric-power projects, as well as providing river transportation. The dams on the Snake will not only provide navigation, flood control, reclamation, and the generation of hydroelectric power at the dam sites, but will provide an immense storage basin for preventing floods and also for storing water to increase the generating capacity of the many hydroelectric installations downstream on the Columbia.

Mr. Chairman, the Third Congressional District of Oregon, which I am privileged to represent, borders on the Columbia River and is in a strategic position in this great area, the Columbia River Basin. Truly the Pacific Northwest stands at the threshold of a coordinated regional development. The development and full utilization of the Columbia Basin's natural resources are the keys to the economy of Oregon and the Pacific Northwest. Fortunately the money invested in the development of these huge hydroelectric projects is a sound investment for the United States. The payout is ahead of schedule on the Bonneville project in my district and long before the amortization period expires the Federal Government will have received back the full cost with interest, upkeep, and maintenance. During the 16 years I have had the privilege of serving the people of the Third District of Oregon, I have devoted much of my time to the problems of conserving, developing, and utilizing to the full the great storehouse of natural resources in the Columbia River Basin. Few regions are blessed with such wealth of resources. The immense volume of water and hydropower of the Columbia River

coupled with fertile soil and an equitable climate provides a combination of factors which spell success and prosperity in the Pacific Northwest region.

This is true both from an industrial standpoint where great blocks of cheap hydroelectric power are needed and for agricultural development as well, which also requires both power and water.

The Pacific Northwest is a rich and growing region; it has immense natural resources of forests, agricultural and grazing land, water supply, minerals, fish and wildlife, scenic and recreational areas. With about 9 percent of the Nation's land area and 3 percent of the people, the Pacific Northwest has 40 percent of all merchantable timber, 20 percent of all irrigated acreage, 4 percent of all cropland, 20 percent of all developed waterpower, 40 percent of all potential hydroelectric power, 60 percent of all phosphate rock; large deposits of lead, zinc, silver, copper, and other minerals; 4,680,000 people in April 1950—a gain of one-third over 1940. The basic region deficiencies are oil, gas, and coal. To overcome these deficiencies it is imperative that we develop the immense pool of hydroelectric power with which we are blessed, with almost one-half of the available United States potential supply. Only some 11 percent has been developed thus far.

The Columbia River Basin is the greatest natural source of water and power resources not only in America but anywhere in the civilized world. By reason of the large drainage basin it covers, the river's flow is to a large extent continuous through most of the year, resulting in an unusual percentage of firm power in hydroelectric projects. This is an exceptionally valuable asset to large industries which need continuous firm power to maintain plant operation.

The growth of power requirement in the Northwest is the result of an extremely rapid growth in population coupled with expansion in electrification of farms, businesses, and industries in the area. In population growth, the Pacific Northwest has far outstripped the United States as a whole. In the period between 1940 to 1950, which is the major development period of the Bonneville Power Administration, the population of the State increased almost 50 percent. Besides having a population increase, more electricity than ever before is being used by all classes of customers. Farm, business, and industrial enterprises are rapidly finding new uses for power, and home consumption is steadily increasing.

I feel justified in having been a vigorous advocate of the development of these great resources of the Northwest not alone because they spell prosperity for the area, but because they are sound investments for the Nation as a whole. This Nation in the exercise of wisdom, instead of curtailing the development of these great revenue-producing projects, should make available the necessary funds for full development as rapidly as the demand for electric energy requires. Federal funds invested in these public works is in the interest of economy.

During my service I have seen the Bonneville and Grand Coulee projects through the development stage. We are now well advanced in construction of the McNary Dam and Chief Joseph project on the Columbia and in the early stages of construction of the Dalles project on the same river. The Columbia River and its tributaries has the greatest potential storehouse of electric power of any waterway in the Nation, some 20 million kilowatts, of which only 11 percent has been developed, as I have said. The remainder of this great source of energy and power is flowing to the sea without let or hindrance, with a resulting loss of untold wealth to our people and the loss of millions in revenues which would come into the coffers of the United States. The Bonneville plant during the war turned out 570,000 continuous kilowatts which is equivalent in energy to 8,800,000 barrels of oil. Only 15 units of the Grand Coulee plant is equivalent to 28 million barrels annually. When McNary Dam is completed, the oil saving will be about 15,500,000 barrels annually. The usable steam generation in the Pacific Northwest is about 275,000 kilowatts, and when this capacity is running to meet low-water conditions, 5 million barrels will be consumed. If this displacement energy were developed, the oil saving would be in round numbers 290 million barrels annually, or about 95 percent of the total European consumption, or a quarter of our own prewar consumption. I cite these facts to show the importance of undeveloped hydropower in our future economy.

Unfortunately we have no large deposits of gas, coal, or oil in the Pacific Northwest, but the enormous pool of hydroelectric power stored in the Columbia and other rivers compensates for this loss. The McNary Dam project alone will provide the necessary energy for industries which will have a total investment of $100 million and which will supply employment to 100,000 residents of the Northwest. It is estimated that benefits to navigation from this great dam will reach a million dollars a year, and it will reduce pumping costs for the lands adjacent to the pool approximately $300,000 a year. The power alone generated at this huge project will return to the Government $17,500,000 a year to produce which 3 million tons of coal or 11 million barrels of oil would be required. It is significant to recall that hydroelectric power is not expendable like oil, gas, or coal, and that as long as the sun shines and water falls this great source of energy will work around the clock in the interests of the great industries of the Pacific Northwest.

While the hydroelectric power potential of the Columbia River and its tributaries, the greatest in the United States, is of immense value to the entire region and to the Nation, nevertheless this great waterway with its continuous flow of a huge volume of water available down through the centuries for navigation, reclamation, domestic and industrial use, is of greater value and is one of the greatest assets that is possessed by any area anywhere in the world.

We in this great new continent of America, with its wealth of natural resources, should not underestimate the favored position in which we find ourselves and the blessings that are ours. As has been said, let us confess that our great good fortune is not because we in America are one whit better or more deserving of God's blessings, but simply because we have the tremendous virgin resources of a new continent to divide among only 160 million skilled people, while in Asia nearly 1,500,000,000 unskilled people must divide the meager resources of a long-used continent.

The Columbia River from its source in Canada down through the great hinterland lying between the Pacific Ocean and the Continental Divide is a natural outlet for the commerce of this great region. The water-level haul from the Pacific Ocean through the Columbia River and Snake River Gorge to Lewiston in central Idaho serves an area equal to an empire in scope. On the bosom of this great river the heavily laden barges move to and fro from the ocean as far as the river has already been developed for transportation. The United States Corps of Engineers' Report 308, approved by the Congress, covers a comprehensive plan for the full development of this great river basin and when the projects there listed and approved have been fully constructed transportation on this great river will be provided from the Pacific Ocean to Lewiston, Idaho.

Mr. Chairman, another project included in this bill is a flood-control authorization for the Columbia River and Willamette River Basins under the Flood Control Acts of 1938 and 1950. The comprehensive plan of development for the Columbia River Basin will produce numerous benefits throughout the area. The main control plan, including such reservoirs as The Dalles, which is under construction, together with the levees, floodwalls, and bank-protection projects, will reduce flood damages in the lower basin by more than 90 percent. The plan of improvement, in addition to controlling floods on the lower Columbia River, will also provide effective control on the Willamette, Kootenai, and Snake Rivers, and maximum protection economically feasible on other tributaries. The projects of the plan will also permit full development and extend inland navigation on the Columbia, Snake, and Willamette Rivers. In addition, the multiple-purpose reservoirs will greatly increase the presently available power capacity of the Federal projects in the basin. Other benefits accruing to the plan of improvement are those resulting from the irrigation of arid lands, pollution abatement, domestic and industrial water supplies, and recreation. Many benefits are not subject to monetary evaluation but nevertheless are very realistic; these include prevention of loss of life, improved standards of living, and stabilization of business and employment.

The committee was informed by representatives of the Corps of Engineers that, based upon an appropriation

schedule designed to permit economical and orderly progress on continuation of needed flood control and related works in the Columbia River Basin, it is estimated that an amount of approximately $75 million will be required during fiscal year 1956, and an amount of approximately $115 million will be required during fiscal year 1957. These amounts are about $180 million in excess of the available monetary authorization. The committee has therefore included authorization in the bill in the amount of $180 million for continuation of the comprehensive plan.

The major portion of this authorization is needed for The Dalles Dam project. This is a most important project in the economy of the Pacific Northwest and is proceeding full speed at the present time. It is one of the most important projects for power on the Columbia River, only second to Grand Coulee.

With each passing year it is more plainly evident that the most dynamic influence on the economy of the Northwest is coming from the harnessing of the great power potentials of its large and numerous streams. The Columbia River and its tributaries carry an amount of water which represents approximately one-fourth of the annual runoff of the major power streams of the country. When fully developed this great river alone can provide approximately 30 percent of the hydroelectric power generation of the entire country. When other streams of the Northwest are added the total is in excess of 40 percent. As of January 1, 1953, only 11.6 percent of this total capacity had been utilized through operating plants. Projects now under construction or authorized will bring this total to near 15 percent of the potential.

But this partial harnessing of the great power resources has been sufficient to literally electrify or energize the economic life of the Northwest and to demonstrate the essentials of future plans for logical and orderly development.

Not only are the installed capacities and undeveloped potentials impressive when compared with the country as a whole, but the low costs of power generation make this the area of lowest power prices in the United States. The benefits of this low-cost hydropower have been made widely available to the domestic consumers of the Northwest and a matching low level of rates has been provided for industry. This has had great significance in the Nation's war and postwar defense program.

The rapid growth of the aluminum reduction industry in the Pacific Northwest is the result of alert action by leaders of the region and progressive development of cheap hydroelectric power. There were no aluminum reduction plants in the area prior to 1940. However, by 1944 the Pacific Northwest's capacity to produce aluminum from alumina—shipped in from other areas—amounted to 310,000 net tons, or 28 percent of the national total. By December 1952 the region's capacity had grown to 498,300 tons, an increase of 58 percent over 1944, and to 41 percent of the national capacity. The Big Three of the aluminum industry—Alcoa, Kaiser, and Reynolds—have been in the region for some time. It is expected that 104,000 tons of new capacity may be added during 1954—by the Harvey Machine Co., 54,000 tons, and the Anaconda Copper Co., 50,000 tons. For continued expansion of the aluminum and other industries there will have to be rapid development of more hydroelectric power, which is the region's greatest resource. Luckily, it is not exhaustible like natural gas or oil, and some other forms of energy.

I urge favorable consideration of two other Oregon projects in the bill, Rogue River Harbor at Gold Beach, Oreg.—Senate Document No. 83, 83d Congress, 2d session—and Umpqua Harbor and River, Scholfield River, at Reedsport, Oreg.—Senate Document No. 133, 81st Congress, 2d session.

The Rogue River is located in the southwest corner of Oregon, draining 5,080 square miles. The river generally flows westward into the Pacific Ocean 264 miles south of the mouth of the Columbia River and 319 miles north of San Francisco. The plan of recommended improvement provides for two jetties at the entrance of Rogue River, a channel 13 feet deep and 300 feet wide from the ocean to a point immediately below the State highway bridge, and widening channel at a point 0.25 mile below highway bridge to form turning basin 13 feet deep, 500 feet wide, and 650 feet long.

Estimated cost	Federal	Non-Federal	Total
Project document	$3,758,700	$163,800	$3,922,500
Current	3,758,700	163,800	3,922,500

In addition to the direct benefits that would accrue if the improvement is constructed, business would be stimulated, property values increased, and utilization of the Nation's timber resources would be increased. Trucking is at present the only form of transportation in the area. This project is in the area of a large stand of commercial timber, much of it owned by the Federal Government. Water transportation is urgently needed to market the ripe timber both privately and federally owned.

The Umpqua River, Oreg., empties into the Pacific Ocean 178 miles south of the mouth of the Columbia River. Scholfield River rises south of the Umpqua River and flows northwestward about 13 miles to its confluence with Umpqua River at Reedsport, Oreg.

There is no existing project on Scholfield River. This project for Umpqua River provides for a jetty-protected entrance channel 26 feet deep and a river channel 22 feet deep, 200 feet wide, and about 11 miles long to Reedsport; together with turning and mooring basins and various widths and depths to Gardiner, Oreg.

The plan of recommended improvement provides for a channel in Scholfield River 12 feet deep, generally 100 feet wide, from its confluence with the Umpqua River to a point 0.5 mile below the first railroad bridge, a distance of 2 miles, the entrance to be widened to 300 feet in a distance of 500 feet.

Estimated cost	Federal	Non-Federal	Total
Project document	$41,000	$10,000	$51,000
Current	41,000	10,000	51,000

Local interests have offered to provide additional terminal facilities on the Scholfield River as needed, and to contribute $10,000 toward the first cost of the improvement if the dredged material is deposited in a specified area. The Chief of Engineers recommends acceptance of this cash contribution.

Mr. Chairman, I urge the adoption of this bill.

Mr. Chairman, this may be my last opportunity to say a farewell to you and my colleagues. One of the greatest joys of my 16 years' service here has been this wealth of friendships with you, my colleagues, which I will cherish as long as God grants my stay on earth. The seemingly endless days of toil and frustrations have knit together the strong and abiding ties of personal associations and friendships. With you I have tried with such power as God has given me to build a better America, to provide for all our citizens high and low the blessings of freedom and a sharing in the bounties with which divine providence has blessed us.

Mr. Chairman, since I am ending my 16 years' service in the Congress I may be pardoned for a personal reference. My background has been such as to instill in me a deep and abiding interest in the abundant natural resources of the Pacific Northwest. My parents came to Oregon by ox team in 1852, where I was born and raised, and I have spent all of my life in Oregon and much of it in working for the conservation, development, and utilization of these vast natural resources. For many years I was engaged on public-land surveys in Oregon, Washington, Idaho, and Montana, which gave me an opportunity to secure firsthand information of the extent, the character, and the value of the unmatched natural resources of this great area. This, as well as my training and experience as a lawyer, has enabled me here in the Congress to plead with my colleagues for the development of these resources which has resulted in favorable consideration at their hands. I take some pride in reporting that in the years in which I have served in the Congress the Columbia River has received in authorizations and appropriations for the development of navigation, reclamation, hydropower, and flood control deserved favorable consideration. It has received more appropriations for public works, many times over, than in any other like period in history.

Mr. Chairman, two subjects involving national legislation have been foremost in my entire service in the Congress. One is the conservation, development and utilization of the immense wealth of natural resources of our Nation on which our economy depends and which I have discussed in these remarks. The other is the adoption of a Federal old-age security program, nationwide, which will deal justly with the aged, handicapped and disabled who otherwise would be in

need and want. If we are to preserve the American way of life and our economic and democratic processes under free enterprise, we must find a solution not only for our unemployment problems but also for the problems of providing adequate care for the aged and disabled. With an accelerating advance in technology in the postwar era, and with the commercial development of atomic energy presaging more rapid transitions in mass production, the social risks and hazards of unemployment and old age are increased. Rather than see workers pushed from active labor force, hit-or-miss, the logical policy to follow is one of selection. The older group has earned retirement. Many of them are not covered by the Social Security Act. By covering the entire group, the whole process of business activity will be stabilized. Retirement payments will provide continuous buying power, will provide the needed balance in market demand, and will help to provide mass consumption without which our mass production economy cannot function successfully. It will lead the way to greater prosperity in our Nation.

The aged, through no fault of their own, through the fiat of industry, are denied a part in production. They toiled the longest in production and should not, when old, be deprived of taking part in consumption. They are the victims of an industrial system for which they are not responsible. Society owes a duty to these old folks, and it can only perform this duty by establishing a national annuity system providing against the hazards of old age and disability. There are now millions among us, 60 years of age and over, who are not now being cared for in an honorable and just way by the present system of social security, and are receiving no support from any source, or hopelessly inadequate support.

The plan which I have advocated and sponsored during my congressional service would replace the complicated, arbitrary, and inequitable provisions of the existing law. It is financed by a gross income tax in which all participate. It is a pay-as-you-go system, and annuities will be paid currently each month out of currently raised revenues. This proposal gives recognition to the past labors of the aged and would offer them dividends from the wealth of American industry which they helped to create. These annuities are provided for those self-respecting American citizens as a matter of right, without reference to need or prior contributions, and with neither the stigma of charity nor the aroma of poverty.

I take considerable satisfaction in knowing that during the years of my work here, the Congress has from time to time enacted amendments to the social-security system under which a gradual advance has been made toward a solution of this most important old-age security problem. The coverage has been materially increased to take in many thousands of worthy citizens who otherwise would be without help, and the monthly payments have been substantially increased. However, the ultimate goal has not yet been achieved; namely, a nationwide system which will cover all and which will provide adequate annuities so that these worthy and deserving citizens will have ample income in their declining years to live with decency and health in accordance with the living standards of their friends and neighbors. Ultimately the full goal, I am sure, will be attained.

Mr. Chairman, during all my service in this great forum I have labored ceaselessly and ever with a fervent desire and hope that this great peace-loving Nation and the freedom-loving nations of the world find a solution to the conflicts and devastating wars between the nations of the world.

This troubled world seeking ways to solve its problems should be turning increasingly to those inexhaustible spiritual resources of divine strength and moral courage as a practical way to rebuild better government, better society, and friendly cooperation in a misguided and distraught world beset with wars, greed, and selfishness. How these fundamental spiritual values can be applied to solve the problems that face the world today is your problem and mine, and may indeed, determine the destiny of this great Republic.

God grant that the time will come in our time when the leaders of all nations of the world, realizing the dreadful cost of war in human life and national wealth, and its utter futility in the solution of international, political, and economic problems, will be willing to sit around the conference table and decide the problems which now separate them, by peaceful negotiation instead of by bombs and guns. If the lives lost in war were devoted to useful occupations and the betterment of mankind, and the immense sums of money expended in the preparation of war, waging war, and the care of the injured and rehabilitation of the destruction wrought by war, were devoted to useful purposes such as great public works throughout the nations, river and harbor improvements, hydroelectric production, hospitals, schools, roads, public and private housing, higher standards of living for the downtrodden, and old-age security, the millennium would indeed have been reached.

Somewhere down through the ages we have lost the sustaining faith of our Founding Fathers that the Almighty is on our side; that He "moves in a mysterious way His wonders to perform." As the late Senator Vandenberg said:

> With unwavering fidelity we must carry on the great adventure of life, but if there be any failure, let not the blood be upon our hands, nor the tragedy upon our souls. The United States has no ulterior design against any of its neighbors anywhere on earth. We can speak with the extraordinary power inherent in this unselfishness. We need but one rule. What is right? Where is justice? There let America take her stand.

Let us follow in the footsteps of the immortal Lincoln who in the dark days of 1865 said:

> With firmness in the right, as God gives us to see the right, let us strive to finish the work we are in—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations.

Mr. FALLON. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I also would like to pay homage to the chairman of the Subcommittee on Rivers and Harbors for his hard and diligent work on this omnibus rivers and harbors bill, also to the chairman of the Subcommittee on Flood Control, the gentleman from Washington [Mr. MACK] and also the illustrious chairman of the full committee, the gentleman from Michigan [Mr. DONDERO]. May I say, too, that during these many months of hearings the minority side was represented at all times, and I should like to pay tribute to the minority members for the long hours they worked on these hearings.

The projects that are in this bill have had long study by the Army engineers. There were also many hearings held on each and every project by the subcommittee. Then they were reported to the full committee, and the full committee spent long hours going over the work of the subcommittee.

We feel that these are new and important projects and that they are necessary to be authorized at this time so that in the near future the Committee on Appropriations can act. All of these projects are in this country. All of them are for the expansion of our own economy. I feel that in an ever-growing country we need to keep pace with the business of the country and expand our rivers and harbors, also protect the investment of many farms and cities with flood-control projects. I do feel it is a good bill. It was passed unanimously by our committee. I urge this House to adopt it today.

On January 9, 1953, I introduced a bill in Congress, H. R. 9520, calling for the deepening of the Chesapeake and Delaware Canal to 35 feet and its widening to 450 feet, as well as other improvements recommended by the Army engineers. The proposed project has been approved by the Federal Bureau of the Budget, the National Rivers and Harbors Congress and has the endorsement of the Baltimore Association of Commerce, as well as other leading port interests. The Public Works Committee of the House of Representatives held hearings on my bill and approved it unanimously for inclusion in the rivers and harbors and flood control omnibus bill, which is being considered by the House today.

I need not remind my colleagues of the important and useful part that water transportation plays in the national economy. Fortunately for us, the Federal rivers and harbors program has produced the best system of navigable waterways and harbors possessed by any nation. The Congress has appropriated to date more than $4 billion for improving and maintaining these waterways and harbors. But there are some weak links in this strong national chain of water transportation. And standing out like a sore thumb is the Chesapeake and Delaware Canal.

Generally the improvement of our waterways has been a progressive development in an effort to keep pace with the growth of maritime commerce and the requirements for national defense.

But the facts show plainly that the improvement of the Chesapeake and Delaware Canal has not kept pace. Here is the picture.

The present canal is a bottleneck between the two great Atlantic ports of Baltimore and Philadelphia. The proposed project will join these two cities by direct deepwater route, thus adding substantially to the combined service which they can render on behalf of the Nation's waterborne commerce, both domestic and foreign. Considering that this project is only about 46 miles in total length, its completion will come close to making the 2 ports as 1. At a very nominal cost compared to the resultant benefits from eliminating the existing bottleneck, the long and expensive voyage of some 300 miles now required for larger ships plying between these ports by way of the Virginia Capes can be avoided. As a matter of simple economy, the savings in time and increased flexibility of ship operations are sufficient to justify the improvement.

As a result of the Federal program for navigation improvements, channel depths of 35 feet or better now prevail at principal harbors on the Atlantic seaboard or gulf coast. The existing 27-foot channel in the Chesapeake and Delaware Canal does not permit the full loading of vessels as at these ports. It is wholly inadequate to handle ocean liners and modern tankers often loaded to depths of 33 feet. The proposed deepening to 35 feet will provide the necessary depths to meet shipping needs and will benefit the whole Atlantic coast through increased shipping.

The present canal of 250-feet width is not a safe waterway. In addition to insufficient depths there are three leading hazards for vessels—the narrow channel, bad bends, and had bridges. In the past, tankers have been wrecked and tied up in the canal for months or a whole season. The proposed widening of the canal to 450 feet, easing of bends and provision of new bridges will provide a much safer waterway, in addition to eliminating the costly delays.

Baltimore is one of the Nation's leading ports in total inbound shipments of merchandise and serves as a gateway for a wide range of manufactured commodities, grain, and other agricultural products from the West. Development of new iron ore fields in Labrador will serve to supply additional traffic in the future. Major steel companies interested in these new fields are now planning the construction of large ore carriers, as well as other facilities, which will make the port of Baltimore the largest and most modern ore unloading facility of any port in the country. In addition, major railroads serving Baltimore have long recommended that the Chesapeake and Delaware Canal improvements be carried out, as the improved canal would permit the movement of full shiploads of coal from the rail terminals at Baltimore to the New England areas. It stands to reason that modernizing the Chesapeake and Delaware Canal would, through increased foreign and domestic trade, serve to aid the growth of the Nation as well as the port of Baltimore.

This waterway has great potenital value for national defense. Records indicate that the canal was particularly valuable to the Nation during World War II. Further, if improved, it would provide Baltimore with two 35 feet or better exits to and from the sea, the only major port in such a position. The protected passage between Baltimore and Philadelphia enlarged to real seaway proportions would accommodate our large naval vessels, such as destroyers and cruisers, and would be of greatly increased value to our defense and security.

As sponsor of this project, I most earnestly endorse the widening and deepening of the inland waterway connecting the Delaware River with Chesapeake Bay and feel it even more necessary now than ever before because of the great challenge presented by the St. Lawrence Seaway to the ports of the Atlantic.

The people of Maryland have had a close interest in the canal reconstruction for the past three decades. To them, the proposed project to convert it into a major deep sea waterway is like a dream come true.

I maintain and recommend that this project should be promptly authorized in order that modernization work may soon be initiated in the interest of the growing economic needs and safety of the Nation.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. BARRETT. Mr. Chairman, because of the vital role of the Philadelphia port area in our national defense effort, the project of deepening the Delaware River from Philadelphia-Camden to the Trenton area to 40 feet is a matter which concerns not only the civil authorities, businessmen, and citizens of this locality but the Nation as a whole.

More than a year ago the United States Steel Co. began production at its new Fairless plant on the Delaware River below Morrisville, Pa., near Trenton, N. J. Consequently the Philadelphia-Camden area has become one of the Nation's greatest steel producing districts. The operation of this multimillion dollar integrated steel plant, its subsidiaries and other related industries in the area demands the facility of oceangoing transports as they require a marked increase in waterborne tonnage. This factor alone should justify the modification of the Delaware River Channel above Allegheny Avenue to Trenton to accommodate seagoing ore boats, colliers, tankers, and other deep draft vessels. An improved channel would also provide for the shipment of finished steel by water freight direct from the steel companies' docks.

By opening up the Delaware River to the city of Trenton, a vast hitherto untapped area can become useful to defense production and economic development over and above the extent to which it is being utilized at present. The Fairless steelworks has brought to the Morrisville area many satellite companies whose output is suitable to defense production.

The United States Army Corps of Engineers has made a thorough study of conditions in the Delaware River Channel. They have recommended improvements to navigation on the Delaware River that would add some 60 miles of deepwater harbor capabilities which will result in a large increase in low-cost transportation in this great and rapidly expanding commercial district. The Corps of Engineers also specifically stated that the benefits to the defense program and future normal peacetime economy by improving navigation on the Delaware River are such as to warrant construction of the project. The requirements by local interests for an increased depth of channel were found to be real and essential. It has also been found that the depths of water in our seaports and channels are limiting factors in the marine design of tankers and bulk cargo carriers.

There can be no question as to the importance of the Delaware River Valley to the national economy and national defense. The Congress would certainly be justified in authorizing this project and appropriating the necessary funds as recommended by the Corps of Engineers as well as the civic and industrial leaders of the Philadelphia-Camden area.

As pointed out in the following editorial from today's Philadelphia Inquirer, deepening of the Delaware River Channel is recommended by all elements of labor because of its significance to the economic future of Delaware Valley, United States of America:

UNITED DELAWARE VALLEY BACKS DEEPER CHANNEL BASIN

Rarely does the United States Congress have before it a measure which commands such united and wholehearted support as the proposed allocation of $91 million for deeping the upper Delaware River channel to Trenton.

Doubly effective is the support now coming from both railroads and rail labor. Ordinarily one might expect them to hesitate before endorsing expansion of a competing medium of transportation. But as the Brotherhood of Locomotive Engineers stated, in a letter to Members of Congress:

"We feel the railroads of this territory would have an increase in business, making more work for railroad employees."

This general viewpoint was driven home in letters and statements by officials of both the Pennsylvania and Reading Railroads, by the Brotherhood of Locomotive Engineers, the Brotherhood of Trainmen and the Brotherhood of Railway and Steamship Clerks.

Lined up in solid support, too is the Pennsylvania Federation of Labor, with former President James L. McDevitt sending a persuasive letter to Senator PRESCOTT S. BUSH, chairman of the Public Works Committee which unanimously approved the measure.

It is this aggressive and vigilant mobilization of public opinion which gives Delaware Valley its best hope of getting the channel project through Congress at this session. The biggest obstacles we face are not outright opposition, based on active objection, but (a) the danger of the channel bill being swamped, lost or forgotten in the rush of Congress toward adjournment, and (b) the many other money claims for other projects which Congress must consider.

That's why it is vital to keep hammering home the main theme—the overall goal—of the deeper channel to Trenton: Expansion

of Delaware Valley, and with it expansion of prosperity for the Nation.

We can think of no one measure more likely to spur the Eisenhower program of prosperity than the deeper Delaware channel.

No theory is involved here. Proof is at hand. Delaware Valley is growing fast. Visibly. Needed is the deeper channel so this march forward will be neither halted nor slowed down—but aided in creating more industries, more employment, more homes.

It has been said that keeping everlastingly at it brings success. That is a good motto for all of us in these windup days of Congress.

Mr. GRANAHAN. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. GRANAHAN. Mr. Chairman, there has been concern expressed by some Philadelphians and others interested in the proposed project for the improvement of the Delaware River channel from Philadelphia to Trenton that it is not included in this omnibus authorization bill. I want the RECORD to show that this project is very much in my mind as this bill comes before the House and that there is a very valid reason why it has not been included in this bill.

First of all, the project for the Delaware River cleared the various administrative hurdles—approval by the Board of Engineers, the Chief of Engineers, the Secretary of the Army, and so on—only after the schedule for hearings by the House Public Works Committee had been made up.

While it might still have been possible to have the House hearings reopened or continued to include the Delaware River project, the senior Senator from Pennsylvania, Chairman MARTIN, of the Senate Public Works Committee, agreed to hold hearings on this project before his committee and this was done. There is no doubt that the Delaware River project is slated for inclusion in the omnibus bill now before us when that bill gets over to the Senate.

Under those circumstances, and in view of the fact that no hearings on this matter were held by the House committee, it is our feeling that there would be no value in an attempt here to have the project written into this bill from the floor. It could do more harm than good, for if it were voted down on the grounds that the House committee had not had an opportunity to hold hearings on it, it might jeopardize the chances of having the project retained in the final conference bill, assuming the Senate writes it into the measure in the first place.

It should perhaps be explained, Mr. Chairman, that the House and Senate Public Works Committees try insofar as possible not to duplicate hearings on the same projects, unless strong opposition should develop in a particular area to a project approved for that area by the House committee. In that event, the Senate committee will often hold a hearing to review the House action. But normally, if the House committee schedules certain projects for hearings, the Senate committee will schedule other projects for its hearings, and in that way they cover double the amount of ground without duplicating their efforts.

So I am perfectly satisfied in this matter that it was good strategy to have Senator MARTIN'S committee in the Senate conduct the hearing on the Delaware River project for two reasons: first, it came out of the Army so late that there was a strong possibility House committee hearings could not be arranged for it in time for inclusion in this bill; and, second, Senator MARTIN is thoroughly familiar with the importance of this project and could be expected to show more than routine interest in it.

All things considered, then, there is no reason for concern that the Delaware River project is not included in the House bill, since it will certainly, I am sure, be in the Senate version. Once that occurs, it will be up to all of us in the House who are anxious to see this project go through to make sure that it is included in the final conference bill.

I noticed several days ago the Philadelphia Inquirer expressed concern editorially about this matter, urging a floor fight to get it into the House bill. I hope my statement clears the air on this, and explains why no such floor fight is being made at this time.

Everybody admires a good fight, but there is no sense in fighting just for the sake of fighting, and particularly when a fight might jeopardize rather than help in the achievement of our goal.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. MOSS. Mr. Chairman, I wish to express my appreciation to members of the Public Works Committee of the House of Representatives for their favorable action in authorizing construction of urgently needed levees along the American River near the city of Sacramento. This is one of the very important flood-control measures included in the omnibus public works authorization bill. The committee was faced with an extremely difficult job in considering the many important public-works projects proposed for authorization, but they did the job expeditiously and efficiently.

I particularly want to thank the gentleman from Washington, Congressman MACK, who is chairman of the subcommittee responsible for action on flood-control matters. His most courteous treatment of me and of officials from the Sacramento area in dicussions of the matter—and the courtesies extended us by the other subcommittee members—is highly appreciated.

The action approving this important levee will be of great help to one of the fastest growing residential and industrial areas in the United States. The full growth of the area has been blocked by floods and the threat of floods. Flood danger soon will become greater because of the construction of Folsom Dam upstream from Sacramento.

The important dam, which is part of the flood-control network of the Central Valley project, is designed to release a maximum of 115,000 cubic feet of water per second, and engineers expect this maximum release to be made at regular intervals as rain from winter storms or spring runoff from melting snows rush into the reservoir. This will mean that the force of floods in the area to be protected by the Amercian River levee would be diminished, but their frequency would be increased.

By approving the project, therefore, the Congress will be recognizing its responsibility for correcting a situation made worse by previous governmental action. In addition, the levee will add a flood-safe area where homes and businesses can be established by the many persons moving into our section of California.

May I express again the sincere thanks of the people of the Third Congressional District for the action of the committee and of the entire House of Representatives in helping them solve a difficult problem.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. PASSMAN. Mr. Chairman, I rise in support of H. R. 9859, and I want to commend the distinguished gentleman from Michigan [Mr. DONDERO], chairman of the Committee on Public Works, and the other members of the Committee on Public Works, for reporting out what in my opinion is one of the best bills of this type that has ever been reported to the House for consideration.

I am particularly grateful to the chairman and the members of the committee for approving the Old River control structure project because the hearings before the Public Works Committee established that this project could be properly classed as an emergency project.

The Old River closure project is in no wise a local project. It cannot be defined as a project affecting only the State of Louisiana. Rather, it is a project affecting most of the Southern States directly, and the entire United States indirectly. So in thanking the distinguished chairman and members of the committee for approving this project I speak for a great majority of our fellow Americans living throughout the entire Mississippi Valley. By approval of this project and the plans and specifications of the Army engineers in constructing the project, no doubt the Atchafalaya River will be prevented from capturing the Mississippi River at its confluence with Old River and following the shortest course to the Gulf of Mexico. If such a diversion had been allowed to take place, in all probability, the damage to the economy of the Mississippi Valley would have been in the billions of dollars.

Mr. FRIEDEL. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. FRIEDEL. Mr. Chairman, I am already on record in endorsing the proposal to improve the inland waterway connecting the Chesapeake Bay and the Delaware River. I extend and reaffirm that endorsement.

Considering the great benefits to be derived from the improved Chesapeake and Delaware Canal, the cost must be viewed as nominal. From the standpoint of national defense, the deepwater connection between the great ports of Baltimore and Philadelphia has already proved to be of primary importance. Its

usefulness in time of emergency would be increased considerably by the improvements recommended by the Chief of Engineers. During wartime, ships plying this inland waterway would be completely protected from the danger of hostile craft. Unquestionably this would be a contribution to national defense of the first magnitude.

The improvements to the Chesapeake and Delaware Waterway will be important to the peacetime economy also. The canal provides a short, inland route for oceangoing vessels moving between Baltimore and New York, Boston, and Europe, and South America. Reports indicate that a saving in time of 20 hours will be realized by the average vessel enroute from Baltimore to the Delaware River area.

An immediate economic benefit would be an improvement of the water transportation service to the thousands of industrial concerns situated in the region. It is reasonable to expect that good water transportation facilities will attract additional industries to the region.

The arguments are overwhelmingly favorable to the completion of the Chesapeake and Delaware Canal proposal. Therefore I urge that action be taken to proceed with this project without delay by adopting the provision contained in this bill H. R. 9859, for the widening and deepening of the Chesapeake and Delaware Canal. It merits our support.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. HAYS of Arkansas. Mr. Chairman, I appreciate the hard work that has been expended by the members of the Public Works Committee upon this measure, and I shall give it my support. However, I am disappointed that the committee failed to accept the recommendation of the Corps of Engineers with reference to proposed projects for the Holla Bend levee district and the Conway County drainage and levee district, both of which I believe to be essential to adequate protection of valuable land against recurring floods on the Arkansas River. I trust that these projects will be embraced in this measure before final action is taken by the Congress.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. O'HARA of Illinois. Mr. Chairman, I wish to express my appreciation, and I am sure that of all my colleagues from Illinois, to the distinguished chairman and members of the committee, especially the able Illinois member, Mr. KLUCZYNSKI, who so outstandingly champions the best interests of Chicago and the Nation, for including the beach-erosion program. It is of great interest to our people—not only to the people of the district I have the honor to represent, but to the people of other districts in Chicago. We do appreciate the action of the committee. May I ask one question which I will be asked to answer when I go home to my people. Referring to page 96 of the report, I notice that the city of Chicago is required to pay a larger part of the cost than suburban communities. May I have an answer to that question?

Mr. FALLON. I yield to the chairman of our committee, if he has the record before him so that he may answer the gentleman from Illinois. I do not remember the details of all 92 projects.

Mr. O'HARA of Illinois. I notice on page 96 of the report that suburban communities will pay a lower percentage of the cost than will the city of Chicago. I presume there is a good reason for it, but I will be asked that question when I go home and I would appreciate an answer from the chairman.

Mr. DONDERO. I will look into the matter and answer the gentleman later, before we conclude debate.

Mr. O'HARA of Illinois. I thank the chairman very much. The district that I have the honor to represent runs along Lake Michigan from 39th Street southward and we have a vital interest in the program emanating after long study from the Corps of Engineers and which offers a promising solution to the problem of beach erosion that has been perplexing us. Naturally I would not wish the city of Chicago, which already is sorely pressed to find the money for the many services required of it, to receive less aid in proportion to other communities. It is true that we have along the lakefront in Chicago more and finer public bathing beaches than any city in the world. These are maintained by the people of Chicago for all the people, both our own residents and those we are delighted to have visit us and share with us our beaches, our parks, and the other attractions of our great and happy metropolis. I presume that this figures in the apparent discrepancy of the percentage of Federal aid Chicago will receive to that authorized for neighboring communities. I am sure the distinguished chairman's statement will clarify the matter.

Mr. GARMATZ. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. GARMATZ. Mr. Chairman, 4 years have passed since the last omnibus rivers and harbors bill was passed by Congress and therefore many projects are now demanding attention. The Corps of Engineers has carefully screened these projects and selected for approval only those which were considered of the greatest importance, either to the area in which they were located, or to the Nation as a whole, and frequently to both.

The navigation system has been the responsibility of the Federal Government since the Nation was founded, and the investment made in the program has resulted in substantial and widespread benefits from the standpoint of economics and national welfare. It has contributed to foreign and domestic commerce and to the security and growth of the Nation.

Of vital importance to the port of Baltimore is the proposed program recommended for the inland waterway from the Delaware River to the Chesapeake Bay, known as the Chesapeake and Delaware Canal. The completion of this work would greatly affect the volume of shipping through the port of Baltimore, now the second largest port on the east coast, and on which the economy of the city of Baltimore, and in fact, the whole State of Maryland depends.

In the past, many of the larger ships have bypassed Baltimore because the canal has not been of sufficient width and depth to enable them to use it. To have availed themselves of the facilities offered by the port of Baltimore would have entailed many additional miles of travel. For example, the use of the canal would reduce the travel distance from Baltimore to New York or New England ports by 150 miles, and between Baltimore and many European ports, by 115 miles, which would mean a saving in operational costs as well as in sailing times.

The widening and deepening of the canal, and the replacement of movable-span bridges with high-level fixed structures, as proposed in H. R. 9859, will go far toward making the port of Baltimore more accessible to the large vessels.

The improved waterway will also provide an inland route from Philadelphia to Cape Henry, connecting two of the Navy's principal shipyards. Furthermore, it would permit the transportation of coal from the newly developed coal fields in West Virginia, through the local rail terminals in Baltimore, to the new England area, at considerably less expense.

Navigation through the waterway at the present time is exceedingly hazardous and results in much damage to vessels and bridges. Some accidents have tied up traffic there for weeks at a time. Improving the canal by increasing the depth to 35 feet and the width to 450 feet, is essential as an aid to navigation and would permit two-way, day and night traffic, by large vessels.

On the basis of past traffic through the canal, which has, incidentally, far exceeded all expectations, there is every reason to believe that future traffic will avail itself of the use of the canal to the greatest extent the canal will permit.

In times of war, the inland waterways developed at the Government's expense, have been a valuable asset. During the last war, the inland waterways were used to float almost 4,000 war vessels and several hundred items of auxiliary equipment from inland shipyards to the ocean. The Chesapeake and Delaware Canal accommodated 924 trips by naval vessels, mostly Coast Guard and the auxiliary naval craft. Furthermore, as part of the inland waterway system, ships were able to avoid the hazard from enemy submarines between the Chesapeake Bay and the Delaware Bay entrances, thus reducing the amount of convoying required. The proposed improvements would increase its value and potential, should there be another emergency, and also permit vessels of larger size to avoid the ocean route.

In addition to their importance in the transportation of strategic materials during the war, the inland rivers and canals made possible the widespread geographical diffusion of manufacturing processes, that otherwise would have been forced into the already congested coastal areas.

Some concern has been expressed as to the possibility of the pollution of the Delaware River and its effect on wild life in the area, because of this work. However, the Chief of Engineers has pointed out that the tidal flows in the existing canal return more water to the river than they draw from it, and there is little reason to believe that the condition would be reversed if the canal were widened and deepened. He has also assured us that the improvements are not expected to have any adverse effect on the quality of water in the Chesapeake Bay and its tributaries.

With the increasing use of larger vessels, improvement of our navigation program is necessary. The use of the larger vessels in transportation, will mean greater economy, with its resultant lowered cost to the consumer.

Under the circumstances, while the improvements to the Chesapeake and Delaware Canal recommended in this bill, approved by the Army engineers and the Bureau of the Budget, will be of great value to the people of Maryland, they will also prove of equally great benefit to the Nation as a whole, insofar as general commerce and the national defense are concerned. Therefore, I cannot too strongly urge the approval of this project by the House.

Mr. DONDERO. Mr. Chairman, I yield such time as he may desire to the gentleman from New Hampshire [Mr. MERROW].

Mr. MERROW. Mr. Chairman, H. R. 9859 contains authorizations for two projects in my district which are exceedingly important to New Hampshire. For improvements in the Portsmouth Harbor and Piscataqua River there is an authorization of $952,000. For the beach erosion project at Hampton Beach there is an authorization of $140,000. I wish to express my deep appreciation to the Committee on Public Works for including the river and harbor project and the beach erosion project in H. R. 9859. These projects are vital to the State of New Hampshire.

The New Hampshire coastline is short—just under 18 miles in length. On this coast we have one of the finest harbors in the East and one of the most popular beaches. Both are exceedingly important to the economic life of the State.

The harbor at Portsmouth never freezes. The channel in places is 70 feet deep and the shallowest points are about 40 feet deep. It is unfortunate, however, that in the harbor and the Piscataqua River there are rock obstructions. Their removal to permit the entrance of larger boats would be a tremendous industrial stimulus not only to the immediate locality, but to the entire area.

As early as 1885 and 1886 reports were submitted to the Senate in Executive Document 44 of the 49th Congress. In 1916 reports were submitted to the 63d Congress on Portsmouth Harbor. These reports were for the purpose of determining the advisability of further improvements in the interest of navigation, including the removal of Gangway Rock and improvement work at the southwest point of Badgers Island. I refer briefly to these prior reports to point out that from 1916 to 1948 no action had been taken to bring about the improvements in the river and harbor. If the rock obstructions could be removed, New Hampshire would have an excellent deepwater port the year round.

REVIEW RESOLUTION—ENGINEERS' REPORT—H. R. 4938

On December 22, 1948, I conducted a hearing in Portsmouth for the purpose of discussing the subject of harbor and river improvements. Convincing evidence that the proposed improvements would be worth while and were justified in view of the industrial development which would soon follow was presented. Early in 1949 I submitted the record of this hearing to the Public Works Committee of the House and on February 17, 1949, the committee adopted a resolution for a survey of the Federal project already in existence over many years. In June 1952 the Chief of Engineers submitted a report on the harbor and the river recommending the removal of the rock obstructions, the cost to be borne by the Federal Government.

On April 30, 1953, I introduced H. R. 4938, a bill to authorize funds in accordance with the recommendations of the Chief of Engineers. The Subcommittee on Rivers and Harbors, under the able chairmanship of the gentleman from Oregon, Hon. HOMER D. ANGELL, gave me an excellent hearing on July 17, 1953. Several witnesses appeared before the subcommittee testifying on the importance of the project. The facts presented clearly demonstrated that the improvements of Portsmouth Harbor and the Piscataqua River by removal of the obstructions would result in widespread benefits to the economic life of New Hampshire. Such improvements will be of a permanent nature since there is no silting in the harbor.

MEMBERS OF THE PUBLIC WORKS COMMITTEE VISIT NEW HAMPSHIRE

I am happy that nine members of the Public Works Committee visited New Hampshire from August 28 to September 1, 1953. The mission, headed by the distinguished chairman of the Public Works Committee, the gentleman from Michigan, Congressman GEORGE DONDERO, made a thorough inspection of the harbor and the river. The Members also visited Rye Harbor, Hampton Harbor, and the Portsmouth Naval Shipyard. It is significant that for the first time in the history of the Granite State Members of Congress who are dealing with harbor and erosion problems have acquired a complete picture of all the problems connected with the New Hampshire harbors and coastline.

On May 26 the Subcommittee on Rivers and Harbors approved an authorization of $952,000 for Portsmouth Harbor and the Piscataqua River to be included in this bill we are considering today. I am more than pleased that the full committee on June 11 included this in H. R. 9859, which is now before us for action.

INDUSTRIAL FUTURE

The extent of the economic and industrial development as a result of such improvements will be boundless. The clearing of Portsmouth Harbor and the Piscataqua River will be one of the greatest boons to economic growth New Hampshire has ever experienced. We are now in sight of the long-needed and long-overdue harbor and river improvements.

HAMPTON BEACH AND HAMPTON HARBOR BEACH EROSION

Hampton Beach is one of New Hampshire's greatest assets. Prior to 1935 Hampton Beach was subject to grave erosion and considerable property damage due to the fluctuation of the inlet to Hampton Harbor. In 1932 the beach erosion board made a report which resulted in 1935 in the building of jetties by the State of New Hampshire. Sand was pumped from the harbor and about 50 acres of land were reclaimed. In 1942, as a result of a further erosion study, the State constructed a seawall.

On many occasions I have inspected the beach and have been much alarmed by the constant erosion. It is disturbing to see one of New Hampshire's greatest assets being washed away. I have constantly sought action to correct this situation.

In a letter to me dated August 14, 1952, Col. L. H. Hewitt, of the division of engineers, stated:

> I have just received word from the Office of the Chief of Engineers that the New England division is authorized to proceed with the cooperative beach erosion study at Hampton Beach, N. H., which was suspended under Presidential directive dated July 21, 1950, as an economy measure.

STATE ACTION

This cooperative beach erosion study proceeded and in October 1953 it was submitted by the New England division for action by the Congress. The report recommends widening 1 mile of beach by 150 feet and the northerly quarter mile by an additional 25 feet. This would require 340,000 cubic yards of sand. The sand is available in the harbor lying immediately south of the beach. This project is to cost $420,000 and the Federal participation, which is one-third, is $140,000. I am glad that this is included in this bill.

In the 1953 session of the State legislature, New Hampshire authorized $1,275,000 to carry on a program for the improvement of the shore at Hampton. The State proposes to extend the seawall and to improve the shore north and south of Great Boar's Head. The Federal grant is extremely important. The area is a vital unit in the economy of the State. Business at Hampton Beach totals approximately $10 million annually.

ADOPTION OF EROSION PROJECT

On April 7, 1954, the Subcommittee on Rivers and Harbors held a hearing on the erosion project, and on May 26, 1954, approved the project. On June 15, 1954, the full committee included the project in the bill we are considering today.

Early in 1949 I requested the Public Works Committee of the House to review the reports on Hampton Beach and Hampton Harbor. On June 2, 1949, the committee passed the following resolution:

> *Resolved by the Committee on Public Works of the House of Representatives, United States,* That the Board of Engineers

for Rivers and Harbors be, and is hereby, requested to review the reports on Hampton River and Harbor, N. H., submitted in House Document No. 247, 58th Congress, 2d session, and subsequent reports with a view to determining whether the provision of anchorage basins and channel and other improvements for navigation is advisable at this time.

Although the above resolution is still pending, the Corps of Engineers under the provisions of section 2 of the Rivers and Harbors Act, which was approved on July 3, 1930, as amended and supplemented, made a study of Hampton Beach as I have just described.

I have already pointed out that the sand to be used for the beach will be taken from the harbor. Therefore, as soon as the authorization of $140,000 is completed by the Congress and the appropriation is made, not only will the erosion work be carried out, but the harbor will be dredged.

IMPORTANCE OF BEACH EROSION PROJECT

I cannot stress too strongly the importance of this work. The town of Hampton has a population of nearly 3,000, but within a radius of 50 miles there are 2,350,000. This is a most popular area. Hampton Beach and Hampton Harbor form the center of the recreational needs for thousands of people. Therefore, the improvements about which I have been speaking will affect in a very material way the economy of the entire area.

CONCLUSION

The people of my district are exceedingly happy that these two projects have been included in this bill. I take this opportunity to thank the committee for the consideration they have given New Hampshire and I am more than pleased that so much progress had been made toward the accomplishment of these long-range improvements which will mean so much to the economy of the Granite State.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I also wish to pay my respects to each and every member of this committee. However, I cannot go along with them in respect to all of the legislation they have submitted.

I observe that almost all States in the Union are pretty well taken care of by way of projects of various kinds. I understand 41 States are included in this proposal. I want to ask the chairman of this committee, whether or not this bill will cost almost a billion dollars, so when you pass the bill you are going to obligate our country by almost one billion dollars in additional charges—$897 million is the amount I read in your report.

I also direct your attention to the fact that our country is charged with projects amounting to some ten billion dollars, according to the figures I have before me. I regret I do not have all the information, because with all that is said about this, copies of hearings on flood control are not available.

I would like to know, however, how many projects there are already authorized but not completed. Can any member of the committee give me that information?

Mr. DONDERO. They amount to some $10 million.

Mr. REES of Kansas. Does the gentleman know the number of them?

Mr. DONDERO. No; I do not.

Mr. REES of Kansas. What I am getting at is, why should we go ahead and authorize billions of dollars on new projects when we have not already started on projects that have been authorized. If these projects authorized in this bill are more imminent or more important, then such showing should be made. In other words, if these, or any of them, should have priority then why not indicate it. It is probable that some of the projects ought to have immediate attention. If such is true then set them out so they must have first attention. Furthermore, many of these projects are to provide complete flood protection or to furnish water supply for cities and towns at the expense of the Government. What do cities and towns who furnish a part, or all, of the funds for water supply think about that? These are two items, in my opinion, should be eliminated from this bill. They are described as the Pomona Reservoir and the Melvern Reservoir, and are, if built, to be located in Osage County, Kans.

They are at the head of a series of nine dams, or reservoirs, on a comparatively small river. It is the Marais des Cygnes River in Kansas. Then it is the Osage River in Missouri.

Let me make this quite clear. This is not a part of the Kaw or Kansas River. It does not flow into the Missouri River near Kansas City. It has nothing to do with the Kansas City flood you hear so much about. It flows into the Missouri River near Jefferson City. It will be said that these projects should be built to prevent a disaster—if there is a disaster—similar to that of 1951. Army engineers have testified, in event of a repetition of that catastrophe, neither of the proposed dams, or both of them, would protect the city from damaging floods. How could they, when they are full or nearly full of water, if and when such flood could come.

I do agree the reservoir at Melvern would furnish a good supply of water for the city right below the dam.

It would lend some Government protection to property owners, protection at the expense of owners of lands and homes that would be put under water by reason of this legislation.

There is a program of watersheds going on, whereby they are working on the problem of holding the water where it falls. They are working on the problem of putting in a series of small dams on this river or creek, and it would save the expenditure of tremendous amounts of money; and would save not only the expenditure of money but thousands of acres of good productive land that would be put under water.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I realize my distinguished friend from just east of our district, who represents the town of Ottawa, is in favor of this because it will protect the city of Ottawa. In other words, the taxpayers of the United States will supply funds in the sum of $26 million if this dam is completed, and it will provide 2 things for that city. It will provide water supply and possibly it will help the control of floods in some degree. The gentleman and I differ a little on that, because I think there is another way of taking care of the flood-control situation in the town he describes.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. DONDERO. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. REES of Kansas. I yield to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. First I would like to ask the gentleman if he favors the projects on the Marias des Cygnes River.

Mr. REES of Kansas. Not at this time. At least not while there is a watershed program underway.

Mr. SCRIVNER. Which will protect his hometown of Emporia.

Mr. REES of Kansas. Emporia is not on the Marias des Cygnes River.

Mr. SCRIVNER. I would also like to ask the gentleman whether or not it is a fact that the Marais des Cygnes Valley about which we are talking is not a valley where you have a flood just once in a while but a valley where we have floods almost every year and that will happen almost any minute of the year and do tremendous damage clear down the stream.

Mr. REES of Kansas. I don't think the floods are as frequent as the gentleman describes. If he is talking about flash floods then it is difficult for any dams to stop them.

I do think, as a matter of fairness, these people—hundreds of them—ought to be given a chance to go ahead with their watershed plans whereby they can protect their soil, catch most of the rain where it falls, and hold the surplus in comparatively small reservoirs rather than do it in this way. The thing that impresses me is the efforts the property owners are making in dealing with this problem. Out of respect to these people, the least you should do is to give them a chance to develop these plans under legislation recently approved by this Congress, sponsored by the House Committee on Agriculture. Do not forget you are disturbing the homes and lives of thousands of good American citizens if you put this legislation into effect. Let me repeat. I am not talking about other projects. I am talking about a situation different from others.

One thing more. I do not believe the testimony is overwhelming that the plan is economically sound. Of course, it will make land below the dam more valuable. Is that the complete answer?

I suggest we withhold the spending of $50 million until these home owners have been given a chance to try to work this problem out. Let me remind you once more that 4,000 American citizens who would be affected, are asking you not to authorize this legislation at the present time. The thing I want the Members to understand is that while these people are now putting in a water-

shed plan, we can let this thing go over for a year or two, and give them a chance.

Mr. SCRIVNER. We have been waiting for 25 years. The gentleman talks about 4,000 signers on a petition. I will show him 12,000 signers.

Mr. REES of Kansas. Of course, because they get all the benefits and do not have to pay anything for such benefits. I understand that. But here are people whose land will be used and those people will be damaged if you approve this legislation.

Mr. SCRIVNER. They will be paid, but when we lose it we pay for it ourselves.

Mr. REES of Kansas. I do not think the Government ought to pay all of those benefits. If the gentleman believes the Government should pay for all of these things, I cannot agree with him.

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. I take this time primarily to explain an amendment to the bill that I intend to offer when the bill is read for amendment. The amendment I propose would not be brought to the floor at this time if we had had an opportunity to act upon it in committee, but by agreement in committee it was decided to hold this amendment out until we came to the floor because at the time we did not have a complete report. As a matter of fact, we do not have one yet in regard to it. So I think it is time to pass upon the proposition.

Mr. Chairman, the many reservoirs that have been built over the country by the Corps of Engineers in the last 20 years or so have been one of the greatest recreational assets that the United States today enjoys. May I point out that last year 51 million people visited these various reservoirs over the United States for hunting, fishing, boating, and other types of recreation which are available at a lake. Most of these lakes, these man-made lakes, that have been constructed at public expense, primarily, of course, for flood-control purposes, are in areas where there never has been this type of recreational facilities before. The people have learned to enjoy them and receive a great deal of benefit from these areas. I know something about this personally because we have three such lakes built in northern Mississippi where I happen to live, and I know how greatly the people in that area make use of these lakes for hunting and fishing.

Under the policy that has been established by the Corps of Engineers in the past the land around the lakes has been made available for rent or lease at nominal sums to various States and to various local nonprofit organizations, such as the Boy Scouts, the 4–H Clubs, and so forth, to organize camps and to make use of the area for recreational purposes. A good part of the area is leased to commercial operators who rent cabins and various fishing and hunting equipment, or sell it in order to give the public greater access to these recreational areas.

Mr. Chairman, as I said a moment ago, 51 million people during the past year made use of this great recreational opportunity that has been made possible to the people of the country as a by-product of our flood-control program. All of the reservoirs that are authorized under this bill were studied and surveyed and reported to the Congress under the procedure which provided for certain acquisition that made recreational development possible.

NEW LAND POLICY

However, last fall the Department of the Army and the Department of the Interior, the two agencies of the Government that manage the great reservoirs of our country, announced the adoption of a new land-acquisition policy which was designed for good purposes, I am sure, but which would have the effect, if it is allowed to continue without at least some indication of the sense of the Congress in this regard, of making impossible the future recreational development of these reservoirs as they have in the past. This new policy makes it impossible for the Corps of Engineers, in the case of the reservoirs authorized under this bill, to acquire land in a manner that will make possible these various State and local parks that have been established in the past, and the various access areas for the general public for fishing and hunting in these reservoir projects. The main difference is that the new policy provides that the Government shall buy floodway easements instead of buying outright title to certain land adjacent to a conservation pool. I am reliably informed by the people who do this work or who have watched it being done over a long period of years that there will be virtually no difference in the cost, and that is readily understandable. Certainly no farmer is going to sell a floodway easement on his property for any vast difference in amount of cost than he would to sell the land outright, because it is subject to flooding at all times under the floodway easement, without any recovery of damages to crops or property or anything like that, and land like that, of course, could never be sold in the future for any amount worthy of any price. I am told in the areas that I am familiar with that the difference in cost would perhaps not be as much as 5 percent. Perhaps it would be as little as 1 percent in those matters. What I strive to do in the amendment that I shall introduce is to provide on a very permissive basis that land to be acquired to build the reservoirs authorized under this act, under the flood-control title of this act, shall be acquired in such a manner as to facilitate the potential development of recreational uses of the reservoir by Federal, State, or local authorities, whenever such recreational development would not interfere with the basic purposes of the reservoir.

I hope that the amendment will be agreed upon when it is offered at the time the bill is read for amendment, because I am certain it is not the sense of this Congress that it would desire these new manmade lakes which are being built under the authorization of this bill to be constructed in such a manner that the general public would be denied proper access for the recreational use of these lakes.

Mr. DONDERO. Mr. Chairman, I yield 12 minutes to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Chairman, first I want to thank the members of the Subcommittee on Flood Control for their diligent attendance at all meeting of the committee. Also I thank them for their active participation in the hearings on these projects.

In behalf of the gentleman from Oregon [Mr. ANGELL], the chairman of the Subcommittee on Rivers and Harbors, I, in compliance with his request, thank the members of his subcommittee for their diligence and interest during the consideration of the rivers and harbors section of the bill.

Mr. Chairman, as chairman of the Subcommittee on Flood Control, I am happy to recommend this bill to the Members of the House. It is, in my opinion, a good bill.

More hours of study and research, I think, were devoted by members of the Public Works Committee to the preparation of this bill than to any river-and-harbor and flood-control measure ever reported by the committee. Every project in the bill has been scrutinized with the greatest care. I do not believe there is anything in the bill that should not be there.

Every project in this bill has the approval of the United States Army engineers of the district and division in which the proposed project originated.

When the district and divisional engineers approve a river-and-harbor or flood-control project their favorable report is sent to the Board of Army Engineers here in Washington for review and reexamination. This Board of Review, composed of the ablest and most experienced division engineers of the Nation, reexamined the project. Every project in this bill has been reexamined by this distinguished Board of Army Engineers and has this Review Board's approval.

Every project in this bill has been reviewed and approved by the Secretary of the Army.

Every project in this bill has been approved by the governor of the State in which it will be constructed.

With a very few exceptions, all projects in this bill have the unanimous approval of the Committee on Rivers and Harbors or of the Committee on Flood Control, whichever held the hearings on the project. In a few cases projects were included in the bill where one or two members voted against the project. In these few cases, however, a large majority of our committee favored the projects.

Every project upon which hearings were held which is not included in this bill was left out by the unanimous or practically unanimous approval of the committee.

Every project that was modified by reducing the monetary authorization asked by the Army engineers was so reduced by the unanimous vote of the committee.

In short, this bill as finally written expressed the almost unanimous view of the committee and is just about the nearest approach to complete agreement that anyone could expect on a bill of this magnitude and complexity.

BENEFIT COST RATIOS HIGH

There is no project in this bill that does not have a benefit cost ratio of better than unity—that is, of $1 of benefit a year for each dollar of annual cost as computed by the Corps of United States Army Engineers. In many cases the benefits are better, $2 to $3 to each $1 of cost and in some as high as $6 a year in benefits to each $1 of annual cost.

The dollars spent on the flood-control projects in this bill should not be considered as expenditures but rather as investments which will pay for themselves within a period of years.

America's great source of strength is her matchless productive machine which has demonstrated that it can, in peace or war, outproduce the world. One reason for the strength of that productive machine is our best-in-the-world transportation system, which enables us to get raw material to factories and finished goods to consumers quickly and cheaply.

Despite the developments in air, railroad, and motor transportation, waterways do now, as since the beginning of civilization, provide the lowest cost transportation for bulk cargoes. We must keep our rivers and harbors, which are the highways for low-cost cargo shipments, in good condition in order that freight charges may be kept low. Whatever reduces transportation costs in the end reduces consumer prices.

It is of historic interest to note that nearly all great industrial cities always have been established where low-cost water transportation has been available.

The world's first great cities, when boats were frail, developed in river valleys, such as the Nile and Euphrates.

Later when boats became larger, great cities developed on the inland seas such as the Mediterranean. Then Carthage, Rome, and Athens came into their glory. Afterward, when vessels became seaworthy, industry and civilization moved to the oceans and seacoasts and thenceforth until now the great population centers are on ports where rail and water transportation meet.

It is interesting to note that in our own country, not until we reach our 16th city in size, Indianapolis, Ind., do we find a big city that is not an ocean, a lake, or a river port.

The great river systems of America, for the most part and at most times, have been kind to the American people. However, these rivers do have a Dr. Jeckyl and Mr. Hyde character and do suffer periods of madness when they run amuck leaving death, destruction, and disaster in their wake.

Since 1936, when the first general flood-control act was passed, Congress has been trying to bring the river systems of the Nation under control.

Floods are not new in America. De Soto encountered them when he first, in 1541, visited the interior of our continent. New Englanders were building dikes to fight floods long before they built ramparts on Bunker Hill to fight the British. Southern farmers were constructing similar works to battle the oncoming waters of the Mississippi long before the Louisiana Purchase.

The floods of pioneer days, however, did little damage if damages be measured in dollars. The river valleys then were only sparsely settled. These valleys were not crowded, then, as they are today with cities, factories, office buildings, churches, schools, highways, bridges, railroads, and developed farmlands.

Even when early-day floods washed fertile farmlands downstream to the sea, pioneer farmers worried little for over the hill was more land, untouched by the plow, that could be had almost for the asking.

Times, however, have changed. Good idle farmland is scarce and becoming scarcer. The river valleys have become heavily populated and are becoming more so every year. Billions have been invested in the river valleys for buildings, highways, railroads, and those improvements which civilization requires. These investments are increasing year after year. The urgency of protecting the increasing number of valley residents and their mounting investments is growing and will continue to grow as long as the population continues to multiply and prosper.

The Corps of the United States Army Engineers has made studies during recent years which reveal that the average monetary loss which this Nation suffers from floods is about $500 million a year. Some years, such as 1936 when New England experienced a flood that did a half billion in damage and 1951 in which the billion-dollar flood occurred in the Missouri and Kaw basins, the damages have far exceeded the half-billion dollar average. In other favorable years the losses have been less. But on the average, say the Army engineers, the flood loss of the Nation is half a billion dollars a year.

These losses will tend to increase, rather than decrease, unless strong remedial works are undertaken.

Our Nation in 1960 had a population of less than 75 million. By 1950 our Nation's population had increased to more than 150 million. Our population will be 300 million by A. D. 2000.

Mr. Chairman, I have pointed out that the population of this Nation by A. D. 2000 will double. It probably will be 300 million then compared to half that number now.

The doubling of our Nation's population by the year A. D. 2000 will mean more people and more wealth in our river valleys to require flood protection.

The sooner Congress provides that protection the less it will cost since nearly all protective works demand land acquisition, and land values increase in ratio with population growth.

Flood control in America was once a small and simple problem. The expanding populations and growing wealth of our Nation's river valleys have made it a complex and gigantic one.

It was not until 1936 that Congress, after years of urging recognized flood control as a national welfare responsibility of the Federal Government and made it so in the Flood Control Act of 1936.

In the 18 years which have elapsed since the enactment of that first flood-control bill, the Congress has authorized the construction of 909 flood-control projects. These 909 Federal flood-control projects if all constructed at today's prices would require the expenditure of $6,736,000,000 of Federal funds.

Of this huge sum $2,286,000,000 already has been appropriated, leaving nearly $5 billion still to to be appropriated before these 909 authorized projects can be completed.

Nor will the completion of these 909 authorized projects finish the Nation's flood-control problems for there are today 446 proposed flood-control projects not yet authorized that are in the study mill of the United States Army Engineers. Most of these, eventually, will come to the Congress for authorizations.

Three years ago the Jones committee of which our friend, the gentleman from Alabama [Mr. JONES], was chairman, did an excellent job studying the Nation's water problems. Among facts developed by the Jones committee was one which showed that the backlog of authorized river and harbor flood-control projects at that time was $10 billion.

Since then, the Congress have appropriated $1½ billion for river and harbor and flood-control works. This has reduced the backlog to $8½ billion. Also, the Corps of United States Army Engineers has prepared a list of projects, estimated to cost $2 billion, and placed these projects on a deferred list. This has reduced the backlog to about $6½ billion now. When this bill is passed the backlog of authorized projects will be about $7½ billion.

I am not alarmed by this backlog. I think this backlog a good thing. We should have a great many thoroughly investigated worthy projects ready for instant use if and when a recession or depression should occur.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. REES of Kansas. I want to get this clear: After the Congress authorized this $10 billion, did the Army engineers shove $2 billion of it aside?

Mr. MACK of Washington. No. They have taken $2 billion of projects and placed them on an inactive list. Projects on the inactive list will not be considered until all other projects have been undertaken.

Mr. REES of Kansas. But they are still authorized?

Mr. MACK of Washington. They are still authorized, but they are on the inactive list.

Mr. REES of Kansas. We did not strike them clear out?

Mr. MACK of Washington. That is correct.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Iowa.

Mr. JENSEN. Regarding the Little Sioux project in Iowa, I note the committee has approved an additional authorization of $10,076,000 for that project, which is in addition to the original

authorization in 1948, I believe. The original project was estimated by the Army engineers to cost $5,390,000. As I understand, the purpose of the committee was to bring the total authorization on that project up to the request of the Army engineers of $15,466,000.

Mr. MACK of Washington. Yes.

Mr. JENSEN. May I ask the chairman of the subcommittee that handled this, the gentleman who now has the floor, if my assumption is correct?

Mr. MACK of Washington. The gentleman is correct. The Army engineers requested $15,466,000. The committee cut down their request for an appropriation but specified they were to use the money unexpended in the old authorization to make up the difference. In effect you get the full amount as requested by the Army engineers to fully complete and develop the project as recommended in the report of the Army engineers.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Ohio.

Mr. McGREGOR. I, too, want to pay a compliment to the two subcommittees and the full committee, possibly, for the hard work they have done on this particular legislation. Though a member of the Committee on Public Works, it is not my privilege to sit on either the Subcommittee on Flood Control or the Subcommittee on Rivers and Harbors; however, I know the members of those subcommittees have put in a great deal of hard work.

May I ask the distinguished chairman if he will explain to the committee this language appearing on page 39, line 25:

> That there is hereby authorized an expenditure as required, from any appropriation heretofore or hereafter made for flood control, rivers and harbors, and related purposes by the United States, for the establishment, operation, and maintenance by the Weather Bureau of a network of recording and nonrecording precipitation stations.

And so forth. In other words, in this legislation are we giving a blank check to the Army engineers to establish where and when they want to this network of stations without any further consideration relative to the cost?

Mr. MACK of Washington. Does the chairman of the full committee desire to answer that question, or does he desire I do so?

Mr. DONDERO. That is a matter of cooperation between the Army engineers and the Weather Bureau in establishing stations throughout the country. No, it does not. It is simply carrying on the practice and custom that has heretofore obtained. By doing this, it is really a matter of economy and cutting down the cost.

Mr. McGREGOR. In line 25 it says, "That there is hereby authorized an expenditure." We have no idea what that expenditure is going to be. Is that correct? It is a blanket authorization, with no dollars and cents established by an authorization as such.

Mr. MACK of Washington. The Army engineers have greatly expanded their programs of flood control. Of course, they must have weather reports in order to carry out these flood-control projects effectively. Up to the present time the Army engineers have been expending about $375,000 a year to finance these weather reports from the Weather Bureau. The Engineers figure they should pay the Weather Bureau more than that. It is estimated that perhaps the cost will be as much as $1 million a year.

Mr. McGREGOR. Is it not possible to put a limit on the amount of money they can spend? You are giving them an unlimited authorization here.

Mr. MACK of Washington. The committee felt that the Army engineers would not waste this money since it is money that is allocated for the construction of projects, that will be used to secure these weather reports. We think the engineers will use the money judiciously because they are not going to turn any more money over to the Weather Bureau than they feel they have to have.

Mr. DONDERO. I believe that is fully explained on page 157 of the report. The amount of money that has been involved is $375,000.

Mr. McGREGOR. I agree with the distinguished chairman that it is in the report, but in the bill that we are going to pass and which will become law, you are giving a blank check for it.

Mr. JENSEN. The Army engineers are limited on each project as to the amount of money that can be spent on the projects. When the Congress appropriates for these projects, whatever the Army engineers would spend for weather reports would have to be taken out of the amount of money which the Congress appropriates for the projects.

Mr. MACK of Washington. The gentleman is correct.

Mr. JENSEN. So there is a limitation.

Mr. McGREGOR. But I still call to your attention the fact that you are amending the Flood Control Act of 1938, which you referred to, and giving an authorization for the expenditure of an unknown amount of money for these weather projects.

Mr. MACK of Washington. I think the gentleman from Iowa is correct. I do not believe the Army engineers are going to waste $1 million by taking it away from constructive projects and needlessly paying it over to another agency of the Government, namely, the Weather Bureau.

Mr. DONDERO. The explanation is on page 40 of the bill. The explanation is in the legislation. With reference to the amount which the gentleman from Ohio [Mr. McGREGOR] refers to as being a blank check, you will notice that the bill reads "from any appropriation heretofore or hereafter made for flood control on rivers and harbors." In other words, they can switch the amount they need from one agency to the other, whichever seems most desirable and in the interest of economy.

Mr. McGREGOR. That is the part I am objecting to, because you are giving the Army engineers an opportunity and the right to take money from an appropriation which might be used for dredging and put it into a Weather Bureau program. That is the part I am objecting to.

Mr. MACK of Washington. Mr. Chairman, no cost figures are available on the magnitude of the Nation's water resources development problems. My guess is—and I consider it a most conservative one—that it will require the expenditure of $20 billion to assure full protection of our river valleys from floods and to assure that the waters of our rivers will be used to the best advantage for the related purposes of navigation, reclamation, irrigation, recreation, and power production.

The taxpayers will pay for these water development projects whether these are built or not. If these flood control, and other water development projects, are built, our citizens will pay for them in taxes. If these projects are not built, the taxpayers will pay for them just the same, in the half billion dollars a year they will be compelled to spend to repair the damages of the floods which will repeatedly occur if protection works are not provided; in the loss of the use of low-cost power and in higher transportation costs of freight for which low-cost water transportation is not made available.

Since it will cost less to build these water development projects now than later when population growth has swollen land values, we of the Congress should move forward to providing funds for protective works as rapidly as the budgetary reduction of the Nation permits.

Flood-control measures save property from damage and destruction. The money spent on flood control is repaid by the saving of property from destruction.

The money spent on flood-control projects is not all outgo. Many of the flood-control projects are multiple purpose ones. Some of these projects in addition to preventing flood damage generate hydroelectric power. These power revenues often go a long way toward helping to pay the cost of building a flood-control reservoir or dam. For example, it is figured that the flood-control Dalles Dam, when completed, will return to the Federal Government, at present rates, $11,800,000 a year in power revenue.

The Bonneville Power Administration, which markets the power from Federal dams on the Columbia River, during the past year paid into the Federal Treasury more than $50 million. This $50 million was more than enough to pay all of the operating and maintenance expenses of the Bonneville Power Administration, with enough left over to return to the Federal Government all of the money our Government has invested in Columbia River flood control and power dams, plus interest on the money.

The great flood control and power dams have created behind them great lakes which have added much in many regions to the recreational enjoyments of the people.

Also, in many cases these dams have helped to provide the people in populous cities with a better and more wholesome supply of domestic water.

Despite our zeal for river and harbor and flood-control improvements, we,

Congressmen, must ever keep in mind that we must maintain the Nation's strong national financial and economic system by guarding it against the inflation that results from overly large deficit spending and a national debt that is too colossal. It is, therefore, necessary that we first economize in some places that we may expand our spending efforts in other and more worthwhile ones.

President Eisenhower has been doing a great job of eliminating waste and extravagance from Government. As his program for economy and efficiency in Government goes forward there will be more money for two things: First, for tax reduction to the people; and second, for undertaking and expanding programs for such worthwhile and necessary improvement of lasting benefit such as the building of more, better, and safer highways and more river and harbor, flood control, and water resources development works.

Solution of the Nation's water problems, its flood control, navigation, power-dam building, reclamation, and irrigation is a gigantic undertaking that will cost at a most conservative estimate at least $20 billion.

It is not wise that our citizens should expect and depend solely upon Uncle Sam, alone, to do it all. We should approve and applaud, therefore, the President's proposal for partnership development of the water resources.

Our highways today are being built under a partnership arrangement between the States and the Federal Government. It is just as desirable that our water resources developments should go forward with the States and local communities assisting wherever they can. Projects will go forward much faster under partnership than by expecting Uncle Sam, alone, to do it all.

The Public Works Committee of the House of Representatives has reported favorably and the House already has passed two important flood-control bills which will permit 2 State publicly owned Oregon-Washington utilities to build 2 hydroelectric dams in the Pacific Northwest. The building of these dams under the partnership arrangement will free more than $350 million of Federal money for use on other water developments.

One thing the Congress should guard against in building these huge water development projects is the taking of unnecessarily large blocks of land into Federal ownership and off the local tax rolls of States and their subdivisions.

For example, at the Falcom Dam in Texas the Government bought 47,000 acres of land above the highest point to which water behind the dam would ever rise. This 47,000 acres was to be used for recreational purposes. While almost everyone is for recreation, the taking of 47,000 acres at this one location for recreation was an extravagant waste of taxpayers' money. That much land never will be needed there for recreation.

In most cases the Federal Government, except in the national park field, should not be in the recreation business and acquire large land holdings for that purpose. The recreation field usually is one for the States. The States are in far better position to say how much land is required for recreational purpose than is the faraway Government here in Washington.

Everywhere throughout the Nation the Federal Government is holding many small parcels of land for which it no longer has any use. These should be sold to the States, subdivisions of the States, or to private citizens and thereby put to useful purposes and gotten back onto the tax rolls.

Instead of constantly increasing its land holding the Federal Government should be reducing these holdings.

Of the entire land area of all the 48 States in the Union, 23.89 percent is owned, controlled, managed, and administered by the Federal Government. The land owned by the Federal Government in the 48 States, if consolidated into one block, would be sufficient to create a State 2½ times the size of Texas or 10 times the size of the State of Washington.

The total land area of these 48 States is 2,977,138 square miles. Of this, the Federal Government owns 711,166 square miles, or 455,146,725 acres. These Federal land holdings are the equivalent of more than 3 acres for every man, woman, and child who live in the United States. And these figures, mind you, do not include the additional enormous land holdings of the Federal Government in Alaska, Hawaii, and elsewhere outside continental United States.

Of the entire area of the 10 Western States, 54.31 percent, or considerably more than one-half, is federally owned. Under leave, I include a table showing the land area, in acres, of each of the 10 Western States, the number of these acres which are owned by the Federal Government, and the percentage of the State's whole acreage that this Federal ownership comprises.

Federal landownership

	Total land area of State	Acreage in Federal ownership	Percentage of Federal ownership
Washington	42,865,280	14,998,067	34.99
Oregon	61,964,000	32,510,870	52.72
California	100,353,920	45,900,157	45.74
Arizona	72,691,200	50,471,920	69.43
New Mexico	77,767,040	35,479,713	45.62
Nevada	70,273,280	59,526,959	84.71
Idaho	52,997,120	34,285,000	64.69
Montana	93,642,240	34,213,875	36.54
Utah	52,701,440	37,592,044	71.33
Colorado	66,538,880	24,851,005	37.35

There are 149 projects in this bill. These projects are in 41 States and 2 Territories. Every one of them has the approval of this committee.

Some projects upon which the committee held hearings were rejected, most of them by a unanimous or almost unanimous vote.

One project involved flood-control protection for a golf course. It was a municipal golf course. The committee, however, felt that we should not spend taxpayers' money on projects of this kind. The committee held it was not a Federal responsibility to provide flood protection for a municipal golf course.

Several other projects were rejected by the committee because the cost of protecting the land was too great compared to the value of the land.

Although the bill has in it 149 projects the total amount of money authorizations involved is less than $900 million. It will be 2 years before another bill of this kind is enacted.

Mr. DEMPSEY. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I should like to congratulate the committee on the proposed bill. I think it is one that was very thoroughly considered and very well worked out. I am particularly pleased that the committee has authorized the necessary funds to prevent what, in my opinion, would be a major disaster to our Nation, and that is the diversion of the Mississippi River into a new channel whereby it would flow to the Gulf of Mexico in a way different from that which it now flows.

The committee, in its wisdom, recognizing the vital national significance of keeping the Mississippi River where it is, has made the necessary authorization, and I am quite sure that this means that Ol' Man River will keep on flowing past New Orleans to the Gulf of Mexico.

I should like particularly to address my remarks to that section of the bill providing for the authorization of approximately $47 million for the erection of control structures and other works to prevent the diversion of the Mississippi River at Old River in Louisiana.

It is vital that the work begin on this project as soon as practicable. Failure to adopt this authorization and later to appropriate the necessary funds would be a disaster of the first order.

This is a matter of the most extreme urgency. It is not only absolutely necessary that something be done; it is imperative that it be done, or at least that it be commenced immediately.

Each year more and more of the water of the Mississippi River is being diverted through Old River into the Atchafalaya River. In 1919, the percentage of this diversion was 17.1 percent. By 1950, it had reached 30 percent. The best and most reliable estimates are that it will reach 40 percent before 1965. If this should come to pass, we will have waited too long, because when this point is reached, nothing can be done. The history of diversions from one channel to another teaches us that as the rate increases the speed increases. The channel widens and deepens at such a terrific rate that it eventually becomes impossible to reverse the flow. This is the considered opinion of sound, level-headed engineers who speak from actual experience.

Old River has doubled in size since 1894 and, since 1942, its flow has been into the Atchafalaya exclusively instead of back and forth between the Atchafalaya and the Mississippi, as was the case in former years. If this steady diversion is allowed to continue uninterrupted much longer, the Atchafalaya will capture the Mississippi and no power on earth will be able to prevent it.

Now this does not mean that there will be 2 channels, with 1 going this way and the other that. The inexorable laws of nature operate in a different way from this. Instead of a fork, there will be a complete cutoff. Eddys will be

built up by the swirling waters and silt deposited in the old channel until eventually a natural dam will have been built and all the water that formerly flowed down the Mississippi will be carried by the Atchafalaya with consequences almost too appalling to contemplate.

The fact that this hour is only now upon us is due to the fact that nature has been kind to us in recent years and no unusual circumstances have intervened to increase our peril. But let a series of floods occur and the diversion we contemplate will occur by 1965 may take place much sooner. We will then find ourselves in the frustrating position, after having spent hundreds of millions of dollars for flood control, of having allowed a disaster of the most devastating magnitude to develop while we debated the advisability of taking this obviously necessary precautionary measure.

Scores of major industrial facilities line the banks of the Mississippi River from Baton Rouge, La., to the Gulf of Mexico. Included among these are the largest complete products oil refinery in the world and the greatest aluminum-production facility in America. Five oil refineries process a total of 340,000 barrels of crude oil a day, and on the lower Mississippi River giant sulfur works supply the basic ingredient of that most important product, sulfuric acid, a commodity so vital to our civilization that it has been said that a nation's industrial progress can be measured by its consumption. It is agreed, incidentally, that without these sulfur deposits on the Mississippi River and the means of making them produce America would face a most critical sulfur shortage.

In addition to oil refineries, aluminum plants, and sulfur works, there are match factories, chemical plants, cordage works, sugar houses, and ammunition facilities. There are plants that produce rubber, building materials, asbestos shingles, plumbing fixtures, board and plywood products, yeast, and tank engines. There are steel mills, cement plants, powerhouses, and other industries too numerous to mention, and they have all one basic requirement in common. They all need vast amounts of fresh water to operate. At present they are getting their water from the Mississippi, but what will happen when the Mississippi River becomes a salt-water arm of the Gulf of Mexico? I sincerely hope we never find out.

Tremendous as they are, the things that I have mentioned are only a few of the consequences that would follow a change of course by the Mississippi River. They are in themselves, however, certainly sufficient to convince anyone that this terrible thing must not happen.

Mr. DEMPSEY. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I have not asked for this time for the purpose of opposing this legislation. My record in the Congress has been in support of flood-control programs. I certainly have no intention of saying anything that would add to the apparent civil war in Kansas.

In looking over these projects, I notice there are projects in 41 of the 48 States, but West Virginia happens to be 1 of the 7 States not included. That is due to the fact that West Virginia did not ask for any more authorizations. We were active right after the authorization by Congress in the Flood Control Act of 1938 in trying to get some of these projects, then authorized, activated.

In 1946, my first year in the Congress of the United States, we received an initial appropriation for the Sutton Reservoir. That is what I want to take time to advise my colleagues about this afternoon.

The Army engineers have an ambitious program for the control of floods. Since the Ohio River is one in which we have considerable rainfall, it is one in which they are conducting an ambitious program for flood control. In laying out the plan for the control of the great Kanawha River, which is one of the larger tributaries of the Ohio River, they designated four major projects in the State of West Virginia. Two or 3 years ago we finished construction of the famous Bluestone Dam on the New River in West Virginia. That is 1 of the 4 projects to control that watershed.

The second project is the reservoir at Sutton, W. Va., on the Elk River. The third project is at Sommerville on the Gauley River, and the fourth one is at Big Bend on the Greenbriar, all tributaries of the Ohio River.

This Sutton project was initially authorized in 1946 in an initial appropriation of $750,000. There have been additional appropriations to a total of $3,100,000. We have acquired title to most of the property that will be flooded by this reservoir. We have relocated approximately 4½ miles of the main line of the Baltimore & Ohio Railroad. There are approximately 3 miles more of the railroad to be relocated. We had everything ready to start construction in 1951 and there was $1,300,000 of construction money appropriated. The Korean trouble came on and President Truman froze this $1,300,000 in the defense effort, on the ground that possibly we could not sustain a claim that this project was in the interest of national defense.

Despite the action of the President, the Army engineers in approving this project said that if we had one flood similar to the one we have had in the last 50 years in this valley, it would do $20 million worth of damage to the Carbide & Carbon Co. installation on Blaine Island, where this project on Elk River is located, joins the great Kanawha River at the city of Charleston.

Just last Tuesday a group of businessmen from Charleston came to Washington and we had a conference with the Budget Office with reference to this particular project. Here is the main reason why there is a possibility that work can be resumed on this project. On the Elk River, on which this big reservoir is located, are located two eastern termini of the Big Inch pipeline. The John Cornwall station of the Hope Gas Co., and the Cobb station of the United Fuel & Gas. They are compressor stations that force gas to Washington, D. C., Baltimore, Philadelphia, and all points in the East. Within the last 20 years there have been floods that have damaged this John Cornwall station in the amount of $6 million.

I am asking my colleagues of the Congress to imagine what situation would exist if we do not go ahead and construct this reservoir and afford flood protection to those two great compressor stations. What is going to happen to the distribution of natural gas in all the eastern section of the country if there is a flood?

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. FALLON. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BAILEY. If this reservoir is not constructed, you will have at the mercy of the elements those two great facilities that supply fuel to the greater part of the eastern United States. They are both in the flood area, and the representatives of the companies concerned were before the Budget Bureau in an effort to get an appropriation for the project. We are hopeful that action can be had. If I were going to offer any objection to this legislation, it would be to the point made by the distinguished gentleman from Washington [Mr. MACK] when he said that the Army engineers had adopted a new policy of shoving back and putting on the shelf a lot of projects that had already been authorized in favor of certain of these new projects.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Washington.

Mr. MACK of Washington. The Army engineers have made a list of projects that will be the last ones they will recommend to the Bureau of the Budget to be put on the back shelf. These are not pressing and important projects. They have submitted a list of these projects to the Public Works Committee showing which ones are on the back shelf.

Mr. BAILEY. The gentleman will agree with me that a project like the reservoir of which I am talking that has to do with the fuel supply of one-fourth of the Nation is not going to be shoved on a back shelf in favor of one of the new projects in this bill?

Mr. MACK of Washington. I do not think so. The gentleman's project will be eligible for an appropriation any time he can sell the Appropriations Committee on the idea that money should be appropriated to start his project.

Mr. DONDERO. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, I urge the adoption of H. R. 9859.

For the first time in my nearly 18 years in Congress the House is acting on an omnibus rivers and harbors and flood-control bill in which the Third District of Michigan has a direct interest.

The proposed authorization of a flood-control project on the Kalamazoo River at Battle Creek, Mich., undertakes to bring to fruition 7 years of joint effort and study by the Army Corps of Engineers, the city of Battle Creek, and the State of Michigan. This proposed authorization offers prospect of solution of

a flood problem of more than 50 years' duration, and, at the same time, provides the key to solution of other related community problems, including a major railroad-consolidation project.

I will not attempt to detail the facts or anticipated costs or savings incident to this flood-control program. They have been exhaustively summarized by the Corps of Engineers, and as exhaustively reviewed by the Public Works Subcommittee and the full committee.

I will mention only one fact, namely, that under this project the city of Battle Creek will assume 44 percent of the total cost of the program. This is an exceptionally high proportion of local participation and support and is striking evidence of the good faith of the community and of the earnest desire of the city to meet and solve a very serious flood-control problem.

Mr. Chairman, I would be completely remiss if I failed to acknowledge the painstaking and highly competent work of the Army Corps of Engineers, the Bureau of the Budget, the Flood Control Subcommittee of the Public Works Committee, under the chairmanship of the gentleman from Washington [Mr. MACK], and the Public Works Committee, under the chairmanship of my colleague from Michigan [Mr. DONDERO].

The caliber of the work done by these agencies of the executive branch and the committees of the Congress in respect to the project in which I have a special interest, and of which I therefore have a special awareness, has, I am sure, characterized their activities in respect to the other aspects of this omnibus bill. That is the best recommendation I know for approval of this bill.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, I want to pay my compliments to the gentlemen who headed the Rivers and Harbors Subcommittee and the Flood Control Subcommittee of the House. We held very lengthy hearings and I might say that the membership of each of the subcommittees were diligent in their work and stayed on the job listening to the testimony that came before us in justification of the many projects which appear in this bill. The committee took a nonpartisan position throughout our hearings. Each project was judged upon its merits.

In this bill today we have authorizations for rivers and harbors and flood-control projects of great importance to the internal economy of our country. When you take into consideration the hundreds of millions of dollars the taxpayers of the United States have paid out in public works throughout the entire world during the past several years, I believe it is about time that we start paying attention to the internal improvements of our own country. For instance, the smaller harbors, which may seem to be of little importance to many, are of vital importance to the fishing industry of our country; fishermen must go to sea to procure an important food for our people and should have the facility of safe harbors.

Many of the harbor improvements will be of great importance to those who use pleasure-type craft. In the improvement of these small harbors we are adding to the financial wealth of our country. In the improvement of the large harbors we are providing for economical transportation. We have long since established a policy to improve farm-to-market roads. I consider safe harbors for fishermen fall in the same category.

Flood-control projects approved by our committee and included in this bill will eliminate many of the flood losses that have occurred in the past. If we can avoid floods by proper treatment practices, untold millions will be saved. The losses by erosion is destroying untold acres of fine soil which must be saved for posterity. This bill will open up an avenue for internal improvements. It will be of great benefit to the United States of America and will provide for the expenditure of tax money in our own country. I approve very thoroughly of the bill which we recommend to you today and trust it will be adopted.

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. MILLER].

Mr. MILLER of Kansas. Mr. Chairman, I agree with the chairman of the committee that this is a good bill, with two exceptions. There are a lot of committees that do not recommend these projects.

Mr. Chairman, my amendment to this bill is in the interest of all the people of the United States. Included in this $73 million is an authorization for a dam at Perry, Kans., to cost $16,263,000 and inundate 14,120 acres. I realize it is very unusual for a Member of the Congress to oppose the expenditure of Federal funds in his district, but the conditions under which I do so are most unusual. I am opposing the construction of these dams because the people of my district, where they are to be located, are opposed to them. This in itself should be sufficient reason for the passage of the amendment. The basis of their opposition further strengthens their position. In a few words this is why the people are opposed to these dams:

They oppose them because they are convinced that they are impractical and uneconomical. They are impractical because they are improperly placed and because they are antiquated. Let me picture to you what these proposed dams are intended to do. They are intended to protect the people living on the banks of the Kansas River against floods. Now where do floods come from? Evidently they do not arise from the water that falls on the river channel and the narrow valleys across which these dams are built. These channels are only a few rods wide. If it rained 40 days and 40 nights, as in Noah's time, on these valleys alone, it would not produce a flood. The river channel would take care of it. No, these floods come from the plains, the fields, and the farms that drain into these river channels. These fields and farms must be flooded before the channel can be flooded.

What is a flood, anyway? Why a flood is water on the rampage—water out of control. It must arise out of excess rainfall that the ground cannot absorb as it falls. Now it will be agreed that so far as the purpose of these proposed dams is concerned, our only problem is to take care of this excess or runoff water. Let us take a look at this problem, and in order to get the best possible perspective let us suppose we were up in an airplane during a heavy rainstorm when these floodwaters are formed. Let us look down upon this little valley of the Delaware River, one of the rivers these people want to dam. It is an area of 922 square miles upon which this rain is falling, 3, 4, 5, or maybe 6 inches of rainfall within as many hours. Only 1 or 2 inches can possibly soak into the soil. The rest, under the pull of gravity, is rushing by the shortest, steepest route to the ravines, the creeks, the tributaries, and on toward the river channel on its way to the sea. The whole area is being flooded from the farms to the river channel. This river basin is one sheet of water.

Now, Mr. Chairman, plainly the only question is: What is the best method to control that sheet of water? Is it not the sensible thing to begin the remedy where the trouble begins? Does it make sense to permit these few inches of rainfall that are spread out over the fields to accumulate, multiply their force in the creeks and tributaries, and when it has been multiplied a thousandfold in the river channel to try to halt it there? Now, my colleagues, we have seen a flood in the making. That sheet of water that we see accumulating over that river basin of 922 square miles has the potentiality of doing a lot of good and a lot of harm. The part that sinks into the ground will produce crops and furnish water for wells and springs for the use of families and for livestock. The part that flows off is the part that causes us to worry. Left to nature it will rush toward the creeks, the rivers, and the sea by the shortest, swiftest route. Our problem is to direct its course, so to slow down its movement, as to minimize or even prevent any damage. This in recent years we have become able to do and with greatly accelerated speed we are doing it. This is our program of soil conservation and flood prevention.

It was the Congress of the United States that originated this program in the passage of the soil conservation and flood-prevention acts authorizing the formation of soil conservation districts in 1936, providing for the formation of pilot watershed projects in the 82d Congress and appropriating funds for this development in the first session of the 83d Congress, and for further and greatly increased development in this session.

Mr. Chairman, the program provided for by Congress is being rapidly put into operation and is proving effective beyond the expectations of its most ardent advocates. Mr. Chairman, here is a peculiar situation. In this very Delaware River Basin, where it is proposed to build this $16 million dam, are located two of the experimental pilot watersheds. One of them is now nearing completion. A few weeks ago we had a torrential rain over that entire area, nearly 4 inches in a few

hours. One dam was nearly completed and was one-half filled. It took 2½ days for the water to flow through the outlet. Had there been enough rainfall to fill the reservoir, it would have required 5½ days to drain the reservoir. Is it not plain that this system of slowing down the water where it falls and keeping it slowed down is the sensible way to prevent floods?

Bear in mind that this floodwater, unimpeded, does irreparable damage on every square rod of cultivated land before it even enters into the first ravine on its way to the sea. We must not let the water go unimpeded, carrying away our good soil, flooding our good creek bottoms, washing away our bridges, and then, after it has done all this great damage, try to stop it in the main channel. I hear it said that this plan is too complicated, will take too much time. The opposite is true. It would require years to build the proposed dams on the rivers. During all that time, the people living on the river channel will have no protection. By this watershed program every field that is terraced, every dam that is constructed, is just that much protection. The Kansas River Basin is peculiarly subject to flood conditions. For that reason it should receive special consideration. And it is receiving it. It has six pilot watersheds authorized by Congress that are now being developed. Others are only waiting until the Hope-Aiken watershed bill becomes a law. Within 12 months throughout this Nation there should be hundreds of detention dams on the drawing boards or under construction. In this program of upstream flood prevention, the landowners are assessed 50 percent of the cost, whereas in the river-channel big-dam program 100 percent is borne by the Federal Government.

These dams are different from the multiple-purpose structures of the West and must be considered in their true light. I support wholeheartedly the provisions of local protection works for the cities in the Kansas River Basin. This work should and must be constructed at the earliest possible moment. These cities must not be denied local dikes and levees, cutoffs, and the like. These devices are needed regardless of the manner of reducing the river flow. That is an item deserving of much consideration.

Mr. Chairman, to sum up the objection to construction of this dam at Perry, Kans., the only purpose stipulated by its proponents is to prevent floods below. Recent inventions have shown us a better way. Congress has authorized and implemented such a program. We do not need two diametrically opposed programs to do the same thing.

Mr. Chairman, there is yet another and very cogent reason why this Congress should not authorize this dam. This is known as the rivers and harbors bill. A few weeks ago there was held in this city the annual convention of the Rivers and Harbors Association. President Eisenhower was invited to address this convention. Listen to his words, and I quote:

> I have become convinced that before very long, America will almost unanimously look upon water as its single greatest resource.
>
> So when a project is proposed that seems to me to be unrelated to all of the necessities of a river valley or of a slope in which it is located, I am very cold and unsympathetic. I believe that we have got to get into the Continental Divide and say—from there on down to the sea, studying where each drop of water falls—what we are going to do with it until it reaches the sea. I believe that any lesser survey of our water resources, our water uses, and our water control, is completely piecemeal, and we should reject it.

Mr. Chairman, at the proper time it is my intention to offer an amendment to strike authorization of Perry Dam from the provisions of the bill.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. NEAL], a member of the committee.

Mr. NEAL. Mr. Chairman, it has been my privilege to serve on the Public Works Committee during this 83d Congress. Its chairman, the gentleman from Michigan [Mr. DONDERO], heads of the subcommittees, and Members of both the majority and minority, guided by the technical findings and assistance of the efficient Corps of Engineers, have each contributed bounteously to the volume of information leading to the omnibus bill of 1954.

Extensive hearings during both sessions of this Congress, covering a hundred or more projects, have impressed me with the magnitude of the Government's potential obligations if present policies of spreading financial aid to innumerable communities, able to establish desirability for their local needs, is continued.

Stemming from the original Federal legislation establishing Government's jurisdiction over the ocean harbors and navigable streams, successive acts of the Congress have legalized Federal participation in navigation facilities, flood control works, hydro power installations, irrigation systems, and, in recent years, optional responsibility for soil and water conservation, beach erosion and recreational facilities.

There are few habitable areas of this country, either coastwise or inland, that cannot, with one or with a combination of the above federally accepted responsibilities, present convincing evidence to justify the need for corrective or remedial structural works.

During a 6-week's inspection tour last summer, we heard local stories and observed specific problems all over the country, ranging from small fishing villages to gigantic multipurpose stream projects and deep-sea harbors. None were without merit even though many lacked economic justification.

The Committee on Public Works has been occupied in these studies for many decades. The Corps of Engineers, cooperating, have utilized appropriated funds to make studies and submit detailed reports on authorized projects. Their filing cabinets are bulging with surveys, reports, cost estimates, and varying stages of plans that have accumulated over the years. Most of these are awaiting the time when Federal funds become available for construction. Some have been abandoned as no longer feasible.

I am advised that the estimated cost of navigation and flood control projects underway or on the drawing boards is approximately $7½ billion. From year to year these are carefully screened for priority by the Corps of Engineers, and to their great credit, no reactivated project is given their approval until after a careful restudy and reappraisal has been made in the light of changed conditions. The Corps of Engineers has performed a wonderful job in carrying out the enactments of the Congress. Their backlog of planned projects is dormant only because Congress has not seen fit to provide funds with which to complete their work. In the present state of the Nation's economy there is little prospect that funds for any sizable amount of already planned construction will be available in the foreseeable future.

Since it is clear to all that there is no end to the number of areas in the 48 States where public improvements could not be of benefit to residents therein, and since nearly every congressional district can justify a worthwhile project, it is only natural that representatives of these areas will continue to press Congress for aid in their development. Hence the number of authorizations continue to increase each year.

Now, in 1954, the Public Works Committee submits to the Congress an omnibus bill that will authorize nearly $1 billion for 150 or more additional public-works projects, many of which will probably lie quietly in the engineer's archives until they fade out with age awaiting appropriated dollars with which to bring their designs into being.

In an effort to meet the pressures from proponents for appropriation of available funds to be spread over wide areas, and with limited funds to allot, many deserving and economically sound projects are pushed aside, or, as is too often the case—especially with navigation facilities—they are allowed to become obsolete for want of maintenance and modernization.

This is particularly true in the Ohio River Basin. Beginning 50 years ago, over a period of 25 years, locks and dams that provided a 9-foot channel were completed at a cost of an estimated $300 million. Since that time the traffic on this stream has increased tenfold. Many of these structures have served their period of usefulness. Navigation is greatly impeded and frequently halted as a result of the failure of some of the dams to control their navigation pools. These structures need replacement in order that the economy developed over the period of their existence may not suffer injury.

Then there is the Monongahela, the greatest coal-carrying stream in the world, having similar difficulties, although improvements authorized years ago are still awaiting appropriations for their completion. Failure to modernize and maintain navigation structures on

this stream has caused the Pittsburgh area steel interests to abandon their most economical source of high-grade coal for lack of adequate transportation. A half-dozen flood-control projects in West Virginia, authorized many years ago, some of which are of vital concern to the residents of the Kanawha Valley and the city of Charleston because of their importance in maintaining an adequate supply of safe domestic water, lie dormant for lack of appropriations.

Aside from the fact that this bill projects public works well into the future and authorizes many projects that have little chance of every being completed, as a representative of the State of West Virginia, with its already authorized and deserving improvements pending, I can express little enthusiasm for an omnibus bill that has no provisions for the people of my State.

However, this statement is not intended to reflect neglect on the part of my committee. The Committee on Public Works during previous sessions, recognizing the needs of West Virginia, duly authorized the projects which have been mentioned, thereby fulfilling its obligations. From then on, the responsibility for allocating a fair share of moneys for public works rests with the Committee on Appropriations.

Most any public-works project can be justified as an asset to the community it serves. Not all of them can return their cost in dividends. It is a matter of regret that economically justified public improvements once initiated frequently fail to receive appropriations to insure completion and completed works of proven economic value are not properly maintained.

Anticipating future demands for public-works projects that promise to draw heavily on the Nation's tax resources, it would seem logical and necessary to call for drastic reductions in foreign-aid spending on public-works projects in order to permit much needed construction within our own borders.

I can suggest no more convincing evidence that this phase of our foreign policy should be changed than to cite the number, variety, and extent of meritorious public improvements included in this bill.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield.

Mr. BAILEY. With reference to the project that I was discussing, the freeze order of President Truman in 1951 was for the purpose of saving that $1,300,000 for the Korean war effort. I have found since then that that was not covered back into the Treasury, but was used by the Army engineers for projects somewhere else in the United States.

Mr. NEAL. That may be true.

Mr. BAILEY. That is true, and it is not right.

Mr. NEAL. But, after all, I have no criticism of my committee when it comes to appropriating funds for any projects that are unfinished in the State of West Virginia. Appropriations are no part of our committee's duties. I feel that this bill covers many worthy projects, and if at any time in the future these projects can be allotted funds so that these people can realize the benefits which they need so much, I will be in favor of every project that we have endorsed, and certainly I am for this bill in every respect.

Mr. FALLON. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, I wish to commend the Public Works Committee for acting favorably on authorizing cooperation by the Federal Government in the project which will curb the flood conditions which damage areas in the Indiana Calumet industrial district at frequent intervals. During exceptional high water periods the Little Calumet River overflows its boundaries and inflicts devastating damage to homes and property over a considerable area in Lake County, Ind.

This project would provide adequate drainage and release the heavy flood conditions that during exceptional rain and spring thaw periods causes an uncontrollable high water deluge to the irreparable damage of hundreds of residents and industrial locations in the vicinity of the Calumet River. This flood condition hits an area that is thickly populated by thousands who are employed in the mills and factories of the largest industrial section in the State of Indiana. The construction of this watershed will indirectly benefit a wide area which is some distance removed from the location of the worst flood center. In the spring of 1947 and also 1948 the damage caused by floods in this area amounted to millions of dollars. If all the other projects set out in this omnibus bill are as meritorious as the Little Calumet River project in northwest Indiana, I hope this legislation is unanimously passed.

Mr. DONDERO. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, I take this time only for the purpose of getting one small point clarified, which gives me just a little bit of trouble. On page 17, section 102, there is a provision for reimbursement of local interests in connection with beach-erosion projects under certain circumstances. On lines 5 and 6 of that page there is this proviso:

Provided, That the work which may have been done on these projects was approved by the Chief of Engineers as being—

I am perfectly certain in my own mind that that refers to the approval by the Chief at any time prior to the seeking of an appropriation. I think that is supported by the language of your report which, since I discussed this with you informally, I found on page 5 of the report. But I want to make entirely certain that that does not by any chance refer to a formal approval at the time the work was done or before the work was done because that approval could not be made anyhow, since the project is not authorized until this bill is passed.

Mr. DONDERO. I think that is a proper interpretation of it. In other words, any work done prior to the enactment of this bill, where it has been approved by the Chief of Army Engineers. The gentleman is referring to beach-erosion work?

Mr. HAND. That is correct.

Mr. DONDERO. That would come under this bill and be paid for accordingly.

Mr. HAND. So the interpretation, as I understand it, especially after having examined your report is that any time that the Chief of Engineers approved actual work done prior to seeking an appropriation, is what the act means; is that correct?

Mr. DONDERO. That is right. That is the way I understand it, and I believe that is correct.

Mr. HAND. I thank the gentleman very much. While I have 30 seconds remaining, I would like to thank the committee for its unfailing courtesy during these hearings. Permit me to add that the inclusion in this bill of the beach-erosion projects for Atlantic City, Ocean City, and Cape May is a culmination of my months and years of work in this field. I trust the bill will pass promptly, and that in due course funds will be made available.

The history of this effort goes back about 8 years, to the basic legislation, to which my colleague the gentleman from New Jersey [Mr. AUCHINCLOSS] made such an effective contribution.

Now, for the first time, we have a very real prospect of help from the Federal Government.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FALLON. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. WICKERSHAM] such time as he may desire.

Mr. WICKERSHAM. Mr. Chairman, I wish to compliment the Committee on Public Works for including section 205, which provides:

> In addition to previous authorization, the sum of $20 million is hereby authorized to be appropriated for expenditure by the Department of Agriculture, Soil Conservation Service, for the prosecution of the works of improvement authorized to be carried out by the Department by the Flood Control Act of December 22, 1944, as amended.

This will provide funds for continuance of such worthwhile projects as the Washita, Sandstone, Cowden-Cloud Chief, Beaver Creek, Cow Creek, and Hell Creek projects in Oklahoma, and other similar Oklahoma projects.

Mr. FALLON. Mr. Chairman, I have no further requests for time on this side.

Mr. DONDERO. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. MILLER].

Mr. MILLER of New York. Mr. Chairman, I take this time for the purpose of congratulating the chairman of the committee and the members for reporting to the House what I consider to be an excellent piece of legislation, one that will make a great contribution to the internal domestic economy of America and one that will be an insurance against possible recession.

I also wish to take this opportunity to thank the distinguished chairman of the Subcommittee on Rivers and Harbors for the consideration and courtesy which he gave to the local authorities from the Niagara frontier who came here to testify in support of the two projects included on page 10 of the bill, the Black Rock Channel on the Tonawanda River,

and the deepening of the Little River at Niagara Falls. The two projects obligate the United States to the extent of $300,000. Local interests are obligated to spend on those projects in excess of $300,000, which manifests the desire and the need of the people of our area for those two projects, projects which should have been started many, many years ago. The Tonawanda River carries annually 5 million tons of petroleum, coal, and oil. It is now only 16 feet deep. It forces vessels to lighten their loads before they reach their terminal, adding greatly to the cost of transportation in that area. If we are to get any benefit at all from the St. Lawrence Seaway legislation which was passed by this Congress, then our connecting waterways must be deepened to at least 21-foot draft, or we suffer disaster in our area.

I believe that if every area receiving appropriations under this bill benefited as greatly from the dollars expended as will the Niagara frontier, this bill should be passed without a dissenting vote.

Mr. DONDERO. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, the members of this fine Public Works Committee deserve every commendation for the study and effort and long hours of work that have gone into bringing out this fine bill. I personally want to thank them for the patient consideration they have shown to many of us who have been before them.

Mr. Chairman, there are 10 projects in H. R. 9859 of importance to the residents of my district. Some are very small, as such things go, involving only slight proposed expenditures. Others are more elaborate and expensive but all are highly desirable, both as part of a general overall pattern and as an improvement in local facilities. The proposed costs run from a low of $20,300 to a high of $101 million.

These 10 items in this bill that affect the Eastern Shore of Maryland are set forth on pages 4 and 5, namely, the Inland Waterway from Delaware River to Chesapeake Bay; Queenstown Harbor; Little Creek, Kent Island; anchorage at Lowes Wharf; Nanticoke River at Bivalve; Webster Cove, Somerset County; Crisfield Harbor; Rhodes Point to Tylerton; Pocomoke River and Ocean City Harbor and Inlet; and Sinepuxent Bay.

If this measure becomes law and congressional authorization is obtained for these projects, important progress will have been accomplished but let no one be misled into believing that these improvements will be physically constructed in the immediate future. First the national policy of freezing new river and harbor construction unless tied in with National Defense will have to be modified.

And right here, let me point out that there are several projects in the First District of Maryland for which there has been authorization for several years but the freeze placed by the Bureau of the Budget in 1950 has held up construction of them indefinitely. This list includes the badly needed improvements at Cambridge Harbor; Rock Hall Harbor; Honga River and Tar Bay; Twitch Cove and Big Thoroughfare River; widening of Kent Island Narrows, to name a few on which I, personally, have worked over the years. Funds were even appropriated to complete the first three on the list prior to 1950, but work orders were rescinded when the Korean fighting commenced.

Sometimes I am scolded for pushing for new authorizations while these older projects remain incomplete. The answer, of course, is that the interest of one project that is already authorized is not impaired by obtaining authorization for some other project in an entirely different area.

I find there is also another source of misunderstanding. Often I am asked, why has the Congress been urged to authorize these 10 projects and not the pet improvement in which the particular writer's community is vitally concerned? Only the other day I was asked rather sharply why St. Peters Creek was not included in the present bill.

Here again the answer is quite simple. The present bill contains all the projects in the district that have been favorably reported up to this time by the Corps of Army Engineers. The committee will not consider any others. Therefore, the ones that are not included have either been unfavorably reported or are not yet officially reported. The latter is the status, by the way, with respect to the very meritorious project for St. Peters Creek. I hope the engineers will approve it soon but to date they have not done so.

Mr. Chairman, pleasing as it is to secure authorizations for important and needed river and harbor improvements, after all it avails nothing until the work can be accomplished. Let us hope the Bureau of the Budget will soon lift the freeze. The cold war may last a long time. A thaw in this field is badly needed.

I am glad to be able to offer a bit of encouragement with respect to some maintenance work in the waters of the Chesapeake. I am advised that some activity of this type has been recommended to be initiated within the next few months.

These recommendations are as follows: Partial restoration of the jetty on the north side of the inlet at Ocean City, Md.; restoration of project dimensions in the channel in Chester River at the north end of Kent Island Narrows, in the channel connecting Chesapeake Bay and Honga River near Fishing Creek, in the channel leading from Tangier Sound to Ewell, and at Webster Cove, Somerset County.

I hope current maintenance plans will not be limited to these spots but welcome them as a step in the right direction.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. DAWSON].

Mr. DAWSON of Utah. Mr. Chairman, as a Representative of one of the 17 reclamation States, I want to say a word about the new Rivers, Harbors, Beach Erosion, and Flood Control Authorization Act which is now before us.

I can perhaps speak on this legislation less partially than some. There is not one dime of the $900 million authorization sought to be spent in Utah.

Mr. Chairman, during the past several weeks Members of Congress have been bombarded with literature in opposition to the upper Colorado River storage project. This project, now pending before the House Rules Committee, seeks authorization of $1 billion for construction of dams and irrigation works over a 50-year period. The project will make it possible for 4 arid western States to use their share of the waters of the Colorado River.

Despite the fact that the Colorado River storage project has received the support of President Eisenhower and the approval of the Bureau of the Budget and of the House Interior and Insular Affairs Committee, it has been attacked for containing "hidden subsidies."

The alleged subsidies are due to the fact that historically the Government does not charge interest on money advanced to construct irrigation works. This is a policy that has been a part of our reclamation law since 1902.

Leaving aside this policy, let us examine the financing of the upper Colorado project as a whole. I think it would be of interest to those supporting this legislation today to contrast the project with some of the multipurpose dams and harbors and beach-improvement authorizations contained in the bill before us. Less than 1 percent of the entire cost of the upper Colorado River storage project is nonreimbursable. No project in this bill before us today requires repayment of more than 40 percent of the cost and in most instances the entire cost of the project is nonreimbursable.

Nevertheless the upper Colorado River storage project is the one that has been under the heaviest attack from the so-called proponents of economy and the opponents of Government subsidy.

As a matter of proven fact the water and power users of Colorado, Utah, New Mexico, and Wyoming will repay to the United States Treasury 99.2 percent of the cost of the upper Colorado River project, including interest on the total power investment. In addition, the operation, maintenance, and replacement charges will be borne by those who directly benefit from its construction. All this repayment will be completed within a 50-year period and the project will then produce for the Government an income of $15 to $20 millions per year in perpetuity.

I need only briefly mention the increased tax revenue that will result from lands that will be developed after the project is completed. This amounts to many times the cost of the project, as has been amply proved in other areas where reclamation has operated.

We in the arid West recognize the need for Government assistance to control floods, to dredge harbors and to prevent beach erosion. We have a difficult time, however, understanding the opposition of some of our eastern friends to western reclamation—when we in the West pledge our property to repay the cost of our projects—while beneficiaries in the East get theirs scot-free.

Let me compare the need for a flood control project with the need for a reclamation project.

The man along one of our rivers purchases some marginal land, knowing at the time of purchase that this land is subject to periodic floods. This fact only makes the land of low value. After purchasing it, however, he convinces Congress that a flood-control levee is necessary. This, in effect, drains his land and enhances its value, both for residential and for farm purposes. His advantage is obtained entirely at the cost of the taxpayers. He is under no obligation to pledge his land to repay the Government. Contrast that with a farmer in the west, who owns land that is subject to being cut off from an adequate water supply in years of drought. This man prevails upon Congress to advance funds for reclamation. His land and earning power will consequently improve—just as was that of his fellow citizen who had the river bank property.

Does our western farmer, however, expect the taxpayers of the Nation to bear this cost?

Indeed not—he contracts with the Government to repay every dime.

It is difficult for us to see reason in the argument that the Federal Government should pay the cost of making land arable if excess water is drained from it, while the beneficiary should pay the cost if land is made arable by having water brought to it.

This bill before us today, however, has provisions in it that we would be ashamed to ask for in the West.

Federal funds are being asked for in this legislation to improve bathing beaches and the requests are justified on the grounds that the Federal expenditure will increase the beaches' value. No one would deny this. If the Government wants to spend half a million dollars of the taxpayers' money improving resorts, of course the value of those beaches will be increased by half a million dollars. But it occurs to me that the beneficiaries of these projects—the owners of resort hotels, motels, and restaurants—should be required to repay some of this cost. This bill makes no provision for such repayment.

I do not want to belabor the Members with repeated arguments, but I want them to know that we in the West have trouble understanding opposition to self-liquidating reclamation projects from Members who are outspoken in their support of similar projects which require no repayment at all and which often, as in the case of flood-control structures, serve the same purpose.

I trust those who enthusiastically support this omnibus river and harbor bill today will be as enthusiastic in their support of a project that is necessary if four sovereign States are to grow and develop as nature intended.

Mr. DONDERO. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I note with particular pleasure that the Committee on Public Works has included the Shilshole Bay breakwater in this bill, which is in my district. If you will look on pages 73 and 74 of the report you will see that this project has a very favorable ratio of benefits to cost of 1.74.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from Washington.

Mr. MACK of Washington. I may say that the people of Seattle have been trying to get this project for 20 years but not until the gentleman from Washington [Mr. PELLY] came here has it been possible to get it included in a river and harbor bill.

Mr. PELLY. The city of Seattle is cut in half by the Lake Washington ship canal and 200,000 people every day in automobiles have to pass over 4 drawbridges. This breakwater will allow some of the smaller boats to remain outside, and thus a bad traffic situation in the city, and bad congestion in the waterway and Government locks would be relieved. This is a very worthwhile and worthy project.

Mr. DONDERO. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I take the floor to discuss a project in which I have been interested for the past several years at Brookville in Jefferson County, Pa. I have listened with a great deal of interest to the debate here today on this public works bill, H. R. 9859, which includes flood-control projects. I just want to call the attention of the members of the committee to the fact that the Army engineers apparently do not seem to be interested in projects other than some gigantic, colossal, monumental projects that costs some several hundred millions of dollars. When you recommend to them a little project such as I am interested in at Brookville, Pa, which would give flood protection for this small community of several thousand people and which is periodically visited with these devastating floods, it would appear that because a project of this nature calls for the relocation of public utilities, sewers and highways, and so forth, that are troublesome, they do not become concerned about undertaking these surveys and reports.

Now I want to point out, Mr. Chairman, that back in 1951, I appeared before the Public Works Committee with 2 projects, 1 at Reynoldsville, Pa., and 1 at Brookville, Pa. Now the one at Reynoldsville, Pa. is in the bill and the Brookville project left out. In 1951 this report for Brookville, Pa., was authorized by a resolution adopted the 18th of April 1951, by the House Committee on Public Works, and it was limited to a preliminary examination in scope. The preparation of the report was assigned by the Chief of Engineers, to the district engineer at Pittsburgh, Pa., under the general supervision of the division engineer, Ohio River division. Periodically since 1951 I have requested the United States engineers' office and also the district engineer to have this report completed, but somehow or other they failed to take action. Now, this matter involves two projects, 1 at Reynoldsville, Pa., and 1 at Brookville. They are part of the same project, on Sandy Lick Creek, Jefferson County, Pa., on the same stream. They are 10 miles apart. I am unable to understand why they completed the survey and report on one and not the other.

In view of the fact that I have insisted for the last 3 years to get this project report completed, they have failed to do so. Now they say, "Well, we did not have money available to conduct a survey." And that is why I contend they can find hundreds of thousands of dollars for surveys for these gigantic projects, but when it comes to a little flood-control project such as at Brookville, Pa., that would cost approximately $3,500 for the report and survey, that they cannot get that work finished. Now the people from the Brookville area are appealing to me to secure help from their Government for relief from these periodic devastating floods that every spring and summer are visited upon the community, destroying property and upsetting their economic and industrial life. In several instances industries located there are concerned about expansion because of flood conditions. Also, locating new industries becomes difficult because industrialists say: "We are not going to locate our industries in an area where you have these devastating floods that are visited on the community every spring and fall, and, therefore, until you can assure us that flood protection is given us, we are not interested or will not entertain such a proposal until we have such assurance."

So I have been before your committee repeatedly. I have talked to every member of your committee on both sides asking consideration. The failure of the engineers to develop the report is no fault of mine. Therefore I am unable to secure consideration for a small flood-control project such as this Brookville project that involves $600,000, where the people of this community were willing to raise the money by a bond issue to handle their part of the costs to give them the necessary flood protection. Now, it is not my fault. You say it is not your fault. You state you cannot accept this project because of the fact that the engineers have not prepared a report. The engineers have not prepared a report and therefore there is nothing that can be done.

I took the matter up with the United States engineers' office knowing the Commonwealth of Pennsylvania had prepared a report which had been submitted to the United States engineers' office and requested that an informal report be submitted to the Public Works Committee relative to the matter and basing it on the letter received from the Department of Forests and Waters of the Commonwealth of Pennsylvania, and I shall quote parts of the letter from Maj. Gen. S. D. Sturgis, Jr., to the gentleman from Michigan [Mr. DONDERO]. It states:

Reynoldsville and Brookville are both on Sandy Lick Creek, a subtributary of the Allegheny, though they are separated one from the other by a distance of approximately 10 river miles. As you know, we have completed a survey and report on the Reynoldsville project and have testified on this proposal in a recent hearing before your committee. Because the Reynoldsville project is a local channel improvement project and not immediately adjacent to Brookville, our field investigations at Reynoldsville have not necessitated surveying the Brookville area

downstream. The resolution your letter mentioned, calling for submission of a report of preliminary examination scope on Brookville, was approved by your committee on April 18, 1951. Since that time, as you know, funds appropriated for examinations and surveys have been most limited, allowing us to carry on only about 10 percent of our survey report backlog. We have not been able to make any funds available toward the Brookville examination and have been unable to accomplish any of the field work and office study necessary to permit the giving of sound estimates of cost or damage reduction.

Our recent informal queries to representatives of the department of forests and waters of the Commonwealth have established that they have developed preliminary plans for a possible Commonwealth project. Information of these plans have been transmitted to the borough. This proposal would involve certain channel improvement on the main stem and tributaries, as well as construction of certain walls and dikes to give protection against a flood equivalent to that of 1936. The Commonwealth stated its preliminary estimate of cost for construction to be $450,000, exclusive of relocations, lands, easements, and rights-of-way. If this plan were accepted, the borough would be expected to bear one-fourth of the cost of construction, provide lands, easements and rights-of-way, to give protection to the Commonwealth against damages, to arrange any necessary relocations, and undertake maintenance and operation of the project upon completion. I understand that the cost of lands, easements and rights-of-way has been estimated by the borough to approximate $150,000. I have not been able to secure any information to permit the establishment of economic justification for the Commonwealth's plan, but it has been reported to me that the Commonwealth has estimated that the 1936 flood caused damages which at present day prices would amount to $600,000. I believe the borough estimates these damages as somewhat higher.

So, it may be necessary to wait now for an additional 3 or 4 years before there is another authorization bill presented to the House, and the community of Brookville's progress is retarded. The Commonwealth of Pennsylvania has indicated a great interest in this project; the county has indicated a great interest in this project; and the local municipality has indicated its willingness to cooperate, but it cannot get the Federal Government to take action. Now, if we do not have another authorization bill for the next several years, then the project will be held up and held in abeyance until such a bill is presented. I call to your attention the fact that the United States engineers have turned in a remarkable performance both in times of peace and in times of war over a long period of years and I have every confidence in them. However, it is my opinion they should give more consideration to the small projects such as this Brookville, Pa., project in which I am interested.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. I would like to inform the gentleman that this bill contains a recommendation for two dams at a cost of at least $60 million that we do not want, and we are better off without, and we would just like to trade them to you.

Mr. GAVIN. I would certainly like to trade. I will settle for the $600,000 Brookville project rather than $60 million projects, and if you can work it out with the engineers, my good friend, I will be glad to accept your most generous offer. We would be saving the American taxpayers some $59 million and everyone would be pleased and satisfied. This merely proves what I have been stating.

Mr. MILLER of Kansas. Maybe we can work it out in conference.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DONDERO. Mr. Chairman, I yield myself 1 minute to answer the gentleman from Pennsylvania [Mr. GAVIN].

This House does not have a Member who is more diligent in his efforts to serve the people of his district than the gentleman from Pennsylvania [Mr. GAVIN]. The gentleman has seen me many times concerning this project. He is not to blame personally for the situation that exists; neither is the Committee on Public Works of the House to blame, and neither is the Corps of Army Engineers.

In a few words, the situation is this. The Corps of Engineers state that they do not have enough money to make all the surveys requested of them. This survey was ordered in 1951. It has not been made. The corps claims they do not have enough money to make all of the surveys requested, and therefore this project has not been surveyed.

I hope that within the very near future money will be provided by the Congress to give the Engineers sufficient money to make the surveys which have been requested, including the project to which the gentleman has made reference in his district. I regret very much that the situation is as it is; but such are the facts.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. GAVIN. I want to say to the gentleman that I sincerely hope sufficient appropriations will be made by the Congress to permit these surveys, because these floods are devastating and costly. I think it is the wisest investment of the taxpayers' dollars the Congress can make to give flood protection to these small communities that are hit periodically with these destructive and recurring floods that destroy property and cause great damage, and in many instances wreck the economic and industrial life of these communities.

I want to say further to my good friend, although the gentleman regrets the situation we are in, that does not secure the authorization of the project at Brookville, Pa. I am interested in having the proposed project accepted in this bill, and if the gentleman can make any suggestions looking to that end, I would appreciate it.

Mr. DONDERO. I am sure the gentleman understands the workings and the procedure of the Congress. I am sure he would not ask anything that is either unreasonable or against the rules of the House.

Mr. GAVIN. I assure the gentleman that I am not unreasonable. I have been working on this project for several years. The people of this community, Brookville, Pa., have been patient and now expect their Government to give them some relief from these devastating floods, and they are entitled to it.

Mr. DONDERO. I appreciate the attitude of the gentleman.

Mr. GAVIN. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Chair wishes to advise the Committee that it has been the custom for several years to read rivers and harbors bills by sections so that the Clerk will read one section at a time.

Mr. DONDERO. Mr. Chairman, in the interest of saving time, I ask unanimous consent that the bill be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. DONDERO]?

Mr. RABAUT. Mr. Chairman, reserving the right to object, I should like to ask a question concerning one project. May I ask it now?

Mr. DONDERO. Certainly.

Mr. RABAUT. Mr. Chairman, it took the administrations of a number of Presidents before we could get $100 million for the St. Lawrence Seaway, which passed the Congress this year. I call attention to an item on page 4 of this bill. In this seven-line item there is an authorization of $101 million. That is for this one project. That is a million dollars more than the allotment for the St. Lawrence Seaway. I am not finding fault with this project, but it seems to me that the people of the Great Lakes area have to take about 40 years to get anything done for that area, while here there is, in a seven-line item, $101 million authorized. I assume it is a splendid project. I am not a member of this subcommittee, but this situation could not help but impress itself upon me, when I thought of the fact that we had to go through a full-dress debate here in the House on I do not know how many occasions—only to see the project go into the ashcan on all but the last—to get $100 million for the St. Lawrence Seaway. While, as I have said, here in a seven-line item $101 million is authorized. That is wonderful. The Members who fought for the St. Lawrence Seaway had to go through a very trying ordeal.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. DONDERO. We of the Middle West have been very patient and long-suffering. I think, in connection with the item to which the gentleman referred calling for $101 million and only seven lines in length in this bill that the question of national defense entered into it, as I remember the testimony befor our committee. That had something to do with its being included in this bill.

Mr. RABAUT. I assume that the national defense question had not been divorced from the Great Lakes region. We were called the hub of the arsenal of democracy in the darkest hour of this country.

Mr. RAYBURN. Further reserving the right to object, Mr. Chairman, which, of course, I shall not, I want to ask the gentleman from Michigan a question or two. There is a project in my neighborhood, especially in the neighborhood of the gentleman from Texas [Mr. PATMAN], for a project on the tributaries of the Red River in Texas, Oklahoma, Arkansas, and Louisiana. I understand the report on that came in to the committee only on last Friday. There have been no hearings on it. Is it the policy of the committee not to accept any matters or any amendment to this bill upon which hearings have not been held and upon which there is not a favorable report?

Mr. DONDERO. That is the policy of the committee. I may say to my able and warm friend from Texas that the committee passed a resolution on June 28 to close the hearings. We have not heard anything since that date. In this case, the gentleman spoke to me about it. I endeavored to find some way whereby the project might be accepted, but it seems to transgress all the rules to do so. There have been no hearings either here or in the Senate on this particular project because it came in too late. In fact, it came in Friday night, and it is now at the printer's being printed.

Mr. RAYBURN. So the committee does not know exactly what is in the report?

Mr. DONDERO. That is correct.

Mr. RAYBURN. I withdraw my reservation of objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan that the bill be considered as read and open to amendment at any point?

There was no objection.

The bill is as follows:

Be it enacted, etc.—

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public, No. 14, 79th Cong., 1st sess.), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

Lubec Channel, Maine: Senate Document No. 243, 81st Congress, at an estimated cost of $74,000;

Portsmouth Harbor and Piscataqua River, Maine and N. H.: House Document No. 556, 82d Congress, at an estimated cost of $952,000;

Lynn Harbor, Mass.: House Document No. 568, 81st Congress, at an estimated cost of $65,000: *Provided*, That local interests contribute in cash the cost of dredging the easterly 300 feet of the Municipal Channel to a depth of 22 feet, presently estimated to cost $4,700, before the work is undertaken;

Weymouth Fore River, Mass.: House Document No. 555, 82d Congress, at an estimated cost of $4,400,000;

Town River, Quincy, Mass.: House Document No. 108, 83d Congress, at an estimated cost of $525,000;

Scituate Harbor, Mass.: House Document No. 241, 83d Congress, at an estimated cost of $375,000;

Fall River Harbor, Mass.: House Document No. 405, 83d Congress, at an estimated cost of $694,000;

Bullocks Point Cove, R. I.: House Document No. 242, 83d Congress, at an estimated cost of $166,400;

Sakonnet Harbor, R. I.: House Document No. 436, 82d Congress, at an estimated cost of $555,400: *Provided*, That local interests contribute in cash, 4 percent of the cost of the project, presently estimated as $23,000;

Patchogue River, Conn.: House Document No. 164, 83d Congress, at an estimated cost of $135,000;

Westport Harbor and Saugatuck River, Conn.: House Document No. 483, 81st Congress, at an estimated cost of $112,500;

Westchester Creek, N. Y.: House Document No. 92, 82d Congress, at an estimated cost of $32,200;

Hudson River, N. Y.: House Document No. 228, 83d Congress, at an estimated cost of $31,928,000;

Shoal Harbor and Compton Creek, N. J.: House Document No. 89, 82d Congress, at an estimated cost of $138,000;

Hackensack River, N. J.: House Document No. 252, 82d Congress, at an estimated cost of $1,973,900;

Mispillion River, Del.: Senate Document No. 229, 81st Congress, at an estimated cost of $469,400;

Inland Waterway from Delaware River to Chesapeake Bay, Delaware and Maryland: Senate Document No. 123, 83d Congress, at an estimated cost of $101 million: *Provided*, That the standard of local contribution for the construction of all bridges, including approaches thereto, required by the project shall be the same standard heretofore applied to the construction of St. Georges Bridge;

Queenstown Harbor, Md.: House Document No. 718, 81st Congress, at an estimated cost of $31,500;

Little Creek, Kent Island, Queen Anne County, Md.: House Document No. 715, 81st Congress, at an estimated cost of $23,000;

Anchorage at Lowes Wharf, Talbot County, Md.: House Document No. 90, 82d Congress, at an estimated cost of $29,000;

Nanticoke River, Bivalve, Wicomico County, Md.: House Document No. 91, 82d Congress, at an estimated cost of $192,600;

Webster Cove, Somerset County, Md.: House Document No. 619, 81st Congress, at an estimated cost of $20,300;

Crisfield Harbor, Md.: House Document No. 435, 81st Congress, at an estimated cost of $101,750: *Provided*, That the cash contribution required of local interests shall be the difference in Federal costs between plans 1 and 2 at the time the project is undertaken;

Rhodes Point to Tylerton, Somerset County, Md.: House Document No. 51, 82d Congress, at an estimated cost of $45,100;

Pocomoke River, Md.: House Document No. 486, 81st Congress, at an estimated cost of $678,300;

Ocean City Harbor and Inlet and Sinepuxent Bay, Md.: House Document No. 444, 82d Congress, at an estimated cost of $704,000;

Parrotts Creek, Va.: House Document No. 46, 82d Congress, at an estimated cost of $38,700;

Norfolk Harbor and Thimble Shoal Channel, Va.: Senate Document No. 122, 83d Congress, at an estimated cost of $6,138,700;

Deep Creep, Accomack County, Va.: House Document No. 477, 81st Congress, at an estimated cost of $95,000;

Oyster Channel, Va.: Senate Document No. 49, 83d Congress, at an estimated cost of $75,200;

Wallace Channel, Pamlico Sound, N. C.: House Document No. 453, 81st Congress, at an estimated cost of $108,000;

Smiths Creek, N. C.: House Document No. 170, 83d Congress, at an estimated cost of $102,000;

Channel from Hatteras Inlet to Hatteras, and Rollinson Channel, N. C.: House Document No. 411, 83d Congress, at an estimated cost of $175,000;

Peltier Creek, N. C., to Intracoastal Waterway: House Document No. 379, 81st Congress, at an estimated cost of $43,200;

Channel Port Royal Sound to Beaufort, S. C.: House Document No. 469, 81st Congress, at an estimated cost of $765,000;

Savannah Harbor, Ga.: House Document No. 110, 83d Congress, at an estimated cost of $414,900;

Rice Creek, Putnam County, Fla.: House Document No. 446, 82d Congress, at an estimated cost of $82,200;

Hillsboro River, Fla.: House Document No. 567, 81st Congress, at an estimated cost of $16,600;

Apalachicola Bay, Fla.: House Document No. 156, 82d Congress, at an estimated cost of $98,000;

Apalachicola Bay, Fla., channel across St. George Island: House Document No. 557, 82d Congress, at an estimated cost of $635,700;

St. Joseph Bay, Fla.: House Document No. 595, 81st Congress, at an estimated cost of $1,312,000;

Mobile Harbor, Ala.: House Document No. 74, 83d Congress, at an estimated cost of $5,778,000;

Dauphin Island Bay, Ala.: House Document No. 394, 82d Congress, at an estimated cost of $70,000;

Bayou Segnette Waterway, La.: House Document No. 413, 83d Congress, at an estimated cost of $520,000;

Sabine-Neches Waterway, Tex.: Senate Document No. 80, 83d Congress, at an estimated cost of $6,875,000;

Guadalupe River at Seadrift, Tex.: House Document No. 478, 81st Congress, at an estimated cost of $74,300;

Aransas Pass, Tex., in connection with the Gulf Intracoastal Waterway: House Document No. 376, 83d Congress, at an estimated cost of $30,700;

Turtle Cove, Tex.: House Document No. 654, 81st Congress, at an estimated cost of $40,000;

Port Aransas-Corpus Christi Waterway, Tex.: House Document No. 89, 83d Congress, at an estimated cost of $829,100: *Provided*, That work already performed by local interests on this project, in accordance with recommended plan, may be credited to the cash contribution required of local interests;

Mississippi River at Louisiana, Mo.: House Document No. 251, 82d Congress, at an estimated cost of $82,600;

Mississippi River at Chester, Ill.: House Document No. 230, 83d Congress, at an estimated cost of $65,000;

Crooked Slough Harbor, Winona, Minn.: House Document No. 347, 83d Congress, at an estimated cost of $142,000;

Cumberland River, Ky. and Tenn.: Senate Document No. 81, 83d Congress; and a monetary authorization not to exceed the estimated cost of the Dover and Eureka Dams as described in House Document No. 761, 79th Congress, "Cumberland River and its tributaries, Tennessee and Kentucky," authorized by the River and Harbor Act of July 24, 1946, is hereby authorized to be expended for partial accomplishment of the project hereby approved;

Green and Barren Rivers, Ky.: Senate Document No. 82, 83d Congress, at an estimated cost of $3,434,000 for channel dredging and fender system work;

Knife River Harbor, Minn.: House Document No. 463, 83d Congress, at an additional estimated cost of $219,900;

Cornucopia Harbor, Wis.: House Document No. 434, 83d Congress, at an estimated cost of $220,000;

Sheboygan Harbor, Wis.: House Document No. 554, 82d Congress, at an estimated cost of $217,200;

Holland Harbor, Mich.: House Document No. 282, 83d Congress, at an estimated cost of $574,400: *Provided*, That local interests will contribute 25 percent of the cost of dredging section B, but not to exceed $45,500, in addition to the local cooperation required by the project document;

Crooked and Indian Rivers, Mich.: House Document No. 142, 82d Congress, at an estimated cost of $225,000;

Toledo Harbor, Ohio.: House Document No. 620, 81st Congress, at an estimated cost of $512,000;

Erie Harbor, Pa.: House Document No. 345, 83d Congress, at an estimated cost of $174,000;

Black Rock Channel and Tonawanda Harbor, N. Y.: House Document No. 423, 83d Congress, at an estimated cost of $270,000;

Little River at Cayuga Island, Niagara Falls, N. Y.: House Document No. 246, 83d Congress, at an estimated cost of $36,900;

Oswego Harbor, N. Y.: House Document No. 487, 81st Congress, at an estimated cost of $2,459,000;

Los Angeles and Long Beach Harbors, Calif.: House Document No. 161, 83d Congress, at an estimated cost of $896,500: *Provided*, That the Secretary of the Army is hereby authorized to reimburse local interests for such work as they may have done upon this project prior to July 1, 1953, at actual cost to local interests insofar as the same shall be approved by the Chief of Engineers and found to have been done in accordance with the project hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for harbor improvement: *And provided further*, That such payments shall not exceed the sum of $500,000;

Playa del Rey Inlet and Harbor, Venice, Calif.: House Document No. 389, 83d Congress: *Provided*, That Federal participation in the provision of entrance jetties, entrance channel, interior channel and central basin recommended in the project report and presently estimated to cost $7,738,000 shall not exceed 50 percent of the cost thereof;

Port Hueneme, Calif.: House Document No. 362, 83d Congress, at an estimated cost of $5,437,000;

Rogue River, Harbor at Gold Beach, Oreg.: Senate Document No. 83, 83d Congress, at an estimated cost of $3,758,700;

Umpqua Harbor and River, Scholfield River at Reedsport, Oreg.: Senate Document No. 133, 81st Congress, at an estimated cost of $41,000;

Columbia River at the mouth, Oregon and Washington: House Document No. 249, 83d Congress, at an estimated cost of $8,555,000;

Columbia River between Chinook, Wash., and the head of Sand Island: Senate Document No. 8, 83d Congress, at an estimated cost of $227,100;

Willapa River and Harbor and Naselle River, Wash.: House Document No. 425, 83d Congress, at an estimated cost of $977,000;

Grays Harbor and Chehalis River, Wash.: House Document No. 412, 83d Congress, at an estimated cost of $421,800;

Grays Harbor and Chehalis River (Westhaven Breakwater), Wash.: House Document No. ——, 83d Congress, at an estimated cost of $323,700;

Anacortes Harbor, Wash.: Senate Document No. 102, 83d Congress, at an estimated cost of $179,300;

Neah Bay, Wash.: House Document No. 404, 83d Congress, at an estimated cost of $139,250;

Bellingham Harbor, Wash.: House Document No. 558, 82d Congress, at an estimated cost of $1,366,650;

Blaine Harbor, Wash.: House Document No. 240, 83d Congress, at an estimated cost of $436,000;

Shilshole Bay, Seattle, Wash.: House Document No. 536, 81st Congress, at an estimated cost of $3,397,300;

Port Angeles Harbor, Wash.: House Document No. 155, 82d Congress, at an estimated cost of $477,900.

Everett Harbor and Snohomish River, Wash.: House Document No. 569, 81st Congress, at an estimated cost of $395,500;

Quillayute River, Wash.: House Document No. 579, 81st Congress, at an estimated cost of $425,550;

Seward Harbor, Alaska: House Document No. 182, 83d Congress, at an estimated cost of $81,200:

Valdez Harbor, Alaska: House Document No. 182, 83d Congress, at an estimated cost of $116,600;

Honolulu Harbor, T. H.: House Document No. 717, 81st Congress, at an estimated cost of $3,022,000;

BEACH EROSION

Hampton Beach, N. H.: House Document No. 325, 83d Congress, at an estimated cost of $140,000;

Lynn-Nahant Beach, Mass.: House Document No. 134, 82d Congress, at an estimated cost of $189,000;

Revere Beach, Mass.: House Document No. 146, 82d Congress, at an estimated cost of $402,900;

Quincy Shore Beach, Mass.: House Document No. 145, 82d Congress, at an estimated cost of $109,000;

South Shore, State of Rhode Island: House Document No. 490, 81st Congress, at an estimated cost of $166,550;

Hammonassett River to East River (Area 2), Conn.: House Document No. 474, 81st Congress, at an estimated cost of $166,600 for Hammonassett Beach; $20,400 for Middle Beach;

New Haven Harbor to Housatonic River (Area 3), Conn.: House Document No. 203, 83d Congress, at an estimated cost of $84,600 for Prospect Beach; $42,400 for Woodmont Shore; $13,100 for Gulf Beach; and $18,300 for Silver Beach to Cedar Beach;

Housatonic River to Ash Creek (Area 7), Conn.: House Document No. 248, 83d Congress, at an estimated cost of $26,510 for Short Beach; and $119,000 for Seaside Park;

Atlantic City, N. J.: House Document No. 538, 81st Congress, at an estimated cost of $2,044,000;

Ocean City, N. J.: House Document No. 184, 83d Congress, at an estimated cost of $105,000;

Cold Spring Inlet (Cape May Harbor), N. J.: House Document No. 206, 83d Congress, at an estimated cost of $260,000;

Virginia Beach, Va.: House Document No. 186, 83d Congress, at an estimated cost of $525,514;

Pinellas County, Fla.: House Document No. 380, 83d Congress, at an estimated cost of $34,300;

Illinois Shore of Lake Michigan: House Document No. 28, 83d Congress, at an estimated cost of $1,176,400;

Vermilion to Sheffield Lake Village, Ohio: House Document No. 229, 83d Congress, at an estimated cost of $185,000;

Cleveland and Lakewood, Ohio: House Document No. 502, 81st Congress, at an estimated cost of $1,275,000 for Edgewater Park; and $68,900 for White City Park;

Presque Isle Peninsula, Erie, Pa.: House Document No. 231, 83d Congress, at an estimated cost of $2,006,000;

Selkirk Shores State Park, Lake Ontario, N. Y.: House Document No. 343, 83d Congress, at an estimated cost of $136,500;

Point Mugu to San Pedro Breakwater, Calif.: House Document No. 277, 83d Congress, at an estimated cost of $3,874,000;

Anaheim Bay Harbor, Calif.: House Document No. 349, 83d Congress, at an estimated cost of $65,700 for Seal Beach; and $91,600 for Surfside;

Carpenteria to Point Mugu, Calif.: House Document No. 29, 83d Congress, at an estimated cost of $73,700;

Waikiki Beach, Territory of Hawaii: House Document No. 227, 83d Congress, at an estimated cost of $283,700.

SEC. 102. The Secretary of the Army is hereby authorized to reimburse local interests for such work done by them on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have been done on these projects was approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto for funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 103. The Secretary of the Army is hereby authorized and directed to cause a preliminary examination and survey to be made to determine the need for a channel from the Gulf of Mexico into Choctawatchee Bay, Fla., in the vicinity of Point Washington, subject to all applicable provisions of section 110 of the River and Harbor Act of 1950.

SEC. 104. The consent of Congress is hereby granted to the city of Mobile, Ala., and the State of Alabama, their successors and assigns, for the closing of Garrows Bend Channel, in the county of Mobile, Ala., by the construction and operation of an earth-filled causeway across said channel in the county of Mobile, in the State of Alabama: *Provided*, That the work on said causeway shall not be commenced until the plans and location therefor have been filed with and approved by the Chief of Engineers, United States Army, and by the Secretary of the Army. This provision shall be null and void unless the actual construction of the causeway hereby authorized is commenced within 3 years and completed within 5 years from the date of this act and the right to alter, amend, or repeal this provision is hereby expressly reserved.

SEC. 105. Title I may be cited as the "River and Harbor Act of 1954."

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the act approved June 22, 1936 (Public, Numbered 738, 74th Cong.), as amended by section 2 of the act approved June 28, 1938 (Public, Numbered 761, 75th Cong.), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided*, That the authorization for any flood-control project herein adopted requiring local cooperation shall expire 5 years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interests shall within said time furnish assurances satifactory to the Secretary of the Army that the required cooperation will be furnished.

SEC. 202. The provisions of section 1 of the act of December 22, 1944 (Public, No. 534, 78th Cong., 2d sess.), shall govern with respect to projects authorized in this act, and the procedures therein set forth with respect to plans, proposals, or reports for works of

improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

It is hereby declared to be the policy of the Congress that the following provisions shall be observed:

No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided*, That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further*, That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further*, That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

CONNECTICUT RIVER BASIN

That the plan for the control of floods in the Connecticut River Basin, approved by the act of June 22, 1936 (Public Law No. 738, 74th Cong.), as amended and supplemented, is hereby modified to provide for the construction, under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, of a flood-control reservoir on Otter Brook at South Keene, N. H., in lieu of any reservoir or reservoirs heretofore authorized.

That the plan for the West River Basin of the Connecticut River in Vermont is hereby modified to consist of three reservoirs at the Ball Mountain, The Island, and Townshend sites, in lieu of the plan of 8 reservoirs authorized in section 10 of the Flood Control Act approved December 22, 1944, in general accordance with the plan agreed to by the Secretary of the Army, the Chief of Engineers, and the Vermont State Water Conservation Board in June 1950; and the conditions specified in the plan of the 8 reservoirs authorized in section 10 of the Flood Control Act approved December 22, 1944, shall not apply.

SUSQUEHANNA RIVER BASIN

The project for the Susquehanna River in the vicinity of Endicott, Johnson City, and Vestal, N. Y., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 500, 81st Congress, at an estimated cost of $4,469,000.

CENTRAL AND SOUTHERN FLORIDA

The authorization for the comprehensive plan for flood control and other purposes in central and southern Florida given by the Flood Control Act of June 30, 1948, as amended, is hereby modified and expanded to include the entire comprehensive plan of improvement as recommended by the Chief of Engineers in House Document No. 643, 80th Congress, with such modifications thereof as the Congress may hereafter authorize, or as in the discretion of the Chief of Engineers may be advisable: *Provided*, That the conditions of local cooperation for the authorized first phase heretofore approved by said flood control act shall apply to that authorized first phase, but for all work over and beyond that previous authorization such conditions shall apply on an interim basis only until they shall be modified as deemed appropriate by the Congress, based on recommendations to be submitted at the earliest practicable date by the Chief of Engineers, through the Bureau of the Budget to the Congress: *Provided further*, That whatever conditions of local cooperation are established by Congress as the result of such recommendations shall be retroactive to any units of the comprehensive plan authorized in this act which may be started prior to establishment of the exact conditions of local cooperation: *And provided further*, That in addition to previous authorizations there is hereby authorized to be appropriated the sum of $7 million for partial accomplishment of said plan.

LOWER MISSISSIPPI RIVER

The project for flood control and improvement of the lower Mississippi River, adopted by the act of May 15, 1928, as amended and modified, is hereby further modified and expanded to include the following items of work and the authorization for said project is increased accordingly.

(a) Control of Old and Atchafalaya Rivers and a lock for navigation substantially as set forth in section XIII of the report of the Mississippi River Commission dated February 2, 1954, as concurred in by the report of the Chief of Engineers dated April 8, 1954, with such modifications as the Chief of Engineers in his discretion may find advisable at an estimated additional cost (exclusive of the navigation lock) of $32 million, in addition to the $15 million increase in authorization made by subparagraph (a) under the title "Lower Mississippi River" in section 204 of the Flood Control Act, approved May 17, 1950, which $15 million shall be applied to the item described in this paragraph: *Provided*, That the United States shall acquire such lands, rights-of-way and spoil-disposal areas as may be necessary for construction of the project except that local interests shall comply with the provisions of section 3 of the Flood Control Act approved May 15, 1928, as amended, with regard to the enlargement and extension of the main line Mississippi River levee below Shaw, La.: *Provided further*, That no flowage rights are to be acquired by the United States in connection with this item: *And provided further*, That when the type and dimensions of the required navigation lock are approved by the Chief of Engineers, construction thereof may be initiated with funds herein authorized to be appropriated.

(b) The plan for an adequate channel from the Mississippi River via Old and Atchafalaya Rivers to Morgan City, La., substantially in accordance with the report of the Chief of Engineers in Senate Document No. 53, 82d Congress, at an estimated additional cost of $440,000.

(c) Modification of the authorized project for the Vicksburg-Yazoo area substantially in accordance with the report of the Chief of Engineers in House Document No. 85, 83d Congress.

(d) Modification of the authorized project for the New Madrid floodway substantially in accordance with the recommendation of the Chief of Engineers in House Document No. 183, 83d Congress, at an estimated cost of $1,743,000.

BUFFALO BAYOU BASIN, TEX.

The project for Buffalo Bayou and tributaries, to provide flood protection for the city of Houston, Tex., as authorized by the Flood Control Act approved August 11, 1939, and previous acts, is hereby modified substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 250, 83d Congress, at an additional estimated cost of $16,191,600.

BRAZOS RIVER BASIN, TEX.

The plan for flood protection and other purposes on the Brazos River and tributaries, Oyster Creek and Jones Creek, Tex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 535, 81st Congress, and there is hereby authorized to be appropriated the sum of $40 million for partial accomplishment of that plan.

GUADALUPE AND SAN ANTONIO RIVERS, TEX.

The project for flood protection on the Guadalupe and San Antonio Rivers, Tex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 344, 83d Congress, at an estimated cost of $30,254,000.

GUADALUPE RIVER, TEX.

The works of improvement on Guadalupe River, Tex., authorized by section 2 of the act entitled "An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 2, 1945 (59 Stat. 17), insofar as such authorization provides for construction of the Canyon Dam and Reservoir, is hereby modified to provide for the construction, operation, and maintenance under the direction of the Secretary of the Army and supervision of the Chief of Engineers of the Canyon Dam and Reservoir in accordance with the provisions of this act. The Canyon Dam and Reservoir shall be constructed with a gross reservoir capacity of approximately 750,000 acre-feet (of which 380,000 acre-feet shall be for flood control and sedimentation) for purposes of flood control, conservation, stream-flow regulation, and provision for sedimentation, and, if practicable, for purposes of development of electric power, at an estimated total cost of $13,300,000.

The Chief of Engineers, in consultation with the Federal Power Commission, shall at appropriate times allocate to local interests such of the costs of construction, operation, and maintenance of the Canyon Dam and Reservoir as may appropriately be allocated by water conservation, stream-flow regulation, and development of electric power. Such allocation shall be made in accordance with the separable costs-remaining benefits method, taking into account the net increase in regulated flow which is practical with the storage capacity which will be provided by the Canyon Dam and Reservoir for water conservation and stream-flow regulation. No allocation of costs with respect to any installation for development of electric power shall be made under this section unless the Chief of Engineers determines that such installation will actually be constructed.

The costs allocated to local interests under this section shall be not less than $1,400,000, and shall be paid by them to the Chief of Engineers as provided in this act. The portion of such costs determined by the Chief of Engineers to be allocable to operation and maintenance of Canyon Dam and Reservoir shall be deposited to the credit of the appropriation available for maintenance and operation of such dam and used by the Chief of Engineers for such operation and maintenance; the $1,400,000 to be contributed during the construction period shall be deposited to the credit of the appropriation available for construction of the dam and used by the Chief of Engineers for that purpose; and the balance of such costs determined by the Chief of Engineers to be allocable to construction of Canyon Dam and Reservoir shall be deposited in the Treasury of the United States.

Facilities for the development of electric power at Canyon Dam and Reservoir may be constructed and operated by the Corps of En-

gineers, or by local interests in accordance with the provisions of the Federal Power Act and in accordance with this act, with all expenses of construction, operation, and maintenance of such facilities to be paid by local interests and with such power to be made available to such local interests.

Of the contributions to be paid by local interests toward the cost of construction of Canyon Dam and Reservoir, $1,400,000 shall be paid in such manner, and at such time or times during the period of such construction, as the Chief of Engineers shall determine. The remainder of the contributions allocated to local interests under section 2, with interest thereon at the rate of 2½ percent per annum, shall be paid as prescribed by the Chief of Engineers over a period not in excess of 50 years.

The Chief of Engineers shall enter into an agreement with local interests providing for the payments heretofore described and for all other matters relating to the operation and maintenance of the Canyon Dam and Reservoir which require the cooperation of local interests. Such agreement may provide for utilization of the water impounded for water conservation and stream-flow regulation for development of electric power; except that the agreement shall provide that the utilization of water for power development shall not be allowed to conflict with the flood-control and sedimentation purposes of the Canyon Dam and Reservoir.

RIO GRANDE BASIN

The project for flood protection in the Rio Grande Basin at Albuquerque, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 464, 83d Congress, at an estimated cost of $7,590,000.

The project for flood protection on the Rio Hondo River at Roswell, N. Mex., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 436, 83d Congress, at an estimated cost of $5,658,000.

WHITE RIVER BASIN

The general comprehensive plan for flood control and other purposes for the White River Basin approved by the Flood Control Act of June 28, 1938, as amended, is hereby modified to provide for the generation of power in conjunction with flood control at the Greers Ferry Reservoir and the addition of Beaver Reservoir for flood control, power generation, and other purposes, substantially as recommended by the Chief of Engineers in his report dated February 19, 1954.

ARKANSAS RIVER BASIN

The project for flood protection on the Arkansas River and tributaries at Enid, Okla., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 185, 83d Congress, at an estimated cost of $965,000.

UPPER MISSISSIPPI RIVER

The project for flood protection on the Mississippi River in urban areas at Alton, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 397, 83d Congress, at an additional estimated cost of $2,500,000.

The project for flood protection on the Mississippi River, Guttenberg, Iowa, to Hamburg Bay, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 281, 83d Congress, excepting only the improvements recommended for Credit Island and for Henderson County Drainage District No. 3, at an estimated cost for improvements authorized of $30,551,000.

The project for flood protection on the Mississippi River, Fish Lake Drainage and Levee District No. 8, Monroe County, Ill., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 396, 83d Congress, at an additional estimated cost of $480,000.

The project on the Mississippi River for local flood protection in the Sny Island Levee Drainage District, Illinois, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 247, 83d Congress, at an estimated cost of $7,046,300.

The project for flood protection on the upper Iowa River, Iowa, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 375, 83d Congress, at an estimated cost of $979,600.

MISSOURI RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $144 million for the prosecution of the comprehensive plan for the Missouri River Basin to be undertaken by the Corps of Engineers, approved by the act of June 28, 1938, as amended and supplemented by subsequent acts of Congress.

The comprehensive plan for the Missouri River Basin, approved by the act of June 28, 1938, and as amended and supplemented, is hereby further modified to include the project for flood protection on the Kansas River and tributaries, Colorado, Nebraska, and Kansas, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 642, 81st Congress, at an estimated additional cost of $73,710,000, and there is authorized to be appropriated such sum in addition to previous authorizations for the Missouri Basin plan.

The comprehensive plan for the Missouri River Basin, approved by the act of June 28, 1938, and as amended and supplemented, is hereby further modified to include the project for flood protection on the Osage River and tributaries, Missouri and Kansas, substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 549, 81st Congress.

The project adopted by the Flood Control Act of June 22, 1936, to provide flood protection for the Kansas Citys, Kans. and Mo., as modified and extended by the Flood Control Act of December 22, 1944, is hereby further modified to provide that the Chief of Engineers may contribute not to exceed $2,750,000 to the cost of an alternate plan of flood protection to be constructed by local interests in the lower Armourdale area of the Kansas Citys project: *Provided*, That the actual amount so paid by the Federal Government shall not exceed the estimated Federal cost of the approved Government plan of protection in this area nor shall it exceed the total actual costs of the alternate project reduced by the estimated costs for lands, easements, rights-of-way, and public relocations which local interests would have been required to bear had the approved Government plan been constructed: *Provided further*, That the total amount shall be paid in installments during progress of the work to satisfactory completion of the alternate plan.

The project for flood protection on the Charlton River, Iowa and Mo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 561, 81st Congress, at an estimated cost of $19,612,000.

The project for flood protection on the Little Sioux River, Iowa, authorized by the act of August 4, 1947, is hereby modified and supplemented substantially in accordance with the recommendations of the Chief of Engineers, in Senate Document No. 127, 83d Congress, at an additional estimated cost of $10,076,000.

The project for flood protection on the Little Missouri River and tributaries at Marmarth, N. Dak., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in Senate Document No. 134, 81st Congress, at an estimated cost of $212,300.

COAL CREEK AND TRIBUTARIES, TENNESSEE

The project for flood protection on Coal Creek and tributaries, Tennessee, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 154, 82d Congress, at an estimated cost of $745,200.

OHIO RIVER BASIN

The project for flood protection on Sandy Lick Creek at and in the vicinity of Reynoldsville, Pa., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 716, 81st Congress, at an estimated cost of $570,000.

The project for flood control and related purposes on the Paint Rock River, Ala., is hereby authorized substantially as recommended by the Chief of Engineers in House Document No. —, 83d Congress, at an estimated cost of $1,001,300: *Provided*, That in lieu of the local cooperation recommended in that document, local interests shall comply with the provisions of local cooperation contained in section 3 of the Flood Control Act approved June 22, 1936, as amended, and shall also construct and maintain local drainage works required to fully and effectively utilize the improved outlet system, generally as outlined in House Document No. —, 83d Congress.

KALAMAZOO RIVER, MICH.

The project for flood protection on the Kalamazoo River at Battle Creek, Mich., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in Senate Document No. 98, 83d Congress, at an estimated cost of $4,201,550: *Provided*, That local contribution toward the project will be in accord with the recommendation of the Secretary of the Army contained in the aforesaid document.

LITTLE CALUMET RIVER, IND.

The project for flood protection on the Little Calumet River and tributaries, Indiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 153, 82d Congress, at an estimated cost of $509,900.

LOS ANGELES RIVER BASIN

In addition to previous authorizations there is hereby authorized to be appropriated the sum of $12,500,000 for the prosecution of the comprehensive plan for the Los Angeles-San Gabriel River Basin, and Ballona Creek, Calif., approved in the act of August 18, 1941, as amended and supplemented by subsequent acts of Congress.

SACRAMENTO RIVER BASIN

The project for flood protection on Middle Creek, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 367, 81st Congress, at an estimated cost of $1,110,000.

The plan of improvement for flood control on the American River, Calif., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 367, 81st Congress, at an estimated cost of $1,600,000 for levees.

LOWER SAN JOAQUIN RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $5 million for the prosecution of the comprehensive plan for the lower San Joaquin River Basin, Calif., approved in the act of December 22, 1944, as amended and supplemented by subsequent acts of Congress.

COLUMBIA RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated

the sum of $180 million for the prosecution of the projects and plans for the Columbia River Basin, for which the sum of $75 million was authorized in the Flood Control Act approved May 17, 1950, and these projects and plans are hereby modified to include power development in the following projects in tributary basins, substantially in accordance with the recommendations of the Chief of Engineers in House Document No. 531, 81st Congress: Cougar Reservoir on South Fork of McKenzie River, Oreg., and Green Peter Reservoir on Middle Fork of Santiam River, Oreg., including White Bridge, reregulating reservoir on Middle Fork of Santiam River, Oreg.

TERRITORY OF ALASKA

The project for flood protection on Gold Creek and tributaries, Alaska, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 54, 82d Congress, at an estimated cost of $380,000.

TERRITORY OF HAWAII

The project for flood protection on the Wailoa Stream and its tributaries, Island of Hawaii, T. H., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 529, 81st Congress, at an estimated cost of $347,000.

SEC. 204. The Secretary of the Army is hereby authorized and directed to cause preliminary examinations and surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following-named localities: *Provided*, That after the regular or formal reports made on any examination, survey, project, or work underway or proposed are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditons: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Ipswich River, Mass.

Neponset River, Mass.

Juniata River at Lewiston and other points in Pennsylvania in the interest of flood control.

Streams in the vicinity of Alice, Tex.

Redwood Creek, Humboldt County, Calif.

Coos Bay, Oreg.

SEC. 205. In addition to previous authorizations, the sum of $20 million is hereby authorized to be appropriated for expenditure by the Department of Agriculture for the prosecution of the works of improvement authorized to be carried out by that Department by the Flood Control Act of December 22, 1944, as amended.

SEC. 206. That section 7 of the act approved August 18, 1941 (Public, No. 228, 77th Cong.), as amended by section 5 of the act approved July 24, 1946 (Public, No. 526, 79th Cong.), as further amended by the act approved June 16, 1953 (Public, No. 60, 83d Cong.), is hereby still further amended to read as follows:

"That 75 percent of all moneys received and deposited in the Treasury of the United States during any fiscal year on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes, including the development of hydroelectric power, shall be paid at the end of such year by the Secretary of the Treasury to the State in which such property is situated, to be expended as the State legislature may prescribe for the benefit of public schools and public roads of the county, or counties, in which such property is situated, or for defraying any of the expenses of county government in such county or counties, including public obligations of levee and drainage districts for flood control and drainage improvements: *Provided*, That when such property is situated in more than one State or county, the distributive share to each from the proceeds of such property shall be proportional to its area therein."

SEC. 207. That section 8 of the Flood Control Act approved June 28, 1938, is hereby amended to read as follows:

"That there is hereby authorized an expenditure as required, from any appropriations heretofore or hereafter made for flood control, rivers and harbors, and related purposes by the United States, for the establishment, operation, and maintenance by the Weather Bureau of a network of recording and nonrecording precipitation stations, known as the Hydroclimatic Network, whenever in the opinion of the Chief of Engineers and the Chief of the Weather Bureau such service is advisable in connection with either preliminary examinations and surveys or works of improvement authorized by the law for flood control, rivers and harbors, and related purposes, and the Secretary of the Army upon the recommendation of the Chief of Engineers is authorized to allot the Weather Bureau funds for said expenditure."

SEC. 208. That section 2 of the Flood Control Act of August 28, 1937, as amended by section 13 of the Flood Control Act of July 24, 1946, is hereby further amended to read as follows:

"That the Secretary of the Army is hereby authorized to allot not to exceed $2 million from any appropriations heretofore or hereafter made for any one fiscal year for flood control, for removing accumulated snags and other debris, and clearing and straightening the channel in navigable streams and tributaries thereof, when in the opinion of the Chief of Engineers such work is advisable in the interest of flood control: *Provided*, That not more than $100,000 shall be expended for this purpose for any single tributary from the appropriations for any one fiscal year."

SEC. 209. That, subject to the procedures prescribed by section 505 of the Classification Act of 1949, but without regard to the numerical limitations contained therein, there shall be established in the civil works activities under the jurisdiction of the Chief of Engineers, 7 positions to be placed in grade GS–16 and 2 positions to be placed in grade GS–17, in the general schedule established by that act.

SEC. 210. That section 4 of the act approved July 24, 1946 (Public, No. 526, 79th Cong.), is amended to read as follows:

"The Chief of Engineers, under the supervision of the Secretary of the Army, is authorized to construct, maintain, and operate public park and recreational facilities in reservoir areas under the control of the Department of the Army, and to permit the construction, maintenance, and operation of such facilities. The Secretary of the Army is also authorized to grant leases of lands, including structures or facilities thereon, in reservoir areas for such periods, and upon such terms and for such purposes as he may deem reasonable in the public interest: *Provided*, That leases to nonprofit organizations for park or recreational purposes may be granted at reduced or nominal considerations in recognition of the public service to be rendered in utilizing the leased premises: *Provided further*, That preference shall be given to Federal, State, or local governmental agencies, and licenses, or leases where appropriate, may be granted without monetary considerations, to such agencies for the use of all or any portion of a reservoir area for any public purpose, when the Secretary of the Army determines such action to be in the public interest, and for such periods of time and upon such conditions as he may find advisable: *And provided further*, That in any such lease or license to a Federal, State or local governmental agency which involves lands to be utilized for the development and conservation of fish and wildlife, forests, or other natural resources, the licensee or lessee may be authorized to cut timber and harvest crops as may be necessary to further such beneficial uses and to collect and utilize the proceeds of any sales of timber and crops in the development, conservation, maintenance and utilization of such lands. Any balance of proceeds not so utilized shall be paid to the United States at such time or times as the Secretary of the Army may determine appropriate. The water areas of all such reservoirs shall be open to public use generally, without charge, for boating, swimming, bathing, fishing, and other recreational purposes, and ready access to and exit from such water areas along the shores of such reservoirs shall be maintained for general public use, when such use is determined by the Secretary of the Army not to be contrary to the public interest, all under such rules and regulations as the Secretary of the Army may deem necessary. No use of any area to which this section applies shall be permitted which is inconsistent with the laws for the protection of fish and game of the State in which such area is situated. All moneys received by the United States for leases or privileges shall be deposited in the Treasury of the United States as miscellaneous receipts."

SEC. 211. Title II may be cited as the "Flood Control Act of 1954."

Mr. SMITH of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Mississippi: On page 19, line 4, add a new section as follows:

"Land will be acquired for the construction of flood control and multipurpose reservoirs authorized under this act in such a manner as to facilitate potential development of recreational uses of the reservoir by Federal, State, or local authorities, whenever such recreational development would not interfere with the basic purpose of the reservoir."

Mr. SMITH of Mississippi. Mr. Chairman, the amendment I offer is the one I referred to in my remarks during general debate. As I stated then, this amendment is brought to the floor and was not acted on in committee because of the general agreement of the committee that it be withheld until this time.

At the time there was no report at all from the Corps of Engineers in regard to this amendment. We have since had an adverse report from the corps, but there is no report from the Bureau of the Budget, there is no report from the Bureau of Fisheries and Wildlife, no report from the Department of the Interior or any other Government agency that might have an equal concern in regard to the recreational development of the areas involved. So I think it is fair to state here that this amendment is actually something to give expression to the sense of the Congress in regard to recreational development in these areas. It in no sense would modify or change any reservoirs that are authorized under this bill, because they were all reported at a time when the land-acquisition policy to which I made reference had come into effect.

The amendment which I offer is designed to make certain that the reser-

voirs constructed under authorization of this act will be available to the general public throughout the country for recreational use; in other words, for those who want to hunt and fish and boat upon these reservoirs. Actually in this bill, in the first section, we are authorizing a great many expenditures for boat harbors, small-boat harbors in which no part of the use will be recreational. Here in this amendment I am merely seeking to state the sense of the Congress that these manmade lakes built at public expense should in no way be built in such a way as to deny their recreational development for the general public.

Mr. BAILEY. The gentleman is aware of the fact that it has been the practice of the Army engineers in recent years to cede back to the State the frontage on a lot of these reservoirs. That has been the case with the Tygart Dam in West Virginia, which has made an excellent recreational center.

Mr. SMITH of Mississippi. That is quite correct. By this amendment, I am striving to make sure that that policy is not stopped. I asked the engineers to show me how this new policy would affect a lake or reservoir in Mississippi, and they told me that the recreational areas which had been established there, could not have been established under this new policy. The recreational areas are being built entirely at State and local and private expense with no expense at all to the Federal Government. I hope the committee will accept this amendment in order that we may indicate merely by this statement in the bill, which is very permissive in tone, that it is the desire of the Congress that these reservoirs, which would be constructed under this authority, will be available for recreational purposes to the general public.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. HAGEN of California. I join with the gentleman in his statement. There is a reservoir in my district which is desired overwhelmingly by the people for recreational purposes, and I may say that the Army engineers have been most cooperative in that regard.

Mr. SMITH of Mississippi. One of the reservoirs, which I have in mind, was unanimously opposed originally by the people of the area because they did not want to give up their land, but now the people who live in that area are unanimously in favor of it because the recreational facilities are such a great asset.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. DAVIS of Wisconsin. Is it the purpose of the gentleman's amendment to overthrow the recently adopted policy of the Corps of Engineers with respect to land acquisitions?

Mr. SMITH of Mississippi. The purpose is not to overthrow that policy, but merely to indicate that it is the sense of the Congress that that policy should not be administered in such a manner as to deny proper recreational development of those reservoirs being authorized in this bill.

Mr. DAVIS of Wisconsin. What does it mean then? Here the Corps of Engineers has adopted this new policy in order to get away from going in and purchasing a lot of land and taking that land off the tax rolls, thus depriving the local governments and private citizens locally the right to have that property on the tax rolls, and then arrogating to themselves the right to lease it or furnish it to whomever they might choose. I think there is a danger in that old policy, and I am afraid that the language that the gentleman suggests is throwing us right back into that kind of a policy.

Mr. SMITH of Mississippi. The old policy had many mistakes in it and I am not trying to revert back to that old policy. I am merely attempting to say that in acquisitions that are made in the future, they should not be made in such a rigid way that the land that is to be acquired is not acquired in such a manner that they will deny the recreational development of the area. As the policy has been interpreted in certain areas that would be the effect of this new policy, and that would be without any particular savings to the Government.

Mr. DAVIS of Wisconsin. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Mississippi offered this amendment to our committee at one of its very last sessions. Of course, there was very little time to consider it. I think most members of the committee, including myself, were somewhat in sympathy with the objective that the gentleman desires to achieve by his amendment. However, I submitted his amendment to the agencies of Government interested, and they are opposed to it, particularly the Corps of Army Engineers. The reason they are opposed to it is because of the recently established policy between the Corps of Army Engineers and the Department of the Interior in regard to land acquisition. I want to read from the report of the engineers, which has been submitted to me by Gen. B. L. Robinson, Acting Chief of Engineers, a few lines that pertain to the question before the committee.

He says:

> The acquisition of lands for recreational development, as contemplated by the proposed Smith amendment, is not in accord with this policy, and therefore I am unable to concur in the amendment.

That comes from the Department of the Army Corps of Engineers.

The Under Secretary of Agriculture, also commenting on this amendment, had this to say, after discussing the question of acquisition of land for recreational purposes:

> However, it is felt that the policy respecting acquisition of lands for recreational purposes should be considered along with other policy questions relating to the responsibility of the Federal Government in the recreational field at all Federal reservoir areas. It is understood that the Bureau of the Budget is currently studying these matters.

The Bureau of the Budget has not reported on the amendment, because it was offered so late.

To adopt this amendment would override the findings of the Army engineers, and the Secretary of Agriculture, because they believe that the policy now established between the Army engineers and the Department of the Interior fully covers it. Therefore, to adopt this amendment might run counter to that policy and would do more harm than good. For that reason I ask the committee to vote down the amendment.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. DAVIS of Wisconsin. This matter came up in the course of our hearings on the Army civil-functions appropriation bill this year, and it was explained to the members of our subcommittee to some extent. While the language of the gentleman from Mississippi [Mr. SMITH] is broad, simply stating an objective, I cannot feel other than that adopting this amendment, in view of the fact that there has been a change of policy within the course of the last year or so, would be interpreted as expressing the will of Congress contrary to the adoption of this new policy, and would, in effect, put us on record that Congress wished them to go back to the old policy which was in effect at that time. Since that includes condemnation of land, separation of private property by the Federal Government, for purposes which extend over into the marginal area, as far as the public is concerned, I do not think the House ought to take this step, in the light of the background and the interpretation that would be placed upon it.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. SMITH of Mississippi. I would like to point out in respect to the statement of the gentleman from Wisconsin that if I desired to establish a new land act policy I would have so stated. I am simply trying to establish in this amendment the sense of the Congress that these man-made lakes, which were created at an expenditure of millions and millions of dollars, should be made available to the general public for recreational development. I do not feel that this Congress wants to go on record, by turning down this amendment, that it does not believe in recreational development.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. MACK of Washington. The gentleman from Mississippi [Mr. SMITH] is one of the most hardworking and diligent members of the Committee on Public Works. He is also one of the most constructive. I am opposed to his amendment, however, not because I object to the idea, but because I think the Committee on Public Works and the House itself have not had time to evaluate his suggestion. His proposal was made not to any meeting of the Committee on Flood Control but in the next to the last session of the Public Works Committee. We had no opportunity to study it. I have a phobia against this continual

acquisition of more and more land by the Federal Government.

The Federal Government today owns 711,000 square miles of land in the 48 States of the Union, or 455 million acres. One acre out of every four is owned by the Federal Government and has been taken off the tax rolls. I think we ought to reverse that policy. The gentleman's amendment should lay over until next year, until the beginning of next year at which time he may introduce a bill covering this situation so that it can have the study of the Public Works Committee. I am not objecting to the idea, but I do not think we ought to go into something in haste, then repent at leisure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. SMITH].

The question was taken; and on a division (demanded by Mr. SMITH of Mississippi) there were—ayes 19, noes 69.

So the amendment was rejected.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: On page 35, immediately after line 6 insert:

"WEST SHORE OF LAKE ERIE

"The projects for flood protection along the shores of Lake Erie are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document No. 424, 83d Congress at an estimated cost of $1,900,000."

Mr. MEADER. Mr. Chairman, I take this time for the purpose of directing my remarks to the Public Works Committee in the hope I may persuade that committee that this project recommended by the Corps of Engineers be included in this omnibus legislation.

I might first point out that the area involved is on the west shore of Lake Erie, Monroe County, in the Second District of Michigan which I have the honor to represent. In March of 1952 this area was devastated by a flood which resulted from two main factors. One was the high level of the Great Lakes; the other unusually severe storms. I might point out that this west shore of Lake Erie lies roughly between Toledo and the mouth of the Detroit River. Of the two projects involved Lakewood Luna Pier is just north of Toledo, and Detroit Beach is north of the city of Monroe, the county seat of Monroe County.

The Lakewood Luna Pier project would cost approximately a million dollars and the Detroit Beach project would cost approximately $500,000.

After the flood which I mentioned in March 1952 the Public Works Committee of the House, the committee in charge of this legislation, adopted a resolution on June 26, 1952, in which it instructed the Corps of Engineers to make a study of the high levels of the Great Lakes.

Included in that resolution—and this is of extreme importance to me—we find this language: This study by the Corps of Engineers should be undertaken "with a view to determining the property damage resulting from changes in levels of the Great Lakes and the feasibility of measures to prevent the recurrence of damage."

It was pursuant to the instructions of the Committee on Public Works that the Corps of Engineers made this study, and after looking over the subject, recommended three projects in this extremely low lying area on the western shore of Lake Erie.

I believe the chairman of the subcommittee, the gentleman from Washington [Mr. MACK], will confirm my statement, that the committee did not refuse to include these projects in this omnibus bill on their merits but only because of a legal technicality. A doubt was raised by the Budget Bureau whether flood-control projects on the Great Lakes are permissible under existing legislation or whether there ought to be an amendment to the general legislation.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Washington.

Mr. MACK of Washington. It was the feeling of the subcommittee that perhaps there was a great deal of merit to those projects which have been surveyed. On the other hand, there is no basic law to justify Congress going ahead and turning out these projects regarding floods which are the result of a continuing rise of the water level in the lake. It was the fear of the committee that if we placed these projects in the authorization bill, that we would open up that bill to the inclusion of similar projects in all parts of the country where they had not heretofore been included. It was the feeling of the committee that some basic legislation should be enacted by the Congress prior to the time that projects of that kind were considered. So we are recommending that they introduce basic legislation in the next Congress to clarify the situation where areas are so damaged from rising lake waters and the storms and the waves.

Mr. MEADER. I thank the gentleman. I might say that the Corps of Engineers testified before the Committee on Public Works of the House as well as the committee in the other body and seemed to be of the opinion that existing law did authorize these projects. The question was raised by the Bureau of the Budget, which did not disapprove the engineers' report but did raise this question which bothers the committee.

I might point out for the Committee's information that already in this same area two projects have been approved in the past for the same kind of damage, Reno Beach and Howard Farms, east of Toledo on Lake Erie, in the district represented by the gentleman from Ohio [Mr. REAMS]. Another precedent is Estral Beach, between Monroe and Detroit on Lake Erie, which suffered severe damage in March of 1952. The Corps of Engineers from its emergency fund repaired an existing dike at Estral Beach to protect it from the same kind of flood damage with which we are concerned here.

Mr. MACK of Washington. I do not recall that project being mentioned as a precedent, although Reno Beach-Howard Farms project, which was previously carried out, somewhat similar to this, was cited as a possible precedent.

Mr. MEADER. The St. Lawrence Seaway has now become law and shortly will become a reality. Now, in the levels of lakes and rivers, there are always two conflicting interests: First, there are those who desire to use those lakes and rivers for navigation purposes, and second there are the riparian owners who seek protection from high waters and floods. The St. Lawrence Seaway will be useful only if deep-draft vessels can use the channels and the harbors. The depth of the water will very substantially affect the utility of the St. Lawrence Seaway system.

I want to quote from an article by Prof. William C. Hoad, of the University of Michigan, which I inserted in the CONGRESSIONAL RECORD as part of my remarks, volume 99, part 1, page 1374:

Another and vastly more important benefit (of high water levels) is the increased depth in harbors and dredged navigation channels, which permits the big freight carriers to load to greater depths. During the hearings on the Chicago drainage canal controversy, back in 1925, the Lake Carriers' Association produced figures to show that freight savings or losses amounted to $500,000 a year for each inch of increase or decrease of depth in the navigation channels. The carrying of ore, grain, coal, and other bulk commodities in Great Lakes channels has increased considerably since then, while costs per ton of freight moved have also shown a large increase as measured in present-day dollars.

In other words, the cost of these projects, roughly, $1,500,000, would be offset by the reduced cost of carrying the traffic and freight on the Great Lakes, and in the reduced cost for the reduced amount of dredging which would be necessary if you are to protect the riparian owners at the same time you are providing adequate channels for deep draft navigation.

I hope the committee will give this matter serious consideration and if it should, perhaps, be adopted in the other body, I hope the subcommittee in charge of this measure will feel kindly disposed toward it in conference. I know how difficult it is to persuade the Committee of the Whole to take action in opposition to the work of a committee that has studied a matter so very carefully.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent and at the request of Mr. DONDERO, Mr. MEADER was given permission to proceed for 1 additional minute.)

Mr. MEADER. I yield to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. I should like to say to the House that the gentleman has been most diligent in bringing this project before the subcommittee and also to my attention on several occasions. It so happens that I live not too far from where this project is located, and I personally know something of the problem that confronts the people in that area. In fact, I fly over it about once a month. I can see it from the air. I hope, too, the law will be clarified so that this matter may be considered at some future time so that the objective which the gentleman has in mind, through his

amendment, which he intended to offer, will be achieved.

Mr. MEADER. I thank the gentleman for those remarks.

Mr. REAMS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan [Mr. MEADER].

Mr. Chairman, I wish to associate myself with the gentleman in an amendment that he has offered. The third of the three projects, Point Place, lies within my district and within the city of Toledo. I want to express my appreciation to the committee and particularly to the subcommittee for the very excellent hearing which they gave us on this subject.

Colonel Starbird from the Corps of Engineers testified on this and recommended it, speaking for the Corps of Engineers.

I feel that the opposition of the committee to this project arises principally because of the fact that they are associating this with the tides and floods that are common on the ocean and not on the Great Lakes. The Great Lakes, after all, are a river system somewhat extended because of the glacial deposits. The floods come not at regular intervals, but for the same reason that the floods come on the Ohio River. There is a building up of moisture in the headwaters and an increase in precipitation in the locality, which causes the flood. It is exactly like the floods in the Ohio River the subject matter of which admittedly is under the jurisdiction and under the force of the law in effect. When the snow is built up in Canada and the upper lakes and then we have an excess of precipitation in the Lake Erie area, we have these floods that are so devastating. In the last flood in this Point Place area, which is the third on the map before you, the damage to that locality was about $240,000. That is more than half the cost the engineers estimate for this project, which will be an all-time benefit.

This dike they propose is not a new project. The dike has been built by the local people there and by the city of Toledo and by the township. This project is for the purpose of making a permanent dike out of it, one that will last for all time and will protect this property from these regular inundations that come from exactly the same kind of water and the same sources that the floods on the Ohio River come from.

Mr. Chairman, I ask consideration for this amendment.

Mr. MACK of Washington. Mr. Chairman, I rise in in opposition to the amendment.

Mr. Chairman, the Subcommittee on Flood Control voted unanimously against the inclusion of this project in the authorization bill. The committee, nevertheless, was very much impressed by arguments of the gentleman from Michigan [Mr. MEADER] and the gentleman from Ohio [Mr. REAMS] that the project had considerable merit. However, it was the feeling of the committee that if the committee voted this project into the authorization bill we would establish a precedent whereby we would be compelled in the future to include all projects for all areas on all lakes where the land area was damaged by high lake waters.

The water laws of our Nation are complicated. If the flood comes from a stream or a river, the Federal Government pays all the cost of providing flood-control works except that of acquiring easements, rights-of-way, and the relocation of highway bridges. In the case of beach erosion along the ocean shore it is necessary that the local interests, provided all the land is publicly owned, put up two-thirds of the cost. The Federal Government will put up only one-third of the cost.

It was the unanimous feeling of the committee that before projects of the kind mentioned in his amendment be accepted that changes should be made in the basic law. Our commitee recommends to gentlemen, who are interested in projects of this kind, that they introduce such basic legislation at the opening of the new session of Congress.

Mr. REAMS. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Ohio.

Mr. REAMS. May I ask the gentleman again not to confuse this project with erosion or with a flood that comes from the tides. This is high water just like on the rivers. The lakes just rise and get higher, just exactly as the Ohio River does.

Mr. MACK of Washington. The gentleman's argument that a lake is really not a lake but just a wide space in the river is very ingenious. The committee, however, cannot accept that argument.

Furthermore, the Army engineers have requested $970,000 to carry on an investigation of the entire problem of this rising of the lake waters in the Great Lakes. Perhaps the engineers will find within a very short time a better solution than has been proposed to correct the situation of which Mr. REAMS and Mr. MEADER complain.

The main objection of the committee, however, is that this amendment changes the flood control and beach-erosion laws of the Nation. Before we do that, there should be some basic legislation to justify action on legislation of this kind.

I oppose the amendment, Mr. Chairman.

Mr. DONDERO. Mr. Chairman, I ask for a vote.

Mr. OAKMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Committee on Public Works I want to associate myself with my distinguished colleague from Michigan [Mr. MEADER], and I wholeheartedly associate myself with his amendment.

These floods on the Great Lakes are something that do not occur with any degree of frequency. When they do happen they can be very devastating, just as the floods of the Ohio, Mississippi, and Missouri are. We certainly feel it is the responsibility of the Federal Government in those cases.

As the distinguished gentleman from Ohio [Mr. REAMS] has pointed out, there is ample precedent for the amendment offered by the gentleman from Michigan [Mr. MEADER]. What the gentleman offers here was recommended by the Corps of Army Engineers.

I would like to point out that these are international waters on the Great Lakes. These are not just any lakes within the territorial United States, these are international waters. I believe there is plenty of precedent for this. I do not think we have to interpret existing laws unreasonably in order to vote with a clear conscience in favor of the amendment offered by the gentleman from Michigan [Mr. MEADER].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The amendment was rejected.

Mr. CURTIS of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Missouri: Page 31, after line 6, insert the following:

"The project for flood protection on the Mississippi River, at St. Louis, Mo., is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document No. —, 83d Congress, at an estimated cost of $112,880,000."

Mr. CURTIS of Missouri. Mr. Chairman, at this time having offered the amendment, I ask unanimous consent to withdraw the amendment and explain the reason for presenting it in this fashion.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Chairman, this particular amendment was offered to call to the attention of the House that this is a longtime part of the overall plan in the Mississippi River flood-control program, and has been in the offing for at least the past 20 years. The reason it has not been before us before now is that it has taken some considerable time to make the surveys and studies. As you can see, from the amount of money in this project, $112 million, it is a sizable project. The survey of the Army engineers was not completed in time for this matter to have been brought to the attention of our House committee, and that is the reason I am withdrawing the amendment, because it would be contrary to the procedure of the committee to consider it on the floor. However, this project has been submitted to the Public Works Committee of the other body and hearings have been held on it. It is entirely possible that the other body will put this particular project in their companion bill, and, therefore, it might be a matter upon which our committee in conference might be called upon to consider. For that reason, I wanted to call it to the attention of the House. I want to say again in this connection that this is an old plan. The actual survey and plans, of course, have just recently been developed. One of the things that is causing difficulty is that in the planning for flood control around St. Louis, Mo., the levees and dikes on the east side were built up to meet the overall plan while the corresponding levees on the west side of the river were not built up, and the result has been that these sections of

St. Louis, which is North St. Louis, along the river, and South St. Louis have, in effect, had the water which would normally have gone over into the flood areas of Illinois pouring over into the industrial areas of the city of St. Louis. In my opinion, we should never go down the river one side at a time. We ought to go down the river on both sides. For that reason, it is most urgent that this project, which should have been built many years ago, be given consideration by the House as promptly as possible. Anything this size, of course, is going to take many, many years to build and any appropriations for it would cover a period of many years.

Mr. MILLER of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Kansas: On page 32, line 2, immediately before the first comma, insert "exclusive of the Perry Dam."

Mr. MILLER of Kansas. Mr. Chairman, I hope I will not take too much time on this, having explained my position during general debate.

This dam proposed at Perry, Kans., is one of a number of dams that is supposedly intended to prevent floods on the Kaw River. This Congress and previous Congresses have authorized flood-control programs that are well underway.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Kansas. I yield.

Mr. MACK of Washington. Does the gentleman's amendment merely take out the Perry Dam and not the Milford Dam?

Mr. MILLER of Kansas. I have two amendments.

Mr. MACK of Washington. You are taking out the Perry Dam by this amendment, and by a later amendment the Milford Dam?

Mr. MILLER of Kansas. That is right. I have here a picture of the Delaware River, only a hundred miles long; 922 square miles; one-sixtieth part of the Kansas River Basin that we are trying to dam up in order to protect some of the cities down below. Already this Congress has provided a program of flood prevention above this dam that is already under way. The pilot watersheds that you authorized in the 82d Congress and for which you appropriated money in the first session of this Congress, are already under construction in this particular area. Many of those dams are in process of construction. Two of them are already completed. So well are they doing the job, so much better than anyone thought, that the soil-conservation officials in our area are staging one of the biggest celebrations for the 18th of next month, to show what these dams will do. When a matter of $60 million is under consideration in 5 or 10 minutes' time, perhaps it is something to which we should well give attention.

I wish to say that we believe that this celebration which will be staged on the 18th of next month will be attended by thousands of people from Kansas and the surrounding States. All Members of Congress are invited. Louis Bromfield will be the speaker, and we will demonstrate to the American people the new and up-to-date way of preventing floods on these rivers.

I have put this red mark down here where this dam is to go, for the reason that the people out there in my district see red every time you mention Perry Dam to them. They are convinced that there is a better way, and they are doing it.

Mr. Chairman, does it seem feasible that this Congress would provide millions of dollars for upstream flood prevention and at the same time spend additional millions at the other end when there will be no flood down there after our watershed program has been completed?

I have here a picture of a subwatershed—one of the pilot watersheds that this Congress authorized this year, under process of construction. These red marks are the dams that have been authorized by this Congress, and that are partly completed. This is dam No. 1. It was completed before the big flood that they had a month ago, and it was hardly filled. It took 2½ days for the water to go by that spillway, which otherwise would have gone by in that many hours.

I have here a letter from the county commissioner of Brown County, where this dam is located, stating that this one dam alone which is costing $7,900 will save the county $15,000 on one bridge.

Mr. Chairman, this is a program that is the product of soil conservation investigations that we have had through the years, beginning with Teddy Roosevelt, Pinchot, and coming on down to the present time.

I fully realize the considerations under which the committee has brought in a recommendation for authorization of this dam at Perry, Kans., in the low-gradient areas of the Delaware River. I was present and heard the testimony and have read the hearings.

I understand the situation of the people who have constructed gigantic industrial enterprises on the banks of the Kansas River, and of the good people who have built homes on the flat overflow land. I have full sympathy for them and am in favor of every reasonable measure of protection in the way of dikes, flow ways, and channel improvement. I oppose the dams only because I feel that they are impracticable and antiquated, that they will not do what they are represented to do, and because there is a better way to prevent floods than by building hugs dams in the river channels.

Mr. Chairman, this proposed dam at Perry, Kans., is estimated to cost $16,263,000. We all know it will cost more than the estimate. They always do. It will permanently destroy 14,120 acres of as good farmland as there is in the United States. It is designed as one of more than a hundred dams proposed to protect Kansas City. Many competent engineers state positively that they will not do it. That is, if such a storm as we had in 1951 should occur between Topeka and Kansas City, all the dams proposed by the Corps of Engineers would not avert a flood. I have documentary evidence to substantiate all these statements.

The people of my district do not want these dams, and they so registered their convictions in the last election. This proposed dam at Perry figured in that campaign along with the dam at Tuttle Creek. Right here will you permit me to digress long enough to make it plain that the name of that stream is "Tuttle Creek," "not Turtle Creek," as some of my colleagues have mistaken it to be. If these dams should be constructed, the name could well be changed to "Turtle Creek" for that good valley would be inhabited by turtles instead of people.

In this upstream flood-prevention program, the landowner stands 50 percent of the cost; whereas in the proposed river channel big-dam program the entire cost is assessed against the Federal Government. The 82d Congress enacted a law providing for development of 62 pilot watersheds to determine the possibilities of preventing or minimizing floods by upstream watershed development. The first session of this Congress appropriated funds to implement that program. Because the Kansas River Valley is a critical flood area, 3 of these pilot projects are located in my district, and 2 of them are a part of this same Delaware River Basin where this Perry Dam is to be constructed.

Six weeks ago this area experienced one of the severest storms on record. One of the seven dams was nearing completion and it performed equal to all expectations. Floodwater that would have passed that dam site within 2 hours, without these flood-detention measures, would require 5½ days passing through the drawdown tube.

Mr. Chairman, modern machinery, American ingenuity, and a will to conquer have largely solved this flood-prevention problem so far as it can be solved. It is now possible to control the water where it falls and to keep it under control. That is the watershed program. This dam I would strike from the bill is at cross purposes with this program.

Mr. Chairman, there is yet another and very compelling reason why this antiquated dam project should be stricken from this bill. A few weeks ago the National Rivers and Harbors Association held its annual convention in this city. President Eisenhower was invited to address the meeting. Let me quote from his speech on that occasion. These are his words:

> I have become convinced that before very long America will almost unanimously look upon water as its single greatest resource.
>
> So when a project is proposed that seems to me to be unrelated to all of the necessities of a river valley or of a slope in which it is located, I am very cold and unsympathetic. I believe that we have got to get into the Continental Divide and say—from there on down to the sea, studying where each drop of water falls—what we are going to do with it until it reaches the sea. I believe that any lesser survey of our water resources, our water uses, and our water control is completely piecemeal, and we should reject it.

I am convinced that these are some of the most memorable words spoken in American history. They may come to be the bill of rights of our water-control program. They envision exactly what

is being exemplified in the pilot watershed projects scattered over the Nation at this time. This amendment is in full accord with the program initiated by this Congress, and the expressed views of the President of the United States.

Summarizing, Mr. Chairman, this is the situation: Here is a river basin of 922 square miles that in times past has sometimes contributed a small part of the flood water of the Kaw basin comprising more than 60,000 square miles. Congress has provided a program of flood prevention for this small river basin to be carried out in conjunction with the landowners—a kind of home rule if you please. They are working on this program. This is the kind of program the people believe in.

Someone not in the district wants a different kind of big dam program. The people do not believe in it, and object to it. The question before the House is: Are we going to force it upon them? The answer is "No." Vote "yes" on the amendment.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Kansas [Mr. MILLER].

Mr. Chairman, in 1951, immediately following the billion-dollar flood in the Kansas-Kaw Basin, many members of the Public Works Committee visited the disaster area. We saw mud 2 to 3 feet deep in the streets. We saw thousands of homes filled with muck and mud, with women inside these houses shoveling the mud out. We saw davenports, overstuffed furniture, and even grand pianos thrown into the streets for the garbagemen to come and get. They were beyond repair or reclaiming. We saw grain elevators damaged. We saw tens of thousands of acres covered with 2 to 4 feet of sand.

We were told by the United States Army engineers that they blew the carcasses of 10,000 animals out of the treetops. The animals had landed in the trees during high water and then died of starvation or exhaustion. That one flood, Mr. Chairman, in that valley occasioned more than a billion dollars worth of damage, according to estimates of the United States Army engineers.

Members of the Public Works Committee who saw the horror and the damage of that flood were convinced that something ought to be done to prevent a recurrence of disasters of that magnitude.

During the present Congress the Army engineers came before us and recommended the idea of large reservoirs as the best known means to prevent future floods in this area.

Mr. Chairman, a large reservoir always is a controversial matter. It is a controversial issue because those who live above the reservoir do not want it built. The floods in the upper reaches of a river where the reservoir goes are usually not very severe and usually do not cause great damage. It is downstream where the cities are inundated by floodwaters that the great damage occurs. The people downstream desire flood control that will give them protection. The downstream people are for the big reservoirs.

When we go into a hearing on the big-reservoir idea thousands of people write to the committee protesting the big reservoirs. They are the people who live in the upper reaches of the river and who are little damaged by the floods. Down below equally large numbers of people write the committee urging that the large reservoirs be built in order to provide them flood protection.

The proposal here is that we build 2 dams, the Milford Dam and the Perry Dam, at a cost of approximately $55 million and that also we build protective works around 9 cities, those works to cost a total of $25 million.

The engineers testified that if we built the dikes, and did not provide the large reservoirs, that the dikes would be deathtraps. The engineers testified that the dikes around the large cities would be of no value whatsoever unless the reservoirs also were built. The engineers testified that they could not stop the floods by building small dams far up in the upper reaches of the river, as done in the soil-conservation program.

It is true that these 2 proposed dams will inundate 30,000 acres of land. There is one small village of 500 where the people complained against the dam because, they said, 30,000 acres would be taken out of cultivation and the town would lose customers for its stores.

Sixteen cities, the largest cities in the area affected by floods, sent representatives to a district meeting to discuss the merits of this proposal. That meeting of the representatives of 16 cities voted 15 to 1 in favor of the construction of the big reservoirs. The committee heard testimony by a very competent engineer, one who was very highly recommended to us, who said that in order to secure flood control in an area like this would require the building of from 900 to 1,000 small dams instead of 2 large dams. He testified it would cost $140 an acre to secure flood-control protection from small dams against $50 an acre to obtain the same protection from the large-dam idea. On the basis of the evidence submitted, the Flood Control Committee is unanimously of the opinion that these two dams should be authorized as recommended by the Army engineers. The committee believes these dams will give protection to the hundreds of thousands of people who live downstream.

Mr. Chairman, I ask that the amendment be defeated.

Mr JONES of Alabama. Mr. Chairman, I ask unanimous consent that my colleague the gentleman from Tennessee [Mr. DAVIS] may extend his remarks in the RECORD following those of the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the remarks that I shall make will apply equally to Milford Dam and Perry Dam. From the explanation given by the gentleman from Washington [Mr. MACK], it is quite evident that this committee, which has done such a splendid job, did not overlook or have any facts escape their attention, but it shows that the proponents of these dams, as the gentleman from Kansas [Mr. MILLER] said, proved their case.

Mr. Chairman, of course, Milford and Perry will not do the job alone, but those two dams are part of an integral program of reservoirs and local protective works which has been developed and is being developed. They are an essential and necessary key in that program, without which the local protective works lose most, if not all, of their value.

Somebody has said that there is nothing deader than the headlines in last week's newspaper. But I hope the time never comes when this Congress or any other group of Americans will ever forget the headlines such as this one in the Kansas City Star which they saw on black Friday, July 13, 1951, when the greatest flood in all history came down the Kansas River Valley, sweeping down across the farms and towns and into the two Kansas Citys and on down to St. Louis; a flood which created the most havoc and devastation ever known in the flood history of the United States.

Here is another headline of a similar character from my hometown paper, the Kansas City Kansan. If you think it was not of nationwide importance, here is the headline of the Washington Evening Star, and you know it must have been a devastating flood to get that kind of a headline in this metropolitan area.

I could tell you many, many things about that flood. Heartbreaks, yes, they were there, ruined homes, wrecked businesses, and flooded fields. I would remind you that is a comparatively small number of people in the upper reaches who oppose these dams will be paid every single solitary dime of loss that they suffer in the taking of their farms or their homes, whereas those of us downstream pay all of the losses ourselves, taking on a load of debt. Nobody helps us out as much as a single nickel, despite efforts made to bring them some relief.

I would remind you that in this flood of 1951, 25 lives were lost, $725 million worth of damage done in Kansas City, and many more millions down in Missouri. Talk about a few thousand acres being flooded to make a reservoir. Eight hundred and ninety-two thousand acres were flooded in this one disaster, and we get them almost every year, thought not this serious. Ten thousand farms were flooded, 116 towns, 22,000 homes, 5,000 places of business felt the force of the ruinous torrents. Ninety thousand people were run out of their homes. The loss was more than a billion and a half dollars. Uncle Sam's Treasury suffered a loss in taxes more than a third of a billion—more than 5 times the cost of these 2 proposed dams. In my hometown of Kansas City, Kans., 7,500 acres were inundated, $300 million damage was suffered, and 17,000 people driven out of their homes in the middle of the night, saving only what they could carry.

Fifty-seven hundred homes were flooded and less than one-third of them are rebuildable. Five thousand or more people had to live in trailers and other makeshift shelter while they found other space. The loss of income alone ran $360,000 a day. Their courage has been great. In confidence that relief from floods would come, they have rebuilt.

Mr. Chairman, I should like to call to the attention of the Committee of the Whole the words of Edward R. Murrow after he had seen this area 4 months after the occurrence. Here is what he said.

This need not have happened: It wasn't a tornado or a war which men are unable to control. It was done by a couple of rivers, and we know that rivers can be controlled. It costs a lot of money, and when a flood hits, as it did here, most of the country is not really aware of it—no matter how good or accurate the reporting may be. Some of the people who live right here didn't realize what had happened down in the flats till they went down to look. I had read and heard as much about that flood as most people because news is my business, but I was wholly unprepared for what I saw, even 4 months after the water subsided. If everyone who has to vote on flood-control dams and reservoirs could look at this result, we might put in motion the means of preventing a repetition.

Mr. Chairman, passage of this bill without these amendments will justify the faith of these courageous Kansans in their Congress.

With them it is not a matter of debate over the merits of little or big dams—with them it is a matter of survival. It is a matter of—yes—life and death.

Mr. Chairman, this program is the means, and the only means, of preventing the repetition not only of the damage which has been so catastrophic that words of man cannot even start to describe it, but also the annual recurring losses in the Kaw Valley.

I sincerely trust that the entire House will support the judgment of the committee and retain these dams in this program by defeating the amendment.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. COLE of Missouri. Mr. Chairman, I would like to commend the gentleman on his fight for flood control and on his excellent description of the situation in the flood of 1951. My district adjoins his. I would like to corroborate everything he said and urge that this amendment be defeated because the construction of these dams proposed by the Committee on Public Works is needed if we are to control floods of this kind in his district and in mine.

Mr. DAVIS of Tennessee. Mr. Chairman, as you may remember, a record flood came out of the Kansas River in 1951, doing damage along that river and along the Missouri River in the amount of almost $1 billion. That flood was a disaster of terrific national proportions. As you may remember, too, representatives of the House Public Works Committee, during the flood, flew to the scene to investigate. I was one of the representatives who made this trip. We toured such of the area as could be reached, inspected the several damaged cities along the Kansas and Missouri Rivers, and flew over the extensive and fertile, but inundated, river plains. All of us making that inspection were tremendously impressed by the scale and severity of the damage. I believe all of us were convinced that every effort should be made, and as early as possible, to prevent a recurrence of such a disaster.

The Public Works Committee, when it considered the plan of improvement for the Kansas Basin now before you for authorization, heard testimony for the better part of 2 days. Upstream landowners, downstream farmers, and representatives of areas and municipalities, all appeared. We gave careful study to their testimony prior to reaching our decision. From that study we became convinced that the improvements now recommended, as well as those already authorized, are essential in any plan which will prevent a recurrence of disaster such as that of 1951.

The recommended modification you are now considering would add to the authorized plan for the Kansas Basin nine local protection improvements to protect cities. All of these cities were heavily damaged in 1951 and, generally, the construction to be accomplished at each location is dependent, for safe operation, on upstream reservoirs to reduce materially flood flows. The recommended modification would add, also, to the comprehensive plan for the Kansas two critical reservoirs, reservoirs in the lower basin.

Reservoirs already built, under construction, or authorized, will control the major tributaries of the Kansas River except for 4,200 square miles of the Republican River drainage area below the existing Harlan County Reservoir, and the 1,140-square-mile drainage area of the Delaware River. These two areas are in the central and eastern portions of the Kansas Basin and are therefore in the more humid and higher rainfall area. Both are critical flood-producing areas. The Milford Reservoir is designed to control the major portion of the 4,200 square miles of the lower Republican, while Perry Reservoir is necessary to cotrol the major part of the 1,140-square-mile Delaware Basin.

Milford and Perry Reservoirs had been found necessary in studies completed even before the 1951 storms. All studies undertaken since—and very, very comprehensive investigations have been made—confirm and further emphasize the need for controlling these now uncontrolled areas by the two reservoirs in question.

Data furnished the committee concerning the effect that these two reservoirs would have had on the 1951 flood flows dramatically illustrate their capabilities. Peak discharge on the Republican River at Manhattan, Kans., would have been reduced from the 60,000 cubic feet per second actually experienced to only 20,000 cubic feet per second. Peak discharge on the Delaware at Perry, Kans., would have been reduced from the 108,000 cubic feet per second experienced to only 10,000 cubic feet per second. This control of the tributary flood flows would have significantly reduced flows on the Kansas River downstream. The Kansas River flood plain down stream from the mouth of the Republican River contains 154,000 acres of some of the richest, most highly developed farmland in the Kansas Basin, numerous small towns, several large towns, including Junction City, Manhattan, Topeka—the State capital—Lawrence, and Kansas City, and a highly developed system of roads and railroads. The Milford and Perry Reservoirs are necessary to provide a large measure of flood protection for the rural area and small towns in this reach and together with the recommended local levee projects, are necessary to provide protection for the larger cities where damages are most concentrated. Milford Reservoir is of particular significance to protection for Junction City, Manhattan, and Topeka, and Perry Reservoir is of particular significance to protection for Lawrence and Kansas City.

Right now this area is experiencing its second year of drought. These drought conditions recur periodically as do floods and the consequences can be almost as severe. The committee in its study recognized the possibilities these reservoirs hold for minimizing both these effects.

The committee has also borne in mind, in recommending favorably on these reservoirs, that the Kansas River is part of the larger Missouri Basin problem and the effects of the reservoirs are needed for flood control and conservation on the lower Missouri as well as on the Kansas River.

The committee is strongly in favor of upstream development for soil conservation and appreciates the effects of such developments in conserving our soil, retarding runoff in normal rainfall and reducing flood damages on smaller streams. We are concerned here, however, with protection against major floods caused by severe and prolonged rainfall over large areas often falling on soils completely saturated by prior rains as in the disastrous 1951 flood. Experts are agreed that larger engineering works are necessary to achieve such protection. The committee is convinced that there are no acceptable alternates for the improvements now recommended for authorization in the Kansas River Basin and accordingly proposes that they be approved so that the program of flood control in this vital area can be continued.

Mr. BOLLING. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I regret having to disagree with the gentleman from Kansas [Mr. MILLER]. I often agree with him, but in this particular case I believe him mistaken, honestly so of course, and certainly representing the people of his district to the very best of his ability.

We must have soil conservation, upstream dams, and reforestation as he said but also we must have big dams.

The district which it is my privilege to represent in Kansas City, Mo., was seriously damaged by the great flood of 1951. I believe that it is absolutely essential if this great metropolitan area which includes Kansas City, Kans., and Kansas City, Mo., as well as other cities and towns, is to have adequate protection from floods, that the amendment of the gentleman from Kansas [Mr. MILLER] be defeated. I urge the defeat of the amendment.

Mr. RABAUT. Mr. Chairman, I move to strike out the necessary number of words.

I know of no project that has given more trouble to the Committee on Appropriations than the Missouri River. Every year we have about an equal number of people who come before us who are for the project and another group who are against appropriating the money for the project. Things got so bad that it seemed that everybody who came before us thought that he was an engineer.

I remember well when we were going to put the new roof on this building and remodel this room. I said on that occasion that I never knew we had so many engineers in the House of Representatives. This is another affair like that, but I want to tell you that when a Representative comes here from a district for the first time as a member of his party, and a member of the party that always held the district was defeated, and the defeated one was for this problem last time, it seems to me that the man who came here must have had at least the endorsement of the people whom he represents.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Kansas.

Mr. SCRIVNER. These two dams now under discussion had nothing whatsoever to do with that election.

Mr. RABAUT. I do not know whether they did or not, but I have been told that this one did. I have been told that it was the point at issue. I know from my own experience as a member of the Subcommittee on Appropriations for a great number of years that this has been a very controversial subject. We ordered a special group of engineers to make a study of it the last time. When somebody says, "I don't want $16 million spent in my district," as a member of the Appropriations Committee I can hear that phrase.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. MILLER].

The amendment was rejected.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 32, line 11, at the end thereof add the following: *"Provided,* That authorization or authorizations herein shall not include the projects described as Pomona Reservoir and Melvern Reservoir on the Osage River and described in said Document No. 549. 81st Congress."

Mr. REES of Kansas. Mr. Chairman, first I want to agree with everything that has been said of the horrible and sad situation concerning the floods at Kansas City and Topeka, Kans. Also at Ottawa, Kans. You can hardly overdescribe that terrible disaster that has been so well described and dramatized by those who have spoken before me. There are a number of other towns in our State where the people suffered almost as much as those already mentioned. Many heroic deeds were performed by the people of those towns. Not only that but it is almost unbelieveable how the people in these towns took hold, and with little or no assistance made such comeback that is almost a miracle. It is possible that flood controls or dams could have been of some assistance.

I should remind you that this amendment has nothing to do with the proposed projects on the Kansas River also known as the Kaw River. These projects in this amendment are near each other, are at the head of the Marais des Cygnes River. It does not flow near Kansas City. It empties, as I have told you, into the Missouri River near Jefferson City, Mo.

These 2 projects are 2 of 9 proposed projects on that stream and are at the head of it. As I have stated they are on a comparatively small stream. The stream does overflow at times. Much of the soil is eroding as it is doing in many places. Much of the land is rather flat. When there are floods the water spreads out in the valley.

Engineers differ in opinion as to amount of good that would be accomplished if these projects had been built when the 1951 flood occurred. They all agree the flooding of towns below would not have been prevented, but might have been lowered.

Without repeating too much of what I have said earlier, I feel you can withhold the authorization of this expenditure of $50 million until these people have been given a chance to develop the watershed and soil conservation program that is presently under way. It will continue in line with legislation recently approved by this Congress. Pilot projects are built and others are being built at the present time. They consist of a series of smaller reservoirs where the landowners share in the expense.

These projects are built under the supervision and approval of engineers of the Department of Agriculture.

Mr. Chairman, I feel these landowners should be encouraged, not discouraged. I think also, we might give consideration to opinions of engineers of the Department of Agriculture. And, above all, give some consideration to the voices of 4,000 American citizens who are disturbed concerning our action here today.

Mr. Chairman, it will not injure your program to withhold these two comparatively small projects—but large to those involved—and let them be carefully examined after the present program, now under way, has been given a chance to function.

I agree there are many places where reservoirs should be built. These are, in my opinion, unique in character. Let us keep them out of this bill.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is not pleasant to oppose amendments that are proposed by one's friends. The Committee on Flood Control, however, is unanimously of the opinion that this project should be carried out as outlined in this bill. I represent here today the unanimous views of the subcommittee on flood control, including my own.

In 1938, the Army engineers suggested and the Public Works Committee of the House of Representatives approved the construction of three dams in this area. These were the Oceola, the Pomme de Terre, and the South Grand. Objection was made by the State of Missouri to the construction of the Oceola Dam. As a result of these objections, a commission was created composed of representatives of the United States Army Engineers, the Soil Conservation Service, and the State of Missouri, with financial aid from the State of Kansas. This Commission made a survey of the whole situation in the Kansas-Osage Valley. The Commission issued a report proposing that nine dams be constructed to alleviate the floods in the Kansas and Osage River Basins. This proposal was unanimously approved by the Committee on Public Works. It is now submitted to the Congress by this committee. The amendment of the gentleman from Kansas [Mr. REES] is that 2 of the proposed 9 dams be taken out of the bill, the Pomona Dam, which would cost $12,900,000, and the Malvern Dam, which would cost $18,800,000. The Army engineers say that these nine dams are necessary to give flood-control protection in that region. They say that soil conservation work in the upper reaches of the river valleys will not give that area the needed protection. They say that these nine dams are absolutely essential.

The Committee on Public Works was convinced that the Army engineers were giving us good advice. The committee, by unanimous vote, has recommended the construction of these nine dams, together with flood protective works at two communities. We were told by the Army engineers that if we did not build these dams, the flood-control works around the towns would be of no value in providing them protection. So the committee recommends to the House today unanimously that this project of the nine dams as outlined by the Army engineers be approved. Therefore we recommend that the amendment of the gentleman from Kansas [Mr. REES] be voted down.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. SCRIVNER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at this late hour, I dislike to take this time but I must point out that this is part of an integrated program. The town of Ottawa is affected more than the much smaller number of people in the district represented by the gentleman from Kansas [Mr. REES], who as in all other such cases will be well paid for any losses sustained by the construction of these dams. But in 40 years this town has been hit by 39 floods. They come any time of the year. There has been only one month in the year when we did not have a flood in this Marais des Cygnes River and that was the month of February. The Chinese say that one picture is better than a thousand words. These pictures will conserve time. I have here a picture of the flooded city of Ottawa. Twelve thousand people live there. The flood hit Ottawa at the same time as the big flood in the Kaw River, which, of course, overshadowed it. If it had not been for the bigger flood on the Kaw, this would have made national headlines. This picture shows that the stream was 5 miles wide. It was 52 feet deep. Do you think the smaller dams

will stop torrential floods which come down this valley year after year? Here is a picture taken showing Russell Crites, of Ottawa, and me standing on the dry rock bed of the Marais des Cygnes River 2 years after the flood. Not even a trickle is to be seen. This bridge you see was 9 feet under water. Had I been able to stand there at the peak of the flood I would have been 52 feet under water in that stream 5 miles wide. Here in this picture is a picture of the main downtown street in Ottawa. It is not only the city of Ottawa that is affected, but also the city of Osawatomie and the fertile fields of this valley. This program is the only salvation for those of us who live downstream and have to accept waters from the upper watersheds and the hillsides. Furthermore, after 3 years of serious drought, we know the need of storing flood waters for the days when the rains come not.

Mr. MOULDER. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Missouri.

Mr. MOULDER. Is it not true that the damage caused by the annual floods in the Osage Basin amount to $5 million?

Mr. SCRIVNER. At least that. Of course, this 1951 flood itself ran many millions of dollars more than that.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. SMITH of Mississippi. Does the gentleman realize that this plan in the bill adopts a much more modern and up-to-date program for that basin? If we accept this amendment we will continue in effect the authorization which is now out of date.

Mr. SCRIVNER. This is a modern program. The committee has done a good job in considering this. They looked at it from every angle, and this is their decision. It is a sound one. I trust the amendment will be defeated, so that we may have the protection from flood and drought that we so sorely need.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was rejected.

Mr. REES of Kansas. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 41, line 3, strike out all of section 209.

Mr. REES of Kansas. Mr. Chairman, this amendment strikes the following language from the bill:

SEC. 209. That, subject to the procedures prescribed by section 505 of the Classification Act of 1949, but without regard to the numerical limitations contained therein, there shall be established in the civil works activities under the jurisdiction of the Chief of Engineers, 7 positions to be placed in grade GS–16 and 2 positions to be placed in grade GS–17, in the General Schedule established by that act.

It provides, you will see, without regard to limitation of the Classification Act, for 7 positions of supergrade 16 employees and 2 supergrade 17 employees. In other words, you ask that this agency go outside the limitations of the Classification Act and employ these additional people under supergrades.

After all, the House committee has jurisdiction of this class of legislation. This agency should know it. The matter of approving supergrades ought to be supervised by the Civil Service Commission. The legislation should remain with the Post Office and Civil Service Committee. Only recently our committee authorized 150 supergrade positions requested by the Civil Service Commission. The agency making the request should make its case with the Commission, and not ask your committee to approve.

If this present example is followed, other agencies will be doing the same thing. Then there will be no supervision at all.

This section should be stricken from the bill.

Mr. DONDERO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. Chairman, this section (209) is in the bill at the request of the Corps of Engineers. The Corps of Engineers handles hundred of millions of dollars of taxpayers' money every year. They represented to our committee that the best engineers of the country are no longer available to them because private industry and private business are hiring them by offering more money than the Government of the United States. In view of that fact, they represented to us that some of the best engineers they have had through the years have left them and have gone elsewhere.

If we expect the Corps of Engineers of this country and our Government to continue the splendid work they have done for more than 125 years, certainly they are entitled to have the personnel and the kind of people who can do the work entrusted to them. That is the reason section 209 is in the bill.

If you will notice, there are only about a half a dozen upgrades requested. It is not a large demand. Whether the Corps of Engineers and this committee have overstepped their jurisdiction is another question entirely. But those are the facts behind section 209. Unless the Corps of Engineers are given this higher classification so that they can pay a reasonable amount to men who are qualified to hold these high positions, they are going to find themselves without the personnel required to do the work entrusted to them.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Does the gentleman realize the salaries that are being created, in the 17's for example, the salaries that go with that classification?

Mr. DONDERO. I am willing to listen to the gentleman, because he is more familiar with salaries than I am.

Mr. REES of Kansas. You are agreeing in this bill to pay these people up to $13,800 a year. They may be worth it. But if we are going to permit this committee and other committees to determine the number of classified people in 16's and 17's, I do not know where you are leading us to. That is my opinion, of course. If the House does not agree with me, very well. But it seems to me there ought to be some committee through which you funnel the number of people in these various classifications. That is the thing we have worked out and tried to perfect. Only last week after hearings we did increase the number by 150 in these classifications. Why not go to the Civil Service Commission, get their recommendation, and let that Commission come before the committee?

Mr. DONDERO. It is the position of the gentleman from Kansas that the Corps of Engineers has come to the wrong committee; it should have gone to the gentleman's committee?

Mr. REES of Kansas. I do not object if they want to go to the gentleman's committee, but I think this matter should be under the jurisdiction of the Civil Service Commission.

Mr. DONDERO. Does the gentleman think the request of the Army engineers is unreasonable in this matter?

Mr. REES of Kansas. I do not know; I have not heard their testimony. If they will come before us and give their testimony, we may determine it. I cannot find the gentleman's testimony, either.

Mr. DONDERO. The committee of which have the honor to be chairman did hear the testimony and determined, I think unanimously, that the request was reasonable and ought to be granted.

Mr. REES of Kansas. The gentleman's committee is one of the greatest committees in the whole Congress, I admit that.

Mr. DONDERO. We are proud of it, and I think the House is, too.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I would like to back up the statement of the chairman of the Committee on Post Office and Civil Service. I think he has done an extraordinary job under very difficult conditions. We have found in the hearings we have held on reclassification of civil-service employees that this is a very perplexing problem.

As the chairman of the Civil Service Committee indicated, there are over 1,000 supergrades in the United States Government today. I think the proper place to get GS–16 and 17 classifications is before the Committee on Civil Service, and if the Corps of Army Engineers can back up what they want, the committee would give them a hearing in the matter.

Mr. DONDERO. If this were a large request, for a very large number, I could easily understand the gentleman's objections and also the objections of the chairman of the Civil Service Committee. But this is a small request.

Mr. BOLAND. The same argument used by the Corps of Engineers could be used by any other department of the Government. They all want supergrades. I think there ought to be a stop

to it, and this is the place to stop it right here.

Mr. DONDERO. Mr. Chairman, I ask that the amendment offered by the gentleman from Kansas be defeated and that section 209 stay in the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. DONDERO) there were—ayes 65, noes 63.

So the amendment was agreed to.

Mr. KLUCZYNSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am happy to see H. R. 9859 before this august body here today for a vote. H. R. 9859 has had long hearings and careful study by the members of the subcommittee and the full Committee on Public Works. I want to compliment the chairman of our committee, the distinguished gentleman from Michigan [Mr. DONDERO], for his fairness in all the hearings. Our committee is neither Republican nor Democrat. We leave our politics in the hallways outside of our committee rooms. No section of our great country has preference over another section of our country. The Committee on Public Works of the House is an all-American committee. I have served for many, many years on committees in my long legislative career, and I must say that the gentleman from Michigan [Mr. DONDERO] is tops, a prince of good fellows. We, in the minority, were treated the same as the majority. I can say the same for our good friend, the chairman of the Committee on Rivers and Harbors, the gentleman from Oregon [Mr. ANGELL]. He has done a real good job, worked hard and sincere; he has heard testimony for months and has always been fair. I am sorry that HOMER is not with us today. He is not feeling well enough.

All these things may be said for our good friend the gentleman from Washington, RUSSELL MACK, the chairman of the Subcommittee on Flood Control. I think the gentleman from Washington, RUSSELL MACK, knows more about flood control than anybody in this country.

Mr. Chairman, I am happy to serve on the Committee on Public Works of the House. They are all fine fellows; and I include the gentlewoman from Pennsylvania [Mrs. BUCHANAN], too. They should be complimented for their good, hard work in presenting this bill, H. R. 9859, for consideration today. I hope the bill passes.

Mr. MILLER of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Kansas: On page 32, line 2, immediately before the word "at", insert "exclusive of the Milford Dam."

Mr. MILLER of Kansas. Mr. Chairman, I think we can make very short work of this dam. The amount is only $38 million and we cannot afford to spend too much time on that small sum. I had been informed and believed for some time that this was an economy-minded Congress. I am not quite so sure of it now.

I do want to pay a little attention to some of the remarks that were made concerning the amendment that I presented here a few minutes ago, the amendment to strike out Perry Dam. The statement was made that there was several hundred million dollars of damage at Kansas City and Topeka, and that is true. But we are not so sure that the construction of these dams would remedy that situation.

Let me read to you from the report of the board of engineers appointed by the Governor of Kansas to look into the Kansas River situation. This report was signed by three of the best engineers of nationwide reputation who had made a very thorough study of this entire Kaw River Basin. This is the conclusion to which they came:

Had all the 18 dams authorized or recommended including Milford and Perry been completed and operating as designed, the 1951 flood would have overtopped all the urban protection works from Manhattan to the Missouri River by from 1 to 3 feet and the damage in those areas would have been great. The cost of this program, including channels, would have been $400 million.

What becomes of your argument that the construction of Perry Dam and Milford Dam would relieve that situation when three of the best engineer in the country say that if they had been there this flood, the like of which we wish to protect against would have overtopped them all by several feet? You would have had just as great a flood as you did have. So your argument has gone down the river. Does it make good sense for this Congress to appropriate funds and initiate a program of flood prevention upstream and at the same time, while we are doing that, on the same river basin, going down to the end of the river, to the mouth of the river, and throwing across a dam that is proposed to do the very thing we are doing upstream? They tell us that it cannot be done, that it will not be effective.

Is it not true that every watershed is composed of subwatersheds, and if you can control the floods on the river, can you not control them all the more easily on the creeks? That is what we are doing. The river basin is only the sum of the creek basins that go to make it up.

I will not take any more of your time this evening. I do not know what you are going to do but I have a pretty good idea.

Before I leave I want to say this: The assertion was made here that these two river dams had no relationship to Tuttle Creek Dam. They did have a relationship. These people came to me in the last campaign and they voted for me because, they said: "If they authorize or appropriate for Tuttle Creek we will be next." You are proving it to them today. They are next.

Mr. MACK of Washington. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, earlier this afternoon I debated at great length the merits of the Perry Dam with the gentleman from Kansas [Mr. MILLER]. The gentleman from Kansas [Mr. MILLER] had moved that the Perry Dam be stricken from the bill. The Milford Dam is similar to the Perry Dam. It serves the same purposes. Inasmuch as a majority earlier stood by the committee in keeping the Perry Dam in the bill, we hope for the same reason they will keep the Milford Dam in the bill. I call for a vote on the amendment. I hope the gentleman's amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. MILLER].

The amendment was rejected.

Mr. OAKMAN. Mr. Chairman, of the many worthwhile projects included in this omnibus bill—H. R. 9859—now before us, there is one in particular which I feel warrants special attention of the Members of the House of Representatives.

This is the second item enumerated in the bill and deals with the Portsmouth Harbor and Piscataqua River, Maine and New Hampshire.

Our great Portsmouth Naval Base which is extremely vital to the national defense lies at the mouth of the Piscataqua River (the lower portion of the river is known as Portsmouth Harbor). Except for three rock ledges which this project seeks to remove, the Piscataqua River would be a deep draft navigable stream approximately 13 miles upstream from the Portsmouth Naval Base. Today the vessels stopping at this great naval base must be exceedingly cautious and careful because of the first of the three rock ledges.

As the Committee on Public Works stated in House Report 2247:

Particularly hazardous navigational difficulties prevail at the three submerged ledges at which improvements are recommended. Their removal would permit safer navigation and maneuvering, particularly for deep draft vessels of 10,000 tons or more.

The House Public Works Committee thoroughly inspected the Portsmouth Harbor and the Piscataqua River last August. It is my sincere belief that this is one of the most worthwhile and deserving projects we visited.

Portsmouth Harbor and the Piscataqua River has a natural channel 70 feet deep in places and at the shallow points about 40 feet.

The amount asked for in the bill for Portsmouth is $952,000 and the point I wish to emphasize is that the improvements in the harbor and the Piscataqua River will be permanent. This harbor never freezes. There is no silting because of the swiftness of the river. Once the rock obstructions are removed, nothing more needs to be done. The harbor is protected and easily accessible. With the removal of these rocks the large tankers and the largest boats used in coastwise shipping would have an easy access to the harbor and the river.

After listening to evidence presented from various witnesses and the United States Corps of Engineers in connection with this project, and after personally inspecting the harbor, I am thoroughly convinced that the States of Maine and New Hampshire need these improvements and I am certain that tremendous economic development will follow the completion of the project. There is

illimitable opportunity for marked industrial development. This I am sure would follow if boats could go in and out without being damaged.

When we reflect that the New England taxpayers have helped to provide the billions of dollars appropriated by the Congress for the subsidization of electric power in other sections of the country, this item of $952,000 seems small indeed compared to the economic stability and well-being which this project will help to create. It will help to offset the previous migration of industries from this New England area to those which have been provided with federally subsidized electric power. It will enhance the growing and expanding economy of our Nation as well as providing for the national defense of our Nation.

Mr. Chairman, the gentleman from New Hampshire's First Congressional District, Representative CHESTER E. MERROW is to be complimented for his active and intelligent leadership in bringing this important matter to the attention of the House Public Works Subcommittee on Rivers and Harbors and later to the attention of the whole committee. Congressman MERROW has served his congressional district for six terms. It was largely because of his work and concerted effort that the Committee on Public Works visited the Granite State. Both as host to the committee last summer when visiting his district, and on his several appearances before sessions of the House Public Works Committee, he has proved to be a splendid Representative of New Hampshire and a great statesman. He has always held to the pertinent facts in his persevering campaign for this great project. I am delighted for him, for his district, and the Nation that this project will become a reality—it will long remain a great monument to him.

Mr. NORBLAD. Mr. Chairman, I want to congratulate the committee on its approval of the project in the sum of $8½ million for the deepening of the channel at the mouth of the Columbia River.

The 40-foot channel which now exists there had been adequate in the past years, but with the increase in the size of shipping, it has become quite inadequate in recent years. The port of Portland carries a tremenduous load of shipping and is constantly growing. Without the improvement of the river bar, much of this future growth might be stunted.

It is a worthwhile project, and one which I am sure the House as a whole will approve.

Mr. WESTLAND. Mr. Speaker, the coastline of the Second Congressional District of Washington is said to be the longest of that of any district in the United States. Because of this and other natural phenomena, the maritime industries of shipping, boatbuilding, and fisheries are of extreme importance to the economic life of the area.

Puget Sound, a major portion of which is within my district, is favored by many fine natural harbors. Its waters are teeming with food fish, chief among which is the mighty salmon. For this reason commercial fishing has long been a major source of income for many of our citizens. In 1953 over $19 million was realized from the sale of their catch. Fish processing plants are located in nearly every community on its shores. These plants provide employment for thousands.

Safe and adequate moorage is essential if maritime industries are to be pursued efficiently and profitably. Good harbors are one of our valuable natural resources and they must be developed and maintained for the good of all of our people.

One of the chief deterrents to the orderly growth of the shipping and fisheries industries of Puget Sound has been the shameful neglect that has been apparent for many years in the development of its harbors.

The improvement of our harbors is a long-drawn-out process which requires much planning and foresight if it is to be carried out successfully. During the 20 years of the previous administration, during which it seemed that money was available for almost any purpose; during which our national debt rose from $21 billion to $265 billion despite the collection of the highest taxes in our national history; and despite the emphasis throughout the land of natural resource development, precious little was done toward improving the fine harbors of the Second Congressional District of Washington. Few if any major harbor projects there were even authorized during that period. Local interests have done and are continuing to do everything possible to accommodate the growing needs for space and accommodations but have been unable to keep up with the demand.

The House Committee on Public Works of this 83d Congress proposes now to do something about this situation which has been neglected for so long a time. They have recommended the authorization of improvement and development projects for eight harbors on Puget Sound, from Shilshole on the southern edge of my district to Everett, Bellingham, and Blaine on the Canadian border to the north. To the west is Cap Sante at Anacortes, then Port Angeles, and at the extreme northwesterly tip of the United States, on either side of Cape Flattery, is Neah Bay and Quillayute Harbor.

I sincerely commend the members of the Public Works Committee for their diligence in studying these proposed projects. During my many appearances before them, I was treated with great courtesy and patience. They have examined carefully the facts and figures in each individual case and have arrived at an intelligent and well-reasoned decision regarding all of them. I congratulate them and urge that this body concur in their recommendations.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JOHNSON of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 9859) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, pursuant to House Resolution 643, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the Clerk is authorized to correct section numbers.

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to exend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HIGHWAY-RAILROAD GRADE SEPARATIONS IN THE DISTRICT OF COLUMBIA

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6080) to authorize the appropriation of funds for the construction of certain highway-railroad grade separations in the District of Columbia, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, after "Columbia" insert "for credit to the Highway Fund."

Page 1, lines 8 and 9, strike out "not to exceed $475,000" and insert "the sum of $290,000."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendments were concurred in and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourns to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENDING GREETINGS TO THE GOLD COAST AND NIGERIA

Mr. SMITH of Wisconsin. Mr. Speaker, by direction of the Committee on Foreign Affairs, I ask unanimous consent for the immediate consideration of the resolution (H. Res. 648) to extend greetings to the Gold Coast and Nigeria.

The Clerk read the resolution, as follows:

Whereas it is the policy of the United States to encourage efforts toward independence and self-government truly expressive of the desires of the people and as they show their capability to establish and protect free institutions; and

Whereas the Continent of Africa is a vital part of the free world area; and

Whereas a revised constitution of the Gold Coast was approved on April 29, 1954, and the first formal meeting of the legislature of that territory under this constitution will take place on July 29, 1954; and

Whereas a revised constitution of Nigeria is expected to be approved during August 1954, and the first meeting of the federal legislature of that territory under this constitution is expected to take place shortly thereafter; and

Whereas these occasions mark important milestones in their progress toward self-government and independence: Now, therefore, be it

Resolved, That the House of Representatives of the United States extend its most cordial greetings to the representative bodies of the Gold Coast and Nigeria on the occasion of the first meeting of their legislatures under the revised constitutions, in recognition of the democratic ideals shared by the United States and those territories, and in reaffirmation of the friendship of the United States for the peoples of Africa; and be it further

Resolved, That the Secretary of State is hereby requested to appoint a United States delegation at the appropriate time to represent the United States at ceremonies marking the achievement of complete self-government for these territories.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the resolution extends on behalf of the House of Representatives its most cordial greetings to the legislative bodies of the Gold Coast and Nigeria on the occasion of the first meeting of their legislatures under their revised constitution, and in addition authorizes the Secretary of State to appoint a United States delegation at the appropriate time to represent the United States at ceremonies marking the achievement of complete self-government for these territories.

On April 29, 1954, a new constitution was approved for the Gold Coast which brings it to the threshold of sovereign independence. Under it an all-African government with almost complete responsibility for the country's internal affairs has been established. Elections based on universal adult suffrage were held June 10–15, 1954, under the new constitution: The Convention People's Party won 72 of the 104 seats of the new legislative assembly and, on June 17, 1954, Dr. Kwame Nkrumah, chairman of the Convention People's Party accepted the offer of the Gold Coast Governor to become Prime Minister and to form a new government. The Prime Minister, educated at Lincoln University in Pennsylvania, was the first African ever to hold such office in any British territory.

Similarly in Nigeria, the largest of the United Kingdom territories with a population of 31.5 million, a revised federal constitution representing the will of the people as expressed through their leaders is expected to be approved next month. The new constitution will give the 3 regions of Nigeria greater autonomy and will carry 2 of the 3 regions a considerable way toward self-government. Supplementing these moves toward independence, the United Kingdom has declared that in 1956 they will be prepared to grant full self-government to any region that may wish it in respect to those subjects that are a regional responsibility. Nnamdi Azikwe, who recently visited the United States, will become Prime Minister of the eastern region. Like his Gold Coast counterpart, he, too, is an alumnus of Lincoln University and a respected leader of nationalist movements throughout western Africa.

Our Nation's policy encourages legitimate efforts toward independence and self-government among those peoples in former colonial and underdeveloped areas who demonstrate a desire and a capacity to establish and protect free institutions. Accordingly, official cognizance should be taken of the momentous events that are now happening in western Africa. At a time when man's natural will to be free is thwarted in many parts of the world by the subversion practiced by Communists under the leadership of the Soviet Union and the Chinese Communist regime, the significance of recent developments in the Gold Coast and Nigeria looms very large for the free world's success.

Since the British acquisition of the territories now comprising the Gold Coast and Nigeria during the 19th century, vast changes have been wrought there. From primitive tribal cultures these territories have now advanced to a degree of social and political maturity that should soon allow them to assume their rightful places among the free nations of the world.

It is entirely fitting that the House of Representatives should extend its most cordial greetings to the representative bodies of the Gold Coast and Nigeria upon the occasion of the first meeting of their legislatures under their revised constitutions, and that the Secretary of State be requested to appoint a delegation to represent the United States at the ceremonies which will mark the achievement of complete independence for these territories. Such acts are fitting recognition of the democratic ideals shared by the United States and these areas and are a reaffirmation of the friendship of the United States for the peoples of Africa.

PERSONAL ANNOUNCEMENT

Mr. SCUDDER. Mr. Speaker, when the bill H. R. 9757 was before the House today, I voted against the motion to recommit. However, I was absent during the rollcall on the final passage and if I had been present, I would have voted for the bill.

RE-REFERENCE OF BILLS TO COMMITTEE ON DISTRICT OF COLUMBIA

Mr. SIMPSON of Illinois. Mr. Speaker, I ask unanimous consent that Senate bills 3655, 3506, and 1585 be rereferred to the Committee on the District of Columbia.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL ORDER GRANTED

Mr. FEIGHAN (at the request of Mr. MADDEN) was given permission to address the House for 30 minutes tomorrow, following the legislative program of the day and the conclusion of special orders heretofore granted.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

INTERNAL REVENUE CODE OF 1954

Mr. REED of New York submitted a conference report and statement on the bill (H. R. 8300) to revise the internal revenue laws of the United States and for other purposes.

FRYINGPAN-ARKANSAS WATER DIVERSION PROJECT

Mr. CHENOWETH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CHENOWETH. Mr. Speaker, the bill authorizing the construction of the Fryingpan-Arkansas water diversion project, H. R. 236, is now pending on the House Calendar. There is widespread interest in this legislation in Colorado and I wish to call attention to the different agencies and States that have approved this project. I submit herewith a list of the agencies that have given official approval to this project. I wish to call special attention to the fact that the project has been approved by all of the States in the Colorado River Basin, including the State of California, which is now offering some objections.

The list follows:

Fryingpan-Arkansas project has official approval of:
Secretary of the Interior.
Bureau of Reclamation.
Colorado River Basin States, including Colorado, California, Arizona, Nevada, Wyoming, Utah, and New Mexico.
Following affected States and agencies:
Kansas.
Oklahoma.
Secretary of the Army.
Department of Agriculture.
Department of Commerce.
Federal Power Commission.
Corps of Army Engineers.
Public Health Service.
Arkansas River Compact Administration.
Colorado Water Conservation Board.
Southwestern Conservation District of Colorado.
Colorado River Water Conservation District of Colorado.
Colorado Game and Fish Commission.
Leeds-Hill and Jewett, consulting engineers, Los Angeles, Calif., in Special Report on Depletion of Colorado Surface Water Supplies, dated October 31, 1953, page 54; "A bill is now before Congress to authorize construction of the Fryingpan-Arkansas project, which would involve the diversion of about 72,000 acre-feet annually from Fryingpan Creek, a tributary of Roaring Fork, into the headwaters of Arkansas River. This would be physically feasible."

Mr. Speaker, I also wish to submit a list of the local groups which have expressed their approval of this project. On this list we find a number of REA cooperatives, who are interested in obtaining cheaper power. We also find the Public Service Co. of Colorado, and the Southern Colorado Power Co. of Pueblo, Colo., which are the large private utilities serving this area. There is no controversy over the power that will be developed by this project and there is a ready market for the same.

On this list we find a number of ditch companies in the Arkansas Valley who are in need of supplemental water. Also, a number of soil-conservation districts who are vitally interested in this project. Also, a number of labor organizations who are urging the construction of this project.

Included on this list is a number of cities and towns in Colorado, some of whom will obtain badly needed domestic water from the project. In addition, there is a large group of service clubs and similar organizations who have expressed interest in the project and are desirous of having the same constructed. The following is but a partial list of the many groups which have indicated their approval of this legislation:

Fryingpan-Arkansas project has been endorsed by:
Water Development Association of Southeastern Colorado.
Southeast Colorado Power Association (REA).
Colorado State Association of Rural Electric Cooperatives.
San Isabel Electric Association, Pueblo (REA).
Sangre de Cristo Electric Association, Salida (REA).
San Luis Valley REA, Colorado.
Public Service Co. of Colorado, Denver.
Southern Colorado Power Co., Pueblo.
Soil conservation districts of southeastern Colorado.
Upper Arkansas Soil Conservation District.
Colorado Soil Conservation Association.
Fort Lyon Canal Co., Las Animas, Colo.
Catlin Canal Co., Rocky Ford, Colo.
Arkansas Valley Ditch Association, Colorado.
Mutual Ditch Co., Rocky Ford, Colo.
Otero Canal Co., Rocky Ford, Colo.
Rocky Ford Highline Ditch Co., Colorado.
Oxford Farmers Ditch Co., Colorado.
Holbrook Ditch Co., Colorado.
United Steel Workers of America, CIO, Pueblo.
Colorado State CIO Council, Denver.
Colorado State Federation of Labor, Denver.
Pueblo Building Trades Council, AFL.
Brotherhood of Railway Trainmen, Pueblo.
Colorado State Industrial Union Council, Denver.
Following Colorado cities and towns: Pueblo, Colorado Springs, Leadville, Buena Vista, Salida, Canon City, Florence, Fowler, Manzanola, Rocky Ford, La Junta, Las Animas, Lamar, Eads, and Walsenburg.
Municipal Water Districts, Pueblo.
Chambers of commerce of cities listed above.
Service clubs and professional organizations of above cities.
Farm Bureau of Las Animas, Colo.
Farmers Union, Bent County, Las Animas, Colo.

MUTUAL SECURITY APPROPRIATION, 1955

Mr. NICHOLSON from the Committee on Rules reported the following privileged resolution (H. Res. 686, Rept. No. 2528) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the following amendment: On page 3, line 2, strike out "$70 million" and in lieu thereof insert "$45 million" and after line 2, page 3, insert a new paragraph as follows: "For special assistance in joint control areas in Europe, $25 million." At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LABELING OF PACKAGES CONTAINING FOREIGN-PRODUCED TROUT SOLD IN THE UNITED STATES

Mr. NICHOLSON, from the Committee on Rules, reported the following privileged resolution (H. Res. 687, Rept. No. 2529), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2033) relating to the labeling of packages containing foreign-produced trout sold in the United States, and requiring certain information to appear on the menus of public eating places serving such trout. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE NICKEL SHORTAGE

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, on May 26 I addressed the House on the subject of the nickel shortage and indicated that through the House Committee on Small Business, of which I am a member, we were attempting to obtain the information which would be helpful in determining why the many members of the plating industry in this country were being allocated a disproportionately small amount of nickel. At that time I stated that—

> When a material such as nickel is the economic life's blood of so many small businesses in our country, it is essential that its allocation be made on a fair and equitable basis.

Since that time the House Committee on Small Business has been continuing its investigation and has been unable to obtain specific answers to the specific questions that have been troubling us. It was for that reason that the committee on July 23 addressed the following letter to Mr. H. B. McCoy, Deputy Administrator of the Business and Defense Services Administration of the Department of Commerce:

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D. C., July 23, 1954.

Mr. H. B. McCOY,
Deputy Administrator, Business and Defense Services Administration, Department of Commerce, Washington, D. C.

DEAR MR. MCCOY: This is in reference to your letter of May 6, 1954, in response to this committee's inquiry concerning the distribution of nickel.

Since we have concluded that additional information is required in our investigation of this matter, we are submitting further questions, the answer to which we hope will focus attention on the nature and scope of the complaints small job platers have presented to this committee. These questions are listed below:

1. In response to our previous question concerning the conservation of nickel in specific defense production programs, the answer was supplied that "the Department of Defense has under way a very active nickel conservation program directed toward conserving nickel wherever possible in its current program." What office in the Department of Defense is specifically responsible for carrying out this program and what rela-

tionship has been established between this office and the Business and Defense Services Administration? If there is no formal relationship, is it not regarded important that BDSA, as the official agency of Government coordinating business and defense activities, should stimulate conservation through close liaison with the Department of Defense to insure that nickel is not used unnecessarily in defense purchases?

2. In your letter of May 6, 1954, you included a statement from the International Nickel Co. describing the procedure through which nickel is being allocated to industry. However, since the immediate source of nickel for small platers is not the International Nickel Co. but a small group of distributing firms, what procedures do these concerns follow in furnishing supplies for nondefense production? Allegations have been made to this committee that these distributing companies do not supply all nickel anodes for electroplating. In order to make a proper evaluation of published statistics, are these allegations correct?

3. Since it is our understanding that a percentage of a given base period is used in the distribution of nickel, what is the base period percentage allowed platers for nondefense production from the elimination of use restrictions in November 1953 to the third quarter of 1954? Does the identical base period percentage apply to all industrial plating operations, large and small, and is the percentage the same in given months for all suppliers?

4. The Bureau of Mines reports that nickel anodes consumed by electroplaters in the United States in 1950 amounted to 34,847,601 pounds. In 1953, 28,531,923 pounds were consumed. This represents a reduction of approximately 19 percent in the amount of nickel used by this industry. Since, in general, base periods reflect maximum supplies obtained during 3 optional 6-month periods in 1949 and 1950, how do you account for reductions ranging from 60 to 70 percent as reported by the job-plating industry?

5. What amount of nickel was allocated by INC to suppliers in 1953 and as compared with 1950?

6. According to your previous statement, you indicated that "very little nickel is going into new business," and that "new businesses are generally treated as small users where the supplier can within the limits of nickel available to him meet some of these demands." In view of these statements, how do you account for the current establishment of reported new and expanded large-scale plating facilities by the automobile industry and its component suppliers? Facilities recently and currently established by the following companies are illustrative: (a) Truck and coach division, General Motors Corp.; (b) Cadillac division, General Motors Corp.; (c) Ryerson & Haynes Co., Jackson, Mich.; (d) Douglas & Lomason Co., Detroit, Mich.; (e) Vinco-Parker Wolverine Co., Detroit, Mich.; (f) A. C. spark plug division, General Motors Corp., Flint, Mich.; (g) Oldsmobile division, General Motors Corp., Lansing, Mich.; (h) Pontiac division, General Motors Corp., Pontiac Mich., and (i) Brown-Lipe-Chapin division, General Motors Corp., Elyria, Ohio.

7. In view of the stringency of the nickel shortage for the indefinite future and the policy of extremely limited supplies available to new users, it would appear that shortages or uncertain supplies of nickel would deter the purchase of new equipment or expansion of present facilities. Therefore, are nickel supplies for the operation of such new facilities furnished by the International Nickel Co. or its distributing firms? If so, how is this justified in view of the existing policies relating to the base period distribution system and new users?

8. What firms in the United States are primary sellers of new nickel plating equipment and facilities? Is there any relationship between the sales of new equipment by specific firms and the distribution of nickel supplies by the same firm? In cases where nickel suppliers are also involved in the sale of new plating equipment, how do the monthly base period allocations (since November 1953) to platers compare with the base period percentages allowed by other nickel distributors not concerned with equipment sales?

The committee requests full and complete replies to these questions. It is our belief that the issues involved here are within the area of legitimate concern of your agency as evidenced by the general concern of BDSA and Office of Defense Mobilization officials that equitable distribution of available nickel to nondefense users must be assured. We request further that this information be furnished without delay.

The committee wishes to express its appreciation for your courtesy in this matter.

Very truly yours,

WILLIAM S. HILL,
Chairman.

I repeat, Mr. Speaker, that with nickel in such short supply, we must protect the many small businesses that depend upon the supply of nickel for their existence. I trust the Department of Commerce will cooperate fully in obtaining complete answers to the questions set forth in the committee's letter.

SECOND ANNIVERSARY OF THE COMMONWEALTH OF PUERTO RICO

The SPEAKER. Under previous order of the House, the Delegate from Puerto Rico [Mr. FERNÓS-ISERN] is recognized for 20 minutes.

Mr. FERNÓS-ISERN. Mr. Speaker, yesterday, the people of Puerto Rico joyfully celebrated the second anniversary of the inauguration of the Commonwealth of Puerto Rico. This marked, also, the 56th anniversary of the first landing of the United States troops in Puerto Rico. Fifty-six years ago the ship of Puerto Rican history set compass towards the port of full self-government within the American political system. It reached port 2 years ago.

One might ask, What does Commonwealth status mean? In what sense is the term used in the case of Puerto Rico?

Commonwealth is a word of Anglo-Saxon derivation. Etymologically, it is equivalent to republic, a word of Latin extraction. The concept is the same—Res publica: The common thing, the common value, the common interest, the common wealth.

However, changes in the use of the word "commonwealth" and the word "republic" have taken place in the course of time. Originally in England, with Cromwell, commonwealth was used to mean government by the representatives of the people, by the parliament, as opposed to government by the King, a power superior to the people. In France, with the revolution, "republic" was similarly used to mean government by the people, as opposed to government by the King. In American history, with the organization of the Commonwealths of Massachusetts, Pennsylvania, and Virginia, commonwealth meant a government created by the people, administered by the representatives of the people, and with no sovereign other than the people. "Republic" was used in the same sense with the creation of the Union.

But in modern British history, the symbol of the Crown has been retained when commonwealth has been used for the Commonwealths of Australia and of New Zealand. And in recent American history, it was used for the Philippine Islands, before they became independent. In both instances, the term still meant free peoples, but not necessarily separate republics.

The Constitutional Convention of Puerto Rico was entrusted with the task of organizing the people of Puerto Rico into a self-governing body politic, and creating a government for that body politic. The government was to be republican in form; with ultimate authority vested in the people. But the body politic was not to be constituted as an independent republic. It was to live in continued association with the United States, under the terms of a compact embodied in a law enacted by the Congress, and accepted by the people of Puerto Rico, albeit Puerto Rico was not to be admitted into the Union of States.

It was something new in the political system of the United States, as in 1803 it was new to add territory to the Union and treat it as the original Territory of the Northwest; just as it was new in 1899 for the United States to acquire, under the treatymaking power, sovereignty over territories not incorporated into the United States, as all former acquisitions had been; as it was new in 1917 with the Jones Act, the second Organic Act of Puerto Rico, to declare the citizens of an unincorporated body politic, United States citizens. The Commonwealth of Puerto Rico is, in fact, the natural outgrowth of the new concept of the unincorporated territory as defined by the Supreme Court in the early part of the century, in the famous Insular cases, and of the precedent established in 1917 with the declaration of United States citizenship for the people of an unincorporated territory. It is a new line of political development in the United States political system, parallel with, but distinct from that followed by incorporated territories which were later admitted as member States.

The Constitutional Convention of Puerto Rico, by Resolution 22, declared its interpretation of the new concept. Resolution 22 reads, in part:

> Whereas the word "commonwealth" in contemporary English usage means a politically organized community, that is to say, a state (using the word in the generic sense) in which political power resides ultimately in the people, hence a free state, but one which is at the same time linked to a broader political system in a federal or other type of association and therefore does not have an independent and separate existence; and
>
> Whereas the single word "commonwealth," as currently used, clearly defines the status of the body politic created under the terms of the compact existing between the people of Puerto Rico and the United States, i. e., that of a state which is free of superior authority in the management of its own local affairs, but which is linked to the United States of America and hence is a part of its political system, in a manner compatible with its federal structure.

Mr. Speaker, the foundation of the association of the Commonwealth of

Puerto Rico to the United States is our common loyalty to our common citizenship. This includes the duty to support the Constitution and laws of the United States and in giving this support offer the last full measure of devotion.

How do the people of Puerto Rico feel about the Commonwealth? The Commonwealth of Puerto Rico was inaugurated on July 25, 1952. It is now 2 years old.

On November of that same year, in the general elections we selected our government officials and legislators, under the constitution of the Commonwealth.

Three political parties placed candidates into the field. Each took a stand as to the interpretation of the Commonwealth status and the future of the people of Puerto Rico within that status.

One party squarely supported the concept of commonwealth. Another, charging that it was colonialism in disguise, advocated separation, discontinuance of association with the United States, and the establishment of an independent republic. A third alleged that statehood was the only acceptable form of self-government for the United States citizens of Puerto Rico.

Then the people spoke.

The party supporting the Commonwealth received 430,000 votes, the party advocating separation 125,000 votes, and the party asking for statehood 84,000 votes.

This was the verdict of the people. With their support, Puerto Rico has bloomed under the able leadership of a great American and the leader of the Puerto Rican people, Luis Muñoz-Marin, the chief architect and the moving spirit of the Commonwealth.

The people of Puerto Rico have proved they are politically mature. They are not going to be stampeded into suicide and jump through the separatist window into the turmoil of today's international struggle, nor will they break their backs trying to carry burdens and assume financial responsibilities for which they lack the necessary strength. Much less will they countenance the deed of the lunatics, guided by fantasies and nightmares leading to unspeakable aberrations and crimes. The terms of association may change, by common agreement, as the Commonwealth grows, but the association is here to stay. It is, let us hope and let us affirm, permanent association.

The question has been asked: Is Puerto Rico an asset or a liability to the United States? I have heard so much one way and the other, that I believe it is time to look at the facts.

Puerto Rico contributes only in a very limited way to the support of the Federal Government. United States income tax laws apply in Puerto Rico only on income derived by the citizens of the Commonwealth from sources outside of Puerto Rico, including Federal salaries. Last year this amounted to about $8,600,000. The inhabitants of Puerto Rico are free of other Federal taxes. But it is one thing not to be taxed or lightly taxed, and another to live on a dole. The government of Puerto Rico does not receive United States tax money for its support. The Commonwealth government is maintained only by taxes paid by the Puerto Rican people.

Allow me to recall that taxes paid in Puerto Rico fall into two categories; namely, those paid under laws of the Commonwealth and those paid under the terms of the compact, within which the Commonwealth was created.

Agreed to under compact are the import duties on foreign imports. Such duties prevail in Puerto Rico at the same rates as in the United States on foreign imports under Federal laws. Also agreed to are the countervailing taxes collected on merchandise shipped from Puerto Rico to the United States. Such taxes must be paid at the same rates as internal revenue taxes are paid in the United States on like articles of domestic merchandise. Both, custom duties and countervailing taxes, are paid by the citizens of Puerto Rico and are covered into the treasury of the Commonwealth.

However, independently from the government of the Commonwealth, Federal agencies operate in Puerto Rico. Their expenses are paid by the Federal Government as are expenses of Federal functions in the States. The most considerable of these is the Defense Establishment.

Then, joint programs of varied nature are carried out in Puerto Rico with funds contributed both by the Federal and the Commonwealth Governments on a matching basis. Such joint programs are conducted in Puerto Rico under the same laws, rules, and regulations as in the States and for the same purposes. Both are in the local-national interest.

Mr. Speaker, Puerto Rico occupies the center of the arc of islands that curves from the tip of Florida to the northern coast of Venezuela. It is 1,100 air miles from the Panama Canal. It commands the air approaches from South America to the United States. It is the United States bastion in the Caribbean.

Puerto Rico is the fourth best customer of the United States in the New World. Only Canada, Mexico, and Venezuela exceed Puerto Rico's purchases. In 1953, we bought $471 million in goods from the States.

Tariff barriers between United States and Puerto Rico are nonexistent. However, we are limited in the amount of refined sugar we may sell in the mainland, while the States are not so limited in interstate commerce.

Puerto Ricans are citizens of the United States. Similarly, after a year of residence, any citizen of the United States automatically becomes a citizen of the Commonwealth of Puerto Rico.

Most important of all: Puerto Rico is the only community of American citizens comprised almost exclusively of Spanish-Americans. It is the only former colony of Spain which, upon separation from the mother country, did not become independent but rather associated with the United States. As such, it has become a graphic illustration of how a Spanish-American country can develop in peace and freedom in close association with the United States.

Puerto Rico is a small island with a large population. It necessarily depends largely on external commerce. Membership in the best-developed and soundest economic system in the world is its economic life's blood. Sugar is its economic backbone. Access to the United States sugar market as a domestic partner allows Puerto Rico's sugar industry to flourish.

Industrialization in many directions is now taking place. Separation would be economically fatal to Puerto Rico, and a depressed economy would not allow a peaceful society in Puerto Rico as anywhere.

At the inception of point 4 the Commonwealth of Puerto Rico offered itself as a proving ground for those who would obtain technical knowledge to take back to their respective countries for evaluation and development. To date nearly 1,500 persons coming from every country of the world have visited Puerto Rico to observe various aspects of our development program. The Commonwealth has just negotiated with the Foreign Operations Administration a 3-year agreement under which 600 persons each year will come to Puerto Rico for training or observation for the next 3 years, at a cost of some $200,000 a year. Approximately one-half of this amount will be borne by the Commonwealth government. Gov. Harold Stassen, Director of the Foreign Operations Administration, recently said of this program in a letter to Governor Muñoz-Marin:

> I am deeply impressed with the contribution Puerto Rico has been making to this aspect of American foreign policy and most appreciative of the interest and leadership which you have personally devoted to this activity. As you indicate, Puerto Rico has a special competence in the technical cooperation field and the Commonwealth is a living demonstration of the values of the democratic approach to the improvement of the standard of living of its people.

In sum, I believe, rather than determine whether Puerto Rico is a liability or an asset, we might better affirm that the association of Puerto Rico with the United States is mutually beneficial.

For 50 years an experiment in democracy has been in progress in Puerto Rico beneath the Star Spangled Banner. Totalitarianism to right or left, dictatorship, or autocracy may rear up elsewhere in the world, but not in Puerto Rico, where freedom is safe, solid, and pure and simple. Such is the daily spiritual bread of its citizens. Puerto Rico stands as a shining example of how very well American ideals and ways of life may take root in a fertile, loyal Spanish-American community.

Mr. Speaker, it is an honor for me to address this great legislative body representing the free people of the United States and to express, on behalf of the people of Puerto Rico, who elected me, their sincere appreciation for the action which was taken here to make it possible for them to organize their constitutional government which gave them self-rule. One has only to observe what is going on in other parts of the world to realize what a great privilege this is.

I express my conviction that the very friendly and mutually beneficial relations between the United States and Puerto Rico may be characterized in the future, as in the past, by a two-way street of good will and enduring friend-

ship under such conditions as will allow Puerto Rico to develop into a golden asset in order that, as a Commonwealth, with membership in the greatest political system on earth, it may increasingly contribute to the common effort and help to maintain the leadership of the United States in showing the way for all people who want to be free.

VETERANS' LEGISLATION

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 15 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I want to discuss briefly some of our veterans' legislation. We have spent hours and hours and hours debating other legislation but I see a tendency today to do away with our veterans' special legislation and have social security take over.

This is much more serious than I think anyone here realizes and would be a great tragedy to the veterans.

The gentlewoman from Michigan, Judge THOMPSON, has wanted to ask me certain questions regarding veterans' legislation. She and I have both been busy with hearings and long sessions of the Congress. She has been waiting for several days to do so. I know she wanted to ask me about H. R. 9020. That bill that last Wednesday a week ago passed the House very much modified from the bill reported by the Veterans' Affairs Committee. As reported, the bill gave roughly a 10 percent increase in compensation across the board to service-connected cases. This was changed to a 5 percent increase to all service-connected cases. That part of the original H. R. 9020 giving an increase from 12 percent to 25 percent to the widows and dependents of service-connected veterans was kept in the bill that passed the House.

Section 3, the part of the bill which would have given increase in pension to the permanently disabled and those not able to work and to Spanish-American War widows, and benefits to those of certain other wars, was taken out of the bill. We were told that if we did not take out that section of the bill there would be a Presidential veto. Personally, I doubt very much if the President, when the time came, would have vetoed that measure even if it was said that he would. I feel sure that he would not have vetoed it. But that is out. The bill is in the Senate now as we passed it without section 3, and the Committee on Finance reported it out unanimously a short while ago.

Also, the Committee on Labor and Public Welfare of the Senate, I hear, will report out an extension of the GI training bill for Korean veterans and those who were in hospitals and were unable to take GI training. That includes World War II hospitalized veterans, and will also report out favorably a bill which will give increased amounts of pay to soldiers' homes for veteran patients. They have been very much limited in the soldiers' homes for budgetary reasons as the soldiers' homes could not afford to take them. I say to the lady from Michigan that a Michigan soldiers' home instead of receiving $500 now would get $700 per veteran patient.

Miss THOMPSON of Michigan. I wish to commend the gentlewoman and to thank her for the information she has given me.

Mrs. ROGERS of Massachusetts. I would like to state to the gentlewoman that I believe she does not realize the inspiration she has been in all veterans' work in the Congress. The veterans know that Judge THOMPSON will vote for the veterans; whether it be a voice vote, a letter vote, or a record vote, she is always willing to be counted. I know of her work in Michigan, when she was a judge for many years. I know of the personal kindnesses she performed for the people whose cases she judged. She helped hundreds of families with their problems. I know of her work abroad for years with the armed services in World War II. And I know of the enormous amount of welfare work she did at that time during World War II in the legal department of the Army in Germany. She has constantly worked for the veterans, and she has consistently voted for the veterans. It is not just lipservice with her. Her life has been one of service and self-denial to them as it has been to her State and to the Nation. It has been real action, it has been help we needed tremendously. I have a very great admiration for her legal mind, her high principles and for her work as a member of the Committee on the Judiciary. She is as modest as she is able. I value her opinions so much. She shows great courage in her votes. She is highly respected and beloved in the Congress.

The following is the status of some of the veterans' bills in the House and in the Senate which may prove useful to the veterans of Michigan:

Passed the House and is now in the Committee on Finance of the Senate:

INCREASED RATES OF COMPENSATION, H. R. 9020

Title: To provide increases in the monthly rates of compensation payable to certain veterans and their dependents. Mr. RADWAN. Introduced and referred May 5, 1954.

Analysis: Provides the increases in service-connected compensation as indicated in the tables which follow:

Veterans' compensation—All wars and peacetime

	Present law war service-connected rates, Veterans Regulation 1 (a), as amended, pt. I	H. R. 9020	Present law peacetime service-connected rates, Veterans Regulation 1 (a), as amended, pt. II	H. R. 9020
(a) 10 percent disability	$15.75	$17.00	$12.60	$14.00
(b) 20 percent disability	31.50	33.00	25.20	26.00
(c) 30 percent disability	47.25	50.00	37.80	40.00
(d) 40 percent disability	63.00	66.00	50.40	53.00
(e) 50 percent disability	86.25	91.00	69.00	73.00
(f) 60 percent disability	103.50	109.00	82.80	87.00
(g) 70 percent disability	120.75	127.00	96.60	102.00
(h) 80 percent disability	138.00	145.00	110.40	116.00
(i) 90 percent disability	155.25	163.00	124.20	130.00
(j) Total disability	172.50	181.00	138.00	145.00
(k) Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or blindness of 1 eye, having only light perception, rates (a) to (f) increased monthly by	47.00	47.00	37.60	37.60
Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or blindness of 1 eye, having only light perception, in addition to requirement for any of rates in (l) to (n), rate increased monthly for each loss or loss of use by	[1] 47.00	[1] 47.00	[2] 37.60	[2] 37.60
(l) Anatomical loss, or loss of use of both hands, or both feet, or 1 hand and 1 foot, or blind both eyes with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, monthly compensation	266.00	279.00	212.80	223.00
(m) Anatomical loss, or loss of use of 2 extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place, or suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, monthly compensation	313.00	329.00	250.40	263.00
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthetic appliance, or suffered anatomical loss of both eyes, monthly compensation	353.00	371.00	282.40	297.00
(o) Suffered disability under conditions which would entitle him to 2 or more rates in (l) to (n), no condition being considered twice, or suffered total deafness in combination with total blindness with 5/200 visual acuity or less, monthly compensation	400.00	420.00	320.00	336.00
(p) In event disabled person's service-incurred disabilities exceed requirements for any of rates prescribed, Administrator, in his discretion, may allow next higher rate, or intermediate rate, but in no event in excess of	400.00	420.00	320.00	336.00
(q) Minimum rate for arrested tuberculosis	67.00	67.00	53.60	53.60

[1] But in no event to exceed $420. [2] But in no event to exceed $336.

Section 2 increases the rate of compensation for widows without children from $75 to $87 monthly. Dependent parents are increased from $60 to $75 and where 2 parents are living from $35 to $40 each.

Reported in House, May 28, 1954; House Report No. 1685.

Passed House, July 21, 1954, 399 yeas to 0 nays, 1 "present" (under suspension of rules). (Pending before Senate Finance Committee.)

	Cost	Korea	World War II	World War I	Spanish War	Regular		Tota
						Wartime	Peacetime	
Veterans	$60,045,000	135,800	1,623,700	213,100	400	1,500	61,900	2,036,000
Widows	9,722,000	3,300	26,400	31,700	975	325	6,000	68,700
Parents	40,087,000	19,100	194,400	20,400	20	1,480	7,300	242,700
Total	109,854,000							

Passed the House and is now before the Labor and Public Welfare Committee of the Senate:

EXTENDING TIME FOR INITIATING COURSES UNDER PUBLIC LAW 550, H. R. 9888

Title: To amend the laws granting education and training benefits to certain veterans to extend the period during which such benefits may be offered. Mr. SPRINGER. Introduced and referred July 13, 1954.

Analysis: Extends time for starting courses of education and training under Public Law 550 (Korean GI bill of rights) by making initiation date 3 (now 2) years after discharge, 8 (now 7) years after discharge for completion of course. Grants trainees under Public Law 16 (service connected) who have been prevented from initiating or completing training by reason of disability or by correction of type of discharge, 4 additional years to complete course.

Digest of report (Veterans' Administration):

"As will be recalled, the Veterans' Readjustment Assistance Act of 1952, which provided benefits for veterans of the Korean service period in the same general fields in which comparable benefits had previously been granted to veterans of World War II by the Servicemen's Readjustment Act of 1944, received extensive consideration prior to its enactment. Some of the provisions included were novel and were designed to avoid certain difficulties which had become manifest under the Servicemen's Readjustment Act. Other provisions were adopted which were substantially identical with the comparable provisions of the earlier act and confirmatory of the same underlying principles. * * *

"The temporary character of this type of benefit is obviously a recognition of the fact that readjustment to civilian life should be accomplished by the veterans within a reasonably short time following service, and that the time element is an essential ingredient of the readjustment principle.

"Sections 212 and 213 of the Veterans' Readjustment Assistance Act, however, are more than a reaffirmation of the temporary nature of the readjustment benefit. They designedly adopted the supplementary concept of the 1944 enactment that the foregoing readjustment principle needs to be implemented by a statutory requirement that the veteran must make his educational plans, complete all necessary arrangements, and actually commence the pursuit of his program within a fixed period of time. All of this is implicit in the term 'initiate,' as interpreted by the Veterans' Administration in connection with the Servicemen's Readjustment Act, and of which the Congress was fully apprised when it selected such term for incorporation in the delimiting date requirements of the Veterans' Readjustment Assistance Act.

"To be consistent with this concept, and with the basic readjustment purpose, the delimiting period for initiating a program cannot be so short as to leave the veteran insufficient time for the deliberation needed for a wise choice of his objective and to make the necessary arrangements for enrolling in the selected educational institution or training establishment. On the other hand, if the prescribed period is unduly lengthened, the readjustment purpose will tend to become obscured, and procrastination encouraged, most probably to the veteran's own detriment.

"The instant bill does not appear to be designed to change the aforementioned principle, but would allow a more extensive period than that allowed by existing law during which the veteran could commence his program. It therefore poses the question of whether the 2-year delimiting initiation period of existing law is reasonable and adequate or whether a 4-year period (somewhat comparable to the requirement applicable to the World War II education and training program) should be allowed. * * *

"As noted in the second paragraph of this report, H. R. 9888 contains in section 3 an important difference from the language of H. R. 9395 and H. R. 7210 in that it gears the period during which vocational rehabilitation training may be afforded to eligible disabled veterans of the Korean service period to their dates of discharge or release from service, with appropriate language to allow all such persons at least 9 years from the date of the enactment of amendatory legislation in which to pursue training.

"The situation relating to disabled veterans of the Korean service period who are in need of vocational rehabilitation training is not completely comparable to that of the World War II veterans. As has been noted, Public Law 894 permits such training to be afforded to qualified veterans until the date 9 years after close of the period which commenced June 27, 1950. Since it is impossible to predict at this time when the extended program will be terminated, the situation is developing in which the Korean veterans will have staggered amounts of time in which to pursue and complete vocational rehabilitation training depending upon their date of discharge. The post-Korean veteran population has already exceeded 2,500,000 persons and this number will continue to be augmented by the large numbers now entering service for the first time. It is obvious that, unlike the World War II situation where the mass demobilization which followed that war afforded all veterans relatively the same amount of time during which they were authorized to pursue training, the present conditions potentially permit some veterans to have many more years during which training may be afforded than others.

"In reporting to your committee on the mentioned H. R. 9395 and H. R. 7210, the Administrator recommended an amendment to Public Law 894, 81st Congress, as amended, along the lines proposed by this bill. Such an action has a precedent in the delimiting requirements for initiating and completing a program of education or training under title II of the Veterans' Readjustment Assistance Act of 1952 (secs. 212 and 213); which are likewise geared to the veteran's date of discharge or release from active service, with an overall terminal date for the program based upon the termination of the basic service period.

"As an overall matter, it is my view that the present bill involves serious questions of policy, which in the last analysis must be resolved by the Congress.

"No reliable estimate can be made of the cost which would be attributable to the enactment of this bill. Undoubtedly there would be additional cost for direct benefits in an extension of either the Public Law 550 education and training program or the Public Law 16 vocational rehabilitation training program; since persons who would not otherwise take advantage of these benefit programs could be expected to do so during the extended period. Moreover, there would be some ultimate additional expense in administrative costs resulting from the longer period in which both programs would be operative.

"The Veterans' Administration has been advised by the Bureau of the Budget in connection with reports on earlier 83d Congress bills to extend the time limitations of title II of the Veterans' Readjustment Assistance Act of 1952 and on the vocational rehabilitation training program that the Bureau recommended against the enactment of such legislative measures."

Reported in House, July 19; House Report No. 2279.

Passed House, July 21, 1954. (Pending before Senate Labor and Public Welfare.)

Passed the House; Senate reported $50 million instead of $25 million; is on Senate Calendar; awaits Senate vote:

CONTINUE DIRECT LOANS FOR 1 YEAR, H. R. 8152

Title: To extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes. Mr. AYRES. Introduced and referred March 2, 1954.

Analysis: Extends the authority to make direct Veterans' Administration home loans to June 30, 1954, and authorizes $25 million each quarter for such purpose. This authorization to be decreased by whatever amount the Veterans' Administration receives from the sale of previously made mortgages. Loans limited, by regulation, to nonmetropolitan areas.

Digest of Report (Veterans' Administration):

"Since the last renewal of the program by the Congress (Public Law 101, 83d Cong., approved July 1, 1953) there has been some general improvement in the availability of GI loan funds on an overall basis but such improvement seems to have been confined predominantly to urban areas and it, therefore, has been possible to remove only a relatively few areas from the eligible direct-loan list as the result of an increased availability of private financing for GI loans. A further improvement in the supply of private funds for GI loans in 1954 appears likely, but the possibility is remote that such funds will become available to any considerable extent in the rural areas where private capital has never been generally available for financing loans to veterans. This, together with the fact that the magnitude of the waiting list

of veterans applying for direct loans in eligible areas has increased during the past year, suggests that there is a continuing need for direct loans.

"As the committee is aware, eligility for direct home loans has been confined almost exclusively to the smaller towns and more rural counties. Presently there are no cities in eligible areas within the continental United States which exceeded 50,000 in population according to the 1950 census, although a few such cities were eligible for a limited period prior to April 1952. Only a relatively small proportion of the cities with a 1950 population of 25,000 to 50,000 are eligible.

"Thus the operation of the direct-loan program is now restricted almost entirely to the nonmetropolitan parts of the country where veterans have had but little opportunity to obtain the advantages of a GI loan from private lenders in their communities. It should be emphasized that under the Veterans' Administration direct-loan procedures there is an additional safeguard against encroachment upon private economic activities by reason of the requirement that the veteran show expressly that he had been unable to obtain a VA-guaranteed loan from a private lender in his community, before an application for a direct loan is considered by the Veterans' Administration. * * *

"With respect to the funds to be authorized for the future operations of the direct-loan program the attention of the committee is directed to the fact that the existing allocation of $25 million per quarter has not been sufficient to satisfy fully all the requests for direct loans which have been received since the quarter-annual system was established by Public Law 325, 82d Congress, although this sum has contributed measurably toward meeting the needs of veterans in rural and semirural areas.

"An analysis of the monthly trend in the number of veterans waiting to obtain direct loans indicates that the size of the waiting list remained relatively stable during the first half of 1953. From a total of 27,600 on June 30, 1953, the waiting list increased to a peak of 33,400 on September 30, 1953, during a period when the supply of private funds for GI home loans was probably rather limited in most parts of the country. The fact that the waiting list has declined moderately in the last 3 months of 1953 to about 32,000 may indicate that there has been some improvement in areas designated as eligible for direct loans even though the general improvement in loan availability since July 1, 1953, appears to have been confined primarily to urban areas.

"It may be further noted that an increase in the quarterly allocation of direct-loan funds might also stimulate an increase in the requests for designation of additional areas as eligible for VA direct loans. As heretofore stated, the present policy of the Veterans' Administration, pursuant to law and guided by the intent of the Congress as expressed in committee reports which provided additional funds for direct loans, is to confine direct-loan eligibility primarily to the small towns and rural areas of the country. If further increase in the funds for direct loans is authorized, without a further expression of congressional intent in this regard, there will undoubtedly be many requests for designating additional areas as eligible for direct loans.

"For the purpose of making the projections of fund availability and the number of direct loans which might be made under H. R. 7378 and H. R. 7392, it has been assumed that the increased amount of quarterly authorization would become available immediately upon enactment of the legislation. If it is the intent of the committee that the increased quarterly allotment be available only during the 4 quarters of fiscal year 1955, it is suggested that clarification of this point would be advisable.

"In considering proposals to increase substantially the amounts to be authorized in connection with an extension of the direct-loan program, the committee will, of course, wish to take into consideration the increased financing burden which would be imposed on the Treasury by these measures at a time when the need for reducing such burdens is paramount.

"In summary it would appear that private lending sources are not yet able to supply funds for loans to veterans in most rural or semirural areas at an interest rate comparable to that for VA-guaranteed loans and, therefore, the committee may wish to give favorable consideration to a continuation of the direct-loan program beyond June 30, 1954. On the other hand, it is believed that a threefold or fourfold increase in funds, as is provided by H. R. 7378 and 7392, is more than necessary to meet the demand which can be anticipated unless it is proposed to alter the present concept of the program as a supplemental and standby aid only. It would seem that for reasons of administrative simplicity any extension of the direct-loan program should be for a period of not less than 1 year."

Reported March 3, 1954; House Report No. 1267.

Passed; reported in Senate out of Committee on Finance; it now awaits Senate action:

BENEFITS FOR WAAC SERVICE H. R. 8041

Title: To provide benefits under the laws administered by the Veterans' Administration based upon service in the Women's Army Auxiliary Corps under certain conditions. Mr. RADWAN. Introduced and referred February 23, 1954.

Analysis: Grants VA benefits to women who served in the WAAC and who were honorably discharged therefrom for disability rendering them physically unfit for service in the WAAC or in the WAC.

Digest of report (Veterans' Administration):

"The bill contains provisions against the accrual of monetary benefits for any period prior to its enactment; precludes payment of compensation or pension concurrently with United States employees' compensation based on such service; and requires an election of benefits where the person is eligible for compensation or pension by reason of this measure and is also eligible for compensation benefits under the United States Employees' Compensation Act, as amended.

"It is assumed that the reference to the Women's Army Corps is intended to mean the Women's Army Corps established as a part of the Army of the United States by Public Law 110, 78th Congress, approved July 1, 1943, as distinguished from the Women's Army Corps created as a part of the Regular Army by the Women's Armed Services Integration Act of 1948 (Public Law 625, 80th Cong.). If the bill is further considered, it may be desirable to include specific reference to the Women's Army Corps established by Public Law 110, 78th Congress. It is noted also that the bill covers persons honorably discharged for disability, without restriction to discharge for disability incurred in line of duty. * * *

"It has been the general policy of the Congress to restrict benefits provided under laws administered by the Veterans' Administration to persons who actually served in the military or naval service of the United States, a distinction having usually been drawn as between members of the Armed Forces and persons engaged in civilian activities for the Government serving with or in aid of the Armed Forces. Examples of civilian groups performing related service were the merchant marine, the American National Red Cross, the Civil Air Patrol, the Women's Auxiliary Service Pilots, the American Field Service, civilian pilots of the Air Transport Command, the Army Transport Service, the Army Specialist Corps, and other organizations of a similar nature. Departure from the established policy by granting benefits based upon civilian service of a group which served with the Armed Forces might constitute a precedent for extending similar privileges to other civilian groups which also served with or in aid of our Armed Forces, and thus increased demand upon the Congress for corresponding legislation in their favor. * * *

"Others who may have incurred lesser disabilities as members of the Women's Army Auxiliary Corps would not be included. Moreover, the bill would not include those who served throughout the period without incurring disability and were honorably discharged. In each instance the kind and quality of service may have been substantially the same, and the question arises whether there is a sound basis for distinguishing one group from the other if legislation of this character is to be considered. The 90-day requirement, as well as the requirement that the discharge must have occurred prior to the establishment of the Women's Army Corps, also appear to be limitations which might seem to create preferences among those engaged in essentially the same kind of service with the Army of the United States.

"Among the benefits which might become available in individual cases under the bill are disability and death compensation and pension, vocational rehabilitation training under Public Law 16, 78th Congress, as amended, loan assistance under title III of the Servicemen's Readjustment Act of 1944, as amended, assistance in obtaining an automobile under Public Law 187, 82d Congress, and assistance in acquiring specially adapted housing under Public Law 702, 80th Congress, as amended. Because of the delimiting dates under titles II and V of the Servicemen's Readjustment Act, it would appear that those covered by the bill would not be able to avail themselves of education and training or readjustment allowance benefits under that act.

"Because of the lack of information indicating the number of persons who would meet the precise service requirements of the bill and the number among those eligible who would avail themselves of particular types of benefits, it is not feasible to attempt an estimate of the cost of this measure, if enacted. While it seems probable that the annual cost would not be relatively large, it is at the same time clear that a number of cases would be affected by the bill. * * *"

Reported May 12, 1954; House Report 1594.

Passed the House and is now in the Senate Committee on Labor and Public Welfare:

FEDERAL AID TO STATE HOMES, H. R. 8180

Title: To increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers, sailors, and airmen of the United States. Mrs. ROGERS of Massachusetts (by request). Introduced and referred March 2, 1954.

Analysis: Increases from $500 to $700 per year the Federal aid to States for the support of veterans domiciled or hospitalized in State homes who are eligible for such care in Veterans' Administration hospitals or domiciliaries. At the present time the payment of the $500 rate is restricted to June 30, 1956. This bill, in addition to raising the rate from $500 to $700, would remove this restrictive date of June 30, 1956, thus establishing $700 as a permanent rate for Federal aid.

Digest of report (Veterans' Administration):

"There are 31 State homes located in 27 different States to which the Veterans' Administration is currently making contributions for maintenance of veterans who have been determined to be eligible for care in a Veterans' Administration hospital or home.

The basic law limits the amount that any State may be paid to a sum not exceeding one-half the cost of maintenance of each veteran, and under this limitation 14 of the State homes concerned would not be able to receive the full $700 contribution since the cost of maintenance in these homes, based on fiscal year 1953 reported costs, is less than $1,400 per person. All the other State homes reported maintenance costs in excess of $1,400 per person for fiscal year 1953.

"During the fiscal year 1953, payments of Federal aid were made to the States for a daily average of approximately 8,090 members present in State homes. Based on the reported per capita cost, the total cost for maintaining this daily average present was $13,365,961. The total amount of Federal aid paid by the Veterans' Administration for this number of members was $4,068,170, or 30 percent of the total cost. Based on the average number present during the fiscal year 1953, payments at the rate of $700 per annum would result in a total cost to the Veterans' Administration of approximately $5,225,630—an increase of $1,157,460, or 28 percent. This would result in the Veterans' Administration assuming 39 percent of the total cost of maintaining eligible veterans in State homes and the States paying 61 percent of the cost.

"Since fiscal year 1945, the average member load has shown a sustained upward swing, influenced in part by replacement programs at State homes undertaken to improve and enlarge existing bed capacities, general economic conditions which impose greater financial burdens on those in the lower income groups, and advancing age of World War I beneficiaries who have developed disabling infirmities. In the Veterans' Administration estimates for appropriations for fiscal year 1955 the average patient load in State homes was established at 8,700 members. This projection was based upon current bed-occupancy ratios and anticipated increases in the member load. Therefore, should the rate of Federal aid be increased to $700, the cost to the Veterans' Administration might well be substantially higher than the estimated cost based on the 1953 experience. Should all homes be eligible for payments at the $700 rate, the cost to the Veterans' Administration would be approximately $6,090,000 for fiscal year 1955. As stated above, however, based on the 1953 experience, 14 of the homes would not be able to receive aid at the full $700 rate because their annual reported per capita costs were less than $1,400. It is not known how many of the homes, because of increasing per capita costs, would be eligible for the full amount of assistance at the $700 rate in fiscal year 1955.

"For the fiscal year 1948 (the year in which the rate was raised to $500 per annum) the per diem cost of providing domiciliary care for a veteran in a Veterans' Administration center was $2.64; for the fiscal year 1953 the cost was $3.61—an increase of approximately 37 percent. It appears that the increase proposed by the subject bill compares with the increased cost experienced by the Veterans' Administration."

Reported March 24, 1954; House Report 1415.

The following is a list of States that have soldiers' homes:

State	Average present, 1953	Per capita cost, 1953	Total cost	Paid by VA $500	Paid by State	Percent of cost by VA	Percent of cost by State	Paid by VA $700	Paid by State	Percent of cost by VA	Percent of cost by State
California	1,630.52	$1,571.44	$2,562,264.35	$815,260.00	$1,747,004.35	32	68	$1,141,364.35	$1,420,900.00	45	55
Colorado	36.19	1,479.15	53,530.44	18,095.00	35,435.44	34	66	25,333.00	28,197.44	47	53
Connecticut	540.92	1,830.13	989,953.92	270,460.00	719,493.92	27	73	378,644.00	611,309.92	38	62
Idaho	88.70	681.25	60,426.88	30,213.88	30,213.00	50	50	30,213.44	30,213.44	50	50
Illinois	934.92	1,253.76	1,172,165.30	467,460.00	704,705.30	40	60	586,082.65	586,082.65	50	50
Indiana	336.83	1,251.15	421,424.85	168,415.00	253,009.85	40	60	210,712.42	210,712.43	49	51
Iowa	264.15	1,288.63	340,391.61	132,075.00	208,316.61	39	61	170,195.80	170,195.81	49	51
Kansas	17.82	2,351.29	41,899.99	8,910.00	32,989.99	21	79	12,474.00	29,425.99	29	71
Massachusetts (Chelsea)	645.66	3,808.64	2,459,086.50	322,830.00	2,136,256.50	13	87	451,962.00	2,007,124.50	18	82
Massachusetts (Holyoke)	116.32	6,051.35	703,893.03	58,160.00	645,733.03	8	92	81,424.00	622,469.03	12	88
Michigan	776.82	976.23	758,354.99	379,181.38	379,173.61	50	50	379,177.49	379,177.50	49	51
Minnesota	356.00	1,238.94	441,062.64	178,000.00	263,062.64	40	60	220,531.32	220,531.32	50	50
Missouri	99.19	1,008.81	100,063.86	49,595.00	50,468.86	50	50	50,031.93	50,031.93	50	50
Montana	51.87	1,407.11	72,986.80	25,935.00	47,051.80	36	64	36,309.00	36,677.80	49	51
Nebraska	165.53	1,256.87	208,049.69	82,765.00	125,284.69	40	60	104,024.84	104,024.85	49	51
New Hampshire	35.26	2,123.80	74,885.19	17,630.00	57,255.19	24	76	24,682.00	50,203.19	33	67
New Jersey (Menlo Park)	72.78	1,845.29	134,300.21	36,390.00	97,910.21	27	73	50,946.00	83,354.21	38	62
New Jersey (Vineland)	85.43	2,117.78	180,921.95	42,715.00	138,206.95	24	76	59,801.00	121,120.95	33	67
New York	10.11	1,877.30	18,979.50	5,055.00	13,924.50	27	73	7,077.00	11,902.50	37	63
North Dakota	42.13	1,662.28	70,530.54	21,215.00	49,315.54	30	70	35,265.27	35,265.27	50	50
Ohio	537.53	1,157.46	622,169.47	268,765.00	353,404.47	43	57	311,084.73	311,084.74	49	51
Oklahoma (Ardmore)	110.03	1,114.25	122,600.93	55,015.00	67,585.93	45	55	61,300.46	61,300.47	49	51
Oklahoma (Sulphur)	138.80	1,159.93	160,998.28	69,400.00	91,598.28	43	57	80,499.14	80,499.14	50	50
Pennsylvania	197.60	1,032.61	204,043.74	98,800.00	105,243.74	48	52	102,021.87	102,021.87	50	50
Rhode Island	127.18	1,502.61	191,101.94	63,590.00	127,511.94	33	67	89,026.00	102,075.94	46	54
South Dakota	108.99	1,262.34	137,582.44	54,495.00	83,087.44	40	60	68,791.22	68,791.22	50	50
Vermont	53.32	1,489.11	79,399.35	26,660.00	52,739.35	34	66	39,699.67	39,699.68	49	51
Washington (Orting)	145.48	1,636.82	238,124.57	72,740.00	165,384.57	31	69	101,836.00	136,288.57	42	58
Washington (Retsil)	179.55	1,349.17	242,243.47	89,775.00	152,468.47	37	63	121,121.73	121,121.74	49	51
Wisconsin	259.22	1,830.24	474,434.81	129,610.00	344,824.81	27	73	181,454.00	292,980.81	38	62
Wyoming	17.92	1,567.52	28,089.96	8,960.00	19,129.96	32	68	12,544.00	15,545.96	44	56
Total	8,090.64		13,365,961.20	4,068,170.26	9,297,790.94	30	70	5,225,630.33	8,140,330.87	39	61

This awaits a rule in the House Committee on Rules:

AUTOMOBILES FOR AMPUTEES, H. R. 8330

Title: To extend the time for filing application by certain disabled veterans for payment on the purchase price of an automobile or other conveyance and to authorize assistance in acquiring automobiles or other conveyances to certain disabled persons who have not been separated from the active service. Mrs. ROGERS of Massachusetts. Introduced and referred March 10, 1954.

Analysis: Provides automobiles for World War I veterans on a par with World War II and Korea where they have lost or lost the use of one or both hands, or who are blind. It also extends by 2 years the time applicable for application for this benefit and makes the authority to apply to veterans who have decided to remain in the service.

Digest of report (Veterans' Administration):

The 3-year period for filing application which was provided by Public Law 187 had the effect of granting, as to previously discharged veterans of World War II who could qualify on the basis of loss or loss of use of one or both legs at or above the ankle, as required by the prior laws, a period of 3 years in addition to such periods after discharge as had been available under the earlier laws. This covered a relatively small number, since the great majority of the World War II group qualifying on the basis of leg disability had already applied for and received this assistance and could not receive it a second time under the new law. As to all others, including World War II veterans claiming on the basis of disability of an upper extremity, the liberalized definition of loss or loss of use of a lower extremity, or impairment of vision, as well as veterans of the Korean conflict period claiming on the basis of any of the three classes of disabilities, the 3-year period prescribed by Public Law 187 represented the total time made available for this purpose.

"Since this program of rehabilitative assistance had been geared to providing aid to severely disabled veterans in adapting themselves to their special problems in civilian life early after discharge from the service period in which the disability was incurred, it was apparently the determination of the Congress in enacting Public Law 187 that 3 years provided a liberal period within which the veteran could and should avail himself of this assistance. It would appear that in any typical case this would afford ample time. There will arise a few unusual situations in which the service-incurred disability will not have progressed to the point of amputation or loss of use or the required impairment of vision within 3 years from the date of enactment of Public Law 187 or 3 years from the date of separation from service, as the case may be. This type of situation can also occur even though the period is extended as proposed. The question of policy as to whether the existing time limit should be extended for any period is, of course, one for determination by the Congress in the light of the basic purposes of this program.

"The proposed section 6 would represent a sharp departure from the underlying objective of the existing and prior legislative enactments in this field. One reason for the several extensions of the original 1-year program for the World War II group was to keep it open until a few who had remained in military hospitals could be discharged and thus acquire eligibility as veterans. The subject proposal would enable the group affected, however limited in number, to obtain for themselves a type of gratuity which was established to meet the rehabilitative and readjustment needs of those who have left the service. Some of the small number involved might be members of the Regular Establishment, following military service as a career, and might not be retired or separated until after the lapse of several years. All beneficiaries under this section would be ac-

corded the proposed payment of $1,600 on the purchase price of a conveyance in addition to the full military pay and allowances which they receive while in the active service.

"These same persons are not in a position of being deprived under the present law of their ultimate right to receive this benefit. Like those who may have been separated shortly after the occurrence of the required disability, persons who are retained on active duty notwithstanding the disability still have 3 years after their discharge or separation date within which to apply as veterans under the law as it now stands.

"It may be added that enactment of this amendment could be invoked as a precedent for extending some other types of benefits administered by the Veterans' Administration in behalf of veterans to persons who have remained continuously in the service, including members of the Regular Establishment. This proposal could therefore be costly as a precedent, as well as being directly inconsistent with the traditional policy of the Congress.

"The Veterans' Administration is not possessed of data from which to determine the additional number of persons who could and would avail themselves of the right to apply for this benefit during the proposed extended period, or the number who might be covered by the proposed inclusion of certain persons in the active service. Accordingly, no estimate of the cost of the proposal, if enacted, can be presented. * * *"

* * * * *

"* * * It is estimated that approximately 5,900 veterans of World War I might be entitled to receive benefits under this proposal during the first year following its enactment by reason of receiving compensation benefits from the Veterans' Administration for the specified disabilities. The benefit cost for this estimated group, at $1,600 per vehicle, would approximate $9,440,000. This estimate is somewhat incomplete in that it does not include such additional eligible World War I veterans who are not drawing benefits from the Veterans' Administration because they are on the retirement rolls of the service departments. Further, the requirements concerning the impairment of vision are such that a comprehensive estimate on that disability class cannot be made without an extensive study of individual records but it is believed that the foregoing estimate includes most of those who would qualify by reason of visual disability. * * *"

Reported May 12, 1954; House Report 1600.

Awaits action by the Rules Committee of the House:

THREE-YEAR PRESUMPTION FOR ARTHRITIS, PSYCHOSES, AND MULTIPLE SCLEROSIS, H. R. 8789

Title: To amend the Veterans Regulations to provide that arthritis, psychoses, or multiple sclerosis developing a 10 percent or more degree of disability within 3 years after separation from active service shall be presumed to be service connected. Mr. RADWAN. Introduced and referred April 12, 1954.

Analysis: Grants a 3-year rebuttable presumption of service connection for veterans who developed arthritis (now 1 year), psychosis (now 1 year for compensation and pension and 1 additional year for priority admission to hospitals), and multiple sclerosis (now 2 years).

Digest of report (Veterans' Administration):

"Insofar as H. R. 8789 relates to the disease of psychosis, it is similar to H. R. 320, 82d Congress, as passed by the House of Representatives, May 1, 1951. As you are aware, H. R. 320 was amended in the Senate by the Committee on Finance to provide a conclusive presumption of service connection for an active psychosis developing within 2 years from the date of separation from active service in World War II, but only for the purposes of hospital and medical treatment, including outpatient treatment, authorized under laws administered by the Veterans' Administration. The bill was passed by the Congress in this form and approved as Public Law 239, 82d Congress, October 30, 1951. Under this law, it is not necessary that the veteran have 90 days' service for the presumption to attach and willful misconduct is not a bar.

"There is definite medical substantiation that the time of onset of a psychiatric disorder, whether a psychosis or a psychoneurosis, is not the only criterion of the cause or causes. Determination of causation, or etiology, of a psychosis in an individual is to be gained by an overall psychiatric evaluation of that particular person. Psychosis may result from any one of a number of factors, such as an inherent or hereditary defect. H. R. 8789, however, would establish a statutory presumption, which grants a presumption of fact, of uniform application, that manifestation of a psychosis at any time up to 3 years after separation is necessarily related to the facts or circumstances of wartime military service, or service on or after June 27, 1950.

"With respect to active pulmonary tuberculosis, the presumptive period was increased from 1 to 3 years by Public Law 573, 81st Congress, June 23, 1950, and for all other types of active tuberculosis it was similarly extended by Public Law 241, 83d Congress, August 8, 1953. The presumptive period provided for the disease of multiple sclerosis was increased from 1 to 2 years by Public Law 194, 82d Congress, October 12, 1951.

"H. R. 3205, 82d Congress, as passed by the House of Representatives, June 20, 1951, proposed to establish a 3-year presumptive period for the disease of multiple sclerosis. This was amended in the Senate by the Committee on Finance, reducing such presumptive period to 2 years. The House of Representatives accepted the amendment and the bill was enacted as Public Law 174, 82d Congress.

"Because of the onset and course of the various types of the disease of arthritis, it is believed that an extension of the 1-year presumptive period would result in the granting of service connection in many cases that may well have their origin in some other intercurrent injury or disease, but which fact is not capable of being established by the required evidence.

"The present regulatory presumptive period does not preclude the granting of direct service connection for arthritis or psychoses when diagnosed more than 1 year after separation from service or for multiple sclerosis more than 2 years thereafter when the evidence of record is deemed adequate to warrant a finding of service connection.

"The 1-year presumptive period for the service connection of a chronic disease, previously covered by regulation based upon sound medical judgment, was in 1933 incorporated in Veterans Regulations promulgated under Public No. 2, 73d Congress. In 1948 Congress specified certain diseases which, among others, should be deemed chronic, but did not extend the uniform 1-year presumptive period (Public Law 746, 80th Cong.). It was not until 1950 that an exception to the general rule was made in the case of active pulmonary tuberculosis (Public Law 573, 81st Cong.), and in 1951 a further presumption was authorized in the case of multiple sclerosis (Public Law 174, 82d Cong.). As previously indicated, in 1951 the Congress also extended the presumptive period for an active psychosis for the limited purposes of hospital and medical treatment, and in 1953 extended the presumptive period for all other types of active tuberculosis to 3 years. The committee will, no doubt, wish to give careful consideration to the problem of whether the proposed extensions of the presumptive periods for certain diseases will be urged as a precedent for extending the presumptive period for many other chronic diseases.

"In addition to granting service connection for disability and death compensation purposes in a substantial number of cases, the bill, if enacted, would confer the same priority right in such cases to hospitalization by the Veterans' Administration which is now afforded by law to veterans having directly service-connected conditions. Under existing law, the Veterans' Administration is required to furnish hospital care to eligible veterans needing such care for service-connected conditions, and this may be provided in hospitals under the direct control of the Veterans' Administration, through bed allocations in other Government hospitals, or in appropriate cases by contract with State, municipal, or private institutions. By contrast, veterans suffering from non-service-connected disabilities may be furnished hospital care by the Veterans' Administration only if beds are available in Veterans' Administration or other Federal Government hospitals. Further, admission of non-service-connected cases is generally conditioned on the inability of the applicant to defray the cost of hospitalization as established by an affidavit procedure. The bill would also have the effect of providing outpatient treatment for the group affected because of the service-connected status which would be granted to them under the bill. Existing law and regulations generally limit outpatient treatment to those requiring such treatment for service-connected disabilities.

"It is not possible to furnish an estimate of the cost of the bill, if enacted, in view of the many unknown and variable factors. However, it is apparent that the cost would be very substantial. * * *"

Advice has been received from the Bureau of the Budget that the enactment of the proposed legislation would not be in accord with the program of the President.

Reported May 12, 1954 (H. Rept. 1596).

This is on the Consent Calendar of the House.

INCREASED PENSION FOR HOLDERS OF MEDAL OF HONOR, H. R. 8900

Title: To increase the rate of special pension payable to certain persons awarded the Medal of Honor. Mr. RADWAN. Introduced and referred April 27, 1954.

Analysis: Today a holder of the Congressional Medal of Honor who reaches the age of 65 years is entitled to a special pension of $10 a month in addition to any other compensation or pension to which he may be entitled. This bill increases the rate to $100. At the present time there are 395 living holders of the Congressional Medal of Honor.

Digest of report—Veterans' Administration:

"H. R. 8900, if enacted, would increase from $10 to $100 monthly the rate of such special pension for any person whose name has been entered on the Army and Navy Medal of Honor roll. The increase would be effective from the first day of the second calendar month after enactment of the bill.

"According to Senate Report No. 240 on H. R. 4701, 64th Congress, which bill became the act of April 27, 1916, the provision for an award of $10 monthly to holders of a Medal of Honor who had attained the age of 65 years, 'recognizes and rewards in a modest way startling deeds of individual daring and audacious heroism in the face of mortal danger when war is on, deeds that give soul to an army and character to a country.' The policy of the measure as stated in the Senate report is 'to signalize appreciation of that gallant, intrepid, indomitable spirit in war that becomes the best bond to long-continued future peace.' In debates on the

floor of the House on H. R. 4701, an amendment to increase the rate to $18 monthly was rejected after a statement was made that any increased amount would appear to be a matter of paying pension instead of a matter of honor (53 CONGRESSIONAL RECORD, pt. III, p. 2349). In this connection it is significant that H. R. 8900 would increase tenfold the special pension incident to the award of the Medal of Honor.

"As previously noted, the sole responsibility of the Veterans' Administration in connection with the special pension currently authorized is to arrange for its payment to persons certified as entitled thereto by the military departments. H. R. 8900 would not alter this function."

Department of Defense:

"The Department of the Army considers the special pension now authorized for holders of the Medal of Honor as being an additional recognition and not as a means of ascribing a monetary value to an act of heroism, and for that reason feels that the special pension must be of such modest amount that there can be no other interpretation.

"The Department of the Army on behalf of the Department of Defense, therefore, recommends that H. R. 8900 not be enacted.

"It would be impossible to determine the total cost of this bill if enacted, although it is known that at present there are approximately 395 holders of the Medal of Honor still living.

"This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense."

Reported May 12, 1954; House Report 1598.

On Consent Calendar; awaits House action:

STATUTORY AWARD FOR LOSS OF BUTTOCKS, H. R. 7851

Title: To amend the veterans' regulations to provide additional compensation for veterans having the service-incurred disability of loss or loss of use of both buttocks. Mr. HÉBERT. Introduced and referred February 12, 1954.

Analysis: Provides for a statutory award of $47 per month in addition to other compensation for those service-connected veterans who have suffered the loss of both buttocks.

Digest of report (Veterans' Administration):

"The basic rates of compensation for service-connected disability under the act of March 20, 1933, and the veterans regulations issued pursuant thereto, are based generally on the theory that the amount of compensation payable should be proportionate to the degree of disability resulting from injury or disease. In making exceptions to this principle the Congress for many years restricted its special consideration in the form of additional allowances to cases of loss or loss of use of one or more of the extremities, blindness, and for helplessness or a bedridden condition requiring aid and attendance. The loss or loss of use of a creative organ was placed in this category in 1924 for World War I veterans and included in the law applicable to veterans of World War II and the Korean conflict by Public Law 427, 82d Congress, June 30, 1952.

"The authorizing of special rates of compensation in excess of those prescribed according to the degree of disability involves a policy which is primarily for determination by the Congress. But it must be recognized that in the absence of a medical or other sound basis for such special awards they create inequities and are difficult to justify. Singling out the loss or loss of use of both buttocks for a special allowance, as proposed by the bill, would be discriminatory and no doubt lead to requests for special consideration and additional allowances in cases of numerous serious disabilities in other categories, many of which may have equal, if not greater, merit.

"It is believed that the basic principle that the amount of compensation payable should be proportionate to the degree of disability is sound, and that legislative proposals to make additional exceptions, if favorably acted upon, may contribute to adverse criticism and possible impairment of the compensation program.

"Statistics are not available to show the number of veterans who might qualify for the additional compensation as provided in the bill since it is not possible to identify those on the rolls whose disability meets the condition specified. Therefore no estimate of cost is submitted, but it is believed the cost would be negligible."

Reported May 12, 1954; House Report 1592.

This is on Consent Calendar of the House:

STATUTORY RATE FOR CERTAIN LOSSES, H. R. 7712

Title: To amend the veterans regulations to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb. Mrs. ROGERS of Massachusetts. Introduced and referred February 3, 1954.

Analysis: Provides a statutory rate of compensation of $266 a month for veterans who have lost an eye in combination with the loss of a limb. The rate today varies depending on the severity of the disability, and this bill would put this class of veterans on a parity with those who have lost both legs or both hands or are blind.

Digest of report (Veterans' Administration):

"The World War Veterans' Act, 1924, as amended, provided a rate of $100 monthly for total permanent disability and an additional sum of $50 monthly if the disabled person was so helpless as to be in need of a nurse or attendant. The act provided a statutory total permanent disability rating for the loss or loss of use of 1 hand or 1 foot with blindness of 1 eye. However, these conditions of themselves have generally not been considered as requiring regular aid and attendance and have not been paid the additional allowance for a nurse or attendant. The $50 allowance was, however, generally paid to persons having lost, or lost the use of both hands, or both feet, or of both eyes, or of 1 foot and 1 hand. Under Public Law 2, 73d Congress, and Veterans Regulation No. 1 (a), as amended, the rates for permanent total disability and for disability causing need for regular aid and attendance were combined into 1 rate of $150 (now $266), and this rate was made applicable to the 4 combinations presently included in subparagraph (1), supra, namely, the anatomical loss or loss of use of both hands, or both feet, or of 1 hand and 1 foot, or blindness in both eyes, with 5/200 visual acuity or less. This rate was not provided for the loss or loss of use of 1 hand and 1 eye or 1 foot and 1 eye because, as indicated, such losses generally do not require the regular aid and attendance of another person.

"The bill, if enacted, would provide the same rate of compensation for veterans who generally do not require regular aid and attendence as is now provided for those who do require regular aid and attendance.

"The basic rates of compensation for service-connected disability under the act of March 20, 1933, and the veterans regulations issued pursuant thereto, are based generally on the theory that the amount of compensation payable should be proportionate to the degree of disability resulting from injury or disease. The authorizing of special rates of compensation in excess of those prescribed according to the degree of disability involves a policy which is primarily for determination by the Congress. But it must be recognized that in the absence of a medical or other sound basis for such special awards they create inequities and are difficult to justify.

"The Veterans' Administration does not have available data on which to base an estimate of the cost of the bill, if enacted.

"It is believed that the basic principle that the amount of compensation payable should be proportionate to the extent of disability is sound and that legislative proposals to make additional exceptions, if favorably acted upon, may contribute to adverse criticism and possible impairment of the compensation program. Accordingly, the Veterans' Administration is unable to recommend favorable consideration of H. R. 7712 by your committee."

Reported May 12, 1954; House Report 1591.

GUATEMALA

The SPEAKER. Under special order heretofore entered, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, a few days ago I talked with Col. Carlos Castillo Armas, the head of the new anti-Communist government in Guatemala, with the members of the junta and with other top leaders who helped to drive the Communists out from their principal beachhead in the Western Hemisphere. I was the first Member of the United States Congress to visit Guatemala in a long, long time. The welcome they gave me is indicative of their sincere interest in and friendship for the United States. The new leaders of Guatemala are determined not only to purge their country of communism but also to follow a democratic and realistic program for the improvement of the lot of the Guatemalan workingmen and farm workers. They are sincere friends of the United States and deserve our help in carrying out their program.

The importance of what has happened in Guatemala can scarcely be overestimated. It is the first time since the war that any country has totally thrown off the yoke of communism, and apart from Yugoslavia, Guatemala is the only country which once within the grasp of the Soviets has slipped away. This should be an encouragement to all peoples who resist communism.

In Guatemala, the utter depravity of the Communist system was fully revealed. Before Castillo Armas revolted against the Communist-front government of President Arbenz, we had all seen how the Communists had come to run the government there from behind the scenes, how they had gained control of the labor movement and used the workers for political purposes, and how they had spread the poison of anti-American propaganda to break down the spirit of cooperation which should exist between us and our Latin American neighbors. However, it was not until Arbenz was overthrown that the full rottenness was exposed. While I was in Guatemala, they were still looking for mass graves where anti-Communists, most of them simple workers and farmers, had been dumped after they had been tortured, mutilated, and finally killed. In their flight, Arbenz and his followers robbed the treasury of more than $1 million in cash, but did not pay for several weeks the wages of the gov-

ernment road workers whose back pay by coincidence amounted to almost exactly the same sum.

Now the leaders of Castillo Armas' government have the enormous job of reconstructing the country. They all told me that they did not wish to turn the clock back to the old-fashioned dictatorships that Guatemala had until 10 years ago. They want to consolidate and extend the social gains of the workingmen and farm laborers which the previous Communist-front government promised but did not deliver. They have promised the labor unions freedom to operate normally, on the sole condition that they keep Communists out, and representatives of our A. F. of L. and CIO have already gone down to Guatemala to help the unions there with their problems of reorganization. They have guaranteed that the land justly distributed under the old agrarian-reform law will not be taken away, and that they will pass a new law giving the farmers this land as their private property instead of merely making them tenants of an all-powerful state as the previous Communist-front government did. Most of all they are interested in developing the country's economy in order that the people there can have a better life and be immune to the Communist virus.

In this program, Guatemala needs help. Castillo Armas' government has already pledged that foreign capital investment will be welcomed and protected so long as it conforms to the law and gives Guatemalan workers just treatment. But beyond private investment there are other steps to be taken. The technical assistance program should be stepped up immediately. It provides a means of showing the Guatemalan people, particularly in the rural areas, that the democratic side delivers results where the Communists gave them only empty promises. We should also resume as quickly as possible our contribution to the completion of the Inter-American Highway in Guatemala, where an unfinished 25-mile section is all that is lacking for a passable through highway from the United States to Guatemala and beyond. The opening of this highway would be of strategic value to us and of great benefit to the economy of Guatemala, and the leaders there have put it at the head of their list of public works projects. Another project meriting our help is the Roosevelt Hospital, which is to be the largest in Central America and a symbol of the cooperation between the United States and the people in that area. The former Communist-front government in Guatemala did not back this project, but the new government is anxious to do its share to complete it in cooperation with us.

These are some of the things we should do to show Guatemala's new government and the people behind it who courageously stood up to communism, that we are ready to cooperate with them in solving the problems which confront them. Communism has been rolled back from its principal bridgehead in this hemisphere and now the job is to clean up the wreckage it left behind.

No report on Guatemala would be complete without credit for the great work done there by United States Ambassador John E. Peurifoy. By his work and bearing, he represents the best type of American diplomacy. He upholds the dignity and prestige of the United States, but he is sympathetic to the deserving problems of the nation to which he is accredited. When Ambassador Peurifoy first went to Guatemala, the American flag no longer flew above the American Embassy. The Communists were riding high and by threats and intimidation, they had frightened the Americans into almost complete inactivity. Peurifoy not only ordered the American flag immediately to be flown above the embassy, but he also flew it on his automobile where everyone would know that Americans are proud of their flag and their Nation and have no fear of gangster methods. When threats of revolution filled the air in that fear-ridden country, Ambassador Puerifoy showed no concern for his personal safety and when the revolution actually broke out the foes of communism naturally turned to him for advice. He took part freely in the negotiations which lead to a successful conclusion for democracy. A man of smaller stature would have hidden behind protocol and we very probably would have seen another triumph for communism. Ambassador Peurifoy, by his courageous and forthright stand, enjoys the confidence of the government and the acclaim of the populace.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Ohio.

Mr. McGREGOR. Mr. Speaker, I would like to take this opportunity to pay my respects to the distinguished gentleman from Florida. It was my privilege to be associated with him at the sixth Pan-American Road Conference and I want to say publicly that he did an excellent job down there and I am sure all will learn of his excellent work at a future date.

Mr. SIKES. My friend is very kind and I certainly want to return the compliment because he was one of the real leaders in the very important work done in the sixth Pan-American Road Conference.

THE LATE GRANTLAND RICE

The SPEAKER. Under special order heretofore entered, the gentleman from New York [Mr. WAINWRIGHT] is recognized for 15 minutes.

Mr. WAINWRIGHT. Mr. Speaker, on the 13th of this month one of America's greatest sportswriters left his many friends for the new world that exists beyond. Fortunately, he left behind in this world not only great personal memories but also a wealth of articles, columns and poems.

One of the basic philosophical contentions contained in the writings of Shakespeare, and particularly in his sonnets, was the powerful thought that no matter whether man came or went, that no matter what he constructed of a material nature—time would destroy all. Yet, a poet's verse, the story of a wise author, or the melody of an excellent composer live on forever. And so Grantland Rice will join the happy few who belong to posterity.

It appears to be the vogue, today, to create antagonisms. Newspaper writers say that they have a story only if they can pit one man against another. Granny Rice never followed this theme. And who can deny that he was the sports dean of our generation? Granny Rice pointed out the good that was in a man. Granny Rice emphasized the achievements and accomplishments of the particular sports hero. He minimized the petty, the small, or the foul conflicts upon which minor men breed.

This humble man was born in Murfreesboro, Tenn., in November of 1880. He attended Nashville Military Academy, graduating from Vanderbilt University in 1901. He married his dear Kate in 1906. Their only child, Florence, is a successful actress. Mr. Rice worked successively with the Nashville News, Forester Magazine, Atlanta Journal, Cleveland News, Nashville Tennessean, and the old New York Mail. For 15 years he worked for the New York Tribune, and, since 1930, he has had a syndicated column entitled The Sportlight. Granny Rice served his country in 1918 and 1919 as a 1st lieutenant in the 30th Division in France.

From the midtwenties until the war it was my privilege to be Grantland Rice's next-door neighbor in East Hampton, Long Island. As a small boy I used to cross the rail fence that separated our property and visit with this fine man and his charming, friendly, sweet wife. The porch door was always open. He was always ready for a discussion of the important events of the day. Remember, now, that the important events of the day to a teenage boy in the midthirties was, "How is Joe Louis going to do in his first big fight?", or "Is Babe Ruth really through?" or "Why did Helen Wills walk off the court when being given a trouncing by Helen Jacobs?" And, Granny Rice always had the right answer, putting sportsmanship in its proper light. For example, Mr. Rice's most famous lines now give mute tribute to the underlying philosophy of the man. His life matched these lines:

> When the Great Scorer comes
> To mark against your name,
> He'll write not "won" or "lost,"
> But how you played the game.

Bob Cooke in his article in the New York Herald Tribune on July 15 presented several examples of Grantland Rice's most human side:

> The ordinary baseball writer, entering a dugout, has to remind the ballplayers what his name is. He reintroduces himself more often than a minor league politician. In the case of Grantland Rice, the routine was reversed. Yankess, whom Rice didn't know, introduced themselves to him. Ballplayers don't come by this habit every day.
>
> An enduring quality of Granny Rice was his enthusiasm. He never lost interest in any sport and he'd enjoy the tale of the goifing duffer who'd just broken 95, as much as a conversation piece by Bill Dickey about the Yankee teams of yore.
>
> Though Granny had more rank as a writer of sports than any of his colleagues, he had a way with young reporters which was warm,

friendly, and sincere. He was very good to them, and would listen to their problems more like a father confessor than an associate.

And one special incident from Mr. Cooke's article, never before reported, belongs as part of this brief history:

It occurred at Hialeah, several years ago, when three people were lunching in the clubhouse prior to the first race. Included in the group was Richards Vidmer, former New York Herald Tribune sports columnist and lifelong friend of Mr. Rice.

Between courses, a member of the luncheon party excused himself and headed for the daily double windows. On his return, he looked at Vidmer and said, "Say, I've just met the greatest guy you ever saw."

"Who's that?" Vidmer idly inquired.

"Grantland Rice."

To which Vidmer promptly replied: "That's the most unoriginal remark I ever heard."

I believe the inspiration for what could be entitled "Journey's End" might have come to him one wind-swept, fall day as he stood watching the ocean spray on the tall dune in front of his house in East Hampton. I can imagine him turning back from the gray sea and the long black land as the sun had set. I can imagine him smiling a little and walking into his library, sitting down and writing—

I'm going home some day—
So moves the dream of all the roving world,
The seekers of far lands who've lost their way,
God's countless aliens by the current whirled
From out the harbor and by tempest tossed,
To unknown lands where they must ever roam,
And this is all that makes life worth the cost,
This endless dream—some day I'm going home.

AMENDMENT TO CONSTITUTION OF THE UNITED STATES RELATIVE TO FUTURE AMENDMENTS

The SPEAKER. Under special order heretofore entered, the gentleman from Illinois [Mr. REED] is recognized for 15 minutes.

Mr. REED of Illinois. Mr. Speaker, I have today introduced House Joint Resolution 568 proposing an amendment to the Constitution of the United States relative to procedure for the consideration of future amendments. Of course any thought of urging its consideration at this session of Congress is farthest from my mind. It is introduced at this time in order that the Members may have the opportunity during the next 5 months to read and study it and if Dame Fortune and the good voters of the district I represent favor me, come November next, I shall reintroduce it early in the 1st session of the 84th Congress and urge its consideration and submission to the various States for ratification. The gentleman from Pennsylvania [Mr. WALTER] has likewise today introduced House Joint Resolution 569, which is identical to House Joint Resolution 568.

Article 10 of the Bill of Rights reads:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

Our Founding Fathers might well have added, "except the power to propose amendments to the Constitution."

The resolution I have introduced preserves the existing methods of amendments to the Constitution and adds a third one. Method No. 1 is the one which has hitherto been used. It provides that a resolution proposing an amendment must originate in the Congress, must pass both Houses by a two-thirds majority of each, after which to become effective it must be ratified by three-fourths of the States. Method No. 2 must originate with the States wherein the legislatures of two-thirds of the States make application to the Congress to call a convention for the purpose of proposing amendments. If the convention proposed any amendments, they would be submitted to the States and, again, to become effective must be ratified by three-fourths thereof. This method has never been used. It was probably intended to be resorted to in case occasion should ever require a general overhauling of the Constitution on a large scale. It requires action by the legislatures of two-thirds of the States to make application and by the Congress to call the convention, set up when and where it should meet, the number of delegates of whom it should be composed, the method by which the delegates should be chosen, probably temporary rules for the organization of the convention, and probably compensation for the delegates to the convention and the general expenses in connection therewith. In this case also the proposals, if any, as the result of the deliberations of the convention to be effective must be ratified by three-fourths of the States.

The third method which I propose in the current resolution requires no action from the Congress whatever. It provides for no conventions. It originates with the States, stays within control of the States, and when ratified by three-fourths of them becomes a part of the basic law of the land.

In short, it provides that the legislature of any State may propose an amendment to the United States Constitution by passing the proposal by a two-thirds majority of each house of the State legislature and then transmitting a certified copy of the proposal to the Secretary of State of the United States and to the secretaries of state of each of the several States. When certified copies of the resolutions of any 12 of the legislatures of the several States by a two-thirds vote of each house thereof shall be concurred therein, it shall be deemed to have been submitted to the States for ratification and shall be valid to all intents and purposes as a part of the Constitution when ratified by three-fourths of the States in the same manner as all constitutional amendments.

Section 2 of the proposed amendment provides that the act of proposal, concurrence in the proposal or ratification of an amendment, shall not be revocable. This extends the same rule of law as now applies to ratification of an amendment to the proposal and concurrence of 11 other States to the proposal.

Section 3 of the proposed amendment provides that a proposal shall be inoperative unless it shall have been concurred in by 12 States within 7 years from the date of the proposal and unless it shall be ratified by three-fourths of the several States within 15 years from the date of its submission or for such shorter period as may be prescribed in the resolution proposing the amendment.

Section 4 of the proposed amendment provides that controversies respecting the validity of an amendment shall be justiciable and may be determined by the exercise of the judicial power of the United States.

If this resolution I have introduced carries and eventually becomes a part of the Constitution, then that basic law may in the future be amended upon ratification of three-fourths of the various States upon, first, a proposal submitted by two-thirds of each House of Congress, as it exists at present; or, second, a proposal submitted by two-thirds of the States for a constitutional convention which must be called by the Congress and legislation for the time and place of the convention, the number of delegates, the manner of their selection, their compensation, if any, and the general expenses of the conventions, as exists at present; or, third, a proposal eminating from the States when two-thirds of each house of the legislature shall pass identical resolutions for submission of the proposed amendment.

In other words, in the future, if the amendment I propose should be adopted and ratified, proposals to amend the Constitution would come, first, wholly on the part of Congress; or, second, on the part of the States and the Congress; or, third, on the part of the States.

I trust this proposed amendment will, in the 84th Congress, receive the serious thought and consideration of its Members.

For the convenience of the Members, I attach hereto as a portion of my remarks, the text of House Joint Resolution 568:

Joint resolution proposing an amendment to the Constitution of the United States relating to the procedure for amending the Constitution

Resolved by the Senate and House of Representatives of the United States of America in Congressess assembled (two-thirds of each House concurring therein), That in lieu of article V of the Constitution of the United States, the following article is proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several States, shall be valid, to all intents and purposes, as part of the Constitution:

"ARTICLE —

"SEC. 1. The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or on the application of the legislatures of two-thirds of the several States shall call a convention for proposing amendments. or the legislature of any State, whenever two-thirds of each house shall deem it necessary, may propose amendments to this Constitution by transmitting to the Secretary of State of the United States and to the secretary of state of each of the several States a certified copy of the resolution pro-

posing the amendment, which shall be deemed submitted to the several States for ratification when certified copies of resolutions of the legislatures of any 12 of the several States by two-thirds of each House shall have been so transmitted concurring in the proposal of such amendment; which, in any case, shall be valid to all intents and purposes as part of this Constitution when ratified by the legislatures of three-fourths of the several States; provided, that no State, without its consent, shall be deprived of its equal suffrage in the Senate.

"SEC. 2. The act of proposal, concurrence in a proposal, or ratification of an amendment, shall not be revocable.

"SEC. 3. A proposal of an amendment by a State shall be inoperative unless it shall have been so concurred in within 7 years from the date of the proposal. A proposed amendment shall be inoperative unless it shall have been so ratified within 15 years from the date of its submission, or shorter period as may be prescribed in the resolution proposing the amendment.

"SEC. 4. Controversies respecting the validity of an amendment shall be justiciable and shall be determined by the exercise of the judicial power of the United States."

SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. SHELLEY.

Mr. MILLER of Nebraska on the subject of Puerto Rican independence.

Mr. O'KONSKI and to include a table.

Mr. YORTY in eight instances.

Mr. RODINO in two instances.

Mr. WILLIAMS of New Jersey.

Mrs. SULLIVAN in two instances.

Mr. JAVITS and to include extraneous matter.

Mr. TOLLEFSON and to include additional matter.

Mr. PELLY in two instances.

Mr. HUNTER and to include additional matter.

Mr. SAYLOR.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mrs. FRANCES P. BOLTON (at the request of Mr. ARENDS) for this day on account of official business.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5173. An act to provide that the excess of collections from the Federal unemployment tax over employment security administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 8 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, July 27, 1954, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1770. A letter from the Secretary of the Air Force, transmitting a draft of legislation entitled "A bill to amend section 243 (a) (3) of the Armed Forces Reserve Act of 1952 relating to allowances for uniforms and equipment"; to the Committee on Armed Services.

1771. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 8, 1954, submitting a report, together with accompanying papers and illustrations, on a review of project for flood control, Mississippi River and tributaries with respect to Old River control, prepared in accordance with section 6 of the River and Harbor Act approved August 30, 1935 (H. Doc. No. 478); to the Committee on Public Works and ordered to be printed, with three illustrations.

1772. A letter from the Acting Secretary of the Army, transmitting a draft of legislation entitled "A bill to provide for the operation and maintenance of certain flood-control projects by local interests"; to the Committee on Public Works.

1773. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 22, 1954, the following bill was reported on July 24, 1954:

Mr. TABER: Committee on Appropriations. H. R. 10051. A bill making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes; without amendment (Rept. No. 2490). Referred to the Committee of the Whole House on the State of the Union.

[Submitted July 26, 1954]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 2744. An act to provide for the termination of Federal supervision over the property of the Alabama and Coushatta Tribes of Indians of Texas, and the individual members thereof; and for other purposes; with amendment (Rept. No. 2491). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 2746. An act to provide for the termination of Federal supervision over the property of certain tribes and bands of Indians located in western Oregon and the individual members thereof, and for other purposes; with amendment (Rept. No. 2492). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. S. 3532. An act to provide for the partition and distribution of the assets of the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah between the mixed-blood and full-blood members thereof; and for the termination of Federal supervision over the property of the mixed-blood members of said tribe; to provide a development program for the full-blood members of said tribe; and for other purposes; with amendment (Rept. No. 2493). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 9582. A bill to provide for the transfer of excess property to the Territorial Government of Alaska; with amendment (Rept. No. 2494). Referred to the Committee of the Whole House on the State of the Union.

Mr. BISHOP: Joint Committee on the Disposition of Executive Papers. House Report No. 2496. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mrs. BOLTON: Committee on Foreign Affairs. House Resolution 648. Resolution to extend greetings to the Gold Coast and Nigeria; without amendment (Rept. No. 2497). Referred to the House Calendar.

Mr. FULTON: Committee on Foreign Affairs. H. R. 9988. A bill for the relief of the Federal Republic of Germany; without amendment (Rept. No. 2498). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURDICK: Committee on the Judiciary. H. R. 5183. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon a certain claim of the Board of County Commissioners of Sedgwick County, Kans.; with amendment (Rept. No. 2522). Referred to the Committee of the Whole House on the State of the Union.

Mr. MERROW: Committee on Foreign Affairs. H. R. 8684. A bill to provide for a reciprocal and more effective remedy for certain claims arising out of the acts of military personnel and to authorize the pro rata sharing of the cost of such claims with foreign nations, and for other purposes; without amendment (Rept. No. 2523). Referred to the Committee of the Whole House on the State of the Union.

Mr. JACKSON: Committee on Foreign Affairs. House Joint Resolution 565. Joint resolution to amend the joint resolution providing for the membership of the United States in the Pan American Institute of Geography and History and authorize appropriations therefor; without amendment (Rept. No. 2524). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 686. Resolution for consideration of H. R. 10051, a bill making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes; without amendment (Rept. No. 2528). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 687. Resolution for consideration of S. 2033, an act relating to the labeling of packages containing foreign-produced trout sold in the United States, and requiring certain information to appear on the menus of public eating places serving such trout; without amendment (Rept. No. 2529). Referred to the House Calendar.

Mr. REED of New York: Committee of conference. H. R. 8300. A bill to revise the internal revenue laws of the United States (Rept. No. 2543). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 6451. A bill to provide for the conveyance to Robert Ward Morgan and others of certain real property in Box Elder County, Utah; with amendment (Rept. No. 2495). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. House Resolution 659. Resolution providing for sending to the United States Court of Claims the bill (H. R. 9334) for the relief of Walter W. Flora and Mildred L. Flora, doing business as Flora Engineering Co.; without amendment (Rept. No. 2499). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 3665. A bill for the relief of Marko Ribic; without amendment (Rept. No. 2500). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 6149. A bill for the relief of Ekea Jahns; with amendment (Rept. No. 2501). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 7987. A bill for the relief of Roger Feghali; without amendment (Rept. No. 2502). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 8371. A bill for the relief of Mrs. Diana P. Kittrell; without amendment (Rept. No. 2503). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on the Judiciary. H. R. 8694. A bill for the relief of Suzanne L'Heureux; without amendment (Rept. No. 2504). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 8812. A bill for the relief of Robert Francis Symons; with amendment (Rept. No. 2505). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on the Judiciary. H. R. 9029. A bill for the relief of Paul James Patrie; without amendment (Rept. No. 2506). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. H. R. 9440. A bill for the relief of Ingeborg Elizabeth Davis (nee Eisenreider); without amendment (Rept. 2507). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 9496. A bill for the relief of Elisabeth Hoeft; without amendment (Rept. No. 2508). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 65. An act for the relief of Joseph Flury Paluy; without amendment (Rept. No. 2509). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1212. An act for the relief of Alice Masaryk; without amendment (Rept. No. 2510). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 1600. An act for the relief of Esther Saporta; without amendment (Rept. No. 2511). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2176. An act for the relief of Maly Braunstein and Aurelia Rappaport; without amendment (Rept. No. 2512). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2257. An act for the relief of Luigi Cicchinelli; without amendment (Rept. No. 2513). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2295. An act for the relief of Irma Mueller Koehler Cobban; without amendment (Rept. No. 2514). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2340. An act for the relief of Alphonsus Devlin; without amendment (Rept. No. 2515). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2448. An act for the relief of Frantisek Vyborny; without amendment (Rept. No. 2516). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2469. An act for the relief of Francisco Vasquez-Dopazo (Frank Vasquez); without amendment (Rept. No. 2517). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2493. An act for the relief of Ingeborg Bodgner Johnson; without amendment (Rept. No. 2518). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2504. An act for the relief of Elisa Albertina Cioccio Rigazzi or Elisa Cioccio; without amendment (Rept. No. 2519). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 3514. An act for the relief of Mrs. Oveida Mohrke and her son, Gerard Mohrke; without amendment (Rept. No. 2520). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 9814. A bill for the relief of Alfio Capizzi; without amendment (Rept. No. 2521). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. House Resolution 684. Resolution providing for sending to the United States Court of Claims the bill (H. R. 10017) for the relief of William T. Dorminy; without amendment (Rept. No. 2525). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6531. A bill for the relief of Pauline H. Corbett; with amendment (Rept. No. 2526). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 384. An act for the relief of Robert H. Webster; without amendment (Rept. No. 2527.) Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 1216. An act for the relief of Karl L. von Schlieder; without amendment (Rept. No. 2530). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 1434. An act for the relief of William B. Baker and Don P. Fankhauser; without amendment (Rept. No. 2531). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 1615. An act for the relief of Lt. Col. George P. Price; without amendment (Rept. No. 2532). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 1757. An act for the relief of Clair F. Bowman; without amendment (Rept. No. 2533). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 1795. An act for the relief of Fred and Bernice Ehlers; without amendment (Rept. No. 2534). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 1925. An act for the relief of Lt. Col. Carl E. Welchner, United States Air Force; without amendment (Rept. No. 2535). Referred to the Committee on the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 2147. An act for the relief of Terrence Waller; with amendment (Rept. No. 2536). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 2240. An act for the relief of Mrs. Carl Dobratz; without amendment (Rept. No. 2537). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 2266. An act for the relief of Walter P. Sylvester; without amendment (Rept. No. 2538). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 2455. An act for the relief of Mrs. S. Eugene Lamb; without amendment (Rept. No. 2539). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 2553. An act for the relief of Joseph V. Crimi, father of the minor child, Joseph Crimi; with an amendment (Rept. No. 2540). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 2693. An act for the relief of Robert Lee Williams; with amendment (Rept. No. 2541). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. S. 2823. An act for the relief of Joseph H. Hedmark, Jr.; without amendment (Rept. No. 2542). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, pursuant to the order of the House of July 22, 1954, the following bill was introduced on July 24, 1954:

By Mr. TABER:

H. R. 10051. A bill making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes; to the Committee on Appropriations.

[*Introduced and referred July 26, 1954*]

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEARNS:

H. R. 10052. A bill to authorize Federal payments to enable the States to expand their school construction programs; to the Committee on Education and Labor.

By Mr. BARRETT:

H. R. 10053. A bill to amend the Civil Service Retirement Act of May 29, 1930, to liberalize the retirement benefits of female officers and employees; to the Committee on Post Office and Civil Service.

By Mr. GUBSER:

H. R. 10054. A bill to amend section 6 of the act of December 19, 1913, so as to permit the sale of water rights thereunder to public utilities which are subject to the jurisdiction of the Public Utilities Commission of the State of California; to the Committee on Interior and Insular Affairs.

By Mr. HYDE:

H. R. 10055. A bill to amend subsection (e) of title 47, section 1601 of the Code of Laws of the District of Columbia, 1951 edition; to the Committee on the District of Columbia.

By Mr. JOHNSON of California:

H. R. 10056. A bill to provide a limitation on the application of section 691, Internal Revenue Code of 1954, and of section 126, Internal Revenue Code of 1939, to prevent confiscatory double taxation of livestock, growing and harvested crops in the estates of deceased farmers; to the Committee on Ways and Means.

By Mr. MASON:

H. R. 10057. A bill to amend section 812 (d) of the Internal Revenue Code with respect to the deduction of inheritance, succession, or other death taxes imposed by law other than Federal; to the Committee on Ways and Means.

By Mr. MOULDER:

H. R. 10058. A bill to provide emergency relief in the drought-stricken areas of the United States, and for other purposes; to the Committee on Agriculture.

By Mr. REED of Illinois:

H. R. 10059. A bill to provide for the relief of certain members of the Army, Navy, and Air Force, and for other purposes; to the Committee on the Judiciary.

By Mr. RHODES of Arizona:

H. R. 10060. A bill to enable the State of Arizona and the town of Tempe, Ariz., to convey to the Salt River Agricultural Improvement and Power District, for use by such district, a portion of certain property heretofore transferred under certain restictions to such State and town by the United States; to the Committee on Interior and Insular Affairs.

By Mr. RILEY:

H. R. 10061. A bill to authorize the Administrator of Veterans' Affairs to reconvey to Richland County, S. C., lands surplus to the needs of the Veterans' Administration Hospital Reservation, Columbia, S. C.; to the Committee on Veterans' Affairs.

By Mr. KNOX:

H. R. 10062. A bill to amend section 172 (g) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. CANNON:

H. R. 10063. A bill to authorize the payment of damages to the landowners of certain drainage districts in Missouri, arising from the construction and operation of navigation pools in the Mississippi River; to the Committee on Public Works.

By Mr. DONOHUE:

H. R. 10064. A bill to provide for the establishment of a Veterans' Administration center for domiciliary and chronic care at the Cushing Veterans' Administration Hospital at Framingham, Mass.; to the Committee on Veterans' Affairs.

By Mr. REED of Illinois:

H. J. Res. 568. Joint resolution proposing an amendment to the Constitution of the United States relating to the procedure for amending the Constitution; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 569. Joint resolution proposing an amendment to the Constitution of the United States relating to the procedure for amending the Constitution; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States relative to senate joint resolution No. 4, rescinding a resolution proposing an amendment to the Constitution of the United States relative to taxes on income, inheritance, and gifts, adopted February 25, 1944; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES (by request):

H. R. 10065. A bill for the relief of Mario Fernandes Mano; to the Committee on the Judiciary.

By Mr. BENDER:

H. R. 10066. A bill for the relief of Alice Jane Brookins; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 10067. A bill for the relief of Thomas F. Harney, Jr., doing business as the Harney Engineering Co.; to the Committee on the Judiciary.

By Mr. ENGLE:

H. R. 10068. A bill for the relief of Toshiko Hiro; to the Committee on the Judiciary.

By Mr. HOLT (by request):

H. R. 10069. A bill for the relief of Rosy Vong Juin Tseng; to the Committee on the Judiciary.

By Mr. HORAN:

H. R. 10070. A bill for the relief of Maria Pizzarello; to the Committee on the Judiciary.

By Mr. POWELL:

H. R. 10071. A bill for the relief of Adeline Nixon; to the Committee on the Judiciary.

By Mr. WILLIAMS of New York:

H. R. 10072. A bill for the relief of Elena Gigliotti; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

1121. Mr. HOSMER presented a petition of members of Burns Memorial Evangelical United Brethren Church of Long Beach, Calif., for legislation preventing the interstate transportation of alcoholic beverages and prohibiting the advertisement thereof on television and radio, and for similar purposes, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Strengthening the United Nations Organization and the Threat of Communist China

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. RODINO. Mr. Speaker, the issue of Chinese representation in the United Nations organization has a direct and vital bearing upon the broader question of strengthening the United Nations through revision of the charter. The framers of the United Nations Charter wisely made provision under article 109 for the convening of a special conference for review of the charter if the member nations so desired. From present evidence that conference will probably be held within the next year or two. In anticipation of the revision conference the Senate, in July of last year, passed a resolution providing that a subcommittee of the Committee on Foreign Relations make a full and complete study of proposals to amend, revise, or otherwise modify international security organizations. In September of last year the Secretary of State called for a broad public discussion on revision of the United Nations Charter, preliminary to the forthcoming conference. The Senate Foreign Relations Subcommittee is preparing staff studies on many of the problems related to charter revision Hearings are being conducted in major cities throughout the United States.

We are informed that the American people—community organizations, service clubs, university groups, church bodies, professional groups, and private citizens in all walks of life—are inundating the subcommittee with correspondence and testimony. This evidence of a widespread interest in the United Nations is accompanied by realistic popular awareness that the charter is not an infallible instrument. It is recognized that the perfection of machinery for the settlement of international disputes and the maintenance of peace is an evolutionary process. The far-reaching search for means of strengthening the United Nations reflects not only evidence of inherent weakness in the present charter but a potential for strength which comes with experience and maturity.

It appears evident that such aspects of charter revision as relate to the composition and powers of the Security Council, the veto, and membership cannot be divorced from the question of representation of Communist China. More significantly, the issue of Communist Chinese representation brings into question the very purposes and principles on which the United Nations has been founded.

I call attention to charter revision since it is of profound concern to every American citizen, affecting as it does, the establishment of institutions which may preserve the peace long after the Chinese Communist regime is forgotten. Yet, the danger looms that in its present stage of development, the United Nations may be destroyed from within. While endeavoring to perfect the machinery of the United Nations, the organization is threatened, perhaps not so much by its structural frailties as by a possible compromise of the principles which provide the basis of its moral strength.

Notwithstanding mechanical failings, the United Nations will survive so long as a predominant will exists for the peaceful settlement of international conflicts and for the enforcement of collective action against those nations that violate the peace. However, the insinuations of a defiant, reckless, ambitious, and aggressive power into its midst, as a result of the abandonment of principle, would spell disintegration and perhaps even disaster for the United Nations.

If the strength of the United Nations depends upon the will for peace among its members and if the charter prescribes a willingness to carry out the obligations of the charter as a condition of admission of new members, by what reasoning can less strict criteria be applied to the admission of a new government to represent a state already a member? In the light of the standards of admission the exclusion of the Mao Tse-tung regime is predetermined by the very conduct of that regime. That conduct

within China is documented in brainwashing, blood, starvation, forced labor, and the liquidation of literally millions of so-called counterrevolutionaries.

In its international conduct the Mao government has openly demonstrated its irresponsibility by renouncing and voiding the existing treaty and financial obligations of China. The normal and decent processes of diplomatic relations have been spurned. In attempting to qualify as a peace-loving state, willing to carry out the obligations of the charter, the regime defied the United Nations in its effort to repel aggression and to unify Korea. Chinese use of armed force was not only directed against the very society of nations the regime now aspires to join but was in defiance of purposes and principles which if sacrificed would mean the destruction of the United Nations itself. While inflicting this tragic misery the Mao regime demonstrated the depraved depths to which it could sink in atrocities committed against United Nations prisoners. It then attempted to camouflage its violation of international law by a coldly calculated propaganda tirade charging the United Nations command with the practice of germ warfare. In evidence of the sanctity in which this regime holds international accords, it has callously ignored its solemn acceptance of the restrictions imposed in the Korean armistice agreement. Until a solution is reached in Korea a de facto state of hostility exists between the United Nations and this regime.

Since the case against Chinese Communist representation in the United Nations is clearly grounded on the inability of that government to meet the admission tests of the Charter, there is little to be gained in rationalizations of expediency. To cast the question in the light of a possible relaxation of tensions in the East-West conflict or in the cold war or in terms of the advantages of resumed trade or even in the context of the free world versus communism, is to obscure the central issue, namely, the fact that the regime by its demonstrated actions does not meet the test for admission. To place the issue in the context of worldwide political considerations rather than on the concise basis of nonqualification might lead to the sacrifice of moral principle to Machiavellian intrigue.

The Chinese Communist government says in effect: either we are admitted to the United Nations or we continue to threaten Korea; threaten Indochina and southeast Asia; threaten Formosa; continue to foment separatist movements; continue to ignore the sanctity of treaties and the sanctity of territorial boundaries; and continue to hold United States citizens in confinement as hostages. For the United Nations to capitulate to this international blackmail would be for the forces of law and order to capitulate to the gangster. It would condone the behavior of a regime which has been an object of United Nations collective action. It would mean surrender to the evils of sponsored aggression and international anarchy. It would be the extinction of that great intangible moral force which is the strength of the United Nations. While striving to strengthen and perfect the autonomy of the United Nations we can ill afford, in the interest of expediency, to barter away through the admission of Red China those principles which are its very lifeblood.

The Atomic Energy Bill

EXTENSION OF REMARKS
OF
HON. HARRISON A. WILLIAMS, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. WILLIAMS of New Jersey. Mr. Speaker, it is terribly unfortunate that the much needed and relatively noncontroversial international proposal contained in the atomic energy bill was reported out with the overall measure containing many highly controversial and questionable provisions. The attempt to force a vote on so many aspects of the atomic energy program in one package is terribly ill advised. I favor the President's international proposal with respect to atomic energy and would give it my wholehearted support were it contained in a separate bill.

There were many other provisions in the bill with which I was in enthusiastic agreement. For instance, the Commission would be directed to exercise its powers to insure continued research and developments and to make arrangements with private or public institutions for the use of nuclear energy in medical, biological, agricultural, and health areas. I was in complete agreement with this provision.

But the overriding fact is that the bill, as it was finally amended, would put this country in the position of speculating as to whether or not we would move on to develop full utilization of atomic energy. The patenting provisions contained in the President's original recommendation were wholly changed by the action of the House. The President's worthwhile suggestion that new atomic methods should be open to all private developers through compulsory licensing was changed, in the amending process, to exclusive patents. This would mean that a single private firm could withhold development of the process for many years because of economic reasons of its own. I feel that we can't risk this possibility when we face the hard fact that in the Soviet Union the development of atomic energy for multiple purposes is proceeding at breath-taking speed. In the interest of defense, this Nation must keep up, and if we fail in this we may fail in all. Compulsory licensing would assure the most rapid progress possible and would give private industry maximum utilization of atomic power. However, the exclusive patenting provision contained in the bill would constitute reckless speculation with the future of atomic development and, hence, reckless speculation with the future of America's world leadership.

Another capricious provision in the bill is the directed contract guaranteeing operating costs and taxes plus 9 percent profit to an already selected private corporation to furnish power to Memphis, Tenn.—this without any competitive bidding. The Atomic Energy Commission turned down this proposal by a 3–2 vote. To embroil the atomic energy program in a public-versus-private power controversy is nothing short of a devious attempt to clip the wings of the TVA and the atomic energy program. The awful urgency of united support in advancing the atomic energy program should not be sacrificed by burdening the Commission with this controversy. Other changes in the President's bill in the House would have tied the hands of the Atomic Energy Commission generally in the development of usable electrical power from atomic energy. In an area where the cost of developing the process for creating usable power is so staggering, there is a good possibility that the great potential development of usable power for the people of this country will be put off for decades.

Flood Control for St. Louis

EXTENSION OF REMARKS
OF
HON. LEONOR K. SULLIVAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mrs. SULLIVAN. Mr. Speaker, last Friday morning I went over to the Senate Public Works Committee to urge approval of the proposal of the Army engineers for a $112,880,000 project for the protection of St. Louis against floods. Because of the all-night session of the Senate the night before, the hearing did not go on as scheduled, so I was not able to appear in person, but I did file my statement, and, under unanimous consent, insert it in the CONGRESSIONAL RECORD, as follows:

TESTIMONY BY HON. LEONOR K. SULLIVAN, OF MISSOURI, BEFORE SENATE PUBLIC WORKS COMMITTEE ON MATTER OF FLOOD CONTROL FOR ST. LOUIS IN OMNIBUS FLOOD-CONTROL BILL, FRIDAY, JULY 23, 1954

Mr. Chairman and Senators, the witnesses who are scheduled to appear here today on the matter of flood control for St. Louis are much better equipped than I to give you all of the facts on the technical aspects of our project for the protection of St. Louis. For that reason, I am not going to pose as an expert witness on this, except to say that I do consider myself something of an expert on the human aspects of this problem—the suffering and destruction to property and the dangers to health resulting from these periodic floods. They can be prevented, and I urge this committee to help us to prevent them by approving inclusion of the St. Louis project in the omnibus bill.

As the Members may know, I introduced a bill in the House—similar to Senator HENNINGS' bill over here—to authorize the St. Louis project at an estimated cost of $112,880,000. It was because of the time element—and only because of that—that I could not attempt to have the St. Louis

project included in the omnibus bill which was reported out by the House Public Works Committee. The necessary administrative action within the Corps of Engineers, the Department of the Army, and the State and local agencies involved, had not been completed in time for me to seek to have it included in the House omnibus measure.

Consequently, I am very grateful that this committee of the Senate is taking up the matter, and I am here to thank you for that and to urge favorable action. As I said, other witnesses can provide you all the technical detail, so I will not repeat any of that. I have brought with me copies of my bill, H. R. 9378, which I submit to you for any assistance the language of the bill may be to your committee in incorporating these provisions into the omnibus bill.

Again I want to say I appreciate your action in scheduling this matter for hearing. I want to assure you we in St. Louis are solidly behind the project. If it is included in the omnibus authorization bill this year, it will make it possible for us in succeeding years to press for the necessary appropriations to get the work under way.

Every citizen of St. Louis who has experienced the scourge of floods first hand will be eternally grateful for favorable action on this matter, and, believe me, I will be, too.

The Health Reinsurance Bill, H. R. 8356

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. RODINO. Mr. Speaker, on July 13 this body voted to recommit H. R. 8356, the bill known as the administration's health reinsurance bill. Secretary Hobby in a speech over a national network described the bill as the new approach toward solving the health problems of the American people, and declared it to be "the key part of the Eisenhower program for better health."

I voted to recommit this bill. I am, nevertheless, a firm believer in the policy of Federal responsibility for the health needs of our people. Franklin Roosevelt believed that adequate medical care is one of the basic human rights of all Americans. Harry Truman subscribed to that principle by submitting a plan for comprehensive health insurance to the Congress. I wholeheartedly approve a recent statement of President Eisenhower:

> The means for achieving good health should be accessible to all. A person's location, occupation, age, race, creed, or financial status should not bar him from enjoying this access.

I have no quarrel with the administration with regard to certain points related to this legislation and I agree with the administration that our various health insurance plans are deficient in the following respects:

First. Too costly for low-income groups.

The annual medical bill today costs our citizens $10.2 billion. Only 15 percent of this bill is covered by insurance. Eight million Americans are in debt as a result of medical expenses. And only 41 percent of the families earning under $3,000 a year have insurance.

Second. Health insurance does not pay the full medical and hospital bills.

The Health Information Foundation, a research organization supported by the great drug and chemical companies, whose chairman is Herbert Hoover, stated in a recent report that individuals covered by health insurance got back an average of only $17 a year in benefits from these plans.

Third. Health insurance plans do not cover all needed medical care.

Fragmentized medical care is costly and often inefficient. Diagnosis cannot be arbitrarily separated from treatment. And you cannot isolate surgery from preoperative and postoperative care. A health plan should be a comprehensive, unified program.

Fourth. The unemployed, the retired, those in rural areas, sufferers of chronic ills cannot obtain health insurance.

Two-thirds of all our counties are predominantly rural. In 1,000 counties there is no public health service. Some thirty million live in areas without properly organized local health departments.

I voted to recommit this bill because I feel that, however laudable and sincere its objectives may be, the bill does not provide the key to the program to improve the health of our Nation. It is the object of this legislation to improve the health program of the country by inducing private insurance companies to broaden the coverage of their health insurance and extend this insurance to greater numbers of our people. This is to be accomplished by the Federal Government underwriting the additional risk through a program of reinsurance. It was never made clear during the hearings whether anyone had faith in the proposed method.

It seems clear to me that if this reinsurance operation is run on a sound businesslike basis the achievement of our objectives becomes impossible. Therefore, if we are to achieve our objectives, it can be done only by operating our reinsurance business at a loss. If we are going to subsidize our health program, let us do it openly and adequately.

As I do not believe the administration's health reinsurance bill is sound but do believe we should act upon this subject, I recommend action upon H. R. 7700, the medical facilities mortgage insurance bill. Passage of this legislation will be a definite contribution to improving and increasing our health facilities, and this by means of private enterprise. This constructive proposal will permit the Federal Government to reinsure local lending agencies which are willing to advance funds for the building of hospitals and related facilities to prepaid comprehensive health plans. The bill would have the Government guarantee loans extended to prepayment groups by local financing agencies just as the Government has insured private real-estate loans.

Instead of reinsuring the profits of the insurance companies, let us take this step toward an enlightened national policy that will insure the health of our citizens.

Second Anniversary of the Commonwealth of Puerto Rico

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. SAYLOR. Mr. Speaker, the Commonwealth of Puerto Rico celebrated its second birthday yesterday. As chairman of the Subcommittee on Territories and Insular Affairs, I take pleasure in bringing this significant event to recognition here. Never before has the United States enjoyed the smooth-working political and economic relationships which we now have with the people of Puerto Rico. They are citizens of the United States and they are citizens of the Commonwealth of Puerto Rico very much as we all are citizens of the United States, and in turn, citizens of the respective States we represent.

The Commonwealth of Puerto Rico is not a member State of the Union; albeit, it is a State in the definitive sense of the word. It is a free State organized by the people of Puerto Rico, with a republican form of government, which exists in voluntary association with the United States.

Internationally, Puerto Rico is part of the United States, although constitutionally, it is not. The United States Government has in Puerto Rico comparable Federal functions and responsibilities that it has in the States of the Union. The people of Puerto Rico have freely accepted this relationship.

For 2½ million people living in 3,500 square miles of territory, 1,000 miles away from the United States mainland, with a Spanish culture and language, a homogeneous people with strongly developed characteristics, the idea of commonwealth has been, indeed, a happy solution to the problem of political status. These people enjoy internal independence and live in interdependence with the United States in all matters of an external nature. They are free, but they are not alone.

Mr. Speaker, I think we must express our recognition to the people of Puerto Rico for having originated and developed this new political concept and for having brought it to us. And we should be happy that we accepted the idea, that we authorized the organization of the Commonwealth of Puerto Rico, that we agreed to its constitution, and that the people of Puerto Rico have assumed their own responsibilities as free men.

The development of self-government in Puerto Rico did not start yesterday or with the creation of the Commonwealth 2 years ago. It has been taking place for half a century. As successively the people of Puerto Rico assumed more and more responsibility for their own destiny, the rhythm of development accelerated. Since achieving Commonwealth status on July 25, 1952, Puerto Rico has forged ahead industrially, educationally, agriculturally, and socially. Its economy is sound. Its Government is stable.

Every citizen is a toiler participating in the great work of the Commonwealth. These are good signs. In these troubled times, it is reassuring that once again, faith in freedom, self-determination, and respect for the dignity of man has proven its worth.

Diseased and "Needled" Poultry Endanger and Cheat the Public, and Other Rackets Flourish in Foods, Drugs, and Cosmetics, as Food and Drug Administration Appropriation Again Is Cut

EXTENSION OF REMARKS
OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mrs. SULLIVAN. Mr. Speaker, I hope that many Members of the Congress, and also officials of the administration, particularly those with policymaking responsibilities in the field of health and welfare, read the excellent article in the Washington Evening Star on Wednesday, July 21, dealing with the Food and Drug Administration of the Department of Health, Education, and Welfare. The article was entitled "Food and Drug Watchdogs Face Work With Less Funds."

I have tried during my tenure in the Congress to keep abreast of the work of the Food and Drug Administration and to do what I can to assure it adequate authority to do the work we expect of it, and also adequate funds. Last year, as a result of the Supreme Court decision, a loophole was disclosed in the basic authority of the Food and Drug Administration which prohibited inspectors of the agency to gain admission to factories preparing food, drug, or cosmetics preprarations, except on the invitation of the operators of those factories. We succeeded in closing that loophole in the legislation. It was a great victory for the consumer, for it restored the right of our Government to inspect the conditions under which these products are prepared and processed, and to act against insanitary conditions threatening the health of the public.

The fact remains, however, that the Food and Drug Administration has not been getting adequate funds to enable it to make the number of inspections it should make each year in preventing products which are dangerous to health, or which are fraudulently packaged, from getting into interstate commerce. The administration this year asked for only $5,200,000 for the appropriation of the Food and Drug Administration, as against the $5,600,000 appropriated under the Truman administration. The Congress then cut the administration's request by another $100,000, leaving the Food and Drug Administration only $5,100,000. That means a cut in the staff of this very essential Government agency by about 11 percent since 1952. Considering the work which the Food and Drug Administration does for all the people of the United States by seeking to eliminate poisoned, or adulterated, or mislabeled foods, drugs, and cosmetics from being sold to the public, I think this was one of the most shortsighted cuts ever made in an appropriation.

THE DISEASED POULTRY SITUATION

The work of the Food and Drug Administration has come in for renewed attention in recent months as a result of disclosures dealing with the sale in interstate commerce of diseased poultry and of frozen poultry which has been fraudulently weighted with water prior to freezing. Estimates on the extent of this dangerous and immoral racket have varied, but all the facts indicate that it has been an extensive problem. With its cut in funds in both last year's appropriation, and this year's the Food and Drug Administration has had to cut its enforcement work in this field by about 30 percent.

Following disclosures of this diseased poultry racket, I wrote last month to Mr. Charles W. Crawford, Commissioner of the Food and Drug Administration, asking for full information on the work of the FDA to protect the consumer against the sale of this diseased poultry, the time devoted to this work, the number of poultry processors in the country doing interstate business, the frequency with which they are inspected, etc. I also asked for any information he might have indicating transmission of diseases to humans as a result of the processing or consumption of diseased poultry. His reply, I believe, will be of extreme interest to every Member of the Congress concerned about protecting the health of the people of the United States and protecting them against fraud.

With the unanimous consent of the House, Mr. Speaker, I include as part of my remarks the article Food and Drug Watchdogs Face Work With Less Funds, from the Washington Evening Star of July 21, and also an exchange of correspondence between myself and Commissioner Crawford, of the Food and Drug Administration, as follows:

[From the Washington Star of July 21, 1954]

FOOD AND DRUG WATCHDOGS FACE WORK WITH LESS FUNDS

Housewives might do well to provide themselves with scales to check the weight of packages of food they buy.

They would thus be taking over part of the work of the Food and Drug Administration. But that agency, its budget cut and its staff reduced, has assigned a low priority to the checking of the net weight of packaged food against the statement of weight on the label.

Wallace F. Janssen, assistant to the Commissioner of the Food and Drug Administration, said he does not believe the housewife would find many packages not full weight. But it would provide a check the Administration is not able to make.

The budget of the agency has been trimmed steadily in the last 4 years. For fiscal 1952 Congress appropriated $5.64 million. The next year the appropriation was $5.6 million. Last year it was $5.2 million, and for this fiscal year, 1955, it is $5.1 million.

ELEVEN PERCENT CUT SINCE 1952

The estimated number of the staff for this year is 815, an 11 percent reduction since 1952. That number includes laboratory scientists, administrators, clerical workers and, finally, the front line troops, the inspectors.

There were only 230 inspectors in 1950. Last year the number was 195. These figures leave out about 170 persons employed in testing certain products as they are produced, with the manufacturer paying the salaries through fees.

The head of the Food and Drug Administration is Charles W. Crawford, a career man with 37 years' experience. He has applied for retirement.

The staff cuts have led the Agency to the conclusion that it is more important to direct its efforts toward activities that protect health rather than those that protect the pocketbook. Therefore, it has assigned lower priorities on checking weights of packaged goods, checking the contents of cans and packages to make sure their composition is what the label says, and proceeding against those who make extravagant claims for products unless danger to health is involved.

Occasional cases on these grounds are made, it is true, but usually they are incidental to other activities.

The Agency admits frankly it would take 200 inspectors 12½ years to make inspections of each of the 96,000 food and drug company plants and warehouses. Last year 8,650 plants and warehouses were inspected.

LACKS FOLLOWUP FACILITIES

While the Agency is alert to cases in which public health is involved, it says it lacks the facilities to keep up with the testing of new products and materials which are being developed in increasing numbers. It cannot make followup investigations of the safety of new drugs after they are placed on the market. Important cases involving serious frauds have been delayed by a lack of medical and legal manpower.

The Agency does continue to seize contaminated and spoiled foods in large amounts. It goes after medical devices and products which make false claims. It prosecutes druggists who sell barbiturates and other prescription drugs without a physician's prescription.

After coffee prices went up the Agency decided it should check attempts by unethical dealers to take advantages of the higher prices. It seized a number of consignments of coffee.

It was learned that chickpeas, imported for canning, had become infested with insects. The chickpeas were diverted to coffee roasters. Coffee shipped by some firms were found to contain, in addition to the chickpeas, spent coffee grounds, barley, chicory, and soybeans.

FROZEN FOOD ADDS WORK

The expanding market for frozen foods has added to the Administration's work. One plant producing frozen turkeys was found to operate with a water hose having a hypodermic needle as a nozzle. Water was injected into the turkeys before they were frozen.

When one turkey was thawed 2 pounds of water seeped out. It was part of a lot of turkeys weighing 50,000 pounds. Taking the average weight of a turkey at 15 pounds, allowing for 1 pound of water per bird and taking the price at 75 cents a pound, the buyers were thus paying $2,500 for 3,300 pounds of water.

MAY BE POLITICAL APPOINTEE

With the retirement of Mr. Crawford pending, the agency has this question:

Will the new Administrator be a professional man, perhaps trained in the agency, or a person from some other category whose appointment is cleared with the Republican National Committee?

When the Eisenhower administration directed that Government policymaking jobs be listed and that they be taken from under civil-service coverage, various trade associa-

tions in the food and drugs fields urged that politics be kept out of the Food and Drug Administration. Mr. Crawford was not replaced.

With the prospect of his retirement the requests are being repeated. Carlos E. Campbell, secretary of the National Canners Association, said his organization has urged that the appointment be kept in the professional category. Other organizations have done the same.

JUNE 15, 1954.

Mr. CHARLES W. CRAWFORD,
Commissioner, Food and Drug Administration, Department of Health, Education, and Welfare,
Washington, D. C.

DEAR MR. CRAWFORD: In view of the recent publicity given the sale of diseased poultry and the action of the AFL Meatcutters Union to try to bring about legislation to protect the American consumer against this menace, I would appreciate your sending me a statement on what the FDA is doing and intends to do to correct this situation. I would specifically like to have answers to the following questions, as well as any other information you can properly send me in connection with this problem.

What does the FDA do to protect the consumer against the sale of diseased poultry?

How much time is devoted to the inspection of that one particular item?

Are there any diseases of poultry that can be transmitted to humans through the consumption of diseased poultry being put up for sale?

If so, do you know of any instances where diseases of poultry have been transmitted to humans?

Do you know how many poultry processors there are in the country that do interstate business?

How often does the FDA inspect them?

I would appreciate it if you would send me your reply to these questions in quadruplicate.

Sincerely yours,
Mrs. JOHN'B. (LEONOR) SULLIVAN,
Member of Congress.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
FOOD AND DRUG ADMINISTRATION,
Washington, D. C., June 23, 1954.

Hon. LEONOR SULLIVAN,
House of Representatives:

DEAR MRS. SULLIVAN: We have your letter of June 15 in which you ask several questions concerning our enforcement program on diseased poultry. We are answering your questions in the order in which you have asked them.

Under the Federal Food, Drug, and Cosmetic Act, a food is deemed to be adulterated if it is the product of a diseased animal or of an animal which died otherwise than by slaughter. This section of the act takes into account the basic objections of the consumer to the diseased product, whether or not actual danger to health can be demonstrated.

We have a carefully planned enforcement program under this section of the law, which includes inspection of poultry dressing and eviscerating plants and of other poultry processors, and sampling surveys in consumer markets to find diseased or otherwise unfit poultry. Under this program for fiscal 1953 and the first 11 months of fiscal 1954, we approved 106 seizure actions for the removal of unfit birds from the market, of which 64 actions included charges that the article was in whole or in part the product of a diseased animal. During the same period we also approved 33 criminal actions, 22 of which involved diseased poultry.

During fiscal 1953 we devoted 10 man-years to the poultry project, of which the work on diseased poultry is a part, along with work on filthy, decomposed or otherwise unfit poultry and poultry which has been "needled" or otherwise fraudulently watered to increase its weight. During fiscal 1954 this work has necessarily been reduced. We estimate, based on reports for the first 3 quarters, that 7 man-years will have been expended this year on this project.

The question of whether poultry diseases may be transmitted to man through the sale of diseased poultry cannot be answered with assurance. It is well established that certain poultry diseases are transmissible to man. These would include, for instance, psittacosis (parrot fever) and Newcastle disease. However, outbreaks of these diseases, so far as we know, have occurred only among persons handling live poultry or working in poultry dressing establishments. We do not know of any instances in which it has been proved that a specific disease was contracted through the consumption or preparation in the kitchen of a diseased bird. On the other hand, the possibility cannot be ruled out.

Several outbreaks of psittacosis have occurred recently among workers in turkey processing plants in Texas. In cooperation with the Public Health Service of this Department, we are currently investigating these outbreaks to determine whether diseased birds have been shipped in interstate commerce and the degree of hazard, if any, to the purchaser of such birds.

There is another group of diseases common to poultry and to man and apparently caused by the same disease organism in both, in which definite transmission has not been established. However, it is believed that poultry may at least serve as a reservoir of human infection by routes still unknown. Certain types of encephalitis and meningitis, pseudotuberculosis, and pasturella infections are in this group.

In a closely related category are the food-poisoning illnesses—salmonellosis and gastroenteritis—which are attributed to poultry and poultry products or in which such products are suspected as the vehicle of infection. Poultry which are actively infected with salmonella or which are carriers of the organisms, though apparently not diseased in the ordinary sense, undoubtedly are involved in many of these instances, and fecal contamination during processing may be a factor. For your further information on this phase of your inquiry, we are enclosing a mimeograph entitled "Poultry Diseases Transmissible to Man—Including Summary Report of Outbreaks," prepared by the Communicable Disease Center of the Public Health Service.

We estimate that there are approximately 1,300 interstate poultry dressing, freezing, or canning establishments in the United States. For the past 2 years we have made about 400 poultry-establishment inspections each year, of which we estimate that perhaps one-fourth represent reinspections of the same firms. Thus our program contemplates complete coverage of this industry about once every 3 or 4 years.

If we can be of further service, please do not hesitate to let us know.

Sincerely yours,
C. W. CRAWFORD,
Commissioner of Food and Drugs.

Japanese-American Evacuation Claims

EXTENSION OF REMARKS
OF
HON. OAKLEY HUNTER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. HUNTER. Mr. Speaker, I have been advised that our distinguished colleague from Illinois, Judge EDGAR A. JONAS, chairman of the Judiciary Subcommittee on Claims, contemplates the holding of public hearings out on the west coast next month on H. R. 7435. This bill has been introduced by my fellow Californian, PATRICK J. HILLINGS. The measure would amend the Japanese American Evacuation Claims Act of 1948 to expedite the final determination of the claims.

While I regret very much that the Congress was unable to approve this meritorious bill this session, it is my hope that it will be among the very first items to be considered by the 84th Congress next January.

I welcome these hearings because they will demonstrate the urgent necessity and the inherent justice of the Hillings bill.

I also take this opportunity to invite the Subcommittee on Claims to conduct a part of their hearings in Fresno, which is the center of the vast agricultural empire of central California.

Many of the Japanese Americans who will be benefited by this bill reside in my district, which comprises Fresno, Madera, and Merced Counties. They are among the finest vegetable and fruit growers in the country and are also among the finest of our citizens.

Fourteen years ago, as a military precaution, the Army summarily evacuated all persons of Japanese ancestry from their west coast homes and associations. Happily, the reasons that prompted that mass evacuation proved unfounded. FBI and military intelligence reports indicate that no person of Japanese ancestry in the United States committed any acts of sabotage or espionage before, during, and after World War II. Indeed, Japanese American troops, including many who were evacuated from central California, were members of the famed 442d Regimental Combat Team, the most decorated American unit in the military history for its size and length of service. Others performed with equal gallantry in the Pacific against the Japanese enemy. Many are still on duty in Japan and in Korea.

The Japanese were given little time to dispose of their properties, their businesses, their farms and orchards and vineyards, before their evacuation. As was to be expected under such circumstances, their losses were great; many lost everything they had, others lost most of what they had.

After the war, when we found that our fears concerning the Japanese were groundless, the 80th Congress enacted the so-called Japanese American Evacuation Claims Act in 1948 which authorized the Attorney General to receive and adjudicate some of these evacuation losses. In the 18-month period allowed for filing, almost 24,000 claims totaling nearly $130 million were filed with the Department of Justice.

The original law, however, proved difficult to administer and so the 82nd Congress in 1951 amended the statute to provide that claims under $2,500 could be compromised and settled. Under this amendment, about 20,000 claims have been compromised and settled, totaling about $25 million in amount, in the past 3 years.

Now, less than 3,000 of the larger claims remain to be adjudicated and paid. But, under the difficult procedural requirements of the basic law, it may be many years before these remaining claims can be adjudicated.

To speed up this program in order that those who suffered in the evacuation may receive some compensation in their lifetime, Congressman HILLINGS introduced his bill last January 21.

His bill simply extends the compromise settlement procedures that have proved so workable for the small claims to all the remaining claims without regard to amount. It also provides that if the claimant desires a legal determination he may elect to have the Court of Claims consider his claim.

I have discussed the Hillings bill with Mike M. Masaoka, whom many of you know as the Washington representative of the Japanese American Citizens League, the only national organization representing the interests of persons of Japanese ancestry in the United States. This league has a number of local chapters in my district.

Mr. Masaoka has assured me that this legislation has the wholehearted endorsement of his organization and that it represents the best possible solution to the problem of handling the remaining larger claims expeditiously.

Fourteen years have passed since the evacuation. Nine years have passed since the end of World War II.

As a matter of simple justice and common decency, to try to help a gallant people in their efforts to make up for the losses they suffered through no fault of their own and as a kind of wartime casualty, I urge that the Congress enact the Hillings bill at its earliest opportunity.

Puerto Rico Celebrates Second Anniversary as Commonwealth

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. MILLER of Nebraska. Mr. Speaker, yesterday was a very important day for the people of the Commonwealth of Puerto Rico. It marked the second anniversary that the good people of Puerto Rico are living under this new political concept which was conceived by them and accepted by Congress as a happy solution to a problem which we all wanted to solve.

I am most pleased to have had a part in helping Puerto Rico adopt their constitution which has given them a workable blueprint for their Commonwealth. This action cut the ground out from under the shouting, arm-waving Communists and others who expounded the untrue venom that the United States wanted to keep Puerto Rico as a colonial possession.

The Commonwealth has been a success and I congratulate the people of Puerto Rico for moving forward under the forceful leadership of men like Dr. FERNÓS-ISERN, the Resident Commissioner; their governor, and other legislative leaders.

The new Commonwealth had its troubles. It was plagued by a small group of terrorists known as the Nationalist Party. These fanatics are being controlled by every legal method. This group literally blasted its way across the land when a group of them fired on Members of this body from the gallery as the House was meeting. The first to condemn this action were the people of Puerto Rico—they were quick to point out that these fanatics did not represent the thinking of the people of Puerto Rico.

Puerto Rico is an old community. A full hundred years before Jamestown, the city of San Juan was founded by Ponce de Leon. As a result of the Spanish-American War of 1898, the United States assumed responsibility for Puerto Rico. Two schools of thought developed in the island, and for that matter, in the United States, as to what should be the ultimate status of Puerto Rico.

Following the precedent of all former Spanish colonies in the New World, some thought Puerto Rico should become an independent republic. Others, following the precedent of all territorial acquisitions of the United States, thought that Puerto Rico should become a State of the Union. For many years, these two opposing views seemed to paralyze thinking in the island, and in the United States, as it pertained to this matter.

Meanwhile, by a series of legislative enactments, the Congress progressively broadened the scope of self-government in Puerto Rico. During the intervening 50 years, close economic and spiritual ties developed between the people of the island and the people of the mainland, and while it was evident that full self-government eventually must be realized, the alternative solutions offered seemed to present difficulties not easy to overcome.

The people of Puerto Rico understood this. With constructive statesmanship, they proposed a third solution to Congress, one which offered self-government without separation but without incorporation, and yet with a solid basis of freedom and dignity in association.

In 1950, the 81st Congress adopted Public Law 600, which provided for the organization of a constitutional government by the people of Puerto Rico. The language of that act made clear that the principle of compact and of government by consent was thereby fully recognized. The act was to be submitted to the people of Puerto Rico in referendum for acceptance or rejection. If accepted, the compact was to become operative.

In a subsequent referendum held in Puerto Rico, the people of the island accepted the terms within which the Commonwealth of Puerto Rico was ultimately created. Thus, the new political concept of Commonwealth, as distinct from membership in the Union as a State, and from Territorial status or that of possession, came into being. The constitution of the Commonwealth, adopted by the people of Puerto Rico, was submitted to the Congress for ratification in 1952. The Congress ratified the constitution of Puerto Rico, and it became effective on July 25, 1952.

The first paragraph of the preamble of the constitution of the Commonwealth of Puerto Rico reads:

> We, the people of Puerto Rico, in order to organize ourselves politically under fully democratic basis, to promote the general welfare and to secure for ourselves and our posterity, the complete enjoyment of human rights, placing our trust in the Almighty God, do ordain and establish this constitution for the Commonwealth which, in the exercise of our natural rights, we now create within our union with the United States of America.

The Commonwealth of Puerto Rico was therefore inaugurated on July 25, 1952. Fifty-four years earlier, on the same day of the same month, United States Armies had landed in Puerto Rico. Three days later, Gen. Nelson A. Miles, commanding these armies, issued a proclamation in which, amongst other things, he said:

> We have not come to make war upon the people of a country that for centuries has been oppressed, but, on the contrary, to bring you protection, not only to yourselves, but to your property, to promote your prosperity and to bestow upon you the immunities and blessing of the liberal institutions of our Government.

The Puerto Ricans arranged that the inauguration of the Commonwealth should fall on the anniversary of the landing of the United States troops in Puerto Rico. This was appropriate, for the Commonwealth is the consummation of General Miles' promise. The Puerto Ricans now share in our institutions. They are our fellow citizens and they have, as we do, a government whose powers are derived from the consent of the governed, a government responsible to the people, and whose authority is derived from the supreme authority of the people.

The present relationships of Puerto Rico with the United States are the result of common consent. Naturally, they may change with changing conditions, but they will continue to be the result of mutual agreement.

During the meeting of the General Assembly of the United Nations last fall, a resolution was adopted recognizing the fact that Puerto Rico has become self-governing. In the course of the consideration of this resolution, the Honorable Henry Cabot Lodge, United States Ambassador to the United Nations, speaking on behalf of the President of the United States, stated that if Puerto Rico should wish a more complete or even absolute independence, he, the President, would recommend to Congress that the wishes of the people of Puerto Rico be honored. Acting through their legislative assembly, the people of Puerto Rico, while revealing deep appreciation for the words of the President wherein self-determination was so forcibly affirmed, expressed their intention to maintain their association with the United States. It is not that the Puerto Ricans do not desire freedom. It is that they have freedom in association, and they believe that their

freedom is thus secure, but might be lost in separation and isolation.

The development of the island, under the constitution of the Commonwealth has been uninterrupted. Puerto Rico is an example of what a determined people can do amidst unfavorable circumstances when they are environed by political institutions wherein human dignity is respected. Governments are properly servants and not masters of the people. May that never change.

Mr. Speaker, it is my warm wish that Puerto Rico's progress may forge ahead, and that the association between the people of the island and those of the mainland may continue to make for mutual benefit, for mutual satisfaction, and for the general good of all.

The Congress and the people of the United States join in wishing them every success in the future.

Increased Benefits Under the New Social-Security Program

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. O'KONSKI. Mr. Speaker, during the 83d Congress which is now coming to a close, I have worked for and supported legislation to increase the benefits under the social-security program. I was especially concerned to see that farmers and their help were included.

I believe every person in the United States should come under social-security protection. The benefit age should be reduced from 65 years to 62 years.

Social security should be so improved that it will take the place of our present outdated and shameful old-age pension system.

Social-security payments at the age of 62 should not be denied on account of any other retirement or income benefits a person may be getting.

Although all the benefits I have worked for have not been enacted into law, I do believe this Congress has made a step in the right direction.

For the benefit of the citizens of my district, I would like to outline the benefits under the social-security program enacted by this Congress which I have supported and worked for during the past years:

INCREASED BENEFITS UNDER THE NEW SOCIAL-SECURITY PROGRAM

First. Average monthly wage: Your average monthly wage determines the amount of your benefits. The following chart will apply only if you worked at least 1½ years under the program since January 1, 1951.

(a) List by years all your earnings covered by social security, plus an estimate of your covered earnings up to the time you retire at age 65 or later. To realize the largest possible average monthly wage you may use either 1937 or 1951 as the starting date in your computation. Maximum covered annual earnings are as follows: 1937 through 1950, $3,000; 1951 through 1954, $3,600; after 1954, $4,200.

(b) In computing your average wage, you may cross out four of the lowest income years listed. You can cross off an additional year if you have more than 5 years of covered employment at any time. You can also cross off years in which you were under an extended total disability.

(c) Next, add the total wages earned in the years not crossed off. Divide by the number of months involved in the remaining years. This will give you your average monthly wage. Now locate this amount on the chart below under the heading "Average monthly wage."

Second. Monthly retirement pay: You and your wife, if both 65, will receive benefits as shown on the chart below. If your wife is under 65 when you retire, you will receive the benefit of a single person until she reaches 65. Your widow, at 65, will receive payments indicated whether or not you retire before your death. A woman with a wage record receives benefits in her own right if a higher amount will be realized.

INCREASED FAMILY SECURITY (SURVIVOR'S MONTHLY BENEFITS)

Third. Surviving widow: Your widow, if you leave children under age 18, is entitled to benefits shown on the chart below, regardless of her age as long as any child is under the age of 18 years.

Fourth. Surviving parents or orphans: Your mother or father who are dependent on you are eligible for benefits only if there is no surviving widow or child. Benefits for a parent, age 65, and also for one orphan under 18 years, are shown on the chart. Two parents, or two or more orphans receive correspondingly larger amounts.

Fifth. Lump sum at death: Lump-sum payments are in addition to benefits to eligible survivors. In the event there is no widow or widower surviving, the payment is made to the person paying burial expenses.

Now find the amount payable in your case in the columns opposite the amount you have determined to be your average wage:

Estimated average monthly earnings to age 65	Monthly retirement payments at age 65			Monthly payments to surviving widow with—			Monthly payments to dependent parents or orphan	Lump-sum payment at death
	Husband and wife	Single	Widow	3 children	2 children	1 child		
$54	$45	$30	$30	$50	$50	$45	$30	$90
$80	66	44	33	66	66	66	33	132
$100	82	55	41	82	82	82	41	165
$120	93	62	46	96	96	93	46	187
$140	99	66	49	112	112	99	49	199
$150	102	68	51	120	120	102	51	205
$160	105	70	52	128	128	105	52	211
$170	108	72	54	136	136	108	54	217
$180	111	74	55	144	144	111	55	223
$190	114	76	57	152	152	114	57	229
$200	117	78	58	160	157	117	58	235
$210	120	80	60	168	161	120	60	241
$220	123	82	61	176	165	123	61	247
$230	126	84	63	184	169	126	63	253
$240	129	86	64	192	173	129	64	255
$250	132	88	66	200	177	132	66	255
$260	135	90	67	200	181	135	67	255
$270	138	92	69	200	185	138	69	255
$280	141	94	70	200	189	141	70	255
$290	144	96	72	200	193	144	72	255
$300	147	98	73	200	197	147	73	255
$310	150	100	75	200	200	150	75	255
$320	153	102	76	200	200	153	76	255
$330	156	104	78	200	200	156	78	255
$340	159	106	79	200	200	159	79	255
$350	162	108	81	200	200	162	81	255

Compulsory Installation of Automatic Radio Call Selector on United States Cargo Ships

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. PELLY. Mr. Speaker, H. R. 6004 would require United States cargo vessels carrying less than two radio operators to either put on a second operator or to install a patented device called an automatic radio call selector. It is poor legislation and should be rejected.

By indirection the net result would be mandatory installation, since the cost of the device would be less than the expense of an extra radio operator. This would affect approximately 1,500 merchant ships and would force them to buy a device which costs, before being changed to meet new specifications, about $1,750 installed. What the cost would be if and when the device is redesigned to meet increased application, as provided by amendments to the bill, no one knows.

As originally introduced this measure would have given one manufacturing concern a virtual monopoly. The committee sought to remedy this by an amendment requiring the patents to be available at reasonable cost. Personally, I doubt if other manufacturers could make this instrument on a competitive basis—the potential volume of business would not warrant it. So all the bill might accomplish, in my opinion, would be aid to one manufacturer.

The committee also amended the bill to provide that this device must respond to certain Morse-code signals as well as radio signals, and that it must be tested and approved by the Federal Communications Commission.

I oppose H. R. 6004 because it places an unnecessary burden on our merchant marine and duplicates the present internationally accepted autoalarm. The only difference is that the radio call device provided in this bill would be a code calling a particular ship instead of the present autoalarm which calls all ships. The radio call, if installed, would therefore do little more than duplicate the function of the present autoalarm as far as safety at sea is concerned.

Assuming that the necessary adjustments required in this legislation were effected, and assuming further that it was tested and approved by the Commission, and assuming thereafter that it was installed on every American cargo ship—what then? I fail to see where any of our maritime disasters, from the *Titanic* on down to the present time, would have been any less tragic.

During the hearings many cases were cited, but the fact remains that the present international distress signals would have alerted a nearby ship. Any foreign ship in nearby waters would not be alerted under this device, because it would be installed only on American ships.

The Moore-McCormack Line was cited during the hearings as having used this system on their ships. This was an unfortunate reference because, if you look at pages 43 and 44 of the printed hearings, you will find a letter signed by L. B. Victor, manager of Moore-McCormack's radio department. Mr. Victor says:

> This call alarm appeared to be very promising, but after our experience with 35 units during the past 5 years we have changed our opinion in regard to its reliability.

Again quoting from the same letter:

> In 1949 it was found that about 50 percent of the calls on Moore-McCormack vessels were inoperative due to mechanical failure.

After a change in specifications improvement was noted, but the letter stated that interference from other radio transmission or from static frequently disrupted the selector and prevented proper performance. The writer then gave his opinion that the automatic call alarm could not supplement or replace the autoalarm in summoning aid to vessels in distress.

Here is a summary of Department reports on H. R. 6004—all of them unfavorable:

COMPULSORY INSTALLATION OF AN AUTOMATIC RADIO CALL SELECTOR ON UNITED STATES CARGO SHIPS

COMMENTS BY GOVERNMENT AGENCIES

1. The Secretary of Commerce is opposed to this legislation because it makes no contribution to safety at sea, and it duplicates already existing compulsory equipment which is better suited to receive distress calls (pp. 4 and 45 of the hearings):

"There appears to be no reason why an automatic call selector should be made compulsory for United States cargo ships carrying only one radio operator. Title III, part II, of the Communications Act of 1934, as amended, is concerned with radio regulations designed to enhance the safety of life and property at sea. It is not believed that the installation of automatic radio call selectors would make a substantial contribution toward the safety of United States cargo ships already equipped with autoalarms.

"The automatic radio call selector appears to duplicate, in a less effective manner the function of an autoalarm tuned to the 500-kilocycle calling and distress frequency. The autoalarm will sound an alarm upon picking up the autoalarm distress signal transmitted to all ships. An automatic radio call selector set for the call sign of the ship carrying it will respond only if that particular call is transmitted. It is important for a ship in distress to alert as many other vessels as possible. It appears that the autoalarm, now required by law, is better suited to accomplish this than the automatic radio call selector which, under the circumstances, seems to be superfluous equipment insofar as safety is concerned."

2. The Department of Defense (Navy Department) is opposed to this legislation (p. 46 of the hearings) because it makes mandatory the installation of a device not presently in existence and not yet approved by the FCC. At such time as such a device is in existence and has been approved, they would not object to mandatory installation on United States vessels:

"Until such a device has been approved by the Federal Communications Commission, and its commercial manufacture has proved to be practicable, the Department of Defense cannot approve a provision requiring its installation. The Department of the Navy, therefore, on behalf of the Department of Defense, is opposed to the proposed amendment to H. R. 6004."

3. The FCC is opposed to the legislation because there is no such device now available, nor has one been submitted to FCC, for testing; if such a device were available, it would, by its very nature, be subject to a high degree of false alarms; the autoalarm device now required is adequate and is accepted by international agreement; it has been improved from time to time since its introduction 30 years ago; the FCC has no record of failures of existing equipment to meet its objectives; and the proposed device would only be required on 1,250 United States vessels, leaving 7,000 foreign vessels in the same trade routes without equal protection.

4. The Treasury Department (Coast Guard) opposes this legislation and states that they have experimented with a less complicated device by the same manufacturer as the one advocating this legislation (namely, Brelco Manufacturing Co.), and found it undependable. Further, they have found present autoalarm device adequate for safety purposes.

The Coast Guard, it must be recalled, is charged with the administration of the safety of life at sea statutes and thereby assumes the responsibility for shipboard safety on United States vessels.

5. Not a single Government agency testified on behalf of this legislation.

COMMENTS BY SHIPPING INDUSTRY

1. The shipping industry would not be opposed to this legislation if it made any contribution to safety at sea. We can only reiterate the statements of the Coast Guard, FCC, Commerce Department, and the Navy that the present mandatory autoalarm is more than adequate from a safety standpoint to receive distress calls during off-watch hours. To force by statute the hiring of an additional radio operator (at about $6,500 per year, plus room and board, plus welfare benefits) in the event this untested, untried, nonexistent device at an unknown cost is not installed within a certain length of time, is, to say the least, unusual in the annals of legislation.

2. Telecommunications standards aboard ship are determined by international agreement. Section 922 of the International Radio Regulations requires that only distress calls and urgent cyclone warnings must be receivable on an autoalarm. The present equipment now on all United States vessels meets this requirement. General alerting by alarm devices on a range of less urgent frequencies has never come up for consideration at international meetings on safety at sea.

3. The Brelco Co., which in the past has manufactured a simplified form of the more complex device called for in this legislation, on July 1954 held a demonstration of a device which laid claim to the features called for in this legislation. This demonstration was reported in the New York Times on Monday, July 12, 1954. The best information available is that this demonstration was attended by two radio operator union members, several officials of the company, and a newspaper reporter. It is significant that no technical communications personnel from FCC, the electronics industry, or steamship lines were in attendance. The best information available is that none were invited.

4. Steamship industry witnesses were not invited to appear at the hurriedly called hearings on H. R. 6004 on May 3, 1954, although the industry was on record in previous hearings (1953) as being in opposition. However, written testimony was received from industry associations but no cognizance was taken of these views in the majority report on the bill.

MAJORITY REPORT

Even the majority report (H. Rept. 1906) does not completely support the safety objectives of the bill. In the report's conclusion it states (p. 5):

"The availability of this equipment on American ships might make an important contribution to safety on the high seas."

MINORITY REPORT

The minority report on the bill (p. 8) sums up the objections as follows:

"Legislation of this type is most unusual. If there is doubt as to the facts, the normal procedure is to direct that a study be conducted and a factual report be compiled. There is ample precedent for this method of proceeding in many fields of legislation and specifically in the field of marine safety radio requirements" (sec. 602 (e) of Communications Act of 1934), and concludes "* * * the legislation is premature and unwarranted at this time, in light of all the uncertainties."

ADDITIONAL COMMENTS

The Merchant Marine Committee of the House, responsible for shipping legislation, was not consulted on this bill.

Congress Should Enact H. R. 7840, To Amend the Railroad Retirement Act by Enlarging the Benefits

EXTENSION OF REMARKS
OF
HON. THOR C. TOLLEFSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. TOLLEFSON. Mr. Speaker, the House Committee on Interstate and Foreign Commerce has approved H. R. 7840 which is designed to amend the Railroad Retirement Act so as to liberalize and enlarge the benefits. It is a worthwhile bill and financially sound.

The proposed amendments are needed and should be adopted. The benefits provided by the amendments are briefly summarized as follows:

First. Benefits to widows, dependent widowers, and dependent parents at age 60 instead of age 65.

Second. Benefits to widowed mothers with physically or mentally disabled children over age 18.

Third. Full survivor benefits to widows, dependent widowers, and dependent parents who are also eligible for a railroad retirement annuity in their own right.

Fourth. Increasing the creditable compensation from the present maximum of $300 a month to a maximum of $350 a month in the calculation of a retirement or survivor annuity.

Fifth. Disregarding the compensation earned after age 65, if the crediting of such compensation would diminish the annuity.

Sixth. Changing the disability work clause to a maximum of $100 in earnings for any month without loss of the annuity for that month.

Seventh. Excluding the service of certain delegates to national or international conventions of railway labor organizations from coverage under this act.

Eighth. Elimination of the requirement in the present law that a child over age 16 and under 18 years must attend school regularly in order to be eligible for a survivor's annuity.

Ninth. Waiver of retirement benefits for certain individuals who are receiving non-service-connected veterans' pensions.

The principal amendment proposed to the Railroad Retirement Tax Act would increase the tax base from $300 to $350 a month, leaving the tax rate of 6¼ percent unchanged.

A similar increase in the tax base for employment covered under the Social Security Act was approved by the House on June 1, 1954, when it passed H. R. 9366. This bill provides, among other things, for the increase in the creditable and taxable wage base from $3,600 to $4,200 a year.

Almost two-thirds of the railroad employees now earn more than $300 a month, and they would pay the tax on their additional monthly compensation in excess of $300, but not in excess of $350. In return for this additional tax, these employees would get increased benefits resulting from the crediting of this additional compensation in the computation of their annuities. On the average, these employees would obtain benefit rights at the rate of $3 for each $1 in taxes they would pay. Furthermore, the liberalization of the survivor benefits provided for in the bill would apply across the board, and the families of all railroad workers would benefit, regardless of whether or not the employee was taxed at the rate of $300 a month or $350 a month.

It has been estimated by the Railroad Retirement Board that the increase in tax base from $300 to $350 a month would increase retirement-tax collections by $56 million a year, on a level cost basis. This amount is sufficient to pay for all the additional retirement and survivor benefits provided for by this bill.

The amendments proposed by the Railroad Unemployment Insurance Act are shown on pages 6 to 8 of the committee's report on H. R. 7840. Briefly, the schedule of base year compensation is slightly altered, and the daily benefit rates for unemployment are increased by 50 cents a step, with a maximum daily rate of $8.50. Moreover, an eligible employee would be entitled to receive a daily benefit rate equal to half of his daily rate of compensation for the last employment in which he was engaged in the last calendar year. The total amount of benefits which may be paid to an employee separately for unemployment or sickness within a benefit year would not exceed his total compensation in the base year. The reported bill also would increase the maximum compensation subject to contribution from $300 to $350 a month.

The Numbers Game—Part I

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. YORTY. Mr. Speaker, events move so rapidly these days that public matters which seemed to be of supreme importance a few months ago, when the present session of Congress began, have already been almost forgotten. For example, my fellow Members will recall the tremendous interest aroused, both in and out of the Congress, by certain statements made by President Eisenhower and other eminent Republicans concerning the removal from the Federal Government of a considerable number of employees under the President's new Federal employee security program.

Briefly, the series of statements began in October 1953 with the White House announcement that 1,456 employees had been forced off the Federal payroll since the institution in the preceding May of the new Federal employee security program provided in President Eisenhower's Executive Order No. 10450. Considerable speculation concerning this figure, 1,456, and sharp criticism of its use by administration spokesmen followed during the months of November and December. On January 7 the President announced in his state of the Union message that 2,200 persons had been separated under the program. Discussion and criticism were increased by this second figure and, as administration spokesmen continued to use it with the implication, if not the direct statement, that 2,200 Communists, spies, traitors, and espionage agents had been discovered, more and more "numbers" began to appear. These were usually based on statements made by representatives of the executive departments and agencies in their appearances at budget hearings before the subcommittees of the House Committee on Appropriations.

I shall not review today the heated discussion which began last December and died out slowly during the past few weeks, but you will remember the famous numbers game long after its confusing details have been forgotten. No one, to the best of my knowledge, found out the real facts either as to how many employees had been dismissed or as to the reasons for their dismissals, and I doubt that this information will ever be made available.

The President, his special counsel Bernard M. Shanley, Senator Joseph R. McCarthy, Gov. Thomas Dewey, Postmaster General Arthur Summerfield, Chairman Young, of the Civil Service Commission—to name a few top-ranking Republican leaders who made public statements on the subject—furnished plenty of information, to be sure, particularly in the course of the celebration of the birthday of their leader, Abraham Lincoln. We will not try to solve the mystery of the irrelevance of such information in that connection, striking though it was. But it was amazing to hear these administration leaders furnishing to the public such obviously contradictory and erroneous information on a subject of great importance.

The speakers not only were inconsistent with each other—they contradicted themselves. Sometimes a number like 1,456 or 2,200 represented the number of Communists in Government—sometimes it was subversives—sometimes loyalty or security or loyalty-security risks. Sometimes it included every one who resigned, retired, was dismissed for any cause, or—in one case, at least—died. Sometimes it included only employees who were dismissed under the provisions of Executive Order No. 10450 which established the program. And, finally, having produced a situation of almost indescribable confusion and distrust and having offered no reasonable final clarification, the administration permitted the whole matter to vanish from attention.

I cannot let this session close without making at least an effort to present a few little known facts which throw some light on the "numbers game." Needless to state, I am in no position to compute for you the final correct number to complete the series of authoritatively announced totals emanating from administration spokesmen. But I found out when the published hearings of the various subcommittees of the House Committee on Appropriations began to appear, a few weeks ago, that my colleagues on those subcommittees had been just as interested in trying to get the facts as I am, and that they had succeeded in drawing out—sometimes forcing out was required—some very interesting and important facts from the representatives of the executive departments and agencies, appearing in defense of their 1955 budgets. I would not say that this process was exactly comparable to the psychiatrist's delving into the subconscious mind of his patient, but it does appear that the intimacy of a hearing before a small subcommittee from whom a recommendation for next year's spending money will be forthcoming has a certain effectiveness in producing facts.

Since all Members of this House are just as busy as I am—and that is unfortunately far too busy to permit us to read the hundreds of printed pages of reports of hearings before our appropriations subcommittees—I have had all this information compiled for your use and mine, and I shall have it included in the RECORD for your consideration. In the case of 24 different executive departments and agencies, subcommittee consideration was given to the matter of dismissals under the President's employee security program, in hearings which started in December and ended in May. Secretaries of executive departments and heads of agencies, and their principal personnel and security officers explained in detail the actual operations of this program in their respective jurisdictions. A new set of statistics summarizing the results of the program cannot be compiled from the hearings because information was not furnished on a uniform basis. But many aspects of this situation are more important, in my estimation, than the actual numbers of employees affected by it.

A few of the most important questions which arise as one reads these hearings are the following:

First. How can an accurate report concerning the operations and results of the investigation of the loyalty and security of Federal employees be presented to the public without prejudicing the determination of their cases?

Second. Is it possible to agree upon a uniform terminology and to devise basic procedures for such investigations so that the program is carried out in the same way in all departments and agencies, and so that their reports will be comparable?

Third. To what extent have the current difficulties in reporting and evaluating the results of the loyalty-security programs been due to the fact that there is a minimum of central control? If more central control is needed should it be exercised by the Civil Service Commission, the National Security Council, some other existing agency, or a newly established special agency?

Fourth. How shall proper statistical account be taken of an employee charged with two or more loyalty-security offenses? Of an employee under investigation in one agency who is transferred to another agency?

Fifth. What course should be taken in cases of employees charged as loyalty-security risks who resign or are dismissed—particularly in a reduction-in-force operation—before the conclusion of their cases?

Sixth. Are cases of violation of the security order which involve law-breaking being reported promptly to the Department of Justice and are they being handled promptly by the Department?

Seventh. What, if any, agency records of loyalty and security cases should be made available to the House Committee on Appropriations and other committees?

As you read these hearings I know that many more questions will be raised in your mind. I know, too, that whatever your earlier judgment may have been it will be modified as you consider what the responsible officers of these 24 executive departments and agencies had to say about their own experiences in the operation of the President's program during its first months of existence. I doubt very seriously that any one of you will be entirely satisfied with the situation which they present, and I assume that many Members on both sides of the aisle will agree in my judgment that our serious consideration should be given to this extremely important problem. It is too late in the present session to initiate action in this direction, but it ought to be taken up as soon as we return next year. This is not a partisan matter, and members of both parties will want to find proper answers to the questions raised by the "numbers game."

In the CONGRESSIONAL RECORD I shall introduce a series of excerpts of relevant material under the general title: "Information Concerning the Operation of the Federal Employees Security Program as Presented Before the Committee on Appropriations of the House of Representatives in Hearings on the Fiscal 1955 Appropriations." I urge every Member to consider carefully these most significant statements.

The Numbers Game—Part II

EXTENSION OF REMARKS
OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. YORTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from hearings on the 1955 appropriation bills:

INFORMATION CONCERNING THE OPERATION OF THE FEDERAL EMPLOYEES SECURITY PROGRAM AS PRESENTED BEFORE THE COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES IN HEARINGS ON THE FISCAL 1955 APPROPRIATIONS

DEPARTMENT OF JUSTICE

(From hearings on December 7 and 9 and March 16, 1953)

Representative JOHN J. ROONEY (Democrat, New York): "With regard to this matter of 1,456 discharged security risks in Government, I think it might be interesting to know how many of the 1,456, which is a much talked about figure, apply to the Department of Justice."

HERBERT BROWNELL, Jr. (Attorney General): "We can get you that figure."

S. A. ANDRETTA (Administrative Assistant to Attorney General): "Yes; we can give you that; those who were removed under security regulations."

Mr. ROONEY: "Can you give an approximation of the number at this time?"

WILLIAM P. ROGERS (Deputy Attorney General): "I would not want this in the record, but I think it would be, maybe, 10."

(NOTE.—The Department determined later that the correct number is 8.)

Mr. ROONEY: "What is wrong with that being in the record?"

Mr. ROGERS: "Because I am not sure of the number and want to be correct."

Mr. ROONEY: "You can correct the figure, if it is not correct. Of that number in the entire Department of Justice, how many of those were Communists?"

Mr. ROGERS: "I do not believe I can answer that."

Mr. BROWNELL: "I know one that was a former Communist. He came up to me for review and has since been separated from the Department."

Mr. ROONEY: "The others, I presume, are in the category of homosexuals, alcoholics, and incompetents?"

Mr. BROWNELL: "There are eight different categories, I think, under the security order."

DEPARTMENT OF JUSTICE, FEDERAL BUREAU OF INVESTIGATION

(From hearing on December 9, 1953)

J. EDGAR HOOVER (Director): "As regards the inquiries of the Civil Service Commission, you will recall that this committee in 1948 issued specific instructions that the Civil Service Commission advise us of action taken in all cases where criminal records of applicants or employees were located in our files. I want to report to the committee that through October 31 of this year [1953] following actions had been taken by the Civil Service Commission since the inception of the program approximately 10 years ago: 12,792 were dismissed; 7,586 were confronted and reprimanded; 4,545 were issued letters of warning; 22,464 names were flagged on the eligible list.

"This shows that the results of the searches which we made for them resulted in positive action being taken."

Mr. Hoover described the work of the Bureau under the Executive order of April 27, 1953. Their burden was "materially increased" because the new program required investigations of security and not only subversion. "I would like to cite the workload of the name checks that were received, showing the volume of the workload in 1953. We received requests for name checks on 398,640 persons; we made fingerprint searches on 423,646; we opened 4,407 field investigations and made preliminary inquiries in 3,381 cases. The volume will run approximately the same for the current fiscal year [1954]. For the next fiscal year there may be slight increases in 1 or 2 of the items. The increase in searches and reviews of additional references as required by the new order has increased that phase of our work about 69 percent."

Mr. Hoover explained the work of the Bureau under various legal and administrative provisions relating to the investigation of Federal employees.

In a "tabulation of specific increases in criminal and civil work, fiscal years 1953 versus 1952"—the item departmental applicants for 1952 was 14,905 and for 1953 it was 30,760—an increase of 106 percent.

Mr. Hoover described the indictment of Communist leaders, totaling 105, for the period from July 1948 to November 9, 1953. In reply to a question from Representative Rooney, Mr. Hoover presented a table indicating that 20 of the 105 had been indicted since February 1, 1953.

On March 16 the committee, in considering the third supplemental appropriation bill of 1954, engaged in the following discussion:

Mr. ROONEY: "Mr. Chairman, it appears that the Eisenhower administration has no intention of giving up their numbers game. On Saturday evening last the Vice President of the United States made a speech in which he said that 422 Government employees' files showed subversive activities or associations.

"Now, the law of the land, as I understand it—this is permanent law, and repeated in every appropriation bill for a number of years—provides that 'any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this or any other act shall be guilty of a felony and, upon conviction, shall be fined not more than $1,000 or imprisoned for not more than 1 year, or both.'

"This will be found in section 1209, Public Law 759, 81st Congress.

"I should like to ask the Department of Justice how many cases it has pending at the moment under this law which makes it a felony to belong to an organization which advocates the overthrow of the Government of the United States by force or violence?

"I believe that it has been held that one who belongs to the Communist Party is a member of an organization which advocates the overthrow of the United States Government by force or violence.

"How many prosecutions have been instituted or are pending under this provision of law?"

Mr. ANDRETTA: "I do not know, but I can get the information for you, Mr. Rooney."

Mr. ROONEY: "This appropriation request for the security transfer would take away a substantial sum of money from the Immigration and Naturalization Service at a time when we have the deplorable condition along the Mexican border which was pictured to the committee by the Attorney General and the Assistant Attorney General, and I was wondering if the Attorney General is familiar with this provision of law, which is contained in Public Law 759 of the 81st Congress. If you have found 422 Communists in the Government, how many are being prosecuted under this law?"

Mr. ANDRETTA: "I do not know the answer to that.

(The following information was later furnished.)

"The records of the Department do not disclose that any indictments have been returned or prosecutions brought under the provisions of this statute."

Representative FREDERIC R. COUDERT, Jr. (Republican, New York): "Will the gentleman yield?"

Mr. ROONEY: "I gladly yield to my friend from New York."

Mr. COUDERT: "I would like to suggest to the witness, when he answers the gentleman's questions as to what prosecutions may be pending, that he indicate what prosecutions may have been instituted in any prior years, beginning in 1951."

Mr. ROONEY: "A speech broadcast over the radio and television was widely publicized on Saturday evening in which the Vice President of the United States claimed that there were found 422 subversives or associates of subversives. I think that Attorney General Brownell should explain how many of those 422 are being prosecuted under the provisions of this Public Law 759 of the 81st Congress."

Mr. COUDERT: "Will the gentleman further yield?"

Mr. ROONEY: "Certainly."

Mr. COUDERT: "I think the Attorney General might again explain how it was that during an earlier administration Dexter White and Hiss remained in Government service without being prosecuted by any agency of the Government."

Mr. ROONEY: "I thought that Alger Hiss was prosecuted by the Truman administration. If I recall correctly, the 10 Communist leaders in New York and the Rosenbergs were investigated and prosecuted under the Truman administration. I could give the gentleman other cases. Aside from the Detroit cases started in the Truman administration, I do not know what this administration has done to prosecute people who are engaged, they say, in subversive activities. If there are any so engaged, I am sure the gentleman will agree with me that they should be prosecuted. Let's just don't talk about it for political purposes. Let's get them out of the Government, and prosecute them, if there are any."

Mr. COUDERT: "I will agree with the gentleman's last observation, and I think if the members of the gentleman's party would follow that very wise counsel we would be much better off, but let me remind him again that the prosecution of Mr. Alger Hiss was the product of the investigation of the committee of the House of Representatives."

Mr. ROONEY: "I am inclined to agree with the gentleman, but nevertheless he was prosecuted under the Truman administration, tried by a jury, and convicted, as were any number of others the gentleman might refer to.

"Now, Mr. Andretta, how much has been spent by the Department of Justice in investigating possible security risks in the Department?"

Mr. ANDRETTA: "We spent no money outside the regular money for character investigations.

"As I pointed out earlier, the person who comes into the Department of Justice—we have always done that for many, many years, and the FBI has funds to make character investigations for all employees.

"So we have never received any additional funds to carry out this security program. These are the first funds now that are being made available, if they are made available, for that purpose."

Mr. ROONEY: "I suppose the Department of Justice has sufficient personnel on hand to determine whether or not they had a security risk in the Department of Justice."

Mr. COUDERT: "Would the gentleman from New York yield to me again?"

Mr. ROONEY: "I always gladly yield to my friend from New York."

Mr. COUDERT: "Before we complete the discussion of the subject of prosecution which my friend, Mr. Rooney, brought up a few moments ago, my attention has just been called by my good friend from Oregon, Mr. Coon, that Martin Dies declared on the floor of the House a few days ago that in 1941 he turned over a list of 1,124 known Communists, affiliates with Communist organizations, to the administration, including the names of Hiss and White.

"I ask the witness whether, when he provides the information, in answer to Mr. Rooney's question, that he will also include information as to which of those 1,124 were prosecuted by the early administration in any way shape, or form."

(NOTE.—The information requested will be supplied the committee.)

POST OFFICE DEPARTMENT

(From hearings on December 8 and 10, 1953)

Representative GORDON CANFIELD (Republican, of New Jersey): "General [addressing Arthur E. Summerfield, Postmaster General], have you discharged any employees because they were considered bad security risks?"

Mr. SUMMERFIELD: "Yes, we have; 116 was the last figure I have had laid on my desk. And I might add there are many hundreds under investigation."

Mr. CANFIELD: "Does the record show that there were any firings in former years for this reason?"

Mr. SUMMERFIELD: "I have not checked that. I know that we inherited a tremendous number of possible security risks that were supposed to be in the process of investigation, in which they were so far behind that it was ridiculous, but they are in such numbers that it may be some time before the work is completed."

Mr. CANFIELD: "Have any of those been in the Washington office of the Post Office Department?"

Mr. SUMMERFIELD: "I think they were pretty general all over the country."

Mr. CANFIELD: "What I am geting at is, Have any of those been in the higher echelons of the Post Office Department?"

Mr. SUMMERFIELD: "No. That is correct, is it not, Mr. Stephens [referring to David H. Stephens, chief post-office inspector]?"

Mr. STEPHENS: "That is correct."

(Off-record discussion.)

Mr. CANFIELD: "I can say for the record that this committee, General, compliments you on pursuing this situation. • • • Are there any questions by the members of the committee at this time?"

Representative J. VAUGHAN GARY (Democrat, of Virginia): "Not now, Mr. Chairman."

Two days later (December 10) Mr. Gary questioned Mr. Summerfield and Mr. Stephens, as follows:

Mr. GARY: "I believe you stated that you have dismissed something over a hundred cases on account of security risk."

Mr. SUMMERFIELD: "That is correct; 166." [Note.—On December 9 he gave the number as 116—is this a typographical error?]

Mr. GARY: "You also stated that when you came into the Department there were a large number of cases under investigation. Were those cases that arose under the loyalty program?"

Mr. SUMMERFIELD: "I do not know whether or not the 160 were; I have not identified them to that extent."

Mr. GARY: "Did the cases that you referred to as under investigation when you took over arise from the loyalty check on all Federal employees?"

Mr. SUMMERFIELD: "I believe so; I will ask Mr. Stephens to comment on that."

Mr. STEPHENS: "There were some, Congressman, which had been handled under the loyalty program, and there were some under the security program. It was a combination of both."

Mr. GARY: "The loyalty program was initiated by an Executive order of the President, in 1947, which required a name and fingerprint check of every Government employee. Now, did these pending cases arise under that program?"

Mr. STEPHENS: "Not all of them, but some were employees that had been processed under that order, and who were on the rolls. Some of them had even had hearings under the loyalty program; and there were also cases that required reevaluation under the new security program."

Mr. GARY: "Under the new security program? When was that adopted?"

Mr. STEPHENS: "It was adopted by the President's Executive Order 10450, April 27, of this year."

Mr. GARY: "The cases pending when you took over could not have arisen under the security program, as that program was not adopted until after you took over."

Mr. STEPHENS: "That is right, but under the new program there had been additional cases."

Mr. GARY: "I understand. Now, have all cases been pretty well cleared up, or how many have you under investigation?"

Mr. STEPHENS: "We have many cases to be reevaluated. We have received for handling a total of 23,548 cases. Of these, 1,295 originated or were in process under the old loyalty program. We have received 409 cases under the new security program, new cases, new evidence, and investigations currently in the making. We have had a national agency check on all new employees coming into the service, totaling more than 13,000, making a total in excess of 23,000. • • •"

Mr. GARY: "Were any of the dismissals that have been made among the higher officials of the Department?"

Mr. STEPHENS: "No, sir."

Mr. GARY: "As I understand, the cases that have not been disposed of are still under investigation, and it is your purpose to carry the investigation to its conclusion? • • •"

Mr. SUMMERFIELD: "That is correct."

Mr. Gary and Mr. Canfield discussed a statement made by Posmaster General Hannegan in the course of hearings on the 1948 appropriation bill (before the loyalty program was put into effect), and a statement made by Postmaster General Donaldson in the hearings on the 1949 bill. Both officers had described the situation in the Department as being very free of Communist activities during the period under consideration.

EXPORT-IMPORT BANK

(From hearings on January 8, 1954)

Representative GORDON CANFIELD (Republican, New Jersey): "General [addressing Maj. Gen. Glen E. Edgerton, Managing Director], have the security personnel investigations, started during the current fiscal year, been completed?"

General EDGERTON: "I think they have all been completed. We have had 1 or 2 vacancies filled with new employees, and I think those investigations have all been completed."

SIDNEY SHERWOOD, Secretary: "They are all completed."

General EDGERTON: "We did that as a packaged deal this year."

Mr. CANFIELD. "Have you ever had to discharge any employees under this program?"

General EDGERTON: "We have not discharged any in my time."

Mr. SHERWOOD: "No, Mr. Chairman; we have not."

FEDERAL COMMUNICATIONS COMMISSION

(From hearings on January 12, 1954)

Representative SIDNEY R. YATES (Democrat, of Illinois): "Has the Commission made any dismissals of its employees for security reasons?"

ROSEL H. HYDE (Chairman): "Since I have been Chairman, I have had the duty in just one instance to suspend an employee pending an investigation as to whether or not he should be continued in employment. I am not aware of any request for a hearing and I have reason to believe that resulted in his suspension from the service. That is the only one."

Mr. YATES: "Was this because of a question of loyalty, or for some other reason than security reasons?"

Mr. HYDE: "It was loyalty."

[Omission.]

Mr. YATES: "Has the Commission had occasion to separate from its service any employees because of reasons other than loyalty but which would still fall within the security order?"

Mr. HYDE: "Not since I have been Chairman."

Mr. YATES: "How long have you been Chairman?"

Mr. HYDE: "Since April 18 of last year, 1953."

Mr. YATES: "Do you know of any the previous year?"

Mr. HYDE: "I do not."

COMMERCE DEPARTMENT

(From hearings on January 12 and 20, 1954)

Representative JOHN J. ROONEY (Democrat, New York): "I should like to inquire how many security risks have been discharged from the Department of Commerce?"

SINCLAIR WEEKS (Secretary): "It is about 450, is it not?"

JAMES C. WORTHY (Assistant Secretary for Administration): "Mr. Secretary, I can answer that as I have the actual figures here, but I would like to go off the record."

Mr. ROONEY: "I want it on the record. I want to know how many alleged security risks were discharged for subversive activities."

(Discussion preliminary to going off the record to permit Mr. Worthy to make a comment.)

Mr. WORTHY: "Since the 20th of January we have separated from the Department a total of 132 people as security risks. This is security risks as defined by the new Executive order. They are not all subversives, in the literal sense of that word."

Mr. ROONEY: "How many were subversives in the literal sense of the word?"

Mr. WORTHY: "I do not have that figure."

Mr. ROONEY: "Would you say it was 1, 2, or 3?"

Mr. WORTHY: "I would not want to estimate that figure, sir."

Mr. ROONEY: "More than three?"

Mr. WORTHY: "Because under the new Executive order the only criterion is security. We have been operating on that basis."

Mr. ROONEY: "A great number of these might have been homosexuals?"

Mr. WORTHY: "Some of them were."

Mr. ROONEY: "Drunkards? But how many of them were security risks in the literal sense of the word, engaged in subversive activities?"

Secretary WEEKS: "Mr. Chairman and Mr. Rooney, I think under the rules of the game that a homosexual, or whatever he may be, is considered just as much a security risk as anybody else."

Mr. ROONEY: "Of course he is, and that is why we gave the former Secretary of Commerce authority to fire them summarily."

(Omission.)

Mr. WORTHY: "I do not have those figures."

Mr. ROONEY: "Can you tell me how many of these were homosexuals?"

Mr. WORTHY: "I can tell you that. Thirty-six."

Mr. ROONEY: "How many were drunks?"

Mr. WORTHY: "I do not have that further breakdown."

Representative FREDERIC R. COUDERT, Jr. (Republican of New York): "Off the record."

(Discussion off the record.)

(After discussion of other subjects, the committee returned to security risks.)

Mr. ROONEY: "Mr. Worthy, when you mentioned the figure of 132, which you did a while ago, the subversives, homosexuals, drunkards, and incompetents, how many employees do you now have in the Department of Commerce?"

Mr. WORTHY: "As of the 31st of October the permanent full-time employment was 31,519."

Mr. ROONEY: "I take it that my request is still before you and that there shall be inserted in the record"——

Mr. WORTHY: "Excuse me. I did not hear the question."

Mr. ROONEY: "I take it my request for the figures to which I directed your attention is still before you and that they will be inserted in this record"?

Mr. WORTHY: "That is correct."

Mr. ROONEY: "How many are security risks in the literal sense and how many drunkards, and so forth."

Mr. WORTHY: "We will supply that. I might say this 31,519 employment figure is permanent full-time paid employment."

Mr. ROONEY: "Did any of the 132 come from the part-time workers?"

Mr. WORTHY: "I would have to check that. I cannot answer that."

Mr. ROONEY: "Will you so state when you furnish the information for the record?"

Mr. WORTHY: "Yes."

(The information referred to follows:)

1. Cases involving morals charges	36
2. Cases involving alleged subversion or disloyalty	23
3. Cases involving charges other than morals and alleged subversion or disloyal charges	73
Total	[1] 132

[1] None of the foregoing involved part-time employees.

Mr. ROONEY: "And how many part-time employees you have. Will you furnish that for the record?"

Mr. WORTHY: "Yes."

(The information referred to follows:)

"As of October 31, 1953, there were 5,368 part-time and intermittent employees."

(On January 20, 1954 the Committee again considered security risks.)

Mr. ROONEY: "I have one matter and that concerns the Department as a whole and not merely the Office of International Trade. I inquired of the Secretary and/or you, Mr. Worthy, with regard to the number of actual security risks in the Department. I note in answer to my question there was furnished a bare statement that 36 were separated for morals reasons, 23 for alleged subversion or disloyalty, and 73 for other security reasons, which would include habitual drunkenness, loose talk, and so forth. Is that the only information you propose to give this committee on this subject?"

Mr. WORTHY: "It is my understanding that was the information you requested."

Mr. ROONEY: "There has been an impression given the public that 2,200 people have been separated from the Government because they were subversive. A great many people suspect that is a lot of hogwash. When you talk of security risks, you are not talking of subversives. Are these 36 cases homosexuals or do they include other cases involved with respect to morals?"

Mr. WORTHY: "All homosexual cases, I believe."

Mr. ROONEY: "How many are drunks? How many are loose talkers? There are eight categories in the Executive order, are there not?"

Mr. WORTHY: "As I recall it; yes."

Mr. ROONEY: "Then with regard to the alleged subversion or disloyalty, how many of those people resigned? How many did you fire?"

Mr. WORTHY: "Let me examine the records, please."

Mr. ROONEY: "What did they do? I don't want their names. What did they do? I think we are entitled to this information before we sit down and mark up an appropriation bill."

Mr. WORTHY: "I will be very glad to go back and examine the records in more detail. I had understood that you wished a breakdown between the broad categories."

Mr. ROONEY: "No."

Mr. CLEVENGER: "Who is the security officer in your Bureau?"

Mr. WORTHY: "Col. Newman Smith."

Mr. CLEVENGER: "We had his predecessors down here on various cases."

Mr. ROONEY: "The Secretary himself used to sit across the table and give us the details on this."

Mr. WORTHY: "We would be very happy to give you whatever information you wish, Mr. Rooney. We want to be careful to give it in such a way that individual cases cannot be identified."

Mr. CLEVENGER: "We have never had that problem."

Mr. ROONEY: "I am glad the Department is getting cleaned up. We used to find 55 and 75 homosexuals in a batch. Now you find 36 out of 30,000."

Mr. Worthy: "We will submit more detailed information on that."

Mr. ROONEY: "How many more do you suspect there are, Mr. Worthy?"

Mr. WORTHY: "That, Mr. Rooney, I would not even conjecture a guess on."

Mr. CLEVENGER: "Off the record."

(Discussion off the record.)

The Numbers Game—Part III

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. YORTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts

from hearings on the 1955 appropriation bills:

INFORMATION CONCERNING THE OPERATION OF THE FEDERAL EMPLOYEES SECURITY PROGRAM AS PRESENTED BEFORE THE COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES IN HEARINGS ON THE FISCAL 1955 APPROPRIATIONS

TREASURY DEPARTMENT

(From hearings on January 12, 27, 29, February 3 and 8, 1954)

ELBERT P. TUTTLE (general counsel): "I am Acting Personnel Security Officer of the Treasury Department. When the President's Executive order was issued we started to reevaluate the entire security program in the Treasury Department. Since that time there has been a total, up to December 6, of removals of 308 in the Treasury Department. Of that number, as you well recognize, a substantial number are removals for other than security reasons. One hundred and ninety-four of the 308 were for other than security reasons. The remaining ones were for security reasons, and those security reasons were not by any means all under the original concept of loyalty, or subversive activities but on the ground of anything that would make a person an undesirable security risk, which means that of the total of 308, 194 were for reasons that do not fall within the President's security program definition and 114 do fall within that."

In reply to questions, Mr. Tuttle and other Treasury officials stated that approximately half of those removed were in the Washington office, and that none was in the highest or second highest echelons of the Department. Total employment in the Department as of December 31 was 33,982. Mr. Tuttle did not have information indicating how many of those removed had been removed for subversion and for other causes named in the Executive order. This information was supplied for calendar 1953 and inserted in the record:

Removals under Executive Order 10450	130
Removals for other reasons	209
Total removals	339

This comment followed the statistics: "No statistics have been kept, and none will be available reflecting the number of the above removals which were effected for reasons classified as 'subversive,' if by this term is meant some type of identification with Communist or Soviet causes or interests. The reason for this is that during the course of an investigation there may be evidence of some such association but, without the necessity either of completing the investigation into, or evaluating this phase of the employee's activities, it becomes abundantly clear that the employee has been guilty of other acts that make him an unacceptable security risk and he is dropped. In such a situation, it would be obviously unfair to classify such removal as a subversive removal, but it would be equally inaccurate to state that there was no subversive problem involved. From my own experience in handling these matters, I do know that persons have been dropped as security risks on easily provable cases of dishonesty or false swearing in which information as to possible subversive activity was present.

"Acts of reckless, irresponsible or wanton nature indicating poor judgment, and instability, while not strictly speaking subversive in themselves, may, under some circumstances, indicate that the individual might disclose security information to unauthorized persons or otherwise assist such persons (whether deliberately or inadvertently) in activities inimical to the security of the United States, and thus engage in subversive activities. Similarly, the presence of a close relative of an employee in an unfriendly nation, or identity of a close relative with a Communist organization or activity, while not raising any inference that the employee is subversive, might suggest the possibility that coercion or pressure could be brought on the employee through such relative to engage in subversive activities. It could be said that a person becomes a security risk due to suitability factors only when such factors raise reasonable cause to believe that such person might, at a later date, actually engage in subversive activity."

The committee's questioning of officials from the Bureau of Customs revealed that there had been approximately a half dozen dismissals because of security risks in the Bureau last year. In each of the six cases Acting Commissioner David B. Strubinger said that there was indication of a Communist contact, or there had been a previous membership to such an extent that it was considered a definite security risk.

Rear Adm. A. C. Richmond, Assistant Commandant of the Coast Guard, stated that there had been approximately 80 dismissals for cause in the past year but he did not know how many were for security reasons. Since the loyalty program was initiated, there had been the following dismissals "for cause" (not further broken down):

1947	15
1948	10
1949	12
1950	14
1951	57
1952	143
1953	80

O. Gordon Delk, Deputy Commissioner of Internal Revenue, stated that he was not prepared to separate into categories the reasons for dismissals from the Bureau. The following information was later supplied for the record:

Dismissals under Executive Order 10450	58
Dismissals for all other causes	69

Reference was made to the comment (quoted above) concerning the reasons for the impossibility of making a further classification of these two groups. Figures for previous years were included in supplementary testimony of Mr. Tuttle on February 8.

On February 8 Mr. Tuttle and Mr. Strubinger were before the committee which met to consider some seemingly conflicting testimony concerning the Bureau of Customs.

Representative J. VAUGHAN GARY (Democrat, Virginia): "Mr. Tuttle, when you first testified before the committee you stated, if I am not mistaken, that 114 people had been separated from the service under the security order issued by President Eisenhower. I asked at that time for a breakdown of that figure showing those who were actually subversives or connected with subversive organizations. You stated that the information was not available at that time and I requested that it be inserted in the record. When the manuscript came back to me, I was astonished to find a statement that the information was not available. I knew that could not be correct for the simple fact that the Department is bound to know the reasons for which the 114 persons were discharged, and if they do not know the reasons for their discharge, then the Department owes them an apology for discharging them at all.

"Later I found that the statement that the information was not available had been stricken from the record and that a letter had been inserted. The letter still is not responsive to the request that I made. Subsequently, I made a request through the executive secretary of our committee that this information be enlarged to show how many had been separated from the service each year since 1947—the year in which the first Executive order dealing with the security program was issued—and I was astonished when that information was not supplied.

"All I am asking is that this committee be given a comparative statement showing how many were separated annually from the service under the Executive order issued by the President of the United States in 1947 and how many were discharged under the Executive order issued by President Eisenhower, the figures for each of the years being broken down so as to show the actual subversives and persons disloyal to the United States."

After some discussion Mr. Tuttle replied that he was trying to be as responsive as possible. When he first appeared he had said that 114 out of a total of 209 dismissals were for reasons based on Executive Order 10450. That 114 had now increased to 130, carrying through the month of December, and this figure had been used in the information furnished to the committee. He gave the following information concerning security dismissals: In the 5 years, 1948–52, under President Truman's Loyalty Order 9835, there were only 8 dismissals because disloyalty to the United States was the only ground for dismissal. The whole basis changed under President's Eisenhower's order and the 130 dismissals in 1953 are not comparable to those in 1948–52. No statistics showing grounds for dismissal during this 5-year period are available and to prepare them would require analysis of every person dismissed. He said: "We are not authorized to open the personnel investigative files to the extent of turning over to the committee the files within the categories of dismissal beyond classifying them as security risks. * * * We feel that is the place in Treasury where the line should be drawn—that is, giving statistics between security and nonsecurity but not breaking them down into the actual categories because the categories do not give the full answer."

Mr. GARY: "Is there any reason why you cannot make those a category in itself? The impression has been created throughout the United States that 2,200 disloyal persons have been separated from the Government service. That is not true, but that impression has been created. Then when you ask how many of the 2,200 were disloyal, you say you cannot give us the answer for this, that, or another reason. I think we are entitled to have a breakdown of those figures."

Representative GORDON CANFIELD (Republican, New Jersey): "Will the gentleman yield?"

Mr. GARY: "Yes."

Mr. CANFIELD: "Has it not been stated repeatedly that 2,200 Federal employees have been discharged as 'security risks'?"

Mr. GARY: "And it has also been stated that 90 percent were either Communists or perverts, which is not true."

Mr. CANFIELD: "What you are seeking to determine is whether they were Communists, espionage agents"——

Mr. GARY: "It would be difficult to prove whether a person was a Communist or an espionage agent. If they would say they were suspected—I do not believe in firing people on suspicion, but if they were fired on suspicion of belonging to a subversive organization, give us that classification. I understand a lot of those people were drunks. I think when a person gets to a point where he cannot control his appetite for liquor he is a poor security risk, but that does not mean he is disloyal. To turn such a person out with the imputation of disloyalty is a gross injustice. There is a difference between a man being an alcoholic, which is a disease, and being a Communist, which is a traitor. I do not want to attach to these 2,200 people the guilt of being traitors to the country when it is not true. All I want to do is to give the American people the information and I think they are entitled to it."

Representative BENJAMIN F. JAMES (Republican, Pennsylvania): "Will the gentleman yield?"

Mr. GARY: "Yes."

Mr. JAMES: "I am not familiar with the source of the charge that these 2,200 persons were disloyal. Was that an official statement?"

Mr. TUTTLE: "I would like to say, Mr. Gary, that the Treasury has not published any of those statistics either directly or as a part of the civil-service report, as far as I know. Some of the persons dismissed from the Treasury Department may be included in that 2,200 figure, but they may not be. If they are, they were picked up from the IBM cards sent to the Civil Service Commission, but Treasury has not made any publication of those dismissals under any classification."

Mr. GARY: "I understand that. I will give the answer to the gentleman. The President, in his state of the Union message, made the statement that one-thousand-four-hundred-and-some-odd persons had been separated from the service for security reasons. Everybody assumed that meant that they had been discharged for disloyalty. The number mentioned by the President was as of the time he made his state of the Union message. The number subsequently was enlarged to 2,200. People throughout the United States have the idea that 2,200 Communist spies have been dismissed from the service within the last year. The President has denied this, but there has been no breakdown of the cases. All I want is to give the people of the United States the facts. I think they are entitled to know the facts, and I want to give them to them. That is all."

Mr. CANFIELD: "May I say, for the benefit of the gentleman from Pennsylvania, I am not sure he heard me read earlier this paragraph from the New York Times dispatch of this day. May I quote it again: 'President Eisenhower expressed his concern over the problem at a news conference last week. At that time he said he was determined that innocent persons should not suffer guilt by association. The White House staff, the President continued, has been directed to consider ways of making some information, by way of a breakdown, available.'"

Mr. JAMES: "Of course as yet nobody has been willing to say that all of these people or 90 percent of them were dismissed for disloyalty. In my mind there is a vast difference between saying that people are dismissed because of perversions or because of associations with persons who are known to be disloyal to the Government, and saying that they themselves are disloyal. Disloyalty means treason in my book. But I cannot understand how the statements that have been made here could be construed as a charge that anybody has been dismissed for disloyalty."

Mr. GARY: "Nobody has broken the figures down."

Mr. JAMES: "What I am trying to say is that nobody has said those 2,200 people or 90 percent of them, have been discharged for disloyalty."

Mr. GARY: "All I want to know is how many have been discharged for being disloyal."

Mr. TUTTLE: "The Treasury cannot give it to you because we have not checked the files of each person dismissed."

Mr. GARY: "I demand to know the persons who have actually been found to be disloyal. You can make any statement that is true as to the rest of them, but I do not want a statement to stand unexplained that is misleading to the people of the United States. All I want to do is to give the people of the United States the truth, the whole truth, and nothing but the truth."

[Omission.]

Mr. Tuttle: "I have a specific answer to one of the questions you last asked, Mr. Gary. We do have during 1953 a completion of the loyalty program that was initiated under Executive Order 9835, and four persons have been dismissed from the Treasury Department as disloyal by findings of the loyalty procedure under the previous order. Executive Order 10450 did not become effective in Treasury until its regulations were issued in September. The dismissals I spoke of previously were under the standards set up under Executive Order 9835 and they totaled 130. The 4 I speak of are the only ones of the 130 as to whom charges of being disloyal were made. The 130 include either dismissals or forced resignations."

Mr. GARY: "Some of the 130 did resign?"

Mr. TUTTLE: "Yes."

Mr. GARY: "Will you give us the total number of dismissals and forced resignations from 1948 through 1953?"

Mr. TUTTLE: "I am sorry. I would like to, but only in 1953 were the forced resignations kept separately. We do not have statistics on forced resignations for the previous 5 years."

Mr. GARY: "Will you give the total number of dismissals?"

Mr. TUTTLE: "Yes. I have a table showing Treasury employees discharged during the calendar years 1948 to 1952, and this same table shows the number discharged on loyalty grounds under the then existing loyalty program. I will leave that table for the record. The total dismissals from 1948 to 1952, including resignations, were 994. Eight of those were dismissed under the loyalty program itself."

(The table referred to is as follows:)

Treasury employees discharged during the calendar years 1948–52

Year	Under provisions of Executive Order 9835	For other reasons	Total
1948	3	111	114
1949	2	155	157
1950	2	181	183
1951		238	238
1952	1	301	302
Total for period	8	986	994

Mr. TUTTLE: "The total dismissals and forced resignations for 1953 were 339, of which 130 were for security reasons and out of the 130 were the 4 specifically found under the prior loyalty program to be disloyal persons. Those four are the only ones on whom a finding of disloyalty was made. Instead of 4 being included in the 130, only 3 were included because 1 was in Puerto Rico and, being out of continental limits of the United States, is not included.

"You asked specifically about Mr. Strubinger's department. I have the figures for the Bureau of Customs for the 5 years 1948 through 1952, and there were none dismissed under the provisions of Executive Order 9835 in that 5-year period. That makes it completely responsive. I had intended to make it responsive by stating there was no program in the preceding 5 years that was comparable. I submit for the record a table on the Bureau of Customs."

(The table referred to is as follows:)

Employees in the Bureau of Customs, Treasury Department, discharged during the calendar years 1948 through 1952

Year	Under provisions of Executive Order 9835	For other reasons	Total
1948		10	10
1949		12	12
1950		12	12
1951		16	16
1952		17	17
Total for period		67	67

DEPARTMENT OF STATE

(From hearings on January 24 and March 16, 1954)

Representative JOHN J. ROONEY (Democrat, New York): "How many Communists have been found in the Department of State in the last year?"

WALTER BEDELL SMITH (Under Secretary of State): "That I cannot answer. I do not know that any have been found there. Mr. McLeod [Robert W. S. McLeod, Administrator, Bureau of Security and Consular Affairs, and Personnel] knows. The only time I checked I was cognizant of two probable Communists in the Department. Alger Hiss, whom you know about, and the other a minor employee who was discharged some years ago because he was found to be a Communist."

[Omission.]

Mr. ROONEY: "I failed to inquire, when we were talking about the Communists you found in the Department last year, about alleged security risks?"

Mr. SMITH: "We found a number who were security risks."

Mr. ROONEY: "How many?"

Mr. MCLEOD: "Approximate 300."

Mr. SMITH: "Please, gentlemen, when you talk about a security risk realize that covers a wide field."

Mr. ROONEY: "Yes. That covers drunks."

[Omission.]

(Discussing the 300 security risks mentioned above:)

Mr. ROONEY: "How many of these were Foreign Service officers?"

Mr. SMITH: "I suppose you could count them on the fingers of two hands."

Mr. MCLEOD: "I am reluctant to break this down too much, because I am afraid we will identify individuals if we do"——

Mr. ROONEY. "My position is if you do not give us the information you do not get the money. I do not know if the committee will agree with me."

[Further discussion ensued dealing with taking up the matter later in the hearings.]

Later in the hearing on January 25 Mr. McLeod described very thoroughly the method of conducting security investigations in the Department and the problems met in this activity. He then took up the earlier question of the number of dismissals.

Mr. MCLEOD: "As soon as Mr. Rooney indicated his interest in the breakdown, I called the Security Office to get the figures broken down. I do not have them broken down now. I can give you what I have now, with this explanation: Under the Executive order, when a person's case was evaluated under the old Truman loyalty security order, it must be reevaluated under 10450. So to set up the machinery on this phase we took those cases which had previously been through the old process and scheduled them for readjudication under this new order. When any person left the Department, for whatever reason, who was on the list, we notified the Civil Service Commission that this unresolved security-integrity question existed in order that any other Federal agency which might employ that person would be aware of this situation and would inquire into it with respect to the sensitivity of the job he was to be assigned to. This is meant to be, and in my judgment is, justification of the fact that the Department, in reporting these figures to the Civil Service Commission, reported people who left the service by whatever means, which included transfers. That has been subjected to attack as a dishonest reporting device. I do not defend it, I can only explain it.

"Under that reporting system, which is the one we have in effect because of the forms sent to us, we have had a total of 590 separations on which a security question existed. That was from January 1, 1953, to December

31, 1953. We can break those down as follows:

"Those discharged for cause, a total of 21."

Representative PRINCE H. PRESTON, Jr. (Democrat, of Georgia): "Discharged for what?"

Mr. McLEOD: "Discharged for cause under Public Law 733, which is the basic law under which the Executive order was issued.

"Resigned, 188.

"Terminated in the course of reductions in force, 50. I ought to point out that the reduction-in-force actions are based on relative retention credits and are carried out consistent with civil-service regulations. There is no way I know of that we can reach a security risk through a reduction in force.

"Terminated due to expiration of limited appointments, 36. Those are people whose terms just ran out.

"Retired, 4.

"Transferred to other agencies, 291.

"These figures total 590. Included in that number, and in those categories listed so far, there were a total of 99 cases in that calendar year of separations involving homosexual deviations as the principal factor.

"I might point out another difficulty in trying to assign these cases to one criterion or another is that there is overlapping. A person might be an alcoholic and also a sexual deviate; or he may be associated with Communists and also a drug addict.

"At the present time we have 278 pending investigations in the sexual deviation category on which there has been no determination.

"Under the order—this is not a part of that general total but apart from it—we have completed the evaluation of 45 cases where there was an adverse recommendation from the Security Office. So far we have not successfully finally completed the procedure in a single case under this order. I think we have two cases where appeals are pending, but the appeals have not yet been heard. The system work as follows: The recommendation of the Security Office comes to me. If I recommend we pursue the case, it goes to Mr. Lourie [Donald B. Lourie, Under Secretary for Administration] and if Mr. Lourie recommends it, it goes to the Secretary and the Secretary determines whether or not there should be a suspension. If there is a suspension, that starts the formal machinery. The employee is then furnished a letter of charges, he has 30 days to reply, and his reply is again the subject of a decision. Recommendation is made to the Secretary that the employee is terminated or reinstated. If the decision is reached that he is to be terminated, he has a right of appeal and the appeal board is made up of three people who are not in the Department but in some other Government agency. We have not as yet carried any case through that machinery to the final determination."

(Omission.)

Mr. ROONEY: "With regard to the 21 separated for cause, those 21 were fired, right?"

Mr. McLEOD: "Yes."

Mr. ROONEY: "How many of those 21 were fired for being Communists?"

Mr. McLEOD: "I do not have the breakdown, and I could not say they were Communists even though the information indicated they were."

Mr. ROONEY: "Could you not say any of them were Communists?"

Mr. McLEOD: "I cannot offhand, Congressman. I am coming back again to justify my own budget, and I will try to have a breakdown."

Mr. ROONEY: "How many of the 21 cases were referred to the Attorney General or district attorney, if any?"

Mr. McLEOD: "I would not normally refer cases to the Attorney General. We have had a couple of instances where people have falsified payroll records or made false statements on their Form 57 which we detected and referred to the Attorney General, but the Department has the FBI make investigations for possible prosecution."

Mr. ROONEY: "Such prosecutions would be included in the 21?"

Mr. McLEOD: "I think the two I was thinking of, both people resigned, so they would be under resignations."

Mr. ROONEY: "Can you tell us whether or not there was any person fired since January 1953 from the Department for subversive activities in the literal sense?"

Mr. McLEOD: "I have the list of all the individuals here. I could go through it and answer your question, I think."

Mr. ROONEY: "There are only 21 on your list, including all the categories."

Mr. McLEOD: "Yes. I find one here who was discharged for pro-Communist activities or associations, which would be the farthest we would ever go."

Mr. ROONEY: "There was one?"

Mr. McLEOD: "I have found 1 in the first 4 pages. Do you want me to go through this?"

Mr. ROONEY: "Yes. You understand my position on this. I am for separating those who should be separated from the Department, but I think the public is entitled to know something about what is going on."

[Omission.]

Mr. McLEOD: "Here is one. This fellow certainly is not subversive, but he did have relatives who were Soviet nationals, and we discovered he was subject to pressure because he was in the Department, and it was for his own good as well as the Department's good that we got rid of him."

Mr. ROONEY: "In what area was he employed?"

Mr. McLEOD: "I do not know about that. I just have his name, date of separation, and reason."

Mr. ROONEY: "Do you have his grade there?"

Mr. McLEOD: "No."

Mr. ROONEY: "Will you furnish it for the record at this point?"

Mr. McLEOD: "His grade?"

Mr. ROONEY: "Yes; and in what area he was employed."

Mr. McLEOD: "That would probably identify him."

Mr. ROONEY: "If you do not want to identify him, that is all right. But I feel if you found something with regard to subversive activities, those cases should be prosecuted. If, on the other hand, you do not find subversive activities, there may be some reason why you should not give their names. Suppose you give us off the record the area and grade, when you get it, and then we will determine whether or not it should go on the record."

Mr. McLEOD: "Eleven of the twenty-one were discharged for pro-Communist activities or associations."

Mr. ROONEY: "Can you give us the classifications of these people, their grades, and how many were Foreign Service employees?"

Mr. McLEOD: "I will have to get that. I do not have it with me."

Mr. ROONEY: "This man mentioned by the Under Secretary this morning, with whose separation I would agree, in what category would he be? Do you know the man the Under Secretary referred to this morning?"

Mr. McLEOD: "Yes, sir."

Mr. ROONEY: "Is he in this 21?"

Mr. McLEOD: "No; he is not in the 21 because he is not as yet separated. Can we go off the record in talking about him, because I am afraid he is pretty easily identified?"

(Discussion off the record.)

Mr. ROONEY: "In regard to the 11 of the 21 separated for cause, how many of those had charges been filed against which were pending as of January 1, 1953?"

Mr. McLEOD: "I will have to furnish the answer."

(The information requested is as follows:)

"Seven of the twelve had charges pending against them as of January 1, 1953."

Mr. ROONEY: "That is all, Mr. Chairman."

[The limitations of the departmental security investigations and the maintenance of security in the case of American employees of the U. N. were considered in some detail.]

[Later, Mr. McLeod made a statement containing sections on suitability factors and the work of the Office of Security.]

In hearings on the third supplemental appropriation bill for 1954, on March 16, 1954, the Department of State requested additional funds ($900,000) to accelerate the security investigation of employees. Approximately 6,000 investigative cases remained to be investigated. Mr. McLeod spoke in defense of this request, and details were brought out in response to committee questioning. The number of prosecutions and the number of subversives discovered were the subjects of the following discussion:

Mr. ROONEY: "How many people, if any, have you prosecuted under this law to date?"

Mr. McLEOD: "We have no prosecuting function, Congressman Rooney."

Mr. ROONEY: "How many cases have you turned over to the FBI, or to the Office of the Attorney General for prosecution under this law, if any?"

DENNIS A. FLINN (Director, Office of Security): "All of the cases involving any information that appears under the heading you have indicated there we submit to the FBI and the FBI, under the Executive order, completes the investigation itself."

Mr. ROONEY: "How many cases have you turned over which would fall into this category?"

Mr. McLEOD: "I think we would have to furnish that for the record. You understand we do not turn them over for prosecution; we turn them over for investigation."

(The following information was submitted later as requested:)

"The Office of Security during the period September 1, 1953, to February 28, 1954, referred to the FBI for investigation pursuant to Executive Order 10450, section 8 (d), 75 cases. These cases were referred under the mandatory provisions of the Executive order because security questions concerning the individual employee had arisen.

"In the event an individual against whom there is a security question terminates his employment with the Department of State for any reason, and an FBI investigation is pending, the Department of State immediately notifies the FBI to terminate its inquiries under the provisions of Executive Order 10450 since the individual is no longer an employee of the Government. Any further action taken in a case of this nature will naturally come under the national defense statutes but would be a part of the President's security program, and any prosecutive action would necessarily have to originate with the Department of Justice."

Mr. ROONEY: "Evidently the answer is 'None,' because my question has not been answered at all. If you as head of security in the State Department find a case that fits within this law which I have read, is it not your duty to initiate prosecution by turning it over to another agency to prosecute?"

Mr .McLEOD: "It is not only my duty, but it is standard operating procedure. In fact, by Presidential directive, if we detect any cases that might possibly come within this subversive category, we have to turn them over to the FBI. We do not investigate those cases."

Mr. ROONEY: "How many have you found which fit in the category of this public-law?"

Mr. McLEOD: "I will have to furnish the figures for the record; I do not know what it is."

Mr. ROONEY: "Of course this business of furnishing figures later on for the record is an unfortunate one; because, when you leave here and insert that figure this afternoon, and these hearings are going to be printed tonight, you do not give us much chance to inquire behind the figures you give."

Mr. MCLEOD: "It would be very difficult to foresee that this matter would come up as a result of our request today."

Mr. ROONEY: "There is nothing difficult about it. I think the public understands if subversives or Communists have been found in the Government who have been accepting salary or wages as Government employees from the Treasury of the United States, that they should be prosecuted for a felony."

Mr. MCLEOD: "I agree."

Mr. ROONEY: "That was the intention of Congress when it enacted this law in every appropriation bill beginning a number of years back. You agree with me, do you?"

Mr. MCLEOD: "Yes, sir."

Mr. ROONEY: "Now just tell us how many are being prosecuted by the State Department for violation of this law?"

Mr. MCLEOD: "I will have to ask the Attorney General to give me the answer to that."

Mr. ROONEY: "Will you just find out and get us the answer, because I think it is pertinent."

Representative CLIFF CLEVENGER (Republican, of Ohio): "At the same time, would you find out over the period of the last 10 or 12 years how many have been prosecuted under the act and turned over for prosecution from your Department."

Mr. MCLEOD: "Since this language was first inaugurated?"

Mr. CLEVENGER: "That is right."

Mr. ROONEY: "And while you are at it, you might find out how many of the 422 that were mentioned by Vice President Nixon in Saturday night's broadcast have been prosecuted under this law.

"That is all I have, Mr. Chairman."

Mr. PRESTON: "Since you became security officer of the State Department, have you found fewer or more people with subversive tendencies than you expected to find when you assumed the position?"

Mr. MCLEOD (after a pause): "I am trying to think back as to what my expectations were."

Representative FREDERIC R. COUDERT, Jr. (Republican, of New York): "As a lawyer, I would call that a leading question."

Mr. MCLEOD: "It is pretty hard to give you an honest answer on that."

Mr. ROONEY: "Mr. Chairman, I must say one thing about Mr. McLeod, if I may interrupt. He does give me some honest answers."

Mr. PRESTON: "I agree with that. He was very frank with this committee when he appeared before us in January."

Mr. ROONEY: "And I admire him for it."

Mr. MCLEOD: "I think I have found fewer than I expected to find."

Mr. PRESTON: "That is all, Mr. Chairman."

Mr. CLEVENGER: "There might be something in numbers—in the fewer places to find them in."

Mr. MCLEOD: "The reorganization plan did make for fewer employees."

The Numbers Game—Part IV

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. YORTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from hearings on the 1955 appropriation bills:

INFORMATION CONCERNING THE OPERATION OF THE FEDERAL EMPLOYEES SECURITY PROGRAM AS PRESENTED BEFORE THE COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES IN HEARINGS ON THE FISCAL 1955 APPROPRIATIONS

CIVIL SERVICE COMMISSION

(From hearings on January 27, 1954)

(NOTE.—The committee went into all aspects of the work of the Commission in connection with the security program. Necessarily, much of the text of the hearing must be omitted in the present report which is limited to the determination of the numbers charged, cleared, and dismissed and the causes for action. For complete text see Hearings on the Civil Service Commission before the Subcommittee on Independent Offices, House of Representatives Committee on Appropriations, Part I, pp. 950–952, 959, 960, 979–989, 1004–1006, 1008–1031.)

In discussing the investigation by the Commission of United States citizens for employment by international organizations, under Executive Order 10459, David F. Williams, Director, Bureau of Management Services, stated that the International Organizations Employees Loyalty Board had closed out 2,397 cases through January 16, 1954, and that 956 cases were pending. The status of the workload of the Board as of January 16, 1954, was as follows:

"Cases received in Board	3,353
Cases completed by Board and transmitted to State Department for use of Secretary General of United Nations or appropriate head of other international organizations:	
Clear: Cases in which no derogatory loyalty information was developed by the investigation	2,040
Advisory loyalty opinion: Cases in which a loyalty issue was developed by the investigation	108
Suitability summaries; Cases in which the investigation discloses derogatory suitability information other than of a loyalty nature	125
Discontinued: Cases discontinued by the agency because individual was no longer employed or being considered for employment	124
Total	2,397
Cases on hand in the Board	956"

The greater part of the committee's consideration dealt with the security program in the civil service:

Representative SIDNEY R. YATES (Democrat, Illinois): "In how many cases since last May did you ask the FBI to make a field investigation?"

PHILIP YOUNG (Chairman): "I cannot tell you offhand. I do not know."

Mr. YATES: "Do your records indicate it?"

Mr. YOUNG: "Yes; our records would indicate it."

Mr. YATES: "Can you supply it for the record?"

Mr. YOUNG: "I believe we would prefer not to, Mr. Yates, as part of the breakdown under this security order."

Mr. YATES: "It will be the first time in years that you have not supplied it because I have gone through the records of hearings since 1950 here and, for example, here is Mr. Thomas' examination in fiscal year 1951 and it is revealed in all these hearings."

Mr. YOUNG: "That was under the loyalty program."

Mr. YATES: "What difference does it make for this purpose?"

Mr. YOUNG: "This is a different program."

Mr. YATES: "I am not asking for the names of the employees, so there is no question involving the identification of any particular person. No person will be harmed as a result. Certainly, in view of the practice of this committee of having this information, and it has been supplied each year, these figures should be made a part of the record. I call attention of the chairman to what has occurred."

"For example, on page 1405 Mr. Thomas asks the question:

" 'What part of the 1,155 cases that have been heard by the regional boards will actually be cleared and permitted to work in the Government service; that is, the cases that the regional boards have held so far for the fiscal year 1950; that is, through December?

" 'Mr. WILLIAMS: We can get it for the record. We do not have it with us.

" 'Mr. THOMAS: Do you remember an approximate figure? In other words, what I am trying to get at is just how serious do all these investigations turn out to be when we bring them out into the open?

" 'Mr. MITCHELL: The percentage of the incumbents is very small; a fraction of 1 percent were actually discharged.

" 'Mr. THOMAS: Less than 1 percent?

" 'Mr. MITCHELL: Less than 1 percent.'

"On the next page the following information is supplied by Mr. Moyer and this is under the heading of 'Results of Loyalty Program.'

"Mr. MOYER says: 'I might furnish this information if it would be helpful, Mr. Chairman, that from the beginning of the program, that is, from October 1, 1947, to November 1949, the number of incumbents who were actually dismissed was 95. There were 57 appointees dismissed, 440 incumbent employees left the service during investigation, and 947 appointees left while their investigation was in progress.'

"Then there is a table put in the record showing the employees who left the service prior to the adjudication of their cases, those who left the service during the investigation, and those dismissed or denied employment as a result of ineligible determination.

"I think if you will examine the hearings for each of the subsequent years, you will find that same information furnished by the Civil Service Commission.

"I think certainly this information should be furnished.

"For instance, where did Mr. Brownell get his information? Did he get the information from your agency?"

Mr. YOUNG: "What information?"

Mr. YATES: "Information that he used to declare that approximately 2,200 employees have been separated from the Federal service for security reasons."

Mr. YOUNG: "The President used that figure in his state of the Union message."

Mr. YATES: "Where did the President get that information."

Mr. YOUNG: "That was compiled by the Civil Service Commission."

Mr. YATES: "Does not the Civil Service Commission have a breakdown to determine the reasons why the employees were dismissed?"

Mr. YOUNG: "Are you familiar with the objective of this employee security program, Mr. Yates?"

Mr. YATES: "Mr. Young, I am asking you a question as to whether or not you have that information."

Mr. YOUNG: "I would like to point out that under this employee security program, the objective of it is to assure the American citizen, you and I, and others, that the persons who are employed by the Government are reliable, trustworthy, of good conduct, and loyal to the United States. The people who have been separated are persons who have given us serious doubt as to whether

they measured up to the criteria in this Executive order."

Mr. YATES: "That means all parts of the criteria, not just one."

Mr. YOUNG: "Not just one.

"One objective of this program is to avoid the kind of a breakdown that you are suggesting, so that persons are not stigmatized by a question of disloyalty such as they were previously."

Mr. YATES: "How will they be stigmatized if their names are not mentioned?"

Mr. YOUNG: "There are some persons that seem to think that the names ought to be mentioned."

Mr. YATES: "I do not care for the names. Certainly, we should not draw any inference as you suggest, but what about the speech of the type that was made last night by Postmaster General Summerfield implying—I do not remember whether he stated it specifically, but certainly the implication was there—that the 2,200 people who were discharged were guilty of treason.

"Is that a correct or fair interpretation to be drawn from the dismissal of the celebrated 2,200 cases?"

Mr. YOUNG: "I did not read his speech, so I do not know what he said."

Mr. YATES: "Let me presume that he stated that the 2,200 were dismissed for loyalty reasons. Would this be a correct statement?"

Mr. YOUNG: "Certainly the 2,200 were not dismissed for loyalty reasons. They were separated under the criteria of section 8 of Executive Order No. 10450."

Mr. YATES: "Of the 2,200 employees, concerning whom we have been speaking, were any of those employees discharged for reasons contained in section 8 (a) 1 (F) of Executive Order 10450?"

Mr. YOUNG: "I cannot tell you, Mr. Yates, as to how many were discharged pursuant to any individual subsection of section 8 or as to how many of these criteria entered into any individual case."

Representative JOHN PHILLIPS (Republican, California): "Do I understand from that, that in an individual case more than one of these criteria may have entered into that case?"

Mr. YOUNG: "Certainly."

Mr. YATES: "Is it likely too, that some of them may have been dismissed for a single criterion in section 8 (a)?"

Mr. YOUNG: "It is possible."

Mr. YATES: "Would your records so indicate?"

Mr. YOUNG: "No, sir."

Mr. YATES: "What would your records indicate with respect to the 2,200 who were dismissed?"

Mr. YOUNG: "The Commission is now preparing a complete report of the results of the security program, which will be submitted to the National Security Council in the relatively near future. As to what information the National Security Council and the White House are going to release, based on that report, I do not know."

Mr. YATES: "What information does your central index file contain with respect to employees who were dismissed under Executive Order 10450?"

Mr. YOUNG: "The central index file would certainly carry a notation if the individual was separated under 10450."

Mr. YATES: "And the reasons for the separation?"

Mr. YOUNG: "Yes. His file would carry the reasons for separation."

Mr. YATES: "Do you not think it strange that members of the Cabinet get this information for public use and Members of the Congress cannot?"

Mr. PHILLIPS: "How do you know that members of the Cabinet have the detailed information for which you are asking? The only statements I have heard have been along the lines of the ones you just referred to indirectly, of 1,653, or whatever it is, people have been separated from the service. The implication has been at times they were separated for security or loyalty reasons. But I have seen no breakdown which would indicate that Cabinet members had any of the breakdown about which you are asking, Mr. Young."

Mr. YATES: "How many people were separated from the civil service under Executive Order 10450 since the new administration took office?"

Mr. YOUNG: "From the civil service?"

Mr. YATES: "Have been separated from the Government, as a result of the operation of Executive Order 10450?"

Mr. YOUNG: "The President used this figure or 'more than 2,200', if I recall it correctly, in the state of the Union message."

Mr. YATES: "Do you know the exact number?"

Mr. YOUNG: "That is the only figure that has been made available."

Mr. PHILLIPS: "The floor leader of the Senate, I think, used a figure which had a first and second digit in there of 1,653, or something like that, whatever it was. Those are the only figures I have seen. The official one that we have is 'more than 2,200.' "

Mr. YATES: "Do you know the exact number?"

Mr. YOUNG: "We have to report, under section 14 of the Executive order, as to what happens under the security program. We are constantly getting statistics and figures from the agencies in order to comply with those reporting requirements and to discharge our responsibility to the National Security Council.

"The Civil Service Commission, you see, has no authority or responsibility to serve as a public information center or to release figures or information with respect to the workings of that program. Our functions are mechanical in terms of operating this central index, providing participants for potential hearing boards, and this reporting function under section 14."

Mr. YATES: "Do you consider that in this respect the terms of Executive Order 10450 are different than those orders under which previous Civil Service Commissioners operated when they gave this committee information of the type that I am requesting here?"

Mr. YOUNG: "I think the concept and objectives of the employees' security program are quite different and distinct from the old loyalty program."

Mr. YATES: "In terms of protecting the employees?"

Mr. YOUNG: "I am not sufficiently familiar with what was done under the old program."

Mr. YATES: "I suggest you might read previous hearings of this committee when other Commissioners gave us that information."

Mr. PHILLIPS: "Could we distinguish, for my sake, so we have officially the difference between loyalty and security? I think we use those terms somewhat inappropriately at times."

[Omission.]

Mr. YATES: "How many investigations are anticipated to be covered by the request for the appropriation for 1955? Did you break them down in that way?"

Mr. WILLIAMS: "The table on page 21 will give you that information, Mr. Yates. It has the number of work items."

Mr. YATES: "Your statement in the justification is on page 26 and states: 'When a national agency check and inquiry case develops adverse security information, other than that requiring full field investigation by the Federal Bureau of Investigation, a limited personal investigation is made by the Commission to resolve the question in cases of appointees to positions in the competitive service, and in cases of appointees in excepted positions, for agencies not having investigative facilities.'

"How many of those investigations have been made since the Executive order went into effect?"

Mr. WILLIAMS: "So far this fiscal year there have been 3,200."

Mr. YATES: "How many have been disposed of?"

Mr. WILLIAMS: "That is the figure I am speaking of. That is the processed figure for this fiscal year, 3,200 completed cases."

Mr. YATES: "For fiscal year 1954 so far?"

Mr. WILLIAMS: "Yes."

Mr. YATES: "And how many of those cases resulted in separation of the employees?"

Mr. YOUNG: "We could not break it down. We do not have the information."

Mr. YATES: "Of that number of investigations, you do not know how many of those employees were separated and how many were not separated but continued to remain working? Is that what you are saying?"

Mr. YOUNG: "That is what I am saying; yes. We would not have that information."

Mr. PHILLIPS: "His previous testimony said they furnished that information to the head of the agency."

Mr. WILLIAMS: "That is correct, sir."

Mr. PHILLIPS: "Your question is: Do they go beyond that and see what happened?"

Mr. YATES: "I asked him whether he had the information."

Mr. PHILLIPS: "Your question is: Did they go ahead and find out whether they have the information?"

Mr. YATES: "Yes. Because later on they stated they got the information, the other agencies were required to tell them."

Mr. YOUNG: "That information would come back into the central register."

Mr. YATES: "Then the answer to the question is 'Yes'."

Mr. PHILLIPS: "Are you saying the information may be in the mail register, but that you do not compile it?"

Mr. YOUNG: "Yes. It could be compiled."

Mr. PHILLIPS: "The information comes back but they do not compile it, according to the testimony."

Mr. YATES: "Does your agency have that information?"

Mr. YOUNG: "The information could be compiled probably from the Commission records."

Mr. YATES: "Mr. Williams has told me you have conducted approximately 3,200 of the investigations. I am asking you as to how many of the employees who were the subject of those investigations remained with the Federal service and how many of them were separated?"

Mr. YOUNG: "As I say, we do not have that information compiled."

Mr. YATES: "Can you supply it for the record?"

Mr. YOUNG: "We would prefer not to."

Mr. YATES: "That is the first time it has not been done. What do you think, Mr. Chairman?"

Mr. PHILLIPS: "I do not know. I am listening to this with a good deal of interest."

"I can see a point in Mr. Young's position, that if we begin to push on this thing, then they compile that so many were dropped off for this reason, and that boils it down to a smaller group, and then everybody begins to work on that group even to the extent of going around and asking people, if they wanted to go that far.

"In the past, we have had a general statement, and I am free to admit that under the previous loyalty board I did not think much of it. So I did not think the information was of too great a value. Now we have gotten apparently a more comprehensive and carefully administered type of examination, and I am trying to form an opinion in my own mind as to just which way we ought to lean."

Mr. YATES: "May I ask this question, then: Would your records indicate what portion

of those who were separated were separated for reasons of disloyalty?"

Mr. YOUNG: "Mr. Yates, I explained before as to what our reports are going to show to the National Security Council and the information that is going to be made available with respect to that report is going to be up to the National Security Council and to the President."

Mr. PHILLIPS. "You just used one word there, Mr. Yates, that I would not agree with, and that is how many are separated for 'subversive' reasons.

"The contention is often that the poor man is not subversive, all he has done is run around with a lot of drunks and other people with secrets of Government that we do not want to get out, and the poor fellow has been fired because he is 'subversive'."

Mr. YATES: "I tried to use the word 'disloyal' and Mr. Young carefully walked around it and said it is not the same type of order. I have been trying to find a word which would permit disclosure of information under the new order comparable to the information we received under the old loyalty order."

Mr. PHILLIPS: "I will rule that you have to argue that out with Mr. Young, but that I will not accept the word 'subversive' as the only reason for discharging these people, because a lot of them we just do not want."

Mr. YATES: "Suppose I substitute the word 'disloyal' for 'disloyalty to the country'?"

Mr. PHILLIPS: "Frankly, I, myself, prefer the term of 'poor security risk'."

Mr. YATES: "That includes more reasons than this one."

Mr. PHILLIPS: "That is just why I want to use it, because I think there are lots of reasons why these people ought to have been gotten out, and I do not want to get into a national argument that this poor, abused, incompetent drunk should have been fired out of the Government, because he was not 'subversive.' He actually had not been caught setting fire to the Capitol.

"You get my point, I think."

Mr. YATES: "I get it very well, indeed.

"Mr. Williams, you stated that there were 3,200 investigations"——

Mr. WILLIAMS: "So far this fiscal year."

Mr. YATES: "Under Executive Order 10450; is that correct?"

Mr. WILLIAMS: "Under this limited security investigations item; yes, sir."

Mr. YATES: "The President of the United States has declared that more than 2,200 Government employees have been separated from the service. Are we to draw from his statement and from yours the conclusion that out of 3,200 investigations, 2,200 were dismissed?"

Mr. PHILLIPS: "Those are investigations concluded in this fiscal year."

Mr. YATES: "That is correct."

Mr. YOUNG: "Limited security investigations; it is not total investigations."

Mr. YATES: "I am talking about investigations under Executive Order 10450."

Mr. YOUNG: "Of this limited security type only."

Mr. PHILLIPS: "There was a short period from January 20 to June 30 that you skipped over."

Mr. YATES: "What is the difference between an investigation of a limited security type and an investigation under Executive Order 10450?"

Mr. YOUNG: "A limited security investigation originates from a case where a national agency check and inquiry shows adverse security information, but not of a sufficiently serious nature to turn it over to the FBI for a full field investigation. In that situation, a limited personal investigation is made by the Commission to resolve the questions involved with respect to that particular individual. Then it is only made in those instances where the agencies do not have their own investigative facilities."

Mr. YATES: "My question that was directed to Mr. Williams was: With respect to the 2,200 cases that he testified to, were those of a limited security investigation type?"

Mr. WILLIAMS: "Yes, sir."

Mr. YOUNG: "He did not refer to investigations, Mr. Yates, as I recall the state of the Union message."

Mr. YATES: "What type did he refer to, then?"

Mr. YOUNG: "He was not referring to investigations, as I believe he said more than 2,200 people have been separated from the Federal service under this employee-security program.

"I do not have the exact language; do you?"

Mr. YATES: "Are you stating now that the 2,200 who were discharged were not discharged because of limited security investigation?"

Mr. YOUNG: "No. What I am saying is that the number referred to by the President represented the number of separations from the Federal service under the employee-security program, particularly those standards and criteria established by section 8."

Mr. YATES: "Under Executive Order 10450."

Mr. YOUNG: "And the additional Executive order, whatever the number was, having to do with the fifth amendment."

Mr. YATES: "Are not you and I fencing about a nonexistent thing, Mr. Young? Your first sentence says: "These cases originate as national agency check and inquiry cases under Executive Order 10450.' The caption is 'Limited Security Investigations.'

"What is the difference; what is the distinction you are trying to draw? It seems to me that if the language of this justification means anything, it means that the first sentence and the words 'limited security investigation' are about equal to each other."

Mr. YOUNG: "I am not sure I understand your question, but this is merely one of several categories of types of investigations submitted in these papers, and each one discussed separately. And this is only one small part of the investigations under Executive Order 10450."

Mr. YATES: "Are there any investigations carried out under Executive Order 10450 other than those of the limited security investigation type?"

Mr. YOUNG: "Surely. All your national agency check and inquiries, for example."

Mr. YATES: "How many of those were undertaken since this Executive order went into existence?"

Mr. YOUNG: "I think the number is in that table we were just looking at here."

Mr. YATES: "Is that the 3,200 number that Mr. Williams referred to?"

Mr. YOUNG: "In 1954, this shows national agency check and inquiry cases processed, 303,744 for fiscal 1954."

Mr. YATES: "Then we read the second sentence of the justification as it appears on page 26:

" 'When a national agency check and inquiry case develops adverse security information, other than that requiring full field investigation by the FBI, a limited personal investigation is made by the Commission to resolve the question in cases of appointees to positions in a competitive service. * * *'

"How many cases were there since this order went into effect?"

Mr. YOUNG: "I think that was the question you asked before you went upstairs; was it not, Mr. Yates?"

Mr. YATES: "I would still like an answer."

Mr. YOUNG: "I would still prefer not to answer, to break down the 3,200 figure of limited security investigations processed; which I believe was the intent of your question."

Mr. YATES: "Are you saying now that there were 3,200 such cases?"

Mr. YOUNG: "I believe that is what Mr. Williams said."

Mr. WILLIAMS: "That is the number processed as of December 19."

Mr. YATES: "3,200 such cases that were investigated. How many dismissals were there of those cases?"

Mr. YOUNG: "That is what I just got through stating, Mr. Yates. We prefer not to break down that 3,200 figure."

Mr. YATES: "Do you mean you are not going to tell this committee that of the 3,200 cases that were initiated by the Commission under this order, you are not going to tell the committee how many of those resulted in separations from service? Or how many are still employed?"

Mr. YOUNG: "We would not have that information compiled, although it probably could be compiled from records of the Commission."

Mr. YATES: "Can you supply it for the record?"

Mr. YOUNG: "We would prefer not to."

Mr. YATES: "Mr. Chairman, I think that ought to be supplied for the record."

Mr. PHILLIPS: "I have to think that one over. I think Mr. Young has made a statement regarding the intent of the law, which would have to be settled before we decided whether or not he should break that down for us.

"I would like to ask this question also, if I may, on the same point: You say a statement is made that 2,200 or so people have been separated from the service?"

Mr. YATES: "The President of the United States has stated that. He just said what the President said."

Mr. PHILLIPS: "The President of the United States said there are 2,200 cases.

"Now, you say, Mr. Williams, there are 3,200 decisions—settled cases?"

Mr. WILLIAMS: "I said we have processed under this line item of limited security investigations, 3,200."

Mr. PHILLIPS: "They had more cases but they came to a conclusion at 3,200. You wish to subtract the 2,200 from the 3,200; and I am beginning to wonder, from the colloquy, whether there are other areas in which people have been dropped or have left the service, or have been discharged, which do not come in the category to which Mr. Williams referred; and it begins to dawn in my mind that maybe some of these people were in the Voice of America, or maybe some of these people were in the CIA, or something like that, who in no way come under the Commission."

Mr. YATES: "Mr. Chairman, I certainly think we should have that breakdown."

Mr. PHILLIPS. "Mr. Young could say that maybe there are people in these other agencies of Government, which are not subject to any investigation or control by the Civil Service Commission, who may have been in the 2,200 included in the President's figure."

Representative ALBERT THOMAS (Democrat, Texas): "Mr. Chairman, let us see if we cannot get this behind us. I suggest that Chairman Young make a statement—I believe the President has so stated—that 2,200 people have been separated from the service. He declined to say for what reason—whether it was for the reason of drunkenness or some minor misdemeanor or the way they comb their hair, or whether it was security reasons or whatnot. You cannot expect the Chairman here to go against the President. So let him make a statement and no need to argue about it."

Mr. YATES: "Have you been directed by the President not to make this information available to the committee?"

Mr. YOUNG: "We have no authority under the provisions of the Executive order to release any information. We are reporting to the National Security Council and doing certain mechanical functions as outlined in that Executive order."

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Mr. PHILLIPS: "If I make a ruling, maybe I should rule that your question should be directed to the National Security Council. Am I right?"

Mr. YATES: "No; you are not right because his agency has the information. Presumably we want information in this committee, and if his agency has the information, even though it requires tabulation, it would be a different practice than this committee has observed in the past if that information is not given."

Mr. THOMAS: "The point is he says he has no authority to release the information."

Mr. YATES: "Have you stated that?"

Mr. YOUNG: "I said we have no responsibility and no authority under this Executive order to release any information concerning that point.

"Could I make one observation with respect to these investigations?"

Mr. YATES: "Of course. I am trying to get you to say something."

Mr. YOUNG: "I am trying to cooperate.

"This category of limited security investigations is only a very small segment of all the investigations which are conducted pursuant to Executive Order 10450."

Mr. PHILLIPS: "By you, or by all agencies?"

Mr. YOUNG: "By us and by all agencies. Look at this 338,000 in all agencies and this is 3,800 or something like that. Then in addition to that you have the various FBI field investigations, you have the investigations of other departments and agencies. The Department of Defense does all of its own investigative work, and you have 51 percent of all your Federal civilian employees in the Department of Defense.

"There is a very large piece missing from the figures that we have here."

Representative NORRIS COTTON (Republican, New Hampshire): "I merely want to raise this point: For several years some of us have lamented the fact that we have these expensive and cumbersome appeal boards, so that anybody who found himself aggrieved and turned away from Government employment claimed that his character was irrevocably stained, and they would go through all this process which was costing a lot of money. I was delighted to learn of the new system, believing that nobody would claim to have a constitutional right to Government employment and that we could quietly turn people away, if there was any question about it, without any reflection about it and without being obliged to give them reasons, and without doing any damage.

"If Mr. Young has the same information and starts disclosing to the committee the reasons why these people were discharged, it would seem to me that we pretty soon would be back to the situation where we have to have all these appeal boards and where we have to fight it out."

Mr. YATES: "Mr. Cotton, I could only suggest that you do what I did, and that is to look through the hearings for the last 5 years. I went back 5 years, and in each of those years I found that when any member of this committee asked the Civil Service Commission as to the number of employees, not their names, but the number of employees who were discharged for security reasons, that information was furnished to the committee. I have asked Mr. Young to supply the same information to the committee, and that request has been refused up to now.

"I do not know that I have been unreasonable in making that request."

Mr. YOUNG: "That is one reason why we have a new program."

[Omission.]

Mr. YATES: "Getting back to the 3,200 people who were subjected to the investigation Mr. Williams referred to"——

Mr. PHILLIPS: "Those cases were decided."

Mr. YATES: "Under Executive Order 10450."

Mr. PHILLIPS: "I want you to make a distinction between the number of people investigated and the 3,200 which were the people whose cases were decided."

Mr. YATES: "Yes.

"Would your records indicate how many of those persons left before the investigation was completed?"

Mr. YOUNG: "Resigned voluntarily?"

Mr. YATES: "Yes."

Mr. WILLIAMS: "During the process of the investigation, very likely none of them."

Mr. YATES: "I do not remember whether I asked you the question before, whether out of the 3,200 cases your records would indicate how many of those employees were still working for the Federal Government."

Mr. YOUNG: "Yes; you have asked that twice before, Mr. Yates. The answer was that that information probably could be compiled but that we prefer not to break down this 3,200 figure."

Mr. YATES: "Is there a relationship between the 3,200 figure and the 2,200 figure announced by the President of the United States?"

Mr. YOUNG: "There might or might not be."

Mr. YATES: "I am asking whether there is."

Mr. YOUNG: "I do not know."

Mr. YATES: "Congresswoman St. George has made the statement that of the 2,200 that were dismissed, less than 10 percent were dismissed for loyalty reasons. Do you know whether this statement is accurate?"

Mr. YOUNG: "I have no idea where she got her information or derived that figure. Maybe she has more accurate information than the executive branch."

Mr. YATES: "Have you been directed by the executive branch not to disclose this information to this committee?"

Mr. YOUNG: "As I have stated before, the Civil Service Commission, under the terms of this Executive order, has no authority or responsibility to release any information concerning the employee-security program."

Mr. YATES: "Is there a prohibition against releasing it?"

Mr. YOUNG: "There is no authority to do it."

Mr. YATES: "Mr. Chairman, I will close my examination by stating that if we do not get the information, it will be a bad situation."

Mr. PHILLIPS: "When you asked me before for a ruling, I was not entirely sure that that was a formal request or was the usual informal discussion which goes on in this particular subcommittee. But if you want a formal ruling I will make one.

"I will rule that if the Chair has the right to say to the witness that he must disclose that information to the committee, the Chair would first have to find out if he has that right legally.

"Secondly, the Chair would be reluctant to make that ruling now because of two things: First, the question of the legal restriction placed upon the Commission by the law itself, which should be examined from the standpoint of its legal weight—and I am not a lawyer.

"I think first the question should be directed to the National Security Council, and it is our good fortune they are coming before this committee within the next few days. Mr. Yates can then direct the questions to them.

"Next, the point which Mr. Yates raises, as to a comparison between the questions asked the previous Commission and the questions he is asking this Commission, the questions are not germane and that they are not comparable; that in all previous years we discussed the number of people released from the service on a loyalty basis."

Mr. YATES: "I am willing to take that same comparison and take any computation based only on loyalty reasons."

Mr. PHILLIPS: "We are now working on security. Finally, if this is not settled satisfactorily to you, Mr. Yates, I will at any time call an executive meeting of this committee and decide in the committee what the action of the committee shall be.

"Is that satisfactory?

"We thank you gentlemen. We will see you again next year, and I strongly suspect we will see at least the Commission again this year."

Mr. YOUNG: "We will look forward to it."

The Numbers Game—Part V

EXTENSION OF REMARKS
OF
HON. SAMUEL W. YORTY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. YORTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from hearings on the 1955 appropriation bills:

INFORMATION CONCERNING THE OPERATION OF THE FEDERAL EMPLOYEES SECURITY PROGRAM AS PRESENTED BEFORE THE COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES IN HEARINGS ON THE FISCAL 1955 APPROPRIATIONS

(Pt. IV. U. S. Information Agency, Department of Defense, Department of Agriculture, and Department of the Interior)

UNITED STATES INFORMATION AGENCY

(From hearings on February 1, 1954)

THEODORE C. STREIBERT (Director): "Our Security Division has been arduous in going over the security files. As you realize, Public Law 402 always has required a full field investigation so that everyone on the staff, all Americans, have been field investigated in the past.

"As the result of a new Presidential order and the review, there were 31 people dropped for security reasons. Most of those were on matters of instability, moral factors. The examination and reexamination of the files is going on currently. We employ about 70 people in the Security Division. It is a question of how much money you want to take from the program to put into security and how fast we can do this job. We have gone over the most sensitive spots. We have recleared people in connection with our relations with intelligence work and with other agencies, and I feel that we have very well screened our staff. We are certainly screening the new employees under these new standards which have been set up.

"Is that responsible enough?"

Representative FRANK T. BOW (Republican, Ohio): "That is what I wanted to get."

[Omission.]

Representative JOHN J. ROONEY (Democrat, New York): "How many Communists have you found in the past year?

Mr. STREIBERT: "I reported earlier in discussing the personnel matter that we had discontinued and terminated 31 people."

Mr. ROONEY: "The question was: 'How many Communists did you find?' "

Mr. STREIBERT: "I am going to answer it, sir, in this way: We discontinued 31 people for security reasons, but we have no breakdown to offer the committee as to the security reasons within the 31."

Mr. ROONEY: "I must repeat the question: 'How many Communists did you find in the past year, if any?' "

Mr. STREIBERT: "None to my knowledge."

Mr. ROONEY: "Well, that is your answer."

DEPARTMENT OF DEFENSE

(From hearings on February 2 and 15, 1954)

Representative HARRY R. SHEPPARD (Democrat, California): "In your discussion you [Charles E. Wilson, Secretary] referred to the fact that you had reduced 150,000 civilian personnel. I would like to ask you at this time if you can and will supply me with the amount of bodies in the total of 150,000 who were dismissed from the Federal service because they were security risks, for membership in the Communist Party; covering those two factors."

Representative JOHN TABER (Republican, New York): "He did not say that."

Mr. SHEPPARD: "Mr. Wilson made the statement before the committee, and repeated to Mr. Mahon, that they had removed from the Federal payrolls 150,000 civilian personnel."

Mr. TABER: "Yes."

Mr. SHEPPARD: "I am asking him if he will supply the information to this committee as to out of that total of 150,000 how many were removed on a security-risk basis."

Mr. WILSON: "That is a hard figure for me to try to dig up. I did not start the thing on that kind of a basis.

"Much of this reduction was achieved by not employing people, and by personnel reductions all over the country. This did not only happen in Washington. There were only 5,000 here in Washington. I had to get the help of the people out in the field.

"I am proud of the way it was done.

"I am not proud about laying off people; I do not mean to say that. But it was done well.

"I am sure that if there were any security risks they were dismissed. The organization was not so bad in that regard."

Mr. SHEPPARD: "I am frank to say I have no feeling about that at all. I am merely inquiring into the question as to whether or not we found ourselves in the military function involved in that field which has been so highly publicized. If we find ourselves in that field, to what degree?

"I am under the impression that you have had a team of people working in that category, have you not?"

Secretary WILSON: "Certainly we have."

Mr. SHEPPORD: "I mean, in the security part of the military where Commies might be working."

Secretary WILSON: "Certainly."

Mr. SHEPPARD: "I want my inquiry to be reflected on the record to the degree and understood that I have no solicitation or comfort for those who have been removed for legitimate purposes; to wit, because of subversive ideas or connections therewith.

"I would like to have the information presented to the committee, if you can accumulate it, please, as to the amount of the total 150,000 who were removed for security reasons, under the terminology of our present laws that have to do with the definition of 'security'."

Secretary WILSON: "Well, since you have asked me to, I will look into it. We will do the best we can. If it is too difficult, for any reason, I will come back and explain it to you."

Mr. SHEPPARD: "Thank you."

(The information follows:)

"Based on information reported and currently available in the Department of Defense in Washington during the year 1953, 118 security risks in the Department of Defense were either removed under the procedures of Public Law 733 or would have been processed under that act had they not resigned. One hundred and eleven of these cases involved actual or alleged membership in the Communist Party, or affiliation or sympathetic association with communistic organizations or persons, or communistic inclinations. Forty-two of the 118 were separated prior to May 27, 1953, which is the effective date of Executive Order 10450, and 76 were separated during the remainder of the year. With regard to the 111 figure mentioned above, 38 were separated before May 27, 1953, and 73 after that date.

"There were many additional resignations and separations which involved security reasons but which were not reported to the Department of Defense in Washington as they were removed under other administrative removal procedures. In order to verify and complete the overall Department of Defense statistics relative to this program, approximately 1,300 field activities are being circularized on a worldwide basis. These statistics, which should be available within the next 60 to 90 days, will show all removals and resignations involving adverse security information, including specifically the number involving communistic activity, association, or affiliation, for the period May 27, 1953, to December 31, 1953."

On February 15 the committee resumed consideration of security risks:

Mr. SHEPPARD: "What I am directing my inquiry to is the question that I propounded to the Secretary of Defense when he was before this committee, and it is now obvious to me that he would have to come to your [addressing John A. Hannah, Assistant Secretary of Defense for Manpower and Personnel] organization to get the information that I requested.

"Are you prepared at this time to tell me how many out of the total of 150,357 dismissals were removed because of a security-risk basis?"

Mr. HANNAH: "No, sir."

Mr. SHEPPARD: "Why not?"

Mr. HANNAH: "Your question has been raised in recent weeks and we are in the process of getting that information. We have the information only for the people whose cases were forwarded to Washington for handling."

Mr. SHEPPARD: "From your statement I assume that you have not been called upon, and had you been called upon, you have not furnished information on the category to which I directed my question because of your inability to supply the information?"

Mr. HANNAH: "I will answer the question this way: According to the records forwarded to Washington, there were separated in the calendar year 1953, 118 persons as security risks. We are in the process now of sending out to the field to get complete information from the military services, but there are 737 different places we have to go in the Navy, 300 in the Army, and 253 in the Air Force, or about 1,300 different places where we have to get this information, and it is going to be some weeks before we have it."

Mr. SHEPPARD: "I think that is obvious.

"Out of the 118 that you are familiar with can you give this committee the information as to those who have been removed because of their communistic inclinations, membership in the Communist Party, and so forth?"

Mr. HANNAH: "I do not know."

Mr. SHEPPARD: "How many names have you turned over to the Department of Justice where you had knowledge of them?"

Mr. HANNAH: "I would have to get that figure. I do not have it. That information is obtainable."

Mr. SHEPPARD: "Will you insert in the record those that fall into the category that I have just referred to?"

Mr. HANNAH: "Yes."

(The information requested is as follows:)

"A review of the 118 cases heretofore mentioned reflects that 111 were cases in which the person involved had communistic inclinations, or membership in the Communist Party, or affiliation or sympathetic association with communistic organizations or persons.

"Regarding the question as to how many names have been turned over to the Department of Justice—in all cases in which derogatory information is developed indicating activities in connection with espionage, counterespionage, subversion, or sabotage, the matter is immediately referred to the Federal Bureau of Investigation.

"If, however, the question was intended to determine how many cases this Department has turned over to the Department of Justice for prosecution—the answer would be 'none' for the reason that in many instances the derogatory information emanates originally from the Federal Bureau of Investigation. When such information is brought to light by the investigative agencies of the Department of Defense, it is referred to the Federal Bureau of Investigation, as indicated above. Therefore, in every case the information is in the possession of the Department of Justice, and if there is a violation of any Federal law, the determination as to whether or not there will be a prosecution rests with the Attorney General."

Mr. HANNAH: "With regard to the 118, there are some still in the process of being appealed."

Mr. SHEPPARD: "That would not change the result. An appeal would take care of itself—whether good, bad, or indifferent."

Mr. HANNAH: "That is right."

Mr. SHEPPARD: "I do not want you to misconstrue the question because your entire statement has been very educational. I want to commend you for the way that you have responded to the interrogations of the other members of the committee, and I know that you are exerting every possible effort to do a good job. I would not enjoy your job. I think mine is a lot easier.'

Mr. HANNAH: "I do not envy myself. I wonder sometimes why I am not back at Michigan State College."

Mr. SHEPPARD: "I compliment you on the manner in which you have made your presentation."

DEPARTMENT OF AGRICULTURE

(From hearings on February 3 and March 10, 1954)

Representative JAMIE L. WHITTEN (Democrat, Mississippi): "Mr. Secretary [addressing Ezra Taft Benson, Secretary] can you place in the record at this point a statement showing how many Communists you have found in the Department of Agriculture since January 1953, and how many you have removed since that date?"

Secretary BENSON: "We have removed one employee whose investigative file showed actual membership in the Communist Party. Of course, we have had removals for other security reasons falling within section 8 (a) of Executive Order 10450. We have also had a number of employees who have resigned during or after investigation and prior to the preferment of charges and a security determination."

On March 10 the committee again considered the subject of security risks:

Mr. WHITTEN: "Mr. Chairman, earlier, I requested a report as to any employees fired by reason of being determined to be Communists or security risks in the Department of Agriculture. A reply was placed in the record because we had already completed the hearings. The reply answered the question I raised. The Secretary's report stated there had been one employee removed because of being a card-carrying member of the Communist Party. However, the report went further and indicated that many other persons had been let out of the Department for security reasons. The exact words of the Secretary appear on page 134 in which he says 'We have had removals for other security reasons falling within section 8 (a) of Executive Order 10450. We have had a number of employees who have resigned during or after investigation and prior to the preferment of charges and a security determination.'

"Now, that just would indicate there were many more removed for security reasons.

"My attention has been called to the fact that the U. S. News & World Report indicated that 74 such individuals had been let out of the Department of Agriculture.

"I would like for you to tell us just what Executive Order 10450 covers. Some of the reports I get are to the effect that some folks may have resigned because the Department was investigating whether they went to the Jefferson-Jackson Day dinner, rather than for these other reasons. I just wondered which is which."

RALPH S. ROBERTS (Administrative Assistant Secretary): "Mr. Chairman, I am sure that none of the cases that you have in mind regarding the Jefferson-Jackson Day dinners had anything to do with the security figures you have just referred to. Let me also say that at the time the Department prepared the answer to your question in the earlier hearing, the figures which are now available to us were not then completed. We had certain total figures, but did not have a complete breakdown of the original figures released by the Civil Service Commission. Regarding the 74 employees mentioned in the U. S. News & World Report, the source of that information was undoubtedly the Civil Service Commission report which Chairman Young made to one of the committees of Congress recently.

"Let me review briefly for you the types of cases that are covered in the report under Executive Order 10450. Then I can give you a breakdown of those 74."

(Explanation of the order omitted.)

"Those include all the actions which are considered as involving security under Executive Order 10450. And they are reported accordingly. The 74 people you referred to in your question, Mr. Whitten, are broken down as follows and represent actions between May 28 under this order when it began, and December 31, 1953. Of the 74, 33 were terminations, broken down as follows: One subversive, which comes under sections 2 through 8 that I read. One sex perversion which comes under section 8 (a) (iii). And 31 cases which fall under the types of conduct or actions referred to in section 8 (a) (1). They include convictions for misdemeanors or felonies, falsification, and so on. The remaining 41 of the 74 cases were resignations during the same period of time. Three of those resignations were sex perversion cases. Thirty-eight of them were in the group of cases that include convictions for misdemeanors, felonies, falsification, and so on. All 41 of the resignations occurred before a determination was completed but when the files were known to contain unfavorable information under section 8 (a) (1) of Executive Order 10450"——

Mr. WHITTEN. "I thank you for that information in detail, Mr. Roberts. I have always felt that Government employment was a privilege and not a right and certainly we approve actions to prevent those not fitted for Government service from being retained and I believe those who constitute any kind of security risk should be removed.

"I did want the record to show the real facts as against the implication that might be drawn from any press releases.

"Out of this 74, how many employees did the Department have during that period?

Mr. ROBERTS: "Well, during those months the total employment must have ranged from 60,000 to 80,000 with the summer months running high because of seasonal employment."

[Omission.]

Representative H. CARL ANDERSEN (Republican, Minnesota): "I want to say for the record, Mr. Roberts, that I feel that it is to the credit of the Department of Agriculture that only one subversive has been found in that organization during the period under consideration."

Mr. ROBERTS: "I am sure, Mr. Chairman, that the person referred to who was separated for that reason had no relationship to matters which Mr. Whitten has jokingly referred to. He was a field employee who was in a nonsensitive position."

Mr. WHITTEN. "We do appreciate the efforts of the Department in connection with this subject matter of this Executive order. I think the whole effort is wholesome. I am pleased that the record will show the true facts."

Mr. ANDERSEN. "Thank you, gentlemen."

DEPARTMENT OF THE INTERIOR

(From hearings on February 8, 1954)

Representative W. F. NORRELL (Democrat, Arkansas): "Mr. Dexheimer [addressing W. A. Dexheimer, Commissioner, Bureau of Reclamation], I would like to ask you a question for the record concerning something which I think should be in the hearings.

"Mr. Chairman, this is not directly related to the other matter but I would like to inquire about it if I may."

Representative BEN F. JENSEN (Republican, Iowa): "Go right ahead, Mr. Norrell."

Mr. NORRELL: "Mr. Commissioner, I have noticed quite a lot is being said in Government circles regarding security risks in Government service. I am just as much against Communist infiltration in Government as anybody else, but I would like to ask you what do you know regarding the security risks in the Reclamation Service? Are you advised or brought up to date on that? I think the hearings ought to indicate something about that, not only in the Reclamation Bureau, but of the whole Department of the Interior. I suppose your knowledge would be confined more to your own area of the Department of the Interior, but would you mind giving us a statement on that?"

Mr. DEXHEIMER: "I will be glad to do so, Mr. Norrell.

"I am the security officer for the Bureau of Reclamation. Security is my responsibility, among others. The Interior Department has a security officer and a committee. They are making a check of all our employees in conformance with the new Executive order and many cases which were cleared before are being given another investigation or review. Up to the present time, there are indications that approximately 15 of the Bureau of Reclamation employees, out of a total of some 11,000, are possible security risks.

"The investigations up to this time and determinations by the Department have only brought up two of those which they felt were security risks, and should be gotten off our payroll—Government payroll. There are others under investigation; I do not know what the determination will be on those. But everybody is being given a very critical review. We have guards at some of our major power installations. A part of their duties is more or less guide functions, you might say, but they are essentially guards there to protect the facilities from either sabotage, where sabotage might be easily carried out.

"We are in the process here of getting the security risks off the payroll, or, if it is determined they are just possible risks, we are moving them out of what we call the sensitive areas and putting them in jobs where they will not have any contact at all with security matters, confidential matters, or will not be in position where they could have, possibly, any effect on sabotage or the permission of sabotage."

Mr. NORRELL: "Have you discharged any employees, so far, as security risks?"

Mr. DEXHEIMER: "So far we have not had to actually discharge any. When they learn that the Department is ready to prefer charges on the basis of information obtained, they have an opportunity to resign if they so choose, or stay on and face those charges. They have resigned. Those people, however, are told, and we are following up to see that the records show that they did resign under that pressure."

Mr. NORRELL: "How many are there of those who resigned because of possible charges?"

Mr. DEXHEIMER: "Two up to this time."

Mr. NORRELL: "Two?"

Mr. DEXHEIMER: "Since I have taken over."

Mr. NORRELL: "And you have now under rather close observation about 15; is that right?"

Mr. DEXHEIMER: "The Department has advised me they are considering about 15—I do not know how closely they are being observed."

Mr. NORRELL: "And that is the summary of security-risk investigations of the Reclamation Service?"

Mr. DEXHEIMER: "Well, in addition to that, the Bureau has recently received information that we will have to go through a more careful investigation of the list of so-called sensitive positions and to make a wider category of sensitive positions. But the people occupying those positions at the present time have been very carefully investigated, and we have a very clean record so far."

Mr. NORRELL: "Do these numbers that you have referred to, both the 2 who resigned and the 15 you now have under rather close observation—are they in the Washington headquarters or in the field, or are they mixed between the 2?"

Mr. DEXHEIMER: "The only ones that have come to my attention so far have been in the field. The review of the Washington people up to this date has not brought to light any doubtful case."

The Numbers Game—Part VI

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. YORTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from hearings on the 1955 appropriation bills:

INFORMATION CONCERNING THE OPERATION OF THE FEDERAL EMPLOYEES SECURITY PROGRAM AS PRESENTED BEFORE THE COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES IN HEARINGS ON THE FISCAL 1955 APPROPRIATIONS

(Pt. V. Department of the Air Force, National Security Council, and Office of Defense Mobilization)

AIR FORCE

(From hearings on February 11, March 15 and 18, 1954)

Representative GEORGE H. MAHON (Democrat, Texas): "Mr. Secretary [addressing James H. Douglas, Under Secretary] there has been a lot in the press about the removal from the Government during the past year of 2,200 civilian personnel who were considered unsuited for one reason or another by the administration. Do you know how many of those were removed from the Air Force?"

Mr. DOUGLAS: "I think we had better come up with that information."

HAROLD E. TALBOTT (Secretary): "Very few. We would be glad to come up with that information. Very few."

Mr. MAHON: "Very few security risks of any kind?"

Secretary TALBOTT: "Compared to the total. I would like to get those things, if you would like to have them, sir."

Mr. MAHON: "Have any of them been removed because they were Communists?"

H. LEE WHITE (Assistant Secretary for Management): "I would rather say they have been removed because we think they might be security risks. Some of them, yes. By security risks I do not mean a drunkard. I mean there is enough of a suspicion they might be Communists or Communist sympathizers."

Mr. MAHON: "I believe the law provides for prosecution of people who make false oaths that they are not Communists and so on."

Mr. WHITE: "That is right."

Mr. MAHON: "I take it you have not found any Communist on your payroll, because otherwise you would have sought prosecution."

Mr. WHITE: "Not necessarily. It depends, you see, whether or not they are out-and-out Communists. We would not know whether or not they were out-and-out Communists, but there might be some evidence that would indicate leanings that way, and the Defense Establishment would be better off without them."

Mr. MAHON: "I can understand that you would like to remove people whose loyalty was in any way questioned, even on a far-fetched basis. What I am getting at is this question of whether or not you have discovered any Communists, whether you have been able to identify them, and whether you have prosecuted them, or what the facts are."

Mr. WHITE: "Not that I know of, narrowed to that point as to out-and-out Communists. That does not mean there are not any. I just do not know."

Mr. MAHON: "I see. We do not know in all cases whether people are loyal or not. We just have to do the best we can.

"Will you give us for the record, Secretary Talbott, what your information is on that? Be sure to give us the information as to those you were able to prove were Communists, and then a breakdown as to the types, as has been requested. I think that information is, no doubt, in the making in the Government, and I think it ought to be provided for the Congress, and I think it will be."

Mr. WHITE: "It will be some time, Congressman. We are trying to get that now. You are right on that.

"Some of the records are in our field offices, in our bases. We are trying to get it together. When, I do not know; it is quite a job to bring them all in."

Mr. MAHON: "I thought you had only a very few people involved?"

Mr. WHITE: "You mean people we have found guilty, or people that have been discharged? The 2,200, as I understand it—though I have not followed it too closely—includes people who were given a chance to leave as well as against whom proceedings were brought."

Secretary TALBOTT: "You see, sir, we have in our security group over 1,000 men who are studying and taking care of our internal security in the Air Force. That is scattered all over the world. There may be instances of all kinds all over.

"I know we have been discussing it. We have not really got a summary of it. We will bring you what we have up to date."

Mr. MAHON: "Give it to us at this point in the record."

Secretary TALBOTT: "Yes."

(The information is as follows:)

"Based on information reported and currently available in the Department of the Air Force in Washington during the period from May 27, 1953, the effective date of Executive Order 10450, to December 31, 1953, 25 security risks in the Department of the Air Force were either removed under the procedures of Public Law 733 or would have been processed under that act had they not resigned. All of these cases involved actual or alleged membership in the Communist Party or affiliation or sympathetic association with communistic organizations or persons, or communistic inclinations.

"There were many additional resignations and separations which involved security reasons, but which were not reported to the Department of the Air Force in Washington, as they were removed under other administrative removal procedures. In order to verify and complete the overall Department of the Air Force statistics relative to this program, approximately 250 field activities are being circularized on a worldwide basis. These statistics, which should be available within the next 60 to 90 days, will show all removals and resignations involving adverse security information, including specifically the number involving communistic activity, association, or affiliation for the period May 27, 1953, to December 31, 1953."

Mr. MAHON: "Do you have the approximate number now?"

Secretary TALBOTT: "I would rather not guess at it."

Mr. MAHON: "No doubt there will be some sort of a clarifying picture given on the whole thing. Otherwise, there would be some misunderstanding.

"I hesitated to bring up this question, but I felt I should, under the circumstances."

Representative JOHN TABER (Republican, New York): "Off the record."

(Discussion off the record.)

On March 15 a rather lengthy discussion took place about the methods used in the Air Force to determine whether an individual being processed for officer status had Communist connections. The loyalty certificate forms were introduced, and Representative Mahon questioned the Air Force officers closely on the possibilities that such an individual might be commissioned. Representative Errett P. Scrivner (Republican, Kansas) and Representative Mahon continued questioning the adequacy of the background investigations both of officers and of enlisted men. Brig. Gen. W. S. Stone, Deputy Director of Personnel Planning, submitted a statement describing the procedures and presenting certain problems of administration.

On March 18 the problem of persons with Communist connections in the Armed Forces was discussed again; with Maj. Gen. Joseph F. Carroll, Director of Special Investigations, Inspector General, Headquarters United States Air Force, present. A part of the discussion is quoted:

Mr. MAHON: "If any question is raised as to one's loyalty, do you mean to say the case is referred to the Secretary of the Air Force?"

General CARROLL: "Ultimately, yes."

Mr. MAHON: "How many cases in the last year, cases of this type, have been referred to the Secretary of the Air Force for ultimate decision?"

General CARROLL: "We have had 54 who were discharged. They were discharged only upon approval of the Secretary of the Air Force of the recommendations made to him, or upon his own determination as to the need for separation, regardless of the nature of the recommendations that may have been made.

"We have 727 such cases which, in the opinion of the Office of Special Investigations which did the investigative work, warranted review by military personnel security boards, which are set up within the framework of Deputy Chief of Staff, Personnel. They review these cases in accordance with the prescribed criteria and standards, and determined in 167 instances charges should issue, a statement of reasons being afforded the individual, and he thereafter being afforded an opportunity to appear before a board which was constituted to hear his case and thereafter make recommendations. The recommendations of the board would be processed back to the Deputy Chief of Staff, Personnel, to the Personnel Security Board, and the recommendations from that board would go to the Secretary."

Mr. MAHON: "The Secretary has acted one way or the other on 727 cases?"

General CARROLL: "Not directly. Out of that only 54 moved in to him necessitating his approval. As to the others, out of 727, only 167 of those were deemed to warrant this sort of affirmative action. All of the cases which come within the framework of our Air Force Regulation 35–62 are referred to this screening unit in the Office of the Deputy Chief of Staff, Personnel.

"That is done for two reasons. It is done, first of all, to insure that all cases in which some derogatory information bearing on loyalty has been developed is given review by more than one board or person. Secondly, it is necessary, even where it is not felt by the initial reviewing authority there is any subversive problem, that this be resolved once and for all to the benefit of the individual so he does not have a little piece of derogatory information tagging him around during the remainder of his military career.

"Once it goes through this system, whether affirmative or negative insofar as the individual is concerned, the case is considered closed until such time, of course, as some subsequent development may necessitate reconsideration."

Further discussion followed this statement, with Representative Scrivner, who indicated continued concern that Communist sympathizers might be found in the Armed Forces, making the following statements:

"Members of this committee do not treat these situations lightly, and while these figures may be picked up when the hearings are printed and a great to-do made over them, the figures would show two things: First, where you have almost 1 million men in the Regular Air Force, together with many thousands in the Reserve, this does represent a small percentage, but even that is not too much consolation because we recall when the revolution in Russia came it was just a very small percentage of the Russians who were involved, and even now, a very small percentage of the entire population of Russia and its satellites are actually members of the Communist Party.

"It might well be, Mr. Mahon, that this committee, in order to make sure in our own minds so we in turn could assure the public that the Office of the Special Investigations is alert to the danger, and that they are taking all possible precautions, make a visit to General Carroll's office. There, with him, we should go over the files on a few cases without specifically identifying the individuals involved and satisfy ourselves as to exactly what the charges have been, what action was taken to verify the charges, what other action might have been taken in the review. We should learn what showing or investigation made it possible for the Air Force authorities to determine that the others charged were not subject to separation. That should be done as a matter of gathering information and not as a matter of investigation. It is something that is of very deep concern to all of us. What would be your comment on that, Mr. Mahon?"

Mr. MAHON: "I am in complete sympathy with the thinking of the chairman. There is some question in my mind as to the confidential nature of these files in the hands of the executive branch. I do not know that these files generally have ever been made available to congressional committees. I do not know the details. We would have to look into that."

Mr. SCRIVNER: "That is why I said we would look at them as a matter of gathering information and not as a matter of investigation.

"The records will disclose that there has never been any disclosure of any secrets, top secrets, or even higher than that, by any member of this committee. It would be understood that any information that we did glean would be held in just as strict and high confidence as any information which has been given us in the past few days or the past years in relation to a lot of our atomic and other classified programs.

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"This subject, subversives in Government, is almost as explosive as the atom itself. In some instances, while the damage would not be so far-reaching, to those affected it would be just as devastating as an atomic explosion.

"Any inspection made, of course, will have to be done within the framework of the regulations and standards of procedure that the Air Force has developed in order to prevent any harm or damage to the name or character of any person involved.

"In many instances his reputation is the most valuable thing that a person has—and some thoughtless act or false word that ruins a man's reputation is usually irreparable.

"I expect that this should be a matter of discussion, not only with General Carroll, but also the Secretary of the Air Force, the Chief of Staff of the Air Force, and with the Secretary of Defense."

Mr. MAHON: "I think that is a good statement."

Mr. SCRIVNER: "General, you are the top man in this particular field; are you not?"

General CARROLL: "Yes, sir."

Mr. SCRIVNER: "We will not have to consult with the Inspector General at all, unless he desires to be present at the time."

[Omission.]

Representative ROMAN L. HRUSKA (Republican, Nebraska): "Mr. Chairman, some reference is made to the effect that those files, or the work of this particular activity, and the scrutiny thereof, should be subject to such regulations as would be appropriate, and with that I would fully concur.

"However, I would be inclined to take a dim view of any regulations which would prohibit this committee viewing objectively specimens and spot checks of the work of this particular department or branch. Certainly, if this committee cannot do it—and I do not know why we would not be capable of an objective viewing of it—nobody could do it, and that would mean the Department people would become so inbred that after a while we would reach an impossible situation. I put that in the record for whatever it is worth."

Mr. SCRIVNER: "I agree with you. My own personal reaction is that this committee has proved time and time again that it is just as honorable, just as loyal and close lipped as any other group in Government starting at the top and going on down. Certainly we are capable of looking objectively at this information and passing upon it as information especially as to procedure practices and results, and not going into it as an investigation. I am quite sure that General Carroll is an honorable man, but I also am sure that he cannot be any more honorable than the three members of this committee. I will say that we are all on a par. If those who work with General Carroll can be trusted with this information, so can we.

"Just what the regulations will develop, and what roadblocks we might run into, is pure conjecture, and we will have to meet that when the situation arises."

NATIONAL SECURITY COUNCIL

(From hearings on February 16, 1954)

After discussion of the work of the two internal security committees of the Council, and of the Council's statutory powers in relation to the initiation of Executive Order 10450, the following discussion on investigations under the order took place:

Representative SIDNEY R. YATES (Democrat, Illinois): "When the Civil Service Commission was before the subcommittee, it was testified there were 3,300 pending investigations of cases under the latest security order. I forget which number that was."

ROBERT CUTLER (Special Assistant to the President for National Security Affairs): "The order of last spring is No. 10450."

Mr. YATES: "Do you know how many of those people are still working in the Government, and how many have been dismissed?"

Mr. CUTLER: "The only function which the Council has with reference to that order is as stated in section 14 of that order. We receive from the Civil Service Commission periodic reports as described in the order. Those periodic reports relate to two topics. One is deficiencies in the departments' and agencies' security programs established under this order which are inconsistent with the interest of, or directly or indirectly weaken national security, and (2) tendencies in such programs to deny to individual employees fair, impartial, and equitable treatment at the hands of the Government in their rights under the Constitution or laws of the United States, or this order.

"In due course, I suppose, we are going to receive from the Civil Service Commission a report in accordance with this section 14."

Mr. YATES: "Has the Civil Service Commission furnished you with a report which would show the reasons for the firing of the 2,200-plus employees who were dismissed for security reasons?"

Mr. CUTLER: "No. Its report would be due, I think, in March. We would expect to get a report from them in March."

OFFICE OF DEFENSE MOBILIZATION

(From hearings on February 23, 1954)

ARTHUR S. FLEMMING (Director): "We follow the practice of not putting anyone on the payroll of ODM without a security check. We feel there is too much of a highly sensitive nature circulating around ODM to take a chance."

Representative NORRIS COTTON (Republican, New Hampshire): "You complete the check before you put him on the roll?"

Mr. FLEMMING: "Yes; that's right."

Representative SIDNEY R. YATES (Democrat, Illinois): "Does that mean that none of the so-called 2,200 security risks included people dismissed from ODM?"

Mr. FLEMMING: "Mr. Young can give you the figures."

Mr. YATES: "Presumably, you did not dismiss anybody."

Mr. COTTON: "I am talking about new employees."

Mr. YATES: "ODM is a new organization, is it not?"

Mr. FLEMMING: "We inherited a great many employees. It was created in 1951. Then people were transferred to us under the reorganization plan from the old DPA, old NSRB, the Munitions Board, the Department of Defense, and so on."

Mr. YATES: "You mean they were not checked before they came into this superior organization?"

JOHN D. YOUNG (executive officer): "You are correct. IRAC [Interdepartmental Radio Advisory Committee] was picked up when it was transferred to us by Executive order. We held those aside and began immediately the investigation."

Mr. YATES: "Are you saying that IRAC was not subjected to a check?"

Mr. Young: "As far as we know, it was not, until we took it over."

Mr. YATES: "Am I wrong in what the civil service told us that every Federal employee was subject to an FBI fingerprinting check and this did not apply to IRAC?"

Mr. YOUNG: "Every employee has to have a fingerprint check."

Mr. FLEMMING: "Not only that, but a name file check."

Mr. YATES: "What is the nature of this investigation?"

Mr. FLEMMING: "Full field investigation."

Representative JOHN PHILLIPS (Republican, of California): "Are you suggesting that the previous administration was remiss in its security check on the employees in the White House?"

Mr. FLEMMING: "These people, the IRAC people, were not employees of the White House."

Mr. YOUNG: "That is correct, sir."

Mr. FLEMMING: "They were housed in the Federal Communications Commission and the Department of Commerce. But, in our judgment, when they came into ODM they should be and they have been subjected to a full field investigation."

Mr. YATES: "How many employees did you have who were dismissed as security risks?"

Mr. YOUNG: "One. Two resigned while under investigation."

Mr. YATES: "Two resigned while under investigation?"

Mr. YOUNG: "Check."

Mr. YATES: "In other words, then the 3 that you are speaking of go into this 2,200 total, presumably as having been"——

Mr. YOUNG: "Two would go into the 2,200 and 1 would not because it was past the reporting period."

Mr. YATES: "My question was, How many were dismissed under the security order?"

Mr. YOUNG: "One. One since the reporting period, since the last report was sent in, which was the end of January."

Mr. YATES: "Was he or she a Communist?"

Mr. PHILLIPS: "Security risk."

Mr. YOUNG: "He was a security risk."

Mr. YATES: "I still want to know was he or she a Communist, was he dismissed as being a Communist?"

Mr. YOUNG: "We don't know whether he is a Communist."

Mr. YATES. "Who dismissed him?"

Mr. PHILLIPS: "Off the record."

(Discussion off the record.)

Mr. YATES. "Was the person who was dismissed a member of the Communist Party?"

Mr. YOUNG: "The person dismissed was not a member of the Communist Party.

Mr. YATES: "What about the other two people who were dismissed?"

Mr. YOUNG: "They resigned while the investigation was going on."

Mr. YATES: "Were the charges that were placed against them concerned with their loyalty to the Government of the United States?"

Mr. YOUNG: "No charges were placed against those people. They were being checked."

Mr. YATES: "Did they know they were being investigated?"

Mr. YOUNG: "They certainly did."

Mr. YATES: "Were they being checked or investigated because they were disloyal or possibly disloyal to the Government of the United States?

Mr. YOUNG: "They were being investigated because they were employees of the ODM and all our jobs are sensitive and we investigate all people who work for ODM."

Mr. YATES: "You have stated just now that all employees of the Office are investigated. You have just stated that two resigned during the course of that investigation."

Mr. YOUNG: "That is correct, sir."

Mr. YATES: "All employees of the Office of Defense Mobilization then are being investigated and therefore"——

Mr. YOUNG: "All employees of ODM are investigated; correct, because that is in our regulations."

Mr. YATES: "The impression I got from your previous answer was that there was something special about these two employees and that was the reason for their resigning; am I wrong in that?"

Mr. YOUNG: "They resigned during the investigation when they did not wish to answer questions which we raised."

Mr. YATES: "Touching upon their loyalty to the Government of the United States?"

Mr. YOUNG: "Suitability."

Mr. YATES: "Suitability?"

Mr. YOUNG: "Right."

Mr. YATES: "You draw a distinction between suitability and loyalty and security?"

Mr. YOUNG: "Yes."

Mr. YATES: "Not security?"

Mr. YOUNG: "The two people who resigned were not loyalty cases."

[Omission.]

Mr. YATES: "Have all 311 now working for you had their full field check completed?"

Mr. YOUNG: "No. I think full field investigation"——

Mr. YATES: "You said all of your employees were being subjected to a full field investigation."

Mr. YOUNG: "Right. I do not think some of those for IRAC are completed."

Mr. YATES: "How many employees are there at IRAC now?"

Mr. YOUNG: "Twenty-two, with six commitments."

Mr. YATES: "Would you say you have completed 300 of your full field investigations?"

Mr. YOUNG: "Many of those had been completed previously because when we picked up the old ODM we had about some 100 employees that had previous full field investigations. I think there were a few of those that had to be brought up to date because they were dated as far back as 1947–48. There were some investigations in process for the staff of Defense Production Administration which were not completed, and we completed all those."

Mr. YATES: "All your new employees are given a full field investigation?"

Mr. YOUNG: "That's right."

Mr. YATES: "How long does it take? Do you find it hampers you at all?"

Mr. YOUNG: "It depends on the workload that the Civil Service investigators have."

Mr. YATES: "Are your full field investigations conducted by the Civil Service Commission?"

Mr. YOUNG: "Yes; except where there has been a previous investigation by the FBI we usually have the FBI bring it up to date if it needs updating. I would say about 99 percent of our investigations that we are doing now are done by the Civil Service Commission. The period runs from 30 to 60 days."

Mr. YATES: "Out of the some 300 employees that you have on hand, 2 have resigned while the investigations were pending for reasons other than loyalty and 1 was dismissed. With respect to that 1, you stated he was not dismissed because he was a member of the Communist Party. Was there a question of loyalty involved in his dismissal?"

Mr. YOUNG: "Yes; there was."

The Numbers Game—Part VII

EXTENSION OF REMARKS

OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. YORTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from hearings on the 1955 appropriation bills:

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(Pt. VI. General Services Administration, Department of the Navy, Housing and Home Finance Agency, Veterans' Administration, Department of Labor, and Atomic Energy Commission)

GENERAL SERVICES ADMINISTRATION

(From hearings on February 24, 1954)

Representative SIDNEY R. YATES (Democrat, Illinois): "Mr. Mansure [addressing Edmund F. Mansure, Administrator], how many employees are there in the General Services Administration?"

MAX MEDLEY (Comptroller): "As of December 31, 1953, there was a total of 27,607 employees."

Mr. YATES: "How many dismissals have there been to date under the terms of the Executive security order?"

Mr. MANSURE: "I would like Mr. Baron Shacklette, the Director in charge of the Compliance Division, to answer your question."

Mr. YATES: "I refer to the present security order, No. 10450, Mr. Shacklette."

Mr. SHACKLETTE: "There have been a total of 168 individuals who have either left the agency or been terminated under circumstances which involved a security consideration such as is listed in the Executive order."

Mr. YATES: "How many of the 168 were dismissed for having been members of the Communist Party?"

Mr. SHACKLETTE: "Ten individuals either left or were dismissed because there was an issue of disloyalty in their cases or an issue of subversion. I don't know that any one individual was a member of the Communist Party, sir."

Mr. YATES: "Does your investigation disclose that any one of them was a member of the Communist Party?"

Mr. SHACKLETTE: "I don't think so, sir."

Representative NORRIS COTTON (Republican, New Hampshire): "To keep the record straight, when you say 'have left,' you mean they voluntarily resigned while they were under investigation; is that what you mean?"

Mr. SHACKLETTE: "That is right. Those who were not terminated either voluntarily resigned or died or were caught in a reduction in force, or something of that nature."

Mr. COTTON: "If they died, it would have nothing to do"——

Mr. SHACKLETTE: "That is right."

Mr. YATES: "You mean, of the 168 there is included those who died while the investigation was going on?"

Mr. SHACKLETTE: "There were 100 terminations, 50 resignations for their own reasons, and 18 separations for other causes, among which there would be reductions in force and 1 or 2 deaths. I don't know exactly how many."

Mr. YATES: "I don't know that you and I are seeing this thing in the same way, Mr. Shacklette, for this reason: You said they were separated for reductions in force. I was under the impression that reductions in force were not included within the purview of the security order. Am I wrong in that?"

Mr. SHACKLETTE: "No, sir. You may have an individual who is being investigated under the Executive order, and some disloyalty information comes up. Through an entirely different operation, a personnel action, that individual may be off the payroll because of a reduction in force before any positive security action can be taken other than the imposition of a security restriction."

Mr. MEDLEY: "As an example, Mr. Yates, I might have an accounting clerk in my office and, because we are trying to cut down on our costs we run a reduction in force. Let us assume Joe Doakes is being investigated. However, before the investigation is finished, this clerk is separated because of a general reduction in force."

Mr. YATES: "Does this mean, then, with respect to the type of employee that you specify, Mr. Medley, there is no confirmation made of the information that would cause you to investigate it more carefully if he leaves your employment?"

Mr. SHACKLETTE: "The investigation would terminate at that point when he leaves the agency. If there was any disloyalty information that had come to our attention and the FBI didn't know about it, we would send it to them and to the Civil Service Commission.

"Let me be more specific as to the 10 cases of the 168. Three of those cases were involuntary separations."

Mr. YATES: "After hearing?"

Mr. SHACKLETTE: "No, sir; not after hearing. There have been no separations after a full hearing to date in GSA. None of them has gone the full route as provided in the Executive order."

Mr. YATES: "None of the employees you have separated have asked for a hearing?"

Mr. SHACKLETTE: "There are 2 hearings under way at present, being set up, but they are not included in this 168. The 168 figure is the figure of those who have left the agency for one reason or another."

Mr. YATES: "Of the 168, there are 10 who left because of disloyalty reasons, and of the 10 there are 3 who"——

Mr. SHACKLETTE: "Who have been involuntarily separated, and an additional six resigned. That is nine. Then there was one in this other category who was terminated under a general reduction in force."

Mr. YATES: "Let us go off the record."

(Discussion off the record.)

Mr. YATES: "That means that you have 158 separations under the Executive order for reasons other than disloyalty?"

Mr. SHACKLETTE: "That is right, sir."

Mr. YATES: "Is the information concerning such separations given to the Civil Service Commission for their master file?"

Mr. SHACKLETTE: "Yes; they are completely advised."

Mr. YATES: "Do you still give them the information in the event there is a resignation or a separation prior to completion of your investigation?"

Mr. SHACKLETTE: "Yes, sir."

Mr. YATES: "You tell the Civil Service Commission that this information has come to your attention, the employee has been separated, and leave it to CSC's discretion whether they want to continue the investigation further; is that correct?"

Mr. SHACKLETTE: "Yes; if he were an employee of the Civil Service Commission, or an employee of the Government, they would probably continue the investigation; if not, the FBI would be the only people interested."

Mr. MANSURE: "Congressman Yates, in fairness to this, I think we should explain that because of the type of employment of some of our people in more or less menial jobs—and I say that not in any reflection whatsoever on the work they are doing—we have more of a problem of the ordinary police-blotter case than many agencies do. Would you explain that, Mr. Shacklette?"

Mr. SHACKLETTE: "Well, we have a lot of char people in the Public Buildings Service laboring force. It is very difficult for the personnel offices to recruit people to do this work with the rates of pay that they have. A large number of those people have arrest records. We will say that in any one quarter we have 100 individuals coming into the security operation and going out. We process that many per quarter, individuals who are either drunks, narcotic users, addicts"——

Mr. MANSURE: "Numbers operators"——

Mr. COTTON: "You aren't counting traffic violations in that total, are you?"

Mr. SHACKLETTE: "No, sir. Arson, assault, burglary, crimes against the family and children, aggravated disorderly conduct, embezzlement, falsification of Government documents, forgery, gambling, homicide, larceny, narcotic offenders, robbery, sexual perversion. At the end of December we had 17 cases of sexual perversion against whom we had issued security restrictions. Five rape cases. At that time we had 583 individuals in our agency in connection with whom we had received allegations which would come under the President's Executive order as constituting a security risk.

"Of that number, 144 involved loyalty allegations."

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. YATES: "How many of those were cleared?"

Mr. SHACKLETTE: "They are in process now."

Mr. YATES: "How long does it take"——

Mr. SHACKLETTE: "You see, the General Services Administration"——

Mr. YATES: "What happens in a case like that, when you get word there is a question of loyalty involved? Do you give them a copy of their charges? What is the procedure?"

Mr. SHACKLETTE: "A copy of the charges is given to the individual."

Mr. YATES: "Are they suspended?"

Mr. SHACKLETTE: "In some cases they are suspended; in most cases they are. In a very few cases they are not suspended. It is up to the operating official.

"In the case of an individual in headquarters, Mr. Mansure might decide not to suspend or to suspend. We have two cases right now that are in the hearing stage. Let us take one of those cases. A man was a guard. You know our guards have authority to arrest. They carry guns, and there is a certain amount of security connected with their jobs. This chap walked into a police raid uptown here on his off-duty hours. He was reporting in. He was one of the collectors of the numbers racket in town. He had a pocketful of numbers slips and the police picked him up.

"The Metropolitan Police notified us immediately and we suspended him immediately. Then a statement of charges was given to him. He responded and indicated that he wished a hearing. A hearing was arranged. The hearing was held within the last week, I think, and we are at any moment now to get the decision of that board."

Mr. YATES: "You listed a fairly complete set of crimes. Is any one of those a reason for dismissal under the security order?"

Mr. SHACKLETTE: "I think all of them are, sir."

Mr. YATES: "You stated also that there were 144 investigations pending for loyalty reasons?"

Mr. SHACKLETTE: "That is right."

Mr. YATES: "Is this outside of the figure of 168 that you have given me?"

Mr. SHACKLETTE: "That is right."

Mr. COTTON: "That 168 was security and this 144 is loyalty. You have only named 10 out of the 168"——

Mr. SHACKLETTE: "The figure of 168 had nothing to do with the figures I am quoting now."

Mr. COTTON: "I wanted to be sure you were straight on the record. You said you had 168 that had been dismissed for security reasons and that 10 of those were on grounds of some kind of disloyalty."

Mr. SHACKLETTE: "That is right."

Mr. COTTON: "Now you have said that you have pending 144 cases involving disloyalty. You mean 'disloyalty' and not just 'security'?"

Mr. SHACKLETTE: "There were 583 involving security, of which 144 had a loyalty issue."

Mr. MEDLEY: "These are merely allegations; is that correct?"

Mr. SHACKLETTE: "These are allegations received; yes."

Mr. YATES: "Is it correct to say, Mr. Shacklette, that the 10 cases that you spoke about of dismissals should be added to the 144 as combining the total cases involving charges of disloyalty, that the 10 are disposed of and the 144 are not disposed of?"

Mr. SHACKLETTE: "They are disposed of as of the end of December, and at the end of December we were carrying through an inventory of 144 loyalty cases."

Mr. YATES: "Have any of the 144 cases been cleared or disposed of yet?"

Mr. SHAKLETTE: "They must have. I don't have that information."

Mr. YATES: "Who wou'd have it?"

Mr. SHACKLETTE: "I have it in my files. I have to check my records as of now. We assemble these statistics quarterly."

Mr. YATES: "Can you furnish for the record——

Mr. SHACKLETTE: "Would you like to know it as of any particular date?"

Mr. YATES: "You have 144 cases pending for which you should have the statistics on the determination of the cases?"

Mr. SHACKLETTE: "That is right."

Mr. YATES: "In other words, what you have given me is 10 cases of dismissals for loyalty?"

Mr. SHACKLETTE: "That is right."

Mr. YATES: "You have 144 cases pending. Those 144 cases may swell the number of 10 total, or there may be none at all. I would like to know what that total is."

Mr. SHACKLETTE: "Certainly. As of what date?"

Mr. MANSURE: "Shall we take it as of the end of January or February?"

Mr. YATES: "As of the present time. I asked Mr. Medley as to how many people he had employed. He told me some 27,000."

Mr. MEDLEY: "As of December 31."

Mr. YATES: "Is that about the number you have employed at the present time?"

Mr. MEDLEY: "Just about. We can convert that figure to January, and then let Mr. Shacklette's figures tie into that date."

Mr. SHACKLETTE: "Whatever date you say, you can have."

Mr. YATES: "I would like to get the figure that corresponds to the 2,200 dismissals that has been used by some people."

Mr. SHACKLETTE: "I can't give you that because I don't know where those figures came from. That is a civil service statistic."

Mr. COTTON: "In order that this request may not hold up the printing of the record, what date would be the most convenient date that you could use without undue delay?"

Mr. MEDLEY: "January 31, 1954."

Mr. YATES: "All right. That will give me the complete picture on what the cases have been under the security order as of that date."

Mr. SHACKLETTE: "As of that date; yes, sir."

Mr. YATES: "Thank you. Those are all the questions I have."

(The information requested follows:)

"Cases on hand as of Dec. 31, 1953	144
Less cases closed during January 1954:	
(a) Cases in which subject was involuntarily separated for disciplinary reasons	2
(b) Cases in which subject resigned	16
(c) Cases in which subject was separated as a result of routine personnel operations (reductions in force, retirements)	21
(d) Cases in which favorable adjudication was made	1
Total	40
Balance	104
Plus new cases received during January 1954	7
Cases on hand as of Jan. 31, 1954	111

"NOTE.—None of the cases has been separated on the specific basis of loyalty charges, as provided by section 6 of Executive Order 10450."

Mr. MANSURE: "I want to bring out the point that we don't want this to be indicative of the whole GSA setup. We do have a certain type of personnel where this type of thing will arise which other agencies do not have."

Mr. SHACKLETTE: "That is very true."

Mr. MANSURE: "This is a very small percentage of our whole personnel that we are talking about. What I mean is, this situation does not run clear throughout our operations. It runs in this one phase of our operations."

Mr. YATES: "But the figures that he is giving—that Mr. Medley is giving—is of the whole GSA operation. The point you are making is that the great preponderance"——

Mr. MANSURE: "This doesn't honeycomb our whole operation. This runs into one small phase of the GSA operation, where this keeps arising, on account of the type of personnel we employ. We don't want to cast reflection on all people of GSA, that they are doing these things, because they are not."

NAVY

(From hearings on February 24, 1953)

Representative HARRY R. SHEPPARD (Democrat, California): "In response to one of my colleague's interrogations, relative to undesirables, how many have been removed from the naval service because of their connections, either directly or indirectly, with Communist activities, as defined under the formula which is applied within the Navy, under which you dispense with the services of that kind of people?"

Vice Adm. JAMES L. HOLLOWAY, Jr. (Chief, Bureau of Naval Personnel): "Mr. Sheppard, we will supply that information, but I believe the number is small."

Mr. SHEPPARD: "Is there any source within the Navy, other than the Bureau of Personnel, which I understand has a pertinent part in the removal of persons in the Navy?"

Admiral HOLLOWAY: "Mr. Sheppard, as Chief of Naval Personnel, I am the Secretary's alter ego in personnel matters."

Mr. SHEPPARD: "What I am trying to establish here is whether the records—as you are representing the Bureau of Personnel, where security risks are involved—whether the record would be available within your department?"

Admiral HOLLOWAY: "Yes."

Mr. SHEPPARD: "Then you could have that information?"

Admiral HOLLOWAY: "I do. I can get the information."

Mr. SHEPPARD: "Have you been called upon heretofore to provide figures to any source of Government?"

Admiral HOLLOWAY: "No."

Mr. SHEPPARD: "Will you be good enough to supply that information for the record at this point?"

Admiral HOLLOWAY: "Yes."

Mr. SHEPPARD: "At some later date but before the record is closed?"

Admiral HOLLOWAY: "Yes."

(The information requested follows:)

"Since 1950, 21 officers and 4 enlisted men have been discharged or resigned from the naval service under other than honorable conditions because of connections with Communist activities."

On February 24 and March 15, 16, and 18, 1954, the committee discussed with representatives of the Navy the problems of screening naval personnel.

HOUSING AND HOME FINANCE AGENCY

(From hearings of February 26, 1954)

Representative SIDNEY R. YATES (Democrat, of Illinois): "How many dismissals occurred under Executive order known as 10450?"

ALBERT M. COLE (Administrator): "There have been 11 suspensions and in addition 4 have resigned after charges by the security officer."

Mr. YATES: "Have there been any dismissals as such? You say 11 suspensions."

Mr. COLE: "No."

Mr. YATES: "When you say 11 suspensions, does that mean that the hearings are still going on in the 11 cases?"

Mr. COLE: "In nine of these cases."

Mr. YATES: "What about the other two?"

Mr. COLE: "One resigned and one has been restored."

Mr. YATES: "Is the resignation of the 1 that resigned included in the 4 resignations that you spoke of, or is it in addition?"

Mr. COLE: "In addition."

Mr. YATES: "In connection with the resignations and the suspensions, were any of those suspended, or those resigned, members of the Communist Party?"

Mr. COLE: "That I do not know. Seven of those cases involved loyalty."

Mr. YATES: "Seven of the fifteen?"

Mr. COLE: "Seven of the eleven."

Mr. YATES: "Involved loyalty?"

Mr. COLE: "Yes."

Mr. YATES: "Apart from those cases, have all of your security checks been completed?"

Mr. COLE: "No, sir."

Mr. YATES: "Are they still going on?"

Mr. COLE: "Yes."

Mr. YATES: "How many checks have been completed?"

JOHN M. FRANTZ (Director, Budget and Organization Staff): "As of December 31 we have had completed 61 full field investigations and have 31 pending."

Mr. YATES: "You now have 31 full field investigations pending?"

Mr. FRANTZ: "Correct."

Mr. YATES: "Does this mean that you have gone through all of your employees to the point where you feel these are all the field investigations that will be required?"

Mr. FRANTZ: "No, sir. Those are the full field investigations that have been requested so far in connection with sensitive positions. There will be additional ones."

Mr. YATES: "How many employees have you examined out of 11,000?"

Mr. FRANTZ: "The figures that I gave you were for the full field investigations. In addition to that there have been so-called national agency checks, which is a more abbreviated form of investigation—the number is 292 for the national agency checks which have been completed, and 112 pending."

Mr. YATES: "Of the 11,000?"

Mr. FRANTZ: "That is correct."

Mr. YATES. "You have done very little then relatively."

Representative JOHN PHILLIPS (Republican, of California): "Just getting started."

Mr. FRANTZ: "We do not have 11,000 cases to handle"——

Mr. YATES: "Have all the 11,000 been checked previously? Have all undergone the FBI fingerprint check?"

Mr. FRANTZ: "No. All of the 11,000 have been subjected to such checks as were required at the time. That has been done over the past several years."

Mr. YATES: "That is on the same basis as the employees of other agencies?"

Mr. FRANTZ: "That is right."

Mr. YATES: "In connection with the checks of those employees, you have just this number of full field investigations that you testified to?"

Mr. FRANTZ: "That is correct."

VETERANS' ADMINISTRATION

(From hearings on 3d supplemental appropriation bill, 1954, on March 1, 1954)

Representative SIDNEY R. YATES (Democrat, of Illinois): "Mr. Stirling [addressing H. V. Stirling, Deputy Administrator], I wonder whether you could provide for the record in the hearing on your request for funds for the fiscal year 1955 the number of dismissals that took place in the Veterans' Administration under Executive Order 10450?"

Mr. STIRLING: "We do not have a breakdown."

Mr. YATES: "Do you have a breakdown of the number found to be members of the Communist Party?"

Mr. STIRLING: "I do not think so. We do not have those records."

Mr. YATES: "Who would have them?"

Mr. STIRLING: "The regional offices and the hospitals have the records."

Mr. YATES: "Every other agency has them."

Mr. STIRLING: "We will do everything in our power to provide it."

Mr. YATES: "We would like to have the figures showing a breakdown of dismissals of those who were dismissed for being members of the Communist Party, if any, and those dismissed for loyalty reasons."

Mr. STIRLING: "Yes, sir."

(The following information was submitted later:)

"This information is submitted in response to Congressman Yates' request to Mr. Stirling during hearings on the third supplemental appropriaion bill, 1954, that we provide for the record in the original hearing on the 1955 request the number of dismissals from the Veterans' Administration under Executive Order 10450.

"The following VA security figures have been extracted from a table of overall governmental security figures presented by Mr. Philip Young, Chairman of the United States Civil Service Commission, to the Senate Post Office and Civil Service Committee on March 2, 1954, in connection with his testimony pertaining to the administration of Executive Order 10450.

"Termination for information under 8 (a)	92
Resignations with security information under 8 (a)	210
Number under 8 (a) 2 to 8	45
Number of sex perversion	21
Number of felonies and misdemeanors	160
Number of all others under 8 (a)	76"

This statement was included in hearings on the appropriation bill for 1955, page 1036.

DEPARTMENT OF LABOR

(From hearings on March 2, 1954)

Representative JOHN E. FOGARTY (Democrat, Rhode Island): "Mr. Secretary [addressing James P. Mitchell, Secretary], I do not know whether you can answer this or not, but since January of 1953, how many Communists have been fired by the Department of Labor?"

Secretary MITCHELL: "Well, since May 28 of 1953, which was the effective date of the President's security order, to January 1, 1954, there were 2 employees removed whose files contained unfavorable information under the standards set in section 8a of the Executive Order 10450. Both of these cases involved falsification of application and were handled under the regular civil-service procedure.

"During that same period, that is May 28 through January 1, 15 employees regarding whom there was some unfavorable information resigned before any determination—favorable or otherwise—was made in their cases.

"In addition, in the period from January 20 to May 28, 1953—that was before the Executive order—three employees were removed for falsification of application. Two other employees with questionable records resigned before a final determination was made in their cases.

"That is the whole story on the operation of the President's security order since May 28, 1953."

Mr. FOGARTY: "I think that is a pretty good record for the Department of Labor. I think the Department of Labor has always had a good record as far as that is concerned."

Representative FRED E. BUSBEY (Republican, Illinois): "May I concur in the judgment of the gentleman from Rhode Island."

[Omission.]

Representative ANTONIO M. FERNANDEZ (Democrat, New Mexico): "You mentioned that 15 employees resigned against whom there was some unfavorable information."

Secretary MITCHELL: "Yes, sir."

Mr. FERNANDEZ: "You don't mean to intimate, do you, that they resigned because of unfavorable information?"

Secretary MITCHELL: "Well, there was unfavorable information in their record. How many of them resigned because there was information in the record I don't know."

Mr. FERNANDEZ: "Would you say that they knew about the information?"

Secretary MITCHELL: "I believe that most of them did; yes, sir."

Mr. FERNANDEZ: "So the inference is then that they might have resigned because of that?"

Secretary MITCHELL: "That is the inference; yes, sir."

ATOMIC ENERGY COMMISSION

(From hearings on March 8 and 10, 1954)

Excerpt from a general statement by Lewis L. Strauss (Chairman): "The cost of security investigations which must be performed for AEC by the Civil Service Commission and the Federal Bureau of Investigation is strongly influenced by the volume of construction to be performed and the operation of new production facilities. The transfer of cleared personnel among projects and the reinstatement of previously cleared personnel has permitted us to reduce the number of security investigations we expected this year. The cost of investigations required next year is expected to be still lower."

On March 10 the following discussion took place:

Representative SIDNEY R. YATES (Democrat, Illinois): "How many employees have been dismissed under Executive Security Order 10450?"

K. D. NICHOLS (General Manager): "One has resigned."

Mr. YATES: "When you say 'resigned,' you mean resigned as the result of charges placed against him?"

Mr. NICHOLS: "After proceedings had been initiated."

Mr. YATES: "Was it because of a loyalty case?"

Representative JOHN PHILLIPS (Republican, California): "Will you accept my usual amendment there and use the words 'security risk'?"

Mr. YATES: "I am using the word that was used in the Senate."

Mr. NICHOLS: "May I defer the answer to that question until I find the item here?"

Mr. YATES: "Yes, surely. Are all of your employees given full and complete investigation before you hire them?"

Mr. NICHOLS: "We do give them, and so far as we can, full and complete investigation before we hire them.

"However, there are cases where we have been allowed to grant emergency clearance, and that is done after a file check with local police, the FBI, and everything of that kind. Where they give you favorable results and everything in the file and their record on the face of it looks good we give emergency clearance, but we are trying to keep that to the minimum and for our normal employment have the full agency check, either by the FBI or Civil Service prior to employment."

Mr. YATES: "Even with respect to those employees who are employed before the full check is made do you subsequently complete the check on them?"

Mr. NICHOLS: "Yes. In other words, we complete the check."

Mr. YATES: "After they are employed?"

Mr. NICHOLS: "Yes; after they are employed. I have this data you are asking for, Mr. Yates."

Mr. YATES: "Fine."

Mr. NICHOLS: "I have data here, and this is from the issuance of Executive Order No. 10450 up to this date, March 6, 1954, and security-clearance review by AEC discloses derogatory information sufficiently serious to require additional proceeding in 9 cases under the Executive order and the order of the Atomic Energy Commission. They are quite similar. Whether we are proceeding under one or the other it is difficult to state.

"The status of these cases is as follows:

"(a) Cases now in the initial stage of administrative review, two.

"(b) Cases about which hearings are now in process.

"(c) Case in which clearance was suspended and hearing authorized, one.

"(a) Cases now in the initial stage of administrative review, two.

"(e) Cases in which clearances were reaffirmed without hearing—that means after we made a review of some question—two.

"Now, the case in which clearance was suspended and the hearing authorized, that one case was a loyalty case, and also the last one where we reaffirmed without hearing it was a loyalty implication, as distinguished from these other factors."

Mr. PHILLIPS: "This committee has been trying to get Mr. Yates to use the words 'security risk.' "

Mr. NICHOLS: "That is a better term."

Mr. PHILLIPS: "He wishes to use the words, 'loyalty case.' "

Mr. YATES: "In my opinion the term 'security risk' carries a derogatory meaning in terms of loyalty. I think you have to use a better term."

Mr. PHILLIPS: "I do not think they do any more."

Mr. NICHOLS: "I am using 'loyalty' here as distinguished from sex cases, and so forth."

Mr. YATES: "Were any of those employees about whom you have just testified members of the Communist Party?"

Mr. NICHOLS: "I do not know, but I do not believe they were. I do not know. I am familiar with some of them, but I do not think they were."

The Numbers Game—Part VIII

EXTENSION OF REMARKS
OF

HON. SAMUEL W. YORTY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. YORTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from hearings on the 1955 appropriation bills:

INFORMATION CONCERNING THE OPERATION OF THE FEDERAL EMPLOYEES SECURITY PROGRAM AS PRESENTED BEFORE THE COMMITTEE ON APPROPRIATIONS OF THE HOUSE OF REPRESENTATIVES IN HEARINGS ON THE FISCAL 1955 APPROPRIATIONS

(P. VIII. Federal Mediation and Conciliation Board, Railroad Retirement Board, and Department of Health, Education, and Welfare)

FEDERAL MEDIATION AND CONCILIATION BOARD

(From Hearings on March 11, 1954)

Excerpt from general statement by Whitley P. McCoy, Director:

"The committee will be interested to know that I have designated all mediators, regional directors, and national office staff positions as 'sensitive positions' within the meaning of the President's security program, in order that we may be assured of the loyalty and suitability of our employees. The designation of a position as 'sensitive' requires the investigation of an employee's former and present activities and associations by another agency of the Government, for which a charge is made against our appropriation. Our present budget did not anticipate this expense. However, I have authorized some investigations this fiscal year and if further savings permit will authorize still more this year. You will note that our 1955 budget includes provision for completing this work."

[Omission.]

Representative FRED E. BUSBEY (Republican, Illinois): "The first sentence in the last paragraph on page — is as follows:

"The committee will be interested to know that I have designated all mediators, regional directors, and national office staff positions as 'sensitive positions' within the meaning of the President's security program, in order that we may be assured of the loyalty and suitability of our employees.

"Then skipping two sentences, you say:

"However, I have authorized some investigations this fiscal year and if further savings permit will authorize still more this year.

"How many investigations have you authorized, Mr. McCoy?"

L. E. EADY (Director, Administrative Management): "One hundred and twenty-two."

Mr. MCCOY: "We have effected considerable economies this year, so we did have a little more money for starting more of those this year than we had at first thought we might. We are getting through with it just as fast as we can. Whether we can get them all started this fiscal year depends on what happens in the general labor-management relations field. If we should have an upsurge of disputes and strikes, that took more of our money than they are taking right now, we would find ourselves short for this sort of thing."

Mr. BUSBEY: "I was especially interested in this one sentence:

"I have authorized some investigations this fiscal year, and if further savings permit, will authorize still more this year.

"What other activities are there that in your estimation are more important than seeing that this job is completed and done in a correct manner?"

Mr. MCCOY: "That is a rather difficult question to answer, I will have to admit, Congressman. I think the subject is tremendously important, but at the same time"——

Mr. BUSBEY: "In other words, you are not trying to minimize the importance of this by any means?"

Mr. MCCOY: "No, sir; I think it is tremendously important. As a matter of fact, I personally, since I took office, took it on myself to make all these jobs sensitive. They were not sensitive when I took office. I changed it because I saw the importance of it."

[Omission.]

Mr. BUSBEY: "For the record, would you give the committee what your up-to-date situation is in regard to your security investigations and actions resulting from them?"

Mr. MCCOY: "Mr. Eady has prepared a tabulation of that. Have you got copies for each member of the committee, Mr. Eady?"

Mr. EADY: "Unfortunately, I do not have.

Mr. MCCOY: "Give it to the chairman and he can pass it along."

Mr. BUSBEY: "I have no questions on it. I merely wanted it for the record, Mr. McCoy, because we are asking the same of all the agencies that come before the committee.

"*Federal Mediation and Conciliation Service—Status of employee-security program, Mar. 8, 1954*

"I. The evaluation of full field cases:

Number of Executive Order 9835 cases on hand May 28, 1953, for review under Executive Order 10450	9
Number of Executive Order 10450 case reports received	30
Total cases for review	39
Disposition of cases:	
Number of cases closed, satisfactory	23
Number of cases closed by resignation	7
Number of cases pending review	8
Number of cases, further action pending	1
Total cases	39

"Federal Mediation and Conciliation Service—Status of employee-security program, Mar. 8, 1954—Continued

"II. Status of program:

Number of positions designated sensitive in FMCS	268
Number of full field investigations completed or in process	122
Number of sensitive cases not scheduled because funds not available	146"

Mr. MCCOY: "If I may be indulged in a little bragging, I think I have done a pretty good job on this security program up to date. We do not have very many employees, and there is no reason to think that any great number would be of questionable loyalty. We have had some resignations because of the attitude that I have taken. These resignations have not been because we had anything on them, but simply because there was enough there to cause an investigation, and rather than face the investigation, some people have resigned. I really think we have done a good job."

Mr. BUSBEY: "I am glad to know that. I might say that the fact that I am not bringing up any new cases at this time indicates that your statement, in all probability, is true. In this committee I have had occasion to bring up a few situations. It has taken time, but in the final analysis they have been separated from the service one way or another. I have not been wrong on one yet."

[Omission.]

Representative JOHN E. FOGARTY (Democrat, of Rhode Island): "Regarding the disposition of cases investigated under the security program—'number of cases closed, satisfactory, 23.' What does 'satisfactory' mean?"

Mr. MCCOY: "It means that we reviewed the records and found no reason to suspect a man's loyalty."

Mr. FOGARTY: "Number of cases closed by resignation, 7. What about those 7?"

Mr. MCCOY: "Those were men whose old loyalty files we had pulled out to re-review to see whether there was any reason why we should take different action from what had been taken previously in view of the different security program that we now have under President Eisenhower from what they had under the old program. When the man involved learned that he was up for review and might be in trouble, sometimes he resigned."

Mr. FOGARTY: "You do not know for what reason?"

Mr. MCCOY: "I do not know whether he was guilty"——

Mr. FOGARTY: "You do not know whether it was for immoral purposes or false affidavits or what? You do not know that?"

Mr. MCCOY: "No, sir. They were mostly questionable associations, I think I can say that. Is that not true, Mr. Eady?"

Mr. EADY: "Yes."

Mr. FOGARTY: "You have eight pending review now?"

Mr. MCCOY: "Yes, sir. That just means in the case of our field examinations, which are going on now, the Civil Service Commission or the FBI is feeding us reports."

Mr. FOGARTY: " 'Number of cases, further action pending.' What does that mean?"

Mr. MCCOY: "That is a man who has been suspended and who has filed an appeal notice and I will have to make a decision as to whether the suspension should stand or be set aside. If I rule that the suspension was justified and—then he is either out or he takes an appeal."

Mr. FOGARTY: "Do you think he is a Communist?"

Mr. MCCOY: "I hesitate to express an opinion on the merits of that case, because the appeal is pending before me now."

RAILROAD RETIREMENT BOARD

(From hearings on March 11, 1954)

Representative FRED E. BUSBEY (Republican, of Illinois): "Mr. Kelly [addressing Col. Raymond J. Kelly, Chairman], what has the Board done under the new security order? I presume you have a statement like the Department of Labor had on the situation."

Mr. KELLY: "I received just today this statement which came from our personnel security officer to the Chief Executive Officer. A copy was given us this morning. I think the whole thing should probably go in the record. It is very brief and I can read it if you wish.

" 'All sensitive positions have been cleared by full field investigations except the two secretarial jobs recently established by the Board. The action necessary to these clearances has been initiated. All new employees, except those whose appointments were for less than 90 days and certain other jobs such as national reporting officers and railroad claims agents, have been investigated in accordance with the provisions of Executive Order 10450, as amended. At the start of the program, May 12, 1953, we had on our rolls 12 employees who had been investigated and cleared under Executive Order 9835. These cases have been reviewed and, with one exception, have been disposed of either through clearance or preferring of charges. Charges are outstanding against two of these people. In addition to those cases mentioned above, from May 12, 1953 to the present, we have taken adverse action under Executive Order 10450 as follows:

" 'One employee resigned while charges were being prepared—loyalty. Two employees resigned prior to evaluation of files which contained adverse information—arrest records not shown on application for employment. One employee who resigned prior to evaluation of file which contained adverse information—immorality.' "

Mr. BUSBEY: "That takes care of all investigations in the Railroad Retirement Board?"

FRANK J. MCKENNA (Chief Executive Officer): "Except one. There is one case which we still have subject to review. We just have not gotten to it."

Representative JOHN E. FOGARTY (Democrat, of Rhode Island): "Mr. Chairman, you have been on the job now since September."

Mr. KELLY: "September 1, 1953."

Mr. FOGARTY: "I do not think I have any questions to ask, Mr. Chairman. I think the statement submitted by the Chairman and the Board speaks very well for your work this fiscal year that we are operating in. I want to go along with the chairman; I think the savings that have been made by the Board should be commended. I think you are doing a good job."

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

(From hearings on March 23 and 26 and May 18, 1954)

Representative FRED E. BUSBEY (Republican, Illinois): "Mrs. Secretary [addressing Oveta Culp Hobby, Secretary], I think it is customary this year for each of the various departments and agencies of the Government, as they appear before subcommittees of the Committee on Appropriations, to give a statement of the situation under Executive Order 10450, about which there has been so much discussion in the papers. What are the facts concerning the situation in your Department?"

NELSON A. ROCKEFELLER (Under Secretary): "We can submit that information."

Secretary HOBBY: "Mr. Chairman, I apologize for not having it here, but I can get it and submit it for the record."

Mr. BUSBEY: "I have not seen any figures except those that appeared in the Washington Post on March 11, 1954, for the period ending December 31, 1953. There seems to be some discrepancy in those figures because they had a statement to the effect that 11 had been fired and 67 had resigned, making a total of 78. Then they had another list showing that there had been 27 subversives eliminated from the Department, 12 sex deviates, 34 for felonies or misdemeanors, and 32 for other unfavorable information.

"One set of figures totals up to 78 and the other totals up to 105. What is the correct situation as far as your Department is concerned?"

Secretary HOBBY: "Mr. Chairman, in regard to the numbers, I do not know where they came from—whether they came from our office or the Civil Service Commission—but as of almost any date you can get a different figure."

Mr. BUSBEY: "Well, this article was for the period ending December 31, 1953."

Secretary HOBBY: "Could I see that, because I am eye-minded, sir."

Mr. BUSBEY: "Surely."

Mr. ROCKEFELLER: "We can have the information up here very shortly."

(The matter referred to appears beginning at p. 101.)

[Omission.]

Mr. BUSBEY: "Mrs. Secretary, I desire to explore briefly the situation as it exists in your security office. The other day I asked for some figures which you were preparing."

Secretary HOBBY: "I have them here, sir, and I will submit them for the record."

Mr. BUSBEY: "We will insert them in the record at this point."

(The matter referred to is as follows:)

"Department of Health, Education, and Welfare

"I. SECURITY ACTIONS UNDER EXECUTIVE ORDER 10450—MAY 28-DEC. 31, 1953

"A. Total number of suspensions effected for security reasons under Public Law 733 and Executive Order 10450 during reporting period (category I, 2)	2
"B. Total number of terminations effected because of information coming to the Department's attention which falls within the purview of sec. 8 (a) of Executive Order 10450, regardless of whether the termination was effected under Public Law 733 or by other procedures (category I, 5; category II, 7)	[1]12
"C. Resignations before security determination completed:	
"1. When file was known to contain unfavorable information (category I, 23; category II, 44)	67
"2. When file was not known to contain unfavorable information at time of resignation but in each case the investigation resulted in unfavorable reports based on criteria outlined in sec. 8 (a) of Executive Order 10450 (category II, 16)	16
"D. Other separations (except resignations) before security determination completed: [2]	
"1. When file was known to contain unfavorable information under sec. 8 (a) of Executive Order 10450 (category I, 37; category II, 2)	39
"2. When file was not known to contain unfavorable information at time of separation but in each case the investigation resulted in unfavorable reports based on criteria outlined in sec. 8 (a) of Executive Order 10450 (category I, 1; category II, 10)	11
"Total	147"

"[1] Includes 1 termination directed by Civil Service Commission.

"[2] Separations include retirements, reductions-in-force, abandonment of position, expiration of appointment, etc."

"CATEGORY I

"Category I refers to the number whose files contained information indicating in various degrees subversive activities, subversive associations, or membership in subversive organizations.

"CATEGORY II

"Category II refers to the number whose files contained information indicating any other type, or types, of derogatory information falling within the purview of Executive Order 10450 which established security requirements for Government employment.

"Category II includes: (1) Any behavior, activities, or associations which tend to show that the individual is not reliable or trustworthy; (2) any deliberate misrepresentations, falsifications, or omissions of material facts; (3) any criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, habitual use of intoxicants to excess, drug addiction, or sexual perversion; (4) an adjudication of insanity, or treatment for serious mental or neurological disorder without satisfactory evidence of cure; (5) any facts which furnish reason to believe that the individual may be subjected to coercion, influence, or pressure which may cause him to act contrary to the best interests of the national security."

Secretary HOBBY: "Mr. Chairman, would you like me at this time to bring the Director of the Office of Security in?

"He is here if you need him."

Mr. BUSBEY: "No; I thought I would wait and go into this in detail when we hold hearings on the budget for your office, of which the Office of Security is a part."

Secretary HOBBY: "All right, sir."

Mr. BUSBEY: "I do not propose to go into the details of the office this morning at all, but I think it might be interesting, Mr. Rockefeller, if you would explain for the record what I think has been guessed about and misrepresented around the city in the press; that is, the probable reason why the various departments are releasing their figures as they come before the subcommittees of the Committee on Appropriations. I am referring now to the request I made of the Security Office for certain information, out of which a conference developed, and a policy was laid down for all the departments of Government on this matter.

"Would you state briefly just what the situation was, and what has developed, which I think has been a good thing for everyone?"

Mr. ROCKEFELLER: "Well, Mr. Chairman, as you know, the President from the very beginning and all the members of the Cabinet have been deeply concerned to protect the individuals who are involved either as security risks, or people concerning whom there might be some suspicion as to their security problems.

"They have been desirous to protect these people from having any unjust allegations made that might get in the press, or might get out around the Government, which might unfairly hurt their reputations, and future opportunities for employment."

Mr. BUSBEY. "I will subscribe to that."

Mr. ROCKEFELLER: "This whole thing is such a serious question and such a difficult one to deal with that they have leaned over backward to watch out for the interests and the rights of individuals.

"Actually, as a background to the issuance of the new security order under which the action was taken, which was presented to you by the Secretary in this memorandum, each department then proceeded to set up their own regulations which were designed to carry out that order in the departments.

"The action which is reported here is the evidence of the program carried out in the

Department of Health, Education, and Welfare under the Secretary's leadership.

"The President had given some overall figures, and then you asked, in connection with the study for our Department to release to you in the breakdown of our programs, and the reasons for the programs in HEW.

"That immediately raised the question as to what information should be given out which (1) would not in any way do what I said in the beginning—that is, jeopardize the rights of individuals involved—or (2) prejudice them, and which would set a pattern or precedent for other departments where we might take some action in our case which would be perfectly simple, and which would be in no way prejudicial to the interest of anyone, but which in another department without our knowledge might set a pattern or a precedent which could be very embarrassing to them, and their people, because of an entirely different situation.

"Therefore, your request was discussed with the central authorities in Government, and as it was a very logical one and a very reasonable one, a procedure was developed and a standard pattern was developed on the basis on which information was then made available to the various committees, on request, and the departments were then permitted to give it out within that framework for public knowledge."

Mr. BUSBEY. "I may say, for the record, that I have given strict instructions to the Appropriations Committee staff that, in any checking which they do, they are, under no conditions, to ask for anything in the personnel files which is of a confidential nature."

Mr. ROCKEFELLER. "I would like to say for the record that the Secretary is very appreciative of the way in which you handled this matter, and in the way your staff representatives handled it. They were most considerate and helpful throughout."

Representative JOHN E. FOGARTY (Democrat, Rhode Island) had previously submitted to the Department several questions concerning the security program, and Secretary Hobby presented written replies which were inserted in the record of March 26. Relevant excerpts follow:

"QUESTION

"How many of the 78 security risks contained in the Civil Service Commission's breakdown for your Department were persons hired by the previous administration?

"(a) Were any of these 78 persons hired while you were in office?

"(b) Were all of the 78 removed under the provisions of Executive Order 10450?

"(c) Were all of the 27 listed as subversives removed under the provisions of Executive Order 10450?

"(d) Were security determinations made in all of the 78 cases?

"ANSWER

"Inasmuch as our personnel files were maintained on a decentralized basis we do not have complete records readily available in our central files as to the exact date of hiring in each individual case. The personnel files in which this type of information is recorded are located in scattered personnel offices throughout the country, and it is therefore necessary to communicate with these various personnel offices to secure the requested data.

"Questions 4, and 4a, will therefore be answered just as soon as we are able to obtain this type of information."

(The information will be found beginning on p. 785.)

"(b) The 78 figure includes terminations effected because of information coming to the Department's attention which falls within the purview of section 8 (a) of Executive Order 10450 regardless of whether the termination was effected under Public Law 733 or by other procedures and also includes resignations which occurred before the security determination was completed when the file contained unfavorable information under section 8 (a) of the order.

"(c) The same situation as in 4b above applies to the 27 whose files contained information indicating in various degrees subversive activities, subversive associations, or membership in subversive organizations.

"(d) As noted above, the 78 figure includes resignations which occurred before the security determination was completed. In each case the file contained unfavorable information under section 8 (a) of the order.

"QUESTION

"How many cases did you report to the Civil Service Commission as your portion of the 1,456 security risk figure released on October 23, 1953?

"(a) Were all of these cases counted in your subsequent report of 78?

"(b) Were any of these ——— persons hired while you were in office?

"(c) Were all of the ——— removed under the provisions of Executive Order 10450?

"(d) Were all of these persons listed as subversives removed under the provisions of Executive Order 10450?

"(e) Were security determinations made in all of the cases?

"ANSWER

"In accordance with established procedure, this Department notifies the Civil Service Commission of action taken on each security investigation. This notification is supplied to the Civil Service Commission on a form supplied by that agency.

"The only agency-by-agency breakdown that is available is the breakdown released by the Civil Service Commission in March 1954, which is referred to in question 4 above. Therefore, no separate statistics are available to this Department as to the items listed under question 5.

"QUESTION

"How many of the 27 subversive cases credited to you by the Civil Service Commission were actually fired by your agency?

"(a) For what reasons were these people fired?

"(b) Would any of these people have been cleared of the subversives charge had they been aware that such charges existed in their files and had exercised their right of appeal?

"(c) In other words, Was the derogatory information of a subversive nature strong enough to have fired the employee through the channels of Executive Order 10450?

"ANSWER

"The total number of terminations effected because of information coming to the Department's attention which falls within the purview of section 8 (a) of Executive Order 10450 regardless of whether the termination was effected under Public Law 733 or by other procedures during the period from May 28, 1953, to December 31, 1953, was 12. The flure of 12 includes 1 termination directed by the Civil Service Commission, which was not listed in the release by the Civil Service Commission in March 1954. Of the above total, the files of five contained information indicating in various degrees subversive activities, subversive assocations, or membership in subversive organizations.

"(a) The above terminations were effected because of information coming to the Department's attention which falls within the purview of section 8 (a) of Executive Order 10450.

"(b) and (c) The files of 27 contained information indicating in various degrees subversive activities, subversive associations, or membership in subversive organizations. With respect to those who resigned before final security determination was completed, the derogatory information relating to the above matters would necessarily have had to be evaluated before a positive determination could have been made as to the necessity for suspension of the employee in the interests of the national security.

"QUESTION

"Have you sent any cases to the Department of Justice for prosecution?

"ANSWER

"Cases involving a possible violation of Federal statutes are being reported directly to the Federal investigative agency which has investigative jurisdiction over the Federal statute involved. No separate statistics have been maintained on the number of cases so reported since the further investigation conducted as to possible criminal prosecution is entirely handled by the agency having investigative jurisdiction."

On May 18 the committee again considered the subject of the number of security risks in the Department:

Mr. BUSBEY: "During the opening statement of the Secretary before the committee there were certain questions asked as to the results of investigations regarding security, loyalty, andl so forth, and certain information was furnished at that time. Has there been any appreciable change in the figures or statistics since then?"

Mr. ROCKEFELLER: "If I am correct, the chairman is referring to questions Mr. Fogarty asked?"

Mr. BUSBEY: "Mr. Fogarty and myself, too, both asked some questions, and he submitted a list of questions."

Mr. ROCKEFELLER: "That related to the original figures given out by the Government and Civil Service; is that not correct?"

Mr. FOGARTY: "Yes."

Mr. ROCKEFELLER: "To tell you the honest truth, I cannot tell you what date those were. Did those run to the end of the year, or currently? I have forgotten what the dates were."

(Discussion off the record.)

Mr. ROCKEFELLER: "They ran to the first of the year.

"I think the total, according to what Mr. Schmidt said, that was given to you was May 28 to December 31, 1953, and the total was 147."

Mr. BUSBEY: "What changes have taken place since then?"

Mr. ROCKEFELLER: "To that should be added 91 actions."

Mr. BUSBEY: "I think it might be well at this point in the hearing to revise this table that was put in back at the time the Secretary appeared and bring this up to date showing all the actions."

Mr. ROCKEFELLER: "Giving the totals?"

Mr. BUSBEY: "Yes."

Mr. ROCKEFELLER: "That would be 238, with the same breakdown."

(The statement referred to follows:)

"Department of Health, Education, and Welfare

"I. SECURITY ACTIONS UNDER EXECUTIVE ORDER 10450, MAY 28, 1953, THROUGH APR. 30, 1954

(a) Total number of suspensions effected for security reasons under Public Law 733 and Executive Order 10450 during reporting period (category I, 13)	13
(b) Total number of terminations effected because of information coming to the Department's attention which falls within the purview of sec. 8 (a) of Executive Order 10450, regardless of whether the termination was effected under Public Law 733 or by other procedures (category I, 10; category II, 19)	[1] 20

[1] Includes 1 termination directed by Civil Service Commission.

"I. SECURITY ACTIONS UNDER EXECUTIVE ORDER 10450, MAY 28, 1953, THROUGH APR. 30, 1954—continued

"*Department of Health, Education, and Welfare*—Continued

(c) Resignations before security determination completed:	
1. When file was known to contain unfavorable information under sec. 8 (a) of Executive Order 10450 (category I, 37; category II, 59)	96
2. When file was not known to contain unfavorable information at time of resignation but in each case the investigation resulted in unfavorable reports based on criteria outlined in sec. 8 (a) of Executive Order 10450 (category II, 25)	25
(d) Other separations (except resignations) before security determination completed:	
1. When file was known to contain unfavorable information under sec. 8 (a) of Executive Order 10450 category I, 53; category II, 5)	58
2. When file was not known to contain unfavorable information at time of separation but in each case the investigation resulted in unfavorable reports based on criteria outlined in sec. 8 (a) of Executive Order 10450 (category I, 1; category II, 16)	17
(Separations include retirements, reductions in force, abandonment of position, expiration of appointment, etc.)	
Total	238"

"CATEGORY I

"Category I refers to the number whose files contained information indicating in various degrees subversive activities, subversive associations, or membership in subversive organizations.

"CATEGORY II

"Category II refers to the number whose files contained information indicating any other type or types, or derogatory information falling within the purview of Executive Order 10450, which established security requirements for Government employment.

"Category II includes: (1) Any behavior, activities, or associations which tend to show that the individual is not reliable or trustworthy; (2) any deliberate misrepresentations, falsifications, or omissions of material facts; (3) any criminal, infamous, dishonest, immoral, or notoriously disgraceful conduct, habitual use of intoxicants to excess, drug addiction, or sexual perversion; (4) an adjudication of insanity, or treatment for serious mental or neurological disorder without satisfactory evidence of cure; (5) any facts which furnish reason to believe that the individual may be subjected to coercion, influence, or pressure which may cause him to act contrary to the best interests of the national security.

"Question 4: How many of the 78 security risks contained in the Civil Service Commission's breakdown for your Department were persons hired by the previous administration?

"(a) Were any of these 78 persons hired while you were in office?

"Answer: The agency-by-agency breakdown released by the Civil Service Commission in March 1954 included 11 terminations effected in this Department because of information coming to the Department's attention which falls within the purview of section 8 (a) of Executive Order 10450 regardless of whether the termination was effected under Public Law 733 or by other procedures, and 67 resignations which occurred before the security determination was completed when the file contained unfavorable information under section 8 (a) of the order—a total of 78.

"The 78 figure includes 45 persons who were hired by the Federal Security Agency prior to January 22, 1953, during the previous administration. Thirty-three of the 78 were hired since January 22, 1953, and of this number, 20 were hired prior to May 28, 1953, the effective date of Executive Order 10450, and 13 subsequent to May 28, 1953.

"Since May 28, 1953, the effective date of Executive Order 10450, all appointments made are subject to investigation. Where the investigation required by Executive Order 10450 develops information indicating that the retention in employment of any employee so hired may not be clearly consistent with the interests of the national security, such information is reviewed and evaluated and a determination made as to whether or not the continued employment of the individual concerned is clearly consistent with the interests of the national security."

Vessel Replacement Under the Merchant Marine Act, 1936

EXTENSION OF REMARKS
OF
HON. JOHN F. SHELLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, July 26, 1954

Mr. SHELLEY. Mr. Speaker, in my remarks of July 20 on Government support for shipbuilding, I referred briefly to the provisions of the Merchant Marine Act of 1936, which call for replacement of overaged vessels in our subsidized merchant fleet. I now wish to develop that point at greater length and to indicate the reasons why strict adherence to the provisions of law in that regard is necessary to the national well-being.

In the debate on H. R. 9936, the supplemental appropriation bill for fiscal 1955, a considerable amount of oratory was expended in denouncing the appropriation request for $44,500,000 for payment of construction-differential subsidy and national defense allowances on 4 passenger-cargo vessels; 2 for Moore-McCormack Lines and 2 for Grace Line. During the debate on H. R. 9936, and later in my remarks of July 20, I undertook to answer some of the objections which were raised. A fuller explanation is, however, apparently in order.

The Moore-McCormack and Grace Line ships represent only a small part of the overall problem. Ships, like most man-made machinery, are subject to wear and physical depreciation; and more important from the standpoint of national security, they rapidly become obsolete as technological improvements in design and construction are developed and, for wartime service, as the speed and efficiency of submarines increases and as other antishipping weapons become more potent. That fact was very much in the minds of the authors of the Merchant Marine Act of 1936, when they inserted into the act some very specific provisions requiring that vessels operating under subsidies should be replaced no later than 20 years after the date of construction, and also providing for construction subsidies to encourage the replacement of obsolete vessels.

Throughout the Merchant Marine Act a 20-year period of operation is recognized as the maximum, efficient, economic life of a merchant vessel; however, the act also offers special inducements to encourage earlier replacement by authorizing the Maritime Administration to purchase vessels from the operators before the 20-year period is up, with the purchase price to apply against the construction cost of replacement vessels. Sections 507 and section 510 (b) of the act make such provisions. Section 510 (g) of the act specifically prohibits the commercial use of any Government-owned vessels over 20 years of age except during periods of emergency.

For vessels operated under operating-differential subsidies, section 605 (b) specifically states that "no operating-differential subsidy shall be paid for the operation of a vessel that is more than 20 years of age" except under very special circumstances, and adds the requirement that in each such case a report shall be submitted to Congress justifying the exception. In various other provisions of the operating-differential subsidy sections of the act the intent of Congress that the subsidies shall be used to encourage maintenance of a modern merchant marine is made quite clear.

Pursuant to this purpose both the old Maritime Commission and the present Maritime Administration have written into their operating-differential subsidy contracts with subsidized American shipping lines a requirement that vessels in the subsidized service be replaced by the time they are 20 years of age. The requirement is clear and specific, and it imposes on both the Government and the operator a definite obligation to insure timely replacement of vessels. These contracts are legal and binding on the shipping lines—they should certainly be no less legal and binding on the Government.

The recent debate on inclusion of $44,500,000 of appropriations for such replacement passenger-cargo vessels for Grace Line and Moore-McCormack Lines emphasizes the manner in which this obligation on the part of the Government has been disregarded in a shortsighted attempt of economize. To high light the importance of this problem I wish to place in the RECORD at this point a copy of a letter written in April of 1953 by Mr. Emmet J. McCormack, chairman of the board of Moore-McCormack Lines, Inc. Mr. McCormack's letter addressed itself to the request for funds for vessel replacement which was then before Congress. The points he stresses, however, are equally applicable to the similar situation which prevailed again this year on both the Moore-McCormack ships and Grace Line ships—and, more important

now that funds for these vessels seem assured, they apply just as strongly to the appropriations which we must make in the near future for other ships for other companies.

MOORE-MCCORMACK LINES, INC.,
New York, N. Y., April 14, 1953.

Hon. LEVERETT SALTONSTALL,
United States Senate,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Pursuant to my conversation with Mr. Minot, I desire to outline the various phases of our problem with respect to the building of our ships:

We realize that a new administration must reaffirm for themselves the answers to some of the serious questions which confront us, and that this takes time. Only the urgency of our problem could force us to press for its early decision. Contrary to testimony as to the urgency, I would say that in view of the present good-neighbor fleet being 25 years old—notwithstanding the fact that they are seaworthy in every respect—there is a very urgent need of replacement. The foreign passenger ships coming into our trade are offering serious competition because of their newness and modern design, and it can easily be appreciated how difficult and uneconomical it is to try to operate ships 25 years of age.

With respect to the appropriation for new ships, you will note that a total of $107 million was requested in the 1954 budget. This amount has been requested yearly for 4 or 5 years but because of the controversy over the building of passenger ships, there were no applications before the Federal Maritime Board for the use of these appropriations.

The need of new passenger ships has been present all this time. The Merchant Marine Act, 1936, requires that we obtain and operate such vessels as will enable us to meet foreign competition and our operating subsidy contract with Federal Maritime Board contains a clause that we must replace the present passenger ships with newer ones. Under the law the ships could either be built under section 501, or section 504. Some operators may be able to finance their share of the costs entirely out of reserve funds; others may find it necessary to require financing under section 501. In my judgment, by reason of the large amount of reserve funds, and provided we were permitted to use the entire fund, we could build under section 504, and in that case the amount of funds required would be as follows:

In case the full estimate of $67 million is needed for the building of our 2 ships, and provided a construction subsidy was allowed of a minimum of 40 percent, the total amount required to be appropriated would be $26,800,000. Inasmuch as the payments would no doubt be spread over 2 years, the amount to be appropriated for the fiscal year currently under consideration (1954) would probably be about $13 million. However, our estimate as to the cost of these 2 ships is considerably less than $67 million and it is quite possible that the appropriation would be less than $12 million for the fiscal year 1954.

If in the judgment of the Maritime Administration the financial structure of the company would be too greatly weakened by utilization of its entire reserve funds for this purpose, the difference between what they do permit to be used and the total cost should be made available under section 501.

I would also like to point out that our reserve funds in 1955, allowing for depreciation deposits only will exceed $39 million. These funds have been an accumulation, to a great extent, of deposits of depreciation.

It would be unfortunate if companies conserve their funds in compliance with the act of 1936, only to find that the Government will not carry out its share of the provisions of the act of 1936.

I am, therefore, ready to recommend to our board of directors that we proceed under either section 501 or 504, subject to the Maritime Administration determining the amount that we can withdraw and the balance if needed to be obtained on mortgage under provisions of section 501. From what I can observe the maximum amount required by us will be $35 million, leaving an estimated amount still in the fund of $4 million to $5 million. Of course, this will be subject to review by the Maritime Administration.

I have not mentioned the problems of the shipbuilders who, I understand, are being confronted with little or no backlog for 1954 shipbuilding. I am sure they have also brought this to your attention.

I thank you most sincerely, dear Senator, for your interest in this matter and I place myself at your disposal at any time for any further information that you may desire.

Respectfully yours,

EMMET J. MCCORMACK,
Chairman of the Board.

Mr. Speaker, we find ourselves currently in a situation where practically all of our operating ship tonnage, passenger, cargo, or passenger-cargo combinations, was built during the war years. They are fast approaching the end of their recognized 20-year period of efficient use. The existence of this large fleet of comparatively modern vessels during the immediate postwar years resulted in a dearth of new shipbuilding in our shipyards. During those years the need for converting war-built vessels for practical commercial operations took up much of this slack. However, we are now at a point—actually we are past it—where we must put new ships on the ways for three solid reasons. First, our shipbuilding capacity, both in terms of facilities and personnel, will shortly disintegrate completely if we do not give it work. It is already in an extremely bad way. Secondly, a terrific number of newly constructed vessels built in foreign shipyards and operating under foreign flags, are putting our merchant marine to shame and placing it in a position where it will soon be noncompetitive unless we do something to build vessels to keep pace. Thirdly, these first two conditions add up to the most serious possible threat to our continued existence as a free nation. This statement has been made time and time again by myself and by the recognized authorities in the field; by every committee or commission set up to study the problem; by the Department of Defense, the Department of Commerce, by agencies set up to assess our mobilization possibilities and needs, and every other branch of the executive concerned with the problem.

We must have an operating and reserve fleet of fast, modern vessels of all types if we are to be prepared to meet the immediate mobilization needs for troop and supply transport if and when war comes. We must have a strong, active, and well dispersed nucleus of going shipyards ready to expand at a moment's notice into a full-fledged wartime operation to provide replacements and heavy additions to that fleet immediately upon the outbreak of war. I am not saying we should, or that we would like to, or that it would be nice if we did have such a fleet and such a group of active shipyards. I am saying that we must have them if we want to win any war in which we may be forced to fight. We do not have them now. I, as an individual Congressman, or any commission, can do little more than make such a statement. It is up to the executive agencies and to Congress to put into being a program which will give us those ships and those shipyards.

The American Bureau of Shipping in June of this year reported some very interesting and very discouraging facts on present and future merchant ship construction throughout the world. Discouraging that is from the viewpoint of the United States and our pretensions as a leading maritime nation, but certainly encouraging to those nations with whom we must compete for world trade. They were also undoubtedly encouraging to Soviet Russia and its satellites, who know if we do not that in any future war it must be the United States to whom the free world must look for ships just as in World War II—statements of do-gooders anxious to build up foreign shipyards at the expense of our own to the contrary.

The ABS report shows that in April 1954, there were building or on order in shipyards of the world, exclusive of Russia and its satellites, a total of 1,350 merchant vessels of 1,000 gross tons or over. Of that huge number only 35 were under construction in the shipyards of the United States, and there was not a single new contract for American construction. Further, of those 35 vessels all but 2 will have been completed by December of this year, and there are still no contracts signed for new ships at this time.

The 35 ships being built in United States shipyards will total 515,885 gross tons—only 4.2 percent of the 12,395,000 total gross tonnage under construction in the non-Communist world. That puts us in seventh place among the shipbuilding nations represented. Great Britain was far in the lead with 38.4 percent of all ship tonnage under construction; next were Sweden with 12.5 percent; our erstwhile enemy, Germany, with 10.8 per cent; Holland with 9.1 percent; France with 6.3 percent; and Norway with 4.7 percent. Japan followed the United States with 3.6 percent of the total tonnage.

Under construction in the United States are 13 dry-cargo vessels and 22 tankers. As I pointed out previously, construction of all but 2 of these vessels will have been completed by December of this year. The recently authorized program for construction of tankers will, let us hope, result in awards of contracts for up to 30 such vessels to afford a start on the program the Department of Defense has outlined as their estimate of the minimum requirements for that class of vessel in our merchant fleet. In testimony before the Potter subcommittee of the Senate Interstate and Foreign Commerce Committee in June of last year, Rear Adm. R. E. Wilson, Deputy

Commander of the Military Sea Transportation Service, furnished the Department of Defense officially approved estimates as to the minimum requirements for each class of vessel considered to be necessary components of the existing merchant fleet and recommended the start of a phased program "to bring the active operating United States merchant fleet possessing acceptable defense characteristics up to the numerical limits required to meet the initial needs of the Department of Defense" in the event of emergency. In the tanker category, Admiral Wilson stated that we should have on hand as active operating units at least 7,060,000 deadweight tons capable of a sustained speed of 20 knots. Relatively few of our present tankers meet that requirement. The danger to be feared in the tanker-construction program is that this first approved phase of the recommended "phased program" will be the last. We must be on the alert to prevent that happening, either through refusal of those responsible for appropriations to approve whatever funds may be necessary if private industry cannot bear the load alone or through such continued procrastination in making necessary plans or recommendations as we have observed in the responsible executive agencies during the past few years.

With regard to a dry-cargo ship-construction program, the situation is far more serious. The last of the 35 Truman administration Mariner ships will soon be completed. No new contracts have been let. As far as has been announced no contracts are under consideration, either by private industry or by the Maritime Administration. The Mariners were constructed under the provisions of title V of the Merchant Marine Act as an important step in permitting the act to perform the job it was intended to do as outlined in the declaration of policy which is title I of the act. That declaration is the official policy of the United States on merchant marine matters. It states in part that—

> It is necessary for the national defense * * * that the United States shall have a merchant marine * * * capable of serving as a naval and military auxiliary in time of war or national emergency * * * composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel.

In his testimony before the Potter subcommittee Admiral Wilson outlined the official view of the Defense Department as to the requirements for cargo vessels to meet such war or emergency need. He stated that "there is a requirement for 13,899,600 deadweight tons" possessing a sustained speed of at least 18 knots. Our present fleet of freighters, active and inactive, includes 2,642 vessels totaling 27,402,000 deadweight tons. However, 1,781 of these vessels totaling 18,375,000 tons are in the laid up fleet and over 1500 of these are badly outdated Liberty ships with a speed of only 10 knots and under. The greater part of the remainder are Victory type vessels with speeds of 14 to 16 knots. Very few of the dry-cargo vessels in our active privately operated fleet or in the Military Sea Transport Service fleet meet the 18-knot speed requirement set up by the Defense Department in the light of military requirements.

We are, therefore, sadly deficient in cargo vessel tonnage adequate for defense needs or to keep our fleet in a competitive position in the face, as an example, of the 292 modern ships Great Britain now has on her ways or of the remainder of the 725 new cargo vessels under construction elsewhere in the world. Yet we are doing nothing about it and we even find responsible Members of this House quibbling about spending a paltry few dollars in a makeshift program designed to patch up some of our obsolete vessels to put them in condition to be at least partially capable of efficient performance.

The Merchant Marine Act of 1936 in titles V and VII contains ample authority for the Maritime Administration to put into high gear a program of cargo vessel construction to remedy the deficiencies in our fleet, either by encouraging private operators to replace their aging vessels through adequate construction subsidies, or by Maritime Administration construction of vessels for sale or charter. Such a program is now overdue in order to give the United States Merchant Marine the fast, modern vessels it needs, and to provide an orderly start in the replacement of the war-built fleet which will become obsolete en masse during the years 1960 to 1965. Everybody agrees that it should be done, but the administration has failed even to accept as its official program the minimum 60 ships per year suggestion recently advanced by the Under Secretary of Commerce, much less come forward with detailed blueprints for congressional approval. With the critical situation in which our shipyards find themselves for lack of work and with the increasing weakness of our position in international affairs, there can be no excuse for delay in putting the Merchant Marine Act to work to remedy the growing deficiencies of our merchant marine. If the executive agencies of the Government do not come forward with an intelligent, adequate, and coordinated plan to do so, then the Congress should do it for them rather than meekly accepting such hit-or-miss proposals as were presented to us this year—proposals which do not even pretend to meet the problem squarely.

The third major category of vessels required for our national defense is that of passenger vessels suitable for use as speedy troop transports. In this category we are also far from meeting the minimum requirements outlined by Admiral Wilson in his testimony before the Potter subcommittee. The Defense estimate is that we should have an aggregate gross tonnage of 250,900 in this class of vessels with a sustained speed capability of 22 knots or greater. Despite the howls of protest raised in uninformed quarters, through the determined action of the previous administration we do now have available three postwar-built modern passenger liners capable of conversion into troop carriers. However, let me recall again Mr. Emmett McCormack's letter pointing out the resistance and delay encountered by his company in their negotiations with the Maritime Administration for replacement of the passenger-cargo vessels on the South America route—a delay which might have been and might still be extremely costly to the people of the United States if we are faced with a war situation and an immediate need for fast troop transports. The Government's prolonged refusal to honor its obligation to assist in construction of vessel replacements as provided in the Merchant Marine Act and in contracts with the operators was an invitation to disaster. It should not be repeated on the many vessel replacements which will be up for negotiation in the immediate future. Rather, and in conformity with the intent of the Merchant Marine Act and with the national interest in speedy modernization of our merchant marine, the Maritime Administration should encourage private shipping lines to the greatest extent possible and with all of its authority under the act, to replace their aging vessels before they become 20 years old.

The Department of Defense 1953 analysis indicates that we need right now at least an additional 165 cargo ships, 43 tankers, and 6 passenger vessels with the speed and other characteristics required to make them an asset rather than a liability in a war effort. In addition to a fleet of the size indicated national security requires continuously active shipyards and a fully employed nucleus of skilled shipyard workers, and we do not have them in sufficient quantity. The solution is inescapable. We should be signing contracts and laying new keels right today and bringing these two minuses together to make a plus. Why are we not doing so? The answer to that is also inescapable. The administrative officers of our Government, charged with the duty of implementing their authority under the Merchant Marine Act of 1936 to preserve the safety of the people of the United States as far as shipping preparedness can do so, have failed to discharge their legal and moral responsibility—either specifically under the provisions of law or generally as servants of the people. That failure should not be taken lightly.

It is encouraging to note that the present Chairman of the Federal Maritime Board, as shown by recent testimony before the Merchant Marine Committee, is apparently not taking it lightly. He, at least, seems to have developed a realization of just how serious a situation we are facing. It is to be hoped that his constructive attitude will be reflected in the decisions of his superior officers in the present administration, who up to this point have let the national security get in a state of dangerous unbalance because of considerations of political expediency in balancing the budget. Red ink on the Government's books is not as important to me as red blood needlessly shed through unpreparedness, and while some may think an unbalanced budget means political suicide I prefer that to the national suicide we are now committing by failure to support our merchant marine.

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Hydroelectric Power in the Pacific Northwest

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. PELLY. Mr. Speaker, there are several schools of thought as to how to best develop hydroelectric power in the Pacific Northwest in order to obtain as fast as possible the maximum amount of electric power at the minimum cost to consumers—not only for household use but to attract industries with more payrolls and jobs for our increasing population.

One of these schools of thought advocates, although not very openly, a Federal monopoly.

One school of thought advocates getting the Federal Government completely out of the power business. I do not subscribe to either of these philosophies. Nor do I subscribe to the philosophy that private-enterprise power should be eliminated. In other words, I firmly believe that the best interests of the public and the consumer lie in coexistence, on a regulated and competitive basis, of Federal and locally controlled public and private systems. Strongly I believe in President Eisenhower's policy that the States, counties, and local communities should have a voice in the development of their natural resources and where advantageous or necessary such as with multipurpose projects, the Federal Government should be a partner. Under this partnership plan the Federal Government would enter in and bear its full share of the costs that are not within the capacity of local groups.

In reaching the best solution of the vital power development program, I doubt if we will ever get a complete meeting of the minds—except on the one point that we will have an ever-increasing need for more electric power. Meanwhile, as to how we should get it, propaganda—much of it one-sided—has been flowing freely—most of this material reaches my desk in Washington, D. C., and I read it. Frankly, I find in much of the material there is a great deal of partisan politics and serving of self-interest mixed in with often slanted facts.

On the other hand, it is heartening to see the magnificent cooperation that is possible when local groups can get together to work toward a common goal. This very thing happened in the Pacific Northwest last spring when the Puget Sound Utilities Council was formed. Here are 4 publicly operated and 1 privately-owned electric system, banding together to develop more power for us, for their mutual benefit and the benefit of all the people in the Pacific Northwest. The council has drawn nationwide praise for this forward-looking action.

Then when one finds that according to the Federal Power Commission's annual analysis of retail electric rates, two Puget Sound cities, Seattle and Tacoma, with locally managed municipal plants, offer the lowest all-round electric rates in the Nation, it proves the point that the closer the management to the people served the better the management and the better the service.

So, as a general rule, I favor local ownership of generating and distributing development, and when there is competition or controversy—as between them, or between one of them and the Federal Government—I favor whichever one unbiased engineers, not politicians, decide can give the most power at the lowest cost per kilowatt. The Federal Power Commission was created for this purpose, to hear testimony and make decisions on the basis of technical engineers' evidence. But when and where laymen and politicians and self-interest groups make such a decision a partisan issue, look out—for wishful thinking.

When I hear the outpourings of the various schools of thought as to how we should get additional hydroelectric power, frequently I observe attempts to "smear" private investment and private companies. Let us be fair. After all, power companies, both private and public, are regulated both as to bookkeeping and proper methods of charging expenses. Private power companies' profits are limited to a fair return on invested capital, and they pay taxes.

Beware of the politician who has all the answers. If you want good advice on the relative engineering merits of a controversial project like Hells Canyon in Idaho, for example—ask a good engineer who is not getting paid to come with facts and figures to prove the point of the group who is paying him.

Private United States Technical Assistance Exceeds Government Aid

EXTENSION OF REMARKS
OF
HON. JACOB K. JAVITS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 26, 1954

Mr. JAVITS. Mr. Speaker, the Subcommittee on Foreign Economic Policy of the House Foreign Affairs Committee—JACOB K. JAVITS, chairman; Hon. DONALD L. JACKSON, Hon. KARL M. LECOMPTE, Hon. LAURIE C. BATTLE, and Hon. BURR P. HARRISON—has released a Survey of United States Private Technical Assistance. The survey shows that the technical assistance programs carried on by United States business concerns, foundations, trade unions, farm organizations, and educational institutions, as well as by the missionary and other religious organizations working in this field, aggregated directly at least an estimated $148 million in measurable terms for 1953 and in technical assistance which could not be monetarily evaluated an amount in terms of value substantially exceeding this amount—certainly a total materially greater than the technical cooperation program of the United States which, including its contribution to the United Nations program, totaled approximately $109 million for the fiscal year 1954. United States consulting, engineering, and contracting firms under contract with foreign countries for technical assistance and economic development purposes rendered technical assistance valued at approximately $242 million over the period 1950–52.

The conclusions contained in the report are as follows:

First. Because of the magnitude and importance of United States private technical assistance, continuing study should be made of this endeavor.

Second. Government agencies charged with technical assistance responsibility, like the Foreign Operations Administration, Department of State, Department of Agriculture, and Department of Commerce, should review their technical assistance activities to determine how best to stimulate and coordinate their technical assistance activities with those of the private groups.

Third. Managers, trustees, directors, and owners of private establishments of all kinds, capable of providing United States foreign technical assistance, should consider expanding existing, or undertaking new activities in this field as an outstanding contribution to the success of United States foreign policy.

Fourth. The House Foreign Affairs Committee has, since the beginning of the technical cooperation program, recognized the importance of the contribution of private groups to the attainment of the foreign policy objectives of the United States. While many private groups make such a contribution, perhaps the most significant is made by United States private investment. In its report on the Mutual Security Act of 1952, the House Foreign Affairs Committee stated:

> One of the basic principles which the Congress has emphasized in the statutes governing the mutual security program is the importance of private capital investment as a potent force in raising the economic and social standards of underdeveloped areas. Not only does private investment bring capital, but it also brings with it technical knowledge and management experience, so sorely needed. Further, it relieves the American taxpayer, in the long run, of the burden of governmental foreign aid where cooperative aid can be appropriately handled by private sources. Moreover, private capital offers a natural vehicle for close cooperation between private citizen and private citizen rather than between government and government, and hence is of special importance. (H. Rept. No. 1922, 82d Cong., p. 62.)

It is this cooperation between private citizen and private citizen which should be encouraged, because it represents a true expression in tangible terms of the desire of the people of the United States to share their knowledge and skills with the peoples of the free world.

Of the estimated ascertainable amount directly expended by United States voluntary agencies for foreign technical-assistance programs in 1953, $17,560,000 was expended by the voluntary agencies, $10 million by foundations and $120 million by religious groups. An estimate of expenditures by private industry and farm, labor, and similar organizations would be misleading, as most of this is in

kind or incidental to the operations of business enterprises. Although the exact dollar value cannot be ascertained, it clearly represents a very appreciable total.

The report emphasizes the fact that the aggregate United States technical-assistance effort, private and governmental combined, has become a major aspect of United States foreign policy. It represents an important part of the offensive against communism in terms of economic and social improvement in the countries of the free world undertaken under the leadership of the United States. It is the intensification of this kind of offensive behind an effective shield of military power through regional organization and an effective United Nations, which has the best chance of avoiding world war III and repelling the mortal Communist threat.

The report also shows the need for the integration of the free world, especially in terms of production, marketing, and trade.

I am confident that with the broad-scale technical-assistance and economic-development effort, the free world can be integrated, the need for any trade with the Communist bloc obviated, and such a powerful economic attraction set up for defections from the Communist bloc as to mark a major recession in the number of nations and peoples which it dominates and controls.

SENATE

TUESDAY, JULY 27, 1954

(Legislative day of Friday, July 2, 1954)

(Continuation of Senate proceedings of Monday, July 26, 1954, from 12 o'clock midnight on Tuesday, July 27, 1954.)

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I yield the floor; as I yield to the Senator from Oregon.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, do I have the floor in my own right, and not on the basis of having the Senator from Minnesota yield to me?

The PRESIDING OFFICER. If the Senator from Minnesota yielded to the Senator from Oregon, the Senator from Oregon has the floor.

Mr. MORSE. I am trying to find out whether the Senator from Minnesota yielded the floor, or whether he yielded to me.

The PRESIDING OFFICER. The Chair's understanding is that the Senator from Minnesota yielded the floor.

Mr. HUMPHREY. Yes, Mr. President.

The PRESIDING OFFICER. Then the Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, I believe I shall have the appreciation of all tired Senators because they will be assured of a good night's rest. I am sorry I cannot likewise accommodate the staff of the Senate. I would like them to have a good night's rest, too. But at least my colleagues in the Senate can now go to bed, because I am going to talk to the country for a few hours.

Mr. HUMPHREY. Will the Senator from Oregon yield?

Mr. MORSE. Only for a question.

Mr. KNOWLAND. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MORSE. Mr. President, I yield only for a question.

Mr. HUMPHREY. If the Senator from Oregon will yield, I wish to submit an amendment, but without causing him to lose his right to the floor. In submitting the amendment, I shall speak only a very short sentence.

Mr. MORSE. I want to stop the Senator from Minnesota right there. I have been having a whispered conversation with the Democratic Whip, and I did not hear how the Senator from Minnesota started his question. I hope it was a question. Did he start with a question?

Mr. HUMPHREY. I did. I asked whether the Senator from Oregon would yield to me, for the purpose of permitting me to submit an amendment which I should like to submit as a corrective amendment pertaining to the one I recently submitted—but without causing the Senator from Oregon to lose his right to the floor.

Mr. MORSE. I do not yield for that purpose. I do not yield any further. I mean no discourtesy to my good friend from Minnesota, but I am not going to yield. I am not going to yield to anyone.

Mr. SPARKMAN. Mr. President, will the Senator from Oregon yield to me, for the purpose of permitting me to correct the RECORD, provided the Senator from Oregon will not lose his right to the floor?

Mr. MORSE. No. I think this will just cause some embarrassment.

Mr. President, the tension is pretty high at this point. We have been through this kind of a high spot before in the Senate. Perhaps we had better wait for a little period of relaxation to set in. I can provide that period, Mr. President. I am going to do it. I have the floor, and I am going to speak for a while.

Mr. DIRKSEN. Will the Senator from Oregon yield for a question?

Mr. MORSE. I do not yield for a question.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield for one very short question?

Mr. MORSE. I do not yield, Mr. President. Ordinarily I would love to yield to my friend, the Senator from Illinois; but I am not going to yield to any Senator for any purpose, for the time being.

Mr. President, I wish to comment briefly on the amendment I offered, which was laid on the table. I wish to point out, by using quotation marks, Mr. President, what a "dangerous" amendment it was. It was so "dangerous," Mr. President, that it happened to be the language——

The PRESIDING OFFICER. The Senator from Oregon will suspend. Let there be order in the Chamber. Those in the rear of the Chamber will please take their seats or leave the Chamber, so that we can have order.

The Senator from Oregon may resume.

Mr. MORSE. Mr. President, as I was saying, I want to explain to the Senate how "dangerous" the amendment I offered really was. I refer to the amendment which was laid on the table, without extending to the Senator from Oregon an opportunity to discuss the amendment unless he yielded to a parliamentary bludgeon which was to be wielded against him.

The language of the amendment, Mr. President, was taken out of President Eisenhower's bill, which he sent to the Senate of the United States and to the joint committee. The amendment was taken verbatim out of the Eisenhower bill. It was taken out of the Eisenhower bill because the Federal Power Commission had warned that the language which was being proposed by some, and which finally got into the bill, did not provide for adequate legal standards in regard to the whole price problem which is involved in this whole contractual transaction.

Mr. President, section 52 of Senate bill 3690 provides that any person who lawfully produces any special nuclear material shall be paid a fair price by the Commission for producing such material.

Section 56 states, in part:

> In determining the fair price to be paid by the Commission pursuant to section 52 for the production of any special nuclear material, the Commission shall take into consideration the value of the special nuclear material for its intended use by the United States, and may give such weight to the actual cost of producing that material as the Commission finds equitable.

Section 53 of the bill lists the factors to be taken into consideration by the Commission in determining a reasonable charge to be collected by the Government for its nuclear materials.

With respect to commercial licenses, the Commission is directed to make uniform nondiscriminatory charges for the use of the material.

Mr. President, what did the Federal Power Commisson have to say about the legal standards for the pricing policies provided for in the bill? I would have the Senate reflect very seriously upon the warning of the Federal Power Commission.

Let me say that the junior Senator from Oregon, Mr. President, is fighting

for an amendment, or was fighting for an amendment, before it was laid on the table, and now makes this speech in support of the amendment, even though it lies on the table, because the language I have used in my amendment is the language of President Eisenhower's proposed bill; and his language conforms to the criticism of the Federal Power Commission, because of a lack of standard provided for in the bill as reported by the joint committee.

Mr. President, when the Senator from Oregon is fighting for the standard recommended by Dwight Eisenhower's own Atomic Energy Commission, when the Senator from Oregon is fighting for an amendment which seeks to meet the criticism of the Federal Power Commission, he is also fighting for the best interests of the taxpayers of America, and I want to talk to them tonight for a while.

I want the taxpayers of America to know what is happening to them in this bill. I want the taxpayers of America to know of the hidden subsidies still in this bill; and here is one of them. Here is one of the joker clauses still left in this bill, Mr. President. Here is one of the sleeper provisions still in this bill. Here is one of the catch-alls in this bill, Mr. President, seeking to give another windfall to a selected few big American businesses—a private-utility monopoly combine.

All the Senator from Oregon has sought to do is incorporate in the bill language which will protect the taxpayers of the country. Oh, I do not have any illusions, Mr. President, concerning the nature of the fight I am making. I do not have any illusions, Mr. President, about the misrepresentations which are going to be made about the fight I am making. I do not have any illusions, Mr. President, about the criticism and abuse I am going to take for the fight I am making. I am used to it. Let me say, Mr. President, I have a very thick skin when it comes to abuse; but I also have a very forgiving heart.

Mr. President, I think it is sad, I think it is too bad, I think it is an unfortunate incident in the history of the Senate of the United States—after we have made the progress we have made today in trying to compose our differences, in trying to work out here a bill which will meet some of the objections of those of us in opposition to the bill, that when a Senator submits an amendment as well thought out as this one, an amendment of such vital importance to the taxpayers of America, an amendment which I am willing to submit as a lawyer, Mr. President, would be approved by most of the courts in America, and most of the judges sitting on the courts of America, because of its unquestionably sound provision providing the courts with a definite legal standard they can apply in regard to the pricing features of this bill—that the Senator who submits the amendment is denied an opportunity even to explain it, is denied an opportunity to discuss it, unless he will knuckle down, unless he will bend his knee, unless he will put his head in a parliamentary noose, and will say that he is going to talk for only "X" minutes or for an hour.

Mr. President, that has not been the record of the Senator from Oregon in the Senate of the United States, and it is never going to be his record in the Senate of the United States. The people of Oregon did not send me here to be intimidated by anybody. The people of Oregon did not send me here, Mr. President, to sacrifice my independence of judgment on any occasion, at any time, for any purpose, and I shall not do it.

I think I have demonstrated here, today, time and time again, that I know how to do teamwork. I have been doing teamwork here all day with a group of men over on the other side of the aisle, a group of us who started out in opposition to the bill, Mr. President. There is no question about the fact that certain maneuvering, certain representations, diminished our number, but there is still a considerable number of us left.

Mr. President, I think we were entitled to the parliamentary courtesy—and I speak most respectfully when I say this, but I am entitled, I think, to present my point of view, and I do it very respectfully—of being allowed the time we needed for further conference.

The conference this morning was certainly productive of much cooperation, but one cannot confer very well here on the floor of the Senate, Mr. President, when debate is going on. One cannot confer, cannot leave the floor of the Senate for half an hour, three-quarters of an hour, or an hour for a group conference, when he does not know whether, when he is away, all his parliamentary rights may be sacrificed by some kind of unanimous-consent agreement entered in his absence.

There is no doubt about the fact, Mr. President, that there is a great deal of fatigue here in the Senate. A few minutes ago I was out in the office of the Official Reporters of Debates. There is a beloved public servant out in that office, a man who has been here, I just do not know how many years, but many, many years—Mr. James W. Murphy, in charge of the Official Reporters of Debates of the Senate. He is exhausted. I urged him to go home. He would not hear of it. He is just one of the soldiers who work on until they drop. But, Mr. President, there are many other fine members of the professional staff of the Senate who are equally tired. I wish to say that in paying tribute to the services of Mr. Murphy, I do not mean to show a lack of appreciation of the services of any other member of the professional staff. The Senate ought to have taken a recess until 10 o'clock tomorrow morning. I wish to say, Mr. President, that in my judgment we would have saved time by so doing. In my judgment this debate would have been over sooner, had we recessed until 10 o'clock tomorrow morning.

Mr. President, I do not know what we are thinking of. We get to the point where we feel we have to keep the Senate in continuous session, the way we have been keeping it in continuous session, in order to push through this bill. I am convinced that the bill would have been disposed of by now if we had not had the first continuous session. After all, Senators, like everyone else, are human. When that kind of battle challenge is laid down, those who have any red blood in their veins usually accept the challenge. A number of us who have that kind of blood in our veins have accepted the challenge, just as I am accepting it tonight.

Mr. President, when I think of what I witnessed when, some time ago, I went into the office of the Official Reporters of Debates, I realize there sat a man who for day after day, night after night, except for yesterday's recess, has had to sit there under the duties of his office, and go through, with pencil in hand, every line of that transcript—and a man at his age. I do not know how old Mr. Murphy is, but he is in his seventies. That is no way to treat employees. I want to say that I regret this matter, and I regret this incident. I regret that I feel by conviction and principle that I have to take the floor tonight and use up one of my speeches on the bill in order to explain what I think are some of the bad features still remaining in the bill. The pricing provision is one of them. I think the Senate should heed the criticism of the Federal Power Commission of the pricing section of the bill. I think Senators should heed what President Eisenhower himself recommended in his draft of the bill which came to the joint committee, through the Atomic Energy Commission itself. That is the identical language, and in just a moment I am going to read it out of the Eisenhower bill.

But first I want to tell you, Mr. President, what the Federal Power Commission said.

The Federal Power Commission said:

> There is not, and probably never will be a free market to provide a standard for what a fair price will be. There is little, if anything, in the legally established concepts of utility regulation that can be deemed to provide meaning for the term "fair price."

We find that statement by the Federal Power Commission in part II of the hearings, on page 1131.

Mr. President, not even the Federal Power Commission believes we have written into the bill acceptable legal standards for pricing. I think, therefore, we ought to change it. That is all I sought to do. But, Mr. President, my amendment was laid on the table, and I was not given a hearing because I refused to handcuff myself and refused to tie myself down to a limitation of time for a discussion of that principle.

In my judgment, the provisions of the bill do not provide a standard for the determination of what a fair price is. I believe there is danger that a great subsidy will be paid by the Government to private operators of atomic reactors, when the Government distributes special nuclear material to licensees at a reasonable charge, which section 53 of the bill provides shall be uniform and nondiscriminatory, and subsequently pays the licensee a fair price for the special nuclear material he produces. I say that provision is lacking in standard, as the present provisions of section 56 make perfectly clear.

I therefore have offered this amendment, which adopts a limitation with respect to the fair price, by providing

that the Government shall pay no more for special nuclear material produced in private plants than it would cost the Government to have such material produced in its own plants. The amendment is made up from the provisions of the Atomic Energy Commission draft proposal submitted to the Congress by the President on February 17, 1954, when he sent to Congress his special message on atomic energy.

The Atomic Energy Commission draft proposal was furnished to me by the Senator from Iowa [Mr. HICKENLOOPER] on July 17, and at that time I introduced it on the floor. That material will be found at the bottom of the inside column on page 10801 of the RECORD for July 17.

Here it is, and I shall read it. This is what the President recommended, through his Commission. This is the provision of the President's Atomic Energy Commission, sent to the joint commission. This is what the President requested, and this is what I am proposing. Yet we are not even allowed an opportunity to consider it in debate, unless, as I say, I agree to restrictions which in my judgment would cost me my independence of judgment, would cause me to become a captive speaker in the Senate of the United States. Well, I intend to exercise freedom of speech in the Senate of the United States, under the rules. I do not intend to let anyone place any restrictions on that precious right. If we do not protect freedom of speech here in the Senate, we had better watch out for restrictions upon freedom of speech outside the Senate.

This is what the President's Atomic Energy Commission recommended:

> The Commission is authorized to purchase or otherwise acquire such quantities of fissionable or by-product materials owned or produced by any persons licensed under this section as the President may determine to be required in the interest of the common defense and security. Prices paid by the Commission shall not exceed either (a) the estimated cost to the Government of producing similar material in facilites owned by the Commission or (b) such amount as will in the judgment of the Commission provide reasonable compensation to the licensee taking into account the estimated cost to be incurred and the estimated revenues to be derived by the licensee in the conduct of his license activity. Any contract or agreement made pursuant to this subsection may be made without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5). The Commission may requisition any fissionable material or any interest in such material upon a determination by the President that such action is necessary in the interest of the common defense and security. Just compensation shall be paid for any such material requisitioned under this subsection.
>
> (2) Any license issued pursuant to this section shall contain a provision requiring the licensee, upon the request of the Commission, to produce for delivery to the Commission, such fissionable by-product material in such quantities and of such types as the licensee's facilities may be capable of producing and as the Commission, with the approval of the President, may determine to be declared in the interest of the common defense and security. The licensee shall be entitled to just compensation for any material produced and delivered to the Commission pursuant to this subsection.

Mr. President, because it is a technical, legal amendment, let me recapitulate. I want this amendment clearly understood by the taxpayers of the country. I want the taxpayers of the country to know the saving that I am fighting for here, tonight. I want the taxpayers of the country to know that what I am opposing here is language which, in my judgment, permits of a hidden subsidy for a private utility monopolistic combine.

I want the taxpayers of this country to know that it is my judgment that unless the provisions for which I am arguing are written into the bill, it will give arbitrary, capricious power to those entrusted with the task of fixing a so-called fair price.

What is a fair price? What are the standards of a fair price? The bill does not tell us. No such standards are written in the bill.

The Federal Power Commission told us there are no standards. Let me repeat what the Federal Power Commission said:

> There is not, and probably never will be, a free market to provide a standard of what a fair price would be.

Why, Mr. President, is there not a free market? There is not a free market for this material because it is the plutonium ash. How are we going to get that point across to the American people? What we are talking about is the buying back by the Federal Government of the plutonium ash. That is the military product; that is the military item. That plutonium ash has no commercial value, Mr. President. There can be no free market for the plutonium ash because we cannot let anyone but the Government get its hands on a bit of it. We have got to keep this plutonium ash under the complete control of the Federal Government. This is the material out of which bombs are made. This is the material out of which nuclear weapons are made. Mr. President, this is a military item, and only a military item. How are we to fix a fair price on it? The Federal Power Commission tells us it cannot be done. They are right. So what is the danger? The danger is that we shall pay a terrific price for it. The danger is that because of this language in the bill, this "sleeper" clause, the American taxpayers may be held up. Here we have a clause which does not check discretion. Here we have a pricing clause which provides no standard. Here we have a pricing clause which will be subject to political manipulation, a pricing clause with which political forces can play politics.

Mr. President, it is saddening to realize that it is impossible to get the Senate to stop the steamroller long enough to enable all to see what is the next object at which the steamroller is headed. What the proponents of the bill now seek to run over and smash is a fair, equitable, legal standard, binding upon the exercise of discretion by the pricing officials under the act, so they cannot in the name of a fair price really charge the American people a price for this plutonium ash, but, at the same time, arrange to have the private utility that has leased the uranium compensated to such an extent that it will not be out of pocket one cent for all the operation through the point of producing the plutonium ash, and still will have all the electric power as a bonus, a bonanza, a giveaway, a hidden subsidy.

Mr. President, even at a time of excitement in the Senate, even at a time when feelings rose, as they did, to fever pitch, even to the point where some Members manifested animosity toward another Member of the Senate, I am at a loss to understand how they could forget that, after all, they labor under the professional obligation of separating personalities from issues; they have a solemn obligation as the representatives of a free people in a parliamentary body such as this.

We should never let personal animus, personal pique and personal feeling becloud the reason long enough to do what I feel was done toward me tonight. After all, Mr. President, I am fighting this fight on a professional basis on the basis of the merits of my argument; and I am perfectly willing to let the taxpayers of the United States be the judge as to whether I am right or wrong.

I insist that here in the Senate we ought to write into the bill some legal standards for pricing, so that those empowered with the discretion to fix the prices cannot fix a price for the plutonium ash that will make it possible for the private utilities to get as a bonus all the electric power they generate from the uranium in the fissionable process of the producing the plutonium ash. As we realize, it is the fissionable process that produces the terrific heat which produces steam, which in turn, moves the generators that produce the electric power; and in that process the plutonium ash is a byproduct.

But mark you this, Mr. President: My amendment does not even limit the pricing official to the price for which the Government in a Government-operated plant could produce the same quantity of plutonium ash. I think it would have been perfectly fair if I had so limited it. I think it is perfectly fair to say to the private utility: "We are going to lease you this uranium, and from the fissionable process with the uranium, you can produce heat, get steam from it and generate electric power from the operation of the steam plant. But you have to sell back to us, the Government, the plutonium ash for the same price that we, the Atomic Energy Commission, can produce it in one of our own plants." I think that would have been a fair standard. That is a standard that any court could pass judgment on. That is a standard that would be reasonable.

But I went beyond that, Mr. President. I did not want to be charged with taking the attitude that I was trying to really hold down a private utility to what one might think was an unfair price level, in competition with the Government's plant, although I do not know what is wrong with that. I went beyond that, Mr. President. Note what I provided.

Mr. President, I should like to have the clerk return to me the amendment I sent to the desk. I want to quote directly from the amendment, because it shows

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that I went beyond what many thought was the standard that ought to be written into the bill.

Let me tell you, Mr. President, this amendment was the result of a considerable amount of discussion with colleagues of mine here on the floor of the Senate. There are many colleagues here on the floor of the Senate who feel that inasmuch as I was the first to raise this point in this debate—having raised it last Saturday, when I asked the Senator from Iowa to provide me a copy of the bill that the President through his Atomic Energy Commission sent to the committee—and inasmuch as I had pointed out a weakness in this bill, I should submit the amendment here tonight.

Look at what I provide in it, Mr. President:

> In determining the fair price to be paid by the Commission pursuant to section 52 for the production of any special nuclear material, the prices paid by the Commission shall not exceed either (a) the estimated cost to the Government of producing similar material in facilities owned by the Commission, or (b) such amount as will, in the judgment of the Commission, provide reasonable compensation to the licensee taking into account the estimated cost to be incurred and the estimated revenues to be derived by the licensee in the conduct of his license activity.

That is quite a different thing, Mr. President, than holding the utility to a fixed price to be measured in terms of the cost at which the Federal Government could produce the same material. I do not seek to put such a restriction upon the utility. In my amendment I give it an opportunity to show the estimated cost to the Government of producing similar material in facilities owned by the Commission, in comparison with such amount as will, in the judgment of the Commission, provide reasonable compensation to the licensee—and taking what into account? "Taking into account the estimated costs to be incurred and the estimated revenues to be derived by the licensee in the conduct of his licensed activity."

I submit, Mr. President, the taxpayers are entitled to that protection, because if we do not give them that protection, Mr. President, then the licensee can charge for the electric power whatever he thinks the traffic will bear, and if the licensee thinks the traffic will bear high electric-power rates—if the area is one where there is no competition from a public-power yardstick—then proceed to charge the Government whatever high prices it can get the discretionary officer to allow—because the Government would be the only purchaser, and the Government would have to pay it. It is war material. It is bomb material. It is nuclear weapon material. No one else has any need for it; or if others did have need for it, we would see to it they did not get it, because this plutonium ash goes to the very security of our Nation, and we cannot let anyone but the Government get its hands on this highly explosive plutonium ash.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield to the Senator from Illinois for a question only.

Mr. DOUGLAS. Let me ask the Senator from Oregon whether the following hypothetical illustration states what the Senator from Oregon is afraid of: If the Atomic Energy Commission sells a quantity of uranium, presumably uranium 235, to a private-power company, and if it is then processed in an atomic reactor; and if the sale price for the uranium is $500,000, and if it is then processed in an atomic reactor, and energy is developed, and the residue, as the Senator states, is plutonium ash, is the Senator from Oregon afraid it might be possible that the Atomic Energy Commission would be charged, not $500,000, but, let us say, $600,000, so that the Atomic Energy Commission would pay for the plutonium ash $100,000 more than it received for the uranium, and, in addition, the private company would have the power and the energy which it developed?

Mr. MORSE. Mr. President, the Senator from Illinois puts with crystal clearness the burden of my argument.

I want to repeat it. The burden of my argument is that we should write into the bill legal standards sufficiently specific and certain so that a court, for example, could get its teeth into them whenever there was a legal contest over a dispute arising in regard to the pricing provisions. Those legal standards must so protect the taxpayers of the United States—to use the example of the Senator from Illinois—that if the utility pays a $500,000 license fee for the use of the uranium, it cannot charge the Federal Government $600,000—hypothetically speaking, now—for the residue or byproduct of the process, which is plutonium ash, and thereby have its entire operation paid for, with the electric power as a bonus, or a bonanza, or a giveaway, or what I have called a hidden subsidy.

Mr. DOUGLAS. Will the Senator from Oregon yield for a question?

Mr. MORSE. I yield for a question only.

Mr. DOUGLAS. Is not the discussion of this question, namely, the relationship of plutonium ash to uranium, so well known by scientists that there is not the slightest violation of security in discussing this matter?

Mr. MORSE. Yes; there is a bit of violation of security. Of course, I would not be discussing it if there were a violation of security. What I am saying here will be found in the hearings. These remarks are based on the testimony of the Federal Power Commission. It is because the Federal Power Commission felt that there was no legal standard, Mr. President, that it took its position on this matter.

Now let me point out something else, Mr. President. Under the bill as it now stands, with its legal standard, the lease price must be uniform. What does that mean, Mr. President? It means that the price set must accommodate the least efficient operator. There, again, the taxpayer is being held up. There, again, it is the taxpayer who foots the bill. We lay down a requirement that the price must be uniform, even if the price must be fixed at such a point as to take care of the operations of the least efficient operator. It is "sleeper" language, Mr. President; it makes sure that the utility cannot lose. It is nice business if they can get by with it, and they are certainly getting by with it. We have done our best to fight against this provision.

I think it has been a valiant fight, Mr. President. At the present time, I realize that there are those who are subjecting the minority to a great deal of misrepresentation. I am willing to let the passage of time render judgment upon the fight we have put up. Sometimes it takes the people a little while to fully understand the issues of a fight. But when we are firm in our conviction that we are right, Mr. President, we need not fear the people.

I have put into the RECORD now, on three different occasions, responses I have received from across America, from persons in all walks of life. They are rather reassuring to one's faith in the democratic processes. They demonstrate very clearly that many, many Americans are seeing through the issues of this debate. They are understanding that the little group of us who have been fighting for adequate protections in this bill have been fighting the people's battle.

Mr. President, I am going to continue to fight the people's battles when issues like this come up in the Senate, because if I did not, I would not keep faith with my knowledge of American history. The American people expect it. The American people expect an unselfish devotion to one's convictions.

Many before me have fought this kind of a fight in the Senate. Many before me have fought this kind of a fight in the Senate—to lose in their time, but, to win later, in terms of historical events.

Of one thing I am completely confident, Mr. President: Although at first we shall lose this fight, because of certain events on which I shall comment in a moment, yet ultimately we shall be victorious, although, not until the American people have paid a heavy price for the defeat we are going to suffer tomorrow, the next day, the day following, or whenever the bill finally comes to a vote.

The time is going to come, Mr. President, when the American people are going to insist that this wrong be rectified. The time is going to come, Mr. President, when the American people are going to insist that the handouts provided for in the bill, the hidden subsidies provided for in it, are corrected by legislation, and that standards such as those as I am pleading for tonight be written into the bill.

I wish to say to the valiant band that has been standing with me from the beginning of this fight, "Do not be of a discouraged heart. Expect some to misunderstand the fight we have put up, but renew your confidence in the ultimate judgment of the American people."

I am inclined to believe that some years in the future—I do not know how many, but it will be some years in the future—the question will be raised—just as the question is asked now in regard to many

of the fights that Norris made for the establishment of a public power yardstick in the field of power, or in regard to the fights made by McNary, Borah, the La Follettes, Johnson, Dill, and a great many other liberals in the Senate—why did anyone ever question their position on such an issue as that?

The reason is, Mr. President, that acceptance of progress is always behind the need for progress. Too frequently, Mr. President, it takes the public some years to catch up with a sound, progressive idea or proposal. That is a challenge to political leadership. That is a challenge as to whether we are going to follow a stereotyped, partisan pattern, dedicated largely to the maintenance of the status quo, or whether we are to look upon the responsibility of representation as one which calls for trying to lead the Nation toward a more progressive course of action.

Mr. President, I prefer to take my stand with the great liberals and progressives of the past who have fought against such exploitation of the public interest by monopolistic forces in this country, rather than be a party to the passage of this bill. I only wish that those of us who today are fighting for progressive measures had the stature, the ability, and the influence of the great liberals of the past, in whose footsteps we seek to tread. It is not our fault that we do not, Mr. President. We were just born with those limitations.

Let me say to my colleagues, we should be thankful that we are endowed with at least enough insight to see the need to stand in this field of natural resources for the progressive philosophy of such great advocates of the conservation of the natural resources of the country for the benefit of the people of the country as the great Norris, Teddy Roosevelt, Pinchot, the La Follettes, Ladd, Borah, Johnson, and the others I have mentioned from time to time when I have discussed this particular point.

I am so proud, Mr. President, of the record that has been made in this valiant fight to slow up the passage of this bill until we could get it amended in such a manner that at least it would injure the public to a lesser degree than the original draft would have done, or to prevent its passage entirely if we could not get that sort of fair consideration from our colleagues, that I want to tell the taxpayers now, for a few minutes, a little bit about the behind-the-scenes maneuvering that has gone on in this great contest in the Senate. It has been full of drama. It has been full of great personal sacrifice. It has been full of joy and of sadness. But from the standpoint of an historical incident, it has been exceedingly interesting.

When it was first proposed by the majority leadership to have the Senate proceed with debate of the bill, some of us were very much surprised. In fact, it was first proposed that the Senate proceed to debate the bill before the printed hearings were available to us. We were a little surprised at that, because this bill will affect the economy of the country not only for the next century, but, if the bill should remain unchanged—although I do not think it will remain unchanged as subsequent Congresses come to act upon this problem—I think it will exact an unfair toll and tribute from the taxpayers of the United States to their great detriment for centuries.

In fact, Mr. President, as a result of our dealing with this subject matter in a scientific field, a few monopolies in this country may get a stranglehold over the power energy upon which the entire economy is dependent. This great industrial economy of ours, Mr. President, is dependent upon a power resource, and in this era that chief resource is electricity.

I know that a great many persons who are not familiar with what we mean by atomic energy for peacetime purposes, insofar as the supplying of electric power is concerned, are unaware of the fact that the power is generated by the steam plant that gets its chief resource from the fissionable action of the uranium. Some persons seem to think that atomic energy itself is the power that is going to operate the factories, or supply the energy for the factories. But all it does is supply heat for steam that produces power to operate generators that, in turn, generate electricity.

But, Mr. President, if we do not do something in our time to eliminate the monopolistic control in the hidden subsidies that we find in this bill, then we run the risk of having a small group of monopolies build a relatively few, large reactors, and obtain a power monopoly over the entire United States.

Mr. President, I have read the hearings. I know what the witnesses had to say. I know a considerable amount about this problem on the basis of information obtained outside of the hearings. I am satisfied, Mr. President, that 12 large reactors—just 12 large reactors—strategically located in 12 regions in the United States, can develop enough electricity to supply the economic needs of the Nation for power, provided, of course, the price per kilowatt-hour is low enough to permit the power thus generated to compete with power—generated in other ways—that otherwise might be available in the region.

Do you know, Mr. President, what the experts say about that? The same statements run through the hearings and through the periodical literature on the subject, and through the testimony of the experts. They say it is only a matter of time before the cost will be so low that it will be able to compete with, and drive out of competition, other sources of energy that produce electric power.

Some of us felt, Mr. President, that we had resting upon our shoulders an obligation to try to protect the American people in this matter, as George Norris fought in the early days of the Muscle Shoals' fight, and as George Norris and McNary and the others fought for a Federal power yardstick in connection with the building of multiple-purpose dams.

But, Mr. President, we do not have that protection in this bill. But because we felt there was need for that kind of protection, and because we thought it was very unsound from the standpoint of public policy to let the principle of the Dixon-Yates contract be written into this bill without a sure-fire public power yardstick guaranty, we met several times, and we made up our minds to fight until we could get into the bill some decent amendments that we thought were essential from the standpoint of the public interest. Our position was that if we were unable to have such amendments adopted, then we would try to split the bill, so that its international features could be acted on separately, because we recognize, as I have said several times before in this debate, that as we read the various statements of the President in his messages and his statement to the United Nations and some of his press conferences, that his primary interest—although I do not say he is not interested in the other features of the bill, because I know, and we all know, he is—is the so-called international section of the bill.

So in our conference we said, "If we cannot get a reasonable composition of our differences on the so-called commercial aspects of the bill, let us at least try to get through the President's primary objective, the international phase of the bill." We have tried that, as you know, Mr. President, and we have lost.

I want to commend the Senator from Mississippi [Mr. STENNIS] for the valiant fight he put up on that amendment. We thought, Mr. President, that if we could not win on the division of the bill, if we could not eliminate the Dixon-Yates contract principle from the bill—a principle which we think endangers the whole TVA program, and is the opening wedge for a scuttling, not only of TVA, but of the whole public power yardstick in the field of electric power development—then we ought to make a fight for recommittal of the bill.

We said among ourselves that if we could not succeed with that, we at least ought to consume enough time in the debate until the American people could be heard from. I think I would have to say good naturedly, Mr. President, that we have succeeded in that objective, because the American people are being heard from. In my judgment an overwhelming majority of them are saying to us, "Fight on."

But that is easier said than done. Let me say to my friends among the taxpayers who are sending me telegrams and are writing to me to that effect, it is much easier to be on the sidelines and say "Fight on" than it is to be on the firing line, trying to fight on, only to discover you are having heavy casualties. We have had some casualties, Mr. President. I shall soon refer to the casualties; but before I do, I wish to say a little more about the enlistments into the army.

We had quite an enlistment program, Mr. President. We enlisted them in the District of Columbia committee room, not so many days ago. Time has passed so rapidly, that at 1:07 in the morning I would not try to rely on my memory for the exact date; but it was some days ago, and we discussed some of these problems from the angles I have just related.

We had a great captain. I have referred to him jocularly, here on the Senate floor, as the captain or as the general or as the leader. I do not care what title

he is given; he is a great Senator; he is a great statesman. He was in the House of Representatives, Mr. President, when the great Norris was fighting in the Senate for a TVA bill.

When the Senator from Alabama [Mr. HILL] was a Member of the House of Representatives, Mr. President, he was Norris' legislative partner in the great TVA fight. The Senator from Alabama, Mr. President, in my judgment, knows more about TVA than does any other Senator or any other Member of the entire Congress, and I will pit him against any person in the country, for knowledge of the TVA and all the problems that have had to be met in order to get up that great program for the betterment of the way of life, not only for the many people in the Tennessee Valley, but for the entire Nation, because all of us have benefited from TVA. The textile mills of New England and of the South and the steel mills of Pennsylvania and Ohio and Indiana have benefited. Name me an industry—name me any industry in America, Mr. President, including the great industry of agriculture—and I can show that each and every one and all of those industries combined are the economic beneficiaries of the statesmanship of George Norris and LISTER HILL.

It is possible to beat the Senator from Alabama on the floor of the Senate; it is possible to defile the record of George Norris on the floor of the Senate; but none can tear down the monument of statesmanship they have erected to the welfare of the American people, for it will stand, Mr. President, in the economic social history of the United States, long after each and every one of us is forgotten, except for men such as Norris and HILL, because, Mr. President, what they did for the economic welfare of America, when they envisioned the potentialities and the possibilities of a TVA, resulted in the building of a monument, not of stone or concrete, but of intangible value, emblazoned on the pages of American history.

One of the greatest honors that it has been my privilege to enjoy has been the honor of working shoulder to shoulder with LISTER HILL in this fight; and he has not been a casualty, because he stands tonight in the Senate of the United States as firm in his conviction that this bill should be defeated in its present form as he was days ago in the District of Columbia Committee Room when we opened the recruiting office for enlistment in this army for the people.

How well I remember some of the things LISTER HILL said in that meeting, because there was much enthusiasm, Mr. President; there was much determination; there were many expressions of outrage over the terms of the bill. Mr. President, some who attended that meeting—who now have fallen by the wayside as political casualties—threw out their chests and said, "Put me down for 6 hours a day from now until Christmas."

Do you know, Mr. President, what LISTER HILL said to them? "Now, gentlemen," he said—and I know I paraphrase his remarks accurately, although I do not attempt to quote him verbatim—"Do you know what you are in for? I do not want you to go into this unless you know what you are in for. I have been in these fights before. These are not easy battles. We should not go into it unless we want to go in to win, unless we are determined to win."

Do you know what the reaction of most of them was, Mr. President? It is rather amusing now, as I look back on it, Mr. President. They seemed to be slightly offended that LISTER HILL even by implication might suggest that anything could happen that would cause them to weaken in the slightest in their determination. But LISTER HILL is a wise old statesman. He has been through these battles before. He knows the difference between the first flush of enthusiasm, Mr. President, and an ultimate determination to fight to the last ditch, no matter what the cost personally, politically, or physically.

So he was not satisfied with that warning. Do you know, Mr. President, what the next thing LISTER HILL said was? He said, "Now, gentlemen, if you mean it"—and, Mr. President, you know the emphasis with which he talks—"and if I am going to lead this fight"—and we had already indicated that we were going to fight under the banner of LISTER HILL's leadership—"I want your names on the dotted line."

I can remember as though it were in the last hour the emphasis with which he pounded the table. So none of the casualties can say, "I did not understand," because if they did not understand, they were not hearing him, because LISTER HILL made it crystal clear. He had to have the names on the dotted line. He had to have the understanding among them. As he said at one point, "If I call on Senator X"—naming one of our colleagues in the room—"for a speech at 2 a. m. in the morning and on Senator Y to sit out in the cloakroom or sleep out in the cloakroom, ready to rush to the floor if something happens to Senator X at 3 a. m. in the morning, Senator Y will be there. I have to have one reservist ready to pick up the musket and start shooting." It was pretty clear, I thought. I do not know how it could be made any clearer.

Do you know what we did, Mr. President? We moved that the Senator from Alabama be authorized to schedule the speeches, and we enlisted in his army. We said, "Call upon us in accordance with what you consider to be the best strategy for the battle, and we will salute and fight."

I have used some of these phrases in this Chamber in an attempt in my feeble way to reinforce the point so clearly expressed by the Senator from Alabama. Mr. President, we feel that some Senators who were there did not realize that we were entering into an understanding. We know they are entirely sincere. They are men of honor. If they state that they believed they were just entering into an understanding for a temporary period of time, and were not entering into an enlistment for the duration, I take their word for it. But, Mr. President, I think some of us know it was an enlistment for the duration.

Then, Mr. President, we acted by motion; but we did not have to put the motion to a vote, because there was an acclamation of approval. The chairman said that unless there was objection, that was the way it would be done. We appointed an amendment committee, and the amendment committee was to prepare a list of amendments. We were to meet subsequently to consider the amendments. I think that is what has caused some misunderstanding within the ranks as to what the future meetings were going to be about. It was my understanding, and a number of others in the group told me today that it was also theirs, that we were going to meet in the future, to decide whether we would fight on any issue. We were to meet as a group, to discuss the merits and the demerits of proposed amendments offered by our amendment committee. That is quite a different thing, Mr. President, I think you will have to admit.

Our amendment committee worked very ably, and we had a variety of meetings—although not always with the entire group, because that is very difficult, with debate going on here in the Chamber.

The amendment committee would get some of us together, and we would talk about the amendments; and then the committee would get some of the others together, and they would talk about the amendments. We would carry on our whispered conversations here on the floor, or we would have conversations in the cloakrooms. There was no question about our general agreement on the amendments and the order in which they were to be offered.

So I say, Mr. President, there is no doubt about the fact that we started out with a larger army than the one we have tonight. I have the greatest respect for those who, for one reason or another, have decided not to fight on to a final blockage of this bill unless we could get the principle of the Dixon-Yates contract out of the bill, because that is the stumbling block for most of us. We wished to lay that part of it aside; we wished to postpone it until January, especially in view of the fact that the hearings on the bill show beyond a question of a doubt that not a single reactor will be on the commercial line before 1965; and therefore there is no great need for haste. Similarly, there is no reason why the commercial aspects in respect to the Dixon-Yates contract cannot wait until next January for further consideration.

I think that is exactly what ought to have happened. But in spite of the fact we were not able, in my judgment, to correct the great weakness of this bill in its present form—namely, in respect to the Dixon-Yates contract—some of our colleagues, who are just as sincere and honorable as those of us who still are not satisfied with the bill, felt we had done the best that could be done with a very bad bill. Well, Mr. President, I say most respectfully I do not believe that is the way to win a war, parliamentary or otherwise. So at no time have I gone along with that theory, and neither has my captain. My great colleague from Alabama [Mr. SPARKMAN] has not, either. The great Senators from West Virginia [Mr. NEELY and Mr. KILGORE] have not, either. Neither have

the two fighting liberals from the State of Washington [Mr. MAGNUSON and Mr. JACKSON]. Neither has the Senator from Oklahoma [Mr. MONRONEY]. I do not want to be discriminatory. There are other Senators, too, who take the same position. But I am going to stop at this point, so it cannot be said that even indirectly I named a Senator who did not take that position. After all, Mr. President, I know something about the rules of the Senate, too.

I think I have made very clear why I am fighting on. I am fighting on until I am convinced that the fullest possible opportunity has been given to the Senate to rectify the great injustice to the American taxpayers that is to be found in the principle of the Dixon-Yates contract.

I believe that I would be untrue to my convictions and to the obligations which I think I have to the people of my State, who have a great stake in a public power yardstick, and to the people of the Nation, who have an equally great stake in a public power yardstick, if I did not fight on and take the punishment that goes with it.

I have a great deal of respect for some of our casualties in this fight, who have dropped by the political wayside, when they have said to me, as some of them have said in recent hours, "Well, Senator MORSE, I still do not like it. I know just how you feel about it, but we have done pretty well. We got the Johnson amendment, and the Gore amendment, and quite a few of the amendments offered by Senator HUMPHREY, and also the Kerr amendment. We got the principle of the Kerr amendment, even after it was laid on the table, last Saturday. We have it back now, in principle. That is a great victory, Senator MORSE. Maybe we had better be satisfied with that."

I do not like to be too hard to satisfy, Mr. President, but I am never much interested in the frosting on the cake. It is delectable, but there is not much substance to it, particularly when, to use an argument by analogy, Mr. President, we are likely never to get a taste of the frosting, anyway, because it is likely that in conference the frosting will be scraped off with a knife, and the cake will be spoiled besides. We have no guarantee that any of these amendments will be retained in conference. We tried to make a legislative record today. I want to commend the majority leader for the assurance he gave me, and also the Senator from Iowa, for the assurance he gave me, that if the Senate adopted the Gore amendment, a fight would be made in conference to retain it. In fairness to them, I wish to say I think the RECORD will show, when we come to read it tomorrow, that they used language so general that it can be said they are morally bound to fight equally hard in conference for the other amendments we adopted today.

I think it is wonderful that we have made that much progress. I wish to say, Mr. President, that in my judgment that progress would never have been made if we had not put up this fight. I want to say to the taxpayers of the United States that when they hear all the criticism of the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. NEELY], the Senator from Alabama [Mr. SPARKMAN], myself, and the rest of us who have stood shoulder to shoulder in this fight, it should be realized that the bill would not now be in its present form, and would not be taken to conference in this form, if we had not stood up and made the fight, because, speaking most respectfully, and for descriptive purposes only, all of us would have been flattened by the steamroller if we had not thrown some barricades in front of it and had not at least slowed it up. To that extent, Mr. President, this has been a very successful fight; and I, for one, wish to thank each and every Member of the Senate who has helped make the progress we have made, and has helped win the victories we have won.

Tonight, I speak with a lot of codeine in me and an ulcerated tooth; but it would be much easier for me to say that is good enough. I would much prefer to follow the advice of my doctor, Dr. Blackstone, the head oral surgeon at Bethesda, who will tell you that he thinks I am a bad patient from the standpoint of behavior. But, Mr. President, he was kind enough to give me enough codeine pills to quiet colic in a horse. I would rather be speaking with my tooth nerve thumping, than be a party to yielding to what I consider at least to be the very unfair demand that I let the bill go through tonight, so that tomorrow we would not be able, from a parliamentary standpoint, to offer an amendment or speak to an amendment. That is why I decided to speak. It is not without selfishness, because I have a little hunch that I probably will feel better under the nervous stimulus of the speech than I would if I were trying to hold a hot water bottle to my right cheek, because I know what the dentist will have to do anyway. Finally he will have to kill that nerve and take it out. I may lose a tooth nerve, Mr. President, but I am not going to lose my nerve in this fight. Before I get through, under the protection of a handkerchief I may have to undress my mouth a bit; but I shall wait until early in the morning before I do that.

Let me tell you something else about this battle, Mr. President. We got pretty badly routed Saturday night. We started to get routed Saturday morning—and I am going to say this for the record, for my protection—when I offered the official-spokesman amendment. It was a good amendment. I shall have something more to say about it later tonight or in the wee hours of the morning. I have in mind to review it, but I shall say this about it now:

We talk about the equal responsibility of the five members of the Atomic Energy Commission, the responsibility of the Chairman will be unequal, because he is going to have a little special jurisdiction and domain. He is going to be the official spokesman—although not the principal officer—as was first proposed; just too much protest was stirred up over that from within the Commission itself. Even some of the Commissioners publicly protested it, and made very clear that their fear was that such a title would give the Chairman of the Commission some policymaking power. Other people got concerned about it, too. I mentioned it first here in the Senate weeks ago. There were denials then, by both the majority leader and the Senator from Iowa [Mr. HICKENLOOPER], that the use of the words "principal officer" would set up a precedent different from the one existing in the case of other commissions. They said it would not give the Chairman of the Atomic Energy Commission any more prerogatives, discretionary power, or control over his colleague Commission members than exists in the case of any other commission.

I listened to them, and I thought they were mistaken. So I asked the Library of Congress to do a little research for me. The research, if it is correct, indicates also that they were mistaken. The proposed arrangement is not the common practice of boards and commissions of the Federal Government. If they are supposed to be equal in their responsibilities in a given situation, we do not select some fellow and make him the official spokesman. We do not do that, for the reason that the moment that is done, the responsibility ceases to be equal, because if he is the official spokesman, then—at best—the other four have to be the unofficial spokesmen.

I cannot reconcile that with the concept of equal responsibility. That is why I said the other day that what they are really proposing to do is to set up a Commission, using language of equal responsibility, and then proceed to make the responsibility of 1 more equal than that of the other 4. I point out that it simply does not make sense.

Mr. President, I offered that amendment, and I argued for it for approximately 8 hours and 2 minutes. I was about to let the amendment go to a vote or be laid on the table—which was the plan—when I was asked, not to go to the cloakroom, but to go out on the balcony. This was some secret stuff, so they were not taking any chances with discussing this one in the cloakroom; they went outside for this one. So they got me out on the balcony. I was told that I had to withdraw the amendment. They said it was a good amendment, but that some resentment had been stirred up among some Members because I had been represented as the active leader of the liberal wing of the Democratic Party in the Senate.

A fellow needs a good laugh now and then, and I thought that was so amusing, that I was being kidded. When I discovered I was not being kidded, but that some persons were very much disturbed about it, I asked, "How foolish can some people get?" I said, "I have nothing to do with the leadership of this fight." As I have said on the floor of the Senate, I am just a buck private in the rear ranks. I just do the graveyard shift. That has been my function. The great leader of this fight is the senior Senator from Alabama. I follow him.

To make a long story short, Mr. President, I was assured that the same amendment or the principle of the same amendment would be brought up by others, if I would withdraw it, and that in the interest of a frontal attack here in the Senate, it would be better if I withdrew the amendment. So I withdrew it.

It is interesting that I forewarned those who thought I should withdraw it that they would just walk into an argument that would result in my being criticized for withdrawing the amendment, after speaking on it for 8 hours. I certainly was criticized. But, Mr. President, if you will read in the RECORD my explanation of why I withdrew it, you will find that I said, in effect, that I was going to withdraw it because I was sure that with the passage of time in the Senate there would be a better chance to get the amendment considered on its merits, because it was perfectly obvious, as my advisers had told me, that the amendment was going to be laid on the table; and I also said I was going to withdraw it because I understood that several Senators on the Democratic side were contemplating offering the same amendment in principle. In fact, while I was making my speech in support of the amendment, one of them had come to me and had whispered to me that he did not know that I had such an amendment at the desk, and that he had one of a similar nature that he intended to submit.

I say that for the RECORD because I think it only fair and right that I say it. It is a statement of fact. But it is interesting that subsequently I was subjected to some criticism here on the floor of the Senate for withdrawing the amendment, even though I was trying to cooperate, trying to do teamwork, trying to be helpful. But that is all right. As I have said, my skin is thick; and I understand in debate, under tension and pressure and some ill feeling, sometimes harsh things that really are not meant are said. But even if they were meant, I am glad I withdrew the amendment, because good soldiership called for that course of action.

That was late Saturday morning or early Saturday afternoon; and on Saturday night we moved into the blitzkrieg. I thought we did a pretty good job holding our lines in the face of what almost amounted to a form of political mutiny. I thought we did pretty well. At least we prevented our being maneuvered into a position where we would have been unable to do the job that was done today.

Although I am perfectly willing to assume 100 percent responsibility for making the objection on Saturday night that really resulted in having this matter go over until today, with us in a parliamentary position to offer amendments and discuss them for the RECORD, it cannot be denied that if I had not objected, several other Senators would have objected. But you know, Mr. President, after you have been pretty badly cut up, anyway, and have received a lot of wounds, it does not make much difference if you receive another, so long as you keep another soldier fresh. So I made the objection; and as a result, Mr. President, we came here this morning and were in a position to conduct the kind of debate that has taken place.

I am glad to see the Senator from Minnesota here. I did not mention him, Mr. President, in my discussion. I want to make clear he was not one of the casualties. I am not going to mention all of those who agreed to stand firm. I did not mention the Senator from North Dakota [Mr. LANGER]. Let me tell you, Mr. President, there has been no wavering on his part. As he said this morning, "Put me down for 2 hours a day for as long as you need it."

He has never wavered from the beginning of this fight. But I thought, Mr. President, for the sake of an historic record, these comments about the background of this fight needed to be made. There is much misunderstanding about the situation. I am glad to have this opportunity to make this record because this whole chapter in the history of this session of Congress is going to be read, and it is going to be studied carefully by students 25 years from now. They are going to study it, in my judgment, as there have been theses written on the history of the Federal Reserve Act, because before the Senate is a bill, Mr. President, which will have more of an impact on the life of the American people, many, many times over, than the Federal Reserve Bank Act.

Over at the Library can be found a young library of writings on the history of the Federal Reserve Act. I want to help some doctor of philosophy candidate 25 years from tonight. I want to give him a little look behind the scenes. I want to tell him a little bit about the meeting in the District of Columbia room the other day, which I have described, and I want to tell him something about the meeting this morning.

We had quite a meeting this morning. That is where we discovered we had some casualties. We met to take stock of the situation. I want to say that there was complete agreement on some things. There was agreement that we are men and not mice, and that we are going to conduct ourselves as men and not mice; that we are not going to come down to the floor of the Senate and be subjected to a lot of parliamentary bludgeoning; we are not going to be told how long we are going to speak, and we are not going to be told when we are going to vote and when we are not going to vote. We are not going to be dictated to by anyone, so long as we have any protection under the rules. I think we did a pretty good job of demonstrating today that we do have some protection if we want to use it. That was one of the things that we agreed on this morning, and the agreement was unanimous.

This was a very frank meeting. It had some confessional aspects to it, too. But it was a good meeting. We agreed that there were some what we called major amendments. Although the press today has been talking about 4, there was no agreement on any number of amendments. There were various amendments mentioned as major amendments, but they were certainly not exclusive.

We were in agreement that we were not going to, in turn, agree to any unanimous-consent agreement on any amendment which we thought was of sufficient major importance, or any considerable number of our group thought was of sufficient importance, upon which to make a fight. It was agreed that a committee should be appointed to advise the leadership of the Senate of this fact.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. They did appoint such a committee. I understand that such information was relayed to the leadership of the Senate.

I yield only for a question.

Mr. HUMPHREY. Does the Senator recall that at the time of our meeting this morning we, as a group and as individuals, made it crystal clear that it was our desire to proceed with the consideration of the amendments as we are accustomed to do here in the Senate, to present whatever amendments we thought were necessary, to debate them for whatever period of time we thought was necessary to bring out the facts, and then proceed to get a vote?

Mr. MORSE. That is what we said we were of unanimous opinion about. We instructed our informing committee to so inform the leadership of the Senate.

Mr. HUMPHREY. Will the Senator yield for a further question?

Mr. MORSE. I yield only for a question.

Mr. HUMPHREY. The Senator recalls, does he not, that while we mentioned some 3, 4, or 5 key amendments at that particular meeting, several of the Senators who were present at that very fine meeting made it quite clear that they, too, had amendments in which they were interested, and that they were drafting some others in the light of the discussion on Saturday night of last week?

Mr. MORSE. The answer is "Yes."

Mr. HUMPHREY. Will the Senator yield for a further question?

Mr. MORSE. I yield only for a question.

Mr. HUMPHREY. Does the Senator recall that it was the unanimous view of every man in attendance at this meeting that if any effort was made to impose any amendment cloture, so to speak, by the unanimous consent procedure, upon these amendments, and to table them, we were resolved to fight this battle out, and to show by our actions that we would not be intimidated nor would we be cut off from legitimate discussion of an honorable amendment?

Mr. MORSE. I think I would answer that question by saying that I cannot recall anyone who took exception to that. But at the same time, I would not want here tonight to say that everyone at the meeting specifically agreed to that. Some of us, I think, and unquestionably many of us, made it very clear that that was our position. But there was certainly no vote taken on it. I think it would be fair to say that if there was anyone there who did not share that opinion, he did not express his disapproval.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Does the Senator recall last week, on Thursday, when the Senate had adopted the Johnson amendment and the Gillette amendment, and following that we had a meeting in the District of Columbia Committee room, to which the Senator has referred, that the understanding was that we would

proceed again with amendments in the normal order, not under the unanimous consent rule but in normal order? Does the Senator recall that we did do so, only to find that our processes were interrupted by the unanimous consent request?

Mr. MORSE. The answer is yes.

Mr. HUMPHREY. Will the Senator yield for a further question?

Mr. MORSE. I yield only for a question.

Mr. HUMPHREY. Does the Senator recall that we were making at least forward progress in this procedure until an amendment was called up by the junior Senator from Minnesota? At that time, I believe, one of our colleagues, and I think it was the senior Senator from Alabama [Mr. HILL], felt that in view of our discussion in the District of Columbia room he was under obligation to object to the unanimous-consent request?

Mr. MORSE. I recall that.

Mr. HUMPHREY. Will the Senator yield for a further question?

Mr. MORSE. I yield only for a question.

Mr. HUMPHREY. Does the Senator believe that had we been permitted to proceed in regular order, without the use, on the part of the majority leader, of the unanimous-consent request, tabling motions, and ultimately the cloture petition, we might very well have come to a decision on this bill?.

Mr. MORSE. That is my opinion.

When the Senator was not here I had gone into some detail, and I will not repeat myself unduly about it, about the District of Columbia meeting, and some of the statements made by that great statesman from Alabama [Mr. HILL] as to what those of us that were going into this for a fight to a finish had confronting us, and that it would be necessary to work out a schedule of speakers available at all times to the orders of the leader of the fight.

I pointed out that it was our hope that by this course of action we could persuade the leadership of the Senate that we ought to try to reach a composition of our differences over this bill, and that further we ran into difficulty about it. I went on to explain before the Senator arrived that I thought we would not have made the progress today if this group had not put up the valiant fight that it has put up, and its withstanding the kind of parliamentary procedure that the Senator from Minnesota is asking me about in his questions.

I think the RECORD is very clear concerning what we have accomplished. I would not be here tonight making this speech if we could have recessed until tomorrow, until 10 o'clock, a reasonable hour, when we would have gone into conference with our group, or those remaining in our group, to see what parliamentary course of action, if any, we want to take in the final disposition of this bill.

I have suggested in this speech that in my judgment the Senate would have saved time if it had accepted the suggestion that we recess until 10 o'clock in the morning, which would have given us a chance for conference.

The conference this morning, I think, was highly successful, as the events of the day have shown. I am inclined to think that one more day of debate of that type would have resulted in a bill which many feel they could vote for. I want to be very fair about it. I will never vote for this bill with the Dixon-Yates principle in it. If I did, I think I would let down the people of my State. I think I would let down the people of the Tennessee Valley. I would also let down the people of this country from the standpoint of their best interests. I think the Dixon-Yates principle means monopoly control of electric power generated through any atomic-energy process. But that is all right. I have voted against a good many other bills.

In fact, I think if we had followed orderly procedure this bill would have been disposed of several days ago. I think this cracking the whip over us with 24-hour sessions stirred up a lot of determination to oppose that kind of procedure. I think the bill would have been disposed of if we had never gone into that kind of procedure.

That is conjecture, however. Anybody else's conjecture is as good as mine. That happens to be my conjecture, and my honest belief. But be that as it may, there is no doubt about the fact, may I say to the Senator from Minnesota, that when we are confronted with cloture by majority rule, via laying amendments on the table without having an opportunity even to explain them, when there is something of such vital importance to the taxpayers of the United States as the one I offered here tonight, and an amendment that really comes out of the President's bill, and an amendment which, in my opinion, the President himself would have to approve of if he is going to stand by his own recommendations, through his Atomic Energy Commission, or the Joint Commission, the point is reached where there cannot be discussion. It is then necessary to resort to the parliamentary tactics to which I am resorting now in order to get a hearing; in order to apprise the American people of what is happening in the Senate. When the Senate reaches that parliamentary situation, it cannot save time.

I say good morning to my friend, the Senator from Maryland [Mr. BEALL], who has just assumed the chair. It is a pleasure to see him here.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. Is the Senator aware of the fact that the parliamentary procedure of tabling a motion on an amendment is looked upon in this body most frequently as being a very unusual, and by some, a nondemocratic method of considering legislation?

Mr. MORSE. I would answer the question by saying that it is not a common practice in the Senate. I have not had time to look into the precedents, and I would not have asked the Parliamentarian to check the precedents for me, because he is very much fatigued, and we cannot blame him, because he has to sit there alert all the time to watch the situation, but I doubt, Mr. President, that many precedents, if any, will be found comparable to the situation that has confronted us in this debate in regard to this practice of laying matters on the table, although it may be found to indicate that in past prolonged debates in the Senate some have resorted to that practice.

But when there was the willingness that was always existent during this debate to permit a vote, then it seems to me it was unfortunate that that parliamentary tactic was resorted to. The fact remains, Mr. President, that even before the all-night sessions were started there was a willingness to vote on amendments after debate, but the debate lasted longer than pleased the discretion of some of our colleagues.

Therefore, I respectfully say they yielded to the temptation of using their veto power. Of course, in a democracy, although I disapprove of the minority abusing the majority, I likewise disapprove of the majority abusing the minority. It becomes a matter of reasonable balance. We want time and it is a perfectly legitimate objective for the country to be heard from.

I may say to my friend from Minnesota that one of the causes of the urgings of more recent hours in this debate to get it over with is that Senators are hearing from the country. The Senator from Minnesota sat down here alongside me this afternoon—and I think he will agree that I quote him accurately when I state, that he said, "Wayne, let me see some of these communications you have been getting; I want to see how they compare with the ones I have been getting."

I handed the Senator from Minnesota the envelope containing a goodly number of those that did not violate the rules of the Senate, and a few that would have violated the rules if I had not used a pencil, but left the body of the message so that the intention of the sender was expressed in the parts of the message that did not violate the rules. I am sure the Senator from Minnesota will agree that I quote him accurately when I say he said to me, "This is wonderful material, Wayne, and I have many communications over in my office of a like sort, running overwhelmingly in support of the position that we are taking, and I am glad you let me see these, because it gives me reassurance that others are hearing from the country as I am hearing from the country."

So, I say, I think they have been hearing from the country. I think the people of the country are beginning to recognize that this is a fight to protect the best interests of the taxpayers. I am glad we made it.

I repeat—it is good to repeat, it needs to be said many times—that the people of this country would not get out of the Senate a bill as good as the one that they are going to get, and that leaves it in my opinion bad enough, if this group had not put up what I consider to be one of the most valiant fights I have seen in my 9 years in the Senate.

Now, I see the Senator still wants to interrupt, and I am glad to be interrupted by a question, if he cares to, but it is late—late, or early, however one looks at the clock—and I want him to be careful now to protect me.

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I know there is not much you can do, Mr. President, because under the rules I know what you will say when I plead with you to protect me. You are going to say, "You have to protect yourself." I just want the Presiding Officer to know my intention.

So I am yielding to my good friend from Minnesota——

The PRESIDING OFFICER. For a question only?

Mr. MORSE. For a question only, Mr. President.

Mr. HENDRICKSON. I was going to ask, Mr. President, for a question only?

Mr. MORSE. For a question only. I appreciate that help. I remember some years ago we were carrying on a prolonged debate here in the Senate and I had a delightful colleague over on the Democratic side of the aisle, but he was tired. It was about 4 o'clock in the morning. His auditory powers seemed to be slipping a bit, and I could see he was just getting himself in pretty bad shape.

So I went over and sat down next to him in the back row on the other side, and I would keep repeating the instructions he would have to give before he yielded, and then I walked back to the cloakroom and the next thing I knew he had slipped and they were all swarming on him. We had a big argument here in the Senate as to whether or not he had lost the floor because some colleague who was not on his side had started out with a couple of sentences that were in question form.

But the Chair finally ruled, after we got through that hassle, that he felt that the comments, very brief as they were, were necessary preparatory observations to the asking of a question. I thought he was exceedingly generous to my colleague, because, as the Parliamentarian told me afterward, the Chair did not need to extend that little gratuity to my colleague, which is what it really was. But it woke him up. From then until morning he did not have to be told that he could yield only for a question.

Now, I hope my friend from Minnesota will not think that anything I have been saying is at all applicable to him, because I know his friendly intentions, but I want him to be exceedingly careful as he interrupts me to make it very clear from the first word that it is a question.

I yield for a question.

The PRESIDING OFFICER. Does the Senator yield?

Mr. HUMPHREY. Does the Senator——

Mr. MORSE. That word "does" does it.

Mr. HUMPHREY. Does the Senator realize that the junior Senator from Minnesota is aware of this very potent rule pertaining to the use of a question in a situation like this?

Mr. MORSE. The Senator from Minnesota is a veteran fire fighter in this fire department of ours. He has been through the blazes, let me assure him. I know that he is well aware of it. But even when we are well aware of something, sometimes we slip.

Would the Senator like to have me yield for a question?

Mr. HUMPHREY. I would like to ask the Senator if he will yield for a question?

Mr. MORSE. I yield for a question only.

Mr. HUMPHREY. Does the Senator from Oregon believe that the Senate of the United States, through this compulsion of driving us into night sessions—all-night sessions—is adding any dignity to this body?

Mr. MORSE. I think it is causing a great deal of misunderstanding among people who do not fully appreciate the significance of the battle we are putting up for the taxpayers. I think it is unfortunate whenever the Senate is subjected to a misunderstanding on the part of the people, but I would prefer not to discuss it from the standpoint of criteria of dignity.

I think it is having the effect of making the people wonder what is going on and why it is going on. But I will answer the Senator by saying I do not think it is good for the Senate. I do not think it is good for the Senate in public reaction and esteem. I may be wrong about it, but I do not think I am. In my opinion it certainly should have been avoided.

Someone might say, "Well, after all, are you not partially responsible for the fact that it was not avoided?"

I suppose the answer would be yes, because of the fact that I belong to a group that said we are just not going to yield.

Mr. HENDRICKSON. Mr. President, I was going to ask the distinguished——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New Jersey?

Mr. MORSE. I will be very happy to yield for a question.

Mr. HENDRICKSON. I would ask the Senator from Oregon who was to blame and who is to blame?

Mr. MORSE. I would have to answer that by saying that I am going to let the people judge that, because I think, as participants, it is only natural, being human, that one would say to me, "Brother MORSE, you are to blame," and I would say to you, "Brother HENDRICKSON, you are to blame."

Mr. HENDRICKSON. Mr. President, I would like to have the Senator from Oregon to pin that blame on me if he can.

Mr. MORSE. Let us have a question, Mr. President.

I pin the blame on the Senator only to the extent, may I say, and I say it most respectfully, that as I recall through rollcall votes my friend from New Jersey has been voting to lay many amendments on the table. As I have said earlier during his absence, I think that is one of the primary reasons why this debate is continuing. I really believe that the debate would have been shorter if there had been no night sessions, if there had been no constant demand for the unanimous-consent agreements, and if there had been no moving to lay the amendments on the table without debate. That is my opinion. Many people, equally sincere, think otherwise, and that is all right with me. I am willing to let the record be judged.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. MORSE. For a question only.

Mr. HUMPHREY. I ask the Senator is it not the practice of the Senate that the hours of labor in these vineyards, that is, the agenda of the Senate, the legislative program of the Senate, and the period of time that we give to that legislative program each day, is more or less in the charge of the majority leader and those with whom he consults?

Mr. MORSE. That is what the RECORD will show; but in all fairness I would have to say there are exceptions. There have been other times of prolonged debate where we have gone through evening sessions, but I do not know—certainly not in my 9 years in the Senate—as frequently as we have during this debate. My answer to the Senator from Minnesota would be that it certainly is not the common practice.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. MORSE. For a question only.

Mr. HUMPHREY. Would it not have been possible this evening, or early morning, by a mere statement by the majority leader, for the Senate to have been in recess until tomorrow morning at a reasonable hour?

Mr. MORSE. Oh, yes. But let me say in fairness to the majority leader that he has been perfectly within his right in following the course of action he desired to pursue. He had the votes behind him to back him up. There is no doubt about that. Therefore, it was his discretion. I think he used it unwisely. I have a little hunch of what he is going to say when I meet him about 10 years from today. It is interesting what reflection does, it is interesting what the passage of time does, because even in the case of opponents in a debate like this, their opposition to each other in most instances, I think, is not deep in the heart. I just have a hunch that 10 years from now when I meet the majority leader he is most likely to say, "Well, I think I was unreasonably rough on you." He may not, but I think he will. But be that as it may, I surely think he is. There is no doubt about what I think about it. I think he has been unreasonably rough on all of us, keeping us in these all-night sessions, although other than for our unfortunate professional staff, I think he has been pretty kind here tonight. I imagine most of the owners of these vacant chairs in the Senate are enjoying some pleasant dreams now. We cannot tell. Maybe some of those fellows who 2 hours ago were obviously so agitated and tense, judging from what I could hear in conversation around me, are resting now, and I decided it best not to yield to anybody at that time. I would not be a bit surprised if some of them were saying, if they are not asleep already, "At least we are going to get a night's sleep out of it. He was not all bad. I do not think he is going to use any parliamentary tactics to get us out of bed around 3 or 4 o'clock in the morning."

I must tell my colleagues about one of them. He does not vote with me very often. In fact, I venture to say he does not vote with me 95 percent of the time. But we are good friends. He came up to me after I got started and said, "Tell me, may I go home and go to bed, or are you going to get me up around 3 or 4 o'clock in the morning?"

I said to him, "If I can keep this old tooth of mine from going through the top of my head, you may go on home and sleep. If I have to yield the floor, it will only be because I cannot take it."

Now, at 2:20 a. m., let me tell my colleagues that I can take it. So this good colleague is going to come in just as he did the other day.

I told him something similar the other day, that he could be sure he would get his night's sleep. He came in the next morning and he said, "I have got to say one thing about you. You always keep your word." And I am going to keep my word, subject to the one condition. In another hour and a half I am going to take a slug of codeine, and that will last me for about 4 hours. Then some other people will get here, and I hope with the freshness of the morning and the recognition on the part of the majority over on this side that God is still in the heavens, we will get some consideration of the few remaining amendments that are to be discussed on the merits in a final effort to further improve this bill, and then those of us who think that, so long as the Dixon-Yates principle is in the bill, the bill should be recommitted, and we will get a hearing on a motion to recommit.

Those so motivated will make their speeches on the bill, and I will make my second and last one. This is my first one, you know. Let me digress to say, Were they surprised about that? With all the speaking I have been doing, they just woke up to the fact I still have two speeches on the bill. And after laying my amendment on the table—and I heard the discussion, "It will not do him any good"—they forgot about these two speeches on the bill. This is the first one. There are many others who desire to make speeches on the bill. I hope so, because the bill ought to be fairly summarized at the end after we have exhausted all the amendments we are going to be able to have agreed to, although I have not given up hope of recommitting the bill. I know some on the Democratic side, and 1 or 2 on this side—perhaps there are more on this side, but I do not know—who think that we have pointed out enough shortcomings of this bill, and who realize, as I suggested this morning, the seriousness of the international situation and what it is developing into in recent days, so that they believe it would not be any great loss if there were postponement of legislation on the entire subject until the next session of Congress. We might even recommit this bill yet.

Let us assume, speaking hypothetically, that we do not. We will get through with the speeches on the bill. I do not think they will be unreasonable in length. But we will get through with it. Then we will vote. Was the fight worth while? I think so. I think it will be proved to have been worth while, because without it, I am convinced, just as I am that 2 plus 2 makes 4, that there would not have been the Gore amendment, there would not have been the Kerr amendment. I do not believe there would have been adopted any major amendment we attached to the bill, including some of those very excellent amendments the Senator from Minnesota [Mr. HUMPHREY] worked out and succeeded in getting adopted. I cannot ask the Senator from Minnesota [Mr. HUMPHREY] a question, and I do not ask him to open up his lips about this; but I hope he will tell me tomorrow in private conversation whether he thinks I am right or wrong. And if he thinks I am going to do him any injustice, then tomorrow, when he makes his speech on the bill, as I am sure he will, let him tell me whether I am right or wrong.

In my judgment the Senator would never have gotten the cooperation he received in working out an acceptance of his amendments if we had not made the fight we made on the bill. I can just about tell him what those in charge would have said to the Senator from Minnesota: "Go count your marbles." That is, figuratively speaking, what they would have said.

Mr. HUMPHREY. Would the Senator from Oregon yield for a question?

Mr. MORSE. For a question only.

Mr. HUMPHREY. Does the Senator notice I am nodding my head in an affirmative manner of assent?

Mr. MORSE. I knew you would because I lean over backwards to speak with accuracy. I cannot afford not to speak with accuracy. I do not have to tell the Senator from Minnesota that; he knows that. I must be very careful because if the Senator does not the Senator will have a fellow like my good friend from New Jersey find some rule that he can apply on a situation like this. That is his job. If I were occupying the stint that my friend from New Jersey is occupying on this graveyard shift tonight, I would do the same.

Mr. HENDRICKSON. Will the Senator from Oregon yield?

The PRESIDING OFFICER. Will the Senator from Oregon yield to the Senator from New Jersey?

Mr. MORSE. For one question only.

Mr. HENDRICKSON. The Senator from Oregon is occupying that same position.

Mr. MORSE. For one question only.

Mr. HENDRICKSON. I violated the rule.

Mr. MORSE. I know the Senator from New Jersey would not want to do that. I must be careful.

Now, Mr. President, I have taken some time to help those doctor of philosophy candidates who 25 years from now will write a thesis on the passage of the atomic-energy bill in the 83d Congress, by giving them a little account of what went on behind the scenes. I might be still kicking around then, and if I am, they might drop me a note of appreciation. But if I am not, I will take some consolation in the fact that, knowing these research students as I do, they will say, "Well, we are grateful to him for going into that rather long explanation on that night."

That was one of my purposes in saying what I have already said. Another was that I wanted my colleagues in the Senate to know some of the things we have gone through in the preparation for this discussion. I wanted the taxpayers of the Nation to know, because in my judgment we will not pass final judgment on the Atomic Energy bill when we come to pass it in the near future. That judgment is going to be even more prolonged than this debate. It will take time for the people to render that judgment, but they are going to render one. I am not the least bit worried about what the judgment will be. I think that public opinion in the long run is going to support my position.

Mr. President, I have received a little message from one of my very loyal and wonderful assistants. They have stood by me in this fight. In fact, the story of my office is that they are all much more worn out than I am, but that is not true. Between these two assistants who are still standing by tonight, I am sure one can carry out this instruction. What I want is a glass of lukewarm water and a cup of lukewarm tea, but if it is either hot or cold I cannot drink it.

Does the Senator from Minnesota want me to yield for a question?

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Does not the Senator from Oregon, in his marvelous efforts in interpreting and explaining this bill, take great courage and encouragement from the hundreds and hundreds of telegrams and letters and messages which both the Senator from Oregon and I have received?

Mr. MORSE. I would be less than human if I did not. I particularly appreciate, Mr. President, the messages I have received from my home State, because this is an issue in my home State. The people of my State know something about the public power yardstick. They know what it means to the economy of my State. The messages show me their understanding.

Last Saturday afternoon I was on the Youth Wants To Know program, which was broadcast not only over television Saturday, but over the radio yesterday. Part of that program was devoted to the present issue before the Senate. The responses I have received from my State have been tremendous. The people there understand the situation. I say to my friend from Minnesota I would be less than human if I did not appreciate the response, but I do not need to tell him—he has gone through the same kind of fire—that when one follows a liberal course of action in the Senate, such as he and I have followed, there are forces that do not send us roses.

However, I desire to say something about the roses I have been receiving. Three large bunches have come by wire so far. The one I have on now is out of a bunch of 2 dozen that came from Chicago, Ill. The wire that brought forth the roses said, "From 2 independent voters in Illinois," that is all. I do

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not know who they are. I know that there are a great many of them, though.

Mr. HENDRICKSON. Will the Senator yield?

Mr. MORSE. In just a moment. I got similar bouquets on two other occasions from other sources. Then my good friend from New Jersey got a little note that was intended for me the other day from one of the sweetest girls I think lives.

Mr. HENDRICKSON. It should be said that the note was on my desk.

Mr. MORSE. Mr. President, it was delivered to the Senator from New Jersey by mistake, although I think this very sweet girl would have been delighted to send the Senator from New Jersey the note, because he has been very nice to her. He has been very wonderful to her. In fact, I want to say that I appreciate the courtesies and the kindnesses he has extended to her.

I refer to what we call the second sister, the middle sister in my family, one of my daughters. She got me some of the roses, too.

Again I would be less than human if I did not appreciate the backing I have received from friends and relatives and families in this fight, because, although many will misunderstand, those who know one best and know the sincerity of his purpose when others doubt it are the ones who give him the strength to do what we are doing tonight.

The Senator from Minnesota is quite right, these letters and wires of encouragement do help us to make a fight and do convince us that it is worthwhile if we can get people to understand. That is a part of the educational process; it has to be done in politics. We have a responsibility over and above just sitting here in the Senate and trying to figure out, as I am afraid too many do too much of the time, how to be reelected. We have the responsibility of leadership while we are here. If being reelected stands in the way of exercising that leadership, forget about being reelected. Do what you think needs to be done for the long time, best interest of the country. That is why I have taken some pride in the fact I am not ever going to ask the question "What will the effect of this be on votes?" but instead "Is it right?"

Now let me hasten to say to the young student of politics who in a course of political science or philosophy wrestles away with that old hypothetical question we always throw out to them to sharpen their wits, "Do you have the responsibility of voting for what you think is right or what the people may want?" that question has been batted back and forth in intellectual baseball practices in college classroom after college classroom ever since this Republic came into being. Sincere people can disagree as to what the right answer is. I have an answer that satisfies my conscience. That is that if I think the affirmative proposition is in the public interest but public interest at the time is against the affirmative, I shall vote for the affirmative on the assumption that the public opinion would be for the affirmative if it had the same facts that caused me to reach the conclusion that the public interest is to be found on the affirmative side. That goes the same for the negative if that is the decision. That does not make one very popular at first blush with the constituents, but it is interesting to see what happens when they come to analyze that. After you put the question to them, "All right now, put yourself in my seat, what would you do? Would you sit there and vote for the negative just because the public is pressuring you with political pressure and political threats as to what they are going to do to you, that in the next election they are going to vote that way, or would you take the position that I am going to vote for what I think is right," I am going to tell them why I vote that way, and I say to them, "If that is not the kind of representation you want, if you want me to sit there and bend my knees to the temporary pressures of public opinion, that I think is not a lasting public opinion on an issue, then get somebody else to represent you, because I cannot serve that way." Of course, you have to have the kind of faith that I have in the ultimate judgment of people once they have the facts, and you have to be willing to be defeated, and you must be unafraid of defeat.

Now, I said these things long before I ever had the slightest intention of going into politics. I have discussed this old hypothetical question in the classroom and in student groups many times. I just have the feeling that democracy is not going to remain safe in America if the public ever comes to accept the notion that just because you are elected to public office you should sacrifice your conscience, you should cease to keep faith with your gift from Providence which is your conscience, as Burke said so eloquently so many years ago. Applying it to this bill I have an idea that maybe a month ago, because not much public thought had been given to it, when the press started carrying stories that the administration was about to send to the floor of the Senate an administration bill—and it is not the administration bill, in my opinion because last February the administration sent a draft of two bills through the Atomic Energy Commission to the joint committee, and I had them introduced in the RECORD a week ago last Saturday, but nevertheless the pending bill has been labeled by the press as the administration bill. When the press started to say that about a month ago I think the general reaction of public opinion was, "Well, that will go through all right, because that is a good bill, get that one out of the way and move on to something else." Then this debate situation developed.

I think it is probably true that the first reaction to us was probably a negative one and then gradually as more and more facts about this bill go out to the country, the average citizen said, "Well, what about this? I wonder, maybe this is not as good as I thought." Then thinking people started studying it and the wires and the letters which you have been receiving and which I have been receiving started to come in, which causes me to believe once again that the basic faith that I have in public opinion is justified. At least I am willing to take the consequences if it is not. I am willing to let it be one of the votes of mine in 1956. It will be a key vote as to whether I should or I should not be returned to the Senate. I hope my opposition makes it one of those key votes. Will I not have a lot of talk about it if they do? I will just use the record on that one to make a lot of speeches, and believe me they will be made, too. I want the people of my State to know this record just as I want them to know it on tidelands, just as I want them to know it on my defense of aid to education. I am glad to draw that issue in my State, this talk about the Hill amendment, the Fulbright amendment earmarking funds for education not being of real benefit to the school children of America because it does not call for appropriations. Why of course it does. It earmarks it. You have to get the policy established. If a future Congress wants to take the earmark away, let them take it away. We are not binding any future Congress. But if you have the policy established as a Federal policy that this shall be a reservoir of funds accumulating to the benefit of the school children of America, it does not diminish in any degree whatsoever our duty, until the fund is built up, to help some other sources to supply funds. There is nothing new in this principle. You would think we never earmarked funds.

Let me tell of another hole in the argument of the opposition to earmarking funds for education. Just earmarking them, it is said, does not give protection from Federal interference. I was a little amused earlier this evening to hear Bob Taft's position on aid to education quoted on the floor of the Senate. Well, I joined with Bob Taft, along with a good many other Senators in the Senate, in a Federal aid to education bill. We put a little principle in that bill that is the answer to all the scarecrowing arguments about Federal domination of education. What is the principle? It is that any Federal funds that go to the States shall be commingled with the State funds, and spent in accordance with the educational policies of the individual States.

How can you have Federal control of education under that principle? That is one of the biggest scarecrow arguments used in this whole Federal aid to education program.

What we need to have established first is the principle of aid to education. The earmarking of the funds, whether they are royalties from the oil lands or royalties from the atomic energy power, such as is contained in this bill, establishes the principle and places the obligation on a future Congress to either appropriate the money, ignore the principle or repeal the act.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. MORSE. I will in a moment. I have not completed my thought.

Mr. President, once you can get established, the principle I have just been discussing, what will happen? I think the chances are overwhelmingly in support of the conclusion that that battle having

been settled, future Congresses will appropriate the money, and they will insist on appropriating the money, under a blue print that will protect the States from any Federal control. The land grant colleges of this country do not suffer from any Federal control, but they have been getting Federal money for many, many years.

I now yield for a question.

Mr. HENDRICKSON. I would like to ask the distinguished Senator how he would apportion these funds?

Mr. MORSE. Not in accordance with the Hendrickson bill.

Mr. HENDRICKSON. Not in accordance with the Hendrickson amendment?

Mr. MORSE. That is right. The Senator will remember that I voted against that.

Mr. HENDRICKSON. I was not here that night, I regret to say.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. MORSE. For a question only.

Mr. HUMPHREY. Would the Senator agree with me that this atomic energy bill, an amendment to the McMahon Act or a revision thereof, might very well have slipped through the Congress with little or no public notice, or public understanding, had it not been for the debate which originated here in the Senate and which was pursued with diligence and with perseverance?

Mr. MORSE. I think so. But my distinguished colleague and myself should not be placed in the position where it will look as though we are slapping our own backs. However, I believe, in all modesty, we can take credit for an affirmative answer to the Senator's question. I think we certainly have slowed it up long enough for a thorough debate, with opportunity for public reaction. That was part of our purpose, and we have been very frank about it. We think it has been for a good purpose, because the changes in the bill show the effectiveness of our purpose.

Mr. HUMPHREY. Will the Senator yield for another question?

Mr. MORSE. I will yield only for a question.

Mr. HUMPHREY. Does the Senator find in this atomic energy bill, hidden in the language of the pending amendment, a reversal of the long-established public-power policy of this country?

Mr. MORSE. That is the Dixon-Yates contract principle. There are other weaknesses in the bill, but I would forego voting against the bill because of the other weaknesses as I think a very fair compromise is being worked out, save and except for the Dixon-Yates matter. As I said earlier tonight, I believe that undercuts the whole matter of a public-power yardstick, so vital to my State and my region, and I think of its economic effect on the country. That is why I could not possibly vote for the bill as long as that principle is retained in it. Does the Senator want me to yield for another question?

The PRESIDING OFFICER. The Senator can yield for a question only.

Mr. MORSE. I am making that very clear to the Senator from Minnesota [Mr. HUMPHREY].

I am sorry to see the junior Senator from Maryland leaving.

Mr. BEALL. I will be back.

Mr. MORSE. Does the Senator want me to yield for a further question?

Mr. HUMPHREY. Would the Senator from Oregon, in his generosity and kindly spirit, permit me to say at this hour that I shall be leaving him, but not for long?

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The Chair cannot hear the Senator.

Mr. HUMPHREY. Would the Senator from Oregon permit the Senator from Minnesota to inform him that he is about to leave the Chamber, foregoing this most fortunate opportunity to listen to the philosophy and the experience of the Senator from Oregon, and to wish him a good night, but an early return?

Mr. MORSE. I want the Senator from Minnesota to go and get a good night's rest, because I want to sit here tomorrow and listen to a rip-snorting speech by the Senator from Minnesota against the bill. By all means, go and get the rest. In fact, the Senator from New Jersey and myself, when the Senator from Minnesota leaves the Chamber, will be here by ourselves.

Does the Senator from Minnesota know what we could do if the Senator from New Jersey would cooperate with me? By unanimous consent we could recommit this bill.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Would the Senator from Oregon believe that running through my mind was a thought which must border upon some form of unethical conduct? I was just thinking that with the Senator from Oregon on the floor and the junior Senator from Minnesota on the floor, we had an overwhelming majority to recommit the pending bill.

Mr. MORSE. I can imagine how the Senator from Minnesota would think of that, yes. But I think it would be more historical, and of greater historical significance, if the Senator from New Jersey and myself would do that with the Senator from Minnesota off the floor. Of course, I do not expect it to be done.

The PRESIDING OFFICER. May the Chair remind the distinguished Senators that the Chair is not unmindful of the power that lies in this gavel.

Mr. MORSE. Nor am I, Mr. President.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. HUMPHREY. Would the Senator interpret the remarks of the Presiding Officer to be that we were nigh onto a quorum call?

Mr. MORSE. We would soon be on one if we asked for a unanimous-consent agreement, but I would not think of it. I would not think of it unless I could have a written assurance from the Presiding Officer that he would accept my request immediately.

This reminds me of an incident back in 1946, I believe. I remember I was on the floor of the Senate and the distinguished Senator from North Dakota [Mr. LANGER] was making a prolonged speech. He was entitled to a much larger audience than he had, but he ended up with the Senator from Washington [Mr. MAGNUSON] in the chair, the Senator from Oregon, then a freshman, in the back row, and that was all. There was not a Democrat present except the Senator from Washington, who was in the chair, the Senator from North Dakota having made it very clear that he was not going to yield to anyone for any purpose whatsoever.

I listened to him for quite some time. Finally I rose and asked the Senator from North Dakota if he would yield for a question. The Senator from North Dakota and myself are very close friends, but as he whirled on me on that occasion one would not think we were friends, because he, in a none-too-friendly fashion, at least, so interpreted by me, made clear to me that he was not yielding for any purpose. "But," I said, "if the Senator will hear me, and I think he will, will the Senator yield to me while I ask for unanimous consent for the immediate passage of the anti-poll-tax bill?" The Senator from North Dakota caught that quickly, and said, "I yield for that purpose." Every clerk in the Senate seemed to dive for the doors. I did not make myself clear to the Senator from Washington, and I had to repeat myself several times. He had to consult with the Parliamentarian. By that time the clerks found a wandering Democrat out in the corridors by the name of McFarland. As Senator McFarland said afterward, they pushed him through the door with instructions to yell, "I object." They explained to him that he did not have time to ask what he was objecting to.

He came in shouting, "I object." In no time after that Democrats were coming from every angle. I remember then the majority leader got me out into the cloakroom. The meaning of his language was as follows, but under the rules of the debate I cannot use his exact language, "What were you up to?" I said "I was up to the noble purpose of saving you a great deal of time in the Senate, because if we could have passed that by unanimous consent, there would have been much less time spent in debate."

The majority leader said, "You know," mentioning a certain person, "as much as I need the money, I would have given you $50 if so and so had been in the chair at the time you made that request." I judge I am not going to get any more cooperation from the Senator from New Jersey tonight than I got on that occasion. Think of the history we could write.

The PRESIDING OFFICER. The Chair would like to remind the distinguished Senator from Oregon that he will always get cooperation from the Chair under any circumstances.

Mr. MORSE. Yes; but not always the kind I want.

But just think of the history. With the Senator from New Jersey and I, and now with the Senator from Maryland here, think of the history which might be written. Of course, we would be glad to have the Senator from Minnesota remain, but it will be more difficult

for the Senator to be here. Think of the history the three of us could make if we, by unanimous consent, could recommit this bill and go home and go to bed. That would be quite a page in history.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Minnesota?

Mr. MORSE. I should think the temptation would appeal to the Senator from Maryland and the Senator from New Jersey. But, on the other hand, I can understand the parliamentary obligations. I am going to stop tempting the Senators to violate a parliamentary trust. I do not want to do that.

Does the Senator have a question?

Mr. HUMPRHEY. Will the Senator yield for a question?

Mr. MORSE. I yield for a question only.

The PRESIDING OFFICER. The Senator from Oregon yields for a question only.

Mr. HUMPHREY. Would the Senator be interested in the reactions that run through the body, soul, spirit, and mind of the junior Senator from Minnesota as he listens to this siren's call, this temptation, namely, to the effect that were it not for the discipline and the lessons learned at mother's knee, I might be sorely tempted?

Mr. MORSE. That is the question mark. Stop there. I can well imagine what the Senator is feeling in regard to this temptation. But it would be nice to play with that idea. We are not going to get anywhere with it.

The PRESIDING OFFICER. May the Chair remind the distinguished Senators that it is always within the power of the Senator who is presiding over this body—a Senator who is presiding—to note the absence of a quorum.

Mr. MORSE. Oh, surely.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. MORSE. But, Mr. President, you have to get me to yield for that purpose under the rules. I am not going to yield. Even the Senator in the Presiding Officer's chair cannot ask for a quorum unless the Senator who has the floor yields for the purpose. Even at 3 o'clock in the morning I can remember that rule.

Does the Senator from Minnesota have another question?

Mr. HUMPHREY. Yes.

Mr. MORSE. A question only.

Mr. HUMPHREY. If the Senator from Oregon were in the position now of the Senator from Minnesota, in view of the temptations that have been thrust out here in this colloquy and the statement of the Senator from Oregon——

Mr. MORSE. I would still go home and go to bed.

Mr. HUMPHREY. Would the Senator from Oregon not suggest that he would remove himself from this tempting circumstance and forthwith retire to his abode?

Mr. MORSE. By all means. I wish the Senator a fond good night and very pleasant dreams, and hope that he will return reinvigorated so that tomorrow he can make the kind of speech I know he can make, which we need for this record, explaining to the American people why the Dixon-Yates principle ought to be kicked out of this bill. Good night.

Now, Mr. President, I shall now refer to the power implications of the bill. I turn to a review of the progress of the campaign of private monopoly to dominate the American power industry. And here let me call attention to the fact that the private-utility lobbyist, Purcell L. Smith, openly claims credit for his achievements in the field. It will be recalled what he told the Washington correspondent of the Nashville Tennessean. In that remarkable interview he took credit for—

First. Keeping TVA appropriations to a reduced amount;

Second. House passage of the bill to turn Niagara Falls over to the private companies to which I have already referred;

Third. Reduced appropriations for Bonneville Power Administration, the Southwestern Power Administration, and the Southeastern Power Administration;

Fourth. Only one new start of a Federal power project; and

Fifth. Furthermore, long before and right up to the expiration of Mr. Gordon Clapp's term as Chairman of the Board of TVA, Mr. Purcell Smith was freely predicting in the press that Mr. Clapp would not be reappointed.

I now desire to welcome the new acting majority leader from Arizona just by incorporating by reference again the very sincere statements I made about him the other day. I am glad to see him here although I regret to lose my friend from New Jersey. I can see what he is going to do now. He is going to depart, I think. But he will be back, and I will be just as happy to see him return as I am sad to lose his company now, because there is something about numbers, not too many, but a few, that makes the intimacy of an occasion such as this more pleasant. But at the same time I think the Senator from New Jersey is entitled to some sleep, because he has been a conscientious attendant here on the Senate sessions ever since we started this interesting discussion, and I want the Senator from New Jersey to get some sleep.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. MORSE. For a question.

Mr. HENDRICKSON. By way of a question, I thank the distinguished Senator.

Mr. MORSE. Now, Mr. President, as I was saying, the new policy of abdication of Federal responsibility in the vital field of electric power, which came in almost with the advent of the new administration, was proclaimed in the report of the House Appropriations Committee on the Interior Department budget requests for the fiscal year 1954. It was set forth as an edict to guide future appropriation requests.

The Interior Department—

Said the committee—

should be concerned with only those functions or activities which private enterprise cannot or will not undertake.

The House Appropriations Committee declaration in favor of private power monopoly continued:

With respect to construction activities, essential and completely justified projects in the construction stage shall be carried to completion to avoid waste of Federal funds, but, wherever possible, private enterprise shall be taken into partnership to build, own, and operate that part of each project that can be handled by private ownership. * * * In all future projects or new starts, which include transmission lines, private enterprise shall be urged to take the initiative in constructing, owning, and operating such works before money is made available for Federal construction.

The committee recognizes that this policy cannot be put into operation in the fiscal year 1954, but all interested parties are urged to keep this policy in mind and to plan accordingly.

A careful review of the committee's action on this bill will clearly indicate its adherence to the policy it has adopted.

This declaration was immediately recognized by the rural electric cooperatives which have brought the blessings of electricity to 4½ million farms, by the more than 2,000 municipal electric systems, and by the organizations representing nearly 20 million farm and wage earners' families, as an attempt to reverse the long-established Federal power policy on generation, transmission, and preference rights to purchase power from Federal hydroelectric projects.

In an interchange on the Senate floor it was acknowledged that to the extent that "the House took the view that the obligation of the Government was concluded when it generated the power at the bus bar. The view is not in accord with the existing law."

Subsequently the Senate-House conferees on the Interior appropriation bill, in approving a reduced appropriation for the Southeast Power Administration continuing fund, struck a blow at the generation and transmission cooperatives, established to serve the rural electric cooperatives of Missouri and Oklahoma. According to the conference report:

None of the funds allowed are to be used for the purpose of implementing existing contracts with REA cooperatives which provide for the lease-purchase of transmission or generating facilities. The funds may be used only for the purchase of electric power and energy and the payment of wheeling service charges at rates and in amounts comparable to those paid in the Southwestern Power Administration area under existing contracts based only on the use value received with no additional allowance for purchase or lease of facilities. Such arrangements may be made with REA cooperatives in the area but no funds for this purpose are to be available after February 28, 1954.

I shall have more to say about this abrogation of a Federal contract with rural electric cooperatives later. Suffice it to say here that, in reliance on the good faith of their Federal Government, these rural electric cooperatives had borrowed tens of millions of dollars and invested them in facilities for the generation and transmission of electricity. Those facilities would have been integrated into the Federal Southwestern Power Administration system, firming up the hydropower from Federal

dams and assuring a combined public and cooperative system providing low-cost power supply to municipal and cooperative electric systems.

With that language, the Federal Government repudiated its part in the arrangement and left the cooperatives facing bankruptcy. But it served the private utilities perfectly.

Democratic Senators asked whether the conferees' action would not put the cooperatives in an impossible position. The reply was that the private companies in the region were quite ready to make deals for taking over the generation and transmission facilities which the cooperatives had set up to assure economical power supplies for their members.

The practical effects of the shift in Federal power policy, which came in with the new administration, became rapidly apparent.

Appropriations for new Federal hydroelectric projects in the Columbia, Missouri, and other river basins which had been planned to meet the expanding needs of rural electric cooperatives, municipal electric systems, and regional industrial expansion were not proposed or made.

Construction of the Table Rock project in the White River, Mo. and Ark., promised as a needed source of power supply for the rural electric cooperatives of Missouri, Oklahoma, and Arkansas when the power from the 160,000 kilowatt Bull Shoals project on the same river was diverted to aluminum production, was held up for almost a year.

Appropriations for transmission lines to carry electricity from the Federal Clark Hill flood control and power project on the Savannah River to the splendid rural electric cooperatives in Georgia were not made. This established the foundation for the repudiation of the preference provision which the Interior Department is trying to put over in collaboration with the Georgia Power Co. The Georgia Power Co. is a part of the Southern Co. group that is in on the administration-directed deal to substitute private for public power supply to meet the growing needs of the TVA system.

Appropriations for transmission lines in the Missouri Basin, necessary to assume low-cost power supply to rural electric cooperatives and municipalities in Minnesota, Iowa, Nebraska, the Dakotas, Montana, and Colorado, were not made as needed. That laid the foundations for the new power marketing criteria for the basin, annuonced later in the year by the Department of the Interior, cutting the ground from under a sound application of the preference principle.

Next, the Secretary of the Interior cleared the way for turning over the splendid Hells Canyon project site in the Snake River, Idaho, to the Idaho Power Co. The company proposes partial development sacrificing nearly 3 million acre-feet of vital upstream storage and about half a million kilowatts of electric generating capacity in the Columbia Basin. Although both the Corps of Engineers and the Bureau of Reclamation had agreed that the big Federal project was an essential part of the comprehensive plan for the Columbia River Basin, Secretary McKay withdrew the Department's opposition to a Federal Power Commission license and the Commission promptly ordered the hearings to go forward, after years of company requested delay.

And here let me pause in my catalog of administration blows at the Federal power program, to say that it was only the fact that the people of the Northwest, through their National Hells Canyon Association, picked up the case before the Federal Power Commission from scratch that the public interest in this magnificent resource had even a hearing. Public power systems rural-electric cooperatives, labor and farm organizations and local citizens' organizations all joined to make a desperate attempt to save Hells Canyon.

The Secretary followed withdrawal from further support of a Federal Hells Canyon development with a parallel withdrawal of Interior Department opposition to the Federal Power Commission order turning over the upper Kings River development in the Central Valley—California—to the Pacific Gas & Electric Co.

I should like to give a little instruction to my assistant by way of digression, Mr. President. The Hershey bar is too sweet for the tooth. Would he get me, for food purposes, a glass, not of warm milk but of milk with the chill taken off of it?

Next to the Consolidated Edison Co., serving metropolitan New York, Pacific Gas & Electric in California, has the largest income of any electric utility in the United States.

Here is a case in which the very possibility of power development had been opened up by large Federal investment in the Pine Flat reregulating project on the lower Kings River, in which Bureau of Reclamation development would make a large contribution to irrigation and contribute to lower electric rates. Here is a case which had first been decided against the company on its application for a license and in favor of Federal development. The Commission reversed itself, however, and decided to give the site to the company. And yet the Secretary of the Interior, under the present administration, decided not to carry on a court test of the decision and let Pacific Gas & Electric Co. grab the resource.

Since then there have been rumors of negotiations for turning over the entire Federal Central Valley project to the State of California, which would give the power to Pacific Gas & Electric on its own terms. The president of the company is reported to have told the Hoover Commission Task Force on Water Resources that his company is ready and eager to take over the Federal hydroelectric system, with its Shasta, Keswick, and Folsom hydroelectric developments and its transmission lines.

Then, in August 1953, after Congress had adjourned, the Department of the Interior, with the much publicized approval of President Eisenhower, proclaimed its new power policy. This new power policy, if carried out, would sound the death knell of the comprehensive multipurpose river-basin programs which have been making such a contribution to the well-rounded development of many of our regions. One of the important, but little noticed, effects of this policy announcement will be found in the fact that it practically served notice to the Federal Power Commission to go ahead with the licensing of private companies without fear that its actions would be in conflict with Federal plans.

Sugarcoated with phrases from the power policy which it was displacing, this new declaration rounded out the earlier pronouncement of the House Appropriations Committee to dictate a reversal of power policy as drastic as if the final action of the 1st session of the 83d Congress had been to repeal the power legislation of more than a generation.

The first major change announced by the declaration is found in the assertion that "the primary responsibility for supplying the power needs of an area rests with the people locally." The declaration stated further that the Republican administration would not oppose "the construction of facilities which local interests are willing and able to provide in accordance with the licenses and controls of the Federal Power Commission or other regulatory bodies."

This, in effect, repealed the principle on which previous administrations have gone forward with integrated river-basin programs, financed by the Government, with local public and cooperative electric systems entitled to first claim on low-cost Government power supply and so equipped to provide the healthy force of competition in a vital industry otherwise dominated by monopoly. These programs also enabled local irrigation districts to develop new agricultural areas through small family farms free from the exploitation of speculative land interests or a trend toward great private collective farms.

Through these programs the Federal Government truly served local interests, opening the way to a real local responsibility for power supply and improvement in the economy of many areas. It was a program of true Federal partnership with the local institutions of democracy.

The new power policy meant a deliberate shift of that partnership from local institutions to absentee-owned private corporations. If this shift continues unchecked, it will mean the rearing of a gigantic power monopoly which will threaten the very life of our democracy.

The pronouncement opened the way to private domination of the development of our atomic energy, as well as our waterpower resources for the simple reason that modern power supply is not a local responsibility. The days are long past when a single local generating station serving a small or medium-sized power market is economical. We have moved into a period in which low-cost power supply requires regional transmission systems based upon great steam electric stations linked together with hydroelectric plants using available water resources in such a way that they make the best contribution to the entire system.

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When the Federal Government steps out of the power-supply picture, and leaves it to other interests, the ball cannot be picked up by local rural electric cooperatives or municipally owned electric systems. They cannot undertake the great projects or the great transmission systems that make modern low-cost power possible. Under Secretary of the Interior Ralph Tudor defined one of the objectives of this policy—you take the Government out of business—meaning the power business, when that is done the field is left clear to the great private power monopolies to take over.

The second major change in the Nation's power policy, declared by this administration power statement, concerned the preference which Federal power law since 1906 has granted to public and cooperative systems seeking power supply from Federal hydroelectric developments. The new policy statement indicated that the Department of the Interior would continue to recognize this preference, but continued:

> It will be the policy of the Department to dispose of power, remaining after provision for existing preference customers, to privately owned public utilities serving domestic and rural customers in the areas.

The Electrical World, trade journal of the electrical industry, interpreted this to mean that the Department of the Interior would no longer supply the expanding demands of preference customers but would make long-time contracts with electric companies for sale of the power over and above the immediate needs of these customers.

This was indeed a major change in Federal power policy, the effects of which the rural electric cooperatives in the Missouri River Basin were soon to feel in the new marketing criteria which the Department of the Interior was to announce.

To understand the significance of the change we must contrast this new Republican declaration of power policy with the preceding one issued by the Secretary of the Interior, Harold L. Ickes, in January 1946.

Secretary Ickes directed that active assistance be given to the organization of public agencies and cooperatives in each project area. He further directed that no contracts be made that operate to foreclose public agencies and cooperatives from obtaining power from the Government projects and that contracts with private companies be limited in time and "contain provisions for the cancellation or modification by the Government as necessary to insure preference to public agencies and cooperatives."

There was a great public purpose behind that policy. Quite aside from its recognition that Federal power law was dealing with public resources to the values of which the people's community institutions had the first right, it involved frank recognition of that fact that local public or cooperative distribution of power served as the only truly effective check on private power monopoly. It recognized that the ready availability of such public or cooperative competition had proved effective in bringing down electric rates and encouraging wider use of electricity where the ordinary processes of utility regulation had failed.

This Ickes policy also recognized that such public competition, based on the principle of local autonomy in the field of power supply, is only possible today if the Federal Government takes the responsibility for low-cost wholesale power supply on a regional basis, with assurance that public and cooperative systems will get enough to meet their expanding needs.

The New Look which the Eisenhower administration has given to Federal power policy represents a complete reversal of that approach. It means that communities which choose public or cooperative distribution of power, whether that choice was exercised a couple of generations ago, or yesterday, or is going to be exercised tomorrow, will no longer be able to look to Federal power supply to meet their expanding needs. These truly local interests will be dependent for their power supply either on high-cost power from competing private systems or perhaps even higher-cost power from their own small uneconomical local generating stations.

The field will be left clear for the great private power systems, to close in and take over. Local responsibility for power supply will be increasingly superseded by absentee-owned-and-controlled corporations with their influence on local and State politics.

This new proclamation goes further to strike a blow at the policy of encouraging regional industrial development based on the attractiveness of low-cost power. It struck down important controls which are essential to the maintenance of rate yardsticks.

The Electrical World had no doubt as to the effect of this policy. Pointing out that the Department of the Interior statement expressly denied Federal responsibility for meeting the electric power needs of an area, it said:

"If such a policy is applied to TVA, its expansion would fall by the wayside."

The nationally-organized private power industry, which won the election, is on the march to gather in the spoils. Comprehensive multipurpose river-basin programs and the right of American communities to choose public or cooperative power will be crushed under the juggernaut unless that march is stopped.

This magna charta of the private power companies in their drive to destroy the people's power policy was issued with an announcement by Under Secretary of the Interior Tudor that it had the "full approval" of President Eisenhower. Tudor asserted that henceforth the Federal Government would act as a "partner" with private enterprise and State and local communities.

But administration officials almost gloated over the fact that this new policy was meant to reverse the trend under which Presidents Franklin D. Roosevelt and Harry Truman had pushed public power policies which provided for a real partnership with communities owning their electric systems, thus bringing cheap power to the entire Nation.

Phrases like "stopping the Government invasion of the private utilities power field" gave away the real purpose of this proclamation. From his vacation retreat in Colorado, the President hailed the new policy as being "in the best interests of the people of the United States."

President Eisenhower commented further:

> This policy is in accord with the principle that the United States and local communities, private citizens, and the Federal Government itself should cooperate in an effort actively to encourage the development of the natural resources of the country.

Now that is a mighty good principle, but I would like to know whether there has ever been a finer example of that kind of cooperation, directed at the full use of the resources of a region to build up the region and so build up our great country, than is found in the TVA, or in the Bonneville Administration, or in the other great river basins where in various degrees the Federal river basin programs have been going forward?

Those programs embodied the real American concept of progress in which the Federal Government as partner provided only those services which the local people could not perform as well or could not perform at all by themselves. Never have the people found any programs so well calculated to foster and stimulate and support a healthy flowering of private enterprise throughout the country.

Backward peoples throughout the world were flocking to our shores to learn how to follow our pattern in making river-basin development an important key to achieving a higher and better civilization.

And then along comes this Republican administration and knocks out the key to the arch. In mild words, the statement of new power policy announced by Undersecretary Tudor declares that the Government "does not assume it has the exclusive right or responsibility" for power development and that it will "encourage" other public and private interests to build the hydroelectric developments in the people's streams. Tudor told the press that the new program actually carries out the policy first expressed in the Department of the Interior's handling of the Hells Canyon project in Idaho and Oregon.

The Under Secretary thus gave away the whole "double deal."

As I have already shown in my earlier remarks, the Hells Canyon example involves nothing more nor less than an abandonment by the Federal Government of one of the greatest multipurpose river basin projects in the entire Columbia Basin program. This abandonment is in favor of the Idaho Power Co.'s plan for partial development of the stretch of the river, involving the sacrifice forever of the full water storage and power potentialities of that portion of the Columbia River system.

There is no question as to what the people, the local people of the Pacific Northwest, really want. Through their local organizations, public power, farmer, and wage earner, they are making it clear that they want the Federal Government to go forward with the comprehensive Columbia River Basin program. But the new power policy turned them

down in favor of a private power monopoly which is linked with a group of private power monopolies out to dominate a region, including the States of Washington, Oregon, Idaho, Montana, Wyoming, and Utah.

Yes, the new power policy, proclaimed with such a flourish by the administration, is just another part of the greatest giveaway program which has ever hit the people of the United States, designed to add the giveaway of the people's hydroelectric resources to the giveaway of tidelands oil.

Tidelands oil represents a giveaway of billions of barrels of one of our great energy resources. But the hydro giveaway will be many times greater. And it will mean something far more serious to our democracy. For it will mean fostering a kind of private corporate socialism reaching into every activity of the people.

But, as I shall point out subsequently, this proposed giveaway of our hydroelectric resources will prove just a drop in the bucket when compared with the giveaway of our atomic-energy resources now proposed in the bill reported by the Joint Committee on Atomic Energy.

The statement of policy was couched in language implying that the New Deal power policy assumed the Government has the exclusive right or responsibility for power development.

This implication grossly misrepresents the true facts, and is part of the propaganda line of the private utilities which would lead the people to believe that their real enemy is a Federal monopoly in the field of power. Nothing could be further from the fact. During the last 20 years Federal participation in the Nation's power supply has become not more than one-tenth of the total. Local public-power capacity, owned and operated by municipalities, public power districts, and rural electric cooperatives, has increased at nearly the same rate. And the Federal Government, time after time, has sanctioned private development in the field of waterpower.

What the power policy of the Nation did mean, down to the advent of the Republican administration, was that the integrity of river-basin programs would be maintained by Federal development of the key water resources projects, in order that the people may get the full values out of their streams and that the Federal Government assume responsibility for providing community power systems with modern power supply at costs in line with the requirements of the modern power age.

This meant neither more nor less than a continuation of the time-honored American system in which the undertaking of the power-supply business on a public or cooperative basis is always open to any American community. Later, I will discuss what this has meant to the entire people in lower electric rates and expanded use of electricity. I will also touch briefly on the importance of this to the future of our civilization.

ADMINISTRATIVE REPEAL OF PREFERENCE

Meanwhile, I will resume my examination of the rolling attack on the people's power policy, with its arch design to substitute private monopoly for public or cooperative competition.

Following the August 18 power-policy proclamation, the attack rolled into the Missouri River Basin.

The attack took the form of the Department of the Interior announcement of new "Missouri River Basin Marketing Criteria," which were surely the mildest sounding words ever directed straight at the heart of the preference provision of Federal power law with its provisions for meeting the needs of public and cooperative electric systems.

I digress long enough, Mr. President, to say that if it had not been for the alertness, the foresight, and the statesmanship of that great Senator from North Dakota [Mr. LANGER] they might have gotten by with it. But the Senator was wise to them. The Senator from North Dakota soon had hearings scheduled by the Antimonopoly Subcommittee of the Committee on the Judiciary. He smoked the Department of the Interior right out into the open. He started pointing out what they were up to with the so-called innocent-sounding Missouri River Basin criteria. He pointed out that each one of those criteria was a dagger aimed at the heart of the whole public power program. Once the public started to react, the Department of the Interior started shifting its position, backtracking, qualifying. Although the final result still is not good, it is so much better than it would have been if the distinguished Senator from North Dakota had not been on the job that I figuratively salute him tonight as one of the great defenders of the public power yardstick of the Federal power policy.

Every REA, every farm cooperative, every municipally owned system, every public body in the whole Missouri Valley owes the distinguished Senator from North Dakota a great debt of gratitude.

It shows, Mr. President, what public disclosure will do. There is no substitute, in an operating democracy, for public disclosure. It is the greatest check the people have on malfeasance, inefficiency, and mismanagement of government. The Senator from North Dakota in those hearings did a remarkably fine job, and he is still doing a grand job in this whole field of antimonopoly investigation.

As I indicated the other night, I think it is most unfortunate that the Senate of the United States has not seen fit to give the Senator from North Dakota and his exceedingly able legal assistant, Mr. Davis, the appropriation they need. Mr. Davis, with his brilliant record in the Antitrust Division of the Department of Justice, his teaching experience at the University of Chicago, his great knowledge of the whole field of antimonopoly study, is doing a great job for the Senate of the United States and the people of the United States on practically a voluntary basis, on the personal office staff of the Senator from North Dakota.

But let the record be perfectly clear. The reason why the committee cannot conduct a much-needed, full-scale investigation of monopolistic activities in this country today, not only in the power field, but in other fields as well, is because the Senate of the United States has not seen fit to authorize an appropriation of the small amount of $75,000 for such an investigation.

I say a small amount, Mr. President, because it is peanuts compared with amounts that have been appropriated for other alleged investigations by Senate committees which, in my judgment, have not produced, and never will produce, any benefits for the American people, the kind of a thoroughgoing investigation that Senator LANGER'S subcommittee of the Committee on the Judiciary, under the professional direction of Mr. Davis, would conduct if we gave him the funds.

What are we afraid of? What is there to be afraid of? Who is afraid of what? Does anybody want to argue that the antitrust laws of this country should not be subjected periodically to surveillance? Does anyone suggest that the Congress of the United States does not owe to the American people a clear duty to periodically look into the operation of monopolies?

Let me tell what the monopolies do, Mr. President. Let me tell what these business combines do. Let me tell why it is so important to have the kind of investigation that Senator LANGER is proposing and for which he is asking the small amount of $75,000.

These big businesses, these big outfits, get together, enter into subrosa understandings, and sometimes they are not so subrosa, but they do enter into subrosa understandings, and secret agreements which are definitely in violation of the antitrust laws.

The Government cracks down, or starts talking about cracking down. Then they will run for cover. They lie low, as we say, for a while. They wait until the storm has subsided and they do a few other things, too, if they can get by with them. They bring a lot of political pressure to call off an investigation. They weep crocodile tears and plead that they were innocent of intent although guilty of action—they will not do it again—just give them another chance.

It will even be found in those instances sometimes that Government officials, including some politicians in elective offices, are interested in their behalf, with the result that frequently, and too frequently, the prosecution is dropped or delayed, postponed and delayed some more, until half of the witnesses are dead or have disappeared, and the law-enforcement or prosecution comes to naught; or they may go through the prosecution, and then, surprisingly enough, pay a fine. It is so small in comparison with the money which they have exploited from the people of the country as a result of their antitrust law violations that they are way ahead, even after they pay the fine, by huge sums of money. They are not hurt financially.

Of course, most of them are so asocial in their attitude toward the public anyway that they are pretty thickskinned to the disgrace of a conviction. They might be subject to some incarceration, but few of them are seldom, if ever, incarcerated. If they are, the record is pretty clear that ordinarily the terms are not very long and they seem to have

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the habit of getting out after a short period of time.

So congressional action is needed. Congressional investigations are needed periodically. For the antitrust laws to really be effective, we have to keep the antitrust birds off the perch. We have to keep them on the wing. Do not let them settle long enough to really pick to pieces the interests of the American people and the economic rights of the American people.

The kind of investigation the Senator from North Dakota [Mr. LANGER] is asking for is the kind of surveillance which I think we have a duty in the Senate to conduct periodically. We have not had a good antitrust investigation for a long time. The cartelists and monopolists are getting pretty cocky. They seem to think, particularly under this administration, that the sky is the limit. I do not think we ought to give them any encouragement in the Senate. I think we ought to give the Senator from North Dakota the money he needs for the investigation and turn him loose on them. They will know they have been investigated before he gets through with them.

Again, Mr. President, I salute the Senator from North Dakota for the magnificent job he has done with the very little support he has had. He has some of them worried even at that. I want his committee to be adequately financed so that the committee can really "go to town," to use a colloquialism, and conduct such an investigation as will put the violators of the antitrust laws on the run. I think they are legion in this country today, and they are brazen. There are many combinations in restraint of trade. There is a great deal of price fixing. It takes forms other than price fixing, too, Mr. President. I think to some extent there is voluntary reduction in production by intercompany agreement to keep the price up. But so far as the stockholders are concerned, they can make just as much money out of a high price and a lower production in certain fields where the goods are needed anyway and are most likely to be bought as they can with 100-percent-capacity production at a lower price.

We make the mistake of assuming it to be true that in each and every industry the mass-production principle is the surest guarantee for maximum profits. Mr. President, whenever companies within an industry that pretty much have a corner on production anyway start getting together in various combinations in the operation of their business on a semimonopolistic basis, with the result that the public pays an unfair price directly because of the combination or the conspiracy, we had better go to work in the Senate. Mr. President, I say that because the people have the right to look to us to make the generally accepted policy of checking violations of the antitrust laws a reality. We are not doing it. Let us be frank with ourselves, let us be honest with ourselves, we are not doing it.

I offer my proof. My proof is that here is the subcommittee of the Judiciary Committee, headed by the chairman of the full committee, and asking for months now for a small appropriation of $75,000 to find out if it is true—and believe me, he would find that it to be true—if the American people are being taken advantage of by monopolistic combinations in restraint of trade. The Senate buried the request in the Rules and Administration Committee where it sleeps, but not restfully.

I say let us give the Senator from North Dakota the money to use during the interim between this Congress and the next so that he can be in a position to make a report to the Senate in January.

(Mr. KUCHEL assumed the chair as the Presiding Officer.)

Mr. MORSE. I am sorry to see my friend from Maryland leave me. It is not very early yet. It is only 10 minutes after 4. The Senator from Maryland has been out later than this on many a night.

Mr. BEALL. Mr. President, will the Senator yield for an answer to that question?

Mr. MORSE. I cannot yield for the Senator to answer. I can yield for a question only. I merely want to express to the Senator my deep sense of personal loss to see the Senator from Maryland leave the chair.

Mr. BEALL. May I ask, Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question. Remember, Mr. President, I am yielding for a question only.

The PRESIDING OFFICER. The Senator from Oregon yields for the purpose of a question from the Senator from Maryland.

Mr. MORSE . That is right, Mr. President.

Mr. BEALL. Has the Senator from Oregon ever had more fun at 4 o'clock in the morning than he is having this morning?

Mr. MORSE. Maybe a few times.

Mr. BEALL. I want to tell the Senator from Oregon that in Baltimore we have a lot more fun than we are having here at the present time.

Mr. MORSE. I should like to join the Senator from Maryland some time at 4 o'clock in the morning under other circumstances than this, but I think the Senator from Maryland is letting me down.

He and I served on the Senate Committee on the District of Columbia together, that great committee of the Senate, that "aldermen's committee of the Senate." The Senator and I served on that committee and we worked together congenially, and I have never let the Senator down on that committee. I have gone to meetings at which the Senator presided at the most inconvenient times for me.

Mr. BEALL. The Public Works Committee, too.

Mr. MORSE. I have been there. The Senator from Maryland and I have had these long sessions in the Public Works Committee, because the Senator and I are equal on committee assignments in the Senate. There are not many in the Senate that I am equal with in that respect. But the Senator and I are equal. And now to think that, with equal committee status, the Senator would walk out on me kind of makes me feel sad.

On the other hand, I want to be fair. I am thankful for very little things. I am thankful that I have had the pleasure of the Senator's company here for quite some time now. That support I am not going to forget.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. MORSE. For a question?

Mr. BEALL. A question; yes.

Mr. MORSE. I yield.

Mr. BEALL. Has the Senator ever read the Taft Story?

Mr. MORSE. Oh, yes.

Mr. BEALL. I should like to say to the Senator that I enjoyed reading it tonight.

Mr. MORSE. I am not yielding for a comment, Mr. President. I am only yielding for a question. I know what is the good spirit and intention of my friend from Maryland. I am glad that at long last he is getting to that story, because it will help him understand some of the reasons for my resignation from the Republican Party. I am glad he is getting to it at long last.

Now, as I was saying, Mr. President, even though I am going to lose the comradeship—although he will be back—of my friend from Maryland, I hope before the session is over that the Senator from Maryland will join with me in trying to get the Senator from North Dakota [Mr. LANGER] some money for an antimonopoly investigation. Of course, I cannot permit him to comment on that suggestion.

Mr. BEALL. Will the Senator yield for a question?

Mr. MORSE. Only for a question.

Mr. BEALL. Does the Senator mean this session, or which session?

Mr. MORSE. I mean this session.

Mr. BEALL. Will the Senator yield for another question?

Mr. MORSE. For a question; yes.

Mr. BEALL. When does the Senator propose, as the leader of the Independent Party, to permit this session of Congress to adjourn?

Mr. MORSE. That is an undetermined matter as yet.

Mr. BEALL. I should like to ask——

Mr. MORSE. Only a question.

Mr. BEALL. I am trying to ask questions.

Mr. MORSE. I think the Senator is doing very well, too.

Mr. BEALL. I just wondered——

Mr. MORSE. Start with "would" or "does." In other words, "would I," or "do I."

Mr. BEALL. I do not mean by using the first person——

Mr. MORSE. Give me a question.

Mr. BEALL. With respect to the leader of the Independent Party——

Mr. MORSE. I do not yield for that, Mr. President. The Senator from Maryland has not started with a question.

The PRESIDING OFFICER. Does the Senator from Oregon yield for a question?

Mr. MORSE. If it begins with the word "Does," yes.

Mr. BEALL. Does the leader of the Independent Party have any idea in just

which part of the year he is going to permit the Congress to adjourn?

Mr. MORSE. Before I answer the question, let me tell the Senator how grateful I am he did not put a period after the word "idea." I thought he was going to ask me the question, "Do I have an idea," and then he paused and added "what time of the year I am going to let the Congress adjourn."

Mr. BEALL. I was thinking——

Mr. MORSE. I cannot yield to what the Senator is thinking about. I can only yield for a question.

The PRESIDING OFFICER. The Senator declines to yield except for a question.

Mr. MORSE. I know what the Senator has in mind, and let me answer it. I do not think it is going to be so long. I think tomorrow we will consider some more amendments.

I am hopeful after a nice sleep and due reflection my colleagues will, by unanimous consent, withdraw their action on tabling my amendment and permit of an answer to the rather long argument I made in support of my amendment tonight, and then vote on that. I understand there are a few more amendments over on the other side. I have one more. Then I expect to be through with the amendments.

As was suggested earlier in a very pleasant vein, we have some speeches on the bill. I hope there will be speeches for it as well as against it. Then we will have a motion to recommit. I think we will have the final vote after that. I do not think that is going to take very long. It is just impossible for me to give the Senator from Maryland an estimate, but I do not think it will be very long. I am sure it will be before the week is up.

Mr. BEALL. Does the Senator mean adjournment?

Mr. MORSE. I mean to pass this bill or reject it.

Mr. BEALL. Is it a fact that the members of the other two parties who want to adjourn—we have three parties—would like to adjourn sine die?

Mr. MORSE. I think there is a division of opinion among the membership. I would not say that it was unanimous if the Senator means July 31. Some Senators feel that we ought to work into August in behalf of the people. Others think it would be better to adjourn and let a lot of business go unfinished, and then come back maybe for a special session after the election or wait until January. Of course, I cannot speak for them, but I want to say to the Senator from Maryland that if I were a betting man, which I am not, I would venture that we will be out of here by August 15. That would be my best guess tonight, subject to a change of opinion in light of future developments.

Is there a question the Senator from Maryland would like to ask?

Mr. BEALL. Does the leadership of the Independent Party object to the Senator from Maryland going home August 15 and trying to get a little sleep?

Mr. MORSE. I think it would be very wise. All joshing aside, I wish the Senator a very pleasant rest. I will look forward to his return. I always look forward to my comradeship with the Senator from Maryland, although we disagree on many, many things. We have never disagreed personally.

I remember some years ago I visited the Senator's home town.

Mr. BEALL. The Senator from Oregon was in the Republican Party then.

Mr. MORSE. I was in the Republican Party then. I remember a most delightful time I had at the home of the Senator from Maryland. The Senator has been equally gracious to me and on every occasion since. Even though we have had a parting of the political ways, we have not had any parting so far as our personal fondness for each other is concerned. I am sure of that. It is a fact the Senator from Maryland is one of those Senators whom I can always cite when people say to me, "Will anybody on the Republican side still speak to you?" I can always cite the Senator from Maryland [Mr. BEALL]. When they ask me, "Do you have any friends left on the Republican side?" I can always cite the Senator from Maryland. I have tried to make that mutual by many, many demonstrations of friendship as we have worked together this year as committee equals.

I finish my discussion of the need of the Langer antimonopoly subcommittee for funds by saying that I think we owe it to the people of the country to supply him with adequate funds before we adjourn.

Going back to the topic I was on, namely the administrative repeal of the preference clause, I want to say by way of further comment that few people, outside of the rural electric cooperative leaders of the valley, would discover the real intent of this new announcement. Many people in other regions probably wondered what all the fighting was about. But the announcement of the criteria produced a rising on the part of the people of the basin, who recognized that the announcement provided the opening wedge for the private power companies to strangle the rural electric cooperatives which are bringing low-cost power to the farms of 11 States in the area.

They saw that the new basis for marketing power from Federal dams in the Missouri Basin represented a breach in the preference provisions of the law under which Federal power had been marketed for many years. They saw it as a practical violation of the intent of Congress as expressed in many statutes.

The rural electric cooperatives saw in these new rules a reduction in their future power supply and an increase in its cost. They saw the rules forcing them to contract for and pay an annual capacity charge on a lot more power than they had an immediate need for, or face the sorry alternative of being unable to count upon adequate power supply beyond 2 years. At about this time spokesmen for the administration announced that, through reallocations of the costs of Federal projects, public power rates were going to be brought up closer to private power levels.

Furthermore, the cooperatives found that, by means of these technical-sounding marketing criteria, they were going to be denied their full preference rights. The Secretary of the Interior was to set up a quasi-preferential class of customers consisting of private companies which, in his opinion, had come to depend on Bureau of Reclamation power. This new class of private preferential customers would be entitled to full preference rights in the purchase of Missouri River Basin power, even to the exclusion of those classed as preference customers by the law.

Thus the Department of the Interior made it known that the Mountain States Power Co. would be granted preference rights in the purchase of a block of power on a long-term nonwithdrawal contract basis. Considering the fact, admitted by the Department, that there is not sufficient power to meet the bare requirements of preference customers in the basin, this grant of preference rights to a commercial utility was an inexcusable violation of the policy established by Congress.

The Missouri Basin marketing criteria contained other provisions which threatened the future of rural electric cooperatives, and a wave of protest swept the valley and reached the ears of the able senior Senator from North Dakota, the chairman of the Senate Judiciary Committee. Hearings were ordered before the Monopoly Subcommittee of that body. And I wish that before further action on legislation like that before us, which would turn the people's newest and greatest power resource over to private power monopoly, all my colleagues in the Senate would read the record of those hearings.

Before going on, I would like to pay tribute to the able men who came down to tell the story of how the administration is carrying out the strategy of the private power companies and what it means in the way of undercutting the great rural electric cooperative movement. It took more than ability to make their case. It took the finest kind of courage and devotion to the public good.

The airing of this protest temporarily slowed down the drive of the administration to use these criteria to put the Missouri Basin rural electric cooperatives on the economic spot.

The criteria were modified somewhat and their application moderated. But they remained on the books as a major breach in Federal power policy in favor of private power monopoly. As stated by Clyde Ellis, able executive manager of the National Association of Rural Electric Cooperatives, in this year's hearings on the Interior Department's 1955 budget request:

> The farmers' electric co-ops are being discriminated against by Interior's new power policy and Missouri Basin Marketing Criteria, whereas the power companies are being favored. The power companies are now nearly all Eastern investor-controlled. This means that the people of the Missouri Basin—farmers and city people too—are being discriminated against in favor of the big investor groups of Boston, New York City, and other Eastern centers of investor capital.

In discussing the first guns of the Republican attack on the Government's public power program, in connection

with the handling of the Interior Department's 1954 appropriation, I have referred to what is happening to undermine rural electric cooperatives in the Southwest. But I am going to add a few words so as to link it to what is happening to the north in the Missouri Basin.

The Southwestern sector of the administration's all-out war on the Federal power program saw the attacks directed at both the Southwestern Power Administration and the fine rural electric generation and transmission cooperatives with which it had established a partnership arrangement.

The undertaking of the Table Rock project on the White River, in Arkansas, pledged as a substitute when the output of Bull Shoals was taken over for expansion of aluminum production, was slowed down to a complete stop. This left the rural electric cooperatives of Missouri, Arkansas, and Oklahoma without assurance of future power supply to meet their expanding requirements.

The Southwestern Power Administration contract with the rural electric cooperatives, under which they had invested $40 million in generation and transmission facilities, was repudiated and the cooperatives are being forced to bargain with the all-powerful private power companies of the region in order to avoid bankruptcy.

The Southwestern Power Administration itself has been cut back to a mere shadow of its former effectiveness, with all semblance of Federal-local partnership destroyed.

As the able junior Senator from Oklahoma, MIKE MONRONEY, told the Senate Interior Subcommittee on Appropriations in May of this year, the Interior Department is forcing the Southwest G and T cooperatives to "bargain with a gun at their heads." He said that the Southwestern Power Administration's contracts with the co-ops had been sanctioned by Congress for a number of years and charged that the abrogation of such contracts by the administration means "reneging on the people."

(Mr. GOLDWATER assumed the chair as Presiding Officer.)

Mr. MORSE. I consider it a great compliment, Mr. President, for you and me to be left alone in the Chamber. It shows a trust that is always reassuring and makes one feel very good. Of course it shows that no one has any cause to fear that you and I would do anything that we should not do. I also like it because, although I have enjoyed every other Presiding Officer, I am always somehow sort of inspired when I see the Senator from Arizona at 4:45 in the morning alert, fresh as he is, after this very long night—it must have been an arduous night for him—and that makes me feel good, too, because it is not very often that I have had the kind of support that he has given me through the long debates in which I have participated. There may have been other Senators who have stayed with me longer but at the moment I do not recall who they may have been. I want you to know that it leaves me with a rather pleasant feeling to have this kind of support from you and I am sorry the rules of the Senate do not permit us to carry on a conversation because I would much more enjoy sitting here conversing with you than proceeding right now with so serious a subject as that I have been discussing, because every once in a while I like to relax from it and talk about other things, too.

Now I will continue with my statement.

Here we have a situation where cooperative generating plants and transmission facilities are already constructed under an arrangement with the Federal Government which would integrate them into the Federal regional power-supply system. Then the administration proceeded to abrogate the arrangement, starve the Federal power-supply agency to death, and leave the cooperative facilities idle until the private power monopolies have forced the co-ops to accept their terms on pain of bankruptcy.

Mr. President, I am very happy to see my distinguished friend, the Senator from California [Mr. KUCHEL] in the chair.

Clear indication of where the administration stands in this sorry lack of Federal good faith is found in the fact that Assistant Secretary of Interior Aandahl requested the Department of Justice to appeal a Federal District Court decision holding that the Southwestern Power Administration should fulfill all obligations under its power exchange contracts with Missouri and Oklahoma rural generating and transmission cooperatives.

Apparently the pressure which President Eisenhower's Interior Department is putting on the co-ops to work out any kind of a deal they can get with the private companies, even though Congress provides funds for another year of temporary continuance of Southwestern Power Administration purchase of the output of the cooperative plants, is a delaying action which the Department hopes will render any upper court decision moot.

Recently, the Senate Judiciary Subcommittee on Antitrust and Monopoly, under Senator LANGER'S chairmanship, assisted by his able counsel of the committee, Mr. Davis, reopened its investigation on monopoly in the private utility industry to look into the situation in the Southwest. Again a record was made which deserves the perusal of every Member of the Senate before he votes on further legislation affecting Federal power policy.

At that hearing Clyde Ellis, executive manager of the National Rural Electric Cooperative Association, charged that there never had been a satisfactory wholesale supply of electric power in Arkansas and neighboring Southwest States until the rural electric cooperatives began the construction of federated generation and transmission facilities under the arrangement with the Southwestern Power Administration. He told of how the power companies had attempted in every available way, including a Federal lawsuit charging the co-ops with conspiracy to form a Federal power monopoly, to prevent the completion of the generation and transmission facilities—and how they failed.

He testified further that the latest action of the Department of Interior, abrogating the Southwestern Power Administration-cooperative contracts, starving SPA to death, had forced the generation-transmission co-ops on the rocks. The generation and transmission facilities, he said, are completely constructed—but are idle or partially idle.

F. A. Martz, manager of the Northwest Electric Power Cooperative of Missouri, stated that unless SPA appropriations were used, in accordance with the agreement, the co-op would, in a short time, default on payments to the Government in the amount of $18,300,000, plus an additional $5 million.

Truman Green, manager of the Central Electric Power Co-op, also of Missouri, told the committee that this cooperative had not been paid for power delivered to SPA for the preceding 18 months. He said:

> Under the old contracts which we think are in effect now, the Government would owe us approximately $750,000 to date.

He continued:

> We are in a very serious financial condition. We just haven't got funds to operate on.

I would say to the Senator from Kansas that I am trying to give a survey of the power record of the administration. The general conclusion is that that it has not been very good. That is what this all shows.

In response to a question from committee counsel, as to how this situation would affect the rates the co-ops must pay for their power, Green replied "that it would eventually mean an increase from 5.5 mills to approximately 12 to 13 mills."

Meanwhile, according to the testimony of Floyd Gibson, manager of the Oklahoma statewide rural-electric cooperative organization, all SPA customers had been given letters from the administration telling them they could not get power beyond the present requirements.

I cite these instances to make it perfectly clear that this new power policy is not just a change in language or a change in theory—but a very practical change which is throwing rural-electric cooperatives on the mercy of private-power monopoly.

And the private-power monopolies are just waiting for the chance to squeeze the rural-electric cooperatives, through their power supply, to the point where their members can be persuaded to sell out. Then you will have monopoly indeed.

In the southeast the attack on Federal power policy is taking the form of administration backing for the precedent-making drive of the Georgia Power Co. to cut right through the preference provision of law and buy the power from the Federal development at Clark Hill on the Savannah River at the bus bar of the generating station. For many years we have been fighting the private power company efforts to get the marketing provisions of Federal power legislation amended in order to prevent just such grabs.

Now it looks as if the Power Trust has got an administration willing to go ahead

and bend the law—without waiting for Congress. Back in the days of Democratic administrations there was a lot of talk about the executive usurping the powers of the legislative branch of the Government. But I never saw anything like what is now going on in the field of power policy.

Let us look a little closer at what is being done to Federal power policy in the southeast. And, as we do, we will see how the private power company strategy, as carried out by the administration, is varied to suit the terrain upon which the fight is going forward.

I have already spoken of the fact that all appropriations, for Southeastern Power Administration transmission lines to deliver Clark Hill power to the people's own power system, were stricken from the Interior Department's budget for the fiscal year 1954. When the Department came to the budget for the fiscal year 1955, no construction funds whatever were requested for this agency. So, for the second consecutive year since the change of administration, the rural electric cooperatives of the southeast face the bleak prospect of no Federal transmission facilities for delivery of power from any of the four Federal dams now completed or under construction in the region.

This places the public and cooperative electric systems in the Southeast in an almost impossible bargaining position. As Clyde Ellis, speaking for the National Rural Electric Cooperative Association at hearings before the House on Interior Department appropriations, said:

> Except in Virginia and a small portion of North Carolina, where the Virginia Electric & Power Co. is wheeling Federal power to preference customers, the commercial utility companies have stood firmly by their demands that all of the power be sold to them at the bus bar. They are demanding an absolute monopoly over the distribution of Federal power, contrary to both the letter and spirit of the law.

The Department of the Interior, spokesman of the administration in power matters, is aiding and abetting this proposed violation of the Federal power marketing law enacted by Congress. It is doing so by its endorsement of the Georgia Power Co.'s proposal.

The company is demanding that it be allowed to purchase the entire Georgia share of power from the Clark Hill Dam. According to Mr. Ellis, it agrees to pass on to the rural electric system of Georgia, as preference customers, only about 10 percent of the benefits it stands to gain from inclusion of the project in its generating system. In Clyde Ellis' words:

> Cooperatives are preference customers; the company is not, and our people in Georgia can see no rhyme or reason for the proposal of the company ever being accepted by the Interior Department.

The Georgia cooperatives are fighting under the able leadership of Walter Harrison, manager of their statewide Georgia Electric Membership Corp., with former Gov. Ellis Arnall serving as their attorney. They are fighting the battle, not only for themselves, but also for rural electric cooperatives in many States. For it is well known that private power companies in other States are watching to see what the administration does in the Georgia situation, intending to demand the same arrangement as the George company gets.

In other words, the Interior Department's final action in this matter is certainly the key to the power-marketing situation in the entire Southeast and probably in the Southwest as well. If Georgia Power is allowed to buy Federal power at the bus bar of the generating station, the application of the principle will spread like wildfire and the preference provision of Federal law will be kicked out the window without any congressional by-your-leave.

In all probability, appropriations for 1 or 2 transmission lines in the Southeast would have prevented the present threat to Federal power policy from arising in that region. It would not have been necessary for the Southeastern Power Administration to build transmission lines to every rural electric cooperative. For the possibility of 1 or 2 lines being built would have provided the necessary bargaining strength to assure equitable arrangements under which the companies would wheel power to the cooperatives for the account of the Government.

Today most of the electric energy generated from Federal hydroelectric projects in the Southeast is going to the companies. Georgia Power has been getting Clark Hill power for about a year, under an interim arrangement, so that it loses nothing as the Interior Department postpones action. The output of the Allatoona Dam has gone to the same company for several years. The entire output of the Philpott Dam in the headwaters of the Roanoke River in Virginia is being temporarily purchased by the American Gas & Electric Co., pending the Interior's decision in the Georgia Power Co. case. A portion of the power from the John H. Kerr project, also in the Roanoke River Basin, alloted to North Carolina, is similarly going to private companies on an interim basis.

Thus—due to the administration's intention to line up with the power companies on this vital issue of Federal power policy—rural electric cooperatives throughout the region are being denied the electricity they now need at low rates.

The complete denial to the people of the Southeast of the advantages which should flow to them from their abundant waterpower resources stems from failure of the administration to begin to integrate the Federal developments which are going forward. The Southeastern Power Administration will soon be marketing 600,000 kilowatts of Federal power capacity in addition to the 450,000 kilowatts of Cumberland River Basin capacity, which it is selling to the TVA. By failing to integrate the generating stations, the Interior Department is placing the public interest in this power at the mercy of the power companies which have transmission facilities and firming-up capacity.

Private monopolies, rather than the people of the region are reaping the benefits from these river-basin developments.

To complete the regional canvas of the power-policy situation created by the change of administration, I will ask you to join me in a brief glance at the Northeast—particularly at New York State and New England.

The immediate battle in the Northeast centers around the huge Niagara and St. Lawrence waterpower resources, which are public resources in every sense of the word, but which will be turned over directly or indirectly to the private power companies unless Congress stands firmly behind the reservation which the Senate unanimously attached to ratification of the Niagara treaty.

The people of the Northeast are paying a high price for the privilege of keeping the Federal power program out of the region. That price is being paid in the highest electric rates in the country, which in turn keep residential and farm consumption of electricity at the lowest levels in the United Staes, while restricting the modernization and expansion of industry.

There were Presidents of the United States during the 20 years preceding the present administration who glimpsed the possibility of an electric rate yardstick program for the Northeast based on a program of the combined developments of the Niagara, St. Lawrence, and New England hydroelectric resources. This would mean 5 million kilowatts of capacity, capable of producing some 25 billion kilowatt-hours of electrical energy annually.

Marketed under the standard Federal power policy, with a preference for public and cooperative electric systems, this would have provided the competitive influence necessary to bring electric rates down throughout the region.

But, as long as there was a possibility of a rate yardstick program for the Northeast, the development of some of the best hydroelectric resources in the entire American continent was effectively blocked. This was particularly true of the St. Lawrence development.

Now—with a Republican President in the White House and a Republican Governor in the New York executive mansion, with private power companies promised the St. Lawrence power at the bus bar of the generating station, and with the New England-New York Inter-Agency Committee survey estimating the power potential of New England streams on a private development basis, we find the administration claiming credit for getting the St. Lawrence project launched.

I have seen many news stories which mark up the St. Lawrence project as one of the credits to which the Eisenhower administration could point with pride—an achievement which other Presidents had sought in vain to obtain.

Former Presidents and former Governors of New York failed to win the St. Lawrence development because they stood firm on the principle that the benefits of these great resources undertakings belong to the people, to electric consumers, to the farms and homes, to the workers for whom low-cost power would mean full employment—not to the giant private power monopolies that

dominate the politics as well as the business of the region.

The log jam was broken when the private utilities were assured of bus-bar St. Lawrence power.

I digress to say I had always been one of the cosponsors of the St. Lawrence Seaway bill until the last bill was introduced. I had fought for years in the Senate for a St. Lawrence project that would assure to the people of the Northeast a public power yardstick. When the bill which was passed during this session, was ready for introduction, one of its authors came to me and asked me if I would cosponsor the St. Lawrence project again. I pointed out to him that I would sponsor the St. Lawrence project as we had heretofore known it, but I would not sponsor the project proposed by that bill. I told him that I undoubtedly would, in the last analysis, vote for it, if that was the only bill we could get, and we still had an opportunity after the passage of the bill to try, by supplemental legislation, to protect the power interests of the people of the Northeast.

That is why I fought in the Public Works Committee for the Lehman-Roosevelt Niagara bill, but I was defeated. A very interesting thing about that bill was that the Public Works Committee approved it weeks ago, but I have not seen a committee report on it yet. The last I knew about it was that the bill had not gone to the calendar. But if a majority report on it has been submitted, it has never been shown to me and I am sure it has never been filed. I received permission from the Committee on Public Works to file minority views. I wrote the minority views in which I was joined by some of my colleagues on the committee. The minority views have been turned over to the clerk of the committee. They are ready to come to the floor of the Senate, along with the majority report, if and when the majority report is either written or released. It is strange that, with all the pressure in the Senate, some Public Works Committee bills have been acted upon although they were approved by the committee long after it approved the Niagara bill, the so-called Case bill. I do not know why there has been this delay, although I ventured the suggestion in the Public Works Committee one day that I had a suspicion that the legislative strategy was to get some action on some other power bills as a runner-of-interference idea and then bring up the Niagara bill. I am not so sure I was not pretty close to pay dirt when I made that suggestion. The fact is we do not have the Niagara bill before us.

Governor Dewey told a group of newspaper publishers at the New York State Publishers Association on January 14 last that he was opposed to granting a preference to municipalities. He said:

> Actually, it amounts to a provision which says that if the State of New York is allowed to develop the water power which belongs to the people, it is obligated by law to offer that power first to those communities which bend the knee to the Moscow concept, abandon private operation of their public utilities, and socialize them.

In this way we find the Governor of New York characterizing the many communities, from villages to the city of Jamestown, N. Y., which own their electric systems. Many of these municipal systems date back more than 50 years and were undertaken because they offered the only satisfactory way to get electric service.

Here, until the people of New York vote for a change, we find no sympathy for the basic right of every American community to choose how its electric service will be conducted—whether under public, cooperative, or private ownership. Here we find no understanding of the fact that it is the free opportunity of communities to choose public or cooperative operation which exercises the most potent influence in the direction of lower electric rates.

The St. Lawrence project is no longer before the Congress. In fact, so far as the power project is concerned, it has been turned over to New York State under a license from the Federal Power Commission. To accomplish this freeing of St. Lawrence project power from the public safeguards of Federal power policy—and to assure its delivery to private monopoly at the bus-bar—it was necessary to separate the power and navigation phases of the project and have them acted upon as single-purpose projects, with the power project authorized by the International Joint Commission.

Thus was the Senate bypassed.

But the Senate can still save the Niagra project for the people and, in doing so, may still influence the marketing of St. Lawrence power.

The issue in Congress centers around four bills providing for the redevelopment of Niagara Falls under the 1950 treaty with Canada. In ratifying that treaty, the Senate reserved to Congress the determination of the conditions under which development should take place.

And here we come right up against the New Look which has been given to Federal power policy. For, in the closing days of the 1st session of the 83d Congress the Capehart-Dondero bill was passed by the House.

Enactment of this giveaway Niagara bill would surely be a capstone for the new Republican policy on water resources—a monument to its disregard of the public interest in power.

Such action would be an extraordinary evidence of the influence of private-power monopoly—first, because of the unique character of this resource. Not only is the power potential associated with one of the most magnificent scenic spectacles of nature, but it is to an unusual degree of God given in the provision which nature has made for man's use of the potential power. Man need not build a dam to impound the waters and provide the necessary head. For the Great Lakes—touching many States—are natural reservoirs and forebays for this power development, while the famous Niagara escarpment provides the head of over 300 feet. All man need do is provide the canal or tunnel bringing the water to the penstocks through which it will fall onto the giant turbines.

Approval by Congress of the Capehart-Dondero gift of this resource to five private-power companies would have the effect of repealing the preference provision of the Federal Power Act in a special case, for the benefit primarily of the powerful Niagara Mohawk-Consolidated Edison combination which dominates the power supply of New York State.

This would, indeed, be symbolic of the whole change in power policy which is being put over on the country—a denial of the public right to enjoy the great advantages which could flow from a magnificent public resource; a gift of that resource to corporations with a vested interest in excessive electric rates and restricted use of electricity.

The Senate Public Works Committee has voted to report a substitute bill which would simply repeal the safeguarding reservation attached by the Senate to its ratification of the Niagara Treaty. This would free the redevelopment for licensing under the Federal Power Act, with the probability that a license would be issued to the New York Power Authority with the same conditions as the Commission attached to the corresponding St. Lawrence project license.

This would mean public development but sale of the power to private-power companies at the bus-bar under the Dewey power policy. He would allow no preferences in the marketing of the power to municipalities which, in his language, bend the knee to the Moscow concept—or to rural electric cooperatives.

The only bill assuring public development of the Niagara Falls hydroelectric resources, which includes safeguards for the public interest in securing low-cost electric power throughout the region, is that introduced by Senator LEHMAN and Representative ROOSEVELT. The Lehman-Roosevelt bill would authorize development by the Power Authority of the State of New York, under a license from the Federal Power Commission—but would direct the Commission to include in the license conditions protecting the right of public bodies and cooperatives to obtain power supply on a preference basis, assuring public transmission of the power where necessary, and providing more assurance that other States would obtain a fair share of the advantages flowing from the development.

Thus, in the Northeast as in other regions, the new power policy, with its Republican sponsorship, brings with it the threat of ultimate private monopoly of the fundamental energy of our industrial system.

THE PACIFIC NORTHWEST

Now, I want to take you back with me to the Pacific Northwest, where the destructive possibilities of this new Federal partnership with private monopoly are even more alarming.

For years, the country has looked to the Pacific Northwest for examples of successful public power enterprises and low electric rates. These examples are associated with the great municipally owned electric systems of Seattle and Tacoma, Wash., which antedate by many

years the TVA with its launching of the power program associated with the New Deal. These two cities became yardsticks for residential rates and residential use which were watched by all parts of the country.

The issues which we are today fighting in the country as a whole were fought for at the State and local level in the State of Washington during the 1920's, and it was as early as 1933 that the people of that State finally won their public utility district law, which gave people living in the outlying counties the opportunity to obtain low electric rate advantages similar to those that had already been won by the city folks.

Names like Homer T. Bone, subsequently United States Senator from Washington, and now member of the Ninth Circuit Court of Appeals; Senator Dill, Senator from the State of Washington; and J. D. Ross, manager of the Seattle Municipal System and subsequently first Bonneville Power Administrator, stand out as heroes of those early battles. Behind them in the fight were the wage earners represented by their unions and the farmers represented by their farm organizations, the State Grange.

Today there are 31 municipally owned electric systems and 24 rural-electric cooperatives operating in the State of Washington. There are in the States of Washington, Oregon, and Idaho, together, 44 municipal systems and 51 rural-electric cooperatives. Altogether, well over one-third of the electric customers and nearly 40 percent of the electric requirements of the three Northwest States are found in communities which have chosen either public or cooperative ownership and for which Congress has, over and over again, legislated a preference in connection with the marketing of hydroelectric power from Federal projects.

The vigorous local interest of the people of the State of Washington in extension of public ownership in the field of power is reflected in State legislation under which public utility districts may join to acquire entire private utility systems. Under this legislation groups of districts have worked out plans and made offers for the purchase of two of the major utilities—the Puget Sound Power & Light Co. and the Washington Water Power Co.

I cite this bit of regional public power history to make it clear that the Pacific Northwest is not a region being invaded by Federal bureaucrats who would thrust public power on the people against their wishes. The facts are quite the contrary. For local interest in public power has been associated with a larger interest in regional development in support of the Federal comprehensive program for the Columbia River Basin. In fact, when the Federal Government began to develop the Columbia River system, of which the Hells Canyon project is an important step, it did so in response to a growing need of local public power systems to tap the river's vast hydroelectric resource to meet the expanding demand which low rates have stimulated.

There is no question but that the Federal Government came into the Pacific Northwest as an invited and welcome partner with local undertakings to provide the comprehensive program, including flood control, navigation, protection of fish and wildlife, expansion of irrigated agriculture, and especially low-cost power supply which must be undertaken on a scale transcending the ability of any municipality, public power district, or rural electric cooperative to undertake.

In terms of hydroelectric power, the basic energy resource of the region, the public systems had begun to reach the limits of their normal field of development. Seattle had constructed magnificent developments on the Skagit River. Tacoma had made equally fine developments on the Nisqually River. But with residential consumption averaging more than three times the national average, such cities, as well as the smaller public systems, were approaching the time when they would need to look to the entire Columbia River system as a source for future power, and to get the full advantage of its 30 million kilowatts of undeveloped hydro, Federal development on a basinwide scale, with a public trunk transmission line, would be necessary.

Down to the change of administration in 1953, with the promulgation of its new power policy, the people of the Pacific Northwest looked to the Federal power program as the chief source of future power supply for regional development. They placed the responsibility for unleashing the power of the Columbia River where it belongs—on the Federal Government. Even the private power companies joined with the publicly owned systems at a meeting in Tacoma, at which agreement was reached on Federal responsibility, and all joined in support of requests for appropriations to assure construction of projects to meet the rapidly expanding needs of the people of the area.

It is against this backdrop that we must see the destructive effect of the change to the Eisenhower power policy in the Pacific Northwest. In place of cooperation and orderly progress it introduced conflict and near chaos in the field of use of the Columbia Basin resources. In place of a sound comprehensive multipurpose program for use of these resources—assuring the maximum ultimate development of flood control, navigation, irrigation, and power—it seeks to substitute the partial use of resources under divided authority and direction. For partnership between the Federal Government and the truly local interests of the people it substituted a partnership in which the Federal Government will increasingly play second fiddle to great private interests.

I think I can say with assurance that this is not the wish of the people of the Columbia Basin—that they see in this change of policy on the part of the Federal administration a shirking of Federal responsibility.

The new Eisenhower power policy went into action in a series of steps, including—

First. New 20-year contracts between the Bonneville Administration and private utility companies, representing a definite encroachment on the preference rights of the local public and cooperative electric systems;

Second. Reductions in appropriations for the Bonneville Administration, jeopardizing the effective operation of its transmission network and reducing its power-planning function;

Third. Reduction of the scope of the Bonneville Administration's power-marketing function, combined with an order which may ultimately mean that the power from Federal projects will be disposed of on a project-by-project basis to a privately owned transmission system, instead of pooled by the Federal Government itself;

Fourth. The Secretary of the Interior's withdrawal of support for the high Hells Canyon Dam, to which I have already referred, in favor of the Idaho Power Co.'s 3 low dams—if this scuttling is effective, it would destroy the economic justification for 4 other power projects which would have benefited by the high dam storage; and

Fifth. Elimination of new starts for projects which were originally scheduled in the Columbia Basin program to meet the estimated power-supply needs of the region.

(Mr. REYNOLDS assumed the chair as Presiding Officer.)

Mr. MORSE. Welcome, Senator REYNOLDS. We are glad to have you with us.

The PRESIDING OFFICER. Good morning.

Mr. MORSE. In these steps we see the Eisenhower administration backing out of responsibility for regional power supply from a great river system. This is in accord with its announced policy. Eut it places the utility systems in the regions, both public and private, in a position where each must attempt to insure its ability to meet future load responsibilities by staking out its claim to sites before some other power system grabs them.

This catch-as-catch-can anarchy is being substituted for the orderly Federal program which was meeting the needs of the region. It has led to a number of bills introduced in Congress which would attempt to give effect to the administration's announced change in the partnership policy by having projects financed and constructed on a Federal-private company or Federal-public system basis.

Needless to say, administration leaders are pushing to get the Cougar Dam partnership project authorized as the first of these new partnership propositions because, while the Corps of Engineers will build the dam, the Eugene, Oreg., municipal system will pay for the generators. This Federal-municipal partnership will be counted on to take the private power curse off the administration when "partnership" moves on to far greater projects—like John Day project on the main stem of the Columbia, or Penny Cliffs and Bruce's Eddy on the Clearwater tributary of the Snake River in Idaho, where the big power companies, either singly, or in combination, will be the beneficiaries.

A bill has been introduced which would amend the Federal Power Act to

authorize payment by the Federal Government for downstream benefits received from non-Federal projects. This would enable the private companies to take over large sectors of what have heretofore been Federal river-basin programs—with the Federal Government paying large portions of the bill but private monopoly keeping control of the power.

For, and let there be no mistake about it, in this chaotic state to which the administration's new power policy has reduced the Columbia Basin program—in which it will be every power system for itself and the devil take the hindmost—it is going to be the big private power companies that will come off with the marbles. For they will be in a better position to build the big projects and take over the transmission function than the public and cooperative systems, particularly when the efforts of these systems to work together are thwarted at every move.

So, I think we see a shadow of what is supposed to come out of this new administration's power policy, so far as the Pacific Northwest is concerned. It is the Ebasco valley authority which I have already suggested. Things are moving fast in that direction.

A five-power company combine has been organized, with a charter as broad as the region itself. It is the Pacific Northwest Co., serving as the vehicle for federation of the Montana Power Co., Portland General Electric Co., Mountain States Power Co., Washington Water Power Co., and Pacific Power & Light Co. As I have already suggested, the leadership represents a revival of the old Electric Bond & Share Holding Co.

The announcement of this combine stated that it would assist in developing the Federal-private power partnership policy announced by the Department of the Interior.

The corporate bylaws of the private power combine, filed at Salem, Oreg., provide that it may purchase Federal, private or publicly owned generation and transmission systems, Federal multipurpose projects and may participate with the Government in construction of future multipurpose projects under the Federal partnership policy.

Through the partnership policy, Pacific Northwest Power Co. would finance the construction of the reimbursable power facilities, and the Government would pay for all nonreimbursable phases of a project, a nice arrangement for private monopoly.

Last January the five power companies filed with the Federal Power Commission an application for a preliminary permit to investigate two dam sites on the Clearwater River in Idaho. The two projects were included in a comprehensive plan for development of the Snake and Clearwater Rivers, announced last fall by the Army engineers.

Following this action, the power company public relations firm, of Bozell & Jacobs, announced that the Pacific Northwest Power Co. was ready to provide the Northwest States with 150,000 to 200,000 kilowatts a year of new power by investing $50 million during each year for the next 20 years. The announcement also expressed the expectation that other companies would join the combine.

Here is a proposed private 20-year plan for the Columbia Basin, ready to displace the Federal plan. It will mean less power and more expensive power. It will mean less irrigation and higher payments by the irrigation farmers. It will mean less flood control and probably less protection for wildlife and recreation.

But it will fit in with the philosophy of private power monopoly which kept the President from reappointing the able chairman of the TVA—Gordon R. Clapp. And there is every evidence that the administration means to go through with it—unless the growing popular revolt against this playing fast and loose with the public stake in power makes its influence felt promptly.

In mid-April, the Portland Oregonian carried an item of a letter which Under Secretary of Interior Tudor had written J. Frank Ward, director of the Washington State Power Commission. According to the Oregonian, Tudor stated that the Bonneville Power Administration could operate more efficiently if it served only one customer. Tudor added that Bonneville Power Administration should explore lease ownership of its transmission system to non-Federal bodies.

Here in my opinion, we see the true objectives of the administration's new order limiting the scope of BPA's activities beginning to show themselves through the mist of words. We see these objectives unrolling to a predetermined and—like fate—not in response to, but in spite of, the will of the people. Here is the way the administration is moving in the Northwest:

First. Bring the Federal Columbia River Basin program to a full stop as a dependable source of power supply to meet the future needs of the region;

Second. Encourage the private power companies to undertake substitute projects, even if inadequate, for those which have been heretofore included in the Federal multipurpose program;

Third. Promulgate a phony partnership program, which breaks up the Federal integrated system;

Fourth. Use a single instance of joint Federal development with a relatively small municipal system—as the first authorized example of this phony partnership.

Fifth. Use this all-public breach in the integrity of the comprehensive river-basin program as forerunner of large contributions by the Federal Government to the cost of private hydroelectric projects.

Sixth. Cut back the functions of the Bonneville Power Administration to the point where it no longer serves as a power planning and pooling agency for the Pacific Northwest.

If not checked, the administration might go so far as to propose to lease the great Federal Bonneville transmission system and perhaps ultimately the Bonneville and Grand Coulee and McNary and Chief Joseph and Hungry Horse power facilities to the giant private power combine which is being set up by the private companies in the Northwest to monopolize the power supply of that region.

This is the new administration power program, stripped of its high-pressure double-talk.

The public and cooperative power leaders of the Northwest see the incorporation of the Pacific Northwest Power Co. as establishing the instrument for final conquest of the entire region by a giant federation of private power companies.

A reading of the powers granted to the corporation by its charter, coupled with the words of Under Secretary of the Interior Tudor, to which I have already referred, can lead to no other conclusion than that the way is being prepared for the private power companies to lease the Bonneville transmission system and the power facilities at Federal multipurpose projects. Such action ultimately would destroy the rural electric cooperatives, the public utility districts, and all but the largest municipal systems—thus placing the future of the region in the hands of the rulers of an uncontrollable private monopoly.

I have dealt at some length with the impact of the new administration's pro-monopoly power policy on the Pacific Northwest because it provides the clearest insight into what is happening throughout the country.

The design is not simply to get the Federal Government out of the power business. It is, by this means, a design to dry up the roots of the 2,000 splendid, fine, local public electric systems and 1,000 equally fine rural electric cooperative systems that serve throughout the country as a powerful check on the rapacity of private power monopoly.

And—in the process of achieving this objective—the best use of the country's rivers for all purposes, including flood control, navigation, irrigation, and recreation—as well as power—will be sacrificed.

Thus, we face—in the present administration's conduct of the private power all-out drive, the greatest giveaway program in history—a giveaway program that is being pressed with extraordinary haste in order that private monopoly may entrench itself before an aroused people make their influence felt in the elections of 1954 and 1956.

The atomic-energy bill which is before us here, with all its trimmings, is another major part of this private-power-monopoly program—a proposal for the biggest giveaway of the people's energy resources in history.

If this administration succeeds in this final gift to the private-power oligarchy, there can be no future giveaway of greater magnitude until someone discovers how to present private monopoly with a way of controlling the energy of the sun.

The purpose which this atomic-energy bill is designed to accomplish belongs in the field of power policy—not atomic policy. It is a part of the drive to remove the Federal Government from the field of power production as a partner of local public and rural cooperative electric systems. It is designed to turn this vast energy resource—brought into

being by the people's investment—over to the private power companies.

(Mr. MANSFIELD entered the Chamber.)

Mr. MORSE. I digress, Mr. President, long enough to welcome my friend from Montana [Mr. MANSFIELD], and to recapitulate a little bit to bring him up to date as to what I have been seeking to do in this speech.

For the past few hours I have been presenting a survey of the administration's power policy throughout the country—the Southeast, Southwest, Missouri River Basin, Northeast, including considerable discussion of the Niagara project, the great Pacific Northwest—and now I am trying to draw the main principles of that survey together to show that the whole thing is not good for the people, but is very advantageous for the private monopolies.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Montana?

Mr. MORSE. I yield for a question, but a question only.

Mr. MANSFIELD. I may say to the distinguished Senator from Oregon, as a question, that he could not talk about a more important subject than that which he is now discussing and has been discussing for some hours past.

Mr. MORSE. My answer to the question is that the Senator from Montana is dead right. There is no question about it.

I want to say to my friend from Montana that I am talking about a subject that is going to be of vital importance to the welfare of American boys and girls for decades and decades to come. In fact, let me say to the Senator from Montana, a former distinguished teacher, that in this phase of my speech, as well as in my earlier remarks, I discussed the history of the great parliamentary fight in the Senate on this bill, and I said I wanted to participate in it for many reasons. I wanted the taxpayers to know something about that fight and how it came into being, but I said that I was also participating in it to help some doctor of philosophy candidates 25 years from now, because it is going to be the subject of doctorate theses, just as the great fight on the Federal Reserve Bank Act produced, as I said, a young library of writings of all that went into the contest over the Federal Reserve Bank Act.

Mr. President, wait until the doctor of philosophy candidates get through with this fight 25 years from now, and it will be discovered that as time goes by and the American people come to realize what is happening to their interests in this fight, it is going to be a matter of intense study on the graduate level in many colleges of the country.

So earlier in this speech I tried to be of help to those doctor of philosophy candidates 25 years hence. Now I am being of tremendous help, I think, to doctor of philosophy candidates who are going to write doctorate theses on the whole power policy of the administration by showing how we started under the Eisenhower administration to break away from the great public policy program of the country of some 50 years standing, and how the Atomic Energy bill as it will finally pass the Senate—and I think it is going to pass all right, although I do not think its proponents should count their chickens before they are hatched——

Mr. MANSFIELD. Will the Senator yield for a question?

Mr. MORSE. Just a moment, please. I think we need to make the record here to show that as the Eisenhower administration came into power and during at least its first 2 years it proceeded with a course of action that could not be reconciled with the people's interest in a public power policy. I think that will be helpful to the students 25 years from now. I do not offer it as a great scholarly treatise, but as a running account, and I submit an accurate one, of what really is happening to the public power program under an administration that has demonstrated by incident after incident, as I have related them, it is obviously more interested in serving the private utilities than the people.

Now I yield for a question, but a question only.

Mr. MANSFIELD. Is it not true that the Senator now addressing the Senate is a former distinguished professor in his own right, a former dean of the law school of the University of Oregon, and therefore, is well qualified to lay the groundwork for many theses covering this and other aspects of the natural resource development of the country by students in the years to come?

Mr. MORSE. In striking the complimentary adjectives from the question, I reply that I think by experience I have some idea of the help doctors of philosophy candidates would appreciate in writing a thesis, and I am trying by this speech to help those who will wish to write on this particular subject.

I said earlier this evening, somewhat facetiously but half seriously, that some compensation for the fight I have been putting up against this bill will be the feeling that 25 years from now some research scholar will not think quite so ill of me as some of my colleagues undoubtedly do at the present time under the tensions that now prevail in the Senate. As the Senator from Montana knows, I do not ever become very greatly disturbed over such tensions. I am perfectly willing to let the scholars of the future take what satisfaction and help they can from the analysis of this running account of the changes in the power policy under the Eisenhower administration as we have seen those changes in the various areas which I have mentioned in the last few hours in this speech.

Mr. MANSFIELD. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield for a question only.

Mr. MANSFIELD. Does the Senator from Oregon think that 25 years from now there will be enough eggheads around to write the theses to which he has referred?

Mr. MORSE. Yes; and I will tell the Senator why. I think there are going to be a lot of political changes long before the 25-year period passes, but nevertheless this period will be an interesting one for research. But we, in this period, must not take ourselves too seriously because somewhat analogous and similar historical patterns can be found as precedents in times gone by. I do not think there probably has ever been before the Senate of the United States a piece of proposed legislation involving such serious consequences to the economic life of the people of the country as this bill, because the implications and consequences of this bill stagger all imagination. The implications of this bill go to the whole power policy of our country.

As I indicated earlier, I think the implications of this bill are such that 12 large reactors—and I mean large ones, those that some of the witnesses testified in the hearings would cost from $200 million to $400 million, as being the size reactors that offer the greatest possibilities for commercial potential—would make it possible to cut down the kilowatt-hours cost of power generated from the fissionable action of atomic material. That is all the experts say is remaining to be done. There is no question about the process. I may say it is their opinion that there is really no question in the long run as to the economical aspects of the process. It will come. That is why some of them have testified we would not get any of these reactors on the line before 1965. That is why, as the Senator from Montana [Mr. MANSFIELD] knows, that there is not a great rush concerning many sections of this bill. The international features we think are important and ought to be passed now. We tried it, and were defeated on the Stennis amendment. We feel his proposal was the best form in which to put the international program. It complied very strictly with the proposal of the President himself, as originally made. I have no reason to believe that he in any way has changed his recommendations or suggestions; that he would be perfectly satisfied with the original proposal he made, which the Senator from Mississippi pointed out in the debate today, he sought, by the language of his amendment, to carry out. The Senator from Montana knows that we feel that it is too bad the Stennis amendment was not adopted. We certainly feel that the international section ought to be passed, but that the commercial features of the bill do not involve any need for haste. In fact, let me say I am so worried about international developments that I think it would be better if we did not do anything about the commercial aspects now, other than to continue the policy of the Government inviting various corporations to participate in working out a cooperative project program with them. That system has worked very well to date and out of it the companies could make profits. There is no objection to that. But they have at least been working within the framework of a Government program, and they have been subjected to necessary Government control and regulation, as I think they should be, until we get to a point where we know there is no danger of either a loss of some of these secrets to

enemy sources, or there is no danger of various individuals and companies on the ground floor really getting an unfair advantage in connection with patents.

I think we made a great deal of progress by adopting the Kerr patenting proposal. But I am still inclined to think that the best bill we could pass would be one that would be limited to the international program features, leaving out the domestic features, and particularly what I consider to be the very obnoxious principle of the Dixon-Yates contract.

Let me return to the survey of the administration's power program.

Let us take a glance backward at the pedigree of the "get the Federal Government out of the power business" philosophy, at the interpretations the business press is putting on what is happening to traditional American power policy, and at the origins and significance of that power policy.

Let us look back to the 12 years which we may term the Harding-Coolidge-Hoover era in American history.

It was a carefree era for the big-money boys, in which the giant utility holding companies were watering and pyramiding and kiting securities of operating electric companies to the ultimate loss of billions of dollars by small investors. They made their money by developing watered stock, rather than waterpower, frequently writing up the securities based on waterpower to outrageous levels.

It was also the era when the notorious National Electric Light Association, known as NELA, with its State organizations, led by that powerful but tragic figure, Samuel Insull, was subverting education, reducing the press, infiltrating popular organizations, and, in general, polluting the processes of democracy to justify private enterprise in the electric-power business, with all its monopolistic, antipublic practices.

The Federal Trade Commission's epochmaking investigation during the years 1928–34 exposed all these malpractices, and the NELA was out of business. But, in the meantime, other groups took up the propaganda program: The Edison Electric Institute, EEI; the Electric Companies Advertising Program, ECAP; the Electric Companies Public Information Program, PIP; and the National Association of Electric Companies, NAEC—the latter is represented by one of the country's best-known lobbyists in Washington, Purcell Smith.

The era I am talking about was famous for the first great public power battle of the new power age, led in the United States Senate by Uncle George Norris—Senator George W. Norris, of Nebraska. I am talking of the battle to save Muscle Shoals for the people, to become, as it has, the nucleus of the great Tennessee Valley Authority program.

In other words, 30 years ago, under previous Republican regimes, we were waging the same fight—with Muscle Shoals as the symbol, instead of today's Hells Canyon, Clark Hill, and Fulton steam. Then we were fighting a Hoover policy. As I shall show you, we are fighting the same Hoover policy today.

And I can tell you in those days the people of the great Tennessee Valley, so rich in resources, needed something more than a Hoover policy to enable them to free the use of their resources from the restrictions of industrial monopoly and so to rise to economic equality with other parts of the land.

The Muscle Shoals issue in those days was a great nonpartisan issue, with progressives in both political parties lining up for the people's right to something more than the crumbs which fell from private power monopoly tables.

When President Harding took over in 1921, the Government's investment in the still uncompleted Muscle Shoals navigation and power project was around $100 million. It was originally planned to produce nitrates for defense. During the next 10 years, succeeding administrations attempted to lease the project to private concerns. They failed because of the persistent opposition of a bipartisan group of Senators, led by Senator Norris, supported by a growing wave of public opinion. Thus, Senator Norris blocked this first attempt to give away a great hydroelectric resource.

As chairman of the Senate Committee on Agriculture, Senator Norris introduced a bill to provide for a Government corporation to operate this power development. From that moment a battle was on which was not to end until the Hoover policy had been beaten at the polls, and Congress approved the Tennessee Valley Authority Act as one of the first steps in a new era of hope for the people. And don't forget that Senator Norris's public power policy was very much an issue in that presidential campaign in 1932.

Mr. President, it appears that the new administration and its leaders in Congress want to start the fight all over again. This intent is scarcely concealed in appropriation bills affecting the Federal power program. It is openly expressed in the words of the House Appropriations Committee and is increasingly apparent in the actions of the newly staffed executive agencies. It is the same old Hoover intent to turn the people's great waterpower resources over to private monopoly.

To see the present situation in true perspective, it may be well to review briefly that earlier fight. The 1950's become clear in the light of the 1920's. People may have forgotten, or been lulled to sleep by the mesmerism of television and radio programs, sponsored by the private power utilities—at the expense of the American taxpayer and the American consumer. But, when they know the facts, they awaken.

In December 1924, as the battle progressed, Senator Norris declared that President Coolidge's desire to sell Wilson Dam, as Muscle Shoals was called, to Wall Street was "a concession so great it makes Teapot Dome look like a punkin head." He added: "Doheny and Sinclair will soon realize that they were only pikers."

They used pretty plain language in those days. But Norris was right. For the turning over of the people's great hydroelectric power birthright to private monopoly would be a far greater injury to the American people than the gift of Teapot Dome oil, serious as that was.

Mr. President, George Norris' language would be equally applicable today to the proposed giveaway of Hells Canyon or Niagara Falls.

Senator Norris had a principle in mind. He predicted that the power trust, unless curbed, would some day enslave the American people. And as I watch the operations of the great associated private power monopolies in politics today, I know how true his warning was. But I am convinced that the American people will arise above this gigantic conspiracy to enslave their minds and pollute their politics and that when they turn against the authors of this private power campaign, it will mean new steps forward in the people's use of their own resources.

The result of the fight which Senator Norris led was, first, the blocking of a bill which would have given President Coolidge the right to lease Muscle Shoals for private operation. Then, late in the 1928 session, under Norris' leadership, Congress passed a bill providing for Federal operation of Muscle Shoals, for public transmission lines, and for Government sale of the power to States, counties, municipalities, corporations, and individuals.

President Coolidge refused to sign the bill, thus killing it with a pocket veto, keeping silent as to why. But again Senator Norris indulged in some plain speaking, attributing Coolidge's failure to sign to fear of the electric industry. He said White House approval of the Muscle Shoals bill would have dried up important sources of funds for the coming campaign.

The bill had passed the Senate by a vote of 43 to 34.

Analysis of the vote provides some idea of the nonpartisan character of the battle. The yeas included 17 Republicans and 25 Democrats, the nays had 22 Republicans and 12 Democrats. And it is worthwhile noting some of the names recorded in favor of this power policy which is once again under attack.

There were Senators Borah, of Idaho; Capper, of Kansas; Couzens, of Michigan; Johnson, of California; La Follette, Jr., of Wisconsin; McNary and Steiwer, of Oregon, all Republicans. Among the Democrats were Barkley, of Kentucky; George, of Georgia; Wagner, of New York; Smith, of South Carolina; Sheppard, of Texas; Copeland, of New York; Walsh, of Montana, and Walsh of Massachusetts; and Dill, of Washington.

It will be recalled, Mr. President, a few days ago in the course of this debate I paid tribute to the Senator from Georgia [Mr. GEORGE] for the great leadership he has shown in the Senate over the years in helping to develop the public power program, the public power yardstick, and the legislation in which he joined by his vote and his support the then Senator from Nebraska, Mr. Norris.

Surely those who lined up in favor of the first effort to implement the present

Federal power policy could hardly be classed as "creeping socialists."

On February 23, 1931, Congress again passed the Norris bill, only to be met with a vitriolic veto from President Hoover on March 3. Hoover denounced the proposed Government operation of the power and fertilizer plants, declaring that "that is not liberalism, it is degeneration." But the Senate vote to override the veto came within 7 votes of succeeding, the yeas polling 49, a majority of the entire Senate, as against 34 in favor of upholding the veto.

Once again the roster of 16 Republicans, who voted to override President Hoover's veto on this issue, is significant. It included Senators Borah of Idaho, Blaine of Wisconsin, Capper of Kansas, Cutting of New Mexico, Frazier of North Dakota, Hatfield of West Virginia, Howell of Nebraska, Johnson of California, Jones of Washington, LaFollette, Jr., of Wisconsin, Norbeck of South Dakota, Nye of North Dakota, Robinson of Indiana, and Steiwer and McNary of Oregon.

Among the Democrats voting to override were Barkley of Kentucky, Black of Alabama, Copeland and Wagner of New York, George of Georgia, Glass of Virginia, McKellar of Tennessee, Pittman of Nevada, Robinson of Arkansas, Sheppard of Texas, and Kendrick of Wyoming.

Before I read certain excerpts of President Hoover's veto message, I desire to point out that a few days ago Adlai Stevenson made a speech in my home town of Eugene, Oreg., and in the course of that speech he made some criticisms of President Hoover's actions in the field of power legislation while he was President. I do not have a copy of the transcript of Mr. Stevenson's speech, but some charges and countercharges have been made in the State of Oregon as to the accuracy of Mr. Stevenson's criticism of Mr. Hoover. I have only the newspaper accounts to go by, and, although I have no doubt that a very sincere and honest attempt was made to quote everybody accurately, and probably that is what was done, I am not now going to say that this is completely accurate, but it is based upon what I think was very able newspaper reporting.

In any event, the newspapers have given the people of my State reason to believe that ex-President Hoover, who was on the McKenzie River in Oregon at the time of the Stevenson speech, and who a day or two after the Stevenson speech went back to California, but was interviewed at the Eugene airport before he left the State, issued a statement denying the accuracy of Stevenson's comments concerning his veto of a power bill to which Stevenson referred.

I know from my research in preparation of this speech, Mr. President, that there is no doubt about the fact that the Norris bill for the Federal operation of Muscle Shoals did come up during the Hoover administration and was vetoed. In my judgment, the Norris Muscle Shoals bill was the key bill which contained the basic principle of the development of what we now refer to as the Federal power policy. I have read, Mr. President, that on February 23, 1951, after the Coolidge pocket veto in an earlier session of Congress, the Norris bill passed the Congress and it was vetoed by President Hoover on March 3, 1931. That cannot be denied; it is historic fact. It is my judgment that that is the incident to which Adlai Stevenson referred in his Eugene, Oreg., speech and if I am correct in that then Stevenson was right in his reference.

I have pointed out that Hoover, in his veto message, denounced the proposed Government operation of the power and the fertilizer plants, declaring "that is not liberalism; it is degeneration." I have pointed out that the Senate came within seven votes of overriding his veto. I have named some of the Senators, both Republicans and Democrats, who voted to override his veto. It will be found that the overwhelming majority of these Senators were what could be called moderates. It certainly could not be said that they were undertaking to throw the economy of the country into creeping socialism.

Now I want to read some excerpts from President Hoover's veto message of 1931 with the suggestion that Senators compare it with the language of the House Appropriations Committee report on the 1954 Interior Department appropriation bill, and also with certain statements with regard to the Government's power policy which have come from high administration levels.

President Hoover said, in his veto message on the Norris bill:

I am firmly opposed to the Government entering into any business the major purpose of which is competition with our citizens. There are national emergencies which require that the Government should temporarily enter the field of business, but they must be emergency actions and in matters where the cost of the project is secondary to much higher considerations. There are many localities where the Federal Government is justified in the construction of great dams and reservoirs, where navigation, flood control, reclamation, or stream regulation are of dominant importance, and where they are beyond the capacity or purpose of private or local government capital to construct. In these cases power is often a byproduct and should be disposed of by contract or lease. But for the Federal Government deliberately to go out to build up and expand such an occasion to the major purpose of a power and manufacturing business is to break down the initiative and enterprise of the American people; it is destruction of equality of opportunity amongst our people; it is the negation of the ideals upon which our civilization has been based.

This bill raises one of the important issues confronting our people. That is squarely the issue of Federal Government ownership and operation of power and manufacturing business not as a minor byproduct but as a major purpose. Involved in this question is the agitation against the conduct of the power industry. The power problem is not to be solved by the Federal Government going into the power business, nor is it to be solved by the project in this bill. The remedy for abuses in the conduct of that industry lies in regulation and not by the Federal Government entering upon the business itself. I have recommended to the Congress on various occasions that action should be taken to establish Federal regulation of interstate power in cooperation with State authorities. This bill would launch the Federal Government upon a policy of ownership and operation of power utilities upon a basis of competition instead of by the proper Government function of regulation for the protection of all the people. I hesitate to contemplate the future of our institutions, of our Government, and of our country if the preoccupation of its officials is to be no longer the promotion of justice and equal opportunity but is to be devoted to barter in the markets. That is not liberalism, it is degeneration.

This proposal can be effectively opposed upon other and perhaps narrower grounds. The establishment of a Federal-operated power business and fertilizer factory in the Tennessee Valley means Federal control from Washington with all the vicissitudes of national politics and the tyrannies of remote bureaucracy imposed upon the people of that valley without voice by them in their own resources, the overriding of State and local government, the undermining of State and local responsibility. The very history of this project over the past 10 years should be a complete demonstration of the ineptness of the Federal Government to administer such enterprise and of the penalties which the local communities suffer under it.

To continue with the message, President Hoover said:

This bill distinctly proposed to enter the field of powers reserved to the States. It would deprive the adjacent States of the right to control rates for this power and would deprive them of taxes on property within their borders, and would invade and weaken the authority of local government.

* * * * *

The Federal Government should, as in the case of Boulder Canyon, construct Cove Creek Dam as a regulatory measure for the flood protection of the Tennessee Valley and the development of its water resources, but on the same basis as those imposed at Boulder Canyon; that is, that construction should be undertaken at such time as the proposed commission is able to secure contracts for use of the increased water supply to power users or the lease of the power produced as a byproduct from such a dam on terms that will return to the Government interest upon its outlay with amortization. On this basis the Federal Government will have cooperated to place the question into the hands of the people primarily concerned. They can lease as their wisdom dictates and for the industries that they deem best in their own interest. It would get a war relic out of politics and into the realm of service.

You will agree, I think, that this language sounds strangely like that of the House Appropriations Committee report, or vice versa. So I need hardly add that this bill which we have under consideration, with all the correlative overtones and undertones that accompany it, means nothing more than an attempt to impose upon the country the Hoover power policy without the formalities of securing approval for amendments to the laws which comprised the Federal policy before January 1953.

Mr. President, this bill as presented to the Senate, if passed would not mean a reversion to an earlier Federal policy which was superseded by the legislation of the 20 years of Democratic administration. It would mean imposing a new power policy, at the bidding of the gigantic power propaganda and lobbying apparatus, which the people of this country repudiated even during the decade of normalcy.

The Hoover Dam policy was never approved by Congress as a general policy

favoring the private power monopolies. Quite the contrary, Hoover Dam was approved as a special case to meet the wishes of the country's greatest publicly-owned power system, that of the city of Los Angeles, Calif.

Before I go on to discuss the Federal power policy for which Senator George Norris stood, the power policy which the whole line of action of the administration and its congressional leadership is intended to undermine, I want you to pause with me to consider President Hoover's veto message in retrospect.

You all know that in the 1932 elections the conflict of policy between Senator Norris and President Hoover was a major issue and that the people voted overwhelmingly for the policy which led to the creation of the Tennessee Valley Authority. You all know how the valley has been redeemed to the point where it is a great asset for the entire country because of its purchases from other regions, because of its greatly increased taxpaying power, because of its showing the way to vast increases in use of power at lower rates, and because of its contributions to national defense.

The Tennessee Valley Authority has become a world symbol, a symbol of democracy managing its resources on a cooperative basis to sustain wide expansion in economic opportunity.

Now, I ask in all sincerity, what would have been the prospect of the people of the Tennessee Valley if the Hoover veto message had established the resources policy, and, more particularly, the power policy, of the American people?

And what of the country as a whole? What would it not have lost in strength within and without if the Hoover policy, which powerful interests would now foist upon the country's resources development, had prevailed?

Mr. President, it is not too much to say that if the Harding-Coolidge-Hoover policy had prevailed this country could never have achieved the strength which enabled it to defeat Germany and Japan, nor the even greater strength which has halted the expansion of communism.

As I discuss this issue today, I feel that Senator Norris still lives in the great resources developments which are transforming the Southeast and the Southwest, the Pacific Northwest, and the country as a whole. Are we going to let that progress continue, or are we going to begin to cramp it within the confining walls imposed by private monopoly?

To our generation, and I think to future generations, George W. Norris is the glowing symbol of a sound natural resources program, dedicated to the people. And, I think it is fair to say that Herbert Hoover is the symbol of the reactionary policy which dedicates the people's natural resources to the corporations.

Twice within the last 12 months former President Hoover has been called upon to keynote this corporate effort to change the resources policy of the Nation.

First, in a nationwide broadcast on October 18 of last year he claimed Republican Party paternity for the Nation's achievements in the field of resources conservation and development. But he left out the real meat of the story.

True, progressive Republicans like Gifford Pinchot and President Theodore Roosevelt and Senator George Norris and Bob La Follette provided outstanding leadership in the conservation field. But they were forced to fight every step forward against the bitter opposition of a corporation-controlled majority of their own party. And they finally turned to Democratic administrations for accomplishment.

"EISENHOOVER" POWER POLICY

Ex-President Hoover, speaking at the Case Institute Diamond Jubilee in April 1953, presented the blueprint for the drive against public power which began as soon as President Eisenhower took office and has now come to lead in this attempt to amend the Atomic Energy Act. Hoover proposed liquidation of the Federal power program through the following broad steps:

First:

The Congress shall cease to make appropriations for more steam and hydroelectric plants solely for power.

He added that if such projects are justified private enterprise will build them.

Second:

The Congress shall follow the precedent of the Colorado (Boulder Dam) project and make no appropriation for new multiple-purpose projects unless the electric power is first leased.

Third:

The Congress should, jointly with the President, set up a temporary Commission on reorganization of this whole Federal venture, with resources to employ technical assistance.

Later we will take a further look at these proposals and at the legislative action which should be taken to stop the Federal power policy wrecking crew which, under Hoover chairmanship, is already at work in the Commission on Organization of the Executive Branch of the Government, under authorization of the 1st session of the 83d Congress.

Clear indication that the victorious power trust had decided to move fast appeared in the January 1, 1953, issue of Public Utilities Fortnightly, one of the periodicals which faithfully reflects the industry viewpoint. The editor's predictions for 1953 included the following:

Federal power projects: We can look for better relationship between Interior Department and the private utilities, more participation by State and local governments in Federal power programs now underway. No new major Federal programs will be started. The public power preference clause is likely to be softened, by policy rather than statutory decision.

Reviewing this prophecy in the Fortnightly a year later, in the January 24, 1954, issue, the editor appraises this prophecy as having proved right.

Such accuracy of forecast warrants attention to the following Fortnightly predictions for 1954—see January 21, 1954, issue:

Federal power legislation: The House-approved Miller-Capehart bill—to permit private company development of power at Niagara River—will run into opposition in the Senate. The result will be close and the chances for success may depend on getting it to an early vote. The same goes for efforts of the administration to amend the Atomic Energy Act, so as to permit more private company participation. No major power legislation (private or public) in sight for 1954.

(Mr. REYNOLDS assumed the chair as Presiding Officer.)

Appropriation legislation: Both Interior Department and REA will have total appropriations cut below the current fiscal year, so far as budget recommendations are concerned. But Congress may restore rural electric and telephone loan authority to about this year's level for REA. Attempts will be made without success to put restrictive language in appropriations to forestall more liberal power policy interpretation by both Interior and REA.

Interior power policy: With some modifications Interior Department will continue its interpretation of the "preference clause" in marketing contracts so as to permit more local and private company participation. The expected contract for the sale of power from Clark Hill Dam in Georgia should be the tipoff. Bonneville Administrator Pearl will stop active promotion of public power in the Northwest.

REA policy: Administrator Nelsen will continue his efforts to iron out policy difficulties which in the past have blocked cooperation between co-ops and both the private companies and telephone companies in making loans. The REA "super co-op" (generation and transmission co-ops) may be upheld, in court, but actually occupy a less controversial place in the picture through practical loan administration.

Federal Power Commission: Private hydro development at Hells Canyon will get conditional licenses.

The completeness of the shift back to private power monopoly is being camouflaged by the art of the public-relations expert. In other words, the statements which are carried to the people gloss over proposed changes with New Deal language. This is true of the administration's presentation of the different phases of its program, including housing, health, farm, and labor, as well as power.

Only in such publications as the Wall Street Journal, Barron's National Business and Financial Weekly, Public Utility Fortnightly, and Nation's Business are businessmen told the truth about the wholesale shift of the economy back to business interests. A few brief comments by these journals indicate how the wind is blowing.

Barron's Weekly for January 11, 1954, sees the switch in power as perhaps the most satisfactory change wrought by the administration so far. According to its lead article:

The administration has made it amply clear that from here on the job of supplying the Nation with the power it needs will be left principally to the private utilities.

This business periodical quotes Secretary of Interior McKay's Hells Canyon statement. "We believe private enterprise, where possible, should develop the rivers of the Nation," and remarks that "nothing like that has issued from the cavernous Interior Department since the days of Herbert Hoover."

That causes me to point out, Mr. President, that I do not know of a greater compliment that could be paid to the Democratic administrations of Roosevelt and Truman. Nothing like it has come out of the Department of the Interior

since the days of Herbert Hoover. Certainly, no veto message came out of the White House during the days of Roosevelt and Truman such as that shocking veto message of Herbert Hoover in 1931 when he vetoed the Norris bill, which bill, in my judgment, laid down the foundation principles for the sound public-power policy that prevailed eventually during the Roosevelt-Truman era.

I am glad I have incorporated in this speech the excerpts from the Hoover veto because, as I say, there is so much confusion in my State as a result of Adlai Stevenson's charge in his Eugene, Oreg., speech that Hoover vetoed such legislation, and Hoover's attempted denial of it the other day at the Eugene Airport when he flew out of the State.

As I say, I do not have before me the exact wording of the Stevenson criticism, nor the exact wording of the Hoover reply, but I am not interested, Mr. President, in any technicalities of language that would cause some literalist to try to support the premise that the two were not talking about the same thing, because the impression that was left by the ex-President in his press conference at the Eugene airport, as I read the Oregon newspapers—and I have read quite a few of them on the subject—was that he was the friend of the kind of power program which he in fact vetoed when he vetoed the Norris bill in 1931. I do not think he is going to fool anyone in the State of Oregon when they come to read my reply in this speech to the Hoover press conference at the Eugene Airport of a few days ago. I think they are going to understand, Mr. President, when they have their memories refreshed as to what Hoover actually said in his veto message of 1931, and the people of my State are going to ask the question, "Who does Hoover think he is kidding?"

Any press conference at the Eugene Airport that seeks to give the impression that he did not veto such a major piece of power legislation is contrary to the facts, because he did. As I say, although I do not have the exact wording of Adlai Stevenson's charge, I think that after all what Stevenson was trying to point out was that under the Hoover Administration the American people did not have a friend in the White House in support of the public power yardstick principle which George Norris so valiantly fought for in the Senate, and which some of us on this atomic energy bill are trying to do likewise—simply trying in our feeble and inadequate way to be true to the statesmanship of George Norris.

No matter how we may try to rationalize it, no matter how we may try to alibi it, no matter how we may try to escape from it, the fact is that the Dixon-Yates principle written into this bill takes us back to the days of Herbert Hoover. It takes us back to the reactionary philosophy that brought the greatest economic collapse upon our country in all its history—the Hoover depression. It takes us back to the perfectly ridiculous notion that private monopoly has something to do with private enterprises; that they are synonymous terms. It takes us back to the Hoover fallacy that we are protecting private initiative, that we are protecting a free enterprise system when we seek to give monopolistic control over the generation of electric power in this country. Just the opposite is true. We are going to protect the free enterprise system and we are going to give a tremendous stimulus to individual initiative in the American economy if we provide, along with private utility operations, a public power yardstick, the building of great multiple-purpose dams, and in the case of atomic energy, the writing into this bill of the principle that no monopoly shall be given to such a monopolistic combination as Dixon-Yates.

It is, in my judgment, repetition of a pattern of legislative history, and I do not know why we should lead the American people into getting mulcted twice. They were taken for an economic ride by the monopolists under Coolidge and Harding and Hoover. We ought to stop it under President Eisenhower. We ought to stop it on this piece of legislation. We ought to stop it on the atomic energy bill. We ought to write into the bill checks and protections for the American people.

That is why I said earlier in the speech that I was going to talk to the taxpayers for a while. That is what I have been doing. That is why I said earlier that I think it is important that we make a record in this debate for the future reference of the taxpayers of the country. I want them to know what this fight is all about. I want them to know why we got into this contest, not only because of the parliamentary difficulties which developed in the Senate and which I described earlier, but because of fundamental differences over the merits of this bill, differences to cause those of us in opposition to this bill to use one language form or another or different phraseology, as various speakers have spoken, but having a common meaning among us.

This is a monopolistic bill; this is not a free enterprise bill. This is a bill which places the taxpayers at a great disadvantage in relation to the monopolies. It is a bill which has in it a series of hidden subsidies, a tremendous advantage to selfish private utilities.

I am delighted we have made this fight. I am happy we have made this record, Mr. President. I am convinced time will prove us to be right, and I am convinced that with the passage of time we are going to be vindicated by the voters of America. My faith, Mr. President, in the judgment of the American people, once they come to know the facts, is such that I am satisfied the record the opponents of this bill have made in this historic battle in the Senate of the United States is a record which the taxpayers will long remember because they are going to come to understand we were fighting for their interests. They are going to come to understand the amendment of mine, which was laid on the table without my being given an opportunity to present my arguments for the amendment, because of the fact that I would not bend my knee to a parliamentary procedure imposed upon me by the leadership of the Senate. That amendment sought to check a hidden subsidy—and not too hidden either—in this bill.

I am satisfied that the taxpayers once they come to understand the facts involved in that amendment, are not going to like it, that is, what amounted in effect to the recommendations of the Federal Power Commission was not followed by the Senate. I am satisfied that the taxpayers, when they come to analyze the facts behind the amendment which I was not allowed to explain before it was laid on the table, unless I surrendered my independence of judgment and put my head into a parliamentary noose, will know this was an amendment which, if adopted, would save the taxpayers tremendous sums of money and would be fair at the same time to the companies producing plutonium ash.

I think, Mr. President, those who take the time to study the significance of the amendment I offered but which was laid on the table by the Senate before I was given an opportunity to present my arguments in its support, because I refused to be run over by a steam roller in the Senate, will know this is an amendment that is going to be approved by the taxpayers, because I am satisfied they are going to come to understand that it was an amendment that sought to set up some legal standards for determining the price, both the leasing price of the uranium and the purchasing price of the plutonium ash, which the American people were entitled to have written into the law in order to destroy the temptation on the part of some Government administrator or commission in the future to exercise an arbitrary, capricious discretion, to enter into sly deals with companies, to pay them, or to authorize the payment to them of a price far in excess of what they should be paid.

I am satisfied, Mr. President, that when the taxpapers come to understand the facts of my amendment on pricing, which was laid on the table by a majority of my colleagues in the Senate, as I have said, before I was ever given an opportunity to explain the arguments in support of the amendment, because I insisted upon exercising my rights under the rules of the Senate to speak in support of my amendment, the amendment will receive the commendation of the taxpayers of America. Once they come to understand the facts of that amendment, they are going to agree that I am right when I argue that the pricing provisions of the atomic energy bill in its present form take us back to the tactics and policies of the Hoover administration. With that confidence in the ultimate judgment of the taxpayers of the country, I have no apologies for making the fight I am making shoulder to shoulder with other colleagues in the Senate who share my views and whose views I share. As I indicated earlier in this speech, that is our duty.

If that is the conviction of our conscience, that is our duty. If our conscience tells us that an historic fight must be waged to alert the Nation and to make a record of the facts to which the people can resort as they come, with the passage of time, to understand what

was involved in this fight, then it is our duty to make it.

I was amused by some of the sales talk used on us by some of the faint hearts among our colleagues who wanted us to desist. It is the old argument that is always used when people think they can drive others out of the fight by a bugaboo argument or a scarecrow argument or an appeal to fear. Some of the arguments went like this: You have reached the peak, you have done all the good that can be done now, and you are on the decline.

Of course, I am satisfied that they were wrong on their facts, but even if they had not been, that would have been no justification for our desisting in this fight until the full record was made. That would have been no justification for our agreeing to parliamentary mandates declared against us unless those who make such arguments really believed we were a bunch of political cowards, and if they did have that belief I think they realize they were mistaken. That kind of alibiing, rationalizing argument would be no justification for our wilting and surrendering before we complete the record in this case. If we had done it, Mr. President, we never would have adopted the amendments we adopted yesterday. If we had done it, this bill would not go to conference with as much protection of the public as it now contains. It would go to conference in the form in which the majority thought they could ram it through the Senate in the first instance.

Go back to the record. The leadership thought they could get rid of this bill in 2 days. That is what their first pronouncement was to the press. Of course, if they had gotten rid of it in 2 days, it would have been a far cry from the bill that now in all probability is going to go to conference unless we beat it on a recommittal.

Some of the arguments were that it was causing splits within the Senate. Mr. President, I have seen the Senate split a half dozen different ways at the same time. We fight it out, we fight hard, and we battle away. Finally the battle comes to an end, Senators get a weekend of sleep and return here, as professional men should, without grievances and grudges, and we usually hear such talk between Senator X and Senator Y, who bitterly opposed each other on some issue, "Well, I hope we are together on the same side on the next issue."

Will it be that way with this issue, too? Certainly. There has been a little bloodletting, figuratively speaking, in this fight. Unfortunately, some become fatigued. Fatigue reacts differently on different people. Because of fatigue they have shown some signs of irritation and hurt feelings. That is all superficial; nothing lasting. That is the way it is going to be.

I remember one conference we had a couple of days ago where one who was trying to persuade us to desist said, "Most newspaper editorials are against you." I said, "Are you presenting that to me as an argument for my desisting in this fight? I hope you realize how funny that is. It is no new experience for me to have all newspaper editorials against me."

I have never, Mr. President, and I certainly do not intend to start with this bill, gaged my course of action on issues in accordance with whether or not newspaper editors keep their penpoints out of my blood. I expect a lot of newspaper criticism. Of course, most of those newspaper editors do not seem to realize that few of their readers share their point of view. In fact, more and more in America a larger number of readers read newspaper editorials that contain personal, vicious attacks on someone who is doing what he thinks is right, and you hear them say, "I would like to hear that fellow's side of the story." They have heard that fellow's side of the story enough so that many, many newspaper readers have come to understand that one has to read the newspaper editorials in line with the political line of the paper.

Right now the editorial line in America is overwhelmingly reactionary. The overwhelming majority of the American newspapers today, editorially, are propaganda leaflets for reactionary big-business forces so well served by this administration. It is a good change in the sense that those newspapers are going to have less and less influence when it comes to the individual voter making up his mind as to the decision he should make when it comes to voting on men and issues.

I have a certain feeling that the editorial policy of the reactionary press of this country is the greatest recruiting service the Independent Party has. I think the reactionary editorial policy of most of the big press of the country is convincing more and more people that they should not follow a party line based upon the idea of placing the party first, but should exercise an independence of judgment based upon voting for men and issues irrespective of party or party line.

I have talked to quite a few newspaper editors who frankly tell me that is so and think their brethren in the newspaper industry are making a grave mistake, but when this colleague in the Senate tried to tell a little group of us just beyond this door, in the cloakroom, a couple of days ago that we ought to desist because most of the editorials in the country were against us, I knew then for certainty we were on the right track. I could not imagine a more accurate barometer of the soundness of my position and the position of our group on this bill than to be told that most of the editorial writers are against us, because that meant for a certainty to me that we were placing the public interests above the vested interests.

So they did not get anywhere with those scarecrow arguments. They finally decided they would have to use other tactics. They have not succeeded yet.

We are reasonable about it. We are still willing to consult and consider some amendments still to be offered, but we are not going to be browbeaten, we are not going to be told that we will either consider them under such a straitjacket of parliamentary procedure or we are not going to get a chance to speak on them. We are not going to permit them to get away with that kind of cloture rule, amendment by amendment, based on a majority vote unless they want to adopt a majority vote cloture rule as a policy of the Senate, generally applicable with adequate guaranties for sufficient debate for the minority as is provided in the Morse antifilibuster resolution, which would provide at least the potential of 96 hours maximum for debate. When they have without debate laid amendments on the table, they have been adopting cloture by a majority vote rule, but without the protection to the minority of having at least some time on the amendment.

Even those of us who have stood for majority vote cloture rule have protected the minority in the time required to discuss the issues. My resolution provides for 96 hours as the maximum. I do not think there are many occasions when that amount of time would be used, but it is a guaranty which under this American system is essential if we are going to have freedom in this country, and a procedure that protects the minority. But the leadership of the Senate would not give us that protection under its mandate of "You either agree to an agreement to limit debate or you do not even get a chance as a minority to explain your amendment."

It is not going to look good. It is not going to look very well in the legislative history of the Senate of the United States. It is not going to be a very nice chapter. It is going to result in a great deal of critical writing by historical students of the Senate when they come to write the history of this session of Congress. It is going to reflect upon the Senate. Wait and see. It violates the rules of the playground. It violates the rules of fair play. We cannot violate the rules of fair play in America and not pay the penalty so far as public reaction is concerned.

We tried to get them to see that when we said, in effect, "Just cut that out. We will get to a vote eventually, but we are not going to be coerced into a vote."

No, Mr. President, I have no apologies for this fight, and none of my colleagues need have any either. Just give the people the time to get the facts and to analyze what has happened. It will then be seen, Mr. President, that we are going to be sustained in the judgment of time and history and of the public, as George Norris was in the fight he made, a description of which I am going to read after a while.

I want to continue, Mr. President, with the story of the kind of telegraphing of policy, business policy, in the field of natural resources business periodicals and magazines are printing these days.

The Public Utilities Fortnightly comments in a similar tone as in the Parents Weekly, January 11, 1954, on the new REA policy. It says:

> Administrator Nelsen considers it his duty to get the job of extending electricity and telephone service to the farmer over with as quickly as possible by the best and shortest means possible, with or without REA loans. That means that REA may soon be entering the simple role of a liquidating agency for loans outstanding, in view of the fact that the farm electrification job is in its final stage.

The Nation's Business, a publication of the United States Chamber of Commerce, devotes its January 1954 issue to a Year of Historical Change, with articles by members of the Eisenhower Cabinet, each followed by expert comment.

This is a very interesting issue. In fact, I want to say to those who are going to campaign against the Eisenhower administration in 1954 that they should get a copy, that they will have some excellent source material in this issue. A compilation of what Cabinet officers have to say and then what the spokesmen of business say by commenting upon their statements constitutes about the best campaign document that can be found, bearing out the thesis that I made earlier in this speech, that what this administration is up to is taking us back to the principles of Hoover, Coolidge, and Harding, and that this bill is bottomed upon the underlying philosophy of Herbert Hoover's veto of the Norris bill in 1931.

Secretary of the Interior Douglas McKay's article is captioned "Resources Return to the People," as if the Federal Government were an alien power and the absentee-owned private power monopolies were the people's agents. Perhaps the most significant single statement in McKay's article says:

> The new power policy restores to the Federal Power Commission its proper position in the development of electric power. It reaffirms a position inherent in the Federal Power Act that, where non-Federal power development meets the criteria established by this act and where the public interest is served the ruling of the Federal Power Commission in favor of such development is paramount.

Following McKay's article is an analytical view of the new Interior policy by Wilbur Elston of the Minneapolis Star Tribune and Des Moines Register and Tribune Washington bureau. This is captioned "From Paternalism to Partnership." High points of his analysis state that—

> The Department is no longer the militant advocate of public power. * * *
>
> The Department flatly opposes the Federal construction of steam plants to supplement its supplies of hydroelectric power.
>
> Other than in the multipurpose dams, the generation, transmission, and sale of electric energy will be left in the hands of local enterprise. * * *
>
> Public power rates will be boosted to reimburse the Government for the increased cost of construction * * * as well as to finance reclamation costs.
>
> Preference customers * * * still will get first chance at public power, but will lose some other advantages.

Elston cites the declaration of Assistant Secretary of the Interior, Fred Aandahl, that sales to private utilities and expected reduction in the difference between Federal and private-power rates, "should materially reduce the unfortunate pressure on local communities to establish local public-power entities just to get Federal hydro power."

This emphasis on the Eisenhower administration's reversal of the chain of development of American power policy as the introduction of a "partnership" as against a "paternalistic" approach is based on a complete misrepresentation of what is happening. Actually, the freedom of communities to choose public or cooperative electric service in the interest of low rates has been limited or eliminated by the inability of such communities to obtain modern low-cost power supply.

What is happening is that Federal partnership as it has existed is being boldly shifted from local communities to nationally financed private monopolies.

American power policy has developed consistently over a period of 70 years since the birth of central station electricity in 1882. The first principle of that policy has not been private ownership but the democratic right of each community to choose its form of electric service, whether to own the service itself on a public basis or to franchise a privately financed public-service corporation to supply the service.

By the end of 1882 four publicly owned electric systems were already in existence. The number of municipally owned electric plants increased slowly at first, then more rapidly, until it reached a maximum of over 3,000 in 1923. Thereafter, the number declined rapidly to about 2,300 in 1927. By 1951 the number had fallen further to about 2,000.

The Tennessee Valley Authority's 1953 annual report correctly points out that the reversal of the trend of municipal public ownership resulted from the technological advance of the electric industry, not from a change in principle or in political theory.

According to H. B. Borau, writing in 1929 on the Changing Character and Extent of Municipal Ownership in the Electris Light and Power Industry, the large-scale centralized production of electricity, the development of long-distance transmission, and interconnection of central supply stations "appears to have been the most important condition affecting the character and extent of municipal ownership of electrical establishments."

In this connection it is important to note that in the same period (1922–27) the number of private systems declined from 3,774 to 2,135. By 1951, the number had been further reduced to 2,011.

This means that the trend had started which was ultimately to render small local power supply uneconomical and make preservation of the right of communities to choose public-power supply dependent upon the increasing assumption by the Federal Government of responsibility for providing wholesale power supply.

It is significant that the Federal Government in the Republican administration of President Calvin Coolidge promptly stepped in to meet the needs of one of the country's leading municipally owned power systems. It did so in 1928 when Congress authorized construction of the Nation's first great multipurpose project at Boulder Canyon of the Colorado River.

Ex-President Hoover has given the false impression that this project, unduly named after him, provides the model for the new private-monopoly-dictated policy of the Eisenhower administration.

The power potentialities of the section of the Colorado River and the ex-President had something to say about that at the news conference at the Eugene Airport a few days ago that I referred to earlier, which includes the Boulder and Bridge Canyon sites, were first explored by engineers of the Los Angeles Department of Water Supply and Electricity with a view to ultimately meeting the city's needs. The Boulder Dam project was conceived as a source of water supply and electricity for the Los Angeles metropolitan area, including Pasadena, also served by a public system, as well as to assure improved water supply for the Imperial Irrigation District in Southern California and for irrigation in the lower basin in Arizona.

The drive which put the project through, against the opposition of reactionary Republicans, was led by Progressive Republican Senator Hiram Johnson, of California, and equally progressive Representative Phil Swing of the same State. But their success was due in large measure to the campaign conducted by E. F. Scattergood, general manager of the Los Angeles City Power System and one of the great public-power men of this generation.

The very principle of having the Federal Government build the multipurpose project, with local interests leasing the generators, now claimed by Hoover, was adopted at the preference of the Los Angeles municipal plant. Its management insisted that it must control and operate the generators and transmission lines to feel secure in its dependence upon a plant located 250 miles away for so large a portion of the city's power supply.

This principle is not, and never was intended to be, a pattern for Federal-local cooperation in the power supply field. It would work only in connection with a public system as large as Los Angeles, which could, in turn, enable associated municipal systems, like that of Pasadena, to share in the advantages of its ability to undertake and finance a great transmission system.

For smaller municipal and cooperative systems, the Federal Government must take the responsibility for power supply, including integration of hydroelectric developments and transmission of power to load centers to assure them the same opportunity as it provided Los Angeles under the much-vaunted "Hoover plan."

Where such Federal partnership has been available, or where States have set up a basis for the establishment of local public wholesale power supply systems, the expansion of public power has gone steadily on, revealing a basic desire of communities to have the advantage of nonprofit undertakings. Thus, areas of steady expansion in public distribution since 1933 include the Tennessee Valley, the Pacific Northwest, the State of Nebraska, and, to a lesser extent, South Carolina and Texas.

These last two States enjoyed Federal assistance in the financing of such agencies as the South Carolina Public Service Authority, the Lower Colorado River Authority, and the Brazos River Conservation and Reclamation District.

Federal partnership, as we have known it in the past, also made possible the tremendously important rural electric-cooperative movement, with its thousand or more cooperative systems in practically all States of the Union. The Federal share of the partnership includes provision for low-interest loans, technical assistance, and increasing responsibility for wholesale power supply, at least to the extent necessary to put the distribution cooperatives in a position to bargain successfully with what otherwise would have been untrammeled private monopolies.

The importance of this aspect of the partnership was acknowledged when the May 30, 1953, issue of Business Week reported that Hamilton Moses, president of the Arkansas Power & Light Co., has fought the threat of an Arkansas TVA for 20 years by pushing rural electrification, by selling power to rural electric cooperatives cheaper than the Government's power system could, and by building Arkansas.

Provision for financing cooperative generation and transmission cooperatives, set up to supply groups of distribution cooperatives, has been an important phase of this partnership as a supplement to Federal river-basin programs. But, by itself, it cannot today compete in cost with large, modern systems linking together great hydro- and fuel-generating systems.

When the Federal Government abdicates its responsibility for large-scale modern power supply, based on development of hydro, atomic, and other resources, it is, in effect, abdicating in favor of a vast private-power dictatorship resting on monopoly control of modern power supply.

Under the Constitution, the people, through their Federal Government, owned the waterpower resources associated with public lands and streams involving interstate or foreign commerce. That established the basis for evolution of the legal structure through which Federal-local partnership in the public-power field became effective when it was needed.

In succession, the people obtained the Reclamation Act of 1906, the Federal Power Act of 1920, the Boulder Canyon Act of 1928, the Tennessee Valley Authority Act of 1933, the Rural Electrification Act of 1935, the Flood Control Acts of 1938 and 1944, the Bonneville Administration Act of 1938, and the Pace amendment to the Rural Electrification Act in 1944.

The structure created by this series of Federal acts contained the following:

First. The Federal Government had authority over development of waterpower resources involving public lands or interstate commerce and such waterpower could not be developed without a valid Federal permit.

Second. Use of such waterpower resources by non-Federal interests was limited so as not to involve their permanent alienation and must be best adapted to the comprehensive development of the entire water resource for all purposes. Recapture was possible at the end of the license term.

Third. The Federal Power Commission, established to administer this policy, was given the responsibility of determining first whether the development should be made by the Federal Government itself. On determining that it should be, the Commission was foreclosed from licensing any non-Federal agency to develop the waterpower resource in question.

Fourth. In granting licenses, the Commission was required to give States and other public bodies preferences over privately owned agencies.

Fifth. The Federal Government would develop waterpower in connection with its reclamation, flood control, and inland waterway programs where economically feasible and required by the local markets.

Sixth. The Federal Power Commission would cooperate with the Corps of Engineers in planning river-basin programs so as to assure truly multipurpose undertakings making the best use of the waterpower potentialities.

Seventh. Public and cooperative electric systems were accorded a prior claim on power supply made available by Federal river-basin programs.

Eighth. The Federal Government would assure low-cost money and technical assistance for the expansion of rural electrification, not only ultimately to all farms, but also for all farm uses which would improve the economy of farm operation and raise rural living standards.

Ninth. The Federal Government would supply low-cost power for regional development, particularly where this contributed to expansion of essential modern electro-process industries.

Tenth. The Federal Government would take steps, where necessary, to offset private monopoly control of the prices for wholesale power supply in an area by building transmission facilities to interconnect Federal hydroelectric developments, make possible arrangements for firming up hydro power with steam power and deliver power to load centers.

Altogether, these power-building blocks formed a consistent antimonopoly program, based squarely on the rights of the American people in their waterpower resources and their power business and calculated to serve the public interest in a field where regulated private monopoly had notably failed.

Only the most unprincipled hucksters could brand it as either "whole-hog" Federal paternalism or nationalization of the power industry.

The very language used on the floor of the Senate in December 1919, by the chairman of the Senate Committee on Commerce, who was steering the bill which was to become the Federal Water Power Act of 1920, showed the intent of Congress to favor opportunity for public development of waterpower resources. He said:

> It will thus be seen that under the terms of the act the Federal Government has, through its Commission, the first right to develop any of the waterpowers under its jurisdiction. Should the Federal Government elect not to do so, then States and municipalities are accorded a preference right to licenses on even terms over citizens, associations of citizens, or corporations organized under the laws of the United States or any of the States thereof.

It is pertinent to remember the time factors in judging Secretary McKay's passing of the buck to the Federal Power Commission in the Hells Canyon case: (a) That in the majority of instances local public bodies are not equipped to match privately owned systems in large-scale river basin developments; and (b) that the agencies for which he is responsible are set up and equipped to take the responsibility for such major parts of total river-basin programs, while the Commission is hardly equipped even for thorough review of plans developed by others.

It is a very interesting position which is taken by the Secretary of the Interior, but I have come to expect the Secretary to take very interesting positions on Hells Canyon Dam, and for that matter public resources generally.

Nevertheless, I thought we ought to get that position of his into the record. It gives further evidence as to why the Senator from Oregon is very much opposed to the power policies of the Secretary of the Interior because I know them to be giveaway policies, and because I know them to be sellouts to the private utilities and because I know that under the name of local partnerships, it is going to be corporations owned for the most part by large financial stockholders in the East who really get the lion's share of the benefits. That is why, Mr. President, you have not seen me enthusiastic about the phoney partnership program proposed by this administration. That is because I know it is not a real partnership of local interests. The real partnership of local interests are the farmers' REA's, the farmers' co-ops, the municipal plants that buy their power wholesale from the great Federal multiple-purpose dams.

They are the ones that represent real partnerships. If they have to be served the control of the power source is not going to be turned over to an eastern-dominated corporation with a home setup in Maine, such as the Idaho Power Co., or to a combination of private utilities we have come to know as Ebasco. It cannot be done in that way. We are going to continue to follow the policies of George Norris in the great TVA fight, and I am going to read about that fight at some length before I get through. That is what we need to follow as our pattern.

It is not the Hoover pattern as set forth in that reactionary veto message of 1931 when he vetoed the Norris bill. He forgot to talk about that very actively at the Eugene Airport the other day, when he attempted to give the impression throughout my State that Adlai Stevenson was wrong when Adlai Stevenson called the attention of the people of my State to the fact that Hoover had not been the friend of the public-power program.

Mr. President, the enormity of this giveaway of the Eisenhower administration, in the natural resources field, is hard to believe, but the record is clear.

I, too, would wish I could disbelieve it but I cannot hide myself from the facts. The facts are all against the Eisenhower administration.

ENORMITY OF GIVEAWAY HARD TO BELIEVE

It is understandable that in any single case cited in this brief survey of the Eisenhower-McKay power policies, many people desire to resolve any existing doubt in favor of the President and the Secretary of the Interior.

So would I. But when in case after case from Hells Canyon, the Bonneville private utility contracts, the John Day partnership proposal, to the Missouri Basin criteria, to Clark Hill Dam, to Niagara, the pattern clearly shows that this administration has undertaken a crusade in behalf of the private utilities—how can doubt remain?

The people of the Columbia Basin and the Tennessee Valley know that private utilities are not the representatives of private enterprise. Quite the contrary—their restrictive practices over the decades, where uncorrected by a public yardstick, have hindered industry and farming.

It is painful that each generation must learn anew many of the lessons already known by their parents. That is true today.

People have become bemused by repetition, repetition of the slogan "Creeping Socialism." They are coming to see that this is a slogan only to besmirch the public power policies laboriously built over a period of more than 50 years.

The fight we are making today is much the same fight already made by Theodore Roosevelt, George Norris, and other gallant people who withstood private utility attempts to take over the Grand Coulee site.

In fact, Mr. President, it is almost unfair to mention just a few, because great records have been made by many here in the Congress in years gone by in building up this very sound public power yardstick program. We certainly are justified in making frequent reference and paying tribute to the great work of Norris, and Teddy Roosevelt, and Pinchot, and McNary, and Dill, and Couzens, and Senator GEORGE, of Georgia, who is still with us in the Senate. Also there are the La Follettes, and many others. There is Johnson, of California, and many other great men who have in times gone by met the same issue in principle that we in a less able way are attempting to meet in this atomic energy bill fight.

We are fighting for an expanding free enterprise economy which requires the efforts of the Nation to harness the waterpower and the atom to produce low-cost power and the other blessings they can bestow.

We are fighting for the people's rights in their streams and the technology developed with their taxes.

There is no alternative but to keep up the fight until the shortsighted and greedy desist in their attempts to monopolize the people's resources for private gain.

Mr. President, I now wish to talk about a related phase of the problem, before I turn to The Norris Story, and before I turn to a comparison of the bill prepared by the Atomic Energy Commission and submitted by the President to Congress, with the bill now before the Senate. I have had on my mind an intention to discuss a related matter, and I think this is as good an opportunity as any to do so. Therefore, I shall discuss for a few minutes the subject of increased securities profits, a cushion for declining bank lending activity.

INCREASED SECURITIES PROFITS—A CUSHION FOR DECLINING BANK LENDING ACTIVITY

Mr. President, last April 9 I discussed the mechanisms and the results of the administration's so-called "honest money" policy. I noted that after a year of the "honest money" program, employment, business activity, and farm incomes were down, and that bank profits were up. Commenting upon the record profits earned by the banks in 1953, I predicted as follows:

> Banks are enjoying record earnings now despite lower business loans. This is a result of last year's interest rate increases.

Results of bank operations for the first 6 months of 1954 are bearing out this prediction. Moreover, they are also confirming my charge that, as a result of Treasury policy:

> Some individuals and financial groups have made enormous profits on the $1 billion 3¼ percent bond flotation. (CONGRESSIONAL RECORD, p. 4975, April 9, 1954.)

A compilation of the earnings of four major New York banks for the first 6 months of 1954 discloses the interesting fact that these lending institutions made a total profit of $16,300,000 from the sale of investment securities. In the same period a year ago these same four banks experienced a loss of $1,200,000 from investment securities sales.

Since mid-1953, enormous opportunities for profits from sales of Government securities have in fact opened up. For example, the Victory 2½'s, which the administration permitted to fall to 89, could have been sold at par value in recent months. Similarly, the new 3¼ percent bond, which dropped to 98 last year, could have been sold at 110 recently.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table showing the profits and losses from the sale of securities for four major New York banks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In millions of dollars]

	First 6 months 1954	First 6 months 1953
Guaranty Trust Co.	$8.4	−$1.0
National City	4.3	.2
Chase National	2.3	−.1
Bankers Trust	1.3	−.3
Total, 4 banks	16.3	−1.2

Mr. MORSE. Mr. President, for the first 6 months of 1954 the combined net operating income plus profits from the sale of securities for these four banks totaled $60.6 million, or an increase of $17 million over the comparable period a year ago. And this year these banks have been relieved of the excess-profits tax liability. Mr. President, I also ask unanimous consent to have printed at this point a table which lists the combined net earnings from operations and profits from security sales of these banks during the first 6 months of 1953 and 1954.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In millions of dollars]

	First 6 months 1954	First 6 months 1953
National City	$20.8	$15.5
Guaranty Trust	16.4	10.1
Chase National	15.4	12.7
Bankers Trust	8.0	5.2
Total, 4 banks	60.6	43.5

Mr. MORSE. Mr. President, without doubt the largest private commercial banks form a segment of big business that has enjoyed some of the greatest bounties of the Republican monetary policies.

As I pointed out in April, 1953 marked the first $1 billion profit year for the Nation's insured private commercial banks, and the 328 largest banks increased their profits by $65 million, or 11 percent. That was a good bankers' year. In 1954, even though the 10-percent drop in industrial production resulted in both a decline in new loans and lower short-term borrowing rates, profits of the big commercial banks have continued to grow.

This development was not entirely unforeseen. For example, in mid-1953 the New York Journal of Commerce predicted that the New York banks' financial operations in Government securities had placed them in a position where they could realize large capital gains later.

Reviewing the second quarter 1953 bank earnings statements, the New York Journal of Commerce, July 7, 1953, reported:

> Most of New York's larger banks engaged in tax-switching operations on a large scale, their statements indicate. Not only did such operations result in longer term tax savings but also they brought into sight substantial capital gains, taxable at a lower rate, on the securities bought for replacement of those sold. Also current income through immediately higher yields was provided by the replacement securities.

An analysis of the earnings results for the National City Bank of New York, whose former chief executive officer, W. Randolph Burgess, has been in charge of administration debt-management policy since January 1953, gives us a clue to this unusual profit situation.

In the first 6 months of 1954 combined earnings and profits from the sale of securities, including United States Treasury securities, of the National City Bank and its affiliate, City Bank Farmers Trust Co., totaled $20,818,119, equal to $2.78 a share. This represented a rise of $5,274,001, or nearly one-third above the $15,544,118 combined profits for the first 6 months of 1953. Earnings per share in the first half of 1953 came to $2.07, the 1954 experience therefore representing an increase in profits per share of almost 35 percent.

How can we account for this increase when business demand for loans had dropped and interest rates at least leveled off?

A rise in net profits from the sale of securites to $4,257,604 from the 1953 figure of $215,840 was the primary factor accounting for the National City Bank's increased earnings.

Even though Government interest rate policy was reversed in mid-1953, this did not mean that banks followed suit. On the contrary, the prime bank rate was maintained at 3¼ percent until early 1954. And it is usually 6 months before the drop in interest rates is fully reflected in the bank's earnings from commercial loans.

Thus, we find that for the National City Bank of New York, the second largest in the Nation, interest earned on loans was $1,600,000 higher in the first half of 1954 than in the first half of 1953. And interest plus dividends from securities, including $1,600,000,000 of Government securities, were $3,200,000 higher than the first half of 1953.

The Chase National Bank, the second largest bank in New York, reported their net earnings and profits from the sale of securities totaled $15,400,000, or $2.08 per share for the first half of 1954, against $12,700,000, or $1.71 per share for the same period a year ago.

Net profits from the sale of securities for the 1954 first half were $2,030,000. This was equal to 31 cents per share. In the first half of 1953 Chase took a net loss of $105,000 on security sales.

Compared with the first half of 1953, Chase's income from private loans declined from $38,800,000 to $38,600,000. However, interest on Government securities, of which Chase owns $1,300,000,000, rose to $9,600,000 from $8,200,000 a year ago.

The Guaranty Trust Co., the third of New York's major banks, reported a 62 percent rise in net profits for the first 6 months of 1954 compared with a year ago.

Combined net earnings and profits from the sale of securities totaled $16.4 million or $3.28 per share for the half year ending June 30, 1954 compared with $10.1 million or $2.01 per share in the first half of 1953.

The principal item accounting for the increased income in 1954 was $8.4 million in security profits against a net loss from security sales of $1.0 million for the first half of 1953.

Another large New York bank whose half year statement reveals the effects on bank profits of the administration's monetary and debt-management policies is the Bankers Trust Co.

This lending institution reported combined net operating income and profit from security sales of $7.0 million for the first 6 months of 1954 against $5.2 million in the first half of 1953. Profit on the sale of securities came to $1.3 million during the first half of 1954 in contrast to a loss on that account of $271,603 in the first 6 months of 1953.

Early reports of the half year operations of 4 large New York banks discloses that increased profits from the sale of securities, most of them Governments, has cushioned the economics effects of the decline in business borrowing. It is particularly significant to note the fact that the Guaranty Trust Co's., security profits were so substantial that they more than offset decreased earnings from commercial loans.

Mr. President, at this point I ask unanimous consent to insert at this point in my remarks an article from the New York Times of July 11, entitled "Bank Earnings Up in 1954 First Half."

There being no objection, the article referred to was ordered to be printed in the RECORD, as follows:

BANK EARNINGS UP IN 1954 FIRST HALF—GREATER INCOMES AND PROFITS ON SECURITIES OFFSET DECLINE IN COMMERCIAL BORROWING

(By J. E. McMahon)

Earnings of leading New York City banks were higher in the first half of 1954, despite a decline in money rates and business loans. Higher income and profits on securities more than offset a decline in returns from commercial borrowing, condition statements for June 30 indicated. Second-quarter profits, too, were mostly higher than a year ago.

The banks' favorable reports resulted from a marked shift in the employment of earning assets in the 6 months. For example, the combined holdings of United States Government bonds of the 15 largest banks here rose sharply in the second quarter after a dip in the first 3 months. The total on June 30 of $8,352,538,000 was up $1,325,086,000, or 18.9 percent, from March 31, and $2,017,707,000, or 31.8 percent, higher than on June 30, 1953.

The pattern in loan accounts of the banks was more mixed in the second quarter in contrast with a generally declining trend in the first quarter. Credits extended to business by some of the biggest institutions were lower than in March, but many of the smaller banks increased the amounts of loans outstanding.

ONE-PERCENT DECLINE IN QUARTER

Thus the combined loans and discounts of the 15 banks declined only $110,458,000 from March to a total of $11,913,210,000 on June 30, a decline of less than 1 percent. In the first quarter the drop in loans amounted to $585,752,000, or 4.6 percent. On June 30 they were off $258,640,000, or 2.1 percent, from a year ago.

While commercial loans still represent the largest amount of earning assets of the banks, the ratio to total resources on June 30 was down to 38.9 percent from 40.2 percent on March 31, and 42.2 percent on June 30, 1953. The ratio of assets in Governments, meanwhile, had risen to 27.2 percent on June 30 from 23.4 percent on March 31, and from 22 percent a year ago.

Deposits of the banks rose $736,342,000, or 2.7 percent, in the second quarter, to a combined total of $27,531,255,000 on June 30. They were $1,667,026,000, or 6.4 percent, higher than a year ago. Resources of $30,652,096,000 on June 30 represented a gain of $711,640,000, or 2.4 percent, from March 31, and $1,825,527,000, or 6.3 percent, from June 30, 1953.

Combined assets of the 15 banks are classified according to percentages of total resources and compared for 3 periods in the table below:

	June 30, 1954	Mar. 31, 1954	June 30, 1953
Loans, discounts, etc.	38.9	40.2	42.2
U. S. Government securities	27.2	23.4	22.0
Cash, etc.	24.3	26.8	27.5
Other securities	7.8	7.8	6.6
Miscellaneous assets	1.8	1.8	1.7

The banks reduced their holdings of cash in the second quarter by $562,673,000, or 7 percent, to a total of $7,456,868,000 on June 30. Compared with a year ago, the reduction amounted to $466,239,000, or 5.9 percent.

Holdings of securities, other than Federal issues, were changed only slightly by the banks in the second quarter. In the first quarter such holdings rose sharply. The total on June 30 of $2,390,378,000 for all the banks, compared with $2,340,517,000 on March 31. Such holdings were up $474,528,000, or 24.8 percent from June 30, 1953.

Mr. MORSE. Mr. President, the results of the economic policies pursued by the Eisenhower administration are not accidental. The program from its very start was planned to further enrich the well-to-do and particularly the lenders who contributed heavily to the success of the Republican Party in the 1952 elections.

In the process the economy has been weakened. The summer of 1954 is taking on many of the characteristics of the fateful summer of 1929. Administration tub thumpers are whooping up a speculative fervor among professional and would-be investors. For months now inspired stories of an impending expansion of economic activity have been given out which events until now have not substantiated. Administration tax policies and monetary policies have boomed the stock market. These policies have done little to correct the basic weakness that is undermining the strength of the Nation's economy. The basic steel industry is operating below 70 percent of capacity. Unemployment still exceeds 3 million.

Based entirely on the unemployment-insurance benefits statistics, it is much higher than that. The people who are unemployed who are not covered by these statistics constitute several classes: Those who have already used up their unemployment-insurance benefits, and there are many thousands of people; those operating on 2 or 3 days a week, sometimes 2 and 3 and 4 days every 2 weeks.: They are not carried as unemployed. They certainly are partially unemployed as individuals, and they constitute a considerable addition to the so-called overall unemployment. Of course, Mr. President, you have those who are not eligible for unemployment insurance, and there are a great many of those, and then you have a form of unemployment, Mr. President, that is having a tremendous effect on a reduction in the purchasing power of the masses of the American people, and that is the great reduction in overtime in excess of the standard 40-hour week.

From the angle that we are discussing it now, the important thing is purchasing power. So the reduction of the pattern of hours that existed prior to the Eisenhower recession, by the reduction or the elimination of much of the overtime in most industries, has reduced the purchasing power of large numbers of consumers and has, of course, thereby increased the economic dysfunction.

I was saying that unemployment still exceeds three million based upon the unemployment insurance benefits statistics, which are the only so-called official statistics that the administration has

been making available to the American people.

The economic gains of labor, small farmers, and small-business men are being whittled away. Behind the facade of "prosperity" slogans and a feverish stock market there are the harsh facts of reduced employment and payrolls, falling farm prices and incomes and rising small business failures.

That is one of the reasons, Mr. President, why, when the tax bill was before us, I was such an ardent advocate of the exemption amendment proposed by the distinguished senior Senator from Georgia [Mr. GEORGE]. I thought it was right then. Subsequent events prove that it would be right today. I think it was the kind of relief, the kind of stimulus to the purchasing power of the mass of the people in this country in the low-income brackets, that the economy needed.

I feel, Mr. President, that the statistical material and the financial data I have been discussing in connection with this part of my speech well bear out the soundness of the position taken by the Senator from Georgia and those of us who supported him on his tax exemption amendment, proposing to increase the tax exemption by $100.

Mr. President, along with the decline in the number of active small businesses, there has been an accompanying rise in business mergers. In this connection the following article taken from the Journal of Commerce of July 2 stresses the impetus given to mergers by the weakening of the economy. I ask unanimous consent that there be inserted in the RECORD at this point in my remarks a portion of the Journal of Commerce article entitled "Economic Setback Spawns Mergers."

There being no objection, the article referred to was ordered to be printed in the RECORD, as follows:

ECONOMIC SETBACK SPAWNS MERGERS

During the business adjustment which has been underway for several months, many corporations have been looking for means to cut production costs or to achieve added sales. This has resulted in a considerable number of mergers, as a way of accomplishing these objectives.

Mergers often permit one or more manufacturers to take on new product lines or to consolidate output into lower-cost production facilities permitting a more effective competitive position.

Yesterday there was a rash of announcements by corporations planning changes of this type. One, however, ran into opposition resulting in rejection of the original proposal.

Georgia-Pacific Plywood Co. completed a $12-million deal involving acquisition of old-growth timber stands in Oregon through purchase of several logging companies.

W. L. Maxson Corp. acquired the business of United Manufacturing Co. division of United Advertising Corp., to permit expansion in the electrical test equipment field.

The Mast-Foos Manufacturing Co. purchased the Federal motor truck division assets from Federal Fawick Corp. for an undisclosed sum.

Ekco Products Co. has purchased all outstanding stock and facilities of McClintock Manufacturing Co., producer of food handling equipment and accessories for the meat industry.

Long-Bell Lumber Co. has signed an option to buy the plywood plant of M. & M. Wood Working Co. on Long-Bell property. M. & M. had indicated that it would not renew a lease which expired on Wednesday.

Royal Typewriter Co., Inc., and McBee Co. announced formal completion of merger preparations. When it becomes effective July 31, the company will be named Royal McBee Corp.

Merger of General Dyestuff Corp. into General Aniline & Film Corp. was approved by GAF directors.

Holiday Brands, Inc., stockholders, however, rejected a proposal to transfer control to Whittemore Associates, Inc.

GEORGIA PACIFIC PLYWOOD

Georgia-Pacific acquired all the stock of Inman-Poulsen Lumber Co., Western Logging Co. and Saginaw Timber Co., all of Portland, and what is known as the Grand Rapids Timber Tract. Liquidation of current assets from the acquired companies returned approximately $6 million to Georgia-Pacific.

The timber was obtained at attractive prices, Owen R. Cheatham, president, explained, because the company bought all the stock of the timber companies, which allowed this liquidation of assets including cash, Government bonds and liquid assets other than the timber and timberlands.

W. L. MAXSON

The W. L. Maxson Corp., acquired the business of the United Manufacturing Co. Division of United Advertising Corp., according to a joint announcement by H. A. Leander and Leonard Dreyfuss, presidents respectively of Maxson and United Advertising.

In announcing the transaction, Mr. Leander stated, "The board of directors of Maxson considers this acquisition an important step in the further development of the corporation. It permits Maxson to expand its operations into the electrical test equipment field and brings further diversification to our business by adding an entirely new line of products which enjoy excellent customer acceptance.

"United Manufacturing will be operated as a division of the W. L. Maxson Corp., and no changes in its personnel, policies, or methods of operation are contemplated," he declared.

FEDERAL FAWICK CORP.

Mast-Foos Manufacturing Co. of Cleveland and Detroit has purchased assets of the Federal Motor Truck Division of Federal Fawick Corp. of Cleveland, officials of the two firms announced.

The purchase price was not disclosed.

Richard S. Huxtable, Federal Fawick president, said the sale gives his firm the necessary capital to permit it to develop and manufacture new products at a much faster rate.

Federal announced in April that it planned to sell its truck division because it was not operating at a profit.

In Detroit, Dallas E. Winslow, president of Mast-Foos, said the service department of Federal Motor "will be continued and expanded." He added "we also are considering the manufacture of special trucks but nothing definite has been decided on this yet."

Mast-Foos currently manufactures special tools, automotive parts, farm equipment and lawn mowers. It employs 400, while the Federal Motor unit has employed 125, Mr. Winslow said.

Mr. Winslow said that all physical assets of Federal Motor are located in Detroit and that some will be disposed of. "We will retain a considerable portion of the Federal Motor work force," he said.

Mr. MORSE. Mr. President, to support the thesis I have been presenting here the last few minutes, so far 1954 has been a good year for the bankers, chiefly because of the hard money policy of the Eisenhower administration, and the windfall the bankers got from the increase in interest rates, and a bad year for the little people of the country, the masses of the country, for the farmers of the country. This supports the thesis that I have presented, Mr. President. The ugly fact exists that the percentage of bankruptcies has skyrocketed all out of proportion to anything that has occurred in recent years. It is all right, Mr. President, to ignore that ugly fact unless you happen to be one of the fellows going bankrupt.

Now, to support my thesis about the situation in regard to the bankers, I call attention to the Journal of Commerce, New York, Tuesday, July 20, 1954, an article entitled "Most Major New York Banks Set Second Quarter Records":

Analysis of the statements of major New York banks for the quarter just ended shows that a majority of them did better, profitwise, in the June quarter than in the March quarter. A large majority earned more in the past quarter than in the corresponding 1953 period, when bank earnings set records.

Similarly favorable results accrued for the half-year ended June, compared with the first half of 1953. The good profits results occurred in a 3-month period characterized by aggressive easy money policies of the Federal Reserve banks and by a fall in open market money rates.

The apparent paradox of higher bank profits in a period of falling rates for money and heavy repayments of commercial loans by bank customers was explained by two developments.

SECURITY HOLDINGS UP

One was the employment of a larger volume of bank resources in securities, reflected in a larger gross income from dividends and interest on securities. The other was large profits realized on the sale of securities during a period of high prices in the bond market. Some of these profits on securities materially swelled indicated earnings.

Indicated earnings often differ materially from operating earnings as reported by individual banks, for they are based upon the increase in undivided profits after payment of dividends; in other words, additions to book value of bank shares. Many banks in their operating earnings do not include profits or losses on securities, for they carry such transactions directly to surplus and undivided profits, or to reserves.

Of the 19 major banks whose per share indicated earnings are included in the accompanying table, 10 earned more in the second quarter of 1954 than in the first 3 months, 1 showed no change and 8 reported lower profits.

BETTER SECOND QUARTER

For the second 1954 quarter 14 banks of the 19 reported higher per share profits than in the second quarter of 1953; 1 was unchanged and 4 had lower profits.

For the 6 months 15 of the 19 earned more, 1 showed no change and 3 had lower net than in the first half of 1953.

Some of the banks reporting less favorable comparisons had exceptional recoveries, transfers from reserves or other changes in previous earnings periods which introduced an element of distortion in 1954 comparisons.

Per share earnings of the 19 banks were:

Mr. President, I ask unanimous consent that the table of earnings, showing

the comparison between 1953 and 1954, the first 6 months, be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Indicated earnings per share of New York banks

	1954 2d quarter	1954 1st quarter	1953 2d quarter	First 6 months	
				1954	1953
Bankers Trust	$1.25	$1.44	$0.63	$2.69	$1.35
Bank of Manhattan	.66	.65	.66	1.31	1.30
Bank of New York	6.48	6.73	6.23	13.21	12.02
Chase National	1.06	1.02	.86	2.08	3.34
Chemical Bank	.93	1.01	1.02	1.94	1.85
Corn Exchange	1.33	1.40	1.29	2.73	2.56
Empire Trust	2.88	2.95	2.70	5.83	12.06
First National	6.83	5.69	6.23	12.52	11.63
Guaranty Trust	1.73	1.55	1.03	3.28	2.01
Hanover Bank	1.37	1.37	1.42	2.74	2.52
Irving Trust	.40	.37	.38	.77	.74
Manufacturers Trust	1.62	1.42	1.44	3.35	3.04
Marine Midland Trust	1.13	1.05	.98	2.18	1.91
Morgan & Co., J. P	4.42	6.56	4.08	10.99	8.04
National City and affiliates	.88	.93	.71	1.82	1.50
New York Trust	2.24	2.23	2.22	4.46	4.36
Public National	.86	.84	1.04	1.71	1.71
Sterling National	.55	.53	.50	1.08	1.00
United States Trust	3.92	4.87	5.29	8.79	10.52

Mr. MORSE. I have discussed this matter of 1954 being a good year for the bankers, in comparison with a poor year for the little people of America, because the bankers got a nice fat windfall from this administration with its hard money policy, right in line with the proposal of the administration to give the private utility monopolies a nice windfall in the atomic energy bill that is now pending before the Senate. The amendment which I offered last night and in regard to which I, by parliamentary mandate of the leadership of the Senate, was not given an opportunity even to discuss or explain, which parliamentary tactic brought forth the long speech that I have made, was an amendment to that section and was designed to eliminate a device which I respectfully submit is present in this bill, offering to the private utilities that come under the contractual relationships, a favored few that benefit from this bill, a hidden subsidy, a windfall in respect to the pricing features of this bill.

As I said earlier in this speech, Mr. President, the majority leader refused to let me explain my amendment unless I bent my knee to a parliamentary tactic, unless I agreed to put my neck in a parliamentary noose, unless I sacrificed my independence in the Senate of the United States, yet I venture to say that the majority, the overwhelming majority did not know—I will bet there were not 12 men in the Senate, who knew what I was seeking to improve in this bill. I will bet there were not 12 men in the Senate who knew what I was seeking to do was to put into the bill standards of pricing, which the Federal Power Commission, itself, by witnesses before the joint committee, testified in support of. The Federal Power Commission, itself, said that under the language of this bill, as it is presently written, there are no standards for establishing a fair market price.

How are you, Mr. President, going to determine the fair market price when you have got only one purchaser? You are dealing, for example, with plutonium ash. The Government, and the Government alone is going to take it.

There is a section in this bill which, in my judgment, any group that comes to study it, any group of experts in the field of legal standards for determining a price structure, would say needed change, just as the Federal Power Commission, through its spokesmen at the hearings pointed out, it represented language that did not submit itself to standards that anyone could apply.

I offered the amendment, and I sought to have it considered, but I was told, in effect, that unless I yielded to the demand of the leadership of the Senate, and bound myself by some unanimous-consent agreement, it would be laid on the table.

That is a cloture rule, Mr. President, under which not even the minority is protected. That is a majority cloture rule, with no protection to the minority to express its arguments in support of an amendment, or its objections to an amendment.

Mr. President, I thought that after the day of wonderful cooperation the leadership received in the Senate yesterday by those of us who were opposed to this bill, by a clear manifestation on our part that if rule by parliamentary mandate was not imposed, we would get to the disposition of this bill with reasonable debate, I thought that had impressed itself on the leadership of the Senate, and, as I said earlier, it was not my desire, because of factors I mentioned, to take the floor in an all-night session, but I happen to be the kind of a fellow who cannot be dictated to that way, yet if that is the way some want to play the game, rough and tough, we will play it that way.

But I want to say again, Mr. President, that I think that tactic is not going to read very well in the history of this debate in the Senate.

I think the majority in the refusal to extend the right to me to explain my amendment and present my arguments in support of my amendment unless I agreed to a unanimous-consent agreement were dead wrong in that tactic. That is why, Mr. President, I certainly offer no apology for taking the position that if the majority leader was going to impose the rule that way, which, as I have said earlier, he had the right to do, he must expect, of course, that others would have the right to exercise their rights under the rule, too. That does not lead to cooperation in the Senate. It does not lead to dispatch. In the long run, it costs time.

Mr. President, I have taken the night to speak to the taxpayers of the country, to explain to them in some detail the objective of my very sound amendment on price standards, to support it by the position of the Federal Power Commission itself, and to show that my amendment in verbatim language, was the original recommendation on pricing standards that came to the Joint Committee on Atomic Energy in the bill submitted by the President through the Atomic Energy Commission, and was put into the RECORD last Saturday by the Senator from Iowa [Mr. HICKENLOOPER]. That is what my amendment was.

If Senators had been willing to take the time to find out what it was, if they had been willing to give me an opportunity to present my argument on the amendment, I have an idea that the amendment would have been adopted. Having mentioned the bill the Senator from Iowa inserted in the CONGRESSIONAL RECORD last Saturday, in fine cooperation with me when I requested that there be made available a copy of the bill, or rather the bills which were originally submitted by the Atomic Energy Commission, and which we have understood were sent to the Atomic Energy Commission as White House bills, though undoubtedly based upon a great deal of advice and suggestions and recommendations by the Atomic Energy Commission, which they certainly would have made, I now, for a few minutes, want to discuss the topic that S. 3690 is not the bill prepared by the Atomic Energy Commision, and submitted by the President, and I want to point out some of the interesting differences between the two drafts.

S. 3690 IS NOT THE BILL PREPARED BY THE ATOMIC ENERGY COMMISSION AND SUBMITTED TO CONGRESS BY THE PRESIDENT

On Saturday, July 17, I discussed on the floor of the Senate some of the history of the bill, S. 3690, which is now before us for consideration. I called the attention of the Senate to section 7 (b) of the Atomic Energy Act of 1946 which states in part:

> Report to Congress: Whenever in its opinion any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress together with his recommendations.

On February 17, 1954, the President submitted to the Congress a special message on atomic energy. He made no mention of the above report, but accompanying his message were the drafts of

two bills to amend the McMahon Act prepared by the Atomic Energy Commission.

In my July 17 speech I commented upon the fact that no trace of the two bills prepared by the AEC appeared in the record of the hearings of the Joint Committee on Atomic Energy—that instead the record shows that the Cole-Hickenlooper bill—S. 3690—was the subject of the hearings. I then inquired of the distinguished Senator from Iowa [Mr. HICKENLOOPER] if copies of the AEC-prepared bills were available for introduction into the RECORD so that they might be available to all Members to aid them in their deliberations on the bill now under consideration. The Senator from Iowa [Mr. HICKENLOOPER] very cooperatively supplied the two drafts for the RECORD, and the drafts appear on pages 10801–10804 of the RECORD of July 17. As I said earlier in this speech it was the language of one of these bills that I used as the basis for the amendment which I offered, and which was laid on the table without my having the opportunity to discuss its merits and explain the amendment, unless I first agreed to a parliamentary demand to a limitation of debate on the amendment.

I should like to make it clear that in my judgment the Atomic Energy Commission had no business submitting to the President and the Congress those proposed changes in the McMahon Act, without first submitting the report required by section 7 (b) of the act. At the same time, it is my opinion that the Senate should not be voting on the Cole-Hickenlooper bill without giving some consideration to the apparent views of the AEC as expressed in the bills which it prepared. I now propose to discuss some of the significant differences between S. 3690 and the drafts prepared by the Atomic Energy Commission.

The first AEC draft is entitled "An act to encourage the development of peacetime uses of atomic energy." I ask the Senate to pay particular attention to the first two sentences of the proposed amendment submitted by the AEC, and I quote:

> Research and experimentation have progressed to the stage that the large-scale utilization of atomic energy for peacetime purposes appears possible within the foreseeable future. The development of a new source of economic electric power and of other industrial applications will contribute significantly to the material well-being of mankind.

Compare that, if you please, with the vague generalities contained in the "declaration, findings, and purpose" section of S. 3690. The Cole-Hickenlooper bill mentions the term "electric energy" once and the word "power" once, in all of its 104 pages.

I stated in my July 17 speech that before we consider the adoption of a new atomic-energy law we should be very sure that we know what we are doing. I also stated that S. 3690 is definitely and primarily a power bill. This latter statement is borne out by the preamble to the AEC draft of the proposed legislation.

In spite of AEC recognition that the proposed legislation dealt with a new source of economic electric power the framers of S. 3690, judged by their failure to include a similar statement in the Cole-Hickenlooper bill, apparently chose to deemphasize this very important feature of the atomic-energy bill.

Section 2 of the AEC draft proposed to amend section 4 of the Atomic Energy Act of 1946 by inserting a section headed "Production and Utilization of Fissionable Materials." Subsection (i) of the proposed new section was entitled "By-product Power," as compared with section 44 of S. 3690 which is entitled "By-product Energy." The captions are not in themselves significant, but it is significant to note that the Cole-Hickenlooper bill does not contain a reference to the Federal Power Commission in connection with the sale by the Government of byproduct electric energy. The AEC draft provided that the AEC should obtain the advice of the Federal Power Commission concerning all proposed sales of power. I think it is very interesting that in the draft proposed by the President of the United States through the Atomic Energy Commission, he provided that the AEC should obtain the advice of the Federal Power Commission concerning all proposed sales of power. I think that was a very desirable check, Mr. President. I think it is always desirable to place a third party judgment check upon a proposed administrative policy or decision or order of an administrative body. I want to commend the President for having that check in his bill. I only regret that the Cole-Hickenlooper draft does not have it. I only regret, Mr. President, that we have not followed the President's bill in this respect.

I also regret, Mr. President, that there was followed a parliamentary course of action last night of laying my pricing standards amendment on the table without an opportunity to debate it, unless I yielded to the parliamentary demands of the leadership of the Senate, because, Mr. President, what my amendment did—and I want to repeat it until it is clear in the RECORD—was twofold. It followed the advice of the Federal Power Commission itself. It was an amendment drafted by me to meet what I think is an unanswerable criticism of the lack of pricing standard in the Cole-Hickenlooper bill. As I have pointed out, the Federal Power Commission, through its spokesmen, said there are no standards of measurement of a fair market price criterion proposed in the Cole-Hickenlooper bill. Why is that? It is because there is only one purchaser, the Government. The purchaser is the taxpayers. Why is that? It is because of the inherent nature of the material purchased. It is plutonium ash. The Government would not let anybody else have it no matter what price they paid. Plutonium ash is the substance out of which atomic weapons are made. Plutonium ash is the substance that goes into the bombs. We are going to keep it completely under Government control and ownership. So we say, if we lease the uranium to private utilities under a criterion in the bill as I pointed out earlier that requires a uniform licensing rate—which means you fix the licensing rate to accommodate the least efficient operator—a windfall is given, a bonanza is given, and a hidden subsidy is given, to all the operators who operate more efficiently than the least efficient operator, and of course he, Mr. President, cannot miss making a very good profit out of this giveaway bill.

So there are very undesirable criteria for pricing, both in respect to the lease price of the uranium, and the purchase of the plutonium ash. What did I do? I took the President's language. I took the President's language which was transmitted to us by way of the Atomic Energy Commission. Consider what the President proposed to meet this problem:

> The Commission is authorized to purchase or otherwise acquire such quantities of fissionable or byproduct materials owned or produced by any person licensed under this section as the President may determine to be required in the interests of the common defense and security. Prices paid by the Commission shall not exceed either (a) the estimated cost to the Government of producing similar material in facilities owned by the Commission—

I did not stop there. I could have. That would have been a pretty fair standard. If someone had said, "I will tell you what we are going to pay for the plutonium ash. I will tell you what the taxpayers are going to pay for the plutonium ash. We are going to pay not more than what it costs the Government to produce plutonium ash in its operation," that would have been a fair standard. But we do that in my amendment, because I took it right out of the bill, rather than out of the amendment I presented, to show that the language of my amendment is identical with the President's language in the bill which was sent by the Atomic Energy Commission itself to the Joint Committee on Atomic Energy. It set up two facets of the pricing formula.

First:

> The estimated cost to the Government of producing similar material in facilities owned by the Commission, or (b) such amount as will, in the judgment of the Commission, provide reasonable compensation to the licensee taking into account the estimated costs to be incurred and the estimated revenues to be derived by the licensee in the conduct of his licensed activities. Any contract or agreement made pursuant to this subsection may be made without regard to the provisions of section 3709 of the Revised Statutes. (U. S. C., title 41, sec. 5.)

That is my amendment. I shall not take the time to read the identical language in my amendment which I have offered and as is in the President's bill; I simply give you my word, Mr. President, that it is identical. That is what I have offered.

That is what was moved to be laid on the table, because I would not buckle down in the Senate and bend my knees to the parliamentary demands of the leadership of the Senate. As a result, we had an all-night session, and there will be more all-night sessions if that course of action is followed, believe me, because all I need is a couple of hours sleep. I went through school and college, and I seldom got more than 5 hours sleep, and 4 hours was the common stint. I am not that young now, but I

am not very old yet, when it comes to being able to get along without very much sleep. I simply wish to serve notice now—and I am not finished with this speech yet—that there will be another speech, and it will not be a very short one, either, if there is an attempt made today to get us, like a lot of mice, to scurry around at the call of the leadership in the Senate.

Mr. President, there are some of us who are made of what is called stubborn American stock of Yankee derivation. We do not take that kind of treatment. I happen to be one of those "guys." If Senators want to work with me, they had better be reasonable. If they do not want to be reasonable, then we shall have to fight it rough and tough.

I want to say, Mr. President, that when the President's language is offered in an amendment, and when an amendment is suggested which seeks to correct what the Federal Power Commission itself, through its spokesmen, indicates very clearly ought to be corrected, because there are no standards under the peculiar circumstances which exist in the process of manufacturing plutonium ash, which makes it possible to determine what is a fair market price—one cannot determine fair market price simply on that language alone, when he is merely dealing with one possible purchaser—I say Dwight Eisenhower, when he sent to the joint committee his bill, through the Atomic Energy Commission, had two standards in the bill. They are good standards, and we ought to have them in the Cole-Hickenlooper bill.

The first is the standard:

> Estimated cost to the Government of producing similar material in facilities owned by the Commission.

I said, Mr. President, that we could stop there, and we would have a pretty fair standard. There would not be anything unjust about that, so far as it goes. But I did not stop there, because the President did not stop there. I thought the President's proposal was fair. We can recognize that there are some business operations which, for very good reasons—and it could not be said there was any inefficiency or waste in their operation, either—could not produce plutonium ash at the cost at which the Government could produce plutonium ash, at some of the great plants which have been erected at the expenditure of huge sums of money, sums far in excess of what private industry could be expected to expend by way of the construction of reactor plants.

So I thought this second prong of the proposed standards of the President was very fair:

> Or (b) such amount as will, in the judgment of the Commission, provide reasonable compensation to the licensee taking into account the estimated costs to be incurred and the estimated revenues to be derived by the licensee in the conduct of his licensed activities.

What does that have in mind? What I think is fair to be deduced was the obvious intention of the President. When I say "the President," I mean the White House officials who advise the President that this was what should be included in the bill. What were they seeking to cover? They were seeking to cover the situation in which the Commission, upon an examination of the operation of the plant of a private company, determines that the company was not guilty of any inefficiency or waste, that it was a pretty efficient operation, but because of certain cost factors confronting the private industry, which did not confront the Government in a much more expensive, much more costly operation to build a reactor plant than the little private industry could build, believed it was a reasonable compensation to the licensee. So I included in my amendment the following:

> Taking into account the estimated costs to be incurred and the estimated revenues to be derived by the licensee in the conduct of his licensed activities.

The latter language is very important, because it goes to the very interesting operation or process which is involved in fissionable reaction. As I have explained, the fissionable reaction of the uranium produces tremendous heat, which in turn provides steam for the steam boiler which in turn provides the energy for the operation of the generators, with the resultant generation of the kilowatt-hours.

That is the standard in the latter part of the amendment, providing reasonable compensation to the licensee, taking into account the estimated cost to be incurred in producing steam, and the estimated revenues to be derived by the licensee in the conduct of his license activity. The conduct of his license activity goes primarily to the generating of electricity.

That is a very wise provision and a very desirable standard for pricing, because, Mr. President, do you now see what it does? When one takes the time to break it down and to explain the operation, it means that there will be paid for the plutonium ash a price which will take into account what electric power is sold for, too. Thus, it is designed as a check upon what, I respectfully submit, is one of the great dangers of a giveaway subsidy in the bill, which ought to be checked. My amendment would check it. When it is provided that there shall be taken into account the estimated cost to be incurred and the estimated revenues to be derived by the licensee in the conduct of his license activity, the Atomic Energy Commission is told, "You cannot pay the private utility for plutonium ash a price all out of reason. You cannot pay them a price, and call it a fair market price, which has the effect of paying for the whole cost of the operation of the plant, leaving as a pure profit the electric-power energy that they sell."

Unless there is provided some standard which will check that, Mr. President, there is in my judgment the makings of one of the most scandalous giveaways in the whole history of our country. Not only does it make Teapot Dome look like petty larceny and the tidelands oil giveaway almost acceptable in comparison, as well as the housing scandals now going on and the windfalls we are told by our colleagues exist in the operation of the housing program, but, Mr. President, there is the danger because of the pricing standard—and the word "standard" should be put in quotation marks so as far as this bill is concerned—and I give as my backing for that the statement of the Federal Power Commission in the hearings—the danger of so-called standard of a fair market price for the plutonium ash, because the only party who can buy it is the Government. It will want to buy it; it will not want anybody else to have it around, and will not let any one else have it around. The Government will pay a price which, will, in effect, give the utility the electric power for nothing. At least say I, Mr. President, it could happen, and who are we to know what kind of men may be exercising this discretion 2 years or 5 years or 10 years or 20 years or 25 years from now?

The point is that the bill contains a standard, if it can be dignified by calling it a standard, that permits of that kind of discretion, and in this bill there has been eliminated from the President's bill the very desirable check, as I have already brought out, of requiring Federal Power Commission approval of any sale of power. So the check has been lost from that angle, too.

That is what I was fighting to protect so far as the taxpayers of America are concerned. I offered the President's language. I offered it in the form of an amendment, and what treatment did I get after a full day's cooperation on the floor of the Senate between the proponents and opponents of this bill? I got a parliamentary slap in the face. I was told either to yield to the demand of a unanimous consent agreement to limit debate, or the amendment would be laid on the table.

I did not come from the kind of American stock, as a son of the American Revolution, Mr. President, to take that sort of treatment. My ancestors fought when their rights were violated.

We have had another all-night session. It is not going to be the last one, Mr. President, if these tactics are continued. With a little passage of time, with a little reflection and a little observation on the part of other Senators as they look at me and consider the treatment I have received, and they will probably say to themselves, "Except for the grace of God, there goes I." Something tells me that some other Senators may wake up before it is too late and realize that that kind of parliamentary treatment in the Senate must stop, and now is the time to stop it. Now is the time, Mr. President, to protect the parliamentary rights of the minority in the Senate.

Do not say to me, "What about the rights of the majority?" They have their rights in the rule books of the Senate.

What are their rights? A cloture petition. That protects the rights of the majority. Any time the majority can apply cloture under the rules of the Senate, the majority is protected.

But I want to say that the Members of the Senate had better be on guard against the parliamentary tactic that applies cloture by majority vote without

any provision for the protection of the minority by way of debate after the minority offers an amendment, because that is what this procedure is which is followed by the leadership of the Senate. That is what this procedure is when a Senator offers an amendment and he will not yield to a unanimous consent agreement and the leadership then lays him on the table, so to speak. That is cloture by a majority vote.

I want to say to Senators on the Democratic side that I deeply appreciate the early recognition they gave to this problem when that issue was before us for a vote last night, and I want to express my appreciation to those few, but far too few, Members on this side of the aisle who recognized that the rules of fair play were violated when the amendment of the Senator from Oregon was laid on the table without an opportunity even to explain to the Senate that what he was doing was offering Dwight Eisenhower's language for the pricing standards in this bill as it came, at least, to the Senate of the United States through the Joint Atomic Energy Committee by way of a bill submitted last February, I believe it was, by the Atomic Energy Commission.

It is just that simple, Mr. President. After all, we have to fight it out on this line, so far as I am concerned, because if we do not make a fight we will give encouragement to other leadership in the Senate in the future to follow those tactics. If that is done, minority rights in the Senate will cease to exist.

I repeat, Mr. President, that the majority is protected under the rule of the Senate relating to cloture as it exists today. If they do not like that rule, change it. Have a cloture debate, have a debate on changing the cloture rule. But there it is.

What happened to the majority? They tried the cloture rule and, figuratively speaking, they fell on their nose and got it bloody. That is what happened to the majority. They could not get a cloture motion approved by the Senate. Why? Because the Senate was not ready to silence the minority. That is why.

The Senate knew that it was not good for the future of the Senate, that it was not good for individual Members of the Senate who recognized the importance of protecting minority rights, to vote cloture. The majority did not like it.

So the majority said, in effect, "We will show them. We can lay on the table by majority vote every amendment they propose," even though all day long yesterday we cooperated with the majority in a manner that was exemplary, on amendment after amendment. Time and time again yesterday any one of the group of us opposed to this bill could have taken the floor and spoken at length, but we said "we are not going to do it." We said that to each other. We made no commitments to the majority.

But they got to the representative of the Independent Party. He does not have any vote in the Senate but his own. He is not much of a problem from the standpoint of vote power in the Senate so far as lining up votes is concerned. He is just one. So apparently they thought he would be easy meat. He was the one to make the example of. After all, he had been one of the obstructionists in this whole fight, said the majority.

As I have said earlier, call me anything you want to; my skin is thick and my heart is forgiving. But you are not going to change my course of action by name-calling. When I am satisfied a fight has to be made on principle, I am going to make that fight, I do not care what I am called.

If fighting here for the precious rights of the minority is obstructionist tactics, put me down with a plea of guilty. If fighting for the interests of the taxpayers against the hidden subsidies in this bill is obstructionist tactics, put me down with a plea of guilty. If, Mr. President, fighting for Dwight Eisenhower's language on pricing standards in an amendment to this bill is obstructionist tactics, put me down as guilty. Mr. President, if fighting against the monopolistic control in this country for years to come of atomic energy used for the production of electric power is obstructionist tactics, I plead guilty.

But the American people will never give you a jury verdict after the pleading, because the verdict of the American jury will be that that is not obstruction, but that it is the performance of a public duty.

So I say to the Democrats, although there are only 3 here now, they can spread the message. I say to the Democrats they had better recognize again today, as they recognized last night by an overwhelming vote, that a new issue has arisen in this debate. The issue now is whether minority rights are going to be protected in the Senate. The issue now is whether or not the majority, failing on a cloture petition, falling on its nose, figuratively speaking, on the floor of the Senate, and getting it bloody by that vote, are going to apply a cloture by majority vote, amendment by amendment, without allowing a single word of explanation or debate. And they picked a pretty bad amendment to try it on. They picked an Eisenhower amendment. They picked an amendment recommended by the President of the United States and transmitted to the Joint Atomic Energy Committee, by the Atomic Energy Commission.

That is what I call a parliamentary boner of the first order.

They picked an amendment, Mr. President, that I selected to meet the criticism of the Federal Power Commission spokesmen who testified at the hearings, and who said, in effect, "There is no just standard for fair market price." How are we going to say what is a fair market price for plutonium ash when there is no market except one purchaser, the Federal Government?

Senators should have at least walked up to the desk and read the amendment, but none of them did so. They did not even take the time, Mr. President, to find out what was in the amendment. That is what happened.

Let us make this crystal clear, because Senators have an issue now which, in my judgment, is of historic importance so far as the precedents of the United States Senate are concerned.

If you let them get by with this one, then let me tell you, your two-thirds vote requirement for cloture becomes meaningless.

Let them get by with this one, and what Senators on the Democratic side of the aisle have—and do not ever forget it—is a cloture rule by majority in the Senate, without any protection of the minority, amendment by amendment, through the simple process of a motion to lay on the table.

I am not going to become personal, I do not have to, and would not if I did—not here—but my revolutionary ancestors did not go for that kind of trampling of rights. They did not lick the British by any weak-kneed policy. I may get licked in this situation, which is no new experience for me, but the licking will only be in the Senate, mark you that. It is not going to be with the American people, because the American people are going to understand that the tactics adopted by the majority violated the rules of fair play.

You cannot do that with the American people. They do not like it.

I shall come back to that later. I have a few more things to say on another subject matter, and to spread the word as to what I think.

I say to every Democrat on this point: Take a look at me, the representative of the Independent Party, and then say, "Except for the grace of God, there go I, if I offer an amendment."

I am glad to see the Senator from Georgia coming in. I welcomed him the other morning and I am going to welcome him this morning by stating an issue of such importance to the Senator from Georgia, and what he stands for, that I will meet him in the cloakroom any time today and discuss it with him at length, if he thinks he has an answer to it.

I want to review this for the benefit of the Senator from Georgia, because there is no one for whom I have greater respect, from the standpoint of his dedication to proper parliamentary procedure, protecting the rights of the minority, than the Senator from Georgia.

I want to refresh the memory of the Senator from Georgia as to how we got into this parliamentary predicament this morning.

All day yesterday we extended to the leadership of this Senate what I think was remarkable cooperation in processing the business of the Senate.

We offered amendment after amendment. There was always the attempt, at first to offer a unanimous consent agreement to vote, and there was refusal on the part of Democratic spokesmen, the Senator from Tennessee [Mr. GORE], the Senator from Mississippi [Mr. STENNIS], the Senator from New Mexico [Mr. ANDERSON], the Senator from Oklahoma [Mr. KERR], the Senator from Arkansas [Mr. FULBRIGHT], and others. Each and every one of the Senators on the other side who offered an amendment replied to the request for a unanimous consent agreement that they were not going to proceed with their amendments under any threat that unless they accepted a unanimous consent agreement, it would be laid on the table.

Each time, on the basis of that statement, and with no condition attached as

to how long they would talk, the request for the unanimous consent agreement was withdrawn; but not so when the member of the Independent Party offered his amendment.

He made it very clear that he was not going to make any commitment as to how long he would talk. He offered his amendment, and he stood ready to explain his amendment and argue for his amendment, and that is the way it was going to be.

I may say to the Senator from Georgia [Mr. RUSSELL], that when the motion to lay on the table was made, no one from the majority even went to the desk and read the amendment.

Now, let me say something about the amendment, because the majority picked a bad one to use that strategy on. It was the language of Dwight Eisenhower. It was the proposal, verbatim, for pricing standards set forth in the Eisenhower bill, through the Atomic Energy Commission proposal, and sent to the Joint Atomic Energy Committee, and what did it propose?

It proposed to meet the criticism of the Federal Power Commission spokesmen to the effect that under the peculiar facts and circumstances that involved the purchase of plutonium ash, there are no standards for determining fair market price.

Why? Because the Government is the sole and only possible purchaser; because that is "defense dynamite," that is precious war material, the secrecy of which we have got to keep to ourselves.

So, I offered the President's language. I offered an amendment that constituted the President's recommendation. I think it is fair to say that when I took the Atomic Energy Commission's bill, I took the recommendation of the President, but my amendment was laid on the table.

I say that when the leadership of the Senate followed that course of action, it applied a majority vote cloture rule to an amendment without protecting the rights of the minority at all.

Even under the cloture procedure some of us have proposed, we guarantee 96 hours of debate, if Senators want to take it.

In my judgment, that is a very important parliamentary issue in the Senate; it goes to the rights of each one of us.

I want Senators to think it over, and I want to thank again Senators on the Democratic side and I want the few here on the Republican side who saw that issue and gave me their support on the principle without any personal application at all. That is why I said earlier that the representative of the Independent Party does not count in this fight, that is not the issue; it is not whether there is personal friendship or personal animosity toward me on the part of anyone in the Senate. The important thing is whether or not the Senate is going to protect the procedural rights of its 96 Members, irrespective of what party they belong to, irrespective of who they are.

We have a cloture rule to protect the majority. If the Senators do not like the rule, change it; but the majority tried to apply that rule, and I repeat, figuratively speaking and good naturedly, that they fell flat on their faces in the Senate when the vote on it was taken, and they got their noses bloody.

What do they do then? They strike back with a proposal to lay on the table by majority vote.

It did not hurt me. It hurt the procedure of the Senate. That is what was hurt.

I will come back to that later on this morning.

Now, I want to continue with the analysis of the Cole-Hickenlooper bill, and the bill that the President sent to the committee, through the Atomic Energy Commission.

Neither the AEC nor the committee bill now enjoying priority in the administration's legislative program contains adequate safeguards of the interest of the people of the United States in their $12 billion investment in the atomic-energy program.

Neither provides for the Federal participation in the power development and marketing necessary to furnish a power yardstick to safeguard the interests of the people in low-cost power under the atomic power program. Both allow monopoly utility groups to take over the atomic energy power field and exploit it for selfish purposes, without Government regulation.

The AEC draft proposal at least acknowledges that atomic energy power has something in common with power generated from other sources, insofar as participation in the program, or to some extent, by the Federal Power Commission is concerned.

In my speech on Saturday, July 17, I discussed some of the safeguards of the public interest that are included in the Federal Power Act, but which are completely bypassed and neglected in the Hickenlooper bill, S. 3690.

Among those safeguards is the right of public hearings in connection with any application for a power license, with specific provision for the participation of interested States, municipalities, representatives of interested consumers or competitors as parties to the licensing process.

Next I want to discuss the AEC draft provision in section 7 (b). I think this is a very important section, and it is a section that I shall read in its entirety, and then explain it because in order to make a comparison of these bills, Mr. President, I think we need to know what is in section 7 (b).

The AEC draft provided in section 7 (b):

> The Commission shall afford a reasonable opportunity for any person who would be materially affected by the issuance or denial of a license or by any such proposed arrangement or contract to submit to the Commission any relevant facts or arguments in support of or in opposition to the proposed license or the proposed denial of the application.

Although this provision in the AEC draft was inadequate in that it did not specifically recognize the right of interested persons to a hearing in connection with license applications, it apparently did recognize the right of protest on the part of interested parties. S. 3690 makes no provision in its licensing section for the right of interested parties to protest or to be heard in connection with a license application. Section 182 provides only for giving notice to a regulatory agency having jurisdiction over the rates and services of the proposed activity, and the requirement that notice of applications shall appear for 4 weeks in the Federal Register.

In my judgment, protection of the public interest in the atomic-power program requires a provision that notice of license applications shall also be sent to municipalities, and to public and cooperative electric systems within transmission distance of the proposed activity. In case of protests, conflicting applications, or proposals for special consideration, interested parties should be given the right to intervene in licensing proceedings and be heard. This would be in accord with the procedures which now prevail under the Federal Power Act.

I recognize that the Senator from Minnesota [Mr. HUMPHREY] proposed an amendment providing for notice to local groups which was adopted yesterday. That was subsequent to my preparation of this analysis. To that extent, Mr. President, through the fine cooperation we extended to the leadership yesterday we improved this bill. It illustrates what I said in my speech some hours ago, that if we had not made this fight the bill would have steamrollered through the Senate days and days ago without such safeguards in it. That was the whole plan. The first announcement was that we were going to take 2 days for this bill. Some of us knew the Senate could not possibly go through this bill in 2 days and give it the consideration it deserved. We made up our minds that a valiant effort should be made to modify this bill in the public interest, and the Humphrey amendment is an example of it, as is the Gore amendment, the Kerr amendment, and there have been quite a few other amendments. In my judgment these provisions would not have been in the bill if there had not been this prolonged debate.

It is said we have adopted obstructionist tactics. Is it an obstructionist tactic to make a fight that results in these improvements in this bill, which I am convinced would never be in the bill except for the alleged obstructionist tactics?

Section 7 (e) (1) of the AEC draft provided with respect to the purchase by the Commission of fissionable or by-product materials owned or produced by licensed persons, that prices paid by the Commission for such material "shall not exceed either (a) the estimated cost to the Government of producing similar material in facilities owned by the Commission, or (b) such amount as will, in the judgment of the Commission, provide reasonable compensation to the licensee taking into account the estimated costs to be incurred and the estimated revenues to be derived by the licensee in the conduct of his licensed activities."

When I was making this comparative analysis of the two bills, I found that difference between the President's bill and the Cole-Hickenlooper bill, and there I received the idea for my amendment. That is where it came from, out of this analysis.

Section 52 of S. 3690 provides that any person who lawfully produces any special nuclear material shall be paid a "fair price" by the Commission for such material. Section 56 states:

In determining the fair price to be paid by the Commission pursuant to section 52 for the production of any special nuclear material, the Commission shall take into consideration the value of the special material for its intended use by the United States and may give such weight to the cost of producing that material as the Commission finds to be equitable.

As I stated in my July 17 speech, under the provisions of S. 3690, the Commission is given an amazing amount of discretion in the receipts and disbursements of the taxpayers' money. The Commission might feel that the unprocessed material which it distributed to licensees for a "reasonable charge" had little value in comparison to the processed material which it bought back from the licensees at a "fair price." The "fair price" might be further increased by taking into consideration the producing costs of the licensee. As stated in a Federal Power Commission analysis of the joint committee's bill:

For all the bill now provides, the AEC may pay more for the ashes than it charges for the fuel.

Understand, this is not Senator MORSE's analysis; this is not Senator HILL's analysis; this is not the joint committee's analysis; but this is the analysis of the Federal Power Commission.

As stated in the Federal Power Commission analysis of the joint committee's bill:

For all the bill now provides, the AEC may pay more for the ashes than it charges for the fuel.

There is the joker. There is the sleeper. There is the giveaway. There is the hidden subsidy. Watch out. All it requires are some arbitrary individuals, or, as these things usually operate, one arbitrary fellow who is delegated the administrative job of determining the price question, and the taxpayers of America will be paying more for the ashes than for the fuel.

In view of that Senators can talk to me about obstructionist tactics until they are blue in the face, but so long as that kind of a provision is in the bill we have a duty to be heard from. So long as that kind of a price standard is in the bill, so long as the danger of abuse such as that is in the bill, we must be heard from. So long as such an inadequate standard as that is in the bill, the taxpayers have the right to demand that we be heard from. That is why I said some hours ago I was going to talk to the taxpayers of America. Never mind the Senate on this issue now. I will talk to the taxpayers. They can understand that if the Senate cannot. The Senate has given little evidence to date it understands the significance of what the Federal Power Commission analysis said. The Federal Power Commission analysis said:

For all the bill now provides, the AEC may pay more for the ashes than it charges for the fuel.

We had better get that out of the bill. We could have gotten it out of the bill if the representative of the Independent Party had been extended the same treatment that was extended all day yesterday to Senators on the Democratic side of the aisle who offered amendments and said in effect, "Now listen, we are not going to even discuss these amendments under any implied threat, that unless we agree to a unanimous consent agreement the amendments are going to be laid on the table."

That was the position taken by the Senator from Tennessee [Mr. GORE], the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. STENNIS], the Senator from Oklahoma [Mr. KERR], the Senator from Arkansas [Mr. FULBRIGHT] and others, and they were dead right.

The Independent Party took the same position. His amendment was laid on the table, but not with the votes of a great majority of the Democrats, and a few Republicans, who recognized that what was raised was the precious right of the minority in the Senate of the United States. There were not enough of us, but that did not kill the issue. That did not end the issue. It did not finish this fight, either. It must not end this fight.

Mr. President, in a sincere effort to protect what I feel to be a great danger to, and a wrong done to the taxpayers of the United States by this bill, I offered President Eisenhower's language. I urged the adoption of the President's proposal, and the majority did not even walk up to the desk to read it. I say most respectfully that they left with me at least the impression, and if I wrong them it does not change the fact that there was the impression they left with me, that they were going to apply some discipline.

Let me say that if the point is ever reached in the Senate when we let one of the number be subjected to that kind of treatment, we invite unto ourselves similar treatment, the first time we might find ourselves in a similar position, without an army behind us.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. ANDERSON. Does the Senator from Oregon think that there was anything in his conduct yesterday, in trying to expedite the passage of the bill, which deserved any special reprimand, treatment, or punishment?

Mr. MORSE. I do not know of anything. I do not know what I could have done on the floor of the Senate which would have resulted in deserving that kind of treatment under the parliamentary rules of the Senate, fairly applied. Oh, I know that the majority has a right to do it, if they wish to. But what were they trying to do? They were trying to get around the fact that they could not apply cloture. They got their noses bloody, figuratively speaking, when they tried to apply cloture yesterday, but they got licked. Apparently they did not like it. So they proceeded to try cloture amendment by amendment, by majority vote, without the right of the minority even to explain its amendments.

Even when one adopts the language of Dwight Eisenhower, in the sense that he adopts language which the President sent to the Joint Committee on Atomic Energy through the Atomic Energy Commission, and he tries to include it in an amendment to improve the pricing section of the bill, so as to meet the criticism of the Federal Power Commission, he does not even get the amendment read, in the sense that he does not get a study, which Senators know it is necessary to have, after the clerk finishes reading an amendment. The process of the reading of an amendment by the clerk is merely to put Senators on notice as to what has been submitted. The reading of an amendment by the clerk does not give Senators an understanding of the details of the language of the amendment, which would make it unnecessary for Senators to study the amendment further. Of course, it is necessary to study it further. My amendment needs to be studied further.

I might have been asked a few simple questions. One would think that the majority might have said, "We will hold in abeyance the possibility of moving to lay the amendment on the table, so that we may ask the Senator from Oregon a few questions."

They might have asked, "Where did this amendment come from? Did the Senator from Oregon himself propose it, or is there some substantial authority behind the amendment, which justifies the offering of it?"

Mr. President, do you know the answer which a question of that kind would have elicited? That it was the language of the President—at least, since it was included in a bill sanctioned by the President and was offered to meet a criticism of the Federal Power Commission.

I think that information might have caused a different parliamentary course of action, in spite of some hard feelings, for the time being, on this side of the aisle, toward the junior Senator from Oregon.

But, as I have said before, I do not let those things vary my course of action in the Senate on the merits of proposed legislation. I can argue with a fellow, vote against him in the morning, go out and have lunch with him at noon, and come back and support him on the next item of business in the afternoon, if I think he is right. I expect the same treatment in return, if we are to treat one another on a professional plane in the Senate.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question only.

Mr. SPARKMAN. I should like to ask the Senator from Oregon if my interpretation of his amendment is correct. I may say I am reading it from the CON-

GRESSIONAL RECORD. There was no explanation of it last night, and no opportunity to understand what its purpose was. Am I correct in my interpretation that the purpose of the amendment was to set a standard for the price to be paid for the materials which might become available as a result of the issuance of patents, and that it was aimed at preventing the very type of windfall which has received so much discussion in connection with the FHA investigation?

Mr. MORSE. The Senator is correct. As I have said earlier, I think the atomic energy bill offers the possibility of a scandalous windfall situation which will make the FHA scandal look like nothing.

Mr. SPARKMAN. Mr. President, will the Senator yield for another question?

Mr. MORSE. I yield for a question.

Mr. SPARKMAN. Do I understand correctly the distinguished Senator from Oregon to say that the language of the amendment was lifted from the recommendations of President Eisenhower himself?

Mr. MORSE. I wish to read from the CONGRESSIONAL RECORD of July 17, 1954, on page 10801, and beginning in the first column of the page, which is the language of the Atomic Energy Commission bill, submitted to the Joint Committee on Atomic Energy, with the announced approval of the White House. The bill contains the identical language of my amendment on the price structure. I had never read that proposal until I heard, on July 17, that the President, through the Atomic Energy Commission, had submitted two bills, one dealing with the foregin or international phase of the program, and the other dealing with the so-called domestic commercial phase. If there is anywhere in the record of the hearings the slightest reference to it, or in the report, then I have missed it.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MORSE. Let me finish first.

I said to the Senator from Iowa [Mr. HICKENLOOPER], as will be seen in the RECORD of July 17, that I should like to ask if it were true, as I had been advised, the Atomic Energy Commission on behalf of the President had submitted two drafts of bills. The Senator from Iowa said that was true. I then asked the Senator from Iowa if he would make those drafts available to me so that I could put them in the RECORD and so that a comparative study of them could be made.

The Senator from Iowa very cooperatively, after consultation on the floor of the Senate with the very able staff of the joint committee, said they would be produced shortly and would be offered. We then asked for unanimous consent that they be printed in the RECORD. There the drafts are in the RECORD.

The language of my amendment is taken verbatim from the President's bill.

Mr. SPARKMAN. Mr. President, will the Senator yield for one more question?

Mr. MORSE. I am glad to yield for a question.

Mr. SPARKMAN. In order that the record may be absolutely clear, the amendment to which the Senator is referring now is the amendment which received the summary execution last night without being explained at all to the members of this Senate and without the Senators being informed that this was the identical language to that which the President has recommended?

Mr. MORSE. That is exactly the situation in which we found ourselves, and that is why the Senate had an all-night session.

I was very kindly about it, too. There was not anything vindictive about it. The Senator from Oregon is not vindictive about this, though I know that interpretation will be made.

This is not a case of vindictiveness, unless it could be said fighting the British in the American Revolution was a case of vindictiveness.

I am just fighting for the rights of 96 Senators on the floor of the Senate. That is what I am doing. I am not fighting for the junior Senator from Oregon any more than I am fighting for the Senator from Maryland [Mr. BUTLER], the Senator from Alabama [Mr. SPARKMAN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from New Mexico [Mr. ANDERSON], the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. LEHMAN], and all the other Senators.

Mr. HILL. Mr. President, will the Senator yield?

Mr. MORSE. I shall be happy to yield in a moment.

I just happen to be the fellow who was hit, and when assaulted, the law of self-defense applies. I am applying the law of self-defense, hoping that applying it will set an example to protect the rights of other Senators.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

May I ask the Senator from Alabama does he know what he is going to give me? Do not say a word, because there will not be a question, until I yield for a question.

Does the Senator from Alabama know what he is going to do for me, although the Senator deserves everything I said? When the Senator reads the RECORD of what I very sincerely said about the great fight the Senator put up with George Norris for the establishment of a public power yardstick I think the Senator is going to take me down and buy me that steak dinner I shall want after this speech.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. MORSE. Now I yield for a question only.

Mr. HILL. Will the Senator permit me to take him down and buy him that steak dinner?

Mr. MORSE. When this is all over, I would thoroughly enjoy it.

Mr. HILL. Mr. President, will the Senator yield for another question?

Mr. MORSE. I yield for a question.

Mr. HILL. Will the Senator not also include the distinguished occupant of the Chair, the distinguished Senator from Wyoming [Mr. BARRETT], when the Senator states he was fighting to protect the rights of the Senators?

Mr. MORSE. That is one of those implied conditions. That is one of the implied conditions by all means. I said "every other Senator in the Senate."

Of course, my friend from Wyoming, who is one of my beloved colleagues on the great District of Columbia Committee, is an alderman with me of the District. The Senator from Wyoming [Mr. BARRETT] knows the love and affection I have for him in my work on the District Committee and here in the Senate. I certainly include the Senator from Wyoming.

If the Senator from Alabama desires to include the Senator from Wyoming in the steak dinner, that would be perfectly all right, too.

The PRESIDING OFFICER. That would be perfectly agreeable to the Chair.

Mr. HILL. Will the Senator yield for another question?

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not the position of the Senator that every Senator should have an opportunity not only to offer an amendment but should be able at least to advise the Senate as to the purposes of the amendment, why the amendment is offered, what the amendment would do, and the need and necessity for the amendment?

Mr. MORSE. That is correct. The Senator should not be required to enter into a unanimous-consent agreement to get that privilege because the Senator considers it to be a matter of right.

Mr. HILL. Will the Senator yield for another question?

Mr. MORSE. I yield for another question.

Mr. HILL. Does the Senator not think that often a limitation on the debate on an amendment defeats the purpose of the debate on the amendment, or certainly very seriously limits the purpose of the debate on the amendment?

Mr. MORSE. That is my judgment, and it has been my observation and experience here in the Senate.

Mr. HILL. Will the Senator yield for another question?

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not true after the amendment is offered without any limitation different Senators enter into the discussion more or less in an informal way, and it is through this discussion—this beating on the anvil, so to speak—the Senate arrives at the best decision on the amendment?

Mr. MORSE. That is correct. The Senate demonstrated that time and time again yesterday. Look at what happened. There was no unity of action among the so-called little group here in the Senate which has been standing out against this bill because on some of these amendments which were offered look at how the group split up on the rollcall votes yesterday.

I will not mention any names—the RECORD will speak for itself and the Senators can check it—but I remember on several of these rollcall votes on amendments yesterday some Senators within our so-called group opposing the bill in general voted for the amendment and some voted against it.

What produced those votes? It was the discussion and explanation which took place on the amendment. That is what did it.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not through the debate and discussion that Senators are able to arrive at intelligent decisions on amendments?

Mr. MORSE. That is the only way I know of. When amendments are offered here on the floor of the Senate and a Senator has not had time to do library research on them in advance of their being offered, that is the way the Senator has to work.

Mr. HILL. Will the Senator yield for another question?

Mr. MORSE. For a question only.

Mr. HILL. Is it not true that no Senator knows what amendments may be offered?

Mr. MORSE. Senators do not have the slightest idea.

Mr. HILL. Will the Senator yield for another question, Mr. President?

Mr. MORSE. I yield for another question.

Mr. HILL. Is it not true that the only way Senators can know what the amendment would do, can know the purpose of the amendment and the need for the amendment, is by hearing not only the author of the amendment, but in many instances other Senators discuss the amendment and bring out the facts with relation to the amendment?

Mr. MORSE. That is correct. I certainly appreciate the Senator from Alabama making that so clear in the RECORD by the very excellent questions he has asked me. That is the way we ought to work on amendments in the Senate.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not true that on yesterday we had a perfect example of just how this free debate operates, and yet we had no extended debate on the different amendments?

Mr. MORSE. We did up until I offered my amendment.

Mr. HILL. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. HILL. Is it not true that the Senate acted on a number of amendments—perhaps as many as some 8 or 9 amendments—without any extended debate, and yet with such debate as brought out the facts with relation to the amendments and gave to the Senate the opportunity to act intelligently on the amendments?

Mr. MORSE. That is right. We were perfectly free at any time to debate at whatever length our discretion directed us to debate.

Now, Mr. President, continuing with this analysis:

The subsidy to private monopoly might be reduced by inclusion of the limitations contained in the AEC draft; namely, first, the provision that the price paid for fissionable materials by the Government should not exceed the estimated cost to the Government of producing similar material in its own plants; and second, the taking into account of not only the cost to the licensee of producing the material, but also the estimated revenues to be derived by the licensee in the conduct of his licensed activities.

An energetic program of power production by the Commission would hold down the cost to the Government of producing plutonium ash, because revenues to be credited against cost would be realized from the sale of power.

I am unable to find in S. 3690 a standard to be followed by the Commission if, under the provisions of the bill, it were to purchase byproduct materials from private producers. There appears to be left wide open the possibility that if the Commission did not make full use of its power-producing potential and it became necessary for the Commission to buy byproduct electrical energy from a private producer, it might pay much more for the electric power than the power would cost if produced in a Government plant.

The McMahon Act bans patents for inventions or discoveries which concern the production of fissionable material for utilization in atomic weapons. Patents can be granted in the nonmilitary field, but they are now subject to a "public interest" declaration under stated conditions, in which case the Atomic Energy Commission and its licenses automatically were entitled to their use, with reasonable compensation to the owner.

Under the McMahon Act the declaration of a patent to be "affected with the public interest" is mandatory, provided that (a) the invention or discovery covered by the patent utilizes or is essential to the utilization of fissionable material or atomic energy, and (b) the licensing of such invention or discovery is necessary to effectuate the policies and purposes of the act.

The AEC draft proposal carried over the provisions from the McMahon Act imposing a duty upon the AEC to declare certain patents affected with a public interest. The appropriate section in the AEC draft stated:

"Any person may apply to the Commission for a license to use the invention or discovery covered by such patent, and the Commission shall grant such license to the extent that it finds that the use of the invention or discovery is necessary to the conduct of an activity authorized under this act."

Under the Cole-Hickenlooper bill—S. 3690—an applicant for a patent license must prove to the satisfaction of the Commission that the use of the invention or discovery is of primary importance to the use of fissionable material or atomic energy; of primary importance to the effectuation of the policies and purposes of the act; and of primary importance to the carrying out of the activity in which he proposes to engage. Granting of patent licenses under S. 3690 is discretionary with the Commission.

The stringently limited test of primary importance in contrast with broader considerations under which patents are now deemed to be affected with the public interest under the McMahon Act, and the complicated application procedure provided for in S. 3690 prompted the minority of the Joint Committee to say in their report:

The application that can survive this procedure will be an impressive one, indeed. The patent attorneys may derive more satisfaction from section 152 than the would-be user of the invention.

The possibility of a patent monopoly by firstcomers in the atomic research and development program is one of the greatest dangers to free enterprise and competition in the atomic power program. The testimony of Mr. Alfred Iddles, president of Babcock & Wilcox Co., which I quoted in my July 17 speech, indicated that firstcomers in the atomic energy program may plan to keep to themselves their discoveries and inventions with the intention of patenting them after September 1, 1959, the date set in Senate bill 3690 for expiration of the so-called compulsory licensing provisions in the bill. It is inevitable that the concerns now participating in the program will enjoy certain patent advantages over persons who later enter the field. The intent of proposed legislation at this time should be to ward off patent monopoly. Senate bill 3690, in my judgment, would make it easier for patent monopolies to be established. It is an engraved invitation.

The AEC draft proposal called for a report by the Commission whenever, in its opinion, the utilization of atomic material for industrial or other nonmilitary purposes were sufficiently developed to be of practical value. This report which was to be submitted to the President was to contain the same material that is now required under section 7 (b) of the McMahon Act. The proposal provided for transmission of the report by the President to the Congress, together with the President's recommendations.

Section 102 of Senate bill 3690 provides:

Whenever the Commission has made a finding in writing that any type of utilization or productive facility has been sufficiently developed to be of practical value for industrial or commercial purposes, the Commission may thereafter issue licenses for such type of facility pursuant to section 103.

In my judgment it would be wise to provide in legislation at this time that the President and the Congress be informed before licenses for industrial use of atomic material are issued. In view of the great speed with which the atomic development program has progressed, it may be necessary for the Congress to further legislate before licenses are issued. S. 3690 would allow licensing to begin without notice to either the President or the Congress.

As I have indicated, the Cole-Hickenlooper bill differs from the proposed bill prepared by the Atomic Energy Commission and submitted to the Congress in at least six very important respects.

Mr. President, I think this part of my analysis is of great importance because these important differences in which the Cole-Hickenlooper bill differs from the President's bill as prepared and submitted by the Atomic Energy Commission, with White House approval as I understand, represent, I think, a list of differences that we ought to consider very carefully and be certain whether we should not incorporate the President's version in the bill—not rubber stamp it, not automatically. Reject his recommendations if we think some of them are

not meritorious, but I think, Mr. President, he has us licked on the pricing standard issue. There is no doubt about the fact that the President's proposal is far superior to the proposal of the Cole-Hickenlooper bill, and I am inclined to believe that that may also be true of some of the other differences I am about to mention.

First. S. 3690, the Cole-Hickenlooper bill, deemphasizes the power feature of the peacetime atomic energy program, which was given recognition in the AEC-prepared proposal.

Second. S. 3690 fails to recognize the need for inclusion of the Federal Power Commission in the atomic energy power program. I think it is a mistake not to include it. I think it illustrates what I said earlier in this speech, that in a democracy, in making certain that the Government is the servant and not the master, we always check the exercise of arbitrary and capricious discretion or the danger of some little arbitrary Government administrator exercising an unchecked discretion. I think the Eisenhower proposal is far superior to this section of the Cole-Hickenlooper bill on this point, because the Eisenhower version provided that the Federal Power Commission check on proposed sales of power ought to be obtained. I think that is very sound.

The third major difference—I have picked out what I consider to be the major differences—

Third. S. 3690 makes no provision for the right of interested parties to be heard with regard to power license applications.

Fourth. S. 3690 increases the probability that there will be heavy subsidization of private utility companies in the power program.

I think that is perfectly clear. We did good work on that, though, may I say, Mr. President. We did some good work in regard to the tax amendment. We have not removed the subsidy program entirely, but we have made progress on it.

I think this price-structure matter that I have been arguing off and on during the night is another way to check the possibility of a hidden subsidy.

Fifth. S. 3690 makes it more probable that a patent monopoly will be created by firstcomers in the atomic energy development program.

As I have said previously in the debate, not in this speech but in a previous speech, and it is worth repeating now, I think we go too far in this bill, if I interpret it correctly, and I think I do. I think we go too far in letting people working on atomic-energy processes get the advantage of developments that really are the result of the expenditure of taxpayer dollars. I think that here, under the guise of a cooperative program with some private corporation, we are letting a lot of people get in on the ground floor and snatch up a lot of patents on processes the development of which was paid for with taxpayer dollars. I think the patent provisions are entirely too lenient for these so-called early comers.

I used the argument the other day, and I repeat it today, Mr. President, that since all the taxpayers paid for the cost of the operation that produced the so-called invention or new process, these people ought to be considered in the same class as the people working for the Bureau of Standards.

Look at what has been developed in the Bureau of Standards, by way of novel and new scientific discoveries. The employees of that Bureau are not allowed to patent them. Why should these people patent them, then?

Then, too, Mr. President, I know something about how patents are developed within businesses and corporations. One listening to some of this patent discussion would think that the fellow whose mental ingenuity really produced the principle in the first place, or the device in the first place, is the fellow that gets the patent with a nice big royalty.

It does not work that way, time and time again. The poor guy working in the shop makes a great discovery and saves the corporation great sums of money. He may get a $200 increase in salary a year, but too frequently he gets filched out of it.

I am fearful of it, Mr. President, because I am not sure that under the patent provisions the fellow who really makes the discovery is going to get the patent anyway.

I know a little bit, not too much, but a little bit about some of our patent-law problems. The judicial reports are full of patent cases in which the man who really made the discovery got euchered out of it, and I kind of have a feeling that we had better protect these things that I think are too freely given away under the patent provisions of this bill.

We had better reserve them for the benefit of the people of the country. They are the ones who spent the $12 billion. They are the ones who have financed this program. They are the ones who have paid the scientists who have developed the principles which are now going to be available for so-called application to various individuals in on the ground floor.

I think that the President's bill, submitted by the Atomic Energy Commission, is tighter on the patent section than is the Cole-Hickenlooper bill. Although I would prefer to make some improvements in the President's bill, I would much prefer his section on patents to that of the Cole-Hickenlooper bill; even though, here again, we made some progress on the patent section of the bill by the procedure followed yesterday.

Sixth. S. 3690 eliminates the requirements that the President and the Congress shall be notified before a licensing program begins.

I think that is a great mistake. It illustrates the point I made earlier that it sacrifices the check in this check-and-balance system. You would be surprised, Mr. President, at the number of people who have the idea that the system of checks and balances we talk about is limited to a set of checks of the legislature upon the executive, the executive upon the legislature, the legislature and the executive upon the courts, and vice versa. Those are checks and balances, but they are only a part of the system of checks and balances, and I am not so sure that they are not the smallest part of the system of checks and balances.

I see some very able lawyers in the room at the present time, the distinguished Senator from North Carolina [Mr. ERVIN], who is not only a distinguished lawyer, but a distinguished jurist; my good friend, the Senator from Maryland [Mr. BUTLER], and my legal associate in this great fight on this bill, the Senator from South Carolina [Mr. JOHNSTON]. I would like to have them lend me an ear for a moment on this point about the protection of the system of checks and balances. It is not a system of checks and balances just between and among the judicial, the executive, and the legislative; but our constitutional fathers, so fearful of government by men instead of by law, so fearful of arbitrary discretion exercised by administrators, so determined that the Government should always be the servant and not the master of the people, very wisely set up a system of checks and balances where the checks and balances operate within each division of the Government, one division upon another, and vice versa.

So, we have the congressional system of checks and balances between the Houses; and then we have the checks within each House, of the body upon the committees, and then of certain committee prerogatives that also bind the body of the Senate or of the House, subject to a very difficult procedural procedure to get modifications or eliminations of the checks.

How wise that is, and that is, in my opinion, of equal importance in the development and the application of this concept of checks and balances as is the check of the Congress on the President, and vice versa.

Then, in the administration of the executive branch of the Government, look at the interesting checks we have. Do not get the idea that this system of checks and balances just functions between the departments, the so-called three coordinate and coequal branches of government, the judicial, the legislative and the executive; but it is a beautiful pattern if one stops and looks at it.

It is very significant what the operation of this system of checks has done to protect us from the arbitrary discretion of mere men.

We provide, within the executive branch of government, for some interesting checks of department upon department.

We allow great legal discretion to the legal departments of the Federal Trade Commission and the Treasury and the Labor Department and the Interior Department and Agriculture, but at the top, as the chief law officer of the Government, sits the Attorney General. The whole system of the Department of Justice organization functions as an interesting check upon the legal operations of other departments. I use that just as one example. I could cite many others, but I apply it now to this situation.

I think it is very important that we support the kind of a check within the

executive department that I advocated in my explanation of the second major difference between the Cole-Hickenlooper bill and the Eisenhower bill, that the Federal Power Commission should be given a check over the Atomic Energy Commission in the matter of the sale of electric power, as we look to the Federal Power Commission as being the policy determiner in the field of power sales.

Now, in the sixth difference, I suggest that the President and the Congress should be notified before a licensing program begins, authorized by the Atomic Energy Commission, which is an interesting example of a two-way check: A check of the legislative branch upon this particular segment of the executive branch, and also a sort of a safety measure check of the executive branch upon itself, by the requirement that the President be notified of the license.

Mr. JOHNSTON of South Carolina. Madam President——

The PRESIDING OFFICER (Mrs. BOWRING in the chair). Does the Senator from Oregon yield to the Senator from South Carolina for a question?

Mr. MORSE. I yield for a question.

Mr. JOHNSTON of South Carolina. I want to ask this question: Under our form of Government, that is, the republican form of government, it is necessary that we do not give to the Executive Department an absolute control, is that not true?

Mr. MORSE. It certainly is, if we want to keep our freedom.

Mr. JOHNSTON of South Carolina. That being so, we have set up various Departments in the executive branch, and have not allowed the head of the executive department to set them up; is that not true?

Mr. MORSE. That is correct. My answer to the question is "yes."

Mr. JOHNSTON of South Carolina. There is a very good reason for that——

Mr. MORSE. Let us stop there. The Senator might ask me if there was a very good reason. There was a very good reason.

Mr. BUTLER. I was thinking, the questions being asked are leading, to some extent.

Mr. JOHNSTON of South Carolina. Is there not a very good reason for that?

Mr. MORSE. Many good reasons.

Mr. JOHNSTON of South Carolina. We find——

Mr. MORSE. I have to have a question.

Mr. JOHNSTON of South Carolina. Is it not true that we find some of these departments are quasi-judicial in character?

Mr. MORSE. That is right, and some of them are the joint agents of the Congress and of the President.

Mr. JOHNSTON of South Carolina. And is it not also true that there are certain things they can do and certain things they cannot do?

Mr. MORSE. That is right, and that is why I think, in the operation of this check-and-balance section, so far as their congressional obligations are concerned we must maintain surveillance over them. That is why I suggest that it would be a mighty fine thing to require the Atomic Energy Commission to report to the Congress as well as to the President before the licensing program begins.

Mr. JOHNSTON of South Carolina. Is it not also true that we set up certain independent agencies, and they are supposed to be independent of any power of the President of the United States?

Mr. MORSE. That is correct.

Mr. JOHNSTON of South Carolina. And is not the Atomic Energy Commission one of those agencies?

Mr. MORSE. I will have to give a reserved judgment on that. I think the President under the atomic-energy law—I am trying to refresh my memory and recollection very quickly—has certain executive prerogatives. I think we make our point just as well irrespective of the fact that I cannot recall at the moment some of the specific provisions of the law on executive prerogatives, that I have a hunch are there. The Senator makes the point, nevertheless, that sometimes we set up a purely so-called independent agency with answerability to the Congress, but usually it is mixed. Usually it has functions that cause it to answer to its responsibility to the Congress and also to the Executive. That is true, for example, even in connection with the Department of Justice. There are certain laws that have been passed by the Congress that place obligations upon a division of the Department of Justice to answer to the Congress. I give as an example the antitrust laws. There are very definite obligations of the Department of Justice to the Congress in respect to the administration of antitrust laws.

Mr. JOHNSTON of South Carolina. Is it not true for the protection of the people that it is absolutely necessary to set up these separate independent agencies?

Mr. MORSE. I completely agree, and I am glad the Senator has brought that out because in giving my analysis of the differences between the Cole-Hickenlooper bill and the President's bill presented through the Atomic Energy Commission, I think we ought to be on guard to see to it that these checks are protected. I thank the Senator from South Carolina very much.

Now, Madam President, in my judgment the AEC draft proposal for further participation by private industry in the atomic-energy program was premature. It was not a satisfactory proposal because it did not provide adequate safeguards to protect the interest of the people of the United States in their $12 billion atomic-energy investment. However, the AEC draft could have served as a startling point for the formulation of adequate legislative proposals when such were needed. In my judgment the Cole-Hickenlooper bill is not an adequate substitute or an improvement upon the AEC draft proposal. It is a step backward from the proposal prepared by the AEC and submitted to the Congress by the President.

I urge the Members of the Senate to study and to seriously consider the provisions contained in the AEC draft proposal before they vote on S. 3690, the Cole-Hickenlooper bill.

I hope, Madam President, that some way, somehow, by unanimous consent or otherwise, we can rectify the great injury I think was done to proper procedure in the Senate last night in respect to my amendment. I was offering the President's language; I was offering the President's proposal. I was taking verbatim out of the President's bill the recommendation for a pricing standard. As the representative of the Independent Party, believe it or not, I was seeking to meet the criticism of the Federal Power Commission of the Cole-Hickenlooper bill with regard to its lack of proper pricing standards. I found I could not get any consideration of my amendment unless I was willing to yield to a parliamentary mandate that I agree to unanimous consent to vote, even though Senator after Senator, on the other side of the aisle raised the same objections I raised, and the unanimous-consent proposals were withdrawn.

Not so the representative of the Independent Party. Again I say I am deeply appreciative of the many votes on the Democratic side of the aisle, protecting not only my minority rights, but the minority rights of every Member of the Senate. That is what that fight was about.

As I said earlier, every Senator had better recognize that it could happen to him or to her. We have a rule on the books to protect the majority. That is the cloture rule. The cloture rule also guarantees definitely protection to the minority. They tried it and lost. Does that justify proceeding with the position that if you do not win on cloture, then you apply, in effect, the cloture rule amendment by amendment, by a majority vote to lay on the table without the minority having any right at all to debate. I cannot reconcile that with good procedure in the Senate. It ought to be changed. I think it was a mistake. I do not deny the right of the majority to do what it did. They have a literal right to do it. But I say, Madam President, that does not make it right from the standpoint of the rules of fair play. It is not our custom in the Senate. We do not treat each other that way.

I am not vindictive about it, as I said earlier. It is not a question of vindictiveness. It is a question of self-defense. It is not only a question of self-defense, but it is a question of defending the rights of 95 other Senators. We cannot let that kind of a pattern get established here in the Senate. If we do, watch out. Majorities can be as tyrannical as minorities. Tyranny is no respector of the number that apply it. Do not ever forget that. If you start applying what many of us consider to be a form of parliamentarly tyranny, just because you cannot get the votes you need for cloture, you do yourself harm, as well as those to whom you apply the procedure.

I think in the history of the Senate of the United States, from the standpoint of the legislative process, it is a mistake, when you cannot get the votes for cloture, to say, "Well, we have the technical right to lay an amendment on the table, and we are going to lay it on the table unless every Senator who offers an

amendment agrees to a limitation of debate."

We are all different in the Senate. I think—and I speak facetiously, and I do not want anyone to take offense; and I have said it before in this debate—we are a remarkable group of temperamental individuals in the Senate, and it is a mistake ever to try procedures that, even though they are not meant that way, can be interpreted as disciplinary devices because others do not like a Senator or do not like what he does or what he believes or what he insists upon fighting for.

After all, America has become strong because individualists have fought for what they think is right; and the American people are pretty devoted to the good old French doctrine, "I disagree with everything you say, but I will defend to the death your right to say it." That is part and parcel, it is warp and woof of American freedom.

If I am wrong about it, it does not make any difference, the feeling is still there and there are many others who share the feeling; but I feel that the majority did not defend the right of the minority last night. They did not even permit of an explanation of the amendment; they did not even wait long enough to find out that the amendment was President Eisenhower's language in the sense that it was the language taken from the bill that was prepared for him by the Atomic Energy Commission.

I said earlier, and I repeat now, that I know tensions have developed in this debate. It has been a tough, rough fight; it has been a hot debate, to use a slang expression.

This has not been, as we sometimes say in the courtroom, a tea party.

We have been fighting for great convictions in which we believe. That has been so on both sides of the issue by men on each side who are equally sincere. We have had representation made that time is of the essence. It is not. It never has been in this debate. There never has been any need for speedy action on this bill as long as people wanted the issues debated in detail. This debate, from the beginning to the end so far, constitutes a remarkable record.

Of course, there have been some irrelevancies; there have been some detours, but not very many and, percentagewise, Madam President, and I venture the guess not so many as in the ordinary course of much shorter debates on much more simple bills.

Take the debate on almost any bill, and if you look at the CONGRESSIONAL RECORD as to what happened during the course of that debate, and you will see the number of detours the Senate engaged in off the subject, for example, laying it aside while the Senate took up something else, whether it was a conference report or nominations or a message from the President or the calendar or a special bill that, for some emergency reason, needed to be passed at once. I do not think, Madam President, that in our consideration of the bill, percentagewise, from the standpoint of the total period of time we have debated it, we have really approached the amount of detouring that goes on ordinarily in the Senate in the consideration of more minor bills that take only a couple of days.

Now, let us take this question, What about detours within the speeches?

That is remarkable, too. There really have been very, very few minutes during the total number of hours this debate has been on when speakers have not been speaking germanely to the bill.

Look at the RECORD. Oh, we have had a little byplay and horseplay in the Senate in the wee hours of the morning sometimes, all good-natured fun, but we have it during the regular course of debate in the Senate, too—not, sometimes, of the same nature, but there is a lot of it.

I can remember the enjoyment we derived and the entertainment afforded on the floor of the Senate during the debate on the tax bill by the repartee between the Senator from Colorado [Mr. MILLIKIN] and the Senator from Illinois [Mr. DOUGLAS] and the Senator from Colorado and the Senator from Minnesota [Mr. HUMPHREY].

Of course, they were what we call detours of irrelevancy; but there was no waste of time. That is just good spice that kind of sharpens your wits and makes you pay more attention to the bill.

(At this point Mr. MORSE replaced his boutonniere with a fresh one.)

Mr. MORSE. I hate to give it up.

No, Madam President, we have not detoured very much in this debate on this bill.

It was suggested that there was one speech made by the Senator from Mississippi [Mr. EASTLAND] in the wee hours of the morning that did not have anything to do in most of its parts with the atomic-energy bill. But we all know that the Senator from Mississippi had been waiting for a long time to make that speech; it had been prepared for a long time. The Senator from Mississippi had been home and he got back to the Senate. There is not a man in this Chamber today who does not know of instance after instance after instance in which, in the course of the consideration of major pieces of legislation—I recall distinctly it was so during the tax debate—speeches were made on subjects that were not germane to the bill. That is a common practice in the Senate; but it will be found, I think, that the speech of the Senator from Mississippi was the only speech in the course of this debate made by any of us who are opposed to the atomic-energy bill that could be charged with being almost in its entirety on a different subject. But the Senator certainly had a right to give that kind of a speech.

The fact that the Senator made his speech during an all-night session, in the wee hours of the morning, should not subject him to criticism, but rather he ought to be complimented on the fact that he really did not take up the time of the Senators during the daytime when we have a greater right to expect their attendance here than in the wee hours of the morning; and I want here and now to defend the right of the Senator from Mississippi to make the speech he made.

I deplore that he has been subjected to any criticism for having made it, on the ground that he was filibustering.

Now, let me say something about myself and filibustering. We reached a point in the course of this debate when my conscience told me that if I made the long speech I was scheduled to make, if I was going to be honest with myself I would have to admit that I was buying time, buying time for further consideration of the bill, not so much on the floor of the Senate as in conferences in the cloakroom. That is one of the purposes of the filibuster.

Even though, Madam President, let the CONGRESSIONAL RECORD speak for itself—the Senate will find most of that speech was devoted to the atomic energy bill, I was not going to pretend that I was not buying time. I was. So I said: "I want to confess that so far as I am concerned"—I did not implicate anybody else—"the RECORD will show I am filibustering." And I was, in the sense that I was "buying time."

That did not apply to my colleagues when my collegaues were talking on the subject matter, Senators who did not feel they were engaged in any form of filibuster. Each Senator can speak for himself on this, because I think, after all, it is pretty much a matter of conscience and personal conviction.

But even if we label that speech of mine a filibuster, most of the speech was on the atomic energy bill or on subject matters and principles I was applying to the atomic energy bill.

So I say, Madam President, a Senator has to make up his mind as to what his duty is in a situation such as this. If a Senator is convinced that a bill is so contrary to the best interests of this country that the Senator has to buy time long enough for the public to take the time to study what is before the Senate and give its reactions, that becomes a duty of representation in the Senate.

If the majority then wants to lay the amendment on the table every time a Senator makes an amendment, thereby parliamentarily assaulting the Senator, the Senator must defend himself.

I know that critics are going to try to give the impression this was a speech of revenge. This is not such a speech at all. This is a good American revolutionary speech. This is the kind of fighting my ancestors did. This is the spirit which overcame the British. I felt that a great issue of principle was raised by that parliamentary action last night, and there was a duty to defend minority rights here in the Senate.

As I have said, we had made great progress yesterday in improving this bill. This bill is a better bill than it was yesterday morning. The Senate would not have the bill in its present shape if we had not made this fight; do not let anybody tell the Senate it would have.

In some of our cloakroom discussions some with faint heart have said:

"Well, we cannot accomplish much."

But we did. The Senators cannot get away from it; we did. Those of us who were convinced we would, have been proved right.

We put through a lot of amendments which never would have been adopted if we had let the leadership rush this bill through the Senate in a couple of days, as the leadership first announced was its intention. We stopped that.

Well, what about the argument that these tactics have resulted in obstructing the program of the administration? These arguments do not have validity. There has not been a single bill this leadership could not have brought up at any time the leadership wanted to bring it up. It is an awfully weak case, Madam President, when the leadership argues that this bill is an emergency bill.

If there is any bill on the President's legislative program which clearly is not an emergency bill, this is the bill.

I see my good friend from Louisiana [Mr. LONG] smiling over there. The Senator knows that is right.

Mr. LONG. Madam President, will the Senator yield for a question?

Mr. MORSE. I yield only for a question.

Mr. LONG. Does the Senator recall the suggestion was made that the Senate was being held up and the President's program delayed when we were debating the Bricker amendment?

Mr. MORSE. Oh, my; do I remember that. We saved the President by one vote, and each Senator who voted that way was the Senator who did it.

Yes, sir; we did it by one vote. By one vote we saved the President.

That would have been a very embarrassing political defeat, I think, if the President had lost that fight.

Of course, my convictions being what they are, I think we saved the country from a great loss. I think we saved the world from some much more serious problems by not losing in that fight.

I remember that debate. That was not a short debate, either.

Why, I venture to say the Senator from Louisiana [Mr. LONG] has never heard a long debate in the Senate. That is a stock argument. That is a good argument. The Senators recognize there is more form than substance to it. There is always the stock argument, "You are holding up the program."

Surely; but the Senator responsible for holding up the program is each Senator who does not vote to lay the bill aside to take up an emergency matter, if the Senate is not dealing with an emergency matter; and this is not an emergency matter.

This is not an emergency matter for several reasons. Let me mention just a couple. As I said earlier, Madam President, with the most recent developments in the whole field of the world military situation, I am not champing at the bit to make great haste even with the so-called international features of this program. I am not so sure that we should move too fast now even with the international phases of the program, although as a general policy I am in favor of them.

That is why I said the other day that I was perfectly willing to be in favor of the amendment of the Senator from Mississippi [Mr. STENNIS] and the amendment of the Senator from New York [Mr. LEHMAN], which would have separated the international features from the domestic features.

But I do have to express a little doubt in my mind as to whether we ought to go too fast yet in making a lot of atomic know-how available even to the best of intentioned allies.

Mr. LONG. Madam President, will the Senator yield for a question?

Mr. MORSE. Let me finish that one point, and then I will yield.

Too frequently it is a person's best friends who sometimes do not keep secrets.

I yield for a question.

Mr. LONG. Did the Senator notice the recent news accounts where the No. 1 counter security leader in West Germany had just gone over to the Communists?

Mr. MORSE. No; I have not found myself available to the ticker for some hours, and I have not read that yet. I am glad to have the Senator bring me up to date on that bit of news.

Mr. LONG. Will the Senator yield for a question?

Mr. MORSE. But it illustrates my point, I think. I am not so sure we should not go slow right now even on the international phases of this bill.

I yield for a question only.

Mr. LONG. Has it come to the Senator's attention that Dr. John, who was the No. 1 West German agent in trying to root out and fight against communism, had gone to the Eastern Zone of Berlin and that he was in Communist hands; and, further, that it appears he had gone voluntarily of his own will and volition?

Mr. MORSE. I had heard that. That was before this speech started. It must have been some days.

Now, Madam President, certainly no one can argue that this is an emergency bill from the standpoint of the domestic policy features of the bill. Why, there is no case there. Any proponent so arguing would be out of court on that.

Why is that true? Because here is the record. The Senators can read it. The record shows the experts testified these reactors are not going to be on the line for commercial use until 1965. This is still 1954. Let us not try to kid anybody about this being an emergency piece of legislation. This just is not emergency legislation.

What are the precedents of the Senate on that? Let me talk to some of the oldtimers here, speaking most affectionately, as I use the phrase. Talk to some of the oldtimers on this. What are the precedents? Why, they are legion.

When the Senate gets involved in a piece of legislation which is in fact not emergency legislation and there is back of the legislation other emergency legislation, the Senate lays aside the nonemergency legislation and takes up the emergency legislation. Then the Senate comes back to the nonemergency legislation. Such procedure is just horsesense. I have a 4-year-old filly at my farm that has that much sense. She has so much sense that there is not a gate on the place she cannot open. I have to go around with chains and padlocks to padlock the gates because, no matter how I try to work it out, she gets out unless I padlock the gates. I think if I even told her, she would nod her head that this is not an emergency. I think if I asked her whether it was horsesense to lay this bill aside and take up what is claimed to be emergency legislation, she would both nod her head and paw her right front foot in affirmation. Some things are just horsesense, that is all. That is one of them. There is no doubt about it.

This is not an emergency. We ought to lay this bill aside and get some emergency legislation behind us.

I put in a qualification on that. Where is this emergency legislation behind this bill that cannot be taken care of in August? "Oh, we want to get away on July 31. We want a nice long vacation at the expense of the taxpayers," and that is another story. I am not so sure that we do not owe it to the taxpayers to work during the month of August. It is a pretty good working month in this air-conditioned building. There is nothing wrong with the month of August. We have farm legislation, the tax conference report, foreign aid. They are all important, but they do not have to be passed tomorrow. From the standpoint of time, Madam President, they do not have to be passed next week. They are not that pressing. We have to pass them before we adjourn, and I am for passing them. I am for laying this bill aside and taking those measures up and then coming back to this bill. But if we do not want to do that, then all I say is, let us debate the bill and get it out of our system, say everything that we think needs to be said.

Do not be so sure that you are right, that everything has been said that can be said, because we are going to prove how wrong you are. It is all right to say, "Everything has been said that I am at all interested in," but the country may be interested in what some of us say. I have a hunch they are.

So on that point I may say to my friend from Louisiana, who is so helpful to me in the cross-examination he just submitted me to, that he and every one of the older Members of the Senate, in point of service, know full well that the pattern is to lay aside nonemergency legislation for the consideration of emergency legislation and then come back to the non-emergency legislation.

So I say to my constituents in Oregon, "Don't believe it when you are fed the propaganda that we are holding up emergency legislation." Those responsible for that are the ones who refuse to displace this bill so we can get to the so-called emergency legislation, and then come back to this measure.

I think it would be a pretty good thing for us to let it incubate. Of course, I am for a longer period of incubation than some others, but I think it ought to incubate at least until we get rid of the rest of the major items on the calendar, and then take it up, and I hope that most of my colleagues will eventually come to that conclusion.

Now, Madam President, I want to say something about the great TVA fight, because the repetition of the principles of that fight confront us now.

I said some hours ago that the principle of Hooverism is involved again in this fight. I read at some length some hours ago excerpts from Hoover's veto message of the Norris Muscle Shoals bill in 1931. I am sure the Senator from Alabama [Mr. HILL] must remember that historic fight because, if I am not mistaken, the Senator from Alabama was in the House of Representatives at the time of the Hoover veto of the Norris bill in 1931 and was already in the ranks of the fighters for the principle of the public power yardstick as it developed in the Norris program, even as early as 1931.

I think it would do us well to refresh our memories and recollections on the TVA fight. I have in front of me an autobiography of George W. Norris, entitled "Fighting Liberal," and I am going to read excerpts from it. In the course of the reading I will eliminate certain extraneous material, but I propose to present the main thesis starting on page 245. The title of that chapter is a very interesting title, called "A Second Emancipation." I think that is a very good descriptive term for the whole TVA project: "A Second Emancipation." Here is what the book says under that subject, in part:

The early twenties brought the American people to their knees in worship at the shrine of private business and industry.

This is Mr. Norris talking.

It was said, and accepted without question by millions of Americans, that private enterprise could do no wrong.

One might say that is where we came in. If that is not a very interesting recapitulation of the prevailing political dogma of today, then I have not been hearing straight.

In Mr. Harding's Cabinet that philosophy was probably best exemplified by Andrew Mellon, the head of the Treasury—

This is what George Norris says—

a man of enormous wealth, of widespread connections with industry, of great capacity. In the Government of those years Mr. Mellon was a most able spokesman for huge industry and business, and that influence ran through Mr. Harding's Cabinet and through all the administrative branches and agencies of Government.

It dominated Congress.

Even more, it had the unmistakable support of the American people.

In the next 12 years it was to produce one of the great classic struggles of the legislative branch of the National Government, through the battle for the Tennessee Valley Authority, better known as TVA, with which my name has been linked from the beginning.

My association with TVA was purely accidental and, at the very start, very much against my personal wishes.

This is a very interesting insight into this great statesman.

It represents the single outstanding development of the natural resources of a great American stream which has been undertaken in comprehensive fashion after long thought, study, and more than a decade of interminable conflict in the Congress.

It was not simply one struggle; more accurately, it was two, although the dividing line was indistinct, and always the issue was the same. From the first gun to the last, there was no armistice, no breathing space, and no truce. From the beginning to the end, there was that irreconcilable conflict between those who believed the natural wealth of the United States best can be developed by private capital and enterprise and those who believe that in certain activities related to the natural resources only the great strength of the Federal Government itself can perform the most necessary task, in the spirit of unselfishness, for the greatest good to the greatest number.

I did not ask for the job of leading in the battle for TVA.

I thought, as chairman of the Committee on Agriculture of the Senate, that I should be spared its great burden.

I felt deeply I lacked the strength, the time, and the technical background to discharge that task creditably.

I never have known how it came to be dumped upon my lap.

It was months and years of study and research which brought about my long championship of TVA. I entered upon that study without deeply rooted prejudices. I think I can say that I had an open mind, except for the feeling that congressional proposals, relating to the ultimate disposition of Muscle Shoals, more properly should have fallen to the Senate Military Affairs Committee, of which Senator Wadsworth, of New York, was chairman. He was a most able man, a conservative, and was courageous.

For some reason, he wanted the bill for the completion of Wilson Dam, then before Congress, referred to the committee of which I was chairman. He was most insistent this course be followed. The matter was debated at some length on the floor of the Senate. Secretly I hoped the bill would be referred to the Military Affairs Committee, but the Senate decided the issue as Senator Wadsworth wished, and thus I found myself confronted with a responsibility which I did not want.

I went to work.

Ah, that little short sentence, and I am sure the Senator from Alabama will confirm that it really, Madam President, epitomized the basic characteristic of the great Senator from Nebraska: "I went to work." "I went to work."

He went to work to protect the taxpayers of the United States.

In the years which followed, there were untold hearings, lasting for months, night sessions of the committee in order to expedite action, and a growing volume of controversies with each session of Congress.

At the close of the First World War, when the original dam of TVA was incomplete, the House of Representatives had dispatched a committee to investigate the subject of finishing it. The committee reported that the Government should abandon the entire proposition; and the House, in which appropriation measures originate, consequently made no appropriation for continuing work on the dam.

I thought this was a grave mistake.

I had studied the matter enough to become convinced there were great possibilities for good in the completion of Wilson Dam and others like it in the Tennessee Valley.

Madam President, the book continues this great discussion of the second emancipation, which is nothing except the fight for TVA which emancipated the Tennessee Valley and brought such great advantages to the people of the United States as a whole—a great story of that heroic fight for the people.

I hope I have read enough to whet the reading interest and the curiosity of some of my colleagues in the Senate.

Madam President, I am going to close shortly, not because I need to close; I could speak on for some hours, in fact I could make that 22 hours, even with an ulcerated tooth, look like a warmup; but I have some great colleagues on the other side of the aisle whom I feel have certain rights in this matter.

I have just been assured by the Senator from New Mexico [Mr. ANDERSON], who has been a very dear friend to me in this conflict, and long before this conflict, that there are some others who have some things to say, and he has urged me to bring this speech to a close; and, if necessary, prepare for another day.

Before I bring it to a close, I want to review very briefly two things, Mr. President, and I speak in dead earnestness. The amendment I offered last night, which was never debated because it was laid on the table, is a very sound amendment.

I know the Members of the Senate pretty well, and I am very willing to hazard the guess that if each Member of the Senate took that amendment, considered its objectives, considered its backing by the Atomic Energy Commission and, through it, by the President of the United States, because the Commission submitted the bill containing the language in my amendment in his behalf, considered the fact that the language of the amendment was devised to meet a very sound criticism of the Federal Power Commission in respect to the limitations of the so-called fair market price provision of the Cole-Hickenlooper bill—if each Member would really ponder upon that criticism of the Federal Power Commission which, in effect, said that there was a danger that the language in the Cole-Hickenlooper bill, in respect to the pricing matter, might result in the Federal Government paying more for the ashes than for the fuel—each Member I think would agree with me that the legal standard for the determination of price that the Government should charge for the leasing of uranium in the first place, and buying back the plutonium ash in the second place, is a sound standard and ought to go into this bill.

I think, at least I hope, certainly it has been my intention that my discussion off and on through the night about my difference with the majority leader over the procedure he followed in the handling of my attempt is not a personal difference. I face my difference with him on a purely professional plane of sincere disagreement with the strategy and the tactics he used toward me, quite different from those he applied to the other Senators all day yesterday in regard to amendments, and in regard to which he had my wholehearted cooperation throughout the day.

There was not any time during the day, if I followed the course of action of wanting to obstruct, that I could not have taken the floor of the Senate and made a speech. That was not my desire.

As I say, Mr. President, it was my desire to have that amendment adopted last night. I wanted that amendment in this bill. I was not going to pay the price of sacrificing what I considered to be my minority rights on the floor of the Senate, any more than the Senator from Mississippi [Mr. STENNIS] wanted

to sacrifice his, or the Senator from Tennessee [Mr. GORE] or the Senator from New Mexico [Mr. ANDERSON], or other Senators who offered amendments yesterday, and said very frankly they were not going to discuss them under any price exacted by way of a parliamentary requirement of a unanimous-consent agreement.

So, I mean it, Mr. President, when I say very impersonally, but very sincerely, that the majority leader put me in a position of parliamentary self-defense.

Surely, it can be said: "All you had to do was agree to the agremeent."

That is not the way we should transact business in the Senate of the United States.

The majority has got its protection under the cloture rule. If they do not think the rule is good enough to protect them, change the rule. Change it under the rulemaking powers of the Senate. They are getting ready, as we all know, to try to change that rule, which will involve quite a fight in the Senate.

So, Mr. President, being placed in a position of parliamentary self-defense, I decided then that I would discuss my amendment, and at some length, which I have done.

There are still other battles that can come, or we can go ahead, do the best we can to compose our differences, and move on to finish this bill. Although I think it will pass, I believe there will be a motion to recommit before we get through. I think it will be voted down; I hope not, but I am not very optimistic about it.

Then when the bill is passed, and we will go into conference with a much improved bill over what we would have had in my judgment if this debate of many days had not taken place.

Having said that, Mr. President, I want to say a few words about some of my major objections to this bill in its present form which I sincerely hoped we could work out. As to the procedural matter, Mr. President, I think we should come to an understanding that this bill will not be pressed to a final vote under a continuation of the policy that we have to agree to unanimous-consent requests or have our amendments laid on the table, or stay all night, when we can offer hundreds and hundreds of amendment to a bill of 104 pages, with hundreds and hundreds of yea-and-nay votes going along with that process. We should not do it that way. I would not like it if we had to do it that way. If we get to a point where rights have to be protected that way, perhaps that is possible as a course of action.

But now as to the substance of the bill itself, we put up a great fight and we have lost it, up to now at least. We put up a great fight for a modification of the Dixon-Yates principle in the bill. One of the reasons I started to read the Norris story on TVA, his own personal account of what happened in that great historic fight, was that I think the same basic principle is involved in that part of this bill which refers to the Dixon-Yates contract. I do not think we should do it that way. I think there ought to be a clear protection of the public interest so that we have the same cooperative dual arrangement in the field of developing electric power from atomic energy as we have in developing electric power from hydroelectric power, where the Government has the responsibility to develop some public power under a public-power yardstick, cooperating at the same time with private utilities in two major respects. One is with respect to the private utilities building low-head dams, and, second, guaranteeing to them fair contracts for the purchase of power at wholesale rates or of Government grid-backed transmission lines for sale to their customers.

I think with the failure to protect the American people in respect to the Dixon-Yates contract, I can never vote for this bill. There are many features of this bill that I approve of. But to me, that is so important, if we are going to leave that principle in the bill, I cannot vote for it. But there are many other Senators who do not share my point of view—I mean other Senators who originally were against the bill but who feel that some of the amendments which have been adopted have at least to some extent diminished the bad features of the Dixon-Yates contract to the point that perhaps some of the objections can be handled administratively.

I do not share that optimistic confidence. I believe, Mr. President, that we face the risk of losing some of these amendments in conference, and perhaps the amendment of the Senator from Colorado [Mr. JOHNSON] will be one of them. I hope not. I believe the assurance given to us by the majority leader and by the Senator from Iowa that these amendments have not been accepted on a pro forma basis, and they will fight for them in conference. I am satisfied that is true.

I am still not satisfied with the patent features, and certainly not satisfied with the international phase of it, and I think it is most regrettable that the amendment of the Senator from Mississippi [Mr. STENNIS] was not agreed to.

Thus I could go on and enumerate various features of this bill that I still think are very unsatisfactory, and cause me to feel that at the present time, even with the improvement we have made in it, I should vote against the bill.

In closing this speech, Mr. President, I want to express my very sincere thanks to the members of the Senate staff who have cooperated with me so patiently, not only in this speech, but my preceding speeches during this long debate, and the kindnesses they have extended to me off the floor of the Senate, and the very friendly understanding they have extended to me. I want to thank each and every person who has sat in the majority leader's chair and the Presiding Officer's chair during my speeches on this bill, for the fairness and the courtesy and the good humor, the friendly consideration they have given me as I have conducted a fight for what I think is right. I would be less than considerate if I did not particularly thank the pages whose slumbers have been interrupted night after night, although I know they have been on a rotation basis as they have performed many services for all of us who have engaged in these night sessions.

I also want to extend my thanks to the official reporters who have done a remarkable job, it seems to me, under great stress of fatigue to get out a very voluminous RECORD every day. We can look at the size of it, and understand the work the official reporters have had to put into the Senate section of it.

Then I want to say, Mr. President, that I would be most inconsiderate, although they will probably express their disagreement with me for mentioning it, if I did not thank my loyal office staff who have stood with me through this battle, as well as an understanding family that has never spoken a word of discouragement, but only words of encouragement for making a record that I think needed to be made by way of warning the American people and the taxpayers to whom I have been talking all night about what I consider to be the dangerous giveaway features and the many hidden subsidies within this bill.

Having said that, Mr. President, let me say that I close in a most kindly spirit, but with that reserve Yankee determination to fight on again if placed in a position of parliamentary self-defense.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	McCarthy
Anderson	Gore	Millikin
Barrett	Green	Monroney
Beall	Hayden	Morse
Bennett	Hendrickson	Mundt
Bowring	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Crippa	Kilgore	Smith, N. J.
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Duff	Lehman	Thye
Dworshak	Lennon	Upton
Eastland	Long	Watkins
Ervin	Magnuson	Welker
Ferguson	Malone	Wiley
Flanders	Mansfield	Williams
Frear	Martin	Young
Fulbright	Maybank	
George	McCarran	

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

SENATOR ANDREW F. SCHOEPPEL

(On request of Mr. MORSE, and by unanimous consent, the following remarks were ordered to be printed in the

RECORD at the conclusion of his main speech:)

Mr. MORSE. I am glad to see my friend from Kansas. I have been wondering where the Senator from Kansas has been all night. I would not want to think the Senator had been anywhere else, I would not want to think for a moment that he was anywhere else, except in bed or here in the Senate. My feelings would be hurt if I found the Senator had been some place else all this time.

I cannot yield except for a question; I am sorry. I know you are the last one in the Senate that would want to take me off the floor.

I would wager my last dollar that if anyone proposed to the Senator from Kansas that he walk in here on the floor of the Senate to see if he could not in some way, somehow, find by some scheme or trick, or point of order, or something, a way for getting me off the floor, I can just hear the Senator from Kansas say "I will not do it. I do not approve of what he is doing, I disagree with him, but I am not going to do anything that in the slightest way seeks to take away from him his right to the floor of the Senate."

I am convinced, knowing the Senator from Kansas as I do, that that is the position he would take. I appreciate that. I know the kind of a friend he is.

I know very well about the story when I got kicked by a horse. It was not my horse, either. I would not own the "critter" that would do that. But I was walking behind some horses at the show and apparently was more asleep than I am now. One of these Virginia mares let fly, and hit me.

I know what the position of the Senator from Kansas was. The story is pretty well known. It was suggested in the cloakroom by my then Republican colleagues that they ought to take up a collection of $5 apiece to buy the mare a ton of oats.

I know that my friend from Kansas did not think there was anything funny about that. Of course, I think it is funny now. But the story was reliably reported to me, and I do not think the Senator from Kansas would deny it. He, in no uncertain terms, protested that perverted sense of humor and said, "We do not know how badly he is hurt. He is out there. We have not received a final report. I do not think there is anything funny about that."

The Senator will recall when he came out to the hospital to visit me, although I laughed about the incident, I told him that I deeply appreciated the spirit of friendship that it portrayed. I have never forgotten that. I think the Senator from California is another member of the group of Republicans that I was talking about a few minutes ago during his absence. People say to me, "Are there any Republicans who even speak to you?"

My answer was "Yes, you would be surprised how many."

The Senator from Kansas has not in the slightest shown any indication of lessening his friendship for me simply because I no longer belong to his party, and I feel that is mutual; at least I have meant it to be. With a friend like that, at 5 o'clock in the morning it is certainly a pleasure to have him serving as acting majority leader. It is a great stimulus to me. In fact, if my opponents did not want to encourage me in this debate they would not have sent the Senator from Kansas to the floor of the Senate, because they sent one of the men to the floor of the Senate whose very presence is a source of great encouragement to me. I feel myself reinvigorated by having such a good friend come onto the floor of the Senate.

Now, if there are no objections, and if I in no way lose my rights to the floor thereby, I ask to have these remarks printed at the end of my speech on the power issue, and I am sure the Presiding Officer will so rule although he is busily engaged in another matter. I would ask to have this interruption, without in any way affecting my rights to the floor, printed at the end of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

THE CHIEF CLERK OF THE SENATE

Mr. MORSE. Mr. President, I digress from my manuscript long enough not only to welcome our very jovial, loyal, and beloved Chief Clerk back to the Senate Chamber, but to assure him his presence is not needed. He is just wasting the chance to get some good sleep. There is not going to be a quorum call. He is not going to have to read any amendment. There is not a single duty he is going to be called upon to perform during my speech. It pains me to see him miss the chance to sleep. I want to serve that notice on him. Of course, it is very flattering to have his presence, but I will even forego that because of my greater interest in his physical well-being. He has a hard day ahead tomorrow. I think there will be a considerable amount of quorum calls and rollcalls to read.

I do not know what he is doing here at 5 minutes to 5. I think he ought to go somewhere and sleep. I know he is not getting any overtime pay. He is not getting enough pay even when he keeps regular hours. The whole Senate staff is underpaid. Talk about a parsimonious bunch of employers, we ought to pay the Senate staff considerably more than we pay them. In spite of the low pay, we get the kind of demonstration of loyalty the Chief Clerk is now showing. I deeply appreciate it. I do not want to drive him off the floor of the Senate, but I am not so sure that I would not feel much more comfortable if I knew he was resting. I have watched the way he works in the Senate and the strain he has been under.

I want him to know that I will not be the least bit offended if he goes forth and not take up his bed and walk, but put it down and sleep.

I should like to have this little interruption, if I do not lose my right to the floor in any way, printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(On request of Mr. MORSE, and by unanimous consent, the following remarks were ordered to be printed at the conclusion of his main speech:)

Mr. MORSE. I am delighted to see my good friend the Senator from Delaware [Mr. WILLIAMS] here. I was wondering what happened to him. I thought he would probably come back.

He will remember that he was one of several to whom I promised a good night's sleep to: "Don't worry, go ahead, get your sleep."

And I remember his saying to me: "Well, if that is what you say, I know I can count on it."

The only reservation I made was that this ulcerated tooth of mine might go through my head before morning; but I will tell you, Mr. President, what I think this speech has done, with a little medication that Dr. Blackstone gave me, as I said earlier in the evening, enough to stop a horse from feeling the pain of colic. I think I have killed the nerve of that tooth. It had to be killed anyway. That is what I intended to do with it.

For the last couple of hours I have not felt a thing except a little hot coffee, so I was able to keep my promise, not even a tooth stopped me, and if the tooth does not act up again, my colleagues might be able to go to lunch; we cannot tell, it all depends.

But. I certainly feel in pretty good form right now.

My administrative assistant has brought me some hot broth. It really is hot, because I can see the steam coming from it. Mr. President, during the night all of the Presiding Officers have been very kind to me when these little friendly interludes have occurred by giving me unanimous-consent agreements with the understanding I would not lose my right to the floor, to have the remarks such as those I just addressed to my friend from Delaware appear at the end of my remarks in the final printing of the speech and I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. It is pertinent to remember.

JUVENILE COURT OF THE DISTRICT OF COLUMBIA

(On request of Mr. MORSE, and by unanimous consent, the following remarks were ordered to be printed in the RECORD at the conclusion of his main speech:)

Mr. MORSE. While I am talking about committee work, I think I ought to say that the Senator from Nebraska [Mr. REYNOLDS] and I finally had a subcommittee meeting yesterday, and we reported from the subcommittee, I using the proxy of the Senator from West Virginia [Mr. NEELY], though we were unanimous on every vote, about six District of Columbia bills to the full committee, with the understanding that we would in the full committee be perfectly free to offer amendments to the bills or advocate the rejection of any one of them if, in the meantime, the professional staff of the committee, upon a further examination of the bills, decided that there should be some amendments to them.

I took it upon myself to advise Mr. Albrook, the clerk of the committee, who, in my judgment, is one of the most efficient and remarkable committee clerks on the entire Senate side of the Congress, that I wished he would check the bills very carefully with the appropriate officials downtown, particularly with the District Commissioners. If they had any changes in any bill, he was to report the proposed changes to us. We had considerable discussion over the particular bill involving the juvenile court.

Mr. BEALL. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield?

Mr. MORSE. I yield only for a question.

Mr. BEALL. Of course the Senator from Oregon knows I am not on that subcommittee. If the Senator from Oregon will yield for a question I will ask: Is it not a fact that next Thursday we will have all those bills reported to the full committee?

Mr. MORSE. I want to prepare the Senator from Maryland [Mr. BEALL] for the meeting.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. MORSE. I yield for only one question now, not conversation.

The PRESIDING OFFICER. The Senator from Oregon yields for a question only.

Mr. BEALL. Will the Senator from Oregon permit me to defer that explanation until next Thursday at noon?

Mr. MORSE. I will permit the Senator from Maryland [Mr. BEALL] to escape hearing it. I have started it and I will finish it for the RECORD because I want to refer this RECORD to some others of the District of Columbia Committee tomorrow. So I want the Senator from Maryland to go and get his rest. He can read this tomorrow. I am trying to accommodate the Senator from Maryland.

Mr. BEALL. The Senator from Maryland does not mind.

Mr. MORSE. I can only listen to a question. I asked Mr. Albrook, the Clerk of the District of Columbia Committee, to check into this matter and asked him to give especial study to this juvenile court bill which, in its present form, provides that the United States district attorney shall have the right to take any juvenile who he thinks is a bad offender away from the juvenile court and try him in the regular district court.

Mr. BEALL. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Maryland?

Mr. MORSE. I yield for a question.

Mr. BEALL. Does not the Senator from Oregon feel, as a lawyer and a former instructor of law, that he is very well equipped to pass on this legislation? I am referring to the juvenile court matter. I should like to say that I feel that way because I have quite an admiration for him as a lawyer and as a former instructor of law.

Mr. MORSE. The Senator means the district attorney?

Mr. BEALL. No. I was referring to the Senator from Oregon.

Mr. MORSE. I have an opinion about it.

Mr. BEALL. I hate to put it in the form of a question.

Mr. MORSE. I must have it in the form of a question. I think my friend, the Senator from Arizona [Mr. GOLDWATER] would permit us some reasonable leniency, but I will not take the chance.

Mr. BEALL. Does not the Senator from Oregon feel that his background as a lawyer and a former instructor of law would quali[illegible] lation, par[illegible] quency?

Mr. MOR[illegible]

Mr. BEA[illegible] great many[illegible] feel that he[illegible]

Mr. MO[illegible] kind, but I[illegible] observation[illegible]

Mr. BEA[illegible]

Mr. MOR[illegible] Senator los[illegible]

I want t[illegible] simply sug[illegible] Nebraska [[illegible] that bill on[illegible] subject to s[illegible] sage throug[illegible] it on with[illegible] ommendati[illegible] One of the[illegible] hesitancy in[illegible] district att[illegible] ment on th[illegible] trict attorn[illegible] this separat[illegible] personalitie[illegible] ought to gi[illegible] cuting office[illegible] court a juv[illegible] think it is m[illegible] judgment re[illegible] your idea is[illegible] courts seem[illegible] one other t[illegible] judgment o[illegible] juvenile sho[illegible] the jurisdict[illegible]

if any change in the law is to be made—and I have not made up my mind that any change in the law would be desirable—but if any change in the law is to be made, my present opinion, tentative though it is, causes me to say that I think maybe we ought to prepare language by way of an amendment that would only authorize the United States district attorney to go before a higher judge than a juvenile court judge and present a prima facie case in support of taking a juvenile out from under the jurisdiction of the juvenile court and trying him before the district court. Then guarantee an opportunity in the language to the juvenile court to file a reply. And there are some features of that that are not good, too. At least this is not something in which all the merits are on one side. But I am not inclined to favor giving to a prosecuting officer the decision to determine whether an individual is to be tried before a juvenile court or before a district court.

I have said this in the RECORD in order to serve notice on the District of Columbia Committee the basis on which these bills from the House have been transmitted by the subcommittee, of which the Senator from Nebraska [Mr. REYNOLDS] is chairman and the Senator from West Virginia [Mr. NEELY] and I are the other two members. We thought we would save time, we thought we would expedite the consideration of the bills and it would give us the best opportunity to get some action on those bills that the full committee decides ought to pass in the closing period of this Congress.

Now if there are no objections, Mr. [illegible] unilateral conversation that I have been carrying on with the Presiding Officer appear at the end of my remarks and the speech, so it will not interrupt the logic, the continuity, of this discussion of mine on the power issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR CLINTON P. ANDERSON

During the delivery of Mr. MORSE's address,

Mr. ANDERSON entered the Chamber.

Mr. MORSE. Mr. President, I simply cannot resist the urge to say good morning and to make a brief comment about my friend the distinguished Senator from New Mexico [Mr. ANDERSON]. The Senator from New Mexico appears to be as fresh as a man in his twenties. He is one of those to whom I gave assurance last night that, in all probability, I would welcome him here this morning, and that he could go home and have a good night's sleep. I had explained to him one little difficulty that might cause more trouble than I could control, but that difficulty was licked during the night. I think—I shall not boast about it; I am not going to be too sure about it—it certainly feels all right now. It

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always makes me feel good when I can keep faith with an assurance. Nothing by way of uncontrollable conditions has prevented my keeping faith with that assurance.

I hope the Senator from New Mexico has had a very good rest, and that he is ready to press for more and more amendments which are needed in the bill, in order to make it satisfactory. Another day, another job. We have a job to do today, it seems to me, in try-

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Here again, with the kind permission of my colleagues, I ask unanimous consent, without in any way losing my right to the floor, that my little colloquy with reference to my good friend, the Senator from New Mexico, be printed at the end of my main speech.

The PRESIDING OFFICER (Mr. THYE in the chair). Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I desire to discuss very briefly the parliamentary situation now facing the Senate of the United States, and also some of the statements which have been made during the past 12 hours.

The fact of the matter is that on this measure, as on every other piece of proposed legislation which has come before the Senate at this session of Congress, the regular legislative procedures have been followed. Ample opportunity has been given, as it should have been, for a full and complete debate in the Senate. I think that any Member of this body and any observer of the proceedings of the Senate have recognized that that has been the fact.

It is not at all uncustomary, after debate has been in progress for several days, in some instances a little more, in others a little less, for the leadership, at times, to suggest to the Senate for its consideration a general unanimous-consent agreement applying to the bill, to motions to recommit, and to amendments to the bill, with full knowledge of the fact that any Member of this body of 96 Members can object to unanimous consent being given.

It has been the customary practice many times in the past that unanimous-consent agreements have not been sug-

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in the Senate. Certainly there is nothing wrong with that practice.

It was not possible to get a unanimous-consent agreement, even though, under what I had thought was a previous "gentlemen's agreement," there was every indication and every reason to believe that if a vote was not required on Saturday a week ago—almost 10 days ago, now—that on the following Monday, which is now more than a week ago, it would have been possible to get a unanimous-consent agreement to vote on the bill and all of its amendments.

I am frank to admit that that "gentlemen's agreement" had certain reservations to it. Obviously, there could be no certainty of what was in the minds of all Senators on both sides of the aisle. But by any reasonable interpretation of one sitting at this desk, with the responsibility which the majority leader has for scheduling proposed legislation before the Senate, much of it of great domestic and international importance, I at least felt I had every reason to believe that there was a likelihood of reaching such a unanimous-consent agreement.

I make no complaint. A unanimous-consent agreement was not reached. I recognize that a person cannot serve in this capacity unless he is willing to take the criticisms which go with the job; unless he is willing also to accept the responsibilities which go with the job. But I think it is necessary to have the RECORD set straight.

When a general unanimous-consent agreement could not be obtained, an attempt was then made to get unanimous-consent agreements piecemeal, so to speak, by asking for a unanimous-consent agreement on each of the amendments which was offered. That is not an unusual practice in the Senate; it has been done over the years.

Again I say—and I appeal to every fairminded Member of the Senate—the fact of the matter is that when the Senator from California made the original proposal, if the time limitation was not sufficient, he invited countersuggestions. I remember any number of cases in which we started with a half hour and moved the length of time up to 6 hours in order to try to obtain a unanimous-consent agreement. Some agreements were obtained, and the Senate was able to move along.

Finally a situation was reached when there were left to the majority leader only a few additional moves in the rule book if the business of the public was to be conducted. One of them was to invoke the cloture rule.

I recognized the fact—at least, I think I am a practical man—that the problem of getting a two-thirds vote of the entire membership of the Senate was beyond my reach, at least at the present time. But I thought that, if the matter was not merely being played with, if a real effort was to be made to bring the debate finally to a close, it was necessary, at least, for me to go through the procedure of filing a cloture petition, so that the Senate might be able to vote upon a motion for cloture. That I did.

The Senate on yesterday voted on the cloture motion. Forty-six Senators voted for the motion; 42 Members voted against it. The motion lacked 20 votes of invoking the cloture rule, although a majority of Senators voting had voted in support of the motion.

Let me digress at this point. I hold in my hand Senate Resolution 41, submitted on January 18, 1951, by the Senator from Oregon [Mr. MORSE], for himself and on behalf of the Senator from Minnesota [Mr. HUMPHREY]. I wish to take the time of the Senate to read the resolution, because I think the country, the Senate, and the Members of the House of Representatives, who are being prevented from adjourning sine die, shall at least have the facts, and not misrepresentations or propaganda. This is the text of Senate Resolution 41:

If at any time, notwithstanding the provisions of rule III or VI or any other rule of the Senate, a motion, signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but 1, he shall lay the motion before the Senate and direct

I took it upon myself to advise Mr. Albrook, the clerk of the committee, who, in my judgment, is one of the most efficient and remarkable committee clerks on the entire Senate side of the Congress, that I wished he would check the bills very carefully with the appropriate officials downtown, particularly with the District Commissioners. If they had any changes in any bill, he was to report the proposed changes to us. We had considerable discussion over the particular bill involving the juvenile court.

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Mr. MORSE. I yield only for a question.

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Mr. BEALL. The Senator from Maryland does not mind.

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Mr. BEALL. I hate to put it in the form of a question.

Mr. MORSE. I must have it in the form of a question. I think my friend, the Senator from Arizona [Mr. GOLDWATER] would permit us some reasonable leniency, but I will not take the chance.

Mr. BEALL. Does not the Senator from Oregon feel that his background as a lawyer and a former instructor of law would qualify him to prepare such legislation, particularly on juvenile delinquency?

Mr. MORSE. I have an opinion on it.

Mr. BEALL. I might venture that a great many members of the committee feel that he is very well qualified for that.

Mr. MORSE. The Senator is very kind, but I am not going to yield for an observation about it.

Mr. BEALL. I will read it tomorrow.

Mr. MORSE. I am worried about the Senator losing sleep.

I want to say, Mr. President, that I simply suggested to the Senator from Nebraska [Mr. REYNOLDS] that I think that bill on juvenile delinquency may be subject to serious question as to its passage through the committee, so we send it on with the other bills, without recommendation, to the full committee. One of the reasons why I have some hesitancy in giving that discretion to any district attorney—and I pass no comment on the present United States district attorney because I am discussing this separately and distinctly from any personalities—but I question whether we ought to give the discretion to a prosecuting officer to determine before which court a juvenile is to be prosecuted. I think it is much better to have a judicial judgment rendered on that question, but your idea is that judges of the juvenile courts seem to be opposed to having anyone other than themselves exercise any judgment on whether or not a given juvenile should be taken out from under the jurisdiction of the court. Therefore, if any change in the law is to be made—and I have not made up my mind that any change in the law would be desirable—but if any change in the law is to be made, my present opinion, tentative though it is, causes me to say that I think maybe we ought to prepare language by way of an amendment that would only authorize the United States district attorney to go before a higher judge than a juvenile court judge and present a prima facie case in support of taking a juvenile out from under the jurisdiction of the juvenile court and trying him before the district court. Then guarantee an opportunity in the language to the juvenile court to file a reply. And there are some features of that that are not good, too. At least this is not something in which all the merits are on one side. But I am not inclined to favor giving to a prosecuting officer the decision to determine whether an individual is to be tried before a juvenile court or before a district court.

I have said this in the RECORD in order to serve notice on the District of Columbia Committee the basis on which these bills from the House have been transmitted by the subcommittee, of which the Senator from Nebraska [Mr. REYNOLDS] is chairman and the Senator from West Virginia [Mr. NEELY] and I are the other two members. We thought we would save time, we thought we would expedite the consideration of the bills and it would give us the best opportunity to get some action on those bills that the full committee decides ought to pass in the closing period of this Congress.

Now if there are no objections, Mr. President, and without losing my rights to the floor in any way, I ask unanimous consent that my remarks on the Juvenile Court bill be printed in the RECORD at the end of my speech on the atomic energy bill.

The PRESIDING OFFICER (Mr. KUCHEL in the chair). Without objection, it is so ordered.

Mr. MORSE. Whenever any of us have a private conversation or a personal conversation, it is always such a delightful experience. I think one of the most unfair features of the rules of the Senate at this point is the fact that you and I just cannot converse with each other. I wish that could be modified. I wish we could have a rule that a Senator has to keep the floor but that he can talk to other Senators on sort of a friendly fraternal basis. This rule, I think, is unfair because it gives a false impression of the Senate, because we are a great fraternity, it is said. But when such a rule as this is applied, one would not think there was much brotherhood in the Senate. Mr. President, you and I know there is. But unfortunately, under circumstances such as this, the manifestations of it have to be confined to the cloakroom.

I cannot go to the cloakroom and keep the floor too. A lot of people would like to see me go out to the cloakroom but I will disappoint them for a little while longer. Unless there are serious objections, without losing my rights to the floor in any way, I ask that this little unilateral conversation that I have been carrying on with the Presiding Officer appear at the end of my remarks and the speech, so it will not interrupt the logic, the continuity, of this discussion of mine on the power issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR CLINTON P. ANDERSON

During the delivery of Mr. MORSE's address,

Mr. ANDERSON entered the Chamber.

Mr. MORSE. Mr. President, I simply cannot resist the urge to say good morning and to make a brief comment about my friend the distinguished Senator from New Mexico [Mr. ANDERSON]. The Senator from New Mexico appears to be as fresh as a man in his twenties. He is one of those to whom I gave assurance last night that, in all probability, I would welcome him here this morning, and that he could go home and have a good night's sleep. I had explained to him one little difficulty that might cause more trouble than I could control, but that difficulty was licked during the night. I think—I shall not boast about it; I am not going to be too sure about it—it certainly feels all right now. It

always makes me feel good when I can keep faith with an assurance. Nothing by way of uncontrollable conditions has prevented my keeping faith with that assurance.

I hope the Senator from New Mexico has had a very good rest, and that he is ready to press for more and more amendments which are needed in the bill, in order to make it satisfactory. Another day, another job. We have a job to do today, it seems to me, in trying to work out a further composition of our differences on the bill. All I can say is that I have made the opportunity available. I felt the opportunity should be made available.

As the Senator from New Mexico knows, the group with which he has been working, and which has manifested such fine statesmanship, now finds itself this morning in just as good a position for conference and further consideration of the bill as it did when the Senate left the Chamber about midnight last night, or a little later.

I plan to talk a little longer, at least. Do not ask me how much longer; a little longer.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I cannot yield, except for a question. I must watch myself very carefully on that score.

Mr. ANDERSON. Will not the Senator yield for a question?

Mr. MORSE. I yield for a question.

Mr. ANDERSON. Does not the Senator realize that if he does not feel like talking, there are other Senators now available who do?

Mr. MORSE. Oh, I know that; but I feel like talking. I have more things to say about this matter. I have more of a record to make for the use of the doctor of philosophy students, of whom I spoke earlier in the evening.

When I finish with the particular subject on which I am now speaking, I intend to talk about the Norris story on TVA.

Here again, with the kind permission of my colleagues, I ask unanimous consent, without in any way losing my right to the floor, that my little colloquy with reference to my good friend, the Senator from New Mexico, be printed at the end of my main speech.

The PRESIDING OFFICER (Mr. THYE in the chair). Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I desire to discuss very briefly the parliamentary situation now facing the Senate of the United States, and also some of the statements which have been made during the past 12 hours.

The fact of the matter is that on this measure, as on every other piece of proposed legislation which has come before the Senate at this session of Congress, the regular legislative procedures have been followed. Ample opportunity has been given, as it should have been, for a full and complete debate in the Senate. I think that any Member of this body and any observer of the proceedings of the Senate have recognized that that has been the fact.

It is not at all uncustomary, after debate has been in progress for several days, in some instances a little more, in others a little less, for the leadership, at times, to suggest to the Senate for its consideration a general unanimous-consent agreement applying to the bill, to motions to recommit, and to amendments to the bill, with full knowledge of the fact that any Member of this body of 96 Members can object to unanimous consent being given.

It has been the customary practice many times in the past that unanimous-consent agreements have not been suggested by the majority leader. Such agreements, indeed, have been suggested, as he himself has pointed out, by the distinguished leader of the Democratic Party, the Senator from Texas [Mr. JOHNSON], without whose fine cooperation and that of the large body of the membership of his party it would not have been possible for the Senate to have made the progress it had made up to the time the filibuster started.

In most instances—perhaps not in all of them, but in most of them—either the unanimous-consent agreement has been offered by the Senator from Texas for himself and on behalf of the majority leader, or I have offered it for myself and on behalf of the minority leader. Every Member of the Senate knows that to be a fact. Every impartial observer of the proceedings of the Senate knows it to be a fact.

The obtaining of unanimous-consent agreements has been a customary practice in the Senate. I may say, for the benefit of some of the newer Members, that it has great advantages to Members on both sides of the aisle because some Senators, by reason of extreme necessity, must be away on a certain day; and if they can be assured that the Senate will come to a vote on a day certain, they can fulfill their commitments away from the Senate and return in time to cast their vote, so that the vote of their respective States, or at least that part of the vote for their respective States which the individual Senator casts, may be recorded in the Senate. Certainly there is nothing wrong with that practice.

It was not possible to get a unanimous-consent agreement, even though, under what I had thought was a previous "gentlemen's agreement," there was every indication and every reason to believe that if a vote was not required on Saturday a week ago—almost 10 days ago, now—that on the following Monday, which is now more than a week ago, it would have been possible to get a unanimous-consent agreement to vote on the bill and all of its amendments.

I am frank to admit that that "gentlemen's agreement" had certain reservations to it. Obviously, there could be no certainty of what was in the minds of all Senators on both sides of the aisle. But by any reasonable interpretation of one sitting at this desk, with the responsibility which the majority leader has for scheduling proposed legislation before the Senate, much of it of great domestic and international importance, I at least felt I had every reason to believe that there was a likelihood of reaching such a unanimous-consent agreement.

I make no complaint. A unanimous-consent agreement was not reached. I recognize that a person cannot serve in this capacity unless he is willing to take the criticisms which go with the job; unless he is willing also to accept the responsibilities which go with the job. But I think it is necessary to have the RECORD set straight.

When a general unanimous-consent agreement could not be obtained, an attempt was then made to get unanimous-consent agreements piecemeal, so to speak, by asking for a unanimous-consent agreement on each of the amendments which was offered. That is not an unusual practice in the Senate; it has been done over the years.

Again I say—and I appeal to every fairminded Member of the Senate—the fact of the matter is that when the Senator from California made the original proposal, if the time limitation was not sufficient, he invited countersuggestions. I remember any number of cases in which we started with a half hour and moved the length of time up to 6 hours in order to try to obtain a unanimous-consent agreement. Some agreements were obtained, and the Senate was able to move along.

Finally a situation was reached when there were left to the majority leader only a few additional moves in the rule book if the business of the public was to be conducted. One of them was to invoke the cloture rule.

I recognized the fact—at least, I think I am a practical man—that the problem of getting a two-thirds vote of the entire membership of the Senate was beyond my reach, at least at the present time. But I thought that, if the matter was not merely being played with, if a real effort was to be made to bring the debate finally to a close, it was necessary, at least, for me to go through the procedure of filing a cloture petition, so that the Senate might be able to vote upon a motion for cloture. That I did.

The Senate on yesterday voted on the cloture motion. Forty-six Senators voted for the motion; 42 Members voted against it. The motion lacked 20 votes of invoking the cloture rule, although a majority of Senators voting had voted in support of the motion.

Let me digress at this point. I hold in my hand Senate Resolution 41, submitted on January 18, 1951, by the Senator from Oregon [Mr. MORSE], for himself and on behalf of the Senator from Minnesota [Mr. HUMPHREY]. I wish to take the time of the Senate to read the resolution, because I think the country, the Senate, and the Members of the House of Representatives, who are being prevented from adjourning sine die, shall at least have the facts, and not misrepresentations or propaganda. This is the text of Senate Resolution 41:

> If at any time, notwithstanding the provisions of rule III or VI or any other rule of the Senate, a motion, signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but 1, he shall lay the motion before the Senate and direct

that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the presiding officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"Is it the sense of the Senate that the debate shall be brought to a close?"

And if that question shall be decided in the affirmative by a majority vote of those voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same; except that any Senator may yield to any other Senator all or any part of the aggregate period of time which he is entitled to speak; and the Senator to whom he so yields may speak for the time so yielded in addition to any period of time which he is entitled to speak in his own right. It shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the presiding officer, shall be decided without debate.

A somewhat similar resolution was submitted at the present session of Congress.

I do not happen to believe in only a bare majority of those voting being able to invoke cloture; but if any Senator really believes in that principle, it seems to me that when the Senate, by a vote of 44 yeas to 44 nays, has voted for cloture, although the vote was not sufficient to invoke cloture under the very rigid rule which is in force at present, requiring 64 votes, at least there might have been some equity shown, since there was a mandate from the majority of the Senate not to proceed to conduct a filibuster, or to proceed with obstructionist tactics.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I shall yield when I have concluded my remarks.

What have been the facts in regard to the various efforts to effect a settlement?

There were discussions conducted with me in my capacity as majority leader, indicating that those who had been deeply involved in this filibuster or prolonged discussion, whatever you want to call it, had, as I understood it, 3 or 4 principal matters in which they had a vital concern.

One was the tax amendment of the Senator from Tennessee [Mr. GORE]. Another was the international phase of the problem by the distinguished Senator from Mississippi [Mr. STENNIS]. The third was the matter of patents by the distinguished Senator from Oklahoma [Mr. KERR]. Then there was the possibility of a motion to recommit.

There may have been 1 or 2 others, but if my recollection is not entirely wrong, at least they were the principal ones in which they felt the Senate of the United States and that particular group had a deep interest.

I pointed out when the discussions were had that I would be glad to have them write their own ticket, practically, on a general unanimous-consent agreement—if they wanted 6 hours, if they wanted 8 hours, if they wanted 10 hours on the tax amendment of the Senator from Tennessee [Mr. GORE], to put that in the unanimous-consent agreement; if they wanted 3 hours or 4 hours on the patent amendment of the Senator from Oklahoma [Mr. KERR], to put that in the agreement; if they wanted 5 hours or 10 hours on the international phase of the problem in connection with the amendment of the Senator from Mississippi [Mr. STENNIS], to put that in the agreement; and, in addition to that, that we allow 4 hours on a motion to recommit, that we allow 4 hours on general debate on the bill itself, and that we allow an hour on each side on each and every other amendment that might be offered.

The answer came back, "You cannot get a unanimous-consent agreement."

Then I suggested that we pursue the procedure that at least I was following because of the responsibilities I have. I said: "Let us take them up one by one. If the Senator from Tennessee wants 3 hours, I will be glad to agree to the unanimous consent for 3 hours."

The word came back that he felt that perhaps 3 hours, or whatever the time was, would be enough or that a half-hour would be enough—I think in that case he expected to use only a half-hour—and I offered to treble that amount of time because there might be other Senators who wanted to discuss it. It was an important amendment. As a matter of fact, days ago I had discussed with the Senator from Iowa [Mr. HICKENLOOPER] the fact that I thought that, as a matter of sound public policy, the possibility of either an income-tax exemption or a rebate, should be gone into very thoroughly, because, first, I felt it belonged properly in the province of the House Ways and Means Committee and the Senate Finance Committee; and, secondly, even though there had been, as we found out yesterday, two precedents under the Truman administration apparently along the same lines, I did not feel that even those precedents for the so-called Dixon-Yates contract were sufficiently sound to establish a public policy that might spread into other defense plants and other activities.

On yesterday I voted for the amendment offered by the Senator from Tennessee [Mr. GORE], as did the entire Senate.

The word came back that they did not want to be bound, but they indicated, after some discussion on the floor when I offered my unanimous-consent request, that they did not believe that it would take very long, and we had a gentlemen's understanding and let the debate proceed. They thought the debate could be wound up in perhaps an hour or an hour and a half.

I will say to the distinguished Senator from Tennessee that he carried out fully his part of the gentlemen's understanding and, as a matter of fact, I think we completed all the discussion on the amendment well within the time I had been prepared to suggest in the unanimous-consent agreement.

Then we considered the amendment of the Senator from Mississippi [Mr. STENNIS] and again I offered a unanimous-consent request. We had some colloquy back and forth. The distinguished Senator from Mississippi explained his point of view, and I respected it. I tried to explain mine, and I think at least he gave me credit for trying to follow a reasonable path. We finally hit upon a reasonable period of time under a gentlemen's understanding, but no ironbound agreement. We proceeded then and accepted the Gore amendment and the Senate, in its judgment, on a yea-and-nay vote, rejected the Stennis amendment.

Then we came to the amendment of the Senator from Oklahoma [Mr. KERR], and at that point the Senator from Iowa [Mr. HICKENLOOPER], who is in charge of the bill on the floor, informed me that he was in the process of staff discussions with the Senator from Oklahoma to see whether they could not come to an area of agreement so that amendment might be accepted. After proposing a unanimous-consent agreement, being informed that those negotiations were underway, I withdrew the consent request with the assurances that the amendment probably would not take more than an hour or so.

During the course of the evening the impression has been given that the Senator from California, the majority leader, had picked out, to discipline or otherwise, the Senator from Oregon [Mr. MORSE]. That simply is not the fact, and the RECORD will not support it as a fact, regardless of the statements that have been made.

In the first place, I defy any Member of the Senate of the United States or any members of the Press Gallery or any person in the country to find a single instance in which I have offered a motion to table that has not been preceded by a unanimous-consent request for a division of time and a clear indication that we were prepared to expand the time to any reasonable degree to meet the needs of the Senator who proposed the amendment. That procedure was followed in the case of the Senator from Oregon [Mr. MORSE] last night. He had a perfect right to do what he has done, and I am not complaining. He is standing on and acting within the rules of the Senate.

Whether the majority leader be of my party or if in the future the other side of the aisle should have the majority leader charged with the responsibility of that office, I do not think the majority leader should be criticized for going by the rule book, in order to counter a situation of this kind.

When the Senator from Oregon objected to a unanimous-consent request which I had offered, and suggested I would increase the time allowed to anything within reason, I then propounded the same inquiry to him that I did to the Senator from Tennessee, to the Senator from Mississippi, and to the Senator from Oklahoma: Would he give an indication, under a gentlemen's understanding, of about how much time

he expected to consume before voting on the amendment?

If Senators will examine the RECORD, assuming the RECORD has not been changed and that it is here and that the reporters who have been working so hard caught all the debate, it will show—I know my recollection is very clear on the point—that the Senator from Oregon made it very plain that he was not prepared to agree to a unanimous-consent agreement and he was not prepared to enter into any kind of a gentlemen's agreement such as had been entered into by the Senator from Tennessee, the Senators from Mississippi, and Oklahoma. In fact, if my recollection does not play me false, he indicated that he had said to at least some of those Senators that he thought they were making a mistake to bind themselves, even indirectly, on any kind of a time limitation. It was only at that point that the majority leader made his motion to lay the amendment of the Senator from Oregon on the table.

Is there a basis for the Senator from California believing that the Senator from Oregon was conducting a filibuster? I hold in my hand a press dispatch dated the 22d of July, and I want to read it for the benefit of the Senate and for the benefit of the Nation, and for the press, who may have forgotten. It says:

MORSE served notice that in "some future speech during this debate I will read the 104-page bill line by line and comment line by line."

"I think someone should do it," he said, "because of the importance of the bill to the American people.

"We can conduct the educational process here in the Senate for the next few weeks, day and night, if necessary," MORSE said, "until the people start to ask the question, 'What's wrong with the bill?'

"When we get the sad facts to the people," he predicted, "there will be such a reaction that proposals for modifying the bill will be passed by a good majority."

He said the group might "even obtain a two-thirds vote" and bring about reconsideration of the Anderson amendment.

GORE promised the fight would go on and that opponents would be prepared to vote only "whenever the Senate has been fully advised and the people alerted on the issue."

Responding to a question from GORE, MORSE said:

"Yes, that's why I think we should hold the line until Christmas, if necessary."

So at least the majority leader had been placed on notice that a full-blooded filibuster was in the offing.

Mr. President, I should like to read a couple of statements. I do it in the best of humor. First of all, I should like to quote from the speech of the distinguished Senator from Oregon which appears on page 450 of the CONGRESSIONAL RECORD of January 18, 1951, volume 97, part 1. Is is in the middle column. Here I quote from the RECORD:

I have never filibustered, and I have no intention of ever filibustering in the Senate of the United States to prevent a vote on an issue taking place within a reasonable period of time.

Mr. DANIEL. Mr. President, may I ask, who is the Senator quoting?

Mr. KNOWLAND. The Senator from Oregon [Mr. MORSE].

Mr. President, I should like to read another quotation or two, because I think the Senate is at least entitled to be advised. From the CONGRESSIONAL RECORD, volume 99, part 1, page 127, of the 83d Congress, first session, I quote:

The call for action to end the filibuster has come from all parts of the country for many years. We must not ignore this call, and we must not ignore the necessity of permitting the majority to legislate in the name of the people. It is intolerable to have legislation killed by the mere threat of a filibuster. We must release the legislative arm of our Government from this paralyzing threat which is the very negation of democracy.

It is said that the right of so-called unlimited debate is necessary to protect the rights of the minority in the Senate. I say that in practice, the filibuster has been used by the minority to oppress the majority, to frustrate it and to deny it the right to act.

The time has come to protect the majority in its right to act, and thus to protect the country.

Is that a statement by the majority leader? It is not. That is a statement by the distinguished Senator from New York [Mr. LEHMAN] who has been a part of the movement to block action on this bill.

Now, from the CONGRESSIONAL RECORD of February 4, 1953, I quote the following:

Mr. President, my views on the subject of cloture in the United States Senate are well known. I am interested in providing a reasonable and effective method by which the basic right of the Senate to vote, and the basic right of the Senate to debate can be protected. I believe the Senate must have effective rules which protect not only the minority's right to full and free debate, but also protect the majority in its right to vote on matters which affect the welfare of our country and the world.

That was another statement of the distinguished Senator from New York [Mr. LEHMAN] on February 4, 1953.

I have here another statement which should be of some interest to the Senate. It is as follows:

Mr. President, I close by saying that we need to remember again that the substantive legislative rights of the people of the United States, insofar as the Congress of the United States is concerned, can be no better than their procedural rights in the Senate of the United States. In my opinion—and I stress this as my personal judgment—the substantive legislative rights of the American people will never be given the careful, adequate attention they deserve as long as the Senate has a rule which denies to the American people what I believe is one of the basic premises of a democratic representative government, namely, the passing of proposed legislation by majority vote. So long as rule XXII remains one of the rules of the Senate, as that rule now stands, I submit that majority rule in the Senate of the United States is denied to the voters of America.

That statement was made by the Senator from Oregon [Mr. MORSE] on January 7, 1953.

Mr. President, I have explained the steps that I took after the cloture motion was defeated. Those of us who have served in the Senate of the United States, regardless of the aisle that divides us, come to have a feeling of great fellowship. We may differ on matters of fundamental importance, national and international, but we know the problems each of us faces. We have all been through the political mill. We recognize that regional problems and State problems differ.

I think we recognize in the final analysis that the Senate has to go about its business in serving the best interests of the American people.

So, when we got down to the point where I had tried the very same procedures which had been so successfully tried with the Senator from Oklahoma and the Senator from Mississippi, and the Senator from Tennessee, which the Senator from Oregon declined, and under the statement made by him which I have heretofore mentioned, I felt that under those circumstances I was justified in using the only other weapon I had at my command as majority leader, which was a motion to lay on the table.

I felt that I was fortified in that decision because when representatives of this group came to me and said they only had certain fundamental amendments, and wanted to be assured of adequate time to debate them, they made it very clear, and I thoroughly understood, that they could not bind the Senator from Oregon, or any Senator on this side of the aisle, and, in fact, could not guarantee that some Senator on the other side of the aisle might not raise an objection.

But I will say that in the individual instances I have mentioned, the matter worked out as I had hoped it would, and I think I lived up to my part of the understanding, as I think they lived up to theirs.

However, on the very day the message came to me that the plan I have mentioned should at least be tried, I went out into the anteroom, and I took off the news ticker, of either the Associated Press or United Press, the following brief statement, which I read to the Senate yesterday, and which appears on page 11981 of the CONGRESSIONAL RECORD:

MORSE who sat in on the Democratic caucus—

I want to say again parenthetically, it was not a Democratic caucus, it was only, as I understand it, a caucus of those who were interested in this particular legislation, and not an official caucus of the Democratic Party—

who sat in on the Democratic caucus told newsmen that he has not abandoned his all-out battle against the bill. He said he will object to all unanimous consent requests involving the limitation of debate on matters that he considers important.

So, the Senator from California had not only been alerted that the Senator from Oregon might not be willing to go along on the same general gentleman's understanding, but by a statement of the Senator himself, I was put on further notice of what the situation was.

In view of the history I have recorded, what would any other Senator have done, had he been sitting in the seat of the majority leader, charged with the responsibility of getting through this body, a heavy legislative program, including the foreign aid bill, the farm bill,

the social security extension bill, the unemployment measure, the foreign aid appropriation bill, the supplemental appropriation bill, and, according to the calendar of today; literally dozens of bills in which each Member of the Senate, Democrat and Republican, has some interest.

They may not be of great national interest, but they can be of regional interest to the Rocky Mountain area, they can be of regional interest to the South, they can be of regional interest to the East, including the New England States. As long as I have sat in this body—and I think the distinguished minority leader will bear me out—I have treated Democrats precisely the same as I have treated Republicans who came to me and told me of the importance of some bill that they had on the calendar and asked special consideration for. I have tried to go out of my way to honor the requests of the distinguished minority leader, because I recognize that with his responsibility, when Senators come to him, he should be able to go to the majority leader, whoever he may be, and get decent and fair treatment, and that I have endeavored to give during the period I have sat in this chair. There are Senators on the floor who can testify to that fact if they care to do so.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I do so testify now.

Mr. KNOWLAND. Now, Mr. President, we come to this point: We have seen that certain Senators who are now engaging in this filibuster at a critical time in our Nation's history, at a time when American fighting planes have been fired upon by Chinese Communists in the far Pacific, when no man knows what tomorrow may bring, are prepared apparently to continue the filibuster and completely tie up and paralyze the great Senate of the United States.

I ask again, what would any other Senator do if he were sitting in this seat, with the responsibility that I carry?

After I made my motion to lay the Morse amendment on the table this morning I went out into the anteroom again, and I took off the news ticker of one of the press associations, the following:

Senator ANDERSON said today that tactics used by Republican leader KNOWLAND had blown up chances for an early end to the marathon battle over an administration atomic bill.

"We will be here until Thanksgiving now," ANDERSON told reporters, as another round-the-clock Senate session was in full swing with Senator MORSE firing away with a speech that he started last midnight.

ANDERSON hotly charged that KNOWLAND "promoted a filibuster as hard as he could" by moving to table, and thus kill without debate an amendment MORSE offered to the controversial legislation late last night.

Word had been sent to KNOWLAND, before he abruptly cut down MORSE's amendment, that he would start 'the fur flying' if he made another tabling motion, Anderson said.

Earlier, as dawn was breaking over the Capitol after its fourth all-night session in recent days, KNOWLAND said he hoped and expected the administration measure overhauling the Nation's atomic energy law could be passed during the day.

"But if not," he said grimly, "he would keep the Senate going nonstop."

ANDERSON said that, "We were just that close" to action on the measure, holding his thumb and forefinger just a bit apart, when KNOWLAND moved to table MORSE's amendment last night. "Now it is hopeless," he said.

"The only way you can stop debate now is through cloture," ANDERSON told newsmen, "and to do that," he noted, "would take 20 more votes than KNOWLAND was able to muster yesterday."

Indications are that KNOWLAND's tabling motion had revived the do-or-die spirit of the bill's opponents in the Senate were confirmed by ANDERSON'S words.

Newsmen asked him, when he spoke of the Senate now being here to Thanksgiving, whether he was serious. He said he certainly was.

ANDERSON said that after the cloture motion was defeated yesterday, 20 Senators who had been battling the bill consulted together and advised the Democratic leader, LYNDON JOHNSON, they would not consent to a debate-limiting agreement but would try self-discipline.

"We said that 3 red flags that would start the fur flying would be another cloture petition, a motion to lay on the table without debate, and all-night sessions," ANDERSON related.

"Any one of these, or any combination of them, would mean more talk," ANDERSON said the group advised JOHNSON.

Who was serving the ultimatum? In other words, the majority leader, using weapons available to him under the rules of the Senate was expected to disarm himself, not to use an all-night session, not to use a motion to lay on the table, not to file a cloture motion—to become helpless and disarmed and without any assurances from any source that a unanimous consent agreement could be obtained that would bring this debate to a close. He was expected to abdicate his responsibilities, and that I will not do.

Mr. ANDERSON. Will the Senator yield at that point?

Mr. KNOWLAND. What is the record of this debate? The Senate and the country should know what the record of this debate is. For 13 days we have been on the atomic energy bill. We have had 4½ days of 24-hour sessions around the clock, one hundred and fifty-one thousand-plus lines of the CONGRESSIONAL RECORD, which is almost 3 times as much debate as the Senate has had on any item during the 2d session of the 83d Congress, including Senate Joint Resolution 1, the Bricker amendment, which was acted on in the early days of the session before there was any basic legislation on the calendar that could be interfered with at that time. We have now been engaged on this bill more than 161 hours, which is the equivalent of over 20 8-hour days. How patient is the man who holds this responsibility expected to be?

I did not intend to speak today, and I have already taken up a longer time than I expected to take up. But in the interest of equity and fairness and in the light of the record, which I defy anyone successfully to dispute, in view of circumstances and in view of the grave problems facing our Nation, when we may be called upon to help maintain a free world of freemen, it seems to me it is neither befitting the dignity of the Senate of the United States nor is it serving the cause of free governments anywhere in the world for the Senate of the United States, the greatest deliberative body in the world, to give to the world the impression of complete impotence, of complete paralysis, with the majority, and even an overwhelming majority, completely tied up by obstructionist tactics, and with notice served that the Senate of the United States may be kept here until Thanksgiving.

I say, Mr. President, if that be the challenge, we will meet the challenge. If it is necessary to stay here until Thanksgiving, in order to pass this bill and the rest of the program, we will stay here until Thanksgiving. But we are not going to abdicate the responsibilities of the Senate of the United States. We are not going to destroy representative government. We are not going to have an overwhelming majority bow to a willful minority. To do that would be to invite chaos in the Senate, and it would not serve the Democratic Party any more than it would serve my party, because at this point if the leadership of the majority of the Senate can be bludgeoned by that type of tactics, the success will encourage similar tactics when and if the other party controls the Senate of the United States.

So the fight I am making here, and which I shall continue to make as long as I occupy this seat, is not a Republican fight, it is to uphold the honor and dignity of the Senate of the United States. On that basis I appeal to Senators on the other side of the aisle to join with me, in view of the record I have presented. I call their attention to the fact that some of those associated in this filibuster were also associated with those who at the last great Democratic convention were prepared to expel from the ranks of the party men who would not subscribe to a particular pledge. They felt they could force down your throats and make you like it.

As an American citizen, I was never so proud in my life as when the representatives of the South determined that they would not stand to have their party taken away from them, and would not permit themselves to be expelled from a party to which they had more of a claim than those who were trying to do the expelling.

Mr. President, I yield the floor.

[Applause, Senators rising.]

Mr. ANDERSON. Did the Senator say he would yield?

Mr. KNOWLAND. I yield to the Senator from New Mexico.

Mr. ANDERSON. I want to say to the majority leader, that I was one of those in Chicago who assisted the States, who would not sign the pledge, in staying in the convention as many here well know. I also want to say that I served no ultimatum, on anyone, directly, indirectly, or in any other fashion. I believed that this discussion had gone on longer than it should, and yesterday I very sincerely tried to work with the able minority leader in trying to bring about circumstances under which it might be brought to a close.

When the minority leader was discussing the matter with us, I said then as I

say now that there were three actions that could upset any effort we might make toward bringing about a harmonious situation. One would be the filing of an additional cloture petition which some of us thought was imminent, the second was that there might be a tabling of amendments without any debate, and the third was all night and all day round-the-clock sessions. I felt that it would be extremely unfortunate if any of those were used. I worked as hard as I thought anybody could work yesterday to bring about the final passage of this bill without additional debate at a reasonable hour in the evening, and if the majority leader does not believe that he can take a poll of the Senate and find plenty of Senators who will tell him that is so.

Three different times I consulted with the Senator from Oregon [Mr. MORSE], and I said to him that I thought we should be as cooperative as we possibly could in making sure that there was not prolonged debate on certain matters. But I recognize that the treatment given the Senator from Oregon did inflame him, and I had predicted in advance that it would. I had said then, as I had said several times, that if his motion was tabled without any debate the fat would again be in the fire. The able Senator from Tennessee [Mr. GORE] is quoted in the newspaper as saying about the same thing.

We were not saying that as an ultimatum to anyone, we were stating it as a cold set of facts, and what happened last night proved the accuracy of that prediction. I regret the inconvenience of this as much as anyone. I would start to work again today trying to bring about a termination of this debate. I am not trying to start any filibuster, and if the distinguished majority leader will take the trouble to go through the CONGRESSIONAL RECORD, he will recognize that I spoke on my amendment on the 13th and on the 14th day of July, and since then have claimed the floor for only 10 minutes. From that time on until we got into the discussion of last night, I believe the majority leader will find out that I have not been speaking at great length. I did speak for a few minutes on the subject of rainmaking one afternoon, because the distinguished Senator from South Dakota [Mr. CASE], who had worked with me on that bill, was going to South Dakota, and I desired to have that discussion in the RECORD before he went. But, except at the time my amendment was considered, it will not be found that I appeared on any other occasion until yesterday when I spoke for a few minutes and had a chance to put in some words with reference to the Upper Colorado River bill, because I desired to express my appreciation to the very able Senator from Colorado [Mr. MILLIKIN] and to the distinguished Senator from Utah [Mr. WATKINS].

Now I merely say that when it happened that the discussion started again, it was a heartbreaking situation to some of us who had worked very hard.

Mr. KNOWLAND. Will the Senator yield at that point?

Mr. ANDERSON. I should like to say one thing, if the majority leader will permit me. I take 45 to 50 units of insulin every day, and I am supposed to eat my meals at regular times, and I went to my luncheon yesterday at 20 minutes to 4. I did not do it because I was trying to start a filibuster, I did it because I was trying to stop discussion, and I thought the distinguished majority leader knew it.

Mr. KNOWLAND. I want to say to the distinguished Senator from New Mexico that as to the Senator from Oregon there were followed the same procedures as were followed in the case of the Senator from Tennessee, and the Senator from Mississippi and the Senator from Oklahoma. Is there anything unusual about a motion to lay an amendment on the table?

Let me read a brief colloquy which appears in the CONGRESSIONAL RECORD, volume 96, part 11, page 15345, at a time when the distinguished Members of the other party had a Vice President in the Chair, Mr. Barkley. Let me read just what happened. It is a brief colloquy:

Mr. MALONE. I move that consideration of the conference report be postponed until Saturday, September 23.

Mr. JOHNSON of Colorado. Mr. President——

The VICE PRESIDENT. The Senator from Colorado.

Mr. JOHNSON of Colorado. I move to lay the motion on the table.

Mr. MALONE. Mr. President, I have not yielded.

The VICE PRESIDENT. Let the Chair state the parliamentary situation.

Mr. MALONE. I have not yielded to anyone to make any motion.

The VICE PRESIDENT. When a Senator has made a motion he is not automatically entitled to the floor.

Mr. MALONE. I am on my feet.

The VICE PRESIDENT. It is, and has always been, within the discretion of the Chair to recognize either the Senator who makes a motion or another Senator. If the Senator from Nevada does not think the Chair is correct in his ruling, he can consult the precedents.

Mr. MALONE. I think the Chair has an advantage.

Mr. ANDERSON. Will the Senator yield for one moment?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. I want to say to the distinguished majority leader, I, too, have checked the precedents. I think what the Senator has just read is completely applicable. I think if the Senator will go back to the records he will find dozens of other places where it has been done. I do not question that at all.

I only say to the majority leader that we were trying our very best to bring about a brief period of good feeling so that we might get this bill passed.

I thought we were making headway; I thought we were making very substantial headway.

I believe that if the Senator from Oregon [Mr. MORSE] had been allowed to speak he would have terminated his speech in a reasonable time, as had the other Senators.

The distinguished majority leader had to deal with the Senator from Tennessee [Mr. GORE] on the basis of faith. He finally did trust him, and his faith was well founded. He then had to deal with the very able junior Senator from Mississippi [Mr. STENNIS]. He tried hard to get him to agree to a limitation.

The Senator from Mississippi said that if that was the price he had to pay, he would not speak, and yet the majority leader trusted him, and the Senator from Mississippi spoke, and we finished an amendment on which the majority leader was willing to have a 5-hour limitation, in about an hour. The same thing applied to the Senator from Oklahoma [Mr. KERR]. There again there was faith, and it worked out well.

Then came the Senator from Minnesota [Mr. HUMPHREY] although earlier the majority leader was kind enough to let me present a short amendment. I did present it. I do not think I took more than 30 seconds or maybe a minute, to do it.

Then came the Senator from Minnesota. The very thing we have talked about as to the difficulty of time limitations was exemplified in his problem. We got into a long discussion of one of his amendments which the Senator from Minnesota neither desired nor intended.

Then, of course, came the problem with the——

Mr. KNOWLAND. At that point, if I may do so, I should like to call the attention of my able friend from New Mexico, who has had a distinguished career in the Government as Secretary of Agriculture and as United States Senator, and of Senators who may have missed the particular parliamentary move that precipitated this matter—although I have explained the background of it and I do not believe anyone has yet challenged the facts as I have presented them—to a statement I made last night and which appears in the RECORD at page 12021:

Mr. KNOWLAND. I would like to ask the distinguished Senator, as I made the inquiry under similar circumstances in the past: Can the Senator give any estimate of the time which would be required for the discussion of this amendment on his part?

Mr. MORSE. I differ from some of my colleagues on the Democratic side, who in my judgment impliedly committed themselves to the Senator from California in respect to the length of their speeches. I have said in private conversations with some of my friends on this side of the aisle who have come to me and asked me whether or not I would make any such implied commitment to the majority leader that I would not. The answer is "No." I shall speak just as long as I think I have something to say on this amendment.

Then—

Mr. KNOWLAND. Mr. President, I ask for the regular order.

Now, it was not until that time, and in the light of the two press dispatches that I have mentioned, that I was driven—and I say figuratively—to the last resort that a majority leader has under the circumstances, faced with an obstructing filibuster, as we have been faced with it in the Senate, to make the motion to lay the amendment of the Senator from Oregon on the table. There may be some Members of this body who, under similar circumstances, would not have made that motion—but if they search their souls, I think they will admit

that if they had the responsibility of the majority leader, they would have done so.

Mr. ANDERSON. I have just one final statement, and then I am through. I want to say that just prior to this incident, the junior Senator from Oregon [Mr. MORSE] came to my chair and asked me if I thought that the bill, with the adoption of the Gore amendment, the Kerr amendment, and the Johnson amendment, had been sufficiently improved so that it was not necessary to make a motion to recommit.

I said to him, "I am discouraging anyone from making a motion to recommit. I hope there will be no such motion, and that we can vote on final passage."

The Senator then asked me if I was going to vote for the bill, and I said, "Yes, I intend to vote for the bill." I then turned to the Senator and said, "I hope you will not delay the Senate with a long speech on it. We worked hard on this, and I hope sincerely that you can look at these amendments and try to let the bill pass this evening." The Senator from Oregon said to me—I do not know for what purpose—"I certainly am going to try to take a look because I realize you people have been through a long struggle."

I do not know whether that meant that he was hopeful that he, too, would vote for the bill.

I only want to say to the majority leader that when a person has tried as hard as I did all day yesterday, it is a heart-breaker when something goes wrong.

Mr. LEHMAN. Will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from New York.

Mr. LEHMAN. The Senator has referred to filibusters. I, of course, have long been opposed to filibusters, filibusters that prevent the taking up of a bill even for consideration, filibusters that prevent voting on a bill.

The bill the Senate has had before it for action has been of a generally controversial character. At no time have those of us who opposed this bill—may I emphasize the fact that we have opposed the bill with complete sincerity—refused to vote.

I believe I am accurate in saying that we have already voted, either to adopt or to defeat, at least 20 or 25 amendments that have been proposed.

We started voting on amendments within the first few days of the debate, when the amendment of the distinguished Senator from New Mexico [Mr. ANDERSON] was beaten, and the amendment of the distinguished Senator from Michigan [Mr. FERGUSON] was agreed to.

Now, the distinguished majority leader has referred to certain improvements that have been made in the bill since the debate started, one in connection with the tax item on the so-called Dixon-Yates contract; a second, the Kerr amendment which dealt with patents, a highly important subject; a third, the Johnson amendment, which dealt with an extremely important amendment, an amendment, the principle of which was very close to the hearts of all of us in the Senate who believe in public power. A number of other amendments proposed by the opponents of the bill in its present form have been adopted at our insistence.

How does the Senator from California think we were able to secure these and other amendments which have greatly improved the bill? We got those amendments by debate, by educating the Members of the Senate of the United States, and the American people; and I may say to you, Mr. Majority Leader, that the Members of the Senate needed as much educating on this bill as did the whole American people.

We were able to secure these amendments because we had the support, after long educational debate, of the American people. And for the first time Members of the Senate realized how dangerous the bill was in the form it was introduced.

I can tell the majority leader that my mail definitely proves that the public is aroused. At the beginning of this debate, the letters I received were a mere trickle. Today they are coming into my office by the hundreds, thanking my associates and me for making this fight in behalf of all the people of the country.

In spite of these amendments, which certainly do improve the bill substantially, I do not intend to vote for the bill because I believe that it is still one of the most colossal giveaways that has ever come before the Congress of the United States. I believe that it dwarfs even the giveaway that we know as the tidelands oil, and that giveaway may run into many billions of dollars. It is a giveaway——

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. LEHMAN. May I finish my statement, and I will be glad to yield.

Mr. KNOWLAND. I will wait.

Mr. LEHMAN. It is a giveaway that, in my opinion, not only rejects the right of the people of the United States who have contributed $12 billion to the development of the reactors; it opens the entire field to the opportunity of private and monopolistic profit, that completely defies human imagination.

I want to say, too, that the Senator from California, the majority leader, has claimed that we who are opposing this bill in good faith, and in the conviction that we were serving the 160 million people in this country, were holding up essential legislation. Well, that is not the fact. There never has been a time throughout this debate when, if the majority leader felt that other legislation was essential, he could not, on his own motion, have laid aside this bill. He did not do it.

He talked a few minutes ago about the critical situation in which we find ourselves in our relations with the Soviet bloc due to recent serious developments in the Far East.

I agree that there is a serious situation, and I am worried half to death about it. Certainly, if there were anything that the Congress could or should do, in that situation, as in any of these other important matters, such as the tax conference report, taxes, farm legislation, social security, mutual aid, all the majority leader would have to do would be to propose to lay aside this bill temporarily. But, no, the majority leader had announced that the Senate was going to adjourn on July 31. That was an arbitrary date picked out of the air.

Mr. KNOWLAND. Mr. President——

Mr. LEHMAN. I am not the President. [Laughter.]

Mr. KNOWLAND. Under the rules the Senators are supposed to address the President before they interrupt another Senator.

Mr. LEHMAN. I beg the Senator's pardon.

Mr. KNOWLAND. I was going to ask the Senator to yield merely for the correction of the RECORD. I am sure the Senator knows there is such a thing as the La Follette-Monroney Congressional Reorganization Act, and in that Reorganization Act, it is stated that the Congress shall adjourn on July 31.

The Senator from California did not pick this date out of the air, in any sense of the word.

Let me read from our Rule Book, with which, I am sure, the Senator is familiar.

Mr. LEHMAN. I am.

Mr. KNOWLAND. This is from page 59. Here is what it says:

> SEC. 132. Except in time of war or during a national emergency proclaimed by the President, the two Houses shall adjourn sine die not later than the last day (Sunday excepted) in the month of July in each year unless otherwise provided by the Congress.

So I did not pick the date out of the thin air, as the distinguished Senator from New York has suggested.

Mr. LEHMAN. I may say to the distinguished majority leader that I am, of course, familiar with the rule. This is my sixth year in the Senate. I believe I am accurate, although I have not the RECORD immediately before me, when I say that in only 1 year, and that was 1952, when both of the great parties had conventions, did Congress adjourn by July 31. So the rule has been disregarded more frequently than it has been observed.

Regardless of that, certainly there is nothing sacred about the date of July 31, if important legislation is before the Senate. What is the matter with August 7? What is wrong with August 14, or August 21, or August 28—or October 1, if necessary? Why cut off debate just in order to meet an arbitrary dateline?

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LEHMAN. No; I wish to finish.

The VICE PRESIDENT. The Senator from California has the floor.

Mr. KNOWLAND. I do not wish to interrupt the Senator, if he does not desire to let me make an observation.

Mr. LEHMAN. I wish to complete my remarks. When there is important legislation as great as this bill before the Senate, why hurry it in the indefensible manner that has marked this debate. I do not want to stay here any longer than the majority leader, but I am willing to do so, if it makes it possible to fight for a great principle, if it means serving the interests of the people who sent us here and who pay our salaries. We are employed on a yearly basis; we do not work on a daily basis. Why is it felt that any

one particular date is sacred? If it is necessary for us to remain here until essential legislation is passed, by all means let us stay here.

I do not wish to give the Senator from California the impression that I intend to do anything arbitrarily to delay adjournment, or that I am going to do anything which will delay the orderly consideration of this or any other bill. I never have, and I do not intend to do so now. But certainly I do not believe it is fair for the majority leader to claim that we have been holding up other essential legislation. That is not the fact. At any time the majority leader could have set aside the pending bill to take up any bill or motion which, in his opinion, seemed to be essential. If there is fault, it is his—not that of those who with deep conviction have opposed and will continue to oppose this legislation.

Mr. KNOWLAND. From a parliamentary, rule-book standpoint, the Senator from New York is, of course, correct. But to have laid aside the unfinished business, as the Senator well knows, would have been to concede the point to those who were conducting filibuster operations. Since the pending bill, together with others, will have to be acted upon before Congress adjourns, it would merely have served the purpose of bringing closer to the date of adjournment the time when the filibuster could more effectively have been used.

I may say to the distinguished Senator from New York that I do not agree with those who say that Congress should stay in session all 12 months of the year. It is true that Members of Congress are paid on an annual basis, but it is my belief that if we are to be truly representatives of the people and are to conduct representative government, it is very important that the people of the United States should have an opportunity to receive first-hand reports from their representatives, and that their representatives should have an opportunity to go home and to discuss the problems with the people.

I do not think there is a member on either side of the aisle who does not know it to be a fact that when Congress adjourns, be it in July or August or September or October, and goes home, the Members of the Senate and House are not on vacation when they are away from Washington. There is not one of us who does not have as heavy a burden when we are in our home States or in our home districts as we have in Washington.

It is my belief that Washington is an artificial atmosphere. We are inclined to get, perhaps, one point of view, and to live, more or less, in a hothouse atmosphere. I think we legislate better as Senators and as Representatives when we have had an opportunity not only to go back into our own States to discuss problems, or to get around and learn what the problems are, and then to return to Washington with the viewpoint of the people we represent. We do better work when we have had an opportunity to travel in the other States, as I had the privilege of traveling through Mississippi, Texas, Illinois, and other States. During the congressional recess we have an opportunity to learn of the problems of the people and to observe some of the projects in operation. I have visited the great Tennessee Valley. Over the years, I have been as helpful as I could be to the Valley of Tennessee, in the consideration of some of their problems, including, I might add, the building of a steam plant. I felt a strong case had been made for such a plant at the particular time and under the circumstances presented.

I think we are made better representatives when we are able to be away from Washington, so I do not agree with the theory that we should remain in the United States Capitol Building throughout the year. I do not believe the country would be better served by our doing so.

If the time comes, as it may well come, when the distinguished junior Senator from New York becomes the majority leader of his party on that side of the aisle, and when he has the responsibility of setting a target date for adjournment, and trying to fit the legislative program of the President of his party into the time schedule, and if he wishes to recommend an adjournment date of October 1, September 1, or November 1, that will be his responsibility, and I shall have no complaint.

I have proceeded, however, according to the La Follette-Monroney Act. I thought that it was not unreasonable to do so, considering the program which we had. I thought it was a possible objective. I knew that my good friend, the distinguished minority leader, without whose help on the broad matters which are American and nonpartisan I could not have my job, thought I was mistaken. He thought that perhaps August 15 would have been a better date. He apparently is correct—if we do not, indeed, go beyond that date.

But I wish to say to the Senator from New York, at least it is my responsibility. I have tried to fulfill my responsibility. I have made a mistake, partly because I had not expected to have a filibuster in progress in the closing days of the session, blocking an important piece of proposed legislation.

Yes, I could have yielded, I could have put aside the bill which its opponents have been seeking to kill.

I could have called up conference reports. I could have made other plans. I could have postponed action on the atomic energy bill until the last 2 or 3 days in the session. But in the face of of the record I have read today, according to which, in fact, we have consumed more than 20 8-hour days, I would have played into the hands of the opponents of the bill, and they would have won their victory without half an effort.

It was the responsibility of the President to set the program, but it was my responsibility to set a target date for its accomplishment.

Mr. LEHMAN. Mr. President, I certainly understand and appreciate the great responsibility which goes with the office of the majority leader or the office of the minority leader. I agree with the Senator from California that I do not like the climate of Washington in the summertime any more than he does. I agree with him that there is great advantage in traveling in this country or abroad, to see the way in which people live.

But I, like many others, am tired of having the claim made that it was we who have been responsible for holding up action on other essential legislation, such as the farm bill, the tax bill, the social-security bill, and similar measures. We have been acting in good faith. We have been debating our convictions with respect to the bill, and we have vastly improved it.

Mr. HUMPHREY. Mr. President——

The VICE PRESIDENT. The Senator from Minnesota is recognized.

Mr. HUMPHREY. First of all, let me say that I have listened with deep concern and with avid attention to the remarks of the distinguished majority leader and to those of my colleague, the distinguished junior Senator from New York.

I say this only in a spirit of jest, but almost 2 hours have been used in making these remarks. I have delivered two speeches on the bill. The first speech, including the colloquy which entered into it, consumed 2 hours and 10 minutes. The other speech, delivered on Saturday afternoon, consumed, according to the newsticker, 3 hours and 57 minutes. The length of that speech was dictated by the exigencies of the situation, namely, that there was no opportunity to arrive at any kind of agreement, so it was necessary to speak.

I do not wish to speak about who has the power and who has the right to do certain things. I wish to speak about what is good sense. Many a person in authority has the power to do very severe and harsh things, and to take strong action. The power to do something is frequently made noble and important by the self-discipline not to do it.

I appeal to my colleagues not to argue about whether or not under the rules we can do this or do that. Of course we can. The rules are made to protect one in that critical moment when he may be treated unfairly or may be denied his legitimate rights. But every Member of the Senate knows that we generally leave the rules pretty much for those situations which are unusual, and try to transact our business in the normal give-and-take of self-disciplined, reasonably cultured, and intelligent human beings. That is the way it ought to be.

The majority leader is absolutely right when he says he did nothing more than the rules permitted him to do. He is right when he says that precedent for what he did in terms of tabling a motion has been established. That is correct.

I say just because there is precedent for it, just because the power is there, does not necessarily mean that that is good leadership.

I can say that anybody can enforce a law. A policeman on the beat can enforce the law. But it takes a wise man and a good man to get law observance. There is a great deal of difference be-

tween power and force and enforcement, and good will, leadership and observance.

What we are asking for in the Senate is observance of the rules of conduct which facilitate the passage of legislation.

I think the question is very pertinent: If there has been a filibuster, who started it? I think there is another question: What kind of a filibuster is this supposed to be, if it is a filibuster? May I say, referring to the latter possibility, a peculiar filibuster it is, Mr. President, with over 20 amendments, with dozens of yea-and-nay votes, with more quorum calls—a very unusual breed of cats filibuster.

I have just checked the RECORD on the filibuster in 1949, and when the distinguished former majority leader, Mr. Lucas, was sitting in the chair now occupied by the Senator from Texas [Mr. JOHNSON]. How many rollcalls were there during that filibuster? I will tell the Senate how many. One.

In that filibuster the present distinguished majority leader was an active participant. It was a filibuster. It was so stated. I have just read the RECORD. I have it here, and I shall pass it over to my friend on the other side of the aisle. There was statement after statement in the press, headline after headline—some of which were included in the RECORD—"Filibuster Kills Rules Change"; "Filibuster Ties Up Civil Rights Program."

Mr. President, it does no good to go back and compare how many days have been spent on this alleged filibuster and how many were spent on a previous one. I ask this question: How were we doing from July 13 until Wednesday of last week? What were we doing in the Senate? We were debating the issue. We were not in all-night sessions. We were discussing for days the Dixon-Yates contract, which was of critical importance to the Senator from Kentucky [Mr. COOPER], who made a very good speech on it, who journeyed to the White House in regard to it. We were hearing from the Senator from Tennessee [Mr. KEFAUVER], the Senator from Alabama [Mr. SPARKMAN], the Senator from Tennessee [Mr. GORE], and others over a very important issue—the Dixon-Yates contract.

When did that contract matter in this bill come to resolution, to some form of solution?—not to my satisfaction—but at least it was resolved by the Senate on Wednesday last.

Then we moved on, as Senators will recall, to the Johnson amendment. Then we moved on to the Gillette amendment. There were 8 days of debate. Can it be considered unusual to have 8 days of debate on the revision of the Atomic Energy Act? I do not think so; not at all unusual. Remember, we are literally scrapping the McMahon Act and enacting the Cole-Hickenlooper Act. By the way, we are debating this question on the second anniversary of the passing of our late and beloved friend, Senator McMahon. Two years ago today he left our midst.

Mr. President, 8 days of intelligent debate, 8 days of some of the most brilliant debate in the Senate, and then a resolution of the question, to the satisfaction of the majority, but to the dissatisfaction of some 35 or more of the minority.

Then we proceeded, as I said, and then what happened? The junior Senator from Minnesota was here. I was willing to accept a unanimous-consent agreement proposed by the majority leader. Let me say to him I am not being critical of him at this moment. He proposed that unanimous-consent agreement on an amendment which the junior Senator from Minnesota had offered. I said, "I will accept it," and there were other Senators in the Chamber who, by the nature of the unanimous-consent request, were interested. One of my colleagues said, "I object," and at that point the majority leader said, "I move to table the amendment of the Senator from Minnesota."

It really did not bother me very much because I felt I would come back another day. There is no use of getting your blood pressure up too high about these things. I had good intentions to revise my amendment, and come back the next day.

Then other amendments were presented during the evening, and the majority leader said, "Will the Senator accept a unanimous-consent agreement?" The majority leader knew that I was not a leader of our forces, that I was but another one of the so-called privates in the ranks. I said I could not speak for my colleagues, nor could anybody in this Chamber speak for all of his colleagues.

There were objections. The junior Senator from Minnesota did not make those objections, even though he felt in his heart that they were justifiable.

Then I ask the Senate what happened? Remember, we had 8 days of legitimate debate, the adoption of 4 amendments, and out of the blue comes the "lay on the table," which is a form of cloture applied to a specific question. In fact, it is much worse than rule XXII, because it permits no debate, no time for discussion.

After several unanimous consent requests, the majority leader then offered the cloture motion. Some persons who are not Members of the Senate or experienced somewhat in politics might ask, "What is unusual about that?" I will state what is unusual about it. The cloture motion is the final blow; it is the final weapon in the arsenal of parliamentary rules to close debate.

Here we had 8 days with no complaint about the debate, 8 days in which there had been no real criticism, and on the ninth day, after 4 amendments were adopted, after the bill was proceeding in order, the majority leader wheeled out first the little guns, then the medium-sized artillery, and finally the atomic bomb of the cloture motion.

So, Mr. President, I ask the question, Who started this filibuster? Who wanted night sessions? I ask anyone to examine the RECORD. Who asked for the all-night sessions that have driven our staff literally to the point of physical exhaustion, that have brought literally disgrace down upon the Senate, that have made us in some instances the laughingstock of the land? Who ordered all-night sessions? Who wanted to see the clock pass 1 a. m., 2 a. m., 3 a. m., 4 a. m., and compel Senators to speak in this body in order to carry on with our work?

I will tell my colleagues. Look at the RECORD. Not a single soul in this debate, save the majority leader. He ordered all-night sessions—ordered them as majority leader. "Either stay all night or lose your amendments. Either stay all night and do as I say," says the majority leader, "or lose your opportunity to debate."

We are not mice. We are not sent here to crawl on the floor and ask permission to debate.

I listened to the majority leader say he was willing to grant us 3 hours. Wait a minute, Mr. President. Who is doing the granting here? What kind of paternalistic system is this? I do not go for the spirit of noblesse oblige. The majority leader is not Louis XIV. He is just another United States Senator. He has no more rights than any other Senator.

I say this in all kindness to him. What is this business of saying, "I will permit you to have an hour" or "2 hours"? How does anyone know how much time may be required on an amendment?

I listened to the debate on the Murray amendment yesterday. It was too bad that the Murray amendment did not have more time, but we were straitjacketed into a unanimous-consent agreement.

Mr. President, I have personally felt that we could expedite this debate. I have pleaded again and again with my colleagues, with the majority leader, with the minority leader and others, to proceed in order, to permit us to debate, to permit us to call up amendments. I say to my friend, the majority leader, what more evidence did he need of good faith as of yesterday than the conduct of the Members of the Senate in debating the amendments that were called up and in our disposal of them either by acceptance or rejection? What more do we need? Are we to be treated as children, with some big papa with a big stick telling us what to do?

We had amendment after amendment called up, and every one of them was handled as it should be, debated, argued, considered, and voted upon. We proceeded in that way from yesterday morning until last night at midnight.

Finally, Mr. President, who is it in this Chamber who feels in his own heart it is right to tell men—if not Members of the Senate, others—that they need to work around the clock, 12 hours after midnight? What is it that necessitated our staying here last night? As gentlemen and as honorable citizens, why could we not have said, once the amendment of the Senator from Oregon [Mr. MORSE] was called up, "We will discuss this matter when we have cooler tempers, when bodies are more rested, when minds are more agile and more willing to be flexible. We will discuss it in the morning."

I stayed here last night with the Senator from Oregon [Mr. MORSE] until 3

o'clock, first, out of a sense of indignation for what had happened and, second, out of a sense of friendship for the Senator from Oregon. He did not ask me. In fact, he indicated to me that I should retire. But I want the RECORD to be clear, Mr. President, the junior Senator from Minnesota has not asked for any all-night sessions. I do not like hanging around the Capitol that late. I have a lovely wife and four children. I want to go home.

I suggest that this is no way to run the Senate. This is no way to run a legislative body. There was no need for it. We could have proceeded as of last week, and we can proceed this week without this kind of tactic and strategy.

So who has been the obstructionist, Mr. President? Let us face the issue. Who has obstructed what and whom? Who obstructed the Morse amendment? Read the RECORD.

Obstruction means to block. Obstruction means to impede. If I had Webster's Dictionary here I would read the entire definition.

The Senator from Oregon wanted to debate. He wanted to consider. That means to move ahead.

Who was it who obstructed the Morse amendment? Mr. President, I will let you in on a big secret known by all, if not by the Senate. It was the majority leader. He moved to lay the amendment of the Senator from Oregon on the table. That is not only obstruction—that is death and burial of the amendment.

Who has moved, Mr. President, in this body to obstruct the normal flow of legislation? Let us face up to it. We are not children again. I ask, does any Member of the Senate think that we are going really to transact the business of Government in this Chamber after midnight, at 1 o'clock in the morning or 2 o'clock in the morning? Every Member of the Senate knows—and if he does not know, he ought not to be in the Senate—that when you get to 3 a. m. in the morning or 4 a. m., you are not transacting business. What you are doing is just serving time, using the taxpayers' money to keep on the lights, print the RECORD, pay the help, and those who serve us.

I say again, it really does not take leadership to say there will be all-night sessions; it does not take that at all. It takes leadership, Mr. President, to see that we do not have all-night sessions. It takes leadership, Mr. President, to see that we proceed in order. I am one of those who has been willing to proceed in order and will continue to be willing to proceed in order; but I suggest to any reasonable man that when the ultimatum is served in one night that, "You are either going to accept unanimous-consent agreements, or your motion is going to be tabled," or, "You are going to have all-night sessions, plus a cloture petition," that is not making love, Mr. President.

That is not the way to run the Senate, and it is not the way to exercise affirmative and positive leadership.

Much ado has been made about July 31 as the adjournment date. I shall not burden the Senate with reading to them the record of the first session of the 81st Congress of 1949; the second session of the 81st Congress in 1950; the first session of the 82d Congress in 1951. I shall not burden the Senate with that, but I should like to have my friends on the other side of the aisle see who kept us in late session. I remember what was being done. I remember the harassment of the majority leader, Mr. Lucas, and his successor, Mr. McFarland. I remember time and time again when Majority Leader Lucas said, "We want to conclude the work of the Senate," some patriotic Senator would rise and say, "What is the hurry? We have nothing but time. We are here on public business."

We were here until October one year and came back in November. We were here until September the next year; and then the third year we were here until August and I did not hear any of my friends of the Republican Party saying that the law says July the 31st—not on your life.

Of course the law says July 31, and I would be more than happy if we could recess by July 31; but anybody who knows what goes on in this body, knows, and need not be reminded that the law ought to be changed. There is no use in having a law that nobody lives by, particularly when the necessities of life make it impossible.

I have heard a great deal about the——

Mr. HILL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HILL. The rule provides "Congress shall adjourn on the last day of the month of July, Sundays excepted, unless otherwise provided by the Congress."

Mr. HUMPHREY. That is correct, unless otherwise provided.

Mr. HILL. Will the Senator yield for another question?

Mr. HUMPHREY. I yield for a question.

Mr. HILL. That does not make any preemptory, definite or certain date of July 31, does it?

Mr. HUMPHREY. Of course it does not.

Mr. HILL. Does it not leave it entirely within the discretion of the Congress, as to what the needs of Congress may be, and the compulsion may be to continue the session?

Mr. HUMPHREY. The Senator is right.

Mr. HILL. Will the Senator yield for another question?

Mr. HUMPHREY. May I say to the Senator from Alabama that he has been here for many years.

Not only that, so has the majority leader been here many years, and he is not fooling this Senator by headlines charging filibuster, which he created; and charging extension of the Senate night sessions, which he made absolutely mandatory.

Now, I listened for a number of hours to the debate. We have had 20 8-hour days of debate—20 8-hours days of debate. May I remind the majority leader that most of that debate has been necessitated because he said we had to work that many hours, and had to have all-night sessions. I think it just plain human relations that you can lay down the law, you can use the whip, you can force people to do something, but you do not necessarily make them happy or make them progress in their work.

I think the Senator from Mississippi [Mr. STENNIS] said, "You can lead a horse to water, but you can't force him to drink," and there were never truer words nor a more applicable axiom to human relations than that.

So, let me conclude, Mr. President, by saying if we have had 20 8-hour days of debate, we have had most of it because we have been ordered to do so, ordered by the majority leader, backed up by the majority votes.

We were ordered to have all-night sessions. We had had motions tabled. We have had nothing but discipline—discipline—discipline, and the strange and important thing about it is, it is not working, just like most kinds of enforced discipline in a democracy, particularly in a parliamentary body such as this, do not work.

So, I summarize my argument: I ask who has caused the obstruction? The answer to that is he who has used the obstructionist tactics.

I ask any fairminded reporter in the gallery, any fairminded citizen or student of politics to examine the CONGRESSIONAL RECORD which will show that the first effort at obstruction was on the insistence of the majority leader himself, after we had proceeded with the consideration of five amendments and had adopted four.

I am of the opinion that the majority leader thought we were moving too fast in exposing the fraud of this bill, in exposing its weaknesses, in exposing its limitations, and he wanted to see to it that we did not proceed any further.

Who has been the obstructionist, Mr. President? Yesterday when we appealed, according to the testimony of the majority leader, to him to permit us to debate, to call up the amendments without all sorts of permissions, grants of authority, grants of privilege from the majority leader, what happened? We conducted the business of the Senate. We adopted a half a dozen or more amendments.

Who was the obstructionist at midnight last night, Mr. President?

What did the Senator from Oregon do that no one else did?

The Senator from Oregon said he would not agree to a unanimous-consent agreement. That is what the Senator from Minnesota said when my amendment was called up.

That is what the Senator from Mississippi said. The Senator from Mississippi said that he would not pay that price.

The Senator from Oklahoma [Mr. KERR]—each and every one of us said we would not pay that price.

The majority leader, in good humor, with good sense, with good judgment, respected us as Members of this body and permitted us to proceed, as if anybody had to permit it, and we went on with our work. We conducted the business of the Senate and we arrived at decisions. So, I ask, Who is the obstructionist? Who is it that compelled

the Senate to stay in night sessions? The majority leader.

I think every page of the RECORD will reveal that.

Who is it, Mr. President, that has threatened? Who is it that has used parliamentary strategy and technique and rules to intimidate? The majority leader when he said "unanimous-consent agreements, or else tabling of your motions, if you don't agree, and if you can't agree on that, cloture," and besides that, just to make it jim-dandy, all-night sessions.

So, I say to my friends, if it is desired to proceed with this bill, which I want to do, we can do it. I think we ought to have been through with this bill today, it was my feeling yesterday that we would have been through with the bill, and I hope we can, but the word was going through the Chamber yesterday that we ought to have the third reading of the bill.

"Hurry up. Hurry up," we were told, as if there were only 3 or 4 amendments that we wanted to present.

We do not generally have third readings of bills at 1 a. m. in the morning. If we do, we ought not to tell the public. That is no time to be conducting the legislative business, after 15 hours of session; and I remind the majority leader that he has had the Senate in session for week after week, starting at 10 o'clock in the morning.

We have correspondence in letters, telegrams, and work to do in our offices. Some of us have other responsibilities, too, in a year like this.

I suggest to the majority leader that a little consideration would be more appropriate and would possibly yield greater results.

Yes, it is just as simple as this: There are two ways to get people to do things: One is to persuade them through the art of persuation, conciliation, mediation, good sense, and sound human relationship.

The other is to force them. In some societies, in a police state, they can be forced. In this society, thank God, they cannot.

The rules of the Senate are made so that Members of this Senate cannot be forced to knuckle under to anyone.

The filibuster—the majority leader reminded us that some of us were for a cloture rule that was better than the present one. You bet I am for a cloture rule, Mr. President, and may I say to the majority leader, I read his speech in 1949, which is in the RECORD, and I recite the number: Volume 95, part 2, pages 1413 to 2804, 81st Congress, 1st session.

I read the majority leader's speech about rule XXII, and what I told him about the rule was proven the other day—it does not work.

The junior Senator from Minnesota says we ought to have a cloture rule that works.

I believe in the right to apply cloture. That does not mean in every instance I am going to be for its application. There may be an issue in which I believe so strongly that I am not for cloture, but I believe a majority of the Senate ought to be able to do constructive work.

I may say that the majority leader in 1949, a United States Senator, without any extraordinary title, had he followed the advice of the junior Senator from Minnesota, would have given us another vote, we only needed 2 or 3, and we would have changed the rules; but the sins of the fathers now rest upon the bodies of the children.

Mr. DOUGLAS. Will the Senator yield for a moment?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. How about "the sins of the youth resting upon the shoulders of the adults?"

Mr. HUMPHREY. I am willing to take it both ways; but it ill behooves the majority leader to be lecturing any Senator on this side of the aisle about cloture.

I would hope that the majority leader would try to keep two kinds of lectures out of his remarks. One would be about the troubles of the Democratic Party. I listened to the Republican convention, Mr. President, and the convention was not all love and kisses. It seems to me I heard prominent Senators on this floor make rather pointed attacks upon the now leader in the White House. It seems to me I heard about elections that were stolen in Texas.

Oh, I have heard and I listen to many things. To be sure, the Democratic Party has had its difficulties. The only difference between the Democrats and Republicans is that the Democrats are so disorderly and so amateurish. The Republicans are professional confusionists. The Republicans really know how to "louse" it up.

Mr. President, I assure the majority leader I want to bring up an amendment; and if it is time to bring up an amendment, I think I will call it up now. I send to the desk my amendment and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. POTTER in the chair). The clerk will read the amendment for the information of the Senate.

The legislative clerk read as follows:

On page 87, after line 20, add a new section, as follows:

"e. Every licensee under this act engaged in interstate commerce holding a license from the Commission for a utilization or production facility for the generation, marketing, and distribution of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306 thereof."

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. HUMPHREY. Mr. President, I do not know how all of this happened. I had the floor. I did not yield the floor.

The PRESIDING OFFICER. The absence of a quorum has been suggested.

Mr. HUMPHREY. Very well; in a spirit of amity and fellowship, I consent.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I send to the desk a proposed unanimous-consent agreement, and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Minnesota [Mr. HUMPHREY], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 3329. An act to amend the District of Columbia Police and Firemen's Salary Act of 1953 to correct certain inequities; and

S. 3683. An act to amend the District of Columbia Credit Unions Act.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6080) to authorize the appropriation of funds for the construction of certain highway-railroad grade separations in the District of Columbia, and for other purposes.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 6127. An act to amend the act entitled "An act to create a Board for Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended, and for other purposes;

H. R. 7484. An act to authorize the United States attorney for the District of Columbia to make the determination in proper cases whether prosecution of certain juveniles, charged with capital offenses, those punishable by life imprisonment and other felonies, shall be tried in the Juvenile Court of the District of Columbia;

H. R. 7670. An act relating to the referral of cases by the Municipal Court for the District of Columbia to the District of Columbia Tax Court;

H. R. 8128. An act to amend section 1089 of the Code of Law for the District of Columbia relating to attachment proceedings;

H. R. 8590. An act to amend title IX of the District of Columbia Revenue Act of 1937, as amended;

H. R. 8915. An act to amend the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'The Municipal Court of Appeals for the District of Columbia,' and for other purposes";

H. R. 9859. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes;

H. R. 9882. An act to incorporate the Foundation of the Federal Bar Association;

H. R. 10009. An act to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of un-

enumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes;

H. J. Res. 560. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the American Legion national convention of 1954, to authorize the granting of certain permits to the American Legion 1954 Convention Corp. on the occasion of such convention, and for other purposes; and

H. J. Res. 561. Joint resolution to authorize the quartering in public buildings in the District of Columbia of troops participating in activities related to the American Legion national convention of 1954.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Oregon [Mr. MORSE]. During the course of my prior discussion the Senator from Oregon had addressed an inquiry as to whether I would yield to him. In the general running along of the discussion I inadvertently overlooked, when several other Senators rose to the floor, yielding to the Senator. I do not want the Senator to be foreclosed. Therefore I ask that without losing my right to the floor I may be permitted to yield to the Senator without it counting as a second speech on the bill.

The PRESIDING OFFICER. Is there any objection?

Mr. HUMPHREY. Mr. President, wait a minute. Who has the floor?

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. HUMPHREY. I was speaking, and I offered my amendment in due order. I have the floor.

The PRESIDING OFFICER. By offering an amendment the Senator is not automatically entitled to the floor. The Senator is entitled to the floor upon the discretion of the Chair. The Chair has recognized the Senator from California [Mr. KNOWLAND].

Mr. HUMPHREY. A point of order, Mr. President.

The PRESIDING OFFICER. Does the Senator from California yield for a point of order?

Mr. KNOWLAND. No; I do not yield for that purpose.

Mr. President, I yield to the Senator from Oregon [Mr. MORSE].

Mr. MORSE. Mr. President, I am sorry I am involved in this little controversial procedure with the Senator from Minnesota [Mr. HUMPHREY], but the Chair is right so far as the technical rule of order is concerned. I know just now easy it is to get into the parliamentary situation in which the Senator finds himself.

Mr. President, I went to the Senator from California [Mr. KNOWLAND] and told the Senator I was sure that he had overlooked the fact that I was the first to ask him to yield during the course of his remarks, and the Senator from California said he would yield to me as soon as he finished; I tried to get him to yield, but in the rush of debate the Senator yielded to others until it became necessary for him to leave the floor. I waited in turn and asked the Senator from California for the courtesy of yielding so that I could reply to his speech, which was a criticism of the dissertation by the junior Senator from Oregon.

Mr. President, I want to reply to what I consider, from memory, to be the main points of the speech.

First I would like to say that I do not know how much time the majority leader thinks he has saved by the parliamentary course of action which the Senator has followed throughout the handling of the debate on the atomic energy bill. Honest and sincere men can differ on that; but in my judgment the Senator has wasted more time by the procedure which he has followed than he fully realizes, and more time has been consumed by that procedure than would have been the case if we had followed the regular sessions of the Senate and had a thorough discussion of this bill.

Mr. President, it is no answer to point out that the Senate has had the equivalent of 20 8-hour days of debate here on the bill, in the course of several 24-hour sessions.

We all know, Mr. President, that during these 24-hour sessions there are long hours during the night which are spent in time-killing, in delaying tactics, waiting for Senators to get rested so that they can get back in the morning and the Senate can proceed with discussing the issues on their merits and make time to consult with one another on how they intend to proceed.

I want to make very clear to the Senator from California that my reply to him is not based on any personal pique or personal feeling. It is impelled by deep conviction on the merits of my difference with him on the way he has run the Senate procedurally during the course of this debate.

Let us take the position of the Senator from Oregon on the filibuster. I certainly have said what the Senator from California quoted me as saying, not only those times, but many times in the Senate and across the country. I have been one of the most ardent supporters of the idea of getting a cloture rule here in the Senate which, in my judgment, will permit the ending of debate after there has been full debate on the merits of the issues, with the guaranty of adequate time after cloture for the minority to present its point of view on the merits. And I do not retract anything I have said on this point.

But let me point out that at the beginning of the prolonged debate on the tidelands bill, and at the very beginning of the first long speech I made on this bill, I offered in the tidelands case to Senator Taft, then majority leader, and I offered to Senator KNOWLAND, the majority leader in this debate, a proposition to lay aside the bill long enough to take up the Morse antifilibuster resolution, and fight it through until we adopted a cloture procedure in the Senate that will permit, and make it possible to close debate after there has been full debate on the merits. That is a standing proposition of the Senator from Oregon.

But, Mr. President, until the Republican majority here is willing to make a determined fight for a new cloture rule, this matter of filibustering is not going to be a one-way street. It is not going to work just to the advantage of the opponents of cloture. Mr. President, in the interest of poetic justice, for one thing, and in the interest of demonstrating to the Senate that it can work for those who are opposed to the kind of ineffective cloture rule that we now have, I intend, Mr. President, until we adopt a better cloture rule, to stand on my rights in the Senate when I am confronted, as I felt I was confronted, in this debate, with steamroller tactics.

Of course, the RECORD is perfectly clear, Mr. President—the majority leader took the position very early when he offered this bill for consideration in the Senate—that we were going to have an early end of speeches here in the Senate.

There is no question about where I stand on cloture, but I do want to say, Mr. President, as I said during the course of the debate last night, there can be tyrannical action by majorities as well as minorities. Tyranny knows no numbers. Tyranny is an act; tyranny can become a status, and it can be practiced by a majority upon a minority as it can be practiced by a minority upon a majority.

What I have fought for, Mr. President, is a cloture rule that can be put into effect with reasonable ease but, at the same time, protect the minority, and one, when put into effect, which will guarantee to the minority adequate time to debate an issue on the merits. That is why you will find that in my cloture proposal, as I have presented it up to date, the provision that makes possible 96 hours of debate. Under it there would be 96 hours of debate in a given case because there is not a man on the floor of the Senate, in my judgment, who would not give to anyone on the opposite side of that issue his hour's time, or such portion of his hour, if he did not plan to use it or exhaust it, as a matter of senatorial courtesy.

Of course, as I have said in many past debates on cloture, the important thing is to get cloture established. Then everyone would know that debate would come to an end ultimately.

It automatically guarantees that the minority will present, after cloture, whatever additional it needs, it thinks it needs, to say on the merits of the issue.

I will fight for effective cloture any time the present majority leader or any other majority leader wants to be my leader.

But, Mr. President, when we get into a situation such as we have gotten into here, I am not going to stand meekly by, because of my position on cloture, and let this majority leader or any other majority leader follow a procedural course of action that, in my judgment, is not fair to the minority. I think, as the Senator from Minnesota [Mr. HUMPHREY] pointed out in his remarks—and I wish to associate myself with the major premises of the Senator from Minnesota's remarks on this matter—I want to say that I think the majority leader is at least as responsible, in my judgment

more responsible, for protracted debate on the atomic energy bill than anyone else in the Senate. This resulted from his laying down what I consider to be a dictatorial policy. He has said repeatedly, in effect, "We are going to hold you into all-night sessions. Like it or not, you have got to take it."

Well, Mr. President, some of us have taken it all right, and we can take some more of it if we have to, but that is not the way to compose our differences in the Senate of the United States.

Let us go into this question of the so-called gentleman's agreement, and I want the attention of the Senator from Alabama [Mr. HILL]. Mr. President, I was in those conferences, and the Senator from Minnesota [Mr. HUMPHREY] was in them; the Senator from Montana [Mr. MURRAY] was in them, and I want to say in their hearing, Mr. President, that there was no gentleman's agreement of any kind, color, or description in the meeting that was held yesterday that bound any of us to any commitment to agree to any unanimous-consent agreement.

But, to the contrary, Mr. President, it was made very clear to the Senator from Alabama, who was the chairman of our group, that, as a matter of principle and policy, we would not agree to unanimous-consent agreements. That was the position of the conference; that was not the position taken alone by the Senator from Oregon. In fact, I did not first present that point of view. Others in the conference expressed that point of view, and the committee was instructed by that conference to go to the minority leader and make clear to him that we were not going to go along with any request for a unanimous-consent agreement.

Not only that, but it was made very clear in conference, and—if one of you Senators who was there, say now that what I say is not the fact, rise to your feet, and I am sure the majority leader will let you very briefly say whether I am correct or not—we also made clear in that conference that we were not going to go along with any tactic that required us to stay in 24-hour sessions.

That proposition was laid down, and there was not a Senator there who dissented, and I want to say that in my judgment, every man, every Senator in that conference, clearly understood that that was the position taken by the group.

In other words, what we said we wanted to make very clear to the minority leader, the understanding that we hoped, at least, he would take up with the majority leader, was: No additional requirement of unanimous-consent agreements; no more 24-hour sessions.

Very well. Let us go on to the so-called major issues to which the majority leader has referred.

The first proposition I laid down, Mr. President, was that there was no gentlemen's agreement in that conference on any specific group of amendments. There was no agreement at all. Does anyone who was at that conference want to deny it?

In that conference, Mr. President, do you know what was said? What the general discussion was on the matter of amendments? Let us see how far we can get in trying to improve the bill. Let us see how much good faith there is on the other side. Go down and talk with Johnson.

We made it very clear that we thought there were some amendments which should be cleared up. We did not like the action taken in tabling the Kerr amendment, because we thought that was a very vital amendment. We did not like that action and we felt that some other amendments which had been brought up previously had received very rough treatment. So we said, "Let's see what we can do about that."

But I state again, categorically, without any fear of successful denial on the facts, that there was no gentlemen's agreement in the conference in regard to any course of action or on so-called major amendments.

Let us go to the next point which the Senator from California mentioned in regard to my position in the debate.

I stated my reaction last night. I said, as the majority leader pointed out at the time he offered the unanimous-consent agreement on my amendment, and I said yesterday, as I listened to these discussions between the majority leader and my good friends on the minority side, in regard to whether or not they would speak under a threat of a motion to table hanging over their heads, that I liked what they said about it. But I did form the feeling that they went too far when they gave the majority leader rightfully, I think, and I think the majority leader had a perfect right to say what he said in the matter—the feeling that there was a sort of unexpressed, a somehow intangible atmospheric understanding, a sort of mental telepathy, that their course of conduct would be just about the same as though there were a unanimous-consent agreement to speak a very brief period of time.

That was why I said what I said when the majority leader put the question to me, as he quoted it from the record—and I may say, good naturedly, when he made the remark, "Unless the record has been changed."

Mr. President, I never change the RECORD on a procedural matter. The only time a change in the RECORD will be found to have been made by the Senator from Oregon is when it has been found to be necessary either to correct a grammatical mistake or to insert a period and strike out an "and," and start the next word with a capital letter. I have a tendency, in oral style, as contrasted with written style, not to put in periods very often in my speech. Sometimes I speak rather rapidly, and perhaps the reporters have difficulty in reporting me. In such an instance, I might correct the RECORD. But I wish to assure the Senator from California that he never need fear my changing the RECORD so as to put anyone or anything in a different light from that which shows the facts. I know the majority leader did not mean his statement in that way. He did not intend to have it understood in that way. But if I did not make this comment, the RECORD might be subject to the interpretation that the Senator from California thought I was one who would change the RECORD as to what I said at the time the Senator from California offered me a unanimous-consent agreement.

When he offered me a unanimous-consent agreement, I said, in effect, that I would not agree to any limitation of time at all. I said I was not going to make even a commitment to the Senator from California that I would speak briefly.

I am going to be taken on the floor of the Senate, in a situation like that, in good faith, without my having to go to the majority leader or to anyone else, with hat in hand, saying, "If you do not press me too much on this, I will not speak very long."

Mr. President, you will never find me doing that. Criticize me all you wish for not doing it, but that attitude simply happens to be a matter of principle with me.

I would have felt that I was stultifying myself last night if I had entered into any kind of agreement with the majority leader, either explicit or by implication.

It is true that I had no intention of speaking at any length; and it is likewise true that Senators on the other side of the aisle knew it. It does not make any difference whether I was suffering from a slight handicap at the time. What has that to do with it? I showed that I could speak, even in spite of such a handicap, if I had to. Ordinarily one does not speak on the floor of the Senate for 12 hours with an ulcerated tooth, and take codeine to keep it from jumping through his head, so far as his feelings are concerned. But that was a challenge to me.

The majority leader was not willing to take me on good faith. Certainly, he had all the news from the ticker tape, which he has read, but he had not begun to get the ticker-tape information and the other statements I had made, saying I was ready to fight the bill to a finish, when the debate was started.

Mr. President, when the bill came to the floor of the Senate, I meant what I said about the bill. I said that in the form in which it came to the Senate, I considered it to be one of the most dangerous bills, from the standpoint of the welfare of the American people for the next century which had ever come to the floor of the Senate in my 9 years as a Member.

I thought the implications of the bill, as it came to the floor of the Senate, were so serious from the standpoint of monopolistic control of electrical energy in the United States, that it was necessary to do everything possible to defeat the bill and to use some parliamentary strategy in order to gain time.

I did not fly under false colors on this bill. Let the majority leader go to the CONGRESSIONAL RECORD and read the very opening paragraph, or perhaps it was the second paragraph, in the first speech I made on the bill. That was a 6-hour speech according to my recollection. I think this is accurate paraphrasing of what I said, although I have not read that speech since I made it. But I think it will be found that, in effect, I said:

"I publicly confess that I am filibustering in this speech."

What did I say about my conduct on the bill during the course of the debate last night? I felt I was buying time. For what purpose? Time for the American people to react to the bill. That did not mean that no matter what happened to the bill, I would filibuster the bill in perpetuity. But I want to say that at any specific time when I said I would talk on the bill until Christmas, if necessary, if a parliamentary army could be formed to stand together, I meant it. And believe me, if great improvements had not been produced in the bill, I think that is what would have been the result, too.

But I think great progress has been made in the bill. CLINT ANDERSON is dead right. I went to him within 5 minutes before the majority leader took the action he did on my amendment, and I said to the Senator from New Mexico,

"We have made great improvements. I wish we could offer an amendment, get a recess overnight, and then see if we not get our heads together tomorrow morning early, as a group, before we resume at 10 o'clock to see if we cannot compose our remaining differences as best we can."

If we can do that, then those of us who are against the bill, if we still think it is not good enough after the conference, ought to move to recommit. I think we shall be defeated on such a motion, but I think we should make the record. If we sincerely believe the bill should not pass, we should try to recommit it. If the motion to recommit is defeated, we should then proceed to vote on the bill.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. MORSE. I yield.

Mr. KNOWLAND. The Senator from Oregon will recollect also, I am certain, the discussion which was had at his desk during the course of the evening, and before I even propounded the request for a gentleman's understanding, when I inquired of the distinguished Senator from Oregon whether or not he felt that if we could take the amendments along, as they had been doing during the day, and get the bill up to the third reading, which would mean that would have disposed of all the amendments, we might then have been able to reach an area of accord on a unanimous-consent agreement to limit debate, on very liberal terms, on both the motion to recommit and on final passage of the bill. Whether there would be 2, 3, 4, or 5 hours on a side, there would be liberal arrangements in that regard. If we could get 1 or 2 such agreements, then if those opposed to the bill desired to make a motion to recommit, I would then be prepared to recess the Senate until noon today.

Mr. MORSE. The majority leader has stated the facts in the conversation with me accurately, but we should add one more fact to it. I said, no, I would not go along with that.

Why would I not go along with it? For two reasons, Mr. President. First, I was not going to sit here at this desk and enter into any such commitment as that with the majority leader until I had conferred with my associates in this matter; and second, because he had one point in that proposal that, in my judgment, we could not possibly accept last night, and that was that we get up to the third reading. That would mean we could not propose other amendments which we were still discussing and which had not been presented yet.

That called for a conference. I wanted a conference this morning with the group, and in my judgment, if we had had that conference this morning instead of last night's all-night session, we would have been much further ahead with this bill than we are now at 10 minutes to 3.

I have one more point, if the Senator will yield.

Mr. KNOWLAND. I yield.

Mr. MORSE. The Senator from California [Mr. KNOWLAND] has been very courteous to me on this matter, but I think he will have to agree that his attack on me is one that justifies me in making my own reply to it.

I want to say, Mr. President—and I say it only by way of description, not by way of reflection—that the Senator, in my judgment, waved the flag almost into tatters by indicating that this little group of so-called wiliful men are holding up important legislation here in the Senate which possibly jeopardizes the security of the country in this hour of crisis.

Mr. President, I say there is just nothing to that. There is just nothing to it. The Senator from California [Mr. KNOWLAND] knows that the 95 colleagues he has here in the Senate on both sides of the aisle will stand shoulder to shoulder with him, will close ranks on a moment's notice, in case of any threat to the security of this Nation. The representative of the Independent Party has made that very clear on several occasions during his terms in the Senate when the national security has been in danger.

I speak first of the laying down of the Truman doctrine in Greece. I happened to be the first Senator here on the floor of the Senate—you can go to the CONGRESSIONAL RECORD—who walked from that joint session of the Congress to the floor of the Senate and pledged my support to the then President of the United States in that contest with Russia if it came to pass. In that dark hour I happened to be a member of the Armed Services Committee. We had been thoroughly briefed on the seriousness of the world situation, and peace or war were nip and tuck.

Let me say that the courage and the fighting spirit of that President of the United States in my judgment are what stood between the Russian Army in Europe and the Atlantic Ocean.

Then later, under a Republican administration, when the Communists started shooting down British and American planes over parts of Europe last year, the representative of the Independent Party was one of the first, I think the first, to stand up on the floor of the Senate and point out that, although I had many differences of opinion with Dwight Eisenhower on many domestic issues, we in the Senate wanted him to know we sympathized with the great strain that he must be undergoing at the White House in those critical hours, and they were critical. It is easy to overlook it now, months later, but in those days the talk around the cloakrooms of the Senate and, yes, here on the floor of the Senate, was "May this be it? May this lead to war?"

I again took the position that I could be counted on, as could every other man here in the Senate, to close ranks behind the President.

Not so many days ago the Senator from New Jersey gave us the first report on the atrocities in the Red China area where the British airliner was shot down, and the record is clear where the representative of the Independent Party stood then. He stood the second time that the Senator from New Jersey raised it.

I want to say, Mr. President, I think I can be excused for feeling that that part of the Senator's attack was grossly unfair to the opponents of this bill by leaving the implication in the RECORD that we are following a course of action in the Senate that threatens the security of the Nation. I resent that implication, Mr. President, with all my being, because I will not yield to the Senator from California [Mr. KNOWLAND] or to any other Member of the Senate in my patriotic support of the flag that stands in its majestic glory behind the presiding officer of the Senate.

Mr. President, to say that we are threatening the security or to imply that we are endangering in any way the security of this Nation because we are trying to fight sincerely for what we believe are the best interests of the taxpayers of this country in the atomic energy program I think justifies the kind of an answer I am giving on that point.

I close, Mr. President, by making one other point, and in very kindly fashion. Mr. President, I am a little weary of the argument: What would you do if you were in the majority leader's chair and confronted with this problem that he built up in a series of straw men? I will tell you a couple of things I would not do. I would not hold this Senate in 24-hour sessions. I would take a chance once in a while on the good faith of a colleague, particularly after he sat for a full day in the Senate and cooperated, as I did, all day yesterday in trying to push this bill forward. I would take a chance just once. You might get surprised, you know. That time, if the majority leader thought he would not be surprised, he would have gotten the surprise of his life, because the Senator from New Mexico [Mr. ANDERSON] knows full well the good faith in which the Senator from Oregon was approaching this problem, as does my next witness, the Senator from Alabama [Mr. HILL].

But here is a difference in temperament. I said during the course of the night that I come from Yankee stock that fought the British. I happen to be one with an ancestry of which I am proud as far as a line of loyalty to my country and, as a member of the Sons of the American Revolution, let me tell you we have been revolutionists whenever, Mr. President, we felt the basic rights of human freedom and the basic rights

of personal liberty were at stake. They were basic rights that I was fighting for here last night when I said, in effect, that I was not going to have the majority leader place any muzzle on me by any such threat that he holds over me that if I do not give him at least a gentleman's understanding that I would not speak very long, I would get laid on the table.

I got laid on the table, and so did Dwight Eisenhower, by that motion. I got laid on the table, and so did the Atomic Energy Commission, because the amendment that I offered is an amendment that seeks to correct a great wrong in this bill, a wrong that is going to cost the taxpayers of this country, in my judgment, great sums of money. Dwight Eisenhower, through his Atomic Energy Commission, sent with his sanction to the Joint Committee on Atomic Energy a bill that contained exactly the language that I had in my amendment. It is designed to set up some standard to take care of the criticism of the Federal Power Commission that there are no standards in this bill on prices. That is what I was trying to do. The Senator from California [Mr. KNOWLAND] never saw WAYNE MORSE in the Senate fighting harder to get some progress on this bill than when he was offering that amendment and trying to get it adopted to correct a grave shortcoming in the bill.

We all know we have great personal differences, and sometimes animosity springs up in the Senate. I know what the Senator from California [Mr. KNOWLAND] thinks. He has said it several times on the floor of the Senate. He thinks I am an obstructionist. Let me say to him and to the Republicans that before I left the party, there was never a single occasion, of all the time I was in the Republican Party here in the Senate of the United States, that any effort was ever made by the leadership of the Republican Party to try to work out reasonable and satisfactory compromises with me on anything. All I got, Mr. President, until I resigned from the Republican Party, was one kick in the teeth after another. Why? My interpretation is that I was just too liberal for them, that is all.

But I am perfectly willing to stand on my liberalism and, rather than sacrifice that liberalism, I resigned from the party.

I have said more than I intended to say on some matters that were not in direct answer to the Senator from California, but impliedly it was necessary to say them to make my attitude clear.

I want to say to the Senator from California [Mr. KNOWLAND] I deeply regret the differences that have developed between us, but as far as I am concerned, they are not personal differences. There was a time here in the Senate when my colleague and I stood shoulder to shoulder on many issues. I think a pretty warm personal friendship existed between us. But, Mr. President, I am human, and to be told by the majority leader that I can be an obstructionist if I want to, when all I am trying to do is to fight sincerely for what I believe in, is unwelcome.

Now I have it out of my system, and I think that is good when you have a difference with a fellow. I want to say that my hope is that we can proceed with the consideration of this bill and dispose of it in the reasonably near future.

I want to make very clear to the Senator from California [Mr. KNOWLAND] that I am not going to go along with any unanimous-consent agreements to limit debate. I am not going to look with favor on 24-hour sessions, because I do not think they are needed.

I want to say to the majority leader we have a lot of sympathy for his position, and the majority leader is going to get a lot of cooperation from us unless he keeps saying to us, as he has been saying, "Well, what would you do? After all, I have to force this legislation along."

If we could just cooperate a little bit more together without feeling that we have a parliamentary bludgeon over our heads we would get along a lot faster and, I think, save a lot of time that has been wasted by what I think have been parliamentary bludgeoning methods.

Mr. KNOWLAND. I think the Senator will agree that the yielding of time by the majority leader at least demonstrated not only that he did not want to muzzle the Senator from Oregon, but that it would be very difficult to muzzle the Senator from Oregon.

Mr. MORSE. I want to thank the Senator for yielding me the time. The Senator was very kind. I knew my colleague would be fair. I knew when the Senator had to leave the floor I did not have to worry about his giving me time when he got back.

Mr. KNOWLAND. I will say to the distinguished Senator, as I told him, I would not have left the floor at that moment except that, among my other duties, I serve as a member of the Senate Committee on Appropriations, and General Van Fleet happens to be downstairs testifying before the committee now. I was very anxious to hear the testimony, but because of my duties here I came, and, being here, I did not want to foreclose the Senator from Oregon [Mr. MORSE] from making his answer.

I have sent to the desk a proposed unanimous-consent agreement, and ask that it be read again for the information of the Senate.

The PRESIDING OFFICER. The clerk will read as requested.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That any debate on the amendment to S. 3690 submitted by the Senator from Minnesota [Mr. HUMPHREY], including any amendment or motion submitted thereto, shall be limited to not exceeding 1 hour, to be equally divided and controlled, respectively, by the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Iowa [Mr. HICKENLOOPER]: *Provided*, That no amendment thereto that is not germane to the subject matter of the said bill shall be received.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HUMPHREY. Mr. President, I trust we are merely going through another formality, because my amendment was discussed at great length last evening. It has now been modified to meet some of the objections that were registered by some of my distinguished colleagues on both sides of the aisle.

I hope the majority leader will again place his faith and trust in us, and permit us to debate the amendment. I trust it will not take very long. I have very little which is new to be said on it.

I should, however, like to explain the modification I have made, in light of the colloquy of last evening.

Of course, the majority leader realizes this is a sincere attempt to improve the bill, from my point of view, and I ask the majority leader not to press his unanimous-consent agreement.

Mr. KNOWLAND. May I ask the Senator, as I did the other night, if he has any rough approximation of the time he expects to take?

I had understood that perhaps a half an hour or 45 minutes to each side, might cover the period of the discussion on the amendment, inasmuch as it was discussed last night.

Mr. HUMPHREY. I may say to the majority leader that I myself have no intention of using even a half hour, but he would be an unwise man who would foolishly predict what might happen in this body. However, in my mind we can proceed with this amendment in less time than we are spending in discussing how long it will take.

Mr. KNOWLAND. Mr. President, I withdraw the unanimous-consent request.

The PRESIDING OFFICER. The Senator announces the unanimous-consent request is withdrawn.

Mr. MORSE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. Yes; I will yield.

Mr. MORSE. As simply a friendly comment, which I think may help the Senator, let me say that I will not speak on the amendment.

Mr. HUMPHREY. When I noticed a smile on the majority leader's face, I was not sure whether he was happy at overcoming the hurdle, or happy about our friend from Oregon losing his voice.

Now, Mr. President, I should like to have my distinguished colleague from Rhode Island [Mr. PASTORE], and my distinguished colleague from New Mexico [Mr. ANDERSON] be with me because they were two who entered into the colloquy last evening.

I regret that our colleague from Illinois, the junior Senator [Mr. DIRKSEN] is not here.

What I have done, Mr. President, is to take the amendment I presented last night, which was defeated on a yea-and-nay vote, make substantial alterations and modifications, and present it as a new amendment.

My amendment now reads, and I ask the indulgence of my colleagues:

e. Every licensee under this act engaged in interstate commerce, holding a license from the Commission for a utilization or production facility for the generation, marketing, and distribution of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306 thereof.

In other words, the amendment would limit the Federal Power Commission's

regulations, insofar as reporting, accounting, depreciation schedules and the filing of consumer complaints or competitor complaints to those installations licensed by the Atomic Energy Commission that will be producing power for sale and transmission in interstate commerce.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. PASTORE. I say to the distinguished Senator from Minnesota that I think his amendment is a vast improvement, since it refers now alone to interstate transactions.

Mr. HUMPHREY. To interstate transactions.

Mr. PASTORE. I shall be only too happy to vote for the amendment.

Mr. HUMPHREY. I see the Senator from New Mexico is on his feet. He has heard my explanation, and I yield to him for whatever question he may have.

Mr. ANDERSON. Does the Senator feel that he has removed the objections I expressed?

Mr. HUMPHREY. Yes.

Mr. ANDERSON. I wanted to be sure that only plants engaged in interstate commerce would have to make the reports.

If the Senator has provided for that, he has cleared up any objection I have.

Mr. HUMPHREY. That is what the Senator from Minnesota has done.

I hope the distinguished chairman of the committee who is handling the bill in the Senate will see from his study of this measure the necessity of adopting this language. It appears to me, as was pointed out last evening, that while the act as it is now written says that "nothing herein shall deny any Federal, State, or local regulatory agency from issuing whatever rules or regulations may be necessary," this is a much more affirmative proposal, and it limits the application to the Federal Power Act, insofar only as the gathering of statistical evidence is concerned, and section 306 which pertains to the right of complaint and the machinery established for consumer or competitive groups to register a complaint with the Federal Power Commission, on the part of any utility that may be licensed by the Atomic Energy Commission.

I say, Mr. President, that this would be of great value to many States and localities where there may be the necessity of comparing what might be called statistical data with that which is accumulated by the State or local area, where there is any——

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. PASTORE. Even more than that, it seems to me that it would be an impossible situation for any State to supervise the activities of a utility whose business is in interstate commerce, and unless this supervision is provided there would be no supervision at all.

Mr. HUMPHREY. That is my understanding.

Mr. President, that is all I have to say on my amendment, unless the chairman of the committee would like to interrogate me as to its purposes; and if not, I yield the floor.

Mr. HICKENLOOPER. It does not make any difference whether I ask the Senator a question or speak on the amendment. I would just as soon engage in a discussion, if he will yield.

Mr. HUMPHREY. Yes.

Mr. HICKENLOOPER. Is it not a fact that section 271 of the bill already covers the authority and regulations of the Federal Government through the Federal Power Commission, which already exist over electricity, and its transmission; and it recognizes the rights of the States, where their rights occur, and recognizes the rights of the local agencies, where their rights exist. Now, that is already in the bill.

I see no necessity, in the first place, for the amendment.

In the second place, the amendment goes further than the Federal Power Act goes.

Mr. HUMPHREY. I may say to my friend, it surely does not do so, under my interpretation of the language.

Secondly, because it applies specifically to those sections of the Federal Power Act which I read into the RECORD last night, and need not do so again today.

Mr. HICKENLOOPER. They are in the amendment?

Mr. HUMPHREY. That is correct. They are listed as sections 301, 302, 304, and 306.

The junior Senator from Minnesota read salient portions of those sections of the Federal Power Act into the RECORD last evening.

My only argument with the Senator from Iowa is, once again I may say, the application and interpretation of language. Section 271 of this bill reads as follows:

> Nothing in this act shall be construed to affect the authority or regulations of any Federal, State, or local agency with respect to generation, sale, or transmission of electric power.

I agree with the Senator in his point of view, that it is possible that, under that section, to say not only is it possible for a Federal agency to regulate, but so can a State, and so can a local agency.

What my amendment simply does is to say that not only can it be done, but it shall be done, in exactly the same way as it is done for other forms of the generation of electrical power.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Rhode Island.

Mr. PASTORE. As I understand the amendment of the distinguished Senator from Minnesota, it says in a positive way what, in my opinion, section 271 says in a negative way.

I think they both mean the same thing. I think the distinguished Senator from Minnesota intended that they should mean the same thing.

Mr. HUMPHREY. That is what I want to spell out.

Mr. PASTORE. The Senator wants to see that it shall come under the Federal Power Commission, positively.

Mr. HUMPHREY. That is correct.

Mr. PASTORE. And section 271 states that no Federal authority or Federal regulation—that is, "nothing in this act shall be construed to affect the authority?"

Mr. HUMPHREY. That is correct.

Mr. HICKENLOOPER. What section 271 does is to make clear that this act does not interfere in any way with the jurisdiction of the Federal Power Commission over such activities, or with State agencies where they have jurisdiction, or with local agencies where they have jurisdiction.

It is not an authority given in a negative way. It is a positive negation of any intent by this statute to interfere with the existing laws and the existing authorities, State and Federal, that have to do with electricity.

Mr. PASTORE. Mr. President, will the Senator yield at that point?

Mr. HICKENLOOPER. Yes.

Mr. PASTORE. Is it not a fact that the Federal Power Commission has authority over all interstate public utilities; and would that power not be the same? This would come under it, and that would be all.

Mr. HICKENLOOPER. It has authority over the transmission of electric energy in interstate commerce, and the sale of such energy at wholesale in interstate commerce.

Mr. PASTORE. Therefore, all public utilities engaged in interstate commerce come under section 301 of the Federal Power Act; and that is all the Senator from Minnesota [Mr. HUMPHREY] is now trying to say.

Mr. HUMPHREY. Except that I want to make sure the rules and regulations which may be set up for reporting, for accounting, for depreciation of schedules, or the right of the complainant to be heard are the same in this instance as they are in the traditional or conventional form of electrical power production.

It seems to me, may I say to the chairman of the committee, if the bill means what the Senator says it means, why not say it? Why do we have to have this rather nebulous or rather negative approach? Why back into it? Why not march into it?

Mr. HICKENLOOPER. We do not back into it. We are very careful in this bill not to attempt to write into it affirmative law which may have to be interpreted by the courts, but merely to say that the present existing authority shall not in any way be interfered with in the regulation of interstate transmission of electric energy, in that general field. We make it very clear that we do not disturb existing law.

If the Senator will indulge me for a moment, I will say this: There is a reason for saying it this way, as we have said it in the bill. Every time a State legislature or the United States Congress passed a bill on a subject, giving affirmative relief or containing affirmative provisions, that new legislation is bound to be subject at some time or other to interpretation as to what it means. Does it mean to change? Does it mean to alter? Does it create any new situations?

We have attempted in this bill to eliminate such questions as that by merely

saying the existing authority for the regulation of the flow of interstate power—whatever those regulations may be or whatever the authority which now exists in the Federal Power Commission is—remains the same.

Mr. HUMPHREY. They have the authority.

Mr. HICKENLOOPER. They have the authority.

Mr. HUMPHREY. But do they necessarily apply the authority? What the Senator from Minnesota is saying is that not only must they have the authority, but as to every licensee holding a license from the Atomic Energy Commission for the production of commercial power, which power is distributed or sold in interstate commerce, the provisions of the Federal Power Act—not just the blanket authority but the specific provisions of sections 301, 302, 304, and 306—shall apply.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator.

Mr. REYNOLDS. I think I finally see the point the Senator from Minnesota is endeavoring to make.

The Federal Power Commission has control over the end result, electrical energy.

Mr. HUMPHREY. That is correct.

Mr. REYNOLDS. It so happens that electrical energy in this Nation is produced in some instances by hydropower, in some instances by coal, in some instances by oil, in some instances by gas; and in my home town of Omaha, Nebr., a city of a quarter million people, 15 percent of the energy is produced by corn cobs.

The Federal Power Commission has jurisdiction over the electrical energy regardless of what fuel is used to make it.

Mr. HUMPHREY. That is correct.

Mr. REYNOLDS. Now we have a new fuel coming in, atomic energy, which is under the monopolistic control of the Atomic Energy Commission. I gather it is the opinion of the Senator from Minnesota that the Federal Power Commission may—and the Senator is fearful that they might—apply a different set of rules to the energy produced from this fuel than they apply to energy produced from other fuels.

Mr. HUMPHREY. I thank the Senator for his clarity, for his preciseness, and for his helpfulness.

Mr. REYNOLDS. I might say if the Senator is fearful of that, to me it would appear just as ridiculous for the Federal Power Commission to make one set of rules for electricity produced by corncobs and another set of rules for electricity produced by coal. I think the assumption is farfetched, and I do not think it is worthy of writing into the bill.

Mr. HUMPHREY. I may say to the Senator, I think the Senator is in error in that, because in this area the authority is not denied.

I see my friend from Texas [Mr. JOHNSON] walking down the aisle.

The Federal Power Commission apparently did not think it was denied the authority to regulate the gas producers.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. The law was not specific, so they used that authority. What the Senator from Minnesota wants to do is write into this bill what authority they have. I yield now to the Senator from Texas.

Mr. JOHNSON of Texas. In order that the RECORD may be kept straight, the Federal Power Commission thought they did not have the authority.

Mr. HUMPHREY. The Senator gives his views.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes; I yield.

Mr. HICKENLOOPER. Is there any question in the Senator's mind that the Federal Power Commission has authority over the transmission of electrical energy in interstate commerce?

Mr. HUMPHREY. Not insofar as hydroenergy is concerned, no.

Mr. HICKENLOOPER. Hydropower does not flow over the lines.

Mr. HUMPHREY. That is right.

Mr. HICKENLOOPER. It is electrical energy which flows over the lines.

Mr. HUMPHREY. That is correct.

Mr. HICKENLOOPER. It is electrical energy which flows in interstate commerce.

Mr. HUMPHREY. That is correct.

Mr. HICKENLOOPER. I think the Senator from Nebraska [Mr. REYNOLDS] made a very pertinent point when he said it does not make any difference whether the energy is produced from oil, coal, or corn cobs. It is the energy which is under the jurisdiction of the Federal Power Commission, when it flows in interstate commerce.

Mr. HUMPHREY. There is a difference, I may say.

Mr. HICKENLOOPER. If I may pursue this for a moment? These licensees are private operators. They produce electric energy. Whether they produce it partly with uranium, partly with corn cobs, or partly with coal does not make any difference. So far as the fact that they produce electric energy is concerned, that electric energy which goes into interstate commerce is under the control and jurisdiction and regulation of the Federal Power Commission under the proposed act, under section 271.

The Senator's amendment goes further than section 271, in my judgment.

Mr. HUMPHREY. Yes. It is supposed to.

Mr. HICKENLOOPER. It refers to distribution all the way through. The Federal Power Act refers to the wholesale distribution under the Federal Power Commission; and the local distribution, so far as I know, is under the jurisdiction of the local regulatory body, either the State or municipal or other local regulatory body. The distribution to the consumer from the wholesale point of purchase is up to the local body.

Under the Senator's amendment the Federal Power Commission would follow it right straight through to the cook stove.

Mr. HUMPHREY. To reply to the Senator I am more than happy to take out the word "distribution," if that is what bothers the Senator. I inserted the word in order to placate and please those who complained about it when I did not have it in the amendment. Last night I did not have the word "distribution" in and that made it wrong. Now I have that word in and it is wrong.

What I want to say to my friend from Iowa is this: Hydro power, under the Federal Power Commission Act sections I referred to, is that hydro power generation licensed by the Federal Power Commission. It is licensed by the Federal Power Commission.

Mr. REYNOLDS. What is licensed, may I ask the Senator?

Mr. HUMPHREY. The hydroelectric generation facilities.

Mr. REYNOLDS. Only the use of the fuel is licensed; is that right?

Mr. HUMPHREY. That is correct. That is under the Federal Power Commission, but in this instance the Atomic Energy Commission does the licensing.

Mr. REYNOLDS. Of the fuel?

Mr. HUMPHREY. Of the fuel.

I want to make quite sure that when the Atomic Energy Commission does the licensing of the fuel, insofar as this amendment applies to the areas of accounting, reports, statistical evidence, memoranda, depreciation rates, and the right of complainants to be heard are concerned, the rules and regulations are not set up by the AEC under their types of regulation, but are set up by the Federal Power Commission just as they are for other types of fuel. That is what my amendment does.

Mr. HICKENLOOPER. Mr. President, if the Senator will yield that is exactly what Section 271 of the pending bill does.

Mr. HUMPHREY. Let me ask the Senator: If it is what section 271 of the bill does, why does it not refer to the one act of Congress which regulates electrical energy; wholesale, sale, and generation? What act is it which regulates that?

Mr. HICKENLOOPER. In interstate commerce?

Mr. HUMPHREY. Yes.

Mr. HICKENLOOPER. It is the Federal Power Act.

Mr. HUMPHREY. Then why does the bill not say so?

Mr. HICKENLOOPER. We go further than that. We say that nothing in this act shall interfere with or affect the authority or regulations of any Federal, State or local agency with respect to the generation, sale or transmission of electric power. We say that this act does not interfere with the rights and the power and the authority of any Federal, State or local regulatory body whatever; and the power and the authority which may be there now for the transmission of electricity or the generation of electricity or whatever the authority may be is not changed.

Mr. HUMPHREY. What the Senator's interpretation is, I take it, is that all of the body of law of the Federal Power Act, which pertains to licensing, which pertains to the rate structure, which pertains to reporting, which pertains to any form of regulation whatsoever under the Federal Power Act and the rules and regulations of the Federal Power Commission, are applicable to

every line and every passage of this act insofar as the production of power is concerned.

Mr. HICKENLOOPER. Whenever the Federal law—any Federal law; all of them—applies today to electric energy in interstate commerce, that would apply to the licensee under this bill exactly the same as to the licensee who makes electric energy with coal or with oil or with anything else. There is no change.

Mr. HUMPHREY. May I say that the Federal Power Commission does not believe that to be correct. That is the point I am trying to get across.

I did not offer this amendment just as a whim of fancy. The fact is that in the testimony before the Joint Committee on Atomic Energy the Federal Power Commission stated it felt it needed this precise language.

Mr. HICKENLOOPER. Let me call the attention of the Senator to something else.

Mr. HUMPHREY. What does the Senator have to say about what I have just said?

Mr. HICKENLOOPER. About the Federal Power Commission being in favor of this?

Mr. HUMPHREY. Yes, sir.

Mr. HICKENLOOPER. So far I do not know of any testimony before the committee which touches that. I understand one member of the committee is alleged to have a secret memorandum of some kind—at least it is secret so far as I am concerned, for I have not seen it—which might say something of that kind; but I do not know what it is.

Mr. HUMPHREY. There was some doubt cast in the hearings.

Mr. HICKENLOOPER. Not in the committee.

Mr. HUMPHREY. None whatsoever?

Mr. HICKENLOOPER. I do not know what goes on in people's minds, but in the committee there was no move to throw this out.

Mr. HUMPHREY. Not to throw it out, but was there not a move to put into the bill the precise language that relates to the Federal Power Commission's regulation or regulations?

Mr. HICKENLOOPER. There was a move on the part of the committee to put this section 271 in the bill as a safeguard and as an assurance that the existing authority of the Federal Power Commission or the Federal law or agency and the existing authority of the State agencies and the existing authority of local agencies, whatever they may be in connection with the transmission of electric energy, would not be disturbed or interfered with in any way.

Let me call the Senator's attention to one other thing that the Senator's amendment would do. The Senator says that his amendment would provide that every licensee, "under this act engaged in interstate commerce holding a license from the Commission for a utilization of a production facility," and so forth——

Mr. HUMPHREY. Wait a minute; it says "for the generation of commercial power."

Mr. HICKENLOOPER. Well, I said, "generation, marketing, and distribution of commercial power." Let me indicate what the Senator's amendment would do.

Mr. HUMPHREY. I will thank the Senator.

Mr. HICKENLOOPER. Westinghouse and General Electric, let us say, want to build a reactor. They come to the Commission, and they ask for a license. The Commission looks over their application and says, "All right, we will make you a licensee." Right then, under the Senator's amendment, because they become a licensee under the Commission, all their activities would be subject to regulation by the Federal Power Commission.

Mr. HUMPHREY. No; if they produce commercial power.

Mr. HICKENLOOPER. The Senator's amendment does not say that, I submit.

Mr. HUMPHREY. The Senator's amendment says:

> Every licensee under this act engaged in interstate commerce holding a license from the Commission for the utilization or production facility for the generation, marketing, and distribution of commercial power—

And so forth. It is quite clear, may I say to the Senator. The criteria are pretty clear. The Senator took me off; the Senator almost got me off there.

Mr. HICKENLOOPER No. The first qualification, the Senator says, is: "Every licensee under this act engaged." That means all the licensees under the act.

Mr. HUMPHREY. No. What is the next statement, what is the qualification?

Mr. HICKENLOOPER. "Every licensee under this act engaged in interstate commerce"——

Mr. HUMPHREY. That is correct.

Mr. HICKENLOOPER. "Holding a license from the Commission for a utilization or production facility." Let us just——

Mr. HUMPHREY. Wait a minute, do not stop there; continue on, "for the generation of commercial power."

Mr. HICKENLOOPER. Well, I did not want to go through that. The point is made before that.

Mr. HUMPHREY. But that is just the difficulty. The Senator is proceeding as one does who writes a check and forgets to put his signature on it. It is no good until the signature is on it.

Mr. HICKENLOOPER. Let us read the whole provision. It is not necessary to make the point I am trying to make.

"Every licensee under this act." Now that says everybody who holds a license.

Mr. HUMPHREY. "Engaged in interstate commerce."

Mr. HICKENLOOPER. "Engaged in interstate commerce," all right. Let us take that.

Mr. HUMPHREY. That limits it quite a little bit.

Mr. HICKENLOOPER. All right, let us take Westinghouse: Westinghouse is engaged in interstate commerce; among other things, they might be in this business, and several others, but they are engaged in interstate commerce.

> Holding a license from the Commission for utilization or production facility for the generation, marketing, and distribution of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306, thereof.

Now, the point is this: The Senator, in his amendment—I do not think there is any question about it, in his amendment—now says that the fact that a corporation or a person, whether it is a partnership or cooperative or whatever it may be, which holds a license and is engaged in interstate commerce, and who makes——

Mr. HUMPHREY. And holds a license, and the license is for the purpose of the generation of commercial power.

Mr. HICKENLOOPER. That is right.

Mr. HUMPHREY. All right; that is right. Indeed, if you have got a license——

Mr. HICKENLOOPER. All right.

Mr. HUMPHREY. Engaged in interstate commerce, and the license is for utilization or production facility, which production facility is for the production of commercial power, then indeed you are subject to regulation.

Mr. HICKENLOOPER. Then, indeed, the whole company is subject to the Federal Power Act.

Mr. HUMPHREY. The licensee is subject to the Federal Power Act——

Mr. HICKENLOOPER. That is correct.

Mr. HUMPHREY. Insofar as that which pertains to the production of commercial power is concerned.

Mr. HICKENLOOPER. But the Senator's amendment does not say that. It says that if he is a licensee, and if he holds a license for the production of commercial power, then the Federal Power Act moves in or can move in on any of his operations and run his whole show, even though the production part is only a small part.

Mr. HUMPHREY. May I say that the Senator's argument withers away on the vine because if Westinghouse is in interstate commerce using electricity, it is under the Federal Power Act; that is what he said just 10 minutes ago.

What I am trying to do here is a very simple thing, and I cannot understand the tenacity of the resistance unless, apparently, it is not quite as simple as I think it is. Apparently there is some feeling that the Federal Power Commission ought to be kept out of the regulatory field, so far as atomic energy is concerned.

Mr. HICKENLOOPER. Not at all.

Mr. HUMPHREY. Let me put it in this way, what I want to be sure of: Atomic energy-created electrical power is going to be competitive to other forms of electrical energy. We know that. It has been said again and again by the Senator himself and by others.

Now, what if you have this situation: You mentioned Westinghouse—where Westinghouse has a conventional steam plant which is under interstate commerce, that has long been regulated by the Federal Power Commission.

Mr. HICKENLOOPER. That is right.

Mr. HUMPHREY. All right. Now you come in, and you have got a license.

Mr. HICKENLOOPER. Under section 271, if they set up an atomic pile, they would still be regulated.

Mr. HUMPHREY. Now you have got a license granted by the Atomic Energy Commission. We go back to the license section of this bill, and we find what reasons that license was granted for. There are many reasons, and there are many controlling factors under the granting of that license.

You see, I do not want a separate set of records distinct from that which are used ordinarily, and which regulation is applied ordinarily to an electrical energy production unit, to be applied to the atomic production unit and thereby have 2 sets of records, 2 housekeeping units, and 2 ways of measuring statistical evidence.

Mr. HICKENLOOPER. It would not be.

Mr. HUMPHREY. Well, I hope not.

Mr. HICKENLOOPER. Under the present act, it could not be. Whatever is in existence now would continue to be in existence after this act. This is only another kind of a fuel for the production of energy, and it is not the fuel that is being regulated; it is the transmission.

Mr. HUMPHREY. That is correct.

Mr. HICKENLOOPER. In interstate commerce.

Mr. HUMPHREY. That is correct.

Mr. HICKENLOOPER. I do not want to trespass on the Senator's time, and I am still asking questions; I would be glad to state them on my own time.

Mr. HUMPHREY. It is just as good this way.

Mr. HICKENLOOPER. But there is a great misconception going around about this licensing business of atomic energy.

There is only one reason in the world why there is any excuse for the licensing of the material that goes into these piles to make heat, and that is the national security, national defense, because this material can be used in weapons and, of course, it is essential in the national interest that the Federal Government keep hold of this material.

Our committee deliberated for some considerable period of time as to whether or not we should permit the Atomic Energy Commission to sell this material through a licensee. We came to the conclusion that it was in the national interest for the Federal Government to keep hold of this material. Therefore, we devised the licensing method, and it is not necessarily a privilege, any more than any other metal is a privilege, for private industry to have.

If it were not for the national security end of it and the ultimate possible necessity for recapturing it in time of emergency, bringing it back out of these piles and making additional weapons out of it, if it were not for that, then the whole thing would be turned loose, and anybody could go and mine uranium; anybody could build a pile, anybody could use materials to create heat, just the same as anybody could go and mine coal or dig for coal, and use that for heat.

It is the national security; and there is nothing sacred about the fact that the Government holds onto this, under a license provision, except the national security.

This debate has gone off the trolley just a little bit on that, and that has not been sufficiently pointed out.

Atomic energy, or uranium or the products of uranium are only the exclusive possession of the United States because of the emergent situation in the world today, and the weapon use of that particular material, which justifies the United States in holding it exclusively within the Government control and ownership for emergency and defense purposes.

Now that is all there is to it. If lead were essential with the same degree of importance as atomic energy, we would preempt the lead in the country and hold it for the national security. It is not. So anybody can mine lead. Anybody can fabricate lead, anybody can do anything he wants to with lead, and they could do the same thing with uranium and any other source of materials which we have preempted, they could do the same thing with that, with those metals, if it were not for the necessity of having control of a stock of the material against the day when we might have to create more weapons for the salvation of the United States, and that is the only excuse.

So that, therefore, the license is not an important part of this, except to give the Government the right of eventual recapture if we need it in the national defense. Under the license we rent this stuff to them, we hire it out to them. We furnish it and keep hold of it under the right of recapture, but we charge them rent for the use of the material.

I think the Senator's amendment is not only not needed, but it is an affirmative statutory creation, which will lend itself to the necessity of interpretation again, and the body of Federal power law which has already been through the courts which has been interpreted in many of its facets may be altered.

In what way I do not know. It may be altered by the Senator's amendment. There is no use disturbing that interpretive body of law.

We say in this act that the same rules and regulations, power and authority of the Federal Government, or of the local and State agencies, that exist now over the transmission of electric energy in interstate commerce shall obtain so far as any licensee is concerned. That is only a precaution. It would obtain if we never had that provision in the law. Even the provision of section 271 is not necessary in the law, in my opinion, for the Federal Government to assume jurisdiction over the transmission of electricity in interstate commerce by a licensee. We put section 271 in there as an assurance that the existing authority is not disturbed.

So I think the Senator's amendment is fully covered by the present provision in the law, and an affirmative enactment of a new mandate, regardless of how much it may seem to be like the present power, can very well create new areas of dispute and disagreement and difficulty and legal interpretation.

Mr. HUMPHREY. That is exactly what I am trying to avoid, may I say, by my amendment. I want to be sure that there is not these areas of dispute and disagreement and misunderstanding, but that the same body of rules and regulations apply to all forms of electrical energy. That is exactly what I am trying to provide.

Mr. HICKENLOOPER. There cannot be any dispute under the language of the present bill because it specifically says that this bill does not in any way touch existing authority. That goes right on, and it exists just as it was before. We have gone to the trouble in this act—though I do not think it is necessary—of so stating for clarification.

That is the reason why I resist the Senator's amendment. I am not just sure what it will do.

Mr. HUMPHREY. May I say to my friend that the Federal Power Act, if you read into its preamble, pertains, insofar as electrical energy is concerned in its licensing provisions, to water power. The Federal Power Act, insofar as licensing is concerned, and generation and wholesale distribution is concerned, pertains to water power. We are talking now about another Federal resource—atomic power. We want to be sure both of these resources are treated alike.

Mr. HICKENLOOPER. I want to call the Senator's attention again to this theory of a Federal resource. Except for the emergent situation in which we found ourselves and the peculiar and exclusive possession of know-how in atomic energy matters that we had in 1946 and 1947, atomic energy is not a Federal resource any more than gold is a Federal resource, any more than lead is a Federal resource, and the products of processing. Because of the peculiar situation, we decided in 1946 we would have to temporarily create a Federal monopoly over the utility of uranium and its products, and especially in the fission field, but the act of 1946 clearly expressed the determination to get back on the road to free enterprise which would eventually place uranium back in the same field as any other metal, and it is not any more a Federal resource than gold, lead, or nickel.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Illinois.

Mr. DOUGLAS. Has the Senator from Illinois been belaboring these many years under a complete misunderstanding of what has happened? The Senator is under the impression that the people of the United States have paid $12 billion to develop atomic energy from uranium. Now, the Senator from Iowa [Mr. HICKENLOOPER] said that uranium and atomic energy is no more a Federal concern, or a Federal problem, than lead, zinc, or gold. Now, apparently the Senator from Illinois has not known what has been happening during the last 10 years. I would appreciate it if the Senator from Minnesota would inform me whether I have been in a gigantic error in my belief that the people of the United States have spent about $12 billion so that uranium could be produced into atomic energy?

Mr. HUMPHREY. I would say that he has been living in the realm of reality,

and not fantasy, and that his understanding is subscribed to, I am sure, by all reasonable men, and it is an accepted fact. As a matter of fact, it is not only a Federal monopoly—this matter of atomic power and energy in our Nation—but, as we know, we have statutes that compel even those who are the producers of uranium to sell it to the Federal Government under penalty of punishment and fine if they sell it otherwise, or if the product is in general commercial usage or distribution.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will yield to the Senator from Rhode Island.

Mr. PASTORE. I address myself now to the distinguished Senator from Iowa [Mr. HICKENLOOPER]. I understand the intention of the distinguished Senator from Minnesota is to do nothing more in this case than to preserve the present jurisdiction that the Federal Power Commission has over interstate commerce of public utility companies.

Mr. HUMPHREY. That is correct.

Mr. PASTORE. If this amendment does any more than that, could not all that be ironed out in conference? Could we not take it to conference? If there is anything in there that goes beyond that point, then it could be taken out and ironed out.

Mr. HICKENLOOPER. I will say to the Senator that what the Senator from Rhode Island [Mr. PASTORE] just stated is exactly what section 271 does.

Mr. PASTORE. If that is the case, we are saying it in a more positive way. If we are doing it, anyway, in the act, that can be straightened out in conference.

Mr. HICKENLOOPER. I raised the point to the Senator from Minnesota [Mr. HUMPHREY] just a minute ago that he proposes to pass affirmative legislation here which touches the Federal Power Commission's authority in its regulatory ability and power.

Mr. HUMPHREY. It does not change it.

Mr. HICKENLOOPER. Well, I certainly would not want to say here on this floor that it does not.

Mr. HUMPHREY. It is my understanding that it does not change it.

Mr. HICKENLOOPER. I say if we pass affirmative law here now which in some way alters the situation a bit, then you will have to take this amendment through the courts, establish what it means by interpretation, and it is entirely possible it might disturb existing holdings and findings.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Rhode Island.

Mr. PASTORE. Perhaps in conference we can rewrite section 271 and put it in positive language rather than negative language, but I think it is pretty clear what the distinguished Senator from Minnesota [Mr. HUMPHREY] intends to do, and what he intends to do, as I understand from the distinguished Senator from Iowa, the law already provides. If that is the case, cannot that be straightened out without wasting all this time?

Mr. HUMPHREY. May I say to my friend from Iowa there is this difference: The Federal Power Commission has regulatory power over gas from the Natural Gas Act. The Federal Power Commission has regulatory power over electrical energy under the terms of the Federal Power Act that relates to hydro-developed energy. That is what we are talking about in the Federal Power Act. That is what the Senator is saying, that hydro-developed energy is energy developede from a federally owned resource. Therefore, since atomic energy is also a federally owned resource, at least as of this date——

Mr. HICKENLOOPER. But not for the same reason.

Mr. HUMPHREY. I do not care for what reason nor how they got hold of it; the fact is they did. The Government owns it. The Government has a greater monopoly upon atomic energy than it does upon rivers and streams, because under the Constitution we are limited to navigable waters.

Now, under the Atomic Energy Act we have complete control, so what the Senator from Minnesota is simply saying is that the Federal Power Commission, which has a base of law, rules, and regulations that have been tried and tested for many years——

Mr. HICKENLOOPER. I agree.

Mr. HUMPHREY. That upon that base of law and rules and regulations that apply to what is known as hydro-generated electrical energy, those same rules, in as far as reports are concerned, statistical evidence, fact gathering, memoranda, accounting, and the right of the complaint to be heard and to be permitted to contest rulings, and so forth, apply in the case of atomic energy. That is it.

Mr. HICKENLOOPER. So far as I am concerned, there is no particular object in continuing this debate.

Mr. HUMPHREY. I agree. Let us vote.

Mr. HICKENLOOPER. I think the amendment is dangerous in view of the fact that we do not know what it will do, and in view of the fact that the present act in section 271 protects fully the power of the Federal Government, the power of the State and local authorities.

Mr. REYNOLDS. I suggest the absence of a quorum.

Mr. HUMPHREY. Before we call a quorum, I want to say to my friend, could we have a clear understanding? My amendment is very specific. It is not a fishing expedition.

The PRESIDING OFFICER. Does the Senator withhold his suggestion of the absence of a quorum?

Mr. REYNOLDS. I withhold my suggestion of the absence of a quorum.

Mr. HUMPHREY. I have not yielded for the purpose of a quorum call, Mr. President.

The PRESIDING OFFICER. Does the Senator wish to reserve his right to the floor by unanimous consent?

Mr. REYNOLDS. I withdraw the suggestion of the absence of a quorum. I understood the two Senators to say they were through.

Mr. HUMPHREY. We were practically through. I want to say to my friend from Iowa [Mr. HICKENLOOPER] that all the amendment says is that these licensees engaged in interstate commerce that have utilization or productive facilities for the sale of commercial power—generation and sale of commercial power—shall be subject—and here is where the regulation comes in—shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306.

Now, the Federal Government licenses utilities to utilize navigable streams for the purpose of the creation of electrical energy, and this is a Federal Government licensing private firms to use a new kind of fuel. Just like water is a fuel, so is atomic energy, and it says that the same body of rules and regulations shall apply. I say to you if you do not do this you are apt to get a separate set of yardstick measurements—a separate set of statistical evidence based upon different criteria—and that will lead to great trouble. I have no more to say. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	McCarthy
Anderson	Gore	Millikin
Barrett	Green	Monroney
Beall	Hayden	Morse
Bennett	Hendrickson	Mundt
Bowring	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Crippa	Kilgore	Smith, N. J.
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Duff	Lehman	Thye
Dworshak	Lennon	Upton
Eastland	Long	Watkins
Ervin	Magnuson	Welker
Ferguson	Malone	Wiley
Flanders	Mansfield	Williams
Frear	Martin	Young
Fulbright	Maybank	
George	McCarran	

The PRESIDING OFFICER. (Mr. FLANDERS in the chair). A quorum is present.

Mr. HUMPHREY. Mr. President, I have been consulting with members of the staff of the committee, and also with the distinguished chairman, and I would like to offer the following language as a substitute for my amendment which I think will clarify some of the misunderstandings we have had, and meet the purposes that both the Senator from Iowa and the junior Senator from Minnesota have in mind. It reads as follows:

Every licensee under this act holding a license from the Commission for a utilization or production facility for the generation of

commercial power under section 103 which will be transmitted in interstate commerce or marketed at wholesale in interstate commerce, shall be subject to the regulatory provisions of the Federal Power Act.

I have discussed this with the Senator from Iowa. He has been most helpful on the matter, and I would ask the Senator what his reaction to it is.

Mr. HICKENLOOPER. Mr. President, the Senator from Minnesota and I have discussed the modification which he is now offering.

I think we both agree that it does what he wants to be done; and what the bill presently provides, but it says it in a little bit better way. I believe it does not cause any confusion, and probably adds to the bill.

Mr. CORDON. Will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. CORDON. I suggest we further modify the amendment and substitute for the two words "commercial power" the words "electrical energy."

The Federal Power Commission deals with that.

Mr. HUMPHREY. "Electrical energy," that is an appropriate clarification.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota, as modified.

The amendment was agreed to.

TRANSACTION OF ROUTINE BUSINESS

Mr. HILL obtained the floor.

Mr. KNOWLAND. Mr. President, I wonder if the distinguished Senator from Alabama would be willing to yield to me, under the understanding that he not lose his right to the floor, in order that I might ask unanimous consent that we have a morning hour.

I understand there are a lot of matters at the desk, and I think that insertions into the RECORD could come in under the morning hour, under the usual 2-minute limitation.

The PRESIDING OFFICER. Is there objection?

Mr. HILL. Mr. President, I make the request: I ask unanimous consent that I may be allowed to yield to the distinguished majority leader for the purpose of having a morning hour, and with the understanding that during that morning hour, nothing be taken up consuming more than 2 or 3 minutes, and that it is done without prejudice to my right to the floor as soon as the morning hour is closed.

Mr. KNOWLAND. That will be understood. That is my request, that there be a morning hour, under the usual 2-minute limitation.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

The PRESIDING OFFICER (Mr. CRIPPA in the chair). Morning business is in order, under the 2-minute limitation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 303) to transfer the maintenance and operation of hospitals and health facilities for Indians to the Public Health Service, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 3518. An act to amend the laws relating to fees charged for services rendered by the office of the Recorder of Deeds for the District of Columbia and the laws relating to appointment of personnel in such office, and for other purposes;

H. R. 6080. An act to authorize the appropriation of funds for the construction of certain highway-railroad grade separations in the District of Columbia, and for other purposes; and

H. R. 7128. An act to amend the act entitled "An act to provide an immediate revision and equalization of real-estate values in the District of Columbia; also to provide an assessment of real estate in said District of Columbia in the year 1896 and every third year thereafter, and for other purposes," approved August 14, 1894, as amended.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSED TRANSFER OF RADAR SET TO AMERICAN UNIVERSITY OF BEIRUT

A letter from the Secretary of the Navy, reporting, pursuant to law, on the proposed transfer to the American University of Beirut, a nonprofit educational institution, one SQ type radar set for educational purposes; to the Committee on Armed Services.

COPY OF LAW BY SECOND GUAM LEGISLATURE

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of a law by the Second Guam Legislature, to be known as the Savings and Loan Association Act to provide for the creation, regulation, and operation of savings and loan associations, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. MILLIKIN, from the Committee on Finance, without amendment:

H. R. 5314. An act to extend the coverage of the Servicemen's Indemnity Act to members of the Reserve Officers' Training Corps when ordered to active training duty for periods in excess of 14 days (Rept. No. 1985); and

H. R. 9020. An act to provide increases in the monthly rates of compensation payable to certain veterans and their dependents (Rept. No. 1986).

By Mr. MILLIKIN, from the Committee on Finance, with amendments:

H. R. 9366. An act to amend the Social Security Act and the Internal Revenue Code so as to extend coverage under the old-age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes (Rept. No. 1987).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOLDWATER:

S. 3816. A bill to authorize the replacement of certain Government-owned utility facilities at Glacier National Park, Mont., and Grand Canyon National Park, Ariz.; to the Committee on Interior and Insular Affairs.

By Mr. McCARRAN:

S. 3817. A bill to incorporate the American Federation of the Physically Handicapped; to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. CASE):

S. 3818. A bill to provide for family quarters for personnel of the military departments of the Department of Defense and their dependents, and for other purposes; to the Committee on Armed Services.

REVISION OF THE ATOMIC ENERGY ACT OF 1946—AMENDMENT

Mr. LEHMAN submitted an amendment intended to be proposed by him to the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. WILEY. Mr. President, I submit amendments intended to be proposed by me to section 502 (b) of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

The amendments, which would clarify the terms of the bill with respect to the availability of counterpart funds, were suggested to me by the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Vermont [Mr. FLANDERS]. It is my intention to present the matter to the Senate when we reach an appropriate point in the consideration of the mutual security bill.

I ask unanimous consent that the amendments and the letter which I have received from Senators HICKENLOOPER and FLANDERS shall appear as a part of my remarks at this point in the RECORD.

The PRESIDING OFFICER (Mr. CRIPPA in the chair). The amendments will be received and printed, and, without objection, the amendments and letter will be printed in the RECORD.

The amendments submitted by Mr. WILEY to H. R. 9678 are as follows:

On page 129, line 10, after the word "Congress", insert "including the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report."

On page 129, line 20, after the word "Senate", to insert "or a Joint Committee of the Congress."

The letter presented by Mr. WILEY is as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
July 26, 1954.

Hon. ALEXANDER WILEY,
Chairman, Foreign Relations Committee,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: Our two committees, the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report, in the past have made effective use of counterpart funds for necessary committee travel as provided in section 502 (b) of H. R. 9678, page 129, of the Senate-reported bill. Committee work may necessitate some travel by our committees during the coming year.

We have received word from the State Department that it would be desirable to have some clarifying language added to section 502 (b) to make clear the availability of these funds for our two joint committees and to make clear to which committees the joint committees are to give an accounting. We propose, therefore, the attached amendment and hope that the Senate Foreign Relations Committee will offer this perfecting language on the Senate floor.

Sincerely yours,

BOURKE B. HICKENLOOPER,
Vice Chairman, Joint Committee on Atomic Energy.

RALPH E. FLANDERS,
Vice Chairman, Joint Committee on the Economic Report.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H. R. 6127. An act to amend the act entitled "An act to create a Board for Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended, and for other purposes;

H. R. 7484. An act to authorize the United States Attorney for the District of Columbia to make the determination in proper cases whether prosecution of certain juveniles, charged with capital offenses, those punishable by life imprisonment and other felonies, shall be tried in the Juvenile Court of the District of Columbia;

H. R. 7670. An act relating to the referral of cases by the Municipal Court for the District of Columbia to the District of Columbia Tax Court;

H. R. 8128. An act to amend section 1089 of the Code of Law for the District of Columbia relating to attachment proceedings;

H. R. 8590. An act to amend title IX of the District of Columbia Revenue Act of 1937, as amended;

H. R. 8915. An act to amend the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'The Municipal Court of Appeals for the District of Columbia,' and for other purposes";

H. J. Res. 560. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the American Legion National Convention of 1954, to authorize the granting of certain permits to the American Legion 1954 Convention Corp., on the occasion of such convention, and for other purposes; and

H. J. Res. 561. Joint resolution to authorize the quartering in public buildings in the District of Columbia of troops participating in activities related to the American Legion National Convention of 1954; to the Committee on the District of Columbia.

H. R. 9859. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Public Works.

H. R. 9882. An act to incorporate the Foundation of the Federal Bar Association; to the Committee on the Judiciary.

H. R. 10009. An act to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes; to the Committee on Finance.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

Earl L. Butz, of Indiana, to be Assistant Secretary of Agriculture.

By Mr. WILEY, from the Committee on Foreign Relations:

Arthur A. Ageton, of Maryland, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Paraguay;

William F. Russell, of Connecticut, to be Deputy Director for Technical Services, Foreign Operations Administration; and

Daniel V. Anderson, and sundry other officers, for appointment and promotion in the diplomatic and Foreign Service.

CONVEYANCE BY QUITCLAIM DEED OF CERTAIN LAND TO BROWNSVILLE NAVIGATION DISTRICT OF CAMERON COUNTY, TEX.—CHANGE OF REFERENCE

Mr. SALTONSTALL. Mr. President, on July 19 the bill (S. 3771) to convey by quitclaim deed certain land to the Brownsville Navigation District of Cameron County, Tex., was referred to the Committee on Armed Services. The bill should have been referred to the Committee on Public Works. Therefore, I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of the bill and that it be referred to the Committee on Public Works.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

CIVIL AND NATIONAL DEFENSE—LETTER FROM CIVIL DEFENSE RESEARCH ASSOCIATIONS, INC., NEW YORK

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Civil Defense Research Associates, Inc., relating to civil and national defense.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE CIVIL DEFENSE
RESEARCH ASSOCIATES, INC.,
New York, N. Y., July 24, 1954.

Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: We are all most appreciative of your efforts on the behalf of civil defense and our national defense.

In the opinion of a great many of us who take this whole matter seriously, there is a very definite need for just such a joint congressional committee as you have proposed. If it can follow the sound pattern established by the Joint Committee on Atomic Energy and other such committees, I'm sure that we'll soon find our defense pattern on much surer footing.

Quite obviously there has been something a bit askew in the pattern to date, and a quite obvious lack of rapport between the FCDA and Congress. Psychologically this is most unsound and should not be allowed to continue if you wish to achieve any sort of an effective pattern of civilian mobilization and civil defense.

This Nation and the entire world is facing a long, hard problem, the solution of which would seem to call for the concerted efforts of all. I trust that your fine resolution will make it possible for us to approach this problem on a more effective basis.

We would appreciate being placed on your mailing list to be acquainted with developments.

Many thanks, Senator.

Cordially,

S. A. ANTHONY, Jr., *President.*

TARIFF ON WATCHES

Mr. PURTELL. Mr. President, I am delighted, as I know several thousand workers in the watch industry will be, with the proclamation of the President supporting the recommendation of the Tariff Commission for an increase in the tariff on imported nonjeweled watches and watches having under 17 jewels.

This action will assure the continued availability of the skills of the horological industry so essential to our national defense, and to the economic well-being of many of our people and our communities.

I assure the President the news will be most heartening to many families in my State and in many other States.

PROTECTION OF VETERANS FROM DISMISSAL—LETTER FROM MORRIS WOLF

Mr. WILEY. Mr. President, during the deliberations of the Foreign Relations Committee on the mutual security bill which will soon be before the Senate, the American Legion called my attention to the possibility that the bill might work against the interests of veterans as they are protected in the Veterans Preference Act.

I inquired of the Foreign Operations Administration about this matter and a short time ago received a letter from Mr. Morris Wolf, the General Counsel of FOA. As a result of this letter, I do not

believe it is necessary to offer an amendment to the bill. In order that the matter may be perfectly clear, however, I ask unanimous consent that the letter which I have received from Mr. Wolf be inserted as a part of my remarks at this point in the RECORD. It is my belief that the position of our veterans is amply protected under the terms of the new legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FOREIGN OPERATIONS ADMINISTRATION,
Washington, D. C., July 14, 1954.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: I am informed that the American Legion has inquired about the effect on veterans preference legislation of the provisions of H. R. 9678, as contained in sections 525 and 528 (formerly 527) of the bill. I imagine that the Legion's inquiry results from the fact that under the Mutual Security Act of 1951, as amended by section 706 of the Mutual Security Act of 1953, the Congress inserted a provision requiring a reduction of at least 10 percent in the number of civilian employees of the agency, and under the particular wording of that provision the court held that the Director of the agency could determine without reference to the veterans preference act which individual employees should be dismissed in the course of the required reduction (sec. 503 (d)).

There is no similar provision in the new bill and it is not understood that section 525 or section 528 provide any exception from the requirements of the Veterans Preference Act.

Under section 527, formerly 526, the chief of a special mission abroad and his deputy may be removed by the President at his discretion notwithstanding any other law. This discretion is not subject to veterans preference legislation, but I imagine that the American Legion did not have this provision in mind.

Sincerely yours,

MORRIS WOLF,
General Counsel.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. Is there any further morning business? If not, the Senator from Alabama may proceed.

Mr. HILL. Mr. President, I regret that my good friend, the distinguished majority leader, is not on the floor at this time. I realize that he has many, many duties and many, many responsibilities and it is just not humanly possible for him to be here all the time.

I also want to repeat what I said the other day, that I appreciate the pressures under which the majority leader has to carry on his responsibilities.

I, as I have said, have had the privilege in the past of temporarily occupying the seat of the majority leader.

I must remind you, the seat at that time was on this side of the aisle, and I know how the White House and the different departments of the Government, the different Senators and different organizations and different groups, different individuals who are interested in legislation, are constantly pressing the majority leader to get up and have "this thing" considered, and act upon the particular legislation in which they are interested.

I realize that the majority leader carries a responsibility greater than any other Senator here, and that he is no doubt under greater pressure than any Senator here in this body.

I appreciate the fact that he is given a list of bills and urged, many times by the President of the United States himself, to get those bills passed, to get the legislative program enacted.

But, Mr. President, he has to consider just what these bills are, their importance, their importance to the country, what will be the consequences of their passage, how much time they should be considered, how much debate ought to be allowed upon them, bearing in mind always the Senate of the United States ought to have the opportunity to full, frank, and free debate and discussion on all legislation.

I was one of those, Mr. President, who last evening felt that the distinguished Senator from Oregon received treatment that no Member of this Senate should receive, when the majority leader made a motion to lay his amendment on the table without giving to the distinguished Senator from Oregon an opportunity to say anything about his amendment.

The distinguished Senator from Oregon was not given any opportunity at all in any way to explain the amendment, to in any way present to the Senate the reasons for the amendment, the need for the amendment, why the amendment should be enacted. He was not given an opportunity to say anything for the amendment which he had proposed.

I think, too, Mr. President, it was only right and fair that the Senate, itself, have an opportunity to hear from the Senator from Oregon on the amendment. I think it was only right and fair that the Senators themselves, before they had to pass judgment on that amendment, would at least have the opportunity to hear what the Senator from Oregon [Mr. MORSE] had to say about the amendment; why he had proposed the amendment, what his reasons were for feeling the amendment should be adopted, and what the amendment provided.

That right of presenting the amendment was denied the Senator from Oregon [Mr. MORSE] and the right of the Senate to hear from the Senator from Oregon as to his amendment was denied to the Senate. The Senate therefore was in the position of having to pass judgment on the amendment.

The question was whether or not the amendment should be laid on the table, which would mean whether or not the amendment should be killed or should be permitted to come up for consideration and debate and discussion and a vote.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. HILL. That was the question before the Senate, and without any opportunity of knowing what the amendment was or what it meant the Senate had to make that decision.

What happened? What was the disclosure after the amendment had been killed? It was that the amendment contained a provision which had been sent up here with the recommendation of the President of the United States. As the distinguished Senator from Oregon [Mr. MORSE] said, it was what we might term an Eisenhower amendment, an administration amendment, yet here was the Senate forced to act on that amendment without even knowing that the amendment was an Eisenhower amendment and was backed and supported and asked for by the present administration.

I yield to my distinguished friend for a question.

Mr. President, I will ask that so long as I hold the floor the distinguished Chair shall assist the Senator from Alabama in protecting the Senator's rights to hold the floor. The Senator from Alabama should yield for one purpose and one purpose only, and that is for a question.

The Senator from Alabama yields to the distinguished Senator from South Carolina for a question.

Mr. JOHNSTON of South Carolina. The question I will ask the Senator is: Is it not true that if we tried to legislate in the manner they have set forth before us at the present time, that is, giving no opportunity to explain an amendment, but having to vote upon an amendment without any Senator explaining it—that would be dangerous legislation?

Mr. HILL. That would not only be dangerous legislation, but it would be fatal to the institution of the Senate as set up in the Constitution of the United States and conceived by the Founding Fathers when they wrote the Constitution, and to the Senate as we have had the Senate and the American people have known the Senate from the very beginning of our Government.

In other words, any such course as that being followed would mean the destruction of the Senate of the United States. Members of the Senate of the United States would then become mere automatons.

The Senators will remember there was a time here when we heard much about rubber stamps; and there was much hue and cry about Members of Congress being merely rubber stamps; but nothing in the world could more absolutely and conclusively reduce Members of the United States Senate to the status of rubber stamps than such a procedure.

Mr. MONRONEY. Mr. President, would the Senator yield?

Mr. DOUGLAS rose.

Mr. HILL. The Senator from Oklahoma rose first. I yield to my distinguished friend from Oklahoma first for a question, and then I will yield to the Senator from Illinois for a question.

Mr. MONRONEY. May I ask the distinguished senior Senator from Alabama if he was not on the floor when the Senate voted yesterday on the motion for cloture?

Mr. HILL. The Senator from Alabama was on the floor at the time the vote was taken on cloture.

Mr. MONRONEY. May I ask the distinguished Senator if he recalls what the vote on that motion was by the Senate of the United States?

Mr. HILL. The Senator from Alabama recalls that the vote was 44 yeas and 42 nays, which meant that the motion failed by 20 votes. In other words, under the rules of the United States Senate, for the cloture provision to have prevailed there would have had to be 64 affirmative votes. So since there were only 44 affirmative votes, the motion for cloture failed by some 20 votes.

Mr. MONRONEY. May I then ask the distinguished senior Senator from Alabama, even if the Senate had by the two-thirds constitutional majority voted for cloture, would debate then summarily have been closed and the lips of every Senator have been sealed on action on or advocacy of the amendment, or any business pending before the Senate?

Mr. HILL. There would have been no Federal padlock clamped on the mouth of any Senator by the adoption of cloture if it had been adopted. The distinguished Senator from Oregon [Mr. MORSE] and all the other 95 Senators in this body would have had an hour's time in which to discuss an amendment or any motion the Senators saw fit to make, or an hour's time, if the Senators desired to use the hour for that purpose, in a discussion of the bill.

Mr. MONRONEY. Prior to the vote on cloture, it was necessary, was it not, for the majority leader or whoever would file cloture to file that, and it could not come up before 2 calendar days? A full 48 hours of time must elapse, must it not, before that can be brought before the Senate and before the lips of the Senators could be sealed and free speech on the floor of the Senate denied?

Mr. HILL. Not only did 48 hours have to elapse under the rules before there could be a vote on cloture, but the rule itself set a definite specific time for voting on the cloture, so that the Senators would have due notice that the vote would come at the particular hour.

Mr. MONRONEY. May I now ask the distinguished Senator if it is not true that the type of cloture proposed by the gentleman from California [Mr. KNOWLAND], using the mechanism of tabling a motion without discussion whatsoever, is in both respects as to notice and as to execution 10 times more vigorous in the denial of Senators the right to speak than is the traditional and historic method of cloture?

Mr. HILL. The Senator is absolutely right. Nothing could be more precipitate, nothing could be more brutal so far as denial of a Senator's right to explain his amendment and to address the Senator on his amendment is concerned than a motion to lay on the table.

The Senator knows this, too, that the Senate of the United States and its Members have been most loath to resort to the use of the motion to lay on the table. It has been only in the most exceptional circumstances where the motion to lay on the table has been resorted to.

I think I can say to the distinguished Senator from Oklahoma also that in my 16 years as a Member of this body no motion has been made to lay on the table in the past until there has been at least some debate on the amendment or the motion or the proposal before the Senate. In other words, when the motion to lay on the table was resorted to in the past I think the Senator will find that the author of the amendment or the mover of the motion was given an opportunity to present the case for his amendment and present the case for his motion before any motion was made to lay any amendment on the table.

Mr. MONRONEY. Mr. President, would the Senator yield further for a question?

Mr. HILL. I yield to my distinguished friend from Oklahoma for a question.

Mr. MONRONEY. The distinguished Senator served in the House of Representatives for many years, where he wrote a distinguished record; has he not?

Mr. HILL. Well, I will say to my distinguished friend from Oklahoma——

Mr. MONRONEY. The Senator served in the House of Representatives?

Mr. HILL. I did serve in the House of Representatives. I am very proud of the fact that I had long service there. As to the fact that the Senator from Alabama wrote a distinguished record, that would be a matter others would have to pass judgment upon.

Mr. MONRONEY. Well, the junior Senator from Oklahoma will make that a part of his remarks, because he sincerely and thoroughly believes it.

Mr. HILL. I thank my good friend from Oklahoma.

Mr. MONRONEY. The great difference between the two Houses of Congress, would the distinguished Senator not agree, is that the freedom of speech and the freedom of full and adequate debate has historically been safeguarded in the Senate, while we in the Senate look upon the House as being subject to "gag" rule, or severe limitation of debate. Is that not an accurate statement?

Mr. HILL. That is certainly true. The distinguished Senator from Oklahoma himself served with an outstanding record in the House. In the House there is the "previous question," which ends all debate. We do not even have that parliamentary instrumentality in the Senate. There is no such thing in the Senate of the United States as the "previous question." The distinguished Senator from Oklahoma knows the "previous question" is frequently resorted to in the House of Representatives.

Let me go a little further, if I may. The Senator realizes that these two bodies of Congress are different in their character. In the first place, the House of Representatives is a much larger body. There are 435 Members of the House of Representatives. It is a very great and a very wonderful legislative body, but it is a much larger body in its membership.

In the second place, the Senate has, as we know, only 96 Senators. Those 96 Senators come here representing the different States of the United States. Each State has two Senators. The idea and the thought and the concept has always been that those Senators coming here representing the States should have the right to speak freely and the right to express fully their views for the States they represent.

Mr. MONRONEY. Mr. President, will the Senator yield for a further question?

Mr. HILL. If the Senator will let me go one step further, the Senator will recall—as I think was brought out by a question in the debate a few evenings ago by the Senator from Alabama—that George Washington himself, in speaking of our Constitution and the setup of our Government and the branches of our Government, said the Senate was like a saucer in which one would pour the tea to cool.

That is exactly the concept of the Senate of the United States. Of course, if we would have the motion to lay on the table and if that could be resorted to, there could be no cooling process. The cooling process can and does come only through free speech, free debate, free discussion, and free consideration.

Mr. MONRONEY. Mr. President, will the Senator yield for one further question?

Mr. HILL. I yield.

Mr. MONRONEY. Would the Senator not agree that under the rules of the Committee of the Whole House in the presentation of an amendment in the House, looking as we do on that body as being the victim of a severe limitation on debate, a member, or the committee chairman, or others in charge of the bill cannot move to close debate on that amendment under the 5-minute rule until at least some debate has taken place on that amendment?

Mr. HILL. The Senator is exactly right. In other words, under the rules of the House of Representatives debate cannot be denied on that amendment. Under the rules of the House of Representatives there has to be some debate, as the Senator brings out by his question, before any parliamentary maneuver, whether it be a motion for the previous question or any other parliamentary motion, can be made to close or deny debate on the amendment.

As the Senator knows, when the Senator from Oregon offered his amendment last evening, even under the rules of the House he would have had a minimum of 5 minutes. He at least could have said what the amendment was, that it was the Eisenhower amendment, and given to the Senate some summation of the provisions of the amendment, and the reasons why the amendment should have been adopted.

Mr. MONRONEY. Then the Senator from Alabama would agree, would he not, that the method chosen by the majority leader to cut off debate, in use during this current time, has been more

severe and restrictive than that enjoyed in the House of Representatives, on the Members of which we look as being the poor victims of gag rule?

Mr. HILL. The Senator will agree wholeheartedly with all that the Senator from Oklahoma has said, emphasizing what the Senator from Oklahoma has brought out, that there can be no limitation or denial of debate in the House until there are at least 5 minutes of debate on an amendment or the proposal, and, as the Senator well knows, under all the customs and procedures, and I think under the rules, the mover of the motion or the one who offers an amendment is the Member of the House who is recognized for at least the minimum of 5 minutes.

Mr. MONRONEY. Will the Senator yield for one further question?

Mr. HILL. I yield to the distinguished Senator from Oklahoma.

Mr. MONRONEY. For the benefit of the record, would the Senator not say that the 5 minutes is the standard length of time allotted when the debate is not limited or restricted in the House; that 5 minutes is not a shortening of the customary time to explain the amendment?

Mr. HILL. Five minutes is in no way a shortening of the time to explain an amendment. The rules of the House provide that when the House is considering amendments in the Committee of the Whole—and that is where the House considers bills for amendment—the regular time is 5 minutes. Any Member who is recognized on an amendment in the House of Representatives, under the rules of the House, has 5 minutes.

Mr. JOHNSTON of South Carolina. Will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from South Carolina, for a question.

Mr. JOHNSTON of South Carolina. Is it not true that at any time he desired to do so, the majority leader could lay aside the atomic energy bill and take up the farm bill, the tax bill, or any other bill that he desired to have considered?

Mr. HILL. All in the world the majority leader would have to do would be to move for the consideration of the farm bill, or the social-security bill, or any other bill that might be on the calendar.

Mr. JOHNSTON of South Carolina. Anyone, then, who is criticizing anyone who is taking part in this debate for holding up the other bills, does not know exactly what the rules of the Senate are.

Mr. HILL. I think the Senator is exactly right. All the Senator from California would have to do would be to move to take up one of these bills.

Mr. JOHNSTON of South Carolina. Is the Senator from Alabama aware of the fact that in the last few minutes a group of labor, farm, and public power leaders have proposed that the Senate majority leader, Mr. KNOWLAND, lay aside the atomic power bill, either for this session of Congress or at least temporarily, until the American people have been afforded at least a brief opportunity to learn the broad scope and purposes of the measure? Did the Senator know that?

Mr. HILL. It is my understanding that such a statement has been issued.

Mr. JOHNSTON of South Carolina. Did the Senator know that the president of the Northwest Public Power Association, in a statement signed by Eric Johnson, has asked that that be done?

Mr. HILL. It is my understanding that Mr. Eric Johnson, representing the Public Power Association, the president of that association, has joined with the other organizations in making this request.

Mr. JOHNSTON of South Carolina. Does the Senator from Alabama know that the Master of the Oregon Grange has joined in the request?

Mr. HILL. The Senator from Alabama has been advised that the Master of the Oregon Grange has joined in this request of the majority leader.

Mr. JOHNSTON of South Carolina. Does he know also that James G. Patton, the president of the National Farmers' Union, has asked the Senator to do that?

Mr. HILL. The Senator from Alabama has been advised that James G. Patton, president of the National Farmers' Union, has also joined in presenting this request to the majority leader.

Mr. JOHNSTON of South Carolina. Did he also know that James B. Carey, president of the International Union of Electrical, Radio, and Machine Workers of America, CIO, had also asked that that be done?

Mr. HILL. The Senator from Alabama has been so advised, that Mr. Carey is one of those who has joined in this request of the majority leader:

Mr. JOHNSTON of South Carolina. Did the Senator from Alabama also know that that had been done today?

Mr. HILL. Yes; the Senator from Alabama understands that the request was made sometime during today, perhaps in the morning hours.

Mr. JOHNSTON of South Carolina. Did the Senator from Alabama know that Jack Smith, president of the National Rural Electric Cooperatives Association, had also asked that that be done?

Mr. HILL. Yes; the Senator from Alabama knows that the National Association of Rural Co-ops, representing the great farm cooperatives of the country, representing the farmers out on the REA lines of the United States, has joined in this request.

Mr. JOHNSTON of South Carolina. Is he aware of the fact that George Dempsey, chairman of the Citizens for TVA, has also asked that this bill be laid aside?

Mr. HILL. Yes; the Senator from Alabama is aware of the fact that the head of the Citizens for TVA, who also happens to be the distinguished mayor of the city of Knoxville, Tenn., has joined in this request.

I might say that Mayor Dempsey is a very unusual man, one of the most enlightened and attractive men that I know, and he has a very great distinction. he is a Democratic mayor in a Republican city, the city of Knoxville, Tenn.

Mr. JOHNSTON of South Carolina. Does the Senator from Alabama also know that they asked that this be done in order to give an opportunity for careful, deliberate, and responsible examination of all the issues involved in this particular question before us at the present time?

Mr. HILL. It is the understanding of the Senator from Alabama that the request was based on this very proposition, along with some other cogent and compelling reasons.

Now, Mr. President, the distinguished majority leader, in speaking to his motion to lay the motion of the Senator from Oregon on the table, quoted some statements that had been previously made by the distinguished Senator from Oregon [Mr. MORSE]. As I recall the statements, they were made last week.

When I think about those statements, I am reminded that a battle here on the floor of the United States Senate is often what we might call a political battle, and a battle here on the floor of the Senate is somewhat akin to a political battle, such as we might have in a political campaign; and, as we know, where we go into these battles, we are not warranted in making statements that might weaken our side; we are not warranted in making any kind of a statement that might give any indication of weakness on our part; we are not warranted in making any kind of a statement that would lead anybody to believe that we did not have full confidence in the cause for which we are battling, and that we expected to win the battle.

Mr. LONG. Mr. President——

Mr. HILL. Just one moment, and I will yield to my friend from Louisiana.

When I think of the statements that were quoted in days past, I am reminded of that great American and great leader of the Republican Party, the nominee of the Republican Party for President in 1940, Mr. Wendell Wilkie. Senators will recall that after that campaign he came down to testify before a committee of the United States Senate, and when he was testifying before that committee, a member of the committee asked him about a statement he had made, perhaps a statement which, in the light of the conditions and circumstances at the particular time during which he was testifying, may have seemed a little bit exaggerated or maybe a little too far-reaching and too broad and encasing, may we say. Senators will remember the very frank answer that great American, Mr. Willkie, gave. His answer was:

> Well, that was a political statement in a political campaign.

So, Mr. President, what I want to do is to come to the statements that are germane to this question.

I think the Senators here recognize the fact that the atmosphere in the Senate yesterday was a different atmosphere, perhaps, from what it had been during some previous days when some of these statements might have been given out; that the whole situation was a different situation in many ways from

the situation that prevailed at the time some of these statements may have been made.

Mr. LONG. Mr. President, may I ask a question?

Mr. HILL. On this matter?

Mr. LONG. Mr. President——

Mr. HILL. If it is a question on this matter——

Mr. LONG. In view of the fact that a former United States Senator from Louisiana just passed away, I would ask unanimous consent——

Mr. HILL. I will make the request, because it would take me off the floor under the rules, the Senator knows, if the Senator from Louisiana made the request.

Mr. President, I ask unanimous consent that the distinguished Senator from Louisiana may make a statement in reference to the passing of a former distinguished Member of this body, and that he may do so without any prejudice to my rights to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(Mr. LONG's remarks appear following the conclusion of Mr. HILL's speech.)

Mr. HILL. I wish to address myself to what I feel is a really germane situation, so far as the action of the majority leader on last evening in making the motion to lay on the table the amendment offered by the Senator from Oregon [Mr. MORSE] is concerned. Senators will recall that on yesterday remarkable progress was made on the bill. The Senate acted on the Lehman amendment, and disposed of it. The Senate acted on the Gore amendment; it acted on the Stennis amendment; it acted on the Kerr amendment. It acted on a number of amendments offered by the distinguished Senator from Minnesota [Mr. HUMPHREY]. At least 8 or 9 amendments were acted upon and finally disposed of on yesterday. I think that practically all of what might be termed the major amendments which were remaining were disposed of yesterday.

Senators will recall that on yesterday, as I have said, the atmosphere in this Chamber was one of good feeling on all sides. We saw evidences of good will. We saw evidences of mutual helpfulness. We saw evidences of cooperation. Because of the cooperation, the mutual helpfulness, and the good will, we saw remarkable progress made on the bill yesterday.

So let us consider now what was the attitude of the distinguished Senator from California [Mr. KNOWLAND]. What was his position yesterday, when the Senate was making such remarkable progress up to the very hour when the amendment offered by the Senator from Oregon was so ruthlessly laid on the table, and he was denied the right to say one word about his amendment?

Senators will recall that one of the first amendments which was called up was the amendment offered by the distinguished Senator from New York [Mr. LEHMAN]. What happened to that amendment? The distinguished majority leader offered a unanimous-consent agreement to limit the time on that amendment to not exceeding one-half hour, the time to be equally divided and controlled, respectively, by the Senator from New York [Mr. LEHMAN] and the Senator from Iowa [Mr. HICKENLOOPER].

What took place, so far as the Senator from Oregon was concerned? He was on the floor. Did he rise and object to that request? Did he say, "I will not agree to any such request as that"? What does the RECORD show? The RECORD shows that the distinguished Senator from Oregon had this to say:

> Mr. President, on an amendment of such an important nature as this one, I will have no objection to a limitation of debate, provided adequate time is given for the debate. I respectfully say that debate on the whole international section of this bill which is the heart of President Eisenhower's atomic energy program, as I see it, has been most inadequate because, outside of the remarks made by the Senator from New York, and 2 or 3 rather brief comments by other Senators, there has been little discussion of the so-called international section of the atomic-energy bill.

If I may digress to comment, Senators will recall that when the distinguished Senator from Rhode Island [Mr. PASTORE], a member of the Joint Committee on Atomic Energy, which considered the bill, offered his amendment dealing with this section, as soon as the Senator from Rhode Island had concluded his remarks the distinguished majority leader made a motion to cut off the debate, a motion which prevented further consideration or debate on the subject of the international section, a motion to lay on the table the amendment offered by the Senator from Rhode Island.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HILL. I very gladly yield to the Senator from Illinois for a question.

Mr. DOUGLAS. Could the tactics of the able majority leader, in moving to table amendments one after another, be likened to the application of the guillotine?

Mr. HILL. The Senator is aware of the fact that many stories have been written about the guillotine. Perhaps the one most vivid in the minds of most of us is to be found in A Tale of Two Cities, that immortal novel by Charles Dickens.

The Senator from Illinois will recall how Mme. Defarge sat at the foot of the guillotine, knitting; and just about every time she took a stitch, the great ax fell, and another head rolled into the basket.

So I think the question by the Senator from Illinois suggests to the Senate a very apt and appropriate analogy. With the motion to lay on the table, the great ax, the great knife of the guillotine, falls, and all speech is thereby cut off. The poor victim is absolutely speechless as his head rolls from the body into the basket.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. HILL. I yield for a question.

Mr. DOUGLAS. Am I correct in my memory of A Tale of Two Cities that as the head of Sydney Carton fell into the wooden basket, Mme. Defarge and her associates uttered the words "Twenty-three"?

Mr. HILL. As I recall, the Senator from Illinois is correct in his remembrance that when Mme. Defarge and those who sat around and saw the head of the helpless victim roll into the basket, they cried out, in their glee and their joy, "Twenty-three."

Mr. DOUGLAS. Mr. President, will the Senator further yield?

Mr. HILL. I yield for a question.

Mr. DOUGLAS. Might it not be said, parliamentarywise, that the majority leader, therefore, acted as executioner in cutting off the parliamentary heads of the Senator from Rhode Island [Mr. PASTORE] and the Senator from Oregon [Mr. MORSE]?

Mr. HILL. I think there can be no question about that, because, so far as their amendments were concerned, the Senator from Oregon and the Senator from Rhode Island were just as speechless after the motions to lay their amendments on the table were presented as were the poor victims whose bodies remained on the platform and whose poor heads had rolled into the basket.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished friend from Oklahoma for a question.

Mr. MONRONEY. If we may depart from Mme. Defarge for a moment, is it not true, and would not the distinguished Senator from Alabama agree, that all the amendments which were so summarily tabled, without even a word of explanation permitted to their sponsors, were completely, strictly, and totally germane to the bill before the Senate, in the truest sense of the word?

Mr. HILL. I do not see how they could have been more germane or more relevant than they were. The truth is, as the Senator from Oklahoma well knows, that the United States Senate has no rule of germaneness. But as to the amendments in question, there could not have been stricter, more absolute germaneness than was embodied in those amendments.

Mr. MONRONEY. Would not the Senator agree that each of these amendments represented hours of work on the part of the Senator who had made research and had the help of his staff in looking not only into the past Atomic Energy Act, but acts dealing with the antitrust sections and with the patenting section? So these were truly, in the best example of legislative procedure, carefully prepared and carefully thought out suggestions from a Member of this body, proposing important modifications to the bill before us?

Mr. HILL. I am sure that is true. Let us take the case of the distinguished Senator from Rhode Island [Mr. PASTORE], because he is a member of the Joint Committee on Atomic Energy. I have here the hearings, two volumes. My colleagues will see that the Senator's name appears throughout these volumes, the Senator from Rhode Island [Mr. PASTORE] attended the hearings, that he listened to the testimony, that he asked questions. It was evident from the questions he was asking that he was

giving very careful thought and consideration to that testimony. Undoubtedly, after spending considerable time in attendance at the hearings through several days, the Senator from Rhode Island felt from his study and from his knowledge, and from all he had heard, that the international section of this bill was not what it should be. So I am sure the distinguished Senator from Rhode Island lent his best efforts, gave of his best thoughts, and no doubt called in experts, too, to consult with him, to advise him, to give him their best judgment, in order that through counsel, consideration, deliberation, and hard effort on his part, he might present to the Senate the best possible language for the international provision.

Mr. MONRONEY. Would the Senator further yield?

Mr. HILL. I yield to the Senator from Oklahoma for a question.

Mr. MONRONEY. Would not the distinguished senior Senator from Alabama [Mr. HILL] agree that, had there been any dilatory, frivolous thoughts in the minds of those presenting those amendments, while the majority leader was moving to table 1 important amendment that needed discussion, 50 amendments of a frivolous nature could have been prepared to give him the opportunity to lay those amendments on the table?

Mr. HILL. Not only 50 amendments could have been prepared, but 500 or more amendments. There is no limit to how many amendments could be offered to a bill in the Senate of the United States. The Senator from Alabama had intended a little later in these remarks to refer to the fact that after the vote was taken on the Anderson amendment, which was taken after what we might call reasonable debate, no long, extended debate on the question involved in that amendment, the Senate then proceeded promptly to vote on the Ferguson amendment.

Surely, had the Senators been disposed to delay this matter unduly or even to delay in any way whatever, unduly or otherwise, the Senators would not have permitted the Ferguson amendment to come to a vote. Every Senator had the right to make at least two speeches, of whatever length he saw fit to make them, on the Ferguson amendment. The distinguished majority leader could not make a motion to lay the Ferguson amendment on the table, because the administration had to have the Ferguson amendment to make lawful the outrageous and iniquitous Dixon-Yates proposed contract. So had there been a disposition here to delay, to postpone, to dawdle, to put off, the Members undoubtedly would have seized upon the Ferguson amendment for long debate. But that was not done, Senator. It was not done at all.

What better evidence of the fact that the Senators who have opposed this bill were simply trying to bring out the facts for the benefit of the Senate and for the benefit of the American people, without any undue delay, without any dilatory tactics, than their action with reference to the Ferguson amendment?

Mr. MONRONEY. Will the Senator further yield?

Mr. HILL. I yield to my distinguished friend from Oklahoma.

Mr. MONRONEY. The Senator certainly has had some slight understanding, knowledge, and past experience, has he not, with methods that have been used in past dilatory efforts in the Senate, or extremely prolongated discussions of issues?

Mr. HILL. The Senator from Alabama has had some experience as well as some observation of the procedures to which the distinguished Senator from Oklahoma refers in his question. I notice my distinguished friend from South Carolina [Mr. JOHNSTON] sitting here by my side is smiling broadly, and he, too, has stood by my side as we have witnessed some of these procedures.

Mr. MONRONEY. Would the Senator further advise the junior Senator from Oklahoma if not one of the most successful methods of prolonging debate without challenge or without the leadership having a parliamentary device with which to limit debate is the question of the reading of the Journal and the adoption of the Journal for that day?

Mr. HILL. That is absolutely true. I would have to say to my distinguished friend that, as the Senator from Alabama recalls the rule, there is no compulsion under the rule to read the Journal except on a new legislative day. We ordinarily read the Journal or dispose of the Journal by unanimous consent, by having it approved without reading, on each calendar day rather than each legislative day, and that is done for the accommodation of our staff, who have to put the Journal into final form.

I would have to say, frankly, to the distinguished Senator that under the rule, as I recall the rule, there is no requirement for reading the Journal except on a new legislative day in contradistinction to a new calendar day.

Mr. MONRONEY. I quote from page 11937 of the CONGRESSIONAL RECORD for Monday, July 26, 1954, under the title reading "The Journal":

> On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of the preceding day was dispensed with.

If it is in the RECORD at the page that I read it, would that not be a correct statement of the Journal and its adoption by unanimous consent for that day?

Mr. HILL. Yes, the Senator is right. On that day the Senate by unanimous consent dispensed with the reading of the Journal and the proceedings of the preceding day.

Mr. MONRONEY. Then may I ask the distinguished Senator, if there had been delaying tactics in mind, if it had not been the purpose of the Senators who have been seeking to amend this bill to make it more effective in the interests of the public rather than in the interests of special privilege, if they had been seeking purely to delay or to engage in dilatory tactics, would those Senators have given unanimous consent to dispense with the reading of the Journal of the preceding day?

Mr. HILL. I would have to say to my distinguished friend from Oklahoma that the Senators could have objected to dispensing with the reading of the Journal, but, as I said earlier, since yesterday was a new calendar day but not a new legislative day, the distinguished Senator from California [Mr. KNOWLAND] would have had no compulsion under the rules to have had the Journal read or to have had the Journal approved. He simply could have moved on to something else.

Mr. MONRONEY. I thank the Senator.

Mr. HILL. I might say that had the Senate adjourned the evening before, and if yesterday had been a new legislative day, then under the rule there would have had to be a reading of the Journal.

I may say to my distinguished friend that the reason I recall the provision of the rule is that I have been a witness to the procedures to which he adverted a few minutes ago in his questions.

Mr. GORE. Will the Senator yield?

Mr. HILL. I was going on with the Senator from Oregon and what he said yesterday, but I will be delighted to yield to my distinguished friend from Tennessee [Mr. GORE].

Mr. GORE. Before asking the question of the Senator, I wish to preface it by saying to the distinguished senior Senator from Alabama [Mr. HILL] that no one ever worked with a colleague with greater pleasure and deeper admiration or finer friendship than has been the experience of the junior Senator from Tennessee in working with the senior Senator from Alabama.

Mr. HILL. May I express to my distinguished friend from Tennessee [Mr. GORE] my appreciation of what he has said, and tell him how gratifying it has been to the Senator from Alabama to work with the Senator from Tennessee. I might say to the Senator from Tennessee that I well recall that when he first came to the House of Representatives he made a brilliant speech on the farm situation at that particular time. That speech was of great service to the Senator from Alabama. The Senator from Alabama was getting ready to go out into the campaign at that particular time. That must have been the campaign of 1940. Instead of the Senator from Alabama having to pull in all the books, all the records, all the papers, all the documents, and trying to formulate a speech, all he had to do was to take the speech of the Senator from Tennessee [Mr. GORE] and read that speech, and the Senator from Alabama was then forearmed, ready and prepared to go out and discuss the farm situation and to appeal to the people of the United States to support the nominees of the Democratic Party on the basis of all that they had done for the farmers and for American agriculture.

Mr. GORE. Mr. President, the junior Senator from Tennessee was not even on a fishing expedition, but he caught, nevertheless, the very favorable and highly appreciated commendation of the senior Senator from Alabama. Will the Senator from Alabama yield for a question?

Mr. HILL. The Senator from Alabama yields to the Senator from Tennessee for a question.

Mr. GORE. In citing the instances of those of us who have opposed the pending bill and those of us who have been proponents of amendments designed to improve the bill and add safeguards for the public interest, does the senior Senator from Alabama know of one single instance during the course of this debate in which groups from this side of the aisle have given to the distinguished majority leader an understanding, an agreement, a concert, which was not lived up to to the letter?

Mr. HILL. The Senator from Alabama certainly knows of no agreement, no understanding or concert which was not lived up to, both in spirit and in letter.

Mr. GORE. Now to put it in the affirmative, cannot the senior Senator from Alabama cite a number, beginning with the agreement to bring the Anderson amendment and the Ferguson amendment to a vote on a day certain? To those many can be added.

Mr. HILL. When the agreement was made to bring the Anderson amendment and the Ferguson amendment to a vote on a day certain, and at an approximate hour, the Senator from Alabama knows, as the Senator from Tennessee well knows, that those amendments came to a vote at the approximate hour upon which it was agreed that they would come to a vote. As I have said earlier, referring to the Ferguson amendment, had the opponents of this bill sought dilatory tactics, had they sought to postpone and delay, surely after the vote on the Anderson amendment there would have been have been no prompt vote on the Ferguson amendment such as there was.

Mr. President, I desire to continue with the remarks of the distinguished Senator from Oregon [Mr. MORSE] on yesterday, because I think the remarks of the Senator of yesterday, the attitude, the conduct of the Senator on yesterday, what he did and said, his actions, throw much more light on what happened last night when the motion was made by the distinguished majority leader to lay the amendment of the Senator from Oregon on the table, than does any statement the Senator from Oregon may have made some day last week, because as I have said, the whole atmosphere of the Senate yesterday was different from what it had been on some days previous.

Mr. GORE. Will the Senator yield?

Mr. HILL. I yield to the distinguished Senator.

Mr. GORE. It included not only the attitude but the actions of the junior Senator from Oregon, who was at his desk throughout the day and throughout the evening, when agreements were entered into and amendments brought to issue.

Mr. HILL. I was about to come to that. That is the very thing I am coming to now. I mean to demonstrate to the Senate, Mr. President, just how restrained and cooperative was the Senator from Oregon yesterday.

I had read from page 11945, the issue of the RECORD of July 26, 1954, the first paragraph of what the Senator from Oregon had said when the distinguished majority leader, the Senator from California, proposed his unanimous-consent agreement with reference to the amendment of the Senator from New York [Mr. LEHMAN]. I shall not read that paragraph again. I have already read it. It is in the RECORD. But then I want to read further from the debate by the Senator from Oregon what he had to say.

Now I read from the remarks of the Senator from Oregon.

> I am perfectly willing to have a reasonable time limitation placed upon the debate on this amendment, with no commitment whatsoever on my part in regard to limitations on any other amendment.
>
> I want to say to the Members of the Senate that I think this amendment is of the most vital importance. I believe the principle of this amendment certainly ought to be enacted into law at an early date. I am presently of the frame of mind that the international situation being what it is, we had better look at this amendment very carefully in order to make certain that we are not giving away some very important secrets which, from the standpoint of the security of this country, we better keep unto ourselves for a little while longer.
>
> There has been a pretty strong attitude, and I think with great justification, on the part of many people, including many scientists, that until world conditions are more definitely peaceful than they are at the present time we better be very careful about opening to full view, even of some alleged allies, the secrets that we have in this whole atomic energy field. These secrets do have a way, Mr. President, of leaking out.
>
> I think that when we have at this very hour increasing evidence of the nonpeaceful intentions of the Communist segment of the world, we should not debate an amendment such as this under a limitation of 30 minutes to a side.

The Senator from Oregon then continued:

> Also, I may say on that point, there is nothing which would stop us from displacing the atomic energy bill long enough to consider any new emergency which may come up, while the atomic energy bill is under discussion. But because it is my understanding that the amendment has great implications in it, I should think that a debate of at least an hour to a side on the amendment would be reasonable. If the Senator from California would be agreeable to that, I would have no objection.

Was that not the most reasonable cooperation that one might imagine; that, with the Senator from Oregon feeling as strong as he did as to what he termed the vital importance of this amendment, he should say he would agree to a limitation of debate on an amendment that provided only 1 hour on each side? The Senator from Oregon did agree to such a limitation of debate on this amendment which he felt was of such vital importance.

Mr. President, the spirit evidenced by the Senator from Oregon on the Lehman amendment, and the good will evidenced by the Senator from Oregon, the cooperation given by him on the Lehman amendment, carried through the whole day yesterday until his amendment, along about midnight, was ruthlessly laid upon the table by the motion of the distinguished majority leader, the Senator from California [Mr. KNOWLAND].

Then, in the debate on the amendment of the Senator from Tennessee, according to the recollection of the Senator from Alabama, the Senator from Oregon asked perhaps 2 or 3 small questions, and when I say "small," I mean not long or involved. But surely the Senator from Oregon in no way delayed the consideration of that amendment, and I am sure the Senator from Tennessee will bear witness to that fact.

Mr. GORE. Will the Senator yield for a question?

Mr. HILL. I yield for a question.

Mr. GORE. Does the senior Senator from Alabama recall that the time required for the consideration of the amendment which the junior Senator from Tennessee offered was not in excess of perhaps 20 minutes?

Mr. HILL. The Senator is exactly right about that. It was surprising how little time was consumed on the amendment. Not only was the Senator from Tennessee so very cooperative in not consuming the time; the distinguished Senator from Oregon also cooperated for the same purpose.

Then when the amendment of the Senator from Mississippi was called up, as the Senator from Alabama recalls, the Senator from Oregon was sitting in his seat, and the Senator from Oregon not only did not delay; he did not take up any time. It is the recollection of the Senator from Alabama that the Senator from Oregon did not ask one single question or in any way inject himself into the debate or discussion on that amendment.

The Senator from Alabama recalls the same condition applied to the amendment of the distinguished Senator from Oklahoma. The fullest cooperation was given by the Senator from Oregon [Mr. MORSE] to the majority leader, and the distinguished Senator from Iowa, who is in charge of the bill, to bring the debate, and the discussion to an end, and to make disposition of the amendment.

As the Senator will recall, the distinguished Senator from Minnesota [Mr. HUMPHREY] had several amendments. The Senator from Minnesota had at least 4 or 5 amendments, and on none of those amendments did the Senator from Oregon in any way consume time or do anything at all which in any way delayed the expeditious action of the Senate on those amendments.

So, the Senator from Oregon, from the Lehman amendment on through some 8 or 9 amendments that were adopted yesterday, gave his full and wholehearted cooperation to the distinguished majority leader and to the Senate to bring about expeditious action on those amendments, and to write that very remarkable record of action, and of the disposition of business, that was made here by the Senate of the United States yesterday.

Mr. MAYBANK. Mr. President, I desire to make a very short statement with the understanding that the Senator from Alabama will not lose the floor.

Mr. HILL. Mr. President, I ask unanimous consent that I may yield to the Senator from South Carolina so that he may make a very brief statement, without prejudicing any of my rights, and with the understanding that the remarks of the Senator from South

Carolina appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At this point Mr. HILL yielded to Mr. MAYBANK for an insertion in the RECORD, which appears elsewhere under the proper heading.)

Mr. HILL. Mr. President, when the distinguished Senator from South Carolina asked the Senator from Alabama to yield, the Senator from Alabama had reviewed the events of yesterday. The Senator from Alabama had reviewed the remarkable progress which had been made by the Senate in disposing of some 8 or 9 amendments, including what was generally considered to be all or practically all of the more important amendments to be considered. The Senator from Alabama had spoken with reference to the cooperation given to the majority leader and to the Senate by the Senator from Oregon [Mr. MORSE], making possible the adoption of these amendments and the writing of this remarkable record.

The Senator from Alabama had commented on how fine and helpful and whole-hearted was this cooperation of the Senator from Oregon in getting these amendments adopted and writing this remarkable record.

The Senator from California, the distinguished majority leader [Mr. KNOWLAND], in his speech earlier today, when he spoke about his actions in making the motion to lay the amendment of the Senator from Oregon [Mr. MORSE] on the table—without giving the Senator from Oregon the apportunity to say one single word on his amendment, making the motion and absolutely cutting the Senator from Oregon off from any opportunity or any right to open his mouth about that amendment—posed the question: "What would the Senator have done?"

Well, Mr. President, I realize that different Senators may do different things, perhaps, under the same circumstances. But I am constrained to feel that in view of the fine and helpful cooperation the Senator from Oregon [Mr. MORSE] had given to the distinguished majority leader in the adoption of 8 or 9 amendments, in writing that remarkable record of yesterday, when the Senator from Oregon arose, the Senator from Alabama, I think, would have said to the Senator from Oregon:

"Senator, we have made a remarkable record today. One reason we have been able to make this remarkable record has been because of the fine cooperation that you have given us, making it possible to make the record. I want you to know, Senator, how deeply, as the majority leader, I appreciate this wonderful cooperation that you have given in making possible this remarkable record.

"I recognize that without your cooperation, the wholehearted cooperation you have given, that remarkable record would not have been possible. So I extend to you my thanks. I say to you, sir, that I put my faith in the Senator from Tennessee; he measured up to that faith; he did not indulge in any undue debate. He brought his discussion to a close and let us vote on his amendments.

"I placed my faith in the Senator from Mississippi; he justified that faith. I placed my faith in the Senator from Oklahoma, and he, too, justified my faith in him, and he permitted us, without any undue debate at all, in a very expeditious manner, to dispose of his amendment.

"Then I went further and placed my faith in the distinguished Senator from Minnesota, who had not 1 amendment but at least some 3 or 4, and maybe 5 amendments—some 4 amendments of the Senator from Minnesota—and he justified my faith in him, just as the Senator from Tennessee, the Senator from Mississippi, and the Senator from Oklahoma had justified my faith in them."

I would have said to the Senator from Oregon:

"I put my faith in you, sir, just as I had put my faith in these other Senators. I believe, sir, that you would justify my faith just as these other Senators have. I believe you will continue to cooperate with me as you have done all day. I believe that you will help us to continue to write this remarkable record that we have written here today."

Mr. President, I believe that had the Senator from California addressed the Senator from Oregon in such a way, the Senator from Oregon would have responded as did the Senator from Oklahoma, the Senator from Tennessee, the Senator from Mississippi, and the Senator from Minnesota, and would have continued to wholeheartedly cooperate with the Senator from California, and justified the faith of the Senator from California; and the amendment of the Senator from Oregon would have been disposed of in short order, without any undue delay. In fact, shortly before the Senator from Oregon offered his amendment, he said to me that it was his intention to speak only a very brief time. In fact, he said: "I have two amendments, and I shall speak only briefly on each one of my amendments, only briefly." The same statement that he made to me he made to the distinguished Senator from New Mexico [Mr. ANDERSON]. He himself, the Senator from Oregon, corroborated that statement, and confirmed it again today. He had said to both the Senator from New Mexico and myself, "I have two amendments; I actually am going to speak only briefly on each one of them."

In my judgment, had the Senator from California approached the Senator from Oregon as the Senator from Alabama has suggested, had he placed his faith in the Senator from Oregon, as he did in the other Senators to whom I have adverted, the Senator from Oregon would have spoken briefly, those two amendments would have been disposed of, and there would have been very little left, certainly so far as amendments were concerned, to be considered by the Senate.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. GORE. Is it possible for this democratic system which we enjoy, indeed, is it possible for the legislative process of the United States Senate, to operate except in an aura of confidence, trust, and faith?

Mr. HILL. The Senator is absolutely right in the implication of his question. Ours is not a system of compulsion; ours is not a system of rule by force, by threat, or by punishment. That is not only true here in the Senate of the United States, it is true throughout our whole Government.

I have often thought of a sheriff in a county, perhaps with 2 or 3 deputies, with thousands of people, enforcing the law. How does he do it? It is not the sheriff who enforces the law; it is those people themselves, those people with their sense and consciousness of local responsibility, with their sense of the necessity for law enforcement, for good order, for peace in the county, and in the particular community to enforce that law, and it is all done how? It is done by faith and confidence in each other.

Our whole system is built on that, and if there is any place in the world through the years, from the very beginning of our Government where the operations, the actions, the deliberations, and the considerations, the decisions have been on that basis, it is the Senate of the United States.

I will say that there is nothing we Americans can take more pride in than that very fact. We are a free people, we are, let me repeat, a free people; and the reason why we can be a free people is that we do act as I have suggested, on the basis of confidence in each other, faith in each other, appreciation of the other fellow's rights, of the other fellow's position; appreciation that, above all else, it is the common good, the welfare of all the people, that must prevail; and when resort is had to a system of compulsion, when resort is had to the lash, when there is resort to a system of punishment, then there is destroyed the finest thing in American life, because the very basis of a free people is destroyed.

Mr. FULBRIGHT. Will the Senator yield?

Mr. HILL. I yield to my friend from Arkansas for a question.

Mr. FULBRIGHT. When the distinguished majority leader was complaining about the difficulties he had been encountering lately over this atomic-energy bill, I wondered if it had occurred to the Senator from Alabama that this very complicated bill need not have been brought up at this late date in the session; that perhaps it was more suitable for an early part of the session, when there was plenty of time for debate?

Mr. HILL. Well, the Senator from Alabama a little later in his remarks intends to address himself to that very subject.

The Senator from Arkansas will recall that in the President's message of February 17th last the President only requested one thing, and that was the provision which we know as the international section, the question of our relation in the matter of atomic energy with another nation or other nations.

All this other which is written into the bill was not contained in any way in the request of the President of the United States, and there is no reason whatsoever why this bill should not have complied with the request of the President of

the United States, and not brought in all of these other many involved and many dangerous provisions and, of course, if the majority leader wished to adjourn this Congress, sine die that would have been, of course, what common sense and wisdom would have dictated.

Mr. FULBRIGHT. Will the Senator yield further?

Mr. HILL. Yes; I yield to my distinguished friend from Arkansas.

Mr. FULBRIGHT. If this bill were laid aside now and not pursued, would not the so-called McMahon Act continue in force, the act under which we have lived for 8 years?

Mr. HILL. The McMahon Act is the law of the land. Incidentally, the President of the United States, in his message, spoke of the adequacy of the McMahon Act.

The Senator from South Carolina may have the exact quotation about the continuation of the McMahon Act.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield for a question.

Mr. FULBRIGHT. Is it not a fact that if Congress adjourns sine die, without enacting new legislation, the McMahon Act will not terminate? It will continue in force, will it not?

Mr. HILL. It will continue to be, I may say to the distinguished Senator from Arkansas, the law of the land. In that connection, I have before me a copy of the address which the distinguished Senator from New York [Mr. LEHMAN] made on the floor on July 20, a few days ago, in which he quoted President Eisenhower, in his message of February 17 of this year, as stating that the present law, the McMahon Act, is still adequate for the Nation's needs.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HILL. I yield for a question.

Mr. JOHNSTON of South Carolina. Is it not also true that the McMahon Act, when it was passed, required the Atomic Energy Commission to report to Congress and make recommendations, so far as legislation along the lines we are considering is concerned?

Mr. HILL. The Senator is exactly correct. I think one of the most important provisions in the basic McMahon Act is the provision about the report.

Mr. JOHNSTON of South Carolina. Was not that provision included so as to protect the public?

Mr. HILL. The Senator is exactly right. It was included in the law so that Congress might be informed, and that we might be more enlightened about the matter and be better able to perform our functions in connection with the atomic energy program, and also to provide the sovereign people, back home, with information.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator further yield?

Mr. HILL. I yield for a question.

Mr. JOHNSTON of South Carolina. Is it not further true that the Atomic Energy Commission, dealing with this subject, and working with it day in and night out, knows far more about it than does any Member of the Senate or the House?

Mr. HILL. I should certainly think so.

Mr. JOHNSTON of South Carolina. If that be the case, is it not also true that the Commission should make a report to Congress, setting forth certain recommendations, before Congress acts?

Mr. HILL. I think the provisions in the present law, requiring that a report shall be made, should be carried out. Such a report should be made to Congress, and certainly it should have been made long before any bill was submitted for a complete rewriting, so to speak, of the basic McMahon Act.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator further yield?

Mr. HILL. I yield for a question.

Mr. JOHNSTON of South Carolina. Has the Atomic Energy Commission made any report or any recommendation along this line, up until this minute?

Mr. HILL. If the Atomic Energy Commission has in any way carried out the provisions of the McMahon Act with respect to making a report, I certainly have not been advised.

Mr. President, I had been speaking of the proceedings of yesterday. I wish to go back for just a moment. Those of us who have opposed the bill and have sought to improve it with amendments, who have sought to bring to the attention of the Senate what we thought were the weaknesses and the failures and the dangers of the bill, those of us who have sought to inform the American people and give them information, and to seek to try to enlighten them as to the bill, its consequences, its meaning, and its failures, have been accused of filibustering.

It is the same old cry when anyone wants to put over something right now, no matter what might have been the motive that inspired or moved the person who stands up and says, "It cannot be done in any flash of the pan. It cannot be done before the sun goes down this afternoon." Right away such a person is dubbed a filibusterer.

Mr. SPARKMAN. Mr. President, will my distinguished colleague yield?

Mr. HILL. I yield to my distinguished colleague for a question.

Mr. SPARKMAN. I wish to ask my distinguished colleague a question with reference to what he was saying a short time ago, regarding the move by the majority leader last night to lay on the table the amendment offered by the distinguished Senator from Oregon, even before there had been a single word of explanation of that amendment. Does the senior Senator from Alabama believe that such action on the part of the Senator from California made any contribution whatsoever toward bringing the debate on the bill to a speedy termination?

Mr. HILL. Not only did it make no contribution whatsoever to bringing the debate to a speedy termination; on the contrary, it very much delayed, hindered, and set back the efforts to bring the matter to a determination. I know of nothing which could have been done in the Senate last night which would have been more defeating to the effort to bring the bill to a vote than what was done by the Senator from California, when he moved to lay on the table the amendment offered by the Senator from Oregon.

If anyone had asked me what could have been done which might have delayed final action on the bill, I would have suggested, "I do not know of anything in the world that I could have suggested which would have brought a surer result of delay or postponement than to have the majority leader make a motion to lay on the table the amendment offered by the Senator from Oregon."

Mr. SPARKMAN. Mr. President, will the Senator yield for a further question?

Mr. HILL. I yield for a question.

Mr. SPARKMAN. Does not the distinguished senior Senator from Alabama agree with me that, most likely, had not that attempt to force the matter through been made in the manner in which it was made, the bill would have been disposed of before now?

Mr. HILL. I think that is true. I realize that my distinguished colleague from Alabama has been in attendance at a very important committee meeting, and could not be present until now, but a little earlier in my remarks I sought to sketch the situation in the Senate on yesterday, and to state exactly what had happened here. I spoke of the remarkable progress which had been made, the remarkable record of action which the Senate made yesterday, and I think the record confirms exactly what the junior Senator from Alabama has so strongly suggested in his question.

As I have said, so far as I know, except for a couple of amendments offered by the Senator from Oregon, and perhaps an amendment offered by the Senator from Minnesota [Mr. HUMPHREY] today, all amendments would have been pretty much out of the way. So far as the amendment offered by the Senator from Minnesota is concerned, which was disposed of by the Senate today, that amendment, as I recall, was a modification of an amendment which the Senator from Minnesota offered last evening.

But I can think of nothing which could have done more to hinder and thwart action on the bill than the motion of the Senator from California last night to lay on the table the amendment of the Senator from Oregon.

If the Senator from California had only been willing to repose in the Senator from Oregon the same faith as he had reposed in the Senator from Tennessee [Mr. GORE], the Senator from Mississippi [Mr. STENNIS], the Senator from Oklahoma [Mr. KERR], and my brilliant friend who honors us with his presence now, the Senator from Minnesota [Mr. HUMPHREY], I think the amendment of the Senator from Oregon would have been disposed of with very little debate and discussion.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HILL. I yield for a question.

Mr. HUMPHREY. Does the Senator from Alabama remember the famous old hymn entitled, "Lead, Kindly Light"?

Mr. HILL. I do, indeed; and all day long I have said that we were following that light. As I have said, it was the light of good will, the light of mutual

helpfulness, the light of wholesome cooperation. By following that light, we wrote a remarkable record of action on the bill and disposition of amendments.

Then suddenly, along about the hour of midnight, instead of continuing to follow the light, the Senator from California, with his motion to lay on the table the amendment of the Senator from Oregon, snuffed out the light; and so far as any further action was concerned, all went dark. The Senate was in darkness.

Mr. SPARKMAN. Mr. President, will the Senator yield for a further question?

Mr. HILL. I yield for a question.

What was it that Hamlet said?

'Tis now the very witching time of night,
When churchyards yawn and hell itself breathes out
Contagion to this world.

Something happened to the Senator from California. Everything had been light, sweet reasonableness, good will, wholesome cooperation.

Then it was that there came the witching hour of midnight. The Senator from California would not permit the light to burn any longer, but he snuffed it out. All went into darkness, and progress on the bill was then and there halted.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question, in that connection?

Mr. HILL. I yield to my colleague for a question.

Mr. SPARKMAN. The Senator has just mentioned that the ax was lowered at midnight last night on the amendment offered by the Senator from Oregon. Does the Senator recall that the first time the guillotine was used, as the able Senator from Minnesota has described it, was on a Humphrey amendment, and that the action came at the witching hour of midnight?

Mr. HILL. The Senator is exactly correct. I rejoice in the fact that my inimitable friend, the Senator from Minnesota, even though the ax had fallen, reclaimed his head, reclaimed his speech, and has contributed mightily to the debate since that time.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. HILL. The Senator from Minnesota has spoken with authority on this bill, and I think that is the finest thing I could say about it. He spoke with authority. The Senator from Minnesota has indeed spoken with authority on this bill and has been most helpful to the Senate. I yield to my distinguished friend, the Senator from Minnesota.

Mr. HUMPHREY. Would the Senator from Alabama say that that witching hour of midnight has been like the black pit of despair, frustration, and hopelessness that grips many areas of the world and of humanity, a bottomless pit from which there seems to be no recovery?

Mr. HILL. Yes, I will say it does seem that way, but I have so much faith in the Senate of the United States and in Senators such as the Senator from Minnesota [Mr. HUMPHREY], the Senator from South Carolina [Mr. JOHNSTON], my colleague from Alabama [Mr. SPARKMAN], the Senator from Tennessee [Mr. GORE], and even the distinguished majority leader, I would say, and my other colleague, the Senator from New Hampshire [Mr. UPTON], that I am sure we will recover from this seemingly bottomless pit.

Mr. SPARKMAN. Will the Senator yield?

Mr. HILL. What is Henley's poem:

Out of the night that covers me,
Black as the pit from pole to pole,
I thank whatever gods may be
For my unconquerable soul.
It matters not how strait the gate,
How charged with punishments the scroll,
I am the master of my fate:
I am the captain of my soul.

That is one thing we have seen here today, Mr. President. I am honored that the majority leader has been able to come back. I want to say to my friend from California that I have made an explanation for him. I recognize that he is a very, very busy man. I do not know whether it was the White House that called him or one of the departments downtown, or perhaps some great organization, or someone out in the fair State of California, but I know he has been under great pressure, and it has been impossible for him to be here to hear my feeble remarks. But I rejoice that he is now back with us, and I hope that he may be permitted to remain.

Mr. HUMPHREY. Will the Senator yield for a question?

Mr. HILL. I yield.

Mr. HUMPHREY. Would the Senator from Alabama [Mr. HILL] say, as he looks about this Chamber and sees the smiling and happy countenance of the majority leader, that possibly as of this night, that bewitching and witching hour of 12 shall not fall upon us; that possibly we shall have the privilege of joining our loved ones, proceeding out into the open spaces, and coming back here tomorrow with the freshness of dawn and the spirit of revival, for completing or at least continuing the work upon this measure?

Mr. HILL. Mr. President, I hope that the genial and happy smile of my friend, the distinguished majority leader, does not make my friend from Minnesota too optimistic. I recall that yesterday my distinguished friend, the Senator from California [Mr. KNOWLAND] sat there most of the day with a smile on his face. I am not even sure that when he pulled the lever and the great ax fell and the guillotine came down on the Member of the Senate from Oregon [Mr. MORSE], he did not have that same smile upon his face.

I have talked about the Senator from California, and I am sorry he was not here. He asked this morning, "What would you do under the same circumstances?" Although the Senator from California was not here to be enlightened on what the Senator from Alabama said he would do, I did seek to answer that question.

I do want to say this about the Senator from California [Mr. KNOWLAND]. He has certainly demonstrated his genial nature. He has gone through these arduous, tedious, tiring sessions, around the clock, around and around and around. Yet he still has that lovely smile on his face.

I want to say another thing, that the Senator from California has shown himself to be a strong man physically. I want to say, now that the Senator is back, that I stated I felt strongly, along with others, that last night the Senator from Oregon [Mr. MORSE] did not receive the treatment to which a Senator was entitled. Then I went on to set out my reasons.

If the Senator sometime, sitting out on the beautiful California beach, will take the RECORD and read, he will find the reasons that I gave. Perhaps while he sits out there under a multicolored sky, sticking his toes in the sand, waiting to go forth into the great waters of the Pacific, he might look over this RECORD.

Although I did not agree with the Senator, I suppose I should have proceeded with more humility, but I was so bold as to suggest what the Senator from Alabama would have done under the same circumstances, and I want to say that our friend from California has not only exhibited his fine and genial nature, he has not only exhibited his strong physical being, but he has exhibited other good qualities in this debate.

(At this point Mr. HILL yielded for several insertions in the RECORD, which will be found elsewhere under their appropriate headlines.)

Mr. GORE. Will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from Tennessee for a question.

Mr. GORE. Since the distinguished senior Senator from Alabama is in such a delightfully expansive mood, and since the able majority leader is present on the floor, I wish to inquire of the Senator just how he could find the tenets of free debate in a situation in which a Member of this body would not be permitted to address this body unless as a prerequisite thereto he consent to a limitation upon debate?

Mr. HILL. To illustrate exactly the purport of the Senator's question, the Senator from Alabama has not consumed all the time that the Senator from Alabama has been holding the floor. Many other Senators have made their contribution to this debate through questions that they have addressed to the Senator from Alabama.

It illustrates how important it is to have free debate, so that we may have this exchange of ideas—oftentimes it may be called this clash of ideas—and that out of these clashes, this beating on the anvil of individual opinion, we might beat out the dross of the ideas of many Senators and thus bring out the gold and the wisdom and the inspired decision that are so necessary in connection with the legislation that is now pending before the Senate.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. HILL. I am delighted to yield to the Senator from Minnesota.

Mr. HUMPHREY. Does the Senator from Alabama feel, after his very fine

discussion of the bill and the amendments——

Mr. HILL. I interrupt the Senator from Minnesota to say that the Senator from Alabama has not yet gotten to the bill. He has been speaking about the procedure.

Mr. HUMPHREY. The discussion in the past, I have in mind.

Mr. HILL. Yes.

Mr. HUMPHREY. Does the Senator feel, if we were to proceed in an orderly manner with the consideration of whatever few amendments still remain to be disposed of, that we might now be at just about the point where we, too, could smile with the majority leader, and perhaps interest the majority leader in one of those concilitatory moods that exude the milk of human kindness and the warmth of human understanding, such as the mood to recess tonight at a reasonable hour before the witching hour, somewhere around 10 o'clock?

Mr. HILL. The witching and dangerous hour.

Mr. HUMPHREY. The witching and dangerous hour.

Mr. HILL. The Senator would certainly hope so. I am sorry the distinguished majority leader had his attention diverted and therefore did not hear the question of the Senator from Minnesota.

Mr. KNOWLAND. Madam President, will the Senator yield?

Mr. HILL. I yield to the majority leader for a question.

Mr. KNOWLAND. I will say to the distinguished Senator from Alabama——

Mr. HILL. I ask the Senator to ask a question, please.

Mr. KNOWLAND. Does not the Senator from Alabama know that the majority leader had one ear turned in his direction and heard what he was saying? Does not the Senator from Alabama know that the majority leader was very hopeful, in view of the pleasant atmosphere in the Senate this afternoon—which I hope will remain during the balance of the session—that we might complete additional speeches this afternoon and then take a vote on a number of amendments—as we have taken today—and that we might take up the motion to recommit and have a vote on it, as well as on the final passage of the bill, this evening; then, prior to adjourning until tomorrow, we might set the foreign-aid authorization bill as the unfinished business before the Senate. Then the Senate could adjourn until tomorrow at noon, when we would have a new bill before the Senate.

In that way we could all go home and sleep with better grace, without additional problems to disturb our sleep or worry about. In that way we would have accomplished a great deal. I may say also that the Senator from California hopes, when the pending bill is disposed of, we will never again have to stay in an all-night session of the Senate.

Mr. HILL. What the Senator from California is saying is that he hopes he will never have to sleep on cots again.

I will say to my distinguished friend from California, that it had been the intention of the Senator from Alabama to address the Senate for about 2 hours. However, the Senator from Alabama has had a great number of questions asked of him. As a result, the Senator from Alabama has not been quite able to finish his speech. However, he will proceed, with the intention of making progress. He will try to make progress.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. HILL. The Senator from Alabama yields to the distinguished Senator from Minnesota for a question.

Mr. HUMPHREY. Does the Senator from Alamaba feel that the general suggestion of time sequence made by the majority leader, if not the content of the program, had an appealing ring to it?

Mr. HILL. I would say that the suggestion of the Senator from California at the very least was very tempting.

Mr. HUMPHREY. Very tempting, indeed.

Mr. HILL. That is correct.

Mr. HUMPHREY. Madam President, will the Senator from Alabama yield further?

Mr. HILL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Would the Senator from Alabama feel, if we could proceed in order with the consideration of a few amendments—and I believe there are only a few left for discussion—and then if we could proceed with what we feel is a very urgent and necessary motion, namely, a motion to recommit, that at that point, having overcome that hurdle, we might have accomplished enough for a day or a session to prove to the distinguished majority leader that we are men of good will, of good works, and of good intentions?

Mr. HILL. Surely, I would say, if the Senate reached the point where it had disposed of all the amendments and where it had left only the motion to recommit and the final vote on the bill, certainly we would have made very great progress.

Mr. HUMPHREY. Madam President, will the Senator from Alabama yield further?

Mr. HILL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. In other words, if we could prove that we are men of good will, of good works, and good deeds, and good intentions, it would be all right for the majority leader to say "Good night"?

Mr. HILL. If he did not want to say "Good night," he could just say "Au revoir."

Mr. HICKENLOOPER. Madam President, will the Senator yield?

Mr. HILL. I yield to my distinguished and good friend from Iowa.

Mr. HICKENLOOPER. I do not like the connotation of the suggestion of the Senator from Alabama, because "good night" has a sound of finality; whereas "au revoir" has the connotation of "I'll see you again soon." I should hope that this discussion would not be renewed after a short time.

Mr. HILL. Nothing could be more painful to the Senator from Alabama than the prospect that he might not be here on tomorrow with his good friend the distinguished Senator from Iowa.

Mr. HICKENLOOPER. Indeed, Madam President, I join the Senator from Alabama in that expression. I was thinking of the pending business before the Senate, and that saying "good night" might mean that the pending business would be brought to an end finally. The other suggestion would not carry that connotation.

Mr. HILL. If the Senator had been in the Chamber earlier—and, of course, I recognize the fact that the Senator has been most diligent in his attendance on the floor and that no one could have been more diligent in his attendance on the floor and in the handling of the bill—but if the Senator had been here earlier he would know that there was quite a bit of discussion about the witching hour and about the midnight hour, when for at least 2 nights in the past the great guillotine has fallen and motions have been made to lay amendments on the table, which, instead of expediting the passage of the bill, instead of meeting the great desire of the Senator from Iowa, has resulted in action on the bill being delayed and thwarted.

Madam President, the Senator from Alabama on yesterday—and he does not desire to take too much time on this matter—in his 3 minutes, and in the additional 2 minutes which were yielded to him by the majority leader—and I may say that the Senator from Alabama has not been a Member of the House for some time and therefore has not had to comply with the 5-minute rule—the Senator from Alabama felt very much confined yesterday morning when he had but 5 minutes' time to speak, but in that time the Senator from Alabama referred to the fact that he believed this bill had been taken up hastily, and that it had not been taken up until the report had just come from the Government Printing Office, and there had been no opportunity for Members of the Senate to examine the report, and to carefully study and analyze the bill in connection with the report, before the bill was made a pending business of the Senate.

The Senator from Alabama feels that there would have been much more progress in the very beginning if Senators had had an opportunity to examine the report and to study the report before the Senate had taken up the consideration of the bill. But the Senator from Alabama also feels that, in spite of that fact, there was not unreasonable debate. There was no undue delay in any way whatever on one of the biggest, one of the most hotly contested issues in this bill, and that was the issue raised by the proposed Dixon-Yates contract.

The Senate with germane debate, with well-ordered and enlightened debate, proceeded without any dilatory tactics to a disposition of that issue. I said after the vote on the Anderson amendment, which involved that issue, that Senators who were tremendously interested and opposed to the Dixon-Yates contract did not delay the bill any further, and did not exercise their rights to debate the matter any further by debating the Ferguson amendment. They

permitted the Ferguson amendment to come to a vote very promptly. Had there been any desire on the part of the Senators to delay this bill unduly, to postpone action on it, undoubtedly the Ferguson amendment never would have been permitted to come to a vote as expeditiously as it was.

That was an issue involving many, many questions: The question of the Government paying the Federal taxes; the question of the prostitution of the Atomic Energy Commission; the question of no competition; the question of tailormaking the contract for the one combine, the Dixon-Yates utility combine, and many other questions. Yet with all those questions involved, that issue was resolved in a very reasonable time, and after reasonable and germane debate.

Then, as Senators will recall, the very next day after that issue was resolved, the Senate moved on and disposed of the Johnson amendment which was a very important amendment, one of the most important amendments that could have been offered to this bill. With surprising rapidity, after the adoption of the Johnson amendment, the Gillette amendment was adopted.

Mr. JOHNSTON of South Carolina. Madam President, will the Senator yield?

Mr. HILL. I will yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Is it not true that the Senator from Alabama at the present time is talking only to Senators on this side of the aisle?

Mr. HILL. There seems to be a vacuum on the other side of the aisle.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. HILL. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Is it not true that one of the most disinguished, and beyond a doubt, the most charming and lovely of all Republicans is the Presiding Officer? I object to the question of the Senator from South Carolina.

Mr. HILL. The distinguished Senator from South Carolina spoke about the other side of the aisle. The distinguished and charming and lovely Presiding Officer of the Senate does not sit on either side of the aisle, she sits where that Presiding Officer should sit—right midway of the aisle—which means that when the Presiding Officer is sitting as she sits, she is not on either side of the aisle. She is judicious, she is fair, she is nonpartisan, she is simply there to make the decisions without any consideration of an aisle.

Mr. GORE. Sitting as a queen, as it were?

Mr. HILL. I am sure anyone who walks into the gallery and beholds the Presiding Officer of the United States Senate will wholeheartedly agree with the Senator from Tennessee, but I like to think of the Senator from Maine, the distinguished Presiding Officer, not so much sitting as a queen; I like to think of her sitting there where Thomas Jefferson sat, where John Adams sat, where so many other great Americans have sat, and knowing she is worthy of the great Americans who in the past have graced that chair and honored the Senate as its Presiding Officer.

Does the Senator from Iowa want me to yield? I want to welcome the Senator from Iowa [Mr. HICKENLOOPER] back to the Chamber.

Mr. HICKENLOOPER. I should like to say that I did not leave the Chamber. I was so entranced with the Senator's argument that I merely stepped to the cloakroom, but I had one ear cocked to hear what he had to say.

Mr. HILL. I was in hopes the Senator from Iowa was going to say that he was bowled over by the argument of the Senator from Alabama.

Mr. HICKENLOOPER. The question that I want to ask the Senator from Alabama is this: Does he not admit at least that the Republican Party has definitely the edge on charm and beauty in the Senate—apropos the discussion that has just taken place?

Mr. HILL. The Senator from Alabama, though it may be painful, always seeks to tell the truth, and he would have to make that admission to the Senator from Iowa.

Mr. HICKENLOOPER. I thank the Senator.

Mr. HILL. This is a perfect case, Madam President, of the truth hurting.

Now, Madam President, after the Senate disposed of the Johnson amendment and the Gillette amendment and the Anderson amendment and the Ferguson amendment the Senator from Alabama firmly believed that the Senate would have proceeded with expedition to a disposition of other amendments to this bill.

Then it was the Senate began the long sessions, meeting at 10 o'clock in the morning and running until 10 and 11 at night, and then moving on from those sessions, into the round-the-clock sessions, keeping us here hour after hour, day and night, and night and day.

The Senator from Alabama said on yesterday that when such conditions are imposed on Senators, naturally, since they are human beings, they become tired, fatigued and worn out.

Mr. KNOWLAND. Madam President, will the Senator yield?

Mr. HILL. I yield to the Senator from California.

Mr. KNOWLAND. Does the distinguished Senator from Alabama not think it would be possible after he concludes his remarks to have whatever amendments are going to be offered presented and disposed of, and that we might get a vote on both the motion to recommit, and on final passage tonight? If that came about as early as 10 o'clock this evening, I would move to make the foreign-aid bill the unfinished business, and we would then adjourn the Senate until 12 o'clock noon tomorrow.

I hope that when we have disposed of the foreign-aid bill we will then move on to the agricultural bill, and perhaps on Saturday we may arrange to have a calendar call for the consideration of unobjected-to bills. It would seem to me if that could be accomplished, we would have this bill finally behind us, and we could end the night sessions tonight.

Record votes would be taken. The amendments would be disposed of. We would have new business before the Senate tomorrow, and I prayerfully hope, at least, that perhaps, with the very fine humor and feeling that has been engendered this afternoon, if we all set our minds to it, we may accomplish that happy result.

Mr. HILL. Of course, the Senator from Alabama does not know what amendments other Senators may have or what may be their plans or purposes so far as speeches are concerned. But surely the remarks of the Senator from California would suggest progress toward bringing this bill expeditiously to a conclusion. I suppose some Senators would say, "It is a consummation devoutly to be wished."

Madam President, I was just speaking about Senators being tired, fatigued, and worn out when the Senator from California, the distinguished majority leader, arose to speak of all of the other bills the Senate has yet to act upon. What I was suggesting, as I sought to suggest on yesterday, was that when Senators are forced to keep these long hours, round-the-clock sessions, the Senate then ceases to be a functioning, deliberative body. Senators who are tired and worn out cannot well deliberate. They do not well deliberate, and, as I said on yesterday, instead of the Senate being a forum of intellect, of reason, of persuasion, of debate for the presentation of fact, it then becomes an arena of physical endurance to determine who has the physical strength to stick it out the longest.

I refer to this matter, Madam President, because my distinguished friend, the majority leader, has spoken about the fact that we have considered this bill for 161 hours. I want to say that I think most of those hours, because of the fact that we were held in these long sessions, and because of the fact the Senate did not proceed as it normally and regularly does, were wasted hours. As I said yesterday, Senators simply cannot and do not deliberate and legislate from cots, and so such a procedure of keeping the Senate in constant, continuous session only serves to delay and postpone action by the Senate. I believe if we had never been forced to such procedure we would have proceeded with reasonable debate on this bill and would have made much more progress than has been made up to date.

Madam President, this bill to rewrite the Atomic Energy Act is predominantly a power bill. When one analyzes the patent section, the licensing section, and other phases of its domestic provisions, it is apparent that all are tailored to shift the unregulated control of this new source of energy to private monopoly.

We have added some good amendments on this bill. The Johnson amendment was a good amendment, but I am wondering how long that amendment will stay in the bill. We also adopted the Murray amendment, which was a very fine amendment. But I am wondering how long it will stay in the bill, because we recall, Madam President, that on the morning

after the Senate on the afternoon before had adopted the Johnson amendment, the distinguished Senator from Iowa [Mr. HICKENLOOPER], who will be the chairman of the Senate conferees on this bill, offered an amendment to nullify and destroy the Johnson amendment.

The issue before the Senate is the power issue. The purpose of the bill is essentially the Hoover purpose, the Eisenhower purpose, the Purcell Smith purpose of getting the Federal Government out of the power business as fast as possible, as a means to the ultimate liquidation of public and cooperative distribution of power in the United States and the enthronement of private power monopoly as the "energy dictator" of the United States.

Let us not be misled by the majority report of the Joint Committee on Atomic Energy or by others who would distract the attention of the public from the real objective by emphasis on the international purposes which enactment of the bill would serve.

I think I can say the business interests of the country have not been misled. I do not think the power company executives are distracted. The attention of big business, and its authoritative financial and trade journals, is focused upon getting the Federal Government out of the atomic power business, now that the people's investment has brought nuclear power to the point of commercial realization, and getting it safely into the hands of private monopoly.

In other words, this bill to amend the Atomic Energy Act is an administration must—the latest and by far the most important of the steps which it is taking to stamp out all vestiges of the people's power program that was born with the conservationists in the days of President Theodore Roosevelt, and began to bear much fruit in the years which followed the inauguration of another President Roosevelt in 1933.

This great pressure to drive the atomic bill through before the close of the session of Congress is part of a pattern of the repudiation of Federal responsibility for power supply, withdrawal of support from the Hells Canyon project, elimination of funds for the starting of new Federal river-basin and transmission projects, administrative repeal of the preference provision of Federal power marketing legislation, abrogation of the Federal contract with the southwestern rural electric cooperatives, forcing of the cooperatives to make the best deal they can with private monopolies on pain of bankruptcy, use of the AEC as a broker for introducing private power into the TVA, cutting down of the functions of the Bonneville and Southwestern Power Administrations, and opening the field wide to the substitution of private Ebasco "valley authorities" that I have spoken of in other remarks.

This great drive is recognized by the press as an important attempt to round out the President's legislative program. I wonder if it constitutes an attempt to make good on perhaps important commitments in return for support by utilities and bankers and those interested in utilities.

Let us get one thing clear—there is no necessity for immediate enactment of this vastly complicated piece of legislation, which has been thrown at the Congress and the people in the last days of the session in such haste that there has been no time to become familiar with the majority and minority reports on the bill, or to ascertain the public reaction to the complexity of proposals. In one section of the bill there are 8 or 9 cross references.

If there is urgent need for dealing with the international aspects of the matter, why do not the managers of the proposed legislation put them in a separate bill which can be intelligently debated and acted upon, instead of using them as frosting to tempt the Congress and the public to swallow a whole-hog turning over of the country's incomparable new energy resource to private monopoly, without even the formality of a bow to the public interest in low-cost electricity?

We should consider a separate bill covering the necessary amendments to the Atomic Energy Act to provide for the desirable degree of cooperation with friendly nations.

We should consider a separate bill dealing with the organizational problems of the Atomic Energy Commission.

We should consider a separate bill including proposals for modifying the patent provisions of the Atomic Energy Act.

We should then consider, with all the care its vast importance to the country's future merits, a separate bill to provide for the best utilization of the new nuclear energy resource for the new addition to the public domain, and for the production of commercial electric power.

This omnibus bill approach is bad legislative procedure, calculated to produce results which will fall far short of protecting the public interest in each phase of the country's atomic business.

The bill in its present form should be laid aside. With 50 years of legislative history in the field of power policy, we should not ignore this history when we come to dealing with the use of our nuclear power resources.

Today the development of nuclear electric power is going forward experimentally, under the direct charge of the Atomic Energy Commission.

If the pending bill is enacted, the development of nuclear electric power will be going forward in powerhouses, constructed largely at public expense by private utility companies, using machinery produced by the huge electric equipment manufacturers who dominate the field, The development of nuclear electric power will be under licenses issued by the AEC.

Yet, I defy anyone reading the bill or the committee majority report to guess that the authors had ever heard about Federal power policy, or about the public interest in low-cost electricity, or the issue between public and private development of public power resources, or the inadequacy of utility commission regulation to bring down rates and promote use of electricity, or the public yardstick program, which has so effectively supplemented regulation, or the importance of low-cost power supply to the expansion of rural electric cooperatives toward the goal of the full use of electricity by all the farms in the Nation, or the relationship between low-cost electricity in abundance and the healthy expansion of the Nation's economy.

Here we are offered what is essentially power legislation without any discussion of the public interest in power and the way a public power resource is utilized.

After reading the bill and the committee majority report, it is my firm conviction that the administration and the big corporate interests behind the bill have deliberately played down the fact that it deals with power and power resources in order to slip the legislation through without too much public stir. They want the people to sleep on—dreaming of an Aladdin's lamp atomic future, and a beneficent Uncle Sam cooperating with Aladdin in bringing the new atomic age into being, while their heritage is taken from them by private monopoly.

All one needs to do is read the sections of the pending atomic energy bill dealing with the licensing of non-Federal production and utilization of special nuclear material, and then read the Federal Power Act. After that is done, he would recognize this measure as being wholly inadequate to protect the public interest. It is my firm conviction that we ought to set the bill aside and take no final action on it at this Congress, in order to permit a real study of the social, economic, political, and international implications of the development of commercial atomic power. And then we ought to insist that a bill be written which calls a spade a spade, and electric power electric power. Let us just make sure that the people who are sponsoring it—probably the most far-reaching legislation of a generation—have the intestinal fortitude to let the Members of Congress and the people know just what they are up to.

We are dealing with a publicly owned nuclear or atomic power resource. A quarter of a century ago and earlier, Congress was dealing with publicly owned waterpower resources.

That earlier Congress was not ashamed of the fact that it was dealing with electric power. It recognized that power was a big issue; that the question of safeguarding the use of waterpower resources was a big issue; that it called for both statesmanship on the part of the Members of Congress and full understanding on the part of the people; that the legislative principles established would affect the future of the country for generations; and it tackled the job in just those terms, taking into account all the previous legislation dealing with water resources.

This was true as Congress tackled subsequent power legislation: The Boulder Canyon Act of 1928; the series of bills which culminated in the Tennessee Valley Authority Act of 1933; the Rural Electrification Act of 1937; the broadened Federal Power Act of 1935; the Bonneville Act of 1937; and section 5 of the Flood Control Act of 1944. In all these cases no secret was made of the fact that important power issues were involved. Why has not this been the case in connection with legislation which

will establish the conditions under which the people will enjoy the fruits of their great investment in atomic energy?

When President Eisenhower sent over his draft of a revised act in February, which appears on page 10801 of the July 17 RECORD, it stated that the development "of a new source of electric power and other industrial applications" were involved in this bill. It mentioned and used the words "electric power." But they were not carried forward into this complex, interwoven, confusing piece of legislation on the floor. Why were they omitted? Why were they carefully avoided?

Could it be that the authors of the earlier power legislation were consciously legislating in the public interest, while the present atomic power bill is an attempt to legislate in the interest of private monopoly?

There can be no other explanation of the fact that the committee majority report completely ignores the public interest in electric power produced from the atom.

The authors cannot plead that there was nothing in the record of hearings on this great phase of the public interest. The committee had before it testimony from Clyde Ellis, executive manager of the National Association of Rural Electric Cooperatives, speaking for some three and a half million farm families all over the country, to whom low-cost electricity has become a prime necessity. Mr. Ellis pointed out the great concern of the members of his organization in bringing the whole future of commercial atomic power production under the protection of Federal power policy and urged that this be done.

They had before them the testimony of the American Public Power Association and the country's great labor organizations, urging that the proposed amendments be modified to prevent the development of gigantic private monopoly in the field of electric power. They had before them the testimony of the National Farmers Union urging that the development of atomic power be subject to the same safeguards of the rights of public and cooperative electric systems that applied in connection with development of water power.

Furthermore, the committee had before it a point by point analysis of Federal power legislation, which included all the provisions necessary to safeguarding the public interest in development of the people's nuclear power resources. These were spelled out and their applicability to nuclear power clearly shown. The public interest in the effective application of these safeguards to nuclear power development was thoroughly developed in the committee's record. Yet, not a single reference to these vital matters is to be found in the majority's report.

In fact, if it had not been for the minority views filed by Representative CHET HOLIFIELD, of California, and Representative MELVIN PRICE, of Illinois, the vital issues which are involved in the proposed legislation would have remained buried in the breasts of those private interests whose monopoly position would be strengthened by its enactment.

I am happy to say the minority views include suggestions for a series of amendments, which would bring the bill more in line with Federal power policy and keep the country from starting all over again at scratch in the matter of regulation of the use of a great public energy resource for commercial power production.

I am glad to say that some of these amendments have been included in this bill. I am wondering how long they will remain in the bill after the bill goes to conference, when we know the type of bill the House of Representatives has passed on this subject.

I commend Representatives HOLIFIELD and PRICE for these enlightening suggestions which certainly should be approved if the bill is to be favorably acted upon at this session.

Let me say that I regard the work of Representative HOLIFIELD in connection with this bill as an outstanding example of public service. This measure was scheduled for a much faster, far more secretive legislative career than it has had until the California Congressman started asking questions — intelligent questions framed after long hours of careful study and analysis of the bill, its provisions, and the real purposes behind it.

He has worked day and night for weeks and months to improve this measure, to reveal its real purposes, to make the issue, and protect the public interest. He will get no lush campaign contributions for his effort to defeat the power monopoly. His only immediate return is the satisfaction of a job well done.

I can only hope that the people of California, on behalf of all of us who owe much to him for his work, return him to Congress term after term as an expression of gratitude for his historic fight.

But I am taking the position that no amendments will really cure the basic weakness of the proposed new Atomic Energy Act, because those weaknesses stem from the fact that there has never been adequate study of the almost unimaginable possibilities of the atomic age which is ahead, to render any hastily improvised legislation safe when rushed through in the closing days of a Congress which has had no adequate basis for understanding the full implications of what they are being called upon to do.

I have been dealing primarily with the bill as ill-considered and deceptive power legislation. But a reading of the entire draft of legislation in the light thrown on it by the minority views of Representatives HOLIFIELD and PRICE shows that it requires reconsideration throughout. The minority views make clear that the bill is wrong in what it proposes for the organization of the Atomic Energy Commission, wrong in its pretense at establishing an adequate basis for atomic internationalism, and wrong in its handling of the patent issue as well as wholly inadequate in licensing safeguards and in establishing the basis for the atom's contribution to our civilization in the electric-power age.

Representatives HOLIFIELD and PRICE pay tribute to the monumental contributions of the atomic-energy program under the McMahon Act to the common defense and security and to the protection of the free world. They recognize that, with the changing international situation and the swift pace of atomic technology, some changes are unquestionably in order. But they raise a big question as to whether the bill before us meets the requirements. They find the method of presentation and the timing of the proposed legislation most unfortunate. They continue with the following words—

I want to say here that the committee improved the bill by the adoption of the amendment of the Senator from Oklahoma [Mr. KERR], but I am wondering just how the improvement was made, and what will be the final form of the bill when it ultimately makes its exit from the conference committee.

The minority views stated:

> It represents a complete rewriting of the McMahon Act, carrying over some provisions of the existing law intact, modifying others, and adding entirely new sections. Thus, the Congress is confronted, in the closing days of this session, with a single package bill comprehending a bewildering array of technical matters.

These two members of the Joint Committee on Atomic Energy point out further that the form and wording of the bill, with its many new definitions, cross-references and interrelated sections, make it virtually impossible for the Congress to select the more urgent matters for action at this time. It is, they say, an all-or-none proposition.

This means neither more nor less than that the Members of the Senate are being asked to take action on what may well prove the most important single piece of legislation of our time, with a gun at their heads. We would be derelict in our duty to the people who look to us to protect their interests and those of future generations of Americans if we fail to take warning from these words and hold up congressional action in this matter until mature consideration has produced a bill which all can understand.

We know the magnificent work our late colleague, the Senator from Connecticut, Brien McMahon, did in the writing of the basic act. Standing here on this floor today, I want to pay tribute to his memory. I want to pay tribute to the wonderful, almost incomparable public service Brien McMahon rendered to the people of the United States and to all the peoples of the free world, in the writing of the McMahon Act.

I think it is important to pause a moment to give heed to the tribute paid to the work of one of the most devoted members of our great body, the late Senator Brien McMahon, whose arduous efforts led to the enactment of the great piece of legislation that ushered in the atomic age in this country. I am convinced that this McMahon Atomic Energy Act should not be so cavalierly superseded by the hodgepodge before us. In fact, I have had some investigation made and have come to the conclusion

that there is no need for the proposed drastic overhauling. Actually, it would be possible to make such changes, as careful study might show to be required, by relatively simple amendments to the act which would clarify instead of confuse the issues involved.

Representatives HOLIFIELD and PRICE suggest that Congress might well put first things first and enact those amendments which might be necessary to implement the President's proposal for an atomic pool of resources to encourage peacetime development of atomic energy among the nations. The minority report goes on to say:

We see no compelling reason why the legislative requirements to facilitate an exchange of atomic information with friendly nations, whether for purposes of mutual defense or peacetime endeavor, have to be coupled with the granting of private ownership and patent rights in atomic energy to domestic corporations. Defense of the free nations and world peace demand more urgent attention than the desire of a few industrial and utility companies to own and operate atomic reactors.

Here is a "Stop, look, and listen" sign for those who would drive onto the railroad track with a powerful monopoly train bearing down upon them at incalculable speed. For the authors of these minority views have specialized in this field as few men in Congress have. They have sat through all the hearings and executive sessions of the joint committee. They have been in a position to see and appraise what are the real forces behind the bill and what it is likely to do to the country.

They see a possible conflict between international obligations and domestic aims in atomic-energy development if simultaneously pursued now.

Frankly, as I read the bill, I am not sure it gives the President any more opportunity to carry out his purpose than he has under the McMahon Act. But I can see in its vast array of complicated references and cross-references definite obstructions to the achievement of the ends which he is seeking.

Madam President, as we made plain time and time again in the debate, all the President asked for in his message to Congress on February 17, last, was certain provisions with reference to the international section. It was in that very message that he spoke about the adequacy of the basic McMahon Act. There was not included in that message any request for the many other provisions about licenses, patents, the reorganization of the Atomic Energy Commission, and other such matters.

Frankly, Madam President, as I read the bill, I am not sure it gives the President any more opportunity to carry out his purpose than he has at this time under the McMahon Act. But I can see in its vast array of complicated references and cross-references definite obstructions to the achievement of the ends which the President is seeking.

Our attention is called to another factor in the situation which should give us pause. The Atomic Energy Act of 1946 embodies a farsighted recognition of the significance of the developments, for which it would provide the legislative frame of reference, influencing their impact on our way of life. It is expressed as follows:

The effect of the use of atomic energy for civilian purposes upon the social, economic, and political structures of today cannot now be determined. It is a field in which unknown factors are involved. It is reasonable to anticipate, however, that tapping the new source of energy will cause profound changes in our present way of life.

With this in the first section, the McMahon Act naturally provided in section 7 for the Atomic Energy Commission, which it was setting up, to make a report on the social, economic, political, and international implications of the civilian use of atomic energy for the guidance of Congress in connection with recommendations for future legislation.

Not only has Congress not had the benefit of such a report as a basis for the proposal here before us for a complete overhauling of the McMahon Act, but the bill would eliminate from the act both the recognition of a report of this nature and the requirement that Congress be provided with a firm basis for action in this all-important field.

In the words of Representatives HOLIFIELD and PRICE:

The Congress now is asked to legislate for the peacetime uses of atomic energy without the benefit of the careful and comprehensive report from the Commission contemplated by the framers of the McMahon Act.

Surely the Senate should have more information, more facts, more knowledge about the profound changes which may be brought about by atomic energy before passing any single package, any overall bill, dealing with atomic energy.

The elaborate provisions for private patents in the atomic-energy field open the way to new forms of monopoly and accelerated growth of big business at the expense of small business.

We know how much World War II did to stimulate, to encourage, to make possible the growth of big business and the dangers today to small business growing out of this tremendous growth of big business and monopoly. There is no adequate basis provided, either in the report of the Chairman of the Atomic Energy Commission or in the report of the majority of the joint committee majority for a determination of how far reaching the effects of these provisions may be.

The minority makes this statement:

Although it is not easy to judge the effect of the prolix and unduly cumbersome provisions in this regard, we are inclined to the conclusion that the compulsory licensing provision is an extremely limited guaranty of the accessibility of the patented inventions.

We are delighted that under the Kerr amendment the 5-year period has been changed to 10 years. I only hope that when the bill comes back from conference it will embody at least the 10-year provision. While I speak of the conference with the House we are reminded that the House of Representatives, the other body, after a limited debate on this measure struck entirely the compulsory licensing provision. This heightens tremendously the importance of stopping this measure in the Senate, of stopping this greatest giveaway of all times.

Practically all the great popular organizations that sent representatives to the hearings on the bill emphasized the dangers implicit in the patent provisions of the bill and the changes made since they testified have not removed the threat of giant monopoly standing astride the ultimate in energy resources which may follow the careless opening of the atomic field to private patents. The House action indeed would put the monopolists in charge the day the bill is signed.

Mr. MAGNUSON. Will the Senator yield?

Mr. HILL. I yield to my distinguished friend from Washington for a question.

Mr. MAGNUSON. I wonder if the Senator realizes that what the Senator has been talking about, and has so cogently pointed out, has gotten down to the grassroots? I have a wire I just received.

Mr. HILL. Mr. President, I ask that the Senator be permitted to read the wire without prejudice to my rights to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. This wire points out what the Senator is talking about. This is addressed to WARREN MAGNUSON, Senator, Senate Office Building.

The development of atomic energy for domestic use is still so new that the general public has no conception of what the passage of Senate bill 3690, amending the McMahon Act, at this time would mean to them. Urge you to continue debate until the people of this country are thoroughly acquainted with the provisions of this bill and understand just how it would affect their pocketbooks. Full development of this Nation's hydroelectrical potential will not provide all the electric energy our expanding Nation will require in the future. Atomic energy will be the cheapest source for generation of electricity. Its control must not pass into the hands of the private utility companies who can then levy against the public for use of a resource which was developed at public expense. Giving the patent rights on atomic development to private corporations at this time, when the entire future of domestic use of atomic byproducts is completely in the realm of speculation is indefensible. Any and all benefits from the development of nuclear research carried on at the public expense should accrue to the public.

This is signed by Elmer McClure, master, Oregon State Grange, which is the most powerful farm organization in the whole Pacific Northwest.

Mr. HILL. Mr. President, I thank the Senator for reading the telegram.

Mr. MAGNUSON. Is that not exactly what the Senator from Alabama has been trying to point out?

Mr. HILL. I say to my distinguished friend that this telegram sums up what the Senator from Alabama has been trying to point out to the Senate. I thank the Senator from Washington for reading the telegram into the RECORD at this point. We know the great interest the Senator from Washington has taken in this bill, and his great devotion to the effort not only to improve the bill in every way possible, but to bring to the attention of the Senate and to the attention of the people of the United States

the many weaknesses, failures, dangers, and pitfalls in this bill.

Mr. MAGNUSON. Under the same agreement, Mr. President, I ask unanimous consent to read something similar to the Senator's statement fortifying his position in this matter.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. HILL. The Senator may read it. Consent is given without prejudice to my rights to the floor, and the Senator may proceed.

Mr. MAGNUSON. Here is a group of people, including the President of the International Union of Electrical Workers, George Dempster, who I am sure the Senator knows, chairman of Citizens for TVA.

Mr. HILL. If the Senator will yield there, I will say that George Dempster is the mayor of the city of Knoxville, and I paid him a tribute this afternoon and said he had a very unusual record in that he was a Democratic mayor of a Republican city.

Mr. MAGNUSON. He feels the same about this bill as the Senator from Alabama does.

Mr. A. J. Hayes, president of the International Association of Machinists, which includes thousands of workers in this country.

Eric Johnson, president of Northwest Public Power Association.

John Lawson, secretary, United Stone and Allied Product Workers of America, CIO.

Gordon Margeson, vice president, North-Eastern Association of Rural Electric Cooperatives.

This is Northeast; this is new territory.

Elmer McClure, master, Oregon State Grange, whose wire I just read.

A. Lars Nelson, master, Washington State Grange, which is composed of thousands of farmers that have only a public interest in this matter.

James G. Patton, president of the National Farmers Union.

Paul L. Phillips, president, International Brotherhood of Papermakers, AFL.

William Pollock, executive vice president, Textile Workers of America, CIO.

Then we get down to my friend from South Carolina, Alex Radin, general manager, American Public Power Association. That is an organization composed of all of the municipalities that have their own public light plants.

Walter P. Reuther, president, Congress of Industrial Organizations.

Jack Smith, president, Nation Rural Electric Cooperative Association.

Elwood D. Swisher, president, United Gas, Coke, and Chemical Workers of America, CIO.

R. V. Taylor, president, Tennessee Valley Public Power Association, probably well known to my friends from Alabama.

And one of our ex-colleagues, J. Voorhees, the executive director of the Cooperative League of the United States of America.

Now, I am going to put this into the RECORD. I am not going to take much more time, but here is what they say in one paragraph. They say what the Senator from Alabama has said, and has said so cogently, but his statement apparently has fallen on deaf ears on the other side of the aisle. They say in their first paragraph:

> A group of labor, farm, and public-power leaders have proposed that Senate Majority Leader KNOWLAND lay aside the atomic-power bill either for this session of Congress, or at least temporarily until "the American people have been afforded at least a brief opportunity to learn the broad scope and purpose of this measure."

I ask unanimous consent to put this in the RECORD.

Mr. HILL. I thank the Senator from Washington.

Mr. MAGNUSON. I want to say that hundreds of other leaders in the United States propose the same thing.

Mr. HILL. I ask unanimous consent that the document itself, not the remarks of the Senator from Washington, and the part the Senator from Washington read, but the full printing of the document itself come at the conclusion of my remarks.

Mr. MAGNUSON. Yes; I do not want to interrupt the continuity of the Senator's statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HILL. The Senator from Washington asked a question and brought attention to this very timely statement. I want to say that in every phase of the bill there is obvious need for a great deal more study before action can be assured in the public interest. We are dealing with the country's future. We are dealing with the welfare of future generations. Carelessness or neglect at this time will not be excused by the present or by succeeding generations.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from South Carolina for a question.

Mr. JOHNSTON of South Carolina. Mr. President, does the Senator from Alabama believe that when we are dealing in billions and billions of dollars we should act hastily in passing legislation?

Mr. HILL. The Senator from Alabama has been seeking to emphasize that point. On the contrary, we should act with the greatest possible consideration and with the greatest possible deliberation.

Mr. JOHNSTON of South Carolina. Does anyone know at the present time how many billions may be involved in this before it is finished?

Mr. HILL. I think no one knows. I believe the distinguished chairman of the committee who has charge of this bill will tell us that no one now can estimate how many billions of dollars may be involved in this matter of atomic energy.

Mr. JOHNSTON of South Carolina. If we should finish this, does the Senator from Alabama think this will be the last giveaway we will have?

Mr. HILL. Mr. President, I would not be that optimistic.

Mr. JOHNSTON of South Carolina. Has the Senator heard any rumors that the Secretary at the present time is preparing to release a report that plans to give away zirconium, helium, also synthetic rubber? Does the Senator know anything about that?

Mr. HILL. I will say to my distinguished friend from South Carolina that I have heard rumors to that effect, but I cannot speak with authority on it. I have heard rumors to that effect. I am glad the Senator from South Carolina has called attention to those rumors. Sometimes, when rumors are well founded and attention is brought to the basis for the rumors, when matters are thrown out to the public, when the light of public gaze is let in upon those matters, it has a very deterrent effect, and therefore I think the Senator from South Carolina may well be rendering a great service in bringing to the attention of the Senate the matter to which he has now referred.

Mr. JOHNSTON of South Carolina. I will say that helium is included in the list too. It is my information that at the present time—I will ask the question at the end—when we finish with this bill we will be faced with another list and urged to go forward. Does the Senator from Alabama think that then the proponents will play the game in the same way it is being played today, namely, that we will be asked to pass such legislation without being given proper information concerning it?

Mr. HILL. I can well image that if the proposed giveaway to which the Senator has referred—and I say that I cannot speak with authority about it, because I do not know about it—is attempted to be carried out, the plan will be to rush it through as fast as possible.

I wish to take a minute to say that, as I view the fight we have waged against this bill, this incomphehensible giveaway, we are continuing the battle that Theodore Roosevelt and Gifford Pinchot began some 45 years ago, when they started the great battle to preserve and save for the American people their heritage in their great resources—forests, land, water, mineral, and the other great God-given resources—and that we are today carrying on merely another phase of that battle.

We today fight, as they fought, to preserve these mighty resources of atomic energy for the benefit of all the people, to prevent those mighty resources from falling into the hands of a few private monopolies, which would not only greatly enlarge those monopolies, but might in the end lead our Nation into some form of corporate state.

Mr. MONRONEY. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield for a question.

Mr. MONRONEY. I should like to ask the distinguished Senator from Alabama, because he was speaking a few moments ago about the patent provisions of the bill, if the bill which was improved yesterday by the acceptance of the Kerr amendment with regard to the patent provisions, should come back from the House with insistence on the patent provisions of the House bill, would we not by Government direction be giving quitclaim deed to a very few giant corporations for an exclusive monopoly on much of our civilian and peacetime atomic energy?

Mr. HILL. I will say to my distinguished friend from Oklahoma, as I understand the House bill, that would be absolutely the case.

Mr. MONRONEY. The Senate bill, due to the amendment adopted last night, namely, the Kerr amendment, does give us some protection for 10 years, I believe. Is that correct?

Mr. HILL. That is the understanding of the Senator from Alabama.

Mr. MONRONEY. The bill, as the Senate now has it, provides for a licensing of the patents. Is that correct?

Mr. HILL. Yes.

Mr. MONRONEY. The McMahon bill, provided that all patents on atomic energy were in the public domain, and there were no exclusive rights provided for in that bill and no right given to any man to deny to others the discoveries or benefits or processes that were found, as long as they were under the control of the Government. Is that correct?

Mr. HILL. The Senator from Oklahoma is absolutely correct, according to the understanding of the Senator from Alabama.

Mr. MONRONEY. In the bill before the Senate the public domain feature will be good only for 10 years. Is that correct?

Mr. HILL. That is correct, according to the understanding of the Senator from Alabama.

Mr. MONRONEY. I understand that then after the 10-year period, the patents must be licensed.

Mr. HILL. I believe that is correct. I think the Senator is right about that statement.

Mr. MONRONEY. But in the House bill, which might prevail in conference——

Mr. HILL. It might very well prevail in conference.

Mr. MONRONEY. It might prevail.

Mr. HILL. Yes.

Mr. MONRONEY. In the House bill, afer 5 years have run, anyone who has a bottleneck patent could obtain a patent, and deny all others the right to us the bottleneck patent.

Mr. HILL. That is right.

Mr. MONRONEY. In that way we might be giving away, might we not, the whole secret of the use of atomic energy, if anyone at the end of the 5-year period could get an exclusive patent right and thereby hold a critical patent for the conversion of this energy for peacetime use?

Mr. HILL. We might well be doing that, I will say to the distinguished Senator from Oklahoma, by the passage of this one bill that is now before us.

Mr. MONRONEY. In spite of the fact that all the basic patents and the investment of $12 billion have brought atomic energy thus far along, one man would be able to erect a toll gate at the end of that long road and charge everyone else who passed through the toll gate for his exclusive patent rights, or deny passage to those who would engage in competition with him. Is that right?

Mr. HILL. The Senator is exactly right. That toll gate was paid for, as the Senator so well says, by the Government of the United States and by the people of the United States.

The Senator from Oklahoma will undoubtedly recall the novel by H. G. Wells called The Snooper Awakes. He will recall that in that novel H. G. Wells tells the story of an enormous concentration of power in a monopolistic state, which came down by inheritance, so to speak, and was controlled by a company owned by one man, who awoke one day to find that he practically owned the whole world. That is exactly what the Senator is talking about. If we pass the bill, no one can tell on tomorrow or the day after tomorrow, who may awake to find that through this very bill he owns a gigantic monopoly that gives him control over the lives and fortunes and welfare of perhaps millions of people.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from South Carolina for a question.

Mr. JOHNSTON of South Carolina. I wish to read a dispatch which has just come in on the ticker, at 7:00 o'clock this evening, to indicate that there may be something to what I was saying a few minutes ago with respect to helium, in particular. The dispatch reads:

Helium is produced from natural gas in Government-owned plants at Amarillo and Exell, Tex., Shiprock, N. Mex., and Otis, Kans. A record production last year reached 156 million cubic feet, compared with a peak of 137 million cubic feet during one World War year.

With demand close to the maximum possible supply from existing facilities, President Eisenhower last month asked Congress to vote $6 million for additional production facilities. The House Appropriations Committee approved $5 million, but the House and Senate have not acted.

The Helium Act of 1937 specifically authorizes the Government to produce the gas, but does not bar private production. Interior Department officials said they were not certain whether congressional legislation would be required to permit sale or private operation of the Government-owned plants.

The Department made the survey team's report public in McKay's absence. He is in the Pacific Northwest.

It contained the major recommendation that "the Bureau should not engage in production activities, and should do everything possible to terminate present production activities."

The team said it believed private industry would be interested in buying or operating the helium plants, and suggested they be made available "on some mutually satisfactory contractual basis."

A Department official said he knew of no private firm which was seeking to take over the plants.

Does that not prove they are fixing to give other things away also?

Mr. HILL. I do not see how the Senator from South Carolina could have any better or perhaps stronger indication of a proposed giveaway than the dispatch he has read to the Senate.

The Senator from Alabama would like to say that he was a member of the House Committee on Military Affairs when the basic act was written by that committee, and was passed by the Congress, to conserve and preserve for the people of the United States the helium supply of our country. As the Senator knows, if we do not use helium for lighter-than-air craft, we are forced to use hydrogen. The Senator well knows how inflammable and dangerous hydrogen is. It caused, not so many years ago, the terrible tragedy of the *Graf Zeppelin* that burned up at the airport when the hydrogen was in some way ignited.

So in writing that act the House Committee on Military Affairs sought to throw safeguards in every way possible around our supply of helium to preserve and save it for the defense of the United States and for the benefit of all the people of the United States.

I may say that our principal supply of helium is in the great empire of Texas.

While we speak about this giveaway of atomic energy and other proposed or suggested giveaways, I want to take a minute of the Senate's time to read two brief excerpts from the private papers of the late Senator Vandenberg, edited by Arthur H. Vandenberg, Jr., with the collaboration of Joe Alex Morris. The publisher is Houghton Mifflin Co.

I have been in the Congress of the United States and the House and Senate for a good many years. I have seen the great and the near great come to Washington for nearly 30 years to serve the people of the United States. I would have to put the late Senator from Michigan, Arthur Vandenberg, in the front rank of the great men, the great public servants, I have seen and known in Washington. We know of the magnificent leadership he provided, both as a member and as chairman of the Senate Committee on Foreign Relations, in hammering out the bipartisan foreign policy and endeavoring to make America strong in her international relations so that America might be kept free.

I will read from chapter 19 of the book captioned "Calculated Risk," appearing on page 354. These words are from the late Senator Arthur Vandenberg:

Until we have completed the peace treaties and until we have negotiated a competent international agreement to outlaw the use of atomic energy for destructive purposes, it is absolutely vital—in my opinion—that public ownership and public control of atomic energy should be as completely airtight and foolproof as it is possible to make it. Anything less would be a surrender to the greatest hazard of the ages. We cannot hope for these final treaties and for this international agreement short of another couple of years in all probability.

I might interpolate there, that that international agreement has not yet come to pass, and certainly at the present time it seems only to be in the distant future.

Senator Vandenberg went on to say:

During this time I know—and I am very dogmatic about it—that I am best serving my country when I provide the tightest possible public control of atomic energy in the United States.

In other words, Senator Vandenberg, statesman, seer, and prophet that he was, in those words was pleading with us then not to pass any such giveaway legislation as is embodied in the pending bill.

Then Senator Vandenberg on page 356 of the volume had these words for us:

We, the Congress, have declared by law that the control of atomic energy must be

the tightest Government monopoly ever set up in the United States—pending the day when the destructive use of atomic energy shall be outlawed for keeps * * * we solemnly and unavoidably decreed that Government ownership and management, no matter how much we dislike it in other aspects of our national economy and life, is an indispensable public necessity for the sake of national security in respect to the control of atomic energy.

Mr. President, it seems to me absolutely inconceivable that the Senate at this time should be asked to enact legislation opening the great new atomic power resources to private patents and private development under Federal license without the establishment of a single legislative standard or condition protecting the public interest in the abundance of electric power.

This is a clear-cut indication that the policy of the administration, insofar as it involves the field of electric power, is the policy dictated by those private power interests which are against not only Federal participation in the power business but even against Federal regulation of electric power companies.

It is no accident that one of the most active backers of legislation to turn the development of atomic electric power over to the private power companies on their terms is Walker Cisler, president of the Detroit Edison Co., who is also president of the Atomic Industrial Forum. Cisler has a record of efforts to get the Federal Power Act amended so as to permit companies like his to engage in interstate and foreign commerce without thereby subjecting themselves to Federal Power Commission regulation.

In the first session of the present Congress, Cisler secured a private amendment to the Federal Power Act permitting Detroit Edison to interconnect with the great publicly owned Ontario hydoelectric power system across the border in Canada, without coming under Federal regulation. It has been pointed out that the plaque commemorating the beginning of power exchanges unveiled with some ceremony at one of his steam electric stations, carries the inscription "Partners in progress." Thus, one of the leading promoters of the campaign against creeping socialism in this country commemorates his unregulated partnership with creeping socialism across the border.

The bill which is before us deals with the future development of the newest and greatest power resource, which is as much a public resource as the waterpower of our public lands or navigable streams. Over the years, Congress after Congress has written into the law conditions governing the use of such public-power resources, whether the use is by the Federal Government, by State or local governments, by rural electric cooperatives, or by private parties.

In general, Congress has assured the prior right of Federal development when the public interest requires; the prior right of State and local public development over development by private interests; the prior right of public and cooperative electric systems to power supply produced at Federal dams; license for private development subject to statutory conditions assuring the best and safest use of the resource and protecting the public interest in abundance of electricity at the lowest possible rates; Federal regulation of licensees' accounting in order to assure electricity at cost; and Federal right to take over and operate licensed projects at the end of the license period, on payment of net project investment, plus severance damages, if any.

These represent important principles which Congress has seen fit to apply to the development of the country's great waterpower resources. But in this bill before us, which purports to establish the conditions under which an even greater publicly owned power resource is to be developed and utilized, these principles are absolutely ignored. We have adopted preference amendments, but we have not dealt with the safeguards that must be thrown around private licenses. In fact there appears to be the same deliberate intent to discard the structure of Federal power policy which I have already discussed in my review of what has happened to the Federal partnership with local public and cooperative electric systems.

The atomic energy bill which we are considering here represents just the culmination—the high-water mark—in the reactionary tide that has been rising to engulf the people's power policy since January 1953. And I do not think any of us in that fatal month of change realized the rapid progress that 18 months would see in the drive to turn the country's power resources—and ultimately its entire power business—over to private power monopoly.

This represents a giveaway of the people's most vital energy resources unparalleled in our history. It makes the notorious Teapot Dome giveaway of the Harding-Coolidge era look like a little anthill.

If the Congress enacts the proposed atomic-energy bill in its present form, many months will not have passed before it will be recognized as the great scandal of the 83d Congress and the Eisenhower 4 years—and I say 4 years advisedly—for, as I said earlier in my remarks, the people of this country are going to make sure that the tide which is running against their great power policy—the tide which would sweep away their ownership of great public powerplants and municipal systems and rural electric cooperatives—is reversed.

And when I say "reversed," I mean reversed in a big way. There will be a new tide of public opinion which will sweep away the very ability of private power monopoly to use the tremendous revenue which it derives from a franchised and licensed public business to pollute the very wellsprings of democracy with the poison of its propaganda and political manipulation.

In the early days of the present administration I joined to preserve the people's extensive offshore petroleum resources as a source of badly needed revenue for the support of those vital institutions of democracy—our schools and colleges.

In the course of that so-called tidelands oil fight, the magnitude of the oil reserves involved was estimated in the billions of barrels. But in the present drive to give away the Nation's hydroelectric and nuclear power resources to private power monopoly we face a giveaway policy which dwarfs the offshore oil giveaway as the latter, in turn, dwarfed Teapot Dome.

The turning over of the country's remaining undeveloped waterpower resources to the power trust, if measured in terms of the energy which would be produced from these resources in the 50 years of a waterpower license, would represent a gift many, many times the tidelands gift to private oil interests. And when we come to atomic power, we are dealing with energy resources exceeding perhaps many, many times over the power potential of all the coal and oil and natural gas reserves, discovered and undiscovered throughout the world.

I am convinced that this monstrous giveaway, if it is carried through, will only be for the moment. For it will give rise, as certainly as the sun will rise tomorrow, to a public reaction which will carry public power to a higher watermark than it had ever reached before the Eisenhower 4 years began.

Our American people will look across the border to our neighbors in Canada and see the people of provinces like Ontario buying more than twice as much electricity for the same money as we have to pay private monopoly here.

They will see more and more private enterprise thriving in that prosperous province where public power is the rule and not the exception.

They will see the multimillion-dollar "creeping socialism" campaign of the Power Trust for what it is, a gigantic conspiracy to manipulate the minds and politics of the American people, for giving the people a mass brainwashing, if you will.

And they are going to do more than just resent it. They are going to change it, not superficially, but radically, which means right down to the root of the trouble.

The rolling offensive of the Power Trust—to establish its monopoly control over the people's hydroelectric resources, over the people's atomic power resources, in fact, over the Nation's entire electric power economy—has made considerable progress in all parts of the country since the new administration took office in January 1953. It must be stopped before it begins to undermine the expansion of our economy and the steady rise in our living standards. It must be reversed. We should begin the reversal by shelving the atomic-energy bill, and providing for a thorough, unbiased investigation of the social, economic, political, and international implications of the use of nuclear energy, as man's latest conquest of the forces of the universe.

Then a new Congress will be prepared to take constructive action to assure the people the full values which the atomic age has to contribute. And I feel sure that the results of more mature consideration will be achieved through relatively simple amendments to the splendid act which is associated with the name of Brien McMahon, rather than by any such confused and confusing attempt to

write an entirely new bill, as we have before us in S. 3690.

I wish that it were possible for us to look ahead a century into the future and see what will be said about the momentous decision that is being made in this Chamber in these historic moments—and these weary days are but the most fleeting of moments in the broad sweep of time.

This is an enormous giveaway. Expressed in dollar terms, it is beyond our ability to grasp. The dollar values of the atomic processes have to be calculated in terms of trillions. But the dollars, trillions of them, are not all that is involved.

Monopolistic business has grown already to enormous size in this Nation.

The nature of our democracy has been altered by vast concentrations of wealth and economic power. Businesses, and especially private utilities, have acquired the ability to tax the people millions of dollars annually to support propaganda campaigns to make palatable further accumulations of economic and political power in the hands of a few predatory interests.

The very quality of our democracy is involved in this decision; we are asked here to turn over the whole energy resource of the future to a relatively few insiders—"Washington's favorites," Barron's Weekly called them—and give them the ultimate control of the amount of energy that will be available to the Nation, of what regions shall be developed, of who may establish new industries, and who shall reap the economic benefits flowing from this great new public resource.

Mr. President, time and again on this floor those who have sought to expose the weaknesses, the failures, the dangers, and the colossal giveaway involved in this bill have been denounced as filibusterers. Earlier in my remarks I treated of this subject. I demonstrated that the debate had been germane, that amendments had been adopted, and but for the complete around-the-clock sessions, which have been only timewasters and timekillers, the bill would have made far greater progress, and might well have passed. I shall not go into that further. But I do want to pay my tribute to those Senators who have stood on the floor and fought for the American people so that they may know what is in the bill; those Senators who have fought for time to study its political, social, economic, and international effects. The study was supposed to have been made and submitted to us, but we have never received it. I wish to pay tribute to those Senators who have fought to save the Nation from a hurried decision that might lead us to a corporate state.

I know those Senators have labored through long days and weary nights to win time for a real study. I cherish every one of them, and shall cherish them to my last day, for their great patriotism and great public service, and for their readiness to give so freely of themselves in the discharge of their high responsibilities. I know the deep convictions of every one of them that this measure is a giveaway, a step toward further concentration of economic and political power in the hands of a few.

I am alarmed by the implications of what the Senate is doing. I am alarmed that a measure burdened with power policy, with patent policy, with freedom of enterprise policy—with tremendous potential effects on the very character of this Nation only a few years hence—should be brought to this Senate, brought up for consideration before the ink is dry on the report, and then that those of us who insist upon real consideration, real study, real discussion, real statesmanship, should be castigated for discussing the bill.

It is easy to make public statements that we were delaying important legislation. No one is fooled by them. I do not know of anyone, anywhere, who did not see through those statements; who did not realize that they are sheer coverup; in this case a coverup for an effort to put a historic measure through the Congress before there could be adequate consideration.

The great majority of citizens of this Nation know that if there are pressing matters, this bill could have been set aside for a few days, or for the full year that it should be set aside.

The last-minute, around-the-clock tieup of Senate business resulted from the majority leader's decision to handle this bill in the manner that he has, and the responsibility of those devoted colleagues with whom I am associated to see that, in spite of the pressure, the measure was adequately considered.

The Senate is to be congratulated, the Nation is to be congratulated, and especially those States that elected them, that there are men so imbued with a sense of responsibility that they stood undaunted by forced around-the-clock sessions.

The irresponsible way would have been to sit and wait for the day to come when patents deluge the patent office and the people's trillion dollar atomic values are converted into private property, forcing a belated realization of the importance of this bill. The patent attorneys are poised. The floodgate is going to be opened if this bill passes. Hundreds of old patent filings and new ones will deluge the Patent Office like mineral claims in a gold rush.

To wait for that day to start to fight would be to wait too long.

The fight was not of our choice. It was not of our making. But it was our responsibility as Members of the Senate, and we have tried, conscientiously and wholeheartedly, to meet that responsibility, doing all within our power to bring to the attention of the people of the United States all the dangers involved in the bill, doing all we could to prevent a colossal giveaway and to bring about the defeat of the bill.

Mr. HILL subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks today a letter which appeared in the Commercial Appeal of Memphis, Tenn., on July 13, 1954.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER

DEAR UNCLE SAM: I see by the papers that you propose to encourage free enterprise, and that you are willing to set people up in business to fight creeping socialism. Please consider my application for a power plant. I would like to produce power to help out our defense effort.

I deserve a power plant because I believe in free enterprise. My paper tells me that a good power plant, big enough to take care of present needs, can be built for about $107 million. I have been a citizen and taxpayer all my life, at least since I was big enough to deliver groceries on a bicycle, and I know what it means to belong to the free-enterprise system. I am a self-made man.

I would like to have a powerplant that will pay a dividend of 9 percent on the investment, and I will operate it 25 years for that 9 percent, and after the 25 years are gone I would like to have a clear title to the plant, so that it will remain in the hands of my successors always. After all, the grandchildren of free enterprisers are entitled to security, just like the grandchildren of labor-union people. All men are created equal.

If you will underwrite a $107 million powerplant, just think how much business it will bring in while being built. Probably more than half of that money will go into labor, and laboring people will pay rent, buy groceries, meet installments on electrical appliances, and drink a lot of beer.

That means that if you give me a powerplant, there will be lots of money in circulation while it is being built, and cash registers will ring merrily, and we won't have any business recessions. It won't cost the taxpayers much; after all, there are about 160 million of us, which means that each taxpayer will have to fork up less than a dollar, so you can set me up in business for national defense.

Ordinarily I would be afraid to let other folks know I am asking for a powerplant on these terms, because a lot of greedy people who don't want to work would want to grab off some gravy, and some chiseling price-cutter might submit a lower bid, but I see by the paper that this is a noncompetitive deal, and that nobody has to bid. All you have to do to qualify, as I read in the paper, is to believe in free enterprise.

I could believe in a lot of free enterprise for a $107 million business which would fetch me 9 percent for 25 years and then belong to my heirs and assigns forever.

Please hurry up, Uncle Sam, and let me know when I can start my powerplant. You ought not to make a free enterpriser wait.

Yours truly,

KILO AMPERE WATT.

P. S.—My brother-in-law has lost his job on a laundry truck. He wants a powerplant too. He is a loyal free enterpriser.

K. A. W.

DEATH OF FORMER SENATOR JOSEPH EUGENE RANSDELL, OF LOUISIANA

During the delivery of Mr. HILL's speech,

Mr. LONG. Mr. President, I have just learned with sadness of the death of a former Member of this body, Senator Joseph Eugene Ransdell, of Louisiana. The State of Louisiana and the Nation have lost an outstanding citizen who gave many years of his life to public service.

Former Senator Ransdell was the oldest living individual to have served in this body. Born in Alexandria, La., on October 7, 1858, he gave to his State and to the Nation more than 45 years of devoted public service.

Senator Ransdell served as a Member of this body for 18 years, from 1913 to 1931. Previously he had served six full terms, and a part of another term, in the House of Representatives.

Senator Ransdell had also served for 12 years, from 1884 to 1896, as district attorney for the eighth judicial district of Louisiana. He was a member of the State constitutional convention in 1898, and was also a member of the board of supervisors of Louisiana State University from 1940 until 1944.

Louisiana and the Nation mourn the passing of a distinguished statesman.

During the delivery of Mr. HILL's address,

Mr. MAGNUSON. Mr. President, will the Senator yield that I may have a document printed in the RECORD?

Mr. HILL. I yield for that purpose.

Mr. MAGNUSON. I ask unanimous consent to have printed in the RECORD a document entitled "KNOWLAND Urged To Lay Aside Atomic Power Bill," signed by a number of officers of labor organizations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

KNOWLAND URGED TO LAY ASIDE ATOMIC POWER BILL

A group of labor, farm, and public power leaders have proposed that Senate Majority Leader KNOWLAND lay aside the atomic power bill either for this session of Congress or at least temporarily until the American people have been afforded at least a brief opportunity to learn the broad scope and purpose of this measure.

Praising Senators who have engaged in the debate on the atomic energy bill, a joint statement declared that laying aside the bill now will provide opportunity for careful, deliberate, and responsible examination of all the issues involved in this question of atomic power both by Congress and the American people themselves.

The statement pointed out that no public hearings have been held on the present version of the atomic energy bill and charged that it is being "steamrollered" through Congress. "This is our first experience with an atomic-powered steamroller," the statement added.

"Those Senators who have insisted on discussing and debating the atomic energy bill deserve the praise and appreciation of the American people," the statement declared. "We congratulate this stalwart and farsighted group for recognizing the great dangers of this bill and for continuing their fight against it and to bring about constructive amendment throughout 11 days of debate and day-and-night sessions which have been forced upon them by the majority leader, Senator KNOWLAND."

In proposing that the bill be laid aside at this time, the group of labor, farm and power leaders said that legislation to permit President Eisenhower to proceed with the negotiation of international agreements on the exchange of atomic information or the establishment of an international pool of atomic energy for civilian purposes could be agreed to without legislative action on domestic development of atomic power.

The joint statement described atomic energy as a natural resource which "Has been opened to the American people by their Government at public expense and should be held in trust for them in perpetuity.

"Yet," the statement continued, "the Senate is being asked in the crowded hours of the closing days of a legislative session to examine, debate and dispose of a bill which, at best, makes no pretense of safeguarding the rights of the public in the future development of atomic power, and, at worst, would vest in a few giant corporations exclusive and incontestable rights in this important field."

Blaming the delay of Senate business on "those who insist on demanding a hasty and ill-considered decision on a measure of such overwhelming importance," the statement said, "Few Senators have been able to examine and appraise the ramifications of the bill. The general public has had practically no opportunity to discover what it is all about."

The statement denied that opponents of the bill sought a Government monopoly of atomic power and explained that Senators fighting the bill were merely seeking to prevent the Government from being excluded from the field.

"How the public interest can best be promoted through development of atomic power and the rights of the people protected through both private and public participation in the development of this great new source of energy should be given the most careful study by any Congress which has the responsibility for laying out our course in this new and largely uncharted area," the statement said, adding, "Assuredly this cannot be wisely attempted or successfully accomplished in the late hours of a legislative session when many other smaller but essential matters press for attention."

JOINT STATEMENT OF THE ATOMIC POWER DEBATE BY THE UNDERSIGNED

Those Senators who have insisted on discussing and debating the atomic energy bill deserve the praise and appreciation of the American people.

We congratulate this stalwart and farsighted group for recognizing the great dangers of this bill and for continuing their fight against it and to bring about constructive amendment throughout 11 days of debate and the day and night sessions which have been forced upon them by the majority leader, Senator KNOWLAND.

At stake in the consideration of this measure are the rights of the American people in a natural resource whose potentialities for the future are beyond the power of anyone now living to describe, or even to comprehend.

This vast resource has been opened to the American people by their Government at public expense and should be held in trust for them in perpetuity. Yet the Senate is asked in the crowded hours of the closing days of a legislative session to examine, debate, and dispose of a bill which, at best, makes no pretense of safeguarding the rights of the public in the future development of atomic power and, at worst, would vest in a few giant corporations exclusive and incontestable private rights in this important field.

In our judgment, the responsibility for the delay of Senate business that has occurred lies at the door of those who insist on demanding a hasty and ill-considered decision on a measure of such overwhelming importance. Few Senators have been able to examine and appraise the ramifications of the bill. The general public has had practically no opportunity to discover what it is all about. No public hearings have ever been held on the bill, as revised, which is being steamrollered through the Congress. This is our first experience with an atomic-powered steamroller.

Press stories on the present tie-up of Senate affairs reveal how little the real meaning of this debate is understood. We state categorically there has been no proposal to exclude private enterprise from participation in atomic power development. Nevertheless, Senators seeking to revise the bill have repeatedly been represented as insisting upon a Government monopoly of atomic power, a proposition which has not been advanced or even suggested by anyone of them at any time throughout the 11 days of debate. Quite to the contrary, they have sought to awaken the public to the dangerous and indefensible proposition, contained in this measure, that the Government shall forever exclude itself from this vitally-important field of public interest, turning over substantially all rights and profits in this new source of energy to a few large companies who have experience derived from their participation in the publicly financed atomic development program up to this time and who possesses influence and great financial resources. So bold and daring a dispossession of the people's interest in a great natural resource has never before been proposed or even considered in the Congress of the United States. The private power monopoly that would be created would make the present one seem insignificant.

How the public interest can best be promoted through development of atomic power and the rights of the people protected through both private and public participation in the development of this great new source of energy should be given the most careful study by any Congress which has the responsibility for laying out our course in this new and largely uncharted area. Assuredly this cannot be wisely attempted or successfully accomplished in the late hours of a legislative session when many other smaller but essential matters press for attention.

Nor is there any need for this intemperate haste at the 11th hour. The McMahon Act, now on the books, provides for the preliminary steps that can and should be taken before the atomic energy field is opened to private participation. Those steps have not been taken. Instead, we are asked to discard the safeguards that were rightly written into that law, and to set off on a new course without any legislative standards or safeguards whatever.

We respectfully suggest to the majority leader that he lay this bill aside, insofar as it relates to the development of atomic power for domestic purposes. We are confident that, to the extent the President requires legislation to proceed with the negotiation of international agreements on the exchange of atomic information or the establishment of an international pool of atomic energy for civilian purposes, agreement on the necessary legislation can quickly be arrived at. Then the majority leader can get on with the normal and necessary business of the Senate.

If the majority leader feels he cannot lay the bill aside for the balance of this session, we then suggest he lay it aside temporarily, proceed with other pressing business of the Senate, and then bring up the atomic-energy bill again after the American people have been afforded at least a brief opportunity to learn the broad scope and purpose of this measure.

This solution which we propose for the tangle in which the Senate finds itself will permit international negotiations to proceed as rapidly as the President may direct and, on the other hand, will provide opportunity for careful, deliberate, and responsible examination of all the issues involved in this question of atomic power both by

Congress and by the American people themselves.

James B. Carey, President, International Union of Electrical, Radio, and Machine Workers of America, CIO; George Dempster, Chairman, Citizens for TVA; A. J. Hayes, President, International Association of Machinists, AFL; Eric Johnson, President, Northwest Public Power Association; John Lawson, Secretary, United Stone and Allied Product Workers of America, CIO; Gordon Margeson, Vice President, North-Eastern Association of Rural Electric Cooperatives; Elmer McClure, Master, Oregon State Grange; A. Lars Nelson, Master, Washington State Grange; James G. Patton, President, National Farmers Union; Paul L. Phillips, President, International Brotherhood of Papermakers, AFL; William Pollock, Executive Vice President, Textile Workers of America, CIO; Alex Radin, General Manager, American Public Power Association; Walter P. Reuther, President, Congress of Industrial Organizations; Jack Smith, President, National Rural Electric Cooperative Association; Elwood D. Swisher, President, United Gas, Coke and Chemical Workers of America, CIO; R. V. Taylor, President, Tennessee Valley Public Power Association; Jerry Voorhis, Executive Director, Cooperative League of the United States of America.

Mr. MAYBANK. Mr. President, in order that the record may be perfectly clear, I make this brief statement setting forth my position on the pending bill. As a member of the Appropriations Committee, former chairman of the Independent Offices Subcommittee of that committee, and now ranking minority member, it has been my privilege and duty to examine and recommend appropriations for the development of the atomic energy program of this Nation. Vast sums were required and vast sums were made available.

I well remember, as the senior Senator from Alabama and others have recounted, that an appropriation was recommended in 1952 for the construction of a steam plant by TVA at Fulton, Tenn. The Bureau of the Budget, after the new administration took office, recommended that this sum be eliminated and that the AEC explore methods of acquiring alternate sources for 600,000 kilowatts. This, in turn, was to free TVA from the requirement of furnishing a like amount to the AEC. The subcommittee deleted this appropriation with the expectation and promise that an explanation of any alternate program would be furnished to the subcommittee. The explanation was not forthcoming until after the President ordered the AEC to enter into the Yates-Dixon contract. Mr. President, I call attention to the fact that this was a contract by negotiation and direction rather than by low bid. I have always been opposed to set-aside contracts and the awarding of contracts on a basis of other than the lowest possible cost to the Government. I cannot condone this contract or the methods by which it was entered into.

It is not a question of private power versus public power. My opposition is based upon the unorthodox method by which this contract is supposed to come into being. Private competitive enterprise is one thing, handouts are another.

I recognize the necessity of enlisting the aid and contribution of private enterprise to the atomic energy program and I further feel that it is vital to the development of this country for the full resources of our great private enterprise system to be utilized in the development of atomic energy for peacetime purposes. If we are to maintain our present position or even stay abreast of world developments of this great means of energy, it will have to be done in partnership and cooperation between private enterprise on one hand and the Government, because of military requirements, on the other. Nevertheless, I further recognize the responsibility of protecting the $12 billion investment which has been paid for by all of the people of the United States. There can be no monopoly arising out of this industry nor can there be any program with the vestige of a giveaway. This bill does not have adequate safeguards for the protection of all of the citizens of this Nation. I fear if it were enacted that we would see a concentration of power in the hands of a few which would doom the free, private enterprise system. Certain amendments to the bill already adopted make it more palatable but I am aware of the action already taken by the other legislative body without even these safeguards.

I might say, Mr. President, it happened to be my honor to visit the Manhattan plant with Senator Stewart, a former Member of this body, with General Groves, and with the former distinguished Secretary of War, Mr. Patterson, at the request of former Senator McKellar, the then chairman of the Senate Appropriations Committee. I think the distinguished Senator from Tennessee, who is now here, and the Tennessee delegation also went there on the first visit.

I say this only to protect the American people: I have voted for every dollar requested for the program from the time the President of the United States asked us for $1 billion, I believe in 1942, until today. I had been in charge of the Subcommittee on Independent Offices of the Appropriations Committee, as the Senator from Alabama knows, which handled all the appropriations not only for atomic energy but for the TVA as well. I only want the RECORD to be clear.

Mr. HILL. Mr. President, as a member of the Senate Committee on Appropriations, the Subcommittee on Independent Offices, who has had the honor and distinction of not only serving with the distinguished Senator from South Carolina but serving under his chairmanship, I want to commend and congratulate the Senator from South Carolina.

Mr. MAYBANK. I appreciate what the Senator from Alabama has said. I remind the Senator from Alabama that when the elections were on in Alabama this year, the Senator left me his proxy as to the TVA matter, and we did the best we could to work it out. I always understood we on the Appropriations Committee were going to be consulted again.

Mr. HILL. The Senator is absolutely right. As the Senator knows, we were told back some months ago we would have a report from the Bureau of the Budget and the Atomic Energy Commission on the negotiations going on in connection with power for TVA.

As the Senator well knows, the President in his budget message, which came in January, did not suggest any such proposal as the Dixon-Yates contract. All the President suggested in his budget message last January was that the Atomic Energy Commission would find another source for power supply and then would release back to the TVA some 600,000 kilowatts of power which the TVA is under contract to supply to the Atomic Energy Commission.

I do not know of anyone who can speak with greater authority on this matter——

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. HILL. Just a moment, please.

I do not know of anyone who can speak with greater authority on the question of the Atomic Energy Commission and the TVA than can the distinguished Senator from South Carolina, the former chairman of the Subcommittee on Independent Offices of the Appropriations Committee, who, throughout the years, has handled the appropriations and has heard the witnesses from these different agencies, and who has gone into the operation of these two agencies of our Government quite thoroughly.

I want to finish the statement I started by commending and congratulating the Senator from South Carolina on his very fine and very able statement, which sums up so well and so eloquently the issues involved in this proposed contract.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished friend.

Mr. MAYBANK. I appreciate what the distinguished Senator from Alabama has said about me. Of course, I am unworthy of it, but I did do this: I did make a motion that we were to be notified within 2 weeks, and, though the motion carried, when the 2 weeks were up, we were never notified.

Mr. HILL. There was never any notification.

Mr. MAYBANK. And we gave them all the money. We appropriated every nickel that was requested for the atomic-energy program.

Mr. HILL. Time and time again the Senator from South Carolina, as a member of the subcommittee of the Appropriations Committee handling the appropriations for the Atomic Energy Commission and the TVA, was advised that we would be further advised——

Mr. MAYBANK. In 2 weeks.

Mr. HILL. With reference to any proposed contract or any proposed arrangement such as suggested by the

President in his budget message, or any other arrangement or proposed contract in connection with these two agencies.

Not only were we to be advised in 2 weeks, but we were to be advised at other periods of time; yet it was not until the disclosure was made on June 17 and 18, of the proposed Dixon-Yates contract before the Committee on Atomic Energy, that there was information given to the subcommittee on the independent offices appropriation bill of the Senate Committee on Appropriations.

I yield to the Senator from South Carolina for a question.

Mr. MAYBANK. I want to keep the record perfectly clear, as I know my distinguished friend from Alabama wants it to be. The President never made the promise, but Mr. Strauss of the Atomic Energy Commission made it.

Mr. HILL. Mr. President, I want to say that the Senator from Alabama never intimated the President made it.

Mr. MAYBANK. I know.

Mr. HILL. The only reference to the President was to the statement in the President's budget message, which was sent to Congress in January.

Mr. MAYBANK. I did not mean that.

Mr. HILL. The statements to which the Senator from South Carolina has referred and to which the Senator from Alabama has referred came from the Bureau of the Budget and Chairman Strauss of the Atomic Energy Commission.

Mr. MAYBANK. And from members of the Commission.

Mr. HILL. From the Commission.

Mr. MAYBANK. When the 2 weeks were up I asked where the statement was, and I was informed they were not prepared yet to make a statement. The Senator will remember that.

Mr. HILL. Certainly. That is exactly right.

Mr. MAYBANK. That is what went on.

Mr. HILL. Days went by, weeks went by, and months went by, with the Subcommittee on Independent Offices of the Senate Appropriations Committee expecting to be advised as to any proposed agreement or contract and it was not until finally on June 17 and 18 that the disclosure was made before the Joint Committee on Atomic Energy that the subcommittee received information on the subject.

Mr. President, I yield for a question to the distinguished Senator from South Carolina.

Mr. MAYBANK. I will ask the Senator this question: Is it not a fact that we reported the Independent Offices bill with the understanding that we would hear further on atomic energy and the TVA?

Mr. HILL. It was not only with that understanding, but the Senator from South Carolina will recall that the distinguished present chairman of the Subcommittee on Appropriations for the Independent Offices appropriation bill, the Senator from Massachusetts [Mr. SALTONSTALL], wrote a letter to the Bureau of the Budget advising the Bureau of the Budget that we expected to hear further on this very matter.

Mr. MAYBANK. I can only pay my respects to the distinguished chairman of the subcommittee [Mr. SALTONSTALL] because he did write such a letter. The Senator did what we have done in the committee.

I do desire to say that the first time I knew about this contract was when I heard about it indirectly.

Mr. HILL. The Senator heard about it. The Senator from South Carolina heard of the provisions because of the disclosure before the Joint Committee on Atomic Energy.

Mr. MAYBANK. I wish to state that the former chairman of the subcommittee voted for every appropriation for the TVA, and the Senator has been on that subcommittee since 1942. Certainly, having been on the subcommittee, I should have been told.

Mr. HILL. I agree thoroughly with my distinguished friend from South Carolina.

Mr. President, I request that all these remarks of the Senator from South Carolina and the Senator from Alabama should appear at the end of the remarks of the Senator from Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MARTIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill is open to further amendment.

Mr. BURKE. Mr. President, I call up my amendment, designated 7-22-54-H, and ask to have it read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 11, line 8, following the period, it is proposed to insert the following:

Nothing in this section shall be construed in any way to limit the right of access of each Commissioner to the information necessary to carry out his responsibilities under this act.

Mr. BURKE. Mr. President, on page 11 of the bill, in section 21, it is provided that:

The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons, or the public, and, on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct.

I recognize, Mr. President, that in setting up the powers and duties of the members of the Commission there is probably the inherent right in each member of the Commission to receive necessary information in order for him to carry out his responsibility. I further recognize that on page 12 of the committee report that again is spelled out as follows:

In providing that all members shall have equal responsibility and authority and that all members shall have 1 vote in Commission actions, the 5-man rule of the Commission's activities is maintained and strengthened. The right of the members to have access to all the information within the Commission flows from this responsibility and authority.

That should be enough to satisfy us, but we find in the hearings of the Joint Committee on Atomic Energy, on page 812, that the Chairman of the Atomic Energy Commission takes a contrary point of view, and assumes, as stated on page 812 of the record, that it is his belief that a majority of the Commission could vote to deprive a minority of the Atomic Energy Commission information which that member or members of the Commission might require to carry on their official duties.

It is in view of that testimony in the record, that a member of the Atomic Energy Commission is not entitled to the information to carry out the responsibilities of his office, that I have offered the amendment.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. BURKE. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. Perhaps I misunderstood, because there was confusion, but I thought the Senator from Ohio said the Chairman of the Commission.

Mr. BURKE. I meant the chairman of the Joint Committee on Atomic Energy, Mr. COLE.

Mr. HICKENLOOPER. The Senator is correct. There is that statement in the hearings by the Chairman of the Atomic Energy Commission, to the following effect——

Mr. BURKE. The Atomic Energy Committee, if the Senator please.

Mr. HICKENLOOPER. I stand corrected, and I thank the Senator.

He said on page 812:

In other words, because to do so would be to render helpless a Commission which at some time in the future, by majority vote, might determine that perhaps two members or perhaps a single individual member of the Commission should not have information in a particular limited field.

Mr. President, I will say to the Senator that that is, in effect, one man's opinion. I do not happen to agree with that opinion of a committee member, as expressed in this hearing. But I call to the attention of the Senate again, as the Senator from Ohio has done thus far, the statement in the report, on page 12, to which he referred, under chapter 3, "Organization," that the "right of the members to have access to all information within the Commission flows from this responsibility and authority."

I think there is no question whatsoever but what the right of each individual Commissioner to access to all information in connection with atomic energy, which is necessary to him in the performance of his duty, is not only inherent but is set forth in the original act and it is expanded in the proposed act. I think that right is amply taken care of.

I can conceive of no situation where a Commissioner would be denied that right. The fact is, the record shows that literally thousands of reports are placed on the desks of Commissioners every

year. There is no evidence that any Commissioner has been denied or refused access to any information which he needs.

Mr. PASTORE. Mr. President, will the Senator say that in the discussion in the committee with reference to this language, which is not at all new, it was the consensus that each member of the Commission who had equal responsibility under the law had equal rights and access to all information?

Mr. HICKENLOOPER. Yes.

Mr. PASTORE. That was the consensus regardless of what the chairman in his own individual viewpoint thought.

Mr. HICKENLOOPER. The Senator is correct, and the Chairman of the Commission has no authority whatsoever to withhold——

Mr. BURKE. I correct the Senator again. The Chairman of the Atomic Energy Commission is the one to refer to, not the committee.

Mr. HICKENLOOPER. I say the Chairman of the Atomic Energy Commission has no authority whatsoever to withhold from any member of the Commission any information which that member needs.

The statement in the report was the personal opinion of the chairman of the committee. As I say, I disagree with that statement. That is only one man's opinion.

Mr. BURKE. Mr. President——

Mr. HICKENLOOPER. I would say to the Senator that I think that the right of each Commissioner to full and complete access to information is inherent in the setup of the Commission, though it is not inherent in all of their actions. I know of no instance where any member of the Atomic Energy Commission itself has been denied information, and I could not conceive of any member of the Commission permitting himself to be denied such information, because he has a right to have it.

I earnestly hope that the Senator from Ohio will not press his amendment, because I assure him that as long as I am a member of the joint committee I shall sustain the principles which I have just announced, and do my best to see that they are not in any way violated by any arbitrary member of either my committee or of the Commission itself.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BURKE. I yield to the Senator from Ohio.

Mr. FERGUSON. I wonder whether the Senator would not be satisfied with the statement of the chairman, who is in charge of this bill, that it is not the intent to deprive any Commissioner of any information necessary to be used in the performance of his duties.

As I understand, this amendment is brought about by the fact that something was said in the record which indicated that there might be some doubt about this question. Therefore, the history now on the floor would indicate that there is no such intent in this legislation.

Mr. BURKE. The fact that something was said in the record is an understatement. The chairman of the Atomic Energy Committee made the bald statement that he thought the majority of the Commission could withhold necessary information to the minority in carrying out their duties. The only purpose of my amendment is to make the record crystal clear that it is the intent of Congress that every member of the Atomic Energy Commission shall have access to information to permit him to carry out the responsibilities of his office.

If the Senator from Iowa assures me of that fact, I am willing to withdraw my amendment.

Mr. HICKENLOOPER. Mr. President, I shall assure the Senator, in whatever responsibility I have, either in charge of this bill or as a member, or as vice chairman, or in any other capacity of the committee, that that is exactly the intent, as I understand it, of the law and the bill. That is the situation I will defend and which is, in fact, in effect.

Mr. KNOWLAND. Will the Senator yield?

Mr. BURKE. I will yield.

Mr. KNOWLAND. I will say to the distinguished Senator from Ohio, both as a member of the Joint Atomic Committee—and I have been a member of that committee since it was created—as well as majority leader of the Senate, I fully concur in the statements made by the Senator from Iowa [Mr. HICKENLOOPER], and I would resist just as actively as would the Senator from Iowa any thought that the minority members, or any members of the Commission, could be denied information which is necessary in the carrying out of their heavy responsibilities.

Mr. BURKE. Mr. President, since the record has been made clear, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open for further amendment.

Mr. LEHMAN. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from New York.

Mr. LEHMAN. Mr. President, yesterday in the debate the distinguished Senator from Iowa made the statement that no public organizations would be denied a hearing on the revised bill if they had applied for such a hearing. I know that the distinguished Senator from Iowa made the statement in very good faith. I want that to be clear on the record. I was quite certain that he was mistaken in making that statement. As I had taxed him on it, I took pains to communicate with at least some of the public-interest groups.

I should like to read the telegrams which I have received from them. The first telegram is from Clyde T. Ellis, executive manager, National Rural Electric Cooperative Association:

WASHINGTON, D. C., *July 26, 1954.*

Hon. HERBERT H. LEHMAN,
United States Senate,
Senate Office Building:

In response to your request for information on this matter, the rural electric cooperatives, through their national organization, the National Rural Electric Cooperative Association, were given time on May 14, 1954, to testify before the Joint Congressional Committee on Atomic Energy on the first Cole-Hickenlooper bills, H. R. 8862, and S. 3323.

Appearing on page 318 of the printed hearings, I made the following statement:

"And I would like to add there that should there be a clean bill before this committee later on as we have heard there might be, we would like the opportunity of coming back before you.

"And we, of course, would like the same privilege for other groups who might want to come."

On May 21, 1954, Representative W. STERLING COLE introduced a second and new bill in draft form "incorporating changes proposed to be made in H. R. 8862 and companion bill, S. 3323." On May 28 I wrote Representative COLE and the other members of the Joint Congressional Committee on Atomic Energy requesting time to testify on the second bill. My letter reads as follows:

"Today we received a copy of the proposed changes in H. R. 8862 and S. 3323. We have carefully examined these changes, and we believe they are worse than the original bill. It is our belief that these changes would be more damaging to the rural electrification program than the original H. R. 8862 and S. 3323; and of course when we testified on the original bills we objected to major portions of them as not being in the interest of the rural electrification program.

"When we testified before the joint committee on the original bills, we said 'If this committee decides to consider a clean bill, we would like to come back and testify on it.' We respectfully request such time to testify on the proposed changes in H. R. 8862 and S. 3323."

On June 2, 1954, I received a reply by letter from Representative COLE which stated:

"This is in reply to your letter of May 28.

"In the interest of trying to complete action on H. R. 8862 and S. 3323 in this session of Congress, it would be very much appreciated if you would try to set forth your comments on the clean bill and submit them to the committee for its examination rather than appear again in open hearing. As you no doubt know, the clean bill does not consist of committee adopted amendments, but is only a suggested revision. I therefore do not feel that it is appropriate for us to reopen hearings with public witnesses on the same subjects which we have already covered in H. R. 8862."

Therefore, the rural electric systems were denied an additional hearing as they requested, but they were given permission to submit a written statement on the second bill.

On June 9, 1954, I replied to Representative COLE's letter of June 2, as follows:

"We appreciate the opportunity you offered us to submit our views in writing on the revisions to H. R. 8862 and S. 3323. But we would still like to appear before the committee and testify on these revisions rather than submit our views in writing. We feel these revisions are of sufficient importance that further oral testimony should be permitted.

"Therefore, we would again like to take this opportunity to request time to testify on the revisions to H. R. 8862 and S. 3323."

No answer was ever received to this request.

But the rural electric systems decided to prepare a written statement as Representative COLE suggested. When the statement was ready for submission to the Joint Congressional Committee on Atomic Energy, Mr. Robert Kabat, a staff member of the National Rural Electric Cooperative Association, telephoned Mr. Hamilton, clerk of the joint committee, and asked him when the statement should be delivered to the joint committee. Mr. Hamilton advised against submitting the written statement on the second bill, because he stated that within a few days a print of still another and quite different third bill would be made available for public examination and reaction. Mr. Hamilton indicated the public would be

given approximately 1 week to submit their views in writing on this third bill to the joint committee before the committee acted on the bill. Several days later, the third bill, which in some important aspects differed drastically from the bill the rural electric systems testified on, was reported out by the joint committee without any further hearings or the opportunity to present written statements. Thus the public, including the rural electric systems, was denied the opportunity to testify on the bill, which is now before the Senate.

CLYDE T. ELLIS,
Executive Manager, National Rural Electric Cooperative Association.

I have the following telegram, Mr. President, from Mr. Alex Radin, general manager of the American Public Power Association, dated July 26, 1954:

JULY 26, 1954.

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

In response to your request as to whether the American Public Power Association was given an opportunity to testify on S. 3690, please be advised that we were not.

Representatives of our association did testify on May 12, 1954, before the Joint Committee on Atomic Energy on H. R. 8862 and S. 3323. Subsequently, we received from the joint committee a copy of a committee print (a so-called "clean bill") which represented a revision of the above-numbered bills. I called Mr. Hamilton, of the staff of the committee, and asked whether we would be given an opportunity to testify on the new bill. Mr. Hamilton advised me that the committee print itself was being revised further, and that we would not be permitted to testify on the committee print or the new bill then being drafted. He said we could submit our views in writing on the committee print, but the time elapsing between our receipt of the committee print and the introduction of the new bill was too short to permit our preparation of testimony.

ALEX RADIN,
General Manager, American Public Power Association.

Mr. President, I have a further telegram from Mr. Benjamin C. Sigal, on behalf of the Congress of Industrial Organizations, also dated July 26, 1954, which reads as follows:

JULY 26, 1954.

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

On May 19, 1954, I testified before the Joint Committee on Atomic Energy on behalf of the Congress of Industrial Organizations regarding H. R. 8862. My testimony was directed to an early version of the bill, which was the only version then available for the public.

During the course of my presentation, Chairman COLE stated that the joint committee had already agreed to make certain changes, but the precise nature of the changes already made at that time was not publicly known.

When the bill was finally submitted to the Senate by the joint committee, it contained a large number of provisions on which no testimony had been received from the public. I was advised that I would not be able to give any testimony on these new items although they were of fundamental importance to the entire atomic-energy program.

Legislation of such vast significance to our economy should be fully explored in public hearings, and all parties desiring to express their views on it should be given an adequate opportunity to do so, in order that the Members of the Congress may be fully informed of the issues involved. The procedure followed in the handling of H. R. 8862 failed to carry out these elementary requirements.

BENJAMIN C. SIGAL,
On Behalf of Congress of Industrial Organizations.

I bring this matter up because the claim had been made that public hearings were permitted, and anyone who wished to appear was given permission to appear, and I wanted to have it very clearly understood that the statement which I made yesterday was not inaccurate, and was not made except upon information which had come to me, the authenticity of which I was very certain.

Mr. HICKENLOOPER. Will the Senator yield for a question?

Mr. LEHMAN. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I will say that the Senator is absolutely engaging in a process of confusion here, because every person and every organization he has mentioned testified to the substance of the bill. They were all given an opportunity to file their views in writing on minor changes which were made later in revised edition.

The statement still stands. Every organization the Senator mentioned had an opportunity to testify and give its views on the substance of this bill.

I call attention to the statement of Mr. Ellis, of the REA. Mr. Ellis was advised to give his views on any minor changes that might have occurred in the revised bill.

On page 306 of the record, Mr. Ellis engaged in the following colloquy with the Senator from Rhode Island [Mr. PASTORE] and this expressed Mr. Ellis' attitude throughout:

Senator PASTORE. Well, now, that is precisely the point. I may be anticipating a little, but I think in the main your view is that this legislation should not pass in any form. Am I right?

Mr. ELLIS. We think that this particular bill should not pass in any form in which we can conceive of it at the moment.

He was utterly opposed to the entire program, the entire bill. He was given an opportunity to file any observations he had in writing. He did not do it. The others did not file their views, with maybe 1 or 2 exceptions.

I am becoming a little bit irritated with the utter misrepresentation that has gone on about this bill. The bill does not affect the REA cooperatives one bit. REA has just as much opportunity as any other group under this bill. To say that we have violated the province of REA or its position is a complete misrepresentation of the facts in the bill. I do not say they are deliberate misrepresentations. I say they are misrepresentations resulting from the fact that certain organizations have been busy setting up headquarters and they have had their road runners here feeding information to Senators and others based upon completely erroneous assumptions and complete ignorance in many cases of the provisions of this bill. The country some day is going to discover the deception to which Senators, who have been deluded on the provisions of this bill, have been subjected by organizations whose sole desire is to kill it and to prevent private enterprise from participating in this great new adventure which promises so much to the American system.

There comes a time when patience has a limit, I have not contravened nor disputed the countless misunderstandings and mispresentations which have been unintentionally made on the floor of the Senate about the effect of this bill, but some day the public will find out that this is a good bill in the public interest, that it is a bill in the interest of the American free enterprise system, and I think it ought to be known and realized that every organization that wanted to testify did testify. The list is legion. To say that any of them were denied the right to testify is not the fact.

Mr. LEHMAN. Mr. President, I believe the junior Senator from New York has been very indulgent to the Senator from Iowa in permitting him to make a speech when his request for me to yield was for a question, but I was very glad indeed to hear from him again today. It is a matter of common knowledge, of course, that he and I do not look on this bill in the same way. He thinks it is a good bill. I think it is a bad bill, although it has been improved because of the constant efforts of a group of us who have opposed many of the features of the bill.

The improvements have been substantial in the way of eliminating the vicious proposal that we pay taxes, as in the Dixon-Yates contract, or in any similar contract, and the bill now provides that the Government will not be prohibited from commercially marketing power if to do so it is in the interest of the people, who have an investment of $12 billion in this undertaking. The time for patents was extended to 10 years before the Government will give a complete quitclaim on patents. Many other improvements of that sort were adopted, and they were adopted solely because of the great fight which we have been putting up in the Senate. They were finally either voted by the Senate, or accepted, because of the logic that was brought to bear in connection with them, and because we had educated the people of the country to some of the serious defects of the bill. We had educated the people of the country to a realization that this is a colossal giveaway, bigger than anything that has ever existed in this or any other country. It is a giveaway of the assets of the people of the United States.

This is not the kind of giveaway which might come about through God by grace. This is a giveaway of assets provided by the taxpayers of this country to the extent of $12 billion. The possibility of profits to monopolistic interests contained in this bill opens a vista that completely defies human imagination.

As long as the Senator from Iowa has raised a question, I wish to read a part of the RECORD, as follows:

Mr. LEHMAN. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield for a question.

Mr. LEHMAN. Am I not accurate in stating that the considerable list of public-interest organizations appearing at the hearings is a list of those appearing at the first hearing held in May, and this is shown in part I of two parts?

Mr. HICKENLOOPER. Part I and part II. I put in both.

Mr. LEHMAN. Am I not correct in that, in the first place?

Mr. HICKENLOOPER. That is right.

Mr. LEHMAN. Am I not reading accurately from the record of part II, which reads as follows——

Mr. HICKENLOOPER. Will the Senator state the page?

Mr. LEHMAN. Page 561:

"After the bill had been introduced for a relatively short period of time, executive hearings were held with the Commission, representatives of the Department of State, the Department of Defense, and then later on public hearings were conducted, and in all of those hearings criticisms were voiced, suggestions were made, with the result that H. R. 8862 was revised to meet many of the objections. The revised edition of H. R. 8862 has again been transmitted to the agencies of Government, including the Atomic Energy Commission, and it is for that purpose that we have met this morning renewing the open meetings of this Committee for consideration of H. R. 8862, as revised."

May I ask the Senator from Iowa whether at that meeting any public interest groups testified or were invited to testify?

Mr. HICKENLOOPER. Will the Senator repeat the question, please?

Mr. LEHMAN. May I ask the Senator from Iowa whether in the second hearing which took up a revised version of the bill, as the result of the first hearing, there were any public interest groups present, or invited to be present, or which testified?

Mr. HICKENLOOPER. That hearing was only the first of many. Hearings were held repeatedly, and 1,200 pages of hearings were held after that.

Mr. LEHMAN. Mr. President, will the Senator yield for one more question?

Mr. HICKENLOOPER. Yes.

Mr. LEHMAN. I have before me the list of witnesses for part II. I wonder whether the Senator from Iowa could point out the witnesses who represented any public interest group, who appeared or testified at those hearings.

Mr. HICKENLOOPER. In part II?

Mr. LEHMAN. Part II; yes.

Mr. HICKENLOOPER. The list of witnesses speaks for itself. I am looking at the list.

Mr. ERVIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. HICKENLOOPER. Mr. President, I now call the attention of the Senator to part II, the contents of which lists Government agencies represented at the hearings:

"Atomic Energy Commission.
"Members of Congress.
"Department of Defense.
"Federal Power Commission.
"Department of Interior.
"Department of Justice.
"Department of State.
"Tennessee Valley Authority."

Mr. LEHMAN. I refer to public-interest groups.

Mr. HICKENLOOPER. What does the Senator mean by "public-interest groups"?

Mr. LEHMAN. Any large organizations—labor organizations.

Mr. HICKENLOOPER. They were heard in part I.

Mr. LEHMAN. I refer to rural-electrification groups, the reclamation organizations and organizations of that sort. I think the term "public-interest groups" is quite clear.

Mr. HICKENLOOPER. Every group which asked to be heard was heard. Nobody was refused the opportunity.

Mr. President, I should think that that is not an accurate statement. Of course, I absolve the distinguished Senator from Iowa [Mr. HICKENLOOPER] of any disposition or intention to becloud the issue or to misrepresent it. The fact still remains, however, that these public-interest groups were not permitted to testify on the atomic-energy bill, which is the legislation now before us.

I want to say, in spite of the comments that have been made, that I believe the public-interest groups serve a tremendously useful and valuable purpose. They represent millions of people. They represent the small people, the common people, whose voices cannot be heard individually. They must be heard in a chorus through the organizations of which they are a part. To belittle those great organizations and those useful organizations, it seems to me, is unworthy of the dignity of the Senate or of any individual Senator.

I wish to emphasize with all the strength I have the great admiration that I have for these public-interest organizations, which in many cases represent members without any hope of personal gain, but merely because they feel that the interests of the people of our country must be served.

Mr. President, if ever the time comes when we no longer welcome the participation in government and in the consideration of legislation of such organizations, by their coming before Congress and coming before the legislatures of the various States, we will have taken a very big step backward, and we will have perhaps surrendered a very useful and valuable and essential asset of the American people.

I yield the floor.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The bill is open to further amendment.

Mr. LANGER. Mr. President, on behalf of the distinguished Senator from South Carolina [Mr. JOHNSTON] and myself I call up the amendment that is at the desk.

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 71, after line 6, it is proposed to add the following new section following section 158:

SEC. 159. Patents granted under this act, and held by any individual or company, or controlled by an individual or firm, which is convicted of or held in violation of the antitrust or antimonopoly laws, pleads nolo contendere to such charges, or is held in violation of the antitrust laws by the Federal Trade Commission, shall automatically become the property of the Federal Government, available to the public without royalty fee or other charge. In the case of decisions by the Federal Trade Commission, any subsequent rulings of the courts in relation to a Federal Trade Commission decision shall be controlling.

Mr. LANGER. Mr. President, my remarks will not be long. The distinguished Senator from South Carolina [Mr. JOHNSTON] is the cosponsor with me of the amendment. I have been in communication with the Senator from Iowa [Mr. HICKENLOOPER]. It is possible by changing a word or two in the amendment that the distinguished Senator from Iowa will agree to take the amendment to conference.

Mr. President, over the weekend I have developed some information with regard to the conduct of the commercial aspects of the atomic-energy program that is of a most alarming nature to anyone concerned with our antitrust and antimonopoly laws.

Monopolists who have been fined more than once for violation of the antitrust laws are among the select list of firms who expect to be on the inside at the Atomic Energy Commission, in line for benefits from the new atomic era. They are among the firms that will have an inside track on licenses and patents under the bill pending before this body. It is a situation that urgently needs thorough investigation before further action on this measure.

My attention has been called to a publication issued by Francis I. du Pont & Co. called Gleanings. It is prepared by the company's research department. Its caption explains that it presents "Today's Research on Tomorrow's Markets—Roundup of Latest Comments and Opinions of Our Analytical Staff."

This is the May 1954 issue of Du Pont's publication. It was published while the new atomic energy bill was still before the joint committee, and it appears indeed to have been a very timely information sheet, indeed, for the Du Pont investors.

On the front cover is an indication of the contents. Under the first heading is: "Atomic Energy—Devised for Wartime Destruction, Development of Nuclear Power May Provide One of the Greatest Impacts on Creating a New Era—Selected Companies in Line To Benefit From Coming Age of Atomic Energy."

There is a second heading which advises the readers that the pamphlet also contains: "Typical Portfolios—Selected Lists for the Investment of $5,000 Each for Stock Buyers of the Atomic Energy Shares—Funds Include Good Quality Issues, Appreciation Type Shares and Low-Priced Speculative Equities."

There is no copyright on this publication. Possibly in view of the possible proximity of the great giveaway of what the Du Ponts regard as a development that "may provide one of the greatest impacts on creating a new era since the discovery of electricity." I think the American people ought to have the same access to this information on how to get a chunk of the profits from Uncle Sam's atoms, as the Du Pont clients. I am therefore going to put the material in the RECORD so it will be available for all to see.

The list includes companies which will undoubtedly be in line at the patent office the moment this Atomic Energy Act is signed—if it ever is—to stake out a claim to some portion of the new trillion dollar nuclear energy field which has been opened with $12 billion of money belonging to all of the people of the United States.

The retroactive patenting clause in the proposed act, giving those who have previously sought patents—about 600, I am told—a full year to refile and get their original filing dates, will diminish the patent rush on signing day.

Nonetheless, patent attorneys expect a sizable line to form when the gates are opened, and private atomic domains can be staked out.

The Du Pont circular announces, and I quote:

Selected companies in line to benefit from the coming age of atomic energy.

The brief text, before the listings reads:

As dynamic as its destructive force is the impact which harnessing of atomic energy may have on peacetime applications by American industry.

Over 200 corporations are now actively engaged in developing potential uranium, lithium, and thorium properties, processing the minerals under Atomic Energy Commission supervision or studying numerous industrial applications for peacetime commercial uses. Long-range (stock) buying programs either for growth, investment, or as a speculation on timely developments could include representative issues from the following comprehensive lists.

There follows lists of processors, contractors, researchers, ore development and production companies, instrument and equipment manufacturers, public-utility and railroad companies, which are studded throughout with names of firms you will find in every monopoly study, utility investigation, oil investigation, or other study of concentration of economic power made in recent years.

Oil companies, chemical companies, electric companies, and equipment companies predominate in these lists but by no means constitute the entire list.

Armour & Co. and Swift & Co., of the Big Four meat packers are in the ore development and production list.

I shall offer the list for the RECORD as it is presented by the Du Pont researchers classified in types of atomic activity, but before I do, I believe the American people would also like to have it broken up as to type of company.

First, let me read the utility list, starting with the Atlantic City Electric. Others include: California-Oregon Power; Cleveland Electric Illuminating; Commonwealth Edison; Consolidated Edison; Consumers Gas, Electric Light & Power of Baltimore; Detroit Edison; Duquesne Light; General Public Utilities; Hartford Electric Light; Metropolitan Edison; New England Electric System; Northern States Power; Oklahoma Gas & Electric; Pacific Gas & Electric; Pennsylvania Electric; Philadelphia Electric; Potomac Electric Power; Public Service Electric & Gas; Rochester Gas & Electric; San Diego Gas & Electric; and Southern Co. (Dixon-Yates).

Here let me pause and take my hat off to the Du Pont researchers for shrewd predicting. The Southern Co. is one of the partners in the Dixon-Yates contract. They are, indeed, in line for a luscious plum at a terrific cost to the United States taxpayers, over and above necessary cost of electricity, of $90 million to $140 million. This is the company of which Bobby Jones is a director.

Continuing the list of private utilities in line for a slice of the atomic pie, there are: American Gas & Electric, Cincinnati Gas & Electric, Columbus & Southern Ohio Electric, Dayton Power & Light, Illinois Power & Light, Kentucky Utility, Louisville Gas & Electric, and Middle-South Utilities.

And here I pause again to point out that Middle-South is the other half of the Dixon-Yates partnership, which will be the beneficiary of the $3.6 to $5 million annual giveaway of Government funds under their contract with the White House, to supply electricity to the Tennessee Valley Authority. Continuing the list again, we find, also: Niagara Mohawk Power Co., Ohio Edison Co., Southern Indiana Gas & Electric Co., Toledo Edison, Union Electric of Missouri, West Pennsylvania Electric, Wisconsin Electric Power, and Wisconsin Public Service.

Of course the big electric-equipment companies are in the list—Westinghouse and General Electric. If what we are slated to do was not good for General Electric, it would not be good for the country—or so we are told.

Oil companies which were interested in another piece of giveaway legislation which was before this Congress a year ago, a bill which got considerable discussion, are likewise interested in atoms.

They appear in the lists of processors, contractors, and researchers, or in the lists of those engaged in ore production and development.

Oil companies which I am able to identify in this Du Pont listing of companies in line to benefit from the coming age of atomic energy include Gulf Oil, Phillips Petroleum, Shell Oil, Sinclair Oil Corp., Socony-Vacuum Oil, Standard Oil of California, and Texas Co.

One of the extremely interesting listings to me is the chemical companies.

Right up at the top of the list is the American Cyanamid Co., which is a familiar name to all the farmers of America who buy fertilizers, and have lived long enough to remember the great Muscle Shoals fight.

American Cyanamid in the twenties was a bidder for the right to operate the dam at Muscle Shoals to produce fertilizer on a basis which meant heavy Government writeoff of costs. The Power Trust did not want the Government to operate it and produce low cost power. So it backed Cyanamid's bid.

During the fight, as subsequent Senate investigations brought out, a National Agricultural Publishing Co. was set up, including among its officials, persons who were also officials in a large national farm organization.

The publishing company distributed the propaganda of the American Cyanamid Co. very widely to farmers.

When this outfit was first investigated, Senator George Norris asked Mr. Chester Gray of the Farm Bureau how the American Cyanamid propaganda was paid for.

The record of the hearings reports this colloquy between Senator Norris and Mr. Gray:

Senator NORRIS. Is that paid out of the 50-cent membership fee?

Mr. GRAY. No; it is not paid out of the 50 cents.

Senator NORRIS. Then how is it paid?

Mr. GRAY. I have an arrangement with the National Agricultural Publishing Co. to distribute that material and the cost is very low.

Senator NORRIS. Who pays them?

Mr. GRAY. The American Farm Bureau, cooperatively.

Unfortunately for Mr. Gray, the head of the American Cyanamid Co., a Mr. Bell, was called and under cross-examination admitted that his company paid for the propaganda sent to the farmers.

There are Members of the Senate who are intimate with the detail of that effort to prevent the great Muscle Shoals Dam from serving the people of the South and of America. I hope they will recount that fight on the floor, for it should be recalled as we consider the atomic energy giveaway. Muscle Shoals was peanuts compared to the colossal stake which big corporations have in this atomic energy bill.

Today both low-cost power and high-analysis fertilizer come from the site of the Government installation at Muscle Shoals. There are those who will stop it, if they can. And there are those who do not want the people to be served in like fashion by energy from fissionable materials.

Let me continue with the chemical companies listed as in line to benefit from the atomic era by the Du Ponts.

After American Cyanamid on the list, come these that I am able to identify: Dow Chemical; Eastman Kodak; E. I. du Pont de Nemours; Harshaw Chemical; Monsanto Chemical; New England Lime Co.; Proctor and Gamble; Allied Chemical; Blockson Chemical; Davison Chemical; International Minerals and Chemical; Lindsay Chemical; Mallinckrodt Chemical; Swift & Co., who manufacture fertilizers; and Armour & Co., also in fertilizers.

I have not had the time to check all the chemical companies, but I have a brief account of domestic fertilizer company prosecutions and investigations in 1906, 1916, 1926, and 1941, published in 1948 by the National Farmers Union, which reveals that several of the companies now lined up for a share in the atomic energy giveaway have pleaded nolo contendere in antitrust proceedings.

It is almost impossible to get a conviction in an antitrust case. About 2 weeks ago we had a witness, the present head of the Antitrust Division of the Justice Department, Stanley Barnes, appear before the subcommittee on antimonopoly. He said as far as he knew, for the first time since the law was adopted way back in 1891, a person had been convicted for violating it. He received a sentence for a year, and that case is being appealed.

As every Senator knows, during all these years Eugene Debs was the only one who was sent to jail for violating the antitrust laws. Enforcement of the Sherman and the Clayton antitrust laws has been difficult.

Only a short time ago the distinguished Senator from Delaware [Mr. WILLIAMS] endeavored to provide for harsher punishment for those who violated the laws dealing with the Internal Revenue Bureau. At that time, as the distinguished Senator from South Carolina [Mr. JOHNSTON] will bear me out, we had testimony from witnesses from the Department of Justice. He will recall that at that time they said it was practically impossible to get a Federal

judge to send a person to jail for violating the antitrust laws.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. He stated at that time that during his term of service no person had ever been convicted of violating the antitrust laws and served a sentence.

Mr. LANGER. Or during the term of any Democratic or Republican Attorney General in the history of the United States.

Mr. JOHNSTON of South Carolina. Up to that time.

Mr. LANGER. The first conviction was secured by Mr. Barnes.

Mr. JOHNSTON of South Carolina. And Mr. Barnes is the head of the Antitrust Division of the Justice Department.

Mr. LANGER. Stanley Barnes, of the State of California, was appointed by Mr. Brownell, Attorney General of this country.

Of course, as Senators know, whether a corporation or a person is worth $50,000 or $100,000 or $10 million, the maximum fine is $5,000. It cannot be increased.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. That being true, is it not a fact that there is no fear of being punished under the antitrust laws?

Mr. LANGER. The punishment provides for a maximum of $5,000, which will not stop greedy and grasping outfits who want to rob the common people. No matter how much they rob the public, the most that can happen to them is a fine of $5,000. That is why Mr. Brownell has been recommending that Congress increase the penalty.

A short time ago a bill was introduced at the request of Mr. Brownell which would have raised the penalty to $50,000, but he said he thought that was not nearly enough of a fine.

When I first came to the Senate and I was rather naive, I introduced a bill which would have provided a long-term sentence in jail and a fine of $1 million for such violators. Of course, I could not get the bill out of the committee. However, it showed the attitude of the present senior Senator from North Dakota. One must remember that a veteran who comes home from war, and because he is trying to feed a hungry wife and children breaks a window and steals a few loaves of bread, is sent to jail. However, if big corporations violate the antitrust laws, they are merely fined a maximum of $5,000.

I remember one day reading of a dairy outfit whose head wanted to be ambassador, and he was confirmed. His company had succeeded in creating a monopoly in the States of Minnesota, South Dakota, and North Dakota. They had bought up over 300 organizations, which became subsidiaries. They could go ahead and raise the price of ice cream for little children. Instead of going to jail, that person became an ambassador. Yet if a veteran steals a little bread or butter, he goes to jail.

Mr. HICKENLOOPER. Will the Senator yield?

Mr. LANGER. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I am very sympathetic with the purposes of the Senator from North Dakota. I feel that the penalties under the antitrust laws are utterly inadequate. I should be glad to vote for and support more drastic punishment and more adequate approaches to meet the problem of violation of the law. But I want to suggest to the Senator that, being the able lawyer he is, we in the committee, when we were writing the atomic energy bill, felt that it was not proper to deal with alterations or changes in what would be the fundamental antitrust laws.

I am sure that the Senator has read the provision contained on page 47 of the bill, which reads:

> In the event a licensee—

That means somebody who is operating a company—

> has been found by a court of competent jurisdiction, either in an original action in that court or in a proceeding to enforce or review the findings or orders of any Government agency having jurisdiction under the laws cited above, to have violated any of the provisions of such laws, the Commission may suspend, revoke, or take such other action as it may deem necessary with respect to any license issued by the Commission under the provisions of this act.

That was put into the bill so that if a licensee violates the antitrust laws, then, depending upon the degree or viciousness of the violation—it may be an inadvertent violation, in which case the Commission would not want to be too drastic; for example, if it was a mistaken action—if it were a vicious violation and there was a conviction by the court, the Commission could go so far as to completely revoke the license.

That provision was put in as a protection in the future against violations which might arise as a result of the licensing provision. We felt we should not attempt to rewrite the antitrust laws and other provisions in this particular bill. I say to the Senator I personally would rather approach the problem by increasing the penalties in the antitrust laws and in measures which considered the antitrust laws as a whole.

I personally think that is better legal procedure and better legislative procedure. This would be a specialized application with specialized penalties referring only to one thing and not to the general theory of the violation. I submit that to the Senator, and ask him if, in the main, that is pretty good legal theory?

Mr. LANGER. It is not bad. It is certainly a step in the right direction.

I am wondering if the distinguished Senator is familiar with the fact that as soon as this administration came into office the present Attorney General, at the request of the Judiciary Committee, immediately appointed a committee to consider the antitrust laws. For example, today the trouble is that a man does not know when in heaven's name he is violating the antitrust law.

Mr. HICKENLOOPER. That is correct.

Mr. LANGER. If a person hits a man, he is guilty of assault and battery. If he strikes at him, he is guilty of assault. If someone robs a man, he is guilty of robbery. But the trouble with the antitrust statutes is that a man honestly may not know when he is violating the statutes.

Mr. HICKENLOOPER. The Senator is correct about that. They do need clarification. They do need attention. But we discussed this matter in the committee and I assure the Senator we gave it much consideration and we came to the conclusion that this was the wrong place to attempt to revamp the penalties of the Antitrust Act, such as taking away patent rights and things of that kind, and that we should do it in an antitrust revision bill.

Mr. LANGER. I may say further to my friend from Iowa that the Attorney General appointed a committee, an outstanding committee from all over the United States, with some of the best lawyers who had appeared for corporations and who, in some instances, had appeared against them, headed by Professor Oppenheimer of the University of Michigan. They commenced to make a study. They do not get any pay for it, although they meet every so often. They were at it all last year. The committee was supposed to make their report June 1 of this year. When June 1 came, they said they could not get their report ready until December 1. So during all of this time we have had the matter of antitrust revision under consideration.

The Judiciary Committee has been helping. We receive continuous complaints in the committee.

In my State, for example, we find one great big grain elevator of General Mills, and grain elevators of other large concerns. As the Senator from Iowa knows, in his State the same thing has been going on because some of the same corporations operate there. It seemed to the Senator from North Dakota that in connection with the patent provisions of the bill this matter might just as well be dealt with. When a concern that is licensed or gets the right violates the law, is arrested by the Federal Government, and pleads guilty or pleads nolo contendere, that outfit ought to lose the license.

Mr. HICKENLOOPER. The provision in the bill is for the Commission to take up the license if the Commission deems that it is necessary.

Mr. LANGER. I read that language, but I do not believe the language is strong enough.

Mr. HICKENLOOPER. I submit to the Senator that a plea of nolo contendere is not a plea of guilty.

Mr. LANGER. It is not a plea of guilty.

Mr. HICKENLOOPER. But a man can be convicted on it and fined.

Mr. LANGER. He can be fined on it.

Mr. HICKENLOOPER. But it is not to be used as a precedent in any other case against him. It is only for that one particular case and is not to be used as a precedent, such as a plea of guilty or a conviction on a plea of not guilty. On nolo contendere he stands mute and says, "I plead neither way." The court

can take into consideration the fact if it wants to.

Mr. LANGER. That is why the Senator from North Dakota would like to have the bill include a plea of nolo contendere if it is not in the bill. I might add that, for the first time, under the present Attorney General, the plea of nolo contendere is really being used. When a company violates the law the second time, the Attorney General does not arrest its officers at all, but he cites them for contempt of court. He has had some good results, too. Mr. Brownell has done a good job, a job that all Americans can be proud of, in securing convictions of persons who have been getting by for years and years on $5,000 fines. One man is facing a prison term of 1 year now.

I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I have perfected the amendment a little bit, and I think it will remove some of the opposition to it. I should like to read the amendment:

> Any patent hereafter granted for any invention or discovery, useful in utilization or production of special nuclear materials of atomic energy which has been found by a court of competent jurisdiction to have been used in violation of the antitrust laws, specified in subsection 105, may, in the discretion of the court, be declared to be the property of the United States, to be held by the Commission as the agent for and on behalf of the United States, and to be available for license to any persons without payment of any royalty fees.

I think that gets around all of the constitutional questions.

Mr. HICKENLOOPER. Mr. President, that is much like saying that anybody who is found guilty of violating any of the motor-vehicle laws can have his automobile confiscated by the court, and have it given away to anybody the court wants to give it to. It is the same thing.

Mr. JOHNSTON of South Carolina. We are going into the field of atomic energy, and I think we should be very careful about who we let handle it. We certainly should not let people use it to build up a monopoly. That is my position.

Mr. HICKENLOOPER. They can have their licenses taken away.

Mr. GORE. Mr. President——

Mr. LANGER. I yield to the Senator from Tennessee.

Mr. GORE. Would it not be considerably different from the confiscation of an automobile in that in the case of a patent the Government grants to the patentee a privilege, and the Government has the perfect right to fix the conditions upon which the privilege will be granted. Therefore the patentee possesses something which he has obtained from the Government under conditions attached thereto. It is considerably different, is it not, from the purchase of an automobile which a person owns outright?

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. LANGER. I yield for a question.

Mr. HICKENLOOPER. I will say if there ever was a provision which ought to be the subject of hearings, rather than the subject of legislation it would be this proposal, affecting such a vital thing as the confiscation by a court of property rights of individuals, in the discretion of the court, based upon the conviction of a crime. It should be the subject of hearings. It should be the subject of careful considerations, because we are dealing with one of the most fundamental things of our society, and that is the basic property right. A patent is a property right. Let us make no mistake about it.

This amendment proposes to confiscate property rights. It is like the King in the old days. If one of his subjects, a baron, a lord, or somebody else, fell out of favor, the King would pronounce maledictions upon him, and then confiscate his castles and confiscate his lands. It is the same principle.

We have been fighting that for a long, long time. The provision should be the subject of hearings. I am sympathetic with the Senator from North Dakota in his desire to reach the situation of the violation of the antitrust laws. I do not think the penalties are severe enough.

I will say to the Senators present, Mr. President, that I do not think this bill is the place to begin piecemeal to deal with a fundamental subject such as the antitrust laws and the structure of the antitrust laws.

I will join with anyone in attempting to strengthen the antitrust laws as an overall basic principle. But I think we would be making a serious mistake to begin to consider the proposition of confiscation of property, such as patents, in a case of this kind.

Mr. JOHNSTON of South Carolina. I hope the Senator from Iowa does not want someone who has been granted a license for an invention or a discovery to be used in the utilization of the important byproduct we are talking about, to continue to be able to use it although he has been found guilty of violating the antitrust laws.

Mr. HICKENLOOPER. If he has been found guilty of violating the antitrust laws, he should be punished in accordance with the punishment provisions of the law.

But let me ask the Senator this question: Would he say that in the case of the X company, which has invented a type of combustion engine and uses it in its business, and which has patented the engine, if that company was found in some way to be in violation of the antitrust laws, the court should say "We will confiscate this patented engine and we will confiscate your patents to it in addition to the other punishments under the antitrust laws."

Mr. JOHNSTON of South Carolina. I think the courts should be given the discretion, and that is all this amendment does. It is written in it. It is in the discretion of the court. After the court hears the facts then let the court decide what is in the best interest of all of the people. That is all this amendment does.

Mr. HICKENLOOPER. The Senator is attempting to tamper with some very fundamental human rights, to protect which countless people have shed a lot of blood during the past couple of centuries, when he puts into the hands of the court the arbitrary power to confiscate the property of an individual, willy-nilly. We provide for fines, and they are fixed in dollars. A man has to pay so much. We can take away a man's liberty under a specified provision of law, under the statutes. Those procedures are orderly and understood. But here is a patent which a corporation has. The corporation violates the antitrust laws, and it is confiscated. We might as well confiscate their automobiles and confiscate the rest of their equipment.

Malefactors should be fined, or put in jail, if the court believes the offense merits such punishment, but do not start confiscating, willy-nilly.

Mr. LANGER. I may say to my friend, that under the prohibition law if a man had a 5 or 6 or $7,000 Cadillac automobile, and 1 pint or a half pint of liquor was found in 1 car, the car could be confiscated. There is nothing new about the matter of leaving it to the discretion of the court. It does not mean that the court has to do it.

If the court found that the liquor got into the car by accident, it was in the discretion of the court to decide what to do with the owner. That is all our amendment does; it leaves it to discretion. If the court is wrong, the case can be appealed to a higher court.

Does not the distinguished Senator see our difficulty? For 13 years I have been on the Judiciary Committee. We have tried, tried, and tried to get the penalty for violating the antitrust statutes increased, just as we are trying now and have been trying for the past year.

Mr. HICKENLOOPER. I am sympathetic, but let us not do it in the improper way. Let us not use a collateral act for the purpose of correcting one special segment of the antitrust situation. Let us revise the antitrust laws.

Mr. LANGER. May I say to the distinguished Senator no matter who we go to we are always told, "I am sympathetic." But the trouble is all the sympathy in the world is not changing the antitrust statute. We cannot get the penalties increased.

Mr. HICKENLOOPER. Does that not come under the jurisdiction of the Judiciary Committee of the Senate, of which the Senator is chairman?

Mr. LANGER. Yes; and I have been a member of that committee for 13 years. Whenever we bring up the question, we find a lot of persons sympathetic to us, but we cannot get the bill out of committee.

I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Speaking of taking away the profit, what does the Federal Government do now in regard to an automobile it finds transporting corn liquor? What becomes of that car? The Government takes it. In other words, the owner is violating the law. The same thing is true of narcotics. State after State will take the automobile away from the narcotic dealer. Also, cities have certain regulations when giving out licenses. If they find a cafe is not keeping up with the regulations, they close the cafe. The owner may lose thousands of dollars.

Mr. HICKENLOOPER. That is what can be done under this bill. The license

can be taken away from the violator of the antitrust laws. We have provided that, in fact.

Mr. JOHNSTON of South Carolina. I am saying that a patent under this bill should, for cause, be taken away and sold just as a seized automobile is sold, and the money put in the Federal Government's pocket.

Mr. LANGER. The amendment covers the nolo contendere plea, which is not included in the bill of the Senator from Iowa.

Mr. HICKENLOOPER. That is right. The term "nolo contendere" is not used in this bill. Only conviction by a court is covered. Whether a finding of guilt under a plea of nolo contendere and the assessment of a fine and other penalties would be similar to a conviction under this bill as it stands now I do not know.

Mr. LANGER. I am satisfied it would not. I think it should. That is one of the purposes of this amendment, that the plea of nolo contendere should be considered the same as conviction.

We had the question of prosecutions under the antitrust laws up a year and a half or 2 years ago, and found that after years of work when the Department of Justice finally got the rope around a corporation's neck the corporation pleaded nolo contendere. After robbing the people of millions of dollars, perhaps, they were fined $5,000. That is the limit.

Mr. DOUGLAS. Nolo contendere is in an antitrust case similar to the fifth amendment in other cases; is it not?

Mr. LANGER. There is not very much difference.

Mr. HICKENLOOPER. I do not think there is any comparison or similarity at all. A court does not have to accept the plea of nolo contendere. The court can refuse to accept it. That is not in the discretion of the defendant. He makes a plea of nolo contendere provided the court will permit him to make that plea.

Mr. LANGER. That is true. But when he does make it why should he not be treated the same as a man who pleads guilty?

Mr. JOHNSTON of South Carolina. He throws himself on the court. He says to the court, "Here I am; do what you think is right and just in the matter." The court can say "No, you go to trial," or he can do what he pleases with him.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Illinois.

Mr. DOUGLAS. It is the equivalent of saying, "I make no defense."

Mr. JOHNSTON of South Carolina. It is no defense. He is at the mercy of the court.

Mr. LANGER. I see in the Chamber the distinguished Senator from Vermont [Mr. AIKEN]. I remember that he and I came to the Senate about a week apart. He had rendered distinguished service as the Governor of the great State of Vermont. I remember shortly after he came here he took up the matter of the Government's selling certain ships. The Senator from North Dakota was horrified at the disclosures made by the senior Senator from Vermont when he read letters from the Comptroller General saying that the ships had been sold for paltry sums, sometimes $50,000, then in a short time the purchasers insured the same ships for several million dollars. Then when the war came along, the Government took back at a cost of millions of dollars the same ships which it had previously sold for a paltry sum. Certainly if those ships were bought and used to create a monopoly, I know the distinguished Senator from Vermont well enough to feel that he would agree there ought to be some kind of provision or a law which would provide for their forfeiture to the Government, the same as automobiles are forfeited now.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is there not a principle in the English common law known as deodand, namely, that if the owner of a given piece of property commits an offense the property is forfeited to the King?

Mr. LANGER. That is the common law; certainly.

Mr. DOUGLAS. In fact, is it not true that frequently in the beginning, according to Holmes' book on common law, that if a tree fell accidentally and injured a man, it was thought that the tree must have done it with such malicious intent that the tree was confiscated by the King?

Mr. HICKENLOOPER. Mr. President, if the Senator will yield, I mentioned the exact situation of confiscation by the monarch a while ago, and said that it had taken quite a few centuries to get away from that ancient practice. I did not want to see it reestablished in this bill.

Mr. DOUGLAS. Mr. President, frequently there is a great deal of unconscious wisdom in these practices, and is not the proposal of the Senator from North Dakota really similar to laws under which those who have been convicted of a crime are deprived of certain civil privileges, in many cases deprived of the right to vote, the right to hold office, and so forth? And is it not true that second offenders are treated more rigorously than first offenders?

Mr. LANGER. As a matter of fact, in New York State the fourth offenders in the case of felonies go to the penitentiary for life.

Mr. President, Virginia-Carolina, Armour, Swift, Davison Chemical are all named in this account as being members of the Big Eight fertilizer monopoly indicted in 1926 and subsequently fined after pleading nolle contendere.

In other words, after they had robbed the farmers all over the United States by a fertilizer trust, the Government after years of prosecution finally got them into court, finally had the goods on them, finally had the evidence showing they were building a criminal conspiracy, but all they got, all they could get, was a $5,000 fine.

Mr. JOHNSTON of South Carolina. In effect, they said they did not know whether they did it or not; they did not remember how it took place.

Mr. LANGER. That is true.

In my State of North Dakota when fellows want to organize a monopoly they sneak over into Canada. A short while ago, until the situation was improved, it was impossible to prosecute them in this country. Then a law was passed which enabled us to prosecute them in a foreign country.

The same Big Eight, 10 medium-sized companies, and 33 smaller companies plus the National Fertilizer Association and 34 individual defendants, were indicted again only 15 years later—in 1941—on a charge of continuously conspiring to violate the Sherman Act from January 1, 1927—right after their first fines had been paid. Again a majority of all the defendants pleaded nolle contendere and paid fines.

Now, for the first time, as I say, the present Attorney General is not monkeying with them. He is getting them now for contempt of court. As I say, he had one sentenced to a year the other day. My hat is off to the Attorney General for going after those fellows for contempt. I hope he puts a lot more of them in jail.

Mr. President, I am not going to take the time of the Senate to read the account that I mentioned. I ask unanimous consent that a certain part of it be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. CARLSON is in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

1906: Price-fixing activities by fertilizer manufacturers were prosecuted by the Department of Justice in the case of *U. S. v. Virginia-Carolina Chemical Co.* and 60 other large fertilizer operators. The conspirators used a dummy Canadian corporation as its price-fixing instrument to avoid the Sherman antitrust law. They assessed penalties for violation of allotted tonnage quotas and appointed a committee to police the agreement so that little, if any, competition existed in the sale of mixed fertilizers throughout the whole great Corn, Cotton, Tobacco Belt. American Agricultural Co. and Swift & Co. did not formally enter the combination, but respected the prices charged by competitors—all of whom barely escaped criminal prosecution under cover of legal technicalities.

1916: The Federal Trade Commission issued a sharply critical report on the fertilizer industry in which it pointed out that the industry was dominated by the big seven manufacturers: Virginia-Carolina Chemical Co., American Agricultural Chemical Co., Armour Fertilizer Works, International Agricultural Corp., F. S. Royster Guano Co., Swift & Co., and Gaugh & Sons. These big seven producers sold 58 percent of the total tonnage of fertilizer purchased in 1913 and concealed the absence of real and effective price competition by operating through a multitude of subsidiaries, the Commission found. These subsidiaries in their turn marketed a ridiculous number of fertilizer brands—over 700 in the case of the Virginia-Carolina Co. alone.

The Commission found that prices paid for fertilizer materials and mixed goods by the great majority of farmers who bought on credit "are frequently excessive as compared to the cash value of the fertilizers purchased."

1926: The same big seven plus one more, the Davison Chemical Co., making it the big eight, were indicted in a criminal action for engaging in a combination in restraint of interstate trade and commerce in fertilizers. By this time the big eight were selling 85 percent of the fertilizer tonnage in

this country. The Department of Justice accused the defendants of fixing prices and a variety of other devices to lessen competition.

On December 13 and 21, 1926, 37 of the defendants pleaded nolo contendere and paid fines aggregating $90,500. (A plea of nolo contendere, if accepted by the court, is equivalent to a plea of guilty for the purposes of that particular case.)

It is a matter of record, therefore, that the fertilizer trust would not try to deny a conspiracy to rook the farmers of America, and it was roundly scolded and punished by the court. But did they reform? No, sir.

1941: In February the grand jury of the United States district court indicted the Big Eight, 10 medium-sized companies, and 33 small companies, plus the National Fertilizer Association and its then secretary, Charles Brand, along with 24 other individual defendants. They fought hard to avoid disclosing records, appealing the grand jury's subpenas to the courts, but they finally lost.

The 1941 indictment charged the defendants had been continuously conspiring to violate the Sherman Antitrust Act from January 1, 1927, to February 10, 1941. In other words, no sooner had these confessed monopolists paid their fines to settle the 1926 case than they were back at their old tricks, which included dividing the country up into zones, fixing prices within each zone (including co-op prices), and policing those prices.

As shown in the indictment, members of the fertilizer combine refused to sell materials to individual farmers, farmers' cooperatives, or to fertilizer mixers not recognized and approved by the trust. The conspirators also required producers, agents, and dealers to desist from making sales to consumers using portable mixers, or to charge them unreasonably high prices to make home mixing unprofitable.

Other illegal practices charged by the grand jury included a system of trading arrangements to put the boot to less fortunate competitors of the trust members.

As in Baltimore in 1926, the majority of the defendants pleaded nolo contendere—tantamount to a confession of guilt—and paid fines of $259,852. Of this amount, the still existent and squawking National Fertilizer Association, whose annual meetings provided convenient occasions for the transaction of this strictly illegal business, paid a total of $9,000 in fines on 2 counts of the indictment.

1927: The Department of Justice brought a civil suit against the European potash cartel and obtained a consent decree according to which it agreed not to fix prices inside the United States. Instead, the cartel amiably undertook to carry on its conspiracies outside the limits of the United States and set up a Dutch corporation as its front organization.

1940: A decade before this date, the Congress of the United States appropriated $900,000 to develop American potash deposits at Carlsbad, N. Mex. By 1934 there were three producers—the American Potash & Chemical Co., the U. S. Potash Co., and the Potash Company of America. All three, apparently unmindful of their obligation to the American taxpayers who gave them a start, became as thick as thieves with the European cartel. The arrangement, as revealed by the Department of Justice in 1939, provided for a 50–50 split of the American market between the Dutch corporation that represented the European cartel and the 3 American producers. In May 1940, under the terms of a consent decree, the United States defendants were perpetually enjoined from agreeing, combining, or conspiring among themselves or with any other producer of potash as the complaint alleged.

Just before the outbreak of the war in Europe, the Department of Justice attempted to clean up the nitrogen sector of the international fertilizer monopoly. An indictment containing 14 counts was returned against 9 corporations and 25 individuals. The corporate defendants included Allied Chemical & Dye Corp., the Barrett Co., Semet Solvay Co., the Solvay-Process Co., Imperial Chemical Industries, Anglo-Chilean Nitrate Corp., The Lantare Nitrate Co., Chilean Nitrate Sales Corp., and Synthetic Nitrogen Products Corp.

Supplementing this indictment were four others drawn about the same time. The indictments charged a worldwide cartel agreement dealing with nitrogenous fertilizers of all types which were produced and marketed on a worldwide scale.

Some of the indictments were nolle prossed after the defendants had agreed to the entry of consent decrees enjoining them further illegal activities. In one, the defendants pleaded nolle contendere and paid small fines.

There is little reason to believe that, despite sanctimonious propaganda to the contrary, the fertilizer boys have changed their ways. Moving on into the postwar period:

1945: The Federal Trade Commission found that the Phosphate Export Association (PEA) had been a party to six illegal agreements worldwide in scope, entered into about 1933, whereby markets were allocated, prices fixed, and quotas allocated to cartel members and groups. (They were engaged in mining, processing, and marketing Florida pebble phosphate.) Through the worldwide arrangements, all competition was eliminated in affected areas. Among the illegal trade practices condemned by the Commission were the restriction of licensing of the phosphate flotation process to members of PEA; restrictive clauses in sales contracts forbidding purchasers to resell or export; the exclusion of imports of phosphate rock through collusive agreements with the foreign interests concerned; the purchase of potentially competitive pebble stocks in order to get them off the markets; the exclusion of domestic competitors from the export markets, and agreements among the members of PEA not to compete with PEA members even in the event of resignation from PEA.

The Federal Trade Commission made it clear that all seven members of PEA were up to their ears in illegality. Among them were three firms which are members both of the PEA group and the big eight domestic mixing group. They were the American Agricultural Co., International Minerals & Chemical Co., and Swift & Co.

According to the record, between 1924 and 1944 they were members of two domestic conspiracies to fix the price and quality of mixed fertilizers within the United States and of one international cartel which allocated markets and fixed prices on an international scale.

That makes 20 years during which these companies were confirmed and confessed monopolists, engaged continuously in price fixing, putting the boots to competitors, and "hey, rube-ing" the farmers.

Twenty years is almost habit forming.

Mr. President, instead of voting this Atomic Energy Act, this Senate ought to order an investigation of monopolists already admitted to the select society of atomic cooperators by the AEC. A very serious question is raised in my mind by this fertilizer situation. The proposed Atomic Energy Act deals with firms convicted of monopoly practices. But what of those who pleaded nolle contendere and paid fines? Are there already notorious antitrust law violators on the inside of atomic development through a technicality?

Let me turn back to the list of utilities a moment.

In that list is the Wisconsin company of Gover C. Neff, a man who wrote to the first Administrator of REA in 1935 that all farms requiring electricity were already served—that REA was just a social reform and not something really needed. This is the same Gover C. Neff who time after time and year after year has proclaimed the job of rural electrification completed, only to return a year later, after another 5 percent or 10 percent of farms had been reached with electricity, and repeat it again.

I turn next to the allegations in the fertilizer actions, charging a system of zoning, price fixing, and prohibition of direct sales of plant food elements to farmers, farmers' cooperatives, or fertilizer mixers not approved by the trust.

What is going to happen to nuclear energy if it is turned over, without regulation, to monopolists like this? Are the American people who paid to bring atomic energy into being going to get their benefits in abundance, and at low cost? Or will it be rationed to them at high prices for the benefit of the Du Pont list of investors, able to buy $5,000 units of 10 or 15 different stocks?

We have talked a great deal during this debate about the complete absence of safeguards in this bill, which should be imposed upon all private concerns licensed to use nuclear materials to generate electric power.

Should there not also be positive safeguards against underproduction, overpricing or any sort of discrimination in the distribution of new atomic products in other commercial fields? They are being opened up, too.

This is one of the reasons why this bill should be laid aside for a year, at least so far as the domestic provisions are concerned.

I would like very much to make a further study of the old fertilizer trust prosecutions, and just who pleaded nolle contendere in 1926 and 1941. I would like to get back into the 1947 hearings on the National Soil Fertility Act, when it was proposed that the Government build and later sell to cooperatives or private enterprise one of two phosphate plants which would supply plant foods for a national fertilizer demonstration program. I would like to know, in a great deal of detail, if, and to what extent, agricultural processes involving nuclear materials, are involved in this bill.

I am sure that as the days pass and this list of Selected Companies in Line to Benefit from the Coming Age of Atomic Energy gains circulation, there will be other questions raised as to which are entitled to consideration before we pass out the atoms and permit private patenting under a limited, discretionary patent licensing provision, or, if the House version prevails in conference, without any provision whatever for even discretionary licensing of patents.

The Du Pont researchers have used an expression that everyone of us should keep in mind. In their introduction they say:

As dynamic as its destructive force is the impact which harnessing atomic energy may have on peacetime applications.

In other words, the tremendous disturbing force of the A-bomb and the H-bomb may be duplicated in the economic, political, and social fields by the introduction of peacetime applications of this basic force.

Small businesses, not on the select lists, may be blown out of existence by the control over atomic energy given to superteams of utilities, chemical companies, equipment companies, and a few others, through the patenting and licensing provisions of the bill before us.

Partnerships of huge corporations, arranged by a Government agency, and therefore given a tailor-made defense in the antimonopoly courts, may bring on concentrations of wealth and economic power beyond anything envisioned a few years ago.

Today we are like blind men feeling an elephant. We have no conception of the problem or problems we are touching through this legislation.

About all most of us know is that this measure was made the order of business in this body before the ink was dry on the joint committee reports, that the pressure for its passage is unprecedented in all the annals of Congress—and that wherever we touch it, wherever we get the time to investigate a little, there develop facts like this select list of those in line for atomic benefits—including firms that have scoffed at the antitrust laws for years.

I want to announce that I would like to receive detailed information on the monopoly records of firms in line for atomic energy benefits. They are not all on this list. But I ask unanimous consent to have published in the RECORD the text of the Du Pont circular, including the lists which their circular provides us. If anyone has definitive data on violations of antitrust laws by any of these concerns—data that is not classified or an official secret, I would appreciate having it called to my attention.

There being no objection, the circular was ordered to be printed in the RECORD, as follows:

SELECTED COMPANIES IN LINE TO BENEFIT FROM THE COMING AGE OF ATOMIC ENERGY

As dynamic as its destructive force is the impact which harnessing of atomic energy may have on peacetime applications by American industry. Over 200 corporations are now actively engaged in developing potential uraninm, lithium, and thorium properties, processing the minerals under Atomic Energy Commission supervision or studying numerous industrial applications for peacetime commercial uses. Long-range buying programs either for growth, investment, or as a speculation on timely developments could include representative issues from the following comprehensive list:

PROCESSORS, CONTRACTORS, AND RESEARCHERS

Abbott Laboratories, American Cyanamid, American Telephone & Telegraph, Atlantic City Electric, Babcock & Wilcox, Blaw Knox, Boeing Airplane, Breeze Corp., California-Oregon Power, Cleveland Electric Illuminating, Combustion Engineering, Commonwealth Edison, Consolidated Edison, Consolidated Gas, Electric Light & Power (Baltimore), Consumers Power, Detroit Edison, Diamond Alkali, Dow Chemical, E. I. du Pont de Nemours, Duquesne Light, Eastman Kodak, Fairchild Engine & Airplane, Fluorspar Corp., George A. Fuller, General Dynamics, General Mills, General Public Utilities, B. F. Goodrich, Goodyear Tire & Rubber, Grinnell Corp., Gulf Oil, Harshaw Chemical, Hartford Electric Light, Houdry Process, Lockheed Aircraft, F. H. McGraw, Metropolitan Edison, Mine Safety Appliances, Modine Mfg., Monsanto Chemical, National Lead, New England Electric System, New England Lime Co., New York Shipbuilding, Newport News Shipbuilding, North American Aviation, Northern States Power, Nuclear Instrument & Chemical, Oklahoma Gas & Electric, Pacific Gas & Electric, Pennsylvania Electric Co., Philadelphia Electric Co., Phillips Petroleum, Potomac Electric Power, Procter & Gamble, Public Service Electric & Gas, Pullman, Inc., Rochester Gas & Electric, San Diego Gas & Electric, Shell Oil, Sinclair Oil Corp., Socony-Vacuum Oil, Southern Co., Standard Oil of California, Texas Co., Union Carbide & Carbon, United Aircraft Corp., Utah Construction Co., Vanadium Corp. of America, Vitro Corp.

ORE DEVELOPMENT AND PRODUCTION

Allied Chemical, American Smelting, Anaconda Copper, Armour & Co., Atchison, Topeka & Santa Fe, Atlas Corp., Beryllium Corp., Blockson Chemical, Brush-Beryllium Co., Calumet-Hecla, Carborundum Co., Climax Molybdenum, Colorado Uranium, Consolidated Uranium, Davison Chemical, Dome Mines, Dow Chemical, Foote Mineral, Golden Cycle, Gunnar Mines, Harshaw Chemical, Homestake Mining, International Minerals & Chemical, Katanga Copper Co., Kennecott Copper, Kerr-McGee Oil, Lehigh Coal & Navigation, Lindsay Chemical, Lisbon Uranium, Mallinckrodt Chemical, Molybdenum Corp., National Lead, Plateau Uranium, Preston East Dome, Rand Mines, Rix-Athabasca Uranium, Rohm & Haas, Shattuck Denn Mining, Standard Uranium, Sunshine Mining, Swift & Co., Tennessee Corp., Texas City Chemical, Union Carbide, Uranium Corp., Vanadium Corp., Virginia Carolina Chemical.

INSTRUMENT AND EQUIPMENT MANUFACTURERS

Allis-Chalmers Manufacturing Co., American Instruments, American Locomotive, American Machine & Foundry, American Potash & Chemicals, Beckman Instruments, Bendix Aviation, Bethlehem Steel, Birdsboro Steel, Black, Sivalls & Bryson, Blaw-Knox, Carrier Corporation, Collins Radio, Construction Engineering, Continental Copper & Steel, Corning Glass, Crane Co., Dravo Corp., Duriron Co., Eastern Industries, Fairbanks-Morse, Fansteel Metallurgical, Federal Electric, Foster Wheeler, General Electric, Hooker-Electro Chemical, I. T. E. Circuit Breaker, Walter Kidde, Lock Joint Pipe Co., Midwest Piping & Supply, Minneapolis-Honeywell Register, Nesbitt Labine, Nuclear Instrument & Chemicals, Radioactive Products, Radio Corporation of America, Remington Rand, Inc., A. O. Smith, Sperry Corp., Sylvania Electric, Taylor Instruments, Tracelab Inc., Trane Co., Victoreen Instruments, Westinghouse Electric, Weston Electric Instruments, Worthington Corp., York Corp.

PUBLIC UTILITIES AND RAILROADS

American Gas & Electric Co., Atlantic Coast Line, Baltimore & Ohio Railroad, Central Illinois Public Service, Chesapeake & Ohio Railroad, Chicago, Burlington & Quincy, Chicago & Eastern Illinois Railroad, Chicago, Milwaukee, St. Paul & Pacific, Cincinnati Gas & Electric, Columbus and Southern Ohio Electric, Dayton Power & Light, Great Northern Railway, Illinois Central, Illinois Power & Light, Kentucky Utilities, Louisville Gas & Electric, Louisville & Nashville Railroad, Middle South Utilities, Nashville, Chattanooga & St. Louis Railway, New York Central, Niagara Mohawk Power, Norfolk & Western Railroad, Northern Pacific, Ohio Edison Co., Pennsylvania Railroad, Southern Indiana Gas & Electric, Southern Railway, Toledo Edison, Union Electric of Missouri, Union Pacific Railroad, Western Pennsylvania Electric Co., Wisconsin Electric Power, Wisconsin Public Service.

Companies engaged in more than one phase of operations listed only under their principal category.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. JOHNSTON of South Carolina. Do the Du Pont people make that statement as the Senator has quoted it?

Mr. LANGER. They do not make it in so many words, but that is what it means. I have read part of it.

Mr. JOHNSTON of South Carolina. They do say that the investors will be greatly benefited by the passage of the bill?

Mr. LANGER. The Senator from South Carolina can read the circular. It does not mention this specific bill, but it says it will be turned over.

Mr. President, at the same time I would like to inquire of the chairman of the Senate Small Business Committee if his committee has given any consideration to this bill, or can make available any specific and detailed information or staff reports in regard to it.

Has that committee satisfied itself that small business will have a real opportunity under this legislation to share in the coming era of atomic energy equally with the firms on the select list?

I may say at this point that if anyone picks up a copy of the Wall Street Journal, he will find that every Monday it lists the small businesses that have gone bankrupt. It lists the number of small businesses that failed during the previous week. Then it compares those failures with the week before, and then makes a comparison with the failures of a year ago. Month after month the failures have been 50 percent greater during the last 2 years than they were before 1952. That is the record of the Wall Street Journal. It is available to anyone who wants to read it. People can talk as much as they want about prosperity, but the fact remains that small businesses are being forced out of business by the larger ones. In the automobile industry the same thing is taking place. The small concerns are getting together and are organizing, as Senators know, in an effort to compete with the Big Three.

It does not appear to me that the rural electric cooperatives or the thousand municipal electric systems will have the financial ability to share equally with giants like Detroit Edison Co., which appears to be a spearhead for the private utilities on atomic matters. The public and cooperative distributors are not of sufficient size that they have access to the amounts of capital required to be a cooperator with the AEC, or they have been overlooked thus far in setting up research and developmental projects.

I wonder how many Senators know what I learned the other day. I was eating lunch in the Senate dining room with another Senator and on the table there was a baking-powder biscuit. It was lying in front of the distinguished Senator, who is a member of the Joint Committee on Atomic Energy.

He picked up the baking-powder biscuit and said, "Do you know how much energy there is in that biscuit?"

I said I did not know.

He said, "We discovered in the Joint Atomic Energy Committee that there is enough energy in that baking-powder biscuit to drive a train from the city of Washington to Seattle."

It is hard to believe that that is possible. Yet here was a Senator, who is still a Member of the Senate and a member of the joint committee, telling me about the terrific advance that is going to be made by the splitting of the atom.

If the Small Business Committee has given any thought to this matter, I would appreciate knowing their conclusions and the basis. I am unaware of any hearings in this field.

From my own brief examination of the situation, it is clear that the atomic-energy program is already crawling with monopolists.

Fragments of the old holding companies which were broken up under the Holding Company Act of 1935 are apparently being reunited as a result of the President's power policy. The Dixon-Yates combine joins two large southern power companies. A number of companies are getting together to grab dams in the Columbia River Basin. Five companies have joined to seek the right to redevelop Niagara. I do not know—but I think the Senate ought to know before it acts on this bill—exactly what the power companies are doing in relation to the atomic-energy program.

Beyond the power monopolists, it now develops that chemical concerns with the worst sort of monopoly records are on the inside at AEC—concerns that paid fines in 1926 and went right back to their violations of the antitrust laws. They pleaded nolle contendere in 1941, and everyone knows that the same old zone system among the fertilizer makers is operating today as it did in 1926 and 1941.

Before I vote for an act opening the floodgates to private patenting and licensing in the atomic field, I shall want to know that we are not turning the future of this Nation over to monopolists with records of law violation, price fixing, maintenance of scarcities, and other illegal practices.

There is every appearance at this time that we will do exactly that if the present bill passes.

Several days ago I began a speech on the bill, but I was unable to complete it at that time. I now ask unanimous consent that remainder of my speech may be printed at this point in the RECORD, because it will save considerable time, and I do not want to delay the business of the Senate.

There being no objection, the remainder of Mr. LANGER's address was ordered to be printed in the RECORD, as follows:

In order to show the Members of the Senate how deeply this great organization of publicly owned electric systems is aroused about what is going on in the field of Federal power policy, I shall now read from some of the important resolutions. (Read in attachment No. 4, resolutions 1, 2, 3, 4, 10, 11, 15, and 17, as underlined with red pencil on pages 1, 3, and 4.)

The report of the working committee of the Electric Consumers Workshop, adopted May 11, 1954, is of major significance in connection with the atomic energy bill now before us, because it saw the bill as opening the way to a major giveaway of the people's resources and opposed it. In fact, the committee recognized the atomic energy bill as part of a long series of attacks by the administration on the people's efforts to secure an abundant supply of low-cost electric energy.

The Electric Consumers Workshop last May was called by the electric consumers information committee, which for more than 2 years has been coordinating the interests of farm, labor, public power, rural electric, and other cooperative organizations in a sound Federal power policy. The workshop brought together over 200 key representatives of these organizations from 36 States and Alaska who spoke for many millions of electric consumers. The sponsors include the following organizations:

American Federation of State, County & Municipal Employees (AFL).
American Public Power Association.
Citizens for TVA, Inc.
Communications Workers of America (CIO).
Congress of Industrial Organizations.
Cooperative League of the United States of America.
International Brotherhood of Paper Makers (AFL).
International Union of Electrical, Radio & Machine Workers (CIO).
Missouri Basin Electric Consumers Association.
National Farmers Union.
National Hells Canyon Association.
National Rural Electric Cooperative Association.
Northeastern Association of Electric Cooperatives.
Public Affairs Institute.
Tennessee Valley Public Power Association.
Textile Workers Union of America (CIO).
United Automobile Workers (CIO).
United Steel Workers of America (CIO).
Northeast Electric Consumers Conference.

In addition to 17 findings of fact contained in the report of the working committee, which was approved by the entire workshop, the gathering adopted a resolution on the atomic energy issue. This resolution declared atomic power, "A public resource of a nature parallel to hydroelectric resources, to be developed for the public good just as rivers should be developed; and to be licensed only under regulations as to public benefit, recapture, control of rates, etc., in the same general manner as hydroelectric development."

The atomic energy bill now before the Senate is entirely wanting in these respects. It seems inconceivable that the authors could have expected to ram such a bill through Congress without providing a single one of the fundamental safeguards for the public interest in low-cost electricity that Congress has consistently applied in connection with the development of the country's water resources.

The resolution adopted by the Electric Consumers Workshop also amended the statement of principles of the electric consumers information committee, to include the following new paragraph dealing with atomic power:

"4. Atomic power is part of the public domain—developed and owned by the people of the United States. Electricity produced as a byproduct by the Atomic Energy Commission should be marketed as other publicly produced power. Atomic electric plants should be developed by Government power agencies where needed and economically feasible, and power marketed in accordance with the policies enunciated in this statement of principles. State, municipal, and other governmental agencies and cooperatives should be permitted to develop atomic powerplants with the same preferences as provided in the case of hydroelectricity. No patents, licenses, or other device should be permitted to transfer the basic rights in atomic power or its applications away from the people of the Nation."

For the enlightenment of this august body, I will now proceed to read the report of the working committee and the resolutions on atomic energy approved and adopted by the Electric Consumers Workshop:

"REPORT OF THE WORKING COMMITTEE AT THE ELECTRIC CONSUMERS WORKSHOP, WASHINGTON, D. C., MAY 11, 1954

"The working committee of the Electric Consumers Workshop assembled in Washington, D. C., May 11, 1954, makes the following findings of fact to be submitted to the membership of our constituent organizations:

"1. We find that in securing an abundant supply of low-cost electric energy farmers, cooperatives, municipal officials, labor unions, and many citizens' groups have found an area of mutual interest and common agreement. We have been working together in the common interest of all electric consumers and we shall continue to cooperate to secure an abundance of electricity at the lowest possible cost for all.

"2. We find that Secretary McKay's withdrawal of the Department of the Interior from the battle for the construction of a high Federal dam at Hells Canyon—and implicitly from the battle for the maximum development of the power potential of the Columbia Basin—is a denial of his responsibility as custodian of the peoples' resources.

"3. We find that the new Federal power policy—under the guise of denying a Federal utility responsibility—is in reality a means for denying the people the full benefits of their power resources and is instead a policy for promoting scarcity, monopoly, and high electric rates.

"4. We find that the Missouri Basin marketing criteria is an assault upon a power policy a half century old; that this criteria, if applied as written, is destructive of the interests of taxpayers and farm and city electric consumers.

"5. We find that the actions of Secretary McKay and his subordinates in dealing with the farmers' cooperatives in the Southwest is devoid of a sense of moral responsibility, and, in fact, illegal; that Secretary McKay and his subordinates refused to abide by contracts between the Southwestern Power Administration and the farmers' cooperatives in spite of decisions by two different Federal courts upholding the legality of those contracts; and that the policies and actions of the Secretary and his subordinates are designed to jeopardize the financial soundness of the farmers' cooperatives, to increase power rates, to reduce the amount of low-cost power available to cooperatives and municipalities, and to force the farmers' cooperatives into the embrace of unfriendly power companies.

"6. We find that Secretary McKay and his subordinates in refusing to sell the electric power from Clark Hill Dam in Georgia to its rightful legal owners, the rural electric cooperatives and other preference customers, is in effect attempting to force the continued dependency of the cooperatives on the Georgia Power Co. as well as denying them the security of supply and low rates possible from Clark Hill.

"7. We find that the actions and policies of Secretary McKay and his subordinates are in many and diverse ways destructive of the interests of the people as citizens, taxpayers, and electric consumers. As examples: They have emasculated Bonneville Power Administration, Southwestern Power Administration, Southeastern Power Administration, and the power planning staffs of the Interior agencies. They have sought in devious ways

to evade the preference laws; they have capitulated to the Corps of Engineers on cost allocation formulas to the end that Federal power in many areas may be priced out of the hands of the people, leaving such power usable only by the power companies as peaking power.

"8. We find that there is a real probability that cost re-allocations of multipurpose projects by Interior may result in such high rates that the people will be unable to purchase the power, thereby destroying their preference rights and turning over much of Federal power to the profit utilities without there being any change in the law.

"9. We find that the Department of Interior has recommended the deletion of the preference provision from Congressman MILLER's bill, another clear indication that Secretary McKay and his subordinates are opposed to the entire preference principle—despite their repeated assurances to the contrary.

"10. We find that Assistant Secretary Aandahl has advised the Senate Public Works Committee that he is opposed to language in the report on the Falcon Dam bill which would merely clarify and restate the commonly accepted meaning of preference. His justification for opposing this clarification is wholly unconvincing and is another evidence of his basic opposition to the entire preference principle.

"11. We find that the only pending bill on Niagara which would assure electric consumers the full benefits of the power development of Niagara Falls is the Roosevelt-Lehman bill.

"12. We find that the House of Representatives has approved by an overwhelming vote a bill which would turn over this valuable public resource to 5 private power companies, contrary to policies followed by the Congress for more than 50 years, and thereby creating by act of Congress an electric-power monopoly in the State of New York.

"13. We find that the continued refusal of the Congress to appropriate funds for the expansion of TVA's power supply is designed to create a power shortage, discredit TVA, destroy the TVA yardstick by permitting profit power companies to invade the TVA area with the inevitable consequence of increased power rates to electric consumers and the Federal military installations in that area.

"14. We find the Langer investigation into monopoly in the electric industry a most promising development. If provided with adequate funds, that investigation could do much to disclose the true facts and expose the monopoly forces at work, and thereby result in great benefits to the electric consumer.

"15. We find the delay in construction of Federal power projects and the program of no new starts wholly unjustifiable. Delays in construction and refusals to begin new projects not only strike at the people's hopes for a better level of living, but will, in the event of war, jeopardize our national security and freedom.

"16. We find the propaganda campaign of the utilities to be increasingly arrogant, unerringly dishonest, and wholly reprehensible. We find that the funds of ratepayers are being used in vast quantities in an effort to destroy competition and public yardsticks, to soften up the consumer for rate increase, and to gain control over the people's educational and governing institutions.

"17. We find that the Federal Power Commission has denied its responsibilities to regulate natural gas rates and is regulating in the interests of power and other utility companies, rather than consumers."

"RESOLUTION ADOPTED BY THE ELECTRIC CONSUMERS WORKSHOP, WASHINGTON, D. C., MAY 11, 1954

"Whereas, the atomic resources of America were developed by our Government at public expense now in excess of $12 billion and they are therefore the property of the people of the United States as fully as our great rivers and other public domain; and

"Whereas development of electric energy from atomic power is now approaching economic feasibility as a result of Government expenditures and research; and

"Whereas the original Atomic Energy Act called for the Atomic Energy Commission to report on the probable political, social, economic, and international importance of all potential commercial applications of atomic energy prior to changes in the basic legislation; and

"Whereas a broad revision of the act which conceals rather than proclaims its true purposes and is contrary to sound policy is now being considered by the Joint Committee on Atomic Energy without the receipt of any such report, and much too hastily for the public to have an understanding of the far-reaching and historic importance of the decisions involved, and

"Whereas giveaways many times the magnitude of any others in our history may be involved, a patent monopoly created tools for the promotion of peace lost to the Nation and use of atomic power for production of electrical energy lost to the people: Now, therefore, be it

"Resolved, That this electric consumers workshop is opposed to any basic changes in the domestic policy features of the Atomic Energy Act at the present session of Congress, or at any other time until there have been full reports as required in section 7b of the act, and until there has been wide public discussion of the proposed changes and the fullest possible opportunity has been given citizens to be heard on such proposed changes; be it further

"Resolved, That we consider atomic power a public resource of a nature parallel to hydroelectric resources, to be developed for the public good just as rivers should be developed; and to be licensed only under regulations as to public benefit, recapture, control of rates, etc., in the same general manner as hydroelectric development."

"AMERICAN PUBLIC POWER ASSOCIATION RESOLUTIONS ADOPTED MAY 6, 1954, AT ANNUAL CONVENTION, CHICAGO, ILL.

"RESOLUTION 1—PREFERENCE-OWNER'S CLAUSE

"Whereas the principle of preference or owner's purchase rights in the sale of electric power from Federal dams to public agencies and cooperatives was originally provided for in the Reclamation Act of 1906, and said principle has been repeatedly reaffirmed in Federal legislation enacted at various times since that date; and

"Whereas the American Public Power Association has consistently endorsed that principle under which savings made possible by this provision have been directly to the benefit of the ultimate consumer; and

"Whereas there has been and is developing a concerted and planned effort, among those who would discredit this preference or owner's right, and to eliminate it from the many sections of the law to the detriment of the ultimate consumer and the public generally; and

"Whereas there has been and is developing a program under which the Federal Power Commission licenses State power authorities to develop power from federally-licensed waterways and does not include in said licenses a provision for the maintenance of the said principle of preference or owner's rights of public agencies and cooperatives to purchase electric power so produced; and

"Whereas in the issuance of said licenses without this provision it is obvious that the so-called public preference or owner's rights to publicly developed power from federally-licensed waterways is being eliminated by administrative action in direct violation of the principle which the Congress has so many times asserted should be carried out in order that there may be the most widespread benefit to the ultimate consumer: Now, therefore, be it

"Resolved:

"1. That the American Public Power Association, representing over 700 local public power agencies and associations, reaffirms and restates its belief in the fundamental soundness of the public preference or owner's rights, to publicly developed electricity from federally licensed waterways; and

"2. That the association urges that appropriate legislation be enacted by the Congress requiring the Federal Power Commission to include in such licenses granted to public agencies a provision for the maintenance and carrying out of these preference or owner's rights in the marketing and sale of electricity so produced.

"RESOLUTION 2—ST. LAWRENCE RIVER

"Whereas in the New York-New England area the cost of purchased power to municipally and other publicly and cooperatively owned utilities is among the highest in the United States; and

"Whereas the Federal Power Commission has granted a license to the New York State Power Authority for the development of the hydroelectric-power potentialities of the International Rapids Section of the St. Lawrence River; and

"Whereas the granting of this license by the Federal Power Commission to the New York State Power Authority did not include a provision that in the sale of power from this federally licensed power resource a preference or owner's right be granted to public agencies and cooperatives; and

"Whereas the New York State Power Authority has thus far declined to provide in its program for the sale of this publicly generated power from a publicly owned resource preference in the sale of power to public agencies and cooperatives: Now, therefore, be it

"Resolved:

"1. That the American Public Power Association urges that in the marketing of the power to be produced from the St. Lawrence River by the New York State Power Authority preference in such sale be granted to public agencies and cooperatives to the end that there may be the most widespread benefit to the ultimate consumer of this publicly owned power resource; and

"2. That a copy of this resolution be sent to the New York State Power Authority and to the Governor of the State of New York.

"RESOLUTION NO. 3—NIAGARA FALLS

"Whereas there is now being considered by the United States Senate legislation to permit increased use of Niagara Falls waters in a new hydroelectric project with a capacity of 1,300,000 kilowatts on the United States side of this international stream; and

"Whereas this legislation so being considered has been passed by the House of Representatives turning this valuable public resource over to private electric power companies; and

"Whereas unless this legislation is amended so as to provide for this development by a public agency with a requirement that a preference or owner's right be provided in the sale and marketing of the power to be produced, valuable public benefits will be lost: Now, therefore, be it

"Resolved:

"1. That the American Public Power Association urges the Senate of the Congress of the United States to amend said legislation to provide for the development of this public power resource by a public agency, and

"2. That a requirement be included in said legislation to provide a preference or owner's right in the purchase of the electricity so produced by the public agency.

"RESOLUTION 4—TENNESSEE VALLEY SERVICE AREA

"Whereas for over 20 years the Tennessee Valley Authority, an agency of the Federal Government, has been the sole supplier of electricity to an area of over 80,000 square miles, in which live over 8 million people; and

"Whereas in this area over 150 municipal and cooperative power distributors bring to the people of this area the benefits of federally-produced, low-cost electric power; and

"Whereas the Nation itself for the purposes of national defense consumes directly over 50 percent of the power produced by the Tennessee Valley Authority, and nearly one-half of the remaining 50 percent of the power produced goes to supply basic defense material industries whose establishment and development has been largely influenced by the needs of national defense; and

"Whereas the Nation itself has been benefited financially in the national defense program from the availability of this federally developed, low-cost electric power both by hydro and steam power producing facilities; and

"Whereas there is a need for additional power generating facilities beyond those now authorized by the Congress to be installed by the Tennessee Valley Authority in order to serve the continually growing defense needs supplied by the area, and the growing needs of those in the area solely dependent upon the Tennessee Valley Authority as a source of their electric power supply; and

"Whereas the House of Representatives in legislation recently passed has not included provision for the installation of much needed additional generating facilities; and

"Whereas said legislation with respect to the future power supply of the Tennessee Valley service area by the Tennessee Valley Authority is now being considered by the Senate of the Congress of the United States: Now, therefore, be it

"Resolved, That the American Public Power Association urges that the Senate of the United States include in such legislation regarding the Tennessee Valley Authority a provision for the installation of much needed additional generating facilities.

"RESOLUTION 10—ACCELERATED AMORTIZATION BENEFITS

"Whereas the Federal accelerated tax amortization program has, in effect, resulted in interest-free loans to the privately owned power monopoly exceeding $800 million with ultimate benefits flowing to these companies in excess of $2,800,000,000; and

"Whereas this ultimate benefit to the privately owned power monopoly exceeds the total cost of all Federal power facilities, including the Bonneville Power Administration and the Tennessee Valley Authority, both of which investments are repayable to the Federal Treasury from the earnings of these systems; and

"Whereas the private power monopoly industry has and is carrying on a program designed to influence the American people to believe that public power operations of American Public Power Association members, and others, are tax subsidized, while their operations pay their own way without any form of Government aid: Now, therefore, be it

"Resolved, That we commend this information to the attention of Members of Congress, State and Federal regulatory bodies, and to our American Public Power Association members in order that the information may be appropriately utilized to procure lower wholesale power rates, which such utility benefits should permit, and to counter and offset private power monopoly statements and campaigns that insinuate and State American Public Power Association members benefit from tax subsidies, while private power monopoly companies pay their own way without any form of Government aid.

"RESOLUTION 11—FEDERAL-STATE HIGHWAY BUILDING

"Whereas a continuing program of Federal and State highway building makes it necessary to remove and relocate local public agency electric system facilities; and

"Whereas the costs of moving and changing such facilities have been in the past absorbed by the local public agencies involved; and

"Whereas these relocations are often only temporary; and

"Whereas a hardship is often placed upon the local public agencies in absorbing these costs: Now, therefore, be it

"Resolved, That the American Public Power Association recommends that the Congress provide funds to reimburse the local municipalities for the expense of relocation of local public agencies' facilities along highway rights-of-way, when such action is made necessary by the Federal-State highway building program.

"RESOLUTION 13—LANGER MONOPOLY SUBCOMMITTEE INVESTIGATION OF POWER POLICY

"Whereas the Department of the Interior Missouri Basin power marketing criteria, as announced in September 1953, placed in jeopardy the contractual and other legal rights of citizen-owned electric systems of the Missouri Basin; and

"Whereas the Senate Subcommittee on Antitrust and Monopoly Legislation under the chairmanship of Senator WILLIAM LANGER, has recently held hearings on the Missouri Basin power marketing criteria in connection with an investigation into monopolistic practices in the power industry which investigation resulted in an appreciable modification of such criteria; and

"Whereas the last full-scale investigation of the electric power monopoly was conducted in the period 1927–35 and resulted in many fruitful reforms of the utility business; and

"Whereas there are many indications that a thorough investigation of electric utility monopoly practices and an investigation of governmental policies with respect to electric power would be beneficial: Now, therefore, be it

"Resolved:

"1. That the American Public Power Association commends the Senate Subcommittee on Antitrust and Monopoly Legislation for such action and that we extend our compliments to Senator LANGER and his staff; and

"2. That we request the subcommittee to continue and to extend its power-monopoly investigation.

"RESOLUTION 15—STATEMENTS OF GENERAL ELECTRIC AND WESTINGHOUSE COS.

"Whereas, it has come to the attention of the American Public Power Association that the General Electric Co. and the Westinghouse Electric Corp. have published advertisements or issued public statements in opposition to public power development; and

"Whereas the more than 700 locally owned public power systems which are members of this association have purchased and are purchasing hundreds of millions of dollars' worth of equipment from these two companies; and

"Whereas the declarations of these companies in opposition to public power were grossly improper and inaccurate; and

"Whereas the campaign with which these companies have thus alined themselves is sponsored by the private electric power monopolies in the attempted destruction of local public ownership represented by this association: Now, therefore, be it

"Resolved:

"1. That the American Public Power Association condemns the statements of the General Electric Co. and the Westinghouse Electric Corp. attacking public power, asserts that such statements damage the interests of local public agencies which are substantial customers of those companies, and declares its resentment of this unjustifiable conduct; and

"2. That the general manager of this association is directed to transmit a copy of this resolution to the president of each of said companies and to the management of each of the public power systems represented in this association."

"STATEMENT OF PRINCIPLES ADOPTED UNANIMOUSLY BY THE NORTHEAST ELECTRIC CONSUMERS CONFERENCE AT ALBANY, N. Y., FEBRUARY 27, 1954

"All Americans, as consumers and citizens—laborers, farmers, housewives, manufacturers, and merchants—have a fundamental interest in the production, distribution, and utilization of the power resources of the Nation. Abundance of low-cost electrical energy or its scarcity and consequent high cost affects the standards of living of all and the productivity and strength of our Nation itself. It is so vital to all citizens, to a full-production economy, and the national welfare that the assurance and provision of an abundant supply at lowest possible cost is a public responsibility.

"The Northeast Electric Consumers Conference wholeheartedly supports free, competitive enterprise. We, therefore, endorse public and cooperative power development where desired by the people as absolutely essential to inject the competitive aspect into a basically monopolistic industry so that all electric consumers can receive the benefits of lower rates not only from the public and cooperative systems, but also from private utilities.

"Assurance of an abundant supply requires the prompt and orderly development of our Nation's power resources. Assurance that the American public and not exploitive private interests will receive the undiminished benefits of such development require a positive program of public generation, transmission, and distribution reaching all the way to the public whenever and wherever necessary.

"The American people's heritage of power resources is threatened today by unreformed private-power monopolists, defending their high-cost, scarcity-supply policies by the immoral use of rate payers' funds to corrupt our sources of information, our educational institutions, and the democratic processes themselves.

"The participants of the Northeast Electric Consumers Conference, meeting in Albany, N. Y., February 26 and 27, 1954, therefore call upon their established membership organizations to vigorously prosecute a program of action, separately and cooperatively, based upon the following principles:

"1. There must be the best possible electric service to consumers everywhere—residential, agricultural, commercial, or industrial—at the lowest possible cost consistent with sound business principles.

"2. All feasible potential power resources of the Nation, hydro or other, must be developed as rapidly as they can be soundly undertaken. Public and cooperative agencies must be permitted to build and operate fuel-burning generating plants and to integrate them with hydro power.

"3. River basins should be developed not only for power production but in accordance with comprehensive, basinwide plans which will assure optimum soil and forest conservation, flood control, reclamation and irrigation of land, improvement of navigation, abatement of pollution, municipal and industrial water supply, protection of fish and wildlife, expansion of recreational and cultural facilities, salinity control, and other benefits.

"Such development can and must be done only by public agencies with widest practical participation of local public agencies and cooperatives. The obstruction of such unified development by licensing of the economically advantageous projects to private exploitive interests must be stopped. Outstanding private licenses to exploit the public's hydroelectric power resources must be canceled and recaptured as rapidly as possible.

"4. Benefits of the development of the public's power resources must reach consumers undiminished by unnecessary added costs. Wheeling contracts, exchange or rate arrangements violative of this principle must go. Public transmission facilities and aid to local agencies or cooperatives in the establishment and acquisition of distribution facilities must be provided wherever need exists.

"5. Electric power publicly produced belongs to the public. The public has first preference right to it as owners. It should not be supplied to industries or private-profit distributors (1) if needed by public agencies or consumers' cooperatives or (2) without such control of resale rates and conditions of service by the producing agency as will assure that all publicly created benefits reach the public in the form of lowest possible rates.

"6. The private power industry in America must be cleansed. Although its illegal, immoral, and degrading activities were exposed and condemned only two decades ago, the unreformed and unrepentant industry given a privileged monopoly position to supply a necessary service, is today again charging and expending ratepayers' money as operating expenses, to corrupt public sources of information, educational institutions, public agencies, and the functioning of our democratic institutions. There must be immediately established at every level of private utility operation a thorough and continuing investigation of all the expenditures of money by power monopolists for propaganda, lobbying, political activity, or corruption of public servants or institutions, regulatory bodies, law enforcement agencies, legislatures, and the Congress itself must discharge their duty to the American people to expose, punish, and publicize unethical, immoral, or illegal practice on a vigorous and continuing basis. There must be immediate and continuous action to assure that benefits of tax concessions, accelerated amortization subsidies, and similar windfalls to private companies reach consumers and that inflated valuations, watering, and inefficiencies are not charged in expenses.

"7. There must be continuous cooperation of consumer groups, including the sponsors of the Northeast Electric Consumers Conference and others not yet participating, to see that these basic principles and objectives are vigorously prosecuted.

"To implement this program of cooperative action, we recommend that the sponsors of this conference maintain a continuing Northeast Electric Consumers' Information Committee to be operated by our elected officers and executive committee, composed of our representatives and others who will join with us; the information committee to undertake all proper activities such as calling further general conferences, organization of conference committees, exchange of legislative information, and cooperating generally on matters which the member organizations determine will advance consumer and national interests in the electric power field.

"STATEMENT OF GOALS

"This northeastern region is possessed of abundant hydroelectric resources which, if developed by public agencies, could provide us with tremendous quantities of low-cost electricity.

"In spite of this abundance the farmers, workers, businessmen, and consumers generally in the Northeast suffer the highest electric rates in the Nation, resulting in restricted use of electricity for farm operations and the conveniences of the homes, as well as a competitive handicap in attracting and holding industry. This means a reduced market for goods, reduced employment opportunities, and a general restriction on economic growth.

"To remove this regional handicap:

"1. We urge immediate passage of Federal legislation providing for the public development of the power potential of Niagara with specific Federal provision for preference to cooperatives, municipalities, and other nonprofit electric distributors in accordance with the established Federal statutes providing for preference.

"We endorse the principles of the Lehman-Roosevelt bill which provides for development by the New York Power Authority with Federal preference stipulated, and we endorse any other bill which contains similar and adequate provisions for establishing the yardstick principle.

"We are opposed to all bills to give away Niagara power to private corporations. We are also opposed to the half-way measures which would achieve a giveaway by more subtle means, including bills leaving distribution and sale to the New York Power Authority without Federal preference requirements. We insist that any bill shall provide for the equitable division of this power among the preference consumers of all States within economic transmission distance.

"2. We favor the equitable distribution of St. Lawrence power among consumers within economic transmission distance. We oppose the interpretations of the New York preference clauses currently advanced by the New York Power Authority, and we censor the Federal Power Commission for refusing to include preference in the St. Lawrence license.

"We favor the granting of preference rights to cooperatives, municipalities, and other nonprofit bodies. We urge all States to which St. Lawrence and Niagara power may be available to establish State power authorities to receive and distribute this power with preference to nonprofit distributors.

"3. We point out that in order to monopolize the power resources of Niagara Falls for their own selfish purposes, the private power companies of this area have undertaken an unprecedented propaganda campaign designed to distort the facts and mislead the people.

"We urge the Congress and all State legislatures to investigate and expose the unwarranted and malicious propaganda and legislative activities of the private power companies and we favor legislation restricting the use of rate payers' funds for advertising designed to influence elections or legislation.

"We further condemn the action of the General Electric Co. in joining this propaganda campaign, against the best interests of their employees, stockholders, and the public welfare.

"4. We urge the New England-New York Interagency Committee to make a full report on potential hydroelectric development in these States, including provision for redevelopment of existing projects were advantageous as a result of improved stream flow regulation. This investigation should be extended to include the resources of other States in the Northeast, and should result in the preparation of a regional program for public development and interconnection through a public transmission grid providing an abundance of low-cost power for municipal, rural, cooperative, and other electric systems as well as for regional industrial expansion.

"In this connection we approve the Senate action appropriating funds for investigation of the Passamoquoddy tidal project and urge the House of Representatives to confirm this action so that preparation for undertaking this project may go forward promptly.

"5. We urge public development of atomic electric power with preference to cooperatives, municipalities, and other nonprofit public bodies. We are opposed to the granting of patent rights on atomic processes to individuals or private corporations and we oppose the amendment of the existing Atomic Energy Act.

"We urge the rapid development of atomic electric power with at least one large-scale plant to be built in this region and integrated into a Northeast power grid.

"6. We urge our sponsoring organizations to place immediate emphasis on stopping the giveaway of Niagara and atomic energy.

"7. We urge the officers and executive committee of this organization to affiliate with the electric consumers information committee in Washington, D. C. and to cooperate with similar organizations in other regions like citizens for TVA, Inc., the National Hells Canyon Association, the Missouri Basin Electric Consumers Association, and other organizations which have common goals."

The series of resolutions and statements of position and policy and statements of findings and goals which I have just read, makes it perfectly clear that the people back home are becoming increasingly aware of what is being done to them in the field of power policy. And you can call it a spade if you wish. And it also becomes clear from these documents that the people know who is doing it to them as well. They know that behind each administrative and legislative move is the general staff of the Power Trust, carrying forward the well worked out strategy of private monopoly.

It is my conviction, and the conviction of many of the men and women behind these statements and resolutions, that the plans for establishing the absolute control of the Nation's power business by private monopoly, through reversal of Federal power policy, were laid just as soon as Wall Street knew that it had won the election, and even before the new administration took office. Those plans have been carried out inexorably—step by step—and the climax for the 2-year life of this Congress was to have been enactment of the private atomic power bill.

Just get the Federal Government out of the atomic power business—just turn it over to us carte blanche, say the private power boys, and hydroelectric power will become increasingly a mere drop in the bucket. The people's community power systems, they say—the fine municipal and cooperative electric systems that for years have set the standards of rates and abundant use of electricity—will come to us for their supplies of power. With full control of the supply, they say, we can take our time about squeezing them out—one by one. The country's energy economy will ultimately be in our hands and that means control of its economic destiny.

But I am convinced that—as would-be tyrants have so frequently done in the past—they have counted without the people. For I hear overtones running through all the statements and resolutions that express the tremendous interest of tens of millions of people in every part of the land in the Federal power policy, which has meant so much to their successful farming, to their modernizing of the farm home, to the convenience of all homes, to the development of entire regions, to the building of a full-employment economy raising the purchasing power of wages on the basis of increasing productivity per man-hour of labor.

The overtones which I hear in the statements convince me that the people are going to meet the challenge of private-power monopoly with their ballots, and that those ballots are going to be counted in favor of more public power, rather than less, of a

real advance after the temporary setbacks that the administration has been able to administer to the Federal power program without benefit of congressional action.

And I am equally convinced that the rising public understanding of the vast giveaway represented by the proposed private Atomic Power Act will mean that its objective will never be achieved. If we really represent the people of the United States, or the people of our own individual States, the time to stop the raids on the people's power program is now. And the way to begin is to send this bill back to where it came from.

The people of the United States want this bill withdrawn or defeated. Furthermore, they want a broad study made of all the implications of the atom in terms of their way of life, before fundamental legislation establishing the conditions under which this vast new resource of the future is enacted.

With the courage of our convictions, we will resist the tremendous pressures of private-power monopoly. We will accede to the rising manifestation of the people's will that this private atomic-power bill shall not be enacted into law. The people will be heard. And the public interest shall prevail.

Mr. LANGER. Mr. President, the purpose of the amendment is to protect the people. We have been working on it with the distinguished Senator from Michigan [Mr. FERGUSON], and I say from the bottom of my heart to the distinguished Senator from Iowa that the Senator from Michigan, whose heart is absolutely right in connection with this amendment, has offered several suggestions to me and the Senator and the Senator from South Carolina [Mr. JOHNSTON], and I do hope that the Senator from Iowa will take the amendment to conference.

Mr. HICKENLOOPER. Mr. President, the Senator from South Carolina and I have been discussing a possible modification of the proposed amendment. Although I cannot make any commitment at the moment, I do think that perhaps in 5 minutes or so we will know whether we can get together on something and submit it to the Senator from North Dakota. If so, we will do that.

Mr. LANGER. I am delighted to know that the Senator from South Carolina and the Senator from Iowa have gotten their heads together, because when they do that they can do anything. I am sure they can work out language that will be suitable to everyone.

Mr. HICKENLOOPER. The only better combination that I can think of would be to have the Senator from North Dakota put his head with ours.

Mr. LANGER. The Senator from North Dakota would be satisfied to do that.

Mr. HICKENLOOPER. If the Senator will be patient for a moment, we may have a suggestion to make to him.

Mr. LANGER. I thank the distinguished Senator from Iowa.

Mr. HICKENLOOPER. If the Senator cares to proceed for another few minutes, I am sure we will be able to work out something.

Mr. LANGER. In the meantime I know that the distinguished Senator from Illinois will agree that the two Senators I have referred to will be able to work out something that will be mutually agreeable.

Does not the Senator from Illinois believe that I can say that based on his experience with those great Senators?

Mr. DOUGLAS. We have great expectations.

Mr. LANGER. Mr. President, the Senator from North Dakota desires to thank the distinguished occupant of the Chair for his courtesy. I assured the Senate at the beginning that I would not talk more than 45 minutes. Unfortunately I was 5 minutes longer than I expected. I want every Senator on the floor to know that I appreciate their courtesy and the questioning.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the Senator from New York.

Mr. LEHMAN. I congratulate the distinguished Senator from North Dakota, not only for the speech he has delivered on the floor of the Senate tonight, but for the great service he has rendered to the American people in their continuing fight for cheap public power, for reclamation, irrigation, and for the advancement of agriculture throughout the country.

Mr. LANGER. Mr. President, I thank my distinguished friend. What little I can do here is nothing compared with the great service rendered to the State of New York during the years HERBERT LEHMAN was Governor of that great State.

During the four terms he was Governor of the State of New York he made an outstanding record. It has been quite an inspiration to see the work that the distinguished Senator from New York has done upon this floor.

He knows that I have not always agreed with him. I remember particularly when we were at savage disagreement for one entire evening, but I have always admired and respected him for his honesty of purpose. I have admired his very fine intellect and above all, his sincerity.

Mr. LEHMAN. We may have been at odds one evening, but we joined forces the following morning, did we not?

The PRESIDING OFFICER. The Senator will suspend for a moment. The Chair should like to point out to our guests in the galleries that ordinarily the rules of the Senate require that the occupants of the galleries maintain silence, but, since we have now reached the point in this unique filibuster where instead of killing time by a filibuster we are trying to filibuster to create time, we invite the galleries to join with us in that process of using up the time. [Applause.]

Mr. WILEY. Mr. President, as I came in from the lobby I found that the atmosphere has cleared. I found the distinguished Senator from North Dakota [Mr. LANGER] and the distinguished Senator from New York [Mr. LEHMAN] exchanging bouquets that really smelled good. However, I have seen other bouquets on this floor that did not smell so good. I want to compliment both of them for indulging in real complimentary language, the kind that I think does not stultify, but makes for statecraft. It is a joy to me to hear and see the brethren living in peace together.

Mr. President, I have listened for many days to this debate, and I have come to my own conclusion in relation to it, though I have not had the privilege of sitting on the committee, or really getting into the debate. But from what has been said, and from what I have learned, I have set forth in a short statement my own convictions.

I am sorry to say in my opinion a great deal of misrepresentation has been forwarded to some of my good friends of the REA and the co-ops in my State. It is because of that that I have taken the time to labor and prepare a very brief statement as to what I think this bill really means and what its effect is upon REA's and the co-ops in my State—which is absolutely nothing. I think the status quo is maintained between public power and private enterprise in that respect, and I fervently believe if this bill becomes the law of the land, and if after due time, which is estimated from 2 to 10 years, we actually get electricity from the reactors, or from atomic energy, that under the bill itself co-ops and REA's will have the first call upon the electricity that may be generated. Am I right? They have equal sharing, have they not, may I ask the distinguished Senator from Iowa?

Mr. HICKENLOOPER. The preference clause has been put into the Senate version of the bill.

Mr. WILEY. That is what I have in mind. They really have the preference, or first call. Therefore, Mr. President, I ask unanimous consent that the statement I have prepared may be printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Allow me, if I may, the privilege of attempting to set the RECORD straight after these many days of oratorical obstructionism. Allow me to present what for an interminable period has not been presented upon this floor by the opposition, namely, the fundamental facts, not the illusions, contained in the Senate's atomic-energy bill, S. 3690, as presently amended.

For I submit to you, Mr. President, that this single piece of legislation has been so misinterpreted and its terms so twisted out of context that there now exists no relation between the opposition's contentions and the bill's actual content.

There exists now a pressing necessity for a return to the facts and for fearless action based upon these facts.

And I use the words "pressing necessity" advisedly. For it is with a sense of shame and forfeited responsibility that I view this most august of deliberative bodies in this greatest Nation of the world bogged down in its own partisanship, enmeshed quite helplessly in its own procedure—while at the same time the world Communist menace mounts like an evil sea; while the free world alliance remains self-divided and hypnotized into inaction; while the well-being and security of America hangs in the balance of a willfully obstructed legislative program.

Let us in no way minimize the importance of this atomic energy bill, nor its crucial role in the future development of our Nation. But let us deal with facts, not illusions. And let us act on these facts without further delay. And, finally, let us remember that no amount of self-deception can hide the pressing responsibility that is ours—to God, to nation, and to world.

Allow me, then, to present the substance of misinformation advanced concerning this measure and then the actual facts of the

matter and the literal wording of the bill, as now amended, which gives the lie to each charge.

In deference to my friends across the aisle I must admit that no piece of legislation is a product of perfection. Therefore, certain amendments now incorporated in the bill fulfill a positive purpose.

First, is S. 3690 a piece of legislation foisted by the power trusts upon the administration and in turn upon a duped Congress and Nation?

No.

The basic principles enunciated in the bill have been unanimously reported by the Joint Committee on Atomic Energy; have been formally endorsed by the Department of State, the Department of Defense, and the Joint Chiefs of Staff; have received the strong bipartisan support of the House of Representatives by an approving vote of 231-154, and the President of the United States endorses this measure.

Second, is S. 3690 an attack on rural electrical cooperatives—organizations whose outstanding services to my home State, Wisconsin, I have long supported and will continue to support?

No.

One objective of the bill is to provide for the participation in atomic power development of cooperatives, along with all others fulfilling certain minimal technical requirements. An equal and "nonexclusive" status is specifically guaranteed all applicants for commercial development licenses. Cooperatives are granted preferential status in the purchase of commercial power generated by the Atomic Energy Commission. Section 44 of the bill specifically provides that:

The Commission shall at all times, in disposing of such energy, give preference and priority to public bodies and cooperatives.

Third, is S. 3690 a "giveaway" of AEC public funds and know-how to private vested interests to exploit the power consumer?

No.

It is quite true that our present national atomic enterprise represents a $12 billion investment of public national funds. The vast portion of this sum has gone to atomic weapons development for national security. Only $1 billion has been spent or authorized for atomic peacetime development. And it is estimated that it would require another $1 billion investment of the taxpayers' money before Government atomic reactors could compete with conventionally produced electricity.

S. 3690 has as its objective not the abandonment of AEC investments nor the termination of the Commission's continued peacetime research and power development. Rather does it provide, in the words of section 103, for nonexclusive licensing of all applicants—cooperative, private, local, municipal, or State—who fulfill the minimum technical requirements for the production of atomic power. Thereby the limited manpower, budget, and skills of what is, in effect, a Government monopoly, the AEC, will be expanded into a cooperative-private-Government team effort to share jointly in the risks, the high costs, and initial expected low profits of pioneering atomic power development. At the same time the status quo with respect to cooperative, private, and public power rights under existing statutes will be maintained.

Fourth, will S. 3690 allow the Power Trust, after electricity has been developed from atomic energy, to create a power monopoly at the expense of the public and consumer?

No.

S. 3690 has the tightest antitrust provisions of any bill considered in the Senate in many years specifically to eliminate this danger. Section 105, which follows, requires that the AEC consult with the Attorney General and—

"If the Attorney General advises the Commission that issuing the license would create or maintain a situation inconsistent with the antitrust laws, then the Commission shall not issue such license unless it makes a finding approved by the President, that the issuance of such license is essential to the common defense and security, and the finding is published in the Federal Register."

Section 184 further prevents the monopolistic pooling of licenses, while the compulsory licensing provisions on patents provided in section 152 insures that no patent owner can block the industry and prevent others from using those basic patents of primary importance for commercial use.

Fifth, is the Dixon-Yates power contract, in conjunction with S. 3690, an attack on TVA? Is it a Government-industry "deal" at the expense of the Tennessee consumer?

No.

This particular contract is thought by competent legal authority to be valid under existing law whereby the AEC is empowered to purchase power "in connection with" its plant operations. The Senate filibuster will hence not block this contract which is for a specific and legitimate purpose.

The Congress has failed to give TVA the necessary funds to construct and operate a new steam plant to fulfill the greatly expanded power needs of the Memphis area. Some source of power had to be found if the key economic and defense potential concentrated in that area was not to be lost to this Nation. The Dixon-Yates contract will fulfill this need by allowing the Atomic Energy Commission to replace a portion of its TVA power with privately generated power, thereby freeing a TVA surplus potential for the Memphis area.

This contract before completed must have been submitted to Joint Committee on Atomic Energy for scrutiny and inspection.

What is the fundamental purpose of this bill—a purpose, I submit, which remains unaltered by amendment or by the extended effort to obscure its meaning, to impugn the motives of its authors, and to smother it beneath a great wave of partisanship.

It is, I submit to you, a simple and eminently justifiable purpose. Namely, the fulfillment of American national interest. The 1946 Atomic Energy Act, now 8 years old and outmoded in its restrictions by Soviet military and United States peacetime developments in the field of atomic energy, is, in its present form, no longer directly in the national interest. Senate bill S. 3690 brings this past legislation back into the interest by providing for four fundamental modifications:

1. It permits negotiation of bilateral agreements for cooperation with foreign nations in the peacetime development of atomic energy, subject to executive determination of mutual benefit and legislative approval. Therein is provided the legal groundwork for implementing the President's international atomic pool proposal of December 1, one of the last rays of hope for effective international regulation of the atom.

2. It authorizes transmission of limited information on atomic weapons to United States allies committed to the common defense against Communist aggression. For the necessity now exists for outnumbered free world forces, relying primarily on atomic defense, to know the weapons on which their very survival, as our, will rely.

3. The bill encourages private, cooperative, local, municipal, State, in brief all interested and technically competent groups to join in the peacetime development of atomic power on a nondiscriminatory basis and in cooperation with the Atomic Energy Commission. Thereby, the expensive and potentially stultifying Government monopoly in the field of atomic power is terminated, although the Government quite correctly retains title to all fissionable material and continues to participate through the AEC as a senior partner in the 2-to-3 years pioneering effort before commercial production is thought to be feasible.

4. S. 3690 reaffirms a fundamental principle of American society too often forgotten in this age of social turmoil—a principle which remains today a living and vital repudiation of the international Communist lie, of Marxian dogma. It is the principle of free cooperation between free men and their free public institutions to join together and pioneer in the expansion of human knowledge and welfare. It is this same principle of public and private teamwork in an endeavor too large for either to undertake alone that has resulted in certain great strides of progress in banking and finance, in telecommunications, in railroads, in aviation, and now in the greatest challenge of all, atomic energy.

At the same time, this bill recognizes that timeworn saying of Lincoln to the effect that Government should step in to do that which the individual himself cannot do but otherwise should allow him to stand on his own. In this free society which has been so well served by the great Republican there is a place, yea even a need, for each diverse element joining in the common cause. And in the field of power there exists this same place and need—for rural cooperation, for regional development, and for competitive private production.

But we can never forget that the latter, the great free-enterprise builders of our past, have been the irreplaceable dynamic force raising this Nation to heights of material prosperity and individual freedom unprecedented in the history of mankind.

And in the present, in this dawn of the atomic era, it is important to remember that 80 percent of our power is still privately produced at rates which allow a degree of utilization unmatched anywhere in the world.

Through the provisions of such legislation as this it is possible to predict that the future may yet bring to our free, competitive society such well-being as makes the eye to dim, to our tensed world such effective and beneficent cooperation as makes the heart to sing.

Mr. JENNER. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. JENNER. I was about to suggest the absence of a quorum, but I will withhold the suggestion, and yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I send to the desk a perfecting amendment which I offer for the Senator from North Dakota [Mr. LANGER] and myself.

The PRESIDING OFFICER. The secretary will state the amendment.

The CHIEF CLERK. On page 49, between lines 4 and 5, it is proposed to insert the following:

d. Any patent hereafter granted for an invention or discovery useful in the utilization or production of special nuclear material or atomic energy which is found by a court of competent jurisdiction to have been intentionally used by the owner thereof for the violation of the antitrust laws specified in subsection 105a may, upon conviction of the owner for such violation, and in the discretion of the court, be forfeited and be declared to be the property of the United States, to be held by the Commission as the agent for and on behalf of the United States, and to be available for license to any person without payment of any royalty fee.

The PRESIDING OFFICER. The Chair would like to inquire of the Senator from South Carolina [Mr. JOHNSTON] if this amendment being offered is a

modifying or perfecting amendment? It is not being offered as a substitute; is it?

Mr. JOHNSTON of South Carolina. It is a modifying amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. LANGER] on behalf of himself and the Senator from South Carolina [Mr. JOHNSTON].

Mr. LANGER. I ask unanimous consent that I may modify my amendment in line with the suggestion of the Senator from South Carolina.

The PRESIDING OFFICER. Unanimous consent is not required because the amendment was offered originally by the Senator from North Dakota. The amendment will be so modified. The question is on agreeing to the amendment as modified.

Mr. JOHNSTON of South Carolina. I would like to say that the Senator from Iowa [Mr. HICKENLOOPER] has discussed this with me, and he agrees.

Mr. HICKENLOOPER. The Senator is correct. We have discussed the provisions of this modification of the Senator from South Carolina [Mr. JOHNSTON] with the Senator from North Dakota [Mr. LANGER] and there has been a fine spirit of cooperation as far as the purposes of this amendment are concerned. We believe that it reaches the end desired; and therefore I recommend that the Senate accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from North Dakota [Mr. LANGER], for himself, and the Senator from South Carolina [Mr. JOHNSTON].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. JENNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ferguson	Lehman
Anderson	Flanders	Lennon
Barrett	Fulbright	Long
Beall	Goldwater	Magnuson
Bennett	Gore	Malone
Bowring	Green	Mansfield
Bridges	Hayden	Martin
Burke	Hendrickson	Maybank
Bush	Hennings	McCarran
Butler	Hickenlooper	McCarthy
Byrd	Hill	Millikin
Capehart	Holland	Monroney
Carlson	Humphrey	Morse
Case	Ives	Mundt
Chavez	Jackson	Murray
Clements	Jenner	Neely
Cooper	Johnson, Colo.	Pastore
Cordon	Johnson, Tex.	Payne
Crippa	Johnston, S. C.	Potter
Daniel	Kennedy	Purtell
Dirksen	Kerr	Reynolds
Douglas	Kilgore	Robertson
Duff	Knowland	Russell
Dworshak	Kuchel	Saltonstall
Ervin	Langer	Schoeppel
Smathers	Symington	Wiley
Smith, Maine	Thye	Williams
Smith, N. J.	Upton	Young
Sparkman	Watkins	
Stennis	Welker	

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a number of messages I have received and other documents on the bill.

There being no objection, the messages and documents were ordered to be printed in the RECORD, as follows:

ST. PAUL, MINN., *July 26, 1954.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building:

Believe that debate on atomic energy bill is waiting public understanding of many of the implications of administration policy. Debate should be continued as long as there are constructive points and amendments which can be brought out and voted upon. An issue might well be made that Congress should not hurry home until adequate consideration has been given to major legislation. For several reasons, it appears prospects for farm bill would not be weakened by further delay. June price drop is just beginning to be widely appreciated. Result of wheat marketing vote and serious drought prospect make it doubly important to retain 90 percent supports on basics. Delay of Senate vote until after end of month agricultural prices report and even after August 10 crop report might possibly improve the outlook for a good farm bill.

EDWIN CHRISTIANSON,
President, Minnesota Farmers Union.

WASHINGTON, D. C., *July 26, 1954.*

Hon. HUBERT HUMPHREY,
Senate Office Building:

Congratulations on your valiant effort to bring to the attention of the Senate and the American people provision of S. 3690 which if enacted will be the greatest giveaway in American history. Keep up the good fight. Debate should continue.

JAMES G. PATTON,
President, National Farmers Union.

ALBERT LEA, MINN., *July 25, 1954.*

HUBERT H. HUMPHREY,
United States Senator,
Senate Office Building:

We appreciate your support on the atomic energy bill in fighting to keep this vital source of power out of the hands of private monopoly. We urge your continued support of legislation affecting the rural electric cooperatives.

ARVID WALLER,
Manager, Freeborn Mower Co-op Light & Power Association.

TYLER, MINN., *July 26, 1954.*

Hon. HUBERT HUMPHREY,
United States Senate:

Continue debate on atomic bill until REA cooperatives are taken care of.

TENHO NIEMON.

LUVERNE, MINN., *July 26, 1954.*

Senator HUBERT HUMPHREY,
Senate Office Building:

Keep up the good work. Prevent any more giveaway programs such as atomic energy to private power.

WALTER KUEHL.

SLEEPYEYE, MINN.,
July 26, 1954.

Hon. HUBERT HUMPHREY,
United States Senator:

Get solidly behind REA interests in atomic bill. Will be watching your progress.

ARTHUR P. ZSCHETZSCHE,
Brown County REA.

PELICAN RAPIDS, MINN.,
July 26, 1954.

Senator HUBERT H. HUMPHREY,
Senate Office Building:

DEAR SENATOR HUMPHREY: Will appreciate your efforts to safeguard rural electric interests in atomic energy bill.

CLARENCE W. PETERSON,
Lake Region Electric Co-op Association.

BIG FORK, MINN.,
July 26, 1954.

Senator HUBERT H. HUMPHREY:

Give utmost support to amended Atomic Energy Act to protect REA in nuclear power developments before the Congress.

NORTH ITASCA ELECTRIC CO-OP.
E. H. LAKE, *Manager.*

ALEXANDRIA, MINN.,
July 26, 1954.

Senator HUBERT H. HUMPHREY,
United States Senate Building:

Your continuous fight on the floor for rural electric cooperatives on the AEC bill is very heart warming. Continue the good work.

RUNESTONE ELECTRIC ASSOCIATION,
JOE PERINO, *Manager.*

BRAINERD, MINN., *July 26, 1954.*

Senator HUMPHREY,
Senate Office Building:

Very important that you continue action on atomic-energy bill.

CROW WING CO-OP POWER & LIGHT CO.,
J. S. ZUMWALT.

LITCHFIELD, MINN., *July 26, 1954.*

Senator HUBERT HUMPHREY:

We ask no monopoly on atomic power. We ask equal right for cooperatives, municipals, and utilities in its development and use.

MEEKER CO-OP LIGHT & POWER ASSOCIATION,
IRVING J. CLINTON, *Secretary.*

MONTEVIDEO, MINN., *July 26, 1954.*

Senator HUBERT H. HUMPHREY,
Senate Chambers,
Washington, D. C.:

We request that you continue debate until rural electrics are taken care of in the bill of atomic energy.

MINNESOTA VALLEY COOPERATIVE LIGHT & POWER ASSOCIATION,
OSCAR W. SWANSON, *Manager.*

ROCHESTER, MINN., *July 26, 1954.*

Hon. HUBERT H. HUMPHREY,
Senate Office Building:

REA cooperatives and municipalities should have the same privilege as private power in the atomic-energy program. Any action you may take today to see that these rights are protected would be appreciated.

H. C. BLUMENTRITT,
President, People's Co-op Power Association.

ROCHESTER, MINN., *July 26, 1954.*
Hon. HUBERT H. HUMPHREY,
Senate Office Building:

The Atomic Energy Act should allow public rural and electric systems to participate in the nuclear-power program. I hope your vote on this today will help prevent a private-power monopoly in the atomic-energy field.

RAY E. KROPCHALK,
General manager, People's Co-op Power Association.

ELK RIVER, MINN., *July 26, 1954.*
Senator HUBERT HUMPHREY,
Senate Office Building:

Congratulations your efforts to install preference clause rural electric cooperatives into atomic-energy bill and protection of Government interests in development work. Keep up the good work.

ED E. WOLTER, *RCPA.*

ST. PAUL, MINN., *July 26, 1954.*
Hon. HUBERT HUMPHREY:

Urge firm stand for amendment to AEC legislation preserving preference clause and for amendment permitting AEC generation of electric power. Glad cloture rule was defeated.

MINNESOTA ASSOCIATION OF COOPERATIVES,
HARRY J. PETERSON.

WILLMAR, MINN., *July 22, 1954.*
Senator HUBERT HUMPHREY,
Washington, D. C.:

Hope you and your colleagues keep talking against the administration giveaway to private power. Save TVA and public power for the people.

CLINTON HAROLDSON.

MINNEAPOLIS, MINN., *July 25, 1954.*
Senator HUBERT H. HUMPHREY,
Senate Office Building, Washington, D. C.

DEAR HUBERT: Congratulations on the tremendously valuable job you are doing in trying to safeguard the public interest in connection with the proposed atomic energy bill. I think that even reasonably well-informed people do not have adequate information on the issues involved in the proposed legislation, and I think the battle you and your colleagues are waging helps to make these issues clear.

If adequate safeguards against monopoly cannot be assured now, I hope action on the bill will be deferred until Congress reconvenes in January. I think your successful amendment (against granting licenses which might create violations of antitrust laws) was a major step in the right direction, but other and more specific safeguards are undoubtedly needed, too.

The question of whether to vote for cloture at 11 a. m. Monday seems to me to be a tough one. Since you have worked consistently and in good faith for an improvement in the rules (rule 22), you may feel justified in voting against cloture in order to save atomic energy from possible exploitation by monopolists, using the existing rule for your advantage in this case. On the other hand, there is a strong moral argument for voting for cloture in order to permit a majority vote on the issue. I favor the latter course, but will be much interested to see what you decide.

If you have a copy of the atomic energy bill and informational materials concerning the issues available for distribution, I should appreciate receiving copies of same.

Today's paper reports that you are now leading Bjornson nearly 2 to 1, according to the Minnesota poll. Hope you can take a well-earned vacation after Congress adjourns and before you resume the campaign.

Jeanne joins me in sending best personal regards and good wishes.

Sincerely yours,

WILFRED C. LELAND, Jr.

MINNEAPOLIS, MINN., *July 26, 1954.*
Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR HUBERT: We just want you to know we do appreciate the work you are doing on the Tennessee Valley bill. Just wish they were all like you.

Sincerely,

The HILLERMANS.

WADENA, MINN., *July 22, 1594.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We suport your stand on TVA bill. Your efforts sincerely appreciated.

CENTRAL CO-OP WHOLESALE,
JOE THOMPSON.

MINNEAPOLIS, MINN., *July 23, 1954.*
Senator H. HUMPHREY,
Washington, D. C.

DEAR SENATOR: We are opposed to the Government's giveaway program of the people's owned power. The Government should not be permitted to favor the power monopolies at the expense of the people. We appreciate the effort being expended by you Senators in our behalf.

Sincerely yours,

GEORGE MIROFF.

BRAINERD, MINN., *July 24, 1954.*
Senator HUBERT HUMPHREY,
Senate Office Building:

Local 164, Brainerd Papermakers, urge you to suport public control of atomic energy, TVA, and preference clauses for public agencies and cooperatives.

ARTHUR SCHWEDEMAN,
President, Local 164, Brainerd Papermakers.

MINNEAPOLIS, MINN., *July 24, 1954.*
Senator HUBERT HUMPHREY,
United States Senate,
Washington, D. C.:

Wish to congratulate you on your magnificent stand, atomic-power question.

ANDY PAPANDREAOU.

ST. CLOUD, MINN., *July 24, 1954.*
Senator HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.:

We, the members of Papermakers Local 149, Sartell, Minn., urge you support public control of atomic energy, TVA, and preferences clauses for public agencies and cooperatives. We would appreciate your support in this matter.

CHARLES BETTENBERG,
President, Local 149.

GLENCOE, MINN., *July 25, 1954.*
Senator HUBERT HUMPHREY,
United States Senate Chamber,
Washington, D. C.:

Urge your continued support in that rural electric cooperatives be given favorable consideration in atomic energy bill now under consideration.

R. A. FISCHER,
Manager, McLeod Cooperative Power Association.

ST. PAUL, MINN., *July 25, 1954.*
Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.:

The St. Paul Trades and Labor Assembly adopted a resolution July 23 commending you for your efforts to prevent the atomic energy bill from getting Senate approval. We hope you will be successful.

E. D. MCKINNON, *Secretary.*

PIPESTONE, MINN., *July 25, 1954.*
Senator H. H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We urgently request that you keep up the atomic-energy fight until the rural electric co-ops and public bodies receive their fair share.

SOUTHWESTERN MINNESOTA CO-OP ELECTRIC.

PIPESTONE, MINN., *July 25, 1954.*
Senator H. H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We are definitely against atomic-energy bill now before Senate. We do not favor this giveaway of the patents of atomic power that this country has spent billions of dollars developing. We feel that these belong to all the people and not to the private power monopoly.

PIPESTONE COUNTY FARMERS UNION,
ELDON MILLER.

DULUTH, MINN., *July 25, 1954.*
Senator HUMPHREY,
Washington, D. C.:

Please continue debate so rural electrics are included in atomic-energy bill.

LOUIS G. BRABEC,
Manager, North Pine Electric Co-op, Finlaysen, Minn.

DEFEAT FOR PEOPLE, BUT NO VICTORY FOR PRESIDENT, SENATOR HUMPHREY SAYS

Senate approval of the atomic energy bill after a prolonged battle is "a defeat for the best interest of the American people, but in no sense a victory for the Eisenhower administration," Senator HUBERT H. HUMPHREY said tonight.

In a statement issued at the end of the long and uphill fight against the Republican majority, Senator HUMPHREY said:

"The American people have had a chance to witness an example of the willingness of the Eisenhower administration to ram through special privilege legislation without regard for the public's interest.

"Fortunately, as a result of our long and tiring fight, we have at least written into the bill an array of major safeguards curbing somewhat the brazen giveaway of 12 billion dollars spent by all the American people in atomic-energy development which had been proposed. But for our willingness to keep talking until we forced the administration's majority leader to retreat—and gave the people of the country a chance to know what was being slipped over on them—the bill would have been passed in a form that would have been disastrous to the American people.

"The attempt of the Republican leadership to kill off these safeguards and force through the original bill under the heavy-handed compulsion of day after day without sleep or rest should be ample evidence of the original intent to turn our atomic resources and know-how over to a privileged few for private gain at the expense of all the people.

"We have not been responsible for the mankilling 24-hour sessions.

"Our purpose has been to help the public understand the size and scope of the giveaway, and to defeat dangerous provisions of the bill and pass amendments safeguarding the public interest in the public's investment.

"The Republican leadership bears full responsibility both for the so-called 'talkathon' and for the undemocratic 'if you won't play my way, I'll throw rocks at you' methods by which the majority leader sought to kill amendments without debate.

"It has been the obstinacy of the Republican leader which delayed the President's program. Once he retreated enough to let

us consider amendments on their merit rather than be bound by procedural tricks, action on the bill was brought to a showdown.

"Despite the safeguards we obtained, I still voted against the bill because I am convinced it is not in the best interest of the American people. The McMahon Act provides that the Atomic Energy Commission shall publish a report on potential civilian uses of atomic energy when they feel we have reached the stage of such possibilities, together with recommendations for whatever necessary legislation is required. The Commission not yet has done so. Without that guidance, it appears foolhardy to me to be setting a pattern of legislative guidance in such a field of yet unknown future potentialities.

"One of the most disturbing portions of this bill was the Ferguson amendment, legalizing the so-called Dixon-Yates contract, wherein the Atomic Energy Commission was used as a broker or middleman to provide power to the Tennessee Valley Authority by a private utility. This contract was opposed by a majority of the AEC, was not requested by the TVA. The Dixon-Yates contract violated all standards of public contracts and flaunted the public interest.

"When it appeared obvious the administration was going to ram the bill through, however, our wisest course appeared to be to seek to rewrite much of the measure on the Senate floor through amendments at least partially safeguarding the public."

Senator HUMPHREY issued the following summary of accomplishments of the prolonged debate, pointing out that such changes "can hardly be called a victory for Eisenhower":

Public safeguards written into the bill as an outgrowth of the Democratic fight include:

1. Humphrey amendment providing preference for municipalities, cooperatives, and high-cost-power areas in obtaining licenses for use of atomic energy to create electrical power.

2. Humphrey amendment requiring the AEC to give notice to municipalities, cooperatives, public bodies, and private utilities within the transmission area when about to accept aplications for such licenses for use of atomic energy to create electrical power.

3. Humphrey amendment strengthening the antimonopoly section of the bill, and prohibiting the granting of licenses that would result in conflict with antitrust laws.

4. Humphrey amendment requiring all licensees using atomic energy to create electrical power for interstate commerce to come within regulatory provisions of the Federal Power Act.

5. Humphrey amendment requiring AEC to undertake a research program into civilian uses, without preventing use of universities for the conduct of such research.

6. Humphrey amendment strengthening civilian control over international use of atomic energy through requiring approval of the President for any international agreement on atomic energy rather than just approval of the Defense Department.

7. Humphrey amendment providing for creation of a special division on civilian uses of atomic power within the administrative offices of AEC.

8. Johnson amendment empowering the Atomic Energy Commission to supply its own electrical energy with its own atomic plants, instead of obtaining it from private sources, and authorizing the Commission to allow REA co-ops and public bodies to build and operate their own atomic energy power plants.

9. Gillette-Humphrey amendment providing preference to REA cooperatives, municipalities, and other public bodies in distribution of surplus or byproduct electrical power created from atomic energy by the Commission for its own use.

10. Kerr amendment postponing private patent rights on atomic energy for a period of 10 years, and requiring equal treatment of all concerned in obtaining such patents.

11. Gore amendment which prohibits Atomic Energy Commission from making contracts to refund to corporations their payments of income taxes.

Two more amendments offered by Senator HUMPHREY were withdrawn after building legislative history placing into the record the assurances of the administration spokesmen it was the intent to cover both points in existing legislative language.

They included requiring equal access to information for all members of the Atomic Energy Commission, and applying same preference standards to construction permits as provided by previous amendment for licenses to use atomic energy.

The VICE PRESIDENT laid before the Senate House bill 9757, to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which was read twice by its title.

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 9757, to amend the Atomic Energy Act of 1946.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9757), to amend the Atomic Energy Act of 1946.

Mr. KNOWLAND. Mr. President, I move to strike out all after the enacting clause of the House bill and that the language of the Senate bill, as amended, be substituted in lieu thereof.

The motion was agreed to.

The VICE PRESIDENT. The question now is on the final passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ERVIN (when his name was called). I have a pair with the Senator from Mississippi [Mr. EASTLAND]. If he were present he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. LONG (when his name was called). On this vote I have a pair with the senior Senator from Tennessee [Mr. KEFAUVER]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. YOUNG (after having voted in the negative). On this vote I have a pair with the senior Senator from Ohio [Mr. BRICKER]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore I withdraw my vote.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Delaware [Mr. FREAR], the Senator from Georgia [Mr. GEORGE], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are necessarily absent.

The Senator from Iowa [Mr. GILLETTE] is absent by leave of the Senate.

I announce that on this vote the Senator from Louisiana [Mr. ELLENDER] is paired with the Senator from Iowa [Mr. GILLETTE]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Iowa would vote "nay."

The result was announced—yeas 57, nays 28, as follows:

YEAS—57

Aiken	Dworshak	Millikin
Anderson	Ferguson	Mundt
Barrett	Flanders	Pastore
Beall	Fulbright	Payne
Bennett	Goldwater	Potter
Bowring	Hendrickson	Purtell
Bridges	Hickenlooper	Reynolds
Burke	Holland	Robertson
Bush	Ives	Saltonstall
Butler	Jenner	Schoeppel
Byrd	Johnson, Colo.	Smathers
Capehart	Johnson, Tex.	Smith, Maine
Carlson	Kennedy	Smith, N. J.
Case	Knowland	Thye
Cordon	Kuchel	Upton
Crippa	Lennon	Watkins
Daniel	Malone	Welker
Dirksen	Martin	Wiley
Duff	McCarthy	Williams

NAYS—28

Chavez	Jackson	Monroney
Clements	Johnston, S. C.	Morse
Cooper	Kerr	Murray
Douglas	Kilgore	Neely
Gore	Langer	Russell
Green	Lehman	Sparkman
Hayden	Magnuson	Stennis
Hennings	Mansfield	Symington
Hill	Maybank	
Humphrey	McCarran	

NOT VOTING—11

Bricker	Frear	Long
Eastland	George	McClellan
Ellender	Gillette	Young
Ervin	Kefauver	

So the bill (H. R. 9757) was passed.

The VICE PRESIDENT. Without objection, Senate bill 3690 is indefinitely postponed.

Mr. HICKENLOOPER. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. KNOWLAND. I move that the motion of the Senator from Iowa be laid on the table.

The motion to lay on the table was agreed to.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that House bill 9757 be printed with the Senate amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

THE MUTUAL SECURITY ACT OF 1954

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of calendar No. 1831 (H. R. 9678), to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported with an amendment from the Committee on Foreign Relations and subsequently reported without amendment from the Committee on Armed Services.

JOINT MEETING OF CONGRESS TO HEAR AN ADDRESS BY PRESIDENT SYNGMAN RHEE, OF KOREA

Mr. KNOWLAND. Mr. President, for the information of the Senate, tomorrow at 12:30 in the Hall of the House of Representatives, President Syngman Rhee, of the Republic of Korea, will address a joint session of the Congress of the United States. We will plan on leaving the Senate Chamber in a body at 12:10 tomorrow, so I ask all Senators to be here at that time. We will have a quorum call just before going to the House.

I am going to suggest that the Senate recess tonight until 11 o'clock tomorrow morning.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, we will follow the foreign-aid bill by the farm bill, which is Calendar No. 1825, Senate bill 3052.

We also hope to take up during the course of the discussion on either the foreign-aid bill or the farm bill, probably the former, the housing conference report.

I suggest to the Senate that perhaps on Saturday of this week there will be a call of the calendar for consideration of bills to which there is no objection, so that we can clear as many of those off the calendar as possible.

As heretofore, I will endeavor to keep the Senate as fully informed in advance as possible, and fully consult with the distinguished minority leader on the program of legislation.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. It is my understanding that the Senator from California, the distinguished majority leader, prefers to proceed with the foreign-aid bill. As far as the minority is concerned, in view of the statements made by the distinguished chairman of the Committee on Agriculture and Forestry, it is perfectly agreeable to us, if he desires, to proceed to the consideration of the farm bill. I would like to have the RECORD to show that.

Mr. KNOWLAND. I thank the distinguished Senator.

Mr. CASE. Will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CASE. The junior Senator from South Dakota wants to hear what the distinguished majority leader said in regard to the conference report. Did he state that the conference report on the tax bill might come in?

Mr. KNOWLAND. The conference report on the tax bill is ready. I expect that will be taken up ahead of the conference report on housing.

Mr. CASE. Would the Senator be able to give us any idea when the conference report on the tax bill might be presented?

Mr. KNOWLAND. I will not be able to do that without further consultation with the distinguished chairman of the Committee on Finance, the Senator from Colorado [Mr. MILLIKIN], but I shall be able to make that announcement tomorrow.

SECOND ANNIVERSARY OF THE CREATION OF THE COMMONWEALTH OF PUERTO RICO

Mr. CORDON. Mr. President, last Sunday was the second anniversary of the creation of the Commonwealth of Puerto Rico. I ask unanimous consent that a statement I have prepared on this subject be printed at this point in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CORDON

Fifty-six years ago last Sunday the Armies of the United States landed in Puerto Rico. The United States was at war with Spain.

The Spanish-American War was fought by the United States to help the people of Cuba become free. For 50 years they had been trying to sever old political ties with Spain. All former Spanish colonies in the New World had by then become sovereign republics except Cuba and Puerto Rico. The last episode of the Cubans' struggle had started in 1895. For 3 years, Cuba had been the stage of a painful drama. The Cuban Revolution, a fight against the armies Spain had sent to the island, had become a war of attrition. Cuba was being ruined by this type of war. Disease was taking tolls even higher than weapons. This was happening before our very eyes only a few miles from United States shores. The American people felt that they should end this destructive struggle. Efforts towards peace failed. War with Spain was declared. It was to be a war of liberation. Since all the wars have a habit of extending, the resultant struggle was not confined to Cuba. So the United States Armies landed in Puerto Rico, in Guam, and in the Philippines.

As a result of this war, Cuba became an independent republic in 1902; the Philippines in 1946; and Puerto Rico became a commonwealth 2 years ago.

July 25, 1898 and July 25, 1952, will forever be celebrated in Puerto Rico as days of equal significance as November 19, 1493, when Columbus discovered the islands.

Under the Treaty of Paris, the Puerto Rican people ceased to be subjects of the King of Spain. Under its terms the United States undertook the obligation to determine their political status. Promptly in 1900, Congress declared the Puerto Ricans to be citizens of Puerto Rico "entitled to the protection of the United States." They were declared to comprise a body politic to be known as the people of Puerto Rico.

In 1917 Congress declared the citizens of Puerto Rico to be citizens of the United States. In 1952, the citizens of Puerto Rico created their own Commonwealth. The body politic, the people of Puerto Rico, was superseded by a new body politic, the Commonwealth of Puerto Rico.

The preamble of the constitution, adopted when the Commonwealth was created, states:

"We consider as determining factors in our life our citizenship of the United States of America."

The Commonwealth of Puerto Rico is a new adventure in self-government. It sets a precedent in the political development of the United States. Heretofore, there has been a union of States, the District of Columbia, where the National Capital is located, and a number of Territories, constitutionally incorporated parts of the Nation, inchoate states, destined to take their rightful place in the union of States, as soon as ready to be admitted by Congress. Such are the so-called incorporated Territories of Hawaii and Alaska. In my mind, they have completed their pupilage. They are ready for statehood. They should promptly be admitted to statehood.

But as a result of the Spanish-American War a new type of political entity came into being within the American system. It began with the Philippines and Puerto Rico becoming unincorporated Territories of the United States. The Supreme Court decided that, although appurtenant to, they were not an integral part of the United States. The United States as an international state had sovereignty over those areas, but those areas had not become constitutionally a part of the United States.

A policy had to be developed in order to establish a sound relationship with those areas. This policy, in accordance with United States traditions and principles, had to be a policy of self-determination. We wanted these people to develop economically, educationally, in health standards, in the modern ways of life, and, even more important, in the free American way of life. When they reached the point where they could assume the solemn responsibilities of self-government, they would have self-government, within such relationships with the United States as might seem to be most workable and to best fit their aspirations.

The Philippines decided for independence, for their own separate republic, and this is what they were given.

The Puerto Rican people decided for self-government in continued association with the United States, and the Commonwealth of Puerto Rico, established 2 years ago, evolved.

The results of this policy are evident. In troubled Asia, the Philippine Republic is a bulwark of freedom. We can count on the Philippine Republic and its people.

In Puerto Rico, American citizens are ready and willing at any time to fight for the Nation shoulder to shoulder with their fellow citizens of the mainland. The record of the Puerto Rican soldiers in Korea makes this evident.

I believe these facts should not escape our notice. They should be constantly in our vision.

The Communist menace does not confine itself to Europe or Asia. It has ambitions in the New World, in the lands that extend south of the Rio Grande, in the continental lands and in the islands strung arcwise from Florida to Venezuela. In the center of that arc, Puerto Rico stands as a bastion. In the center of that arc, Puerto Rico sets the example. There could be no more eloquent exponent of the American way of life or of American ideals, or of what can be expected of close association with the United States by the Spanish-American peoples, than in the case of Puerto Rico.

Puerto Rico is valuable to us because of its strategic position, 1,000 miles from the Panama Canal. It is valuable to us as a market. Puerto Rican purchases from the United States last year totaled nearly half-a-billion dollars. But above all, Puerto Rico is valuable to us because of its symbolic significance.

There are differences between the North and the South of the American continents. But these differences are not so ineradicable as to preclude mutual understanding and close cooperation for mutual good. There is more in common than there is in difference. In the final sense, freedom is variety in unity.

Puerto Rico's relationship with the United States may change, as live things must change with growth. I predict that change and growth will never weaken, but rather fortify, the fraternal bonds of union between the people of Puerto Rico and the people of the United States.

SECRETARY McKAY'S VISIT TO ALASKA

Mr. CORDON. Mr. President, on July 21 of this year the Anchorage Daily News of Anchorage, Alaska, contained an editorial commenting upon the visit to Alaska of the Honorable Douglas McKay, Secretary of the Interior, and referring to certain unfortunate incidents in connection therewith. I ask unanimous consent that the editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MOST OF US DON'T ACT THAT WAY

We hope that Secretary McKay realizes that the phony treatment he received by some elements of the Anchorage press does not represent the thinking of all of Alaska or of all Anchorage people either.

The Secretary of the Interior was handed a goading and cold-eye treatment on his recent visit here that would hardly be accorded a public enemy No. 1. He was subjected to indignities by unfair newspaper articles and high-pressure groups that might be appropriate in a political campaign but certainly not in what should have been a cordial welcome to a high representative of the United States Government.

We do not blame Secretary McKay when he finally blew up and told a group that he was "tired of being kicked around by Alaskans."

Secretary McKay's visit to Alaska was essentially for political purposes but the minute he set foot in Anchorage he was besieged by factions, among them remnants of the "Eighteen" and Operation Statehood each of which had been repudiated as out of step with the thinking of the administration at Washington.

Secretary McKay plainly stated his reasons for visiting Alaska in an address before a chamber of commerce dinner last Saturday night.

"When I became Secretary of the Interior," he said, "I had a better than average understanding of some of the problems of Alaska. I determined to learn more about them and from that understanding to attempt to arrive at sane solutions.

"That is the reason for my visit to Alaska."

He could not have been more lucid. Yet, the Secretary had barely set foot in Anchorage before he was accosted by pressure people demanding statehood, demanding land, demanding all the things that have been demanded for the past 25 years.

They took an honest, outspoken, and forthright man to task for all the things that a Democratic administration of 20 years in office could not accomplish, that 2 Presidents failed to accomplish, and that at least 3 former Secretaries promised to do and did not.

The present Secretary has put himself on record not once but many times that he is opposed to bureaucratic control of Alaska by Washington, that he is opposed to deep-freezing our land, that he is opposed to lack of wide self-government, that he himself is not opposed to statehood.

He does not have a dictatorial power to remedy these things by a stroke of the pen or a wave of the arm. If he thinks we are stymied by old and archaic laws, orders, and pronouncement, he has a lot of people back in Washington to convince before he can proclaim a remedy.

We think Secretary McKay's visit was for just such a purpose—to view firsthand the shackles that keep Alaska back—and set out on a program of unshackling the Territory as fast as possible.

He certainly could not do it from a conference table or a banquet hall in Anchorage. Yet this apparently was what some people thought should be done.

For our money, we will take a man like McKay, who doesn't promise the world to us at first glance, but who is sympathetic right down to his shoes for us and who will work with us and for us toward the right goal.

It is only to be hoped that the Secretary won't keep the bad taste of Anchorage in his mouth too long and that he will take back with him the true spirit of friendship and warmth which he must have found predominate in the true Alaskans.

RECESS TO 11 O'CLOCK TOMORROW

Mr. HUMPHREY. Mr. President, I now wish the majority leader a good night's sleep. He has been a grand fellow.

Mr. KNOWLAND. I reciprocate, and Mr. President, if there are no further remarks or insertions in the RECORD, I move that the Senate stand in recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and at (9 o'clock and 56 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, July 28, 1954, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 27, 1954

The House met at 10 o'clock a. m.

The Reverend S. A. Candow, Lutheran Church of the Master, Los Angeles, Calif., offered the following prayer:

O Lord most holy and most high, this day as we stand before Thy everlasting presence, we beseech Thee to hear us not only as Members of this worthy assembly but also as individuals, sons and fathers, mothers and daughters, who need Thy divine help to carry out the great responsibilities placed upon us.

Forgive us, O most merciful Father, all our sins, both of commission and omission. Help us to believe and obey Thy will. Sanctify what we are so that come day, come night, come joy, come sorrow, come death, come life, we fail Thee not, O God of grace and truth.

Give strength to all souls that seek Thee; enlarge our hearts; give a new edge to our consciences. Keep our feet from falling and our souls from death.

Thou, O Lord God, Who dost understand the life we live, the road we travel, the cup we drink, Thou knowest our need of Thee in our problem of life.

Before us faces a future unknown to us but known and prepared by Thee.

May we find our place in this day and in the future to come so that these responsible men and women may leave a God-given, God-pleasing heritage to those who follow after them as they write their lives on the footprints of the sands of time.

All this we pray in the blessed name of our eternal Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON EDUCATION AND LABOR

Mr. FRELINGHUYSEN. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be permitted to sit and act during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MUTUAL SECURITY APPROPRIATION ACT, 1955

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 686 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the following amendment: On page 3, line 2, strike out "$70,000,000" and in lieu thereof insert "$45,000,000", and after line 2, page 3, insert a new paragraph as follows: "For special assistance in joint-control areas in Europe, $25,000,000." At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and at this time I yield myself such time as I may consume.

Mr. Speaker, this rule is an open rule and waives all points of order, provides for 3 hours of general debate.

This is the last appropriation bill for this session of Congress.

I know there are considerable differences of opinion regarding the appropriation of money for our foreign activities to fight communism, but I know of no one who is opposed to the rule.

Mr. SMITH of Virginia. Mr. Speaker, I, likewise, know of no one who is opposed to the rule. Of course, there is a lot of difference of opinion on the merits of the legislation it carries. I think attention should be called to the fact that this is a somewhat unusual rule and comes about in this way.

On page 2 the rule makes in order a certain amendment. The reason we have to have a rule on this bill is because the authorizing legislation which passed the House has not passed the Senate and therefore there is no authorization for this appropriation at this time. Of course, it is anticipated that in due course it will be passed by the other

body, when certain other matters that appear to be troublesome are gotten out of the way. It was necessary to have a rule because this appropriation is not as yet authorized by law although the House has passed the authorization bill. For the same reason it is necessary to waive points of order against the proposed amendment.

Therefore, in order that this bill may be in order it was necessary to have this rule. I know of no objection to the rule.

Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I am today introducing a concurrent resolution to throw the moral support of the Congress behind the United States delegation to the United Nations to resist and prevent salary awards from being paid by the General Assembly to 11 fifth-amendment American employees of the United Nations. The 11 fifth-amendment Americans refused to testify before the Senate Internal Security Subcommittee when asked about their subversive activities. All of them took refuge under the fifth amendment and refused to answer questions by the Senate Internal Security Subcommittee, whereupon Secretary General Trygve Lie dismissed them from the United Nations' employment.

These 11 disloyal American employees appealed to the Administrative Tribunal at Geneva and the tribunal gave a decision to reinstate these people, and to award them damages.

When our representative to the United Nations, Henry Cabot Lodge, Jr., was asked about this decision he said:

> I think the decision was all wrong. I am very much opposed to it and I will do everything in my power to resist it at the United Nations.

The International Court of Justice by a vote of 9 to 3 recently upheld the Administrative Tribunal's finding awarding the 11 fifth-amendment employees a total damage of $179,420. If the General Assembly approves the award, these 11 disloyal American employees will be paid the amount of $179,420, one-third of which comes from the American taxpayers who foot most of the bills for U. N. expenses.

I understand that the Court's opinions are not binding upon the United Nations General Assembly and, therefore, the next step will be a decision by the General Assembly itself on whether to pay the award.

This resolution will strengthen the position of Ambassador Lodge against paying American money to these former employees who have been guilty of subversive activities and who took refuge under the fifth amendment.

The resolution provides as follows:

> Concurrent resolution expressing the sense of the Congress with respect to the payment of damages to certain American employees in the United Nations who were dismissed because of their refusal under the fifth amendment to answer questions before a committee of Congress
>
> Whereas 11 American employees in the United Nations were asked in 1952 and 1953 to testify before the Internal Security Subcommittee of the Senate concerning their membership in the Communist apparatus and other subversive activities, but refused under the fifth amendment to answer, with the result that such subcommittee recommended their dismissal from such employment; and
>
> Whereas the Secretary General of the United Nations dismissed the 11 employees from their employment in the United Nations, and they appealed; and
>
> Whereas on appeal the United Nations Administrative Tribunal awarded damages to the 11 employees in a total amount of $179,420 on account of such dismissal, and the International Court of Justice has recently upheld the Administrative Tribunal; and
>
> Whereas the case is now before the General Assembly of the United Nations, which must approve the award of such damages before payment thereof can be made; and
>
> Whereas the United States, which pays approximately one-third of the expenses of the United Nations, should not be compelled to contribute any of its funds for the payment of damages in a case of this kind to persons who have a record of disloyalty to the United States: Therefore, be it
>
> *Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that the United States delegation to the United Nations should take all possible steps to prevent the General Assembly of the United Nations from authorizing or approving the payment, to the 11 American employees in the United Nations who were dismissed because of their refusal under the fifth amendment to answer proper questions before the Internal Security Subcommittee of the Senate, of the awards of damages (in a total amount of $179,420) made by the United Nations Administrative Tribunal and recently upheld by the International Court of Justice. And that no part of the funds heretofore appropriated, or hereafter appropriated by the Congress for the United Nations shall be used for the payment of such awards.

Certainly if Ambassador Lodge has behind him the sense of this Congress that we do not want the money of the taxpayers of America to be used in paying these Communists, for that is what they are, his position will be strengthened in the General Assembly. These employees refused to testify and invoked the fifth amendment. This is contrary to both our National and State policies. The President recently stated that fifth amendment citizens are not entitled to employment by this Government, and when one refuses to testify and claimed exemption thereunder, he should be dismissed. The Committee on Post Office and Civil Service brought in a bill the other day in which the identical principle was embodied.

I appeal to the majority leader to help get this resolution out of the committee to which it may be assigned, and I think he will do it because I do not believe he is in favor of taking the money of the taxpayers of America and paying these disloyal Americans for their subversive activities in the United Nations.

Mr. CLARDY. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Michigan.

Mr. CLARDY. I heartily approve of the gentleman's resolution, but assuming that the time is too short, since the gentleman has been here longer than I have may I ask him if there is any way we can get the sense of the Congress expressed either through placing something on the desk for signature or something of that sort?

Mr. ROGERS of Florida. No. I think when this resolution is brought to the attention of the committee they will bring it out, because it is something we ought to attend to before we leave here.

Mr. CLARDY. I quite agree.

Mr. ROGERS of Florida. We should not use American taxpayers' money that has been appropriated by the Congress to the United Nations to pay American employees engaged in subversive activities and who refuse to testify on account of self-incrimination and take refuge under the fifth amendment. We should not use taxpayers' money to pay these subversives. I hope the committee will bring out this resolution and that it will be passed upon before the Congress adjourns.

Mr. SHEEHAN. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Illinois.

Mr. SHEEHAN. I want to commend the gentleman on his resolution and hope it passes. I want to associate myself with his resolution.

Mr. ROGERS of Florida. I thank the gentleman very much.

Mr. SMITH of Virginia. I have no further requests for time, Mr. Speaker.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

JULY 27, 1954.

Hon. JOSEPH W. MARTIN, Jr.,
The Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the House Committee on Merchant Marine and Fisheries.

With kind regards, I am

Respectfully yours,

EUGENE J. KEOGH.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. RAYBURN. Mr. Speaker, I offer a resolution (H. Res. 688) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That EUGENE J. KEOGH, of New York, be, and he is hereby, elected a member

of the standing Committee of the House of Representatives on Ways and Means.

The resolution was agreed to, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 119]

Angell	Gamble	Regan
Barrett	Gubser	Richards
Bolton, Frances P.	Harris	Roberts
Brooks, La.	Harrison, Wyo.	Rogers, Tex.
Buckley	Hart	Roosevelt
Canfield	Hébert	Secrest
Celler	Hinshaw	Short
Chatham	Kersten, Wis.	Sieminski
Chudoff	Kilburn	Sutton
Cotton	Long	Thompson, La.
Crosser	Lucas	Vinson
Curtis, Nebr.	McCarthy	Vursell
Davis, Tenn.	Mailliard	Weichel
Dawson, Ill.	O'Brien, Mich.	Wheeler
Dingell	O'Neill	Wier
Dodd	Powell	Willis
	Priest	Wilson, Tex.

The SPEAKER. On this rollcall 375 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDERS GRANTED

Mr. SAYLOR asked and was given permission to address the House for 45 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

Mr. PATTERSON asked and was given permission to address the House for 10 minutes on Thursday next, following the legislative program and any special orders heretofore entered.

MUTUAL SECURITY APPROPRIATION BILL, 1955

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 10051, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 31 minutes.

Mr. Chairman, the Committee on Appropriations was faced with a very peculiar problem in connection with this bill. The authorization bill had passed the House when we got to the point where we were ready to mark the bill up, but the bill had not passed the other body. However, it had been reported by the Committee on Foreign Relations of the other body. Therefore, there was no law under which we could proceed. We felt it was necessary, if the Congress was ever to complete its labors, that the bill be presented to the House early this week and disposed of. Therefore, we proceeded in the best way we could to write up a bill. It is because of this situation that we were obliged to ask for a rule.

In arriving at the amounts recommended, we took the lowest figure from the House bill, the Senate bill, and the budget. In some cases the figure of one was lower and in other cases another figure was lower. We started with that as a basis, and we proceeded to write up the bill.

On page 2 of the report the action that was taken and the comparisons with the base figures are shown. We followed the same practice that we did last year in reappropriating only such items as could be justified before our committee. I will go through the items and indicate what was done on each.

The first item is "General military assistance." The language there is broad enough to cover any area. The budget estimate and the House bill in that instance were close together, but the Senate bill was lower by a considerable amount. We took the Senate figure of $1,265,300,000 and recommended that figure.

We were advised by the Mutual Security Agency that there was an unobligated balance for this particular item of $2,472,567,283. We reduced that by $265 million, roughly, leaving a balance of $2,207,087,729. So that there is available for the military-assistance item a total of $3,472,000,000 plus.

On infrastructure the budget item was below the House or the Senate bill by $200 million. There we took as the base the budget figure of $122,700,000.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. JAVITS. That item puzzled me, because apparently the committee took $76 million rather than $122 million, which is the contractual figure for our Government on infrastructure, and it is not a question of cutting, but one of honoring our commitments.

Mr. TABER. Well, I am sorry the gentleman did not understand the situation. We approved $76 million, but there was an unobligated balance of $39 million reported for that purpose. They stated that their obligations during the fiscal year 1955, for which we are carrying the appropriation, would be $115 million, which is the total of the $39 million of unobligated balance that they reported, plus $76 million which we have carried in the bill.

Mr. JAVITS. The gentleman states that if we accept this figure our Government will be able to perform its obligations which are contractual, undertaken in connection with infrastructure, according to the representation of the Budget Bureau.

Mr. TABER. It will be able to enter into contracts for the amount that the Mutual Security setup advised us would be obligated in the fiscal year 1955. That is all that we tried in any case to put in.

Mr. JAVITS. The idea was not just to cut the figure then. You were dealing with it realistically, based on their unobligated balance and the new appropriation as being adequate to meet the commitment?

Mr. TABER. That is right, and the budget estimate.

Mr. JAVITS. I thank the gentleman.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, in reference to the question raised by the gentleman from New York [Mr. JAVITS], there is testimony in the hearings which clearly sets forth the fact that the committee approved all funds for the fiscal year 1955 that they thought they could obligate. The figure we used is precisely that which they set forth in their testimony.

Mr. TABER. That is right, and I thank the gentleman.

Mr. Chairman, for development of weapons we carried only the unobligated balance forward, $27,825,000. There was nothing carried in the Senate bill or the Senate report for that particular purpose.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. The item was eliminated when the authorization bill passed through the House.

Mr. TABER. That is correct. It was eliminated here.

The next item is the total for military assistance and I will not go into those because the membership can see them very readily.

The direct forces support for Southeast Asia and Western Pacific is carried at $712 million, which I am advised by a high authority in the Government can take care of their needs.

For the common use items we carried the figure that was set forth in the Senate report.

For defense support we carried for Europe, excluding Greece and Turkey, $70 million. There was a feeling on the part of the Foreign Affairs Committee representatives who appeared before the Rules Committee that this amount should be carried in two separate items, one of $45 million and the other of $25 million to accomplish the same purpose. It was thrown together by our committee because the budget put it together. I am very glad to say that I am prepared to offer an amendment which will separate the items into two figures. The rule that has been presented by the Rules Committee provides for that. I have talked to the ranking minority member of the subcommittee, the gentleman from Virginia [Mr. GARY], and he has agreed to that procedure. So that when that item is reached in reading the bill I will offer the amendment and I will offer it in one amendment to cover it.

For the Near East, Africa and South Asia, including Greece and Turkey, the

item is $73 million, the figure that is carried in the Senate report.

For the Far East and Pacific: $86,230,195, was proposed. The committee made a cut of $230,195, down to $86 million.

For the Korean program we provided $200 million.

For the United Nations Korean Reconstruction Agency, we approved an unobligated balance of $15 million and $3 million of new money. In view of the rate of operations during the last fiscal year and what they seem to have in sight, we feel that that would take care of that activity satisfactorily.

The total defense support figure runs to $447 million, at the bottom of the page. I will not go into any more detail on that.

Next we have development assistance: There was $115 million for Near East and Africa carried, which is the Senate figure.

For southeast Asia we carried $60,500,000 as against a Senate figure of $76 million, which was the low of the three, a reduction of $15,500,000.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. Is that all for India?

Mr. TABER. I think it is, yes.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. In looking at the report, the amount of new money in the bill is $2,895,000,000 plus; is that correct?

Mr. TABER. That is correct.

Mr. SMITH of Wisconsin. And the unobligated balance is $2.3 billion, roughly?

Mr. TABER. $2.3 billion, yes.

Mr. SMITH of Wisconsin. Now then, what is the total spending permitted under this bill?

Mr. TABER. Five billion two hundred and eight million four hundred and nineteen thousand nine hundred and seventy-nine dollars is the total. That is the total amount available to the agency for obligations.

Mr. SMITH of Wisconsin. But that is new obligations, is it not?

Mr. TABER. It is a reappropriation of unobligated balances and new money.

Mr. SMITH of Wisconsin. Does the gentleman think that we can spend $5 billion on this program in the next year?

Mr. TABER. No, but a great many things that should be supplied by us to some of these other nations are such things as jet planes and other articles that take a very considerable time to get out from the date the funds are made available.

Mr. SMITH of Wisconsin. I want to compliment the gentleman and his committee for the work that they have done, and I think that your report is very clear and concise. I am particularly impressed with the criticism that is directed at the Administration in failing to give the kind of information that is necessary.

Mr. TABER. I will have to say it was just like pulling teeth to get some of the information.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. The figure of $5,208,000,000 plus which has just been mentioned as the total amount available for the fiscal year 1955 compares with the figure of $6,919,000,000 plus available for 1954, which is a reduction of $1,711,000,000.

Mr. TABER. That is correct. The total overall reduction from the budget figures is $812 million.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. The gentleman has explained these figures according to this chart in a very clear manner. I should like to ask the gentleman this question. Since the House passed the authorization bill, of course, there has been a decided change in the situation in Indochina. Is the gentleman able to tell us to what extent the Committee on Appropriations has given effect to the altered situation in Indochina geographically, contrasting the present situation with that which existed when the authorization bill was passed?

Mr. TABER. The day we marked up the bill followed by about 24 hours the so-called signing of whatever it was in Geneva. We had Secretary Dulles and Mr. Stassen before the committee that day. We went into the situation quite thoroughly, as to what the result might be. The committee was especially interested in finding out whether or not adequate preparations were being made by the administration to get American supplies—guns and ammunition and trucks, and so forth—out of Indochina so that under the Geneva agreement, when they were obliged to evacuate, there would not be any substantial quantity of supplies left. We were assured that that was the case. Secretary Dulles advised us that the situation was critical.

Frankly, we ourselves can recognize that, because the Chinese Communists seem to be rather lawless in the way they operate; and what has happened in the last 2 or 3 days has tended to accentuate that situation. It is going to be necessary that we do whatever we can to build up support for the defense of the Far East, southeast Asia, and the Western Pacific. The best group of troops in all of that area at the present time is the Koreans. They have been trained by our people. Undoubtedly we have got to move into that picture more than otherwise would have been necessary. Also the Philippine picture has got to have considerable strength. The Indonesia picture must have considerable strength and the Japanese picture likewise.

I do not see how we can avoid our responsibility to our people through failing to see that these people in the Far East who are ready to fight to head off communism are, as far as we can do it, properly equipped to do it. For that reason, we carried the base figure forward so that the administration would have available to it money to develop those resistance areas against the Communists so that we would not have to carry all of the brunt ourselves, and so that just as far as it is possible our western countries and the western Pacific area could be protected.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. KEATING. Of course, it is true that we have to play this thing almost by ear because of the shifting conditions day by day, but as regards the Indochina picture alone, certainly there would be doubt in my mind about the advisability of continuing any such scale in the way of aid in that area as has been followed in the past.

Mr. TABER. I would share that feeling. On the other hand, I do feel that we have to have as much support as we can get out of the folks in that territory where they really want to see freedom maintained and the Communist picture held out.

Mr. KEATING. I would agree with that entirely. The events of the past few days have accentuated the imperative need for strengthening the hand of those who are ready to defend freedom in the Far East. Is there authority in this bill for the shifting of funds from one area in southeast Asia to another?

Mr. TABER. The picture is this: These funds are given to the President. The language of the bill, I think, is probably as clear as I can explain it. I will read that particular part. This is the way the paragraph reads:

> Southeast Asia and the western Pacific: For assistance authorized by section 121, $712 million.

Therefore, the gentleman can see that the authority is broad enough to cover the whole of the western Pacific, from the top of the map at Alaska all the way around and down.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. VORYS. The section 121 to which reference is made in the paragraph of the bill which the gentleman just mentioned includes this language:

> For expenses necessary for the support of the forces of countries in the area of southeast Asia, including the Associated States of Cambodia, Laos, and Vietnam, and the forces of free nations in the area including those of France, located in such Associated States, and for other expenditures to accomplish in southeast Asia and the western Pacific the policies and purposes declared in this act.

This appropriation is tied to that authorization, which is very broad.

Mr. TABER. That is correct.

Mr. WOLVERTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WOLVERTON. The report indicates there are several billion dollars of unexpended balances. Can the gentleman inform me why it is necessary for us to appropriate additional money this year when there are unexpended balances in excess of that which is to be appropriated in this bill?

Mr. TABER. There are no unobligated balances carried forward except as they are carried forward by this

particular bill. The rest of them all return to the Treasury. The unexpended balances that are contracted for are very largely in the military elements. Frankly, we do not know where those things will be used. When they are ready for delivery, this is the practice: If the United States needs it, they get it. The way we financed the first run of the Korean war was out of funds that had been set up in what was then the Economic Cooperation Administration. I do not believe there is anything in those contracts that we should try to disturb. The committee has been very careful in screening the situation, and in arriving as nearly as possible at what would be the actual needs of the program. I do not think we have been very far away from the mark.

Mr. WOLVERTON. The report to which I refer states that there are approximately $9,979,000,000 as of June 30, 1954, of which $7,396,000,000 is reported as obligated and $2,582,000,000 is unobligated and available for use in 1955. So the report states there are approximately $2½ billion unobligated.

Mr. TABER. Yes, and out of that $2½ billion, we have carried forward $2,312,000,000 as the report shows on page 3. The rest of it that is unobligated will not be available.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MORANO. Can the gentleman explain what action was taken on the item for technical assistance to the United Nations specialized agencies, and the reason for the action which was taken?

Mr. TABER. We left that out because it had been operated with utter disregard for the law of the Congress. They used the money for other purposes than the conference report of last year provided that the money could be used for. Furthermore, it was a duplicating agency in every country in which it operated.

Mr. MORANO. Is the whole item stricken?

Mr. TABER. Yes.

Mr. GARY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, it has been my responsibility to serve on this subcommittee since the foreign-aid program was first initiated. This year we have had by far the most difficult situation to face that has occurred during that entire time. Heretofore, we have had an authorization bill passed by the Congress to guide us in the amounts of money that we are permitted to appropriate. This year, we have no authorization bill. The bill has passed the House; it has been reported out of the committee in the other body, and is now awaiting action on the Senate floor. We have no way of knowing the exact amounts that will be authorized when action on that bill is completed.

After action by the Senate it will have to go to a conference committee. Obviously, if we were to withhold our action on this bill until after that bill has finally passed, we would delay action to such an extent that it would be impossible for the Congress to adjourn at the time upon which we have set our sights. Our committee therefore was faced with the difficulty of selecting amounts which would not exceed the authorizations when those authorizations have been determined.

In that situation let me say we have been most ably guided by our chairman. I want to pay my respects to the gentleman from New York [Mr. TABER] the chairman of this committee. He has done an admirable job. Our chairman, as we all know, believes in economy, as does the ranking minority member of the Appropriations Committee, and I may say as also does the ranking minority member on the subcommittee. We believe in economy, and yet we are faced with an international situation today that we cannot ignore.

Just a few moments ago a question was raised as to Indochina. Would anyone on this floor say today, after the events of the last 2 or 3 days, that the situation in Indochina is settled? To my mind, the situation in Indochina is just as acute today, or possibly more so, than it was this time last week. We are dealing with a fluid international situation, and in dealing with that situation we must give the executive branch of this Government our wholehearted cooperation and assistance. We must give the executive officials and agencies certain latitudes in the use of funds. That is what we have tried to do in this bill.

How much have we reduced this bill? You will find three tables in the report of the committee, and you can take your choice. The first table is found on page 2. If you will look at it you will see that our subcommittee has cut the bill $375 million. But let me call your attention to the fact that that represents a cut from the low figure in the budget or in the House authorization or in the Senate committee authorization, whichever is the lower. That is the low figure. The least we have cut from this bill is $375 million.

Now, if you want to look at it from another angle—we do not know what the authorization figures will be—let us take the high figure and see what that would amount to. If you will look on page 14 you will see a table there based upon the high figure in the House authorization bill and the Senate committee authorization. There you will see that from the high figure we have cut the new money request $542,600,000. All of you know that when a bill goes to conference it seldom comes out either with the low figure or with the high figure. So, if you want to estimate the amount of the cut from the authorized appropriation, probably a middle figure between those two would be proper.

The significant figure appears in the table beginning on page 18, and if you will examine that table you will find that we have cut the budget request $812 million. You will also see that we have reduced the expenditures, the total amount available for 1955 as compared with 1954, $1,711,000,000.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. VORYS. I do not know whether the gentleman has mentioned the table on page 4 which shows that of the cuts made $269 million of it is from the unobligated balances and, as the committee's report shows, it may well be that the unobligated balances, if you can locate them for sure, which are not needed may exceed this figure. So that all the gentleman's committee has done in that respect is to take the money that is not yet programed and recover it for the Treasury, is that right?

Mr. GARY. The gentleman is correct, and I thank him for his contribution.

Mr. VORYS. The Appropriations Committee had a section 1111 in the supplemental appropriation bill in which a definition of what an obligation is was written into the law. Could the gentleman say whether all of the obligations that have been discussed here would come within the terms of that definition?

Mr. GARY. I may say to the gentleman that is something we have tried our best to find out, but thus far we have not been able to get satisfactory information on it. We have our committee staff and the General Accounting Office working on that problem now. We hope to obtain that information and any of those obligations which are not sound obligations will not be carried over until next year but will revert to the Treasury. So it is possible that the reduction will be much larger than shown in the table.

Mr. VORYS. I would like to congratulate the subcommittee and the Appropriations Committee for their work in trying to get everyone to understand what is or is not an obligation. I think that effort will in itself result in substantial savings of money to the taxpayers.

Mr. GARY. I thank the gentleman for his comment. I think the drafting of that definition by the Appropriations Committee and the approval of it by this body, will be most helpful in the future in handling these accounts. It has been extremely difficult in the past to determine what is an obligation and what is not an obligation. We have now laid down very definite rules to determine that fact. The language may have to be changed to some extent after some experience in operating under it, but certainly the language is sufficient to put proper restraints upon the agencies in reporting their obligations, and we should have a very much better picture of that situation in the future.

Mr. Chairman, I think this is a fair and reasonable bill. We have to look at two sides of this international situation. We have to look first at the needs. We also have to consider our economic situation and our ability to pay. What our subcommittee has tried to do in this bill is to weigh carefully those factors and to report to you a fair and reasonable bill that will not unduly curtail the mutual defense program but, rather, will give that program such funds as it needs to provide for the defense of America and the rest of the free world and at the same time to keep the bill within due bounds so that we may maintain the necessary strength in our own domestic fiscal situation. I sometimes fear that possibly we do not realize how important that is. Unless we can remain strong

fiscally, we cannot defend the United States of America and we cannot give proper assistance to the defense of the other free nations. One of the strongest elements of defense is fiscal solvency. As the ranking minority member of this subcommittee, I will say that I think this committee has presented such a bill to the House and I shall support it throughout. I trust that it will be the pleasure of the House to adopt it as it has been presented by the committee.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, it is unnecessary to state that we are living today under perhaps the most difficult and dangerous conditions in our entire history. We are living in a world which could burst into flames at any time.

We are confronted by the armed might of the Communist Government of Russia. We are confronted by the increasing armament of the Soviet satellite nations.

We are confronted by the fact that some 800 million people, or one-third of the world's population, are now under Communist control, and that another one-third of the world's population which is today in a more or less neutral position, may well by their ultimate decision determine the fate of the entire free world.

Our best assurance against possible conflagration is to be found in a powerful and cooperative free world.

To that end we have been striving with every force at our command.

Military assistance can contribute to essential power; technical assistance can contribute to understanding and cooperation.

In considering this bill, Mr. Chairman, it seems to me important to keep in mind its world-wide scope.

This is not an ordinary appropriation bill. What we do or say here can have world-wide repercussions.

The bill should, of course, have careful consideration. It should be considered as carefully as available information permits. But drastic action in a desire for economy, in fact, any action which can be interpreted as weakness or as a retreat on our part, could have disastrous consequences.

I think it is also important, Mr. Chairman, to keep in mind the importance attached to this program by the President of the United States, by the Secretary of State, by General Gruenther as Supreme Allied Commander, and by our other military leaders at this time.

They attach the greatest importance to this overall program, supplementing as it does our own military program, as they work day and night for the strength and for the unity that is essential to success, not only among our allies, but among those neutrals who we hope will ultimately stand shoulder to shoulder with the free world against Communism.

Policy, as far as the fiscal year 1955 is concerned, has already been largely determined by the House action on the authorizing legislation.

The question here is simply a matter of dollars and cents.

We cannot administer this program from the Capitol.

In this cold war, as in a hot war, we are compelled in large measure to give our designated leaders the weapons which they require and to trust them in their application.

May I also point out, Mr. Chairman, that of the total funds carried in this bill, about 85 percent are for military assistance or direct forces support. There is only about $800 million carried for all other activities.

As has been stated, your committee recommends an appropriation of $2,895,000,000 in terms of new money, and the carrying forward of $2,312,000,000 of unobligated funds, giving a total available for obligation in fiscal 1955 of $5,208,000,000.

This figure compares with an original request of about $6 billion, and with a total available for obligation in fiscal 1954 of about $6.9 billion.

As compared with the so-called base figure which the chairman has explained in detail, the recommendation represents a reduction of $106 million in new money and $269 million in unobligated funds carried forward, a total reduction of $375.6 million.

If we compare it with the original request for fiscal 1955 the recommendation represents a reduction of $542 million in new money and $269 million in unobligated funds carried forward, a total reduction of about $812 million, making available for obligation in fiscal 1955 about $1,711,000,000 less than in fiscal 1954.

Under leave to extend my remarks, I include in the RECORD the table on page 4 of the committee report, showing a breakdown by program in terms of new money and unobligated funds for fiscal 1954 and fiscal 1955.

Summary of bill

Item	Available, 1954	Estimates, 1955 [1]	Recommended, 1955	Bill compared with—	
				Available, 1954	Estimates, 1955
Military assistance:					
Appropriation	[2]	$1,580,000,000	$1,341,300,000		−$238,700,000
Unobligated balance	[2]	2,539,392,283	2,273,912,729		−265,479,554
Total	$4,419,416,947	4,119,392,283	3,615,212,729	−$804,204,218	−504,179,554
Direct forces support	979,581,564	945,000,000	776,000,000	−203,581,564	−169,000,000
Defense support:					
Appropriation	[2]	489,232,615	432,000,000		−57,232,615
Unobligated balance	[2]	18,547,385	15,000,000		−3,547,385
Total	720,767,687	507,780,000	447,000,000	−273,767,687	−60,780,000
Development assistance	302,355,500	224,000,000	184,500,000	−117,855,500	−39,500,000
Technical cooperation	107,454,161	131,528,000	101,500,000	−5,954,161	−30,028,000
Other programs:					
Appropriation	[2]	68,789,190	60,644,000		−8,145,190
Unobligated balance	[2]	24,144,060	23,563,250		−580,810
Total	389,996,448	92,933,250	84,207,250	−305,789,198	−8,726,000
Total, Mutual Security:					
Appropriation	4,531,507,000	3,438,549,805	2,895,944,000	−1,635,563,000	−542,605,805
Unobligated balance	2,388,065,307	2,582,083,728	2,312,475,979	−75,589,328	−269,607,749
Total	6,919,572,307	6,020,633,533	5,208,419,979	−1,711,152,328	−812,213,554

[1] Budget estimates of new appropriations and unobligated balances as reported by FOA.
[2] Distribution of program figures between appropriation and unobligated balances not available.

You will note that if we add the total carried for military assistance, of $3,615,000,000, to the total carried for direct forces support of $776 million, it gives a total for the 2 items of about $4,391,000,000, or just about 85 percent of the total carried in the bill.

Included in this total is the $712 million fund which has been referred to, applicable to southeast Asia and the western Pacific.

This fund is in effect an emergency fund appropriated to the President with complete flexibility so that it can be applied all the way from Burma to Japan, as the situation develops from week to week or month to month.

In my judgment, the fact that fighting has ceased in Indochina does not mean that the situation as a whole is any less dangerous. In fact, it may well increase the danger and the need for this emergency fund.

As to the other 15 percent of funds recommended in this bill, you will see in the table referred to that it is broken down into 4 categories, as follows:

First. For defense support, mostly in the Far East, $447 million.

Second. For development assistance, mostly in the Near East, India, and South America, $184,500,000.

Third. For technical cooperation, in relatively small sums in 16 countries in the Near East, 5 in the Far East, and in the 21 Republics of Latin America, $101,500,000.

Fourth. For so-called other programs listed on page 3 of the report, $84,207,000.

These programs, Mr. Chairman, your committee has considered item by item as carefully as available information has permitted.

I realize that this question has always cut squarely across party lines. I know that there are those who, in the interest of economy, would like to reduce further the sums recommended by your committee.

I appreciate fully the shortcomings of FOA and its predecessors in the past. I also appreciate the shortcomings of today, notably in the accounting and obligating fields referred to in some detail in the committee report.

These can and must be eliminated.

However, Mr. Chairman, looking at the picture as a whole, it is my belief that it is changing for the better.

The program is now largely one of military assistance. Economic aid is being drastically reduced. The overall cost of the program is dropping substantially. The total overall available for obligation in 1955 is $1,700,000,000 less than in 1954. Provision is included in respect to offshore procurement designed to safeguard our mobilization base and to contribute to national defense and to the national economy.

I look for further progress as the shortcomings referred to are eliminated.

Just as in our military picture we have had for years conditions in the field of accounting that have been almost unbelievable, we have found in this field similar conditions.

Those conditions, as I have said, are improving. They can and must be eliminated.

Mr. Chairman, we are fighting a cold war in which every possible ally is vital.

Because we are disappointed with results to date is no reason for retreating.

I regard this overall program, properly administered, as vital to our national defense and vital to the defense of the free world.

I am certain that President Eisenhower, and those close to him in the conduct of the cold war, are of the same opinion.

I am confident that this House will vote those funds which are essential, in order that the hands of our chosen leaders may not be tied, in order that our position may not be misconstrued abroad at this crucial period in the world's history.

Mr. Chairman, I yield back the balance of my time.

Mr. GARY. Mr. Chairman, I yield 3 minutes to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, the reason I take the floor at this time is to refer to an editorial which appeared in the New York Times on yesterday morning. On leaving the hotel and driving down to the Capitol yesterday and reading the New York Times, I finally came to the editorial page and read the editorial which blamed the gentleman from New York, JOHN TABER, the chairman of the Committee on Appropriations, and his committee, for the deep cuts which were made in this foreign-aid program. I attended the meeting of the full committee on last Saturday, which was the longest meeting of the full committee that I have attended this year. I want to say to the editorial writers of the New York Times and any other newspapers that if they had had the opportunity of attending that meeting, they would never write the editorial they wrote yesterday morning because the gentleman from New York, JOHN TABER, as chairman of the Subcommittee on Appropriations handling this particular appropriation bill and as chairman of the full Committee on Appropriations did as much or more than any other member of the committee to prevent further cuts, than those that had been made, in the bill we have before us at the present time. And if it had not been for the gentleman from New York, JOHN TABER, we would not have as good a bill as we have at the present time as far as the administration is concerned.

I have been a member of this committee for the past 8 years. I have heard many men and women in public life, not only in Congress but out of Congress, take credit for balancing the budget or attempting to balance the budget of this country. In my humble opinion, no man in public life or in the Congress on this side of the Capitol or on the other side has done more in the 8 years that I have been a member of this committee to help balance the budget of this country than has the gentleman from New York, JOHN TABER, the chairman of the Committee on Appropriations at the present time and the gentleman from Missouri, CLARENCE CANNON, who was formerly chairman of the full Committee on Appropriations. Those 2 men, in my humble opinion, have done more to cut out unnecessary Federal spending and have done more to try to balance the budget than any other 2 men in or out of the Congress in the 8 years that I have been a member of this committee. I just do not like to read editorials, especially editorials like the one of yesterday morning, blaming a man for something he is not responsible for. If they knew the facts, they would be praising him instead of condemning him.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I have heretofore taken the position in the discussion on appropriation bills for the MSA that I would move to restore all cuts made by the Appropriations Committee in the requests of the President, on the ground that those really represented a vote of confidence in the President in the handling of foreign affairs.

We are facing a peculiar situation this time, in that there is no authorizing legislation. We have passed a bill which is authority if it becomes law. The Senate has not even acted on the bill. One has been reported by the Senate committee. Therefore, there is very little which can be done beyond the ceilings placed either by the House itself or by the Senate committee. As a result, the area in which amendments may be properly made to buttress and support the President's position is extremely limited.

One amendment that I had intended to make, which I shall not make, is on infrastructure. That represents contractual obligations for the building of airfields and other installations on a 3-year program with our allies, in which we contribute something less than 40 percent of the total, a very wise plan for the United States. But it has been explained and we must rely on that explanation, that what the Appropriations Committee allowed is actually money that the United States really requires on a contractual basis. I intend to rely upon the representations of the chairman of the Appropriations Committee on that subject.

That leaves four items which need to be dealt with if we are to sustain the President's position and his requests.

Those are, first, development assistance provision for India, in which this committee has allowed some $25 million less than the House authorized and $15,500,000 less than the Senate committee authorized, and that does not represent a Senate figure either, so that it is properly a subject for amendment.

Second, restoration of $12 million for bilateral technical assistance.

Third, restoration of some $17 million for our contributions to United Nations technical assistance; and finally, an appropriation of $500,000 for hard-core refugees being cared for by the United Nations agency, which is in the House bill but not in the Senate bill. The Senate has not yet had an opportunity to act on that matter, which is a humanitarian question. Therefore, we cannot quarrel with that until such time as the Senate decides to make that obligation a law. An amendment would be subject to a point of order anyway. So we really get down to these three fundamental matters, development assistant, technical assistance, and United Nations technical assistance, which will properly be subject to amendment. There will probably be other amendments by others, but I have described what I consider to be the position for those who wish to uphold the hands of the President in his request to the Congress upon this mutual-security program at this particular time.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GARY. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I am glad to be a member of the Committee on Appropriations. All members of this great committee work unceasingly and untiringly to eliminate nonessential Federal expenditures. The members of the Appropriations Committee are conscientious and each member has contributed greatly to the well-being of our country.

I have nothing but praise for the distinguished chairman, JOHN TABER, and the distinguished former chairman, CLARENCE CANNON. It is only natural that you would come to know members of your own subcommittee better than you do other members of the committee. It has been my privilege to serve for many years under VAUGHAN GARY, of Virginia, former chairman of the appropriations subcommittee handling funds for the Treasury and Post Office Departments. A more sincere and conscientious Member has never served in this body, but regardless of my admiration for the members of the appropriations committee, I do not like the bill that is before us and I cannot with good conscience support it.

In the end the House will work its will and every Member will vote his own convictions, but as a member of the appropriations subcommittee handling the bill I must properly discharge my duty and comment briefly on the so-called

mutual security appropriation bill. It is not my purpose to trifle with your feelings but I cannot constrain myself from labeling this bill the "Santa Claus bill."

I have opposed this worldwide spending program from its conception back in 1947, believing at that time that once we started this worldwide giveaway program that there would be no stopping place and that it would continue to grow and spread. If you will check the record you will discover that every year more programs are added, old programs are broadened and additional nations are brought in for a handout.

Last year when I spoke on the bill, I pointed out at that time that 56 foreign nations were participating in some phase of the handout program. I do not believe that any Member of this body could conceive that additional nations would be brought into the program. However, this year the Foreign Operations Administration managed to pick up 5 new nations, so in the bill before you there are funds of some kind for 61 nations of the world.

You will hear the same argument advanced this year in favor of the bill that you have heard in the past, that the funds requested are in the interest of our own national security, but according to developments of the past few months it would not appear that we have succeeded in buying friends. I think it is true that all the recipient nations of this program are accepting our money and then doing just what they want to do. Our leaders are beating their brains out trying to force some of our so-called friends in Europe to join the European Army plan, but they have not agreed to come in and, in all probability, they never will.

As I pointed out last year, the public debts of all the nations of the world combined amounted to only $207,505,997,454, whereas, the public debt of the United States was $266 billion. I did not attempt to bring these figures up to date this year, but it is my understanding that the public debts of some of the recipient nations have decreased, whereas our own public debt is continuing to increase. On the basis of our present public debt of $270 billion, our public debt is approximately $63 billion more than the combined public debts of all other nations in the world. Now, if we pass the bill before you, it simply means that the Foreign Operations Administration will have available to spend $12,605,419,979, broken down as follows:

1. Obligated but unexpended	$7,397,000,000
2. Unobligated funds on hand from prior appropriations allowed by the committee	2,312,475,979
3. New appropriation	2,895,944,000

This makes a grand total of $12,605,419,979 in the Foreign Operations Administration's handout bag.

It is still being argued that the bill does not now provide for too much economic aid; it provides military aid. But so far as I am concerned it is the same thing. If you pick up the foreign nations' expense checks on military, you leave their own revenues available for economic aid. So, in reality, it adds up to the same thing.

There were encouraging rumors in both branches of the Congress last year that that would be the last big handout for this worldwide spending program, but evidently something has happened because we have broadened many of the programs and brought in new nations. In my considered judgment, we have allowed something to be brought into being that will not be stopped until our own economy has been wrecked.

I hope that the House in its wisdom, since it is determined to pass this measure, will at least endeavor to reduce the total amount available to $12 billion. This would be a reduction of $605,419,979. On this basis the Foreign Operations Administration could operate full steam ahead for about 4 years. When the House passes this bill, it is my sincere wish that the House insist that its position be maintained. You will recall that last year after we passed the bill, the other body raised the House figure in excess of one-half billion dollars. By referring to the unobligated carryover, it is obvious that it was a mistake to accept the higher figure of the other body last year.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the appropriation provided for in this bill, making appropriations for mutual security for the fiscal year June 30, 1955, H. R. 10051, appropriates a total of $2,895,944,000 new money, and in addition a total of $2,312,475,979 of unobligated funds are continued available. This constitutes a total of $5,208,419,979.

The moneys appropriated by this bill, we are told, will be dispersed in 61 different countries throughout the world. Is it any wonder that we have an unbalanced budget and continuing heavy burden of taxation to be carried by our people. Why is it necessary that we should continue to dispense the funds of our people to the four corners of the world? How long are we expected to do so?

The only encouraging thing presented in the report of the Appropriations Committee is the fact that last year the bill appropriated $6,919,572,307 and this year $5,208,419,975. Thus there is a saving, by reduction this year of $1,711,152,428. While there is a certain sense of encouragement in the knowledge that the sum apropriated this year is less than a year ago, yet it is discouraging to realize that we are expected to appropriate the huge sum of $5,208,419,975. This is a tremendous sum of money. I do not believe that many of our citizens fully understand how great it is. Let me illustrate in a very simple way that will be easily understood and readily remembered. Consider for a moment that a person was born in the time of Christ and received $1 for every minute of time from then until the present, and was able to keep each of those dollars, do you realize that the total of this time would be slightly less than $1½ billion. Consequently in this bill we are appropriating what amounts to approximately $4 for each minute of time in the last 1,954 years. Do you agree with me that this is a tremendous sum? Do you not also realize that if we cut the proposed appropriation in half it would just about enable us to have a balanced budget?

Let us look at it another way, to wit, from the standpoint of what it could provide for our own people. An appropriation of $5 billion spent in the United States, instead of in countries all over the world, would pay for the construction of 2,500 hospitals, costing $2 million apiece, or 5,000 school buildings at a cost of $1 million each, or 10,000 such schools if the cost was $500,000 each. Think of what it could do in terms of the necessities that exist in this country of ours, nursing homes, hospitals for the chronically ill, diagnostic and treatment centers, facilities for the rehabilitation of handicapped persons, and all the other and varied uses of a worthwhile character. Consider also for a moment the reduction in Federal taxes that could be given to persons of low income and to others as well, or the vocational and college educations that could be given to worthy young people. The uses to which these moneys we now send abroad, could be profitably spent in this country in promoting the welfare of our people are limitless.

In making this statement I am not insensible to the fact that there may be justification in some instances to appropriate funds for use abroad, but I do contend that it is neither right nor just to spend abroad with such a lavish hand that we are thereby prevented from doing so many of the things that we acknowledge are necessary to promote the welfare of our people. Living conditions in many of our large cities, and smaller ones as well, are in many instances appalling, and yet these slum conditions are permitted to exist year after year because of lack of money to finance their eradication.

We are told that the appropriation of these vast sums of money, such as in this appropriation bill, are necessary to stem the tide of communism and to give us national security. If that be true then we are either not spending enough abroad or wasting what we do spend. Notwithstanding we have in the last few years expended upwards of 40 or 50 billion dollars for this purpose, we are faced with the fact that communism continues to gain. Within recent days the Communists have taken over a good part, and, the best part of Indochina, with 11 million of its people, although we have spent more than a billion dollars of our money in supporting the French. Today, notwithstanding the billions of dollars we have poured into France and Italy, neither of them has entered into EDC, designed to strengthen European defense against communism. Furthermore, notwithstanding the billions of dollars we have given to England, it is constantly seeking trade with Russia, and demanding that Red China be permitted to join the United Nations although its hands are red with the

blood of American boys shed in Korea. All of this proves to me that the policy of giving, giving, and still giving has gotten us nowhere in getting real genuine friendships to the extent that we had a right to expect. And I am fearful that as time goes on, and, each of the nations become stronger, they will forget us and our generosity in the hour of need. I hope that such will not be the case, but there are sufficient indications that create at least just grounds for real fear that such might be the case.

America cannot afford to continue to spend as it has done in the past. We must give serious consideration to our financial stability. If we fail there would be chaos in the world. Therefore, we must make sure that we can do all we would like to do. Our national security demands that we remain financially strong. To be otherwise is to jeopardize our future usefulness. America must remain strong and it is our duty in this day and generation to do our part to so maintain it. Let us with care examine the situation that confronts us and make certain that we can in justice to ourselves as a nation do what is now requested.

The task of acting wisely is extremely difficult because so many elements of information are not available to us. Time and again during the debate it has been made plain that important information, that has a direct bearing upon the subject, has not been included in the printed hearings because of security reasons. Thus, it is necessary to take much on faith. Faith in the persons who are in a position to know all the underlying and secret information. In this category is our President. It would be foolish to think that he does not have much more information than the individual Members of Congress. Furthermore by reason of his long experience in Europe, as the commandant of the allied armies, and his subsequent contact with all the leaders of the nations of the free world, it must be assumed that he knows all the material facts. Thus it comes down to a question of whether you have confidence in President Eisenhower. I have such confidence and in the final analysis will support this legislation because he has asked for it, but, I am personally of the opinion that we must continue a close examination during this present fiscal year to the end that appropriations of this character shall be greatly lessened or curtailed next year.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, like my respected colleague and friend who preceded me, I have the greatest of respect for every member who serves on this subcommittee. And, like him, the comments that I intend to make are made entirely because of my strong feeling with respect to this appropriation and because I believe that it is my responsibility to express a minority point of view that needs to be called to the attention of the members of this committee.

Mr. Chairman, I voted for the foreign-assistance program back in its inception in 1947, and I continued to vote for the authorizations and continued to vote for the appropriations until the time came when I realized that among those who were responsible for this program there was no intention of ever bringing it to an end. Then I stopped and I voted against the authorizations and the appropriations just as I intend to vote against this appropriation when the roll is called here today.

In 1950 I served as a member of a committee of Republican Members of the House which issued a policy statement in which we said, in essence, that we approved of a program of this kind provided we could see the end to it. And, I submit to you that if we permit this to continue in the scope that is contemplated in this bill, you cannot see the end to it any more than I can see the end to it.

I have no quarrel with those who believe that a program of this kind is justified, but I do very strongly believe that with this program, in this scope, which virtually writes a blank check for the distribution of funds to 61 nations throughout the world, that we, feeling a responsibility for the appropriations of this Government, cannot in good conscience continue to support it.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Ohio.

Mr. VORYS. Does the gentleman see any end to the Soviet plan of aggression and infiltration all over the world?

Mr. DAVIS of Wisconsin. No, I cannot say that I can see any end to that program.

Mr. VORYS. Does not the gentleman believe that our resourceful and courageous resistance to that program should not end until their threat of aggression ends?

Mr. DAVIS of Wisconsin. I said I have no quarrel with those who will support a program, but I do quarrel with those who expect the Committee on Appropriations to write a blank check for the executive department to distribute among the nations of the world. I cannot help but believe that thinking prevails here similar to the kind of response that we got in our Subcommittee on Military Construction about a month ago when we had under consideration a joint construction program with another nation; we tried to find out the basis upon which the cost of that should be shared. The answer that I got, in response to an inquiry, was, Well, they are going to contribute up to the limits of their economy and then we are going to come in and finance the balance of it.

That kind of thinking has no place among those who would spend the resources of a nation whose financial condition is that in which we find ourselves. If we are to measure the ability of this Nation to contribute in relation of the debt of our Federal Government to the gross national product of our country—and evidently that is the standard that is used by those who try to figure out the contributions we are supposed to make to these various international organizations, let us do a little comparing here.

The Federal debt of the United States, as of the latest figures that I could get, is 74 percent of our gross national product. Italy's is 36½ percent. Norway's is 53.3 percent. Spain's is 26 percent. Belgium's is 67 percent. Denmark's is 33 percent; France's 37½ percent; Germany's 32 percent; Israel's 85 percent; Turkey's 22 percent; Japan's 12 percent; the Philippines 10 percent; Brazil's 7 percent; and Mexico's 4 percent.

In other words, among those nations for which figures were made available and some others that I computed from other figures that were made available, I could find only three nations among those that were so considered in this program that had a greater proportion of their gross natural product involved compared to the debt of the central government. Those were the United Kingdom, Israel, and the Netherlands. If that is to be the standard of the ability to pay, all the rest of the civilized world is in a better condition to contribute than is the Government of the United States.

No one will deny—at least I never heard anybody on the Committee on Appropriations deny—but what the obligations within this program have been very sloppily handled. No one will deny—at least I have never heard anyone on the Committee on Appropriations deny—that if we were confronted with any other program than this, where there was enough money unexpended to carry on the program for 2 years at its accustomed rate without a new dollar being appropriated, enough money unobligated to carry on the program in accordance with the way they anticipated carrying it on for a half a year on unobligated money without a new dollar, I do not think anybody will deny but that we would take a very long look at that kind of a fiscal situation before we even thought of adding additional billions of dollars to the pool, as is contemplated by this measure.

Oh, I could point out some specific things. I could mention, for instance, a program to assist Denmark to increase its productivity and improve management and marketing techniques. Out in our dairy section of the country, at least, we have already learned a great deal about management and marketing techniques, such as cooperatives, and things of that kind, from the Scandinavian countries. I do not know why we should be assisting them in learning marketing techniques when already they have dominated the market of continental Europe for bacon and dairy products.

It reminds me of the project of the previous administration of bringing people from the governments of Europe over here to teach them how to balance the budget.

At the proper time it is my intention to offer 2 amendments to this bill, one of them to reduce the unobligated balances for military assistance by $300 million, and the other to reduce the appropriation of new funds for southeast Asia and the western Pacific by $212 million.

To my way of thinking, and I offered these same amendments in the full committee, these are closely related amendments. They are based on developments

in Indochina and in Europe which occurred after these justifications were prepared and after the majority of the consideration of the request was made by the subcommittee.

I know that all the arguments of psychology and fear will be used against those amendments, but I do not think responsible Members will deny that we certainly do have a responsibility when justifications are submitted to the Appropriations Committee on one basis, to take another look at the amount of money involved in that kind of appropriation and have a rejustification based on the new concept as a result of things that have happened within the course of the last week, before we ought to go ahead and appropriate this kind of money.

I do not say they will not spend every dollar of this money in those areas of the world that are included in here, but I do say that the Appropriations Committee might just as well close up its books and go home if we are going to appropriate the same kind of money for an entirely new purpose as was contemplated at the time these justifications were submitted to us.

I simply do not believe the Appropriations Committee or the House of Representatives should write that kind of a blank check.

Mr. GARY. Mr. Chairman, I yield 45 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, our form of government is unique in the history of the world. Never before have any people governed themselves so successfully with such universal diffusion of equal benefits to all.

And our international relations with the other nations are likewise exceptional. From the earliest dawn of recorded history nations have sought to conquer and subjugate their neighbors and appropriate their wealth and territory. But the United States, for the first time in the annals of mankind, has fought no wars of conquest, has sought no advantage at the expense of sister nations. On the contrary, it has endeavored to bring to every people in every land the liberty and prosperity of its republican form of government and its democratic institutions.

When the incalculable riches and potential wealth of the Philippines were thrown into our lap, we spent billions of dollars in rebuilding their cities, establishing their financial system, rehabilitating their agriculture, modernizing their school system, humanizing their industrial relations, and then, without the retention of a single dollar in value or trade advantage, we introduced the new republic to full-fledged membership in the sisterhood of nations.

When Cuba, the pearl of the Antilles, was ceded to the United States and both Cuba and the world took for granted that this great territory would be promptly annexed as a part of the Republic, we made them a free people and established them as a free and independent nation.

For more than 100 years, we have been sending missionaries to China, India, and Burma carrying the Gospel of the lowly Nazarene. Hundreds of millions of dollars have been spent by our churches and church people, disseminating the message of good will and peace on earth, and with its medicines and surgical skill and sanitation to alleviate physical and mental as well as spiritual maladjustments.

They took our free rice and free hospitalization but today after more than a century of unselfish service and sacrifice there remains hardly a vestige of the faith or of the vast sums contributed, often in pennies, by the church people of America in response to the divine command, "Go ye and teach." And in no lands is there more bitter criticism of the United States than in China, India, and Burma.

In recent years we have donated to Europe, at the expense of the American taxpayer, such astronomical sums as stagger the finite mind of man. In addition to the huge contributions of the American people to the First and Second World Wars, they have given since the end of World War II alone, more than $50 billion. When the $16 billion appropriated in this session of Congress are added, we will have sent across to allies in 8 years in excess of $66 billion. And communism in Europe and Asia is today stronger and more insolent and more dangerous than ever. We have given, in our efforts to preserve the peace of the world, the largest sums ever given by one nation to another. And we are the most hated nation in the world today.

It was American armies, American ships, American arms and American food that won the First World War. Again in World War II it was American men and materiel—American dollars and diplomacy that saved England, France and Russia. London was in conflagration. The enemy was hammering at the gates of Stalingrad. The heel of Hitler was on the neck of France and his armies were in complete and undisputed control from the English Channel to the Mediterranean. None of the three could have survived without us. But today instead of Uncle Sam it is Uncle Sucker.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CANNON. If the gentleman will permit me, I will finish my statement and then I will be delighted to yield.

Mr. JUDD. My purpose is to call attention to the French nurse who is in the gallery.

Mr. CANNON. I yield to the gentleman.

Mr. JUDD. Mr. Chairman, I appreciate the gentleman's courtesy in permitting this short interlude. One of the things that always thrills everybody in the world is courage and devotion to duty, especially when under most trying and dangerous circumstances. I appreciate the opportunity to call attention to the presence in our gallery——

The CHAIRMAN. The gentleman from Minnesota will suspend. The Chair regrets extremely——

Mr. JUDD. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. The gentleman may not proceed out of order for the purpose which he manifestly intends to use the time. The Chair regrets extremely that he must so hold under the rules of procedure of the House. We are all conscious of the great heroism of the person to whom the Chair knows that the gentleman wishes to allude, but it is a matter of extreme regret that because of the rules of the House, reference may not be made to anyone in the gallery.

Mr. JUDD. I shall not say anything about the gallery. I shall say she is on the Hill today.

The CHAIRMAN. The Chair greatly regrets that under the rules of procedure of the House, the gentleman must be denied the privilege of introducing anyone in the gallery which, I know, every Member of the House would greatly appreciate in this instance, if it were possible under the rules.

Mr. JUDD. Mr. Chairman, I had no intention of introducing anyone in the gallery. Is it not possible to refer here to persons who are in our country?

The CHAIRMAN. It is not possible to refer to any person in the gallery.

Mr. JUDD. May I not call attention to a most distinguished visitor in our country today?

The CHAIRMAN. The gentleman may refer to one who is in our country.

Mr. JUDD. Well, then, I should like to refer to the distinguished heroine of Dien Bien Phu who we, in the United States, are happy these days to welcome to our shores and to our city, and to pay tribute to her as a person whose heroism is acclaimed by all, and as a symbol of all women of the world who in times of great crisis and peril are faithful to their duty, particularly that of ministering to men wounded in the defense of freedom. We pay tribute to her wherever she may be in our country at the present moment.

I thank the distinguished gentleman from Missouri for yielding to me.

Mr. TABER. Mr. Chairman, I yield 14 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I welcome this opportunity to bring to the membership of the House some of my observations, ideas and recommendations regarding the agricultural technical assistance program carried on by the United States Government in foreign areas. This program involves the expenditure of a considerable amount of money—American taxpayers' money—which makes it a matter of vital interest to this body.

POINT 4 PROGRAM—AGRICULTURAL TECHNICAL ASSISTANCE

Agricultural technical assistance work and agricultural matters, generally, are of great concern to me, representing as I do, one of the most productive and diversified agricultural areas in America, and serving as a member of the House committee on agricultural appropriations.

Agricultural technical assistance is an important part of the so-called point 4 program, which our country launched upon the world 5 years and some months ago—the proposal that the United States and other industrially advanced nations should pass on their skills and, as far as

possible, their surplus capital to underdeveloped countries.

Secretary of State John Foster Dulles has stated that the time has come for an agonizing reappraisal of American foreign policy. The point 4 program is a part of our foreign policy. It is my opinion that this program is itself in need of reappraisal. Some very realistic thinking is in order. A new impetus is urgently needed if the whole project is not to wither away.

COMMITTEE INVESTIGATIONS

It was my privilege last fall, together with four of our colleagues, to participate in a tour of inspection of some of our foreign aid operations, particularly the agricultural technical assistance phase of the foreign aid program. Mr. H. CARL ANDERSEN was chairman of our group. Others were Messrs. BEN F. JENSEN, CHARLES W. VURSELL, and MELVIN R. LAIRD.

Our trip commenced September 4, on which date we sailed from New York, and ended November 16 with our arrival in San Francisco. Twenty-four countries in all were visited by one or more members of the party. I personally visited England, France, Belgium, Holland, Germany, Turkey, Lebanon, Syria, Jordan, Israel, Pakistan, India, Thailand, Hong Kong, Okinawa, Korea, and Japan.

In passing upon the expenditure of funds for our Government's activities, it is very helpful for one to be able to see with his own eyes just how those activities are carried on. A Member of Congress, sitting in a committee room, has, for the most part, only the testimony of employees of the executive branch of the Government upon which to base his decision as to how much money should be appropriated for this or that activity. Without intending to reflect adversely on the integrity or veracity of such individuals, it is a fact that they are subconsciously, if not consciously, possessed of a prejudice in favor of the respective governmental functions in support of which they appear. It is, therefore, extremely helpful for members of the Appropriations Committee, who have the responsibility for appropriating money for the activities of Government and allocating available revenues in as fair and equitable a manner as possible among such activities, to get out and see firsthand what is actually being done with the taxpayers' dollars. Not only is such procedure revealing in itself, but it enables a Member to better understand and more accurately evaluate the testimony which is presented at committee hearings.

An equally important benefit resulting from the type of investigation which we made is that it affords one a relatively broad and current perspective of the total world situation, thus providing guideposts by which to judge how best to cut the budget pie in support of our Nation's activities abroad. Lack of such perspective is an occupational disease with many of our Government's overseas representatives. The virus is strong and persistent. With rather infrequent exception, each mission tends to favor and support the position and demands of the country in which it is situated. To illustrate, we found the general feeling among our people in Pakistan to be that Pakistan was receiving less than its fair share of aid in comparison with India. In India, however, our mission representatives were convinced that India, rather than receiving an unduly large share of foreign aid funds, was, in fact, not getting enough and that the existing ratio of grants between the two countries favored Pakistan.

IMPORTANCE OF QUALITY IN PERSONNEL

I wish to stress the paramount importance of quality control in the selection of personnel for foreign agricultural assistance work. Our reputation as expert in the field of agriculture and the acceptance of our ideas and practices rests largely in the hands of the people we sent abroad. If they perform well, our reputation is maintained and enhanced. Our ideas and practices will continue to be accepted. If they fail, no matter how well we may do here at home, our reputation abroad is impaired. One is reminded of the old saying, "One rotten apple can spoil the whole barrel."

Certain qualities are required of technical assistance personnel in foreign areas. They are technical knowledge, adaptability to environmental changes, and ability to work with and get along with people.

Unfortunately, there has not been enough quality control. The situation was aptly described to me by a member of one of the technical assistance missions. When the program was conceived, someone must have rolled out a map of the world and covered it with pins, each pin representing a project. No one thought to first ascertain whether expert personnel was available to man these projects. Furthermore, no one thought to ascertain whether the foreign countries embraced by the scheme were really in favor of those projects set up within their respective boundaries.

The result has been more than a few square pegs in round holes and noticeable impairment of America's reputation in the field of agriculture. It is bad enough that some have been found temperamentally unfit for foreign service. It is inexcusable that a considerable number do not know their subjects.

I would be less than fair, however, if I did not state that by far the majority of our Government's representatives abroad are sincere, industrious individuals working, in many cases, under adverse circumstances. While we found some evidence of rather plush living, many of these people are living under conditions definitely below American standards. It takes more than a little fortitude to stick by a job when a young son is stricken with trachoma, the wife is afflicted with a serious eczema, and you yourself are besieged with dysentery. This I have seen.

The program has been greatly in need of tailoring, and happily that is taking place, though not as rapidly as some would hope. There is need for emphasis on quality and achievement—not mere coverage of the map. It is better that a slot not be filled at all than to fill it with someone who will not or cannot do the job right. The stakes involved are too high. We need the best. The people we are trying to help do not possess our technical skills, but they are very capable of quickly discovering whether or not an instructor we send them is himself skilled. If he does not know his subject, their faith in us is shattered, and suspicion as to our motives is aroused. We must be careful not to make the program a refuge for misfits or a rest home for the aged.

LENGTH OF ASSIGNMENT

A factor bearing on the matter of quality and effectiveness of performance is that of length of stay on an assignment. Two years of duty is standard at the present time. This, in many instances, is not long enough. Most missionaries stay out 6 years or more on a particular assignment. Of course, there is a danger, also, in remaining away too long. As Congressman WALTER JUDD, of Minnesota, a former medical missionary to China, once told me, "No missionary to China should stay out more than 10 years. After that, he begins to think and even look like a native."

PROGRAM NEEDS LIMITING

There is a tendency for a program such as agricultural technical assistance to become enlarged into a worldwide WPA. It has been my observation that the real friends of the program desire to limit it to its original purpose of sharing our technical skills with people in underdeveloped areas, with materials and equipment being provided for demonstration purposes only. There are those that feel otherwise, of course. They would like to capitalize these areas—provide each farm with a tractor, a plow, a well, and a pump, and furnish fertilizer for every acre of soil. Such an approach to the problem is not only inadvisable, but impossible.

In the first place, experience shows that whereas gifts and loans are as likely to make enemies as friends, true understanding between nations often begins when men work together with their coats off at a common task. Secondly, the presence of foreign advisers is neither as humiliating nor debilitating to a poor country as other forms of aid can be. Thirdly, it is difficult to justify a program of foreign economic assistance, including such projects as dams and reservoirs for flood protection, irrigation, and electric power, at the expense of American taxpayers, when in order to balance our Federal budget we must deny funds for much-needed public works projects in our own country.

DEMAND FOR CAPITAL GOODS

We found that foreign countries are not the least bit shy about asking for American aid for capital expansion. I recall our visit to the Lebanese Agricultural Research Center at Terbol being built cooperatively by the United States and Lebanon. In Lebanon, we are providing expert services and demonstration equipment and materials. We were gathered together at the research center, exchanging amenities, when the Secretary of Agriculture of Lebanon spoke up to thank us for our help. He went on to say, however, that "telling them how"

was not enough. What we should do was to provide the tractors, plows, and so forth. We should make them available free of charge, of course.

The underdeveloped countries of the world are not completely devoid of capital nor are they incapable of producing new capital.

Situated near the Lebanese Agricultural Research Center are the famous ruins of Baalbeck, constructed by the Romans, including the famous temples of Jupiter and Bacchus. It is a gigantic public-works project. Nothing has been constructed before or since in that region to equal it in size and grandeur. Still standing are columns of marble, weighing 20 tons, quarried in Egypt, transported down the River Nile by barge, then by ship along the coast, finally over land on log rollers to the project site. All this, nearly 2,000 years ago, and all with local labor and materials. And, as our guide, a local citizen, facetiously remarked, "It was done without point 4."

In the city of Beirut, I talked with a wealthy Lebanese, who lived in a mansion lavishly furnished, the like of which is seldom to be seen even in the United States. He was one of those who bemoaned the fact that Lebanon could not afford to buy the capital items which were needed if that country's agricultural production was to be materially increased. Therefore, he argued, the United States should make a gift of same.

I would have been far more sympathetic to the gentleman's plea if it had not been for the fact that he paid far less income tax than I, although he was many times wealthier; further, that he was unwilling to invest any of his own wealth in Lebanese agriculture. Instead, he kept his assets in such forms as inventories, Swiss bank deposits, and United States securities.

Why, I ask, should American citizens be taxed to capitalize Labanese agriculture, if the Lebanese themselves, even when able, are unwilling to do so?

EFFECT OF PROGRAM ON OUR OWN ECONOMY

In our enthusiasm for the foreign agricultural technical assistance program, we must not lose sight of the fact that it is not an end in itself. It is justified merely on the basis of its value as a factor in advancing the well-being, prosperity, and security of the American people. For that reason, it is necessary that we carefully evaluate each part of the program in terms of not only the improvement brought about in the economic conditions of the people of foreign nations to which aid is given, but also in terms of the favorable or adverse effect on our own economic life.

At home we are faced with a very serious problem in managing and disposing of agricultural surpluses. Our farmers are producing more food and fiber than can be consumed in the domestic market. Exports are down considerably due to both new and restored productive capacities in other countries.

Investments of the Commodity Credit Corporation in surplus commodities now total close to $7 billion. The statutory limit is $8½ billion. Because it is very possible that that limit will be exceeded before Congress convenes next January, the Secretary of Agriculture is asking that CCC lending authority be increased to $10 billion.

There is within the Department of Agriculture an agency known as the Foreign Agricultural Service. This agency has a number of functions, including participation in an advisory capacity in the foreign agricultural technical assistance program. Another function of this Service, and at the present time the most important and most urgent, is to find a home abroad for American agricultural products. The first function named must not be allowed to defeat the second. This can happen, however, unless changes are made in the course of the technical assistance program as it is currently charted.

One of the most interesting projects being undertaken in India is the Bhadson pilot extension project. This project is located in the state of Pepsu. Inaugurated in 1953, it is one of a number of Ford Foundation projects being run in blocks of approximately 100 villages each in different states.

The Bhadson project receives United States Government aid in the form of agricultural experts; equipment, such as wells, tractors, plows, and so forth; and materials, such as fertilizers and insecticides, and so forth.

The cotton extension work is one of the special features of the Bhadson project. Efforts have been concentrated in replacing indigenous varieties with American, and popularizing the method of line sowing to decrease the cost of cultivation; also, the use of fertilizer and irrigation water to supplement natural rainfall. The results are astounding. American varieties have almost completely replaced the native stock in 2 years' time. Staple length and yields have increased 100 percent In addition, the acreage has doubled in this particular project area. The Pepsu state director of agriculture advised me that there are almost a million acres of land that can be reclaimed in Pepsu alone.

India has been raising about 4 million bales of cotton a year and consuming about 5 million. Because of the very short staple length of its indigenous varieties, it has had to import considerable quantities for its textile industry. The United States has shared in that business. What will be the effect of the introduction of improved American varieties, increased acreage, and better farming practices, brought about in substantial measure as a result of American aid? The answer is painfully clear. Imports of long staple cotton from the United States will decrease and eventually disappear. It is an open and declared policy of the Indian program to make India self-sufficient in long staple cotton. But, will India stop there, once her cotton production has gotten into high gear and becomes competitive? More than likely, she will go on to become a long staple exporting country, in which case, she will compete with the United States for the British, French, German and Japanese markets. With cheap labor available, India stands an excellent chance of taking over those markets. As this occurs, more and more American farmers will have to get out of the cotton business. Domestic production is even now being greatly curtailed. California cotton farmers, for example, are this year required to reduce their acreage 34 percent below what they planted last year.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the distinguished gentleman from Minnesota and my chairman on the Subcommittee on Agricultural Appropriations.

Mr. H. CARL ANDERSEN. The gentleman from California [Mr. HUNTER] was of inestimable value to our subcommittee last fall in our trip to the Near East, India, and Pakistan, when we looked over this very situation. The gentleman from California [Mr. HUNTER] was a very interested observer and made notes continuously. From that knowledge he is today well versed in what he is presently informing the House. To what extent are we, as Representatives of the taxpayers of the United States, justified in going in voting for money for development assistance to other nations which might later on result, as the gentleman from California has so well said, in losing what markets our own people have established there through years of endeavor?

The gentleman from California [Mr. HUNTER] is always trying to look out for his own people's interests, and I wish there were more of his caliber and clear thinking in this Congress. I am personally proud that he is upon my Subcommittee on Appropriations for Agriculture. He has performed splendid work in behalf of agriculture upon that committee.

Mr. HUNTER. I thank the gentleman from Minnesota.

Last year Turkey produced about 750,000 bales of cotton, of which she will export around 500,000. Her principal customers are Germany, France, and Italy. Negotiations with Japan have been undertaken. Cotton production in 1949 was about 300,000 bales—approximately half what it is today. The big jump came in 1950, when the world price of cotton skyrocketed. That, plus United States aid, are the principal factors responsible for Turkey's rapid and substantial increase in cotton production.

In 1951 Turkey was a wheat-importing nation. Today she is the world's fourth largest exporter of wheat. She hopes to export about 75 million bushels out of the 1953 crop.

Turkey has a good raisin crop. This has been encouraged by the substantial government assistance to raisin growers. The Turkish Government guarantees a price of $200 per ton to producers and, in addition, in order to develop an export market, is offering an export subsidy of $60 per ton. This is $20 per ton higher than the subsidy paid by the United States Department of Agriculture to American raisin growers. Turkey most certainly could not afford such a program were it not for the fact that since 1948 the United States has spent more than a billion dollars in aid programs in that country. As a result, Germany, for example, is now buying raisins

from Turkey to supply needs which were once met in large part by California producers.

We find that in helping other countries to improve the standard of living of their peoples by increasing their agricultural and economic production, we not infrequently cause disruptions in our own domestic economy, which will require major adjustments. I repeat: It is, therefore, necessary that we carefully evaluate these programs in terms of not only improvement in economic conditions of the people of foreign nations to which aid is given and the consequent benefit to us, but also in terms of the favorable or adverse effects on our own economic life. This, most certainly, is a difficult task. Nevertheless, it must be undertaken.

The natural tendency is toward increased production of cash crops, such as cotton. Granted, great and needed benefits—these countries need more foreign exchange—are to be derived from such production, yet the more acute need of most underdeveloped areas, particularly India, is for increased food supplies for domestic consumption. Let us direct our efforts, therefore, toward meeting that need. This we can do with less disruption of American agriculture.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I comment on what the gentleman said about our technical assistance abroad producing surpluses in those countries which are in direct competition with ourselves. I think all of us are in sympathy with the idea of producing for those people to raise their standard of living. However, last year I found out in Western Germany, which had always been a market for corn for us for the past 5 years, that for the first time that market was taken over by Turkey. In 1950 under our Technical Cooperation Administration we set up six large hybrid corn stations in Turkey. Ten years ago an export of corn from Turkey would have been unheard of. For the first time, 3 years later, we find that the export market from Turkey was taking up the export market of the United States by the program which we had fostered in Turkey itself. I merely call that to the attention of the House for what it is worth.

Mr. HUNTER. I thank the gentleman for his contribution.

FAILURE OF OTHER COUNTRIES TO FOLLOW OUR TECHNICAL ADVICE

Apropos my remarks relative to the necessity of getting the best people—people who are really expert in their respective jobs—it is equally necessary that we insist that their advice and skills be followed and employed. This has not always been the case. From reliable sources, I was advised of the following situation in India, and I quote from the report given me—it relates to the waterwell project:

I was shocked by the fact that the Indians were wasting most of the money we were giving them, and went to the TCA office in New Delhi to see what could be done about it. I complained that the methods of drilling were wrong, that the specifications were entirely inadequate and impossible to bid, that the Indian officials were stubborn and refused to consider modern techniques, that a ring of professional informers were shaking down bidders for the inside information they were able to peddle from high Indian officials and a host of other similar complaints.

I was told very frankly by two gentlemen in charge of the project for the American Government that they didn't give a darn how inefficient and corrupt the Indian Governmnt was, their job was to spend $65 million and thus stabilize the Indian economic position. It was stated very bluntly that the policy was to shovel the dollars into India until Stalin hollered "Uncle."

When I carried this complaint to Mr. Wilson, who was in charge of the whole TCA program, he seemed unable to cope with the situation and stated that he had not known that his technicians were incapable of drawing proper and adequate specifications, but that perhaps after all it was not so important that the specifications be correct or the wells even be efficient, but rather that we maintain a friendly status with India. He implied that it was the administration's policy not to cross the Indians at any point nor to deny them the right to use our gift of money in any way they might see fit.

The group of three men who were to administer the tube-well project consisted of a civil engineer from the Indian service, who admittedly knew absolutely nothing about hydrology nor well drilling nor pumps, who was the chief engineering adviser to the mission; a Bureau of Reclamation technician who had done some design work on canals and lateral ditches, and a law technician from the Bureau of Reclamation who had spent most of his time in writing contracts for the Bureau. In desperation, we put these gentlemen under considerable pressure and they admitted that they were just going along for the ride and were neither competent to administer such a program, nor were they there for that purpose. Their whole assignment was to keep the Indians happy and their hands were absolutely tied if any matter of crossing the Indians should come up. They admitted that they were making more money in India than they could possibly make in the United States and that they intended to be good boys and keep the job as long as possible.

The fundamental purpose of our technical-assistance program is to pass on to countries like India such of our skills as they do not possess or which they possess to a lesser degree. If our advice is not to be followed, then the program is not one of technical assistance. We are not helping other people to improve their ways of doing things—we are merely carrying on a foreign WPA. Instances of failure of the Indian Government to accept modern United States specifications and techniques in connection with waterwell development are numerous. For example, Indian officials have insisted on seamless alloy pipe. Hard water attacks alloy steel much more readily than ordinary carbon steel. That is why in the San Joaquin Valley of California, where water and soil conditions are much the same as in the Ganges River Basin, ordinary flat sheets of carbon steel are used in the fabrication of well pipe. They last longer and they cost less.

APPRAISAL OF PROGRAM

To appraise the technical-assistance program is to ask why it is carried on and thence to determine whether the answer to that question coincides with what has occurred. We are embarked on this program because we believe it to be our humanitarian and Christian duty to help our less fortunate fellow human beings to a better way of life. As a consequence of building up the economies of their countries and raising their standard of living, we hope that they will become our customers and friends. We further hope that they will repudiate communism and support democracy. Without question, the program has helped many people; it has helped to increase their standard of living by increasing their productivity, which, in turn, has provided them with the means of buying from us.

Has the program, however, won us the friends we expected, and has it been successful in combating communism? The record in this regard is not good. Ironically, the years since point 4 was inaugurated have been years of unprecedented tension between those nations who contributed most and those that have benefited most.

In the 3-year period which ended June 30 of this year, the United States spent or obligated close to $200 million for economic aid and technical assistance to India. Notwithstanding this demonstration of generosity and friendship on our part, India has remained neutral in the conflict between the Communist countries and the free world. At best, India can be classified as no more than non-Communist. And, despite the friendly attitude of many officials at the lower level of government who are working with American technicians to increase India's agricultural production, our political relations with India at the top level of government have worsened in the past 3 years. That is the opinion of Foreign Service officers stationed in India, with whom I discussed the situation.

The lesson to be learned from our experience in India is that economic aid and technical assistance do not necessarily make friends of politicians and that politicians, for better or for worse, determine the course of a country's affairs. The situation recalls to mind a conversation I had with a United Nations official in the Middle East and a refugee from Poland.

It is foolhardy—

He declared—

to treat your economic-aid program entirely separate from politics. Your purity of motive is not understood, let alone appreciated. You are as likely as not to build up an enemy instead of a friend. Do not give economic aid unless in exchange you gain a political advantage. After all, a favorable political situation is your primary object.

There is much of the truth in the gentleman's statement, yet time and again, I heard the remark made by our people that we must not demand political concessions in return for our assistance.

Merely raising a country's standard of living will not protect us against communism. Communism does not come from an empty stomach. It is more correct to say that it comes from an empty soul. Only in the sense that an empty stomach produces dissatisfaction with

the status quo does it aid and abet communism, and then only when the political opportunity is afforded. Communism comes to a country as the result of revolution accomplished by a Communist element within its borders and/or conquest and occupation by a Communist foreign power. A full stomach, on the other hand, is no guaranty against communism. Communism persists at all economic levels. Witness the existence of Communists in our own Government. Witness the well-fed Hollywood writers who have embraced the Communist cause. The French people eat as well as most anyone in the world. They have a country rich in natural resources, fully capable of supporting its population. Yet a great number of French citizens vote the Communist Party ticket.

Actually communism is making the least headway in the poorest, most illiterate and backward areas of the world. Experience with communism, if anything, makes one thing clear—education and a full stomach are not guaranties against the acceptance of communism. India might well be more susceptible to communism and a greater threat to our security if her productive capacity and the standard of living of her people were doubled. More important than filling the stomach is filling man's mind with the right ideas, particularly the politicians who run the country.

ECONOMICS OF FOREIGN AID

It is worthy of note that much of the impetus for a foreign aid program comes from those whose production is in excess of what can be consumed domestically. Not being able to sell the surplus abroad through normal trade channels, they favor having our Government put up the money, so that it can be given away. Under such an arrangement, they are paid full value for their production. The catch, however, is that the American taxpayers pay the bill—not the recipients of the goods.

This situation is a hangover from a wartime economy, when, for military reasons, we exported more than we imported. Our economy changed to meet our military and related needs. Capital and manpower switched from production for domestic requirements to production for export in the prosecution of the war.

With the war's end, the Marshall plan, of which the present program is but a continuation, was inaugurated. This has permitted the unbalance of trade to continue. The justification for such unbalance rests on humanitarian and security grounds.

Unfortunately, we are exporting much of our own wealth without receiving anything in return therefor. It is unlike the normal case of capital investment abroad made in the expectation of recoupment of such investment plus interest. In the case of foreign aid there is no return, only exhaustion.

For our own good, we should undertake to gear our exports to what can be fairly paid for in imports from other countries and devote the balance of our capital and manpower to the production of things for use and consumption within our own country. This aside from any unbalance justified on humanitarian or security grounds.

It is economic nonsense to argue that we must keep up the foreign-aid program in order to maintain our own prosperity. Granted the need for time in which to bring about a transition without serious disruption of our economy, our own prosperity will be better served in the long run by transferring the effort now going into the production of things which can only be disposed of by giving them away abroad to the production of those things which will improve the lot of our own citizens. There is much left to be done here at home. Our roads are inadequate; we need more dams and bridges; we are short of hospitals and schools. Demand for consumer goods is still practically unlimited, given the purchasing power.

Reflecting upon our responsibilities and capacities as a Nation, one thing stands out as paramount. We can only fulfill our responsibilities and maintain our productive capacities at a high level so long as we maintain our own economic solvency. If we spend ourselves into bankruptcy and destroy our credit, our worth as a unifying and constructive force in world affairs will be nil. It is, therefore, imperative that we gear our Government programs, both domestic and foreign, to a pace which we can afford to support. There is nothing immoral about such a policy. It won't lose us friends. On the contrary, it will win us friends. Unless we live within our means, we will eventually suffer the same fate which has overtaken so many civilizations in the past. They overextended themselves and lost. Let us not let that happen to us. At least, let us not hurry the coming of such a time.

Mr. ROONEY. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oklahoma [Mr. WICKERSHAM].

THE INTEGRITY OF THE UNITED STATES

Mr. WICKERSHAM. Mr. Chairman, it is an old proverb that "troubles always come in threes."

We have had the tragedy of the recent Geneva Pact—through which between ten and twenty million people of French Indochina were sent down the road of no return into the living death of Communist slavery. We have tried to wash our hands of the responsibility for the Geneva mass betrayal even as Pontius Pilate washed his hand 2,000 years ago. But the guilt cannot be washed away. Although we were not parties to the pact, our State Department had a high echelon representative at the final meetings.

We have had the tragedy of the unarmed air transport shot down by the Red Chinese. True, it was a British plane. Yet, American nationals were aboard. And these American nationals are dead. In their reply to the British note of protest, the Red authorities insisted that the affair was a case of mistaken identity. This is not true. Communist pilots, who have risen so far in the confidence of their leaders as to be entrusted with a plane, only act on the specific orders of their superiors. These Red pilots were commanded to shoot down an unarmed plane, perhaps the special plane which was shot down. The reason: To show the world how helpless the Western powers were in the defense of their citizens.

The third tragedy comes on the heels of the other two. Secretary of State Dulles has announced that American planes, while on a mission of mercy, were fired upon by Red Chinese aircraft. He further announced that our planes returned the fire of the enemy and that some of the enemy attackers were shot down.

This latest assault on our sovereignty brings us to the brink of actual hostilities. We know that the Reds were under orders to do as they did. Their leaders are responsible for their actions.

We have met force with force. We have answered them in the only language they are capable of understanding.

What shall we do now?

Will we continue to send ineffectual protest notes?

Will we refer the matter to the U. N. for action?

Will we engage in an actual all-out shooting war, with its resultant loss of life and economic disaster?

Or will our determination to meet shot with shot, fire with fire, impress on the minds of those who hold China in subjection that it is wiser to leave us alone than to meet us in mortal combat?

My heartfelt prayer is that our recent show of force will convince the Chinese Reds of our unalterable sincerity; thus affording a chance for the American people to prosper in peace.

The fate of this Nation is now in the hands of God.

Mr. TABER. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. GROSS].

(By unanimous consent, Mr. GROSS was granted permission to speak out of order.)

Mr. GROSS. Mr. Chairman, I take this time to call the attention of the House and the Appropriations Committee, to a specific instance of how a subsidiary of the United Nations, bearing the glorified title of United Nations Educational, Scientific, and Cultural Organization and the State Department has been used in an effort to discredit Members of Congress and insult the American public at taxpayer expense.

I have at hand a so-called workpaper containing a speech by one, Herman F. Reissig, who participated in the fourth national conference of the United States National Commission for UNESCO, this national conference being held at the University of Minnesota, in Minneapolis, less than a year ago, September 15 to 17, 1953.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALTER. Do I understand the gentleman to say that this man is named Herman Reissig?

Mr. GROSS. Herman F. Reissig, that is correct.

Mr. WALTER. As I recall it, he is the man who was recruiting Americans to

fight in the Spanish war on the side of the Communists.

Mr. GROSS. I appreciate the statement of the gentleman, and I think I can give him more light on Herman F. Reissig.

At other times and in other places, Reissig is referred to as "Reverend" and "Doctor."

On page 7 of this publication, which is labeled "America's Stake in International Cooperation," I quote from this speech by Reissig:

When, for example, Mr. John T. Flynn says on the radio and in print that "never in our history have the people of the United States been led into such an infamous trap as the United Nations," his kind of diatribe cannot be answered by a fact sheet on the U. N.

On a slightly higher level—

But only slightly higher, says Reissig—

is Senator BRICKER'S proposal for an amendment to the Constitution.

Still on page 7, Reissig says:

Let us turn now to a brief examination of the overt attack on one world and its emerging institutions.

Here is the revelation that institutions are emerging and world government is on the way.

On page 8 of this same publication we find some of those who are credited with such overt attacks, according to Reissig, who says:

In the Congress JOHN T. WOOD, of Idaho, introduced a bill calling for United States withdrawal from the U. N., and Congressman H. R. GROVES, of Iowa, assures his constituents that the United States is being taken for a ride by "a bunch of foreigners."

Page 9 of this publication, printed in connection with the Minneapolis meeting of bleeding hearts for the United Nations and foreigners, contains the following:

Traveling across the country and speaking on international relations about 60 percent of my time—

Says Reissig—

there is opportunity in almost all the meetings for questions and discussion. I recall a women's meeting in New Jersey, a men's club meeting in Mason City, Iowa, a forum in Sedalia, Mo., a dinner meeting in Saginaw, Mich., a church conference in Seattle. Within the past 4 weeks, there were 26 meetings in Iowa, Missouri, and South Dakota.

In Iowa, with some trepidation—

Continued Reissig—

I mentioned the attitude of Congressman GROVES. They grinned as if to say, "We know all about him."

Balancing these facts against one another—

Continues Reissig—

my own tentative conclusion is about as follows: With the exception of a few local communities, the nationalist or neo-nationalist, hate-the-UN, go-it-alone, campaign would not, in a plebiscite, get more than a handful of votes.

But—

Says Reissig and the "but" is underscored—

this is not to say that the response of most Americans to the world situation is mature and dependable. It may well be true that, next to the Politburo, American public opinion is potentially the most dangerous element in the world situation.

There you have it from the horse's mouth—from an officially invited speaker to one of these propaganda meetings in behalf of the United Nations and its sugary titled UNESCO—that in dealing with foreign affairs most Americans are not dependable and mature enough to think, and next to the Kremlin's Politburo, American public opinion may well be the most dangerous element in the world situation.

Apparently only Reissig and his self-anointed cohorts have the virtues necessary to deal with foreigners, and at the same time promote world government.

Who is this man Reissig, who is financed by someone or some agency, to carry the torch for the United Nations throughout this country; who was so warmly clasped to the breasts of the internationalists at Minneapolis; who makes it his business to campaign against certain Members of Congress?

On July 7, 1953, only about 2 months before the Minneapolis meeting, the House Un-American Activities Committee, received sworn testimony from a Benjamin Gitlow, who stated he was one of the leading officials of the Communist Party in the United States from 1919 to 1929.

Gitlow testified among other things that:

Dr. Herman F. Reissig headed the religious section of the American League Against War and Fascism. Dr. Reissig has a long and notorious record of affiliation with Communist-front organizations.

Gitlow then named those organizations.

The Un-American Activities Committee's records also refer to the Communist Daily Worker for March 30, 1938, page 4, wherein it is reported that Herman F. Reissig spoke at a meeting of the Communist Party held in Washington, D. C., and cites records of his activities and articles written during recent years.

Who paid for the printing and circulation of copies of the so-called workpaper presented at Minneapolis by Reissig? You do not need two guesses.

The taxpayers footed the bill because it was the State Department, using funds appropriated by Congress, that printed and distributed this propaganda.

And I would be very much surprised if an investigation did not disclose that funds from some Federal agency were made available to Reissig to carry on his insidious campaign against those who have the temerity to question the United Nations and all its works.

Mr. Chairman, there is not the slightest doubt that the State Department, within the past year, paid for the printing and circulation of at least 2,000 copies of this publication which has the unmitigated gall to insult the intelligence of the American people. I have here a letter from Assistant Secretary of State Thruston Morton, of the date of May 27, 1954, and another from the Comptroller General's Office of the date of July 8, 1954, confirming that funds of the State Department were used for that purpose.

Mr. Chairman, UNESCO and the United States National Commission for UNESCO are a part and parcel of a cleverly devised scheme to propagandize the United States into a world government and by giving official recognition to this individual by the name of Reissig, the State Department apparently is willing to use any and every diabolical means to that end.

I suggest to the Appropriations Committee that in passing upon appropriations next year it provide absolutely no funds for UNESCO or its main arm of propaganda, the United States National Commission for UNESCO. It is clear that this Commission makes no pretense of being impartial. It is clear that both the National Commission and UNESCO complement each other in that both use funds extracted from overburdened taxpayers to practice deceit, discredit, and dupe the American public.

I promise the Appropriations Committee that if reelected to Congress, I will be prepared next year to oppose any funds whatever for the National Commission or UNESCO. Both are contrary to the perpetuation of this constitutional Republic.

In the meantime, Mr. Chairman, I call upon the State Department to apologize publicly for being the means by which Reissig was aided in castigating Americans as being immature and undependable, and American public opinion as being potentially the most dangerous element in the world, second only to the Politburo.

And, Mr. Chairman, I further call upon the State Department to immediately dismiss as incompetent and dangerous the official or officials who approved the Reissig article for publication and the use of public funds in payment therefor.

Mr. Chairman, in conclusion I submit the following report from the House Un-American Activities Committee:

[Information from the files of the Committee on Un-American Activities, United States House of Representatives]

MAY 24, 1954.

For: Hon. H. R. GROSS.
Subject: Herman F. Reissig.

The following information from the public records, files, and publications of this committee should not be construed as representing the results of an investigation by, nor findings of, the committee. It should be noted that the individual is not necessarily a Communist, Communist sympathizer, or fellow traveler, unless otherwise indicated.

On July 7, 1953, a subcommittee of this committee received testimony from Benjamin Gitlow, who stated that he was one of the leading officials of the Communist Party in the United States from 1919 to 1929. He referred to Dr. Reissig as follows:

"Dr. Herman F. Reissig headed the religious section of the American League Against War and Fascism. Dr. Reissig has a long and notorious record of affiliation with Communist-front organizations. I will mention a few of them. The Friends of the Soviet Union, the International Labor Defense, American branch of the 'MOPR,' a Moscow organization; North American Committee To Aid Spanish Democracy, and many more. One Communist-front he was connected with, the Mother Bloor Celebration Committee, had 71 sponsors, 40 of whom were card-carrying members of the Com-

munist Party. Its officers were all members of the Communist Party." (Investigation of Communist Activities in the New York City Area, pt. 6, p. 2086.)

It was reported in the Communist Daily Worker for March 30, 1938, page 4, that Herman F. Reissig spoke at a meeting of the Communist Party, held in Washington, D. C.

It is noted in report 2277 of the Special Committee on Un-American Activities, June 25, 1942, that Herman F. Reissig, a sponsor of the Union for Democratic Action, was one of the speakers at the 10th national convention of the Communist Party which was held in 1938, and that he was one of the 11 of "50 leaders of the Union for Democratic Action listed on the foregoing chart" who have "public records of affiliation with the Communist Party" (p. 17). Reference to his speaking at the 10th national convention peace commission of the Communist Party is also found in the Daily Worker for May 30, 1938, page 8.

The American Committee for the Protection of Foreign Born was cited as a subversive and Communist organization by the United States Attorney General in lists to the Loyalty Review Board (press releases of June 1, 1948, and Sept. 21, 1948). It was redesignated April 27, 1953, pursuant to Executive Order 10450. The organization was cited as "one of the oldest auxiliaries of the Communist Party in the United States" by the Special Committee on Un-American Activities in its report dated March 29, 1944, page 155 (also cited in report of June 25, 1942, p. 13).

Reverend Reissig was chairman of the executive committee of this organization, as shown in the Daily Worker of March 10, 1938, page 5; chairman, according to the following sources: Call to Third Annual Conference; letterhead, April 27, 1938; New Masses, November 1938, p. 22; letterhead, January 1940; national chairman, report No. 2277 of the special committee, page 13. An undated leaflet of the American Committee for Protection of Foreign Born named him as a member of the board of directors; a letterhead, Fourth Annual Conference, Hotel Annapolis, Washington, D. C., March 2–3, 1940, listed the Rev. Reissig as a sponsor; while the Daily Worker of April 11, 1938, p. 5, disclosed that he supported the Celler bill which was sponsored by the American Committee for Protection of Foreign Born.

The official organ of the American Friends of the Chinese People, China Today, for October 1938, page 19, contained a statement which was signed by H. F. Reissig. That organization was cited as a Communist front by the Special Committee on Un-American Activities (report of Mar. 29, 1944, pp. 40 and 147).

The Reverend Herman Reissig was secretary of the religious section of the American League Against War and Fascism as shown in Fight (official organ of the league), September 1935, page 13; the March 1937 issue (p. 3) of Fight. The issue of November 1937, page 3, showed him to be a member of the secretarial staff. He headed a commission of the Third United States Congress Against War and Fascism, according to the January 2, 1936, issue (p. 2) of the Daily Worker, in which he was identified as minister of the Kings Highway Congregational Church, Brooklyn, N. Y. He spoke at a meeting of the American League Against War and Fascism at Norwalk, Conn. (Fight, Nov. 1937, p. 27); and he was one of those who signed a statement to Congress released by the organization (Daily Worker, Feb. 27, 1937, p. 2).

Fight (issues of Aug. 1935, p. 12, and Sept. 1936, p. 3) contained articles which were contributed by the Reverend Reissig; and the July 1937 issue (p. 3) also listed him as a member of its secretarial staff.

The American League Against War and Fascism was organized at the First United States Congress Against War, which was held in New York City September 29 to October 1, 1933. Four years later, at Pittsburgh, November 26–28, 1937, the name of the organization was changed to the American League for Peace and Democracy.* * * It remained as completely under the control of Communists when the name was changed as it had been before (Special Committee on Un-American Activities, report of Mar. 29, 1944, p. 53; also cited in reports of Jan. 3, 1939, pp. 69 and 121; Jan. 3, 1940, p. 10; June 25, 1942, p. 14).

The American League Against War and Fascism was cited as subversive and Communist by the United States Attorney General (letters to the Loyalty Review Board, released Dec. 4, 1947, and Sept. 21, 1948), and as a Communist-front organization by the Attorney General in re Harry Bridges, May 28, 1942, page 10. The Attorney General stated that it was "established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union (CONGRESSIONAL RECORD, Sept. 24, 1942, p. 7683). The organization was redesignated by the Attorney General April 27, 1953.

A letterhead of the American League for Peace and Democracy (New York City division), dated September 22, 1938, named Herman F. Reissig as a member of the advisory board of that organization. This reference was also found on letterheads of September 26, 1938, and March 21, 1939. He was listed as a member of the Spain Commission of the American League for Peace and Democracy in a pamphlet, 7½ Million Speak for Peace (p. 20); and the committee's report 2277 (June 25, 1942, p. 16) revealed that he was national secretary of the religious section of the league. Herman Reissig spoke at an anti-Nazi rally of the American League for Peace and Democracy (Daily Worker, Mar. 17, 1938, p. 1); and endorsed the United Youth Day parade sponsored by the league (Daily Worker, May 12, 1938, p. 2). He contributed an article to the April 1938 issue (p. 34) of Fight.

The American League for Peace and Democracy was cited as subversive and Communist by the United States Attorney General in lists furnished the Loyalty Review Board and released to the press by the United States Civil Service Commission, June 1, 1948, and September 21, 1948. It was established in the United States in 1937 as successor to the American League Against War and Fascism "in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union." The league was "designed to conceal Communist control, in accordance with the new tactics of the Communist International" (United States Attorney General, CONGRESSIONAL RECORD, Sept. 24, 1942, pp. 7683 and 7684). The Attorney General redesignated the organization April 27, 1953. The Special Committee on Un-American Activities said: "The league contends publicly that it is not a Communist-front movement, yet at the very beginning Communists dominated it. Earl Browder was its vice president. An examination of the program of the American league will show that the organization was nothing more nor less than a bold advocate of treason" (Reports, Jan. 3, 1939, pp. 69–71, and Mar. 29, 1944, p. 37; also cited in reports of Jan. 3, 1940, p. 10; Jan. 3, 1941, p. 21; June 25, 1942, pp. 14–16, and Jan. 2, 1943, p. 8).

The American Relief Ship for Spain was cited as "one of the several Communist Party front enterprises which raised funds for Loyalist Spain (or rather raised funds for the Communist end of that civil war)" by the Special Committee on Un-American Activities in its report, March 29, 1944, page 102. A letterhead of that organization, dated September 3, 1938, lists Herman F. Reissig as a sponsor.

It was reported in New Masses for May 18, 1937, page 30, that Herman F. Reissig spoke at an anti-Nazi meeting which was sponsored by the American Student Union. This organization was cited as a Communist front which was the "result of a united front gathering of young Socialists and Communists" in 1937. The Young Communist League took credit for creation of the above, and the union offered free trips to Russia. The above claims to have led as many as 500,000 students out in annual April 22 strikes in the United States. (See report of the Special Committee on Un-American Activities, Jan. 3, 1939, p. 80; also cited in reports of Jan. 3, 1940, p. 9; June 25, 1942, p. 16; Mar. 29, 1944, p. 159.)

A booklet, These Americans Say (back cover), named Herman F. Reissig as secretary of the Coordinating Committee to Lift the Embargo, which was cited by the Special Committee on Un-American Activities as one of a number of front organizations, set up during the Spanish Civil War by the Communist Party in the United States and through which the party carried on a great deal of agitation (report of March 29, 1944, pp. 137–138).

The Communist Daily Worker carried the following information concerning the Reverend Reissig: arrested in Cuba (July 4, 1935, p. 2); sent Christmas greetings to the Daily Worker (Dec. 25, 1936, p. 1); speaker at meeting for Spain in Brooklyn, supported by the Communist Party (Feb. 24, 1937, p. 3); participated in demonstration before Italian Consulate in New York City (Mar. 17, 1937, p. 1); spoke at a United Youth Day Peace Festival, New York City (May 26, 1937, p. 2); he wrote a letter to the Daily Worker (Aug. 20, 1937, p. 9); he was a member of Tour of Loyalist Spain (Sept. 21, 1937, p. 3); and he spoke at the Brooklyn Anti-Lynch Conference (Apr. 14, 1938, p. 3).

Soviet Russia Today (Nov. 1937, p. 79) listed the name of Herman F. Reissig as one of those who signed the Golden Book of American Friendship with the Soviet Union, which was cited as a "Communist enterprise" signed by "hundreds" of "well-known Communists and fellow travelers" (Special Committee on Un-American Activities, report of Mar. 29, 1944, p. 102).

Reverend Reissig was one of the sponsors of the Greater New York Emergency Conference on Inalienable Rights, as shown on the program of the conference, dated February 12, 1940. That organization was cited as a "Communist front which was succeeded by the National Federation for Constitutional Liberties" (Special Committee on Un-American Activities, report of Mar. 29, 1944, pp. 96 and 129). It was among a "maze of organizations" which were "spawned for the alleged purpose of defending civil liberties in general but actually intended to protect Communist subversion from any penalties under the law" (Committee on Un-American Activities, report, 1948, p. 61).

The Reverend Reissig wrote a pamphlet on Spain which was released by the International Labor Defense, as shown in the Daily Worker of April 15, 1937, page 7. The ILD held a conference in Washington, D. C., at which he and Browder were speakers (Daily Worker, June 15, 1937, p. 4). He attended a meeting of the Hudson County Committee for Labor Defense and Civil Rights, supported by the International Labor Defense, according to the May 7, 1938, issue (p. 2) of the Daily Worker. It is also noted in Equal Justice for November 1938, page 4, that he sponsored a Christmas drive of that organization.

The following is quoted from the committee's report No. 2277, June 25, 1942: "Our committee found unanimously in our report to the House 2 years ago that the International Labor Defense was the legal arm of the

Communist Party. In his order for the deportation of Harry Bridges, the Attorney General concurred in this finding. Three of the four principal officers of the International Labor Defense are publicly avowed members of the Communist Party. Eleven of the fifty leaders of the Union for Democratic Action listed on the accompanying chart have been affiliated in one way or another with the International Labor Defense. They are * * * Herman F. Reissig" (p. 19).

The Attorney General cited the organization as the "legal arm of the Communist Party" (CONGRESSIONAL RECORD, Sept. 24, 1942, p. 7686; also cited in letters to the Loyalty Review Board, released June 1, 1948, and Sept. 21, 1948; redesignated Apr. 27, 1953). This committee cited the organization in report No. 1115, September 2, 1947, pages 1 and 2.

According New Order, a publication of the International Workers Order, Reverend Reissig sent greetings to the organization. He was a speaker at a meeting held in Brooklyn under the auspices of that organization. The following reference to Herman F. Reissig and the International Workers Order is found in report 2277 of June 25, 1942: "Our committee has found unanimously that the International Workers Order is a front of the Communist Party. The organization is headed entirely by outstanding and avowed members of the Communist Party, such as William Weiner, Max Bedacht, * * *. The following leaders of the Union for Democratic Action have been affiliated with the International Workers Order: * * * Herman F. Reissig" (p. 19).

It was reported in New Masses for May 18, 1937, page 30, that Reverend Reissig spoke at an anti-Nazi meeting of the League of American Writers, cited as subversive and Communist by the United States Attorney General in letters to the Loyalty Review Board (press releases of June 1, 1948, and Sept. 21, 1948).

The League of American Writers was cited as subversive and Communist by the United States Attorney General (letters to the Loyalty Review Board released in 1948; redesignated Apr. 27, 1953). The Attorney General said, "The League of American Writers, founded under Communist auspices in 1935 * * * in 1939 * * * began openly to follow the Communist Party line as dictated by the foreign policy of the Soviet Union. * * * The overt activities of the League of American Writers in the last 2 years leave little doubt of its Communist control" (CONGRESSIONAL RECORD, Sept. 24, 1942, pp. 7685 and 7686). The league was also cited by the Special Committee on Un-American Activities (reports of Jan. 3, 1940, p. 9; June 25, 1942, p. 19; Mar. 29, 1944, p. 48).

Herman F. Reissig was executive secretary of the Medical Bureau and North American Committee To Aid Spanish Democracy as shown in the following sources: Daily Worker, March 23, 1938, page 2; New Masses, March 29, 1938, page 21; Daily Worker, June 10, 1938, page 1; and letterhead dated July 6, 1938; New Masses, November 15, 1938, page 20. The Daily Worker of March 19, 1938, page 2, stated that he called a conference of the organization as its director; he greeted a delegation from Spain (Daily Worker, Apr. 5, 1938, p. 6), and spoke at a tea given by the Medical Bureau * * * (Daily Worker, Mar. 10, 1938, p. 2).

The Medical Bureau and North American Committee To Aid Spanish Democracy was cited as follows by the Special Committee on Un-American Activities: "In 1937-38, the Communist Party threw itself wholeheartedly into the campaign for the support of the Spanish Loyalist cause, recruiting men and organizing multifarious so-called relief organizations." Among them was the above (report, Mar. 29, 1944, p. 82).

An undated letterhead of the Mother Bloor Celebration Committee listed Rev. H. F. Reissig as a sponsor on the occasion of her 75th birthday. Ella Reeve Bloor was a "nationally known Communist leader" (report 1311, Mar. 29, 1944, p. 148).

Herman F. Reissig spoke at the second National Negro Congress as shown on a leaflet of the congress dated October 1937. The United States Attorney General cited the National Negro Congress as subversive and Communist in lists furnished the Loyalty Review Board (press releases of Dec. 4, 1947, and Sept. 21, 1948).

A. Phillip Randolph, president of the congress since its inception in 1936, refused to run again in April 1940 "on the ground that it was 'deliberately packed with Communists and Congress of Industrial Organization members who were either Communists or sympathizers with Communists.' Commencing with its formation in 1936, Communist Party functionaries and fellow travelers have figured prominently in the leadership and affairs of the congress * * * according to A. Phillip Randolph, John P. Davis, secretary of the congress, has admitted that the Communist Party contributed $100 a month to its support. From the record of its activities and the compositon of its governing bodies, there can be little doubt that it has served as what James W. Ford, Communist Vice Presidential candidate elected to the executive committee in 1937, predicted: 'An important sector of the democratic front,' sponsored and supported by the Communist Party." (United States Attorney General, CONGRESSIONAL RECORD, Sept. 24, 1942, pp. 7687 and 7688.)

"The Communist-front movement in the United States among Negroes is known as the National Negro Congress. * * * The officers of the National Negro Congress are outspoken Communist sympathizers, and a majority of those on the executive board are outright Communists" (Special Committee on Un-American Activities, report of Jan. 3, 1939, p. 81; also cited in reports of Jan. 3, 1940, p. 9, June 25, 1942, p. 20; and Mar. 29, 1944, p. 180).

The following is found in the committee's report 2277, p. 21: "Probably no one who is acquainted even superficially with the New Masses magazine would deny that it is the weekly publication of the Communist Party. Among the leaders of the Union for Democratic Action, the following have written for the New Masses: * * * Herman F. Reissig * * * He also contributed to the March 29, 1938 (p. 21), and November 8, 1938 (p. 22), issues of that publication.

Reverend Reissig was executive secretary of the North American Committee To Aid Spanish Democracy, as revealed in the following sources: Daily Worker, March 23, 1937, page 2, New Masses, January 26, 1937, page 28; Second National Negro Congress, October 1937; New Masses, October 5, 1937, page 28; Second National Negro Congress, October 1937; New Masses, October 5, 1937, page 26; Daily Worker, February 12, 1938, page 2. It is also noted that as a member of the organization he attended an anti-Fascist demonstration before the Italian Consulate (Daily Worker, Feb. 19, 1938, p. 2).

The North American Committee To Aid Spanish Democracy was cited as a Communist-front organization by the Special Committee on Un-American Activities (reports of Jan. 3, 1940, p. 9; and Mar. 29, 1944, Communist by the United States Attorney General in lists furnished the Loyalty Review Board (press releases, Dec. 4, 1947; May 28, 1948; Sept. 21, 1948).

A letterhead of the Washington Friends of Spanish Democracy named Herman Reissig as national executive secretary of that organization (letterhead dated June 30, 1938). (Citation of Medical Bureau and North American Committee To Aid Spanish Democracy applies also to this organization.)

On page 4 of this memorandum, reference is made to a letter written by Rev. Herman F. Reissig to the Daily Worker (August 20, 1937), p. 9). The letter was addressed to Mike Gold, a Daily Worker columnist, who had written an article on preachers. Mr. Gold published Dr. Reissig's letter, and referred to him as "a preacher who has surely brought honor to the cloth." He said: "Mr. Reissig is the executive secretary, I imagine everyone must know, of the North American Committee to Aid Spanish Democracy. * * * The Reverend Dr. Reissig is one of the chief organizers in this great task, but he must feel deeply on the subject of preachers, for he found time to send me the following letter." The letter said, in part:

"You feel sorry for preachers because they 'mustn't ever hint that war is caused by greed among capitalists.' But I did not suppose that even Communists teach that. War is caused, chiefly—isn't it—by the capitalist system, which is what a lot of preachers I know are saying."

The files of this committee contain a copy of the November 15, 1950, issue of Social Action, published by the Council for Social Action of the Congregational Christian Churches and the Commission on Christian Social Action of the Evangelical and Reformed Church. Dr. Reissig, a departmental staff member of Social Action, expressed some of his views concerning communism and social action in an article in that issue of the publication American Leadership in a Revolutionary World. The following are excerpts from the article:

"The central theme of this article can be briefly stated. The policies of the Russian Communist Government have intensified the crisis of our time and made it acutely dangerous, but the root causes of the crisis antedate, and go deeper than the threat that comes out of Russia. While supporting United Nations resistance to aggression, we must avoid the present tendency to concentrate on 'stopping communism' and deal in truly bold and creative fashion with the underlying causes of world upheaval.

"* * * It may even be said that our western faith * * * has little chance of survival if we give most of our attention and strength to stopping Russia. * * *

"The Council for Social Action believes that Stalinist communism is false and dangerous. * * *

"Let us make no mistake about it. Many a Communist, in the United States and elsewhere, is neither a bad man nor, necessarily, one who has been 'unsuccessful'; he is a faith-starved person who thinks he has found in communism something to live by and to give life zest and purpose. If we ask why some of these people do not now renounce a faith so palpably false and corrupt, the answer may be that it is psychologically impossible for them to face the prospect of returning to a life of no faith at all.

"Let us not be afraid to say that some of our finest young people, products of good homes and of our best universities, have been attracted to communism. Instead of asking what is wrong with them, we would better ask what was wrong with us and with our faith that they turned to Marxism. * * *

"We misinterpret modern history if we fail to see that the raw ingredients of social revolution are not being created by Russian communism. The stanchest ally of communism has not been either Russian 'agents' or Russian armies but the inadequacy of the existing social institutions to provide a reasonable measure of security and happiness. * * *

"What are the effective weapons in the Communist arsenal? Trained propagandists and organizers, fanatical faith, ruthless methods, distortion of truth, the financial backing of Russia, fear of the Russian Army, military leadership and weapons from Russia. But communism's most effective weapon is the appeal against poverty and injustice. * * *

"Some non-Communists in Western Europe are wondering if a Russian-dominated

Communist government would not be preferable to an all-out war. Easy enough to say 'Death is preferable to Communist tyranny.' It isn't a question, even, of a few millions dying for freedom. It is a question of who and what can survive the holocaust. Is it so certain that freedom would survive?

"• • • It is of the highest importance that the problem of dealing with Russia be handled by the international body. Only the United Nations can marshal the necessary moral and military support. But, more than that, the United States at this point needs the restraining and correcting influence of other nations—India, for example, and the European countries whose direct experience of war has made them more cautious about steps that might lead to war than many Americans appear to be.

"• • • we shall have to find ways to resist Communist aggression in Asia without giving our support, or at least unqualified support, to incompetent or reactionary regimes whose only 'virtue' is their anticommunism. • • •

"Let us grant that we have faced a dilemma—either to allow the Communists to win or to support the only available alternative government, no matter how bad it was. We are in this dilemma, partly, because we have been too complacent about intolerable conditions in Asia, and gave too little help, or no help at all, to the legitimate revolutionary movements. We must at least become aware that the new evil cannot be overcome with the old evils. Once that is recognized, we may find solutions where none now appear. • • •"

It is noted that, except for the foregoing article, no reference to Herman F. Reissig is found in the public files, records, and publications of the committee since 1940.

Mr. ROONEY. Mr. Chairman, I yield myself 10 minutes.

Mr. ROONEY. Mr. Chairman, on Saturday last at an unusually long meeting of the full House Committee on Appropriations we on the minority side spent all of our time defending the action of the subcommittee and in preventing, successfully preventing, further drastic cuts in this bill below the $812 million cut by the subcommittee.

As we went along in the marking up of the bill last week there were some cuts made by the majority side, my distinguished friend, the gentleman from New York [Mr. TABER], and his colleagues, which I thought were justified. There were others with which I could not agree—for instance, with regard to general military assistance, a cut of $165 million, the cut with regard to direct forces' support, southeast Asia and western Pacific, the cut of the entire $17 million in the U. N. technical-assistance program, the cut with regard to Intergovernmental Committee for European Migration and the cut with regard to the United Nations Children's Fund.

Now, as to the U. N. technical-assistance program, pages 460 and 461 of the hearings will demonstrate that we uncovered the fact that a number of Communist engineers and technicians from Yugoslavia, from Czechoslovakia and from Poland have been sent into sensitive non-Communist countries, such as India, Iran, Burma, Mexico, and Indonesia, to spread their gospel at the expense of the United States which contributes more than 50 percent of the total funds of the United Nations technical-assistance program. But I feel that it is the responsibility of our representative in the United Nations, Mr. Lodge, to do something about such a situation, because the total number of these technicians is over a thousand. I do not feel that the way to cure the patient is to drain every drop of blood out of his body, which, in effect, is the action of the committee with regard to the $17 million deletion for the U. N. technical-assistance program.

At the same time, I am confused in reading the daily newspapers as to what is going on in this 83d Congress, as to whether or not there is really an effort being made by President Eisenhower and the administration to balance the budget, and whether or not the American people are being utterly fooled. Many of the appropriations items are being increased, and increased and increased. Maybe that is good. But please do not tell the American people you are going to balance the budget and that you are making a sincere effort to balance the budget when you have a situation such as this one indicated on this chart in my hand. You can see it from the last seat in the Chamber. This [indicating] is the Truman program in 1953 fiscal year. Here [indicating] is the Eisenhower-Stassen program for 1955, funds requested in this budget. Now, have the American people been honestly informed that this sort of buildup is taking place? Do they know that this is going on when you do not have a Korean war to support as you did in fiscal year 1953? Why, in today's Chicago Tribune there is an editorial entitled "Eisenhower's Record on Spending," and it concludes by saying:

Economy in government, as shown by the results of the last fiscal year, will doubtless be an issue in the coming election. But it is hard to see how it can be used with much success by the Republicans. All that Eisenhower can claim is that as a spender he is just a little more costly to the taxpayers than Truman was.

And in regard to this alleged cutting of the Truman budget, a budget made up only for what he expected his successor would need as a maximum in 1954, made up at a time when the Korean war was in progress, today's Chicago Tribune says:

He hasn't reduced it at all. Instead, he has increased it. The Treasury outgo in the year he has just reviewed was $2 billion more than was spent by his predecessor whose record he had criticized.

Now, where are we going? Who are we kidding?

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I wanted to ask how much in the Truman prepared budget was included for the cost of the Korean war which was still going on at the time. I think the gentleman will find that never was budgeted.

Mr. ROONEY. Oh, yes, I am sure that it was, I say to the gentleman.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Michigan.

Mr. FORD. I can assure the gentleman that for the Department of the Army budget for fiscal 1954, which is the one that both former President Truman and the present President worked over, there were no funds in the Truman budget for the Army's activities in the Korean war for that 12-month period.

Mr. ROONEY. I wish the distinguished gentleman would tell us how much was included for defense spending.

Mr. FORD. For what fiscal year?

Mr. ROONEY. 1954.

Mr. FORD. The defense appropriation for fiscal 1954, as I recall it, was $34 billion.

Mr. ROONEY. And that was what percentage of the budget?

Mr. FORD. The total budget, as I recall, for fiscal 1954 was about $54 billion.

Mr. ROONEY. No. I am speaking percentagewise now. Was it not in the neighborhood of 80 percent of the budget, or more?

Mr. FORD. I do not believe it was that high.

Mr. ROONEY. I am speaking about defense spending; that includes foreign aid, the Atomic Energy Commission and all such items.

Mr. FORD. If you want to compare the appropriation for fiscal 1954, the military appropriation, between the Truman and Eisenhower budgets, you will find that we reduced the Truman budget by about $5 billion.

Mr. ROONEY. I do recall the allegations with regard to that; it was stated that we were going to get better defense for less money, but the fact still remains that you have not balanced the budget. You are still $3 billion out, and your Treasury outgo during the past year, as of June 30, was $2 billion greater than it was in the previous fiscal year.

Mr. FORD. At the time Mr. Truman presented his 1954 budget, he anticipated the deficit for fiscal 1955 as $9.9 billion plus, and here is an additional fact that was not too well brought out at that time. If the gentleman will take the defense part of the budget for fiscal 1954, he will see this, that Mr. Truman predicted a $12.5 billion deficit. In reality he anticipated spending more for the Korean war, so the deficit in effect would have been $12.5 billion for fiscal year 1954. In other words, at one part of the budget they said it would be nine and nine-tenths and in another part of the budget, where they were telling all the facts, they said on the continuation of the Korean war they expected the budget to be $12.5 billion in the red for fiscal 1954. The present administration has taken that figure from twelve and five-tenths down to three billion, which I think is a very substantial bit of progress.

Mr. ROONEY. So there was more money for the Korean war? If you promised the taxpayers in the fall of 1952 that you were going to balance the budget, why did you not cut appropriations and balance the budget? You have been at it over a year and a half now.

Mr. FORD. The reduction of a predicted deficit by almost $10 billion in 1 year is excellent progress.

Mr. ROONEY. I should like you to read the entire editorial to which I refer:

EISENHOWER'S RECORD ON SPENDING

Shortly after June 30 of each year the President of the United States issues a

statement summarizing the income and outgo for the accounting year just ended. Almost invariably each President has stated his conviction that he has managed the Government well in the preceding 12 months and that progress has been made in getting the Nation's finances on a sounder basis.

President Eisenhower conformed to custom when he announced Friday that during the fiscal year which recently ended, expenditures were cut, the year's deficit was brought down, tax reductions were made possible and "we are laying a firm base for a healthy and expanding economy."

In the recent fiscal year, outgo amounted to $67.6 billion. Mr. Eisenhower says this is $10 billion less than the last Truman budget. But that budget was never authorized by Congress. It was just the sum total of what the outgoing President told Congress the Government would need to carry on all the activities he had in mind. In that year, half Truman and half Eisenhower, the spending totaled $74.3 billion.

Mr. Eisenhower also places the saving at $3 billion under his own estimate made in January. The way to make a substantial showing like that in July is to make your estimate outrageously high in January. It was widely pointed out earlier this year that a $70 billion spending rate was excessive. The hope was then expressed that the President himself would recognize this.

When Mr. Eisenhower was campaigning for his office, he promised to bring about a sharp reduction in expenditures. In the year which ended in mid-1952, just before the campaign started, the Government disbursed $65.4 billion. The achievement of Mr. Eisenhower in bringing about economies must be measured by how much he has cut spending below this figure of $65.4 billion.

He hasn't reduced it at all. Instead, he has increased it. The Treasury outgo in the year he has just reviewed was $2 billion more than was spent by his predecessor whose record he had criticized.

The administration has indicated what the outgo is going to be for the new fiscal year which will end June 30, 1955. The total as it is set down in the Treasury Bulletin is $65.6 billion, or a little more than Truman spent in his worst year, and Truman at least had two excuses for swollen budgets. He was fighting a war in Korea that has been over since July 27, 1953. Moreover, he was carrying out the program of economic aid under the Marshall plan. Economic aid, we are told time and again, has been almost completely stopped.

Economy in Government, as shown by the results of the last fiscal year, will doubtless be an issue in the coming election. But it is hard to see how it can be used with much success by the Republicans. All that Eisenhower can claim is that as a spender he is just a little more costly to the taxpayers than Truman was.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GARY. Mr. Chairman, I have no further requests for time.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I think one point has come up during the debate today that requires clarification. One of the Members during the general debate quoted from a newspaper article that appeared in one of the local newspapers yesterday in reference to what was going to happen to the military and other equipment that we had sent into Vietnam following the truce. This question was discussed last Wednesday before our subcommittee at the time the Secretary of State came before the subcommittee. Following the newspaper article which appeared yesterday the chairman of the committee, Mr. TABER, requested a written statement on the situation from the Director of the Foreign Operations Administration, Mr. Stassen. At this time, Mr. Chairman, I should like to read the full text of the statement from Mr. Stassen in reference to the evacuation of this equipment. I read verbatim from this statement:

PROTECTION OF UNITED STATES FINANCED EQUIPMENT IN INDOCHINA

As the Geneva Conference approached a climax, all available precautionary steps were taken to safeguard United States financed equipment and material en route to or located in the area of North Vietnam.

1. MILITARY EQUIPMENT AND MATERIEL

(a) All military equipment and materiel en route to this area was ordered back to the United States or otherwise diverted.

(b) Assurances were received from the French that every effort would be made to safeguard against capture United States financed military equipment and materiel in their hands. Reports indicate that the French have abided by these assurances, and have given a high priority to the withdrawal of such equipment from the area. Generally speaking, approximately 45 percent of this equipment is in the Hanoi-Haiphong area, about 45 percent in the Saigon area and the remaining 10 percent in the Tourane coastal area.

By the terms of the agreement on suspension of hostilities in Vietnam, the equipment in the Tourane and Saigon area are south of the military demarkation line which has been established and will not require evacuation. Also, by the terms of the same agreement, the forces of the French and Associated States will have 80 days to complete evacuation of the Hanoi area, and 300 days to complete evacuation of the Haiphong area. This period of time is considered adequate for the evacuation of all MDAP materiel and equipment in the area.

2. NONMILITARY GOODS AND EQUIPMENT

(a) All shipments to this area of nonmilitary goods and equipment of bulk commodities which might be difficult to remove were halted several weeks prior to the armistice, and diverted to Saigon or other areas.

(b) Steps were and are being taken to remove all movable goods and equipment of any military significance whatever to which the United States has title from the area. A quantity of radio receiver-transmitters used in the FOA resettlement project in North Vietnam is presently being removed to Saigon.

(c) Nonmilitary goods and equipment which have been delivered to the Vietnamese are to be removed in accordance with the provisions of the armistice agreements, which are presently being analyzed in consultation with the French and the Vietnamese. Subject to these agreements, our desire to remove all movable equipment and materiel of military significance (including such items as trucks, raw cotton, bulldozers, etc.) from the north appears to be in accord with the policy of the Vietnamese and French owners.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SMITH of Wisconsin. I would call the gentleman's attention to a news item written by Jim Lucas from Saigon yesterday in which he calls attention to the fact that automobile trucks are still being delivered at the port of embarkation in Haiphong. That does not square with the statement the gentleman has just referred to.

Mr. FORD. I can only say that this is the statement which was delivered to the chairman of our committee this morning from the Director of the Foreign Operations Administration. It is conceivable, although I cannot verify it, that the delivery at this moment of trucks to Hanoi and Haiphong would be quite helpful and beneficial in the evacuation of some of our materiel from that area. That is conceivable. Trucks could be most helpful in getting valuable equipment out of the area.

About 3 or 4 months ago the United States sent a man to head up our military advisory group in Saigon, Gen. Mike O'Daniel. General O'Daniel has a long and outstanding record in the Department of the Army. I feel that he is one man we can rely on entirely to make a maximum effort to get from this area all equipment and supplies we have supplied and which would be useful in the southern Vietnam area and in Laos and Cambodia.

I would like to discuss at this point a somewhat different matter because it will bear upon what I suspect will be amendments offered subsequently. During the consideration of the Department of the Army appropriations we had the head of the G–4 section, the Assistant Chief of Staff of G–4, before our committee to discuss our ammunition situation. The question of ammunition was a rather hot issue a year ago. During the interval we had made as a government a great effort to get our own ammunition stocks in proper status. I can assure the members of this committee that our own ammunition picture now is immeasurably better than it has been for sometime.

Gen. W. B. Palmer, during the hearings on our bill for the Department of the Army, presented some testimony which I think is most significant here. He pointed out in summary that the funds we were asked to provide and which we did provide for procurement and production for the Department of the Army were adequate for our troops, but he was very careful to point out that if we should have a war break out the mobilization reserve we have for our own Army would be inadequate to supply our allies in our collective-security program; that if war broke out tomorrow we could not supply our allies unless we draw down our own precious Army stocks.

I would like to quote from the testimony we took in the Army committee hearings. It appears on page 1060 of the Army hearings for fiscal year 1955:

Mr. FORD. As I understand it, from the testimony which has been given here this morning, the funds which you have available and the authority which you want for fiscal 1955 in procurement and production will provide a mobilization reserve satisfactory for the United States Army in the concept we now have of a long, extended, uneasy peace?

General PALMER. I believe that is correct, Mr. Chairman. I think we have no feeling that there is an incompatibility between the policy, the governing policy, and the funds made available.

Mr. FORD. The provisions of our allies, the military equipment which they need to go along with our joint-defense program, would

have to come out of what is commonly called the foreign-aid appropriation request?

General PALMER. That is correct.

Mr. FORD. This committee is not now and never has considered funds for the buildup of our allies.

General PALMER. That is correct.

Mr. FORD. The funds which may be necessary to supply our allies with adequate military equipment will come out of another appropriation request which we call the foreign-aid or military-assistance program?

General PALMER. That is correct.

Mr. FORD. Any deficiencies which they might have, if we as a nation intend to supply them, the Congress will have to provide for in a military-assistance appropriation act.

General PALMER. That is correct.

Mr. FORD. Further questions?

Mr. SIKES. I have one further question.

But none of the foregoing would, as I understand it, change the fact that this is a limited mobilization reserve and that if there should be a sudden emergency—and we will surely need the help of our allies if there should be an emergency—the United States Army would have no supplies or equipment under this mobilization reserve to provide to its allies. Is that correct?

General PALMER. That is correct; none provided specifically for that purpose.

Mr. GARY. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Chairman, when World War II ended, almost 10 years ago, we all looked forward to a period of peace. We hoped that we might be able to settle down to tackle the great problems of reconstruction in an atmosphere of friendly cooperation among nations. That hope was denied us. Instead of peace, we have had pockets of conflict all over the globe. Some were indigenously engendered. Some were touched off by the great underlying conflict of the postwar world, the cold war. All of them have been affected in one way or another by the cold war, whether they started that way or not.

American policy in these areas of conflict has not always been decisive or clear. All too often, we have failed to anticipate the crisis—we have reacted, belatedly, to developments when it was already difficult to affect the situation. In large measure, this has been due to a tendency to focus attention and to become absorbed in parts of the world. This concentration has obscured our vision of the world as a whole.

For some time now, we have been so absorbed in the problems of the Far East and southeast Asia that we have been neglecting American policy in another portion of Asia—an area torn by conflict and tension, where the ineptitude of current American policy, if continued, may bring us to as disastrous a crisis as we have been facing in other parts of Asia in the past few months.

I refer to the Middle East. This area is important to America for a number of reasons. Geographically, it is one of the major crossroads of the globe, the connecting link between Europe and Asia. Politically, it is one of the strategic factors in the cold war between the Soviet Union and the free world. Economically, its huge oil deposits are essential to the operations of the western economies. But—most important to those of us who value humanity—we are bound by deeply felt ties of an ancient heritage upon which our ethical and moral systems were founded. Three great religions of the world were cradled here. And western society owes its basic moral values primarily to two of these great religions.

But this birthplace of our western civilization is today a disturbed and distressed area, divided by internal conflict, and exposed to external danger. We should be deeply concerned about the peril which confronts this region and its peoples.

American policy in the Middle East should be so designed as to contribute to the reduction of tensions, to the promotion of harmony among the various peoples living in it, and to the attainment of peace and growth in that area. But the reverse is happening. Current American policy is contributing not to a reduction of tensions but to an intensification of them, not to harmonious living together but to divisiveness and the continuance of conflict, not to peace and growth but to a static acceptance of all that makes for the festering sores of social unrest.

I emphasize the fact that it is the new American policy in this area that I speak of. For in the past America has warmly supported and encouraged the aspirations of all the peoples of the Middle East. We have done this for several decades. Our first aim has been political independence, our second economic development. Real and lasting progress in both of these areas of human living are necessary if the peoples of this region are to realize their hopes and to enjoy in a creative way their rich stores of culture.

The allied victory in World War I brought with it the collapse of the Ottoman Empire and thereby the liberation of the great Arab peoples. American ideals and the principle of self-determination enunciated by President Woodrow Wilson gave the inspiration to Arab nationalism. With our help, 50 million people living in an area of 2½ million square miles have achieved nationhood. Originally four, there are now eight Arab nations. When the United Nations was established, our country helped to bring these new States into the framework of the international community, despite the fact that their contributions in the last war were either negligible or on the side of the Axis. Of the eight Arab nations, only Jordan and Libya are not members of the United Nations.

But our friendship was not reserved for the Arabs. We have also warmly supported Jewish aspirations for nationhood, regardless of which party was in power. Every President since Wilson, whether Democratic or Republican, and both parties in the Congress, have supported the principle of an independent Jewish homeland. We approved the historic Balfour declaration. We supported the U. N. recommendations for partition in 1947. We were among the first to recognize the new state of Israel. We tried in the United Nations to restore peace after the Arab states went to war against the new Jewish State. With the signing of the armistice agreements, we have used our influence in the United Nations to try to translate these into real peace agreements. We welcomed Israel into the United Nations and gave friendly encouragement to this new democracy in the Middle East.

We have every right to be proud of our role in helping to achieve the national independence of these middle eastern states—both Arab and Jewish. We may also be proud that we have been concerned with the development of the entire region, and, especially within recent years, have been generous with economic and technical assistance.

But within the last 18 months our Department of State has wrought a subtle change in all this. The New Look has eyed the Middle East with a withering glance. In its political policy the present administration has reversed our past positive program for peace in the Middle East.

The new policy in the Middle East, described as one of "impartiality," was enunciated by Secretary of State Dulles about a year ago, after a trip to the Middle East. Now, Mr. Dulles may be sincere in his desire for impartiality. But the impression conveyed by this speech was of a semantical sleight-of-hand, for it implied that we had not been impartial in the past. To prove our new impartiality, we have actively sought to accommodate ourselves to the Arab position and to identify ourselves increasingly with Arab demands upon Israel. By a process of inexorable logic, this has led to the support of the Arabs in their refusal to seek a real peace and in their increasingly bolder economic and guerrilla aggression against Israel. Hopes for peace become dimmer in the area.

For the Arabs, unfortunately, have never accepted the armistice as a steppingstone to peace. They still consider themselves at war with Israel, and within recent months they have stepped up their economic blockades and boycotts and intensified their guerrilla activity against border settlers with the aim of driving them from the frontiers and strangling Israel's agricultural life.

This mounting conflict is the product of American policy. It is the price we are paying for another ignominious failure.

Before the new Dulles doctrine, progress was being made—slowly, to be sure, but, nevertheless, positively—toward the reconciliation of these conflicts. But Mr. Dulles' statement has supplied the Arab leaders with a rationale for the continuance of their intransigent attitudes and actions.

Now we come to the next step in the flow of this logic. The administration actually appears to have abandoned peace as the goal of American policy in the Middle East. State Department officials concerned with this area are permitted to announce that peace is no longer possible. The most we can hope for, they state, is that the conflict and tension shall get no worse. As if such a static aim were possible in the fluid course of world events.

For the unfortunate peoples of the Middle East, this aim is bad enough—no area likes to live in perpetual conflict. But ferment in a region of the globe is

not like a chemical experiment—it cannot be isolated in a test tube and controlled, and this makes it all the worse.

Hot ferment and cold war—these have a way of interacting and spreading. The Kremlin is all too close to the Middle East, and the men who sit there can also take a long look. As a matter of fact, they have been playing their own unsavory brand of politics in this area for too long already. Their aim, here as elsewhere, is economic disintegration and chaos, which always serve their ends. To achieve this they have twice sided with the Arabs at the United Nations in vetoing Security Council attempts to lessen Arab-Israeli hostility.

Nothing is closer to the Kremlin's desire than to have both groups at each other's throats. That is the posture best calculated to encourage Communist aggression. It is the worst possible relationship from the standpoint of the free world.

The administration hopes to keep back the Kremlin by defending the "northern tier" and arming the Arab States. It has already announced its decision to grant arms to Iraq. Yet Iraq is a nation which, by its own admission, considers itself at war with a country friendly to us. Iraq, as a leader in the Arab League, fosters organized Arab hostility to Israel, and her leaders let no opportunity go by to express their determination of wiping Israel from the face of the earth.

Now, the Department of State is not unaware of our concern lest Iraq use our arms in renewed conflict with Israel. But it believes that Iraq can be trusted not to abuse our confidence.

But what a gamble this is in the face of the record of Iraq—political instability, repression of minorities, and the abortive pro-Nazi revolt of 1941.

How can we be sure that a country that has invaded Israel, which has expelled most of her Jewish population, and which hangs Jews in the public square of Baghdad can be relied upon not to attack Israel? The Iraqi themselves publicly proclaim that they are unreconciled to Israel's continued existence. On what theory do we refuse to take them at their word? What sort of wishful thinking is it to say that the Iraqui are not what they themselves say they are?

Nowhere else are we arming a country at war with an ally. Nowhere else are we giving our weapons to those who boast publicly of their intention of destroying, not possible aggressors, but a peace-loving neighbor.

You do not have to be a military expert to know that the Iraq army has a feeble record and could offer us little help in stemming Soviet aggression.

What then is the real purpose of this arms program? Do we equip Iraq to suppress the Kurds, who are seeking self-determination? Is it our purpose to supply arms so that they might suppress those who would overthrow the rulers now in power? Government by violence is the rule in Arab countries. Certainly the use of American arms for such purposes will not win friends for the United States but bitter enemies. For what we are really doing is strengthening the feudal dictatorship in these countries at the expense of the people, long too repressed to be articulate in their cry for social reform. Is this really the way to fight the Communist menace? Does not our policy really drive large masses of the people into the false embraces of the Soviet Union?

The time has come for a reappraisal of American policy in the Middle East. It need not in any sense be an agonized reappraisal. Only a continuation of the current policy will be agonizing. A return to true impartiality will be a welcome change, since at present conditions are deteriorating to an alarming degree. Not arms but economic and technical assistance to all the peoples of this area; not the fanning of flames of conflict but patient negotiation at a conference table; these are essential conditions for the attainment of peace.

We need to help the peoples of this area by helping them lift their sight for their economic and social betterment. We want to help them live side by side in peace. We want them to live productively and creatively, so that they can enjoy fully the blessings of democracy. We will not defend freedom in this or any other part of the world unless we build and expand democracy. This we can do if we strengthen democracies wherever they may be. This we will fail to do if we undermine democracies by an alliance with those who survive by oppression and war.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Military assistance: For military assistance as authorized by title I, chapter 1, $1,341,300,000 plus unobligated balances, as follows: For general military assistance authorized by section 103, $1,265,300,000 plus not to exceed $2,234,912,729 (including not to exceed $27,285,000 for development of weapons of advanced design as authorized by section 105) of unobligated balances; for infrastructure authorized by section 104 (a), $76 million, plus not to exceed $39 million of unobligated balances: *Provided*, That such unobligated balances shall be derived from balances of appropriations heretofore made for military assistance (Europe; Near East and Africa; Asia and the Pacific; American Republics; and mutual special weapons planning): *Provided further*, That not to exceed $22,500,000 of such funds shall be available for administrative expenses to carry out the purposes of title I, chapter 1 until June 30, 1955.

Mr. DAVIS of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Wisconsin: On page 2, lines 8 and 9, after "exceed", strike out "$2,234,912,729" and insert "$1,934,912,729."

Mr. DAVIS of Wisconsin. Mr. Chairman, the gist of this amendment is the reduction of the unobligated balance for general military assistance by $300 million. The purpose of this amendment is not so much to deprive the military assistance program of that particular amount of money as it is to assure that this Congress will be able to review this entire matter when it returns in January. I believe that is necessary, as I indicated in my remarks in general debate, because of the events which have happened since the justifications for this program were prepared, and since the hearings on this matter were conducted. I believe that this is closely related to the truce which has occurred in Indochina. I believe it is closely related because I am firmly of the belief that as part and parcel of the solution in Indochina, there has been a commitment made by Mendes-France that his nation will not ratify the EDC, the European Defense Community, as long as he is Premier of France. I am satisfied of that because Mendes-France has always been a skeptic of the European Defense Community plan. I am quite sure that he will go ahead and go through the formality of attempting to put the EDC plan through the French Parliament, but I am equally convinced that he will make certain that effort will fail because of the groundwork that will be laid in the French Parliament to make it fail. In my opinion, that makes the rearmament of Germany almost a certainty by the time this Congress convenes for the 84th Congress. Some will say, "If that is what is going to happen, leave the money in. Let them go ahead with that." To my way of thinking, that is too important a decision, and the amount of money involved is too great, for us to give that kind of a blank check without their first coming back to the Congress for a review of this matter.

It does no good for us to say, "Let us make this all dependent upon the actual existence of a European Defense Community" unless we are going to do something to assure that kind of a condition to exist.

I believe the only way we can do it is to defer the availability of these funds, in the light of recent developments in Indochina, and in Europe, until we have a much better idea of what our program is going to be.

The argument will be made that this will hurt the Military Assistance Program because of the long-lead items involved. Well, why is it that in accordance with the tabulation which appears on page 185 of the hearings out of $1,101,000,000 available to the Army for materiel of this kind, tanks and other long-lead items, only $145 million was obligated, and not one dollar of that was for the contracting of new materials? Every single dollar was a diversion, taking out of stocks of materials that had already been contracted for, by our own Defense Departments.

I would like to call attention to the fact that if it was so important to go ahead with this, why did they not contract for $1,175,000,000 for the Army, for $421 million for the Navy, and $954 million for the Air Force? If there is urgency, somebody ought to have been doing something about it during 1954. If there is to be an emergency ahead, there is still plenty of money left here to do all the contracting, all the building up of stock, that will be required before this Congress meets in January.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent Mr. DAVIS of Wisconsin was granted 2 additional minutes.)

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. OSTERTAG. I just want to make clear that this amendment would be applicable to the European theater, rather than the world.

Mr. DAVIS of Wisconsin. It is general military assistance. I might say that there is a great deal of transferability among these items. If there is to be need for long-lead items, there is authority that exists to put some of that money into this particular field. I think the value of this amendment is to provide opportunity for a very careful review of this very important and this very expensive program when the Congress returns at the opening of the next Congress. In my opinion, this is the responsibility of Congress, to share in the decisions that must be made, in view of the events that have transpired in recent weeks; in view of events that have transpired since this presentation was made to the Appropriations Committee.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. SMITH of Wisconsin. Does not the record show that if we did not appropriate 1 cent there would be no damage to the program in the next 18 months?

Mr. DAVIS of Wisconsin. Certainly there is a huge unexpended balance and there is a huge unobligated balance.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(By unanimous consent, at the request of Mr. ROONEY, the gentleman from Wisconsin was granted 1 additional minute.)

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. ROONEY. I would like to inquire of the gentleman whether or not this proposed amendment would not reduce the program with regard to Greece, Turkey, and Spain.

Mr. DAVIS of Wisconsin. There are other places in this bill for those three countries, as the gentleman well knows. This is a very general matter. There is great transferability, and if you want to torture the situation this much, you could say this takes it from England or Ireland, which would greatly concern the gentleman, or it takes it away from any other country. But as a matter of fact, transferability exists, to put it in any of those particular countries, under the law.

Mr. ROONEY. The gentleman knows I attended the hearings?

Mr. DAVIS of Wisconsin. I certainly know that.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

Mr. Chairman, I do not like to have to take the floor and speak against an amendment offered by my friend from Wisconsin who is one of the most valuable Members of the House; but I do feel that this amendment reducing the unobligated figure by $300 million makes in addition to the cut which the committee has made of $265 million too great a reduction in this particular item.

We are in a very difficult situation in the world. Here is why we have the great unexpended balances in this matter. All through the Korean war the United States forces were being supplied to a very considerable extent out of the stocks that had been accumulated for military purposes in connection with the old Economic Cooperation Administration, and, as a result, things were not supplied to our European allies in the quantities that were necessary in order to put them in a position where they would be able to take care of themselves. Now, that situation has been partly corrected. With the operations of this year we will be able to very largely correct that situation.

If we knock out $300 million of this it is going to mean that we will not be able to build up that first line of defense of troops in Western Europe, in Asia and in the islands in the Pacific that is necessary if we are to prevent the Communists from taking over the entire world. We can a good deal better train and equip and arm some of those European nations and the free of Asia and let them do a part of the fighting than we can to let our own boys and to rely on our own boys to take all the killing, all the wounding, and that sort of thing in defending these other peoples as well as ourselves. I would not want us to shirk our share; on the other hand, I do believe that it is better for us to arm, equip, and train them so that they can carry part of the load than it is for us to let the thing go in such a way that there is no chance of having any help whatever in meeting the situation that we have to face.

Mr. Chairman, I hope the pending amendment will be rejected.

Mr. LAIRD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is well for us to put the consideration of this bill in its proper perspective. The distinguished chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER], for whom I have the highest respect and admiration, has brought up the argument that it is better for us to arm the people in foreign countries than it is for our own American boys to carry arms. The amendments offered by my colleague from Wisconsin [Mr. DAVIS] have no bearing on this particular principle. I do not think that the question of arming friendly nations around the world is an issue in considering these two Davis amendments. The question which these amendments put squarely before the House is simply the question of whether the entire amount of funds carried in this bill is actually needed to carry out the principles of our mutual-security program.

If each of you will look at the hearing record of the Appropriations Committee on this appropriation bill, you will find in the testimony the recommendations of the Foreign Operations Administration requesting the reappropriation of unexpended balances estimated to be approximately $9.970 billion on July 30, 1954. Of these unexpended balances the Foreign Operations Administration reported that it had obligations for $7.397 billion and that $2.582 billion was completely unobligated and available for use in 1955. Members of our committee staff checked the $7.397 billion in reported obligations of the FOA and upon close investigation estimated that at least $2 billion of the amount reported as obligated by the FOA was not in reality obligated by a firm contract or a firm obligation.

The House Appropriations Committee has authorized the use of $2.3 billion in carryover appropriations and appropriated new funds of $2.8 billion, making the total available for obligation in this current fiscal year of $5.1 billion. In reality, this afternoon we are considering a mutual security bill which totals $12.4 billion due to the fact that this bill does contain language reappropriating all obligated balances of the Foreign Operations Administration in the amount of $7.3 billion plus the $2.3 billion in unobligated balances plus the $2.8 billion in new appropriations.

There is a transferability provision in this bill which allows up to 10 percent of the funds authorized for obligation in fiscal year 1955 to be transferred to any section for any purpose that the executive department feels is necessary. The list on page 2 of the committee report as far as the breakdown of where funds will actually be used, means very little, when the executive department itself can transfer up to one-half billion dollars to any country or to any area in the world covered by this bill. As a matter of fact, the executive department, under the language presently contained in this bill, can transfer funds appropriated for military procurement to economic aid without limitation.

Our committee staff and the hearing record made before the House Appropriations Committee showed considerable evidence of loose bookkeeping. In an effort to secure some degree of understanding of the reliability of carryover amounts, the committee staff was directed to work with the General Accounting Office on the analysis of the figures submitted by the FOA.

This involved visiting the various locations both in the United States and overseas where records are available and examining the details of individual obligating documents to determine the validity of items reported. It has already been determined that questionable practices, involving substantial sums, are being followed in the classification and recording of transactions and obligations. They range all the way from plain clerical errors—$47,800,000—to amounts exceeding limitations stated in letters of intent not yet converted to definitive contracts. Substantial sums are included for lump-sum contingent amounts contained in contracts for spares, spare parts, engineering changes, and the like for which there are no definitized orders and which appear to

amount in effect to nothing more than an administrative reservation of funds against possible future purchases. Contracts entered into in 1951 and earlier years, practically dormant for many months, are also included. There are other categories of questionable firmness such as canceled orders not yet removed from the books, excessive cost estimates, lower stock prices promulgated subsequent to the original requisitions, and so forth. The conditions found closely parallel those reported in March 1954 by the Comptroller General on obligations for regular aircraft procurement funds in the Navy and Air Force.

Similar tests were made of selected obligations reported as of May 31 under nonmilitary programs. Many instances were found of outstanding obligations with considerable age which were possibly out of date as well as many instances where there was a direct question of validity from a standpoint of legality and firmness.

While the magnitude of the job is such as to require more time than has been available for a complete analysis, and the committee therefore was not in position to state with any degree of exactness the total amounts which may be involved, the facts developed to date indicate a very serious situation. The analysis is continuing and the Acting Comptroller General has already written a letter to the FOA indicating that it will be necessary for his office to review the obligating procedures being followed.

Under the circumstances it seems to me that if the Congress is to retain some semblance of control over the amounts to be expended, that we cannot authorize the full appropriation that is carried in this bill today. If we are to do away with the poor management and loose bookkeeping procedures which have been used throughout this program, it is necessary for us to reduce the appropriations until such a time as the Foreign Operations Administration can come before our committee and present a clear picture of what the situation actually is in regard to the funds which have already been appropriated to this agency.

Mr. Chairman, we can very well go along with the amendment offered by the gentleman from Wisconsin, adopt his amendment, and we will be insuring much better bookkeeping procedures, much closer scrutiny by the Congress of the funds that are to be used and will be following the procedures which we have used on every other appropriation bill dealing with the appropriation of funds for domestic purposes. We will not be hurting the program, as I want to remind each of the Members here today that our committee was told that the maximum that could be obligated in fiscal year 1955 was $3.5 billion. It is completely unrealistic and almost fantastic to me that the Congress should authorize the expenditure of the entire amount recommended in this bill in view of the fact that these funds will not be allocated or spent until 3 or 4 years in the future. The mere making of large appropriations will not have any real psychological effect upon the threat of international Communist aggression.

Mr. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment offered by the gentleman from Wisconsin seeks to eliminate an additional $300 million from the unobligated funds which the committee has recommended for inclusion in this bill.

I think at this point we ought to start from the beginning to see where this amendment, if approved, would leave us The administration, in its request for this program for fiscal 1955, proposed the appropriation of new money in the amount of $1,430,300,000. This is a request for military hardware, guns, tanks, ammunition, all of the things that go to build up our allies for the defense of what we call the free world.

The other body, through its Committee on Foreign Relations, in considering the authorization bill, reduced that overall amount by $165 million. The authorization bill was not reduced by the House in the military assistance program.

The administration, in its recommendations for fiscal year 1955, proposed that we reauthorize $2,472,567,283 in old funds which had been previously made available.

Our committee cut those unobligated funds by $265 million plus. The amendment offered by the gentleman from Wisconsin [Mr. DAVIS] would reduce those unobligated balances by an additional $300 million, making a total reduction of new money and old money, if the Davis amendment is agreed to, of $730,479,554, which is better than 10 percent.

Let me review and summarize the situation. A $165 million reduction in new money; plus $265 million which the committee has already cut; and if you approve the Davis amendment you take off another $300 million making a total of some $730 million out of the total request of the President for both new money and old money.

It is my opinion that such action would be a very serious impairment of our effort in conjunction with our allies in building up a strong military force against the threat of communism. As I indicated in my previous remarks, included in this particular item of this bill are the funds for the ammunition of our allies. I think the testimony will show that in this request, both old money and new money, there is an approximate figure of $1 billion for ammunition. We are at the present time considering an amendment that would reduce the total amount by an additional $300 million, which, if combined with the action taken to date would make a total of $730 million.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. DAVIS of Wisconsin. How does the gentleman explain that at least in the Army, in the military-assistance program, where they had well over $1 billion to obligate, as far as the record shows, they have not contracted for one single dollar's worth of ammunition for this program in the fiscal year 1954?

Mr. FORD. I can tell the gentleman this, that the Department of the Army has, as its program for its own forces, a program approximately $1 billion a year for the next few years. Now out of the foreign-aid funds there will be some obligations in the United States through the Department of Defense. In addition, there is an effort to be made for the buildup of ammunition sources of supply in foreign countries. This program is being expedited.

Under the arrangements we have with all of our Department of Defense agencies the FOA puts in a request and the obligation is not actually firm until delivery is about to be made. I cannot give the gentleman the exact dollar situation. But out of the whole FOA program for ammunition, out of the new money and the old money, it is my recollection that there is close to a billion dollars out of some $6 billion. Bearing in mind our own ammunition picture which is just about what it should be, I think it would be disastrous at this point to take any further action which would complicate the situation for our allies and quite directly for ourselves. Obviously if war should start tomorrow we would have to help supply some of our allies who would be helping us in the fight. I do not think we can take that risk at this very crucial time in world history.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call attention to a very unique provision in the annals of legislative reports. The great Appropriations Committee, composed of 50 Members of this House, after sitting in judgment somewhat as a grand jury, has brought in a broad, sweeping indictment which I should like to read and to emphasize. I think it is unique when a Republican-dominated committee comes to the floor of the House with this indictment leveled at a Republican administrator. This is what the report says:

> From an analysis of the underlying details, including examination of a number of specific documents forming the basis for such amounts, the committee can only conclude that there was a deliberate effort to tie-up or dispose of available funds before the June 30 deadline. The finger points clearly to various forms of "June buying" to get rid of "hot money" as basis for support of 1955 requests, a practice long condemned by the committee and on which, as late as April 26, the Director of the Budget issued a directive to agencies cautioning against such practice late in the fiscal year.

It seems to me that if this indictment is true, if our great Committee on Appropriations has found the persons involved guilty, then some sort of a judgment should be rendered. It seems to me that if the committee knows who the guilty parties are the committee should see to it that they are driven from public office before twilight tomorrow. Imagine a committee finding that here was a deliberate and unholy conspiracy to get rid of the money that is provided for our foreign-aid program.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from New York.

Mr. TABER. This situation was described by our committee because we in-

tend to see that the situation is corrected. It has been going on for years and we intend to stop it. We sent 25 men down into the departments to check it.

Mr. COOLEY. I congratulate the distinguished chairman of this great committee on being so forthright and so frank and so honest in presenting the true facts to the House and to the country, but I do insist that anyone connected with the Government in any capacity who becomes a party to an unholy conspiracy to throw away the people's money as indicated by this report should be removed from public office.

I will not bore you by reading the rest of the report, but the report goes ahead and submits evidence justifying the conclusion of this great committee. I assume that it was an unanimous finding by the Committee on Appropriations. I just want to emphasize this fact: In this very first item in this great bill we are here and now appropriating 3 times more money than the taxpayers of America have lost on the price-support program through the Commodity Credit Corporation in the long period of 22 years. We talk about the cost of the agricultural programs. I am taking the floor to emphasize how inconsequential the cost has been when related to other costs. I wish to call to your attention detailed information which I think minimizes the cost of the agricultural program, as it should be minimized, by the Congress and throughout the country.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GARY. Is it not a fact that if millions of dollars from this program had not been spent to purchase farm surpluses that the losses of the Commodity Credit Corporation on its surplus products would have been very, very much larger than it is today?

Mr. COOLEY. I am not complaining about the fact that money has been spent on the foreign-aid programs. I think the gentleman from Virginia knows that I have consistently, year in and year out, supported the foreign-aid programs, but I do not believe my friend, the gentleman from Virginia, would be willing to countenance or to approve the wasting of money and calling the taxpayers' money hot money.

Mr. GARY. The gentleman from Virginia is on the committee that made this report.

Mr. COOLEY. I know the gentleman is not in favor of it, and I am not saying that agricultural commodities have not been purchased with foreign-aid funds, but I say the gentleman from Virginia ought to tell us that even that amount is inconsequential when related to the overall expenditures that we have made in the field of foreign relief and rehabilitation.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ROONEY. I wish to commend the gentleman on his statement, and to assure him that since there are no less than a dozen people within the sound of his voice who will bring his statement right directly to Governor Stassen that he need have no fear that this will not be brought to his attention.

Mr. COOLEY. I think it ought to be brought to Governor Stassen's attention. I think the President should take notice of the fact that it is unique for a great committee, the Committee on Appropriations, to come here with a bill of indictment, in which the committee has found this public official guilty, I think the committee should insist upon his removal from office.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. Talking about Governor Stassen, is he not the gentleman who not so many weeks ago went to Europe and lifted the trade restrictions with the Communist bloc and then came back to the United States and made the ridiculous statement that he was doing it as a peace gesture?

Mr. COOLEY. Not only that, but he is the same Administrator who played Santa Claus last Christmas to the people of 21 nations in giving away 5 million Christmas presents paid for by the money of the taxpayers of America.

Mr. Chairman, I want to support the pending measure. There are many items and provisions in the pending bill which I cannot, in good conscience, oppose. I know that we must have friends around the world. I know that we must fortify and strengthen the fighting forces of freedom along the Bosporus Strait. Yes; the economy and military forces of Turkey must be strengthened. We must come to the aid of Greece and to the aid of all of the friendly nations, but this administration should assure the American people that the money we have provided shall be wisely and well expended in behalf of the people who believe in freedom. This man Stassen is not an asset, but rather a liability to the administration now in power. I hope that the President will take notice of this report and will take appropriate action to the end that this Government might be rid of Governor Stassen and all of his Santa Claus projects and maladministration of public funds.

Mr. Chairman, but for my great interest in the cause of American agriculture I would not now trespass upon the patience of the Members of this House. When I realize how many billions of dollars we have spent in the last 22 years on the peoples of other lands, and when I realize how some of the people of this country are howling and growling about the money we have spent in supporting the prices of agricultural commodities here in our own country, I feel thoroughly justified in bringing to your attention and to the attention of the people of America the facts concerning the one program which has meant more to the economy of our country than any other program which has been in effect in the past two decades. We have been making history here in Congress in the last few weeks. I think it is very appropriate for me, here and now, to bring to your attention again some pertinent facts and figures, in the hope that I might be able to provide some food for thought.

If my calculations are in error, if my conclusions are inaccurate, I earnestly hope that someone in some way connected with this administration will give the Congress and the country the real facts and the truth.

Mr. Chairman, I could talk on perhaps for hours about this great and paramount subject of agriculture. I know that I shall not in this one feeble effort tell the whole story.

Mr. Chairman, during the 20 years that I have served in Congress I have been a member of the House Committee on Agriculture. For 4 years I had the honor to be chairman of that great committee, and I am now the ranking minority member. My colleagues will bear witness that during that entire 20-year period I have constantly and consistently tried to keep farm problems and farm programs out of and above partisan politics. Fortunately, seldom, if ever, during the 20 years has partisan politics lifted its ugly head in our committee room. The 30 members of the House Committee on Agriculture are all devoted to public duty and are interested in the welfare, not only of the farmers of America, but all of the people of our Nation.

I am certain most of you know that on many occasions I have paid tribute to my long-time and beloved friend, the present distinguished chairman of that committee, CLIFF HOPE, of Kansas, who has served on the committee for 27 long years, and at the end of this year he, too, will have served as chairman of the committee for 4 years. As current and positive proof of the fact that partisan politics seldom, if ever, enters our deliberations, I need only remind you of the fact that just about 2 weeks ago, when the general farm bill was being considered in the House, the able and distinguished chairman of our great committee led the fight for the preservation and extension of the price-support program on basic agricultural commodities, and as former chairman and ranking minority member, I stood here by his side. The same thing is true with regard to the Agricultural Trade Development and Assistance Act of 1954, which was recently signed by the President. In reporting the general farm bill every Democratic member of the committee, except one, voted with the Republican chairman. I say all of this, Mr. Chairman, in the hope that what I shall now say will be accepted for what it is worth, and that my colleagues may know that I am not now prompted by considerations of partisan politics. As a member of the minority I claim the right to speak out in criticism, but I assure you that I shall speak without bitterness or rancor.

Farm problems like foreign policy should always be kept on a bipartisan or nonpartisan basis. Certainly all of the friends of agriculture are not members of the Democratic Party. In both Houses of Congress there are members of the Republican Party who are devoted to the cause of agriculture. I shall not attempt to list them by name, but they are here and they are not newcomers—nor are they fly-by-night friends. They have been friends of the farmers all

through the years and they will continue to fight for all that they believe to be right. They, too, have tried to keep these issues out of partisan politics—they, too, have tried to keep the promises of their party and their party leaders. But what spectacles have we witnessed as legislation affecting the welfare of farmers has been brought to this House for consideration. The leadership has turned on some of these great men, these tried and trusted friends of agriculture, but all of us know that there is no flaw in their armor and no blood upon their shields. These friends of agriculture need never be afraid for they shall triumph in the campaigns to come.

No one segment of our economy has been singled out for such lambasting and for such cruel treatment as is now being administered to the farmers of America. Every blustering, blundering bureaucrat seems to have turned against the farmer. A deliberate, willful, wicked, and wanton effort is being made to cause the consumers of America to revolt and to turn against the farmers of the Nation. The farm program has been distorted, denounced and ridiculed throughout the length and breadth of the Nation. Chief agricultural officials are going up and down the countryside trying their best to bring the farm program into disrepute and the American farmer into disfavor. This laborious effort on the part of those in high places will fail because the consuming public now knows something about the facts of life on the farm front. The consumers of America will not believe that the farmers of America are irresponsible and reckless citizens who are not interested in the general welfare of the Nation. Consumers know that farmers are not trying to get something out of their Government either by fair means or foul, and intelligent consumers know that this price support program has not contributed unduly to the high cost of living.

The chief agricultural officer of the country has actually tried in devious ways to saddle the cost of our foreign-aid program on the bending backs of American farmers. He has presented fictitious, fallacious facts and figures and arguments to the people of the Nation. He has spoken in terms of many billions of dollars when you and I know that according to his own calculations the entire price-support program conducted by the Commodity Credit Corporation on all agricultural commodities, basics and nonbasics, perishables and nonperishables, over a long period of 22 years has only cost slightly more than $1 billion.

The American people have the right to know the truth and they have the right to expect the truth from public officials in high places of trust and responsibility. This is no time for fancy, fiction, fallacy, or fraud. This is the time for a fair, frank, fearless, and forthright presentation of the true facts and figures involved in this much maligned program.

Merely because I was elected a member of the House Committee on Agriculture and have served on that committee during the entire time that I have been a Member of Congress certainly does not mean that as a Representative of a great congressional district I am not interested in the welfare of consumers. Actually I have tried at all times to represent all of the people and not just a part or a segment of our economy. I represent consumers—all of the more than 450,000 people of the district I represent are consumers and this includes, of course, all of the producers of agricultural commodities. I am afraid that some of my colleagues are at times unaware of the fact that I am just as intensely interested in the welfare of consumers as I am in the welfare of producers who labor in the fields of America.

I can justify and I can defend the price-support program on basic agricultural commodities in this or any other forum. I know that it is definitely in the interest of both producers and consumers, and I know, too, that it has not increased the cost of living unduly.

Perhaps the average housewife does not realize that the price of food today is cheaper, in relation to the average family income, than at any other time in the history of the Nation. For 18 percent of the average family income in the current year the housewife can buy better, cleaner, and cheaper food than she could have acquired in the period from 1935 to 1939 with 23.8 percent of the family income. Perhaps the average housewife does not know or realize that when the price of wheat was going down the price of bread was going up. In early 1948 farmers were receiving $2.81 per bushel for wheat. Now the price of wheat is $1.91 per bushel. Yet in this period of time the price of a loaf of bread has gone up from an average cost throughout the Nation of 13.8 cents to a present-day average cost of 17 cents a loaf. While wheat prices declined 32 percent the price of bread was going up 23 percent. Since 1951 farm prices have declined 20 percent in relation to farm prices in 1947–49, but food prices have gone down only about 1 percent. Very little of the lower prices received by farmers since 1951 has been passed on to consumers in lower retail prices.

In 1914 the average factory employee could buy 3.5 pounds of bread with an hour's earnings. In 1929 he could buy 6.4 pounds with 1 hour's earnings. In 1953 he could buy 10.7 pounds of bread with an hour's earnings.

An hour's factory wage in 1953 would buy 1.9 pounds of round steak, compared with 1.2 pounds in 1929. The same hour's earnings will buy 2.2 pounds of butter now as compared with 1 pound of butter in 1929; 7.5 quarts of milk now, 3.9 quarts then; 2.5 dozen eggs now, 1.1 dozen then; 32 pounds of potatoes now, 17.7 pounds then, and on down the line in food items.

The 1-pound loaf of bread sells for 17 cents, as I have just noted. Of that 17 cents, the farmer's part is about 2¼ cents for the total amount of wheat in the 1-pound loaf. The price a farmer receives for a bushel of wheat would have to be reduced 75 cents to reflect a 1-penny reduction in the cost of a loaf of bread.

There is only about 30 cents worth of cotton in a $3.95 cotton shirt. So if the producers and cotton farmers should give the wheat and cotton away there would be very slight, if any, reductions in the cost of a loaf of bread or a cotton shirt.

The tobacco farmers in 1953 received about $800 million for that part of their crop which was consumed in the United States. Now look what the consumers paid in taxes on that tobacco. Federal, State, and local taxes on the 1953 crop, by the time it reached the consumer, amounted to approximately $2,100,000,000.

A spokesman for confectioners, who was urging our committee to remove peanuts from the mandatory price-support program, was forced to admit that even if the price-support program for peanuts was reduced from 90 percent of parity to 75 percent of parity the price the consumer pays for a 5-cent peanut candy bar containing about ½-cent worth of peanuts would not be reduced at all. Confectioners are making higher profits than ever before and yet it is plain to see a change in the price-support program would not benefit consumers. Actually, the amount the farmer receives for the raw agricultural commodities is so negligible when related to the ultimate cost the consumer pays for the finished product that the price-support program has practically no effect on the price consumers are required to pay. Again, I insist that we must improve our distribution system to the end that the great distance from producer to consumer might be shortened and made less expensive. The greatest cost of food is added after it leaves the farmer's hand. The cost of processing, handling, transporting, and distributing is all added after the farmer parts with the title and receives his small part of the consumer's dollar.

Actually, consumers have benefited by the farm program. Under the program on the basic agricultural commodities we have maintained a stability in supply and at all itmes consumers have had an abundance of all the vital foods and never has the program resulted in a scarcity which caused consumer prices to rise. Consumers suffer when there is a scarcity of any of the vital foods. The program was designed to bring about an abundant supply at a reasonable price to the end that both producers and consumers might be benefited in the long run.

Our Committee on Agriculture, in its report to the House on the farm bill, commented on this, as follows:

> It must be noted that the largest reduction in the price of food in comparison with wages has occurred during the years of the development of the present program that has as its aim a parity of income for agriculture. It is evident, therefore, that consumers have gotten their greatest concessions in prices of food and fiber in the time of the growth of farm-income stability.

LET'S KNOW THE TRUTH

We knew when we embarked upon the price-support program that we were embarking upon a great experiment. We knew that we were entering a field which had not theretofore been explored in this great and vast country. It was never contemplated that the unlimited production of perishable commodities

should be supported at high levels. High level price supports on perishable commodities started when the world was on fire and the altars of freedom were threatened, and the farmers of America were persuaded by patriotic zeal to produce food for freedom. Farmers were told that food would win the war and write the peace. I shall not undertake to defend the potato program under Secretary Brannan, and I certainly shall not undertake to defend Benson and his butter.

Let me go back to the price-support program on the basic commodities. Has it been costly and financially burdensome? Let us take a look at the record. When Secretary Benson moved into the Department of Agriculture the books of the Commodity Credit Corporation's price-support program on the basic commodities, on January 31, 1953, showed a profit, believe it or not, of $8,267,973. Exactly 4 months later, on May 31, 1953, a look at the record indicates that in 120 days profits had been wiped out and the program showed a loss of $8,908,280. The last figures on May 31, 1954, show not only that the profits are gone but that losses have increased to $130,739,501. The latest information furnished to me by the Department indicates that the profits on the sugar program, as of May 31, 1954, amount to $309 million. It is plain, therefore, to see that even now if you subtract the losses sustained on the six basic commodities from the profits on the sugar program you will have a profit of $178,260,499. How can you tell me any good reason why anyone would want to weaken or destroy a program which has operated so successfully and so well? I speak now of the program on the six basic commodities plus sugar which, of course, is a household necessity. So there you have it to date—a profit on the combined operations of CCC and the sugar program of $178,260,499.

Let us look at the record again and see what the figures indicate for the first 21 years of the CCC price support program on basic agricultural commodities. The record shows that at the end of 21 years the program has cost less than $21 million. The actual figure is, according to the record, $20,700,000. The record shows that at that time, at the end of the fiscal year 1953, the profits on the sugar program amount to $296 million. It is plain, therefore, to see that if you subtract the $21 million CCC loss on all the basics from the profits earned on sugar you will have a profit of $275 million. These are the facts and these are the figures, and this is the truth, and I challenge Mr. Benson or anyone who shares his views to deny the substantial accuracy of the figures I have submitted.

Is it not natural for those of us who know something about this situation to wonder why neither Mr. Benson nor his associates ever tell the people that the record shows that we have made a profit on the cotton program of $268 million, and that we have also made a profit on the tobacco program? Is it not strange that neither Mr. Benson nor his associates ever mention the sugar program and the tremendous profits the program has produced? Actually, the sugar program has worked so well and so smoothly, both in times of peace and in times of war, that the ordinary consumer and housewife is not aware of its existence. Yes, the sugar program and the tobacco program have worked so well that both Mr. Benson and the President have placed their stamp of approval upon both programs.

Those who talk so loudly and vociferously about the accumulated losses on the price-support program, seem to be wholly unaware of the fact that along with the accumulated losses we have enjoyed great accumulated gains or benefits. Certainly you will agree that in all fairness losses should be related to gains. During the same period of time accumulated farm income has amounted to $264,150,000,000, or $194,503,000,000 more than our agricultural income would have been had it remained at the 1932 level. So when you relate the one billion-plus to the two hundred and sixty-four billion-plus, you see just how negligible the losses have been. Let us further relate these losses that we are hearing so much about. Let us relate the losses to the accumulated net national income over the same period of time. This is really a figure for you. The accumulated national income for this period totals $3,015,445,000,000. Now, relate the one billion-plus to the three trillion fifteen billion-plus and you see just how inconsequential and how negligible these exaggerated losses have been. Actually, the losses of the CCC amount to only fifty-two one-hundredths of 1 percent of the accumulated farm income, and only four one-hundredths of 1 percent of the accumulated national income. If you take the losses on the price-support programs of $1,374,825,203 and subtract the profits on the sugar program of $309 million, losses will be reduced to $1,065,825,203.

On what commodities was this loss sustained? Four commodities accounted for more than 90 percent of all the losses sustained by the CCC. Here is the breakdown:

1. Dairy products—butter, cheese and milk	$203,096,107
2. Potatoes	478,134,189
3. Eggs	189,621,226
4. Wool	92,156,532
Total	963,008,054

The total losses on the price support program on all commodities is as follows:

Basics and nonbasics	$1,374,825,203
Loss on dairy products, potatoes, eggs, and wool	963,008,054
Reduced loss	411,817,149
Profits on sugar program	309,000,000
Total reduced loss on price support program, basics and nonbasics	102,817,149

It appears, therefore, that if you take into consideration the profits on sugar and eliminate the losses on the four commodities I have named, the total losses remaining are very small indeed—only $102,817,149 over the long period of 22 years. And remember, no marketing quotas have ever been imposed on the four commodities I have named.

WHAT WILL MR. BENSON'S PROPOSAL COST TAXPAYERS AND FARMERS

When Secretary Benson appeared before our committee I asked him if he could advise us as to the cost of his proposal to reduce mandatory price supports on basic commodities from 90 percent of parity to 75 percent of parity. He had made no calculations and could give us no idea as to the cost, either to the Government or to producers. I have made some calculations, which I submit for consideration and which I challenge Mr. Benson to refute. Remember that for the first 21 years we had lost less than $21 million on the CCC price-support program for the basic commodities, and in arriving at this figure I have not taken into consideration the profits on the sugar program.

COTTON

If Mr. Benson lowers the price-support program as he wants to do he would devalue cotton to the extent of $23.50 a bale and the total loss to taxpayers and to farmers on their current crop would amount to $451,580,000, or 21 times the amount that had been lost on all the basic commodities in the long period of 21 years. Just think of it. This loss would be sustained by the Government and by the farmers in the short period of 1 year. The Government now has 7,230,000 bales of cotton in inventories and nonrecourse loans.

WHEAT

This is what would happen to the wheat farmers and to the Government. The Government now has 878,620,000 bushels of wheat which would be devalued by Mr. Benson in the amount of $390,241,000 and on the estimated 1954 wheat crop wheat farmers would lose the sum of $326,146,000. This means that the taxpayers and the farmers would lose a total on wheat in 1 short year of $716,387,000.

CORN

The Government has 803,617,000 bushels of corn. Mr. Benson, by lowering the support price to 75 percent of parity, would devalue this corn in the amount of $232,447,000. This would be a direct loss to the Government. The 1954 corn crop is estimated at 3,311,000 bushels. If all of the 1954 crop of corn went through commercial channels to the market, it would be devalued by Mr. Benson's proposition in the amount of $794,758,000. Only 20 percent of the corn will be sold on the market, so 20 percent of these losses amounts to $160 million.

PEANUTS

The Government would lose on peanuts $3,157,000, and the producers of peanuts would lose on the estimated 1954 crop the sum of $23,400,000. Taxpayers and peanut producers would lose a total of $26,557,000.

RICE

On rice the Government would lose $1,215,000, and rice producers on the estimated 1954 crop would lose $44,837,000. The Government and rice producers would lose a total in 1954 of $46,052,000.

To sum up the losses on only 5 of the 6 basic commodities I have mentioned for the 1 year 1954, if farmers are subjected to the harsh and cruel treatment which Mr. Benson is so anxious to administer, the total loss in 1 year would be $1,633,023,000. This is greatly in excess of the total amount lost to date on the program which the CCC has had in operation for 22 years on all the agricultural commodities, basics, nonbasics, perishables, and nonperishables. Who is he to complain about losses when, if he believes in his own proposition, he would cause taxpayers and farmers to sustain more losses in 1 year than have been sustained from the beginning of the program up to this good day?

The truth is there is a lot of double-talk going on around Washington. The President thinks he won a great and sweeping victory when the House lowered the 90 percent of parity price supports to 82½ percent. Secretary Benson knows that the leadership was unwilling to stand up and fight for his proposition to reduce the support program to a flexible basis between 75 percent of parity and 90 percent of parity. It is said around here in high places that the administration would rather have the provisions of the 1949 law to go into effect on January 1, 1955, than to have the program now in operation to continue in effect after that date. This just is not true. All of this talk is just a threat. If the administration wants the law of 1949, why has the administration resorted to the ingenious scheme, the set-aside, in a desperate effort to mislead and to fool the public into believing that it stands for flexible supports from 75 percent of parity to 90 percent of parity when, as a matter of fact, this fallacious and fraudulent set-aside was deliberately devised for the one purpose of maintaining price supports at or about 90 percent of parity? This is definitely borne out by the testimony of Secretary Benson. Mr. Benson knows full well that the provisions of the law of 1949 are too harsh and too cruel to impose upon the farmers of this Nation or upon the economy of our country. He and his associates are smart, ingenious and insidious, so they resort to those devices, the deception and the fraud involved in this set-aside, make-believe program of fallacy and fancy. The very idea of trying to hideaway and set-aside $2,500,000,000 worth of cotton and wheat and other commodities and to go into some sort of trance and to hynotize ourselves into believing that these commodities are not in storage and do not even exist. All of the commodities they are now complaining about are already set-aside. They are already in storage and Mr. Benson frankly admitted to our committee that he had no surplus-disposal program to offer. If Mr. Benson and his associates are honest and sincere in proposing the set-aside, they cannot hereafter advocate the provisions of the law of 1949. I shall not be frightened by the threat. I have no idea that the next Congress will ever permit the harsh and cruel provisions of the law of 1949 to go into effect. The very fact that officials of this administration have not been frank and forthright in dealing with this great problem encourages me to believe that in the next Congress we shall see many strange and new faces. The farmers now should know who their friends are, and I believe they will let their wishes be known in the great referendum which is to be held in November.

If this farm program we now have in operation is a bad program, if it is unholy and wicked, unworkable and burdensome, why not abolish it and be done with it? There is not an intelligent man in America, in or out of Congress, who is familiar with the philosophy and the operations of the program we now have who is bold enough, courageous enough, or foolish enough, to advocate its outright repeal. As at least some proof of this I need only call attention to the fact that the administration now in power came into office to bring about a great change, and although the administration has now been in office for 18 very long months, no official of the Federal Government has advocated the repeal of a single law now "in the book" that is a vital part of the program we now have. If the program is bad, I wonder why the administration does not come out and say so. If it is good, why not hold on to it, strengthen it, and perfect it? Yes, if it is bad, why not make a frontal attack upon it and pull it apart and to pieces rather than to go around gnawing at its vitals? I think Mr. Benson knows that if we should abandon, abolish, or repeal the present farm program and all of its vital parts and parcels, we would wreak ruin on every man, woman, and child in America. We would find ourselves buried beneath the products of those who till and toil in the fields of our country. We would again be starving in the midst of plenty, but never shall that happen to our people again. Never shall American agriculture turn again to the ancient and cruel law of supply and demand. Never shall the American farmers knowingly produce themselves into bankruptcy again.

During the last two decades farmers cooperating with their own great Government have tried earnestly and diligently to keep production in line with reasonable consumer demand and to provide at all times an abundance of food, feed, and fiber to meet the needs of our own people. The farmers of America have a right to the legislative machinery and the programs that Congress has provided.

I take great pride in the fact that I have been permitted to participate in the preparation and passage of most of the legislation which has enabled us to build the great program now in operation. I shall not apologize for it but rather I shall defend it in any forum. I know that it is vital not only to the welfare of farmers but to the welfare of the Nation. If it should be repealed, abandoned, or abolished, this Nation would go into an economic tailspin and the economy of our country would collapse. Then we would be easy prey for the enemies of democracy who want to take over and destroy our cherished altars of freedom.

Through the years the Christians have prayed that our fields might be made to flourish and our people be made to prosper. We should thank the great God who rules the universe that He has blessed our land like no other nation beneath all His blue and bending sky has ever been blessed before. If we were in want and our storehouses were empty and our people were hungry, maybe then we would bend our knees and ask Heaven to bless us and to cause our fields to flourish. Here we are with our storage houses bulging with all that the good earth can give forth and yet we are fretting and complaining as if we were in great distress. We should be ashamed of those who regard these great blessings as a curse upon our people. Events of tomorrow are the secrets of tonight. Who among us knows what tomorrow will bring? Even now in many areas of our country our fields are parching, the ground is cracking, and the green fields are not flourishing. In other areas floodwaters sweep through the river valleys, bringing great distress and destruction. Thousands upon thousands of our own people even now are in want. Yes, tomorrow we may find that in our fight for freedom bread and butter may be better than bullets and bayonets.

Let us learn something about the arts of distribution and think of the woe and the want and the sorrow and the anguish of the peoples of this earth. There is some man, woman, or child somewhere out yonder in the world who needs and wants the food and fiber we have in such abundance.

Agriculture is big business. Agriculture is the art of arts and upon it we all must ultimately depend. If America is to be a prosperous America, farmers must be prosperous. A prostrate agriculture means a paralyzed America. Agriculture, labor, and industry must march together under one flag for one country and must not permit demagogs to divide them. If we are to live and to labor as freemen, we must realize that we are interdependent, one upon the other, and that one group cannot long prosper at the expense of any other segment of our economy. Let not those new apostles of freedom tear us apart and asunder. Let us come even closer together and counsel to the end that we might settle the problems that perplex us. Let us not be frightened by the products of our labor, but let us put to rout those who would cause a revolt among us as we seek to solve the paramount problems of our time.

Lower the boom and paralyze the farmers of America, if you will, and millions will walk again the dreary highways and streets looking for jobs and livelihoods. It is a shortsighted leadership that does not now know that farmers must be prosperous and that purchasing power must not be impaired if this Nation is to prosper.

The fact that the real situation has been so grossly exaggerated, magnified, and distorted, has prompted me to impose upon your patience and to submit these facts and figures, these observations and conclusions, in the ultimate

hope that you will agree that the present farm program should be saved.

Mr. CLARDY. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, I do not think we should get any politics into this matter at all from the gentleman on the right. They have been indulging in politics with this program, buying votes and other things so long that I think they should leave that out in all decency and honesty. I am interested in this amendment because I am opposed to the philosophy upon which the entire giveaway program has been founded. I know it has been bipartisan more or less in its enactment, but it originated when we were not in power—thank God. But here we have before us an opportunity to express our agreement or disagreement with a philosophy that has failed. I know of no way in the world to judge a program except by experience. The more we have spent, and the faster we have spent it, the more countries and the more people have receded behind the Iron Curtain and the smaller the circle of our friends has become. I remember Manchuria. I remember the millions of rounds of ammunition and the guns that are today, and were being used against us in Korea and elsewhere. We are worrying today about what will happen with the arms and ammunition that have been given to the French in Indochina and we are wondering whether those things will be turned against us. I am wondering whether or not the arms and ammunition that we have delivered to France—France herself—will be used against us. And I am wondering if we do not have hostages to the Communists in the near future, if the move should be made within the time that some people think it may in the form of divisions we have planted in the midst of our enemies in a country that is today 25 percent Communist. We had better begin thinking about conserving our strength and our energy—to preserve our own strength so that when the final test comes, we will not be wanting in the things that we need. Another thing that I think we ought to be thinking about is this: I came to the Congress largely because I grew angry at the Congress continually giving the Executive blank checks.

I have not changed my opinion merely because there is a Republican administration in power. It is just as bad to give a blank check to a Republican President and a Republican administration as it was to give it to a Democratic administration.

Today it seems to me it is time we began to think about the thing that the gentleman from Wisconsin [Mr. LAIRD] said: "Do we need to do this, or do we need, instead of doing that, to try to tighten the purse strings, to be sure, before we vote one red cent, that we know where it is going to be spent and how it is going to be used." I do not have any faith whatsoever at the moment, in the direction in which we are going, if we are going to come out on the right side. I think we have gone down the road of disaster so far that unless we stop, look, and listen, we are going to be isolated, not because we are isolationists but simply because our money has been used against us and it is being used today as it will continue to be used in France and in England.

If the political wheel makes one more turn in Britain, you have only got to remember what Bevin and Attlee said to know into whose arms England will fall in the event of a fight between the Communist world and ourselves. As a member of the Committee on Un-American Activities, there is no one can challenge my desire to lick communism.

I am in favor of the amendment and against the entire bill, because I think the philosophy behind it is unsound, and experience has proved that to be so. I hope the amendment will be agreed to.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HALLECK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, at times it seems just a short while ago that I first came here, and at other times it seems a long time ago. I came here about 20 years ago, at about the time things were beginning to develop in Europe that resulted in World War II. I well recall my service here at that time, when the debate raged as to just what this Government should do in respect to that conflict.

One of the things I voted for in 1935 was the Neutrality Act that was proposed by the administration then in power. I voted for many other measures, such as to ban shipments of goods in American vessels, and other subjects related thereto. Then, after a while, there was a request that we abandon that position, and measures like lend-lease came along. Now it is a matter of record that I opposed many of those measures before World War II. On occasion I have been severely criticized for what some people said was lack of foresight. I do not know that it avails much to review history, except to point out that in the years I have been here there has been trouble in the world, there has been controversy, and there have been wars, hot and cold.

I have observed that as wars broke out, somehow we wound up getting into them. And there was a lesson for me. I think it is worth noting that while many in this country opposed our entry into that war and did not like the fact that we got into it, as Americans we concluded that if America is in a war there is only one thing to do and that is to win it.

Everybody put his shoulder to the wheel to that end.

After we won World War II we searched for ways to win the peace. One of the reasons I did not want to enter World War II was that no one had ever shown me the arithmetic of how we could win the peace. In any event, after we won World War II I put my best efforts forward to try to do those things that would win the peace.

There are charges and countercharges as to who has been responsible since the end of World War II. Some of my friends on the right have been quite critical of some statements made by certain Republican people in high places in Government. I saw very recently that the most recent candidate of the Democratic Party for President had some rather critical things to say of the foreign policy under the present administration. However, this is not the time to go into that. We must look at this situation as it stands now, in light of the immediate past.

The gentleman from Michigan, who has just spoken, says that he disagrees with all of this philosophy. He calls it a giveaway program. I do not think it is quite that; in fact, I know it is not that. I well recall when as the majority leader of the 80th Congress, a Republican Congress, I was called to the White House with other Republican leaders and at that time there was outlined to us a very dangerous situation then confronting Greece and Turkey.

We were asked to advance aid to Greece and Turkey in the hope that those two countries might be saved from communism. As the leader of that Congress I responded to the request. I think it is only fair to say that as a result of the help we have given those two countries, Greece and Turkey, they stand today as bulwarks of defense against the Soviet threat. I think they will fight if need be in the defense of freedom.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CLARDY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Michigan.

Mr. CLARDY. Can the gentleman name any more besides the two countries he has just named?

Mr. HALLECK. Yes; I can. I can name a few more. If the gentleman wants me to be perfectly frank, and I assume he does, I voted for interim aid to France and Italy. Communism has not yet swept those two countries and I pray it will not, although as to their military strength I am not too sure. I may say to the gentleman I believe from everything I have been able to find out that there is an awakening to responsibility there and it may well mean for us a better situation.

Mr. Chairman, people refer to these programs as foreign aid. I wish we could get away from that misnomer because it is a misnomer. At the outset it was more a matter of economic assistance to help these nations get on their feet to the end that they might resist Communist infiltration and Communist aggression. Since that time as the program has progressed, what has happened? The economic end of it has come to be a very minor part of the whole program and, as it has come to be a minor part, military assistance has come into the ascendancy until today, I am informed, 85 percent of the money we appropriate is either for direct military assistance or for defense

support, which is approximately the same thing. If that is true, then it involves a vital part of the defense of this country.

I think in respect to our national defense we must achieve three types of balance. First we must have a balance between what we spend for the armed services and what action we take for the maintenance of a strong functioning economy at home, because, as President Eisenhower said when he came back from Europe to report, the Armed Forces are but the cutting edge of a great productive machine that is America. So we must strike that balance, and I give credit to the Eisenhower administration and this Congress for achieving what I think is a judicious balance between what we spend for arms and what we do to maintain a strong economy at home. Then we must have a balance between the services themselves, the Army, the Air Force, and the Navy. We are getting that balance. And then I come to the third balance, and I think this is equally essential. It is a balance between what we do for our national defense directly here at home and what we do for what some have chosen to call the maintenance of foreign military outposts. I realize that phrase carries something of a connotation that probably I should not challenge, but the fact of the matter is that we do have military establishments of our own as well as others in the hands of people we believe are friendly to us throughout the world where, upon an attack by the Soviets, there could be retaliation.

Now, who is there among us who would draw the defense of this country back to the Canadian border on the north, the Pacific on the west, the Atlantic on the east, and the Gulf of Mexico and Mexico on the south? In this day of aircraft that fly 600 and 700 miles an hour, everyone must certainly realize the peril of that position. The adequate defense of the country would not permit it.

So, what does that dictate? It dictates that we must not permit ourselves to become isolated. Instead, the more nearly we can isolate the enemy in this day of atomic warfare, the better off we are for the protection of our own country. It was not so long ago that the threat of the establishment of a Communist beachhead in the Western Hemisphere had us all concerned, and it was not so long ago that a couple of aircraft, presumably from the China mainland, were shot down in defensive action by our people, people who were in a place they had a right to be.

I say to you that the situation in the world is not good. We stand in a perilous situation. I am not despondent about it, but I say that this is no time to relax in the defense of our country. Of course, if anyone were so naive as to believe that the Soviet intentions are not what they have been demonstrated to be in recent years, then we could forget all about this; we could demobilize and quit spending $45 billion a year for our national defense. But, does anyone here believe that? Too many mistakes in that line were made in recent years for us to make the same errors again. This bill has already been cut by the Committee on Appropriations. I think it has been cut to the bone. I know that is what the President thinks.

Let me tell you something. We were at the White House last Monday morning at the leaders' meeting—I think it can properly be told now—and we were discussing a number of matters that are before the Congress, some of them important and, I must say, some of them quite inconsequential. While we were there a very brief message about the two Chinese warplanes was brought to our attention. Such an incident causes you to pause. It makes you think. It makes you wonder just how important some of these other things are. Now, for myself, I trust that this amendment is defeated. I realize that many are distrustful of this whole program. Many, I suppose, cannot see much good in it, but on the other hand, if I am right and if you believe that it is an integral part of the defense of this great land of ours, then I say let us go on and pass this bill and not adopt the amendment to cut these appropriations further to the end that this program may be brought to passage and the defense of our country maintained.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

We have just listened for 12 minutes to a statement which in my judgment at least is a plea to us to go along with this three billion and more giveaway program. The gentleman said that it was not a giveaway program, but we know that that is what it is. That kind of talk makes me think of a fellow in my district who went out to shoot a bear. And this is what he did. Instead of taking his rifle and a real load, a rifle loaded with a real bullet backed by an adequate charge of powder, he loaded his old musket up with an ounce and a half of 7½ chilled shot. All he did was to irritate the bear—make him sore—which is what our donations to other nations has done—though unlike the bear they come back for more.

Instead of fighting Communists where they live, for years we have been sending our money and, as my respected and admired colleague the gentleman from Michigan [Mr. FORD] said, we have been scattering our guns, our money, and our ammunition all over the world. Billions of dollars of it. What is the result? We have been losing every single year and every war—for even the winner of a war is a loser.

Each year communism has gained because of the strength we have given it. Sure, as the gentleman said, they shot down two planes the other day. What are we going to do about it? Are we going along with Britain which insists we live with the Communists, join forces with the Communists? When I have it in for somebody, if I cannot do anything about it, I keep still. But if I can, I will hit him, and where it hurts. But I will not be building up his strength and furnishing him with the things that will help him in the end to destroy me.

I agree with my colleague from Indiana [Mr. HALLECK] in one statement. That is that we cannot with safety confine our defenses to the coastline of the two oceans and the Gulf of Mexico—of course not. But that policy would not be any more unsound, if we were to try that, than to try to spread ourselves all over the world. That is going to the other extreme. Great and powerful though we may be—and we have been advised of that fact by those who ought to know something about it, we just cannot continue to exist if we insist upon spreading our strength all over the world. That would be an invitation to war—would make our destruction certain.

You remember that Britain used to boast that the sun never set on the British flag. We may now well say that the sun never rises in the morning, never goes down in the evening, but that it shines on the graves of American soldiers killed, if we judge by results, in a hopeless and a useless war.

Oh, yes—the President did say that there was a cutting edge and that our Armed Forces were the cutting edge of a great and powerful machine. He also, in substance, said that if we spent enough money keeping it sharp and grinding it, we could spend ourselves into an economic disaster. That by spending we could destroy ourselves just as certainly as spending ourselves into bankruptcy as by failing to arm and to be prepared for war. That seems to be what we are doing.

If what our military men tell us is true, that we have these destructive bombs, and we have these planes, and that we can win a war anywhere today, and if Russia means what some say she does—war—and if such acts as happened the other day are to come again, is there not some sensible course for us to take which will make us safe? Shall we continue merely to prepare ourselves? Instead of temporizing, instead of depending upon other nations which have had so much in the way of money and supplies from us, instead of depending upon them when they have declared to us time and again that they wanted to take into the family council the very nation which was responsible for shooting down that plane the other day—instead of listening to them, if we are to fight, if that is the proposition, and if there is no escape why not meet the issue by striking at China?

No one wants war. But if those who want a policy which means war why be caught asleep—why continue to fight a succession of Russia's controlled nations?

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, I should like to see if we cannot agree on a time for closing debate on this amendment and all amendments thereto.

I ask unanimous consent that all debate on this amendment and all amendments thereto be limited to 25 minutes, the last 10 to be reserved to the committee.

Mr. GAVIN. I object, Mr. Chairman, unless I may have 5 minutes. I was on my feet before the chairman rose.

Mr. TABER. I had figured that this request would include time for the gen-

tleman from Pennsylvania. Maybe I am wrong.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto be limited to 25 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, everybody agrees that we face a grim and deadly threat from the Soviets. There are some of our brethren who, if we must fight, would apparently rather fight them here in the United States and fight alone. I would prefer that if we have to fight we fight away from home and not do all the fighting alone. That is the basis of this bill.

Criticism has been made of the study and report of obligations made by this committee as if "June buying," the distortion of obligations were something new. I first saw this practice back in lend-lease days when we found you could not be sure what was meant by an obligation. I congratulate this committee, however, on doing something about an old evil. This committee has already acted on its criticism of obligations by cutting this bill. This committee has already cut $165 million in new money and $265 million in unobligated balances, a total of $430 million, out of the bill, which reduces the request of $1,430,000,000 which was carried into the authorization bill nearly one-third. That means this particular item for military aid has had a cut of nearly one-third now. The present amendment would cut out $300 million more. I hope the amendment will not prevail. All of this military program is built up out of what they call Joint Chiefs of Staff force goals. These goals are about three billion below the requests of our own military advisers in the various foreign countries, according to testimony given our committee.

Let me read from page 64 of the hearings before the Appropriations Committee, and let me point out to you how General Stewart, who is in charge of this program, described this many that we are talking about that Members say can be reduced further:

Mr. GARY. Are there any portions of those funds which are not programed?

Mr. O'HARA. Do you mean of the unobligated balance?

Mr. GARY. Yes.

Mr. O'HARA. There are a few items shown on the tables that are not firmly programed yet.

(Discussion off the record.)

General STEWART. There is not $1 of unobligated funds in this entire program that is not represented by an established, screened requirement. If there are some dollars, as there are in this program, that are not for legally or administratively approved programs, it is because of the fact this program never stands still for a minute. It is changing constantly, and there are periods when during a change there will be a certain amount of money that is not yet on a certain approved program. There will be periods when we first get the money when we do not have the programs finally approved, but the total requirements we are trying to meet far exceed any funds that we have.

Mr. TABER. What do you mean by requirements?

General STEWART. If you will take the forces in each country that we have agreed to contribute equipment for, and if you take the total deficiencies of those forces that we, under our criteria, will fill, and add them up, they far exceed the total value of what we have programed. We have not spent all this money. Some of it is not legally obligated, but I certainly hope we can make it clear that every dollar is represented by an established need.

I hope the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, I am sorry my very good friend, the majority leader, is not present because I just wanted to call to his attention that we are $275 billion in debt. A million dollars is a thousand thousand dollars and a billion dollars is a thousand million dollars, and we owe two hundred and seventy-five thousand million dollars, which future generations of Americans by the sweat of their brow, must produce the money to pay the taxes to pay the bill. I also am a firm believer in national defense, but I do think we are scattering our hits in so many different directions, that if we were called upon to win a game, we would not be able to do so. As to this $300 million proposed cut—it is my opinion it is in order. I am for national defense here at home—first, last, and always. I want to see this Nation build up the greatest military strength that we have ever had to meet the demands that may be made upon us at any time at any place in the world; that is, building up our own national defense in our country. However, when we get into these foreign aid programs for defense, it is questionable, so far as I am concerned, in view of the fact that it is not designated where the money is to be allocated, what these countries actually would do if we were suddenly catapulted into an emergency—I do not know. We have been putting billions and billions of dollars into the defense of Europe. The French after 4 years have given no indication they will go along with EDC. Italy has given no indication of participating in EDC. We are making every effort to persuade them to join in EDC to build up the defense of Europe, but evidently they do not care to participate with us. We are pouring all this military equipment into Europe. If the Russians would move, which I doubt very much, but they could move to the English Channel as fast as mechanized equipment could take them, they would take over the great industrial centers, air bases, military warehouses and military depots. Then what would become of this equipment we have been pouring into these countries, I do not know. I think we ought to proceed just a bit more slowly and more carefully and find out where we are going and what this money is going to buy and what countries are going to receive it. We should build on strength and not weakness. It took us 4 years to wake up to support Spain, our friend, a great country that is anti-Communist. They had one million casualties in the Spanish civil war, they know what communism is all about. It took us 4 years to recognize the fact that they wanted to participate with us in the defense of Europe. The Germans are now begging us for rearmament. We have a number of divisions in Germany now. If the Russians move in a pincer movement, they would take over these forces and we would find ourselves in a very difficult position. It is time to rearm Germany; it is long overdue. But still we will not go ahead and recognize the fact that the rearming of Germany, with 25 divisions on the line in Germany, would do more to stop the threat of Russian communism than anything else that we could do.

Back in July 1950, I made the following statement—it applies now as it did then—and I quote:

In order to construct an organized and effective defense force, we must first undertake to determine, approximately at least, the probable size and strength of the forces which the Soviet Union could put in the field in that theater. I have heard various estimates presented to the committees of the House and the Senate, and have read numerous articles in newspapers and popular magazines. Most qualified observers, though, agree that the Soviet Union could, within the first month or 6 weeks following the beginning of a war, place between 100 and 125 fully armed, well-trained and equipped divisions on the western front, between Stettin and Trieste. Within 6 months to a year they could increase this by at least another 100 divisions. So far as tactical air support for ground units is concerned, that is, in close support of land armies, the disparity in forces is so great that I should hesitate to venture an evaluation. At this point, there may be heard the remark that the Russian Armies would outrun their supplies and thereby immobilize themselves. This is not the case. As long as there were no major contending armies in Western Europe, to oppose the Russian advance, there could be no large battles. Major battles and sustained conflict are the principal causes of the consumption of war materiel, such as artillery ammunition, aircraft, and fuel. The Soviet armies are accustomed to living off the land, and their requirements for the individual soldier are comparatively simple. Assuming that they would assemble large reserves of food and gasoline before launching a major offensive, I do not believe that in the absence of a strong opposing force the Red army will halt short of the English Channel, the Pyrenees, and the Po Valley. In short, they will not stop, but must be stopped.

In order to be in a position to oppose major Russian offensives against Western Europe, the nations with which we are allied and to whose defenses we are pledged should be able to interpose an effective force equal to not less than 50 percent, and preferably 70 percent, of the initial Soviet striking force. In estimating these requirements, I disregard such intangible political factors as Communist disaffection in the Western European countries, with the attendant possibilities of sabotage, riots, and so forth. In short the Atlantic Pact countries, including Great Britain and the United States, would need, within the first 6 weeks or 2 months after the outbreak of war, a force of some 60–70 divisions. At the present time, including the United States forces in Europe, we would have available only some 25–30 divisions at most. For example, the French Army, which in 1939 mobilized over 100 divisions, could today put from 8–12 divisions in the field, even disregarding the struggle now raging in Indochina. Holland and Belgium,

whose armies formerly consisted of 8–10 divisions each, now could only account for 5 or 6. Contributions of the other Atlantic Pact countries are likewise small, and would require considerable time to mobilize.

I have examined this problem for a considerable period of time, and have sought the best information available. As I have stated previously, I had an interview with General DeLattre, former chief of the French Army, and now commander of the ground forces of the Atlantic Pact nations, in December of this past year. This experienced soldier and determined leader told me that he was glad to have the assistance of the Italian Army, and would likewise welcome the Spanish infantry. Even assuming, though, that Italy, handicapped as it is by the limitations of the peace treaty, could organize, equip, and train a force of 6 to 10 divisions, and that Spain could furnish the equivalent of 5 to 7 more, we are still woefully short. Unless we propose to launch our counteroffensives on the beaches of Normandy, and the southern slopes of the Alps, we must have more troops. As a simple matter of arithmetic, whichever way strategists sum up the military conditions, and regardless of detailed estimates, concerning which I shall not quarrel with anyone, we must have the equivalent of at least 25 German divisions, if we are to defend western Europe. It is only by this means that the overwhelming preponderance of the Russian armed forces can be balanced. I regret as much as anyone that the high hopes of 1944 and 1945 concerning world disarmament and the United Nations have not been realized. At the same time, we cannot disregard the continuing buildup of Russian strength, and allow the weakness of our own forces and those of our potential allies to continue. Nor do I welcome a resurgence of German military might, which has twice within this generation required the sacrifice of American manhood on the battlefields in Europe. But we cannot meet the present danger by concerning ourselves with past problems.

In my opinion, this military situation calls for a fresh, constructive, and coordinated program which will permit western Europe, without restoring German militarism, to utilize the capabilities, resources, and determination of the 45 million people in western Germany in the organization and defense against Russian aggression. I am confident that if we give this matter our attention, results can be obtained. One method, which may not necessarily be the best, was suggested last fall by the London Economist, namely, the organization of German infantry units as part of the overall Allied land army. Whatever means are adopted, we must face the realities of the situation; and the sooner we organize the available—and indispensable—military resources of western Germany, the better we shall be prepared. Whether we like it or not, the division of Germany is complete. And, it is necessary to treat the Germans in our sector as European citizens, with equal rights, and with equal obligations for the defense of their homeland.

Along with the integration of Germany into the economy of Western Europe, and the organization of an effective military establishment incorporating and utilizing the capabilities of the German people, we must reexamine the strength and purpose of our occupation forces in Europe. Our small contingent there was organized to deal with problems of military Government, in the immediate postwar period, and to provide a force capable of meeting any insurrection. Surely, no one believes today that the mission of our forces in Germany is to prevent uprisings in Frankfurt or Munich. Our forces in Europe should be reorganized and strengthened, for the mission of providing a striking force capable of rapid mobilization. They should be organized and equipped to assist also the components of the Western European countries, including those to be raised and trained in Germany. This will require, in my opinion, substantially larger forces than we now have in Germany, particularly with respect to the Air Forces, and the mechanized elements of our ground forces.

To sum up, we have undertaken, during the postwar period, the organization and defense of Western Europe. We have invested very substantial sums for this purpose; but such expenditures cannot be continued indefinitely without threatening our own economy. It is generally recognized that one major deterrent to the economic recovery of Western Europe is the dread of Russian invasion. By incorporating Western Germany into the economy of Europe, and by mobilizing the military potential of Germany, we can achieve a twofold purpose. We shall reduce the drain upon American resources and the burden of the American taxpayer. We shall provide the underlying conditions for political stability and confidence, which are so essential if Germany is to achieve self-support and attract the capital investment required to provide employment for the present population. At the same time, we can restore the hope and confidence of the German people in their ability to defend their homeland.

Such a program calls for a new examination and a fresh start on our part. It will also call for some assistance, both economic and military. However, the most valuable form of assistance, whether to an individual or to a nation, is that which encourages further effort, and does not constitute a continuing dole. Almost 5 years have passed since the end of hostilities in Europe, and time is running out for us. Let us embark now on a program which will merit the support of the American people, encourage the efforts of those Germans west of the Iron Curtain, in helping Europe rebuild its economy, and prepare its defenses.

At the time I made that statement on the reexamination of our German policies, 5 years had passed since the end of the war and now 4 more years have passed and no action has been taken on the rearming of Germany.

We seem to be still waiting for the State Department's agonizing reappraisal of our situation in Europe. I wonder if we must continue to defer the rearming of Germany until the French and Italians make up their minds. Time does not stand still and this move is already 4 years overdue.

It seems to me that our continued aid to France and Italy on a large scale may merely postpone their action instead of expediting it. Certainly the foreign aid program has continued a long while and the justification has changed remarkably.

It is doubtful, in my mind, if a continuation of this spending will bring about the ratification of EDC by France and Italy.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I have news for the gentleman from Pennsylvania [Mr. GAVIN], my good friend who always delights us with the same kind of speeches. We are in an emergency. We do not have to wait for one. We are in one right now. Let us call the roll on where this money for military assistance is going sought to be cut by $300 million: Greece, Turkey, Pakistan, Iran, the Philippines, Formosa, Thailand, and what is left of Indochina, the independent states of Laos and Cambodia and South Viet Nam.

There is one thing I cannot do. I cannot undertake to convince a number of the gentlemen who have spoken. Some have been frank enough to say that they will vote against the bill anyway, so I must direct my remarks to those who sustained this program a few short weeks ago, and who are now concerned with whether the cost which is put before us is legitimate. It is legitimate, for this reason: What the gentleman from Wisconsin, Mr. DAVIS, has sought to cut are what he calls unobligated funds, but he has not tried to cut new appropriations at all. The new appropriation has already been cut by the Senate committee $165 million. This committee itself has already taken off $265 million of the unobligated funds. I will assume that in the conference they will try to work that out with the Senate, based upon the real needs. But the cut of the gentleman from Wisconsin is a meataxe cut, because every dollar of this money is programed. That means it is promised to one of our allies in a military sense.

Let me call attention to the statement in the report of the Committee on Foreign Affairs when we brought this bill up in 1954:

> Nineteen hundred and fifty-four will see a 5 percent increase in ground force strength, a 15 percent increase in naval strength, and a 25 percent increase in air strength in NATO.

These unobligated balances are the amounts of money which will go under contract as soon as model questions and similar plans are decided upon, but they have been programed. That is the reason for the force goals which we are talking about in NATO. That is the reason for the increase in military strength.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. DAVIS of Wisconsin. The gentleman is certainly using a very loose interpretation of the word "program." If the gentleman is so sure that all of this money has been programed, I hope he will be good enough to tell us where it is programed.

Mr. JAVITS. I have just given the facts and the figures from the Foreign Affairs Committee report on the MSA bill. General Stewart testified that you cannot actually sign a written contract for every dollar that is programed and committed generally for technical reasons. The whole House is against the improvident signing of contracts until they are really ready to be signed. By "programed" we mean that every dollar has been promised to a country in return for their promise to build up our strength as in NATO.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from West Virginia [Mr. BAILEY] is recognized.

Mr. BAILEY. Mr. Chairman, when I sought recognition I had in mind expressing my views on the general appropriation and not on his particular

amendment. At this time I ask unanimous consent that my time be transferred to the gentleman from Virginia [Mr. GARY], a member of the committee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Vermont [Mr. PROUTY] is recognized.

Mr. PROUTY. Mr. Chairman, modern man has been defined as the mess we are in and I think most of us will agree that that definition is a rather apt one. That we are living in a very sick world is beyond question. The poisonous political and economic infections which threaten it must be matters of deep concern to us all, and certainly events which have occurred in southeast Asia during the past several days and weeks offer no valid grounds for increased optimism or complacency. We find ourselves going through the greatest crisis in history, and to ignore this fact will only add to our peril.

I recall a story which appeared in the text of a speech written by a scientist who participated in the development of the first atomic bomb. This story, a distorted version of the theory of evolution, goes something like this:

One nation dropped a bomb on a second. The second nation retaliated and before long bombs were falling all over the world. But the war didn't last long because it was an atomic war. Every living creature on the face of the earth was destroyed; that is, except two monkeys living on an island in South Pacific. They sat huddled close together almost paralyzed with fear. The sea was boiling; the sun was obscured by the dust clouds in the air and the palm trees were uprooted and denuded of their fronds by the fury of the winds.

After a seeming eternity of violence calm returned to the island. The monkeys surveyed the complete and utter desolation which surrounded them. Finally one of them pulled his mate closer to his side, put his arm on her shoulder and said: "Darling, should we start this all over again?"

Properly told there is an element of humor in that story. Obviously it was not properly told this afternoon. But it does emphasize the perils of the Buck Rogers kind of civilization that we have created. The Mutual Security program will not solve all our problems, it will not produce miracles but it will contribute to the security of the United States and to that of the free world generally. Indeed, it cannot be justified on any other basis.

This is not a giveaway program in the sense that it constitutes charity. It's an effort on our part to assist the freedom-loving nations to develop greater economic and military strength so that they, in turn, can add to our strength in the struggle against Communism. It is a vital part of our own national defense.

I hope that the pending amendment will not be agreed to. The Committee on Appropriations has done an excellent job. It has made substantial cuts where these could safely be made. But we should not jeopardize the program, we should not endanger our own security by further reductions.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I sincerely hope that this amendment will not be adopted. It strikes at the very heart of the bill in that it strikes at military assistance.

The bill as a whole, as you know, has been reduced by $812 million below the original request, or about 13 percent, and in terms of funds available for obligation in fiscal 1955 as compared with those available in fiscal 1954 by $1,700 million, or about 25 percent.

This amendment would add $300 million to those figures bringing the amount below the request to the extent of $1,112 million and below the funds available for fiscal 1954 to the extent of about $2 billion.

Mr. Chairman, this is a drastic cut. It is drastic in comparison with the views which the President has expressed. It is drastic in comparison with the views which I believe to be held by the Secretary of State, by General Gruenther, and other military leaders. If adopted, it could be interpreted abroad as a very drastic cut.

Mr. Chairman, we are in the midst of a cold war. We need all the military power that we can possibly develop. Military power is vital not only to our own defense but to the defense of the free world.

Eighty-five percent of the funds carried in this bill are for the purpose of developing military power. The item for military assistance has already been cut to the extent of about $430 million. This amendment, if adopted, would increase the cut to almost three-quarters of a billion dollars and leave us with funds available for obligation for military assistance in fiscal 1955 below those available in fiscal 1954 to the extent of over $1 billion.

Mr. Chairman, the proposed cut is too drastic. The pending amendment should be defeated.

Mr. MOULDER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Chairman, I am supporting and will vote for both of the amendments offered by the gentleman from Wisconsin [Mr. DAVIS]. I am informed that there is an unexpended sum of approximately $9 billion for military and economic aid for foreign countries. This bill, H. R. 10051, appropriates an additional $5 billion.

Mr. Chairman, yesterday I introduced a bill, H. R. 10058, which, if passed by Congress, would provide $1 billion for emergency relief in the drought-stricken areas of the United States. The bill would establish a program for the purchase of beef and cattle in drought-stricken areas for distribution to schools, hospitals, and the Armed Forces with adequate provision to assure the farmers at least $10 per 100 pounds for utility grade cattle; purchasing grains and feeds from the Commodity Credit Corporation for distribution in drought-stricken areas; establishing a program of 30-year loans to assist in drilling wells in areas where the water supply is exhausted; and providing such other forms of assistance as the President may deem appropriate to combat the effects of the drought.

Now, if we are financially able to appropriate billions to assist in economic aid for the people of foreign countries, then for the sake of America, why can we not afford one of such billions for our own people who so sorely need and deserve such assistance as never before in the drought-stricken areas? The Davis amendments propose to reduce this appropriation for foreign aid by $512 million. That is a lot of money and it would go a long way toward giving aid to the farmers in the drought-stricken area as provided in my bill. Do you not believe our first obligation is to our own taxpaying American citizens?

Congress has been authorizing foreign expenditures on the recommendation of policymakers in Government who see the world through the eyes of international industrialists and financiers. Neither they nor Members of Congress would for 1 minute sponsor these elaborate overseas expenditures if their own capital were known to be the source of such funds. It is easy enough to tax the citizens and spend their money, and then exercise their legal powers to tax more to make up the deficits. It has seemingly become a fixed policy to feel that the citizen is no longer to be considered.

America has fought foreign wars for 40 years; the Congress has imposed the taxload to the limit of endurance; it has squeezed the farmer and industry until their reserves, once considered the backlog of our economic structure, are now depleted. It has issued paper IOU's to the tune of $2¾ billion and exchanged them for the savings of sacrificing citizens. It has created agencies guaranteeing contingent liabilities which make the Government the possible final arbiter for another $200 billion.

It is an historic fact that individual nations will conform to an international policy only as long as it greatly serves their own local interests. The fact that many among the free-nations group are necessarily influenced by economic and political developments in their new neighbor nations means that it follows that any ties with the United States must be subject to these unpredictable influences. Judging from vacillations on the part of a number of key nations considered essential in the alinement of anti-Communist powers, we seriously doubt the stability of our association of allies if and when the real test of their determination to resist aggression becomes imminent. Without a determined will to resist aggression, without a patriotic devotion to the ideals of freedom, no amount of money or military hardware can insure the United States the

total assistance needed for a united, firm stand among the free nations against aggression.

If, as it appears in many nations, today's threat of communistic infiltration is so lightly taken, no amount of money, economic aid, or American persuasion will prevent Russian influence from strengthening its hold on these people.

Just as long as America continues to promise unlimited help, just so long will these nations be content to remain supine under the possible hope that America will bail them out of their economic and military difficulties. Except as foreign aid promises specific and direct defense benefits to America, any foreign funds not so allocated should be withheld to aid our own American economy and American citizens.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I trust that no partisanship will be brought into the discussion of this bill. The Marshall plan, which was the forerunner of the present program, was recommended by a Democratic President to the 80th Congress, which was a Republican Congress, and was approved by that Congress. So, both sides of the aisle may share the credit or the blame, whichever you may consider it, for this legislation.

Now, let us look briefly at just what this amendment proposes. It would cut the unobligated balance for military assistance by $300 million. The committee has already cut that unobligated balance by $265 million and in addition has cut the appropriation for new money in that category by $238 million, making a total cut by the committee for military assistance alone of $504 million. The gentleman from Wisconsin would cut those funds $300 million more, and in addition he stated during the general debate that he proposes to offer another amendment to cut $200 million more from the appropriation of new funds, which would mean a total additional cut of $500 million over the $500 million which has already been cut from the military program.

Mr. Chairman, I do not believe there is anybody in this House that gets much satisfaction out of the manner in which the Korean war was brought to an end. We have no agreement there today. I am certain that no one in this House is happy over the settlement in Indochina. Does anyone believe that this is an end to Communist aggression? If so, it would be a victory. But, before the ink dries on the articles of agreement we see further acts of aggression on the part of the Chinese.

There was never a time in history when the free nations of the world needed to stick together more than at the present. Our Secretary of State has said time and again that one of the chief factors of our mutual defense is the European Defense Community. He has also emphasized the fact that we must have a Pacific mutual defense pact if we are to contain communism in the Pacific. Now, at the time when the Secretary of State is negotiating for these two vital agreements with the free nations of the world, if we do anything to indicate that the Congress of the United States is going to withdraw its support it may be fatal to the acceptance of those pacts.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. GAVIN. The gentleman says that we all ought to stick together in EDC. Can the gentleman tell me why, after 4 years, the French and Italians have not ratified EDC so we may build up the national defenses of Europe? Are we to continue pouring in more billions in the hope that they will eventually ratify EDC? Has the gentleman any idea why they have not ratified that pact after 4 long years?

Mr. GARY. I will say to the gentleman that I cannot say why they have not ratified it; but I can say that the Secretary of State still has very strong hopes. He told our committee that he felt that the agreement with reference to Indochina, made at Geneva, improved the chances for the ratification of that pact. But I will say to the gentleman that any evidence of withdrawal on our part at this critical point of the negotiations will go a long way toward checking the ratification of the European Defense Community and the organization of the Pacific pact.

Mr. GAVIN. Giving millions of dollars to these programs certainly is not evidence of withdrawal.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

The question was taken and; on a division (demanded by Mr. DAVIS of Wisconsin) there were—ayes 64, noes 92.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 2, line 9, strike out "$27,285,000" and insert in lieu thereof "$27,825,000."

Mr. TABER. Mr. Chairman, I just want to say that that resulted from a printer transposing the figures. The figures I have just presented correspond with those in the committee report and what the committee agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. SMITH of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this House should remember that the appropriation bill before us is really a $12 billion spending bill. This is three times what the FOA can spend. The bill should be defeated.

Mr. Chairman, the argument in this debate seems to revolve around the desirability of adequate military defense. No one on this floor, I am sure, would want to see anything but adequate defense all over the world wherever we were called upon to defend our interests. I submit to you, however, that if this is a military matter the Foreign Operations Administration is not the agency to carry it on. This is a matter for the Armed Services Committee.

I say that the Foreign Operations Administration or Mutual Security, whatever you want to call it, has always been inept in the administration of this legislation. The gentleman from North Carolina has already called attention to that situation. Here I want to compliment the committee on a very frank statement contained in the report regarding this agency. I refer to page 5. I want this in the RECORD, because it clearly indicates the weakness of administration.

On page 5 of the report, and again on page 7, is contained one of the most scorching indictments of a Federal agency that I have ever read. Here is a portion of the report on page 5:

It has already been determined that questionable practices, involving substantial sums, are being followed in the classification and recording of transactions as obligations. They range all the way from plain clerical errors ($47,800,000) to amounts exceeding limitations stated in letters of intent not yet converted to definitive contracts. Substantial sums are included for lump-sum contingent amounts contained in contracts for spares, spare parts, engineering changes, and the like for which there are no definitized orders and which appear to amount in effect to nothing more than an administrative reservation of funds against possible future purchases. Contracts entered into in 1951 and earlier years, practically dormant for many months, are also included. There are other categories of questionable firmness such as canceled orders not yet removed from the books, excessive cost estimates, lower stock prices promulgated subsequent to the original requisitions, etc. The conditions found closely parallel those reported in March 1954 by the Comptroller General on obligations for regular aircraft-procurement funds in the Navy and Air Force.

Similar tests were made of selected obligations reported as of May 31 under nonmilitary programs. Many instances were found of outstanding obligations with considerable age which were possibly out of date as well as many instances where there was a direct question of validity from a standpoint of legality and firmness.

Mr. Chairman, the administrator of this program should not be very proud of this indictment.

But more denunciatory than the above excerpt is another on page 7. To me it is nothing less than a charge of dishonesty in administration. Here it is:

JUNE BUYING

Examination of rates of obligation in fiscal year 1954 under several mutual security appropriations disclosed amounts for June 1954 so high as to be far above and beyond any normal relationship to rates of prior months. From an analysis of the underlying details, including examination of a number of specific documents forming the basis for such amounts, the committee can only conclude that there was a deliberate effort to tie up or dispose of available funds before the June 30 deadline. The finger points clearly to various forms of "June buying" to get rid of "hot money" as basis for support of 1955 requests, a practice long condemned by the committee and on which, as late as April 26, the Director of the Budget issued a directive to agencies cautioning against such practice late in the fiscal year.

I submit to you if that is the way this agency is handling its business it is

about time some changes were made. I would suggest to the administrator that he stay home and do his homework instead of chasing to all parts of the world trying to effect trade agreements with countries behind the Iron Curtain. It is his responsibility.

Before I conclude my brief remarks Mr. Chairman, I want to compliment my colleague from Wisconsin, Mr. DAVIS, for his very able presentation of his amendment. It should carry. And to my other colleague, Mr. LAIRD, for his forceful argument in support of the Davis amendment. I am proud of these promising young men in the Wisconsin delegation.

Now, Mr. Chairman, what this bill before us really amounts to as a matter of fact is whether or not we are going to have fiscal responsibility in this Congress. I say to you that so far as I am personally concerned it is evidence of fiscal irresponsibility. This cannot continue.

The Clerk read as follows:

Southeast Asia and the western Pacific: For assistance authorized by section 121, $712 million;

Mr. DAVIS of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Wisconsin: On page 2, line 22, after the comma, strike out "$712,000,000" and insert "$500,000,000."

Mr. DAVIS of Wisconsin. Mr. Chairman, this amendment has the same basic reason as the one which preceded it, that is, to voice my objection to the continuance of blank-check appropriations in the field of foreign assistance.

I hope that this amendment will not be used as the vehicle for discussions which go considerably beyond what I have in mind in offering it. When this matter was presented to our subcommittee, it was on the basis primarily of a program of military assistance for this part of the world. Then the day before we had our mark-up session, the truce in China came along which, of course, changed the whole concept of the kind of program which was going to have to be carried on there. The language we heard was, "Well, yes, we are not going to be able to use this amount of money for military assistance, but we are going to have a great number of refugees"—which by some magic suddenly became the responsibility of the Government of the United States to handle. And this was the money which was to be used for that purpose.

I am aware that I am talking about a very critical area of the world, but this amendment does not strike out the appropriation for it. What it does is reduce the figure of $712 million which was the amount that was justified to the subcommittee for the purposes primarily of military assistance and it reduces that to $500 million, which is certainly more than they can use if they spend it at the same rate that they said they were going to spend it. It is certainly more than they can use until sometime next spring when they will have a better opportunity in the executive department to re-evaluate and develop a new program in keeping with the changed conditions of this part of the world and give the Congress a chance to be better informed upon it.

I might call your attention to the fact that last year out of some $745 million, which was made available for this part of the world, less than $100 million of that amount had actually been expended during the fiscal year 1954. I simply do not like the rationale which says that they will not use it for the purposes that they justified it, but they will probably need it for something else so we should give them the same amount of money. Certainly, if it happened in any other subcommittee that they came in and justified a number of million dollars for airbases in Spain and then the day before we got ready to present it to the House of Representatives, as our recommendation, if they came in and said, "Oh, no, we cannot use it for airbases in Spain, but we think we are going to have to build some barracks in Ethiopia." I think you would be highly critical of such a subcommittee, if we brought in a recommendation for the same amount of money and asked you to follow our recommendations to use that same amount of money which was justified for airbases in Spain for some nebulous program of building barracks in Ethiopia. I think it is just too much of a coincidence that they are going to need the same amount of money—exactly the same number of dollars for a program for refugees or whatever else it might be for in this part of the world as they told us they were going to need for a military assistance program. I think it is the responsibility of the Committee on Appropriations and it is the responsibility of the House of Representatives to consider a revised program, when such a revised program has been made up and has been presented to the Committee on Appropriations.

This amendment does not affect the authorization. The authorization is there. We will not have to go through that again when the next Congress convenes, but it does affect the amount of money involved and it would require the FOA to come back in January before the Committee on Appropriations and say, "This is what happened since the truce came in Indochina. This is how we have obligated the $500 million which was provided. This is why we need the $212 million that you did not give us last July." I think it is reasonable to expect them to do that, and I submit that this reduction will not cripple the program in any part of the world, but it will give recognition to the responsibility of this Congress to know for what we are appropriating the money for and why.

Mr. BUSBEY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. BUSBEY. I wish to compliment the gentleman from Wisconsin for offering this amendment, and also to commend him on his presentation of the arguments in its behalf in such a clear, concise, and logical manner that I think the committee should accept his amendment.

Mr. DAVIS of Wisconsin. I thank the gentleman.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. HAND. May I also call to the gentleman's attention that the record of the hearings on page 160 show the following:

Mr. TABER. So that you have available $783 million, or just a little over twice what you delivered this year, indicating that you have 2 years of funding on this item.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. DONDERO. How do we know that even $500 million is the exact amount that they can use?

Mr. DAVIS of Wisconsin. They certainly do not, but I offered the comparatively small amount of reduction in the hope of increasing the chances of the adoption of the amendment.

Mr. CLARDY. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield.

Mr. CLARDY. Is it not a fact that France is now relieved of the burden of carrying on the war in that area, so that she should be able to take care of the refugee problem?

Mr. DAVIS of Wisconsin. I hope she will do a better job of building up than she did in taking care of that which existed before the truce.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I rise in opposition to the amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. TABER. Mr. Chairman, I wonder if we cannot get an agreement to close debate on this amendment. I am going to suggest that after the gentleman's 5 minutes there would be 1 speech of 5 minutes for the amendment and 1 speech of 5 minutes against, the last one being reserved for the committee.

Mr. HAND. I would like to have a little time.

Mr. TABER. I will amend the request to make it 2 speeches for and 2 speeches against. I think that is much more satisfactory to have 5 minutes for each speech than to try to cut it down. I ask unanimous consent that the debate on this amendment be limited to 2 speeches for and 2 speeches against, the last 5 minutes being reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I regret to find myself in disagreement with my good friend and very able colleague, the gentleman from Wisconsin [Mr. DAVIS].

I believe, however, it would be a great mistake to adopt this amendment.

This amendment also seeks to reduce the funds in the general field of military assistance, and to reduce those funds to the extent of $212 million.

The original request for this fund was in the amount of $800 million. That figure has already been reduced by the Senate Committee on Foreign Relations to $712 million. This amendment would make a further reduction to the point of $500 million.

Mr. Chairman, it was not so very long ago that a meeting was held at the Office of the Secretary of State. The leadership on both sides of the aisle were there. There were representatives from both sides of the aisle, from the Foreign Affairs Committee, from the Armed Services Committee, I think, and from the Appropriations Committee.

At that meeting there was explained the vital importance of having a large flexible fund available for utilization throughout southeast Asia and the western Pacific and the approval of those present was asked.

After discussion there was unanimous agreement by all present that this was the right thing to do, and that such a fund should be made available to the President for use in conducting the cold war.

The fund is, in effect, an emergency fund which is appropriated, if you will note the language in the bill, directly to the President of the United States, to be spent by him under such rules and regulations as he sees fit.

Mr. Chairman, it is humanly impossible to foresee what may happen tomorrow or next week or next month in this great area extending all the way from Burma to Japan.

The mere fact that fighting has ceased for the moment in Indochina does not necessarily mean that the overall situation is less dangerous.

It may mean just the reverse and that the picture as a whole is more dangerous rather than less dangerous.

This is an example in my judgment, of a situation where it is imperative that we give our leaders in this cold war the weapons they require and trust them to use those weapons wisely and economically.

I hope the pending amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HAND].

Mr. HAND. Mr. Chairman, I rise in support of the Davis amendment. As he has pointed out, this is a little bit too much of a coincidence to swallow that the same amount of money almost to the dollar is needed now that the cease fire has been arranged in Indochina as was needed when the war was going on.

So let us look at the record for a moment, and I regret to say there is not too much of a record to look at in this instance. I refer to page 6 of the record of these hearings. I understand that a great deal of testimony has to be off the record in this sort of thing, but not too much in reference to this area where everybody knows what we are doing. There appears this colloquy on the part of Mr. Stassen and the committee:

Now, you will note that the next item is the $800 million for southeast Asia and western Pacific. That is the fund which has broadened out from the Indochina war and is presented in the authorized legislation with rather broad flexibility because of the obvious impossibility for the President or anyone else to see what we face during this next year in southeast Asia.

So, we are asking for $800 million, which was approved in the authorization stage for that whole area of the world on a very broad program.

Mr. WIGGLESWORTH. Off the record.

(Discussion off the record.)

Mr. ANDERSEN. Off the record.

(Discussion off the record.)

Mr. FORD. Off the record.

(Discussion off the record.)

That is not very much of a record to permit the Committee of the Whole to judge what we are doing in connection with this particular program.

Let me call your attention also to the hearings beginning on page 76 where there was talk about the amount of money required for this program. The gentleman from Wisconsin [Mr. DAVIS] correctly said that they spent less than $100 million last year.

Mr. WIGGLESWORTH. Our investigators report that when they examined the record in late April 1954 the FAO had only spent $53 million in the first 4 months of 1954 and that the best estimate at that time was that FAO would spend only $200 million by June 30. How did you obligate the other $545 million between April and June?

Mr. MURPHY. Well, sir, the obligations were not incurred between April and June. Let me start out by saying what we know of the actual expenditure situation on June 30. The total reported to us by a cable from Paris was $96 million that was spent of the $745 million. The $745 million was obligated because in September of 1953 the United States Government came to an agreement with the French Government to the effect that if the French Government would mount a total military effort in Indochina estimated to cost in the neighborhood of the equivalent of $1.5 billion, the United States would support that effort to the tune of $785 million.

I ask whether the French mounted a total military effort in Indochina?

Let me further call your attention to page 133 of the hearings where the following occurs:

The Indochina program includes a direct-forces support program of $800 million.

Mr. CANNON. Off the record.

(Discussion off the record.)

Mr. FORD. Off the record.

(Discussion off the record.)

Mr. DRUMRIGHT. As I was saying, the Indochina program includes a direct-forces support program of $800 million, which we are requesting not only for the purpose of permitting the continued prosecution of the war in Indochina, and supporting the Associated States forces engaged against the Communists, but it would also be used on a flexible basis—

And so forth. Now, that is just too much to swallow, that they need the same amount of money after a cease-fire in Indochina for the care of refugees or for six other purposes as they did when the war was hot.

I want to ask you about this whole program. After some 8 or 10 years of this, and some $45 billion or $50 billion spent on foreign aid, are we nearer to peace now than we were then?

Ask yourselves this, my friends, before you vote for more of the same.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. TABER. The administration of the FOA reported that there were no unobligated balances left in this particular quarter and therefore there could be no carryover.

Mr. JUDD. That is my understanding. And, of all the places, this is the least suitable to make the cut.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that I may yield the gentleman my time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield.

Mr. JAVITS. I would like to point out to the House something which is very important. The amount of money provided here is for military effort, military effort in the region of Indochina, and I ask the Members this: The gentleman from Minnesota [Mr. JUDD] will explain that in great detail. I ask the Members, did we ever need military effort in any area of the world more than we need it in the area of Indochina? I think the answer is self-evident.

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Does this constitute part of the request of 2 speaking for the amendment and 2 in opposition to the amendment?

The CHAIRMAN. I did not gather that the gentleman who was speaking spoke for or against.

Mr. GROSS. As to the gentleman who just yielded his time, is that in opposition?

The CHAIRMAN. The gentleman did not have any time.

Mr. ROONEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROONEY. Well, just how does this come about? I am one of those who was designated to speak against the amendment, and we have already had the gentleman from Massachusetts [Mr. WIGGLESWORTH] speaking against the amendment.

The CHAIRMAN. The gentleman from New York [Mr. ROONEY] has 5 minutes to close debate. That is the division of time.

Mr. DAVIS of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Wisconsin. I would assume that under the unanimous-consent request that was just agreed to that the gentleman from Minnesota is going to

have to speak 5 minutes for the amendment and 5 minutes against it, if the request is going to be adhered to.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. My parliamentary inquiry, Mr. Chairman, is whether or not the unanimous-consent request submitted by the gentleman from New York [Mr. TABER] that two speak on each side would be exclusive of the 5 minutes that the gentleman from Massachusetts [Mr. WIGGLESWORTH] had; and if that is so, you are going along in order.

Mr. GROSS. No. No.

Mr. TABER. The gentleman is correct, except somebody is entitled to recognition after the gentleman from Minnesota is through to speak in favor of it ahead of the gentleman from New York [Mr. ROONEY].

Mr. DAVIS of Wisconsin. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DAVIS of Wisconsin. Certainly, under the previous unanimous-consent request of the gentleman from New York, the unanimous-consent request by the other gentleman from New York [Mr. JAVITS] that the gentleman from Minnesota have an additional 5 minutes would not be in order; is that correct?

Mr. TABER. That is correct.

Mr. JAVITS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JAVITS. As I see the difficulty, some Members were on their feet who were opposed to the amendment when the gentleman from New Jersey [Mr. HAND] was recognized. Therefore, I yield back my time.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Can the gentleman yield back his time? He yielded it to the gentleman from Minnesota.

Mr. JUDD. The gentleman did not have any time to yield.

The CHAIRMAN. The gentleman yielded back his time.

Mr. GROSS. Can he yield back his time without asking unanimous consent?

The CHAIRMAN. Without objection, he can yield it back; and the Chair can allocate it.

Mr. VORYS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VORYS. I ask unanimous consent that this entire hassle here not be taken out of the gentleman's time.

The CHAIRMAN. It is not being taken out of the gentleman's time. It is just a vocal exercise.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Did the gentleman from New York [Mr. JAVITS] ask unanimous consent to yield back his time?

The CHAIRMAN. Without objection, he could yield back.

Mr. GROSS. Well, I object.

The CHAIRMAN. Objection is heard.

Mr. DORN of South Carolina. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DORN of South Carolina. Many Members in this part of the House would like to know what time the gentleman from New York [Mr. JAVITS] had to yield back and how he came by the time.

The CHAIRMAN. There was a misunderstanding. The gentleman from Massachusetts [Mr. McCORMACK] has correctly stated the situation.

The gentleman from Minnesota [Mr. JUDD] is recognized.

Mr. JUDD. Mr. Chairman, most wars, whether hot wars or cold wars, tend to go along for a considerable period without, apparently, much change. Then all of a sudden, it becomes obvious that little by little one side has been gaining and the other has been losing. Hitler looked mighty good up to just a few months before Nazi Germany collapsed. Japan in the spring of 1945 still looked as if she had a lot of strength. But really she had already been gravely weakened. The long process of attrition due to naval blockade and air attacks had been taking its toll.

Likewise, the war we are now in all around the world—a cold war in most places, and a shooting war in a few—has perhaps seemed just a seesaw affair, a sort of indecisive maneuvering without, seemingly, much change. But it must be clear to all today that the Soviet bloc in the world has in fact been gradually edging ahead and the free world has been falling behind. One side is gaining the ascendancy; the other is beginning to weaken and splinter. That is the moment of peril.

We must admit that the free world is now approaching that moment. Unless it resolutely pulls itself together and reverses that trend, then one day soon the whole thing will begin to fall apart.

It takes a long time to get the first hole through the dike; but once that hole is punched through, very quickly it becomes large enough for a whole torrent. That is precisely the situation the free world faces today. It cannot lose much more ground without beginning to disintegrate. The place where we have been and are losing alarmingly is in Asia.

For what purpose was money given to Indochina last year and the year before? Not because of special partiality or concern for the people or the territory of Indochina. It was to try to save the whole area, one of the most crucial in the world—all of southeast Asia and the Western Pacific. The fact that Indochina, a portion of it, has been lost, only increases the need for our assistance to the rest of the area, in order to prevent any further losses.

Are we to take the very moment when the area is shocked and weakened to reduce our aid and thereby announce to all that the Communist victory is even greater than it is? If anything, this is the moment for more aid, rather than less. At the least, it is a time to hold steady and give confidence to the peoples still free.

Look at the situation that we face in that part of the world.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the distinguished gentleman from Indiana.

Mr. HALLECK. I should like to say that, in my opinion, the situation in southern Asia is one of the most critical in the whole world. While we have had some reverses there, I think the situation is such as to indicate that we should by all means do everything possible to maintain the right cause in that area. In other words, if all of southern Asia goes, whether we can hold the Philippines, Formosa, and Japan would be a serious question. As the President said, instead of the Pacific being a friendly lake, it might become a Communist lake.

I should like to say this one thing further. There is no question in my mind but that if this money cannot be properly used there in the best interests of this country, the President of the United States will see to it that it is not used. However, because it is a danger spot and because the situation there is so critical, I sincerely hope that this amendment will not be reduced to the end that our interests there may be protected.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York [Mr. ROONEY] to close the debate.

Mr. ROONEY. Mr. Chairman, this is the most dangerous and ill-advised amendment that will be offered to this bill all day today. So that there can be no question about the purpose of this requested appropriation, originally asked in the amount of $800 million, I shall read to you this language of the Defense Department and FOA from the justifications:

> The purpose of this program is a military purpose—the support of military forces.

Some few moments ago the distinguished gentleman from New Jersey [Mr. HAND] quoted from the hearings and referred to many indications in the record of off-the-record discussions.

Let me say that this procedure is necessary with regard to an important defense bill such as this. I should point out that the index of witnesses in these printed hearings does not disclose the names of the Secretary of State, Mr. Dulles, and General Gruenther. These gentlemen testified at substantial length before the committee. General Gruenther spent an entire, long afternoon off the record with regard to the urgency of this bill. The Secretary of State, Mr. Dulles, was before us on two occasions, both times off the record.

Following the truce agreement last week in Geneva, the very next day thereafter, and during the course of the time that this bill was being marked up by the subcommittee, the Secretary of State and Mr. Stassen were sent for. The

question was whether or not any of the money in this item as well as in other items could be saved as the result of that ceasefire. The answer decidedly was "No." This very proposed amendment was offered on Saturday last in the full committee, as was the amendment previously defeated also offered by the gentleman from Wisconsin [Mr. DAVIS]. I trust that today this proposed slash amendment will again be defeated, because of its danger in a situation where our very existence is threatened more than at any time since the march of communism following World War II.

We have in the Pacific a defense perimeter which extends from the Aleutians in Alaska down across Okinawa, the Philippines, and so on, down all the way to Australia and New Zealand. Included in that perimeter is the one place that the vicious rulers in the Kremlin might get through and destroy our defense support, through Indonesia, if they were ever to take over the territory which still remains in Vietnam, and Laos and Cambodia.

As the Secretary of State pointed out, it is of the utmost importance now that we have lost the upper part of Vietnam that a bastion must be built to preserve the rest of Vietnam, Laos, and Cambodia, so that there will be no further spread into Burma and other countries in Asia. In building this bastion it becomes necessary to transport at least 500,000 people who might be executed by the Communists, and I have heard the figure mentioned as almost 1 million. We have millions upon millions of dollars' worth of military equipment and supplies in the area being abandoned by the French which we must retrieve. Do we not have sufficient confidence in the President in the White House to entrust him with the amount of $212 million at a time such as this? I am sure that we do, as we must. This appropriation is one directly made to and entrusted with the President of the United States.

This is not a partisan matter. I sometimes refer to partisan politics, as you know. But really and sincerely this today is not a partisan matter. It is far too dangerous to the defense of our country and our defense against communism to turn President Eisenhower down for the sake of $212 million of a $712 million appropriation recommended by the committee, already cut against my advice by $88 million.

I trust the amendment offered by the gentleman from Wisconsin [Mr. DAVIS] will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. DAVIS].

The question was taken; and on a division (demanded by Mr. DAVIS of Wisconsin), there were—ayes 63, noes 98.

So the amendment was rejected.

The Clerk read as follows:

Defense support, Europe: For assistance authorized by section 131 (b) (1), $70,000,000.

Mr. TABER. Mr. Chairman, I offer a committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TABER:

On page 3, line 2, strike out "$70,000,000" and insert in lieu thereof "$45,000,000"; and

On page 3, after line 2, insert "special assistance in joint control areas in Europe, $25,000,000."

Mr. TABER. Mr. Chairman, this divides the money up in the same way that it was divided in the House authorization bill—and that is the objective.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GROSS. There is no reduction then in the gentleman's amendment?

Mr. TABER. No.

The CHAIRMAN. The question then is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was agreed to.

Mr. DIES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if I believed that the expenditure of this money would stop Communist aggression, or materially contribute to that end, I would gladly support it. But I would want some competent evidence, and some assurances that are real and concrete, because I know that this money will not be paid back by me or by my generation—I know that my grandchildren and my great grandchildren will have to work and save and deny themselves to pay this money back. I know that we are the custodians and the trustees for the future generations. I do not believe that the expenditure of this money will halt communism. On the whole, it may do more harm than good. Let us be perfectly frank and realistic about this. The Communists are making just as fast progress as they want to make. They are biting off as much as they can digest at a given moment. This bill is like shooting a popgun to stop a colossus. The truth is the only way that Communist Russia can be stopped is when the free world develops a will to stop communism. That implies tremendous sacrifices. When the time comes that France and England and the United States and all of the countries of the free world are prepared to pay the price and to run the risk of halting the determined effort of the Kremlin to conquer the world, then, and only then, will we stop the Kremlin. That would mean that France, England, and all of these countries would have to say, "We are not going to permit them to advance another step and we are going to do whatever is necessary to stop them." We have ample resources and manpower. We have the know-how. We have everything if it can be welded together into a unified force dedicated to the proposition that we will not permit Russia to swallow the world. Once we convince the Kremlin that we mean business we will have far greater prospects of averting war than is now the case. The Soviet dictatorship is willing to risk war because they believe the free world is unwilling to risk war or is unable to unite behind a firm and realistic program. Until a will to stop aggression develops in the free world, whatever amount of money you appropriate is a mere gesture. You propose this measure because you cannot think of any other way to combat communism. The very countries that are the recipients of this money, our grandchildren's money, are engaged feverishly in trading with the Kremlin. The evidence is overwhelming today that the crack in the Soviet armament is their inability to produce food and fiber. No one disputes the fact that this is the Achilles Heel, that if you want to strike a telling blow at the Soviet dictatorship you must do so by refusing to trade. Why do we trade? Because we want our profits and we say that non-Communist countries cannot survive without trading with the Soviet Union. So that while we appropriate billions of dollars, the Soviet Union is engaged in building up a stockpile of necessary food and fiber acquired from the non-Communist countries, without which she cannot wage total war.

Let me say to you that for 25 years the Communists have not wavered in their determination for world conquest. World conquest is an integral part of their whole ideology. It is the heart and core of Communist faith. It is the driving force—the propeller. Without it communism would lack a mission—a zeal to inspire and motivate its disciples. It is more than a means to an end. It is the end itself of all Communist tactics and conspiracies. It was the failure of our leaders to grasp this simple fact which got us where we are today. It is the lack of full realization today which produces disunity and indecision.

You who think you can solve the problem by spending the money of future generations are simply idulging in a vain hope. How much faster could the Kremlin move? They have just absorbed 11 million people. Although you spent $2½ billion, did that stop it? Did that defer it? Is there any man today who will say that the Kremlin will not take Asia when it wants to take it? Who is to stop them? Do you think England is going to stop them, or France, or the United States? Why do you indulge the vain hope that something will happen to prevent their aggression? Why do you want to appropriate another three billion of your grandchildren's money when you have an unexpended balance of ten billion?

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent (at the request of Mr. GAVIN), Mr. DIES was granted 2 additional minutes.)

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. DIES. I yield.

Mr. GAVIN. I want to call to your attention while we are talking about building up military strength of Europe and the rest of the world we are cutting down on two infantry and armored divisions here at home, and if we were suddenly catapulted into an emergency we would not have the strength necessary to fight around a vast perimeter.

Mr. DIES. That is true.

Mr. GAVIN. It is about time we started to look after the interests and military strength of the United States. To cut down at this time our ground

forces and divisions of infantry and armored forces, in my opinion, would be a drastic mistake.

Mr. DIES. Well, we got on this dope of spending borrowed money years ago, and we cannot get off of it. The whole truth is that we were told when the Marshall plan began that it would last a limited time, and we just cannot resist the temptation to spend the money of future generations. We are wholly and completely lacking in the fundamental requirements of thrift, of fiscal responsibility, of concern for future generations, which characterized the men and women who built America.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DIES. I yield.

Mr. SMITH of Wisconsin. In support of your statement of a moment ago, the press reports are that already the Communists have struck south of the parallel into Indochina.

Mr. DIES. Of course, they are going to strike just as soon as they can. A boa constrictor can swallow but one hog at a time. He has to be given a little opportunity to digest it. As soon as they digest Vietnam they will move against Laos and Cambodia. After they take that, they will move into new fields. You sit here like a hypnotized rabbit in a boa-constrictor's cage, hoping and praying that the Communists do not mean what they say when they say, "We are going to conquer you."

I would not spend another dollar of the earnings and savings of future generations until I sought and obtained definite assurances from our allies that they are willing to adopt and carry out realistic and effective measures. I would require a commitment that each country is prepared to subordinate false profits and security to a program calculated to halt the tide of aggression that now threatens to engulf the world. It is later than we think. Very little time is left to us to repair the tragic blunders which brought us to our present predicament. Why deceive ourselves and our constituents any longer? Russia is winning the cold war. Our billions have not stopped the Kremlin. Only by matching the Kremlin's zeal to enslave mankind with freemen's will to free mankind can we turn defeat into victory and prevent a war of annihilation.

Our greatest danger today is vacillation, indecision, and disunity among the nations of the free world. It is this weakness which the Communists are exploiting. All the money in the world cannot take the place of the will to preserve the freedom of the world.

Mr. FEIGHAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FEIGHAN: On page 3, line 2, after "$70,000,000", strike out the semicolon, insert a comma and the following: *"Provided*, That no part of these funds shall be used for or on behalf of Yugoslavia."

Mr. FEIGHAN. Mr. Chairman, the reasons, briefly, for my request to exclude Yugoslavia from this appropriation are as follows:

First. Tito has never really broken with his Russian-Communist friends. As a matter of fact, keen students of the Yugoslav problem question whether the present dictator of Yugoslavia is really Josip Broz. It is quite possible that the present-day Tito is just another Russian boy trying to make good in a big way for his mentors in the Kremlin.

Second. Present day Yugoslavia under Tito will never fight on the side of the United States in the event of a conflict with the Russian Communists. In the event of war, the Yugoslav people, under Tito, will move in 1 of 2 directions. The most likely is that they will take advantage of war to liquidate Tito and all his followers, thus causing widespread internal revolution. The second possibility is that the people of Yugoslavia, the Croats, the Serbs, the Slovenes, and the Montenegrins, will be forced to fight against the West with Russian machine guns at their back.

Third. The present day Tito under the cover of "national communism" has been able to penetrate important segments of the organized defense community of the free world which has been created to prevent further Communist aggression. The North Atlantic Treaty Organization has been publicized as the symbol of western unity against athiestic communism. Tito's Yugoslavia would not be eligible for admission into NATO because admitting Tito to NATO would immediately destroy the symbolism which has been built up. So to prevent this question from being raised, the Department of State took the initiative in creating a small entente with our gallant and proven allies, Turkey and Greece, being put in the same bed with Tito which opens a special back door for Tito into the NATO community. The false cover of national communism also permits Tito to place his agents in many strategic positions and in general permits him the opportunity to carry out an intense campaign of "neutralizing" the free world so that it will be paralyzed in the event the Russian Communists make a sneak attack on the United States.

Fourth. Tito has never proven that he is a steadfast friend of the West. Unfortunately, we have never put him to any real test to determine where he stands on the critical issue of the United States against Russian communism. In the hysteria created by some of our striped-pants negotiators, we have deserted some of our best friends and strangely have now accepted as our supposed friends, proven advocates of world socialism. I suppose it is impolite to remind the Members of Congress that Marshal Tito has just reestablished diplomatic relations with Moscow and that it is common gossip along the highways and byways of Europe that the relationship between the Russian Communists and Tito Communists has always been on a most friendly and cordial basis.

Fifth. In any case, the people of Yugoslavia under the Tito brand of communism, will never be united behind anything Tito stands for. As a good example of my point, let us look at what Tito's brand of communism has done to the traditional food-producing capacity of the people of Yugoslavia. Before World War II Yugoslavia was a surplus food area of Europe, always in a position to export millions of dollars worth of food each year. Today, under Tito, the enslaved people of Yugoslavia, the Croats, the Serbs, the Slovenes, the Montenegrins, are hungry. The United States has been required on at least two occasions to bail Tito out and to keep him in power by sending some of our surplus agricultural commodities to Yugoslavia in order to prevent open rebellion against Tito's regime.

Sixth. There is the practical possibility that the arms and other strategic matériel which we make available to Tito later find their way behind the Iron Curtain, where the Communist stooges of the Kremlin who are responsible for the enslavement of those once free nations, will store these arms and other important strategic matériel for future aggressions against the free world. I am certain that a real investigation of this matter would reveal some startling evidence.

Mr. Chairman, from my investigation I feel it would be well if a committee of this Congress were established to investigate the situation obtaining with reference to Yugoslavia. I am firmly convinced that such investigation would substantiate in full the observations I have presented to you very briefly.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I yield to the gentleman from Iowa.

Mr. GROSS. I agree wholeheartedly with the gentleman's amendment. The gentleman states that he favors this amendment in part because Tito has never broken with the Communists. Did the British ever break with the Chinese Communist government during the war in Korea?

Mr. FEIGHAN. Not to my knowledge. All the information available on the relationship between the British and Chinese Communists indicate that the British have never been willing to recognize the Chinese Communists as being aggressors in the Korean war. It is strange to me that the leaders of a once proud and gallant Britain now allow themselves to be put into the humiliating position of sending an envoy extraordinary to Peiping, of whom the Chinese Communists took no recognition whatsoever for well over a period of a year and a half, and on whom all the tricks of kow-tow were performed. It is both sad and shocking that the once proud British people would permit the Chinese aggressors to so desecrate the glorious history of the British people.

Mr. TABER. Mr. Chairman, I move that all debate on the pending paragraph and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I want to answer the very unfair and unjust criticism, and it has grieved me deeply, that we never want to economize; never want to save money. That charge is not true.

For 10 or more years there has been a resolution pending before the Committee on House Administration to construct over on the west side of the main part of the Capitol Building a restaurant and cafeteria for the use of our constituents, the legislative employees, and Members of Congress. If you will look out there you will see what a fine, beautiful, and convenient place it is from the ground clear on up to the roof. We should build a cafeteria and dining room there so that we will have a place to eat to take the home folks when they come to check up on us. On an average there are about 300 Members here every day who go down to the cafeteria, and sometimes we have a guest or a group. We have an average of around five or six hundred a day. They have various ways of trying to get you out. In effect it amounts to "Hurry up, do not sit here and smoke a cigarette, do not fool around with your cup of coffee." They are forced into that because there is usually a crowd in the hall waiting to be served.

And the thing is running behind, too. So why not build that dining room and cafeteria and get that kitchen out of that hole where they have it down there now? It is unsanitary; it is smelly. Why not have a place where it would serve the right kind of food, in the right way—where our folks from home can be treated as guests, not as trespassers? They do the best they can, but really it is slop. And they herd you in there like a drove of hogs. Why do we not do that and not only save a little money but make a little money? Now, if you want to do something, save money, and have a decent place, I say to my aristocratic friend from Massachusetts [Mr. McCORMACK], let us dine in style the way the folks in Boston do and can, and make a profit at it.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this amendment will not save any money and it will, if it is adopted, offend the Yugoslavs. They are very important to the United States and to the defense of Europe against Communist aggression. They have 30 divisions.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that the Yugoslavs, Greeks, and Turks have recently entered into a military alliance which obviously is to defend that area of the world against the Communist threat and that this amendment would, in effect, break up that alliance?

Mr. TABER. That is right.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. Is it not also true that we are at a vital point in trying to work out a solution to the Trieste problem and that the approval of this amendment might very seriously impair those negotiations and upset what we have been trying to accomplish for many months in that area of the world?

Mr. TABER. That is correct.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. Mr. Chairman, I want to say that I have no desire whatever to help Yugoslavia. I do, however, have a desire and a strong desire to perfect a proper defense for the world and the free nations of the world. I think that Yugoslavia is a strong and needed cog in that defense, and to take any money away or to say in this bill that no money should be used for that purpose would be a usurpation of the executive powers of the Government by the Congress of the United States. We must stick by the executive branch in this defense plan. General Gruenther appearing before our committee pointed out the importance of Yugoslavia in the European defense program, and it would be, in my judgment, a great disaster if this amendment were adopted.

Mr. TABER. We cannot be the State Department.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. JAVITS. Is it not true that Yugoslavia is the greatest defection the Kremlin has suffered? It is the biggest thing they lost, and if we adopt this amendment, we will give them right back to the Kremlin.

Mr. TABER. We want to keep them in our corner.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I would like to make this observation to the gentleman from Ohio [Mr. VORYS], that he cannot point out one instance in which a Communist government made an agreement that it kept. Secondly, here we are with our face and head in the sand acting like a real ostrich, which is in every sense un-American, talking about Yugoslavia as an ally when any investigation would show very definitely that they are strictly agents of the Kremlin. I regret that the gentlemen opposing my amendment have failed to answer the questions I have raised concerning aid to Tito's Yugoslavia.

Mr. TABER. Well, I do not think that that is correct. Frankly, I believe that the Yugoslavs, since they came away from the Communists, have gone along and kept their bargain with us and with the rest of the free world, and I hope that we will not do anything that will make them feel that the Congress of the United States is going back on the idea of keeping them from coming in our direction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. FEIGHAN].

The amendment was rejected.

The Clerk read as follows:

Development assistance, south Asia: For assistance authorized by section 201 (a) (2), $60,500,000;

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. H. CARL ANDERSEN: On page 3, line 19, strike out "$60,500,000" and insert "$40,000,000."

Mr. H. CARL ANDERSEN. Mr. Chairman, the weak part in this bill, of course, is that having to do with the so-called defense support and development assistance items, aside from Korea, amounting to a total of $431,500,000. These items have little to do directly either with our own defense or direct forces support. The weakest part of all these items amounting to $431,500,000 is that for economic assistance to India. India is the only nation included in that item in this particular paragraph for south Asia.

We have given to India during the last 3 years a total of $185 million in economic assistance of various kinds besides a considerable amount for technical cooperation. Please keep this in mind that in the following paragraph under the item technical cooperation, general authorization, India will receive in all probability a further allocation of $15 million. I think we ought to be reasonable. I have no objection to helping them with our know-how through technical cooperation but we have embarked in an extensive program of construction and development, far beyond the original concepts of point 4 program. Certainly, no military value to us is apparent from this overgenerous allotment to India.

I wonder if it is good business to continue, not in sharing our know-how, but in this program of putting down 3,000 deep wells, each of them capable of irrigating 500 acres of land, making more difficult our problem in this country of getting rid of our surplus cotton and such. I do not object to our giving outright to them of our food surplus if they need food. But just how far can we go in working up competition to our own people?

I asked earlier today, in a question addressed to the gentleman from California [Mr. HUNTER], just how far should we go, and what responsibility do we as Members of Congress have in voting our taxpayers' money for such purposes, and what right do we have as Members of Congress to make more difficult the problem facing our own producers by being too lavish with our taxpayers' money? Here is the outstanding example of it in this particular bill. Irrigation, dams, transmission lines, railroad locomotives, and cars, to the tune of tens of millions of dollars, are being given to a nation whose friendliness is certainly open to question. Our planes carrying reinforcements to Indochina were refused passage across India. How often lately has India supported our

point of view in the United Nations? Shall we lavish more millions of dollars upon a strictly neutral nation instead of helping to a greater degree those countries who are definitely on our side of the fence? Why should we give India far more consideration than we give to Pakistan and the Near East Mohammedan countries, and Israel, far better friends, all of them, than India has proved itself to be? Can we afford this liberality at a time when our Nation, just last June 30th, added another $3 billion to our already staggering debt?

I ask you to think that over. Will we not be sufficiently generous if we give them $55 million of our funds this coming year? Do you not think it would be a good idea to shave off this $20,500,000, an amount which will pay for this 1 year the salaries of all the Members of Congress and all of our employees? I leave it to your good judgment. Although I am in full agreement with the strictly military assistance and direct forces support items in this huge bill, it is hard for me to vote for the strictly economic assistance total of $431 million, above and beyond the $200 million for Korea. I was glad to help to save in committee the $812 million we cut out of the administration's request. If it were not for the extremely touchy position today in the Far East, I could not possibly justify to my people a vote for this foreign-aid bill. I do hope that a small portion of the economic aid will be stricken by the acceptance of my amendment. Helping our friends with military assistance is good business. Let us help our own people by not voting for extravagant and unwise outright economic aid to others.

Mr. BENTLEY. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

Substitute amendment offered by Mr. BENTLEY to the amendment offered by Mr. H. CARL ANDERSEN: On page 3, line 19, strike out "$60,500,000" and insert "$20 million."

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 15 minutes.

Mr. JAVITS. Reserving the right to object, Mr. Chairman, I have an amendment to both amendments. I just want the gentleman to know that.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 20 minutes, the last speech to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENTLEY. Mr. Chairman, as the gentleman from Minnesota has already indicated, this is the India amendment. I beg the committee not to be deceived by the words "south Asia" because every penny in this paragraph is destined for the use of India. It is not technical assistance. There is already an authorization of $19,500,000 for technical assistance to India. This is strictly what we called last year special economic assistance, which has now been given the name of development assistance, and includes items such as industry, railroad rehabilitation, electric power, steel, and finally a fertilizer plant for India.

Mr. Chairman, the reason I have offered this figure of $20 million as a substitute for the development assistance to India is a very logical one. This gives exactly that amount of money that is being requested and has been authorized for the same type of economic assistance to Pakistan. It is not in this paragraph or in the category of development assistance. It was moved over to the category of so-called defense support, but $20 million is the amount of money that has been authorized for economic assistance to Pakistan.

There is a great deal of feeling out in that part of the world, and anybody who has been out there surely knows the rivalry, the jealousy, existing between India and Pakistan. Pakistan, as you all know, has developed into a very considerable military asset and a very splendid ally of ours. They are already, I believe, engaged in a military mutual-defense treaty with Turkey, and possibly they can draw other countries into that treaty. On the other hand, India to be extremely charitable can hardly be called anything more than a neutral, and I speak of the Korean war and everything that has taken place since then. Take an area of the world that is as ticklish as the situation is out there. Take on the one hand the ally Pakistan getting $20 million—and I may say that program has been cut by a third over the past 2 years, and then on the other hand take India, at best a neutral, getting three times as much—and that program has been increased 2½ times over the past 2 years. I ask the committee, is that any way to reward friends and gain new friends? No, I think not. If a course of neutralism is paying off so splendidly for India, why should not all the other countries in all parts of the world continue to be neutral and continue to receive benefits more than a country like Pakistan, a valuable military ally of ours, who gets exactly one-third of the help that we plan to give to India? That is why I say equalize it and for goodness' sake do not play any favorites in as ticklish a part of the world as the Near East.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. BENTLEY. I yield.

Mr. HAND. Can the gentleman recall a single instance in which India has supported the foreign policy, or any other policy of the United States since we have been extending this aid to her?

Mr. BENTLEY. I think the only time that Indian troops ever fired a shot in Korea was when she was shooting down some Chinese Communist POW's who were trying to escape from a prison camp.

Mr. HAND. The gentleman will recall that India refused permission for our airplanes to fly over her territory.

Mr. BENTLEY. I remember too well.

Mr. SMITH of Wisconsin. As a matter of fact, the aid for India is economic aid and not military aid, is that correct?

Mr. BENTLEY. It is all economic aid. The $20 million is also economic aid for Pakistan.

Mr. H. CARL ANDERSEN. The gentleman is absolutely correct when he makes a statement that our very best possible ally in the future in that region will be Pakistan—along with Turkey, of course, further to the west.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, for 12 years I have been listening to the arguments of the proponents of foreign aid. The arguments have always been the same. The characters have shifted. I came here in 1943 when they were telling us that we had to give more lend lease to Russia. We lend-leased them to the tune of $13 billion. Today, we are here going bankrupt trying to stop them because of the aid that we gave them. I remember in 1944 these same proponents of foreign aid said, "Now, we have to help Red China. The Red Chinese are not really Communists. They are nothing but agrarian reformers. They are really our friends." I remember when the UNRRA bill was passed. There was a provision in the UNRRA bill that we had to give half of it to the Reds in China and the other half to the Nationalists. If it were not for the aid that we gave to Red Chinese, who were supposed to be only agrarian reformers, today we would not have the Red Chinese on our hands and we would not be bankrupting our country trying to stop them.

In 1944, they said, "Now we have to help our friend, Ho Chi Minh, who is really our friend. He is a Communist but he has no connection with the Kremlin." So we gave him a half billion dollars worth of material with which to start a war in Indochina, where we just got our feet set back, and where we are taking a terrific shellacking. Now these same proponents of foreign aid say that we have to help Tito because Tito is not really a Communist—he has divorced himself from the Communists. It is the same kind of argument. They said that about Mao in China. They said he was not a Communist, but that he was our friend. They said that about Ho Chi Minh and now they are saying it about Tito. The very people who say that Tito is our friend, forget that just a few months ago those 30 so-called divisions that we are financing were at the border of Trieste ready to shoot. That was less than a few months ago, when we were trying to settle the Trieste question.

What I want to know is this. You people who are voting for this sort of thing and who are giving these arguments for helping Tito—what are you going to say and what are you going to do when very shortly those 30 divisions and those guns that we are giving him are going to be turned on us and not on the Communists. Tito is nothing but a plant from the Kremlin whose heart is in the Kremlin and whose hand is in

the pocket of the Treasury of the United States of America. He is nothing but a plant by the Communists and by the Kremlin to get all that he can out of the United States of America. Mark my word, I would like to have any member of the Committee on Foreign Affairs or any member of the Committee on Appropriations tell me an answer to this question—in view of the large number of planes that we have given to Tito, do they know that Tito dare not send a single one of those planes on maneuvers over any allied country of a Western Power? The only place that he can send his planes for maneuvers is over Kremlin controlled territory.

The reason why he cannot send them over western territory is because if a Yugoslav in a plane ever came over western territory he would come down and land and ask for asylum because he cannot stomach the Communist Government in Yugoslavia. Yet proponents of foreign aid say we have to help Tito because he is our friend. That is what they said about Mao in China. That is what they said about Ho Chi Minh in Indochina. That is what they said about Stalin when we were giving him lend-lease. Yes the worn-out record is the same. Only the main characters change. Those of you who are appropriating money for Tito will soon be appropriating money to stop him, just as you are now appropriating money to stop the Kremlin and stop Ho Chi Minh and stop Mao of Red China. The worn-out record keeps repeating and repeating and repeating—it makes no sense.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAVITS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the amendment offered by Mr. H. CARL ANDERSEN: Page 3, line 19, strike out $40,000,000" and insert "$85,000,000."

Mr. JAVITS. Mr. Chairman, I have offered an amendment which is the President's policy and the President's request of the Congress, and also the figure which this House set after a hotly contested debate upon this very issue when MSA was here a few short weeks ago.

We heard exactly the same arguments, and the House, by an overwhelming vote, sustained the Committee on Foreign Affairs in establishing this figure of $85 million for special economic development in south Asia. I think the figure must be put before us.

One can admit anything that India is neutralist and still in no way negate the reason for our being there with this special economic-development program.

India is now the greatest prize in Asia. So long as India remains—not on our side—but so long as India remains in the role of the free world, just so long will the Communists not possess Asia and the great balance of population remains as it does now strongly on the side of the free world.

The fundamental point about this economic aid which we are making is this: $85 million is not a great amount of money when you compare it to the fact that India itself is spending roughly $4 billion on its 5-year economic program, the very program in which we are helping modestly. We have technicians in India who are building free world strength there all the time. We thus keep close relations with the people of India despite neutralism. Before we go overboard about Nehru seeing Chou remember that he also clapped the Communists into jail in India. I say to you it is well worth the modest sum which we contemplate spending on special economic aid. There are 363 million people there, and we are asking to keep our close ties with them.

We cannot insult the program by putting Pakistan with India on the same monetary level. It is a question of need and program.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. ROONEY. I was just now out of the Chamber for a few moments and I am not familiar with everything the gentleman has said. The gentleman from New York should accentuate the fact that the budget request submitted by the President was in the amount of $85 million, and the pending amendment would reduce that down to $20 million.

Mr. JAVITS. One other point. The bill which was brought in here by the Committee on Foreign Affairs provides that half this money is to be on loan. No speaker has said that. Half of it is to be on loan; according to the House bill the balance is to be a grant. So when you talk about $85 million you are talking about $42½ million which is likely to be on loan and $42½ million which is likely to be a grant.

We cannot be shortsighted. The prize is absolutely enormous. It represents freedom in Asia. We should not care whether India likes us or not in the ordinary sense. We certainly care about winning the allegiance of the people of India to freedom and in order to do that we have to give them a demonstration of what freedom can do. The only demonstration we can give them is to show that freedom can give better and higher standards of living, which is what this money is for.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota.

Mr. Chairman, earlier I spoke in favor of the technical-assistance program. Personally, I think that economic aid, generally, should be limited to the provision of demonstration materials in connection with that program. The amendment offered would still leave $40 million for economic aid to India.

To appraise the economic aid and technical-assistance program is to ask why it is carried on and thence to determine whether the answer to that question coincides with what has occurred. We are embarked on this program because we believe it to be our humanitarian and Christian duty to help our less fortunate fellow human beings to a better way of life. As a consequence of building up the economies of their countries and raising their standard of living, we hope that they will become our customers and friends. We further hope that they will repudiate communism and support democracy. Without question, the program has helped many people; it has helped to increase their standard of living by increasing their productivity, which, in turn, has provided them with the means of buying from us.

Has the program, however, won us the friends we expected, and has it been successful in combating communism? The record in this regard is not good. Ironically, the years since point 4 was inaugurated have been years of unprecedented tension among those nations who contributed most and those that have benefited most.

In the 3-year period which ended June 30th of this year, the United States spent or obligated close to $200 million for economic aid and technical assistance to India. Notwithstanding this demonstration of generosity and friendship on our part, India has remained neutral in the conflict between the Communist countries and the free world. At best, India can be classified as no more than non-Communist. And, despite the friendly attitude of many officials at the lower level of government who are working with American technicians to increase India's agricultural production, our political relations with India at the top level of government have worsened in the last 3 years. That is the opinion of Foreign Service officers stationed in India, with whom I discussed this situation.

The lesson to be learned from our experience in India is that economic aid and technical assistance do not necessarily influence or make friends of politicians and that politicians, for better or for worse, determine the course of a country's affairs.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Is it not a fact if my amendment is agreed to India will receive from the taxpayers of the United States help to the extent of $55 million, taking into consideration the $15 million allocated in the next paragraph under technical cooperation?

Mr. HUNTER. That is correct.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, the sensible course is to oppose all three of these amendments. I think the cut of some $23 million which the committee has made in aid to India can be justified, not as against that particular country, but because it is a part of the general cuts that the bill makes all along the line. For instance, the bill also carries a cut of $30 million in aid to Korea. I am sure nobody can take offense at or misunderstand a cut in our aid to India when a country like Korea to which we are known to be so loyal and devoted and

which we intend to back to the limit, has also sustained a reduction of $30 million below the authorization.

But let us look for a moment at India. Why should we be giving any aid for India, it is asked, when India is neutral and does not come out wholeheartedly on our side? First, I might suggest that our own country, when it first came into being, also insisted on being neutral. Great powers were contesting elsewhere, but we kept neutral. We needed time to get on our feet and our internal problems solved before getting involved in outside conflicts. India is trying to do the same thing. I do not think she will be able to succeed in her neutralism, because the outside struggle today is a world struggle, but it takes time to learn that.

Here is the overall situation: One-third of the people in the world are controlled by the Kremlin. One-third are in the free world. The two are locked in mortal struggle. Who controls the balance of power? The other third of the people in the world. Where do they live? They live in 14 countries which lie around China like a giant crescent of peninsulas and islands. To change the figure, China is the palm of a hand, and projecting out from it are these 14 fingers; Korea, Japan, Formosa, the Philippines, the key positions in the entire western Pacific. Then there are six in southeast Asia: Vietnam, Cambodia, Laos, Thailand, the Malay Federation, and Indonesia. Then four more to their west: Burma, India, Pakistan, and Afghanistan. All these border on or project out from China. That is why, as the Communists said right after V–J Day, "The war in China is the key to all problems on the international front." If the Communists are able to consolidate their position in China, the hand, then they can move out into this finger, Korea. If they fail to get it, they can pull back their main strength, while keeping us tied down there, and shift pressure to another finger, Indochina. If that fails, they can move to another—can run us ragged if we try to backstop each one. So it is urgent that we try to build up as many of them as possible to the point where they can defend themselves.

The largest of the fingers is India. It has a strategic location and great resources. For the moment it is protected from China by the Himalaya Mountains on the north. Nature is responsible for that. But suppose southeast Asia succumbs to Communist subversion or invasion and India is penetrated from the Burmese flank. Suppose India is not strong enough to prevent being taken over by the Kremlin. Then the latter would have submarine bases on the Indian Ocean. Australia and New Zealand would be cut off from Europe, and Africa would be wide open. There is not a single defense on its whole east coast.

Surely it is obvious why India is so important—if we consider only her size, her population, her location. Surely it is important that she have the capacity to defend herself. Even to stay neutral is of direct benefit to the free world.

I do not blame her leaders for trying to be neutral even though I doubt it will prove a wise policy. But surely it is not wise on our part either to take action which would tell her she might as well go over to the other side.

The other day I said that Mr. Nehru is like anyone else who has fought for 40 years against an enemy—in his case, western control. Naturally that is his first obsession. First of all he is against European imperialism because he has been under that.

Second, he hopes desperately that communism, which he has not been under, will turn out to be better. Well, we thought that too for years. If it took us 30 years or so to wake up, we have got to give him a few more weeks or months. We cannot demand that he discover the truth at the exact moment we do. My guess is that Communist advances in Indochina and renewed subversive activity in Burma are already proving a little disturbing.

After all, the first major figure in the world to wake up to the true nature of world communism was Generalissimo Chiang Kai-shek. He broke with it in 1927 and has fought it ever since, much of the time singlehandedly, while we were playing footsy with it. He spent more than 20 years telling us but we would not listen to him any more than Nehru listens to us. That is no reason to blow our tops and act shortsightedly here today.

Besides, the Indians see the Communists winning. How can we expect them to stand up against Red encroachments or blandishments unless we, too, are strong and firm and help them become stronger?

Finally, our own conduct in the postwar years vis-a-vis the Communists in China was hardly the sort to inspire confidence. As one Indian leader said, "It is too dangerous to be an ally of the United States. Look at China."

So, Mr. Chairman, this aid is not an attempt to buy friendship or gratitude. It is an attempt to give India the capacity to keep out of the control of the Kremlin. That is enough to more than justify the full appropriation. I hope the amendments will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachussetts.

Mr. WIGGLESWORTH. As I understand it, if all three amendments are voted down, the committee recommendation would mean a reduction in the original request from $85 million to $60.5 million.

Mr. TABER. That is correct, and that is what the committee thought was the right thing to do after we had been over it very carefully.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. It should also be pointed out that the amount recommended by the committee of $60.5 million is precisely the amount that the program for this particular area included in the bill for last year.

Mr. TABER. That is correct.

Mr. FORD. The committee felt that this was a fair compromise between the widely divergent points of view in reference to this particular program.

Mr. TABER. That is correct. That is why we felt that this was the right thing to do this year. We did not feel that we should increase last year's sum. We did not feel that we should cut it more than the current year's operations; that is, what the operations ran to in the fiscal year 1954.

India represents quite an important situation. Mr. Nehru talks loud, and a good many times he offends a great many people. On the other hand, in his own country he has shown that he is against the Commies and he does not hesitate to lock them up. He handles them better than we do.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GARY. I should like to say to the gentleman that I am in complete accord with the views of the chairman and the committee on this amendment.

Mr. TABER. I thank the gentleman. there is another point that I believe should be called to the attention of the committee. The Indians have very close racial ties with all of that part of the world in southeast Asia; Burma, Thailand, Cambodia, and Laos. In the days to come it is going to be very desirable for us to have them on our side, as far as we can get them. We have the opportunity now because of the situation that obtains in Burma, Thailand, Cambodia, and that group of other states in that part of the world.

I hope the amendments will all be rejected and that the committee amount which I believe is fair, everything considered, will be sustained, and I hope the House will sustain the committee's action all the way through.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS] to the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 14, noes 86.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the substitute amendment offered by the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I ask unanimous consent that my amendment be read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Substitute amendment offered by Mr. BENTLEY for the amendment offered by Mr. H. CARL ANDERSEN: On page 3, line 19, after "section 201 (a) (2)" strike out "$60,500,000" and insert "$20 million."

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Michigan [Mr. BENTLEY] to the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. BENTLEY) there were—ayes 62, noes 94.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 71, noes 100.

So the amendment was rejected.

The Clerk read as follows:

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, $1,075,000.

Mrs. SULLIVAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

Mrs. SULLIVAN. Mr. Chairman, the House and Senate recently passed a resolution expressing our congratulations to former President Herbert Hoover on the occasion next month of his 80th birthday. I was more than glad to join in that tribute, for I feel he has always tried to serve his country to the best of his ability.

I am sorry we did not pass a similar resolution last May on the occasion of former President Harry Truman's 70th birthday. Such a gesture would have provided, I believe, a more bipartisan flavor to the idea of tributes to former Presidents on the occasion of important milestones in life.

While I am sure Mr. Truman would have deeply appreciated a resolution of that nature, I sincerely believe, Mr. Chairman, that he would derive even greater satisfaction if the House were to restore the technical cooperation program in this mutual security appropriation bill to the kind of vigorous program he had in mind when he first broached the idea of point 4 at the time of his inauguration 6 years ago.

The cut of $12 million in the amount recommended in the bill for point 4 represents, in effect, the cost of building about 12 miles of highway. New highways are great things and we are all for them. President Eisenhower suggests a $50 billion highway program over the next 10 years.

I am sure we will find the money to do that, too. I am not in any sense arguing against highways. But I do think we can afford at this time the cost of 12 miles of highway in order to restore the full budget amount for point 4 and show the hungry and despairing people of backward areas that we are sincerely interested in helping to improve their living standards.

POINT 4 IN LATIN AMERICA

The program for point 4 in Latin America has not been reduced in this bill, and for that I want to congratulate the Appropriations Committee. The program operates as part of the work of the Organization of the American States, and apparently works exceedingly well.

The Members know, Mr. Chairman, that I have been extremely critical about the price of coffee to the American consumer. Some of the things I have said in this respect—particularly my protests over Brazil's action in setting a minimum export price at the highest level green coffee ever reached in a time of anticipated shortage—have been interpreted in some quarters as being anti-Latin America. I want to correct any such mistaken impression.

I believe the American consumer has been mercilessly gouged on coffee prices. But I know that the money is not going to the Brazilian plantation worker. I understand the coffee farmer not only has no control over the price he receives—as our farmers here have no control over food prices—but that his return is not large for a lot of hard work. Exactly who did profit most from the spectacular increase in coffee beans from 58 cents to 87 cents a pound in a few months' time is something of a mystery apparently.

We want to see lower and more realistic prices to the American consumer for the coffee she buys at the grocery store, and we also want to see a fair return to the coffeegrower and his workers. Those two objectives do not by any means have to be antagonistic.

Some months ago, Claud L. Horn, of the United States Department of Agriculture's Foreign Agricultural Service, was quoted in the New York Times as declaring that coffee production is still in the horse-and-buggy era.

If the United States farmer—

He declared—

were to produce corn and wheat by methods as old as those in use by the world's coffee farmer, he would have to go back before the days of hybrid corn, back even before the days of Cyrus McCormick and the reaper.

For the amazing fact is this, that in a day that prides itself on improved production of food, fiber, and other agricultural goods, coffee production is still going on in the same old way without any significant increase in productivity per man-hour or per acre—the two measures of progress with any crop.

He said that the efforts toward scientific improvement of production which have been undertaken are "entirely unrealistic in the relation to the development job that is required," adding that the effort devoted to coffee improvement in the Americas is, as he put it, "almost negligible."

What scientific work has been done, he added, has not found its way to the growers.

To me, Mr. Chairman, that seems to indicate a tremendously worthwhile avenue for point 4 work—not just as a means of stabilizing coffee prices at a much more reasonable and realistic level for the American consumer but for assuring some prosperity for the people who produce this important product.

ENTIRE POINT 4 PROGRAM SHOULD BE EXPANDED

And what we might accomplish in Latin America, especially with the lessons of Guatemala before us, we should attempt elsewhere in the world too, Mr. Chairman, to remove the conditions in many nations which breed communism. Give people a chance. Help them to learn how to earn a decent living and live like human beings. Show them the hand of friendship, and not just the promise of some guns to defend themselves against external enemies. So often, the danger comes not from outside but from within—from elements of the native population rather than from aliens—from people who have nothing and thus feel they have nothing to lose from any change in political direction.

I meant it sincerely, Mr. Chairman, when I urged that we adopt an expanded point 4 program partly as a means of correcting our neglect in failing to adopt the kind of resolution for Mr. Truman's 70th birthday last May that we have just adopted recently for Mr. Hoover's forthcoming 80th birthday. Harry Truman has much in his record as President to look upon with deep pride, but I believe nothing pleases him so much as the success of the Marshall plan and point 4.

I had the pleasure in October 1953, to attend the dinner in Kansas City at which he was presented with an award by the Sidney Hillman Foundation for meritorious public service. In his acceptance talk, he had this to say:

In international affairs, we must not talk about providing just enough economic and military cooperation to prevent other free peoples from backing away from us entirely. We must develop the kinds and amounts of international cooperation which will cement the free peoples of the world in an unbreakable union of growing economic and military strength.

Mr. Chairman, an appropriation bill which sharply reduces the funds available for point 4, and which eliminates completely any funds for American participation in the companion United Nations program for technical assistance which also had its origin in the Truman inaugural speech, is, I believe, a repudiation of one of the most humane, intelligent, and enlightened ideas any American President has ever proposed as a means to establishing a peaceful world in which a free America can survive. I would hate to see us take such a backward step.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: On page 3, line 24, after "$100,000,000", insert "of which not less than $4,100,000 shall be made available to the Food and Agricultural Organization of the United Nations for carrying out multilateral technical cooperation programs authorized by section 306."

Mr. VORYS. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill and is not authorized by law.

The CHAIRMAN. Does the gentleman from California [Mr. PHILLIPS] desire to be heard on the point of order?

Mr. PHILLIPS. Yes, I do, Mr. Chairman. Very obviously, under the act which created the Food and Agricultural Organization, it was authorized to receive money from the United States and has received money from the United States each year in the same amount I am offering here or more. Consequently, the authorization under which it has received money in the past is the same authorization under which it may receive money today. I am earmarking money for the purpose for which it has been spent in the past.

The CHAIRMAN. Does the gentleman from New York [Mr. TABER] desire to be heard on the point of order?

Mr. TABER. Yes, Mr. Chairman. The language is not authorized by law. There is no authorization for any of these items here except the rule under which the bill was brought in.

Mr. PHILLIPS. Mr. Chairman, on that point I will have to concede the point of order. In other words, everything in the bill would be subject to a point of order, except for the fact that the Committee on Rules waived points of order against the printed bill.

The CHAIRMAN. The Chair is constrained to sustain the point of order.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 3, after line 24, insert "contributions to the United Nations expanded program of technical assistance: for contributions authorized by section 305 (a) $17,958,000."

Mr. PHILLIPS. Mr. Chairman, I make a point of order against the amendment.

Mr. TABER. Mr. Chairman, I make a point of order against the amendment on the ground that it is not authorized by law.

Mr. VORYS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman may proceed.

Mr. VORYS. Mr. Chairman, if the Chair will look at page 2 of the bill, he will find these words, showing what was made in order by the Committee on Rules:

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, public law approved 1954, H. R. 9678 as follows.

The amendment that I propose is to section 305 of the Mutual Security Act for expenses necessary to enable the President to carry out the Mutual Security Act 305. It seems to me that this bill now before us, and the rule which waives all points of order against the bill, which begins as I have read, waives points of order for expenses necessary to enable the President to carry out the provisions of this act.

The CHAIRMAN. The point of order is sustained.

Mr. VORYS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VORYS: On page 3, line 24, strike out "$100,000,000" and insert "$117,958,000."

Mr. TABER. Mr. Chairman, I make a point of order against the amendment that it is not authorized by law. It is for an amount which is not authorized by law, and the fact that the sum is in the bill for $100 million does not lay it open to anything beyond the figures that are in the bill.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. VORYS. Mr. Chairman, I merely want to point out that in the bill there is no limitation on that amount and, therefore, the amounts in this bill and any amendments proposing changes in them are germane under the rule under which we are operating.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. VORYS. If I have the floor.

Mr. ROONEY. When the gentleman voted to adopt the rule earlier in the day, did he not practically adopt every figure in the report and the bill?

Mr. VORYS. If I may comment to the gentleman, it seems to me that since the reason we are acting is because this bill has not become law, and we are acting on the basis of something that passed the House, it comes with poor grace from the Appropriations Committee to claim that changes in the amounts were not authorized by law. I think there is no point of order against that.

Mr. ROONEY. May I say to the gentleman from Ohio that I am in thorough agreement with him in that the United Nations technical assistance program should not be wiped out in one fell swoop. I said that here on the floor earlier in the day. However, I do not know how the distinguished gentleman is going to get around this point of order. How can you appropriate the funds to the U. N.?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. McCORMACK. In other words, the position of the gentleman from New York and the peculiar position in which the House finds itself, if a point of order is sustained a motion can be made to reduce any amount, but no motion can be made to increase any amount.

Mr. VORYS. It seems to me a motion to increase an amount is just as germane as a motion to reduce, under this rule under which we are operating.

The CHAIRMAN (Mr. GRAHAM). The Chair is prepared to rule. It is perfectly evident, upon examination, that this simply increases the amount, and therefore it is germane. The Chair overrules the point of order.

The gentleman from Ohio is recognized in support of his amendment.

Mr. VORYS. Mr. Chairman, this amendment restores the amount requested by the Eisenhower administration for the United Nations technical-assistance program, all of which was stricken out by the Appropriations Committee. It consists of $9.9 million to complete the United States' pledge for calendar year 1954 and $8 million to fulfill our pledge for the first half of 1955.

The amendment I offered was the proper way to do this, but it was barred by the technical point of order, and therefore this is the best that can be done under the bill before us. If this present amendment is accepted, the transfer authorizations in the mutual-security legislation would permit the transfer of this amount to its clearly intended purpose.

What do we mean by "pledge"? It simply means that James W. Wadsworth, Jr., son of our beloved late Member, in a United Nations meeting in the fall of 1953, when they were getting up the budget for this organization, pledged that we would pay $13.8 million. Nine and ninetenths million dollars of this was to be subject to congressional approval, because no one can pledge future action by the Congress. He also made the further proposal that from now on we pay 57 percent instead of 60 percent of the total amount to be raised. So that the amount in my amendment is 57 percent of the amounts contributed, not including the amounts to be furnished by the receiving countries. If the amounts contributed by the receiving countries are included, this amendment is about 22 percent of the whole amount.

There are two questions. One is a big one and the other is a little one. The big question is, Are we going to move out of this United Nations organization at the time the Communists move in? They did not participate until last year, when they found out they were losing out propagandawise because of the enormous popularity of this technical-assistance program. So last year the Communists and their satellites came in and put in about 8 million rubles, which I think is about $1,250,000 in American money. Is that the time we want to bow out entirely through the back door from this United Nations organization, by means of not paying our dues? I want to say that in my judgment we get more for our money, in proportion, in good will out of our contributions to the United Nations technical-assistance programs than we do from our own technical-assistance programs, where the expenses are more than five times greater than the amount that is suggested here by the administration for the United Nations program.

It is said there is duplication. We found some in our hearings, but the duplication is at least intended to be in geographical areas and not in functions. That is, the U. N. will carry on a hospital program in a country where the United States is carrying on a bilateral educational one. There are 13 countries where the U. N. programs are the only technical programs.

This amendment will permit the restoration of the $4,300,000 for FAO.

The little question involved is whether an activity important to our foreign policy should be cut off entirely because the agency disobeys admonitions in a committee report, or a conference report. I admit the great power and authority and value of a report from the Appropriations Committee but, after all, their word is not law. To admit this would give this committee, which is, after all, a minority in Congress, independent lawmaking power. In any case, the punishment for

failure to comply with a committee report should not be to wipe out an important program which is part of the administration's foreign policy.

We should continue our participation in this United Nations program. This amendment, although not the best way to insure this, will help.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROOSEVELT. Mr. Chairman, I am most concerned by the attempt of the committee to reduce the appropriation for the mutual security program below what has already been authorized by the House.

Last week was a somber week for the free world. For there was no denying that although the Indochina war had ended, the free world had suffered a major defeat. An additional 12 million human souls have been engulfed by the Iron Curtain and we must frankly recognize that that uneasy truce in Indochina is no guaranty that other millions in southeast Asia may not some day share the same fate. The determination of the Communist overlords in Moscow and Peiping to dominate the world remains unabated and they are even now, as they have been for many years, scheming the next steps for infiltration and subversion for the rest of Vietnam, Laos, Cambodia, and their neighboring states.

The surest lesson of Indochina which the free world must learn is that men will fight for their independence and free men will fight to preserve their freedom, but no man will fight for another man's promise which he has learned to distrust. The people of Asia do not want promise but performance.

What has been the answer of our Government to the defeat of Indochina? The President and the Secretary of State have reaffirmed their determination to bring to a rapid conclusion a defense alliance of southeast Asia, Great Britain, France, and the United States patterned along the lines of the NATO Alliance. This is good, and all Americans must approve. But if we think that a defensive alliance alone will stop the march of communism, we are whistling in the dark.

The administration's program is completely inadequate. It places all of the emphasis on military strength. It is a policy which forgets that men must understand freedom if they are to fight for it.

The administration's program for technical assistance is little enough. Nevertheless, the committee has seen fit to cut over $17 million from the United Nations technical assistance program and to cut our own technical assistance program initiated by President Truman to stem the tide of communism and to give the people of the underdeveloped areas of the world an alternative worth fighting for.

My colleagues on the other side of the aisle are always ready to fight communism if they can do it cheaply and with words. But this fight to be successful requires a certain amount of sacrifice. Oratory will never stem the advance of totalitarianism. Intelligent planning, such as we had through the Marshall plan, has proven itself.

Guns and bombs will not win the hearts of men. We must emphasize the economic and social goals as well as our military objectives. Just as the Marshall plan for Europe preceded and formed a firm foundation for the NATO Alliance, so must we continue our technical assistance programs if freedom is to survive in Asia. A further reduction of funds for these essential programs is a sure road to the suicide of freedom.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. VORYS].

Mr. Chairman, this brings the issue clearly into focus, as between the amendment which is now offered by the gentleman from Ohio [Mr. VORYS] and the amendment which I attempted to offer. About 10 years ago there was created a separate organization, an organization to stand upon its own feet, called the Food and Agricultural Organization, FAO. Please do not confuse it with recent State Department child, FOA. The desire of that organization—FAO—was to make it possible to send technical men into various parts of the world at very low expense in each case to show other peoples some of the improved techniques which we had learned in agriculture and in industry. The gentleman from Kansas [Mr. HOPE] was a Representative of this Congress in the creation of that organization.

Over the years we have appropriated money direct to that organization. We have earmarked it for that organization. My attempt, had the Chair not ruled it out of order, would have been to earmark, out of the $100 million on page 24, $4 million for the FAO, as we have done in the past. Now there is an attempt, as represented by the amendment offered by the gentleman from Ohio, to give money to the United Nations, of which the FAO is one of the subsidiary groups at the present time. Up to now it has had its own appropriation earmarked for it. We do not want the U. N. to decide how much shall go to the FAO, and how the money shall be spent.

In the past, for example, the ministers of agriculture have been those who, in the agricultural field, determined how the money was to be appropriated. If you give the United Nations the distribution of the money, this will be determined by the political representatives in the United Nations.

Listen to this, Mr. Chairman: There are in the FAO today 17 nations that are not members of the United Nations. They are not Communist nations; they are the free nations and they are our friends. There are in the United Nations six nations that are not members of the FAO. They are the Communist nations, the nations with whom we are at war, cold or hot, whatever you choose to call it.

The desire is to place the FAO money under the control of the United Nations, which has in it the 6 Communist nations and to take into that organization the 17 nations that are not members of the United Nations and that are our friends. I do think, Mr. Chairman, that a "No" vote is decidedly indicated on this amendment.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Ohio.

Mr. VORYS. This amendment is the way to get something for FAO in this bill, is it not?

Mr. PHILLIPS. No; it is not. I say to the gentleman that he is putting it in the point 4 program of the United States, and if you will turn to page 537 of the hearings, you will see that $80 million was all that could be justified before the committee on the basis of the State Department's own figures.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Washington.

Mr. HORAN. I want to say that with the United Nations in command, it will not be the FAO that will determine this technical assistance. It will be the Economic and Social Council of the United Nations, with the Communists sitting in there with the veto.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. ROONEY. May I say that the gentleman from California [Mr. PHILIPS] is correct in his conclusion that this proposed additional money would never reach the U. N. if the amendment offered by the gentleman from Ohio were adopted. It serves no purpose other than to add to the funds for technical cooperation, general authorization, the American program, not the U. N. program.

Mr. PHILLIPS. It would make it more than the request of the State Department to the committee.

Mr. ROONEY. By a number of million of dollars.

Mr. VORYS. Is the gentleman familiar with the transfer provisions of the legislation that passed the House which would make it possible immediately to transfer this sum?

Mr. PHILLIPS. I am aware of the transferability provisions. I am also aware there would be nothing then which specifically earmarks the amount, and it would be 4 times the amount necessary for the particular purpose.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Michigan.

Mr. DONDERO. Do I understand that the Committee on Appropriations left this item out of the bill?

Mr. PHILLIPS. That is correct.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. ROONEY. I should like to correct an impression that the gentleman

from Ohio apparently has. These millions of dollars cannot be switched around just like that. They must be appropriated into the place where they are authorized by law. If he thinks the Committee on Appropriations permits such things to happen, I want to assure him that the committee does not.

Mr. HORAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is very unfortunate that we have a rule that will not allow us to fund FAO for this reason: Byelorussia S. S. R., China, Czechoslovakia, Poland, the Ukraine S. S. R., and Russia are not members of FAO. Therefore, we have some control of funds used through FAO, because Russia and her western satellites are not in it. It is a very small budget, that of FAO, never exceeding $11 million, but it has been very effective. If you accept this amendment and turn this whole thing over to the United Nations, these six Russian nations will eventually get insidious control over the use of these funds. I hope the House will work its intelligent will on this amendment. Russia dominates, in the end, every good potential of the United Nations. She is not in FAO.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from California.

Mr. PHILLIPS. Will the gentleman put in the RECORD in connection with his remarks the names of the various nations?

Mr. HORAN. When we get back in the House I will ask permission to include in my remarks made here extraneous matter that I think will be well worth your reading.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not a fact that this United Nations technical assistance program is controlled by a board called UNTAB, the United Nations Technical Assistance Board, a board of 18 members, upon which, of course, the free nations would at all times have an overwhelming majority; is that not true?

Mr. HORAN. I have here a report from Geneva which says they, the United Nations, have to reaffirm and give better direction to all technical assistance programs. That is the Economic and Social Council of the United Nations that is going to tell us how to use these funds. It says we are going to have to revise and work this over so that we can get more effective use out of these funds from the pockets of America. I just hope that you realize what you are doing. You are putting these funds right under the thumb of Russia through this action.

Since Russia and her western satellites are not in FAO perhaps you would like to know more about this worthy—and so far—free world body:

The Food and Agriculture Organization of the United Nations has these chief aims:

To help nations raise the standard of living;

To improve the nutrition of the peoples of all countries;

To increase the efficiency of farming, forestry, and fisheries;

To better the condition of rural people;

And, through all these means, to widen the opportunity of all people for productive work.

TOWARD FREEDOM FROM WANT

FAO grew out of the United Nations Conference on Food and Agriculture held at Hot Springs, Va., United States of America, in May 1943.

At this Conference 44 nations agreed to work together to secure a lasting peace through freedom from want. They agreed that—

Two-thirds of the world's people are undernourished;

Their health could be vastly improved if they were able to get enough of the right kind of food;

The farmers of the world—two-thirds of its population—could produce enough if they used the best agricultural methods;

Full-time work for all could be provided by increased production and efficient distribution;

The nations must act together to attain these ends.

HOW FAO IS ORGANIZED

FAO was formally founded at Quebec Canada, in October 1945—the first of the new specialized United Nations agencies created after the war.

Forty-two governments ratified the constitution at Quebec; FAO's membership at present comprises 71 countries.

FAO is governed by a Conference in which each member nation has one vote. Between sessions of the Conference, the Council of FAO (World Food Council) acts as the Organization's governing body. It is composed of representatives of 24 member nations.

The Director-General, who is appointed by the Conference, directs the work of the Organization with a staff appointed by him.

The staff works through FAO's technical divisions—agriculture, fisheries, nutrition, forestry, and economics—to accomplish the Organization's objectives.

Temporary headquarters of FAO was in Washington, D. C., from 1945 until 1951. In 1949 the Conference voted to establish permanent headquarters in Rome, Italy, and the move to Rome was effected in 1951.

In addition to the headquarters office, FAO has regional offices in Washington, D. C., United States of America, for North America; in Cairo, Egypt, for the Near East; in Bangkok, Thailand, for Asia and the Far East; and in Rio de Janeiro, Mexico City, and Santiago de Chile, for Latin America.

HOW FAO IS FINANCED

FAO receives financial support from two sources. First, the direct contributions of governments to the regular program of the Organization. In October 1945 the first budget was fixed at $5 million a year. It is now $6 million a year.

FAO's second source of funds is its allocation from the special account established by the United Nations Technical Assistance Conference in 1950. This amount varies from year to year, but is between $5 million and $6 million. This money is earmarked for the provision of technical assistance to governments of underdeveloped countries.

Thus FAO's total financial resources for both regular and technical assistance purposes amount to a little more than ten million dollars per year.

The cost to the countries for their contributions to both programs on a per capita basis is indicated by the following examples of the annual average cost for the years 1951 and 1952: United States 2.6 cents, United Kingdom 2.4 cents, Netherlands 1.9 cents, France 1.4 cents, Turkey 0.44 cent, India 0.09 cent.

HOW FAO WORKS

FAO does not have the funds or authority to buy and distribute food, supply fertilizers and farm machinery, or build and staff laboratories. But it does have three effective ways of reaching its objectives.

FAO collects the basic facts on food and agriculture, forestry, and fisheries, and makes them available in useful form.

FAO gives technical assistance to member countries requesting it.

FAO promotes action collectively among all its member countries; among countries in a region or those interested in the same problems; and in member countries individually.

WHAT FAO DOES

Collecting information

Countries which join FAO pledge themselves to attempt to do away with famine and malnutrition. Yet to plan how this can be accomplished, it is necessary to know just how much food different peoples are getting and how that amount compares with their needs. During its first year, FAO completed a world food survey which estimated the food situation in 70 countries whose people make up about 90 percent of the earth's population.

The world food survey showed that more than half the people of the world did not have enough food before World War II to maintain normal health. Only about one-third of the total population had really enough to eat, while the remainder were on the borderline.

This estimate of the world food situation made in 1946 was the basis of FAO's early planning. Since then, a part of each FAO conference has been devoted to a review of the world food situation.

FAO publishes yearbooks and periodicals containing statistical information, and also prepares special studies on such topics as soil conservation, animal disease control, farm mechanization, rice diets, salted cod, and the use of milk.

As part of this work, FAO published in November 1952 the second world food survey.

Technical assistance

Under FAO's regular program, technical assistance was given within the limits possible under a $5 million budget. This program included sending experts to advise member governments on such matters as nutrition and grain storage, and led in Thailand to the successful veterinary campaign which ended by stamping out rinderpest in that country.

The growing demand for assistance from many countries led the General Assembly of the United Nations to make arrangements to set up a special account in 1949 to finance the Expanded Technical Assistance Program for under-developed countries. At a special conference in June 1950, 55 nations agreed to contribute more than $20 million for the first financial year. FAO received 29 percent of the funds actually contributed.

Since then, 55 countries and territories have signed agreements with FAO for technical assistance under the expanded program.

Experts on tropical crops have gone to Ethiopia; fisheries experts to Haiti, Thailand, and Chile; nutritionists to Greece, Thailand, and Central American countries; and small-tools and farm-machinery specialists to India and Afghanistan.

Demonstration meetings have been held for technicians of various regions on such topics as hybrid corn breeding, food freezing, artificial insemination of livestock, and the manufacture of veterinary serums and vaccines.

FAO has distributed a wide variety of seeds for experimental purposes. This seed distribution is part of an FAO program to promote the international exchange of plant breeding material, for in a number of cases the introduction of new breeding stock has resulted in large increases in food production. To stimulate such international exchange, FAO has begun collecting a list of the varieties of important food crops which plant breeders the world over are using in their work.

At the request of the Austrian Government, FAO experts are advising on a broad program of forest rehabilitation.

The Indian Government has been helped in food processing and preservation problems. Greece and Ceylon are being assisted in dairy improvement programs. Assistance is being given to Pakistan in land drainage and reclamation.

Promoting action

The following are some examples of how FAO has promoted action:

On the recommendation of the nutritionist whom FOA sent to Greece, the Government set up a national nutrition service. School feeding programs were begun, and large shipments of dried milk were given to children, sick persons, pregnant mothers, and other special groups.

After FAO helped several Central American countries combat locusts during the severe pague of 1947, the countries of the area set up a cooperative program to combat this pest. A regional attack on locusts is necessary, for locusts may breed in one country, then swarm to another to devour its crops.

At the end of World War II, many commodities, such as rice fertilizers, fats, and oils, were very scarce. The countries in greatest need could not pay scarcity prices. FAO, through its International Emergency Food Committee, suggested the allocation of these commodities to try to make their distribution fair. Many countries cooperated with the IEFC, and thus widespread hunger was averted.

FAO has also promoted action by forming regional commissions in fisheries and forestry, an International Rice Commission in the Far East, and a foot-and-mouth disease control commmission in Europe.

Fellowships. FAO fellowships are awarded as an adjunct to expert advice. Such fellowships are intended for further technical training in subjects such as irrigation, engineering, or wood technology, on which an expert is already working in his home country.

FAO also conducts temporary training courses for the instruction of technical and administrative personnel. Such courses are held either for the nationals of one country or for the residents of a region. They cover the whole range of FAO's operations.

FAO member countries: Afhanistan, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burma, Cambodia, Canada, Ceylon, Chile, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, Finland, France, German Federal Republic, Greece, Guatemala, Haiti, Honduras, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Korea, Laos, Lebanon, Liberia, Luxembourg, Libya, Mexico, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, Philippine Republic, Portugal, Saudi Arabia, Spain, Sweden, Switzerland, Syria, Thailand, Turkey, Union of South Africa, United Kingdom, United States of America, Uruguary, Venezuela, Vietnam, Yemen, Yugoslavia.

This organization has, under the direction of America's N. E. Dodd, and now, Mr. Vincent Carden, former head of our research in the USDA, compiled an envious record in the field of technical assistance.

Their technicians are not suspect as are the agents of nations, including our own Federal Government. They have not, so far, been hampered by the growing politics, intrigue, and stalemate that haunts the United Nations.

Yet the United Nations has taken steps to encumber and control the FAO and to make them the vassels of its politically minded councils. In these councils, Russia, of course, with her three vetoes is dominant.

Here is a recent announcement from a meeting of a United Nations technical assistance committee in Geneva:

EXPANDED PROGRAM OF TECHNICAL ASSISTANCE ARGENTINA, CUBA, FRANCE, TURKEY, UNITED STATES, AND YUGOSLAVIA DRAFT RESOLUTION

The Technical Assistance Committee—

Reaffirming the need to revise, for 1955 and subsequent years, the general rules for allocation of technical assistance funds to the organizations participating in the expanded programs, as originally laid down in resolution 222 (IX) of the Economic and Social Council;

Reaffirming the principle that United Nations technical assistance programs should be drawn up at country level in accordance with the needs of each country and be integrated with the economic development plans prepared by national governments, the technical resources of the various participating organizations being used to the maximum in the preparation of those programs;

Considering that governments should be more closely associated with the planning and approval of programs;

Having examined the comments submitted by the Administrative Committee on Coordination in the section of its report relating to technical assistance (E/2607, paragraphs 10–16) and the additional information furnished by the Technical Assistance Board in response to the request of the Committee formulated in its report to the 17th session of the Council (documents E/TA/40 and E/2558);

A

Recommends to the Economic and Social Council to approve the following proposals:

1. As from January 1, 1955, the funds of the Expanded Program of Technical Assistance shall no longer be allocated to the organizations participating in the program on the basis of percentages fixed in advance. The funds shall be distributed on the basis of the requests submitted by governments and the priorities established by them, subject to the provisions of paragraph 2 below.

2. The planning and approval of the programs, and the allocation of funds for their implementation, shall be subject to the following procedure and principles:

(a) At the beginning of each year, the TAB shall formulate, and indicate to the various countries, as a guide in planning their programs, target figures showing the amount which may be allocated to them during the ensuing year on the basis of an assumed financial availability. The figures shall include agency subtotals for each of the organizations participating in the program, derived from their activities during the preceding year. Governments shall however be at liberty to present their requests without being bound by these subtotals.

(b) Programs shall be established at the country level by requesting governments in conjunction with the resident representatives, the participating organizations and their local representatives. Negotiations with requesting governments regarding country programs shall be carried on under the principal responsibility of the resident representatives.

(c) The total technical assistance requests shall be forwarded by requesting governments to the TAB, with an indication of the priorities established by them. The TAB shall consider the requests, draw up the overall program for the following year, and submit it, with its recommendations, to the Technical Assistance Committee.

(d) The Technical Assistance Committee shall review the draft program in the light of its importance for economic development; this review shall not deal with the technical aspect of the program, but with program interrelationship, overall priorities, and evaluation of projects. On the basis of that review it shall approve the program, and its approval shall be a prerequisite for any commitment in regard to the implementation of the program. The planning and examination of the annual program shall be carried out in such a way that the TAC can give the Participating Organizations, by November 30 each year at the latest, an approximate idea of the total amount to be entrusted to them.

(e) Subject to the approval of the General Assembly, the TAC shall allocate funds to each of the participating organizations in proportion to their share in the overall program approved; these funds shall be drawn from the net financial resources, after setting aside the expenses of the TAB Secretariat, the Reserve and Working Capital Fund and "free money" up to 5 percent of the estimated resources for the financial year, the allocation of which shall be decided by the Executive Chairman of the Technical Assistance Board, who shall consult the Participating Organizations directly concerned. This fund of 5 percent is to meet any urgent needs which may arise during the implementation of the annual program.

(f) In allocating the funds to the different Organizations, the TAC shall insure that the amount allocated to each of them for the coming year is not less than 85 percent of the amount allocated to it under the current year's program, so as to avoid substantial fluctuations in the total amounts entrusted to each participating organization from year to year.

3. The TAC would continue to be under the authority of the Economic and Social Council and its decisions subject to general policy review by the Council.

B

Recommends the Economic and Social Council, in accordance with paragraph 6 (f) of Council resolution 222 (IX) concerning the powers vested in the Technical Assistance Committee, to approve the addition of the following functions to those now performed by the Technical Assistance Committee:

(a) The final authorization of the program.

(b) The allocation of funds available for its implementation.

The action of the House, today, does not help FAO. Had the Vorys amendment carried we would have directly funded this effort and would have destroyed a mighty good agency that has some semblance of independence and which, both in its assembly of 71 members has some regard for fair voting.

I trust that further consideration of this bill, in the other body and in conference, will correct this.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. HOWELL].

Mr. HOWELL. Mr. Chairman, I support the amendment offered by the gentleman from Ohio.

Mr. Chairman, I want to direct my remarks to the provisions of the bill dealing with technical cooperation—that is, the so-called point 4 program as originally proposed in his 1949 inaugural address by President Truman and then adopted by the 81st Congress, and a somewhat similar but nonduplicating program adopted by the United Nations.

The purpose of these programs is to advance the cause of peace in the most effective long-range fashion yet devised. Much of the Mutual Security program, and most of the appropriations provided in this bill, deal with military strategy and military strength. We all know that such steps are vitally necessary in a divided world in which aggression is very much on the march.

But alliances by themselves are often transitory things. Military strategy must often change overnight to suit new conditions. Maginot lines are flanked and neutralized, sometimes before they have ever been put to any military test. Weapons become obsolete and must be replaced. Technology can neutralize even the best weapons, too. Perhaps the H-bomb itself has been neutralized as poison gas was neutralized merely by common possession of the weapon by the opposing sides and the fear of retribution.

Wars are fought, Mr. Chairman, for all sorts of reasons, but they are fought most often for economic reasons. Nations cut off from needed resources have launched wars to gain access to those materials. Others have committed aggression to find and seize markets. The Communist conspiracy seeks to conquer the whole world partly for these objectives, but mostly for the sake of destroying any system which upholds freedom. The point is that it gains its adherents in many parts of the world by pretending that it is interested only in the economic advancement of the common people, which is probably the biggest lie on the grandest scale the world has ever known.

Nevertheless, to the extent that communism does gain adherents among free men, it is on the basis of these completely fraudulent economic pretensions.

That being so, we can best, over the long range—assuming we can and will meanwhile sustain a strong and adequate military defense against it—remove the danger of communism and thus its aggressive potential by a world-wide effort to raise living standards and provide decent conditions for all people everywhere.

A peasant with his own farm on which he can provide adequately for his family's needs is about the poorest recruit imaginable for Communist-style collective farming. A well-paid worker in either agriculture or industry, able to raise his family in dignity and decency on his income, is no potential recruit for communism, either.

We make much sometimes of the Communist internal danger in the United States, Mr. Chairman, but since 1933 there has been no danger whatsoever of any mass uprising of the American people in favor of anything remotely resembling communism. The only danger here comes from neurotic or unstable individuals who have forsaken other religions to embrace the religion of communism and who, under some incredible delusion, believe they serve a worthy cause by seeking to subvert or destroy freedom in the United States. There are few such Americans—a very tiny and almost infinitesimal fraction of the population, and most of them are well known to the FBI. Of course, they constitute a danger to the Nation, but not in the same way as would a mass movement of dispossessed and hopeless Americans recruited into the Communist Party in the hope of achieving for the first time in their lives some semblance of decent living conditions.

While we can be proud of America's freedom from this disease of mass despair based on hunger and misery, we must keep in mind that many underdeveloped areas of the world are not so greatly blessed. Communism, in those areas, is presented as the only alternative to continued hunger, misery, and hopelessness.

THE POINT 4 CONCEPT

Through point 4, by whatever designation the current administration chooses to call it to minimize President Truman's role as its originator, we are striving to get at these conditions of economic backwardness and teach people in the underdeveloped areas how to live better through self-help methods of improving agricultural and industrial production. It was, when President Truman first enunciated the idea, a bold, new program and it has been living up to its advance billing. The present administration was wary of the idea last year and asked for far from adequate funds. In the authorization bill we recently passed here to continue the program, the ceiling set by the administration again was low. Consequently, the most which could be appropriated for the program in the coming year would be $112,070,000.

If the whole amount were appropriated, it would be only about 2 percent of the total amount in this bill, mostly for military purposes. Instead, the Appropriations Committee has cut the item from $112,070,000 to a round $100 million, saving two-tenths of 1 percent of the amount of money recommended here for all mutual-security purposes. This comparatively small sum, which probably does more to earn goodwill and friendship from people in the Communist-threatened parts of the world than any other money we spend—because it is a purely humanitarian people-to-people kind of friendly help—should be restored in full in the bill, and I shall support an amendment to provide the full budget amount

THE U. N. TECHNICAL ASSISTANCE PROGRAM

Mr. Chairman, I support the amendment of the gentleman from Ohio [Mr. VORYS], to put back into the bill the $17,958,000 required to carry out promises to the United Nations, for the U. N. expanded program of technical cooperation.

The U. N. program grew out of our own point 4 program. It was based on a belief shared by most U. N. members that this kind of program was the most intelligent approach available today to the problem of securing lasting peace and friendship among nations. The U. N. program, which we are assured by Mr. Stassen does not duplicate the United States program—and vice versa—has the advantage of being a joint program in which all nations can participate. Some which might hesitate to accept aid directly from the United States for political or other reasons—and there could be a lot of such reasons—do not have this hesitation about joining in a U. N. program. The point is that it is to our advantage and to the advantage of all free nations seeking to maintain freedom in the world that we encourage in every possible way every possible means for raising the living standards of people in the underdeveloped areas. I do not think I have to belabor that point or the reasoning behind it. Looking at it just from the hardheaded business standpoint of world trade, we cannot sell tractors to people who do not yet know how to use steel plows; we cannot sell toothbrushes, if you will, to people who have yet to learn the barest rudiments of personal hygiene; we cannot sell industrial equipment to people who are still in an industrial caveman era.

But that is not the reason we enter such a program. It is, I think, the least of our concerns right now. We are interested in achieving a peaceful world. There can be no peace—no enduring peace—while vast areas of the world suffer such poverty, misery, and famine that human life inevitably is considered cheap because death is always levying such a tremendous toll each day.

If people are taught to live longer and better, war lords and aggressors will find it harder and harder to sacrifice hundreds of thousands of their men in battle, for no longer will the victims of such cruelty and inhumanity come forward to die so casually. In areas where the average life expectancy is around 30 years, as against our 70, and 11 or 12 percent of the children die at or soon after birth, naturally human life is considered pretty cheap.

The thing which bothers me most about the elimination from this bill of any funds for the U. N. technical-assistance program is that we are being asked to run out on a financial obligation we have pledged as a country to make to the U. N. I do not think that is a very good example for this Nation to set. True, the commitment which was made to the U. N. by our State Department was contingent on congressional approval. But the Congress had authorized participation in the program and the Congress in previous years has made good on these commitments. We owe already the U. N. $9,900,000 for the rest of the 1954 calendar year. We committed ourselves as a Nation last November to pay the U. N. nearly $14 million for the technical-assistance program during

1954 and we have only paid about $4 million so far.

Since the U. N. operates on a calendar year and Congress appropriates on a fiscal-year basis, a good part of the money we appropriate in any one fiscal year is already owed to the U. N. for the current calendar year. So if we appropriate the budget amount now of $18 million, nearly $10 million of that goes to the current year's debt and that will leave $8 million to apply toward the U. N. 1955 program, which is approximately half the amount the State Department plans to pledge for 1955.

If we have any doubt or hesitation about allowing this money, I think we owe it to ourselves and to our country's prestige and influence to note the explanation of the State Department in this respect, as it appears at page 446 of the hearings:

Of the total appropriation—for the 1954 fiscal year the Department reported—$4,600,000 was used to complete the payment on our pledge for the calendar year 1953. That left a balance of $3,900,000 of the 1954 fiscal year appropriation to apply to the calendar year 1954 United Nations program.

We were faced with the problem of two alternatives at the pledging conference which was held in November last year:

We had either to pledge $3,900,000, the amount of available appropriated funds toward the calendar year 1954 program, or to pledge a larger amount subject to congressional approval. Because of the great importance we attach to this program, we decided to make the larger pledge, the difference between $3.9 million and the larger amount, subject to congressional approval. The $8 million * * * represents approximately one-half of the estimated 1955 calendar year program.

So here, Mr. Chairman, we have the word of the State Department—from a young man, incidentally, who was a delegate to the Republican National Convention in 1952—that the administration considered this program of the U. N. so important to our foreign policy that it made this commitment contingent on expected congressional approval. That approval should be forthcoming.

I do not think we, of all nations, should run out on U. N. commitments. It would be the best propaganda weapon the Communists could use against us, even though, in their case, they have been most miserly in supporting this program. I say that is all the more reason why we should treat the program generously.

Somewhere in the testimony either on the mutual-security authorization bill we recently passed or on this appropriation bill to carry it out, I noted that to many recipients of this kind of help, they make no differentiation between United States and United Nations technical help—they believe generally it is United States help. Should we throw that psychological advantage away?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I rise in opposition to the amendment. I wish to associate myself with the remarks made by the gentleman from Washington [Mr. HORAN], and the remarks made by the gentleman from California [Mr. PHILLIPS].

Apparently there is a great deal of confusion about this matter. I think we all agree that the work that has been done by FAO up to now has been worthwhile in many respects. We would like it to continue that way.

I think it is very important that the Members of the House know this: At the present time there are a number of member nations in the FAO which are not members of the United Nations, namely, Austria, Cambodia, Ceylon, Finland, Germany, Ireland, Italy, Japan, Jordan, Korea, Laos, Libya, Nepal, Portugal, Spain, Switzerland, and Vietnam. There are members of the United Nations who are not members of FAO. They are, Byelorussian S. S. R., China, Czechoslovakia, Poland, Ukrainian S. S. R., and the U. S. S. R.

I think this is a matter which probably can best be worked out in conference. Therefore, I urge the Members of the House to vote down the amendment introduced by the gentleman from Ohio [Mr. VORYS]. Apparently, the amendment would bring Communist countries into FAO, whereas at present they are out of it.

Mr. TABER. Mr. Chairman, I think the gentleman from New York [Mr. JAVITS], who has an amendment, should offer it now, so that we may see what it is.

Mr. JAVITS. Mr. Chairman, I offer an amendment to the Vorys amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the amendment offered by Mr. VORYS: On page 3, line 24, strike out "$117,958,000" and insert "$130,028,000."

Mr. TABER. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. This item is not authorized to the tune of $130 million and it is not in order for the House to consider an amendment for an amount which is without an authorization.

The CHAIRMAN. Does the gentleman from New York [Mr. JAVITS] wish to be heard on the point of order?

Mr. JAVITS. I should; yes. The Chair has just ruled on that very question in reference to the Vorys amendment. I ask that the point of order be overruled.

The CHAIRMAN. The Chair overrules the point of order. The Chair ruled previously on the same question.

The gentleman from New York [Mr. JAVITS] is recognized on his amendment.

Mr. JAVITS. I wish to explain the situation. I am in favor of the Vorys amendment which is directed at a totally different matter, to appropriate the $17 million for the United States contribution to the United Nations technical assistance program. My amendment proposes to add what the Committee on Appropriations has taken out of the President's program for the United States technical assistance program, which was $112 million, which was the administration's express request for technical assistance by agreements between the United States and other friendly countries.

The Vorys amendment concerns the United Nations multilateral technical assistance program which is an excellent investment for us in those areas which we cannot reach, for sound reasons, with our own program. It is an excellent investment and I am for it, but it does not deal with the question of the reduction in the strictly United States technical assistance program, which program we should not reduce. The President has requested us not to, and we should not, for this reason.

We are talking here about a great struggle with the Communist bloc. Eighty-five or ninety percent of this bill is for military defense security. What is then our offensive in this struggle? We are to have over 3,000 technicians abroad working for the technical assistance program, building up good will and support for the United States and for the free world, in these numerous countries in the world. If you look at the roll, you will see that this technical assistance program is getting into every spot in the world which is in real danger in a most effective way.

Are we going to be so foolish as to pinch pennies in our strong point in the offensive for freedom? I am all for our program of military security. It is entirely justified; its costs run into billions. In terms of money aggregates it makes a ridiculous comparison for us to think that we are going to save $12 million by cutting it off this technical assistance program which gives help in $1 million or $2 million chunks or less to a whole host of countries. Which country are we going to take it out of? If any, it will probably be out of some country where we need it the most.

Let us take the case of Latin America, where we are spending about one-fourth of this whole amount provided for technical assistance something like $23 million. Those countries think so much of this program that they are contributing twice as much, something over $40 million a year to our $23 million so that this program may be carried on adequately.

It seems to me that the committee ought to vote my amendment, taking care of the United Nations technical assistance program and approving the President's request for the technical assistance appropriation in this offensive for freedom.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I do not know whether the House wants to know anything about this or not, but here is the picture.

They were given $9,500,000 last year, and the provision specifically states:

For contributions authorized by section 544 during the fiscal year 1954 under section 404 (b) of the Act for International Development, $9,500,000.

In violation of the law they used that money for the first 6 months and they came in to us with a request for $17,500,-

000 and a little more, $9,500,000 of which was to supplement the 1954 deal. Then they only had a program of $8 million for the year 1955. That is how silly this amendment is and the approach to it. They violated the law. It is one of the worst outfits we have. They have Communists on the roll, going into different places. From Poland they have one in India, and in Iran. Then they have a bunch down in Mexico and Yugoslavia, Turkey, and Ecuador.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. FORD. Is not this an attempt to circumvent the action taken by the committee? What the amendment intends to do is to get enough money in here so they can transfer it from here into the United Nations program.

Mr. TABER. There is no place where they can transfer it the way the bill reads now, because it is not there. There is no such thing as this multilateral business in the bill, and it could not be transferred to it because it is not there.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. GARY. Is it not a fact that our committee had agreed to allow $85 million for a technical-cooperation program, and then after we decided to cut out the United Nations technical-assistance program we added $15 million to the $85 million, making a total of $100 million to make up for the amount that we had cut out of the United Nations technical-assistance program?

Mr. TABER. Yes; that is right.

This UNESCO business is in here, and that is the same thing that the gentleman from Iowa [Mr. GROSS] talked about this morning.

Mr. Chairman, I hope these amendments will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS] to the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 34, noes 110.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, every time I have an urge to speak, it invariably concerns a subject that I know very little about. There are certain obvious facts that we all should know, which I desire to discuss. We talk about going in with the Russians on some of these appropriations as suggested by the gentleman from Ohio [Mr. VORYS]. We have had experience enough now to know that if you had a pistol right on the pupil of their right eye, you could not trust them. That ought to be enough. Who armed Russia? We did. They got $13 billion from us. We set her up in business. We believed her but now we see the folly of our foreign policy. Who set the Reds up in China? We did. We furnished this material for Chiang Kai-shek and they took it away from him and built a great army with it. Finally, we refused Nationalist China a cent and the Reds over-ran China. That is what has been the result of our foreign policy. I hope the Committee on Foreign Affairs is not responsible for the conduct of our foreign affairs because we have lost thousands of boys and have spent billions, and have settled nothing. Who armed the Reds in Indochina? We did. We gave arms to the other side and they took them away from them and they are still hauling the guns and the trucks out and taking them over to build their own army. We have had several years of these experiments. I do not know how long you want to continue it. But with all the money that we have spent, the wars are still going on and we are no nearer to peace now than we ever were and Russia and her partner China are on the march for more territory. You say in one of these bills—the atomic energy bill, that any country can use it if they will promise that they will use it for peaceful purposes. That includes Russia. Do you want to turn these secrets over to Russia? Do you believe the promises they make they will keep? You have had experience enough. In the United Nations, Russia has come in now in supporting it with money. They want that now. You bet they do, because the United Nations at this minute is engaged in building a world government which Russia and Red China will control. They will have a lower house of congress selected by the population. Who will elect that lower congress? Russia and China. I say, when India is not for us, she is against us. Every time a vote has come up in the United Nations, have they ever voted with us? Not once. We built up Tito? I remember when the Congress was meeting in the other building, we voted $50 million for Tito and he balanced his budget and immediately went over and got in bed with the Russians. He is a Communist. I never saw a Communist in my life, who I knew was a Communist, I could trust out of my sight. The American people ought to know that by this time. What is the use of driving the Communists out of Europe and Asia, if we are going to have them right here in the United States? There were 21 of them who were put out of the United Nations because they refused to answer certain questions. They hid behind the fifth amendment.

What did they do? They took an appeal to the United Nations. The United Nations decided against this country and ordered 11 of the expelled employees to be reinstated and be paid $170,000 in damages.

The United Nations is reeking with Communists from one end to the other. You canont find out anything about it.

It is none of our business, they say. Do you want to foist upon the American people an institution of world government that will consume our own? Is that what you want? I will vote "no" on every one of these propositions that you have presented here today to increase the amount. The least we can do is to follow the leadership of the gentleman from New York [Mr. TABER], and I know he has not cut it down where he thinks it ought to be, but he is doing the best he can. He is doing a heroic job, and I will support him by voting "no" on all increases, "yes" on all deductions, and finally aid him some more by voting "no" on the entire bill.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BUDGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUDGE: On page 13, after line 4, insert:

"SEC. 110. Not more than 96 percent of any appropriation or reappropriation in this act shall be available for obligation."

Mr. BUDGE. Mr. Chairman, I shall not discuss the merits or demerits of the legislation now before us. To do so after the statement of the gentleman from North Dakota [Mr. BURDICK] would be surplusage.

I desire, however, to call the attention of the House to the fact that in this bill there are more funds than Harold Stassen and the FOA requested. At the time Mr. Stassen appeared before the Foreign Affairs Committee he estimated that there would be carry-over funds from fiscal 1954 of $1.6 billion dollars. He requested from the Foreign Affairs Committee an authorization of new money of $3.4 billion. When he appeared before the Appropriations Committee it developed that instead of $1.6 billion in carry-over funds there would actually be at least $2.6 billion in carry-over funds. Mr. Stassen in his testimony before the Appropriations Committee said this on page 20 of the hearings:

Mr. TABER. Do you have a figure handy of the estimated unobligated balances at the end of fiscal 1955?

In other words, the chairman of the committee was inquiring as to how much would be unexpended at the end of June 1955, and this is what Mr. Stassen said:

Yes, sir. It is in a table in here on page 10, I believe. On the right-hand column is the fiscal 1955 data. At the end of fiscal 1955 we anticipate that there will be an unobligated balance of $1,004,479,554.

Now, if the funds which are appropriated in this bill, if the entire amount of the bill is appropriated, you are appropriating some $200 million more than Mr. Stassen said he wanted for fiscal 1955. As a matter of fact, the FOA confessed judgment to the tune of $1 billion between the time they appeared before the Foreign Affairs Committee and the time they appeared before the Appropriations Committee. The Appropriations Committee has seen fit to accept

that confession of judgment up to the tune of $800 million.

This amendment would simply take advantage of the other confession of judgment up to the total of the $1 billion dollars. It would decrease overall the amounts in the bill by some $200 million, a 4 percent decrease, and would leave in the bill the exact amount of money which Mr. Stassen said he wanted. It would leave enough money in the bill so that the unobligated balance would be reduced to zero instead of to $200 million as would now be called for.

Some people might say that this is a shotgun approach, but if there ever was a bill upon which a shotgun approach is necessary and called for, it is in this instance. I repeat that all of the funds which the FAO requested will be carried in this bill if my amendment is adopted.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Virginia.

Mr. GARY. Will not the gentleman admit that it is a shotgun approach?

Mr. BUDGE. No question about that. I think the only way this bill can be approached is by the shotgun method. We have had shotguns mentioned around here all afternoon. Certainly if we get all the money that the FAO wants I do not see how the gentleman from Virginia or anybody else can complain.

I hope my amendment will be adopted.

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Idaho.

Mr. TABER. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. FORD. I yield to the gentleman from New York.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FORD. Mr. Chairman, the amendment offered by the gentleman from Idaho by his own statement is a shotgun approach to this appropriation. It should be pointed out very clearly that the gentleman does not seek to reduce the amount of funds; he simply by the shotgun approach seeks to tie up an additional 4 percent of the obligational authority.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Idaho.

Mr. BUDGE. Does the gentleman question my statement that if the amendment is adopted the FAO will have all of the funds which it requested? Is not that true?

Mr. FORD. They will have all of the funds for some future date, but they can only obligate for the fiscal year 1955 the amount appropriated less 4 percent. The gentleman from Idaho seeks, in effect, to reduce this appropriation in fiscal 1955 by this limitation method.

It should be brought out and reemphasized that the Committee on Appropriations in recommending this bill to the Committee of the Whole has reduced the total funds requested by the executive branch by something over 13 percent or a total of $812 million.

The gentleman from Idaho by his amendment would further restrict the obligational authority during the present fiscal year by approximately $208 million, so that during this fiscal year you would have an outright reduction in funds of $812 million below that recommended by the President, plus this further hamstringing obligational limitation of some 4 percent, which would make a dollar limitation of $208 million.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Idaho.

Mr. BUDGE. I may say that I have no pride of authorship in this particular type of amendment which the gentleman has referred to as a shotgun approach. The original author of this type of amendment was the distinguished gentleman from New York [Mr. TABER] and the distinguished gentleman from Texas [Mr. THOMAS]. This type of amendment has been used in the Congress before under the sponsorship of those gentlemen.

Mr. FORD. I do not believe that this type of amendment is necessary or desirable. We have already taken rather serious action in reducing the funds that were proposed by the executive branch.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. This is really just an attempt to do with a shotgun what the House specifically refused to do with a rifle heretofore this afternoon.

Mr. FORD. That is entirely correct. We defeated an amendment earlier that would have seriously impaired the military aspects of this program. It would be very unwise in my judgment to approve such an amendment which would impair the military aspects of the program.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Virginia.

Mr. GARY. Would this, as a matter of fact, not put the House in the ridiculous position of saying "Here is the money, but you can only use 96 percent of it"?

Mr. FORD. That is entirely correct. I hope the amendment is rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. BUDGE].

The question was taken; and on a division (demanded by Mr. BUDGE) there were—ayes 51, noes 118.

So the amendment was rejected.

Mr. BOW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I offered in committee an amendment which was adopted which will protect million of dollars of taxpayers' dollars.

This amendment had to do with foreign credits and counterpart funds available to various agencies of the United States Government in certain foreign countries. Foreign credits are created abroad in various ways, the most usual of which is through the sale of United States property. Counterpart funds are created under this foreign-aid program, when goods and commodities furnished by the United States are sold to the people of another country and the proceeds are placed in a special fund to carry out certain agreed upon programs. Ten percent of these counterpart funds are set aside for the use of the United States in meeting the costs of its various agencies operating in each country.

Section 1415 of the Supplemental Appropriation Act of 1953, which was introduced 2 years ago by the gentleman from Michigan [Mr. RABAUT], was adopted to correct certain abuses which were found to exist relative to the use of these foreign credits and counterpart funds. It requires that agencies having need for these foreign credits and counterpart funds must come to Congress for an appropriation to cover the purpose for which they were to be used. Prior to the adoption of the amendment, it was possible for the various agencies such as FOA and the State Department to supplement their appropriations for programs under their supervision by dipping into these counterpart funds, which were available without restriction. In one instance the committee found that a cut in administrative funds for 1953 was partially nullified in this manner.

Section 502 of the basic legislation for the mutual security program, now pending before Congress, repeals most of the legislative control provided by section 1415, by exempting counterpart funds generated from surplus agricultural commodities furnished under section 550. In 1954, such transactions amounted to well over $250 million and in 1955 it is estimated that they will run somewhere between $350 million and $500 million.

My amendment which was adopted and is now in this bill was intended to control the use of these funds, by making them subject to section 1415, and thereby restore to Congress the control over all funds to be used for the mutual security program. There is little use in attempting to limit regular annual appropriations for these programs unless Congress also has some control over these counterpart funds. The weeks and months of deliberation by Congress are largely wasted if the various agencies such as FOA and the State Department have access to an unlimited source of funds to restore cuts made by Congress.

The committee has reduced administrative funds for FOA and the State Department in this bill by over $4 million for next year. If section 502 prevails, there is nothing to prevent these agencies from making up this cut by dipping into these counterpart funds. Also, there is the large sum of over $50 million in this bill for exchange of trainees and related training programs, exclusive of the exchange-of-persons program in the State Department. In the absence of my amendment, there is

nothing to prevent these agencies from further expanding this activity, through the use of these counterpart funds.

The $350 to $500 million in counterpart funds which will be generated through the surplus agriciultural commodity section of the bill next year should be controlled as fully as any other part of the bill.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to call attention to a provision in the bill which I think does not do what its authors intended, and which does some things that are harmful and which I do not believe they intended. We have not been able to get an agreement on language here today, so no amendment will be offered, but I hope it will be corrected in conference.

On pages 9, line 19, are these words:

> Notwithstanding the provisions of section 502 of the Mutual Security Act of 1954, all expenditures of foreign currencies or credits for the purposes of such act shall be subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953.

Section 502 of the Mutual Security Act of 1954 continues available the foreign currencies received from the sale of surplus agricultural commodities under section 550 of the Mutual Security Act of 1953 which we passed last year. Now, this language will require that to spend those foreign currencies derived from sale of farm commodities purchased from last year's appropriation, they must be bought again by new appropriations from this year's bill. That is, it will require a double appropriation for the same agricultural commodities and artificially inflate the cost of this whole program. Furthermore, it will defeat the sale of agricultural surpluses for foreign currencies. It is cheaper and easier to give them away. They have to be bought only once if given as a grant; but bought twice if sold. Surely that is not what the Appropriations Committee had in mind when it put in this language. It probably felt, and perhaps in some cases had reason to believe, that some of the foreign currencies received from the sale of surplus agricultural commodities abroad were being used for other purposes than the Congress had in mind when it appropriated the dollars for the mutual security program, with which the commodities were purchased under section 550.

Now, this is the way it operates. Suppose, the Defense Department wants to make an agreement with a munitions factory in Italy to make certain military items for the common defense. Under offshore procurement they can be made more economically over there than here. FOA gets Italian currency from the sale of our wheat, cotton, tobacco, or whatever it may be. Then when the military items are delivered by the Italian factory, the lira are supposed to be used to pay the bill instead of dollars, the dollars having gone to purchase the wheat, cotton, and tobacco in the United States.

But, if you make all these foreign currencies derived from the sale of surplus agricultural commodities come back to the Committee on Appropriations, then we have to appropriate money a second time to buy from the Treasury the Italian currency which was obtained by the sale of the products bought with the original American dollars.

What it amounts to is an invisible cut in the amount of aid given. Last year $245 million worth of agricultural commodities were sold for foreign currencies. More than two hundred million of those currencies are still unspent, although committed in international agreements. So the effective appropriation in this bill is cut by that amount.

Furthermore, under section 550 of the act last year more surplus agricultural commodities have actually been disposed of abroad than under any piece of legislation we have. This language will retroactively negate most of the benefits obtained from that operation, and will effectively "gut" the program in the future. I hope it will be taken care of in the other body and in conference.

The CHAIRMAN. The time of the gentleman has expired.

Mr. NEAL. Mr. Chairman, the United States has been spending her money, her resources, and her manpower in the hope of buying friends. She has become entangled in political intrigue in nations around the world. She has suffered diplomatic humiliation and accepted virtual military defeat in Korea and Indochina. She has been embarrassed by frequent defection of her trusted allies. She has witnessed a decline in respect, influence, and leadership abroad while permitting progressive socialism, national indebtedness, and confusion at home.

We should take a leaf from the pages of Russia's recent history. She has kept the door to her domestic affairs closed to the outside world. She has conserved her internal wealth and saved her manpower from slaughter. By intrigue and subversion, she has absorbed one border nation after another. By propaganda and deception, she has aroused racial hatred among the peoples of contiguous nations. These, at least temporarily, have succumbed to her overlordship. She has bolstered her economy and increased her wealth by confiscation.

Russia has played her strength, her wits, and her opportunism against our money. America, the philanthropist, sees her international leadership waning. Why compel Americans to continue this vain sacrifice?

Mr. REES of Kansas. Mr. Speaker, I regret that I cannot support this legislation. It provides for an additional expenditure against an already depleted Federal Treasury, in the amount of $5,208,000,000. This is in addition to $7,397,000,000 already appropriated but not expended. So, you have a total of more than $12,600,000,000 that you are going to spend in 60 foreign countries. It amounts to an average of $375 for every family in the United States.

It is possible, and I think proper, that a share of this expenditure is helpful. That is where it really reaches the individuals themselves. But most of this huge expenditure goes to the heads of the governments who spend it largely as they choose.

I just cannot see why, with $7,397,000,000 obligated but unexpended and with $2,312,476,000 on hand, why in the world you should obligate your Government and mine for this additional appropriation, which, in fact we have not got but will have to borrow. This, in spite of the fact that our debt now is more than the combined debt of all other nations of the world.

Certainly, if I thought this expenditure would halt communism, I would not hesitate to support it. I know every Member feels the same way about it. It seems strange heads of other countries do not appreciate our assistance as we think they should. The people, themselves, know only about a small part of it. In fact the governments of many of the countries who share in this fund are anxious to use it in trade with Communist dominated countries.

The least you can do is to withhold the new appropriation included in this bill and do more careful checking on the funds that have already been obligated. I want to repeat seven and a half billion dollars is a huge unexpended fund but already promised and earmarked for projects in foreign countries.

Mr. TABER. I move that all debate on this bill and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H. R. 10051) making appropriations for Mutual Security for the fiscal year ending June 30, 1955, and for other purposes, pursuant to House Resolution 686, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Is a separate vote demanded upon any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. PASSMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PASSMAN. I am.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

> Mr. PASSMAN moves to recommit the bill, H. R. 10051, to the Committee on Appropriations.

The SPEAKER. The question is on the motion to recommit.

Mr. DAVIS of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GARY. Mr. Speaker, on that I demand the yeas and nays.

Mr. HALLECK. Mr. Speaker, the gentleman from Texas [Mr. RAYBURN] has informed me that because of the fact that there are primaries on in Louisiana and Arkansas today, he had told a number of Members on his side that there would be no record vote today. In view of that fact, I ask unanimous consent that further proceedings in connection with the passage of this bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH BUSINESS ON CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit tomorrow during sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, as I understand it, there are a couple of conference reports that will take very little time; also, I should like this evening to dispose of H. R. 9413, the Capitol Police Force bill; S. 3137, from the Committee on Agriculture, having to do with water resources; H. R. 3534, from the Judiciary Committee, having to do with patents; and H. R. 9390, from the Committee on Interstate and Foreign Commerce, having to do with prisoner-of-war benefits.

I may say that these bills have been discussed with the committee chairmen on this side of the aisle and with the ranking members on the other side, and I think they can be disposed of very shortly.

Mr. Speaker, let me say also that I have high hopes that we may yet this week dispose of the measures that are before us on which rules have been granted and which should be considered, in order that we may send to the other body before the week is out a resolution for sine die adjournment.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. MILLER of Nebraska. Is it anticipated there may be some day or two for suspensions for certain bills on which we do not get rules?

Mr. HALLECK. That is a matter I would have to take up with the gentleman from Texas [Mr. RAYBURN], because suspensions are not in order this week, and I have not spoken to him about it. However, I rather suspect if I were to tell him what bills we had in mind for suspensions and, if it met with his approval, he might permit us to call them under suspension.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from California.

Mr. PHILLIPS. Can the majority leader tell us about the arrangements tomorrow for the joint meeting to receive the President of South Korea?

Mr. HALLECK. We have just arranged that we will come in at 10 o'clock tomorrow morning. The vote on the measure just under consideration, which I assume will be a record vote, can take the place of a quorum call as we meet at 10 o'clock tomorrow. Then we shall call up the conference report on the tax bill. I understand there will be a motion to recommit on the tax bill. I can see no reason why we cannot dispose of that matter before the appearance of the President of South Korea.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Will there be a call of the Consent Calendar this week?

Mr. HALLECK. I have expected to call the Consent and Private Calendars again before the week is out. I do not know just what day it will be. However, that certainly is in mind, as I said before.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Did the gentleman say that he contemplates a resolution for sine die adjournment yet this week?

Mr. HALLECK. Yes.

Mr. LECOMPTE. The gentleman contemplates that we can have an early adjournment?

Mr. RAYBURN. Of course, that resolution will have to have the consent of the Senate.

Mr. HALLECK. That is right. I may say to the gentleman from Iowa that if we pass a sine die adjournment resolution, necessarily it goes to the other body and they could amend it for whatever might suit their necessities, but as far as we are concerned here in the House of Representatives, I think that on the whole by the time the week is out we will have disposed of the matters that are to be disposed of in this session of Congress. That is not to say that if we continue in session there are not some other measures that might be called.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from South Carolina.

Mr. RIVERS. Will we have 3-day recesses pending the decision of the other body, which may be into the late fall of this year?

Mr. HALLECK. I trust that the assumption of the late fall this year shall not come to pass. There has been no determination, I may say to the gentleman, about the 3-day recesses. But I can state this, I think, for the RECORD, that if we get our work done and we are awaiting action in the other body and for measures to go to conference on which conference action would be required, the necessity for Members to be constantly in attendance would be slackened, to say the least.

AUTHORIZING LONG-TERM TIME CHARTER OF TANKERS BY THE SECRETARY OF THE NAVY

Mr. ARENDS. Mr. Speaker, I call up the conference report on the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2489)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That (a) the Secretary of the Navy or such officer as he shall designate is authorized to enter into contracts upon such terms as the Secretary of the Navy shall determine to be in the best interests of the Government for the time charter to the Navy of not to exceed 15 tankers not now in being for periods of not more than 10 years to commence upon tender of the tankers for service after completion of construction. The Secretary of the Navy shall (1) award such contracts on a competitive basis to the lowest responsible bidder, and (2) give preference to operators who are exclusively en-

gaged in the operation of American flag ships.

"(b) The hire stipulated with respect to any tanker in any charter party entered into under this section shall not exceed an average rate for the life of the charter party of $5 per deadweight ton per month: *Provided*, That such average rate will not result in the recovery of more than two-thirds of the construction cost of such tanker.

"(c) No contract shall be entered into by the Secretary of the Navy pursuant to the provisions of this section unless the contractor agrees (1) that during the period of such contract he will not transfer to foreign registry any tanker owned by him at the time of entering into such contract, and (2) that the tanker or tankers contracted for shall remain under United States registry during the period in which such tanker or tankers are under charter to the United States.

"(d) Any contract entered into pursuant to this section shall grant to the Secretary of the Navy an option to purchase any tanker chartered pursuant to this section at the expiration of such contract at its then depreciated value or fair market value, whichever is less, and shall contain a provision that such option shall not be exercised later than 1 year prior to the expiration of such contract.

"SEC. 2. The President is authorized to undertake the construction of not to exceed 5 tankers, and there is hereby authorized to be appropriated not to exceed $37,500,000 for such purpose.

"SEC. 3. All tankers constructed pursuant to sections 1 and 2 of this act shall be approximately 25,000 deadweight tons each, shall have a speed of not less than 18 knots, and shall be constructed in private shipyards within the continental United States. The construction of the tankers shall be, so far as practicable, of materials and equipment produced or manufactured in the United States. Not more than 3 tankers authorized by this act shall be constructed in any 1 shipyard."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the amendment of the House to the title of the bill, insert the following: "An act to authorize the long-term time chartering of tankers and the construction of tankers by the Secretary of the Navy, and for other purposes."

And the House agree to the same.

L. C. ARENDS,
PAUL SHAFER,
STERLING COLE,
PAUL CUNNINGHAM,
CARL VINSON,
PAUL J. KILDAY,
L. MENDEL RIVERS,
Managers on the Part of the House.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
By L. S.
RICHARD B. RUSSELL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

LEGISLATION IN CONFERENCE

On May 24, 1954, the Senate passed S. 3458, a bill to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes. On July 14, 1954, the House considered the Senate bill and amended it by striking all language after the enacting clause and inserting new language.

The Senate and House versions expressed two wholly different approaches to the problem of providing tanker tonnage for use by the Military Sea Transportation Service. The bill as agreed upon by the conferees is expressive of the philosophy of both the House and the Senate in that 15 tankers will be chartered in accordance with the Senate version of the bill and 5 tankers will be constructed in accordance with the House version of the bill. The end result, therefore, will be to provide the 20 tankers conceded by both versions to be necessary at this time.

Perfecting and clarifying amendments were proposed by the House conferees and accepted by the Senate conferees. In essence, these amendments provided (1) that the tankers shall be approximately 25,000 deadweight tons (as distinguished from the original Senate language which would have permitted the construction of tankers of not less than 25,000 deadweight tons nor more than 32,000 deadweight tons); (2) for agreement on the part of the charterers that during the period of a charter no tankers owned by a charterer at the time of contracting would be transferred to foreign registry; and (3) that the United States shall have the option to purchase any chartered tanker not later than 1 year preceding the expiration of any charter contract.

The conferees agreed to strike that portion of the Senate version which would have permitted an operator, subsequent to the charter period, to transfer a chartered tanker to foreign registry with the permission of the Secretary of the Navy and the Secretary of Commerce. It was the view of the conferees that the insertion of language which would preclude the transfer of any tanker to foreign registry during the charter period was an adequate protection of the interests of the United States and that after the charter period existing law would be adequate to so protect its interests.

The conferees further agreed to strike that part of the Senate version of the bill which would have required the tendering of the vessels within 2 years following the date of the contract to charter. This provision which was, in its essence, designed to insure distribution of the construction of the tankers throughout shipyards in the United States has been appropriately dealt with by the insertion of language requiring that not more than 3 ships shall be constructed in any 1 shipyard.

The House and Senate conferees, while agreeing to the provision that not more than 3 tankers should be constructed in any 1 shipyard, were also in agreement that greater distribution of the construction throughout the United States would be effected by there being not more than 2 ships constructed in any 1 shipyard and therefore urge this latter course.

L. C. ARENDS,
PAUL SHAFER,
STERLING COLE,
PAUL CUNNINGHAM,
CARL VINSON,
PAUL J. KILDAY,
L. MENDEL RIVERS,
Managers on the Part of the House.

Mr. ARENDS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

TRANSFERRING OF HOSPITAL AND HEALTH FACILITIES FOR INDIANS TO PUBLIC HEALTH SERVICE

Mr. MILLER of Nebraska. Mr. Speaker, I call up the conference report on the bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2430)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 3, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter inserted by the Senate, insert the following: Page 2, line 2, after "Welfare" insert: ": *Provided*, That hospitals now in operation for a specific tribe or tribes of Indians shall not be closed prior to July 1, 1956, without the consent of the governing body of the tribe or its organized council"; and the Senate agree to the same.

WESLEY A. D'EWART,
E. Y. BERRY,
JACK WESTLAND,
WAYNE N. ASPINALL,
JAMES A. HALEY,
Managers on the Part of the House.

ARTHUR V. WATKINS,
HENRY C. DWORSHAK,
THOMAS H. KUCHEL,
CLINTON P. ANDERSON,
ALTON LENNON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 is technical in nature and would make clear that all authority now vested in the Department of the Interior and its administrative officials, as well as all functions, responsibilities, and duties relating to the maintenance and operation of hospital and health facilities for Indians, and the conservation of the health of the Indians, will be transferred by this act.

Amendment No. 2 would operate to bar closure prior to July 1, 1956, of hospitals in operation on the effective date of the act,

without the consent of the governing body of the tribe or its organized council. Public Health Service representatives have consistently indicated their unwillingness to close any existing hospital unless and until convinced by that agency's own analysis of the situation that closure of a particular facility is deemed desirable in order to better meet the health needs of the Indians through an alternative plan of providing service.

The amendment would establish a period of almost 2 years to permit Public Health representatives to analyze the present situation, fully consult with tribal authorities and governmental representatives of the area affected, and thereafter arrive at administrative decisions relative to expansion, closure, or consolidation of existing facilities.

Amendment No. 3 would make July 1, 1955, the effective date of the act, to coincide with the fiscal year end, and to permit the two Departments primarily affected sufficient time to ready for transfer.

WESLEY A. D'EWART,
E. Y. BERRY,
JACK WESTLAND,
WAYNE N. ASPINALL,
JAMES A. HALEY,
Managers on the Part of the House.

Mr. MILLER of Nebraska. Mr. Speaker, I yield such time as he may require to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Speaker, I consider this one of the most important pieces of legislation dealing with the health of Indians in this country. It certainly is necessary if we are going to give the Indians the health services that they need. The committee has done a great deal of work on the bill.

Because of shortage of medical personnel, the Bureau of Indians Affairs now operates a number of small hospitals with only a single medical officer on the staff and most of their other hospitals are seriously understaffed. With the prospective termination of the doctor draft the staffing problem may become still more serious in the future.

With a medical staff so limited as to require a deployment of one doctor per hospital, it is obvious that either the number of separate hospitals must be reduced or the quality of medical care in all hospitals will be seriously impaired. Under such circumstances, it would be wiser, from the standpoint of overall Indian needs, first, to close some of the small hospitals in areas where contract beds can be readily obtained in nearby community hospitals; and, second, to reassign the medical and other staff to Indian hospitals on reservations or other remote areas where there are no available community hospitals.

Apart from the problem of proper utilization of limited medical manpower, there may well be local situations which indicate the need for hospital closures. As a result of reduced patient loads in some hospitals serving dwindling Indian populations, the cost of maintaining a separate hospital may be exhorbitant. It is reported, for example, that 1 of Bureau of Indian Affairs hospitals had an average patient census of only 11 during fiscal year 1953 and that there are currently only 6 patients in the hospital. The resulting per diem cost per patient of $25.50 in 1953—with a much higher cost, probably doubled, indicated for 1954—can hardly be justified if there are, as reported, adequate beds in nearby community hospitals in which excellent care could be purchased under contract.

Some of the Indian hospital buildings are old and decrepit and cannot long be maintained in a safe condition. If there are adequate beds available in readily accessible community hospitals, the construction of a new hospital building could not be justified. In such cases closure of the Indian hospital may be necessary.

It should be noted here that closure of a hospital would not necessarily mean termination of all direct Federal medical care services. It might be feasible and desirable in some or all cases to contract for hospital care but to operate an outpatient clinic and/or nursing care unit staffed by Public Health Service personnel supplemented by the part-time services of local physicians on a contract basis. This would permit a better quality of hospital care than can possibly be provided in a one-man hospital without terminating all personal health service facilities operated exclusively for the Indian population of the community. It would also make it easier to recruit and retain medical personnel for Indian hospitals, for doctors are not attracted to hospitals that are substandard in their staffing and hence in the quality of care provided.

In the opinion of the Bureau of Indian Affairs, 17 of its hospitals could be closed or converted to outpatient clinics and better hospital care obtained for Indians on a contract basis from local community hospitals. The Public Health Service would not be willing to close any existing hospital unless and until convinced by its own analysis of the situation that closure is necessary, but the possibility that some such closures may be required is clearly suggested by available information. While every effort would be made in such cases to explain the situation to tribal representatives and to obtain their approval of the proposed alternative arrangements, it does not appear justifiable to require such tribal approval as a prerequisite to any closure.

In 1946 the Bureau of Indian Affairs had 86 physicians to administer the health program and operate 73 hospitals. This situation was alleviated somewhat by an agreement with the Health Resources Advisory Committee and the United States Public Health Service whereby physicians serving under the Doctor-Draft Act were commissioned in the Public Health Service and assigned to the Bureau of Indian Affairs for duty. Under this program there was a peak of 111 Public Health Service physicians out of a total of 173 physicians in the Bureau of Indian Affairs in 1952. However, since the cessation of the Korean war the number of physicians being brought into the Public Health Service has materially decreased and the number assigned to the Bureau of Indian Affairs has also decreased. On June 24, 1954, there were 131 physicians on duty in the Bureau of Indian Affairs, of whom 79 were Public Health Service officers and 52 were civil-service physicians. The record also indicates that 57 of the Public Health Service officers will complete their active duty with the Service between now and December 31, 1955. There are currently 70 vacancies which neither the Bureau of Indian Affairs nor the PHS have been able to fill.

Mr. MILLER of Nebraska. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, I have been opposed to H. R. 303 from the time of its first introduction in Congress, which was during the 1st session of the 83d Congress. At the start of the consideration of this measure the entire Oklahoma delegation joined in a resolution of opposition to this legislation. It was felt at that time, and I believe it is felt now, that this is a piece of legislation which represents a fundamental departure from the policy of the Federal Government with reference to the treatment of our Indian people.

For many years it has been the policy of our Government to place in one agency or bureau of the Government responsibility for taking care of the problems of our Indian people. There still is a serious problem in this regard in this country. It has been our feeling from the very first that this bill, which would take away from one agency and place in another agency responsibility for Indian health, was a very dangerous departure from the established policy of our Government in this field.

The apprehension and feeling of opposition to this bill, which were felt by the delegation from Oklahoma, were also felt by a number of responsible officials of the Government of the United States. When this bill was first presented to the committee, the Department of the Interior voiced its official opposition to the bill. I quote at this time language which appeared in a statement of Mr. Orme Lewis, Assistant Secretary of the Interior. His reasoning was as follows:

> The various service programs for Indians are so closely related that it is deemed inadvisable to separate the administration of the health services from the administration of other services to the Indians. The education, welfare, law and order, and health functions of the Bureau are particularly interrelated.

Later, it is true that Mr. Orme Lewis changed his position on this bill at the last minute when it was being considered before the Senate committee, but he did not explain why this reasoning was no longer good reasoning.

May I also quote to you from a letter which Mr. Lewis sent to the committee, an opinion of the Bureau of the Budget in connection with this bill:

> You are advised that while there would be no objection to the submission of such report as you consider appropriate, this office concurs with the views of the Department of Health, Education, and Welfare and does not endorse the transfer of functions proposed by S. 132. In the absence of a showing of economies, improvements in efficiency, or more effective administration in the discharge of the Federal Government's responsibility for health services to Indians and

the operation of Indian hospitals, it is the view of this office that the proposed changes in organization would be undesirable.

I am not informed of any change which the Bureau of the Budget has taken with respect to this legislation.

Finally, we have the other department involved in this transfer—the Department of Health, Education, and Welfare—taking a position of opposition to this bill. Here is what Mrs. Hobby, Secretary of the Department of Health, Education, and Welfare had to say on the subject:

Such transfer in itself would not overcome the fundamental difficulties which have retarded the improvement of Indian health conditions—including problems of financial support, sparseness of the settlements of many of the tribes, difficulty in recruiting professional personnel for isolated stations, and the lack or inadequacy of community hospitals and local health departments in many of the areas surrounding Indian reservations. Furthermore, the administrative separation of health services from other related Indian services—particularly those in the field of education and public welfare—might create new administrative difficulties and actually retard the overall improvement of living conditions on Indian reservations.

So that from the very outset, both the Departments and the Bureau of the Budget have opposed this legislation.

Mr. MILLER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. MILLER of Kansas. I wish to associate myself with the gentleman on this issue because I have a number of Indian tribes in my district, and they feel about this just as your Indians do and just as you do.

Mr. EDMONDSON. I thank the gentleman.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. MILLER of Nebraska. Mr. Speaker, I yield the gentleman 3 additional minutes.

Will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. MILLER of Nebraska. I wanted to ask the gentleman about the amendment on page 2, line 2, providing:

Provided, That hospitals now in operation for a specific tribe or tribes of Indians shall not be closed prior to July 1, 1956, without the consent of the governing body of the tribe or its organized council.

Does that not help the gentleman's situation somewhat?

Mr. EDMONDSON. I will state to the gentleman from Nebraska and I had intended to state this in the course of the remarks I wanted to make that, in my opinion, the conference committee definitely improved on the bill as it originally went through the House. The improvement which was written in by the conference committee is definitely a help to the Indian people who are opposed to this legislation. It does provide the possibility which I devoutly hope will be realized that in the next session of the Congress there may be remedial legislation passed, if necessary. I serve notice now of my intention to introduce such remedial legislation if it is made necessary by the passage of this bill and the realization of fears which many of us feel about the operation of the legislation.

Why is it that the Indian people of Oklahoma, the National Congress of American Indians, and Indian tribes all over the country, have taken a stand against this bill to transfer health responsibility to the Public Health Service?

In the hearings before the Senate committee on this legislation, I do not believe a single Indian or Indian organization representative appeared in support of this bill.

I believe the major reason for their opposition is the apprehension that this bill will mean an early end to Federal responsibility for Indian health. When you read the bill, and find more than 75 percent of its language deals with methods to transfer Indian health facilities to local, State, or private agencies, this apprehension does not appear unreasonable.

H. R. 303 has been described as a master plan to end the Federal health program for American Indians. While its proponents may not consider it in that light, it certainly establishes the machinery and the methods to do the job.

Are we ready for this termination?

In Oklahoma, our Governor reports that the Indian death rate from tuberculosis is seven times as high as the non-Indian rate. The infant mortality rate among Indians is 10 times as high as among non-Indians. Many other death rates are comparably higher, according to my information. Does it sound to you as if the time for an end to Federal responsibility has arrived?

I can see little reason for vast American programs to aid the native populations of other continents, and to raise their health standards, while we shut down our own Indian hospitals and wash our hands of responsibility for our own first Americans.

May I take this opportunity before closing to thank the members of the conference committee for the breathing spell which they have inserted in this legislative in conference? We deeply appreciate the consideration given to us of the opportunity to present arguments against the legislation. I devoutly hope, in the event it should be passed, that the hopes which its sponsors have expressed for it will be realized and not the fears which those of us feel deeply in our hearts in reference to this kind of legislation.

Mr. MILLER of Nebraska. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I thank the gentleman for yielding to me for the purpose of asking a question. Does this legislation in any way affect the rights of Indians, the preference rights of Indians, to employment in Indian hospitals, which they have under present law with respect to Indian hospitals under the Bureau of Indian Affairs?

Mr. D'EWART. The first line of the bill after "responsible" now reads:

All functions, responsibilities, and authorities and duties, of the Department of the Interior and Bureau of Indian Affairs are transferred to the Public Health Service.

I would interpret that to mean that those authorities and those functions go along with the transfer.

Mr. ALBERT. I agree with the gentleman, and I thank the gentleman and the committee for making that insertion in the bill.

Mr. MILLER of Nebraska. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I am proud to have authored this piece of legislation because I think it will do more for the health of the Indians in our country than anything that has been done in the last 200 years. The gentleman from Oklahoma has told about the pitiful state of the health of the Indians on the reservations in Oklahoma under presently existing conditions. That is precisely why the bill is so badly needed. Why should we want to continue a situation as bad as he has described?

In the State of Minnesota—and I have had nothing to do with it—I have seen the good results from the adoption 25 or 30 years ago of the general pattern of integration of Indian hospitals, where suitable, with hospitals for the general population.

The marked improvement in the condition of the Indians has been beyond anybody's expectation. Instead of the Indian tuberculosis death date being 7 to 1 as in Oklahoma, only two Indians died of tuberculosis in the whole State of Minnesota last year.

I know that there was great concern in the State of Oklahoma and some in the State of New Mexico lest this bill were designed to close down a lot of Indian hospitals and curtail medical services for the American Indians. The sole purpose was to improve those services. If you will think about the situation that exists today in terms of modern means of transportation, it is clear why it is better to close down gradually some of the scattered little 10- and 15-bed Indian hospitals, where it is almost impossible to get doctors and nurses that are worth anything, and transfer the patients to the larger, well-staffed, well-equipped Indian and general hospitals that are within easy driving distance of all these reservations today.

Actually, the reason for the change from opposition to approval in the position of the agencies downtown was that when they studied the whole question and saw what could be done by transferring to the Public Health Service the medical service for the Indian population now being carried on by the Indian Bureau, they became convinced that it would be beneficial to the Indians.

It is almost impossible to get first grade doctors and nurses, unless they are real missionaries, to go to those isolated places. Without the doctor's draft, they would be closed for sure.

The Indian Bureau and its medical service are steadily shrinking and will continue to do so, for obvious reasons. It is impossible to build good morale. But in the Public Health Service, you will find a large staff, fine morale, and

high professional standards. It is proud of itself and its work. When given the responsibility for care of the Indians, it will not do or permit second-class work among them. Furthermore, the Public Health Service has a responsibility for the general health of the Nation, and one of the most important things it must do to improve and elevate the health of the general public is to clean out the foci of infection in some of the Indian reservations.

Mr. PATTEN. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Arizona.

Mr. PATTEN. Since we are coauthors, for I also introduced this bill, I would like the Members of Congress to know, since I represent a district that has the most Indians of any district in the United States, I believe firmly, as does the gentleman from Minnesota [Mr. JUDD] that this bill will do more for Indians' health than any other bill that has been introduced in my time in Congress. This bill will provide that a doctor will not take a 25-patient hospital and try to operate it, particularly when the majority of the patients are tubercular, as we have in Arizona and New Mexico and other States. A doctor who would take a hospital of that sort is not a doctor who can successfully employ his ability on the outside, and is there trying to amass enough money, by his frugal savings, in order to set out in private practice. This bill lends the doctor encouragement, with a career possibility that is not possible in Public Health. I wish to commend the gentleman from Minnesota for his very fine bill, and I sincerely hope that the Members of Congress will accept this bill, because I am sure, as sure as I am of almost anything, that it will benefit the Indians in my district.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I do not know how many Indians the gentleman from Arizona [Mr. PATTEN] has in his district, but if he has more than the 100,000 in my district, he has a good many.

Mr. PATTEN. Mr. Speaker, if the gentleman will yield, I just had a report from the Department of the Interior yesterday that in Oklahoma there are 44,000 Indians and in Arizona there are 64,000 Indians. I do not know where the gentleman gets his 100,000 from. He must be counting my wife, because she is one-sixty-fourth Chickasaw. The Department of the Interior gave me those figures yesterday, and wherever he gets his 100,000 figure, he must be counting them under the rocks.

Mr. EDMONDSON. Of course, I do not want to get into any statistical argument about Indians, but there are full-blood, three-quarter blood, half-blood, quarter-blood, and many other Indians. I am speaking of people with Indian blood in my district. There are more than a hundred thousand of them. May I say in answer to the gentleman from Minnesota [Mr. JUDD] on the point of the doctor draft law being a vital factor in this transfer that it is a fact, is it not, that a majority of the doctors in the Public Health Service today are there under the doctor draft law?

Mr. JUDD. That is right.

Mr. EDMONDSON. So the Public Health Service would be hurt by the termination of the doctor draft law just as would the Bureau of Indian Affairs?

Mr. JUDD. That is true. But it is far easier to recruit good men for the Public Health Service than for the Indian Service. Many men in the Public Health Service welcome the chance to spend 1 or 2 years in an Indian hospital where they can see cases of tuberculosis and many other diseases in more active stages than they often see nowadays among the white population. They want to be there on rotation for a period in order to learn more, just as though serving an internship, and then go back into the general service. It will be good for both services to have them together.

It will take a year for the Public Health Service to make its plans before taking over a year from now, and during the next year I am confident it will be able to convince those Indians who are now fearful that the change made by this bill will be of the greatest benefit to themselves.

Mr. Speaker, may I say one additional word of appreciation to the Committee on Interior and Insular Affairs for the very thorough consideration and hard work it devoted to this bill. Especially do I commend the committee report on H. R. 303. It is the best analysis and exposition of the problems we face in dealing with our shamefully neglected Indian population that I have seen anywhere. And it points to the sound remedies we should adopt.

Mr. MILLER of Nebraska. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

PATENT EXTENSION

Mr. CRUMPACKER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3534) to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) if at any time during any of the periods specified in subsection (d) of this section—

(1) the term of any unexpired patent of the United States included time during which any individual owning not less than a 50-percent interest in such patent was performing honorable service on active duty in the Army, Navy, Air Force, Marine Corps, or Coast Guard; or

(2) the practice of the inventions described and claimed in any unexpired patent of the United States was prevented or curtailed by any order of an agency of the Government prohibiting or limiting the production or use of any class of machines, articles, or materials, or the use of any class of processes or formulas;

then the term of such patent may be extended in accordance with the provisions of this act.

(b) The period of extension of a patent under this act shall be a further term from the expiration of the original term as follows:

(1) In cases where the only grounds for extension are those described in subsection (a) (1) of this section, the further term shall equal twice the length of the active service during the applicable period or periods specified in subsection (d).

(2) In cases where the only grounds for extension are those described in subsection (a) (2), the further term shall equal the time for which (during the applicable period or periods specified in subsection (d)) the practice of the inventions described and claimed in the patent was prevented or curtailed as set forth in subsection (a).

(3) In cases where grounds for extension exist under both subsection (a) (1) and subsection (a) (2), the further term shall be either that determined under paragraph (1), or that determined under paragraph (2), of this subsection, whichever results in the longer extension.

(c) If the ownership of the patent at the time the circumstances, described in subsection (a), which qualify the patent for extension, first arose, is different from the ownership at the time of the filing of the application for extension under this act, such application shall be acted upon only if the owner or owners at the time such circumstances first arose (or their legal representatives) have joined in such application.

(d) The periods during which one or more of the circumstances described in subsection (a) must have occurred in order to qualify a patent for extension under this act are as follows:

(1) The period beginning May 27, 1941, and ending December 31, 1945.

(2) The period during which the Selective Service Act of 1948 or the Universal Military Training and Service Act is in effect.

(3) The period during which title I of the Defense Production Act of 1950 is in effect.

(e) For the purposes of this section, a reissue patent shall be considered to be the same patent as that which it supersedes.

SEC. 2. On the filing of an application for extension of the term of a patent hereunder, together with such information as may be required by the Commissioner, and upon payment of such fees as the Commissioner may from time to time prescribe, the Commissioner shall publish a notice thereof in the Official Gazette of the Patent Office. Any person may within 60 days from such publication oppose the extension stating the grounds therefor, which shall not include invalidity. If a proper notice or notices of opposition are filed, the Commissioner shall set a day for hearing upon 30 days' notice to the parties of interest. Upon the hearing the parties of interest shall present such evidence as they believe is pertinent and such other evidence as may be required by the Commissioner. If, from all the evidence presented before him, the Commissioner is satisfied that a patent should be extended in accordance with this act, he shall grant such extension. The Commissioner shall take action granting or denying an extension within not more than 6 months after the filing of the application for extension.

SEC. 3. If any applicant for an extension is dissatisfied with the decision of the Commissioner or of any board established by the Commissioner for the determination of ap-

plications for extensions, he shall have the same remedy by appeal to the United States Court of Customs and Patent Appeals, or suit in the District Court for the District of Columbia, as provided in the case of applications for patent.

SEC. 4. The Commissioner shall issue a certificate evidencing the granting of an extension hereunder. A notice of the granting of an extension shall appear in the Official Gazette of the Patent Office.

SEC. 5. Upon the issuance of the certificate of extension, said patent shall have the same force and effect in law as though it had been originally granted for 17 years plus the term of such extension, except as otherwise provided herein.

SEC. 6. No patent extended under the provisions of this act shall serve as a basis for any claim by reason of manufacture, use, or sale by or for the United States during the period of extension, and the rights of the United States shall remain in all respects as if such patent had not been extended.

SEC. 7. In the event an extension is not issued until after the date of expiration of the original term of a patent or reissue thereof, the extension order shall provide that any vested rights arising out of the actual manufacture, use, or sale of the invention covered by the patent so extended, which took place after the said expiration and before the issuance of the extension order may continue during the period of the extension upon such terms and conditions as the Commissioner may prescribe, including reasonable royalties, providing the person or persons claiming such rights, establish after a proper hearing such vested rights to the satisfaction of the Commissioner.

SEC. 8. In any action, for infringement after the expiration of 17 years from the grant of the patent and during the period of such extension, the defendant may plead and prove that any material statement of the application for extension required by this act is not true in fact; and if any one or more of such statements shall be found untrue in fact, judgment shall be rendered for the defendant with costs.

The Clerk read the committee amendment, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That (a) if at any time during any of the periods specified in subsection (d) of this section—

"(1) the term of any patent of the United States including time during which any individual or individuals owning solely or jointly with his spouse or their spouses the entire interest in such patent, was or were performing honorable service on active duty in the Army, Navy, Air Force, Marine Corps, or Coast Guard, which service prevented or substantially curtailed the normal use, exploitation promotion, or development of the patent; or

"(2) the normal use, exploitation, promotion, or development of the inventions described and claimed in any patent of the United States was prevented or substantially curtailed by any order of an agency of the Government prohibiting or limiting the production or use of any class of machines, articles, or materials, or the use of any class of processes or formulas; or

"(3) to further the interests of the United States of America, the owner of such patent has heretofore granted a license thereunder to the United States, or to manufacturers, producers, or contractors authorizing them to produce or furnish goods or services for or to the United States, without payment of royalty, or at a nominal royalty, such license having been granted by such owner to promote any war effort, or any program of rearmament or preparation for the national defense, in which the United States has been engaged since the invasion of Poland by Germany on September 1, 1939; and since September 1, 1939, under the authority of such license, the United States, or manufacturers, producers, or contractors furnishing goods or services to the United States, have made substantial use of the invention embodied in such patent in the production or furnishing of goods or services for or to the United States, such use of said invention having been of material assistance and benefit to the United States in connection with any war effort, or any program of rearmament or preparation for the national defense, which granting of a license, prevented or substantially curtailed the normal use, exploitation, promotion, or development of the patent;

then the term of such patent may be extended in accordance with the provisions of this act.

"(b) The period of extension of a patent under this act shall be a further term from the expiration of the original term as follows:

"(1) In cases where the only grounds for extension are those described in subsection (a) (1) of this section, the further term shall equal twice the length of the active service during the applicable period or periods specified in subsection (d).

"(2) In cases where the only grounds for extension are those described in subsection (a) (2), the further term shall equal the time for which (during the applicable period or periods specified in subsection (d)) the practice of the inventions described and claimed in the patent was prevented or substantially curtailed as set forth in subsection (a).

"(3) In cases where the only grounds for extension are those described in subsection (a) (3); the further term shall equal the period during which the initial license granted by the owner of such patent, without payment of royalty, or at a nominal royalty, was in effect after September 1, 1939: *Provided, however,* That in no event shall the period of extension hereunder be greater than the period during which the normal use, exploitation or development of the patent was prevented or substantially curtailed.

"(4) In cases where grounds for extension exist under more than one paragraph of subsection (a), the further terms designated in this subsection (b) shall not be cumulative but shall be determined under the applicable paragraph of this subsection (b) which results in the longest extension.

"(c) If the ownership of the patent at the time the circumstances, described in subsection (a), which qualify the patent for extension, first arose, is different from the ownership at the time of the filing of the application for extension under this act, such application shall be acted upon only if the owner or owners at the time such circumstances first arose (or their legal representatives) have joined in such application.

"(d) The periods during which one or more of the circumstances described in subsection (a) (1) or subsection (a) (2) must have occurred in order to qualify a patent for extension under this act are as follows:

"(1) The period beginning December 7, 1941, and ending September 2, 1945.

"(2) The period beginning June 26, 1950, and ending July 26, 1953.

"(e) For the purposes of this section, a reissue patent shall be considered to be the same patent as that which it supersedes.

"SEC. 2. On the filing of an application for extension of the terms of a patent hereunder, together with such information as may be required by the Commissioner, and upon payment of such initial fees as the Commissioner may from time to time prescribe, the Commissioner shall publish a notice thereof in the Official Gazette of the Patent Office. Within 60 days from such publication any person may oppose an application for extension by filing with the Commissioner a notice of opposition thereto stating the grounds therefor, which shall not include any charge that the patent is invalid. If a proper notice of opposition is filed and payment is made by the opponent of such initial fees as the Commissioner may from time to time prescribe, the Commission shall set a day for hearing which shall be within 45 days of the date of the filing of such notice of opposition, and shall give not less than 30 days' notice of such hearing to the parties in interest. Upon the hearing the parties in interest shall present such evidence as they believe is relevant and such other pertinent evidence as may be required by the Commissioner. If, from all the evidence presented before him, the Commissioner is satisfied that a patent should be extended in accordance with this act, he shall grant such extension. The Commissioner shall take action granting or denying an extension within 6 months after the filing of an application for extension. The Commissioner shall fix the total fees (not exceeding $150) to be paid by each applicant for extension of the term of a patent hereunder and the total fees (not exceeding $50) to be paid by each opponent to an application, the specific amount of all such fees to be determined according to the work of the Patent Office required in processing the application or in hearing an opponent thereto, as the case may be, and the estimated cost thereof to the Patent Office.

"SEC. 3. If any applicant for an extension is dissatisfied with the decision of the Commissioner or of any board established by the Commissioner for the determination of applications for extensions, he shall have the same remedy by appeal to the United States Court of Customs and Patent Appeals, or suit in the District Court for the District of Columbia, as provided in the case of applications for patent.

"SEC. 4. The Commissioner shall issue a certificate evidencing the granting of an extension hereunder. A notice of the granting of an extension shall appear in the Official Gazette of the Patent Office.

"SEC. 5. Upon the issuance of the certificate of extension, said patent shall have the same force and effect in law as though it had been originally granted for 17 years plus the term of such extension, except as otherwise provided therein.

"SEC. 6. Except where the owner of a patent extended hereunder was entitled to royalties under said patent (whether or not such royalties were received or waived) for any class of machines, articles, or materials, or for the use of any class of processes or formulas produced or furnished exclusively to or for the benefits of the United States, or used exclusively by or for the benefit of the United States, no patent extended under the provisions of this act shall serve as a basis for any claim by reason of manufacture, use, or sale by or for the United States during the period of extension, and the rights of the United States shall remain in all respects as if such patent had not been extended.

"SEC. 7. In the event that an extension is not issued until after the date of expiration of the original term of a patent or reissue thereof, the extension order shall provide that any vested rights arising out of the actual manufacture, use, or sale of the invention covered by the patent so extended, which took place after the said expiration and before the issuance of the extension order, may continue during the remainder, if any, of the period of the extension upon such terms and conditions as the Commissioner may prescribe, including the payment of reasonable royalties, providing the person or persons claiming such vested rights establish such rights to the satisfaction of the Commissioner upon a hearing.

"SEC. 8. In any action for infringement after the expiration of 17 years from the grant of the patent and during the period of such extension, the defendant may plead and prove that any material statement of the application for extension required by this act is not true in fact; and if any one or more of such statements shall be found untrue in fact, judgment shall be rendered for the defendant, with costs.

"SEC. 9. Any application for the extension of the term of a patent hereunder shall be filed within 1 year from the effective date of this act except for applications which are filed under subsection (a) (1) of section 1, which applications shall be filed within 1 year from the effective date of this act or within 1 year from the date of the applicant's honorable discharge from service."

Mr. KEATING. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on this bill at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINE. Mr. Speaker, I desire to speak in behalf of H. R. 3534 which provides a long overdue measure of justice to inventors and patent owners who were injured through unilateral action of Government agencies during periods of national emergency. This bill has my unqualified support, and I wish to strongly urge the passage of this bill today.

Let me point out that this bill has had the unanimous support of the subcommittee, and subsequently, the unanimous support of the full Judiciary Committee under its very able chairman, the gentleman from Illinois [Mr. REED].

The gentleman from Indiana [Mr. CRUMPACKER], the author of this bill, is particularly deserving of praise for his thoroughness and his very able handling of this subject. This is particularly notable when one realizes that the bill, as now presented, encompasses the best features of the several bills covering all pertinent phases of the subject which were presented for consideration to the committee.

As a collaborating member of the subcommittee I have the fullest appreciation of the constructive contributions of Mr. KEATING, subcommittee chairman, and also of the other members—Mr. WILLIS, Mr. DONOHUE, and Mr. TAYLOR. The passage of this bill will forestall the introduction of private bills to take care of individual cases of injury and place the burden of handling such cases where it rightfully belongs, in the Patent Office, for Congress is not equipped to handle the technical details of such applications for relief, nor should it be burdened with this extra work.

There are 3 major reasons why relief should be granted, all 3 of which have been taken care of in this bill:

First. Many members of the Armed Forces were prevented from exploiting their patents while in the service.

Second. Many owners were prevented from using their patents by direct Government stop orders.

Third. A number of patent owners who granted a free license to the Government under their patents were deprived of any return during the free Government license period.

The term of a patent is 17 years, and when through Government action this term is reduced, in justice to the patent owner, the time taken away should be restored. That is why in my opinion this bill really amounts to patent restoration rather than patent extension.

There is a precedent for the passage of this legislation in Public Law 598, passed by the 81st Congress, which provided for extension of patents to patent owners who served in the Armed Forces during World War II. It is also a fact that all the major countries of the world, except Russia, have passed and now have in force similar patent extension legislation. Such legislation has long been overdue in this country.

Public Law 598 was limited to World War II, and makes no provision for members of the Armed Forces who served during the Korean emergency. This bill extends the same provisions of Public Law 598 to the period of the Korean emergency.

In considering this bill it should be borne in mind that while many people suffered economic losses due to war conditions for which the Government could not be expected to recompense them, the relief granted to patent owners under this bill is not based on economic conditions due to the war but is solely based on Government interference with the patent property.

It should also be borne in mind that under this bill no extensions will be granted without a proper showing of substantial injury and that full provision has been made to protect the interests of those who might have intervening rights.

The Patent Office, which under this bill will have the responsibility for administration, has already had successful experience in administering such extensions under Public Law 598.

This bill will not lead to added expense on the part of the Government for the fee provisions as drafted were designed to take care of the cost of processing of the applications through the Patent Office.

Because in these closing days of Congress time is so precious I will not go further into the many cogent reasons why this bill should receive the support of each and every Member. Our inventors should be encouraged, not discouraged. A pronouncement of our Supreme Court made on March 8 of this year supports this view:

> The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in science and useful arts. Sacrificial days devoted to such creative activities deserve rewards commensurate with the services rendered.

There is just one additional point I wish to emphasize. And that relates to the question of the inclusion in the report of the three letters submitted at the hearing time in 1953 by the Departments of Commerce, Justice, and Navy, respectively. The Navy letter contains the statement that the Department of the Navy does not wish to object to the passage of the bill. The Commerce Department and the Justice Department, however, did raise objections and it would be well to explain that these objections pertained, at that time in 1953, to the basic H. R. 3534 which has been significantly amended since that time by the committee. In fact, I am advised that the majority of the amendments were worked up in collaboration with the Commerce Department and the Patent Office and were pronounced by the personnel of these agencies to result in an elimination of any problem and objections which they posed in their original letter to the committee and would cure any objections that they had to the passage of the bill if the Congress would see fit to adopt these amendments. The committee did adopt these amendments in total, therefore it is my opinion and I am sure those of the members of the committee that the Department of Commerce and the Justice Department do not now voice objections of the bill in its present form.

Mr. KEATING. Mr. Speaker, I will leave to others, who by training and experience are better qualified than I, to discuss the niceties of legal theories regarding the characteristics of the rights which are granted to inventors by the issuance of patents by the United States.

My remarks will be confined to the fundamental merits of this bill as a demonstration of the determination of Congress to redeem the merited reputation that our Government holds for discharging whatever obligations it assumes.

As a prelude to these brief comments, it is sufficient to reiterate the significant words of our Constitution by which Congress is granted the power "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive rights to their respective writings and discoveries."

I speak only to the basic question presented by this bill of whether or not the Congress, pursuant to this purposeful grant of power in the Constitution, already has passed legislation under which the Government has fully discharged the obligations it assumed by the issuance of patents to inventors. To weigh the equities of the proposed legislation now under consideration, it is immaterial to me whether the holder of a patent issued under our present laws has the exclusive rights to its full use and exploitation or whether he has merely a right to exclude others from its use. Under any theory, the fundamental issue before us is whether or not the Government has fairly and diligently and completely carried out the obligations thus assumed.

From the testimony presented to the Committee on the Judiciary upon the hearings on this and several other bills for patent extension, I believe the conclusion is inescapable that the Government is at least morally bound to grant an extension of the terms of patents under the conditions specified in the bill as amended by the committee.

Essentially, the rights granted to an inventor by the issuance of a patent under our laws are analogous to those which arise out of a simple contract. In exchange for the public disclosure and dedication of an invention, the Government of the United States solemnly undertakes to secure to the inventor the exclusive rights to the use of his invention for a full period of 17 years. That is the inducement to inventors which the Government has long offered by law and upon which inventors have been led to rely.

Now, as legislators we would be justifiably incensed if some one proposed that we enact a statute arbitrarily reducing the terms of patents heretofore issued and outstanding from the issued period of 17 years to a period of 13 years or even less. We would regard such a proposal as a clear violation of the obligations which the Government assumed when the patent was issued. And yet the result is the same when the Government during public emergencies, issues an order directing that for a period of time the holder of a patent shall not use certain machines or articles or materials or processes the use of which is necessary to the use or development or manufacture or exploitation of a patented invention. A similar result occurs when the inventor himself is drafted into the armed services or is accepted for enlistment therein.

The fact that the Government does not take such drastic measures except during public emergencies does not justify the Government refusing to make reasonable restitution for that part of the 17-year period of the patent during which the action of the Government prevented or substantially curtailed the use and development of the patent. In my opinion, the provisions of this bill would provide no more than reasonable restitution in those classes of cases most directly affected.

The right to the exclusive use of a patented invention for the full period of 17 years is analogous to, if not in essence, a right of property. Where the Government expropriates private property for public use it is required by the Constitution to pay just compensation therefor. If public emergencies such as World War II or the Korean conflict force the Government to abridge the special obligations it assumed by the issuance of patents, the least the Government can do to make good its original undertaking is to extend the terms of such patents for a period corresponding to that during which the normal use or development of the patent was prevented or substantially curtailed.

My conclusion is that unless a bill such as H. R. 3534 is enacted into law, we cannot contend that our Government has fairly and justly carried out the obligations it assumed by the issuance of patents under our laws. To avoid such an unjust and distasteful consequence I urge all of my colleagues to support this bill.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House resolution 655 was laid on the table.

EXTENSION OF THE WATER FACILITIES ACT

Mr. HOPE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization, and for other purposes," approved August 28, 1937 (50 Stat. 869), is amended—

(1) By deleting the phrase "in the arid and semiarid areas of the United States" from the first sentence in the first section.

(2) By deleting the phrase "in the arid and semiarid areas of the United States" in the last sentence of the first section and inserting in lieu thereof the following: "in the United States, including the Territories of Alaska and Hawaii, and Puerto Rico and the Virgin Islands."

(3) By deleting the phrase "in the said areas" wherever it appears in section 2.

(4) By inserting at the end of said act the following new sections:

"SEC. 8. No aid shall be extended under the provisions of this act which will result in any individual, partnership, trust, estate, or unincorporated association becoming indebted to the United States in a principal amount outstanding at any time in excess of $25,000, or which will result in any corporation or agency becoming indebted in a principal amount outstanding at any time in excess of $250,000, or which after January 1, 1954, shall provide for construction work, other than technical assistance, being done by the Secretary.

"SEC. 9. (a) In order to establish a program of insuring loans made by lenders other than the United States which comply with the requirements of this act and are in furtherance of its objectives, the Secretary of Agriculture—

"(1) is authorized to insure and make commitments to insure such loans on such terms and conditions as he may prescribe;

"(2) is authorized to include in insurance contracts agreements to service loans insured thereunder and to purchase such loans which are not in default on such terms and conditions as he may prescribe;

"(3) shall utilize the insurance fund (hereinafter called the fund) created by section 11 of the Bankhead-Jones Farm Tenant Act, as amended, and the provisions of sections 13 (b) and (c) of the said Bankhead-Jones Farm Tenant Act to discharge obligations under insurance contracts made pursuant to this act;

"(4) shall require the borrower to pay such insurance charges as he deems proper, taking into account the amount of the loan and prior liens: *Provided, however*, That the charge shall be payable in advance at intervals of 1 year or less and shall be at a rate equal to at least 1 percent per annum of the principal outstanding on the loan insured on the due date of the charge;

"(5) may utilize the fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder, and to acquire such security property at foreclosure sale or otherwise;

"(6) shall liquidate acquired security property in such manner and on such terms as he deems will best preserve the fund; and

"(7) shall have authority to make such rules and regulations and such delegations of authority as he deems appropriate in order to carry out the provisions of this act.

"(b) Notes and the security therefor acquired by the Secretary under insurance contracts shall become a part of the fund. The notes may be held in the fund and collected according to their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security, and sales shall become a part of the fund.

"(c) One-half of all insurance charges shall become a part of the fund and one-half shall be deposited in the Treasury of the United States and shall be available for administrative expenses in connection with the insurance program authorized by this act.

"(d) Any contract of insurance executed by the Secretary under this act shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge. The provisions of sections 11 and 13 (b) and (c) of the Bankhead-Jones Farm Tenant Act, as amended, shall be applicable and available for the purpose of providing funds for the discharge of obligations arising under the insurance program authorized by this act.

"(e) The aggregate amount of the principal obligations on loans insured under this act, shall not exceed $25 million in any 1 fiscal year.

"(f) The first paragraph of section 24, chapter 6, of the Federal Reserve Act, as amended (12 U. S. C., 1952 ed. 371) is hereby amended by inserting after the phrase 'Bankhead-Jones Farm Tenant Act' the following: ', or the act of August 28, 1937, as amended'."

SEC. 2. Section 7 of the act entitled "An act authorizing construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States," approved August 11, 1939, as amended (53 Stat. 1418; 54 Stat. 1119, 1124; 63 Stat. 171), is repealed.

With the following comittee amendments:

Page 2, line 14, after the word "estate", insert the words "corporation engaged in farming."

Page 2, line 17, after the words "in any", insert the word "other."

Page 2, at the end of "SEC. 8", insert the following new "SEC. 9" and renumber subsequent section to conform:

"SEC. 9. The Secretary of Agriculture is authorized, upon such terms and conditions as he shall prescribe, to make loans for the purposes of financing the improvement of farm land by soil or water conserving or drainage facilities, structures or practice, improvement of soil fertility, establishment of improvement permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary."

The committee amendments were agreed to.

Mr. HOPE. Mr. Speaker, I ask unanimous consent that all Members who so

desire may extend their remarks on this bill at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, this bill will do more in behalf of the farmer who resides outside of the so-called arid or semiarid West than any legislation proposed to this House during my service here. I have received many communications from my district in the interest of water facilities loans. These loans are now being made in 17 States of the West. The program has been successful in that more than $30 million has been loaned since the original act was approved in 1937 and only $9,700 has been written off. All States should be accorded the same consideration which this bill offers. The bill would, first, extend to the entire United States the benefits of the Water Facilities Act; second, would replace the existing maximum loan amount of $100,000 for any one project with a limitation on the outstanding indebtedness of any one borrower of $25,000 in the case of an individual farmer or corporation engaged in farming and $250,000 in case of farmers' associations; and, third, provide for insured loans as well as direct loans.

The drought in the State of Arkansas is in its third year. If a general rain is not had across the State soon, the situation will be as desperate as in 1953. Recently, I have obtained from the United States Department of Commerce, Weather Bureau, some rainfall figures which are significant. The total and normal rainfall from May 21 through September 30, 1953, is as follows:

	Total	Normal
Helena	1.48	15.87
Marked Tree	8.38	15.87

These figures indicate the serious problem confronting eastern Arkansas farmers.

Farming is a perilous undertaking since those who engage in the occupation subject themselves to the risk of all types of weather conditions. Should irrigation loans be made available, risks and hazards would be greatly minimized. To provide water on farmlands during the dry months would make it easier for farmers to obtain crop production loans from private agencies. Irrigation methods on row crops have been resorted to in many Southern States in the past 2 years. Pasture irrigation is increasing at a rapid rate. To be able to put water on farmlands when it is needed will revolutionize farming in the days that lie ahead.

I trust that the bill will be approved.

Mr. SMITH of Mississippi. Mr. Speaker, I am pleased to join in urging the House to pass S. 3137, to extend the Water Facilities Act throughout the United States. I have a special interest in this bill to make irrigation loans available to farmers over the Nation, because I was the first Member of Congress to introduce such legislation in the House. I realize, of course, that the legislative situation is such that it is more practical to pass the Senate bill than the original House bill today, and I heartily endorse this action.

The program which will be authorized for the entire country if this bill becomes law will vastly improve efficient agricultural production throughout the United States. If this program is properly administered, it will greatly lessen the economic burden of the searing droughts which have been so costly to American farmers during the past few years.

In Mississippi, we have an abundant supply of rainfall, but even that total rainfall is not distributed properly for the best production of almost every type of agricultural commodity. With water supply at hand, the farmer needs only proper irrigation facilities to make the best use of this resource. Irrigation equipment is a major investment, however, and only through a loan program such as is authorized here can there be any assurance that the average farmer will be able to buy the equipment.

EXAMPLE FROM MISSISSIPPI

The situation in my State of Mississippi best explains the value of this legislation to the non-Western States. The weather cycle during a year of record rainfall makes it abundantly clear, however, that the normal pattern of rainfall does not result in the best use of the water supply with which our region has been blessed. There can be no question but that certain types of irrigation will yield benefits to our entire agricultural economy.

Expansion of rice production in Mississippi first demonstrated the advantages of a regular irrigation system. It is obvious that pastureland can be a primary beneficiary from irrigation, but the limited experiments and studies which have been made in our area indicate that inexpensive irrigation practices would often be beneficial for row crops like cotton and corn. If productive efficiency can be increased in this manner, then it is certainly wasteful not to put such practices into operation.

SOUND WATER STUDY NEEDED

Before irrigation develops in haphazard fashion in our area, it is important for the future prosperity of the entire State to know more about our basic water resources. Such a study should be a joint venture of local, State and Federal governmental agencies, as well as private organizations and citizens concerned with the problem. With this in mind, I have helped to secure the cooperation of the United States Geological Survey in a study being sponsored by the State of Mississippi. The information secured from this study should provide the basis for a sound water conservation policy to be adopted by the State. The sooner such a policy is adopted, the less chance there will be for the necessity of restrictive legislation limiting the use of wells for agricultural and industrial purposes.

Water has always been a natural enemy for farmers in the Mississippi Delta and the adjacent bluff hills, but there is good reason to believe that an important part of this surface water can be utilized for irrigation purposes in the future. Certainly the further development of our flood control program should be coordinated with the expected needs of water supply for irrigation purposes.

Water supply is not merely an agricultural problem. It is a major need for many types of industrial development, and assurance of a stable, adequate supply will be of great value in our State in its program of achieving a balance between agriculture and industry. Forethought today in the matter of intelligent use of our water resources will save us many headaches in the future.

Mr. Chairman, I urge prompt and favorable action on this bill, which can mean so much to the farmers of our country.

Mr. HOWELL. Mr. Speaker, I am glad to support the proposal from the Department of Agriculture for extending to the entire country the benefit and loan provisions of the Water Facilities Act of August 28, 1937.

As initially drawn, the act has applied only to the arid and semiarid regions of the country, particularly States and parts of States in the Great Plains area. It was one of a series of steps undertaken by the Roosevelt administration to fight the ravages of duststorms, erosion, drought, and economic disaster for agriculture and small business of that section of the country.

An extension of the principles of that law into other areas of the country where water supply is a serious and growing problem is logical and proper. In New Jersey, with our great truck-farming operations, usually on family-size acreage, water supply is becoming a subject of greater and greater local interest.

Wise use of irrigation and overhead sprinkling systems in the New Jersey truck farms has been an important factor in increasing the yield and in making for more efficient and more remunerative farming in my State. I know that the agencies of New Jersey and the farmers of New Jersey will join wholeheartedly with the Soil Conservation Service in providing the necessary State and local cooperation for any joint programs undertaken under this bill to expand water-storage facilities and to provide for the construction of necessary ponds, reservoirs, wells, check dams, pumping installations, and such other facilities as are indicated by the proposed survey which would be made under the bill.

As for the loan provisions for assistance to cooperative water users' associations or to individuals in getting adequate water facilities, I am glad the Department of Agriculture has recognized the existence of a problem here and is seeking to help.

As the Department stated in its letter to the Congress forwarding a draft of the proposed legislation:

> There is ample evidence of an extensive need in the less arid areas of the country for the development and improved use of water supplies for farm homes, for livestock, and for irrigation of small gardens. According to a preliminary report of the 1950 census of housing, approximately one-half of the 5,894,000 occupied rural farm dwellings have no running water. This condition undoubtedly exists in many instances because of a

lack of developed sources of water or a need for replacing or improving existing sources. Frequently, the development or improvement of suitable water supplies is so costly that it cannot be accomplished by farmers from available farm income in any 1 year. The availability of adequate credit on suitable terms for water development and utilization is one of the important factors in obtaining any desired improvement of this condition.

The limit of $25,000 which could be borrowed at any one time under this bill by any individual, partnership, corporation engaged in farming or association, and the $250,000 limit for a loan on any single project should be ample to cover most needs for credit to build necessary facilities, and those limitations are probably wise for the present—particularly while the program is just getting started in new regions.

If experience shows that more leeway is needed on loan limits on bigger projects, the limitation can always be changed once we have built up some experience under the expanded program.

While this bill appropriates no funds for the work but merely authorizes appropriations to be made in other legislation, I understand that the Department of Agriculture and the Bureau of the Budget feel that $5 million for additional loans and $350,000 for administrative expenses should cover the first year's operations. In that respect, as well as in the provisions of the bill setting maximum limits on individual loans, I think experience should be the best teacher as to what the real needs will be.

I would like to suggest, Mr. Speaker, that in addition to this worthwhile measure to help our farmers to get more adequate water supply and storage facilities, we also do some serious thinking and come forward with legislation to assure more adequate water supplies to our large cities and to industry. This is a problem of deep and long-range significance; and we have only touched its surface.

Mr. HOPE. Mr. Speaker, this bill, S. 3137, is a companion bill to H. R. 8386, introduced by myself; H. R. 8398, by Mr. ABERNETHY; H. R. 8437, by Mr. SMITH of Mississippi; H. R. 8443, by Mr. ELLIOTT; H. R. 8874, by Mr. BATTLE; and H. R. 9069, by Mr. CURTIS of Nebraska. In addition, Mr. GATHINGS of Arkansas introduced H. R. 5975, having the same purpose as this legislation.

Both the House and Senate bills, as originally introduced, provided for an extension of the Water Facilities Act to all of continental United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, instead of applying only to 17 Western States, as provided in the original Water Facilities Act. The bill also replaced the existing $100,000 limitation on financial assistance for any one project, with a new limitation of $25,000 on the outstanding indebtedness of any individual farmer or rancher, and $250,000 in the case of a corporation or agency.

The bill in the form in which it was reported by the House Committee on Agriculture also contained amendments providing for a system of direct loans for soil-conservation purposes. This is contained in section 9 of the bill. The bill also provides for a program of insured loans for the purpose of aiding in the development of facilities for water storage and utilization, and for soil-conservation purposes.

The amendment which was adopted by the Committee on Agriculture to include the improvement of farmland by the construction of soil and water conserving or drainage facilities, and so forth, was offered by the gentleman from South Dakota [Mr. LOVRE], who has long advocated a program of this kind.

In the first session of this Congress Mr. LOVRE and Mr. POAGE introduced bills setting up a system of insured loans for conservation activities. Also the gentleman from Nebraska [Mr. CURTIS] included a program of insured loans in the bill which he introduced covering water facilities.

Thus the bill in the form in which it has passed the House is an exceedingly important measure and one of wide general interest.

I think it is difficult to overestimate the effect which this legislation may have on the future agricultural progress of this country. In addition to its great importance in advancing conservation work, the program authorized by this legislation should materially assist in facilitating long-needed land-use adjustments. It should aid substantially in bringing about desirable uses of acres diverted from the production of surplus crops, as well as relieve the impact of drought conditions and stabilize the agriculture in various areas of the Nation.

The fact that the bill has just passed the House by unanimous consent demonstrates the wide recognition of its importance and value.

Mr. WICKERSHAM. Mr. Speaker, in addition to other favorable features, this measure will provide for Government insurance of loans made by banks and other lending institutions for the purpose of drilling wells, irrigation systems, domestic water, and for both direct and insured loans for soil-conservation improvements to individual farmers, water districts, and associations.

I have recommended such legislation for some years, and I heartily commend the House Agricultural Committee for its favorable action.

Mr. LOVRE. Mr. Speaker, existing legislation authorizes the making of direct Government loans for water facilities only to farmers in the 17 Western States. S. 3137 extends the applicability of the program to the entire Nation and raises the ceiling on loans to incorporated water associations from $100,000 to $250,000. S. 3137 also contains two other significant amendments. The first of these is a completely new authorization to make loans for soil-conservation purposes. The second is a provision for insuring loans advanced by private lenders for both water facilities and soil conservation.

This legislation represents a positive step forward in helping to stabilize the income of our farmers and in accelerating the work being done in preserving the Nation's soil resources. Enactment of these amendments will assist in carrying out long needed adjustments in land use, aid in making desirable use of acres diverted from surplus crops and materially assist in preventing losses due to drought.

Through the provisions of S. 3137, loans to assist in stabilizing production and income through irrigation and farmstead water facilities will be available throughout the Nation for many farmers who do not now have the resources, and who cannot otherwise secure credit, to make the necessary investment. Irrigation loans can be made for such things as construction of canals, water-distribution systems, land leveling and sprinkler equipment. Farmstead loans can be made for such things as providing water in barnyards and feedlots or for piping water into the dwelling. The loans will be scheduled for repayment over a sufficient number of years to be consistent with the repayment ability resulting from the greater income. Through provision for larger loans to incorporated water associations, the act broadens the service that can be given by helping groups of farmers make the large outlays for water supplies that are often necessary in order to bring water a sizable distance, dig deep wells, or provide for difficult distribution systems.

The provision for loans for soil conservation will provide the beginning of a realistic approach toward placing the necessary funds for adequate soil-conservation practices in the hands of those farmers who are farming the land where soil-conservation practices are most needed. Repeated studies of the soil-conservation problem have shown on the one hand that although great strides have been made in conserving the soil resources of the Nation, this progress has not been sufficient to offset the continually increasing drain through erosion, improper cropping practices, and other types of soil depletion. On the other hand, these studies have shown that soil-conservation work is seriously retarded in many areas where it is most needed because of lack of cash resources to install soil-conservation waterways, terraces, dams, and other permanent types of conservation measures.

The insured mortgage provision contained in S. 3137 should assist materially in providing water facilities and soil-conservation loans in sufficient volume to make a major contribution toward stabilizing the income of farmers and stepping up the rate at which soil-conservation measures are adopted. At the same time, it will provide the means of shifting the burden of loan financing from the Government to private lenders.

The existing legislation authorizing water facilities loans has resulted in a highly satisfactory program which justifies extension to the entire Nation. The repayment record of borrowers has been excellent. Approximately 99 percent of loan maturities have been repaid. Less than $10,000 has been lost since the program was started in 1937.

These loans provisions are similar to a bill which I introduced in March of 1953, and I am very pleased that the committee has seen fit to include them as a part of this bill and that it was my amendment which brought this about.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 658 was laid on the table.

IN RECOGNITION OF THE HONORABLE EDWARD J. HART

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, it is with mingled feelings that I invite the attention of the House to the impending retirement of our eminent colleague, the Honorable EDWARD J. HART. While I am honored and happy to have the opportunity of expressing my personal regard and esteem for this outstanding legislator and friend, I am at the same moment saddened by the thought that the Congress and our country will no longer be served by Representative HART. In the role of dean of New Jersey's Democratic delegation, he provided dynamic inspiration to those of us privileged to have worked by his side. We invariably received sage counsel from him when we sought his sound advice. I am confident that I express the opinion and sentiment of all his associates who will very keenly sense his absence after the present session of Congress.

With the 74th Congress which convened in January 1935, he began a distinguished career which will have extended through 10 Congresses. The 14th New Jersey Congressional District must shoulder a difficult challenge, indeed, in its endeavor to select a worthy successor who will adhere as closely to high ideals of public service. Never can we take lightly 20 years of illustrious devotion to duty, which were characterized by both the brunt of economic, social, and political upheavals and their trying aftermaths. He found himself embroiled in the wake of the great depression, with its severe economic implications, and after participating in the social-security problems which were soon to follow, the Second World War and the Korean conflict added their heavy burdens to the respective sessions of Congress in which he served. Throughout a long and trying period in Congress, he served with merit and distinction.

I should like nothing better than to relate here on the floor the varied achievements and efforts which crowned the Honorable EDWARD J. HART'S noteworthy career in this House. And I am assured the membership as well as all who read the proceedings, would welcome my endeavor. I shall, however, recall for you only a few of his more conspicuous accomplishments.

Almost simultaneously with his being seated in the 74th Congress, he was appointed to the House Merchant Marine and Fisheries Committee and shortly thereafter was participating actively in the drafting of the Merchant Marine Act of 1936. This act came at a propitious time, because it materially helped to save the day for the dangerously declining United States shipping industry. He consistently maintained an active interest in our merchant marine, and in February 1950 became chairman of the House Merchant Marine and Fisheries Committee. National recognition followed his appointment in 1945 as the first chairman of the permanent House of Representatives Un-American Activities Committee. Public housing and veterans' legislation constitute another broad, general area which furnished him the opportunity to seek enactment of progressive social legislation. His energetic participation in subsequent congressional struggles reflected his sincere concern with the cause of human welfare. He also brought a profound understanding to bear upon labor legislation, and frequently demonstrated his sympathy for the laboring groups in America.

The New York Herald Tribune fully recognized his sincerity and competence by stating in an editorial that he was "an able legislator" and applauded his credo of the committee's function. Mr. HART was quoted as deploring the attitude found in so many quarters that a thing is un-American because it is opposed to the personal views of those who are doing the denouncing.

Early in the course of World War II, Mr. HART exercised a vigorous opposition to communism, welcoming all subsequent opportunities to employ his unusual oratorical ability in the fight against subversive elements. He proved this antagonism clearly and effectively in his committee work and assignments, and also during numerous speaking engagements. Related indirectly to his labors in the National Legislature, yet making a distinct contribution to the welfare of his native State, was the competent 9-year administration of the office of chairman of the State Democratic committee.

Being accustomed to ED HART'S absence from our ranks will prove no simple effort nor too pleasant a task. While we must redirect our thoughts and energies, we shall in the meantime look back with intense pleasure and pride in having been associated with our beloved and esteemed colleague. May he find boundless pleasure and deepest satisfaction in all his new endeavors. His devotion to affairs of government are surpassed only by his love and devotion to God. And we pray to Almighty God that He continue His generous flood of blessings which He has so consistently showered upon His faithful and deserving communicant, ED HART.

THE FARM PROBLEM

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, the following is a letter from a constituent of mine, Mrs. H. W. Darr, of Kimball, Minn. It states briefly and clearly the problems facing farmers today and I am sure that it reflects the thinking of many farmers not only in my district but in our State. The paradox of falling farm prices and increased cost to consumers is a problem that demands our attention and I hope every Member of the House will consider the situation Mrs. Darr describes in working for a sound and realistic farm program.

DEAR MR. MARSHALL: Probably I am wasting the time of both of us. Just relieving a feeling of desperation. Why, why doesn't Congress pass a farm bill? I am not asking for any specific favors, just a good bill. My feeling for the administration from the top on down through the Agriculture Department is getting more and more negative. I have tried hard to feel that Secretary Benson knew what he was doing but it gets more and more confused.

We had another farmer from this neighborhood to dinner and the talk naturally was on what concerns us most. Jim is very discouraged. Said the first milk check after the drop to 75 percent cost him $4. That was on a 2-weeks basis. Our guest said theirs was worse. How would Benson or anyone like to have their living cut that much a month? Jim had to buy feed and hay and now the cows are down in production it is even worse. None of the necessary expenditures are any lower. All this is old stuff to you. Of course, Jim can and will sell most of the cows this winter unless the prospect is better. But, they are down in price also and won't bring anything like their value. He has a herd of fine Guernseys, 24 milking now.

We have relatives in the city. They were here yesterday and said the price of milk had gone up there. It's one awful mess. It was agreed at dinner that maybe we should write to you or our Senators who are trying to get some relief for the farmer. We still feel some confidence in our representatives.

So much time has been wasted and nothing of importance gained in the MCCARTHY row that should have been put to valuable measures. Everyone I know is disgusted. Can't something constructive be done?

Sincerely yours,

MRS. H. W. DARR.

SPECIAL ORDER GRANTED

Mr. MILLER of California asked and was given permission to address the House on Thursday next for 20 minutes, following the legislative program of the day and the conclusion of special orders heretofore granted.

COMMITTEE ON THE JUDICIARY

Mr. KEATING. Mr Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tonight to file reports on several bills.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HAND asked and was given permission to address the House for 10 minutes on Thursday next, following the legislative program of the day and the conclusion of special orders heretofore granted.

MULTIPLE MINERAL DEVELOPMENT

Mr. WHARTON submitted a conference report and statement on the bill (S. 3344) to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes.

ADDITIONAL STATIONERY ALLOWANCE

Mr. BISHOP. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 593.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House, fiscal year 1954, for the 2d session of the 83d Congress, an additional stationery allowance of $400 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

TWO ADDITIONAL ASSISTANT SECRETARIES FOR THE ARMY, NAVY, AND AIR FORCE

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 689, Rept. No. 2553), which was referred to the House calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9689) to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AMENDING SECTION 32 OF TRADING WITH THE ENEMY ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 690, Rept. No. 2554), which was referred to the House calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2420) to amend section 32 of the Trading With the Enemy Act, as amended, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

AMENDMENT OF WAR CLAIMS ACT OF 1948

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 691, Rept. No. 2555), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself in the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 541) to extend detention benefits under the War Claims Act of 1948 to employees of contractors with the United States, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

JOINT COMMITTEE ON TIN

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Con. Res. 259, Rept. No. 2556), which was referred to the House calendar and ordered to be printed:

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Tin (hereinafter referred to as the committee), to be composed of 14 members as follows:

(1) Seven Members of the Senate, 4 from the majority and 3 from the minority party, to be appointed by the President of the Senate; and

(2) Seven Members of the House of Representatives, 4 from the majority and 3 from the minority party, to be appointed by the Speaker of the House of Representatives.

A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a Member of the Senate and the other a Member of the House of Representatives.

SEC. 2. It shall be the function of the committee to make the study and investigation determined necessary by section 1 (c) of Public Law 125, 80th Congress, which provides "It is necessary in the public interest and to promote the common defense that Congress make a thorough study and investigation regarding the advisability of the maintenance on a permanent basis of a domestic tin smelting industry and to study the availability of supplies of tin adequate to meet the industrial, military, and naval requirements of the Nation in time of national emergency."

SEC. 3. The committee shall report to the Senate and House of Representatives not later than January 3, 1955, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable.

SEC. 4. The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 5. The committee is authorized to appoint, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

The expenses of the committee, which shall not exceed $50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

The committee is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government in connection with its study and investigation.

SURVIVING DEPENDENTS OF DECEASED MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 549, Rept.

No. 2557), which was referred to the House calendar and ordered to be printed:

Resolved, That there is hereby created a select committee to be composed of five Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed (1) to conduct a full and complete investigation and study of the benefits provided under Federal law for the surviving dependents of deceased members and former members of the Armed Forces, and (2) on the basis of such investigation, and study, to make such recommendations as it may deem advisable and to prepare such legislation as it may consider appropriate to carry out such recommendations.

The committee shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with its recommendations and the legislation, if any, prepared under the preceding paragraph.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, its Territories, and possessions, whether the House is in session, has recessed, or has adjourned, and to hold such hearings, as it deems necessary.

CAPITOL POLICE FORCE

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 656, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9413) to reorganize the Capitol Police force in order to increase its efficiency in the performance of its duties, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on House Administration now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH], and yield myself now such time as I may desire.

Mr. Speaker, we all agree that something must be done as a result of the incident that happened here on March 1 in regard to affording better protection and making conditions more secure here. The various officials of the House and Senate met and have agreed on a bill for better protection. This is a bipartisan bill. I believe it has the support of the leadership on both sides of the aisle.

Personally, I do not know what can be done about making our position more secure here, but I know we cannot sit idly by here after witnessing the incident of March 1, when it would have been possible that 15 or more could have lost their lives. As I say, in that respect we can do nothing about it, but I believe public reaction would be aroused if we sat here and had another incident of that kind. They would naturally say, "Cannot the Congress learn anything?" So I say this bill does provide for better protection here, nonpolitical protection. Many of these officers will be chosen irrespective of party and will be selected strictly on their merits.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, this is a matter of some importance to the Members, and I regret very much that there is not a better attendance to discuss the measure. I think it is rather unfortunate that we are bringing it out in this hurried way and that we are going to dispose of it in a few minutes. I believe this bill needs some further consideration. When this bill passes the House, the Members and the public generally are going to think we have done something to protect the House from further incidents such as that which happened in the gallery a few months ago. That is just about as far from the facts as anything can be. This bill is not going to affect security in the galleries one iota. It does not affect the doorkeepers and it does not put any uniformed officers in the galleries, and it has no effect whatsoever so far as protecting the Members of the House from assault from the galleries. All it does do is to set up a $1 million-a-year police force for the Capitol.

Mr. PATTEN. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman withhold the point of order for a moment?

Mr. PATTEN. Yes, Mr. Speaker.

Mr. ALLEN of Illinois. May we not adopt the rule tonight and then take up the bill and have it debated when a quorum is present?

Mr. PATTEN. I think we ought to have a vote on the rule. This many Members of Congress should not vote on any rule, and, therefore, I make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, will the gentleman withhold his point of order so that I may make an observation?

Mr. PATTEN. I will, sir.

Mr. HALLECK. I am sorry the gentleman has taken that position because there are quite a few Members here.

Mr. PATTEN. A few is not a quorum, sir.

Mr. HALLECK. That is right, there is not a quorum present. I might suggest to the gentleman that there are two special orders for tonight and I would not want to move that the House adjourn and cut off those special orders. If the gentleman insists on his point of order, which I trust he will not, then, of course, we will not proceed further with the consideration of this rule. However, I must say to the gentleman I cannot see any reason for not adopting the rule. We are going to adopt the rule—make no mistake about that, and we are going on to the consideration of this bill.

Mr. PATTEN. The gentleman may be sure, but I am not.

Mr. HALLECK. Questions can be raised about the bill as to its provisions or its adequacy or its efficiency to accomplish its purpose when we consider the bill itself.

Mr. PATTEN. If I may ask the gentleman a question as to the parliamentary procedure, is there any way that this rule can be withdrawn and we can adjourn now until tomorrow?

Mr. HALLECK. No, we are not going to withdraw the rule.

Mr. PATTEN. Then, Mr. Speaker, I make the point of order that a quorum is not present.

Mr. SMITH of Virginia. I wonder if the gentleman would not agree to lay aside this rule for the moment and to go ahead with one other rule which you desire to get through today, to which I think there is no particular objection.

Mr. HALLECK. I might say to the gentleman, I have been informed that there is objection to it. I thought this matter of Capitol Police protection was something we should dispose of.

Mr. BURLESON. Mr. Speaker, if the gentleman will yield, I hope my colleague will not insist upon making the point of order so that we may proceed and adopt the rule. As the majority leader said, I think the rule will be adopted. If we could do that, and after a little discussion, if there are points raised on which the gentleman is not clear, then perhaps there would be justification for carrying the matter over until tomorrow. If the gentleman would agree to that, I think it would show a spirit of cooperation especially when this is a bipartisan bill reported out of the Committee on House Administration.

Mr. PATTEN. I think it is obviously inconsistent to stay here in session until 3:30 a. m. in the morning discussing bills that come up only occasionally, and at other times to adjourn at 1:30 p. m. in the afternoon. It seems to me since we have been here since 10 o'clock this morning, we could very well set aside this rule.

SPECIAL ORDERS POSTPONED

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the special orders entered for today may be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. HUNTER.

Mr. NEAL and to include extraneous matter.

Mr. YORTY in two instances and to include extraneous matter.

Mr. RABAUT and to include an article.

Mr. PRICE and to include extraneous matter.

Mr. MACHROWICZ.

Mr. ROONEY to include an editorial and other extraneous matter with reference to his remarks made in Committee of the Whole.

Mr. HORAN and to include additional matter in remarks made in Committee of the Whole.

Mr. GROSS and to include a report from the House Committee on Un-American Activities with his remarks made in the Committee of the Whole.

Mr. DONOHUE.

Mr. WIGGLESWORTH and to include a table in remarks made in Committee of the Whole today.

Mr. DAWSON of Utah.

Mrs. KELLY of New York.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 6080. An act to authorize the appropriation of funds for the construction of certain highway-railroad grade separations in the District of Columbia, and for other purposes; and

H. R. 7128. An act to amend the act entitled "An act to provide an immediate revision and equalization of real-estate values in the District of Columbia; also to provide an assessment of real estate in said District of Columbia in the year 1896 and every third year thereafter, and for other purposes"; approved August 14, 1894, as amended.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3518. An act to amend the laws relating to fees charged for services rendered by the Office of the Recorder of Deeds for the District of Columbia and the laws relating to appointment of personnel in such office, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 28, 1954, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1774. A letter from the Executive Secretary, National Advisory Committee for Aeronautics, transmitting a report relative to the effect that no contracts were negotiated by the National Advisory Committee for Aeronautics for the 6-month period ending June 30, 1954, pursuant to Public Law 413, 80th Congress; to the Committee on Armed Services.

1775. A letter from the Secretary of the Navy, transmitting relative to the proposed transfer to the American University of Beirut, a nonprofit educational institution, one SQ-type radar set for educational purposes, pursuant to the act of August 7, 1946 (ch. 804, 60 Stat. 897, as amended; 34 U. S. C. 546g); to the Committee on Armed Services.

1776. A letter from the Assistant Secretary of the Interior, transmitting a copy of Public Law 69, enacted by the 2d Guam Legislature (2d regular session), pursuant to section 19 of Public Law 630, 81st Congress, the Organic Act of Guam; to the Committee on Interior and Insular Affairs.

1777. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to implement section 25 (b) of the Organic Act of Guam by carrying out the recommendations of the Commission on the Application of Federal Laws to Guam, and for other purposes"; to the Committee on Interior and Insular Affairs.

1778. A letter from the Chairman, Joint Committee on Internal Revenue Taxation, transmitting a report by the Joint Committee on Internal Revenue Taxation, dated July 27, 1954, covering refunds and credits of internal-revenue taxes for the fiscal year ended June 30, 1953, pursuant to section 3777 of the Internal Revenue Code (H. 481); to the Committee on Ways and Means and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McCULLOCH: Committee on the Judiciary. House Joint Resolution 472. Joint resolution to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton; with amendment (Rept. No. 2544). Referred to the Committee of the Whole House on the State of the Union.

Mr. HILLINGS: Committee on the Judiciary. H. R. 8210. A bill to amend subdivision (b) of section 14 of the Bankruptcy Act, as amended, relating to discharges, and subdivision (b) of section 58 of the Bankruptcy Act, as amended, relating to notices; without amendment (Rept. No. 2545). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of North Carolina: Committee on the Judiciary. House Joint Resolution 509. Joint resolution to establish the Woodrow Wilson Centennial Celebration Commission, and for other purposes; with amendment (Rept. No. 2546). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. H. R. 7326. A bill to amend section 1721, title 18, United States Code, relating to the sale or pledge of postage stamps; with amendment (Rept. No. 2547). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEATING: Committee on the Judiciary. H. R. 7740. A bill to amend title 18 of the United States Code, so as to make it a criminal offense to move or travel in interstate commerce with intent to avoid prosecution, or custody or confinement after conviction, for arson; with amendment (Rept. No. 2548). Referred to the House Calendar.

Mr. HILLINGS: Committee on the Judiciary. H. R. 7914. A bill to incorporate the National Fund for Medical Education; with amendment (Rept. No. 2549). Referred to the House Calendar.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. Senate Joint Resolution 67. Joint resolution to repeal certain World War II laws relating to return of fishing vessels, and for other purposes; without amendment (Rept. No. 2550). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of California: Committee on Merchant Marine and Fisheries. H. R. 3660. A bill granting increases in the annuities of certain former civilian officials and employees engaged in and about the construction of the Panama Canal, and for other purposes; with amendment (Rept. No. 2551). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHARTON: Committee of conference. S. 3344. A bill to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes (Rept. No. 2552). Ordered to be printed.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 689. Resolution for consideration of H. R. 9689, a bill to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively; without amendment (Rept. No. 2553). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 690. Resolution for consideration of S. 2420, an act to amend section 32 of the Trading With the Enemy Act, as amended; without amendment (Rept. No. 2554). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 691. Resolution for consideration of S. 541, an act to extend detention benefits under the War Claims Act of 1948 to employees of contractors with the United States; without amendment (Rept. No. 2555). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Concurrent Resolution 259. Concurrent resolution to provide for the Joint Committee on Tin; without amendment (Rept. No. 2556). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 549. Resolution creating a select committee to conduct an investigation and study of the benefits provided under Federal law for the surviving dependents of deceased members and former members of the Armed Forces; with amendment (Rept. No. 2557). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIS of Missouri:

H. R. 10073. A bill to amend the Internal Revenue Code of 1939 by adding a new subsection thereto; to the Committee on Ways and Means.

By Mr. D'EWART:

H. R. 10074. A bill to authorize the replacement of certain Government-owned utility facilities at Glacier National Park, Mont., and Grand Canyon National Park, Ariz.; to the Committee on Interior and Insular Affairs.

By Mr. ENGLE:

H. R. 10075. A bill to authorize the adjustment and clarification of ownership to certain lands within the Stanislaus National Forest, Tuolumne County, Calif., and for other purposes; to the Committee on Agriculture.

By Mr. MASON (by request):

H. R. 10076. A bill to provide a simple incentive tax law as an alternate to the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HOPE:

H. R. 10077. A bill to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended; to the Committee on Agriculture.

By Mr. KNOX:

H. R. 10078. A bill to amend section 435 (e) (1) (B) (i) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. MILLER of New York:

H. R. 10079. A bill to incorporate the Moms of America; to the Committee on the Judiciary.

By Mr. SADLAK:

H. R. 10080. A bill to provide additional time to file claims for the refund or credit of tax overpayments resulting from reductions in tax rates under certain international conventions; to the Committee on Ways and Means.

By Mr. ELLSWORTH:

H. R. 10081. A bill to amend section 22 (d) (6) (E) of the Internal Revenue Code of 1939 relating to involuntary liquidation and replacement of elective inventories; to the Committee on Ways and Means.

By Mr. KEATING:

H. R. 10082. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

By Mr. CARNAHAN:

H. J. Res. 570. Joint resolution reaffirming the principles of the first amendment, and calling upon the people of all nations to join in promoting universal observance of these principles; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. Con. Res. 262. Concurrent resolution expressing the sense of the Congress with respect to the payment of damages to certain American employees in the United Nations who were dismissed because of their refusal under the fifth amendment to answer questions before a committee of Congress; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONOHUE:

H. R. 10083. A bill for the relief of Stavros Theoharides; alias Stavros Theocharides or Steve Theoharides; to the Committee on the Judiciary.

By Mr. FRIEDEL (by request):

H. R. 10084. A bill for the relief of Leonides Glynos; to the Committee on the Judiciary.

By Mr. GARY:

H. R. 10085. A bill for the relief of Mrs. Elizabeth Ellen Atkins; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 10086. A bill for the relief of Heinz Kohn; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 10087. A bill for the relief of Anthony Barbato; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 10088. A bill for the relief of Oy Wan Leung also known as Margarita Oy Wan Chan; to the Committee on the Judiciary.

By Mr. POFF:

H. R. 10089. A bill for the relief of Anthonius Marinus Kronenburg; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 10090. A bill for the relief of Dominick Lucci; to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 10091. A bill for the relief of Maria Avveniri; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

1122. Mr. HAYS of Arkansas presented a petition of Mrs. W. E. Phipps and other members of the Women's Bible Class, First Methodist Church of North Little Rock, Ark., expressing approval of S. 3294 and H. R. 1227 to prohibit the advertising of alcoholic beverages, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

More on the Reinsurance Bill

EXTENSION OF REMARKS
OF
HON. WILL E. NEAL
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1954

Mr. NEAL. Mr. Speaker, the reinsurance bill, rejected by the House and returned to committee, would create anothe another bureau under the Department of Health, Education, and Welfare. The first 5 years the administrative costs would be borne by the general funds of the Treasury. It sets up a fund of $25 million to be used in a trial and error effort to develop a basis upon which the theory of reinsurance can be made to serve the medical needs of a greater number of people under the prepayment principle. This fund, after 5 years, supported by the payment of a percentage of total net collections from subscribers of carriers voluntarily participating, will then become a revolving fund to be administered by the Secretary.

The expressed object of the bill is to find ways and means of extending coverage of voluntary prepaid insurance. It makes no reference to compulsory coverage or to individuals and groups who are now without protection because of physical limitations or financial status. Therefore, it would seem to serve no useful purpose except to relieve those individual subscribers whose medical and hospital bills exceed the sums provided for in their contracts with carriers. Few subscribers experience this condition. However, in cases of prolonged illness and hospital confinement this does become a matter of serious concern to subscribers. It is here that any form of reinsurance would serve a great need if it could be made self-supporting.

Blue Cross and Blue Shield nonprofit organizations, together with many insurance companies, have been adopting the prepaid principle of health insurance over a comparatively short period of time, but with remarkable success. During the course of their wide expansion they have accumulated a great store of financial and statistical information, experience tables upon which they can plan extensions of coverage to more employed and individual groups on a financially sound basis. Operating as individual units, serving area groups living under varying social and economic conditions, they are able to determine local needs and rates and extent of coverage best suited to the community. By cooperative interchange of experience, each group can learn of the successes and pitfalls of others. Each group is entitled to advice and counsel of statistical and financial experts who have learned their lessons from actual participation in the growth and development of the program. It is the American way of solving local problems locally by local planners who understand local needs. It would be difficult to see how politically appointed Government Administrators could possess the background to perform a better job by issuing orders out of Washington than that being done with increasing success by those who have evolved the prepaid-insurance program.

As mentioned before, this bill providing reinsurance is not designed to protect that large group which cannot qualify for coverage. It affects only those who are employed and can afford the premiums. If reinsurance is needed to take care of those subscribers whose medical bills run beyond the contract provisions, then carriers can and probably will develop plans for such reinsurance. For this privilege, of course, they would be charged an extra premium, but the same cost would have to be paid if Government performed the same function as provided by this bill. In any event, reinsurance can be less expensively carried on by existing insuring agencies than can be done by Government, since they have at hand the facts of experience upon which to project plans.

There is, however, a sadly neglected group of citizens which the proponents of this bill seem to think can be covered eventually through a 5-year trial experimental period set out in this bill. I can see no chance that this will eventuate when reinsurance cannot be interpreted to protect those who for various reasons are unable to qualify for protection under prepaid contracts.

It is a distressing experience to see old men and women with no income, no old age pensions, no social security, and no friends or relatives, trying to exist on the meagre allowances they may be fortunate enough to receive from the inade-

quate or improperly allotted relief funds. They live in slum quarters on barely sufficient aid to pay their rent, to say nothing of food. Any medical service they get is usually limited to 1 or 2 calls authorized by a DPA inspector who will pay the doctor $2 for the first and $1 for each authorized call thereafter. If illness is acute and deserves hospitalization, it is often days before a bed is available. Sometimes too late. No one knows this better than the general practitioner of the large number of seniles, who for want of funds or friends are compelled to spend their ending days in rented rooms or in homes willing to provide food and bed for a meagre allowance provided by relief agencies. The number of unfortunate people who come under this neglected group can get no health insurance. Of course, reinsurance is of no benefit to them. Nor does it help the blind, the disabled, the widows, indigents and dependent children, whose care is too often placed in the hands of persons eager enough to take the pittance allowed by relief agencies, but who do little to provide the home life and comforts these people deserve. Federal and State funds are inadequate for those in real need. All the more so when depleted to encourage malingerers.

So, instead of adopting legislation to authorize an additional governmental agency of brain trusters and economists to tell us what to do, why not work through existing local and State agencies, placing more emphasis on more successfully implementing the provisions of Public Law 482, entitled "An act to be known as the Medical Facilities Survey and Construction Act of 1954." Part G of this act provides for construction of diagnostic or treatment centers, chronic disease hospitals, rehabilitation centers and nursing homes. Such facilities, in sufficient numbers and made to function properly, together with provisions for the timely care of indigents acutely ill, will do more to solve the medical needs of our people than anything else.

If I may add a word of criticism, I would say that doctors and patients alike are much to blame for the so-called high cost of medical care. Too many doctors hang on to their patients longer than is necessary, and too many patients insist on prolonging treatment beyond need. In either event, the costs increase needlessly. Doctors find it easier to treat their patients in hospitals than in their homes. Thus, to lighten their load or to satisfy the whims of their patients, they utilize hospital beds that otherwise would be available for patients more severely ill. Since the advent of prepaid hospital service, daily bed attendance has grown by leaps and bounds. Beds are seldom available for acutely ill patients because they are occupied by people who have little excuse for being there except that they are entitled to this service under their contracts. Many patients who for good and sufficient reasons should be hospitalized for observation and diagnosis are informed all beds are engaged for days and sometimes for many weeks ahead. Even ambulance cases are sometimes turned back at the receiving station for lack of accommodations. Under prepayment health contracts, that allow special fees for classified services, both doctors and hospitals permit the full use of diagnostic or treatment facilities even though not specifically indicated. Does anyone think that this all too human weakness would not tend to encourage higher medical and hospital costs when covered by reinsurance contracts?

There is too much tendency on the part of those who would socialize medicine to evaluate medical care in terms of its cost. This is not correct. Good medical care does not necessarily need to be prohibitive because of its cost. The conscientious doctor, willing to inquire into a patient's background, evaluate his environmental influences, make full use of his five sense to discover abnormal conditions, and put his patient's mind at ease, can ofttimes do far more for him than any expensive diagnostic routine at the hands of specialists who seem unable or unwilling to perform these services without the aid of the hospital and its equipment. This method of practice is still observed by the few general practitioners left and by the psychiatrists, but rarely by specialists. So, with doctors preferring to treat patients in hospitals, with patients, though not too ill, receptive to the luxury of a couple of weeks' rest and personal attention, and with the accommodations already paid for under the contract with the carrying agency, it is hard to know just where to place the blame for the existing overcrowded conditions of our general hospitals and the attendant high cost of medical care.

The diagnosis, control, prevention, and treatment of disease has gone far toward prolonging life, preventing epidemics, minimizing suffering, and rehabilitating the handicapped. In spite of the critics who charge a lack of adequate medical care, the people of America as a whole enjoy the most comprehensive care of any people of the world. Its cost is high but little, if any, out of proportion to increased costs of every other commodity or service we enjoy. It may truthfully be said that doctors' fees are sometimes excessive, but when patients encourage high-priced doctors and continue to judge their ability in terms of their fees they need expect no lowering of fee standards. People have learned and accustomed themselves to depend too much on the advice and judgment of doctors who must be paid to do for them or tell them how to do the commonsense things that they should do for themselves through reliance on their own mother wit.

We are living in a changing world. With these changes, medicine, like everything else, must undergo evolution. Economic changes with an evergrowing and shifting population create new conditions to which medical care must be adjusted. Lack of uniformity makes every problem one of direct local interest and should, therefore, be adjusted according to the circumstances. Medical service administered from the national level is incapable of solving innumerable health problems in as many separate areas of the land.

The Public Health Service has done the country a valuable service. Its role of disseminating information, intended to improve health, sanitary measures, and disease prevention, should be encouraged and adequately supported financially. Federal aid to State and local communities for the purpose of construction of facilities to provide decent care for those who, for reasons beyond their control, are no longer able to care for themselves is a moral obligation and should be so accepted. It is, also, a local responsibility for the local communities to assume control of the operation of these facilities without any administrative aid from the Government.

The Nation will always face medical problems. These problems will vary with varying local conditions. Their solution can best be met through local effort. Voluntary prepaid medical care is an advanced step in the right direction. If not too generally abused it will continue to grow in popularity. Otherwise it will defeat its own purpose, and its facilities will be used simply as places of rest, thereby making hospital beds unavailable for those who need emergency care, and, through the use of insured privileges, result eventually in increased costs beyond the ability of subscribers to pay. In addition to the initial fund of $25 million provided in this bill, additional costs of administration from Washington down through the State and communities only adds to an already staggering sum to exact from the taxpayer.

If, even after 5 years of experiment, ways can be found to extend voluntary coverage through the method of reinsurance, this same knowledge will become available to Government agents only as it is developed through the ever-existing purpose of insuring agencies to provide such coverage. In short, it is a case of Government duplicating the effort of existing agencies.

If this agency is established to operate a fund and this fund should become exhausted during periods of unusual demands, the temptation to utilize the agency to take over control of the costs of medical care on a national level will be too great to resist. Then only the taxpayer is left to carry the load.

So it would appear clear that the Federal Government is authorizing an agency at its own cost to compile facts already developed by insurance carriers through years of practical experience on the assumption that Government specialists can show them how to improve their service.

To summarize: This bill adds another central Government bureau to the all too many sharing the tax dollar. It opens the back door for Government to get into the insurance business. Reinsurance, under this bill, would aid only those who are financially able to carry prepaid contracts. It assumes Government planners can do a better job than practical people possessing a background of experience. It does nothing to improve the lot of that great number of unfortunates who cannot qualify for

insurance and must remain at the mercy of relief rolls and local charity. If reinsurance is found to be practical at reasonable cost, the carriers are in better shape to find the solution than is Government. Reinsurance, like prepaid protection, can be effective only so long as the subscriber's income will support it. Once Government enters the field, no one can predict the extent to which social legislation may involve it in State medicine.

If we want to continue the American way, Government should not undertake the responsibility of solving local problems that should and can be better resolved locally in the interest of specific localities.

Radio Free Europe

EXTENSION OF REMARKS
OF
HON. THADDEUS M. MACHROWICZ
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mr. MACHROWICZ. Mr. Speaker, like other Members of this House, I have been receiving in the past many reports on the activities of Radio Free Europe, some favorable and others unfavorable.

Because of the importance which I place upon psychological warfare in this present cold war, and because of the vital need to bring to the peoples behind the Iron Curtain words of truth and of hope from the free world, I decided to make a personal investigation to determine for myself the truth of the reports reaching me.

Taking advantage of my recent presence in Munich, Germany, with the Kersten Committee on Communist Aggression, together with my colleague, Congressman EDWARD BONIN, of Pennsylvania, I took time out to make a thorough and complete inspection of the activities of the Radio Free Europe station, particularly its Polish section, which is the largest branch of the Munich agency, operating under the name of Voice of Free Poland.

I have examined scripts from former programs, listened to current programs, conferred with editors and those responsible for the policies and formation of programs, and I have seen letters from people behind the Iron Curtain, giving their reaction to the messages from Voice of Free Poland.

I have examined their technical facilities and observed their thoroughness in monitoring the Communist programs from behind the Iron Curtain. I have also inspected their very thorough reference library and their current periodicals and newspapers received from Poland.

I must say that I was tremendously impressed with the entire organization. Reports that the Voice of Free Poland programs are not fulfilling the mission for which they were intended, are completely false and unjustified. The staff is extremely able, well qualified, and truly represents the proper political and psychological approach to the task they are faced with. The programs are interesting and diversified. They are eagerly listened to, and furnish much valuable information to listeners.

During the hearings of the Kersten Committee on Communist Aggression, a great number of witnesses, who had recently returned from behind the Iron Curtain, were asked by members of the committee regarding the effectiveness and quality of the programs of both Radio Free Europe and Voice of America.

I am happy to be able to report that, without exception, they were all very enthusiastic in their approval of both the quality and the effectiveness of these programs.

This is one matter which we must not forget in considering the advisability of continuing this kind of activity. There is not and cannot be an open opposition party in any of the countries subjugated by Communist tyranny. Any such party has long ago been wiped out by the Soviet controlled regime. There are no newspapers, magazines, or radios able to give those opposed to Communist tyranny, a source of news or expressions of criticisms against tyrannical acts of the Communist overlords.

It is the Radio Free Europe and the Voice of America which fill this gap. They are the voice of resistance and of opposition, which the people of those countries rely upon for truth and news from the free world. We must keep these agencies operative and support them fully in order to keep the light of hope and faith burning in the hearts of the oppressed people.

I feel it my duty also to particularly express my complete confidence and admiration for the ability, zeal, and effectiveness of Richain Condon, European Director of Radio Free Europe, of John Novak, director of the Voice of Free Poland, and Marek Swiecicki, his deputy and chief assistant.

Is Dulles Inviting Red Conquest of Quemoy and Other Nationalist Islands?

EXTENSION OF REMARKS
OF
HON. SAMUEL W. YORTY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mr. YORTY. Mr. Speaker, press reports today indicate that Secretary Dulles yesterday set forth American policy toward Nationalist China as follows:

> The United States is committed to use air and sea power to defend Generalissimo Chiang Kai-shek's Formosa and the nearby Pescadores even though there is no formal treaty. Thought has been given to such a treaty and to a northeast Asian security bloc to include Formosa, Japan, and Korea, but no decision has been reached.

Former Secretary Dean Acheson was severely criticized for omitting South Korea when listing areas of the Pacific, the defense of which he considered to be of primary interest to the United States, as contrasted with areas dependent for defense upon the United Nations. Mr. Acheson was accused of inviting Red aggression against South Korea.

Secretary Dulles has now seen fit to emphasize that the United States is not committed to defend Quemoy and the other Nationalist-held islands, which stretch out in a long chain close to the Chinese mainland. Loss of these islands would make the defense of Formosa and the Pescadores much more difficult. It was on these islands, not Formosa, that the Formosa-bound Red tide was stopped.

Whether or not we would consider it feasible to help prevent these valuable outposts from falling into Communist hands, there appears to be no sound reason for the Secretary to practically invite the Communists to try to seize them.

Winery Workers and Grape Growers Deserve Protection

EXTENSION OF REMARKS
OF
HON. ALLAN OAKLEY HUNTER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mr. HUNTER. Mr. Speaker, a very large segment of the wine industry of California is located in my district. Many thousands of the people whom it is my honor and privilege to represent are engaged in the growing of grapes or the making of wine.

For 20 years, foreign wine interests have campaigned to cut United States import tariffs on foreign wines. They have obtained four successive reductions since 1936. Rates then and now are:

	1936	1954
Table wine (bottled)—per gallon	$1.25	$0.37½
Table wine (bulk)—do	1.25	.62½
Champagne—do	6.00	1.50
Vermouth (bottled)—do	1.25	.31¼
Vermouth (bulk)—do	1.25	.62½
Marsala—do	1.25	.62½
Other dessert wines—do	1.25	1.25

TABLE WINES HARD HIT

In 7 years, 1947 through 1953, imports of foreign table wines soared 465.61 percent; champagne, 232.05 percent; Vermouth, 106.44 percent; dessert wines, 8.85 percent; all wines, 171.54 percent. United States table wines have been dangerously hurt; they are being driven out of prestige eastern markets by low-priced foreign wines. High markups on foreign labels induce retailers to drop United States wines.

UNITED STATES GROWERS MUST SELL TO AMERICANS OR STARVE

Ninety-nine and nine-tenths of all United States-produced wines are sold within the United States and its Territories. There is no other market for American wines. Foreign markets are closed—by embargoes, exchange restric-

tions, red tape, high tariffs. United States tariff rates are now the lowest of any major wine growing country.

FOREIGN WINE SURPLUSES

Major European wine countries are plagued with large annual wine surpluses. The French surplus in a single year often is 2 or 3 times the total United States wine production. The Food and Agriculture Organization of the United Nations reported the 1953 French-Algerian wine surplus was 449,089,000 gallons; the 1953 Spanish surplus, 277,378,500 gallons. Tariff cuts apply to 33 countries, many of them with wine surpluses.

FOREIGN LABOR CHEAP

Vineyard labor costs are from 12 cents per hour in Portugal to 27 cents in France, as compared with $1 to $1.25 in California. Winery labor costs are 17 cents per hour in Spain, 33 cents in France, and $1.45 in California.

DESSERT WINES NEXT

Dessert wine tariffs, not yet seriously reduced, now are the main target. Spain, Portugal, Italy want the United States market now supplied by California dessert wines.

FOREIGN DUMPING WILL RUIN THE AMERICAN WINE INDUSTRY

Without tariff protection, all United States wines can be driven out by foreign dumping. They can be undersold by low-cost, low-priced foreign wines—because American vineyard and winery workers are paid high American wages, 4 to 10 times greater than in foreign wine regions.

WILL CREATE GRAPE SURPLUSES

Every gallon of low-priced foreign Port or Sherry brought in—at low ocean freight rates—will displace 25 pounds of California grapes—20 million gallons would add 250,000 tons to California grape surpluses. Unless stopped, tariff cuts will bring economic ruin to 158,000 United States grape and wine growers and to many thousands in allied industries.

SAVE THE UNITED STATES WINE INDUSTRY

Mr. Speaker, in an effort to save the United States wine industry and to protect the property and livelihood of many thousands of people in my district, I have introduced a bill, H. R. 9159, which provides a method of establishing and maintaining adequate tariff and quota protection for United States wines against unfair and injurious competition from low-priced foreign wines. This bill is supported by the Wine Institute, representing the wine industry of America.

The Upper Colorado River Project

EXTENSION OF REMARKS
OF
HON. WILLIAM A. DAWSON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mr. DAWSON of Utah. Mr. Speaker, yesterday the gentleman from California [Mr. YORTY] took occasion in the CONGRESSIONAL RECORD to charge that the Republican Party was supporting the upper Colorado River storage project for "purely political motives." Since I am author of the legislation to authorize this project I deeply resent the statement of the gentleman that this project is a political pork-barrel foisted on the Nation's taxpayers by the Republicans.

This is the first time that this vital project, developed during the previous administration and approved by the previous Democrat Secretary of the Interior, has been dragged into the political arena.

I feel it is incumbent, therefore, upon me to set the record straight concerning certain of the loose charges made by the gentleman from California, apparently for home consumption only.

It is regrettable that the attack upon the project is not more specific. It is regrettable but perhaps understandable. Despite the fact that the gentleman contends that this project would seriously endanger the water supply of his own State, he was not in attendance during most of the time that testimony from expert witnesses was received. The Subcommittee on Irrigation and Reclamation of the House Interior Committee, of which the gentleman is a member, held 22 meetings on this vital project, and the gentleman attended only 4 of these meetings. The full committee which reported the bill out by a narrow margin, held 2 full meetings and the gentleman attended only 1. Had he had an opportunity to hear the testimony or a chance to read the record, I trust he would have hesitated to make some of the statements attributed to him in yesterday's RECORD. For example, the gentleman charges, and I quote:

> The upper Colorado River project is the most infeasible, costly, and impractical water and power scheme ever concocted by a Federal bureau.

This, of course, is not a fact.

The facts are, 99.2 percent of the entire cost of this project will be repaid in a 50-year period to the United States Treasury. All power features of the project will be repaid with interest. The cost of operation, maintenance, and replacement will be paid by the direct beneficiaries of the project, and after the 50 year repayment program is completed, the project will yield the Government an income of from fifteen to twenty million dollars per year thereafter. In addition, of course, we have all of the other advantages of a reclamation program, such as increased tax revenue from industrial and agricultural development made possible by the project.

The gentleman from California also charges that there is no market in the area for the power to be produced by this project. Of course, this is not a fact. During the extensive hearings, which the gentleman was unable to attend, spokesmen for the private utilities operating in Utah, Wyoming, Colorado, and New Mexico testified that they were desirous of marketing any and all power the project would produce. We in the upper basin States feel that these attacks on the project from California come with poor grace. More than any other reclamation State, California has benefited from the interest-free features of our reclamation program. California also has been one of the chief beneficiaries of the write-off provision for flood control, which gives the beneficiary of multiple purpose projects Federal funds and which requires no repayment.

The gentleman from California says that projects such as the upper Colorado River Basin threaten the end of reclamation development.

I suggest to the gentleman that reclamation development will not be killed by the authorization of such basically sound projects as the one which he so vociferously attacks. If reclamation is in danger, it is endangered by the spokesmen of southern California who in their attempt to get water allocated by solemn compact to the four upper basin States, are reckless enough to center their attacks upon the heart of the reclamation program—the provision for interest-free loans for the construction of irrigation works.

Will P. Kennedy

EXTENSION OF REMARKS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mr. RABAUT. Mr. Speaker, early yesterday morning I was informed of the death, here in Washington, of a close comrade and Christian gentleman, Will P. Kennedy.

It has been said that the most a man can do for his friend is simply to be his friend.

Will P. Kennedy was a true friend to many. His example and energetic accomplishments drew many to him, persons of every station in life and from every corner of the land.

By profession he was a newspaperman. For over 30 years he served on Capitol Hill as representative of the Washington Star. Possessing natural journalistic ability, he was as at home reporting upon some local happening of small import as he was in telling an attentive public the whys and wherefores of national political convention or analyzing political or legislative trends in the Halls of Congress. His interest in civic affairs was an acknowledged and respected one.

Aside from his work on the Star, Will Kennedy engaged in a number of other writing activities, reporting for some of the smaller magazines and New England newspapers. He was an untiring worker.

Will was a member of the Knights of Columbus and was the founder of the Friendly Sons of St. Patrick. He was the father of 2 children, who, together with his wife, the former Miss Nancy Hanks, and 6 grandchildren survive him.

The character and life of this Christian soul, Will P. Kennedy, will long be remembered by those of us who have known him and worked beside him, and,

with him have quaffed deeply from the cup of friendship.

WILL P. KENNEDY

Washington and the Star suffered a loss a few years ago when Will P. Kennedy's byline disappeared from this newspaper, because of his retirement from active reporting work. The loss will be felt even more keenly now that Bill, as most of his colleagues knew him, has passed on. There was a time, before he retired on January 1, 1947, when it was a rare occasion not to find a "piece" by Will P. Kennedy in the daily or Sunday Star. Bill always was a tireless digger for news—local, national, or international—and during his long career with this paper he produced a prodigious amount of stories, many of them exclusive. As a veteran congressional reporter he won the friendship and respect of numerous notable in Washington official life. His honorary life membership in the congressional press galleries attested to the high regard in which he was held by his colleagues of the fourth estate. The Star, while mourning his loss, is proud to have had the faithful services of such a good reporter for so many years.

Postal Pay Raise

EXTENSION OF REMARKS
OF
HON. EDNA F. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mrs. KELLY of New York. Mr. Speaker, to deceive is unpardonable. In my opinion, this is what was attempted when the chairman of the Committee on Post Office and Civil Service moved to suspend the rules of the House to pass H. R. 9245. It bore the number and the title of the Corbett bill but it was not the measure the gentleman from Pennsylvania [Mr. CORBETT] had sponsored, nor was it the bill I had pledged to support. I submit the following excerpt from the RECORD to sustain this fact:

Mr. CORBETT. Mr. Speaker, a point of order or parliamentary inquiry, whichever is proper.

The SPEAKER. The gentleman will state it.

Mr. CORBETT. Mr. Speaker, I find that the bill which is presently before us, H. R. 9245, has the title and the enacting clause of the bill which I introduced and which was passed out of the committee.

I also find that it deals not merely with postal salaries but contains an entirely different title on postal rates, which action was never taken by the House committee. I do not believe that this bill can properly be before the House; certainly not with my name on it.

Mr. REES of Kansas. Mr. Speaker, the legislation that is before us is an amended bill, that is true. But all the legislation that we are considering was considered by the committee and reported favorably by our committee.

The SPEAKER. The business before the House is a motion of the gentleman from Kansas [Mr. REES].

Mr. CORBETT. Mr. Speaker, the bill was never reported from the committee as amended and I was not even notified that my name would be on the legislation.

The SPEAKER. The Chair knows nothing about that. That is of no concern to him except as an individual Member of the House.

The gentleman from Kansas [Mr. REES] has made a motion to suspend the rules and to pass the bill with an amendment. That is what the House is considering.

The original Corbett bill H. R. 9245, was reported by the Committee on Post Office and Civil Service. It recommended a 7 percent salary increase and the appointment of a commission to study post office reclassification. The minority, including the chairman of the committee, issued a report objecting to the Corbett bill and supporting the Rees bill which has the approval of Postmaster General Summerfield. This bill authorized the Postmaster General to reclassify the postal service.

When the Hagen petition to discharge the Rules Committee on the Corbett bill had been signed by 212 Members of the House, it was realized that the Rees bill was near defeat. Thus, the chairman of the Post Office and Civil Service Committee attempted to bring to the floor, a new, or so-called compromise bill bearing the title and the number of H. R. 9245. Speaking on this motion, the gentleman from Minnesota, Mr. HAGEN, a Republican, said:

Mr. Speaker, first of all, I want to say it is difficult to oppose the leadership on any issue or legislation. However, I believe I am right and that it is my obligation as a Republican to speak out on this matter.

In the few minutes that I have there will be little opportunity to discuss the provisions of the two bills. The postal pay bill—H. R. 9836—provides a small pay increase for postal employees and they are happy to accept and to receive it, although it is long overdue and it is not sufficient. But they do not approve or like this procedure.

It has been reported to us that this is the only way that this postal-pay bill can come up in the House for a vote. Why is this so? There are many other ways in which this postal-pay bill can be brought up. I, for one, do not like a whip or club over my head with the threat that if we do not approve of this motion there will be no postal-pay legislation, even though 90 percent or more of this House favor a postal-pay bill.

The greatest heartache of a legislator is to have a compromise bill reported to the floor. Always it includes one main feature to which a Member has pledged his support. The Members who are so committed have then two alternatives: vote for the passage of the entire measure including features they would not support in separate legislation, or vote against the entire bill and thereby renege on their promises to support the main feature of the bill. The motion of the chairman on July 14 to suspend the rules to pass a package bill incorporating several bills without discussion and without the right to amend, was unwise and in my opinion it was a subterfuge. It was unfair to the postal employees because in giving them a small increase in salary, it gave the Postmaster General the authority to reclassify their positions. To this they objected. I was opposed to this method of reclassification because I feel that this is the duty of the Congress. Also, this bill included an increase in rates on first-class mail which is the only class mail showing a profit of about $150 million a year. Concerning this compromise or package bill, Mr. E. C. Hallbeck, legislative representative of the National Federation of Post Office Clerks, wrote:

We believe it is unfair to bring those questions before the House in a single package and consider it a subterfuge to defeat adequate postal salary legislation at this session of Congress.

Mr. Jerome Keating, executive vice president of the National Association of Letter Carriers, said:

The postal organizations have always opposed coupling postage-rate increases with postal pay.

The Members of the House who voted against this motion, did so with the understanding that this was not the only way to bring the postal salary bill to the floor. At that time, there remained but six signatures to be affixed to the Hagen petition on the Speaker's desk to bring out the true Corbett bill. This is the bill I have supported and will continue to support in accordance with the wishes of my constituents.

Congressional Adjournment Versus Legislative Duty

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mr. DONOHUE. Mr. Speaker, there appears to be a well-founded rumor around here that the leadership is planning to offer a resolution to adjourn sine die at the end of this month. If the rumor is true and the proposal is presented to the House, I intend to vote against it.

Every one of us knows there are many grave domestic problems, upon most of which the President himself has requested our action, that have not yet been accorded any consideration. Also, no one can predict what emergency may suddenly erupt on an international front. The new atomic-energy bill, the foreign-aid measure, the postal and Federal employees' pay revision, and the question of raising the public debt limit are matters of such serious national consequence that they should not be given hasty and peremptory treatment just to meet a politically expedient closing date.

These, and other major issues ought to be accorded the long, careful, thorough debate, and discussion necessary for the full understanding essential to patriotic and intelligent action. Any other course practically amounts to a denial of our responsibilities.

The people who sent us here have a right to expect us to place legislative duty and the national interest above any personal convenience or political expediency. I, for one—and I deeply feel there are a great many others who agree with me—am willing to stay on the job until our full duty is conscientiously discharged.

Shawnee National Forest

EXTENSION OF REMARKS
OF
HON. MELVIN PRICE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mr. PRICE. Mr. Speaker, one of the most prudent investments of public money is our investment for national forests. This investment brings good returns. Wise management of national forest lands will return, in time, every dollar spent. In addition the development work restores land, halts erosion and protects valuable watersheds. Moreover each national forest provides a demonstration area to show private land owners that which may be done in the way of conservation, while, at the same time, providing a means of earning an income.

A prime example of this type of Federal activity is the Shawnee National Forest, located in southern Illinois. This tract has been built up during the past 20 years. Its progress, according to a summary provided by Mr. E. N. Lee, forest supervisor, has been great. Already we have realized important returns from our investment, but a great deal of development remains to be undertaken.

The early development of southern Illinois followed a typical pattern. Creek bottoms and hill lands level enough for cultivation were cleared. Timbered lands, which contained some of the best hardwoods in the central States, were cut over. Early settlers burned fields to clear land, and curtail the growth of sprouts. Farm crops were mostly corn and small grains. Inability of the soils to sustain this type of product, plus the annual uncontrolled burning, brought about soil erosion and deterioration. Many farms were abandoned.

In 1933, the New Deal of Franklin Roosevelt in Washington and the New Deal of Henry Horner in Illinois joined forces to combat the serious problem of erosion and other wastage of natural resources. Congress passed the State Enabling Act, and this, together with an invitation from Illinois, brought the United States Forest Service in to set up two purchasing units, one known as the Shawnee. They instituted a land-acquisition program, and the Civilian Conservation Corps work program began the development. By 1939 sufficient progress had been made so that on September 6 the Shawnee National Forest was established by Presidential proclamation.

It includes parts of nine southern Illinois counties. Since 1933 the Federal Government has purchased about 210,000 acres of timber and abandoned farmlands. There was no acquisition program during World War II, and only a small program following. There has been no purchase program for several years, although there remain thousands of acres of land which should be under management for forestry purposes.

Approximately 75,000 acres of Shawnee was barren of timber growth, consisting of wornout, eroded fields and abandoned farms on which the soil had become unsuited for cultivation. To date, approximately 32,000 acres of these abandoned fields have been reforested. This has arrested the erosion. The soil has been stabilized and is now serving the people in production of forest products and in watershed protection. The reforestation program should proceed much more rapidly, but has been slowed down by curtailed funds. Much plantable area is lost. It is covered with brush, such as sassafras and persimmon. This helps the soil-erosion problem and provides watershed protection, but the land is nonproductive and does not pay its way. During the past fiscal year, the Forest Service planted about 2,300,000 trees, and in the present fiscal year plantings will be cut back to about 1,500,000. At this rate it will require 16 years to complete the reforestation program.

Since development, the Shawnee has sold about 29 million board feet of timber. Last year such sales earned $34,386. This forest will now support an annual harvest of 5 million board-feet of timber. It is expected to soon reach a sustained annual cut of 8 million board-feet.

Seventeen recreation areas—2 small lake developments and 15 picnic spots—have been developed in Shawnee. Total recreation use is estimated at 750,000 visitors a year.

As part of the Forest Service multiple use policy, tracts of land are leased to local farmers. Management of the national forest cooperates with other public agencies in management of fish and game, watershed studies, forest research and development of mineral resources. Returns to the Federal Treasury for other than timber amounted to $34,433 during the last fiscal year.

One-fourth of all revenues from Shawnee National Forest are returned to the counties in which the area is located. Each county's share is determined by the proportion of the forest land in that county.

Forest Service management has reduced the number of fires from a high of 500 per year during the thirties to about 100.

Shawnee National Forest has been of assistance in improving the economy of southern Illinois. It has shown proper land use, which is the key to our whole economy.

Jack Webb Performs Public Service

EXTENSION OF REMARKS
OF
HON. SAMUEL W. YORTY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1954

Mr. YORTY. Mr. Speaker, much of the fine public service performed by leaders in the theatrical profession is lost sight of because it does not make sensational headlines. As an example, few people know about the educational films made and distributed free as a public service by Mr. Jack Webb.

Only a few years ago Jack Webb was struggling to gain a foothold as an actor in Hollywood movies. Today, there is not a city or hamlet in the United States, boasting of a radio set or a television receiver, where he is not known to every man, woman, and child. His radio and TV series Dragnet, has become one of the Nation's No. 1 listening and viewing programs. It is soon to take its place as an important motion picture released by Warner Brothers.

Jack Webb's character of an ordinary cop, Sergeant Friday, is an unvarnished picture. It does not glorify police work, but it has taught millions of people a better understanding of law enforcement and respect for law enforcement's honest agents. I do not know of any better means to combat communism than by promoting a respect for government.

I want to call attention to a phase of Jack Webb's life of which the public knows little. Through investing thousands of dollars of his personal fortune, Webb is doing an excellent job combating juvenile delinquency throughout the Nation. He is helping to curb reckless driving on our highways—particularly among minors and is helping the CIA, our Armed Forces and police departments throughout the Nation do a better job of training their law enforcement officers. This has been accomplished through the unselfish production and distribution of many training films, made without cost to these agencies by Mr. Webb.

The National Safety Council, with headquarters in Chicago, continuously uses Jack Webb's film Big Trio for release among its chapters across the country, in schools, churches, juvenile welfare centers, and service clubs, as well as authorized traffic bureaus. The movie discourages reckless driving by juveniles and adults; it also tells the story of the hit-and-run driver and it exposes that dishonest segment of the population who prey upon insurance companies. Many prints of Big Trio are constantly in circulation. The costs of making these, as well as distributing them, are born by Jack Webb.

Our own CIA here in Washington uses regularly three training films to show its operators, which Webb donated. These are Big Casing, Big Cast, and Big Phone Bill.

The Los Angeles Police Department, with free access to all Jack Webb films, continually draws upon them as training aids for its rookies as well as veteran officers. So does the New York Police Academy, the State of New Jersey and police departments in Boston, Denver, Toledo, Lansing, Wichita, New Orleans, and elsewhere. In all these places Webb's films, Big Cop and Big Fire serve as part of the standard training curriculum.

In training military police, the United States Army uses these films. Various local departments in the District of Columbia regularly use them.

The National Parent-Teachers Association and PTA groups all over America are constantly showing 22 Rifle,

a Jack Webb documentary movie which reveals the mistakes some parents make by giving firearms as gifts to their children.

Thousands of our Nation's school principals have made it mandatory that students view at least one Jack Webb documentary made for juveniles and entitled "Big Layoff." This is the story of the growing use of narcotics among minors and how the drugs have wrecked the lives of teen-agers as well as adults.

All these important motion pictures are available to any recognized private, civic, State, or Government agency without cost. Each was conceived, produced, and acted, as well as paid for, by Jack Webb.

Mr. Webb has done more than repay his public for its loyalties and support of him. He has done more than aid in the training of law enforcement officers, help abate crime and disaster, and expose dishonesty.

Mr. Webb deserves a great deal of credit for his splendid contribution to good citizenship.

SENATE

WEDNESDAY, JULY 28, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, eternal love, Thou source of all life and light: We would yield our flickering torch to Thee. Beyond all the madness of these angry days, with nations in commotion, we turn to Thee who sittest above the floods and in whose balances the nations are weighed.

Lift us out of our doubt and cynicism by a great faith to live by and great causes to live for. Facing now unfinished tasks calling for courage and sacrifice, vision, and wisdom we beseech that Thou wilt pour in double measure Thy enabling grace upon the President of the United States, the Vice President, the Congress, and all public servants who, sharing the heavy loads of these epochal days, shape our policy and guide our destiny.

We thank Thee for the steadfast faith of Thy servant, Syngman Rhee, who today comes crowned with honor to plead the cause of Thy truth against the devil's falsehood, not only as that truth faces the principalities of darkness in his own land, but also in all the reaches and ranges of this global struggle. Give us a part in making the earth's crooked ways straight, when social and industrial relations will lose their hard antagonisms and become the hallowed cooperation of comrades in human service: In the name of the Servant of all. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of the preceding day were read and approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 26, 1954:

S. 2987. An act to provide for the transfer of hay and pasture seeds from the Commodity Credit Corporation to Federal land-administering agencies.

On July 27, 1954:

S. 2583. An act to indemnify against loss all persons whose swine were destroyed in July 1952 as a result of having been infected with or exposed to the contagious disease vesicular exanthema;

S. 2786. An act granting the consent and approval of Congress to the Southeastern Interstate Forest Fire Protection Compact; and

S. 3197. An act to authorize the acceptance of conditional gifts to further the defense effort.

On July 28, 1954:

S. 110. An act for the relief of Christopher F. Jako;

S. 203. An act for the relief of Yvonne Linnea Colcord;

S. 222. An act for the relief of Mrs. Dean S. Roberts (nee Braun);

S. 246. An act for the relief of Gerrit Been;

S. 278. An act for the relief of Szyga (Saul) Morgenstern;

S. 661. An act for the relief of Nino Sabino Di Michele;

S. 790. An act for the relief of Irene J. Halkis;

S. 794. An act for the relief of Paulus Youhanna Benjamen;

S. 843. An act for the relief of Rabbi Eugene Feigelstock;

S. 891. An act for the relief of Albina Sicas;

S. 912. An act for the relief of Bruno Ewald Paul and Margit Paul;

S. 945. An act for the relief of Moshe Gips;

S. 986. An act for the relief of Mrs. Ishi Washburn;

S. 1129. An act for the relief of Jozo Mandic;

S. 1313. An act for the relief of Olga Balabanov and Nicola Balabanov;

S. 1477. An act for the relief of Gerhard Nicklaus;

S. 2009. An act for the relief of Mrs. Edward E. Jex;

S. 2367. An act to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture;

S. 2820. An act for the relief of Mrs. Erika Gisela Osteraa; and

S. 2960. An act for the relief of Barbara Herta Geschwandtner.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 3534) to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 303) to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes, and it was signed by the President pro tempore.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Morning business is in order, with a 2-minute limitation on speeches.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Secretary of Defense, transmitting, pursuant to law, 19 separate reports on overobligations of appropriations in the Department of the Air Force during the fiscal years 1953 and 1954 (with accompanying papers); to the Committee on Appropriations.

REPORT ON PAYMENT OF CLAIMS FOR DAMAGE OCCASIONED BY NAVAL VESSELS

A letter from the Under Secretary of the Navy, transmitting, pursuant to law, a report on payment of claims for damage occasioned by naval vessels which have been settled by the Navy Department, during fiscal year 1953–1954 (with an accompanying report); to the Committee on Armed Services.

REPORT ON COLLECTION OF CLAIMS FOR DAMAGE CAUSED TO NAVY DEPARTMENT PROPERTY

A letter from the Under Secretary of the Navy, transmitting, pursuant to law, a report on collection of claims for damage caused to Navy Department property during the fiscal year 1953–1954 (with an accompanying report); to the Committee on Armed Services.

REPORT ON APPORTIONMENT OF APPROPRIATION FOR "COMPENSATION AND PENSIONS, VETERANS' ADMINISTRATION"

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Veterans' Administration for "Compensation and Pensions" for the fiscal year 1955, had been apportioned on a basis indicating the necessity for a supplemental estimate of appropriation (with an accompanying paper); to the Committee on Appropriations.

REPORT OF CONTRACTS NEGOTIATED BY NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

A letter from the Executive Secretary, National Advisory Committee for Aeronautics, Washington, D. C., reporting, pursuant to law, that no contracts were negotiated by that committee during the 6-month period ended June 30, 1954; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUNDT, from the Committee on Government Operations:

S. Res. 288. Resolution to make certain funds available to the Committee on Government Operations; without amendment.

By Mr. JENNER, from the Committee on Rules and Administration:

S. Res. 14. Resolution authorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect; with additional amendment (Rept. No. 1989); and

S. Res. 289. Resolution to provide additional funds for the Committee on Banking and Currency; with amendments (Rept. No. 1988).

By Mr. MALONE, from the Committee on Finance:

H. R. 5407. A bill to amend section 2879 (b) of the Internal Revenue Code; with amendments (Rept. No. 1990).

By Mr. CARLSON, from the Committee on Post Office and Civil Service, with amendments:

H. R. 2263. A bill to authorize the Postmaster General to readjust the compensation of holders of contracts for the performance of mail-messenger service (Rept. No. 1992); and

H. R. 7774. A bill to establish a uniform system for the granting of incentive awards to officers and employees of the United States, and for other purposes (Rept. No. 1993).

ENROLLED BILL PRESENTED

The Secretary of the Senate announced that on today, July 28, 1954, he presented to the President of the United States the enrolled bill (S. 3518) to amend the laws relating to fees charged for services rendered by the office of the Recorder of Deeds for the District of Columbia and the laws relating to appointment of personnel in such office, and for other purposes.

PRINTING OF PRAYERS OF CHAPLAIN OF THE SENATE—REPORT OF A COMMITTEE

Mr. JENNER, from the Committee on Rules and Administration, reported favorably the following original resolution (S. Res. 294), which was placed on the calendar:

Resolved, That 3,000 copies of the prayers offered by the Reverend Frederick Brown Harris, D. D., chaplain of the Senate, at the opening of the daily sessions of the Senate during the 81st, 82d, and 83d Congresses, inclusive, be printed and bound for the use of the Senate.

RESTORATION OF SOVEREIGNTY TO GERMANY—REPORT OF A COMMITTEE

Mr. WILEY. Mr. President, from the Committee on Foreign Relations, I report an original resolution, to express the sense of the Senate toward restoring sovereignty to Germany, and I submit a report (No. 1991) thereon.

The PRESIDENT pro tempore. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 295) reported by Mr. WILEY from the Committee on Foreign Relations was placed on the calendar, as follows:

Whereas a Convention on Relations between the United States of America, the United Kingdom of Great Britain and Northern Ireland, and the French Republic, therein referred to as the "Three Powers," and the Federal Republic of Germany, was signed on May 26, 1952, with a view to restoring sovereignty to the Federal Republic of Germany; and

Whereas the Senate of the United States gave its advice and consent to ratification of said Convention on July 1, 1952; and

Whereas, nevertheless, it has not proved practical as yet to bring the Convention into force in accordance with its provisions: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President if he judges that future developments make this desirable and in the national interest, should take such steps as he deems appropriate and as are consistent with United States constitutional processes to restore sovereignty to Germany and to enable her to contribute to the maintenance of international peace and security.

MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. LONG submitted an amendment intended to be proposed by him to the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. SMITH of New Jersey submitted an amendment intended to be proposed by him to House bill 9678, supra, which was ordered to lie on the table and to be printed.

Mr. WILLIAMS submitted an amendment intended to be proposed by him to House bill 9678, supra, which was ordered to lie on the table and to be printed.

Mr. MAGNUSON submitted an amendment to be proposed by him to House bill 9678, supra, which was ordered to lie on the table and to be printed.

Mr. CAPEHART submitted an amendment intended to be proposed by him to House bill 9678, supra, which was ordered to lie on the table and to be printed.

AGRICULTURAL ACT OF 1954—AMENDMENT

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (S. 3052) to encourage a stable, prosperous and free agriculture, and for other purposes, which was ordered to lie on the table and to be printed.

PRIVATE FINANCING OF NEW SHIP CONSTRUCTION—AMENDMENTS

Mr. BUTLER submitted amendments intended to be proposed by him to the bill (S. 3219) to amend certain provisions of title XI of the Merchant Marine Act, 1936, as amended, to facilitate private financing of new ship construction, and for other purposes, which were ordered to lie on the table and to be printed.

SECURITY ACT OF 1954—AMENDMENTS

Mr. FERGUSON. Mr. President, I submit amendments intended to be proposed by me to the bill (9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

The purpose of the amendments which I have proposed is to make clear the intent of Congress that military and economic assistance to Cambodia, Laos, and Vietnam is to be directly given to those governments so far as possible.

The amendments, I believe, will strengthen the hand of the United States in connection with the full independence of those states.

Furthermore, the amendments express the policy of the United States Government in this respect, and have the support of officials of the Department of State. I hope the chairman of the committee will indicate his support of the amendments and that they may be adopted immediately.

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). The amendments will be received and printed, and will lie on the table.

HOUSE BILL REFERRED

The bill (H. R. 3534) to authorize the extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods by service of the patent owner in the Armed Forces or by production controls, was read twice by its title, and referred to the Committee on the Judiciary.

THE FARM PROGRAM

Mr. BUTLER. Mr. President, it is becoming increasingly apparent that the

so-called farm problem extends far beyond the farms and rural areas of America. The fact that the livelihood of more than 35 million breadwinners is directly dependent upon the prosperity of our 5,300,000 farms is sobering testimony to the truth of this observation.

Price supports do not and cannot assure farm prosperity. In addition to pricing our farm products out of domestic and world markets, high supports are steadily increasing Government-held surpluses of agricultural products that are costing the taxpayers, including farmers, many billions of dollars.

In support of these statements, I ask unanimous consent to have printed in the body of the RECORD a very enlightening article entitled "Bonuses for Crops Nobody Wants," which appeared in this morning's issue of the Baltimore Sun.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BONUSES FOR CROPS NOBODY WANTS

The Commodity Credit Corporation has just come out with some figures which should interest the Senators discussing the Eisenhower farm program in the Senate. The CCC is the agency through which the Government conducts its price-support programs in farm commodities. And the figures the CCC has just issued give a graphic picture of the ruinous effect of the fixed high-level price supports now in force for the major farm crops.

As most newspaper readers know, the key issue of the farm controversy now centering in the Senate is continuance or discontinuance of the high-level fixed supports. The administration wants to get back to the kind of sliding scale for support prices which was in effect before World War II, with support flexing up or down as supply is short or abundant. The farm politicians in the legislature want to extend the war-type fixed high-level supports for at least the year ahead.

The year ahead? But let's look at what the high-level supports did to us in the year just behind—the one that closed May 31, 1954. It is operating figures on this year that the CCC has just issued. They show that in that year CCC outlay on support programs increased about 100 percent—from the $3,248,490,000 total of May 31, 1953, to $6,109,295,000 on May 31, 1954. In other words, fixed high-level supports brought out more production than the market would absorb and the Government had to hold the bag for the balance.

Breaking down the figures somewhat, we find that as of May 31, 1953, commodities owned outright by the Government accounted for $1,890,641,000. The balance of $1,357,849,000 was the amount put out for loans on commodities held as collateral. The same figures a year later were about twice as big—$3,461,051,000 for the inventory cost of commodities owned outright and $2,648,244,000 for loans on commodities held as collateral.

And what were the crops which accounted for the big increase in Government funds laid out in support plans as between May 31, 1953, and May 31, 1954? Well, loans were given on some 7,097,988 bales of cotton for a total of $1,169,407,068. Loans advanced on corn covered 393,463,175 bushels for a total of $621,083,006. Farmers found it would be more advantageous to borrow on some 205,641,606 bushels of wheat than to sell it, and they borrowed $452,724,603. The CCC advanced a total of $264,034,588 in loans on some 606,207,666 pounds of tobacco.

All of these are the so-called basic crops, the big cash and commercial products whose support forms the core of the farm program. These are the commodities with big pressure blocs acting in their behalf in the Congress. It is by logrolling and reciprocal backscratching among these commodity groups that the farm legislation and the high-loan programs endure and proliferate. Cotton men say to wheat men, "Do what we want for cotton and we will vote for you in wheat," and so on in a crisscross of dealing across the board.

But all the pulling and hauling, the dealing and doubledealing is not in the major crops. A perceptible item of $140,994,660 was laid out by the CCC in loans between May 31, 1953, and May 31, 1954, on other crops. The other category includes: cottonseed, extra long staple cotton, olive oil, peanuts, tung oil, honey, soybeans, hay, pasture and winter cover crop seeds, barley, dry edible beans, flaxseed, grain sorghum, oats, rice, rye, gum turpentine, rosin, and wool. The biggest chunk of dough went for oats, whose producers got $23,314,729 in CCC loans.

But as of May 31, precisely what did old Mother CCC have in her cupboard in the way of inventory groceries—commodities to which she had taken title, either by foreclosing on loans or by outright purchase programs? Well, wheat led the list, with some 672,978,331 bushels acquired over recent years for the sum of $1,715,282,304. The next big cost item is $670,289,697, for 410,154,072 bushels of corn. The Government's famous butter hoard amounted as of May 31 to 385,363,991 pounds, which cost $257,700,613. Then our cotton friends come into the picture again via the 951,215,056 pounds of refined cottonseed oil they sold the Government for $169,814,315.

So the list runs in declining proportions, and including cheese, dried milk, wool, cotton, linters, and a whole catalog of still lesser crops. The CCC which, a year ago, had $6,750,000,000 for its support programs, later got an $8 billion ceiling and is now asking $2 billion more for a total of $10 billion. Well, then, do taxpayers who ultimately foot the bill for all this wish to insure that they will have more and perhaps even bigger bills to foot? They should wire their Senators to support the high-level fixed-price schemes of the farm-bloc Senators in the pending Senate fight. If, however, taxpayers wish to dodge heavier burdens and even to lighten the present load, then they should support the President's flexible program. In other words, they should stop offering bonuses for crops nobody wants.

C. P. I.

TRANSPORTATION PROBLEMS OF NEW ENGLAND

Mr. BUTLER. Mr. President, on July 16, the distinguished Senator from Massachusetts [Mr. KENNEDY], in concert with a number of other distinguished Senators from the New England States, proposed a joint resolution (S. J. Res. 284) authorizing and directing the Senate Committee on Interstate and Foreign Commerce to make a full and complete investigation and study of the transportation problems of New England.

It would appear that action stems from certain sectional rate questions now pending before the Interstate Commerce Commission, and rather than utilize the valuable time of the Senate in discussing the far-reaching implications of the proposal, I ask unanimous consent to have printed in the body of the RECORD a very comprehensive letter which I have received from Mr. Karl J. Grimm, transportation director of the Baltimore Association of Commerce.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BALTIMORE ASSOCIATION OF COMMERCE,
Baltimore, Md., July 21, 1954.

HON. JOHN MARSHALL BUTLER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: I have had the opportunity to read both Senate Resolution 284, introduced by Senator KENNEDY, which would authorize and direct the Committee on Interstate and Foreign Commerce of the Senate to make a full and complete investigation and study of the transportation problems of New England and the memorandum presented in its support.

The resolution seems to be nothing more than an additional attempt by the New England interests to bring political pressure upon the Interstate Commerce Commission in the proceeding now pending before it involving freight rates on iron ore imported through the North Atlantic ports, with the ultimate object of securing for the ports of Boston and Portland an equality of rates with the port of Baltimore. It is unquestionably a substitute for the letter addressed by the New England Senators to the Chairman of the Commission several months ago which was so effectively countered by the prompt action of yourself and Senator BEALL.

Whether I have properly characterized the intent of the resolution or not, and attributing to Senator KENNEDY the highest motives, and further assuming merit in the substance of his supporting memorandum, I am deeply concerned by two aspects of the resolution, not only as a representative of the port of Baltimore, but also as a lawyer and a practitioner before the Interstate Commerce Commission.

First, I am concerned by the statement that the requested investigation should be made with the view toward ascertaining what changes, if any, should be made in the present national transportation policy, especially as it relates to New England. Should an investigation with such sectional overtones be made by the legislative body of the Nation, it would surely lead to appeals to Congress whenever any section of the country should become dissatisfied with a decision by the Commission. The memorandum presented by the Senator from Massachusetts cites as precedents the inquiry conducted by the Interstate and Foreign Commerce Committee of the Senate into the activities of the Civil Aeronautics Board to determine whether that agency was acting consistently with the national aviation policy enunciated by the Congress and to the study of interterritorial freight rates conducted by the Board of Investigation and Research created by the Transportation Act of 1940. It is well to point out that these inquiries were national in scope. No one can properly object to an investigation by the Congress into the activities of the Interstate Commerce Commission to determine whether that agency is acting consistently with the national transportation policy or to determine whether amendments to the Interstate Commerce Act which are national in scope are necessary. But such is not the case here. Congress is being asked to act for the benefit of one section alone.

Second, I am disturbed by the aspect of legislative ratemaking which is implicit in the resolution. While the Congress has the unquestioned constitutional power not only to regulate but to fix the charges of those engaged in interstate and foreign commerce, there can be no question that due to the complexities involved that power has been

delegated since 1887 to the Interstate Commerce Commission, with limited review by the courts. Since its establishment the Commission has always been considered to be the body best qualified by training and experience to determine such matters including those which are the subject of the proposed resolution. So far as I am advised this is the first instance in which it has been suggested that an investigation of this kind be conducted by a legislative committee. This would be a most dangerous precedent.

The two classic examples of legislative action to the contrary involving transportation rates are the Hoch-Smith resolution of 1925 and the Ramspeck resolution of 1940, of which you are undoubtedly familiar. The former, you will recall, was occasioned by an agricultural depression following World War I, and directed the Interstate Commerce Commission to investigate the reasonableness of transportation rates for the products of agriculture. The latter, as you will remember, was the outgrowth of widespread complaint in the South that railroad rates discriminated against that region in favor of others, particularly the New England and Middle Atlantic States. Instead of attacking the problem on a sectional basis, Congress directed the Interstate Commerce Commission to investigate the lawfulness of freight rates between all the various regions of the country. As you know, this action led to the well-known Class Rate Investigation, 1939, which is still pending before the Commission.

In essence, the resolution and supporting memorandum seem to be nothing more than an expression of dissatisfaction by the New England interests with certain decisions of the Interstate Commerce Commission. I am certain that other regions of the country feel that at times they have equal cause for dissatisfaction. For example, for many years the Rocky Mountain States have been dissatisfied with the rail rates to and from the eastern seaboard, particularly because of lower rates enjoyed by the Pacific Coast States. Despite their dissatisfaction, they have always looked to the Interstate Commerce Commission, rather than to the Congress, for alleviation of their problems.

Those who are interested in the port of Baltimore also feel that they have cause for discontent because of the refusal of the Commission to recognize its natural advantages to the degree we believe required by the Interstate Commerce Act as it has been interpreted by the courts. It is not our intention, however, to seek relief outside the normal channels because we have full confidence in the integrity of the Commission and because we recognize that Congress has appointed it to act as steward of the transportation policy of the Nation as a whole.

I trust that you can see fit to take the necessary steps to prevent passage of this resolution. For your information I might say that I have alerted our Philadelphia friends and am certain that Senator DUFF will be requested to do likewise. I scarcely need say that your splendid cooperation in the past with regard to this matter was deeply appreciated not only by the association, but by myself personally. If you feel that I can be of any assistance, please do not hesitate to call upon me.

Yours very truly,

KARL J. GRIMM,
Transportation Director.

FLEXIBLE AGRICULTURAL PRICE SUPPORTS—RESOLUTION OF CALIFORNIA STATE BOARD OF AGRICULTURE

Mr. KUCHEL. Mr. President, there will soon be before the Senate the question of what type of farm legislation should be enacted. I am sure the problem concerns not alone the farmers of America, but also the consumers of America. I have been delighted to observe the manner in which the Department of Agriculture has been conducted under the Eisenhower administration. I state now that I am able to say I shall support the recommendations of the President of the United States and the Secretary of Agriculture with respect to farm legislation generally, and with respect to flexible price supports specifically.

I believe that the recommendations of this administration will be to the credit of the consumers of America, the taxpayers of America, and the farmers of America.

I am particularly delighted to have received from the California State Board of Agriculture a resolution endorsing the program of the President of the United States and of Secretary of Agriculture Benson, relating to flexible price supports. I have a copy of it in my hand, and I ask unanimous consent that it be printed in the body of the RECORD as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF CALIFORNIA STATE BOARD OF AGRICULTURE

COMMENDATION FOR THE SECRETARY OF AGRICULTURE ON HIS PROGRAM FOR FLEXIBLE PRICE SUPPORTS

It was regularly moved by Donald C. Bull, seconded by James E. Armstrong, and carried unanimously, that the following resolution be adopted by the California State Board of Agriculture, meeting at Sacramento, Calif., on July 19, 1954:

"Whereas President Eisenhower's farm program recommendations are designed to guide our agriculture toward a more balanced production, the capturing of lost markets, particularly abroad, and a better condition of free enterprise among farmers at home; and

"Whereas the institution of such a program would mitigate against the accumulation of costly surpluses: Now, therefore, be it

"Resolved, That the California State Board of Agriculture, meeting at Sacramento, Calif., July 19, 1954, does hereby highly commend the Secretary of Agriculture for his steadfast efforts to institute a program of flexible price supports in promoting a more healthful agriculture, and requests that a copy of this resolution be sent to Secretary Benson."

THE PROGRAM THAT FAILED—EDITORIAL

Mrs. BOWRING. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled, "The Program That Failed," published in the Omaha (Nebr.) Evening World-Herald of July 21, 1954. The editorial has to do with the proposed legislation that the Senate is about to consider, namely, the farm program. I would request and appreciate it if the editorial would follow the remarks of the Senator from California.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none.

The editorial is as follows:

THE PROGRAM THAT FAILED

A number of Midwestern politicians are hard at work these days trying to farm the farmers. The weather being as hot as it is, and the farm problem being as acute as it is, they evidently hope to harvest a bumper crop of votes.

This is the general line of reasoning followed by these political farmers:

1. Farm income has been shrinking, year by year, since 1951.

2. At the same time, generally speaking, the incomes of city workers and businessmen have been going up, and the cost of living has been rising.

3. The city groups—labor and business—benefit from various kinds of Government support.

4. Therefore, the present system of rigid farm-price supports at 90 percent of parity should be continued.

There is a good deal of truth in points 1, 2, and 3 as stated above. But the question is whether those facts lead logically to the conclusion stated in point 4. Let's take a look.

The Washington news magazine, U. S. News & World Report, in its current issue, gives the basic facts about farm income in recent years, and they are not pleasant facts for farmers—or other thoughtful Americans—to contemplate.

In 1951, the peak year of farm prices (and also the year following the outbreak of war in Korea) the total American farm income was $33 billion.

Two years later, in 1953, it had shrunk to $31 billion.

This year the total is estimated at $29 billion.

Thus the total decline in 3 years is about $4 billion, or 12 percent. That's bad news not only for farmers but also for the manufacturing industries, labor, and the economy as a whole. For it means less buying by the farmers, which in turn means fewer sales and fewer jobs in the cities.

So far as the major farm products are concerned, the picture is somewhat mixed up.

The income from wheat and cotton—two of the rigid-parity crops—has dropped about 30 percent, the biggest decline of all.

Corn income, also supported by rigid parity, has held about even, and this year—barring severe losses from drought—may be even a little higher than last year.

Income from cattle (not price supported) dropped more than 20 percent in 1953, but is expected to hold about level this year. Hogs (not price supported) have held about even. Dairy products (price supported) have dropped about 10 percent.

The one undeniable truth which emerges from this jumble of statistics is this:

The present farm-support program has not succeeded in holding farm income at a high level. Thus it has failed completely to do the job for which it was designed.

U. S. News & World Report draws this conclusion:

"The gradual shrinkage of farm income is taken as an indication that neither Government and farmers nor farmers alone have found a formula for dealing with the industry's basic problem. That problem grows from an ability to produce more than available markets will absorb. And there is some question whether lower prices will either reduce production or increase consumption enough to lick the problem of surpluses.

"The solution, as farm economists see it, is wider markets, both in the United States and abroad, or a shift in the type of agriculture, both as to crops produced and as to the size of individual farms."

This is a massive problem, and there are no easy answers. The best minds of the

farming industry, and of Government, should be working on it.

But it seems quite evident that the political farmers who are out trying to harvest votes are not helping very much to solve the problem.

When they repeat the phrase, "90 percent of parity," they are advocating a program which has broken down—a program which, in the last 2 years of the Truman administration and the first 2 years of the Eisenhower administration, has led to a steady decline in farm income.

Whether flexible parity would be an improvement, no one can say in advance. But at least Secretary Benson and his colleagues are searching with desperate urgency for a better way, a successful way, to keep the farm country solvent. In this they should have the support of everyone who has the interests of the Great Plains region at heart.

GONE WITH THE WIND—AN EPIC MOTION PICTURE

Mr. KUCHEL. Mr. President, I ask unanimous consent to have a statement which I have prepared in connection with one of the great motion pictures produced in the State of California printed in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KUCHEL

While the hearts of men and women in our land and in far-removed countries around the globe this year have been heavily weighted by tensions and strains which give rise to real apprehension about the future of civilization, this year of 1954 is one of great significance in a manner which should not be overlooked and which should give at least momentary occasion for feeling that perhaps the complex problems confronting mankind are not as terrifying as they sometimes seem.

It appears appropriate, I feel, to call to the attention of my colleagues and of the American people as a whole the fact that this year is the 15th anniversary of the first presentation of a motion picture which truly deserves the description "epic." I am certain my colleagues will concur in my sentiment regarding this remarkable history of continued popularity of a motion picture that brilliantly portrays a stirring period in the chronicle of America.

I refer to the gripping screen version of Margaret Mitchell's dramatic novel of the old South, Gone With the Wind.

Few motion pictures have won such acclaim and regard as to be labeled "great." The cinema production of Miss Mitchell's enchanting book has achieved such recognition.

The American motion picture often has been condemned just as it frequently has been praised for its effect on the character of people who come under its influence. Gone With the Wind is a shining example of the beneficial and enlightening values which attach to carefully produced motion pictures. This film, as is demonstrated by its history of a decade and a half of continued appeal to audiences in this and other lands, supplies convincing proof of the abilities and merits of the branch of the theatrical art which has been brought to such a high degree of development in the State which I have the honor to represent in this body.

Although designed to provide wholesome entertainment, the motion-picture translation of Miss Mitchell's novel has achieved a position unique in the records of our Nation's romantic film industry. From the land of make-believe which is dubbed Hollywood, the producers of this particular motion picture simultaneously brought to the audiences of the world a film which may honestly be described as inspirational, as challengingly educational, and informative.

In this 15th anniversary year it is refreshing to reflect on the impact this film had in acquainting the entire world with a period of American history vital to the life of this Nation, the problems of the passion-torn reconstruction era, and the emotions that governed the lives of a large segment of this then-young Nation's people. It may even be suggested that Gone With the Wind inspired our southern commonwealths to new efforts to recapture the glorious place they occupied during an earlier era. Certainly this film revealed new horizons for this American industry which has such widespread influence on the minds and hearts of our country.

I feel it entirely fitting to voice the commendation of our people to all of the hundreds of individuals who played varying parts in the creation and production of this truly memorable motion picture version of a really great American novel.

MISSOURI'S DROUGHT SITUATION

Mr. SYMINGTON. Mr. President, I ask unanimous consent to speak for 2 minutes with respect to the drought situation in the neighboring State of the distinguished Presiding Officer [Mr. SCHOEPPEL].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SYMINGTON. Mr. President, a few days ago my distinguished colleague, the senior Senator from Missouri, gave the Senate a persuasive and factual statement about the tragic drought in our State.

I do not want to take the Senate's time in unnecessary repetition. But I do urge action now, as every day and hour counts.

We understand the Secretary of Agriculture is looking into the situation. The longer he looks, the fewer solvent farmers he will see.

Thousands of the farmers of my State are moving towards bankruptcy.

It is not a lack of responsibility or authority. Rather, it is a failure of the administration to assume the former, and employ the latter.

Mr. President, it is difficult to understand how we can treat our own citizens in this slipshod fashion.

It is not as if we are asking the Secretary of Agriculture to deal with any new situation or devise new and untried methods.

This is the third straight year Missouri has suffered from drought conditions, and the means are here and available to help these hapless people.

Specific actions have been recommended. As examples, a beef-purchasing program, surplus grain and surplus seed-distribution programs, an intensive credit program, along with other practical actions, have been urged upon the Secretary of Agriculture.

This situation cannot be gaged by counting the number of rainless days, or plotting curves of excessively high temperatures. It is practical. There is no theory in it. It is annual disaster heaped upon annual disaster, with the same victims, our friends and neighbors and fellow Americans, courageously struggling for survival.

For an ever greater number of citizens the struggle is now becoming more than they can endure unless their Government acts immediately and effectively to help them in this catastrophe of prolonged drought which is in no way their fault and over which they can have no control.

Mr. HENNINGS. Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a statement which I have prepared relating to Senate Concurrent Resolution 101 and matters having to do with the drought in my section of the country, together with two newspaper editorials, one from the Kansas City Star and the other from the New York Times.

There being no objection, the statement and editorials were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

I was very much interested in Senate Concurrent Resolution 101 introduced Monday by the senior Senator from Illinois [Mr. DOUGLAS]. The resolution requests the Secretary of Agriculture to proceed immediately, under the authority he already has, to grant disaster relief loans in drought areas in order to provide for the purchase and shipment of feeds and such other supplies as are needed on an emergency basis.

The Secretary of Agriculture, of course, has authority to carry out emergency disaster relief programs and to put into effect feed-distribution and beef-purchase programs. I have repeatedly called upon the Secretary, as have other Members from the drought-stricken areas, to take action immediately so that the disastrous economic effects of the droughts of previous years can be prevented. Thus far the Secretary has declined to use the emergency measures at his command, but advises me that "they are watching the situation." This week officials of the Department of Agriculture are going to begin to look over the situation in Missouri. It seems to me that the time to start thinking about programs of this sort is before the situation is so bad that it becomes an emergency and a major disaster. Surely the Department of Agriculture has been aware for months that the rainfall this year in the drought area has been scant. Surely the Department of Agriculture must be aware that many of the seared regions have never fully recovered from the droughts of last year and the year before. Surely the Department of Agriculture must know the serious economic straits of the farmers throughout the drought-stricken region. And surely the Department of Agriculture must follow its own reports on livestock marketings and know that cattle are being sent to market in great quantities and at depressed prices because the farmers cannot feed them.

Are we to understand that the Department of Agriculture has just looked at these facts as they have accumulated one upon another just as an interesting but otherwise unimportant set of statistics and has learned nothing from previous years? Now that the Governor of Missouri has declared the entire State a major disaster area, the Department is going to start, mind you, start looking over the situation. Last year, I recall, it took months of repeated urging to move the Department to take any action in the matter of the drought—and the relief program was too little and too late. Are

we to spend another entire summer going through the same motions all over again?

I was very glad to see the resolution introduced by my friend and colleague, Senator DOUGLAS, to provide also for a joint congressional committee to investigate drought conditions and make recommendations. As the New York Times pointed out in an editorial yesterday, "We have to think not only in terms of immediate emergency, not only in terms of this generation, but in terms of all the years to come. Drought and blowing dust may do harm in a few weeks that cannot be repaired in centuries. We have, as we know, our external enemies, but wind and drought and our own recklessness are internal enemies with which we must also deal."

I was very glad to see the resolution introduced. I will support it with all my energy. I hope that we can get some action on it.

A few days ago I inserted in the CONGRESSIONAL RECORD editorials from the two St. Louis papers. Today I call the attention of my colleagues to another editorial in the Kansas City Star. "The ravages of drought are cumulative," says the Star succinctly. "Farmers who may survive on borrowed money for a year or two eventually reach the end of their rope. Drought year after year is a deadly discouraging thing."

When large metropolitan papers such as the St. Louis Post-Dispatch and Globe-Democrat and the Kansas City Star and the New York Times all recognize that the drought has created a crisis in the farmlands of our Nation, it behooves the Senate also to recognize that a crisis exists and to support the Douglas resolution.

[From the Kansas City Star of July 23, 1954]

THE DROUGHT CHALLENGE

Prompt Federal action to meet the drought emergency is indicated in President Eisenhower's response to an appeal by Governor Donnelly. There is good reason to hope that in Missouri there will be a cooperative, working relationship between the Federal and State Governments.

The third year of drought poses a problem that requires the best efforts—directed where they will do the most good. We are assuming that lessons have been learned from the experience of last year. When the State of Missouri and the Federal Government failed to get together on a hay program the State went its own way with cut-rate hay for anyone who wanted it.

There is no question that the plan helped thousands of farmers save their herds and as a 1-year proposition it may have been justified. But now we are confronted with drought on drought. Aid will have to be concentrated on the areas and individuals of real need.

The ravages of drought are cumulative. Farmers who may survive on borrowed money for a year or two eventually reach the end of their rope. Drought year after year is a deadly discouraging thing. Just as drought has a cumulative effect on farmers it also affects the supplies of water that are vital to the farms. Water tables drop year by year until they are out of reach of many existing wells. That is why the State is making a study of underground water supplies.

Most of this area was helped by the spring and early summer rains. Earlier crops matured ahead of the 110-degree heat and ponds were restored. In some sections the situation has not yet reached the critical stage. But over a large part of Missouri and Kansas the rains are ancient history and the sun turns its blazing menace on all.

[From the New York Times of July 27, 1954]

AGAIN THE DUST BOWL?

Even in the neighborhood of New York City, this has been a dry year. This newspaper yesterday published on its front page a sad picture of a cornfield at Congers, N. Y., with stunted, drooping plants and no prospect of much corn on the cob. Similar situations can be found on Long Island and in New Jersey. Fruit, vegetables, and hay all have suffered. Total precipitation as measured at the Battery since January 1 has been only 14.45 inches, or 9.39 inches less than for the same period last year.

But this area is never within foreseeable time going to be a Dust Bowl. Fourteen or fifteen inches of rain might be an abundance in some parts of the real Dust Bowl, which runs roughly from the 100th meridian to the western boundarits of Wyoming, Colorado, and New Mexico. This is the so-called Great Basin. This is where the great drought of 20 years ago dried out the land and darkened the eastern skies with blowing dust.

Since 1936 much has been done to save the soil of the Great Basin. Contour plowing has been more widely used, cover crops have been grown, there has been some planting of tree belts, and landowners in general have learned something about the evils of overgrazing, especially by sheep, and overplowing. But this year has been a test of knowledge and of fortitude. Temperatures have run high, rainfall has fallen low. In Iowa and Missouri there have been plagues of grasshoppers. In Oklahoma, Kansas, and Nebraska many ranchers got their wheat in before the drought took effect, but it is not yet sure that all this land should have been planted to wheat this year. We still have a tendency to mine our land rather than cultivate it and preserve it, and in the Great Basin the speculative spirit, both in land and crops, has always been strong.

Yesterday Senator DOUGLAS, of Illinois, introduced a resolution calling for an immediate program of drought relief in the Midwest and Southwest, and for a joint congressional committee to investigate drought conditions and make recommendations. Apparently this is one of the situations that has to be investigated at least once in 20 years.

We have to think not only in terms of immediate emergency, not only in terms of this generation, but in terms of all the years to come. Drought and blowing dust may do harm in a few weeks that cannot be repaired in centuries. We have, as we know, our external enemies, but wind and drought and our own recklessness are internal enemies with which we must also deal.

THE ATOMIC ENERGY BILL

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by me on the atomic energy bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ERVIN

THE ATOMIC ENERGY BILL

1. At 9:50 p. m. last night, that is, Tuesday night, July 27, the Senate passed the atomic energy bill after considering it for a total of 180 hours and 50 minutes. This bill is designed to promote national defense through the development of atomic weapons, to promote the development of atomic energy for medical and other peacetime uses and to authorize two-way agreements with free nations for cooperation on peacetime uses of atomic energy. It contemplates that the country is to have the benefit of the best brains in the atomic energy field and that the Government and private enterprise are to work hand in hand in the service of the American people in this great scientific field. It gives to rural electrification cooperatives and governmental bodies a preference in respect to power developed by atomic energy.

2. Much of the debate in the Senate overemphasized the power aspects of the bill. This is true because experts in the atomic energy field state that it will be 12 years or more before it will be economically feasible to produce power by atomic energy for general uses in any substantial quantities. As a consequence, those who have overemphasized the power aspects of the matter are somewhat like the man who invited his friends to a rabbit stew before he made the rabbit gum to catch the rabbit.

3. The atomic energy bill is in no sense either a Republican measure or a Democratic measure. It is a revision of the McMahon Act, which was passed by the Congress in 1946 and takes its name from the late Brien McMahon, a Democratic Senator from Connecticut. The atomic energy bill is based in the main on recommendations of the Atomic Energy Commission, which is composed of five men of high integrity, intelligence, and patriotism. Three of the members of the Atomic Energy Commission were appointed by a Democratic President. The bill was formulated by the Joint Committee on Atomic Energy, a congressional committee composed of both Democrats and Republicans. The joint congressional committee unanimously recommended the passage of the bill by the Congress. The bill was championed in the House by an expert on atomic energy matters, namely, CARL T. DURHAM, a Democratic Congressman from North Carolina. It was advocated in the Senate by another expert on atomic energy matters, namely, JOHN PASTORE, a Democratic Senator from Rhode Island. When the bill came on for final passage in the Senate, it was supported by 45 Republicans and 17 Democrats, and was opposed by 3 Republicans and 29 Democrats. Among the Democrats supporting the bill on final passage was Senator LYNDON JOHNSON of Texas, the Democratic leader in the Senate. I was present on the final passage of the bill and was paired for it with Senator EASTLAND, of Mississippi, who opposed the bill and who was engaged in a primary election in his State.

4. When my predecessor, the late Clyde R. Hoey, died, one of his associates in the Senate said that Senator Hoey always voted for what he thought was right under existing conditions and in the light of all the information at his command. I want to assure the people of North Carolina that I will pursue this same course as long as I am privileged to represent them in the United States Senate, however long or short the period of my service may be.

5. I followed this course in respect to the atomic energy bill. Being conscious of my ignorance in this scientific field, I studied the bill, the evidence given by witnesses before the joint congressional committee while it was considering the bill, the report of the joint congressional committee to the House and Senate, and the reports of the Atomic Energy Commission to the joint congressional committee. It was like going to school again, because these documents covered 1,450 pages. In addition to this, I listened to as much of the debate in the Senate as was humanly possible, considering the fact that the debate lasted approximately 180 hours altogether. As a result of my study, I reached the deliberate conclusion that the atomic energy bill is a meritorious measure. To be sure it is not perfect. No bill of such magnitude can be perfect.

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

ARTHUR S. ROSICHAN—CONFERENCE REPORT

Mr. WILEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3522) for the relief of Arthur S. Rosichan. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3522) for the relief of Arthur S. Rosichan, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
>
> That the Senate recede from its amendment.
>
> ALEXANDER WILEY,
> JOHN MARSHALL BUTLER,
> OLIN D. JOHNSTON,
> *Managers on the Part of the Senate.*
>
> EDGAR A. JONAS,
> WILLIAM E. MILLER,
> THOMAS J. LANE,
> *Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. WILEY. Mr. President, the bill (H. R. 3522) as it passed the House provided for $1,935.85. The Senate thought that was a little excessive, and reduced it to $659.85. The conferees considered the matter and agreed that the House was correct in its amount.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of the distinguished majority leader, I rise for the purpose of receiving information from him as to his recommendations of the program for the remainder of the week and as far ahead as he can anticipate. I assume the Senate will proceed to consider the foreign aid bill today, but there are several conference reports pending. In order that Members on both sides of the aisle may have information, and I observe that some of them are present, I wonder if the majority leader would be kind enough to state to us what his hopes are.

Mr. KNOWLAND. Mr. President, I would say to the distinguished minority leader that what I had in mind was that we would proceed, immediately after the morning hour, with the foreign aid bill. At about 12:05 p. m. today, I shall move that the Senate stand in recess so that it may proceed in a body to the Hall of the House of Representatives to attend the joint meeting, at which President Syngman Rhee, of the Republic of Korea, will speak. I assume that Members of the Senate will be back in this Chamber in approximately 45 minutes, and we will resume consideration of the foreign aid bill at that time.

During the course of the afternoon, perhaps at about 3 o'clock or thereabouts, we may then proceed with the privileged matter of the conference report on the housing legislation.

Mr. JOHNSON of Texas. All Senators who are interested in the conference report on the housing bill are on notice that they should be here and prepared to discuss it sometime during the middle of the afternoon; is that correct?

Mr. KNOWLAND. That is correct.

Then we shall proceed with consideration of the foreign-aid bill until it has been disposed of. I would not expect the session tonight to run beyond perhaps 9 or 9:30, unless it would seem that we could finish the bill in a short time. I do not wish to hold the Senate in a late session today.

As soon as we have completed action on the foreign-aid bill, I shall then move to make the unfinished business the farm bill; and then we shall proceed to debate it.

I understand that today the House of Representatives is taking up the conference report on the tax bill. I have not yet had a chance to discuss with the distinguished Senator from Colorado [Mr. MILLIKIN] his desires in regard to calling up that conference report; but pending that discussion, I think we would not call it up—even if the House should act today—until either tomorrow, Friday, Saturday, or Monday. That will depend somewhat on the situation.

Mr. JOHNSON of Texas. Do I correctly understand that the Senator from California plans to interrupt discussion of the farm bill, to take up the conference report on the tax bill?

Mr. KNOWLAND. Yes; that is correct.

It is my plan to have a session on Saturday, just as on other days; but I hope we can end the Saturday session a little earlier in the evening than in the case of the other days when we shall be meeting. Of course, right after the convening of the Senate on Saturday, we plan to ask unanimous consent for a call of the calendar of measures to which there is no objection, from the beginning of the calendar, so that we may have a chance to go through the calendar once more.

Undoubtedly we shall continue debate on the farm bill in the early part of next week, even though that bill is made the unfinished business this week, for the opening of the debate on it. I shall check further on our calendar, and shall advise the minority leader as soon as possible as to what the program thereafter will be.

Mr. IVES. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. IVES. Will the distinguished Senator from California give some indication as to when he expects to have a call of the Executive Calendar?

Mr. KNOWLAND. Yes; I have taken that up with the minority leader. The minority are checking on a few nominations which they wish to check upon. I hope we can dispose of the remainder of the Executive Calendar, with the exception of that relatively small number, this afternoon—and, I hope, soon after we return from the meeting with the House of Representatives, if not before.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. At the suggestion of the majority leader, the minority leader has discussed the Executive Calendar with the chairman of the Committee on Post Office and Civil Service, and he is now attempting to clear up some problems which have been presented to the minority leader. As soon as we can get a report on just what action the committee took, and can confer with the ranking minority member of the committee, we shall be willing to have the Senate proceed to take up the Executive Calendar.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. WILEY addressed the Senate. After having spoken for about 30 minutes he was interrupted by—

Mr. KNOWLAND. Mr. President, I wonder if the distinguished Senator from Wisconsin would be prepared to yield at this point with the understanding that he will not lose the floor, and that when the Senate returns to its Chamber he may continue with his address, so that it will not be broken up.

Mr. WILEY. With that understanding, I yield.

(Mr. WILEY's address in its entirety appears later in today's RECORD under the heading "Mutual Security Act of 1954," when the Senate resumed the consideration of House bill 9678.)

Mr. KNOWLAND. I suggest the absence of a quorum in order to alert Senators to the fact that the time has nearly arrived when the Senate will proceed in a body to the Hall of the House of Representatives to hear the address to be delivered by President Syngman Rhee, of the Republic of Korea, to the joint meeting of the two Houses of Congress.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing three nominations, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. JENNER, from the Committee on Rules and Administration:

Lawrence Quincy Mumford, of Ohio, to be Librarian of Congress.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the nominations of postmasters be considered and confirmed en bloc, with the exception of the nomination of Mr. Thomas W. Robison, of Lecompte, La., and the nomination of Mr. Hoy C. Correll, of China Grove, N. C.

Mr. SPARKMAN. Mr. President, is the Senator excepting only those two?

Mr. KNOWLAND. I had understood that they were the only ones which had been brought to the attention of the minority leader.

Mr. SPARKMAN. My understanding is that the entire group from Alabama should be held up. I have not discussed this with my colleague, the senior Senator from Alabama [Mr. HILL], within the last few days, but when the nominations first appeared on the calendar he and I did discuss them, and they had not been cleared by our respective offices, but we were in the process of discussing them with the respective Representatives from the districts involved.

Mr. KNOWLAND. I have no objection to excluding the Alabama list at this time.

Mr. SPARKMAN. I wish the Senator would, and we will confer immediately about the matter.

Mr. JOHNSON of Texas. Mr. President, let me say to the Senator from Alabama that each day we ask that the Executive Calendar be checked with the proper committee. Only a few minutes ago the ranking Democratic member of the Committee on Post Office and Civil Service notified us that the Louisiana nomination and the North Carolina nomination should be held up, but he said there were no objections to the others. We did not contact each Senator from each State. The procedure has been that if any Senator had objection he would notify the committee, and the committee in turn would notify the leader. This is the first time I have heard of the Alabama situation.

Mr. SPARKMAN. I had understood that the procedure would be a little different. It may be that we are proceeding under an erroneous understanding.

Mr. JOHNSON of Texas. The Senator from South Carolina is now on the floor of the Senate, and he just notified me that except for the nominations in North Carolina and Louisiana, the rest of the nominations were satisfactory.

Mr. SPARKMAN. My understanding has been that ordinarily the committee did not report the nominations until the Senators from the States had returned the cards clearing them. As soon as I saw these nominations the first day they appeared on the calendar, I called my office and talked with my secretary, and he said, "No, we did not send them back." As a matter of fact, when I saw them on the calendar I looked all of them up, and we were checking them with the respective Representatives.

Mr. KNOWLAND. Mr. President, my recollection of the practice which has been followed—because I got cards when I was in the minority—is that they were returned in 5 days, or some reasonable time, I presume because otherwise the holding out of a card would completely tie up the whole process.

Mr. SPARKMAN. That is undoubtedly true, but I understood these cards as to the Alabama nominations had not been given the usual treatment.

Mr. JOHNSTON of South Carolina. Mr. President, it may be that many have been taken by surprise at the new procedure. We changed the procedure in the committee at the last meeting, I believe it was. Heretofore we did not take the nominations up until the cards had been returned. But now if a card is not returned and no objection is made, we have taken up the nominations and reported them.

Mr. KNOWLAND. I am perfectly willing to hold up the nominations from Alabama on the same basis on which the others are passed over, but I hope the Senators will proceed with diligence.

Mr. SPARKMAN. We have cleared quite a number in Alabama. We are checking up on the nominations.

Mr. MONRONEY. Mr. President, perhaps to clear up a little of the misunderstanding, I should say that the Democratic members of the committee agreed with the chairman, that after due notice and due reminder to the Members of the Senate, the system would be changed, that holding up the cards would no longer serve as an objection, that an affirmative objection must be made if the nominations were not to go to the calendar, or reasons for objections to the appointments must be spelled out in some detail.

I do not intend to block the list, but the only thing I object to is the very sloppy work of the staff of the Post Office and Civil Service Committee, which, so far as I know, to this day has not laid before the Democratic members and the Republican members of the committee the list of those whom we are asked to confirm as postmasters. This is making a mockery of the procedure. I do not think any Member on the Democratic side or on the Republican side has ever seen this list.

Mr. JOHNSTON of South Carolina. I make the point that at least 4, and perhaps 5, Democratic members of the committee were present when the nominations were brought up, and that the nominations were reported with their consent or approval.

Mr. MONRONEY. I mention this because I have repeatedly urged in the committee that the practice be corrected.

Mr. KNOWLAND. I was about to suggest that, because of the time element, I would move that the Senate recess in executive session, so that we might continue the matter when we return from the House of Representatives. We are due in the House of Representatives for a joint meeting.

Mr. MONRONEY. I think that would be agreeable.

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY PRESIDENT SYNGMAN RHEE, OF THE REPUBLIC OF KOREA

Mr. KNOWLAND. Mr. President, as in executive session, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and (at 12 o'clock and 10 minutes p. m.) the Senate took a recess, subject to the call of the Chair.

The PRESIDING OFFICER. The Senate will now proceed to the Hall of the House of Representatives for the joint meeting with the House to listen to the address to be delivered by President Syngman Rhee, of the Republic of Korea.

Thereupon, the Senate, preceded by the Vice President, its Sergeant at Arms, Forrest Harness, and its Secretary, Mark Trice, proceeded to the Hall of the House of Representatives to listen to the address to be delivered by President Syngman Rhee, of the Republic of Korea.

(For address of the President of the Republic of Korea, see House proceedings, pp. 11767–11769.)

At 1 o'clock and 6 minutes p. m., the Senate, having returned to its Chamber, reassembled, and was called to order by the Presiding Officer (Mr. HENDRICKSON in the chair).

EXECUTIVE SESSION

The Senate resumed the consideration of executive business.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, in addition to the prior request I had made that the nomination of Mr. Thomas W. Robison, of Louisiana, and the nomination of Mr. Hoy C. Correll, of North Carolina, be held up temporarily until further check could be made, I also ask that the list of postmaster nominations for Alabama be passed over at this time.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. KNOWLAND. The Senator from Oklahoma, I think, was discussing the matter when the recess was taken; so I yield to him.

Mr. MONRONEY. I thank the distinguished majority leader.

The PRESIDING OFFICER. This is according to a unanimous-consent request, is it not?

Mr. KNOWLAND. I ask that I be allowed to yield first to the Senator from Oklahoma.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oklahoma.

Mr. MONRONEY. During the recess of the Senate, I have had a chance to discuss this matter with the distinguished chairman of the Post Office and Civil Service Committee, the Senator from Kansas [Mr. CARLSON]. I understand the list of nominees was agreed to by the Post Office and Civil Service Committee. However, I had not yet arrived at the meeting, it being one of those 10 o'clock meetings following one of the brief sessions of the Senate which we have been having which ran around the clock. Consequently, the junior Senator from Oklahoma was some 20 minutes late, and was never informed that the list had formally been presented.

I further discussed with the distinguished chairman the procedure which we had urged a week before, namely, that with a view to the orderly transaction of the Senate's very important business of confirming nominations the names should be listed before being acted on by the committee, and that we should maintain those lists so that both the majority and minority Members would know just exactly what nominations were being recommended to the Senate. Senators on both sides of the aisle have a very important duty to the country in confirming nominations.

Mr. KNOWLAND. I agree with the Senator from Oklahoma.

Mr. MONRONEY. I think we on the Democratic side have proven our cooperation by the fact that more than 1,500 postmasters confirmed or recommended for confirmation and perhaps less than 100 have been held up for further study. Only when the rights of veterans have been overridden, or something called community acceptability has been substituted for time-honored veterans' rights, or other procedures of that kind, have we raised a question.

There is certainly no disposition on the part of any members of the Committee on Post Office and Civil Service to withhold confirmations en bloc or to withhold confirmation of any certain number of nominations. Only in specific cases when there was a question raised as to the procedures under which the nominees were selected, or when there was a question as to whether veterans rights had been ignored, or when other material qualifications important to their eligibility had been ignored did we think the nominees should be carefully screened.

I am sure the majority leader will agree that it is the duty of the minority to make certain of the qualification of nominees. Therefore, I would raise no objection to the immediate consideration of the list of nominees. I feel sure, now that the distinguished majority leader has said we will have the lists available before we are called on to act, we will be able to work out a better system.

Mr. KNOWLAND. I thank the Senator from Oklahoma.

I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Following up what the Senator from Oklahoma has just said, I should like to state that after the rules had been changed in the committee, I did ask that the Members in the future be submitted a list of nominations for postmasters, State by State, in order that they might know on what they were voting. It was my understanding that request was agreed to, and that the list would be submitted.

Mr. CARLSON. Mr. President——

Mr. KNOWLAND. I yield to the Senator from Kansas.

Mr. CARLSON. First I want to state that, as far as the Post Office and Civil Service Committee is concerned, there has been the finest cooperation between the majority and the minority in regard to submitting postmaster nominations and legislation generally. There has never been any question but that nominations would be held by the committee or any Senator if there was objection. The Members, if they request further investigation, are requested to notify the chairman of the committee. It has been the policy for years now, and was under the previous distinguished chairmanship of the Senator from South Carolina [Mr. JOHNSTON], to forward every Senator a card containing the nominations as submitted by the President to the Senate. There is nothing on the card which says it should be returned within so many days if there is objection, but it has been the policy and understanding that if the Senator had any question, the nominations were held up and taken up at the next meeting of the committee. No confirmation of a nominee will be made if there is a Senator's personal objection to it. I had urged every Senator who had objection to notify me. The Senator from North Carolina [Mr. ERVIN] came to me and requested that one nominee submitted be held and I so advised the majority and minority leaders. In fact I request it be held. The same applies to the Senator from Louisiana. If the Senator from Alabama desires more time, I certainly have no objection. Every Senator whose nomination cards were not returned was notified by letter 3 weeks ago that, as we were approaching the end of the session, it was desired to act on the nominations. If they had no personal objection, the nominations would be submitted. In fact the nominations would be on the following list.

Mr. President, I ask unanimous consent to have the letter to which I referred printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 6, 1954.

DEAR SENATOR: The 2d session of the 83d Congress is drawing to a close. Therefore, within the next week or two, in keeping with the usual procedure, I shall want to report to the full committee all pending postmaster nominations.

The President has submitted a list of postmaster nominations from the State of Washington to the Senate and they have been referred to our committee for action.

Enclosed is a list of the postmasters from the State of Washington that is now before our committee.

If you have any personal objections to any of the nominations submitted to our committee, I would appreciate it very much if you would advise me.

With kindest regards, I am,

Sincerely yours,

FRANK CARLSON,
Chairman, Senate Post Office and Civil Service Committee.

Mr. CARLSON. Mr. President, we have done a very good job. I served in the minority on the House side for 12 years. Nobody ever consulted me about postmaster nominations. I served one term on the minority side in the Senate, and I signed every card submitted to me except when I had personal objection to the nomination.

Mr. JOHNSTON of South Carolina. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from South Carolina?

Mr. JOHNSTON of South Carolina. It was agreed that each member of the committee would be submitted a list showing the various postmaster nominations involved.

Mr. KNOWLAND. I yield to the Senator from Kansas.

Mr. CARLSON. I wish to state to the minority Members that such a list will be available. It has been handled in this manner for years. The list of nominations come to us, and cards are sent out. When the clerk reports the nominations to the committee for approval he submits only those names which both Senators have approved. We do not go into every individual case and name, but from now on the list of names will be submitted to every member of the committee.

Mr. KNOWLAND. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. We have taken up most of the postmaster nominations.

Mr. KNOWLAND. I yield to the Senator from Alabama.

Mr. SPARKMAN. I want to make it clear that the mere fact that the nomi-

nations from Alabama are going over at this time does not necessarily mean there is any opposition to any one of the nominees. The letter to which the Senator from Kansas refers probably came to my office, but, if so, I failed to note the change. When I noticed the nominations on the calendar, I asked my secretary to make certain we had checked each of those who had been nominated. I am sure the chairman of the committee knows we have cleared a good number of postmasters in the State of Alabama, and we have made it publicly known in our State that we would not hold up the confirmation of any postmaster when the nomination had been regularly made. We made the fact clear to our Republican friends there that we would not hold up the nominations in the Post Office Department merely for the sake of holding them up.

All we asked was that the regular procedure be followed and that the rights, certainly, of veterans be protected in making the selections.

Our procedure is as follows: When the nomination of a postmaster comes before us, we check on it with the Representative in whose district the post office lies, because ordinarily he has a more intimate knowledge of the situation than we can hope to have. That is what we are in the process of doing now; and I wish to make it amply clear that this is not to be interpreted at all as an objection to a single one on the list. I am certain that most of them, and it is entirely possible that all of them, will be cleared when we complete our check.

Mr. KNOWLAND. I thank the Senator from Alabama.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Mr. President, these postmaster nominations have been on the executive calendar since July 23. The minority leader attempts to protect every member of the minority. But the procedure he follows is to check with the minority members of the committee.

I wish to ask each Member of the minority who may be interested in having any nomination that is reported to the calendar passed over or objected to, please to show the leader consideration, by telling him, so he can make proper objection.

The majority leader came to me and asked me to have this Executive Calendar checked. I went to the ranking minority member of the committee; I went to the staff of the committee. I was informed that the names on this calendar were satisfactory, with two exceptions: One, a postmaster nomination in Louisiana; the other, a postmaster nomination in North Carolina.

Certainly I would have objected to the nominations from other States, had a simple suggestion been made by the Senators from those States.

I ask that Members notify me when nominations to which they have objection are reported. If that is done, we shall not get into this kind of brawl any more.

Mr. CARLSON. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. CARLSON. I should like to make one more statement, in view of the statement of the Senator from Oklahoma [Mr. MONRONEY], and in regard to the staff of the committee. We have a good staff, and they are working together. As chairman I can state that I have had the finest cooperation from every one of them. They are rendering real service to the committee and the Congress.

The PRESIDING OFFICER. The clerk will proceed to state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that all the postmaster nominations, with the exceptions noted, namely, those in Alabama; the one in Louisiana; and the nomination of Hoy C. Correll, of North Carolina, be confirmed en bloc; in other words, I am asking that, with those exceptions, the remaining postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations, as specified are confirmed en bloc.

The clerk will proceed to state the new reports on the Executive Calendar.

DEPARTMENT OF THE TREASURY

The legislative clerk read the nomination of W. Randolph Burgess, of New York, to be Under Secretary of the Treasury for Monetary Affairs.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Laurence B. Robbins, of Illinois, to be Assistant Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES TARIFF COMMISSION

The legislative clerk read the nomination of Glenn W. Sutton, of Georgia, to be a member of the United States Tariff Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMPTROLLERS OF CUSTOMS

The legislative clerk read the nomination of Albert V. Becker, of Illinois, to be comptroller of customs with headquarters at Chicago, Ill.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Raymond L. Rhodes, of New Jersey, to be comptroller of customs with headquarters at New York, N. Y.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Arthur Rogers to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Earl L. Butz, of Indiana, to be Assistant Secretary of Agriculture.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FOREIGN OPERATIONS ADMINISTRATION

The legislative clerk read the nomination of William F. Russell, of Connecticut, to be Deputy Director for Technical Services, Foreign Operations Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Diplomatic and Foreign Service are confirmed en bloc.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the President be immediately notified of all these confirmations of nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, when we went into executive session, or at least when the Chair recognized the majority leader, it was in the middle of the opening remarks of the Senator from Wisconsin [Mr. WILEY] on the foreign-aid bill. I had requested unanimous consent that if he would permit an interruption, in order to enable us to take up the Executive Calendar, and then to attend the joint meeting with the House of Representatives, it would be understood that he would be recognized when we resumed the legislative session, and that his speech would have continuity.

The PRESIDING OFFICER. The Chair is cognizant of that fact. Therefore, the Chair now recognizes the Senator from Wisconsin.

Mr. WILEY. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator from Wisconsin yield, in order to permit me to ask a question of the majority leader?

Mr. WILEY. I yield for that purpose.

Mr. MANSFIELD. I had understood that the Senator from Wisconsin had completed his remarks, and that at 3 o'clock the Senator from Indiana [Mr. CAPEHART] was going to submit the conference report on the housing bill. I had thought the time between now and 3 o'clock would be available for other speeches on the Foreign Operations Administration.

Let me ask whether the distinguished chairman of the Foreign Relations Committee had completed his remarks.

Mr. KNOWLAND. No; he has not finished his remarks.

Mr. MANSFIELD. Is it true that the distinguished chairman of the Banking and Currency Committee will proceed to discuss the conference report on the housing bill at 3 o'clock, following the remarks of the chairman of the Foreign Relations Committee?

Mr. KNOWLAND. I did not quite understand that the proceedings on the conference report on the housing bill would begin precisely at 3 o'clock. I said the plan was to have the conference report on the housing bill taken up sometime in the course of the afternoon—after we had returned from the joint meeting with the House of Representatives, and, I assumed, after the distinguished senior Senator from Wisconsin had completed his remarks and after we had considered the Executive Calendar. I said it would be agreeable to me to have the conference report on the housing bill taken up at that point.

Let me say we have one other conference report that is ready.

Mr. MANSFIELD. That is a satisfactory explanation; I simply wished to have the record straight.

Mr. KNOWLAND. There is also the conference report on the SEC bill, which I understand has been cleared with the minority and, in particular, with the ranking Democratic member of the committee, the senior Senator from South Carolina [Mr. MAYBANK]. We could take it up ahead of the conference report on the housing bill, because I imagine the conference report on the SEC bill would take less time.

But that is the general program; and when the Senator from Wisconsin completes his remarks, I expect that we shall then take up the conference report on the SEC bill, and then the conference report on the housing bill.

Mr. CAPEHART. Mr. President, the able majority leader is mistaken; it is the desire to take up, first, the conference report on the housing bill.

Mr. KNOWLAND. Very well, if that is agreeable to the minority.

Mr. MANSFIELD. Mr. President, I wish to thank the Senator from California for his courtesy in this matter.

The PRESIDING OFFICER. Let the record show that the Senator from Wisconsin has yielded for this colloquy.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. WILEY. Mr. President, late last month the President of the United States asked the Congress to authorize a mutual security program for this year in the amount of $3.5 billion. In his message to the Congress, President Eisenhower emphasized that this program is designed to develop closer relations with friendly nations and to build, in concert with our allies, a common defense. He pointed out that a common defense system evolved in concert with our allies is far less expensive to our people and far more effective for the free world than a defense structure erected only on our soil, consisting only of our forces. He added that the amounts requested for the program are minuscule compared to the cost of global war which these programs help to prevent.

A striking example of how the Mutual Security Act helps us to obtain maximum collective security with the minimum expenditure of material and manpower is to be found in Turkey. There, as a result of United States assistance, some 20 divisions of splendid fighting quality are maintained in one of the most strategic locations in the world. Yet the human and economic cost to our Nation is but a minor fraction of that of maintaining comparable American units under arms.

The Committee on Foreign Relations held extensive hearings on the proposed legislation. The printed hearings are before the Senate. They are accompanied by the committee report, which should serve to answer many of the questions that Senators may have about the bill. It must be noted, however, that some matters have not been covered in detail in the report, because to make them public would breach the security interests of the Nation. The Foreign Relations Committee, however, has pursued in closed session with representatives of the executive departments the details of the President's program for next year.

Mr. President, during the committee's consideration of the mutual assistance bill, it was necessary for me to be away for some time attending to family matters in Wisconsin. I wish to express my appreciation to the members of the committee who carried on in my absence, and in particular to the Senator from New Jersey [Mr. SMITH], who ably presided over the committee during that time.

Also, I want to pay a word of tribute to those who are in charge of this program—to Secretary of State Dulles; Under Secretary of State Bedell Smith; and Harold Stassen, the Administrator. In this turbulent period of world history we are, indeed, fortunate to have such loyal and able servants of the Republic in responsible positions.

And, Mr. President, what, basically, is the reason for the expenditures involved in this program? It is that aggressive communism poses a threat which is at once political, military, economic, psychological. The objective is "not peace, not war" but a ruthless use of both peaceful and warlike means to gain the single, undeviating objective of world Communist domination.

The military threat of Soviet communism is indicated by a few figures. In the West the major portion of 175 Russian divisions, reenforced by 70 satellite divisions, confront 47 NATO divisions. In the East this clear numerical advantage is further emphasized by a roughly estimated 210 Communist divisions confronting but 55 divisions of the free world.

The Soviet economic threat is seen in the ceaseless efforts to misrepresent, subvert, and ultimately destroy a free society such as ours based upon free enterprise and free labor.

The psychological threat is evident in the blatant and phony promise of a materialist heaven on earth to people impatient to achieve their legitimate aspirations.

Only the foolhardy or the blind can ignore the record. Since 1939 Soviet Russia and Communist China have absorbed all or portions of 11 formerly autonomous areas; have occupied by military conquest, and continue to occupy, portions of 4 states; and have reduced to satellite status by internal subversion and other methods 9 once independent governments. From the Soviet Russian base, constituting 16 percent of the land area and 8 percent of the world's population, the international Communist movement has extended its sway since 1939 until it now dominates 25 percent of the area and 32 percent of the population of the world.

Further direct or indirect expansion can well tip the world's power scales decisively in favor of the aggressor. It is this clear threat to our national survival, ever so much as our unfaltering devotion to the mutual betterment of mankind, that justifies this program. Our objective is simple and good—a freely cooperating, economically sound, securely defended free world, united in opposition to further aggression. The alternative of abandonment is unthinkable. It would jeopardize the very institutions, men, women, and children to whom we here stand responsible.

THIS BILL AND COMMUNISM

Mr. President, I know some members of the Committee on Foreign Relations are not enthusiastic about the continuation of foreign-aid programs. Some Senators will not vote for the program. And a good many American people have doubts as to the wisdom of drawing on our resources for mutual security.

Strangely enough, Mr. President, nearly every person who opposes this program also opposes communism. Yet this program, this very program we are acting on now, is probably the single most anti-Communist program we have before the Congress year after year.

Why, I ask, are we giving funds to the United Kingdom for building fighters for the Royal Air Force? It is because thousands of Americans are stationed at air bases in England. We maintain those air bases because if the Soviet should attack the United States over the Arctic, we would be in a position to retaliate instantaneously. It is the fact that we have these air bases in England and France and north Africa and Turkey—perhaps more than any other factor—that deters the Soviet Union from resorting to force to compel us to bow to Soviet communism.

Why, Mr. President, does this bill provide economic assistance to many nations of the world? Why? It is precisely because those nations are threatened by communism, through penetration, and in other ways.

A technical cooperation mission in Iran, a development program in India, or Thailand, or Latin America, is a peaceful but effective way of fighting the threat of communism in those countries.

I wish, Mr. President, that we had only to worry about Communists within the United States. Mr. J. Edgar Hoover has said that there are about 25,000 Communists in this country. President Eisenhower and the administration have been working day and night to get them out of every sensitive place in this Nation.

Even one Communist in the United States is too many for me. But the fact is that there are a lot more Communists abroad. Those Communists are armed. They have atomic and hydrogen weapons. They are capable of raining destruction on our great cities and people.

While it is true that we face a Communist threat from within, it is also true that we have within our control the means of combating communism here. We have the FBI, the Department of Justice, State laws, and police forces, and the common sense of the American people.

The great question we face in foreign policy is how to combat communism abroad, how to help keep presently free nations from succumbing to international communism. How do we do this without sending American boys abroad? These are the tough questions which we must try to answer in formulating a strong foreign policy. These are the questions this foreign mutual aid bill helps to answer.

President Eisenhower said: "We did not choose the gigantic struggle now endangering the world." He added that "during periods when the contest is hardest, we must not falter, we must not abandon programs of positive action. Instead, at such a time, we must intensify sensible and positive action."

Those are the words of the President of the United States: "We must intensify sensible and positive action."

Mr. President, let us take a look at the bill reported by the committee. H. R. 9678 was passed by the House of Representatives on June 30, with bipartisan support, by a vote of 260 to 126. This House-passed bill was considered by the Foreign Relations Committee. The amendments which the committee proposes are described in the committee report. Instead of discussing those amendments, I wish to present the broad outlines of the bill before us.

A CODIFICATION

The bill before the Senate today is a codification of 11 existing mutual-aid statutes. It repeals 14 pieces of legislation extending in time from the Greek-Turkish program of 1947 through the Mutual Security Act of last year. The new bill, some 90 pages in length, consists, for the most part, therefore, of provisions that have heretofore been approved by the Congress and have worked satisfactorily over the years.

It is important to understand that the bill contains these provisions which have been approved heretofore and have worked satisfactorily over the years.

The committee's purpose in approving this approach to the foreign-aid program is to put within one document all of the mutual-aid legislation by which Congress gives guidance to the Executive in the conduct of foreign policy.

The bill before us is arranged in five titles. These titles are as follows:

TITLE I. MUTUAL-DEFENSE ASSISTANCE

Title I authorizes the appropriation of $2.8 billion for mutual-defense assistance in Europe, the Far East, the Near East and Asia, and Latin America. A large part of these funds will be used to finance the purchase of military equipment—tanks, guns, ammunition, and so forth—to enable free-world nations to build up their military defenses against the present threat of Communist aggression.

The title of the bill makes it clear that the equipment furnished shall be made available solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective-security arrangements and measures consistent within the charter of the United Nations. The bill requires that no military assistance be furnished unless recipient nations have agreed to a series of conditions including continuous observation and review by United States representatives of programs of assistance.

Title I contains some funds that might be called economic-type assistance. This is not economic assistance, however, in the sense that it assists nations to rebuild war devastation or to develop economic strength. Rather, this assistance is for such countries as Spain, Yugoslavia, and Formosa. These nations would not be able to maintain defense forces of the size we jointly need without external assistance. Assistance of this type, called direct forces support and defense support, is to enable the economies of these countries to support a higher level of defense expenditure than they would otherwise be able to maintain.

TITLE II. DEVELOPMENT ASSISTANCE

Title II authorizes the appropriation of $200 million to promote "economic development" in the Near East, Africa, South Asia, and Latin America. The purpose of these programs is to assist in promoting economic development in selected areas in order to help create or maintain economic or political stability.

When one examines the facts of economic life, the importance to our national interest of carefully regulated developmental assistance is readily apparent.

The lower 67 percent of the world's population produces but 15 percent of the world's income. Most of this same two-thirds of the world's population—encompassing large segments of the Latin, Arab, African, and Asian peoples—is at this very moment subject to chronic malnutrition.

Many of these peoples, despite their very best efforts, simply do not now have the investment funds, the capital facilities, or the production techniques to raise their material standard of living at an acceptable rate. The hungry and hopeless are more likely to be lured by the myth of a Communist "society of plenty." To these same downtrodden, the lie of "Western exploitation" and of "capitalist imperialism" offers a rationalization for their present status.

If the United States is to still once and for all the negative Communist lie with positive cooperative action, and is to establish the basis for mutual prosperity, it must follow the old American principle of helping neighbors help themselves.

The harsh fact is that in certain countries of this world democracy is on trial. In India, for example, where newly independent people have self-government for the first time, the common man measures the performance of his government in giving him a better life against the promises that the Communists so glibly make. If Mr. Nehru cannot show the people of his nation that poverty and hunger can be alleviated by democratic methods and in cooperation with democratic nations like the United States, there is a strong possibility that his people will be moved to trade their existing freedom for Communist promises of plenty.

There are similar situations in other countries of the Near East. Even in Latin America we have recently seen in Guatemala how it is possible for Communist dictatorship to fasten itself like a leech on an impoverished land and people.

It is not America's responsibility to seek prosperity for the earth. That can only be done by people on the land operating under free government. But we can help generate programs which, once underway, have a habit of gaining momentum until the people themselves grasp the opportunity for their own self-help. Precisely that kind of operation has taken place in much of Latin America where we have supplied limited amounts of technical and economic assistance.

While it is our desire to get away from economic assistance programs as quickly as possible, for our own good and for the good of recipient nations, we must recognize the fact, as did the President, "that in strategically located underdeveloped areas of the world, some grant

assistance must be continued for an additional period of time."

TITLE III. TECHNICAL COOPERATION

Closely related to funds authorized for economic development in title II, is the authorization in title III of $131 million for technical coperation—the so-called point 4 program. Technical cooperation programs are those which involve the sharing of technical knowledge and skills, as distinct from providing supplies, commodities, or funds under the developmental type of assistance. In other words, development assistance programs are principally concerned with transferring commodities and materials to limited numbers of countries in special situations. Technical cooperation programs, on the other hand, are concerned with training individuals and transferring knowledge and know-how, as distinct from material things.

Development assistance programs are often closely related to technical assistance since it is frequently wise to supplement training and know-how with some material things upon which the newly trained people can operate. Thus, it may not be enough to show 50 Indian engineers how to sink tube wells if India does not have the economic ability to buy the necessary pipe and pumps to put the wells into operation. President Eisenhower in his message recommending the enactment of this legislation pointed out that technical cooperation programs, and I quote, "should provide experts and know-how rather than large amounts of funds or goods, although they should not be allowed to fall due to lack of necessary teaching and demonstration equipment."

TITLE IV. OTHER PROGRAMS

Title IV of the new bill is a catchall for mutual-assistance programs of a more limited type than those covered above. This title authorizes the appropriation of a total of $98 million. It includes such programs as the United Nations Children's Fund, the Palestine refugee program, assistance for the movement of European refugees, our contribution to the North Atlantic Treaty Organization, and similar programs. Those programs are described in the committee report, and I shall not detain the Senate in describing their benefits now.

In this connection, however, I cannot resist saying just a word about the Children's Fund. Personally, I do not know of any money we spend abroad which brings us greater returns in terms of good will, and in terms of helping the young people of this world who hold its future in their hands.

TITLE V. MISCELLANEOUS PROVISIONS

The last title of the pending bill covers a variety of general provisions relating to the operation of the program. It provides for the limited transferability of funds from one title to another to meet emergency conditions, the use of foreign currencies, the encouragement of small business, the use of funds for the purchase of agricultural commodities in surplus, the coordination of the military assistance program with foreign policy, the continuation of the Foreign Operations Administration, the detail of personnel to foreign governments and international organizations, and similar matters—most of which have been included in programs heretofore authorized by Congress. This title also lists the statutes which are repealed as the result of this codification.

Mr. President, so much for the provisions of this bill.

Before concluding my remarks, however, I should like to invite the attention of my colleagues to a few of the more important aspects of the bill.

REDUCED PROGRAMS

This bill takes us a long way toward the reduction of foreign-aid programs to manageable proportions—manageable from the point of view of the American economy. Let me illustrate.

In 1952 the program was $6 billion. In 1953 we had a program of $4.7 billion. This year the sum requested is $3.5 billion and the sum the committee has authorized is $3.1 billion. This is a reduction of over 40 percent in the program in 2 years. We are getting away from the idea of spend, spend, spend. Instead, our philosophy is one of save, save, save. We must continue to move in this direction as fast as we can, consistent with the safety of this Nation.

The President is to be highly commended for coming to Congress this year with a program of foreign aid that is so much lower than it has been in the past. I am confident that the President with his vast experience in military and foreign policy matters would not recommend a program not consistent with the safety of this Nation.

The President stated flatly in his message supporting the proposed legislation:

> We have chosen to build defenses with our allies rather than go it alone, because we are convinced that this course is more effective and less costly.

More than 90 percent of the world's population and land area, and more than 50 percent of its wealth, exist beyond the boundaries of the United States. The decisive margin of world power hence resides beyond our sovereign control. This power is subject neither to our fiat nor legislative enactment.

The success of our foreign policy, and the degree of our national security, will in large measure depend upon mutual security endeavors to achieve the strength and well-being of the free world.

EXECUTIVE DISCRETION

One of the characteristics of the bill before us is the discretion that is given the President in the management of the program. I know that some of my colleagues may object to this.

I cannot agree with them. It seems to me that the Committee on Foreign Relations has taken wise action in giving the President substantial leeway in the administration of funds. He has authority to transfer not to exceed 15 percent of the military assistance funds from one area to another. We have given him wide discretion in the handling of funds authorized for use in southeast Asia and the Pacific. We have given him special funds for use in unexpected contingencies.

No fight manager would send his man into the ring with one hand tied behind his back, with the admonition that if it should turn out that he needs both hands the manager would free the tied hand at the end of the round. We know what would happen. The hamstrung fighter would be carried back to his corner.

We cannot take that chance in the world of today. The chances are too great, the consequences too devastating to contemplate. I urge my colleagues, therefore, to support this element of executive flexibility written into the legislation. The flexibility we have given the President is good for 1 year only. Then the President's stewardship must be justified before new foreign-aid programs are acted upon. Reasonable flexibility in this world on a year-to-year basis does not seem to me to be nearly as dangerous as an attempt by Congress to tie the Chief Executive hand and foot.

AID FOR SOUTHEAST ASIA AND THE PACIFIC

Mr. President, today we were privileged to hear a dynamic speech by the President of Korea. What he said was certainly challenging. He is a great patriot. We knew him before he went into battle for freedom for Korea. We are glad to welcome him to this country, as a great Korean and, as he suggested, one who believes in, and is filled with, the American ideals. But, Mr. President, above all else, he gave us a picture of the Far East which I am sure will confirm the action taken by the Foreign Relations Committee in relation to aid to southeast Asia.

Mr. President, closely related to the provision in the pending bill giving the President considerable discretion in transferring funds from one area to another, is the provision making $712 million available for expenses that may be necessary to prevent further Communist encroachment on the free nations of southeast Asia and the Pacific.

Recent Communist successes in Indochina have brought home to this Nation and to the free nations of Asia the fact that the Communists will spare no opportunity to extend the Iron Curtain. Communist China, with its huge reservoir of manpower, poses a constant threat to freedom in south Asia.

It is absolutely necessary that the President have the freedom to respond to Communist penetration in that area, in ways suitable to the occasion. We cannot see into the minds of the Communist intriguers to know how or when or where they may move next. We know but one thing—that they will move when and where and in any way they believe will suit their interests. We must be able to respond in any way that best suits American interests and the interests of the free world.

I have long urged the negotiation of a Pacific Pact modeled somewhat along the lines of the North Atlantic Treaty. Many of the free states of southeast Asia

and the Pacific have from time to time endorsed an agreement which would make it possible for the free states to stand together to resist aggression. In fact, the Mutual Defense Assistance Act of 1949 expressed the sense of the Congress that "the free countries and the free peoples of the Far East" should join together "to protect their security and independence." That expression is reaffirmed in the pending bill.

AID FOR EUROPE

Mr. President, the bulk of the funds authorized by this bill for Europe are for military assistance. But our programs of military assistance for Europe are on the way down. The biggest part of the rearmament job in Western Europe is on the point of accomplishment. The delivery pipelines are well filled with goods ordered 2 and 3 years ago. Only one country is scheduled to receive more military assistance next year than last year. The assistance to all other European countries is down drastically on the military side and is virtually nonexistent on the economic side.

This does not mean that we or our NATO allies can assume that Western Europe is now able to defend itself from all-out attack. But it is moving steadily in that direction. It can be said even now, that under the able leadership of Generals Eisenhower, Ridgway, and Gruenther, the North Atlantic Treaty Organization has been able to put Europe on its military defensive feet. Certainly as of this time Western Europe is strong enough to deter a Soviet attack. It is no longer a tender tidbit for the Soviet military machine.

THE EDC

From here on out the future of the European defensive effort must depend largely upon the Europeans themselves. If European defenses are to become truly effective, it is essential that steps be taken to enable the West German people to contribute to that defense. The United States stands ready to help Western Germany put itself into a tenable defensive position. But we wait upon the French. We have been waiting for the French now for nearly 3 years—waiting for them to approve the treaty establishing the European Defense Community—a treaty proposed by the French themselves.

Yesterday, the Foreign Relations Committee adopted a resolution for Senate action. I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas a Convention on Relations between the United States of America, the United Kingdom of Great Britain and Northern Ireland, and the French Republic, therein referred to as the Three Powers, and the Federal Republic of Germany, was signed on May 26, 1952, with a view to restoring sovereignty to the Federal Republic of Germany; and

Whereas the Senate of the United States gave its advice and consent to ratification of said convention on July 1, 1952; and

Whereas, nevertheless, it has not proved practical as yet to bring the convention into force in accordance with its provisions: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, if he judges that future developments make this desirable and in the national interest, should take such steps as he deems appropriate and as are consistent with United States constitutional processes to restore sovereignty to Germany and to enable her to contribute to the maintenance of international peace and security.

Mr. WILEY. I read the vital words in the resolution:

Resolved, That it is the sense of the Senate that the President, if he judges that future developments make this desirable and in the national interest, should take such steps as he deems appropriate and as are consistent with the United States constitutional processes to restore sovereignty to Germany and to enable her to contribute to the maintenance of international peace and security.

I repeat what I said. The United States stands ready to help Western Germany put itself into a tenable defensive position.

RICHARDS AMENDMENT

Included in the pending measure is the so-called Richards amendment. It makes clear that the United States cannot afford to put military assistance dollars into countries of Western Europe that are not willing cooperatively to build their own defenses. French and Italian delay in approving the EDC has meant that German power for defense could not be developed. The Richards amendment states that equipment and materials programed for fiscal years 1954 and 1955 for Western Europe may be delivered only to countries that have ratified the EDC and are cooperating in collective defense programs approved by the President. This provision is not meant as a threat—either to France or to Italy—the two countries that have not ratified EDC. It is rather a simple statement of profound truth, namely, that it is not in the interest of the American people to continue to give military assistance to nations for collective defense purposes unless the nations receiving that assistance are willing to join with other nations in building those joint defenses.

The people of Germany by their warm support of Chancellor Adenauer and of the European Defense Community have indicated their willingness to join with other free nations in defense measures. They are willing to make their fair contribution to those defenses. They cannot do so within the framework of a collective effort without the cooperation of France and Italy. The Richards amendment recognizes that simple fact. It recognizes that our defense requires that Western Germany be made a full partner with other nations which seek to preserve the values of freedom and liberty from the onslaughts of communism.

FARM SURPLUSES

There is one provision of this bill that will be of particular interest to the farmers of this Nation. Section 402 of the bill provides that not less than $350 million of the funds appropriated must be used for the purchase of surplus agricultural products. To illustrate how this program works, let us take a look at an arrangement that was made early in July between the United States and the United Kingdom.

An agreement was concluded for the purchase of $6 million worth of surplus butter. The dollars stayed in the United States where they helped relieve our butter surplus. The butter will be shipped to England. There it will be sold to English consumers. The English currency which the British consumers will use to buy the butter will then be available for purchasing military assistance items in England. It could be used, for example, to purchase fighter planes for the Royal Air Force—fighter planes that would be available to help defend American airbases in England in the event of attack.

As of the present time, more than $200 million of the mutual-assistance funds appropriated last year have been used to finance the purchase of agricultural surpluses in the United States. More will be used for that purpose next year. This program has a triple effect. It helps us at home, it helps build military defense, it helps our foreign friends to get agricultural commodities they badly need.

THE IMPACT OF FOREIGN AID ON OUR DOMESTIC ECONOMY

Often in the course of debate there is a great deal of misinformation and lack of information about the effect upon our economy of what this program suggests. Let us look at the impact of foreign aid on our domestic economy.

After World War I we had a serious depression. Men lost their jobs, banks closed, real-estate values fell, and millions of Americans suffered. We spent billions of dollars in the process of recovering from that depression. We went through the grist mill. In many foreign countries during this same period communism made tremendous inroads, feeding on the poverty and grief of breadlines.

I remember very well that the President of the United States and some of the leading economists of this country stated, in 1945, that we were about to suffer another severe depression. We read all about it in the newspapers and magazines. Those who said it used the precedent of what happened after the First World War as a basis for what we were to experience following World War II.

But we know that since the Second World War there has been no depression. Why? The United States stepped into the breach. We put our shoulders to the wheel in a successful attempt to rescue devastated free countries from the economic chaos following the end of the war.

Every dollar the United States put into Europe made its impact upon our own productive capacity. When our farmers spent the money they received for their products demands were made upon the production of the United States for the things the farmers needed. Laboring men were provided with jobs. A depression did not come.

The 80th Congress, with Democratic and Republican cooperation, approved

the Marshall plan. Since the war the American people have given some $34 billion of military and economic aid to our friends.

We have built them up as we have built ourselves up. The great law of helping our brother in need was put into operation.

Mr. President, many Americans feel that this aid was cast abroad, never to be seen again. But every dollar that went abroad came back home, to create a demand upon our economy, upon our production plants, upon what we had to sell. Some persons have spoken as if the money had been poured down a rathole. I have heard that expression used on the floor. No; the money is here.

Strangely enough, Mr. President, the United States in giving this economic and military aid has brought into operation a divine law: "It is more blessed to give than to receive." In giving this assistance what has really happened is that we have given much of the rest of the world credits with which to buy products in the United States. A collateral effect of this aid—an effect which we did not expect or seek—has come to us. Let me explain briefly what has happened.

Virtually every dollar of the $34 billion we have appropriated has been spent in the United States during these years. It is this money which has been used to buy farm products in this great country of ours. It is these dollars that have kept men at work in Detroit, Los Angeles, Milwaukee, Birmingham, Hartford, and Minneapolis. It is these dollars that have helped keep our economy running at top speed.

I am not an advocate of the proposition that the more the Federal Government spends, the better off we are. But I do ask that we take a good close look at what happens to American dollars appropriated for foreign aid.

Let us take a hypothetical case. Suppose we appropriate $1 million for the purchase of F–84 jet aircraft for Turkey. What happens to the money? It stays right here in the United States. The planes are built in the United States. Small companies all over the Nation supply parts and materials for the planes. They pay salaries to American workers who buy food from the American farmers. When the planes are finally delivered they are paid for with the dollars we have appropriated for foreign aid.

What have we gotten for those dollars? First, we have had American men and women at work. Second, we have had them able to earn money they could spend in the United States. Third, we have kept a vital defense industry in operation in the United States—and bear in mind that in war it is not the planes in being that are important in the long run. What is important is the capacity to produce planes. Fourth, we have put good American aircraft into the hands of a friendly, stalwart, anti-Communist nation that borders on southern Russia. Fifth, we have built confidence into the Turkish people, a confidence which enables them to move forward, to develop their own strength, and in turn to buy, on their own, the products of the American people.

Mr. President, the $34 billion investment of the American taxpayer in mutual assistance has not been money down a rathole with no return. The returns have been great in material as well as in spiritual things. And what we have purchased in the way of defense against the Communist threat simply cannot be measured in financial terms.

The ultimate logic and necessity of our mutual-security program stands forth from the recent world estimate advanced by Burton C. Marshall, a former policy planner and present keen analyst of foreign affairs when he writes:

> Strength and determination in the world outside present a constant challenge to the foundations of power within the Soviet system. Firm and united in the will to stay clear of Soviet domination and to resist Soviet expansion, the nations outside that system give the hope of a better day and keep alive courage among many millions in thrall to communism.
>
> Just as the Soviet Union is the wellspring of the coercive forces binding its system, so is the United States in a central and determining position on the side of its interests. No combination of nations adequate to deal with the factors of fear engendered by the Soviet system is conceivable without the participation and fostering interest of the United States. Surely the coalitions on our side would disintegrate if we should fall short of that responsibility through internal contradictions, want of insight, failure of will, failure to take adequate measure of our tasks, or failure to abide by Washington's still valid advice to maintain a respectable posture for defense.

Let us then not succumb to the appeal of false economy, nor to the counsel of fear and withdrawal advanced by those of narrow vision and little faith.

In order to show in a specific case how important our export trade is to the total economy of a State, I have asked the Library of Congress to give me an objective analysis of the impact of foreign assistance on Wisconsin. I ask unanimous consent to have the report printed at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SOME EFFECTS OF ASSISTANCE TO FOREIGN COUNTRIES

Foreign assistance not only helps foreign countries to develop their economies, but it also aids the agriculture and industry of our country. The value of agricultural exports, for example, is equal to about one-eighth of total cash farm income. The volume of agricultural exports is equivalent to the production of 40 million acres or about one-tenth of our total cropland.

Our merchandise exports constitute about 7 to 9 percent of our total production of movable goods or about 3.5 percent of total nonagricultural production. About 2 million industrial workers are employed in the production and handling of goods for export. Changes in our exports or export surplus rarely have a decisive influence on the level of our economic activity.

To Wisconsin, foreign aid is extremely important. We are becoming less dependent on European countries as a market for agricultural exports, it is true, but even in 1952–53 about 40 percent of our agricultural exports went to Western Europe. Dairy products, in which Wisconsin is the leading State, declined in 1952–53. Lower cost producers abroad made it increasingly difficult for our producers to compete for markets. Exports of evaporated milk, to cite 1 example, declined from 138 million to 110 million pounds. This was a total of 3.4 percent of total production.

There are no statistics available which give exact figures covering exports of goods produced in Wisconsin. There is, however, impressive factual evidence that exports play an important part in the industrial and agricultural prosperity of the State.

Following are the most important Wisconsin industries and United States exports:

[Values in thousands of dollars]

Manufacturing industries	Wisconsin, 1947			United States exports value [1]	
	Number of employees	Wages and salaries	Value added by manufacture	1947	1949
Electrical machinery	28,128	$77,500	$138,771	$480,277	$405,854
Motor vehicles and equipment	25,464	76,173	147,706	1,122,775	727,555
Tractors and farm machinery	19,588	58,344	97,367	314,441	418,952
Engines and turbines	17,901	54,172	78,279	131,214	108,635
Iron and steel and nonferrous foundries	15,902	50,166	74,722	[2] 15,683	[2] 18,323
Dairy products	12,722	30,408	91,202	267,901	174,444
Heating and plumbing equipment	12,660	40,205	76,047	46,271	26,472
Furniture and fixtures	12,615	34,097	55,584	27,580	20,429
Construction and mining machinery	12,533	(3)	(3)	313,053	301,701
Canning, preserving, and freezing	10,564	19,267	41,303	[4] 128,029	[4] 73,785
Malt and malt liquors	10,470	36,374	146,432	[5] 29,322	14,388
Metal-working machinery	10,450	34,161	54,822	205,016	199,951
Total	189,017	[6] 510,867	[6] 1,002,235	3,081,562	2,490,489

[1] Export values are free alongside ship port of export: The usual commodity export groups have been adjusted to conform with industry classifications as nearly as possible.

[2] Data here shown under State total exports; products of this industry enter export trade principally as components of or parts for machinery and are included in export data for the machinery industries.

[3] Not available.

[4] Excludes dehydrated fruits and vegetables; no establishments were reported for this industry in Wisconsin.

[5] The value of the malt produced in Wisconsin amounted to 49.2 percent of the total United States production, and the value of the malt liquors produced amounted to 13.8 percent of the total United States production.

[6] Excludes construction and mining machinery.

Sources: U. S. Department of Commerce, Bureau of the Census. (a) Census of Manufactures, 1947. (b) Summary of Foreign Commerce of the United States, 1947, with amendments and civilian supplies. (c) Summary of Foreign Commerce of the United States, 1947. Prepared in the U. S. Department of Commerce, by the International Economic Analysis Division, Office of International Trade and quoted in U. S. Department of State. Wisconsin and Foreign Trade, 1951, p. 2.

In addition to the industries listed in the above table, there are many other industries in Wisconsin which are on an export basis nationally, and which make major contributions to the economic life of the State. These industries include leather footwear, converted paper products, apparel and related products, metal stamping and coating, knitting mills, structural metal products, and other similar industries.

In 1947, these industries provided employment for about 80,300 Wisconsin workers, who earned nearly $197 million. It is estimated that Wisconsin probably has shared in the export trade to the extent of about $30 million annually.

Many commodities produced in Wisconsin are used in the manufacture of export goods. Such work provides for the employment of several thousand workers in the State.

Low costs, in most Wisconsin export industries, make it possible to pay higher wages and still to compete with foreign manufacturers.

Wisconsin is the leading State in the production of dairy products. It is also an outstanding producer of such other agricultural products as hogs, corn, oats, eggs, vegetables, chickens, barley, and berries. The following table portrays the principal Wisconsin agricultural products important in United States export trade:

[Values in thousands of dollars]

Agricultural commodities	Wisconsin production			United States exports	
	Number of farms,[1] 1944	1948	1949	1948	1949
Total number of farms	177,745				
Dairy products	159,463	$599,072	$467,917	$210,377	$174,444
Hogs	[2] 118,260	156,331	[3] 126,500	91,530	[3] 117,187
Corn	144,981	147,200	154,462	63,095	220,902
Oats	[4] 139,017	93,400	80,322	27,751	25,014
Eggs	143,649	92,981	87,927	45,870	26,308
Vegetables other than potatoes [5]	(6)	38,662	41,063	92,861	76,423
Chickens	(6)	21,529	21,999	5,311	6,136
Barley	20,370	11,100	8,118	50,989	49,771
Berries	(6)	4,660	4,053	288	464
Total		1,164,935	992,361	588,072	696,649

[1] Farms reporting production of commodity.
[2] Farms reporting hogs and pigs butchered.
[3] Mainly lard.
[4] Farms reporting grain threshed.
[5] Potatoes are on a net import basis in United States foreign trade.
[6] Data not available.

NOTE.—Basis of values in this table are as follows: Crop production, estimated farm value, total quantity produced multiplied by average unit price received; vegetable and berry production, cash receipts; livestock production, cash income from sales plus value of household consumption. Exports, f. a. s. port of shipment; export and import figures for individual items cover processed commodities as well as unprocessed forms and include values added by manufacture. Imports (according to Tariff Act) in general, f. a. s. foreign port of shipment.

Sources: U. S. Department of Commerce. Bureau of Census. (a) U. S. Census of Agriculture, 1945. (b) Foreign Trade Statistics, 1948 and 1949. (c) U. S. Department of Agriculture, Bureau of Agricultural Economics. Prepared in the U. S. Department of Commerce by the International Economic Analysis Division, Office of International Trade and quoted in U. S. Department of State. Wisconsin and Foreign Trade, Washington, 1951, p. 4.

It has been estimated that exports of the commodities listed in the above table produced in Wisconsin were valued at about 35 million dollars in 1949. This estimate may understate Wisconsin's part because dairy products bulked large in the total, and Wisconsin produces a large portion of the national production of the type of dairy products which were exported. It is difficult to assess the part Wisconsin has played in the export of vegetables. Exports of such volume as those listed in the above table had a direct effect in 1949 and continue to have a direct effect because they tend to maintain domestic prices and to lessen competition in local markets.

In assessing the effects of foreign aid on the State of Wisconsin, most attention has been given to exports which might affect our industries and our agriculture. It is necessary to Wisconsin that foreign markets be maintained. True, the part of Wisconsin production that goes into exports seems relatively small, but for many of our industries, exports spell the difference between profit and failure.

Again for illustrative purposes, the Foreign Operations Administration was asked to provide figures on purchases from certain Wisconsin firms during the years the aid program has been under way. Similar figures would be available for other States.

More than $110 million of foreign aid money has been spent in Wisconsin for products which have then been sent overseas. This figure does not cover the agricultural products purchased with these aid dollars. It will be noted, however, that the Library of Congress study which I have put in the record indicates that Wisconsin exports of farm products in 1949 were $35 million, which means that in the vicinity of $175 million of farm products have been exported from Wisconsin alone over the 5-year period covered by the industrial figures. We may be sure that these farm export figures would have been virtually nonexistent had there been no aid program making dollars available to foreign countries for purchases in the United States.

Thus, taking the State of Wisconsin as an example, over the past 5 years not less than $285 million of the foreign aid dollars appropriated pursuant to this type of legislation have found their way back into the economy of Wisconsin.

The following table prepared by FOA shows payments made by ECA, MSA, and FOA to certain companies in Wisconsin during the period from 1949 to 1954:

Payments made by ECA, MSA, and FOA to companies in Wisconsin, April 1949 to Apr. 30, 1954—Partial examples of money spent for Wisconsin firms directly

Allis-Chalmers (farm equipment)	$36,859,566
Allis-Chalmers (erection service contract)	24,600
Massey Harris Co	36,349,389
Bucyrus-Erie Co	7,735,791
Harnischfeger Corp	5,474,285
Nordberg Manufacturing Co	2,803,441
Koehring Co	2,435,538
Kearney & Treker Corp	3,337,973
Harley-Davidson Motor Co	1,081,490
J. I. Case Co	10,152,581
University of Wisconsin	942,000
Trakson Co	519,303
Waukesha Motor Co	457,945
Chain Belt Co	$1,160,381
Allen Bradley Co	50,230
Fred Rueping Leather Co	56,674
Snap-On Tools Co	178,892
Pfister and Vogel	29,640
Artos Engineering Co	220,364
Nash Motors	288,397
Wisconsin Motor Corp	374,237
LeRoi Co	512,404
Total	110,995,121

NOTE.—Agricultural products are loaded in New York and sold through brokers or through commodity exchanges. While many orders originate in Wisconsin, there is no way to determine the farmers who sold the commodities.

Mr. WILEY. Mr. President, let me select from the report a few of the salient features.

Foreign aid is extremely important to Wisconsin as it is to every other State. I have here some examples, which are quite significant, of procurement of foreign aid from April, 1949, to April 30, 1954. The examples show payments to Wisconsin firms directly amounting to $110,995,121.

Agricultural products, of course, are loaded in New York and are sold through brokers or through commodity exchanges. While many orders originate in Wisconsin, there is no way to detemine the farmers who sold the commodities.

But in connection with industrial products, for example, Allis-Chalmers, during that period, had contracts for farm equipment totaling $36,859,566. Allis-Chalmers also had an erection service contract in the amount of $24,600.

Harnischfeger Corp. had contracts totaling $5,474,285.

Bucyrus-Erie Co. had contracts totaling $7,735,791.

J. I. Case Co. had contracts totaling $10,152,581.

The University of Wisconsin received $942,000.

I could continue to name a large number of other companies; I have given only a partial list. This shows that during the years from 1949 to 1954, the impact of foreign aid on the economy of my own State of Wisconsin created a demand for more than $110 million worth of manufactured products.

Mr. President, that means creative work. But we cannot measure the significance of this by simply thinking of the jobs it has created in this country, the healthy economy it sustained in the United States. The primary basis of mutual aid is to meet the threat of Communist aggression, and it is doing that.

Mr. President, our payments have resulted directly in building up our allies. I remember that I was speaking some years ago in Flint, Mich., and I recall someone in the audience, after I submitted myself to questions, asked, "Senator, is it true that these foreign peoples are not doing as much as they should to rebuild their economy, and so forth?" I said, "Before I answer that question, I want to ask you one. Suppose that 6 years ago Flint found that 2 out of 5 of its inhabitants were either killed or

wounded, that 2 out of 5 of its homes were ruined, that its production plants were gone, that it had been bombed and damaged, and the hinterland damaged. Now I ask you, what would have been the condition of Flint 6 years afterward? Before you answer that question, what would be the morale of your people if you had lost your loved ones, if your home was gone, and your business gone? What would be your morale, to say nothing of how you would have rebuilt Flint?"

This was a very honest man. He said, "Thank you, Senator. I never looked at it that way." I said, "Now I will answer your question. I have been to Europe a number of times. The first time I went I saw a disheartened and saddened people almost everywhere; the bombing and the war and the devastation and the death had simply depleted what we call the morale of the people.

"I went back 3 years after that first visit and I saw what the great people of Europe, including Germany, were doing. I saw them building their devastated cities. I saw them expressing gratitude because the American soldier was there. The general overall picture was that by the time the rearmament effort became necessary, production in Europe had increased to a point 130 percent over prewar production, morale had increased to such an extent that there were smiles on the faces of the people, and in most of the countries the people were able to be reconstructing their buildings."

This man again said to me, "I thank you, Senator. I had not looked at it that way, and I realize you have to look the facts in the face before you reach a conclusion."

I said, "Yes, there are some in Europe who may appear to be giving up, some countries with populations with inferior standards of life, which create a situation which might be very dangerous with the Communist waiting to come in. But we have not had the third world war. And in addition, we have avoided the depression which it was said would come upon us."

THE IMPACT OF CHALLENGE ON THE UNITED STATES

Mr. President, before concluding my remarks I must make one more point. It is this: America thrives on challenge.

In 1938 the gross national product of this Nation was $84 billion. Today the gross national product is $367 billion. We quadrupled our national income in 16 years. And yet these were the years when the American people faced their greatest challenges. These were the years when we armed Europe and ourselves and fought a war. These were the years when the challenge of survival meant that every American had to put his shoulder to the wheel. In the years since the war we have been faced by the challenge of communism.

A quick look at the history of this Nation reveals that democracy thrives on challenge. First it was the challenge of the wilderness and the frontier, then the challenge of industrial production, then the challenge of war, and now the challenge of communism. It is these challenges that bring forth the greatness of our people and our system.

In stark contrast to the way in which democracy thrives on challenge, communism thrives on misery and poverty. This fact is gradually coming home to the free people of this world. This bill will help them realize that the democratic way of life offers them the best hope for a full and free future. That fact is evident.

I remember well what Adenauer said when he was here. I understand he may be in America again this fall, and all America will welcome him. He is one of the great men of this age and generation, one of the great, sane thinkers, and one of the great patriots. I remember him saying, "Senator, if the people of East Germany had a chance to vote, they would vote 95 percent to join with the West."

I said, "Do you want to tell me why?" He said, "It is very simple. They have observed what the conquerors are doing in West Germany, and they have East Germany in contrast." In other words, the people in the Eastern Zone who were subjugated by the Russians are living in practical slavery. They see in the Western Zone that America is helping people to reconstruct, so that the people live in prosperity, in freedom, because we have in a large measure restored the sovereignty of Western Germany.

The challenge which the Communist threat poses to America offers this Nation an opportunity to gather its strength and put it to the job, not only on behalf of America, but on behalf of freedom in the world.

Mr. President, I do not enjoy year after year appearing before the Senate presenting and supporting foreign-aid bills that run into billions of dollars. I do not enjoy reaching into the taxpayer's pocket for foreign-aid dollars any more than I enjoy reaching into my own pocket for the same purposes. But, Mr. President, I would rather go into this Nation's pocket to help us meet the challenge and prevent gradual Communist encroachment on the free world, than to stand idly aside—a disinterested spectator to the world struggle between communism and freedom. The time would surely come when we would have to match the United States, standing alone, against a world dominated by totalitarian communism.

I hope, Mr. President, that this Senate will give resounding bipartisan support to our great President. Let us help him stand strong and firm for the principles of freedom and liberty for which our forebears fought and died.

Certainly General Gruenther above most people understands the nature of this program. I might at this time say that General Gruenther stated as follows:

> While I am here, sir, I want to say that we attach very great importance to the mutual security program. That part of it which pertains to our area is the part that we know best, but having some knowledge of the state of the world, we support the entire program enthusiastically not only for our area but for the rest of the world also, in other words, the bill as it is before you.

Mr. President, the committee added 2 sentences to the general policy declaration in section 101 reading as follows:

> The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

As pointed out in the committee report, these sentences are largely self-explanatory. The first merely repeats the position which Congress has expressed before, most recently in the State-Justice-Commerce Appropriation Act earlier this year. The second in effect requests the President to lay before the Congress the problem which will arise if Communist Chinese representatives are seated in the United Nations Security Council or the General Assembly.

I myself personally have every reason to feel the Communist Chinese will not be successful now any more than they have been in the 70, 80, or 90 times before.

The amendment in no way commits the Congress or the United States to any specific course of action.

Mr. President, I have concluded my remarks. I hope we will not be delayed unduly in handling this bill. I sincerely hope so, because I feel that no votes will be changed. The Senators have made up their minds. The House, by about 2 to 1, passed the bill. I am satisfied that the Senate will pass the bill; so I trust it will be done quickly.

I hope the Senate can then complete the rest of the program and Senators can go on their way for a brief rest because we will be called back in January.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8300) to revise the internal revenue laws of the United States.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COLE of New York, Mr. HINSHAW, Mr. VAN ZANDT, Mr. DURHAM, and Mr. HOLIFIELD were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 263) relating to

the enrollment of H. R. 8300, to revise the internal revenue laws of the United States, in which it requested the concurrence of the Senate.

HOUSING ACT OF 1954—CONFERENCE REPORT

Mr. CAPEHART. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report see pp. 11071–11098 of House proceedings of CONGRESSIONAL RECORD, July 19, 1954.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. CAPEHART. Mr. President, as the Senate knows very well, there were many differences between the Senate and House versions of the Housing Act of 1954. In all, there were about 160 differences. Many of these were major ones, although there were, as usual, a number of technical differences.

After the House had passed its bill, and while your committee was considering its bill, charges of widespread irregularities and abuses under certain of the Federal housing programs were brought to light by the administration.

Immediate hearings were scheduled by your committee. These resulted in changes in the Senate bill to plug all the loopholes which your committee was able to detect in existing law as a means of preventing a recurrence of any of the same or similar irregularities and abuses that have developed in the administration of the housing program.

After the Senate had passed the bill and I had an opportunity to study the differences between our bill and the House bill, it became evident to me that it was not feasible to expect the Senate and the House conferees to iron out all the differences in the two bills by June 30, 1954, the date on which certain provisions would expire. Consequently, I introduced Senate Joint Resolution 167, which, among other things, extended to July 31, 1954, those provisions of the housing acts expiring on June 30, 1954.

The organizational meeting of the committee of conference was held on June 28, 1954. Thereafter, as chairman of the conference, I called at least nine further meetings, each of which lasted several hours.

I want to express my very sincere personal appreciation for the splendid cooperation received from each member of the conference. Each side sincerely and ably attempted to reconcile its views with those of the other side. All members were willing to meet frequently and for long periods of time.

As a direct result, we were able to dispose of matters in disagreement—about 160 in all—on a point by point basis—in good time, and I believe to good purpose.

On Friday of last week the conferees reached agreement on all matters.

I am of the firm conviction that the Senate conferees obtained the most favorable bill possible. Therefore, I recommend that the Senate approve the action of its conferees.

You all know, of course, that the House already on Tuesday of this week approved the action of its conferees.

Briefly, I shall discuss now what seem to me to be the especially significant problems that confronted your conferees and how the conferees resolved the matters in disagreement.

IRREGULARITIES AND ABUSES

As I indicated before, it was while your committee was considering its bill that charges of widespread irregularities and abuses under certain of the Federal housing programs were made by the administration.

The hearings we held following these disclosures helped us to determine the possible remedial action that could be taken in the present legislation to stop these abuses.

Accordingly, in the bill originally reported by your committee, several amendments were adopted to plug the loopholes we were able to detect. In practically all cases these amendments were retained in the conference bill.

Your committee is proceeding with the investigation of Federal Housing programs under Senate Resolution 229, adopted this session. When it completes that investigation, your committee expects to be in a position to recommend further strengthening of the Federal housing laws against any possible abuses or irregularities.

TITLE I

One category of abuse involved operation under title I of the National Housing Act, as amended. It was charged that dynamiters or suede shoe boys had employed high-pressure sales techniques to sell the homeowner materials or services he did not really need at a price frequently far above the market price.

FHA, in general, relied on lending institutions to police the title I program. At times it was charged that unscrupulous salesmen falsely used the name of FHA in order to lead the borrower to believe that the Federal Government approved the projects sold to the homeowners.

In the bill as reported from committee and passed by the Senate, several amendments were adopted to prevent a recurrence of these abuses.

First, the lending institution was required to assume 20 percent of the risk of loss on each individual loan. The Senate bill provided for 20 percent. It was later compromised, and the conferees agreed on 10 percent. This action was taken in order to induce participating lending institutions to use more care in the handling of title I programs.

The conferees were of the opinion that this result, without impairing the effectiveness of the program, could be obtained by requiring the lending institution to share the risk of loss by assuming 10 percent of the loss on each individual claim. The conference bill so provides.

Second, the Senate bill required that to be eligible as a lender under title I, an institution must be a lending institution subject to inspection and supervision of a Government agency required by law to make periodic examinations of books and accounts, and must be found by the Commissioner to be qualified by experience or facilities to take part in the title I programs.

In addition, the Senate bill allowed other lending institutions to take part in these programs only after the FHA Commissioner approves them on the basis of their credit and experience or facilities to make and service title I loans, advances, or purchases. The conferees accepted this amendment.

Third, the Senate bill limited home improvements under title I to items which substantially protect or improve the basic livability or utility of properties. It directed the FHA Commissioner to declare ineligible from time to time items which do not meet this standard, and also permitted him to make ineligible any item especially subject to selling abuses. This amendment was retained by the conferees.

Fourth, in order to prevent the proceeds of a title I loan from being used as part of the downpayment for purchase of a new house, the Senate bill prohibited the use of title I loans with respect to new houses until they have been occupied for at least 6 months. This provision was retained by the conferees.

Fifth, in order to prevent the pyramiding of loans under title I, the Senate bill prohibited any title I loans on a single structure from exceeding the dollar limit set forth by statute for that particular type of loan. For example, no title I home improvement loans could be outstanding at any one time as to a single structure for more than $2,500. The conferees likewise retained this amendment.

All of the foregoing proposed amendments to section 2 (a) of the National Housing Act are contained in section 101 of the conference bill. In order to afford time for proper amendment of FHA regulations to conform with these new amendments, the conferees would make them effective on the first day after the first full calendar month following the date of approval of the bill.

Sixth, as a further remedial measure, section 132 of the Senate bill, which was retained in the bill approved by the conference, would add a new section 512 to the National Housing Act granting the FHA Commissioner broad authority to blacklist offending lenders, builders, contractors, dealers, salesmen, sales agents, and borrowers.

He could do so if he determines any such person or firm has knowingly or willfully violated any provision of the National Housing Act or title III of the Servicemen's Readjustment Act of 1944,

or any pertinent regulation of either act, or has violated any penal law in connection with work done under either act, or has materially failed to carry out contractual obligations with respect to such work.

No person or firm can be so blacklisted until he has had reasonable opportunity to be heard and represented by counsel before the FHA Commissioner. However, any blacklisted person or firm will be denied the benefits of the operative housing programs under the National Housing Act.

Seventh, the conference committee also agreed to retain section 131 of the Senate bill, which would amend section 709 of the Federal Criminal Code to make it a criminal offense for any firm or business to use the letters "FHA" as part of its name in order to convey a false impression that the name or business has some connection with or authority from the FHA or Government which does not in fact exist.

The conference bill also would make it a crime to claim falsely that any repair, improvement, or alteration is authorized or recommended by FHA or the Federal Government when such a claim is made in order to induce anyone to enter into a contract for such improvements.

The bill as agreed to in conference also would make it a crime to represent falsely by any device whatsoever that any project, business, or product has been endorsed, authorized, or approved by FHA or the Federal Government.

The conferees retained the intent of an amendment relating to this same problem by the senior Senator from Virginia [Mr. BYRD] by making it a crime to advertise or represent falsely that any housing unit or project has been endorsed, authorized, inspected, appraised, or approved by HHFA, FHA, FNMA, PHA or any other agency of the Federal Government.

The conferees also included a provision prohibiting misuse of the words "Housing and Home Finance Agency, Federal Housing Administration, and Federal National Mortgage Association."

These are the major amendments adopted by the Senate and preserved by the conference in order to prevent future abuses or irregularities under Title I of the National Housing Act.

As passed by the Senate, the bill also would have written into the law several safeguards under the Title I programs presently carried in FHA regulations.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD the FHA regulations to which I have referred and which regulations have been adopted in the last 6 months by FHA in order to put a stop to the irregularities and abuses we have been learning about and reading so much about in the newspapers.

There being no objection, the regulations were ordered to be printed in the RECORD, as follows:

TITLE I. PROPERTY IMPROVEMENT LOANS

GENERAL ADMINISTRATIVE POLICY APPLICABLE TO PROPERTY IMPROVEMENT LOANS REPORTED FOR INSURANCE UNDER TITLE I OF THE NATIONAL HOUSING ACT

The title I program provides an instrument by which financial institutions, the building and allied industries, and the Federal Government combine to assist borrowers to make eligible improvements to their property. The operation of the title I program is based on the good faith of all concerned—the good faith on the part of the individual borrower who applies for and receives a loan, the good faith of the dealer or contractor in carrying out the terms of his contract and rendering proper service to the customer, the good faith of financial institutions in acquiring and servicing title I loans, and the good faith of the Federal Housing Administration in carrying out its obligations and responsibilities. While certain regulatory measures are necessary to effectuate mutual objectives, a large responsibility is placed upon participating lending institutions for the exercise of sound discretion and prudent practices in carrying out the program.

The guiding principles set forth herein are to assist the lending institution in the proper operation of its title I lending activity.

These principles may be interpreted as the general administrative policy of the Administration but they are not regulatory. This statement of policy is presented to clarify certain questions which may arise and to offer helpful suggestions gained by the Federal Housing Administration in the light of its experience over a number of years.

QUALIFICATIONS FOR A CONTRACT OF INSURANCE

Under title I of the National Housing Act, as amended, the Commissioner is authorized and empowered to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions, which he finds to be qualified and approves as eligible for credit insurance, against losses which they may sustain as a result of eligible property improvement loans. Application for a contract of insurance may be made upon the proper form to the Federal Housing Administration.

A. The following institutions are eligible to hold a contract of insurance:

1. Financial institutions which have held a contract of insurance and have demonstrated to the Commissioner their ability to conduct satisfactorily their title I operations.

2. Members of the Federal Reserve System, of the Federal Home Loan Bank System, and institutions whose deposits are insured by the Federal Deposit Insurance Corporation.

3. Any Federal, State, or municipal governmental agency that is or may hereafter be empowered to conduct an installment lending operation.

B. Any lending institution not hereinbefore mentioned may qualify for a contract of insurance upon application, if it possesses the following qualifications and meets the following conditions to the satisfaction of the Commissioner:

1. It is a chartered institution or other permanent organization having succession and having sound capital funds properly proportioned to its liabilities and to the character and extent of its operations.

2. It is subject to inspection and supervision by a governmental agency; or if not subject to such inspection and supervision, it submits an independent detailed audit of its books made by an accountant satisfactory to the Commissioner, and so long as it holds a contract of insurance, it files with the Commissioner similar audits at least once in each calendar year.

3. Its principal activity is lending funds, or investing in mortgages, consumer installment notes, or similar advances of credit, and it demonstrates its ability to pass on borrower's credit and to effect collections.

4. It is permitted by statute in the jurisdiction(s), in which it proposes to operate, to make loans in the maximum amounts and maturities as prescribed by the act.

5. It has lending quarters and facilities that are in keeping with the accepted facilities of financial institutions making consumer credit type loans.

TERMINATION OF A CONTRACT OF INSURANCE

A contract of insurance may be terminated with respect to any future business at any time upon 5 days written notice from the Commissioner where it appears to the Commissioner that a financial institution is not exercising proper credit judgment, is not taking the steps which may be considered reasonably necessary to safeguard its outstanding loans, or is not exercising proper care in selecting those from whom it purchases notes. Cancellation of a contract of insurance will in no way adversely affect the insurance reserve on loans theretofore accepted for insurance recordation.

If an insured elects to discontinue the making of title I loans it may request a termination of the contract of insurance and all insurance reserves earned by such insured as of the date of termination by the Commissioner will remain to its credit until (1) exhausted by the filing of claims for loss, or (2) the liquidation of all title I loans in the portfolio of such insured. It is necessary that notice in writing of the contemplated action be given to the Commissioner sufficiently in advance of the desired effective date to permit an orderly processing of pending loan reports.

INSURANCE PROTECTION AFFORDED

The total amount of title I loans with respect to which the Commissioner may grant insurance and which may be outstanding at any one time is set at a maximum of $1,750,000,000.

An insurance reserve is established for each insured equal to 10 percent of the aggregate net amount advanced by it on all eligible loans. It is the lending institution which is insured and not the individual loan. From the reserve which may be accumulated there is deducted the amount of the claims paid to such insured. On January 1 or July 1 next following the expiration of a period of 30 months after the issuance of the contract of insurance to a lending institution by the Commissioner the amount of insurance reserve to the credit of such insured shall be adjusted by carrying forward into the next semiannual period four-fifths of the unused reserves outstanding on each such date. The insurance reserve of each insured will be adjusted in like manner on each subsequent semiannual period.

The amount of unused reserves to be carried forward at the beginning of each semiannual period will be determined according to the records of the Commissoner and a statement showing the amount of such unused reserves will be furnished to each insured as promptly as possible after the close of each semiannual period.

Each individual loan is reported to the Commissioner and is accepted by him for insurance recordation in reliance upon the certification of the institution that the loan was made in accordance with the provisions of all applicable regulations. If default occurs and claim for reimbursement of loss is made by the lending institution, the claim will be paid upon proper audit and finding that the loan was handled in accordance with the regulations.

Where reasonable credit judgment is exercised and the institution makes a fair volume of loans, the insurance coverage afforded is virtually a 100-percent guaranty against loss.

INSURANCE CHARGE

The regulations provide for an insurance premium charge of three-fourths percent per annum of the net proceeds of each loan reported for insurance, except that the charge is one-half percent per annum on class 1 (b) loans in excess of $2,500, exclusive of financing charges, and on class 2 (b) loans having a maturity in excess of

7 years. The charge for a full month is made for the fractional period of a month of more than 15 days but no charge is made for the fractional period of a month of 15 days or less. For example, in the case of a loan for a term of 36 months and 15 days a charge is made for 36 months and in the case of a loan for a term of 36 months and 16 days a charge will be made for 37 months. As an illustration of the computation of the insurance charge, if the net proceeds of a loan maturing in 36 equal monthly installments beginning 1 calendar month after the date of the note is $1,000, the premium charge would be 2¼ percent (3 years times three-fourths percent) of $1,000 or $22.50.

The lending institution will be billed once a month on all loans reported for insurance during the previous period, the receipt of which have been acknowledged by the Commissioner. Detailed information and instructions are available to lending institutions pertaining to the computation and payment of the insurance charge so as to avoid misunderstanding and assure the efficient handling of the matter with the minimum effort.

No part of the insurance charge may be passed on to the borrower directly or indirectly if such charge would cause the total payments made by the borrower to exceed the maximum charge permitted.

LENDING AREA

The Federal Housing Administration expects a qualified financial institution to confine its title I business to the trading area usually served by the institution in its normal operations. It has been our experience that when an institution extends its lending operations, beyond a territory which it services in its other lending activities, it cannot properly or profitably handle such business. A lending institution must be in a position to investigate credits, make periodic spot checks of the improvements being financed, and have its own employee or qualified representative make personal contact with delinquent borrowers.

LOAN CHART

The following chart is provided so that the maximum amount, maturity, and financing charge of an eligible loan may be readily determined:

Type o loan	Type improvemen	Maximum maturity	Maximum amount	Maximum financing charge
Class 1 (b)	Repair, alteration, or improvement of an existing structure.	3 years 32 days	$2,500	$5 discount per $100 per year.
Class 1 (b)	Alteration, repair, improvement or conversion of existing structure used or to be used as an apartment house or a dwelling for two or more families.	7 years 32 days	10,000	$5 discount per $100 per year if $2,500 or less, $4 discount per $100 if in excess of $2,500.
Class 2 (a)	Construction of a new structure to be used exclusively for other than residential or agricultural purposes.	3 years 32 days	3,000	$5 discount per $100 per year.
Class 2 (b)	Construction of a new structure to be used in whole or in part for agricultural purposes, exclusive of residential purposes.	7 years 32 days. If secured by first lien, 15 years 32 days.	3,000	$5 discount per $100 per year, $3.50 discount per $100 if maturity is in excess of 7 years 32 days.

The added 32-day period is provided in order to permit the maximum of 36, 84, or 180 monthly payments, as the case may be, in the event there should be 2 calendar months to the first payment.

ELIGIBLE NOTES

In order that a note may be eligible it is necessary that it bear the genuine signature of the borrower(s). The note must be valid and enforceable against the "borrower(s)" as defined in the regulations; also any signature in addition to the borrower(s), such as the comakers or endorsers, must be genuine. A note bearing the forged signature of any of the obligors, whether primarily or secondarily liable, is not insurable. In this connection, if the note is executed for and on behalf of a corporation or in a representative capacity, the note must create a binding obligation of the principal. The note must stipulate the number and amount of the equal periodical payments, with the first payment not less than 6 days nor more than 2 calendar months from the date of the note. It is suggested that the date fixed by the insured institution for the first and subsequent payments should be made agreeable to the borrower and correspond whenever possible with the date on which he receives his income.

Notes must contain a provision for acceleration of maturity upon default, either automatically or at the option of the holder.

FINANCING CHARGES

The maximum financing charge allowed by the regulations is intended to cover all expenses that may be incurred by the institution in placing the transaction on its books, except the following expenses that may be incurred in taking security for the loan: recording or filing fees, documentary stamp taxes, title-examination charges, and hazard-insurance premiums. These costs may not be included in the face amount of the note nor paid out of the proceeds of the loan but they may be paid by the borrower as a separate item.

Although the standard formula for determining the charge to the borrower contemplates a monthly installment note, it is intended that the same resulting ratio shall apply in the case of a note on which there is only one payment (or any number more or less than 12) per year, as in the case of a farmer or a producer of livestock who is making payments in accordance with the dates on which his income is received. It is suggested that an interest-bearing note, at the lowest rate compatible with the locality and credit conditions, should be used where a note calls for seasonal payments.

Late charges

A late charge is to reimburse the insured for work involved in following the borrower for a delinquent payment. It is not a part of the original finance charge, which is determined at the time the loan is granted, on the basis that the note will be paid in accordance with its terms. The collection of late charges shall not be considered in computing the maximum amount which the insured institution may charge the borrower for discount, interest, or fees.

If the borrower makes a payment to be applied to his regular installment, it is not permissible for the institution to deduct late charges that have been billed unless the borrower specifies such deduction. However, if in the absence of specific instructions from the borrower the institution advises the borrower in writing that a portion of his payment will be applied to late charges and the borrower expresses no objection, such application shall be considered permissible insofar as the FHA regulations are concerned. Evidence supporting the application of late charges collected must be included in the file when a claim for loss is made. The showing of late charges incurred on Form FH–7, "Title I Claim for Loss," will be considered as sufficient evidence of billing if the amount of the payment received includes an amount to satisfy the full amount of the past due installment, plus the amount of the late charge incurred. The Federal Housing Administration does not reimburse the institution for uncollected late charges.

It is not intended that late charges shall take the place of interest on the principal after the maturity of the whole obligation. Thus a provision for such interest after maturity will not conflict with the limitations set forth in the regulations which refers only to interest or late charges taken on a specific installment for failure to make that payment on its due date.

Lump-sum payments

The acceptance of a voluntary payment of one or more installments prior to due date shall not be construed as increasing the maximum permissible financing charge as provided in the regulations. However, if the prepayment sum exceeds two full installments it is recommended that the lending institution have a clear understanding with the borrower as to the date of the next payment. Too long a period should not elapse between the application of a lump-sum payment and the date for continuation of regular payments unless there are legitimate reasons for an extended lapse of time. It is extremely important to maintain the paying habit of the borrower.

Discount factor

A discount of $5 on a $100 note for a period of 1 year, with provision in the note for equal monthly installment payments, gives a ratio of 0.097166 of total charge paid by borrower to average amount outstanding on the debt during the period of the loan. This is the maximum charge that may be obtained from the borrower on a note of any amount, of any maturity, and regardless of the number of installment payments.

On a 1-year monthly payment note, the discount factor is 0.05. On a 24-month note, however, the discount factor is 0.091912; 36-month note, 0.130282, etc. On a discount note of $1,000 face amount, the amount of discount for 12 months would be $50; for 24 months, $91.91; for 36 months, $130.28.

Gross charge factor

A lending institution desiring to ascertain the maximum amount of interest and fees it would be permissible to charge the borrower on any principal sum in order not to exceed the ratio of 0.097166 of total charge to the borrower to average amount outstanding on the debt during the period of the loan, can do so by using the gross charge factor. Thus, on a 1-year note the gross charge factor is 0.052632; on a 24-month note, 0.101215; on a 36-month note, 0.149798. Thus, by taking a $950 advance and multiplying by the proper gross charge factor the amount of interest and fees allowed for 12 months will prove to be $50; for 24 months, $96.15; for 36 months, $142.31.

Tables of calculations

The following factor tables may be used to facilitate the correct computation of the maximum financing charges. A lesser charge may be taken and is encouraged by the Federal Housing Administration. In the center column of each table are installments for any maturity up through 36 months. In the left-hand column are gross charge factors. The amount of cash proceeds (the principal sum the borrower receives), multiplied by the gross charge factor for any maturity, will give the maximum permissible amount of interest and fees that may be charged the borrower. In the right-hand column are discount factors. The face amount multiplied by the discount factor for any maturity desired, will give the maximum permissible amount of discount that may be charged.

$5 factor tables

INSTALLMENTS PAYABLE MONTHLY

Gross charge factor (based on $1 of net proceeds)	Number of installment payments in which loan is to be repaid	Discount factor based on $1 of face amount
0.028340	6	0.027559
0.032389	7	.031373
0.036437	8	.035156
0.040486	9	.038911
0.044534	10	.042636
0.048583	11	.046332
0.052632	12	.050000
0.056680	13	.053640
0.060729	14	.057252
0.064778	15	.060837
0.068826	16	.064394
0.072875	17	.067925
0.076924	18	.071429
0.080971	19	.074906
0.085020	20	.078358
0.089068	21	.081784
0.093117	22	.085185
0.097166	23	.088561
0.101215	24	.091912
0.105263	25	.095238
0.109312	26	.098540
0.113300	27	.101818
0.117408	28	.105072
0.121457	29	.108303

$5 factor tables—Continued

INSTALLMENTS PAYABLE MONTHLY—continued

Gross charge factor (based on $1 of net proceeds)	Number of installment payments in which loan is to be repaid	Discount factor based on $1 of face amount
0.125506	30	0.111511
0.129554	31	.114695
0.133603	32	.117857
0.137651	33	.120996
0.141700	34	.124113
0.145748	35	.127208
0.149798	36	.130282

INSTALLMENTS PAYABLE QUARTERLY

0.024291	1	0.023715
0.036437	2	.035156
0.048583	3	.046332
0.060729	4	.057252
0.072874	5	.067925
0.085020	6	.078358
0.097166	7	.088561
0.109312	8	.098540
0.121457	9	.108303
0.133603	10	.117857
0.145749	11	.127208
0.157895	12	.136364

$5 factor tables—Continued

INSTALLMENTS PAYABLE SEMIANNUALLY

Gross charge factor (based on $1 of net proceeds)	Number of installment payments in which loan is to be repaid	Discount factor based on $1 of face amount
0.048583	1	0.046332
0.072874	2	.067925
0.097166	3	.088561
0.121457	4	.108303
0.145749	5	.127208
0.170040	6	.145329

INSTALLMENTS PAYABLE ANNUALLY

0.097166	1	0.088561
0.145749	2	.127208
0.194332	3	.162712

NOTE.—Financial institutions desiring $4 or $3.50 gross charge or discount factors, or $5 factors for maturities in excess of 3 years, may secure same by writing to the Federal Housing Administration, Washington, D. C.

Refinancing rebate schedule

INSTRUCTIONS

1. Select original term in the "Term of loan" column.
2. Select installments matured in the "Number of installments matured" column.
3. Where the lines intersect will be found the percentage of the full financing charge to be rebated.

Number of installments matured

Term of loan	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	0																
2	33.33	0															
3	50.00	16.67	0														
4	60.00	30.00	10.00	0													
5	66.67	40.00	20.00	6.67	0												
6	71.43	47.62	28.57	14.29	4.76	0											
7	75.00	53.57	35.71	21.43	10.71	3.57	0										
8	77.78	58.33	41.67	27.78	16.67	8.33	2.78	0									
9	80.00	62.22	46.67	33.33	22.22	13.33	6.67	2.22	0								
10	81.82	65.45	50.91	38.18	27.27	18.18	10.91	5.45	1.82	0							
11	83.33	68.18	54.55	42.42	31.82	22.73	15.15	9.09	4.55	1.52	0						
12	84.62	70.51	57.69	46.15	35.90	26.92	19.23	12.82	7.69	3.85	1.28	0					
13	85.71	72.53	60.44	49.45	39.56	30.77	23.08	16.48	10.99	6.59	3.30	1.10	0				
14	86.67	74.29	62.86	52.38	42.86	34.29	26.67	20.00	14.29	9.52	5.71	2.86	.95	0			
15	87.50	75.83	65.00	55.00	45.83	37.50	30.00	23.33	17.50	12.50	8.33	5.00	2.50	.83	0		
16	88.24	77.21	66.91	57.35	48.53	40.44	33.09	26.47	20.59	15.44	11.03	7.35	4.41	2.21	.74	0	
17	88.89	78.43	68.63	59.48	50.98	43.14	35.95	29.41	23.53	18.30	13.73	9.80	6.54	3.92	1.96	.65	0
18	89.47	79.53	70.18	61.40	53.22	45.61	38.60	32.16	26.32	21.05	16.37	12.28	8.77	5.85	3.51	1.75	.58
19	90.00	80.53	71.58	63.16	55.26	47.89	41.05	34.74	28.95	23.68	18.95	14.74	11.05	7.89	5.26	3.16	1.58
20	90.48	81.43	72.86	64.76	57.14	50.00	43.33	37.14	31.43	26.19	21.43	17.14	13.33	10.00	7.14	4.76	2.86
21	90.91	82.25	74.03	66.23	58.87	51.95	45.45	39.39	33.77	28.57	23.81	19.48	15.58	12.12	9.09	6.49	4.33
22	91.30	83.00	75.10	67.59	60.47	53.75	47.43	41.50	35.97	30.83	26.09	21.74	17.79	14.23	11.07	8.30	5.93
23	91.67	83.70	76.09	68.84	61.96	55.43	49.28	43.48	38.04	32.97	28.26	23.91	19.93	16.30	13.04	10.14	7.61
24	92.00	84.33	77.00	70.00	63.33	57.00	51.00	45.33	40.00	35.00	30.33	26.00	22.00	18.33	15.00	12.00	9.33
25	92.31	84.92	77.85	71.08	64.62	58.46	52.62	47.08	41.85	36.92	32.31	28.00	24.00	20.31	16.92	13.85	11.08
26	92.59	85.47	78.63	72.08	65.81	59.83	54.13	48.72	43.59	38.75	34.19	29.91	25.93	22.22	18.80	15.67	12.82
27	92.86	85.98	79.37	73.02	66.93	61.11	55.56	50.26	45.24	40.48	35.98	31.75	27.78	24.07	20.63	17.46	14.55
28	93.10	86.45	80.05	73.89	67.98	62.32	56.90	51.72	46.80	42.12	37.68	33.50	29.56	25.86	22.41	19.21	16.26
29	93.33	86.90	80.69	74.71	68.97	63.45	58.16	53.10	48.28	43.68	39.31	35.17	31.26	27.59	24.14	20.92	17.93
30	93.55	87.31	81.29	75.48	69.89	64.52	59.35	54.41	49.68	45.16	40.86	36.77	32.90	29.25	25.81	22.58	19.57
31	93.75	87.70	81.85	76.21	70.77	65.53	60.48	55.65	51.01	46.57	42.34	38.31	34.48	30.85	27.42	24.19	21.17
32	93.94	88.07	82.39	76.89	71.59	66.48	61.55	56.82	52.27	47.92	43.75	39.77	35.98	32.39	28.98	25.76	22.73
33	94.12	88.41	82.89	77.54	72.37	67.38	62.57	57.93	53.48	49.20	45.10	41.18	37.43	33.87	30.48	27.27	24.24
34	94.29	88.74	83.36	78.15	73.11	68.24	63.53	58.99	54.62	50.42	46.39	42.52	38.82	35.29	31.93	28.74	25.71
35	94.44	89.05	83.81	78.73	73.81	69.05	64.44	60.00	55.71	51.59	47.62	43.81	40.16	36.67	33.33	30.16	27.14
36	94.59	89.34	84.23	79.28	74.47	69.82	65.32	60.96	56.76	52.70	48.80	45.05	41.44	37.99	34.68	31.53	28.53

Term of loan	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
18	0																	
19	.53	0																
20	1.43	.48	0															
21	2.60	1.30	.43	0														
22	3.95	2.37	1.19	.40	0													
23	5.43	3.62	2.17	1.09	.36	0												
24	7.00	5.00	3.33	2.00	1.00	.33	0											
25	8.62	6.46	4.62	3.08	1.85	.92	.31	0										
26	10.26	7.98	5.98	4.27	2.85	1.71	.85	.28	0									
27	11.90	9.52	7.41	5.56	3.97	2.65	1.59	.79	.26	0								
28	13.55	11.08	8.87	6.90	5.17	3.69	2.46	1.48	.74	.25	0							
29	15.17	12.64	10.34	8.28	6.44	4.83	3.45	2.30	1.38	.69	.23	0						
30	16.77	14.19	11.83	9.68	7.74	6.02	4.52	3.23	2.15	1.29	.65	.22	0					
31	18.35	15.73	13.31	11.09	9.07	7.26	5.65	4.23	3.02	2.02	1.21	.60	.20	0				
32	19.89	17.23	14.77	12.50	10.42	8.52	6.82	5.30	3.98	2.84	1.89	1.14	.57	.19	0			
33	21.39	18.72	16.22	13.90	11.76	9.80	8.02	6.42	4.99	3.74	2.67	1.78	1.07	.53	.18	0		
34	22.86	20.17	17.65	15.29	13.11	11.09	9.24	7.56	6.05	4.71	3.53	2.52	1.68	1.01	.50	.17	0	
35	24.29	21.59	19.05	16.67	14.44	12.38	10.48	8.73	7.14	5.71	4.44	3.33	2.38	1.59	.95	.48	.16	0
36	25.68	22.97	20.42	18.02	15.77	13.66	11.71	9.91	8.26	6.76	5.41	4.20	3.15	2.25	1.50	.90	.45	.15

Prepayment rebate

Where the prepayment of an installment is merely a voluntary payment prior to its due date, such payment shall not be construed as increasing the ratio provided for in the regulations. However, if the entire balance outstanding on the note is paid in advance, the lending institution must make a rebate at a rate not less than 6 percent per annum of the amounts so paid in advance of their due dates if the lending institution has taken the maximum charge permitted. If a lesser charge has been taken, the rebate must be at not less than a proportional rate. The proportional rate to be used where a $4 discount has been taken is 0.0475 and if a $3.50 discount has been taken the rate is 0.0414. The unearned portion of the original charge retained by the lending institution represents compensation to it for making the loan and setting the transaction up on its books.

The formula for arriving at the minimum rebate is:

$$\frac{\text{Unmatured balance} \times 6\text{ percent}}{M} \times \frac{N+1}{2} = \text{minimum rebate}$$

NOTE.—N=number of periods anticipated. M=number of payments per year. "Unmatured balance" does not include past due amounts. Substitution of any greater percentage for 6 percent is encouraged.

Example: Date of note, June 15, 1950; face amount, $344.94; net proceeds, $300; finance charge, $44.94; 36 payments of $9.58, beginning July 15, 1950; prepaid in full, August 15, 1951.

$$\frac{\$344.94-(14\times\$9.58)\times 0.06}{12} \times \frac{22+1}{2} = \$12.12\text{ (minimum rebate)}$$

The following table of factors may be used in lieu of the formula to calculate the minimum rebate which must be returned to the borrower. These factors apply where the maximum $5 rate was used and where payment were by monthly installments.

Prepayment rebate factor table

To determine prepayment rebate, multiply amount of monthly installment by the applicable factor.

Number months anticipated:	6-percent rebate factors
35	3.150
34	2.975
33	2.805
32	2.640
31	2.480
30	2.325
29	2.175
28	2.030
27	1.890
26	1.755
25	1.625
24	1.500
23	1.380
22	1.265
21	1.155
20	1.050
19	.950
18	.855
17	.765
16	.680
15	.600
14	.525
13	.455
12	.390
11	.330
10	.275
9	.225
8	.180
7	.140
6	.105
5	.075
4	.050
3	.030
2	.015
1	.005

REFINANCING

The Federal Housing Administration encourages lending institutions to utilize the refinancing privilege permitted by the regulations in meritorious cases and where the facts and circumstances of the particular transaction justify retention of the account. Such action should be taken when it will assist the borrower in paying his obligation in full.

In refinancing notes previously reported for insurance, with or without an additional advance, the unearned charge must be refunded to the borrower. If no additional advance is made, the financial institution may assess the borrower a $2 handling charge.

For simplicity in handling, it is suggested in the refinancing of an account that it be effected on the due date of an installment.

The formula for computing the amount of the unearned charge is:

Charge for full term × proration factor [1] = earned charge.

Charge for full term − earned charge = unearned charge.

Example: Date of note, June 15, 1950; face amount, $344.94; net proceeds, $300; finance charge, $44.94; 36 payments of $9.58, beginning July 15, 1950; refinanced, August 15, 1951.

$44.94 × 0.62012 [2] = $27.87 (earned charge).

$44.94 − $27.87 = $17.07 (unearned charge).

The table of factors on the preceding insert may be used in lieu of the formula to calculate the full unearned financing charge which must be credited to the borrower's account.

Each refinancing transaction should be reported within 31 days from the date of refinancing on the Title I Refinancing Report, Form FH–5.

CREDITS

In applying for and accepting a contract of insurance the lending institution assumes certain responsibilities. One of these is the responsibility of applying sound principles in the evaluation of credit.

Credit investigation and analysis

The lending institution in considering the credit of the applicant must bear in mind that available insurance coverage does not relieve it of the responsibility of exercising the care that a reasonable and prudent lender would take if the loan were not being offered for insurance.

The applicant must furnish the lending institution with an executed credit application on a form approved or provided by the Commissioner. The lending institution should obtain sufficient supplementary information to satisfy itself that the applicant represents a reasonable credit risk. If in the judgment of the lending institution it is deemed necessary, an individual credit report from a reputable credit reporting agency should be obtained plus such other information as is considered desirable. On the basis of all information before the lending institution it must then pass upon the reasonableness of the credit risk.

Consideration should be given to the applicant's ability to pay, as determined by the assurance of a steady and sufficient income that will allow, after the payment of ordinary living and operating expenses plus other obligations, sufficient overage to make payments on his title I loan. Income from rents and other sources should be given consideration creditwise only when such income is verified and when it is determined that the income is of a sufficiently permanent nature to continue for the life of the loan.

The applicant borrower must have a reputation for meeting his obligations promptly. The lending institution should satisfy itself that approval will not result in an overextension of credit. The institution's profit depends upon the type of credits approved and to make a loan to a borrower knowing that the additional indebtedness cannot be repaid, benefits no one.

Security

In some cases it may be advisable to obtain security in the form of endorsers, comakers, or collateral. The lending institution, however, should never accept security as a substitute for an otherwise unacceptable credit risk. If a security instrument is taken it should be recorded in accordance with the law of the applicable jurisdiction, and the cost may be collected from the borrower in addition to the maximum permissible financing charge.

Ratio of loan to value

It is important that the lending institution, when considering an application for a loan, determine that the value of the proposed improvements bears a proper relationship to the value of the property being improved and that the amount of credit applied for is in proper proportion to the value of the work to be done.

Lending institutions are encouraged to take steps to detect any notes based on inflated charges. It is obvious, of course, that notes which finance excessive charges represent unsound loans on which collection will be difficult if not impossible. More important than that, of course, is the fact that lending money under such conditions is a practice which is a grave disservice to the people of the community.

Prior approval of the Commissioner

In the event the proposed loan would result in a total principal amount outstanding in excess of $5,000, exclusive of financing charges, to any borrower, the prior approval of the Federal Housing Commissioner must be obtained before the transaction will be eligible for insurance. The principal amount outstanding to any borrower applies to anyone who, as an eligible borrower on a proposed loan, is primarily or secondarily liable on any prior title I obligation. Such approval may be obtained from the local insuring office of the Federal Housing Administration having jurisdiction over the site of the property to be improved.

In submitting the transaction for approval, all papers bearing on the case, including the recommendation of the institution, the credit application, balance sheet, profit and loss statement, credit reports, and other supporting papers, should be forwarded to the local FHA office in order to insure prompt consideration.

Additional loans

If an additional loan is made to the same borrower, it is required that the lending institution obtain a new credit application in order to determine whether there has been any change in the borrower's condition of solvency and ability to pay since the previous loan, and also in order to determine the eligibility of the use of the proceeds of the new loan.

A borrower may obtain any number of loans to improve one or more properties owned by him. However, it is not intended that a borrower be permitted to circumvent the specific limitations which the National Housing Act places upon the various classes of loans by obtaining more than one loan for a single job. In accordance with the statute and regulations a borrower may secure an amount not in excess of the stated maximum

[1] The proration factors for the various periods are published in a separate booklet, available upon request.

[2] Proration factor for the 14th period of a 36-payment loan.

amount for one complete job which he contemplates at any given time. If, at a later date, as a separate job, he undertakes additional work he may secure another loan. Such loan, of course, would be subject to prior credit approval of the Commissioner if the additional credit, when added to the principal amount outstanding on other class 1 and class 2 loans to the same borrower, exceeds the aggregate amount of $5,000.

Delinquency on prior loans

If, prior to the disbursement of the loan proceeds, the insured has knowledge that the borrower is past due more than 15 days in the payment of either principal or interest on an obligation owing to or insured by a department or agency of the Federal Government, the transaction will not be eligible for insurance. Following are examples of some governmental agencies:

1. Federal Housing Administration.
2. Farmers Home Administration.
3. Reconstruction Finance Corporation.
4. Rural Electrification Administration.
5. Veterans' Administration.

COLLECTIONS

An insured lending institution is expected to pursue an aggressive policy in the collection of title I loans. In carrying out such a policy it is suggested that use be made of form notices, dictated letters, telegrams, telephone calls, and personal contacts. A system of form notices should be established which calls for automatic followup, such as the 5th, 10th, and 15th days after default occurs. If these notices do not produce results, the account should receive special handling. The use of the telephone is strongly recommended for inside collection and if results are not obtained the borrower should be personally contacted by an outside collector. Every effort should be made to discover the reason for default and to effect reinstatement of the account. It is of the utmost importance to keep in close contact with the borrower when his note has become delinquent. Constant followup is essential to a successful collection program.

In the case of recalcitrant borrowers who have the ability to pay and the facts of the transaction warrant, the lending institution should consider the advisability of instituting legal action. Ample provision has been made in the regulations to reimburse the lending institution for the expense which will be incurred in legal proceedings.

In furtherance of a collection program, lending institutions are urged to consider refinancing delinquent loans, within the limits prescribed by the regulations, over a longer term with smaller monthly payments where borrowers due to illness, unemployment, or other legitimate reasons are unable to meet the schedule of payments called for by their note. If refinancing is not practicable, lending institutions may request an extension of the 3 months allowable claim period for the purpose of carrying the account delinquent for a longer time, in order to work out a satisfactory plan of liquidation.

It is not necessary for a lending institution to report paid in full class 1 and 2 loans to the Federal Housing Administration.

ELIGIBLE IMPROVEMENTS

The following statement of basic policy may be supplemented by a specific ruling as to any particular project or item about which there may be doubt on the part of the lending institution, upon application to the Federal Housing Administration, Washington 25, D. C. Requests for rulings should be supported, if possible, by descriptive or illustrated literature in the case of a specific individual item, as well as plans and specifications where general projects involving various improvements are contemplated.

Existing structures—Class 1 (a) loans

The structure to be improved must exist as a completed building that is occupied or used, was formerly occupied or used, or has been made ready for occupancy or use.

No part of a loan may be used to finance the cost of completing an unfinished structure. This does not exclude a loan for the repair of a previously complete structure which has been damaged but not substantially destroyed by deterioration, flood, fire, or other casualty; nor the construction of an attached garage, or other attached building in connection with a completed house or other existing buildings, such as homes, apartment houses, hotels, office buildings, hospitals, orphanages, colleges, churches, and manufacturing and industrial plants.

Eligible expenditures include those for structural alterations, repairs, or additions upon the structure itself, or in connection therewith. The enlargement of the size of the structure, a new stairway, new flooring, new porch, roof, plumbing, wiring, painting, plastering, venetian blinds, awnings, and heating systems, which in themselves are alterations and improvements, are eligible expenditures.

Improvements in connection with the existing structure may also include such changes in the status of the ground on which the building stands as grading and landscaping, private sidewalks, private curbs, fences, and driveways. Likewise the installation of a septic tank or cesspool, the drilling of a well together with necessary pumping equipment and piping, although removed from the structure but in connection with the structure, are eligible.

A loan to convert one type of building into a different type will be eligible provided a substantial part of the original building is left standing. For instance, a loan for the conversion of a single-family dwelling into an apartment would be eligible if the walls and other main structural elements are left standing. A new stairway, new windows, rooms, porch, etc., may be added, and partitions changed.

A loan to demolish a structure or to move a structure off the premises would not be eligible except where such demolition or moving is for the purpose of improving an existing structure remaining on the property.

Loans to finance the cost of insulating an existing structure, putting on a new roof, installing a new bathroom, adding closets, repairing the floors, walls, or ceiling are eligible.

Heating systems, including stokers, oil burners, coal, gas, and electric furnaces, and plumbing and wiring, when a permanent part of the realty, are eligible.

Equipment and machinery such as presses, drills, lathes, and other similar items used in an industrial or commercial establishment are not eligible regardless of the method or permanency of installation.

Refrigerators, washing machines, ironers, stoves, dishwashers, carpeting, draperies, and other household appliances and furnishings are not eligible.

Bearing in mind that loans for eligible repairs, alterations, and improvements must be upon existing structures or in connection therewith, the following principles are applicable:

(a) The repair, improvement, or addition must be physically attached to and a part of the structure or in connection therewith.

(b) Improvements and additions which are removable or by their character necessarily temporary, are not eligible. Items which are of a nature generally considered as trade fixtures or equipment for commercial or industrial use are not eligible.

(c) A loan for the improvement of a structure to make such structure adaptable to the installation of ineligible equipment and machinery is insurable but a loan for the purchase of such ineligible equipment and machinery is not insurable. For example, a loan to strengthen the foundation, walls, and the floors of a structure to hold safely heavy machinery that may be installed would be eligible but a loan for the purchase of the machinery would not be eligible.

(d) An ineligible item does not become eligible merely because it is attached to the realty.

Class 1 (b) loans

It is required that the proceeds of a class 1 (b) loan be used to alter, repair, improve, or convert a structure so as to further its use as a dwelling for two or more families. For example, a single-family house may be converted into a 2-family house; a dwelling for 2 or more families may be improved by painting or by installing a new heating system or a new plumbing system. It would be eligible to alter a commercial building so as to provide living accommodations for two or more families. However, it would not be permissible to use the proceeds of a class 1 (b) loan to benefit the business that may be conducted in a structure, such as installing a new store front, even though the building is used or will be used as a dwelling for two or more families.

In order that the lending institution may determine (a) the eligibility of the proposed work and (b) the fact that the structure to be improved is used or will be used for 2 or more families the borrower should clearly indicate the required information in his credit application and in the statement of the improvements as required by regulation VIII, section 1 (d). The lending institution may rely upon such information in the absence of information to the contrary.

"Family" as used in the regulations is defined as one or more persons living, sleeping, cooking, and eating on the same premises as occupants of one living unit.

If there is any doubt as to whether a proposed project is eligible for class 1 (b) financing, all the facts of the case may be submitted to Washington for an official ruling.

New structures—class 2 loans

Examples of new structures eligible for a class 2 loan which may be erected on improved or unimproved real property are barns, garages, service buildings, wayside stands, gasoline stations, tourist cabins, bunk houses for itinerant farm laborers, and industrial or commercial buildings.

A class 2 loan may not include the cost of trade equipment used in the operation of the business that will occupy the structure. The loan may include the cost of heating or lighting systems and similar items which are eligible for class 1 improvement loans. For example, a loan not in excess of $3,000 may be used to erect a commercial building, including a heating system, but no portion of the proceeds may be used to buy and equip the structure with trade fixtures.

The proceeds of a class 2 loan must be used to finance the building of a new structure that will be ready for use upon completion. It is not permissible to purchase an existing structure nor to apply the proceeds to complete a structure that is partially built.

More than one new structure may be built on a single piece of property but the principal amount of any one loan may not exceed the maximum of $3,000 for any one piece of property. For example, if a borrower wishes to erect a new barn to cost $1,500 and 3 separate service buildings to cost $500 each, a loan for the full $3,000 would be eligible.

No portion of a class 2 loan may be used for demolishing existing structures to make room for a new structure. However, the erection of a new structure on an old foundation would be eligible.

PRIOR LIENS

A class 1 or a class 2 loan to supplement another obligation not reported for insurance, the payment of which is secured by a prior lien created in connection with the proposed work, is not eligible. In other words, if a borrower were able to obtain a mortgage loan of $1,000 and planned to repair or build a structure to cost $3,500 when

completed, an additional loan of $2,500 would not be insurable. However, if the borrower had $1,000 cash, which did not represent the proceeds of a loan secured by a prior lien executed in connection with the proposed work, a loan of $2,500 would be eligible.

SUPPLEMENTAL COSTS

An eligible class 1 or class 2 loan may include the cost of architectural and engineering services. However, a loan may not include the cost of land, nor may such items as cost of title search, credit reports, appraisals, etc., be included if such costs are in addition to the maximum permitted financing charge.

DEALER RELATIONSHIP

The financing of property improvement loans is remarkably free of misrepresentation and abuse, considering the enormous volume of business that is transacted. Nevertheless, there arise from time to time unscrupulous dealers who through a variation of circumstances endeavor to conduct their business by fraudulent or irregular methods. There is no place in the title I program for such dealers or their sales employees. Their prompt identification and elimination is to the advantage of all lending institutions and the majority of dealers who conduct their operations on a high level, and it also affords a measure of protection to property owners. Therefore, it is incumbent on the lender to select carefully the dealers from whom it purchases notes or with whom it cooperates in making loans directly to borrowers and to maintain a constant review and supervision of the business generated.

The closer the association between the borrower, the dealer and the lender, the less likelihood there is of credit misrepresentation, misapplication of funds, overselling or other abuses. Conversely, the more distant the working relationship becomes, the greater are the possibilities for intentional or unintentional irregularities.

Some irregularities growing out of dealer operations arise from a lack of understanding of the regulations while others result from carelessness, unscrupulousness, or unlawfulness. These irregularities consist of such abuses as grossly overstating the merits of the product, faulty workmanship, assuring performance of doubtful attainment, stipulating guaranties beyond those of the manufacturer, promising cash bonuses on repeat sales in the neighborhood, encouraging trial purchases, inflating the sale price, and not disclosing to the borrower that in addition to the cost of the improvements, his not will be for an amount that includes the allowable financing charges. Misrepresentation as to durability, performance, permanence, and workmanship are the insignia of the unscrupulous dealer or salesman.

Dealer approval

The Federal Housing Administratoin does not approve dealers for participation in the title I program. This is a responsibility of the lending institution.

The regulations require the insured institution to have a file on each dealer containing an application signed and dated by the dealer. It is further required that the file contain a signed and dated approval of the dealer, such approval being supported by information in the file that the dealer is (1) reliable, (2) financially responsible, (3) qualified to perform satisfactorily the work to be financed, and (4) equipped to extend proper service to the customer. The absence of such a file containing the required dealer application and approval with supporting information is a violation of the regulations and loans purchased from such unapproved dealers do not meet the requirements of the insurance contract. Where claim for reimbursement is shown to have resulted from default occasioned by fraud or faulty performance on the part of the dealer, the insured may be called upon to furnish the Commissioner with the file containing its approval of the dealer.

Investigation and approval of dealers should not be considered in a cursory manner. The role of the dealer is one of great importance as he or his salesmen, in effect, represent the insured institution when discussing the terms of financing with the home owner and when obtaining the execution of the loan documents. Thus the dealer should not be a stranger to the insured but the latter should have full knowledge of the principals, the salesmen, and their method of operation.

Only a thorough investigation will develop sufficient information to enable the insured institution to make a sound and proper decision. It is contrary to the policy of the Federal Housing Commissioner to permit lending institutions to use insurance coverage provided by the National Housing Act for the purpose of testing the dependability of dealers with whom they have had no previous experience and with respect to whom they do not have adequate and reliable information.

The insured institution must ascertain that—

1. The dealer is reliable: If the insured institution has no knowledge of the reliability of the dealer, a thorough check should be made to assure that the dealer is honest, trustworthy, and can be relied upon to fulfill the contracts he enters into with his customers. Such information may include the experience of the local FHA office, experience of other lending institutions, Better Business Bureaus, or similar agencies and, should the situation demand, the experience of previous customers.

2. The dealer is financially responsible: Information in possession of the insured should clearly indicate that the dealer has a reputation for paying his bills promptly and has the financial strength to operate his business properly. It is a sound practice to obtain from the dealer his current balance sheet and profit-and-loss statement which in turn may be supported by a commercial credit report. Periodically, this financial information should be brought current and the dealer's financial soundness reviewed in the line of current operations.

3. The dealer is qualified to perform satisfactorily the work to be financed and is equipped to extend proper service to the customer: The requirements of the specific case will dictate the information necessary to ascertain that the dealer is experienced in the business he is conducting and has the organization and equipment to perform the work and extend proper service to the customer. In the absence of personal knowledge of the dealer, it is recommended that a representative of the institution call upon the dealer at his place of business and prepare a report clearly showing that the dealer possesses the required qualifications.

It is equally important that the following aspects of each dealer operation be carefully considered:

Salesmen: Dealers should be cautioned as to hiring itinerant salesmen, those whose identity cannot be verified, and individuals whose title I activities are subject to precautionary measures. It is recommended that frequent meetings be held with the salesmen and supervisory personnel to make certain that they are properly instructed as to the insured's credit and lending policies, as well as to the spirit and letter of the title I regulations. It should be clearly understood by the dealer that he will be held responsible for the acts of his salesmen, and the dealer should be cautioned in the hiring of new salesmen. Occasionally, unethical salesmen traveling from city to city will attach themselves to a reputable dealer and develop sales by misrepresentation and false promises. Dealers should be advised to obtain a personal-history statement from each salesman and make a thorough check of his antecedents before hiring.

Improvements to be financed: The dealer file should contain information showing the type of work done, the kind of materials used, the manner of installation and the price range. This may be supplemented by descriptive literature used by the dealer in the promotion of his business and such other informational material as may be available. Title I loans should not be used to finance products of doubtful merit or those being sold at an inflated sales price.

Inspection of work

A direct and constant control should be maintained by adhering strictly to a policy of verifying periodically the transactions originated by each dealer. Such verifications sometimes called spot checks or commodity checks, are made by the lending institution, by a telephone call or preferably by a personal call. A number of questions may be asked the borrower to determine whether the work stated on the borrower's credit application was completed satisfactorily, whether the borrower was promised or given any cash, whether any reasonable guaranties were given as to the workmanship or the product, whether the borrower was told that his house would be a model and he would receive a commission on all sales generated in the neighborhood, and whether there was a clear understanding as to the cost of the job and the terms of financing. If a personal call is made, the representative should formulate an opinion as to the workmanship on the job, look for ineligible items, and estimate whether the cost of the improvement was in keeping with the value of the property.

Whenever an institution has an occasion to withdraw approval of a dealer, the file should clearly indicate the reason for the action, the date, and indicate by whom taken.

Maintenance of record on each approved dealer

As a basis for determining whether continued dealer approval is warranted the insured institution is required to establish and maintain a separate control record on each dealer indicating at least the volume of loans purchased, claims filed, and borrower complaints received or irregularities discovered.

A suggested control record form that an institution may reproduce with the addition of space for other data deemed necessary appears elsewhere in this statement of policy.

Report to Washington

Material irregularities or unethical practices perpetrated by anyone participating in the title I program should be reported to the Commissioner promptly.

DISBURSING PROCEEDS OF A LOAN

To the borrower

The lending institution may disburse the proceeds of the note to the borrower by cash, by check or money order drawn solely in favor of the borrower(s), or by crediting the borrower's account. In such cases dealer approval, completion certificates, dealer's contract or sales agreements, and borrower authorization certificates are not required for such loans since transactions of this kind are deemed to be "loans made directly to the borrower."

A loan is not considered as having been made "directly to the borrower" if the dealer is permitted to participate in the disbursement in any manner, such as receiving the check or money order (although made payable to the borrower) or accompanying the borrower to the institution for the obvious purpose of receiving payment. In other words, disbursement must be made to the borrower in such a way that he will have complete control of the funds at all times.

To the dealer

In connection with all other loans, the financial institution must have investigated and approved the dealer and have in its possession, properly signed and dated:

(1) FHA title I completion certificate (FH-2).

(2) Copy of dealer's contract or sales agreement, and, if the financial institution is the payee of the note, a

(3) Borrower's authorization certificate.

The FHA title I completion certificate provides for two types of transactions (a) the furnishing and installation of articles and materials and completion of all work, and (b) the delivery of articles and materials only. In either case the services performed by the dealer must constitute the entire consideration for which the note was executed and delivered by the maker. Under this provision, articles and materials or services not to be delivered or performed by the dealer may not be included in the transaction. The completion certificate may be reproduced provided the minimum size is 8 by 7 inches and there is no deviation as to content or format; except, that if only one type of transaction is to be handled the reproduction of the completion certificate omitting the certification that is not applicable will be permitted.

An acceptable form of borrower's authorization certificate is reproduced in this booklet. It is permissible to incorporate the contents of the borrower's authorization certificate in the note, credit application, or completion certificate. Lending institutions are urged to consult their own attorneys as to what effect, if any, such incorporation will have on the validity and enforceability of the note.

The purpose of the foregoing disbursement procedure is to protect the borrower, the lending institution, and the Government by making certain that all improvements contracted for are actually completed to the borrower's satisfaction and that other persons do not obtain the loan proceeds without the work being completed.

Dealer's contract or sales agreement

In dealer disbursement transactions lending institutions are required to obtain a copy of the contract or sales agreement, signed by the borrower and the dealer, describing the type and extent of improvements to be made and the material to be used. The contract or sales agreement must be of a type regularly used by the dealer in his business. Signatures on the lender's copy may be a carbon imprint of the signatures on the original contract or sales agreement.

The Federal Housing Administration does not approve or furnish dealer contract or sales agreement forms. If a dealer has any question regarding his contract or sales agreement he should obtain the advice of counsel in the jurisdiction where operations are contemplated.

The following chart is self-explanatory and may be used as a convenient reference in determining when the three instruments discussed in the foregoing are required:

When not. is payable to—	And proceeds are paid to—	Required		
		Completion certificate (FH-2)	Dealer's contract	Borrower's authorization certificate
Lending institution	Borrower	No	No	No.
Do	1 other than borrower	Yes	Yes	Yes.
Do	Borrower and another jointly	Yes	Yes	No.
Payee other than lending institution	Payee on endorsement	Yes	Yes	No.

Advance notice to the borrower

At least 6 calendar days prior to making disbursement to a dealer the lending institution is required to give the borrower written notice of the approval of his credit application. If, for example, the notice is mailed on the 1st day of the month, disbursements shall not be made before the 7th day of the month. It is not required that the borrower acknowledge receipt of the notice. However, the insured must have a record of having mailed or delivered such notice. An acceptable record of delivery would be a dated carbon copy of the notice or a dated entry in the borrower's loan file.

Supplies of the advance notice are not furnished by FHA as it is believed that institutions should issue the notice on their own stationery. As the regulations require such notice on a form approved by the Commissioner, this shall be considered as official approval of any notice that contains in its text the following minimum data:

[Letterhead of institution]

Advance notice to applicant for FHA title I loan

---------- Date-------

(Borrower's name)

(Address)

We have approved your FHA application for credit in the net amount of $------, for ------ months under title I of the National Housing Act as presented to us by----------

(Dealer)

Please notify us immediately if you have any questions regarding the transaction.

(Name of institution)

Lenders are encouraged to add to this notice any additional material that may be helpful to the homeowner in fully understanding the transaction. Notices in use by some lenders indicate the gross amount of the loan, the amount of the monthly payment, and the finance charge. Frequently a warning is expressed against bonus selling and the borrower is cautioned that the completion certificate should not be signed until he is satisfied as to the completion of the job.

Verification of signatures

Care should be exercised to check the signatures on the borrower's portion of the completion certificate and borrower's authorization certificate with the signatures on the credit application and note as a precaution against forgery.

Precautionary measures

Occasionally there are dealers or salesmen employed by them, who tend to abuse the privileges accorded under the program. When such irregularities or disregard for the statute and regulations are brought to the attention of the Federal Housing Administration, lending institutions will be notified. When such notification is received from the Commissioner, or his authorized agent, the provisions of regulation VIII, section 2, will apply.

Lending institutions are encouraged to consult with the local Federal Housing Administration field office if a dealer problem arises where they feel assistance is needed.

CLAIM FOR LOSS

Claim for reimbursement of loss on an eligible note may be made to the Commissioner at any time after the note is in default and written demand has been made upon the borrower for payment in full of the obligation. Claim for loss must be filed within 31 days when any full installment has become 6 months in default, unless an extension of the allowable claim period has been granted by the Commissioner.

An insured may proceed against any security taken and file claim for deficiency, if any, provided the approval of the Commissioner is obtained.

Computation of the allowable claim period

If the equivalent of a full installment is received prior to the expiration of the 6-month period, the amount of such payment should be credited to the earliest unpaid installment and the 6-month period shall be calculated from the date of the first following installment remaining unpaid.

For example: If the note calls for monthly payments of $30, due the first of each month, and the borrower defaults on his January, February, March, April, May, June, and July installments, claim must be filed by the institution on or before August 1.

If the borrower had, however, defaulted on his January and February installments but in March made a $15 payment and in April a $15 payment, the total of these two payments would be credited to the January installment. In so doing the January default is cured and the February 1 installment then becomes the first one in default and the 6-month period is calculated therefrom. If no additional payments are made, claim, in this case, must be filed by the institution on or before September 1.

Computation of claim for loss

The claim-for-loss report should be executed in complete detail when submitted to the Administration. If all necessary information is supplied initially, delay in auditing claims for loss will be avoided.

The claim file should contain information or a statement giving the reason for default. It should include all credit information, collection correspondence with the borrower, and memoranda covering telephone calls and personal contacts. This information is desired in order to assist the Federal Housing Administration to take the proper action at once in salvaging the account and protecting the interest of the Government.

The insured should file timely claim in bankruptcy, creditor, and insolvency proceedings and in proceedings in connection with decedent borrowers' estates, if notified thereof prior to filing claim with the Commissioner, and also should give the Commissioner notice of any suit instituted prior to such claim being filed in which the insured has been made a party by reason of being the holder of the insured obligation.

Example: In the following example it is shown how much a lending institution would be entitled to as a claim under its contract of insurance:

Suppose on a $1,000, 3-year note, dated August 1, and payable in monthly installments of $27.78 the maximum discount of $130.28 was taken. Payments were received as follows: The first 5 payments were made on the dates due; that is, September 1, October 1, November 1, December 1, and January 1; the payment due February 1 was received 60 days late; that is, April 1. No additional payments were received and the lending institution matured the note, demanded payment of the full unpaid balance, brought suit, and obtained judgment. On July 1, $50 was collected. Nothing more was received, and application for reimbursement for loss was filed on July 25.

In calculating claims, the date of default from which the institution is entitled to 4 percent interest is, in this instance, March 1;

that is, the earliest date on which an installment was due and for which full payment was not received prior to the maturing of the note. Therefore, the above claim would include the following items:

1. Charge for full term of loan, $130.28 (this charge is to be prorated to the date of default. The proration is figured on the basis of the number of full installments received prior to the date demand was made for the full unpaid balance):	
Charge prorated to date of default	$45.19
Proceeds of loan (amount received by borrower) ($1,000—$130.28)	$869.72
Total to date of default	914.91
Less amount received in regular installments	—166.68
Unpaid principal at time of default	748.23
Less amount received other than in regular installments	50.00
Net unpaid principal	698.23
2. Interest earned at 4 percent on $748.23 from Mar. 1 to July 1	10.00
Interest earned at 4 percent on $698.23 from July 1 to July 25 (date of application for reimbursement)	$1.84
3. Uncollected court costs and disbursements	6.00
4. Attorney's fees, 15 percent of $50 (amount collected after default)	7.50
5. Attorney's fees for securing judgment	25.00
6. Additional attorney's fees (action contested and judgment obtained)	[1] 91.67
Total amount to be paid	840.24

[1] $50 plus 5 percent of $833.32.

FH-2
Revised October 1953

Form Approved
Budget Bureau No. 63-R282.5

FHA TITLE I COMPLETION CERTIFICATE

(Work done or materials delivered)

To: _____ of _____
(Financial institution) (Address)

In accordance with my (our) credit application dated _____, for a loan pursuant to the provisions of Title I of the National Housing Act:

CHECK HERE IF LOAN IS TO PAY FOR COST OF MATERIALS AND INSTALLATION.

☐ I (we) hereby certify that all articles and materials have been furnished and installed and the work satisfactorily completed on premises indicated in my (our) credit application.

CHECK HERE IF LOAN COVERS ONLY THE PURCHASE OF MATERIALS.

☐ I (we) hereby acknowledge receipt in satisfactory condition of the materials described in my (our) credit application.

I (we) certify that I (we) have not been given or promised a cash payment or rebate nor has it been represented to me (us) that I (we) will receive a cash bonus or commission on future sales as an inducement for the consummation of this transaction. I (we) understand that the selection of the dealer and the acceptance of the materials used and the work performed is my (our) responsibility and that neither the FHA nor the financial institution guarantees the material or workmanship or inspects the work performed.

NOTICE TO BORROWER

Do not sign this certificate until you are satisfied that the dealer has carried out his obligations to you and that the work or the materials have been satisfactorily completed or delivered.

Date _____
Borrower Signature _____
Borrower Signature _____

(READ BEFORE SIGNING)

For the purpose of inducing the payment of proceeds of this loan and the insurance thereof by the FHA the undersigned certifies and warrants that:

(1) The above work or materials constitute the entire consideration for which this loan is made, (2) a copy of the contract or sales agreement has been delivered to the borrower and the above financial institution, (3) this contract contains the whole agreement with the borrower, (4) the borrower has not been given or promised a cash payment or rebate nor has it been represented to the borrower that he will receive a cash bonus or commission on future sales as an inducement for the consummation of this transaction, (5) the work has been satisfactorily completed or materials delivered, (6) the above certificate was signed by the borrower after such completion or delivery, (7) the signatures hereon and on the note are genuine, (8) all bills for labor or materials have been or will be paid.

If any of the above representations prove incorrect, the undersigned agrees to promptly repurchase the note from the financial institution or from the FHA as the case may be.

DEALER SIGN HERE

_____
(Name of dealer)

Date _____ By _____
(Signature)

WARNING: Any person who knowingly makes a false statement or a misrepresentation in this certificate shall be subject to a fine of not more than $5,000 or to imprisonment for not more than 2 years, or both, under provisions of the United States Criminal Code.

SUGGESTED FORM OF BORROWER'S AUTHORIZATION CERTIFICATE

BORROWER'S AUTHORIZATION CERTIFICATE

_____, 19____

I (We) hereby authorize and direct the _____ to pay the proceeds of my (our) note
(Financial instution)

dated _____ for $_____ to _____
(Signature)

The FHA does not furnish this form. It may be reproduced by any process.

FH-13

Form Approved
Budget Bureau No. 63-R844

FHA TITLE I DEALER APPLICATION

To _____ _____
(Insured institution) (Date)

The following information is furnished for the purpose of inducing you to approve my (our) application as a dealer, pursuant to the provisions of Regulation VIII, Section I (a) issued by the Federal Housing Commissioner under the authority contained in Title I of the National Housing Act.

Business name _____ Phone _____
Address _____ For past _____ years
(Street) (City) (Zone) (State)
Previous address _____ For _____ years
(Street) (City) (State)
Type of business _____ Date established _____
(General contracting, lumber yard, heating, etc.)

Ownership: ☐ Sole owner ☐ Partnership ☐ Corporation

Principals: _____ _____ _____
(Name) (Title) (Home address)
_____ _____ _____
(Name) (Title) (Home address)
_____ _____ _____
(Name) (Title) (Home address)

Trade references (name suppliers of major products financed under Title I FHA):

Name	Address

Bank of deposit _____
Have discounted paper with:
_____ _____ From _____ to _____
(Name) (Address) (year) (year)
_____ _____ From _____ to _____
(Name) (Address) (year) (year)

C—776

If paper to be financed represents the sale of a specialty product, indicate trade name and manufacturer .....

(Attach descriptive literature and price list)

Sales area ..... Number of branches .....
Address of branches .....

Describe any guaranty given buyers .....

Financial statement as of ..... (Date) is attached.

I (we) understand that I (we) are fully responsible for the Title I activity of all sales personnel, that ethical and proper selling practices will be followed, and that immediate attention will be given to all complaints involving materials, workmanship or sales representations.

I (we) certify that the statements are true. I (we) understand this application shall remain the property of the financial institution to which it is submitted and, if requested, a copy may be furnished to the Federal Housing Administration.

Firm .....
Name ..... (Title)

WARNING: Any person who knowingly makes a false statement or a misrepresentation in this certificate shall be subject to a fine of not more than $5,000 or to imprisonment for not more than 2 years, or both, under provisions of the United States Criminal Code.

THIS SPACE FOR USE OF DEALER IN SUPPLYING ADDITIONAL INFORMATION

.....

THIS SPACE FOR USE OF INSURED INSTITUTION

☐ Dealer given copy of dealer guide.
☐ Firm and all principals checked against precautionary measures list.
☐ References checked.
☐ Credit report dated ..... attached.
☐ Previous lenders checked.
☐ Place of business inspected by .....

Date .....
Remarks .....

The dealer whose application appears on the reverse hereof has been approved after such investigation as we consider necessary to establish that the dealer is reliable, financially responsible and qualified to perform satisfactorily the work to be financed and to extend proper service to the customer.

Dealer approved ..... 195....
By: .....

TITLE I—DEALER RECORD FORM

Dealer ..... Address ..... Month .....

Name and address of loan applicant	Received		Proceeds disbursed		Rejected		Jobs "spot-checked"		Service complaints		Claims filed		
	Date	Amount	Date	Amount	Date	Reason	Date	Results	Date	Remarks	Date	Balance	Reason
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													

FHA does not furnish this form. It may be reproduced with such modifications necessary to meet any special needs of the financia. institution

PART 1.[1] REGULATIONS OF THE FEDERAL HOUSING COMMISSIONER GOVERNING PROPERTY IMPROVEMENT LOANS UNDER TITLE I OF THE NATIONAL HOUSING ACT

REGULATION I. CITATION

These regulations may be cited as the "Regulations of the Federal Housing Commissioner Governing Property Improvement Loans effective July 1, 1947."

REGULATION II. DEFINITIONS

As used in these regulations the term—

1. "Act" means the National Housing Act, as amended.

2. "Administration" means the Federal Housing Administration.

3. "Commissioner" means the Federal Housing Commissioner or his duly authorized representative.

4. "Contract of insurance" includes all of the provisions of these regulations and of the applicable provisions of the act.

5. "Insured" means a financial institution holding a Contract of Insurance under Title I of the act.

6. "Loan" means an advance of funds or credit or the purchase of an obligation evidenced by a note.

7. "Note" includes a note, bond, mortgage, or other evidence of indebtedness.

8. "Payment" includes a deposit to an account or fund which represents the full or partial repayment of a loan.

9. "Borrower" means one who applies for and receives a loan in reliance upon the provisions of the act and whose interest in the property to be improved is (1) a fee title, or (2) a life estate, or (3) an equitable interest under an instrument of trust or contract, or (4) a lease having a fixed term, expiring not less than 6 calendar months after the maturity of the loan.

10. "Class 1 (a) loan" means a loan, other than a loan defined in section 11 of this regulation as a "class 1 (b) loan," which is for the purpose of financing the repair, alteration, or improvement of an existing structure or of the real property in connection therewith, exclusive of the building of new structures. The term "existing structure" means a completed building that has or had a distinctive functional use.

11. "Class 1 (b) loan" means a loan which is made for the purpose of financing the alteration, repair, improvement, or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families.

12. "Class 2 (a) loan" means a loan which is for the purpose of financing the construction of a new structure which is to be used exclusively for other than residential or agricultural purposes.

13. "Class 2 (b) loan" means a loan which is for the purpose of financing the construction of a new structure for use in whole or in part for agricultural purposes, exclusive of residential purposes.

14. "Class 1 loan" includes both "class 1 (a)" and "class 1 (b)" loans as defined in sections 10 and 11 of this regulation.

15. "Class 2 loan" includes both "class 2 (a)" and "class 2 (b)" loans as defined in sections 12 and 13 of this regulation.

REGULATION III. ELIGIBLE NOTES

1. Validity: The note shall bear the genuine signature of the borrower as maker, shall be valid and enforceable against the borrower or borrowers as defined in regulation II, section 9, and shall be complete and regular on its face. The signatures of all parties to the note must be genuine. If the note is executed for and on behalf of a corporation or in a representative capacity, the note must create a binding obligation of the principal.

2. Acceleration clause: The note shall contain a provision for acceleration of maturity, either automatic or at the option of the holder, in the event of default in the payment of any installment upon the due date thereof.

3. Payments: The note shall be payable in equal monthly, semimonthly, or weekly installments. The first installment or the final installment may be more or less than the other installments provided that it is not less than one-half or more than one and one-half times the amount of a regular in-

[1] Part II governs class 3 new home loans. Authority to insure such loans expired April 20, 1950.

stallment.[2] A note may not provide for a first payment less than 6 days nor more than 2 calendar months from the date of the note. However, if 51 percent or more of the income of the borrower is derived directly from the sale of agricultural crops, commodities, or livestock produced by him, a note may be made payable in installments corresponding to income periods shown on the credit application. In such cases, the first payment must be made within 12 months of the date of the note and at least one payment shall be made in each 12 months thereafter, provided that no two payments shall be more than 12 months apart, and the proportion of total principal to be paid in later years shall not exceed the proportion of total principal payable in earlier years. In lieu of an installment note payable in equal periodic installments a loan may be evidenced by a series of notes provided each is of an equal amount as provided in this regulation and that each note indicates on its face that it is one of a series signed by the same borrower.

4. Maturity: (a) Minimum: The note shall not have a final maturity of less than 6 calendar months from the date of the note.

(b) Maximum: The maximum permissible maturity of a note evidencing:

(1) A class 1 (a) or a class 2 (a) loan is 3 years and 32 days from the date of the note.

(2) A class 1 (b) loan is 7 years and 32 days from the date of the note.

(3) A class 2 (b) loan is 7 years and 32 days from the date of the note, except that if a class 2 (b) loan is secured by a first mortgage, first deed of trust, or other security instrument constituting a first lien upon the improved property, the loan may have a final maturity not in excess of 15 years and 32 days from the date of the note.

(4) A combination of any of the above classes of loans shall be no greater than the maximum maturity governing that component part of the loan having the shortest maturity if made alone.

5. Late charges: The note may provide for a late charge, not to exceed 5 cents for each $1 of each installment more than 15 days in arrears. No late charge on a past-due installment may be accrued in excess of $5. In lieu of late charges, notes may provide for interest on past-due installments at a rate not in excess of the contract rate in the jurisdiction in which the note is drawn. The borrower must be billed for the penalties collected as such, and evidence of such billing must be in the file if claim is made under the contract of insurance.

REGULATION IV. MAXIMUM AMOUNT OF LOANS

1. Class 1 (a) loan: A class 1 (a) loan shall not involve a principal amount, exclusive of financing charges to the borrower, in excess of $2,500.

2. Class 1 (b) loan: A class 1 (b) loan shall not involve a principal amount, exclusive of financing charges to the borrower, in excess of $10,000.

3. Class 2 loan: A class 2 loan shall not involve a principal amount, exclusive of financing charges to the borrower, in excess of $3,000.

REGULATION V. FINANCING CHARGES

1. Maximum charge: The maximum permissible financing charges, exclusive of fees and charges as provided by section 2 of this regulation, which may be paid by the borrower for interest, discount, and fees of all kinds in connection with the transaction, shall be computed as follows:

(a) Class 1 loans having a principal amount not in excess of $2,500 shall not have a financing charge in excess of an amount equivalent to $5 discount per $100 original face amount of a 1-year note, to be paid in equal monthly installments calculated from the date of the note.

(b) Class 1 loans having a principal amount in excess of $2,500 shall not have a financing charge in excess of an amount equivalent to $4 discount per $100 original face amount of a 1-year note, to be paid in equal monthly installments calculated from the date of the note.

(c) Class 2 loans shall not have a financing charge in excess of an amount equivalent to $5 discount per $100 original face amount of a 1-year note, to be paid in equal monthly installments calculated from the date of the note, except that class 2 (b) loans having a maturity in excess of 7 years and 32 days shall not have a financing charge in excess of an amount equivalent to $3.50 discount per $100 original face amount of a 1-year note, to be paid in equal monthly installments calculated from the date of the note.

Such charges correctly based on tables of calculations issued by the Federal Housing Commissioner are deemed to comply with this regulation.

An increase in the ratio of the charge to the average amount outstanding on the debt over the maximum provided in this regulation, which increase results from the first payment falling due less than 30 days after the date of the note as provided in regulation III, section 3 shall not be deemed to be in conflict with this regulation.

2. Permissible additional charges: If the insured takes security in the nature of a real-estate mortgage, deed of trust, conditional sales contract, chattel mortgage, mechanic's lien, or other security device for the purpose of securing the payment of eligible loans, the insured may collect from the borrower, in addition to the maximum permissible financing charge as provided in section 1 of this regulation, the following expenses actually incurred by the insured in connection with the transaction: Recording or filing fees, documentary stamp taxes, title examination charges and hazard insurance premiums, provided that such costs or expenses are not paid from the proceeds of the loan or included in the fact amount of the note. Such costs or expenses shall not be included by the insured as a portion of a claim under the contract of insurance and if such costs or expenses are assessed against the borrower, proper evidence thereof should be in the file.

3. Partial disbursement of proceeds: If the insured in purchasing a note takes the maximum charge permitted by this regulation, but employs a holdback and does not advance the entire proceeds of the note to the seller, it shall calculate its financing charge on the amount advanced and credit to the account of the seller the difference between the financing charge calculated on the face amount of the note and the financing charge calculated on the amount advanced.

4. Prepayment rebate: If a note is paid in full prior to maturity, the insured shall make a rebate at a rate not less than 6 percent per annum of the amounts so paid in advance of their due dates, if the maximum permissible financing charge in connection with the transaction is in an amount equivalent to $5 discount as provided in section 1 of this regulation. If a lesser charge has been taken, the rebate shall be at not less than a proportional rate.

REGULATION VI. CREDITS AND COLLECTIONS

1. Credit application: Prior to making a loan the insured shall obtain a dated credit application executed by the borrower on a form approved by the Commissioner. A separate credit application is required for each loan made or note purchased.

2. Credit investigation: The credit application, supplemented by such other information as the insured deems necessary, must, in the judgment of the insured, clearly show the borrower to be solvent, with reasonable ability to pay the obligation and in other respects a reasonable credit risk. If, after the loan is made, an insured who acted in good faith discovers any material misstatements or misuse of the proceeds of the loan by the borrower, dealer, or others, the eligibility of the note for insurance will not be affected. However, the insured shall promptly report such discovery to the Commissioner.

3. Outstanding FHA and direct Federal obligations: The proceeds of a loan shall not be disbursed if the insured has knowledge that the borrower is past due more than 15 days as to either principal or interest with respect to an obligation owing to, or insured by, any department or agency of the Federal Government, provided that nothing contained herein shall prevent the making of a loan otherwise eligible, even though the borrower is in default under such an obligation by reason of his military service and the approval of the Commissioner is obtained.

4. Past due title I notes at time of purchase: A note shall not be purchased when any installment thereon is past due more than 15 days at the date of purchase except purchases of notes under the provisions of regulation XII.

5. Prior approval by Commissioner: Any loan which increases the principal amount outstanding as to all class 1 or class 2 loans to any individual borrower to an amount in excess of $5,000, exclusive of financing charges, will be accepted for insurance only upon prior approval of the Commissioner.

6. Security: The taking of security to secure the payment of a loan is left to the discretion of the insured unless specifically required by the Commissioner in accordance with the provisions of section 5 of this regulation or of regulation III, section 4 (3). An insured may permit the substitution or subordination of security provided it can be shown when claim is made that at the time of such action the original security value was not impaired or reduced as a result of such action. Upon presentation of the facts the prior approval of the Commissioner may be obtained by the insured to any proposed substitution or subordination of security.

7. Collections: The insured is required to service loans in accordance with acceptable practices of prudent lending institutions. In the event of default, the insured should have adequate facilities for contacting the borrower and otherwise exercise diligence in collecting the amount due. The insured is responsible to the Commissioner for proper collection efforts even though actual collection may be performed by an agent.

REGULATION VII. ELIGIBLE EXPENDITURES

1. Property location: The property to be improved shall be located within the United States, its Territories, or possessions.

2. Use of proceeds: The proceeds of a loan shall be used only to finance alterations, repairs, and improvements upon real property or in connection with existing structures, commenced in reliance upon the credit facilities afforded by title I of the act.

3. Reliance on credit application: An insured acting in good faith may, in the absence of information to the contrary, rely upon all statements of fact made by the borrower, which are called for by the borrower's credit application, in determining the eligibility of the improvements to the property.

4. Technical services and direct costs: The proceeds of a loan may be used to pay the cost of architectural and engineering services, and fees paid for obtaining building permits that are directly connected with the eligible alterations, repairs, or improvements

[2] As amended October 28, 1953.

financed in accordance with these regulations.

5. Supplementing an uninsured obligation: The proceeds of a loan shall not be used to supplement another obligation of the borrower not reported for insurance, the payment of which is to be secured by a prior lien created in connection with the proposed alteration, repairs, or improvements.

REGULATION VIII.[5] DISBURSEMENT OF LOAN PROCEEDS

1. Disbursement: Before disbursing the proceeds of a loan, the insured shall:

(a) Dealer approval: Have approved the dealer after such investigation as the insured considers necessary to establish to its satisfaction that the dealer is reliable, financially responsible and qualified to perform satisfactorily the work to be financed and to extend proper service to the customer. This approval shall be evidenced by an application signed and dated by the dealer and signed and dated by the insured on forms approved by the Commissioner. The dealer application, the approval by the insured, together with supporting information and a record of the insured's experience with the loans originated by such dealer shall be in the insured's file. New dealer applications and dealer approvals need not be executed in connection with dealers who have been approved and to whom the insured has disbursed loans during the 12-month period prior to December 1, 1953. For the purpose of this regulation the term "dealer" means the one who executed the dealer's completion certificate.

(b) Completion certificate: Obtain a completion certificate signed by the borrower and a completion certificate signed by the dealer on forms approved by the Commissioner. An insured shall not disburse the proceeds of a loan, if, as an inducement for the consummation of the transaction, the borrower has been given or promised a cash payment or rebate or it has been represented to the borrower that he will receive a cash bonus or commissions of future sales. In the absence of information to the contrary, the insured may rely upon the dealer's statement in his completion certificate as to such bonus selling. If there are two or more eligible borrowers involved in a transaction, only one signature is required on the borrower's certificate.

(c) Authorization to pay loan proceeds: Obtain written authorization from the borrower, if the insured is the payee of the note and the proceeds are to be disbursed to one other than the borrowers.

(d) Description of improvements: Obtain a copy of the contract or sales agreement, signed by the borrower and the dealer, describing the type and extent of improvements to be made and the material to be used. Such contract or sales agreement shall be of a type regularly used by the dealer in his business. The signature appearing on the copy of the contract or sales agreement may be a carbon imprint of the signatures appearing on the original.

(e) Advance notice to applicant: Mail to the borrower or personally deliver to the borrower written notice of approval of the application for credit on a form approved by the Commissioner. Such notice shall be directed to the borrower prior to disbursement of the loan and in no event less than 6 calendar days prior to such disbursement. A record of such notice showing the date of mailing or delivery to the borrower shall be in the loan file.

2. Precautionary measures: If the insured has not approved the dealer, as provided in section 1 (a) of this regulation or has reason to withdraw such approval, the proceeds of a loan shall not be disbursed until:

(a) The insured has verified all statements contained on the borrower's credit application.

(b) The borrower has signed the borrower's completion certificate in the presence of the insured.

(c) The insured has inspected the work performed in every instance when the amount involved is $500 or more, and in at least 1 out of every 3 transactions when the amounts involved are less than $500.

(d) The insured has signed a statement to the effect that the above requirements were complied with prior to releasing the proceeds of any such loans. Such statements must accompany each loan report.

3. Exceptions: The provisions of sections 1 and 2 of this regulation shall not apply to loans made directly to the borrower or borrowers where the proceeds are delivered directly to such borrower or borrowers without the intervention or participation of the dealer or other intermediary in any manner in such disbursement.

REGULATION IX. REFINANCING

1. General requirements: New obligations to liquidate loans previously reported for insurance pursuant to title I of the act after July 1, 1947, which may or may not include an additional amount advanced will be covered by insurance, if they meet the requirements of all applicable regulations and the special provisions of this regulation: *Provided*, That after March 1, 1950, no additional amount shall be advanced with respect to any such new obligations which are for the purpose of liquidating loans made prior to March 1, 1950: *Provided further*, That obligations which are for the purpose of liquidating loans made prior to March 1, 1950, shall not be consolidated with obligations representing loans made after March 1, 1950.

2. Maximum maturity:

(a) A class 1 (a) loan or a class 2 (a) loan may be refinanced for an additional period not in excess of 3 years and 32 days from the date of the refinancing, but not to exceed 5 years from the date of the original note.

(b) A class 1 (b) loan may be refinanced for an additional period not in excess of 7 years and 32 days from the date of the refinancing, but not to exceed 10 years from the date of the original note.

(c) A class 2 (b) loan may be refinanced for an additional period not in excess of 7 years and 32 days from the date of the refinancing, but not to exceed 10 years from the date of the original note, except that if a class 2 (b) loan is secured by a first mortgage, first deed of trust, or other security instrument, constituting a first lien upon the improved property, the new note may have a final maturity not in excess of 15 years and 32 days from the date of the refinancing, but not to exceed 25 years from the date of the original note.

(d) When a class 1 loan or a class 2 loan is made or refinanced and consolidated with another class 1 loan or class 2 loan, the new note evidencing the consolidated obligation shall not be for a longer term than that which the component loan having the shortest permissible maturity could have if made or refinanced alone.

3. Rebate: The full unearned charge on the original note shall be refunded to the borrower. If no additional advance is made a handling charge not in excess of $2 may be assessed the borrower.

4. Special cases: The Commissioner may upon presentation of the facts approve the refinancing or refinancing and consolidation of any loan or loans upon such terms and conditions as he may determine within the limits provided by the act.

5. Deferred payments: An agreement to defer payments on a note previously reported for insurance under these regulations without rewriting the note is not considered refinancing. Such agreement will not affect the insurance coverage on the loan provided that—

(a) Such agreement is evidenced in writing;

(b) Payments shall not be deferred for more than 5 months from the due date of the last fully paid installment;

(c) Such agreement shall not extend the final maturity of the obligation beyond the maturity date of the obligation as provided by its original terms;

(d) The insured may assess the borrower for the cost of such deferment if such charge is not in excess of an equivalent amount of the late charges as provided in regulation III, section 5.

REGULATION X. REPORT OF LOANS

Loans shall be reported on the prescribed form to the Federal Housing Administration at Washington, D. C., within 31 days from the date of the note or date upon which it was purchased. Any loan refinanced as provided in regulation IX shall likewise be reported on the prescribed form within 31 days from date of refinancing. In any case, the Commissioner may, in his discretion, accept a late report. During the period regulation W, issued by the Board of Governors of the Federal Reserve System, effective September 18, 1950, is in effect, the execution and submission of a loan report pursuant to this regulation shall be deemed a representation by the insured that it has complied with all requirements of said regulation W applicable to the transaction reported for insurance. During the period regulation X, issued by the Board of Governors of the Federal Reserve System, is in effect, the execution and submission of a report of a class 1 (b) loan pursuant to this regulation shall be deemed a representation by the insured that it has complied with all requirements of said regulation X on the same basis and to the same extent as if the loan was not to be reported for insurance.

REGULATION XI. CLAIMS

1. Claim application: Claim for reimbursement for loss on an eligible loan shall be made on a form provided by the Commissioner, and executed by a duly qualified officer of the insured. The claim shall be accompanied by the insured's complete credit and collection file pertaining to the transaction.

2. Claim after default:[4] Claim may be made after default provided demand has been made upon the debtor for the full unpaid balance of the note.

3. Maximum claim period:[4] For the purpose of determining when a claim must be filed under the provisions of this section, any payments received on an account, including payments on a judgment predicated thereon, shall be applied to the earliest unpaid installment, and in the case of—

(a) Yearly installment notes, whenever an installment is 12 months in default, claim must be made within 31 days thereafter;

(b) All other installment notes, whenever an installment is 6 months in default, claim shall be made within 31 days thereafter.

(c) Military service cases, if at any time during default a person primarily or secondarily liable for the repayment of any loan is a "person in military service," as such term is defined in the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, the period during which he is in military service shall be excluded in computing the time within which claim must be made for reimburse-

[5] As amended, effective December 1, 1953.

[4] As amended October 28, 1953.

ment under the provisions of this regulation.

4. Extension of maximum claim period: Upon presentation to the Commissioner of the facts of a particular case within the allowable claim period prescribed in this regulation, he may, in his discretion, extend the time within which claim must be made, provided that in computing the claim no interest will be allowed for the period of such extension.

5. Claim amount: An insured will be reimbursed for its loss on loans made in accordance with these regulations up to the amount of its reserve as established by regulation XII as follows:

(a) Net unpaid amount of the loan actually made or the actual purchase price of the note, whichever is the lesser;

(b) Uncollected earned interest to date of default and interest at the rate of 4 percent per annum from the date of default to the date of application for reimbursement of loss sustained, but in no event shall the total interest allowed exceed the maximum permissible financing charge on the principal amount outstanding to the date of application for reimbursement;

(c) Uncollected court cost, including fees paid for issuing, serving, and filing summons;

(d) Attorney's fees actually paid not exceeding—

(1) Fifteen percent of the amount collected by the attorney on the defaulted note, provided the insured does not waive its claim against the borrower for such fees;

(2) Twenty-five dollars or 15 percent of the balance due on the note, whichever is the lesser, if a judgment is secured by suit; and

(3) Fifty dollars plus 5 percent of the balance due on the note as an additional fee where the action is contested and judgment is obtained.[5]

6. Assignment of documents: The note and any security held or judgment taken must be assigned in its entirety and if any claim has been filed in bankruptcy, insolvency, or probate proceedings, such claim shall likewise be assigned to the United States of America.

7. Form of assignment: The following form of assignment properly dated shall be used in assigning a note, judgment, real-estate mortgage, deed of trust, conditional sales contract, chattel mortgage, mechanic's lien, or any other security device in event of claim:

"All right, title, and interest of the undersigned is hereby assigned (without warranty, except that the note qualifies for insurance) to the United States of America.

(Financial institution)

By ---

Date ------ Title ---"

Provided that if this form is not valid or generally acceptable in the jurisdiction involved, a form which is valid and generally acceptable shall be used.

8. Election of action: Where a real-estate mortgage, deed of trust, conditional sales contract, chattel mortgage, mechanic's lien, or any other security device has been used to secure the payment of a loan made under the provisions of title I of the act, the insured may not, except with the approval of the Commissioner, both proceed against such security and also make claim under its contract of insurance, but shall elect which method it desires to pursue.

REGULATION XII.[6] INSURANCE RESERVE

1. Legal limit: Subject to the limitation on the Commissioner's authority to insure as stipulated in section 2 of title I of the act, the Commissioner, pursuant to the provisions of regulation XI, will reimburse any insured for losses sustained by it in accordance with the general insurance reserves provisions of section 2 of this regulation.

2. General insurance reserves: There shall be established for each insured 2 separate insurance reserves, 1 to be known as the "1947 reserve" and the other to be known as the "1950 reserve." Each reserve shall be available for the payment of losses sustained in connection with loans made during the period in which the reserve is created.

3. 1947 reserve: The 1947 reserve shall equal 10 percent of the aggregate amount advanced on all eligible loans originated by an insured pursuant to the provisions of both part I and part II of these regulations on and after July 1, 1947, and prior to March 1, 1950, less the amount of all claims approved for payment by the Commissioner in connection with such loans.

4. 1950 reserve: The 1950 reserve shall equal 10 percent of the aggregate amount advanced on all eligible loans originated by an insured pursuant to the provisions of these regulations on and after March 1, 1950, and prior to July 1, 1955, less the amount of all claims approved for payment by the Commissioner in connection with such loans and less the amount of the adjustment or adjustments, if any, made pursuant to section 5 of this regulation.

5. Adjustment of 1950 reserve: The amount of the 1950 insurance reserve to the credit of each insured shall be adjusted on January 1, 1953, and on the first day of each semiannual period thereafter by deducting therefrom an amount equivalent to one-fifth of the amount of such insurance reserve on the records of the Commissioner as of the date of such adjustment: *Provided*, That no such adjustment shall reduce the insurance reserve of any insured to an amount less than $5,000: *And provided further*, That no such adjustment shall be made in the insurance reserve of any financial institution until the first day of January or the first day of July next following the expiration of a period of 30 months after the issuance of a contract of insurance to such institution by the Commissioner, and no such adjustment shall be made in the insurance reserve of any financial institution after the termination of the contract of insurance issued to such institution by the Commissioner, or after the termination of the Commissioner's authority to insure against losses pursuant to section 2 of title I of the National Housing Act.

6. Transfer of loans reported for insurance: The insured shall not assign or otherwise transfer any loan reported for insurance to a transferee not holding a Contract of Insurance under title I of the National Housing Act, provided that nothing contained herein shall be construed to prevent the pledging of such loans as collateral security under a trust agreement, or otherwise, in connection with a bona fide loan transaction.

7. Transfer of insurance reserve: Insurance reserve of more than $5,000 shall not be transferred to or from the reserve account of any insured during any fiscal year (July 1 through June 30) without the prior approval of the Commissioner. Except in cases involving the transfer of loans sold with recourse or under a guaranty, guarantee, or repurchase agreement, the reports required by regulation X shall be submitted, indicating the intent of the parties with respect to the transfer of the insurance reserve; and unless the approval of the Commissioner is obtained, the insurance reserve shall be transferred as follows:

(a) In cases involving the transfer of notes purchased without recourse, guaranty, guarantee, or repurchase agreement, provided no installment payment is past due more than one calendar month at the time of purchase, 1947 reserve shall be transferred to the 1947 reserve of the purchasing institution, and 1950 reserve shall be transferred to the 1950 reserve of the purchasing institution, on the basis of 10 percent of the actual purchase price or net unpaid original advance, whichever is the lesser.

(b) In cases involving the transfer of notes sold with recourse or under a guaranty, guarantee, or repurchase agreement, no insurance reserve will be transferred and no reports will be required.

8. FHA recovery shall not affect reserve: Amounts which may be salvaged by the Commissioner with respect to a loan in connection with which an insured has been reimbursed under its Contract of Insurance shall not be added to the insurance reserve remaining to the credit of such insured.

REGULATION XIII. INSURANCE CHARGE

1. Rate: The insured shall pay to the Commissioner an insurance charge equal to three-fourths of 1 percent per annum of the net proceeds of any eligible loan reported and acknowledged for insurance: *Provided*, That in the case of a class 1 (b) loan in excess of $2,500, exclusive of financing charges, and in the case of a class 2 (b) loan having a maturity in excess of 7 years, such insurance charge shall be one-half of 1 percent per annum. In computing the insurance charge, no charge shall be made for the fractional period of a month of 15 days or less, and a charge for a full month shall be made for the fractional period of a month of more than 15 days.

2. When payable: Such insurance charge for the entire term of the loan shall be paid within 25 days after the date the Commissioner acknowledges receipt to the insured institution of the report of loan: *Provided*, That on loans having a maturity in excess of 3 years and 32 days, such charge may be paid in installments, the first of which shall be equal to the charge for 3 years and be paid within said 25 days, and the second and succeeding installments, each equal to the charge for 1 year, shall be paid on the first and each succeeding anniversary of the first day of the month following the date of the note.

3. Notes transferred: Any adjustments of the insurance charge already paid on any obligation transferred between insureds shall be made by the insureds, except that any unpaid installments of the insurance charge shall be paid by the purchasing insured.

4. Refund or abatement: There shall be no refund or abatement of any portion or installment of the insurance charge except:

(*a*) The charge on a refinanced note may be credited with the unearned portion of the charge on the original note;

(*b*) Insurance charges falling due after claim is filed or the note is prepaid in full;

(*c*) The charge paid on a loan or portion thereof found to be ineligible.

5. When not chargeable to borrower: The insurance charge paid by the insured shall not be charged to the borrower if such charge would cause the total payments made by the borrower to exceed the maximum permissible amount which may be charged to the borrower for interest, discount, and all other charges in connection with the transaction.

REGULATION XIV. ADMINISTRATIVE REPORTS AND EXAMINATION

The Commissioner, or his authorized representative, may at any time call upon an insured for such reports as he may deem to be necessary in connection with these regulations, or may inspect the books or accounts of the insured as they pertain to the loans reported for insurance.

[5] As amended, effective as to claims certified for payment after November 30, 1953.

[6] As amended, December 18, 1953.

REGULATION XV. AMENDMENTS

These regulations may be amended by the Commissioner at any time, but such amendments shall not adversely affect the insurance privileges of an insured with respect to any loan previously made.

REGULATION XVI. EFFECTIVE DATE

These regulations are effective as to all loans made on or after July 1, 1947, pursuant to the provisions of title I of the National Housing Act, as amended, and shall have the same force and effect as if included in and made a part of each contract of insurance.

Issued at Washington, D. C., December 31, 1953, as a reprint of the Regulations of the Federal Housing Commissioner Governing Property Improvement Loans Effective July 1, 1947, to include all amendments through December 18, 1953.

GUY T. O. HOLLYDAY,
Federal Housing Commissioner.

NATIONAL HOUSING ACT, AS AMENDED

TITLE I—HOUSING RENOVATION AND MODERNIZATION

Insurance of financial institutions

SEC. 2. (a) The Commissioner [1] is authorized and empowered upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions, which the Commissioner finds to be qualified by experience or facilities and approves as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credits, and purchases of obligations representing loans and advances of credit, made by them on and after July 1, 1939, and prior to July 1, 1955,[2] for the purpose of financing alterations, repairs, and improvements upon or in connection with existing structures, and the building of new structures, upon urban, suburban, or rural real property (including the restoration, rehabilitation, rebuilding, and replacement of such improvements which have been damaged or destroyed by earthquake, conflagration, tornado, hurricane, cyclone, flood, or other catastrophe), by the owners thereof or by lessees of such real property under a lease expiring not less than 6 months after the maturity of the loan or advance of credit. In no case shall the insurance granted by the Commissioner under this section to any such financial institution on loans, advances of credit, and purchases made by such financial institution for such purposes on and after July 1, 1939, exceed 10 percent of the total amount of such loans, advances of credit, and purchases. The aggregate amount of principal obligations of all loans, advances of credit, and obligations purchased with respect to which insurance may be heretofore or hereafter granted under this section and outstanding at any one time shall not exceed $1,750,000,000.[3]

(b) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) if the amount of such loan, advance of credit, or purchase made for the purpose of financing the alteration, repair, or improvement of existing structures exceeds $2,500, or for the purpose of financing the construction of new structures exceeds $3,000 [2] (2) if such obligation has a maturity in excess of 3 years and 32 days except that such maturity limitation shall not apply if such loan, advance of credit, or purchase is for the purpose of financing the construction of a new structure for use in whole or in part for agricultural purposes,[2] or (3) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Commissioner shall prescribe, in order to make credit available for the purposes of this tile: *Provided*, That insurance may be granted to any such financial institution with respect to any obligation not in excess of $10,000 and having a maturity not in excess of 7 years and 32 days representing any such loan, advance of credit, or purchase made by it if such loan, advance of credit, or purchase is made for the purpose of financing the alteration, repair, improvement, or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families: [2] *Provided further*, That any obligation with respect to which insurance is granted under this section on or after July 1, 1939, may be refinanced and extended in accordance with such terms and conditions as the Commissioner may prescribe, but in no event for an additional amount or term in excess of the maximum provided for in this subsection.

(c) (1) Notwithstanding any other provision of law, the Commissioner shall have the power, under regulations to be prescribed by him and approved by the Secretary of the Treasury, to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligations may be referred to the Attorney General for suit or collection.

(2) The Commissioner is authorized and empowered (a) to deal with, complete, rent, renovate, modernize, insure, or sell for cash or credit in his discretion, and upon such terms and conditions and for such consideration as the Commissioner shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of insurance heretofore or hereafter granted under this title and (b) to pursue to final collection, by way of compromise or otherwise, all claims against mortgagors assigned by mortgagees to the Commissioner in connection with such real property by way of deficiency or otherwise: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Commissioner deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein heretofore or hereafter acquired by the Commissioner pursuant to the provisions of this title may be exercised by the Commissioner or by any Assistant Commissioner appointed by him without the execution of any express delegation of power or power of attorney: *Provided*, That nothing in this paragraph shall be construed to prevent the Commissioner from delegating such power by order or by power of attorney, in his discretion, to any officer or agent he may appoint.

(d) The Commissioner is authorized and empowered, under such regulations as he may prescribe, to transfer to any such approved financial institution any insurance in connection with any loans and advances of credit which may be sold to it by another approved financial institution.

(e) The Commissioner is authorized to waive compliance with regulations heretofore or hereafter prescribed by him with respect to the interest and maturity of and the terms, conditions, and restrictions under which loans, advances of credit, and purchases may be insured under this section and section 6, if in his judgment the enforcement of such regulations would impose an injustice upon an insured institution which has substantially complied with such regulations in good faith and refunded or credited any excess charge made, and where such waiver does not involve an increase of the obligation of the Commissioner beyond the obligation which would have been involved if the regulations had been fully complied with.

(f) The Commissioner shall fix a premium charge for the insurance hereafter granted under this section, but in the case of any obligation representing any loan, advance of credit, or purchase, such premium charge shall not exceed an amount equivalent to 1 percent per annum of the net proceeds of such loan, advance of credit, or purchase, for the term of such obligation, and such premium charge shall be payable in advance by the financial institution and shall be paid at such time and in such manner as may be prescribed by the Commissioner. The moneys derived from such premium charges and all moneys collected by the Commissioner as fees of any kind in connection with the granting of insurance as provided in this section, and all moneys derived from the sale, collection, disposition, or compromise of any evidence of debt, contract, claim, property, or security assigned to or held by the Commissioner as provided in subsection (c) of this section with respect to insurance granted on and after July 1, 1939, shall be deposited in an account in the Treasury of the United States, which account shall be available for defraying the operating expenses of the Federal Housing Administration under this section, and any amounts in such account which are not needed for such purpose may be used for the payment of claims in connection with the insurance granted under this section.

(g) The Commissioner is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this title.

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[1] Under Reorganization Plan No. 3 of 1947, effective July 27, 1947, the Office of Federal Housing Administrator was abolished and all his functions and duties transferred to a Federal Housing Commissioner to be appointed by the President with advice and consent of Senate.

[2] As amended by Public Law 5, 83d Cong., approved March 10, 1953.

[3] As amended by Public Law 901, 80th Cong., approved Aug. 10, 1948.

Form FH-1
(Rev. 1-54)

FHA TITLE I CREDIT APPLICATION
(PROPERTY IMPROVEMENT LOAN)

Form approved.
Budget Bureau No. 63-R037.5

To..... Date....., 19..

This application is submitted to obtain credit under the terms of Title I of the National Housing Act.

NET AMOUNT CREDIT REQUIRED $..... NUMBER MONTHS.... Have you any other application pending at this time for an FHA Improvement loan?.....Yes☐ or No☐

Name of applicant..... How long at present address?.....years.

Address..... Telephone.....
(Street) (City) (P. O. Zone) (State)

Year of birth..... Single☐ Married☐ Name of wife (or husband)..... (Age) Number of other dependents.....

Name and address of nearest relative not living with you.....
(Name) (Street) (City) (State)

EMPLOYMENT OR BUSINESS

Employed by ☐ or business if self-employed ☐..... For past.....years.

Address..... Kind of business.....
(Street) (City) (State)

Present salary or net income from business, $..... per month ☐ per year ☐ Your position..... Business telephone.....

Other income (net), $..... per month ☐ per year ☐ Source of other income.....

Previous employer..... For.....years.
(Name) (Street) (City) (State)

REFERENCES

GIVE NAME AND ADDRESS OF BANKS, FINANCE COMPANIES, OR STORES WHICH HAVE EXTENDED YOU CREDIT

1. .....
2. .....
3. .....
4. .....

DEBTS

List fixed obligations, installment accounts, mortgages, FHA loans and debts to banks, finance companies and Government agencies

To whom indebted (name)	Describe debts	Date incurred	Present balance	Monthly payments	Amount past due	Is debt an FHA mortgage or repair loan? (State which)

PROPERTY TO BE IMPROVED

Address..... Type.....
(Street) (City) (County) (State) (House, apartment, store, farm, etc.)

FILL IN ONE

Is owned by ..... Date purchased ..... Price paid, $.....
OR (Name of titleholder)

Is being bought on contract by ..... Contract dated ..... Price paid, $.....
OR (Name of purchaser)

Is leased to ..... Lease expires .....
(Name or leaseholder) (Month) (Day) (Year)

..... Rent per month, $.....
(Landlord's name) (Address)

PROCEEDS OF THIS LOAN WILL BE USED ON ABOVE PROPERTY AS DESCRIBED BELOW

Describe each improvement planned	Estimated cost	Name and address of contractor/dealer
1.	$	
2.	$	
3.	$	

APPLICANT—IMPORTANT—READ BEFORE SIGNING

The selection of a contractor or dealer, acceptance of materials used, and work performed is YOUR responsibility. Neither the FHA nor the financial institution guarantees the material or workmanship or inspects the work performed.

I (we) certify that the above statements are true and that no unfavorable information known to me (us) or called for herein has been omitted. This application shall remain the property of the lending institution to which submitted.

WARNING

Any person who knowingly makes a false statement or a misrepresentation in this application shall be subject to a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both, under provisions of the United States Criminal Code.

Name ..... (L. S.)

Name ..... (L. S.)

NOTE TO FINANCIAL INSTITUTION.—If proceeds will be disbursed to dealer the person selling the above-described improvements must sign here ..... (L. S.)

If applicant is self-employed, a business enterprise, a partnership, or a corporation, fill in exhibits A and B on reverse side.

If applicant is self-employed, a business enterprise, a partnership, or a corporation the following information should be given in as complete a manner as possible.

Exhibits A and B are designed primarily for the self-employed, a business enterprise, a partnership, or a corporation. Applicants may find it necessary to submit their own financial statements, making them a part of this application; therefore, applicants may attach a recent balance sheet and profit and loss statement, preferably certified to by an independent accountant, provided that such statements present detailed information substantially in accord with the following:

EXHIBIT A—Balance Sheet as of ....., 19..

ASSETS		LIABILITIES	
Cash	$	Notes payable	$
Notes and accounts receivable		Accounts payable	
Merchandise		Mortgages on real estate	
Stocks and bonds		Other liabilities	
Land and buildings		Net worth	
Machinery, equipment, and fixtures			
Other assets		TOTAL	$
TOTAL	$		

EXHIBIT B—Profit and loss statement for year ending ....., 19....

Sales, net		$	Gross profit		$
Inventory—beginning	$		Operating and general expense	$	
Purchases, net			Officers' salaries		
Inventory—end			Taxes		
Cost of sales			Income from other sources		
Gross profit		$	Net profit or loss		$

TITLE I PLAN—GROSS CHARGE TABLE

For use of Insured Institutions which add the finance charge to the amounts to be financed
Based on a discount of $5 on a 1-year note payable in equal monthly installments

When amount to finance is	12 Months		18 Months		24 Months		30 Months		36 Months	
	Amount of note	Monthly payment	Amount of note	Monthly payment	Amount of note	Monthly payment	Amount of note	Monthly payment	Amount of note	Monthly payment
$1	$1.05	$0.09	$1.08	$0.06	$1.10	$0.05	$1.13	$0.04	$1.15	$0.04
$2	2.11	.18	2.15	.12	2.20	.10	2.25	.08	2.30	.07
$3	3.16	.27	3.23	.18	3.30	.14	3.38	.12	3.45	.10
$4	4.21	.36	4.31	.24	4.40	.19	4.50	.15	4.60	.13
$5	5.26	.44	5.38	.30	5.51	.23	5.63	.19	5.75	.16
$6	6.32	.53	6.46	.36	6.61	.28	6.75	.23	6.90	.20
$7	7.37	.62	7.54	.42	7.71	.33	7.88	.27	8.05	.23
$8	8.42	.71	8.62	.48	8.81	.37	9.00	.30	9.20	.26
$9	9.47	.79	9.69	.54	9.91	.42	10.13	.34	10.35	.29
$10	10.53	.88	10.77	.60	11.01	.46	11.26	.38	11.50	.32
$20	21.05	1.76	21.54	1.20	22.02	.92	22.51	.76	23.00	.64
$30	31.58	2.64	32.31	1.80	33.04	1.38	33.77	1.13	34.49	.96
$40	42.11	3.51	43.08	2.40	44.05	1.84	45.02	1.51	45.99	1.28
$50	52.63	4.39	53.85	3.00	55.06	2.30	56.28	1.88	57.49	1.60
$60	63.16	5.27	64.62	3.59	66.07	2.76	67.53	2.26	68.99	1.92
$70	73.68	6.14	75.38	4.19	77.09	3.22	78.79	2.63	80.49	2.24
$80	84.21	7.02	86.15	4.79	88.10	3.68	90.04	3.01	91.98	2.56
$90	94.74	7.90	96.92	5.39	99.11	4.13	101.30	3.38	103.48	2.88
$100	105.26	8.78	107.69	5.99	110.12	4.59	112.55	3.76	114.98	3.20
$200	210.53	17.55	215.38	11.97	220.24	9.18	225.10	7.51	229.96	6.39
$300	315.79	26.32	323.08	17.95	330.36	13.77	337.65	11.26	344.94	9.59
$400	421.05	35.09	430.77	23.94	440.49	18.36	450.20	15.01	459.92	12.78
$500	526.32	43.86	538.46	29.92	550.61	22.95	562.75	18.76	574.90	15.97
$600	631.58	52.64	646.15	35.90	660.73	27.54	675.30	22.52	689.88	19.17
$700	736.84	61.41	753.85	41.89	770.85	32.12	787.85	26.27	804.86	22.36
$800	842.11	70.18	861.54	47.87	880.97	36.71	900.40	30.02	919.84	25.56
$900	947.37	78.95	969.23	53.85	991.09	41.30	1,012.96	33.77	1,034.82	28.75
$1,000	1,052.63	87.72	1,076.92	59.83	1,101.22	45.89	1,125.51	37.52	1,149.80	31.94
$2,000	2,105.26	175.44	2,153.84	119.66	2,202.43	91.77	2,251.01	75.04	2,299.59	63.88
$2,500	2,631.58	219.30	2,692.31	149.58	2,753.04	114.71	2,813.77	93.80	2,874.50	79.85

Monthly installment payments have been set at the next full cent nearest the fractional result. As adjustment should be made in initial or final payment to have the total payments equal the face amount of the note.

FH-2
(Revised October 1953)

FHA TITLE I COMPLETION CERTIFICATE
(WORK DONE OR MATERIALS DELIVERED)

Form approved.
Budget Bureau No. 63-R282.5.

To: _____ of _____
(Financial institution) (Address)

In accordance with my (our) Credit Application dated _____, for a loan pursuant to the provisions of Title I of the National Housing Act:

CHECK HERE IF LOAN IS TO PAY FOR COST OF MATERIALS AND INSTALLATION.

☐ I (We) hereby certify that all articles and materials have been furnished and installed and the work satisfactorily completed on premises indicated in my (our) Credit Application.

CHECK HERE IF LOAN COVERS ONLY THE PURCHASE OF MATERIALS.

☐ I (We) hereby acknowledge receipt in satisfactory condition of the materials described in my (our) Credit Application.

I (We) certify that I (we) have not been given or promised a cash payment or rebate nor has it been represented to me (us) that I (we) will receive a cash bonus or commission on future sales as an inducement for the consummation of this transaction. I (we) understand that the selection of the dealer and the acceptance of the materials used and the work performed is my (our) responsibility and that neither the FHA nor the financial institution guarantees the material or workmanship or inspects the work performed.

NOTICE TO BORROWER — DO NOT SIGN this certificate until you are satisfied that the dealer has carried out his obligations to you and that the work or the materials have been satisfactorily completed or delivered.

Date _____
Borrower Signature _____
(Read before signing)

Borrower Signature _____
(Read before signing)

For the purpose of inducing the payment of proceeds of this loan and the insurance thereof by the FHA the undersigned certifies and warrants that:

(1) The above work or materials constitute the entire consideration for which this loan is made. (2) A copy of the contract or sales agreement has been delivered to the borrower and the above financial institution. (3) This contract contains the whole agreement with the borrower. (4) The borrower has not been given or promised a cash payment or rebate nor has it been represented to the borrower that he will receive a cash bonus or commission on future sales as an inducement for the consummation of this transaction. (5) The work has been satisfactorily completed or materials delivered. (6) The above certificate was signed by the borrower after such completion or delivery. (7) The signatures hereon and on the note are genuine. (8) All bills for labor or materials have been or will be paid.

If any of the above representations prove incorrect, the undersigned agrees to promptly repurchase the note from the financial institution or from the FHA as the case may be.

DEALER SIGN HERE _____
(Name of dealer)

By _____
(Signature)

Date _____

WARNING: Any person who knowingly makes a false statement or a misrepresentation in this certificate shall be subject to a fine of not more than $5,000 or to imprisonment for not more than 2 years, or both, under provisions of the United States Criminal Code.

FH-13

FHA TITLE I DEALER APPLICATION

Form approved
Budget Bureau No. 63-R344

To _____ _____
(Insured Institution) (Date)

The following information is furnished for the purpose of inducing you to approve my (our) application as a dealer, pursuant to the provisions of Regulation VIII Section 1 (a) issued by the Federal Housing Commission under the authority contained in Title I of the National Housing Act.

BUSINESS NAME _____ Phone _____

Address _____ For past _____ years
(Street) (City) (Zone) (State)

Previous Address _____ For _____ years
(Street) (City) (State)

TYPE OF BUSINESS _____ Date Established _____
(General contracting, lumberyard, heating, etc.)

OWNERSHIP: ☐Sole Owner ☐Partnership ☐Corporation
PRINCIPALS: _____ _____ _____
(Name) (Title) (Home Address)
_____ _____ _____
(Name) (Title) (Home Address)
_____ _____ _____
(Name) (Title) (Home Address)

TRADE REFERENCES:
(Name suppliers of major products financed under Title I FHA)

Name	*Address*

BANK OF DEPOSIT _____

HAVE DISCOUNTED PAPER WITH:

_____ _____ From _____ (year) to _____ (year)
(Name) (Address)
_____ _____ From _____ (year) to _____ (year)
(Name) (Address)

If paper to be financed represents the sale of a speciality product, indicate trade name and manufacturer
_____
_____
(Attach descriptive literature and price list)

Sales area _____ Number of branches _____
Address of branches _____
_____
Describe any guaranty given buyers _____
_____
Financial statement as of _____ (Date) is attached.

I (we) understand that I (we) are fully responsible for the title I activity of all sales personnel, that ethical and proper selling practices will be followed, and that immediate attention will be given to all complaints involving materials, workmanship or sales representations.

I (we) certify that the statements are true. I (we) understand this application shall remain the property of the financial institution to which it is submitted and, if requested, a copy may be furnished to the Federal Housing Administration.

Firm _____
Name _____
(Title)

WARNING: Any person who kowingly makes a false statement or a misrepresentation in this application shall be subject to a fine of not more than $5,000 or to imprisonment for not more than 2 years, or both, under provisions of the United States Criminal Code.

THIS SPACE FOR USE OF DEALER IN SUPPLYING ADDITIONAL INFORMATION

_____
_____
_____

THIS SPACE FOR USE OF INSURED INSTITUTION

☐ Dealer given copy of dealer guide
☐ Firm and all principals checked against precautionary measures list
☐ References checked
☐ Credit report dated _____ attached
☐ Previous lenders checked
☐ Place of business inspected by _____ Date _____
Remarks _____
_____
_____

The dealer whose application appears on the reverse hereof has been approved after such investigation as we consider necessary to establish that the dealer is reliable, financially responsible and qualified to perform satisfactorily the work to be financed and to extend proper service to the customer.

Dealer approved _____, 195____ By: _____

FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., October 28, 1953.

To: All State and district directors

Subject: Amendments to part I of the title I regulations

Attached is a copy of our letter, TI-101, dated October 28, 1953, to all qualified title I lending institutions announcing amendments to part I of the title I regulations.

Also attached are copies of the revised completion certificate, FH-2, and a new form, FH-13, FHA title I dealer application. A temporary working supply of these new forms will be shipped to you within the next few days. A bulk print order has been given to the Government Printing Office and should be available for distribution within 2 or 3 weeks.

Because the use of the new completion certificate, FH-2, does not become mandatory until January 1, 1954, lenders may accept the old forms until this date. Therefore, continue to furnish the old certificate, if in stock, until your supply of the new forms is received. At that time, the old forms still on hand should be destroyed.

There will be forwarded to you also a small supply of the new amendments which should be inserted in any copies of the regulations booklet (form FH-20) now in stock so that copies of this booklet hereafter released by you will be current in every respect.

Although our letter TI-101 is self-explanatory, we wish to emphasize the importance of taking whatever steps are necessary to see that the procedural changes required by these amendments are promptly carried out by all lending institutions in your jurisdiction. Further, these amendments should be reviewed and discussed with those of your staff concerned with title I activity and also discussed in your title I lenders' committee meetings.

Very truly yours,

ARTHUR J. FRENTZ,
Assistant Commissioner.

FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., October 28, 1953.

To: All qualified title I lending institutions.

Subject: Amendments to part I of the title I regulations; amendment to regulation III, section 3; amendment to regulation VIII, sections 1 (a), 1 (b), 1 (e), and section 3; amendment to regulation XI, section 2, section 3, and section 5 (d) (3).

The home improvement program under title I of the National Housing Act was instituted with the primary objective of assisting homeowners in maintaining better housing standards. Full attainment of this objective has been made difficult because of the activities of a relatively few unscrupulous dealers and salesmen who have taken advantage of the basic good faith concept on which the program is founded to victimize property owners through unethical business practices.

The Administration has vigorously opposed such practices and has adopted a number of procedural steps designed to eliminate the unethical operator from the home improvement field. With the tremendous increase in title I volume in recent years, however, reports of irregular dealer activities have continued to come to our attention.

In order to provide the homeowner with further protection against such abuses, Commissioner Guy T. O. Hollyday has amended today part I of the title I regulations. A copy of the new amendments is attached and there follows a summary of the changes with pertinent comment.

DEALER APPLICATION, FORM FH-13 (REGULATION VIII, SEC. 1 (a))

Effective December 1, 1953, it will be required that the approval of the dealer by the insured be evidenced by an application

signed and dated by the dealer on a form approved by the Commissioner. It is further required that the signed and dated approval by the insured be on a form approved by the Commissioner. These required forms have been consolidated into the attached form FH–13 supplied by this Administration. Approval to reproduce these two forms, jointly or separately, is hereby given provided there is no omission of any of the contents.

It is not required that the prescribed application be obtained from dealers previously approved by the insured and to whom the insured has disbursed loans during the 12-month period prior to December 1, 1953.

The items of information on the dealer application form are considered to be minimum and it is urged that lenders obtain such additional data as may be warranted under the circumstances of the individual case. It frequently may be desirable to have a dealer furnish the names and addresses of all sales personnel presently employed in order that the antecedents and other background information on these individuals may be obtained.

The amendment now makes it mandatory that the insured maintain a record of its experience with the loans originated henceforth by all of its approved dealers. Such record should reflect at least the volume of loans purchased, claims filed, and borrower complaints received or irregularities discovered.

Lending institutions are urged to review the subject of dealer approval discussed in the explanatory text in the printed Regulations booklet and also review our letter of July 15, 1953, (TI–99) on the same subject.

Failure on the partof the insured institution to have in its file the signed and dated application of the dealer together with supporting information and the insured's signed and dated approval shall be considered a violation of the regulations and loans purchased from such dealer will be considered as failing to meet the requirements of the insurance contract.

BORROWER-DEALER COMPLETION CERTIFICATE (REGULATION VIII, SEC. 1 (B))

This amendment stipulates that loans originated under the inducement of a "bonus" promise or a cash payment will not be accepted for insurance if the insured institution has knowledge of such practices. The completion certificate, form FH–2, (copy attached) has been revised so that both the borrower and the dealer must certify that no bonus or cash payment was given or promised in connection with the transaction. The insured may rely upon the statements of the borrower and the dealer in their completion certificate in the absence of information to the contrary.

The completion certificate has been further revised so that the borrower makes an affirmative statement that he understands that the selection of the dealer and acceptance of the materials and workmanship are his responsibility rather than that of the lending institution or the Federal Housing Administration. In the dealer's portion of the certificate there has been added a statement that all bills for labor and material have been or will be paid and further, an agreement by the dealer to repurchase the note, if any of his representations made on the certificate are found to be incorrect.

Existing stocks of completion certificates may be used until exhausted but in no event after January 1, 1954. In accepting the old completion certificate forms lending institutions should be alert for any evidence of bonus sales practices or promises of cash payment. It is well to caution all dealers against the use of such sales methods in connection with title I transactions.

The new form of completion certificate may be reproduced provided the minimum size is 8 x 7 inches and there is no deviation as to content or format.

ADVANCE NOTICE TO THE BORROWER (REGULATION VIII, SEC. 1 (E))

This subsection is new and requires the insured institution to deliver a notice to the borrower of the approval of his credit application. This notice must be delivered to the borrower at least 6 calendar days prior to disbursing the note proceeds to the dealer. For example, if the advance notice is mailed on the 1st day of the month, disbursement shall not be made until the 7th day of the month or thereafter.

It is not required that the borrower acknowledge receipt of the notice. However, the insured must have a record of having mailed or delivered such notice. An acceptable record of delivery would be a dated carbon copy of the notice or a dated entry in the borrower's loan file.

The purpose of the advance notice is to bring about a closer relationship between the insured institution and the homeowner and to make certain that the homeowner understands the basic terms of the transaction.

This form will not be supplied by the Administration as it is believed that institutions should issue the notice on their own stationery. As the regulations require such notice on a form approved by the Commissioner, this letter shall be considered as official approval of any notice that contains in its text the following minimum data:

[Letterhead of institution]

"Advance notice to applicant for FHA title I loan—

---------- Date--------

(Borrower's name)

(Address)

"We have approved your FHA application for credit in the net amount of $----------, for --------- months under title I of the National Housing Act as presented to us by ----------.

(Dealer)

"Please notify us immediately if you have any questions regarding the transaction.

(Name of Institution)"

Lenders are encouraged to add to this notice any additional material that may be helpful to the homeowner in fully understanding the transaction. Notices already in use by some lenders indicate the gross amount of the loan, the amount of the monthly payment and the finance charge. Frequently, a warning is expressed against bonus selling and the borrower is cautioned that the completion certificate should not be signed until he is satisfied as to the completion of the job.

DIRECT LOANS (REGULATION VIII, SEC. 3)

This section stipulates that the provisions of section 1 and section 2 shall not apply to those loans where the proceeds are delivered directly to the borrower. However, if the dealer participates in the disbursement in any manner, such as having the proceeds check (although made payable to the borrower) delivered to the dealer by the insured institution, or if the dealer accompanies the borrower to the institution on the occasion of disbursement for the obvious purpose of receiving the proceeds, then the provisions of section 1 and section 2 must be followed. Insured institutions should be on the alert to see that the protective measures prescribed for use in connection with dealer originated loans are not avoided by any subterfuge.

CLAIM AFTER DEFAULT (REGULATION XI, SEC. 2)

There has been some question as to how soon a claim for reimbursement for loss may be submitted to the Administration in view of the parenthetical clause in regulation XI, section 2 indicating that default was the earliest installment for which full payment has not been received. The amended regulation removes this restriction so that claim may be made any time after default in any provision of the note provided demand has been made on the debtor for the full unpaid balance.

MAXIMUM CLAIM PERIOD (REGULATION XI, SEC. 3)

The word "section" is substituted for the word "regulation" to avoid any misunderstanding as to the maximum claim period prescribed by this section.

CLAIM AMOUNT, ATTORNEY FEES (REGULATION XI, SEC. 5 (D) (3))

This amendment now provides additional reimbursement to the insured for obtaining judgment in instances where the action is contested. The insured may claim $50 plus 5 percent of the balance due on the note if judgment is recovered in a contested action. This is in addition to the $25 (or 15 percent of the balance due) permitted by subsection 5 (d) (2).

ELIGIBLE NOTES, PAYMENTS (REGULATION III, SEC. 3)

The amendment to regulation III, section 3 now permits an adjustment of either the first installment or the final installment provided such payment is not less than one-half or more than one and one-half times the amount of regular installments.

A supply of the new forms (dealer-application, form FH–13, and completion certificate, form FH–2) are now being shipped to the FHA field offices and lending institutions may obtain a working quantity within the next few days. Lenders are requested to cooperate by deferring their requisitions for a bulk shipment until after the initial distribution has been effected.

Misrepresentations and sales irregularities have no part in the title I program. We believe that the steps now being taken, coupled with the united effort of the lending institutions and responsible dealers throughout the country, will provide a sound operation for the benefit of the entire community.

Very truly yours,

ARTHUR J. FRENTZ,
Assistant Commissioner.

AMENDMENT TO PART I OF THE REGULATIONS OF THE FEDERAL HOUSING COMMISSIONER GOVERNING PROPERTY IMPROVEMENT LOANS EFFECTIVE JULY 1, 1947

Part I of the regulation of the Federal Housing Commissioner covering property-improvement loans, effective July 1, 1947, as amended, is further amended as hereinafter provided.

The second sentence of regulation III, section 3, is hereby amended to read as follows:

"The first installment or the final installment may be more or less than the other installments provided that it is not less than one-half or more than one and one-half times the amount of a regular installment."

Regulation VIII is hereby amended, effective December 1, 1953, to read as follows:

"1. Disbursement: Before disbursing the proceeds of a loan, the insured shall:

"(a) Dealer approval: Have approved the dealer after such investigation as the insured considers necessary to establish to its satisfaction that the dealer is reliable, financially responsible, and qualified to perform satisfactorily the work to be financed and to extend proper service to the customer. This approval shall be evidenced by an application signed and dated by the dealer and signed and dated by the insured on forms approved by the Commissioner. The dealer application, the approval by the insured, together with supporting information, and a record of the insured's experience with the loans originated by such dealer shall be in the insured's file. New

dealer applications and dealer approvals need not be executed in connection with dealers who have been approved and to whom the insured has disbursed loans during the 12-month period prior to December 1, 1953. For the purpose of this regulation the term "dealer" means the one who executed the dealer's completion certificate.

"(b) Completion certificates: Obtain a completion certificate signed by the borrower and a completion certificate signed by the dealer on forms approved by the Commissioner. An insured shall not disburse the proceeds of a loan, if, as an inducement for the consummation of the transaction, the borrower has been given or promised a cash payment or rebate, or it has been represented to the borrower that he will receive a cash bonus or commissions on future sales. In the absence of information to the contrary, the insured may rely upon the dealer's statement in his completion certificate as to such bonus selling. If there are two or more eligible borrowers involved in a transaction, only one signature is required on the borrower's certificate.

"(c) Authorization to pay loan proceeds: No change.

"(d) Description of improvements: No change.

"(e) Advance notice to applicant: Mail to the borrower or personally deliver to the borrower written notice of approval of the application for credit on a form approved by the Commissioner. Such notice shall be directed to the borrower prior to disbursement of the loan and in no event less than six calendar days prior to such disbursement. A record of such notice showing the date of mailing or delivery to the borrower shall be in the loan file.

"2. Precautionary measures: No change.

"3. Exceptions: The provisions of sections 1 and 2 of this regulation shall not apply to loans made directly to the borrower or borrowers where the proceeds are delivered directly to such borrower or borrowers without the intervention or participation of the dealer or other intermediary in any manner in such disbursement."

Regulation XI, section 2 is amended to read as follows:

"2. Claim after default: Claim may be made after default provided demand has been made upon the debtor for the full unpaid balance of the note."

Regulation XI, section 3 is amended to read as follows:

"3. Maximum claim period: For the purpose of determining when a claim must be filed under the provisions of this section, any payments received on an account, including payments on a judgment predicated thereon, shall be applied to the earliest unpaid installment, and in the case of:

"(a) Yearly installment notes: No change.

"(b) All other installment notes: No change.

"(c) Military service cases: No change.

Regulation XI, subsection 5 (d), is hereby amended effective as to claims certified for payment on or after December 1, 1953, to read as follows:

"(d) Attorney's fees actually paid not exceeding:

"(1) No change.

"(2) No change.

"(3) Fifty dollars plus 5 percent of the balance due on the note as an additional fee where the action is contested and judgment is obtained."

Issued at Washington, D. C., October 28, 1953.

GUY T. O. HOLLYDAY,
Federal Housing Commissioner.

Mr. CAPEHART. Mr. President, the safeguards covered such matters as care by the lenders in selecting dealers; the maintenance of a dealer's file by each lender indicating the reliability and responsibility of the dealer; and the certification by each lender upon recording a loan with FHA for insurance that it has in its possession a dealer file, a dated credit application from the borrower, and a completion certificate from both the borrower and the dealer, and that at least 6 days have elapsed between the time the lender has given the borrower notice of approval of the application and the time of disbursement of the loan.

The amendments to which I refer were included in subparagraphs (iii) and (iv) of the paragraph to be inserted at the end of 2 (a) of the National Housing Act by section 101 of the bill.

The conferees determined that these requirements were desirable, but felt they were matters which should more properly be continued in FHA regulations rather than be expressly put into the applicable law. While the Senate conferees receded to the House in this respect, it is understood that FHA in its regulations will continue to require compliance with the conditions set forth in this paragraph.

In the report we state to the FHA, in effect, "You can keep those regulations. They are desirable, and we approve of them." But we did not put them into the law, for the simple reason that it is impossible to write every FHA regulation into the law. Perhaps we should, but at least we did not.

Although no one can guarantee anything in this world—and, in particular, it is impossible to legislate honest administration—yet it is our sincere hope that with honest administration from now on, with efficient and businesslike administration, with the FHA run in the way that one would run his own business, with proper amendments in the FHA law, and with the regulations about which I have just spoken, we should be able to eliminate the bad practices, bad habits, irregularities, abuses, and downright crookedness that have been going on in the FHA, in connection with title I, during the past 20 years.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD the part of the text of House bill 7839, as passed by the Senate, with respect to this matter, which was taken out, and for which the regulations were substituted instead.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

[H. R. 7839 as passed in Senate June 3, 1954 (pp. 2–5 of bill)]

After the effective date of the Housing Act of 1954, * * * (iii) no dealer shall be permitted to participate in the benefits of this section unless he shall have been approved according to the following procedure: Each lending institution shall use due care in selecting dealers from whom it purchases notes or with whom it cooperates in making loans directly to the borrower under this section, and shall maintain a file with reference to each such dealer containing a signed and dated application by the dealer for approval and a signed and dated approval of the dealer by the lending institution, such approval being supported by information in the file that the dealer is (1) reliable, (2) financially responsible, (3) qualified to perform satisfactorily the work to be financed, and (4) equipped to extend proper service to the borrower; absence of such a file in the lending institution available for inspection by the Commissioner shall constitute a violation of this provision; (iv) each lending institution, as a condition precedent to insurance under this section, shall certify to the Commissioner at the time it records with the Commissioner for insurance each loan, advance of credit or purchase it has originated (a) that it has available the dealer file required by this section, (b) that the borrower has signed a dated credit application on a form approved by the Commissioner, (c) that the lending institution has mailed or delivered to the borrower written notice of approval of the credit application, (d) that no less than 6 days have elapsed between the date upon which such notice was mailed or delivered to the borrower and the date of disbursement of the loan by the lending institution, and (e) that prior to such disbursement but on or after the date of completion of the work for which credit was extended, the borrower has signed a completion certificate on a form approved by the Commissioner stating the borrower's satisfaction with the materials furnished and work performed and that no cash payment or rebate has been given or promised to the borrower in connection with this advance of credit and that the proceeds thereof will be entirely applied to payment for the materials and work for which credit was extended, and that the dealer has signed a completion certificate on a form approved by the Commissioner stating that the materials and work for which credit was extended constitute the entire consideration for such extension of credit, that a copy of the contract or sales agreement has been delivered to the borrower and the lending institution, containing the whole agreement with the borrower, that the borrower has not been given or promised a cash payment or rebate nor has it been represented to him that he will receive a cash bonus or commission on future sales as an endorsement for signing such contract, that the materials have been satisfactorily furnished and the work has been satisfactorily completed, that the borrower's completion certificate was signed by the borrower after such delivery or completion, that the signatures on the completion certificates of the borrower and the dealer and on the note are all genuine, that all bills for labor or materials have been or will be paid, and that if any of the representations on the dealer's certificate prove to be incorrect, the dealer agrees to repurchase promptly the note from the lending institution or from the Commissioner, as the case may be.

Mr. MONRONEY. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MONRONEY. As the distinguished chairman of the Banking and Currency Committee knows, I have been very much interested in the section on farm housing which the chairman of the committee was so kind as to accept, and which was adopted by the Senate and taken to conference. It is my understanding that it is contained in the conference report, and I wonder whether the Senator from Indiana will advise me about it.

Mr. CAPEHART. It is not in this conference report, but is in a separate bill which is on the calendar.

Mr. SPARKMAN. Mr. President, I believe the able chairman of the committee is mistaken.

Mr. CAPEHART. Perhaps I did not understand the question of the Senator from Oklahoma.

Mr. SPARKMAN. I think I can ask a question which will refresh the recollection of the chairman of the committee in reference to that particular matter.

Mr. CAPEHART. I yield to the Senator from Alabama.

Mr. SPARKMAN. I believe the reference made by the chairman of the committee was to a separate bill which relates to direct loans to GI's for housing.

Mr. CAPEHART. Yes. The amendment offered by the able Senator from Oklahoma [Mr. MONRONEY] on the floor was, at the suggestion of the chairman of the committee, kept intact in the conference report. We kept it exactly in the way the Senate adopted that amendment.

Mr. MONRONEY. And it was the intent to make it operative in the FHA, so as to provide farm home construction under the FHA.

Mr. CAPEHART. Yes; we kept it in the conference report, in the form in which the Senate had adopted that section.

I thought the Senator from Oklahoma had reference to the Veterans' Administration home-loan provisions, which we placed in a separate bill, for the reason that, although the Senate Banking and Currency Committee handles that subject, a different committee in the House of Representatives handles it. So we placed it in a separate bill.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. Will the chairman of the committee take into consideration the fact that the direct loaning program to veterans expires on July 31? Therefore, will he make an effort to have that bill acted on before that time?

Mr. CAPEHART. It is on the calendar.

Mr. SPARKMAN. That bill contains exactly the language the Senate has already passed.

Mr. CAPEHART. And the present law expires on July 31. I shall ask to have that bill brought up later today, if possible; or, if not, tomorrow.

Mr. SMATHERS. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. SMATHERS. Will the chairman of the committee tell us what the conferees did insofar as the mortgage hotel amendment is concerned, and its application to section 608 apartments?

Mr. CAPEHART. I shall reach that a little later; but if the Senator from Florida wishes me to speak about it for a moment, I shall say I think the action of the conferees should be entirely satisfactory to the able Senator from Florida. We amended that part of the law, so it will not be retroactive.

We provided that if any hotel owned any section 608 project which had written permission from the FHA, prior to the enactment of this law, to become a hotel or partially a hotel, it may do so, provided it had a written contract with the FHA. We also wrote in a provision whereby, under section 608, any such project in a strictly 100 percent tourist section could, under certain conditions and at certain times of the year, operate partially as a hotel.

Mr. SMATHERS. Is it the view of the Senator from Indiana that that will take care of most of the complaints?

Mr. CAPEHART. We think so, and we hope so, and it was our intention to do so.

Mr. SMATHERS. Does the Senator from Indiana think that the reference to "100 percent tourist area" might result in causing difficulties?

Mr. CAPEHART. That certainly would not include New York or Washington, but it certainly would include Miami, Fla.

Mr. SMATHERS. And also Daytona Beach and similar places?

Mr. CAPEHART. Yes.

Mr. SMATHERS. I thank the Senator from Indiana.

Mr. LENNON. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. LENNON. I certainly agree with the distinguished chairman of the committee that the people of the country have been shocked and outraged by the recent disclosures that many FHA borrowers have unjustly enriched themselves at the expense of their fellow taxpayers.

I should like to ask the able Senator from Indiana to take the time of the Senate—which I think he could properly do, in view of the disclosures which have been made—to inform the Senate what provisions have been written into the conference report to prevent a recurrence of such a situation. I think the chairman of the committee could explain that in a short time.

Mr. CAPEHART. I have just explained title I, and now I am ready to deal with the anti-mortgaging-out provisions, which relate to the other bad phases of the program. In other words, there were two bad phases which involved the irregularities. One had to do with title I, with loans made to individual homeowners, for the purpose of making repairs to their homes. I have just finished discussing it.

Mr. LENNON. Mr. President, will the Senator from Indiana yield to me again?

Mr. CAPEHART. I yield.

Mr. LENNON. I have particular reference to loans which were made to FHA borrowers for multiple-unit apartments.

Mr. CAPEHART. In other words, under section 608.

Mr. LENNON. Yes, under section 608.

Mr. CAPEHART. And the building of rental property.

Mr. LENNON. That is correct.

Mr. CAPEHART. I am about to take up that phase of the conference report—in other words, the anti-mortgaging-out provisions. As I proceed to discuss that part of the report, I shall be very glad to answer any questions the Senator from North Carolina may have.

ANTI-MORTGAGING-OUT PROVISIONS

Another major complaint received by your committee at the time it was considering its bill was a series of allegations that sponsors of certain of the housing programs using mortgages insured by FHA had constructed the projects at a cost lower than the amount of the mortgage insured by FHA and had pocketed the difference as profit.

Daily in its investigation, your committee is finding more and more instances of this practice.

In order to curb a recurrence of this unjust enrichment under current Federal housing programs, section 126 of the bill, as passed by the Senate, contained a cost certification requirement which would make it mandatory for the sponsor to repay on the mortgage any excess of mortgage proceeds over the prescribed percentage of actual cost of the project.

This certification would be required under the Senate bill for all new or rehabilitated multifamily housing. Items of actual cost were expressly defined in the Senate bill.

In computing actual cost, land value could not exceed the FHA Commissioner's estimate of its fair market value before construction or improvements.

In our investigation we found that they would pay, for instance, $5,000 for a piece of land, and would turn it in and get credit for it on the mortgage for $100,000, or even more—maintaining that that was the value of the land or would be the value of the land when the project was built upon it.

We wrote into the conference report a provision that the land value to be used in that case must be the estimated fair market value of the land before construction and improvements. In other words, we have now instructed the FHA to include as the cost of the land, for the purpose of mortgages, exactly what the land did cost, rather than what it may be worth after the improvements are made.

Moreover, actual cost could not include kickbacks, rebates or trade discounts received in connection with construction or improvements. We found a great many kickbacks. In fact, we found a great deal of everything; I have been amazed at the ingenuity of those involved in these contracts.

Mr. LENNON. Mr. President, will the Senator from Indiana yield further to me?

Mr. CAPEHART. I yield.

Mr. LENNON. Does the Senator from Indiana and do the other members of the committee feel that sufficient safeguards have been written into the conference report, along with the new regulations to be promulgated by the FHA?

Mr. CAPEHART. I shall answer that question only for myself, and shall say to the Senator from North Carolina that I hope so, and I think so, although I am not too certain of it, primarily for the reason that—and possibly I did not feel so strongly about the statement I am about to make, 60 days ago, as I do now, as a result of 60 days of hearings—my best judgment is that under the old law, if a little common sense and horse sense had been used by the FHA, it could have completely, 100 percent, avoided what happened. But the FHA simply went beyond all reason in its rules and regu-

lations, and in respect to not placing restraints upon such persons.

Mr. LENNON. Mr. President, will the Senator from Indiana yield further to me?

Mr. CAPEHART. I yield.

Mr. LENNON. But the old law required submission and certification of the actual cost of the project, before the loan was made.

Mr. CAPEHART. The old law did not require it. We amended it in the Wherry Act a little later, by writing that provision into the law, in 1951. But the prior law did not require it.

The original Housing Act authorized the Federal Housing Commission to extend the guaranty of the United States Government to mortgages on multifamily dwellings—those are the rental properties, including the big thousand-apartment building projects and apartment buildings having only 2 apartments—not to exceed 90 percent of the Commissioner's estimate of the necessary current cost of the completed project, including land. It will be noted that the law referred to "the necessary cost."

In 1947 the 80th Congress tightened up this law by an amendment providing:

> In estimating necessary current costs for the purpose of title VI, the Federal Housing Commissioner shall use every feasible means to assure that such estimates will approximate as closely as possible the actual costs of efficient building operations.

Under the law I have just read, that is, the law with the 1947 amendment, with any sort of efficient administration or any sort of regulations these situations could have been avoided. The FHA simply went wild. The part of the FHA that was involved, headed by a man named Powell, went out to promote these projects. They even conducted schools to educate and show builders how they could build these projects without putting in any of their own money. We have uncovered letters they wrote showing how that could be done. Bad as it was, it was not so bad that under the law they could get back 90 percent, and it would not have been so bad if they got all their money back, meaning that once a project was finished they could get back every dollar they put in. In other words, if the mortgage was $100,000 and they got back all the costs over the mortgage, that would not be so bad, that is, if they got back all their money; but they were not satisfied with getting back only all their money. We have uncovered hundreds of cases, and I am sure we will find hundreds more, of operators not only getting all their money back but, in addition, $10,000, $50,000, $100,000, and, in one instance in New York City, $6 million, and in another instance $5 million, beyond all the costs.

That is unpardonable and unconscionable. There was never any occasion for that. The FHA people just went wild. They went out to promote this business. They had what I would call sloppy administration. If they had used the simplest kind of common horse sense these things would not have happened under existing law.

Mr. LENNON. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LENNON. The Senator believes it was not the fault of the law but the fault of the administration of the law?

Mr. CAPEHART. It was not the fault of the law. The law gave them the authority and the right to do everything that is in this bill, except for the spelling out in the pending bill of some regulations, which they should have written themselves under the old law.

For example, the proposed new law provides that the FHA shall go ahead and estimate the cost and enter into a contract to insure the mortgage for that amount, and that when the project is finished the builders are to add up all the costs, and if the costs are less than the total amount of the mortgage—that is, taking 90 percent or 80 percent, because some of the new titles call for 80 percent—then the overage must be applied immediately to reduce the mortgage.

If the FHA agreed to insure a commitment of, let us say, $900,000 on a million-dollar project, the guaranty would be 90 percent, and if it turned out that that project cost only $800,000, then immediately the overage would be used to reduce the mortgage, and it would be immediately reduced by $100,000. The builder would have to apply the $100,000 on the mortgage. The FHA had the right to do it under the old law, but did not do it.

Mr. LENNON. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. LENNON. Did the Senator, in the hearings, find any evidence of any recent occurrence of the kind he mentions?

Mr. CAPEHART. We are finding so-called mortgaging-out on war housing and on defense housing and under section 207, and under titles which have to do with rental properties. We are finding some mortgaging-out on all of them.

Mr. LENNON. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. LENNON. Has the Senator discovered instances that have occurred within the past 18 months?

Mr. CAPEHART. It is hard to say, for the simple reason that we are dealing now with projects that were undertaken 18 months to 2 years ago, which is the length of time it takes to build such projects. Therefore, the commitments were made probably about 18 months or 2 years ago, or 15 months ago. It is hard to know about it. We will not know whether the present administration—if that is what the able Senator is driving at—is eliminating the practice or not. Under existing law, it is possible to do so. The ones that we are looking into are mortgage commitments that were made from 12 to 15 or 18 months ago; indeed, as long as 2 years ago.

Mr. LENNON. Mr. President, will the Senator yield for a further question?

Mr. CAPEHART. I yield. First I should like to say that, while I will not vouch for it, I am hopeful that the administration at the moment is eliminating the evil practices. However, it is impossible to legislate honesty and integrity and efficiency in Government.

Mr. LENNON. I did not mean to infer by my question that either this administration or the previous one was to blame.

Mr. CAPEHART. I understand.

Mr. LENNON. I should like to compliment the distinguished chairman of the committee, and all the other members of the committee, on what they are doing to prevent what I consider to be a national disgrace.

Mr. CAPEHART. There is no question about the fact that it is a national disgrace. I want to be charitable to the people who were running the projects, but it is just unbelievable that they did not use more common horsesense than they did in operating these projects. There can be no question that Congress intended that every man who built one of these projects, particularly under section 608, would put 10 percent of his money into the project, and the Government would guarantee 90 percent of his cost. We realize, of course, that in estimating the cost in advance it is possible to miss the exact amount by from 1 to 4 percent. We are not so much concerned when they get 100 percent of their money back, but when they get 110 percent, 140 percent, 150 percent, or 160 percent of their money, it is an unconscionable situation, and should not have been permitted to exist or to continue. But it did continue. As I say, FHA officials went all out. They say the reason they did so was in order to get housing. They wanted to get a lot of rental housing. They were promoting. They simply became salesmen. The FHA officials and FHA employees were promoters. They went up and down the land, promoting people into the business. For example, they allowed a flat 5 percent for architects' fees, even though only about a half of 1 percent would be spent for that purpose. Five percent on a million-dollar contract is $50,000. FHA would allow them 5 percent on so-called builders' fees. In fact, in arriving at the amount of the mortgage, they allowed a 5-percent builders' fee, even when the man was his own builder. Or perhaps it was only 2 percent. But it can be readily seen that if a 5-percent builders' fee and a 5-percent architects' fee, which make 10 percent, are added to 90 percent, the total is 100 percent. If they spent only one-half of 1 percent on architects' fees, and were their own builders, they almost had their money back from these properties without investing any of their own capital. We have not paid much attention to that. Practically all of them did that. But the ones we are concerned with are those who went beyond 100 percent. Here is another absolutely unbelievable fact: In these projects, it was required that a separate corporation be organized. So they would organize a corporation, and put up only $1,000, $2,000, $3,000, $4,000, or $5,000. Some of them put up more, but the amounts were always small. Then the corporation became the sponsor and owner of a big project.

I can think of one person in New York City who made $6 million. When the committee ran down the $6 million, it was found that the investment in the corporation was approximately only $6,000. At any rate, it was under $10,000. It is unbelievable that the Government would guarantee a project in which there was such a small investment, particularly when Congress said the guaranty must be 90 percent of the estimated cost, or 90 percent of the cost as nearly as it could be estimated.

The builders would say, "We cannot build a $6 million project or a $10 million project or a $4 million project with $6,000." Of course they could not. But then they proceeded to lend themselves enough money with which to build the project, and the Government had in advance guaranteed or given a commitment to guarantee a mortgage when the project was finished. Then, before they started, they went to a bank or a mortgage company and obtained a commitment to buy the mortgage. Then they lent themselves money with which to build the project. When the project was finished, they handed the mortgage to the mortgage company which had agreed to buy it, because the Federal Government had guaranteed it at 100 percent. They would get a check for all the costs, including every penny that went into it, and in many instances the costs were huge. The biggest one we found was for $6 million. Then the promoters would pay back the amount of all the loans which they had borrowed in order to build the project, and when they were all finished, they had a little corporation with $1,000 or $2,000, and they had a mortgage which the Government had guaranteed, meaning that if the project went sour or did not pay out, the Government must take the project back, and the only investment they would have behind a $5 million mortgage might be $1,000 or $2,000.

Such actions are unconscionable. Perhaps the committee should have looked into this situation sooner. If any blame is to attach, it should attach to Congress, because the laws passed by Congress permitted such operations. We had FHA officials, representatives of the industry, and others, appear before our committee and tell us that such a thing could not happen. If Congress is to blame, then we should accept the blame for permitting it to go on, because it has been in progress for many years.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. Mr. President, I wish to preface my remarks by saying that the chairman has been very fair in the investigations he has carried on. But, in justice to all members of the committee, including the distinguished chairman, I think it should be said that the only way in which we happened to get into the investigation was through the internal-revenue tax returns.

The President permitted the distinguished chairman of the committee and me to use the internal-revenue tax returns. I think the chairman will agree with me that during my term of chairmanship and during his term also, it was the mortgage banker and it was the builder who said this condition could not develop.

Mr. CAPEHART. I think it came about partially because the administration officials were conscious of the fact that something had happened. Then also, the Internal Revenue Service, in cooperation with the committee of which the Senator from Virginia [Mr. BYRD] is a member were considering whether a capital-gains tax or a normal tax should be paid.

Mr. MAYBANK. We could get no information in the committee hearings that such a thing could happen.

Mr. CAPEHART. That is correct.

Mr. MAYBANK. Fortunately, many irregularities have been discovered, through tax returns. I think the question of claiming capital gains, which was raised by the Internal Revenue Service, as the Senator states, resulted in the information from which it was possible to conduct the investigation which has uncovered the scandals.

Mr. CAPEHART. It has been said that a profit has been made on these loans. It is not a profit; it is a windfall, because the promoters still own the properties. The little corporation, with $2,000 capital, owes the full amount of the mortgage. The amount of the mortgage was more than the cost of the building. In many instances dividends were paid, and they were paid into their own pockets by those making up the corporation.

Mr. MAYBANK. The Senator is absolutely correct. But the only way we were able to get into the question was through the tax laws. The committee was not negligent. The committee was unanimous, on both sides of the aisle, in action taken by it.

Mr. CAPEHART. I am simply making the point that if there had been good laws in effect, the trouble, I am certain, could have been eliminated.

Mr. MAYBANK. My judgment is that this has happened because the committee had received testimony on many occasions, not only this year, but last year and the year before, which indicated that nothing like this could happen.

In my judgment, some smart fellow will receive a lot of money, while the Senator from Indiana is concerned with foreign relations, housing, and other things, and while I am concerned with appropriations, who will find a way to get around the law.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LANGER. In view of the colloquy which has just occurred between the Senator from South Carolina and the chairman of the committee, it occurs to me that the principal reason why the Senators on the committee, during all these years, did not detect what had taken place is that they were too busy with other matters. Perhaps they were in Europe, Asia, and other places, traveling throughout the world, taking care of everyone in the world except the people of the United States of America.

Mr. MAYBANK. I have never been to Asia.

Mr. LANGER. I was addressing the Senator from Indiana. I am not saying that perhaps he was not justified in going; but is it not true that the activities of Senators who have traveled throughout the world, looking after Hottentots and everybody else they could find, who needed new shoes or new clothes, or needed some of our money, have resulted in a neglect of the people of the United States?

Is it not true that the Senator was so busy taking care of the needs of the world that he could not take care of the needs of the United States?

Mr. CAPEHART. I do not think the able Senator from North Dakota intends to refer to me personally, does he?

Mr. LANGER. I am referring to the entire membership of the Senate.

Mr. CAPEHART. The entire membership of the Senate.

Mr. LANGER. Including myself.

Mr. CAPEHART. Since the Senator includes himself, I will then say "Amen."

Mr. MAYBANK. I am certain the Senator from Indiana, the Senator from North Dakota, and I did not vote for the amounts of foreign aid which were recommended, but we always voted to reduce the amounts. Had it not been for the alertness and keenness of the Senator from North Dakota on the night the housing bill was passed, when he had included in it a farm housing program, the bill might not have passed. So the Senator from North Dakota certainly was looking after the interests of the farmers on that night.

Mr. LANGER. Is the distinguished Senator referring to the farm-buildings section of the bill?

Mr. MAYBANK. Yes.

Mr. LANGER. The senior Senator from North Dakota never has voted for a single dollar of foreign aid. I do not want to have any misunderstanding about that. I voted against the spending of each and every dollar of foreign aid. I am proud of it, and the people of North Dakota are proud of it, too.

It seemed to me so many Senators were busy trying to take care of people all over the world, that by necessity, due to a shortage of time, they were unable to take care of the work which devolved on the committees. I am sure the Senator from Indiana and the Senator from South Carolina and some of the rest of us, if we had been taking care of our people, would have ended this long ago.

Mr. CAPEHART. We repeatedly spoke against it, as the RECORD will show. We repeatedly wrote warnings into reports admonishing them, and we repeatedly made inquiries. I would say 100 percent of the time we were assured it could not happen. Which leads me to say, as I have said as a result of this investigation on many occasions, that from now on, we ought to use our own judgment rather than do what somebody else tells us.

Mr. DOUGLAS and Mr. PAYNE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Indiana yield; and, if so, to whom?

Mr. CAPEHART. I yield first to the Senator from Illinois, who has been standing 10 minutes trying to ask a question. Then I shall yield to the Senator from Maine.

Mr. DOUGLAS. It is always somewhat impolite to say "I told you so," and I hope the Senator from Indiana will pardon me if I indulge in that type of comment. The Senator from Indiana has said that the abuses involving section 608 were entirely due to faults of administration, and that Congress could not be blamed in the slightest for them.

Mr. CAPEHART. What I said was that the law gave the administration the right to eliminate these practices by regulation. I stand on that, and it is a 100-percent true statement.

Mr. DOUGLAS. I thank the Senator for his comment, but let me continue.

The Senator from Louisiana [Mr. LONG] and the senior Senator from Illinois for months pointed out the abuses under the section 608 program, both in committee and on the floor of the Senate. We did it in 1950, we did it again in 1951. There was a very specific issue which developed, namely, the question of what should be done with the pending applications for section 608 loans.

As I recall, the act which provided for section 608 loans was due to expire on March 1. During the month of February hundreds of millions of dollars of applications for loans were rushed into the FHA offices, but not finally approved.

The question then arose as to what should be done with the section 608 loans which were pending but were not approved at the time section 608 expired.

The RECORD will show that the Senator from Louisiana and the senior Senator from Illinois insisted that the cutoff date should be precisely what it was, March 1, and that the hundreds of millions of dollars of applications should be allowed to lapse.

The RECORD will show that the Senate floor leader of the Republican Party, and other able Senators on the other side of the aisle insisted that the pending 608 applications should be passed upon. The Senate rejected this move on March 15, 1950, by an overwhelming majority of 57 to 26. I may say that 25 of the 26 Senators voting to permit more 608 applications, including the Senator from Indiana, were sitting on the Republican side of the aisle. Had their position prevailed, still other windfall profits would have been realized.

The situation, in brief, was this. We had a 608 program. We discovered the abuses in it. So we ended it—ended it I may add, over the opposition of 25 Republicans who wanted to let still more 608 projects go through.

Now, 4 years later, we find that a great discovery was made. There had been abuses under the 608 program. I am happy that the Republicans, after 4 years, finally came to recognize it. But please do not blame those of us who discovered the abuses 4 years ago and ended the program because of them.

I wish to say to the Senator from Indiana, whom I respect very much, who I think is a fine chairman of our committee, and whom I have very sincerely simply heaped with compliments from time to time, cannot entirely wash his hands of responsibility for section 608.

I merely mention that in view of the fact that the Senator from Indiana was apportioning the blame, and shifting it to the administrative agency.

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER. Let the Chair remind the Senator from Indiana that he can yield only for a question.

Mr. CAPEHART. I appreciate that, but I was endeavoring to explain the conference report.

Mr. DOUGLAS. Let me ask, is not what I have said true? [Laughter.]

Mr. CAPEHART. I just finished saying that in my opinion the law was good enough to have avoided all these irregularities had the FHA officials properly administered it, and used even an ounce of good, common horsesense. I said that once, I repeat it, and whether there was a cutoff date on section 608, or whether there was not, and whether there were many applications on file when the cutoff date arrived and was extended for a few days, makes no difference at all, because had those responsible administered the law correctly and efficiently, there would have been no necessity for any of the so-called mortgaging abuses.

Mr. DOUGLAS. Mr. President, is it not true that March 1 was the cutoff date? Is it not true that there were a half billion dollars of applications pending? Is it not true that the Senator from Louisiana, the Senator from Illinois and others discovered the abuses and kept them from continuing? Is it not true that the then minority leader, the late Senator Wherry, sitting at the desk now temporarily occupied by the senior Senator from Connecticut [Mr. BUSH], insisted that the unprocessed applications should be allowed to go through?

Mr. CAPEHART. It is true; but I do not see that it has any bearing one way or the other as to whether the law was sufficient. I repeat—and I do not believe anyone can successfully contradict my statement—that the law was good enough to have avoided what happened had those administering the law issued the right kind of regulations. I stand on that, and I do not believe there is any question but that it is true.

Mr. Powell was the administrator of the law. The law containing section 608 was passed in 1940. It was permitted to expire in 1950. Mr. Powell administered it. He was the top man who administered the law, and I cannot help feeling that there must have been something wrong somewhere, because he is the same Mr. Powell who twice has come before our committee and refused to testify, under the protection of the fifth amendment. I do not know why he has done that, but he has on two occasions. He is the same Mr. Powell who was the Deputy Commissioner in charge of rental properties, in charge of each and every one of these projects we are discussing.

If we have any responsibility, in my opinion, it is the responsibility of being factual. The disclosures have come purely about from our investigations. I would not say that if I did not think we were factual.

The law was good enough as it was, but if we can be criticized in the Congress it is because we did not investigate this whole business 2 years, 4 years, or 6 years ago.

I will say to the world, though I particularly wish the Members of Congress and the Senate to listen, that the situation which has been uncovered is the best proof in the world that the Congress, the House and the Senate, ought to investigate the executive branch of the Government from time to time. Had we investigated FHA in 1953, 1952, 1951, 1950, or 1948, we would have found out what was going on and would have put a stop to it.

Mr. PAYNE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Maine.

Mr. PAYNE. Is it not true in 1947 there was a very substantial amendment made to this law, to tighten up its provisions and to see to it that defects were corrected? In effect the provisions did not spell out the cost; am I correct in that?

Mr. CAPEHART. Let me read it.

Mr. PAYNE. The law did spell out that the figures they were to use in determining the 90 percent were to be based upon that which could be construed as being efficient construction, which would result in affecting the actual cost when it came to the final analysis.

Mr. CAPEHART. Let me read the exact language:

> In estimating necessary current costs for the purpose of title VI, the Federal Housing Commission shall use every feasible means to assure that such estimates will approximate as closely as possible the actual costs of efficient building operations.

That was passed in 1947.

Mr. PAYNE. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield to the Senator from Maine.

Mr. PAYNE. May I ask whose duty and responsibility it was to see that the provisions of that law were lived up to?

Mr. CAPEHART. Of course, it was the responsibility of those administering the law.

Mr. PAYNE. May I ask whether or not the counsel, the head of the legal branch of that agency, appeared before the committee and under questioning absolutely refused to state whether or not he had so interpreted that law as to prevent the occurrence of anything such as did occur?

Mr. CAPEHART. That is correct.

Mr. PAYNE. Did the counsel say he ever had passed on to any members of the administration of that agency the ruling as to what that law was?

Mr. CAPEHART. If I recall correctly, he could not remember.

Mr. PAYNE. In other words, practically speaking, they refused to administer that which the Congress had written into law to protect the interests of the people?

Mr. CAPEHART. Senators, we can argue this question until 12 o'clock tonight and longer, but I again say that to date our investigation proves that FHA officials deliberately promoted this whole business. They sold builders on the idea that they could proceed with a project without putting any of their money into it. That would not have been so bad, if the builders had been satisfied with 100 percent, but in promoting them into building these projects on the basis they would not have to put any of their money in, many of the builders made windfalls of tremendous sums.

Mr. FREAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Delaware?

Mr. CAPEHART. I yield, first, to the Senator from Illinois, and then to the Senator from Delaware.

Mr. DOUGLAS. Prefatory to a question, Mr. President, may I say, of course, I make no apologies for the administration of FHA. I have long believed it was inefficiently administered, and I have long believed that it was dominated by the builders, by the real-estate-financing groups, and by real-estate operators and agencies. I have so charged.

The faults in that administration are largely faults of what is termed "the industry"—an industry which, I may say, was extremely hostile to my party and to the Democratic administration as a whole.

However, on the nature of the law itself, if the law were satisfactory, why was it that finally, after a great struggle, the Senator from Louisiana and the Senator from Illinois were successful in 1951 in writing into the defense housing bill of 1951 the anti-mortgaging-out provision to prevent windfall profits by requiring a certificate of costs? I can well remember the anguished shrieks which went up from the other side of the aisle when we insisted upon the certification of costs.

Finally we got it through. If the 1947 law were such a perfect law, why was it that the law needed a certification of cost provision in order to tighten up this procedure? The Senator from Louisiana and—if I may be forgiven for saying so—the Senator from Illinois tightened it up.

Mr. CAPEHART. I think the best answer to that is that we came to the conclusion we could not expect these fellows to do the right thing on their own initiative, and it had to be done for them. I think that is possibly the answer. Let me say that the Housing Administrator himself opposed the very amendment the able Senator is talking about.

While what the Senator from Illinois says may well be factual—I do not know about who did or did not oppose what—I think the Senator is being just a little bit political about it. During all that period I think the Senator and everybody else who had the responsibility for the program knows that there was no question about who had responsibility for the Government. There was no question about who appointed Mr. Powell and the other officials of FHA.

Mr. DOUGLAS. I always admire the nonpolitical way in which the Senator from Indiana introduces politics.

Mr. CAPEHART. I will assure the Senator every time the Senator from Indiana is needled, as he has been, he will respond.

Mr. FREAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Delaware?

Mr. CAPEHART. I yield to the able Senator from Delaware.

Mr. FREAR. I desire to ask the amiable chairman of the committee a question, but before doing so I should like to make a one-sentence statement: I hold no brief for the malfunction of the administration nor the beneficiaries of windfalls. The question is: What was the primary objective of the housing law and the FHA, in the Senator's opinion?

Mr. CAPEHART. Is the Senator referring to section 608?

Mr. FREAR. To the law of which section 608 is a part.

Mr. CAPEHART. I think the purpose of FHA was to enable the Federal Government to guarantee mortgages obtained for building either individual houses or rental houses, large houses or small houses.

Mr. FREAR. Perhaps my question was not very clear.

Mr. CAPEHART. The purpose, of course, was to provide houses.

Mr. FREAR. Yes. That is, at least, what the Senator from Delaware thought was the objective of all the housing laws.

Mr. CAPEHART. Certainly.

Mr. FREAR. To provide housing for the American people.

Certainly the Senator from Indiana knows that the Senator from Delaware feels, as does the Senator from Indiana, that those who received windfalls received them perhaps not without conformity to the law, but no doubt unethical practices were used. The Senator has referred, I believe, even of schools to prepare certain persons to make applications for loans for housing, and a pretty good job of educating them was done.

Does the Senator feel, as many persons do, that even though the Administration was to blame for many of the things which happened, it also took two—individuals, companies, parties, or corporations and the FHA—to make a contract, so that those who received the windfalls deserve to have some of the blame on their shoulders.

Mr. CAPEHART. There is no question about it, because the industry in my opinion knew what was going on. The testimony before our committee had been that it was not going on, that it could not happen, and therefore we ought to leave everything as it was.

It appears that it has been one big grand promotion on the part of the FHA and, in many instances, the industry. I do not want to condemn all of them, because that is not true of all of them.

Mr. FREAR. I do not think the Senator has condemned the entire Administration, either.

Mr. CAPEHART. I have not condemned the entire Administration, but I have condemned those who prepared the policies and wrote the rules and regulations, who were in a position to change the rules and regulations and to change policy. The high-up management is what I am talking about. I am not talking about the thousands of workers in FHA, the employees, the men and women who are honest and faithful and good workers, but who were not in a position to change any rules and regulations or policies if they had wanted to. They might have known the thing was wrong, but they could not do anything about it. I am not condemning those persons. I am condemning those who were in a position to make the rules and regulations and who did not make them.

Those who were in a position to make the rules and regulations but did not do so deserve to be condemned, in my opinion, because they could not help but know what was going on, as the able Senator from Virginia [Mr. BYRD] has said on a number of occasions. I am a little irked at this whole thing, because I feel in some respects they have pulled the wool over my eyes. I do not like to have the wool pulled over my eyes. I feel they pulled the wool over the eyes of the committee and the Congress. One reason why I am irked is that it ought not to have been permitted, in view of the fact that it was so wrong. We can well understand how it was possible to receive 100 percent. We certainly cannot understand how it was possible to get more than 100 percent.

As I said previously in computing actual cost, land value could not exceed the FHA Commissioner's estimate of its fair market value before construction or improvements. Moreover, actual cost could not include kickbacks, rebates, or trade discounts received in connection with construction or improvements.

The conferees essentially retained this provision of the Senate bill, but made clear that a reasonable allowance for builder's profit may be included as part of the actual cost if the builder is also the mortgagor and wishes to leave his profit in the corporation as equity.

It would not have been so wrong, if they had made a mistake in the estimates and had constructed the building for $1 million less, if they had reduced the mortgage at that point, or had left the $1 million in the corporation in the form of equity until such time as the mortgage had been paid off and the Government no longer had a liability.

The cost certificate will be required for all multi-family housing which shall be insured under the National Housing Act after approval of this bill.

BUILDER'S WARRANTY

In an effort to prevent shoddy construction, section 801 of the Senate bill would have authorized the Federal Housing Commissioner and the Administrator of Veterans' Affairs to require in

connection with 1- to 4-family houses that the seller or builder, or other person named by the Commissioner or the Administrator, deliver to the purchaser a certificate that the dwelling is constructed in conformity with plans and specifications.

The House bill, in a similar provision, required a warranty that 1- and 2-family dwellings were constructed in substantial conformity with plans and specifications. The conferees accepted the language of the House bill, but made it applicable to 1- to 4-family residences.

This warranty will be required for all new-sale housing under FHA and VA programs. It is expected the FHA and VA will require the person giving the warranty to make such agreement or take such action as is necessary under applicable State law to obligate the giver of the warranty to the purchaser of the dwelling.

FHA APPRAISAL

As a further means of protecting the home buyer, section 126 of the Senate bill would add a new section 226 to the National Housing Act directing the FHA Commissioner to require that for new FHA-insured 1- and 2-family dwellings the seller or builder or other person designated by the Commissioner must agree to deliver to the purchaser-occupant of the property a written statement giving the appraised value as determined by FHA. This statement must be delivered before the property is sold. That is part of the law. The House bill had no similar provision, but the conferees retained this new section in the bill, extending it to existing housing.

OTHER SAFEGUARDING AMENDMENTS

As passed by the Senate, sections 914 through 920 of the bill were amendments offered on the floor by the senior Senator from Virginia. These all had as their purpose the tightening up of administration of the Federal housing programs. In substance, all these amendments were retained by the conferees with the exception of those passed as sections 914 and 915 of the Senate bill.

Section 914 would have required each prospective lender under the National Housing Act to certify that on the basis of its own appraisal it believed the proposed loan to be sound. In the case of home improvement loans under Title I of the National Housing Act, the lender would have to certify that before making the loan it would make an independent determination that the loan is sound.

Considerable opposition to this amendment was expressed by lenders, and it was indicated that, if retained in the bill, the provision would seriously decrease lender participation in FHA programs due to inadequate personnel to inspect each loan, and the fear on the part of lenders that the insurance would not be paid in event of default if the lender had certified that he believed the loan to be sound and it turned out to be unsound.

In addition, the share-the-risk amendment adopted was felt adequate to make the lenders more selective in their loans under title I of the National Housing Act.

In view of these considerations, the Senate conferees found it necessary to recede to the House and deleted this provision from the bill.

Section 915 of the bill as passed by the Senate would have required that rents or sales prices on property insured by FHA be fixed in the light of actual cost as a factor.

In view of the various criteria used in determining the maximum amount of an insurable mortgage, and in view of the danger of the incentive the provision might give to padding costs, and conversely, penalizing the efficient builder, the section was opposed in conference. It was also believed that the cost certification amendment adopted by the conferees would give FHA a sound and adequate basis for determining rentals on a fair basis. The Senate conferees found it necessary to recede to the House on this amendment.

As previously noted, section 919 of the Senate bill, dealing with false representation as a crime, has been rephrased and included in section 131 of the conference bill.

Section 916 of the Senate bill would have required the keeping of proper records by everyone, including subcontractors, small builders of individual homes, institutions insured by the Federal savings and loan insurance corporations, insurance companies, banks and mortgage companies participating in the FNMA program, and any other program under the National Housing Act, as amended, or the Housing Act of 1949, as amended.

The conference substitute, section 814, achieves the objectives sought by the senior Senator from Virginia [Mr. BYRD], namely, to require proper record keeping so as to enable an adequate audit and determination of all costs, and the use of the loans and grants made, as well as for multifamily housing projects.

Section 917 of the Senate bill would have required applicants for Federal assistance under FHA, PHA, or slum-clearance projects, to submit full specifications with respect to construction or acquisition of land, together with itemized costs.

This section was retained in amended form, section 815 of the conference bill. It requires that specifications be submitted for construction prior to the authorization for the award of the construction contract with respect to loans, grants, or contributions for public housing and slum clearance.

Section 918 of the Senate bill would have given FHA and the Comptroller General access to books and records of local public housing agencies and their contractors or subcontractors, pertinent to operations under the United States Housing Act of 1937. This provision was substantially retained as section 816 of the conference bill.

Section 920 of the Senate bill would have required HHFA, in its annual report to the Congress, to set forth detailed information on each housing and slum-clearance project, except projects involving 1-to-4 family dwellings.

This provision was retained in amended form by the conferees, and now appears as section 817 of the conference bill. It will require the annual report to contain pertinent information with respect to all projects involving any loan, contribution, or grant from HHFA, and pertinent information concerning builders' cost certification to be required by the proposed new section 227 of the National Housing Act.

It is the expectation of the conferees that all the foregoing amendments will serve to improve the operation of the several Federal housing programs under the jurisdiction of HHFA or its constituent agencies, and make them less liable to abuse.

At this point in my remarks, I ask unanimous consent to have printed in the RECORD a brief summary of the action of the conferees.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY OF ACTION OF CONFEREES

TITLE I OF BILL, FHA IMPROVEMENT AND REPAIR LOANS UNDER TITLE I OF NATIONAL HOUSING ACT

1. Existing terms and maturities continued.

(a) Maximum amount of loans for home repair is $2,500 with maximum maturity of 3 years and 32 days.

(b) Maximum amount of loans for improvement of multifamily dwellings is $10,000 with a maximum maturity of 7 years, 32 days.

2. Coinsurance: Maximum insurance to lender to be 90 percent of loss on each individual loan.

3. Limits types of loans to improvements which substantially protect or improve the basic livability or utility of property.

4. Limits granting of insurance to supervised lenders approved by FHA, and to such other lenders as (on the basis of their credit and experience or facilities for this type of loan) FHA approves.

5. Prevents use of improvement loans on new homes until completed and occupied for 6 months.

6. Prevents multiple title I loans on the same structure from exceeding in the aggregate the maximum statutory dollar limitation for the type of loan.

Section 203, National Housing Act, sales housing

1. New housing: Provides a maximum ratio of loan-to-value of 95 percent of the first $9,000 of value plus 75 percent of the excess over $9,000 and authorizes the President to increase the $9,000 up to $10,000 if he determines it to be in the public interest.

2. Existing housing: Provides a loan-to-value ratio of 90 percent of the first $9,000 plus 75 percent of the excess over $9,000 with authority for the President to increase the $9,000 up to $10,000.

3. For both new and existing housing, the maximum loans on 1- or 2-family residences are $20,000; on 3-family residences are $27,500; and on 4-family residences are $35,000.

4. Provides a maximum mortgage maturity of 30 years on new houses; and a maximum of 30 years or three-fourths the life of the house, whichever is less, for existing structures.

5. Provides for insurance of mortgages on housing located in suburbs and outlying areas not to exceed a maximum mortgage of $6,650 and not in excess of 95 percent of the appraised value—provides that this type of insurance can be made available to an owner-occupant mortgagor regardless of his credit standing, upon the guaranty of another person or corporation with credit standing satisfactory to FHA.

6. Provides for the insurance of mortgages for farmhouses located on 5 or more acres adjacent to a public highway and a maximum mortgage of $6,650 and not in excess of 95 percent of the appraised value.

Section 213, National Housing Act, cooperative housing

1. Provides for a maximum mortgage amount of $25 million per project.

2. Sets 65 percent as the number of veterans necessary to qualify a project for the higher mortgage and higher loan-to-value ratio provisions.

3. The conference deleted the Senate amendment to increase the per room mortgage limitations by $1,000 in areas where the cost levels so required.

Section 220, National Housing Act, urban renewal

1. Provides that before the insurance under this program can become operative, the HHFA Administrator is required to certify that he finds—

(1) That the governing body of the locality has approved a redevelopment or renewal plan.

(2) That such plan conforms to the general plan for the development of the locality as a whole.

(3) That necessary legal authority and financial capacity exist to carry out such plan.

2. Provides that the maximum mortgage amount for units in excess of 4 is $7,000 per unit.

2. Provides that the maximum mortgage amounts may be increased not to exceed $1,000 per room for multifamily rental projects in high-cost areas.

Section 221, National Housing Act, relocation housing for displaced persons

1. The Housing and Home Finance Administrator determines the number of section 221 units needed and so certifies to the FHA Commissioner.

2. Provides that the mortgage cannot exceed 95 percent of the appraised value on new homes and 90 percent on existing homes (except when the mortgagor is nonprofit or governmental agency in which case the loan may be for 95 percent on either new or existing housing).

3. Mortgage maturity of 30 years or three-fourths of the economic life of the structure, whichever is lesser.

Section 222, National Housing Act, mortgage insurance for servicemen

1. Permits servicemen and members of the United States Coast Guard to obtain 95 percent guaranteed FHA loan with a maximum mortgage amount of $17,100. The FHA premium would be payable by the Secretary of Defense or the Secretary of Treasury as the case may be.

2. Permits a serviceman to obtain benefits under this section without affecting his eligibility for home-loan benefits under the Servicemen's Readjustment Act of 1944.

Section 223, National Housing Act, miscellaneous housing insurance

1. Permits 95-percent mortgages to finance the sale of Government-owned housing to cooperatives composed of 65 percent veterans.

Section 224, National Housing Act, debenture interest rate

1. Provides that the interest rate on FHA debentures relating to mortgages hereafter issued shall bear interest at the rate in effect at the time the mortgage is insured, as established by the FHA Commissioner with the approval of the Secretary of the Treasury.

2. Special debentures under section 221 are excluded from this provision.

Section 225, National Housing Act, open-end mortgages

1. Restricts items eligible for insured advances on "open-end" mortgages to those which would substantially protect or improve the basic livability or utility of the property.

2. The amount of the advance when added to the unpaid amount of the mortgage cannot exceed the original principal obligation, unless the mortgagor certifies that the proceeds of the advance are to be used to finance the construction of additional rooms or other enclosed space as part of the dwelling.

Section 226, National Housing Act, FHA appraisal for home buyers

The conference committee included existing homes as well as new houses in the requirement that the builder or seller of a 1- or 2-family residence make available to the purchaser a statement of the FHA appraised value.

Section 227, National Housing Act, builder's cost certification

This provision would require the builder to certify that the approved percentage of the actual cost (i. e., 80 percent under sec. 207, 90 percent or 95 percent under sec. 213, 90 percent under sec. 220, etc.) equaled or exceeded the proceeds of the mortgage loan or the amount by which the proceeds exceeded such approved percentage and to apply the amount of such excess to the reduction of the mortgage loan.

The cost certification was amended in conference to make it clear that a reasonable allowance for builder's profits may be included as part of the actual cost of a project in the case where the builder is also the mortgagor and desires to leave his profit in the corporation as equity.

Defense Housing

Section 129 of the conference bill extends title IX and title III of the Defense Housing and Community Facilities and Services Act of 1951 for Federal aid in the provision of defense housing and community facilities and services in critical defense housing areas.

Prohibition against hotel use

Section 132 of the conference bill adds a new section 513 to the National Housing Act prohibiting use of FHA-insured housing for hotel or transient purposes, except upon prior written authorization from FHA or prior usage in resort areas, as outlined in the conference bill. It provides administrative and judicial means of enforcing the provision.

TITLE II OF BILL, FEDERAL NATIONAL MORTGAGE ASSOCIATION

Section 201 of the bill—

1. Recharters FNMA as constituent agency of HHFA, with HHFA Administrator as Chairman of Board of Directors of five Government members.

2. Authorized to purchase FHA and VA mortgages or participations not to exceed $15,000 per family unit.

3. In effect, capital and surplus of existing FNMA would be used to capitalize new FNMA (estimate at $70 million).

In connection with the secondary mortgage facility (see 4) capital contributions of not less than 3 percent of the mortgage or participation amount would be required of all sellers to the Association. In return common stock would be issued to the sellers, instead of the nonrefundable convertible certificates provided in the House bill, and dividends could be paid on them while the Treasury is still a preferred stockholder not in excess of the rate paid to the Treasury, and not to exceed 5 percent after the Treasury's investment is fully paid off.

4. Establishes a new secondary mortgage market facility—

(a) To purchase eligible mortgages at prices (not above par) for particular classes of mortgages as determined by Board of Directors. Volume of purchases and sales, prices, charges, and fees would be determined with the view that excessive use of the Association's facilities should be avoided.

(b) To issue Association nonguaranteed obligations, not in excess of 10 times its capital, surplus, reserves, and undistributed earnings to carry out its secondary market operations.

(c) The Secretary of Treasury is authorized to invest in such obligations up to $500 million, plus an amount equal to reduction in FNMA present portfolio, but not more than $1 billion, until Treasury stock in Association is retired.

5. Provides special assistance functions.

(a) President could authorize advance commitments and purchases of mortgages of various types and classifications as a support for special housing programs or to retard a serious market decline, including housing in Guam, military, and disaster housing.

(b) Treasury would supply funds in return for obligations of not more than 5 years' maturity.

(c) President could authorize not more than $200 million in purchases and commitments to be outstanding at any one time, but would have additional authority up to $100 million to enter commitments for mortgage participation agreements for a fixed 20 percent undivided interest in each mortgage, but with a deferred participation agreement to purchase the remainder in the event of default.

6. Liquidation of existing FNMA portfolio.

(a) Issue to public nonguaranteed obligations against its assets. The funds so obtained would be used to reduce existing Treasury's investment.

(b) Treasury authorized to purchase Association's obligations in sufficient amount to carry out Association's liquidation functions. Such obligations would have maturities of 5 years or less and the interest rate would be based on the average rate of outstanding Government obligations.

(c) Three hundred million dollars of the present authorization of FNMA for mortgage purchases would be made available for the special assistance program. (See 5.)

7. Separate accountability would be maintained for the (a) secondary market operations, (b) special assistance functions, and (c) management and liquidating functions of the rechartered FNMA.

TITLE VI OF THE BILL, VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

This program is discussed at this point because of its relationship to and similarity of purpose with FNMA.

Section 601 of bill: A new voluntary home mortgage credit program would be established, under which representatives of various types of financial institutions, builders, and the Government in an organized manner would cooperate, in facilitating the flow of mortgage credit for Government-insured and guaranteed loans into remote areas and small communities. This title contained in both the House and Senate bills with minor differences. It was adopted by the conferees with minor amendments.

TITLE III OF BILL, SLUM CLEARANCE AND URBAN RENEWAL

Section 301 of the bill provides assistance to communities in clearing slums and assists in prevention of development of new slums by rehabilitation and improvement of blighted, deteriorated, and deteriorating areas.

The Senate provisions were adopted with amendments excluding from "local grants-in-aid" those revenue-producing public utilities where the capital cost is wholly financed with local bonds or obligations payable solely out of revenues derived from service charges. The exclusion also covers public facilities financed by special assessments against land in the project area.

After much discussion, in recognition of objections to redevelopment made by homeowners in the areas in question, and with a view to further studying this problem next session, the Senate conferees receded to the House conferees on the redevelopment of Barry Farms and Marshall Heights, D. C. The conference action continues in effect the restriction against such redevelopment in these specified areas.

TITLE IV OF BILL, LOW-RENT PUBLIC HOUSING

The House bill contained no provision for additional public housing and would have, in effect, terminated the public housing program after the completion of the approximately 33,000 units still authorized under existing law.

The Senate bill provided for 140,000 public housing units limited to 35,000 units per year spread over a 4-year period (fiscal years 1955, 1956, 1957, and 1958). The House conferees were insistent that the Senate provision was unacceptable to the House, and finally the following compromise was adopted:

The Public Housing Administration is authorized to enter into new contracts during the fiscal year 1955 for loans and annual contributions with respect to not more than 35,000 additional public housing units.

These projects are limited to:

(a) low-rent housing projects undertaken in communities where a slum clearance and urban redevelopment or urban renewal project is being carried out with assistance under title I of the Housing Act of 1949, as amended; and

(b) only if the local governing body of the community undertaking the project certifies that the low-rent housing project is needed to assist in meeting the relocation requirements of section 105 (c) of that act by providing housing for persons displaced by the slum-clearance operations; and

(c) the number of units in low-rent projects covered by new contracts shall not exceed the number of units which the Administrator determines are needed for the relocation of families displaced as a result of Federal, State, or local governmental action in the community.

TITLE V OF BILL, HOME LOAN BANK BOARD

1. The provision for service of process against the Home Loan Bank Board was amended in conference by deleting the language making this provision inapplicable to any pending suit.

2. The conference agreed that when the Home Loan Bank Board commences action to terminate the insurance of an institution insured by the Federal Savings and Loan Corporation, the local supervisory authority should be given an opportunity to attempt to correct an unsound or unsafe practice before final action is taken by the Board. Existing accounts continue insured for 2 years after termination of the institution's insured status.

TITLE VII OF BILL, RESERVE OF PLANNED PUBLIC WORKS

The conference committee adopted the Senate provision on section 702 of the bill, requiring a separate planning account for local and Federal funds advanced for public works planning.

It also included an amendment authorizing 1 percent of the $10 million appropriated under 702 (e) to be used for the purpose of surveying the status and the amount of volume of advanced public works.

TITLE VIII OF SENATE BILL, SMOKE ELIMINATION AND AIR POLLUTION PREVENTION

This title was deleted from the bill by the conference committee.

TITLE VIII OF CONFERENCE BILL, MISCELLANEOUS PROVISIONS

Section 801 of conference bill, builder's warranty

The conference committee adopted the House language requiring a "warranty" of "substantial conformity" with the plans and specifications in place of the Senate language requiring a "certificate" of "conformity" with the plans and specifications. In the House bill this provision only applied to 1- and 2-family structures. The Senate provision applying to 1- to 4-family units is in the conference bill.

Section 802 of bill, consolidated report by HHFA

The conference adopted the House provision consolidating all the reports on the various operations of the Housing Agency into one annual report by the Housing Administrator to be made to the President for submission to Congress.

Section 803 of Senate bill, direct loans to veterans

The provision for the continuance of the veterans direct home loan program was taken out of the bill and will be handled in another separate bill, H. R. 8152, already reported by the Banking and Currency Committee to the floor and on the Senate Calendar.

Section 804 of bill, public-agency loans

Adopted Senate provision naming HHFA to handle the $50 million revolving-fund program, but changed the appropriation of $50 million to an authorization and extended the program to June 30, 1956, instead of 1957 as the Senate bill would have provided. This provision was also amended to let the revolving fund be used for administrative as well as operating expenses. The House conferees were of the opinion that an appropriation rather than an authorization would be subject to a point of order.

Section 805 of the conference bill permits disposal of certain Lanham Act housing in California. It also allows disposal of permanent war housing outside veterans' preference provisions but only in recognition of the fact that they are not really applicable in the limited circumstances mentioned in the section.

Section 806 of bill, sale of temporary housing under Defense Housing Act of 1951

The Senate version permitted sale of such housing to the highest bidder, when it is no longer needed for defense purposes. Conferees included a provision allowing a rejection of any bid for less than two-thirds of the appraised value of the housing being offered for sale.

Section 808 of the bill continued the Senate provision allowing the Federal Government to pay insurance proceeds to a local educational agency which has paid the premiums of such insurance on property being obtained even though actual transfer of title of the property to the local agency has not been completed.

The conferees added a provision relating to the rate of interest on loans to colleges for student and faculty housing. Under the new provision the rate is fixed at the date of approval of the loan by the Housing and Home Finance Administrator rather than the date upon which the loan is made.

Section 809 of the bill continues Senate provisions allowing the transfer at fair market value to the University of California of Kenyon Crest Homes in Riverside, Calif. The conferees also added to the section provisions to allow similar transfers at fair market value to the University of South Carolina of 74 housing units at University Terrace, Columbia, S. C.; and transfer without monetary consideration to the Housing Authority of St. Louis County, Mo., of 156 housing units in a public-housing project.

Section 810 of the conference bill continues the Senate provision allowing transfer at fair market value of 2 housing projects in Connecticut, totaling 255 units, to the Housing Authority of Wethersfield, Conn., with a requirement of full payment within 30 years with interest on the unpaid balance not to exceed 5 percent per annum.

Section 812 of the bill extends the direct farm-loan program contained in title V of the Housing Act of 1949 by authorizing additional funds for that purpose.

Section 814 to section 817 of the conference bill cover amendments offered in the Senate by the senior Senator from Virginia. With some amendatory language, these provisions are retained in the conference bill.

Section 814 covers the keeping of adequate records by beneficiaries of certain Federal housing programs. Section 815 requires timely submission of specifications and land acquisition information. Section 816 gives PHA and the Comptroller General access to Public Housing Agency records. Section 817 specifies information to be included in the annual report made by HHFA to the Congress.

Mr. KUCHEL. Mr. President, will the Senator from Indiana yield?

The PRESIDING OFFICER (Mr. BEALL in the chair). Does the Senator from Indiana yield to the Senator from California?

Mr. CAPEHART. I yield.

Mr. KUCHEL. I ask this question as a member of the Senate Committee on Interior and Insular Affairs, and now as chairman of the Subcommittee on Insular Affairs: Apparently the Senate version of the housing bill included in section 202, in title II, a provision earmarking $15 million for mortgages covering projects located in Guam. I understand that provision was deleted by the conference committee, on the theory that the same purpose could be fulfilled by the special assistance clause, section 305, of title III, which provides that the President, after determining that such action is in the public interest, may authorize the Federal National Mortgage Association to make commitments to purchase such types, classes, or categories of home mortgages as he shall determine.

I wish to say to the Senator from Indiana that in my capacity as the new chairman of the subcommittee, I am not acquainted with the necessities which the Territory of Guam has with respect to such legislation; but I am acquainted, as I am sure all other Members of the Senate are, with the ravages which occurred on that tiny island during the 34 months it suffered desolation during World War II.

The question I wish to ask the Senator from Indiana is this: Is it his judgment that the conference committee intends, as I have suggested, that section 305 of title III may be used for these purposes, with respect to the Territory of Guam?

Mr. CAPEHART. The answer is "Yes."

Mr. KUCHEL. I thank the Senator from Indiana.

Mr. LANGER. Mr. President, will the Senator from Indiana yield for a question?

Mr. CAPEHART. I am glad to yield.

Mr. LANGER. Am I to understand from the explanation the Senator from Indiana has given that from 1940 to 1952, no system of accounting that was uniform in all the regions was set up?

Mr. CAPEHART. It do not think I quite understand the question.

Mr. LANGER. A moment ago the Senator from Indiana said the conference report provides for a uniform system of accounting.

Mr. CAPEHART. Let me say that the FHA had authority, under the old law, to require any and every kind of accounting system it wished. In the case of all section 608 projects, the FHA required them to organize a separate corporation with two forms of stock—preferred stock and common stock. The FHA took all the preferred stock of each of the corporations, and even wrote the charter for them. The FHA could have required them to give it everything.

The reason why the able Senator from Virginia [Mr. BYRD] and myself and other Members are writing this provision into the conference report is to force the FHA to do it, and to see that the FHA does do it.

Mr. LANGER. But did not the former FHA have a system of accounting?

Mr. CAPEHART. Does the Senator from North Dakota mean accounting for all the projects in the United States, or in the FHA's offices in Washington?

Mr. LANGER. I mean a uniform system of accounting.

Mr. CAPEHART. Does the Senator from North Dakota mean in the FHA office in Washington?

Mr. LANGER. I mean in all the other offices—in other words, so that one inspector could walk in and could find out the condition of the various corporations.

Mr. CAPEHART. Oh, no.

Mr. LANGER. Was there any requirement of that sort?

Mr. CAPEHART. The FHA wrote the charter for them, although the charters varied somewhat, for, of course, corporation papers must be drawn up in accordance with the State law, rather than in accordance with Federal law; and most State laws in regard to corporations are different.

Mr. LANGER. Were annual reports required?

Mr. CAPEHART. Yes.

Mr. LANGER. Were the annual reports sent to the President?

Mr. CAPEHART. That is just the point. I see the able Senator from Virginia [Mr. BYRD] laughing. As he well knows, evidently nothing was done with the annual reports; because if the annual reports had been sent to the President, then, when the first, second, third, and fourth annual reports were submitted, let us say, 6, 7, or 10 years ago, it would have been recognized that they were mortgaging out and that all of these abuses were occurring.

Mr. LANGER. I repeat, were the reports sent to the President?

Mr. CAPEHART. No; they were kept in the FHA files.

Mr. LANGER. Were any of the annual reports sent to the Comptroller General?

Mr. CAPEHART. No; although that is what we are requiring now; we are mandating the FHA to do what it should have done, anyway, and what it had authority to do and could have done if it had wanted to do it.

TITLE I OF BILL, FHA IMPROVEMENT AND REPAIR LOANS UNDER TITLE I OF NATIONAL HOUSING ACT

First. Existing terms and maturities continued.

(a) Maximum amount of loans for home repair is $2,500 with maximum maturity of 3 years and 32 days.

(b) Maximum amount of loans for improvement of multifamily dwellings is $10,000 with a maximum maturity of 7 years, 32 days.

Second. Coinsurance: Maximum insurance to lender to be 90 percent of loss on each individual loan.

Third. Limits types of loans to improvements which substantially protect or improve the basic livability or utility of property.

Fourth. Limits granting of insurance to supervised lenders approved by FHA, and to such other lenders as (on the basis of their credit and experience or facilities for this type of loan) FHA approves.

Fifth. Prevents use of improvement loans on new homes until completed and occupied for 6 months.

Sixth. Prevents multiple title I loans on the same structure from exceeding in the aggregate the maximum statutory dollar limitation for the type of loan.

SECTION 203, NATIONAL HOUSING ACT, SALES HOUSING

First. New housing: Provides a maximum ratio of loan-to-value of 95 percent of the first $9,000 of value plus 75 percent of the excess over $9,000, and authorizes the President to increase the $9,000 up to $10,000 if he determines it to be in the public interest.

Here is a case where the present law calls for 95 percent of the first $7,000 and 70 percent of the excess over $7,000, and not to exceed $11,000. That has been increased to 95 percent of the first $9,000, 75 percent of the excess over $9,000, and authorizes the President to increase the $9,000 to $10,000 if he determines it to be in the public interest. In other words, in this case we are liberalizing existing law.

Second. Existing housing: Provides a loan-to-value ratio of 90 percent of the first $9,000 plus 75 percent of the excess over $9,000 with authority for the President to increase the $9,000 up to $10,000.

Third. For both new and existing housing, the maximum loans on 1- or 2-family residences are $20,000; on 3-family residences are $27,500; and on 4-family residences are $35,000.

Fourth. Provides a maximum mortgage maturity of 30 years on new houses; and a maximum of 30 years or three-fourths the life of the house, whichever is less, for existing structures.

Fifth. Provides for insurance of mortgages on housing located in suburbs and outlying areas not to exceed a maximum mortgage of $6,650 and not in excess of 95 percent of the appraised value. Provides that this type of insurance can be made available to an owner-occupant mortgagor regardless of his credit standing, upon the guaranty of another person or corporation with credit standing satisfactory to FHA.

That is a new provision in the housing law.

Sixth. Provides for the insurance of mortgages for farmhouses located on 5 or more acres adjacent to a public highway and a maximum mortgage of $6,650 and not in excess of 95 percent of the appraised value.

That is the section about which the able Senator from Oklahoma [Mr. MONRONEY] inquired a few minutes ago.

SECTION 213, NATIONAL HOUSING ACT, COOPERATIVE HOUSING

First. Provides for a maximum mortgage amount of $25 million per project.

Second. Sets 65 percent as the number of veterans necessary to qualify a project for the higher mortgage and higher-loan-to-value ratio provisions.

Third. The conference deleted the Senate amendment to increase the per room mortgage limitations by $1,000 in areas where the cost levels so required.

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First. Provides that before the insurance under this program can become operative, the HHFA Administrator is required to certify that he finds—

(a) That the governing body of the locality has approved a redevolpment or renewal plan.

(b) That such plan conforms to the general plan for the development of the locality as a whole.

(c) That necessary legal authority and financial capacity exists to carry out such plan.

Second. Provides that the maximum mortgage amount for units in excess of 4 is $7,000 per unit.

Third. Provides that the maximum mortgage amounts may be increased not to exceed $1,000 per room for multifamily rental projects in high-cost areas.

SECTION 221, NATIONAL HOUSING ACT, RELOCATION HOUSING FOR DISPLACED PERSONS

First. The Housing and Home Finance Administrator determines the number of section 221 units needed and so certifies to the FHA Commissioner.

Second. Provides that the mortgage cannot exceed 95 percent of the appraised value on new homes and 95 percent on existing homes except when the mortgagor is nonprofit or governmental agency in which case the loan may be for 95 percent on either new or existing housing).

That is a new section.

Third. Mortgage maturity of 30 years or three-quarters of the economic life of the structure, whichever is lesser.

SECTION 222, NATIONAL HOUSING ACT, MORTGAGE INSURANCE FOR SERVICEMEN

First. Permits servicemen and members of the United States Coast Guard to obtain 95 percent guaranteed FHA loan with a maximum mortgage amount of $17,100. The FHA premium would be payable by the Secretary of Defense or the Secretary of Treasury as the case may be.

Second. Permits a serviceman to obtain benefits under this section without affecting his eligibility for home loan benefits under the Servicemen's Readjustment Act of 1944.

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First. Provides that the interest rate on FHA debentures relating to mortgages hereafter issued, shall bear interest at the rate in effect at the time the mortgage is insured, as established by the FHA Commission with the approval of the Secretary of Treasury.

Second. Special debentures under section 221 are excluded from this provision.

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First. Restricts items eligible for insured advances on "open-end" mortgages to those which would substantially protect or improve the basic livability or utility of the property.

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SECTION 226, NATIONAL HOUSING ACT, FHA APPRAISAL FOR HOME BUYERS

The conference committee included existing homes as well as new houses in the requirement that the builder or seller of a 1- or 2-family residence make available to the purchaser a statement of the FHA appraised value.

SECTION 227, NATIONAL HOUSING ACT, BUILDER'S COST CERTIFICATION

This provision would require the builder to certify that the approved percentage of the actual cost—that is, 80 percent under section 207, 90 percent or 95 percent under section 213, 90 percent under section 220, and so forth—equaled or exceeded the proceeds of the mortgage loan or the amount by which the proceeds exceeded such approved percentage and to apply the amount of such excess to the reduction of the mortgage loan.

We talked about this a short time ago.

The cost certification was amended in conference to make it clear that a reasonable allowance for builder's profits may be included as part of the "actual cost" of a project in the case where the builder is also the mortgagor and desires to leave his profit in the corporation as equity.

Let me say that in no case could it be more than 100 percent, and then he must leave his money there; he cannot take it out until the mortgage is retired or paid for.

DEFENSE HOUSING

Section 129 of the conference bill extends title IX and title III of the Defense Housing and Community Facilities and Services Act of 1951 for Federal aid in the provision of defense housing and community facilities and services in critical defense housing areas.

PROHIBITION AGAINST HOTEL USE

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Section 201 of the bill—

First. Recharters FNMA as constituent agency of HHFA, with HHFA Administrator as Chairman of Board of Directors of five Government members.

Second. Authorized to purchase FHA and VA mortgages or participations not to exceed $15,000 per family unit.

Third. In effect, capital and surplus of existing FNMA would be used to capitalize new FNMA—estimate at $70 million.

In connection with the secondary mortgage facility (see 4) capital contributions of not less than 3 percent of the mortgage or participation amount would be required of all sellers to the Association. In return common stock would be issued to the sellers, instead of the nonrefundable convertible certificates provided in the House bill, and dividends could be paid on them while the Treasury is still a preferred stockholder not in excess of the rate paid to the Treasury, and not to exceed 5 percent after the Treasury's investment is fully paid off.

Fourth. Establishes a new secondary mortgage market facility.

(a) To purchase eligible mortgages at prices—not above par—for particular classes of mortgages as determined by Board of Directors. Volume of purchases and sales, prices, charges, and fees would be determined with the view that excessive use of the Association's facilities should be avoided. I wish to state at this point that this is a new Government corporation that is being formed.

(b) To issue Association nonguaranteed obligations, not in excess of 10 times its capital, surplus, reserves, and undistributed earnings to carry out its secondary market operations.

(c) The Secretary of Treasury is authorized to invest in such obligations up to $500 million, plus an amount equal to reduction in FNMA present portfolio, but not more than $1 billion, until Treasury stock in Association is retired.

Fifth. Provides special assistance functions.

(a) President could authorize advance commitments and purchases of mortgages of various types and classifications as a support for special housing programs or to retard a serious market decline, including housing in Guam, military, and disaster housing.

(b) Treasury would supply funds in return for obligations of not more than 5 years maturity.

(c) President could authorize not more than $200 million in purchases and commitments to be outstanding at any one time, but would have additional authority up to $100 million to enter commitments for mortgage participation agreements for a fixed 20 percent undivided interest in each mortgage, but with a deferred participation agreement to purchase the remainder in the event of default.

Sixth. Liquidation of existing FNMA portfolio.

(a) Issue to public nonguaranteed obligations against its assets. The funds so obtained would be used to reduce existing Treasury's investment.

(b) Treasury authorized to purchase Association's obligations in sufficient amount to carry out Association's liquidation functions. Such obligations would have maturities of 5 years or less and the interest rate would be based on the average rate of outstanding Government obligations.

(c) Three hundred million dollars of the present authorization of FNMA for mortgage purchases would be made available for the special assistance program—see paragraph fifth.

Seventh. Separate accountability would be maintained for the (a) secondary market operations, (b) special assistance functions, and (c) management and liquidating functions of the rechartered FNMA.

TITLE VI OF BILL, VOLUNTARY HOME MORTGAGE CREDIT PROGRAM

This program is discussed at this point because of its relationship to and similarity of purpose with FNMA.

Section 601 of bill: A new voluntary home mortgage credit program would be established, under which representatives of various types of financial institutions, builders and the Government in an organized manner would cooperate, in facilitating the flow of mortgage credit for Government insured and guaranteed loans into remote areas and small communities. This title contained in both the House and Senate bills with minor differences. It was adopted by the conferees with minor amendments.

TITLE III OF BILL, SLUM CLEARANCE AND URBAN RENEWAL

Section 301 of the bill provides assistance to communities in clearing slums and assists in prevention of development of new slums by rehabilitation and improvement of blighted, deteriorated and deteriorating areas.

The Senate provisions were adopted with amendments excluding from "local grants-in-aid" those revenue-producing utilities where the capital cost is wholly financed with local bonds or obligations payable solely out of revenues derived from service charges. The exclusion also covers public facilities financed by special assessments against land in the project area.

After much discussion, in recognition of objections to redevelopment made by homeowners in the areas in question, and with a view to further studying this problem next session the Senate conferees receded to the House conferees on the redevelopment of Barry Farms and Marshall Heights, District of Columbia. The conference action continues in

effect the restriction against such redevelopment in these specified areas.

TITLE IV OF BILL, LOW-RENT PUBLIC HOUSING

The House bill contained no provision for additional public housing and would have, in effect, terminated the public housing program after the completion of the approximately 33,000 units still authorized under existing law.

The Senate bill provided for 140,000 public housing units limited to 35,000 units per year spread over a 4-year period—fiscal years 1955, 1956, 1957, and 1958. The House conferees were insistent that the Senate provision was unacceptable to the House and finally the following compromise was adopted:

The Public Housing Administration is authorized to enter into new contracts during the fiscal year 1955 for loans and annual contributions with respect to not more than 35,000 additional public housing units.

I ask Senators who are interested in public housing to pay close attention to these limitations.

These projects are limited to (a) low-rent housing projects undertaken in communities where a slum clearance and urban redevelopment or urban renewal project is being carried out with assistance under title I of the Housing Act of 1949, as amended; and (b) only if the local governing body of the community undertaking the project certifies that the low-rent housing project is needed to assist in meeting the relocation requirements of section 105 (c) of that act by providing housing for persons displaced by the slum-clearance operations; and (c) the number of units in low-rent projects covered by new contracts shall not exceed the number of units which the Administrator determines are needed for the relocation of families displaced as a result of Federal, State or local governmental action in the community.

TITLE V OF BILL, HOME LOAN BANK BOARD

First. The provision for service of process against the Home Loan Bank Board was amended in conference by deleting the language making this provision inapplicable to any pending suit.

Second. The conference agreed that when the Home Loan Bank Board commences action to terminate the insurance of an institution insured by the Federal Savings and Loan Corporation, the local supervisory authority should be given an opportunity to attempt to correct an unsound or unsafe practice before final action is taken by the Board. Existing accounts contir ue insured for 2 years after termination of the institution's insured status.

TITLE VII OF BILL, RESERVE OF PLANNED PUBLIC WORKS

The conference committee adopted the Senate provision on section 702 of the bill, requiring a separate planning account for local and Federal funds advanced for public-works planning.

It also included an amendment authorizing 1 percent of the $10 million appropriated under 702 (e) to be used for the purpose of surveying the status and the amount of volume of advanced public works.

TITLE VIII OF SENATE BILL, SMOKE ELIMINATION AND AIR POLLUTION PREVENTION

This title was deleted from the bill by the conference committee.

TITLE VIII OF CONFERENCE BILL, MISCELLANEOUS PROVISIONS

SECTION 801 OF CONFERENCE BILL, BUILDER'S WARRANTY

The conference committee adopted the House language requiring a "warranty" of "substantial conformity" with the plans and specifications in place of the Senate language requiring a "certificate" of "conformity" with the plans and specifications. In the House bill this provision only applied to 1- and 2-family structures. The Senate provision applying to 1- to 4-family units is contained in the conference bill.

SECTION 802 OF BILL, CONSOLIDATED REPORT BY HHFA

The conference adopted the House provision consolidating all the reports on the various operations of the Housing Agency into one annual report by the Housing Administrator to be made to the President for submission to Congress.

SECTION 803 OF SENATE BILL, DIRECT LOANS TO VETERANS

The provision for the continuance of the veterans direct home-loan program was taken out of the bill and will be handled in another separate bill, H. R. 8152, and we hope to take up that bill later today.

SECTION 804 OF BILL, PUBLIC AGENCY LOANS

Adopted Senate provision naming HHFA to handle the $50 million revolving fund program, but changed the appropriation of $50 million to an authorization and extended the program to June 30, 1956, instead of 1957 as the Senate bill would have provided. This provision was also amended to let the revolving fund be used for administrative as well as operating expenses. The House conferees were of the opinion that an appropriation rather than an authorization would be subject to a point or order.

Section 805 of the conference bill permits disposal of certain Lanham Act housing in California. It also allows disposal of permanent war housing outside veterans' preference provisions but only in recognition of the fact that they are not really applicable in the limited circumstances mentioned in the section.

SECTION 806 OF BILL, SALE OF TEMPORARY HOUSING UNDER DEFENSE HOUSING ACT OF 1951

The Senate version permitted sale of such housing to the highest bidder, when it is no longer needed for defense purposes. Conferences included a provision allowing a rejection of any bid for less than two-thirds of the appraised value of the housing being offered for sale.

Section 808 of the bill continued the Senate provision allowing the Federal Government to pay insurance proceeds to a local educational agency which has paid the premiums of such insurance on property being obtained even though actual transfer of title of the property to the local agency has not been completed.

The conferees added a provision relating to the rate of interest on loans to colleges for student and faculty housing. Under the new provision the rate is fixed at the date of approval of the loan by the Housing and Home Finance Administrator rather than the date upon which the loan is made.

Section 809 of the bill continues Senate provisions allowing the transfer at fair market value to the University of California of Kenyon Crest Homes in Riverside, Calif. The conferees also added to the section provisions to allow similar transfers at fair market value to the University of South Carolina of 74 housing units at University Terrace, Columbia, S. C.; and transfer without monetary consideration to the Housing Authority of St. Louis County, Mo., of 156 housing units in a public housing project.

Section 810 of the conference bill continues the Senate provision allowing transfer at fair market value of two housing projects in Connecticut totaling 255 units to the Housing Authority of Wethersfield, Conn., with a requirement of full payment within 30 years with interest on the unpaid balance not to exceed 5 percent per annum.

Section 812 of the bill extends the direct farm-loan program contained in title V of the Housing Act of 1949 by authorizing additional funds for that purpose.

Section 814 to section 817 of the conference bill cover amendments offered in the Senate by the senior Senator from Virginia. With some amendatory language, these provisions are retained in the conference bill.

Section 814 covers the keeping of adequate records by beneficiaries of certain Federal housing programs. Section 815 requires timely submission of specifications and land acquisition information. Section 816 gives PHA and the Comptroller General access to Public Housing Agency records. Section 817 specifies information to be included in the annual report made by HHFA to the Congress.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question on title IV of the bill?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. May I ask the distinguished Senator from Indiana about the total number of housing units authorized? As the Senator is aware, the Housing Act of 1949 authorized 810,000 units. Of that number, aproximately 200,000 units have been constructed. At the present time, 33,000 are under construction. It is my understanding that the conference report provides for only 35,000 additional housing units, or a grand total of 268,000 units, which is about one-third of the program originally authorized. Am I correct?

Mr. CAPEHART. The bill we are considering at this time provides for 35,000 public housing units for fiscal 1955, and they would only be available for those displaced by some governmental agency by slum clearance.

Mr. DOUGLAS. My first question was only on the quantitative aspect.

Mr. CAPEHART. Yes.

Mr. DOUGLAS. Am I correct in understanding that the total public-housing program authorized will aggregate 268,000 units, as compared with 810,000, authorized under the 1949 act?

Mr. CAPEHART. I believe the Senator is correct.

Mr. DOUGLAS. I thank the Senator. The next question that I should like to ask of the distinguished Senator from Indiana refers to the qualitative restrictions which are proposed. Do I understand that this public housing can be built only for persons who have been ousted from their previous accommodations because of slum clearance and superhighway construction, and so on?

Mr. CAPEHART. Yes; by governmental action.

Mr. DOUGLAS. May I ask the Senator from Indiana how many cities have been carrying on slum-clearance projects?

Mr. CAPEHART. How many cities are doing so at the moment?

Mr. DOUGLAS. Yes; therefore how many cities would be eligible, by virtue of having slum-clearance projects, to apply for public housing to provide for people who are otherwise eligible for public housing?

Mr. CAPEHART. I believe there are 109 in the primary planning stage, 103 in the final planning stage, and 72 in what might be called the development stage.

Mr. DOUGLAS. Seventy-two cities are actually carrying on slum clearance?

Mr. CAPEHART. They are in the development stage.

Mr. DOUGLAS. Is it slum clearance, or does it include superhighways?

Mr. CAPEHART. They are projects under slum clearance. A total of 72 projects are in the development stage in the entire United States.

Mr. DOUGLAS. I point out, however, that this is the number of projects, not the number of cities. It is my understanding that only about 20 or 25 cities actually have these projects under title I in the final development stage.

May I further ask the very able Senator from Indiana whether it is necessary that families should already have been evicted because of slum clearance before the public housing project could be constructed?

Mr. CAPEHART. No, my understanding is that their houses would not necessarily have to be torn down. If a preliminary contract had been entered into, or if the families knew they were going to be displaced, and it was definite, as a result of even one preliminary contract, or one in the preliminary stage, that they were going to be displaced in the future, my understanding is, and my position is, that the families should be eligible for occupancy.

There is some question about that interpretation, or there was when the bill was explained on the floor of the House.

Mr. DOUGLAS. Did not the debate in the House indicate that it would be necessary for the slum-clearance project to be in process of being carried out and for families already to have been evicted before they could be counted as eligible for admission to a public-housing project and the project could be approved?

Mr. CAPEHART. I believe the debate in the House was to the effect that final plans would have had to be approved before persons would be eligible or qualified to occupy public housing.

My position personally is that once it has been established, even in a preliminary stage, that there will be a displacement, then the families should become eligible.

This is a question which will have to be referred to the General Accounting Office for a final decision. If the decision is not as I think it should be, namely, that once it has been determined, even in a preliminary stage, that there will be a displacement, and that the families will be eligible for occupancy, then I think the law should be changed the early part of next year.

Mr. DOUGLAS. But the damage will have been done in the meantime.

Mr. CAPEHART. Well, some damage may have been done; but it is only 5 months until January 1.

Mr. DOUGLAS. Whether the law will be changed may depend on what happens on November 2.

Mr. CAPEHART. Is the Senator speaking optimistically or pessimistically?

Mr. DOUGLAS. To say that families must be ousted before a public housing project can be started is equivalent, is it not, to saying that a family must drown before a rope can be thrown to them?

Mr. CAPEHART. That is why I say that I personally think the result could not be other than as I have interpreted the bill.

Mr. DOUGLAS. I appreciate the Senator's good humor.

Mr. CAPEHART. I do not mean to be humorous; I simply say I do not believe the bill can be interpreted any other way.

Mr. DOUGLAS. I know that the Senator from Indiana is kind-hearted and generous, because I have served with him for many years. But his kindness and generosity will not alter the provisions of the bill; and the interpretations as given on the floor of the House seem to me directly contrary to what the Senator from Indiana has said.

Mr. CAPEHART. I do not maintain that the bill can be interpreted in that way. I say that the proper interpretation is as I have stated it, not as it was interpreted on the floor of the House.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from Mr. Albert M. Cole, the Administrator, who takes the same position as I do.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., July 21, 1954.

Hon. HOMER E. CAPEHART,
United States Senate,
Washington, D. C.

DEAR SENATOR CAPEHART: As you know, the conferees adopted an amendment to the public housing authorization restricting new contracts to communities where a slum-clearance and urban redevelopment or urban renewal project is being carried out under title I of the Housing Act of 1949. In interpreting this phrase Mr. WOLCOTT stated at page 11099 of the CONGRESSIONAL RECORD of July 20, that "a slum-clearance or urban renewal or redevelopment project is not being carried out until at least the final plans have been approved by the Federal Government." Final plans are not approved under title I until late in the process of developing a project, only just before the final contract is entered into for loans and grants. It is only a matter of months after this stage that land is acquired and families begin to be displaced by the title I project. Since it generally takes at least a year and one-half to 2 years for the acquisition of land and the completion of construction of a public housing project, public housing contracted for at that stage cannot possibly be ready to house the families displaced by the title I project.

It is my understanding that the purpose of restricting public housing to communities where a title I project is being carried out was to make public housing available for the rehousing of low-income families as soon as they are displaced by a title I slum-clearance program and thus facilitate slum clearance. This understanding is clearly borne out by the language of the bill, by the conference report and by the whole tenor of debate and discussion of the subject. I know of no discussion in the meetings of the conferees that is contrary to this understanding.

In order to accomplish this purpose of having public housing available for the displaced families, it is necessary that public housing contracts be entered into as soon as the title I project starts being carried out, that is, as soon as the first Federal advances for the title I project are contracted for. The interpretation by Mr. WOLCOTT on July 20, if allowed to stand as representing the intent of the conferees, would make almost impossible the effective use of the 35,000 units authorized for additional contracts, and might well jeopardize the acceptance of the conference report in the Senate.

Sincerely yours,

ALBERT M. COLE,
Administrator.

Mr. DOUGLAS. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Is it not true that the majority members of the committee of conference on the part of the House believed, on the contrary, that families would not be eligible and public-housing projects could not be approved until after they had been evicted?

Mr. CAPEHART. No; the statement was made on the floor of the House, by the manager of the bill, and is not in agreement with the statement which the Senator from Indiana is making, in substance. It was not stated in the conference report, it does not appear in the conference report, and is not, in my opinion, a part of the bill. At any rate, the interpretation which the Senator from Illinois has suggested is not my understanding of the situation.

Mr. DOUGLAS. If the Senator from Indiana would not object, I should like to call his attention to the statement of the very able Representative from Michigan, Mr. WOLCOTT, in his explanation of the bill, which appears on page 11099 of the CONGRESSIONAL RECORD, as follows:

If a slum-clearance project is not being carried out in any area, then they cannot get public housing.

Then notice this:

A slum-clearance or urban renewal or redevelopment project is not being carried out until at least the final plans have been approved by the Federal Government.

Mr. CAPEHART. That is exactly what I said Representative WOLCOTT said. But according to my understanding and my interpretation of the bill, my personal feeling is that once it has been planned as a result of a redevelopment program or other Government action that a person is to be ousted, then he should become entitled to public housing, provided, of course, he meets all the other qualifications of the Public Housing Law.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUSH in the chair). Does the Senator from Indiana yield to the Senator from South Carolina?

Mr. CAPEHART. I yield.

Mr. MAYBANK. The Senator may recall that it was desired to make provision for employees of Federal, State and local governments, and it was necessary to hold out for a long time in order to secure agreement as to that.

Mr. CAPEHART. Every Senator should know exactly the position of the House in respect to public housing, and the debates which have taken place in the House on numerous occasions. There is no secret about it. The majority of the Members of the House are against public housing. They are about as adamant as it is possible for anyone to be on the subject.

Mr. DOUGLAS. First, I desire to thank the Senator from Indiana for contributing to the legislative history of the bill. I hope very much that it will be the statement by the Senator from Indiana which will be adopted by the Housing Administration and the General Accounting Office in its interpretation of the law.

May I ask the Senator from Indiana this question, in order to nail the subject down: Does the Senator from Indiana, as chairman of the Senate conferees, believe that the language of the final bill provides that persons must be evicted by reason of slum clearance, superhighway, or other public projects, before a determination can be made with respect to the number of people who will be dislocated as a result of the slum clearance, urban redevelopment or urban renewal program?

Mr. CAPEHART. It is my understanding, as chairman of the conference, that once it was definitely planned that persons will have to be displaced from their homes in the future as a result of governmental action—and when I speak about future action, I am not talking about 5 or 10 years from now; I am talking about the future—with respect to a specific project, in its preliminary stages, considering that if it had gone so far, it was going to be finished, then such displaced persons would be eligible.

Mr. DOUGLAS. In other words, if it could be anticipated that they would be evicted, then at that time they would be counted and the local agency could certify that the people who are to be displaced would, to the extent they are otherwise eligible, require low-rent public housing and therefore that a public housing project is necessary to assist in meeting the relocation requirements of section 105 (c). Is that correct?

Mr. CAPEHART. I do not want to say "anticipated."

Mr. DOUGLAS. Then let me say reasonably anticipated that they will be evicted?

Mr. CAPEHART. If a preliminary contract had been entered into, and preliminary arrangements had been made, and it was definitely established that a section would be cleared out as fast as it could be cleared out, meaning 12 months or 18 months, or perhaps as much as 3 years, then the persons living in a large or a complicated project in that area would be eligible for admission to public housing. That is how I intended the interpretation should be, and that is the way I think it should be.

Mr. DOUGLAS. I regret that there is a conflict of opinion between the Senator from Indiana and Representative WOLCOTT of Michigan. It is one more indication of a division which seems to exist within the ranks of the members of the party to which the Senator from Indiana belongs. But I sincerely trust that in this respect, at least, the Senator from Indiana may triumph and that the public housing projects may be approved, if other conditions are met, as soon as the preliminary slum clearance contract has been entered into and before any evictions.

Mr. CAPEHART. That is my feeling. As the able Senator from Illinois knows, I am not bashful about saying what I think at any time.

Mr. President, if there are no further questions, I shall be very happy to yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. BYRD. Mr. President, within my recollection, the two greatest scandals which have rocked this country have been, first, the Teapot Dome, and, second, the recent housing disclosures.

It will be many years before we know the full extent of the graft and the fraud and the malfeasance in office which have occurred in these housing programs. All the Federal housing programs involve the expenditure of $60 billion. I do not mean that that is the amount outstanding. There is a contingent liability on the part of the Government of about $35 billion in Housing and Home Finance Agency programs alone. There have been revolving funds, and a total of about $60 billion is involved.

Mr. President, it makes no difference to me whether the people who are guilty are Democrats or Republicans, I want them all punished, and I wish to make reference now to a statement made on the floor of the Senate by my distinguished friend, the able chairman of the Committee on Banking and Currency, at a time when I was not present. He said:

Whether it be Mr. BYRD or whoever it may be, I am not going to permit statements to be made which I do not think are factual and I am not going to permit statements to be made which attempt to point the finger of scorn at the Republicans, at Mr. Cole and Mr. Mason and others.

Mr. President, that was the exact statement made by the Senator from Indiana. He made another statement along those lines at the same time. He said:

I am getting a little tired having the able senior Senator from Virginia and other Senators bob up all the time and talk about collusion and mismanagement, when we are doing the best we can to clean up the mess that the other administration, not this administration, created. If there is a mess, the other administration created it; we did not. We are trying to clear it up.

Then he made a television appearance a few nights ago, I am told, and said that he was very much irked because Senator BYRD was asking that the people guilty should be punished.

Mr. President, I have not injected politics in any way, shape, or form into the investigation which the committee of which I am chairman has made, and I do not intend to do so. I have been urging that Powell be indicted and prosecuted. I assume he is a Democrat; I do not know what his politics is. He was appointed under a Democratic administration. But the Attorney General, I do not know why, has not taken steps to get the indictment, although on April 17 I called his attention to the things which I believed would justify his indictment. He sent to my office Assistant Attorney General Warren Olney, who discussed the matter, and I thought that action would be taken.

Powell pleaded the fifth amendment twice, and I say that any man who pleads the fifth amendment has three strikes against him when it comes to a question of whether or not he is guilty. If he was not guilty, why did he refuse to answer when the Banking and Currency Committee had him as a witness before the committee? Yet nothing has been done about it.

Powell is the key to the section 608 program. There is no question about that. He has a criminal record, too, outside of this case. He is the man who approved the contracts, who made possible these unconscionable windfalls, such things as the Gross case in New York, whereby the cost of the projects was $20 million, but $24 million was secured in loans, and only about $1,000 or so was put up as capital. Then those making the applications were so greedy that they wanted the capital-gains treatment of the $4 million that was distributed to them, instead of paying the regular taxes. That is the way this whole scandal came out into the open. It was not through Mr. Cole. Mr. Cole had been in his position since January 1953, and I communicated with him last July, calling his attention to these matters, and he did nothing whatever in the interval. Finally the collector of internal revenue, Coleman Andrews, brought the matter out, because those involved were claiming capital-gains treatments of the enormous gains they had made, instead of paying the regular taxes.

I am not criticizing Mr. Cole or anybody connected with the administration,

if he has done his duty, but I wish to say it ill becomes the Senator from Indiana to endeavor to put all the blame in this matter on the Democrats. I do not defend the Democrats when they are wrong; neither do I accuse Republicans when they are right. I have never done that. Mr. Cole has been in that office for 18 months, and did nothing until he was forced to do it.

I invited Mr. Cole to my office, and he admitted he did not know anything about the cost of these projects, and he said no books were kept at the headquarters of this Agency. He had been in office about 8 or 9 months. So I say that both parties are to blame; but I do not intend that the able Senator from Indiana shall cast aspersions on me by saying that I am trying to play politics in this matter.

If I have irked him up to this date by what I have said and done, I am going to continue to irk him. I shall keep insisting that those who commit fraud involving millions of dollars should be punished.

Mr. CAPEHART. Let me read from a page of the Senator's statement:

> The housing bill as recommended by the conference committee is still a loosely drawn bonanza for those who would exploit it for private gain at public risk. There is nothing in the bill—

The word "nothing" is used—

> to tighten up administrative responsibility. The additional invitation to immorality resulting from 20-, 30-, and 40-year loans, which make it difficult to estimate the losses ultimately to fall on the backs of the taxpayers, still remains.

So when the able Senator wrote his speech and said there was nothing in the bill to tighten it up, he was not being factual.

Mr. BYRD. If the Senator will permit me to complete my statement, I will say exactly what I think about this bill.

Mr. CAPEHART. That is what I had reference to the other day, and what I had reference to on the radio and television program on which I recently appeared. I will permit the able Senator to proceed, but I can read other things in his speech.

My point is—and I repeat it—that we are doing the best we can, and we did the best we could with the bill, and, frankly, it irks me just a little bit to have the able Senator from Virginia rise and say we brought in a bill with nothing in it—and he used the word "nothing."

The able Senator says to the Attorney General of the United States and others in this administration, "Why don't you do something about it? Why don't you hurry, hurry, hurry?"

We are hurrying; we are doing something about it. I again say we are trying to clean up the mess which was created by the past administration over the last 20 years; and I make no apology for saying that, because it is true. When I spoke the facts on the radio and television program, I was talking about what the able Senator said in his prepared speech.

Mr. BYRD. I do not believe this bill is very much better than the present law.

Mr. CAPEHART. That is why, as chairman of the committee, I justify taking exception to the statement of the able Senator, and I resent it.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. BYRD. At least I am going to make my statement. I wish to say just a few more words about the scandals.

There are instances noted in the record where loans were made to the extent of 140 percent of the actual cost. Why were they so made? They were made because the legislation at that time did not require that the loans be made on a basis of cost. That is the first consideration that should be noted. The bill now being discussed does not require that they be made on the basis of cost. Let me read:

> (c) The term "actual cost" has the following meaning: (i) in case the mortgage is to assist the financing of new construction, the term means the actual cost to the mortgagor of such construction, including amounts paid for labor, materials, construction contracts, off-site public utilities, streets, organizational and legal expenses, and other items of expense approved by the Commissioner, plus—

That certainly is not actual cost. The FHA Commissioner can put in all other items he may choose and claim them as part of the cost. It says further—

> (1) A reasonable allowance for builder's profit if the mortgagor is also the builder as defined by the Commissioner, and (2) an amount equal to the Commissioner's estimate of the fair market value of any land.

Mr. President, that is not cost. That is the very thing that has caused the scandals up to this time, that the loans are not based upon costs, but are based upon estimates. So the bill continues to permit exactly the same things which resulted in conditions making it possible for some unbelievable windfalls that have been received by the people involved over the country.

Mr. President, so far as I am aware, not a single prosecution has been begun, not a single indictment has been brought, under the section 608 program. And that is the section under which the great frauds have occurred. The Senator from North Dakota [Mr. LANGER], who sits before me, knows, and everyone knows, that millions and hundreds of millions of dollars were taken in by builders and borrowers, and the burden first falls upon the renters. Let us not forget that.

The people who pay the rent have to bear the impact of these windfalls first. Then the Federal Government which insured the loan comes in and pays whatever may be left. The Federal Government has the contingent liability. The Federal Government has insured these loans in many instances substantially in excess of the actual money invested.

I want to make it clear, Mr. President, I am going to continue, so far as my influence goes, to ask again and again for this Republican administration to indict and prosecute those who are guilty. You cannot waste and squander and take from the people $500 million—I think the Senator from Indiana gave that figure and Coleman Andrews, of the Internal Revenue Bureau, gave that figure—for one program alone, the section 608 program, without somebody being guilty of something.

Incidentally, I think there are 14 of these programs under Federal Housing Administration alone.

I do not think any law was ever drawn as loosely as these housing program laws. I say that with all due deference to the distinguished chairman of the committee and the distinguished former chairman—you cannot get $500 million in excess loans without some fraud somewhere along the line. I am going to insist those who are guilty be punished. I care not whether they are Democrats, Communists, or Republicans. If they are guilty they should be punished.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CAPEHART. The Senator and I are in 100 percent accord. In fact, the Senator has said more mean things about what has happened in this matter than I have.

I frankly was a little bit offended at the statement the Senator made in the prepared speech, that this bill was not any good.

I agree 100 percent that this Republican administration and this Attorney General had better prosecute some people, because I agree there is a lot of graft and corruption. Our committee is working night and day on this investigation. I just felt a little bit irked, you might say, when I heard that nothing had been done, since we have worked on this matter diligently to improve the legislation.

Mr. BYRD. I am very sorry that I have irked the Senator by that statement. I hope the Senator has not lost any sleep over it. I am going to continue to irk him if the Senator means asking that these people be punished is what irks him.

Mr. CAPEHART. Just give us a little time. We will get squared around, too. An awful mess can be made in 20 years. It cannot be cleaned up in 20 days.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. DOUGLAS. Has the able Senator from Virginia had his attention called to the fraud and abuse which has been going on in the last 18 months under title I?

Mr. BYRD. I have.

Mr. DOUGLAS. Has the Senator from Virginia observed that the abuse under title I has been appreciably less in the last 18 months?

Mr. BYRD. I do not have any evidence on the subject.

Mr. DOUGLAS. Has the Senator from Virginia noticed any prosecutions or indictments by the Department of Justice of the current abuses under title I?

Mr. BYRD. I stated a few minutes ago—perhaps the Senator did not hear me—that so far as I know there has not been a single indictment under any of these FHA programs. I do not know why it is necessary to wait months and months until the Senator conducts some investigation by his committee.

We have in this country a form of government whereby the Congress can expose, but the indictment and prosecution must be handled by the proper department of the Government. It is incumbent upon Mr. Brownell to go into these things. Mr. Brownell has plenty of evidence from the Congress and he has the FBI to make his own investigation. I have been informed of no action by the Justice Department and I say this with all due deference to Mr. Brownell and to the Republican Party and to the Republican administration. I am not accusing them of anything except what appears to be dereliction in this matter during the time they have been in office for 18 months.

I want to see this thing cleaned up. I want to see some of these people put back of bars, and they ought to be back of bars. It is unbelievable that $500 million in one single program should be taken as a profit or a windfall. Somebody was crooked somewhere along the line, and many of them were.

I yield to the Senator.

Mr. DOUGLAS. Does the Senator from Virginia not think that in addition to probing the past abuses under section 608, the recent abuses under title I should also be probed?

Mr. BYRD. I agree with all of that. I think practically all the titles have abuses under them.

Mr. DOUGLAS. That is true.

Mr. BYRD. I want to make it clear again: Notwithstanding what the Senator from Indiana says, new loans are not to be made on the basis of actual cost. I have read it to the Senator. It says: "and other items of expense approved by the Commissioner."

That is certainly not on the basis of cost. The Commissioner can add any item he pleases; whatever his inclination may be.

The bill also says that a reasonable allowance must be made for a builder's profit. Nobody knows what is a "reasonable allowance." That is not on the basis of cost.

The bill also says that the land shall be estimated at a fair market value. That is not on the basis of cost.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Louisiana.

Mr. LONG. Will the Senator tell us what percentage of mortgage would be guaranteed under the present bill?

Mr. BYRD. It is 80 to 95 percent of actual cost, under the definition of "actual cost" in this bill.

Mr. LONG. I am sure the Senator knows if you get as much as a 90-percent guaranty and you allow for a contractor's fee or a builder's fee—the terms are used interchangeably—that would add anywhere from 5 to 10 percent all along. Now, the architect's fee would be around 5 percent. Oftentimes the man who builds the project is a contractor. In fact, in almost every case he is. He is usually a contractor erecting a building for himself, because he owns almost all of the stock in the corporation. If you allow for a builder's fee of 5 percent and allow for an architect's fee of anywhere from 3 to 5 percent, and then you allow the person a fee for developing his own property—that is, for putting in his own utilities—he can shave 10 percent off in those 3 items very easily. Therefore, he would have none of his own cash equity involved.

The junior Senator from Louisiana tried to point this same matter out on section 608, starting in 1949 to 1951. The Senator said that sort of thing time and again here on the floor, yet only now we are finding out through the internal revenue how many of these windfall profits were made.

I would like to suggest to the Senator that there is nothing dishonest about these people building these projects for less than the amount guaranteed on the mortgage; but what is wrong about it is that it is very irresponsible for the Government to guarantee a mortgage on which the person borrowing the money has no financial obligation whatsoever.

Mr. BYRD. I agree with what the Senator says, but I do say in those section 608 cases it would have been impossible for these enormous profits to have been made without collusion between those who fix the replacement value, when that was the standard, and those securing loans, because loans were made at 140 percent of the actual value. It is inconceivable that there was no collusion and graft.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. DOUGLAS. Another way in which the costs were padded, is it not true, is the fact that raw land would be purchased at $500 an acre, and then the project would be planned, and it would be said that with the project to be placed on the land the land would now be worth several thousand dollars an acre, so that there was a writeup of the value of the land without any investment, and the mortgage was issued not on the cost of the land, but on the appraised value of the land with its use for the section 608 projects?

Mr. BYRD. I will say to the Senator that is written in plain language right in the bill, "an amount equal to the Commissioner's estimate of the fair market value of the land."

If the property is owned by the person doing the construction he can make a profit on the land as well as a profit on the building. He can do as the Senator says; charge the architect's and other fees in it and risk not a single penny, under this bill, which is supposed to safeguard against these scandals and frauds.

Mr. DOUGLAS. If the Senator from Virginia will yield may I say that when this bill left the Senate committee there was a provision in it that the value of the land was to be the actual cost of purchasing the raw land prior to its being developed.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. CAPEHART. If the Senator from Virginia will turn to page 21 of the conference report, he will find the following language:

> That such additional amount under either (A) or (B) of this clause (ii) shall in no event exceed the Commissioner's estimate of the fair market value of such land and improvements prior to such repair or rehabilitation.

Mr. BYRD. That is exactly the plan under the present law, which is the estimate of the fair value of the replacement.

Mr. CAPEHART. We discussed the question at great length, and the able Senator from New York was one who insisted in the committee that we should write such a provision in the bill; namely, that the Commissioner must take the land at the price which a person paid for it at the time he purchased it, and could not value it as a result of any improvements made in the way of a building.

Mr. LEHMAN. Mr. President——

The PRESIDING OFFICER (Mr. PAYNE in the chair). The Senator from Virginia has the floor. Does the Senator yield for a question; and if so, to whom?

Mr. BYRD. I yield to the Senator from New York.

Mr. LEHMAN. I think the distinguished chairman of the Committee on Banking and Currency is mistaken in stating the position which I took.

Mr. CAPEHART. What was the position which the Senator from New York took?

Mr. LEHMAN. I did not take the position that if a man bought a piece of property a long time ago and then decided to build an apartment house, or a group of small houses on that property, with a guaranteed mortgage, he was under any obligation to value the land at the price which he paid for it years ago. It would be perfectly unfair to do that. I did say he should put it in at a price that was reasonable at the time the undertaking was started.

Mr. CAPEHART. The fair market value before any improvements were put on the property. That is the provision to which the able Senator from Virginia objects.

Mr. BYRD. I do not care how it is put in. It is going back to the present loose formula.

I read it again. The FHA Commissioner can add other items of expense to the construction. All he has to do is to put in what he pleases, without limitation. Then there is provided a reasonable allowance for the builder's profit. Nobody knows what that is. It may be 10 or 20 percent. Some builders make a profit of 20 percent.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Louisiana.

Mr. LONG. Does it make good sense to lend money to a person who wants to build on his own land merely for his own profit?

Mr. BYRD. That is what is being proposed.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. MAYBANK. I appreciate what the Senator from Virginia has said.

any time the Government goes into the financing business, no matter whether the proposed legislation is considered by the Committee on Finance, the Committee on Armed Services, the Committee on Banking and Currency, or whatever other committee may consider it, the business people of this country have the ability and the means to hire persons who make $100,000 a year, more or less, so that they can examine the law and get around it. With the salaries that persons in the Government are paid, the Government cannot cope with them, in my judgment. I hope the Senator from Virginia agrees with me that persons hired by such firms are paid 5 and 10 times as much as any Member of the Senate or of the clerical staff.

Mr. BYRD. The Senator from South Carolina may be right, but it is the obligation of the United States Congress to write a law which does not have loopholes.

Mr. MAYBANK. How can that be done?

Mr. BYRD. The financing can be put on the basis of actual cost.

Mr. MAYBANK. The Senator is a member of the Committee on Finance. The Senator must recognize that there are probably loopholes in many laws reported from that committee.

Mr. BYRD. Does the Senator say that the same loopholes are going to be continued?

Mr. MAYBANK. I merely wish to say that such firms, with all the money and resources at their command, will somehow be able to find ways of getting around the law, no matter what kind of law the Congress enacts.

Mr. BYRD. If there is bound to be fraud, then we should not enact such a law as this.

Mr. MAYBANK. The same thing happened in the Department of Agriculture.

Mr. BYRD. Does the Senator know of any activity that compared to the fraud and unconscionable windfalls such as occurred in the FHA?

Mr. MAYBANK. The Senator from Virginia is correct. As far as fraud is concerned, I am fearful that those persons were within the law. However, I hope it is found that they were violating the law.

Mr. President, will the Senator yield further?

Mr. BYRD. I yield to the Senator from South Carolina.

Mr. MAYBANK. I think persons who violate the law ought to be put in jail, and fined. However, it must be remembered that after years and years of holding hearings, at which witnesses told Members of Congress that such things could not happen, they did happen. I voted for the amendment offered by the Senator from Louisiana [Mr. LONG], providing for 80-percent loans instead of 90 percent.

Mr. BYRD. Who were the witnesses who testified?

Mr. MAYBANK. The mortgage bankers and presidents of real-estate associations.

Mr. BYRD. They are the people who are getting the money.

Mr. MAYBANK. I know that. I was not born yesterday morning. The Senator from Virginia knows that.

Mr. BYRD. Did the Senator from South Carolina accept the judgment of those witnesses on the matter?

Mr. MAYBANK. I did not. I voted for the amendment offered by the Senator from Louisiana. The record shows that. I did not accept the judgment of the late Senator Wherry when section 608 was extended. No; I would not accept the judgment of such persons. But whose judgment is the Senator going to accept?

Mr. BYRD. I would not accept the judgment of interested parties who are to get the money.

Mr. MAYBANK. We had testimony from bankers, real-estate men——

Mr. BYRD. They are the ones who are getting the money.

Mr. MAYBANK. There were witnesses from veterans organizations, the Veterans of Foreign Wars, the Jewish War Veterans, the Farm Bureau, the Grange, and other organizations. All those persons testified in favor of the law. I do not know of anyone who was against it. But I think a lot of people are against it now.

I am in favor of seeing that what the Senator from Virginia has suggested be done. The persons who are guilty of fraud should be put in jail. However, I wish to say that in my judgment a great many people may have made a great deal of money under the law that the Congress enacted.

Mr. BYRD. Some did and some did not.

Mr. MAYBANK. Of course, and the ones who violated the law will be punished——

Mr. BYRD. The frauds amounted to $500 million in 1 program.

Mr. MAYBANK. I think as much as $3 billion has been made.

Mr. BYRD. I am speaking of the section 608 program only. There are 14 programs altogether.

Mr. MAYBANK. I am not arguing with or questioning the Senator's statements. I merely wish to have the record clear that Congress enacted a law. I believe the Senator from Virginia added certain amendments to the bill which we accepted.

Mr. BYRD. No. I offered 10 amendments, and only 4 were accepted, and I shall discuss the matter of these amendments.

Mr. MAYBANK. That is a pretty good batting average.

Mr. BYRD. You should analyse what was done.

Mr. MAYBANK. I rose only to make my position clear because, having been former chairman and having been on the committee, as the Senator knows, since 1944, I cannot recall a single person who came before our committee and testified otherwise than what I have stated. The witnesses testified that what did happen could not happen. I voted for the Long amendment. I voted against continuing section 608. I fought it to the end. The junior Senator from Virginia [Mr. ROBERTSON] and I voted for the Long amendment. The junior Senator from Virginia is present, and he knows that.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the junior Senator from Virginia.

Mr. ROBERTSON. In conference we supported the Byrd amendments. The main one was the one that required the lender to make a certificate. The House Members would not accept it. We did put in a stiff requirement for builder compliance. The lenders, the insurance companies located in New York and Connecticut, did not have appraisers located all over the United States, and they would not lend the money.

But I wish to commend the statement of the senior Senator from Virginia that there are loopholes in the bill. I can explain primarily why they are there. The chairman of the committee and the Senator from South Carolina [Mr. MAYBANK] will recall that when we first got the administration bill, I said the best way to plug the loopholes is not to guarantee any mortgage more than 80 percent. But the administration, in order to stimulate the building of certain types of houses, went up in its recommendation to 100 percent.

Mr. MAYBANK. If the Senator from Virginia will yield, let me say we fought that to the end, and so did the chairman of the committee.

Mr. ROBERTSON. That now puts the administration on notice of its responsibility.

Mr. BYRD. Mr. President, let me say to my colleague that the responsibility is that of the Congress of the United States. We who serve in Congress do not have to pass this measure if it is wrong. Instead, we can defeat it. We can send it back to the conference committee, and can have drawn another conference report which does not have in it these loopholes. We cannot place the responsibility on the one who recommends what we do.

Mr. MAYBANK. Mr. President, I do not think the Senator from Virginia, with his knowledge of me and in view of his association with me over such a long period of years, believes that I would listen to anything the administration sent here.

Mr. BYRD. I know that. But the argument is being made that the administration is responsible for these things. I say Congress has some responsibility.

Mr. ROBERTSON. But my colleague has missed my point. We got one administration recommendation which had the objective of stimulating the construction of certain types of housing. With respect to that type, the Government-support program is rather liberal. That does not mean there will be crookedness in it; if it is honestly administered, there will be no unconscionable and improper profits.

Mr. BYRD. Mr. President, I should like to complete my discussion of the amendments which were carefully worked out. We offered 10. Four were finally adopted, some with modifications.

I wish the Senate to understand that the 10 amendments which I prepared for

the housing bill when it was before the Senate were neither conceived nor intended as plugs for loopholes in Federal housing programs. These programs by their nature are themselves loopholes.

These amendments as drafted were in the form of a new title to be added, applying to all housing legislation under the Housing and Home Finance Agency jurisdiction, to provide for full responsibility and full disclosure.

If, as admitted Saturday night by the junior Senator from Virginia [Mr. ROBERTSON], and the Senator from South Carolina [Mr. MAYBANK], who have had years of experience in drafting housing legislation, it is impossible to write housing legislation capable of strict enforcement, it seemed to me that assuming these programs are to be continued, the next best thing was to provide at least for full disclosure of what was going on within them and for eliminating any doubt as to where the responsibility lay.

We offered the amendment, as the Senator from Indiana will recall, that gave the authority to Mr. Cole. He came to my office and said he was not even admitted into the doors of the other housing organizations and departments that were under him. The Senator from Indiana said a reorganization bill was coming in, in regard to this phase of the matter, and he asked me to withdraw the amendment, which I did.

For full disclosure one of my amendments would have provided:

First. Requirement that records capable of effective audit be kept by the agency and by the recipients of the loans—direct and insured—and grants. This amendment was adopted by the Senate and remains in the bill.

That shows how loosely drawn the legislation has been, Mr. President—when it is necessary to amend the bill so as to require that records capable of effective audit be kept. Up to this date there have been very few records that have any value.

The second amendment provided permissive authority of the United States General Accounting Office to audit pertinent books and accounts of recipients of loans—direct and insured—and grants. This amendment was acceptable to the chairman of the Senate Banking and Currency Committee only with respect to the Public Housing Administration.

I agreed to withdraw the amendment providing for permissive audits by the General Accounting Office of related books and accounts of recipients of FHA programs on Banking and Currency Committee advice that this was covered in the bill. Actually, it is not provided. The bill provides only for audit by FHA. In effect, this means FHA is auditing its own accounts. The General Accounting Office, as the agent of Congress, has no authority to go beyond the books and records of the FHA. Frankly, if anyone is going to audit private books and papers, I would prefer an audit by the independent General Accounting Office to a self-serving audit by the FHA. As the bill stands now, the General Accounting Office, in an effort to get the facts about any future mess, may go to the books and accounts of local agencies under contract with the Public Housing Administration, but it cannot go to the pertinent books and accounts of builders and others who may be beneficiaries of windfalls under the Federal Housing Administration programs.

The third full-disclosure amendment would have required that actual cost be included as a factor in any formula for determining rental rates or sales prices for any property on which Federal agencies are authorized to regulate or restrict rents or sales. This amendment was adopted by the Senate. But it was deleted in the conference on the grounds that it would have been an incentive to padding costs, that it would penalize efficient builders, and that the cost-certification provision in the bill would provide sound and adequate basis for determining rentals.

Mr. President, I have read the substitute, and it is full of loopholes.

Combined with other amendments, as they were offered, the Housing and Home Finance Administrator could have prevented padding housing costs. Tenants are just as much entitled to some of the benefits of efficient construction as are the builders in a public program. When public credit is involved, there is an obligation on the part of the Federal custodian to assure efficient use of it. The cost-certification provision in the bill is based on an open-ended cost definition.

The fourth full-disclosure amendment would have required written authorization from the Housing and Home Finance Administrator for use in advertising and promotion of the words "insured," "guaranteed," "inspected," "approved," or "appraised" by the HHFA or its constituent agencies. This amendment was adopted by the Senate, but was changed in conference.

In the conference report, to advertise falsely in this manner is made a crime. This differs from the amendment the Senate adopted, to the extent that it provides for after-the-fact action. My amendment would have required approval before such advertising could be foisted on the public.

The fifth full-disclosure amendment would have required full and complete annual reports to Congress. This amendment was adopted by the Senate, and it is substantially retained in the conference bill.

For full responsibility, my amendments would have provided, first, fixing responsibility with adequate authority for all functions and programs under the agency squarely on the Housing and Home Finance Administrator. He could delegate the work, but not in a manner to relieve himself of any responsibility. I withdrew this amendment, as I have said, on representation by the committee that there would be a Presidential reorganization plan to accomplish this purpose. So far, no such plan has been presented to Congress.

When the plan did not arrive in time to be taken up at this session, I wrote to the Bureau of the Budget, which prepares reorganization plans, on June 29, and inquired as to whether such a plan was intended. The Director of the Budget has now replied, saying:

> The President has been aware of the defects in the organization of the Housing and Home Finance Agency and the inadequacy of the Administrator's authority over internal management of the Agency. Additional authority has, however, been conferred on the Administrator by the Independent Offices Appropriation Act of 1955.

This language, in effect, reaffirms what Reorganization Plan No. 2 of 1947 intended. But within the last few months Mr. Cole has said he did not have authority commensurate with his responsibility, and actions by constituent units within the Housing and Home Finance Agency have confirmed his contention.

My second full responsibility amendment provided that, as a condition for consideration of loan-insurance applications, a certification of a prospective lending institution, by its own independent appraisal, that it believes the proposed project to be sound. As a check against appraisals by the Housing Agency, this would be a protection to the Administrator, and it would put this much responsibility on the lending institution.

This amendment was adopted by the Senate. But it was deleted in conference on the contention of lending institutions that they did not have adequate personnel to inspect the loans, and that the so-called share-the-risk amendment in the bill was adequate to make lenders more selective in their loans under title I. The attitude of the lending institutions on this amendment is disappointing. They are insured against risk on these loans; and they are unwilling to assist the Government in determining, in their own communities, whether the loans should be made. The so-called share-the-risk amendment applies only to the home repair and improvement loans. It has nothing to do with construction loans.

My third full-responsibility amendment would have required submission of itemized specifications with each application for a project loan, grant or loan insurance, including actual-cost estimates. These estimates would have included every item the applicant considered to be a cost. Under the amendment the specifications and cost estimates could be accepted as a whole by the Housing and Home Administrator, or he could reject them, or could modify any item. This would have established responsibility for the amount approved, and would have provided a basis for responsible inspection and advertising.

The Senate adopted this amendment. But the conference excluded the FHA from the application of the amendment. It now applies only to public housing and slum clearance. It is contended that submission of specifications and cost estimates are impracticable for FHA programs. With that reasoning I do not agree.

But at the same time it is admitted that the amendment would be practicable for public housing and slum clearance. I do not follow that reasoning.

My fourth full-responsibility amendment would have tightened up inspection, to assure that the specifications approved by the administrator have been met. This would have protected the Administrator's responsibility to the Government and would have met his responsibility to the purchasing public. I withdrew this amendment on the committee representation that, for all practical purposes, it was covered in the committee bill.

The bill has a warranty provision which provides for certification that 1- to 4-family residences have been constructed in conformity with plans and specifications. The warranty provision does not apply to the multiunit construction program.

I fully agree with my colleague from Virginia [Mr. ROBERTSON] and the Senator from South Carolina [Mr. MAYBANK], who, on Saturday, expressed the opinion that "Congress cannot write a law that will be capable of strict enforcement in this field."

I have read volumes of Federal housing laws and hearings, and still more volumes of regulations. In summary, they have attempted to subsidize, in one form or another, borrowers and lenders, builders and brokers, buyers and sellers, tenants and landlords, rural and urban people, veterans and military service people, colleges and the indigent, local and Territorial governments, ad infinitum.

In addition to this kind of underlying philosophy Federal housing programs have at least three fundamental weaknesses. These weaknesses are:

First. Too much public money and credit, and this bill makes more available according to Mr. Albert M. Cole, Housing and Home Finance Agency Administrator;

Second. Loose legislation, as Senators ROBERTSON and MAYBANK have indicated, and despite all the efforts to plug the loopholes the bill is still open to evasion and exploitation; and

Third. The third fundamental weakness is irresponsible administration which the bill does not correct.

In consideration of the legislation represented by this conference bill, it should not be overlooked that there have been nearly 40 Federal housing programs involving some $60 billion in public money and credit.

There are 2 Veterans' Administration programs through which there have been nearly $23 billion in direct and guaranteed loans. There is no limitation on authority to guarantee VA housing loans. There are still other housing programs in the Military, Interior, and Agriculture Departments.

But more than half of this public money and credit, an aggregate of some $35 billion, in Federal appropriations, grants, direct loans and insured loans have gone out through some 30 programs which are now gathered under the Housing and Home Finance Agency. This is exclusive of the Home Loan Bank Board. This bill involves Housing and Home Finance Agency programs.

Most of the loan authority under the Housing and Home Finance Agency revolves, and when repayments are made the program can use the authority to insure more loans. At present there is $17,500,000,000 outstanding in FHA insured loans alone.

As to the new authority in this bill, I quote verbatim from a letter signed by Administrator Cole. Under date of July 23, 1954, Mr. Cole wrote to me as follows:

As requested in your letter of July 16, the following table will give you the amount of net new authority in the pending Housing Act of 1954 for direct loans, insured loans, and grants:

Insured loans:	
FHA—all programs except title I	$1,500,000,000
Additional authority in the President's discretion	500,000,000
Direct loans:	
Advances for planning public works	10,000,000
Public facility loans (revolving fund)	50,000,000
Farm housing—title I, Housing Act of 1949	110,000,000
Grants:	
Planning grants	5,000,000
Annual contributions for farm housing	2,000,000

As to loose legislation, one of the big loopholes in Federal Housing Administration construction programs to date has been insuring loans on the basis of a percentage of estimated replacement costs; not actual cost. The estimates of replacement cost have been made or approved by those charged with promoting the program.

In too many instances the percentage of replacement cost exceeded by far 100 percent of actual cost and in some instances as much as 140 percent.

Members of the Senate and conference committees have done their best to plug this loophole by requiring a certification of actual cost which the bill attempts to define. I am fully aware of the difficulty of writing such a definition. And when you analyze the definition in the bill, you find the wide open spaces which have been the source of Federal housing program evils.

The definition of actual cost as written into this bill may be divided into two parts. One part is concerned with building expenses, and the other part is concerned with land estimates.

With respect to building expenses, the bill defines actual cost as including, but not limited to, labor, materials, construction contracts, off-site public utilities, streets, organizational, legal, and then it adds other expenses approved by the Commissioner. This is the Federal Housing Commissioner; not the Housing and Home Finance Administrator. Allowance is also made for builders' profits where borrowers are builders.

With respect to land estimates, the bill defines actual cost as not actual cost at all, but an amount equal to the FHA Commissioner's estimate of fair market value of the land or lease before improvements.

In analysis, the definition of actual cost with respect to construction expenses is open at the end to allow the FHA Commissioner to throw in all other additional expenses he can find, and with respect to land, actual cost is defined as the FHA Commissioner's open-end estimate of fair market value.

With this two-part definition of actual cost wide open at both ends, in view of the philosophy of the legislation, and on the record of the attitude of both the administrators and the recipients of FHA programs, there is not much difference between what is possible under this provision and the old estimated replacement cost formula.

The only construction costs affirmatively omitted from the present estimated replacement cost formula are kickbacks, rebates or trade discounts. The actual cost definition says the estimated fair market value of land cannot include improvements, but it does not prohibit including the increased value resulting from an insured loan commitment.

Most frequently land is all the borrowers put up in the FHA programs, and under this cost definition they will get the benefit of the FHA Commissioner's estimate of fair market value, presumably including the increased value resulting from the loan commitment, which may be far in excess of actual costs.

Land deals have been one of the principal gimmicks in FHA practices up to date. Trading in insured loan commitments on undeveloped land has not been an uncommon practice.

None of the basic laxity in the slum-clearance program has been fixed. There is no formula or standard for fixing maximum payments for property acquired or fixing minimum charges on property sold. And therefore, there is no standard by which the loss to the public can be controlled.

The Government has no protection against exploitation of the program in the locality except a contract. If the contract is violated, the Government's recourse is limited to taking over projects which it does not want.

The program still contemplates taking over open areas where there are no slums to clear, and it still contemplates taking private property from one individual and disposing of it to another individual for private gain.

The conference bill limits low-rent public housing to localities with slum-clearance areas, and confines it to the requirement for relocating families displaced by another Government program.

Here again the Government is protected only by a contract; and if the contract is violated it has no recourse except to take over the property which it does not want.

It is possible for the Government loans—direct, insured, and guaranteed—grants and appropriations under all three of these programs—Federal Housing Administration, Slum Clearance Division, and Public Housing Administration—to be pyramided within one area.

With respect to irresponsible administration in the Housing and Home Finance Agency, there are at least two

virtually autonomous agencies within the Housing and Home Finance jurisdiction, each with an independent administrator and each apparently with little regard for the Housing and Home Finance Agency Administrator's responsibility for their activities. One of these agencies is the Federal Housing Administration. The other is the Public Housing Administration.

Mr. Cole personally has told me that the FHA would not let him through its doors.

When this bill was before the Senate, I offered a new title to it in the form of an amendment for full responsibility and disclosure. The theory of the title was if we must have Federal housing legislation incapable of strict enforcement, then at least we could have the responsibility for these programs nailed down, and full disclosure of what was going on within them.

The first amendment in this proposed title was the full responsibility amendment which simply provided that the Housing and Home Finance Administrator should have full authority commensurate with his responsibilities for all the programs under the jurisdiction of the Agency.

I was urged to withdraw this amendment with the understanding that there was to be a Presidential reorganization plan to accomplish the same purpose. The reorganization plan has not arrived, and I am advised by the Bureau of the Budget that there will not be one at this session.

Now I am told that such authority was given the Administrator by language in the independent offices appropriation bill. How effective this language may be in the future remains to be seen. Before the independent offices bill was passed, the Housing and Home Finance Agency Administrator told me the FHA would not let him in the door, and since the independent offices bill was passed the Public Housing Administration has rushed to the Hill to tell me when PHA information was desired we should call upon the Public Housing Administration and not Mr. Cole's office.

As to the other nine amendments in the suggested full responsibility and disclosure title:

The Senate adopted my amendment to require submission of independent appraisals with application for FHA loan insurance and to place some responsibility on the lenders, but this was deleted in the conference.

The Senate adopted my amendment to require that actual costs be included as one of the factors in any formula for determining Federal housing rental rates and sale prices. This was deleted in conference.

The Senate adopted my amendment to require an application for Federal housing aids to submit full specifications with respect to the project and giving the Administrator the authority to approve, disapprove or modify them. The conference limited this to public housing.

I offered virtually identical amendments with respect to auditing by the General Accounting Office of FHA and Public Housing. The amendment affecting public housing was accepted by the Senator from Indiana [Mr. CAPEHART], and adopted by the Senate. The amendment affecting FHA was unacceptable to the Senator from Indiana.

Likewise an amendment for Federal inspection of Federal housing projects was unacceptable to the Senator from Indiana on the grounds that it was taken care of elsewhere in the bill. It is hoped this comes to pass.

Of 10 amendments offered in the Senate in the nature of a full disclosure and responsibility title applicable to all of the major programs under the Housing and Home Finance Agency, 4 survived. One required all beneficiaries of these programs to keep records. Another required fuller reporting to Congress by the Housing and Home Finance Agency. The third required honesty in advertising. The fourth provided GAO audit of Public Housing Administration.

Perhaps some of the loopholes in the housing programs have been plugged. But by their nature these programs constitute a bonanza for those who would exploit them for private gain at public risk.

How much of all this public money and credit has gone into housing, and how much has gone into the pockets of profiteers, no one will ever know. Most of the loans are for 20 to 40 years and it will be a long time before it can be determined how much the loss will really amount to in terms of dollars. But this much is certain. The original impact of excessive loans falls on those who rent and buy the houses because the rents and prices are based on amortization of the high loans. Ultimately the losses in the sour loans fall on the backs of taxpayers generally.

With this vast amount of public money and credit available; with the kind of administration and exploitation we have experienced; and with the continuing invitation to immorality which is inherent in the program, there is not much reason to expect more than temporary reprieve while the floodlights of investigation are in full glare.

Cleansing this Augean stable will require more than a few stopgaps hurriedly legislated even before investigation is fairly started.

I desire to be recorded against adoption of the conference report, as I was against original passage of the bill.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. LANGER. Was the Senator from Virginia one of the conferees representing the Senate on this bill?

Mr. BYRD. I was not a member of the committee.

Mr. LANGER. Can the Senator tell us about the 10 amendments to which he referred, particularly as to whether they were proposed at the conference?

Mr. BYRD. I offered 10 amendments on the floor. Seven of them were adopted by the Senate. Four of the amendments were approved by the conference committee.

Mr. LANGER. Can the Senator tell us about the three that were rejected?

Mr. BYRD. Yes; I just read them.

Mr. LANGER. The Senator from North Dakota was temporarily diverted, and he did not hear the Senator make that explanation. I wonder whether the Senator would briefly tell us about the three amendments that were rejected by the conference committee.

Mr. BYRD. The Senate adopted my amendment to require submission of independent appraisals with application for FHA loan insurance and to place some responsibility on the lenders, but this was deleted in the conference.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. BYRD. First, I should like to answer the question of the Senator from North Dakota.

The Senate adopted my amendment to require that actual costs be included as one of the factors in any formula for determining Federal housing rental rates and sale prices. This was deleted in conference.

Mr. CAPEHART. Will the Senator yield?

Mr. BYRD. I should like to finish my explanation.

Mr. CAPEHART. I just wanted to give the reasons why the conference committee turned that amendment down.

Mr. BYRD. I understand. The Senator from Indiana may make his explanation later. I first wish to answer the questions of the Senator from North Dakota. The third amendment deleted in conference required an applicant for Federal housing aids to submit full specifications with respect to the project and giving the Administrator the authority to approve, disapprove, or modify them. The conference limited this to public housing.

Mr. LANGER. As I understand the Senator's position, it is that the present bill is not much better than the present law, under which all this corruption took place. Is that correct?

Mr. BYRD. I think it is somewhat better. However, I think the main question still exists in regard to the estimated costs. I will read to the Senate from the report.

The bill provides that the term "actual cost" has the following meaning: (i) in case the mortgage is to assist the financing of new construction, the term means the actual cost to the mortgagor of such construction, including amounts paid for labor, materials, construction contracts, off-site public utilities, streets, organizational and legal expenses, and other items of expense approved by the Commissioner.

In other words, he can add any items he pleases. That is not actual cost. In addition to that, reasonable allowance for builder's profit if the mortgagor is also the builder as defined by the Commissioner. In other words, a man who builds his own project and borrows money would have his profits included on the basis on which the loan is made. In addition, an amount equal to the Commissioner's estimate of the fair market value of any lands is defined as "ac-

tual cost." I contend the chief loophole in the present legislation still exists in the bill, namely, that the loans are not made on the basis of actual cost.

Mr. LANGER. Mr. President, I thank the Senator.

Mr. CAPEHART. Mr. President, will the Senator yield so I may answer each one of the Senator's statements?

Mr. BYRD. Yes.

Mr. CAPEHART. Suppose the Senator is correct, and the Commissioner is not going to do an honest job and he is going to allow costs that should not be allowed. Does not the bill state that if there is an overage it must be applied to the mortgage?

Mr. BYRD. If it reduces——

Mr. CAPEHART. To reduce the mortgage. Therefore the Federal Government does not guarantee the amount that is reduced.

Mr. BYRD. Who will determine that the cost of the land was excessive or that items of expense are excessive? Who will determine what the builder's profits should be?

Mr. CAPEHART. The able Senator knows that the bill specifically provides that if there is an excess over the 90 percent or 80 percent or 95 percent—depending upon the title of the bill—that when the job is completed all the costs are totaled up.

Mr. BYRD. Just a moment, please. It says "and other items of expense approved by the Commissioner."

Mr. CAPEHART. Of course there may be other items that will have to be approved by the Commissioner.

The Senator is making a mountain out of a molehill. Certainly there might have been other items of expense. There might have been attorneys' fees. It is not possible to think of every conceivable item of expense which a person might legitimately incur. I repeat, a mountain is being made out a molehill.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LANGER. Some of the representatives of very big concerns have suites in the Mayflower Hotel and other hotels where, week after week, they entertain visitors, and then charge such expense to the building contracts. As I understand, the Senator from Virginia objects to such items of expense being included.

Mr. CAPEHART. Those are expense items which should be controlled by an honest administrator. Perhaps there are other things being done which, as the able Senator says, are wrong and should be avoided. But it is not possible to write into a bill every legitimate expense which might well arise. I say that a mountain is being made out of a molehill.

Mr. LANGER. Could it not be done by eliminating the provision to which the distinguished Senator from Virginia objects—items of other expense?

Mr. CAPEHART. How could that be done when there might be other legitimate expenses?

Mr. BYRD. It simply says "expenses."

Mr. CAPEHART. Perhaps it would have been better to have included the word "legitimate."

Mr. BYRD. The provision for estimated replacement value has been the cause of excessive loans. Here provision is included for a reasonable allowance for a builder's profit. What will it be? Ten percent? Twenty percent?

Mr. CAPEHART. It will be limited by regulation. When the actual balances are totaled up, if the total amounts to more than 90 percent of the actual cost of the project, that excess amount must be repaid on the mortgage.

Mr. BYRD. That is just like going around the barn or around a circle.

Mr. CAPEHART. We do not care how much money they spend themselves.

Mr. BYRD. I submit that while attempt has been made to tighten up the bill it still has many loopholes.

Mr. CAPEHART. I do not maintain that it is a perfect bill. The only regret I have is that the able Senator from Virginia did not appear before the committee.

Mr. BYRD. I made a lot of information available to the committee. But no one requested me to appear before the committee; otherwise I would have appeared.

Mr. CAPEHART. The Senator from Virginia did not testify before the committee.

Mr. BYRD. No one asked me to appear before the committee. I have made available to the Committee on Banking and Currency a large amount of information.

Mr. CAPEHART. All the information which the Senator from Virginia sent us had already been furnished by the Internal Revenue Service.

Mr. BYRD. Perhaps so. But if the committee had called upon me to appear, I would have been glad to appear.

Mr. CAPEHART. Let me answer, if the Senator will permit me to do so, the question about the independent appraisal business. I rather think the able Senator from Virginia was right about that. I said so in the conference. I think those gentlemen ought to state whether they were sound loans. But the statement which the able Senator favored included all the title I loans, meaning loans of $300, $400, or $500. No bank could say whether or not a roof was needed over a house, and whether the loan was sound or not, without a large number of inspectors and analysts. So the conferees took the position that that provision should be eliminated. I did not agree. I thought it might still be done. But the majority won. The General Accounting Office can look at the FHA records. The General Accounting Office does not need any additional legislation to audit the FHA accounts; it has that right now.

Mr. BYRD. The General Accounting Office cannot audit the books of the persons who have made profits, but can only audit the FHA. The FHA did not have the information. Mr. Cole said he could not give me the cost of a single project.

Mr. CAPEHART. The able Senator from Virginia does not have all the facts. As to section 608 projects, the FHA has the right to audit the books. Moreover, under this bill, cost certificates on multifamily housing must be filed with FHA and GAO will have access to these.

Mr. BYRD. What books?

Mr. CAPEHART. The books of the individual.

Mr. BYRD. The able Senator is mistaken. That is not correct.

Mr. CAPEHART. I think the facts will support me.

Mr. BYRD. I differ with the Senator. I have consulted with the General Accounting Office. They do not have the right to audit the books of those who do not deal with the Government, and it is not provided in this bill.

Mr. CAPEHART. They have a right to do it if the FHA has the records GAO wants to see. If the FHA wanted the General Accounting Office to do it, the General Accounting Office could do it.

Mr. BYRD. What is the objection to including such a provision in the bill? If that right exists, it could be set forth in the bill.

Mr. CAPEHART. I do not maintain that this is a perfect bill. I do not maintain that a better bill could not have been written. I am only one of the conferees. I am 1 of 28. The House of Representatives is still a part of the Congress of the United States. The Members of the House have something to say, and they said it in this instance.

The committee's investigation came upon us after our hearings on the proposed legislation had been finished. It came upon us after the House had passed its bill and had sent it to the Senate. The Senate committee has held partial hearings. We have not done as thorough a job as we contemplate doing. When the committee has concluded with its investigation this year, and returns in January, I think possibly there will be a good many suggestions to be made with reference to the whole matter.

It may well be that the able Senator from Virginia is correct in some of his contentions. I am not saying that he is not. I am simply trying to explain what the conferees did. I am endeavoring to give some of the reasons which they put forward for doing certain things and for not doing certain things.

While I think that a better bill might well have been written, I merely want to go on record as saying that I think it is at present a good bill.

Mr. LANGER. If the bill is not a good bill, and if a better bill can be written, I say that we ought to write it.

Mr. BYRD. That is my opinion. I do not say that nothing has been done. I simply said that if loopholes have not been closed, they should be closed.

Mr. IVES. Mr. President, it is with considerable reluctance that I feel compelled to oppose the action taken by the Senate and House conferees on H. R. 7839, the so-called Federal Housing Act of 1954. Although there are many provisions contained in this bill which are very beneficial to the building industry and to the private home owner, its public

housing provisions are wholly inadequate. During the Senate's recent consideration of H. R. 7839, I called attention to the great importance of a continued public housing program as an integral part of any housing legislation to be favorably considered by the Congress. Moreover, the President and his Advisory Committee on Housing recognized the basic need for the continuance of public housing at this time to aid and encourage our communities in their efforts to abolish slums. The Senate clearly understood this need and overwhelmingly adopted the public housing recommendations made by the President to the Congress, which would have provided for the construction of 140,000 public housing units during the next 4 years. Although I believe that the construction of a much greater number of units is needed during this period, the action taken by the Senate would have done much to alleviate the critical housing situation that exists for low-income families in many of our large metropolitan areas.

Because of the action taken by a majority of the Senate and House conferees on H. R. 7839 with respect to public housing, I declined, as a conferee, to sign the conference report. The public housing provisions of H. R. 7839, which is now before the Senate, are a sham and a delusion and in no way resemble the public housing program recommended by the President.

Section 401 of H. R. 7839 now provides for an additional 35,000 public housing units during the fiscal year 1955, but only when the following restrictive conditions exist:

First. Public housing projects can be constructed only in communities where slum clearance and urban renewal projects are being carried out with assistance under title I of the Housing Act of 1949, as amended.

Second. If this condition is met, and only if this condition is met, then such public-housing projects can be constructed only if the local governing body of the community undertaking the title I projects certifies that a low-rent public-housing project is needed to assist in meeting the relocation requirements of that act by providing housing for persons directly displaced by the slum-clearance operation.

If these conditions can be met, then public-housing projects may be constructed in such communities, but only to provide housing for families displaced as a result of Federal, State, or local governmental action in these communities. These provisions of H. R. 7839 clearly violate the principle of local determination, in that public-housing assistance will be denied to communities wishing to undertake slum clearance by methods other than Federal assistance under title I of the Federal Housing Act of 1949. Moreover, communities cannot avail themselves of Federal assistance under title I of the Federal Housing Act of 1954 unless the States in which they are located enact enabling legislation. In approximately half of the several States such legislation authorizing title I projects either has not been adopted or is defective or is limited in scope. Therefore, in the States it will be impossible for communities to clear slum areas and provide families located in such areas with federally aided public-housing projects.

The experience of the Public Housing Administration shows that an infinitesimal percentage of the families residing in public-housing projects were displaced from their former dwellings by slum-clearance operations under title I of the Federal Housing Act of 1949. I am advised that, during the years 1952 and 1953, 217,506 families were admitted to public-housing projects throughout the United States. Of this number, only 13,766 families—approximately 7 percent of the total—were displaced as a result of title I slum-clearance programs.

In the city of New York, in my own State, 72,895 families were admitted to federally aided public-housing projects between January 1, 1946, and March 31, 1953. Of this number, only 170 families—fewer than one-quarter of 1 percent—were actually displaced by title I projects.

Although it would appear that families displaced by Federal, State, or municipal action, other than title I projects, would be eligible for public housing, if a title I project existed in the same community—and at least some families needing public housing have been displaced by such projects—the percentage of families which were actually displaced by other governmental action is considerably less than would be expected.

For example, during the year 1953, 7,078 families were admitted to federally aided public-housing units in New York City and only 1,227 families, or approximately 17 percent, were actually forced out of their former dwellings by Federal, State, or municipal action. Similarly, during the first quarter of 1954, only 4 percent of the families admitted to federally aided public-housing projects in Buffalo, N. Y., had been displaced by Federal, State, or municipal action.

The vast majority of families residing in public-housing units today formerly lived in housing which had been considered substandard because of the need for renovation or because of overcrowded conditions. Under the strict provisions of section 401 of the bill before the Senate, it will be impossible to construct public housing to alleviate these situations in the future.

It should be noted further that approximately 48 percent of the residents in public-housing projects are veterans and their families. Veterans are entitled to a preference over nonveterans with respect to admission to public-housing projects, unless the nonveterans have been actually displaced from their former dwellings. This veterans' preference is completely vitiated by the provisions of this bill, in that only displaced persons will be eligible for admission to new public-housing projects.

In conclusion, I would point out that only one-fourth of the President's program for 140,000 public-housing units is included in this bill. Furthermore, the 35,000 units thus authorized are so limited by restrictions that, in terms of effective authorization, the bill will be practically useless for public housing in the large urban areas throughout the country where public housing is most needed. H. R. 7839, as amended by the conferees, sounds the death knell of Federal public housing which is so desperately needed to prevent further deterioration of our urban communities.

New York State contributes more than one-sixth of the total Federal revenues and receives about one-fourteenth of the total amounts distributed by the Federal Government to the States. The method of distribution is based generally on the per capita income and need of the several States. We in New York have no quarrel with the principle on which this distribution is based as long as its application is equitable.

But we do feel that where we are in genuine need of Federal assistance, this need should be recognized. We feel that in the comparatively few cases where we actually need such assistance, we are not asking too much in seeking it.

Public housing is a case in point, particularly in New York City where there is dire need for more public housing. As I have pointed out, the bill before the Senate, as amended by the conferees, does not provide for adequate public housing in any part of the country where such housing is really needed. This inadequacy hits New York State especially hard, and I feel deeply that my State is entitled to more favorable consideration.

For the foregoing reasons, therefore, I have been unable to agree to the conference report, and I must vote against it.

Mr. LANGER. Mr. President, will the Senator from New York yield?

Mr. IVES. I yield to the Senator from North Dakota.

Mr. LANGER. Did I understand the Senator from New York correctly to say that veterans' preferences are abolished, but that displaced persons would be taken care of under the terms of the bill?

Mr. IVES. That is substantially the effect of the bill.

Mr. LANGER. Would it not mean, then, that a displaced person who happened to be a man who fought for Germany and was admitted here as a displaced person would have a chance to get one of the public housing units, whereas a veteran who had fought for the United States could not?

Mr. IVES. No; that would not follow. I am talking about persons displaced as a result of slum clearance projects, redevelopment projects, and the like, in a particular community.

Mr. LANGER. I thought when the Senator said displaced persons he was referring to those who came in from other countries.

Mr. IVES. No, and I am glad the Senator brought out that point. I did not refer to displaced persons from abroad.

Mr. LANGER. It might happen that some of the displaced persons might be veterans.

Mr. IVES. It could be. It does not mean that they might not qualify under the provisions I have stated.

Mr. LANGER. In an identical situation there would be no discrimination against veterans, would there?

Mr. IVES. No. Under the bill as it is, veterans will get very little out of the law.

Mr. LEHMAN. Mr. President——

The PRESIDING OFFICER. The junior Senator from New York.

Mr. LEHMAN. Mr. President, title IV of the Housing Act of 1954, H. R. 7839, as reported to this body by the conference committee is a source of deep disappointment to me. I hope that it is also a source of disappointment to the administration. This title, as agreed to by the conference committee, is the primary reason why I oppose the approval of the bill as reported by the conference committee. It is because of the public-housing provision that certain members of the conference committee refused to sign. I congratulate them upon their steadfast refusal to accept this betrayal of the public-housing program.

I shall certainly cast my vote against the adoption of this conference report. My vote will be based on the fact that the low-rent public-housing provisions of the bill are a sham and a delusion. They constitute no program at all. They fail to meet even the very inadequate levels recommended by President Eisenhower and the administration.

The President's recommendation with respect to public housing called for 35,000 public-housing units in each of the next 4 years. This would have made a total of 140,000 units—a number far inadequate to the need, but a number which would have at least preserved a token program.

This bill is utterly inadequate in other respects, too. At the time this bill was originally reported out by the Senate Banking and Currency Committee, of which I am a member, I filed a statement of separate views, pointing out some of these inadequacies. I ask unanimous consent that this statement be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SEPARATE VIEWS ON HOUSING BY SENATOR HERBERT LEHMAN

I voted to report the pending bill to the Senate.

On balance, the bill, in its present form, is better than no legislation. It has some constructive features, most notably the restoration of authority for a public housing program of the same magnitude as was authorized in the Housing Act of 1949.

Most impartial assessments of current housing needs in the United States indicate that a minimum construction program of 100,000 to 200,000 low-rent public housing units per year is an absolutely essential element of any overall attack on the housing problem. H. R. 7839, as reported by the committee, takes cognizance of this fact.

There are other commendable and constructive features in H. R. 7839, as reported. In my judgment the committee has made real improvements on the measure in its original form, as approved by the House and submitted to our committee. The committee has certainly made significant improvements on the proposals as recommended by the President.

However, I still find in H. R. 7839 a major emphasis on means and programs which may provide more and better housing for those capable of paying for it, but only a minimum of means and programs for the provision of housing for the ill housed—for those in our population who can least afford adequate housing suited to their family-size needs. Nor is there adequate provision for the stimulation of the construction of the specialized-type housing required for aged persons.

The approach to housing represented in this bill reflects, in large measure, the trickle-down theory.

Moreover, despite considerable improvements made in this bill by our committee, there are still some technical inconsistencies between different programs, and even within certain programs.

Some of the programs, especially those characterized as experimental, may involve the Government in added risk without commensurate public benefit. We of New York State, for instance, must show a real concern as to whether we will derive a benefit commensurate with the obligation and liability which the Nation here undertakes.

Certainly the experimental program of mortgage insurance, while it has my general support, in the absence of alternative means, will be of little avail in supplying housing for low-income families in and near the large centers of population.

These are, in general summary, my estimate of the weaknesses and defects in H. R. 7839.

There are other weaknesses in H. R. 7839, just as there are other beneficial aspects. The committee report enumerates the benefits. I do not propose to undertake, in this statement of separate views, a detailed analysis of the weaknesses. I think these aspects should have been more carefully and exhaustively studied in committee. A New Look at our entire housing program, and at our entire housing problem, is overdue.

Most of the weaknesses I have mentioned are either too pervasive to permit their being cured by simple amendment to the pending bill, or too technical to lend themselves readily to debate and discussion on the floor of the Senate.

These are, however, my reservations with regard to H. R. 7839. Should the Senate be in a mood to undertake a comprehensive debate and review of this legislation, or to consider fundamental amendments, I would want to feel free to make some of these points and to specify some of the weaknesses, as I see them, in the pending bill.

Mr. LEHMAN. According to the conference report now before us, this year's housing bill would authorize the Public Housing Administration to contract for not more than 35,000 public housing units during the fiscal year 1955. Thus, the bill would seem to prolong the life of the program one additional year beyond the current calendar year. But, Mr. President, this is a gross oversimplification. There are provisos attached to even this meager crust of public housing. These provisos severely limit the circumstances under which these new contracts can be made.

The bill says in effect that the 35,000 public housing units can be undertaken only by communities where slum clearance, urban redevelopment, or an urban renewal project is being carried out and only if the local governing body of the community certifies that the low-rent housing project is needed to assist in relocating persons displaced by slum clearance operations. Moreover, the total number of units in a low-rent housing project may not exceed the number of dwelling units needed for the relocation of families displaced as a result of governmental action in the community.

Mr. President, these provisions as agreed to by the conference committee will kill the public housing program. Let me explain that statement. The bill sets up a distinction between communities which have slum-clearance projects and communities which have not. The former may get public housing, and the latter may not.

But this is a fallacy, because in practice it will simply not work out this way. If a community has an approved slum-clearance project, it has already made and had approved as part of the project a plan for the relocation of displaced families. Therefore, it will need no additional public housing to implement its approved plan.

If a community is relying, under its plan, upon public housing, it is almost certain that the community has already applied for and received approval of its plan and that contracts are already in effect with regard to this public housing.

If the community does not now have a slum-clearance project, we know from experience that it takes from 1 to 2 years for any community to get final approval for a slum-clearance project. If the community cannot get public housing unless it has a slum-clearance project, obviously it will be between 1 and 2 years before application for public housing can be made. And yet, Mr. President, this conference report provides that contracts between the community and the Federal Government with respect to the 35,000 units authorized by the bill must be in effect by June 30, 1955, less than a year from now.

To put it more briefly, the effect of the bill is that you cannot have public housing unless you have slum clearance. Chances are that you cannot get a slum-clearance project in much less than 2 years, whereas the authorization for public housing runs out in 1 year.

As if this were not objection enough, we find that 15 States do not even have laws to authorize slum-clearance projects. In 4 States authority for these projects is limited to 1 city. Only 214 communities have received tentative approval for slum-clearance projects, and only 24 communities have reached the stage where they could qualify for public housing under the terms of the conference report. Several of the communities which could qualify already have all the public housing units they can use.

Mr. LANGER. Mr. President, may we have order? We cannot hear the distinguished Senator at all.

The PRESIDING OFFICER (Mr. IVES in the chair). The Chair will ask his distinguished colleague kindly to desist for a moment while we get things straightened out in the Chamber. There are conversations going on all around. What the junior Senator from New York has to say is very important.

The Senator may now resume.

Mr. LEHMAN. I thank the Presiding Officer; and I particularly thank my distinguished colleague from North Dakota.

This bill, Mr. President, actually prohibits public housing. It is a death blow at the housing program, not a continuance of it. In the guise of a 1-year extension, it snuffs the whole program out. In this title, apparently designed to keep the program alive for a year, there are hidden daggers, designed to completely destroy it.

Mr. President, this bill not only reduces the number of public housing units to an almost absurd and ineffective level, but also surrounds the possible construction of a public housing project with conditions which will make it impossible for many communities to participate, while preventing many other cities from constructing public housing units in the numbers they require. The bill now says in effect that a community cannot improve its housing supply through the construction of public housing units, but if it has a slum-clearance project it might possibly maintain the status quo. This cannot conceivably be regarded as progress.

Mr. President, even the most conservative of housing experts agree today that public housing should comprise a minimum of 10 percent of all housing construction to meet the needs of our low-income families.

The late Senator Taft, having studied this question over a period of many years, held to this view and consistently advanced this formula.

I, myself, think this percentage is too low, too conservative. But I would accept it in the spirit of compromise.

But what are the figures today?

According to a June 14, 1954, forecast, by the Bureau of Labor Statistics, the construction of private nonfarm dwelling units in 1954 will be 1,080,000. Mr. President, I may say that that number of 1,080,000 is by no means realistic. It should be nearer 2 million in the next few years, and the needs of the farm population should be recognized just as much and just as definitely as the needs of the urban population.

I have mentioned that according to a June 14, 1954, forecast by the Bureau of Labor Statistics, the construction of private nonfarm dwelling units in 1954 will be 1,080,000. This forecast, which is some 12,000 higher than the comparative figure for 1953 and, in fact, is higher than any of the last 5 years except 1950, does not take into account the impetus which will be given to the building industry by the new terms of the bill we are now discussing. I am personally convinced that when the provisions of the new bill become operative, there will be a considerable spurt in the building industry and that the final level of construction for 1954 will be more than the 1,080,000 forecast.

On the other hand, what has happened to the public-housing program? Are we building at anywhere near a rate of 10 percent of total housing construction? The Bureau of Labor Statistics shows that in the first quarter of 1954, a total of 3,700 public-housing units were started. In May, which is the latest month available, 500 public-housing units were started.. Just think of that, Mr. President—only 500 public-housing units were started. The figure of 3,700 public-housing units compared with 105,500 private starts in the same month. Even that number, in my opinion, is far too small.

For purposes of comparison, let us note that total housing construction as reported for May of 1954 was 105,500 private units plus 500 public units, or a total of 106,000. Ten percent of this figure would be 10,600, the minimum number of public-housing units which are needed to keep pace with private building. Instead of the 10,600, however, we have only 500.

Mr. President, I shall vote against the conference report on H. R. 7839. My vote will be a protest against a bill which seeks to provide benefits for almost every phase of the housing industry, but which almost entirely ignores the needs of our low-income population.

I feel more strongly than I can personally express that the low-income people living in the great urban centers—people for whom public housing was intended—certainly have been completely disregarded in the bill. They have been slapped in the face. Even the meager possibility of an additional 1-year program has been eliminated.

Mr. President, I intend to vote against the conference report and against the measure in its present form.

Mr. President, let us insist on a new conference, and instruct our conferees to insist on the position originally taken by the Senate, by an overwhelming vote.

Before I close and proceed to another subject, I wish to say that I am completely in disagreement that a million housing units, public and private, which have been provided for will meet the housing needs of the people of the councountry.

My distinguished colleague from New York [Mr. IVES], who is now presiding, is a leading member of the Committee on Banking and Currency, of which I, too, am a member, and I am sure he will support my statement, which was presented to the committee in hearings time after time, that there should be not less than 2 million housing units, private and public, constructed each year.

THE SENATOR FROM WISCONSIN

Mr. LEHMAN. Mr. President, I now desire to address myself very briefly to a subject which I think is of outstanding importance to the people of the United States and all the Members of the Senate.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. LEHMAN. Mr. President, within the next 48 hours we may be expected to vote on a question which is the highest duty and the most fundamental right of any parliamentary body, namely, the censure of a colleague when necessary—a right and a duty which springs from the Constitution itself.

The first article of the Constitution, in enumerating the powers vested in the Congress, specifically elaborates three separate controls which each body is to exercise over its membership.

The first is the right and responsibility of each House to judge the elections, returns, and qualifications of its own Members.

The second is the right and responsibility of each House to punish its Members for disorderly behavior.

And the third is the right and responsibility of each House to expel a Member, with the concurrence of two-thirds.

We are addressing ourselves to the second of these rights and responsibilities of the Senate—to punish its Members for disorderly behavior.

This is a fundamental right and responsibility, which the Constitution not only authorizes, but instructs the Senate to exercise and to bear.

The question is: Has the junior Senator from Wisconsin so conducted himself as to merit punishment, which, in this case, is to be a resolution of censure?

This question can no longer be avoided. The responsibility is that of the whole Senate. It cannot be passed off to the voters of Wisconsin, to the Republican Party, or to any committee of the Senate.

The motion of censure having been posed by the junior Senator from Vermont, it cannot be parried or evaded. Excuses may be found to defer a vote on the motion itself, but any parliamentary device we may invoke will not succeed in begging the question. Whether the actual motion presented for a vote is to lay on the table, to refer to a committee, or to postpone to a future date, it will still pose the basic question: To censure or not to censure?

Mr. President, in my own opinion, a motion of censure is too mild a judgment to pass on the behavior and actions of the junior Senator from Wisconsin.

Some weeks ago I introduced a resolution to remove Senator MCCARTHY from the chairmanship of the committee to which the Senate had elected him. I proposed that resolution because I felt strongly that Senator MCCARTHY had grossly abused and violated the authority and responsibility vested in him by the Senate.

At this point, I ask unanimous consent that there be printed in the RECORD the text of the resolution, Senate Resolution 262, which I introduced, and which is now pending before the Committee on Rules and Administration.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas Senator JOSEPH MCCARTHY is chairman of the Government Operations Committee by virtue of appointment by the Senate, voted on January 13, 1953, in accordance with rule 24 of the Standing Rules of the Senate; and

Whereas Senator MCCARTHY is chairman of a subcommittee of the Government Operations Committee, the so-called Permanent Investigating Subcommittee, by virtue of appointment by himself as chairman of the parent committee; and

Whereas Senator MCCARTHY has abused the authority delegated to him as chairman of said committee and subcommittee by intervening unjustifiably in the conduct of the administrative affairs of the executive

branches of Government, including the Department of State, the Foreign Operations Administration, the United States Information Agency, and the Department of the Army, and thus has dangerously and harmfully impaired and violated the principle of separation of legislative and executive functions and powers of the Government embodied in and provided in articles I and II of the Constitution; and

Whereas Senator McCARTHY has abused the authority delegated to him as chairman of said committee and subcommittee by presuming to arrogate to himself and to said committee and subcommittee law-enforcement functions and powers, which functions and powers are beyond the scope of the lawful authority and jurisdiction vested in the United States Senate, and in said committee and subcommittee, and thus further impairing and violating the principle of the separation of the legislative and executive functions and powers of Government; and

Whereas Senator McCARTHY has abused the authority delegated to him as chairman of said committee and subcommittee by presuming to arrogate to himself and to said committee and subcommittee judicial functions and powers, which functions and powers are beyond his lawful authority as chairman of said committee and subcommittee, and are inconsistent with and repugnant to the exclusive lawmaking functions and powers vested in the Congress, the Senate, and committees of the Senate; and

Whereas Senator McCARTHY has abused the authority delegated to him as committee chairman by publicly inviting and soliciting wholesale violation of laws enacted by Congress, including the Espionage Act, and the violation of an Executive order forbidding the disclosure of classified security information, and by promising his protection for the violation thereof; and

Whereas Senator McCARTHY has abused the authority delegated to him as chairman of said committee and subcommittee by seeking to intimidate and harass officials of the United States Government, including honored soldiers in the United States Army; and

Whereas Senator McCARTHY has abused the authority delegated to him as chairman of said committee and subcommittee by seeking to intimidate and coerce the press and thus indirectly to accomplish what is directly forbidden under the provisions of the first amendment to the Constitution of the United States; and

Whereas Senator McCARTHY has abused the authority delegated to him as chairman of said committee and subcommittee by persistently and repeatedly violating the civil liberties, privileges, rights, and immunities of United States citizens guaranteed under the Bill of Rights of the Constitution of the United States, especially those set forth in the first, fourth, fifth, and sixth amendments; and

Whereas Senator McCARTHY has abused the authority delegated to him as chairman of said committee by presuming, in his conduct of said subcommittee, to usurp for himself all the powers delegated to said subcommittee by the parent committee, and to the committee, by the Senate; and

Whereas Senator McCARTHY has by these and other violations, arrogations, and transgressions grossly abused the authority delegated to him as chairman of the Government Operations Committee and of a subcommittee thereof, inspired and created public disrespect for the lawmaking authority, created public confusion in all branches of Government, and impaired the high standing and prestige of the Senate of the United States: Therefore be it

Resolved, That the Senate, under its plenary powers over its committees and subcommittees, hereby revokes the appointment of Senator McCARTHY as chairman of the Government Operations Committee, and as chairman of the so-called Permanent Investigating Subcommittee and of all other subcommittees to which he may have heretofore designated himself as chairman, and declares vacant the position of chairman of said committee and of said subcommittees, pending the appointment by the Senate of a new chairman of said committee in the manner prescribed by rule 24 of the Standing Rules of the Senate.

Mr. LEHMAN. Mr. President, in that resolution there are set forth a series of justifications for the proposed action. These justifications go far beyond the relatively minor questions dealt with in the hearings of the special subcommittee headed by the Senator from South Dakota [Mr. MUNDT].

Mr. President, there is no real connection between the present motion of censure and the recent inquiry conducted by the Mundt subcommittee. Regardless of the report of the Mundt subcommittee, regardless of its recommendations, a motion of censure is merited—much more than merited—because of the many other actions of the junior Senator from Wisconsin, far beyond the questions and issues which were examined by the Mundt subcommittee.

The subcommittee might in its report recommend punitive action against Senator McCARTHY on the basis of the record before it. Or the subcommittee might absolve Senator McCARTHY. None of us knows what that subcommittee, or a majority of it, may recommend, in regard to the narrow issues presented to that subcommittee. But that is a separate question, quite aside from the motion of the Senator from Vermont [Mr. FLANDERS].

I address myself today to the question of punishment and reproof of Senator McCARTHY for acts and conduct which were not considered by the Mundt subcommittee and were beyond that subcommittee's charter of instructions.

I wish it were feasible and practicable to present for the consideration of the Senate the original Flanders resolution, or my resolution. I would have supported either of them. But the majority leadership of this body, and the members of the majority party of this body, took it upon themselves to prejudge those resolutions, and to make it effectively impossible to consider them and to vote upon them. Theirs is the responsibility for sidetracking them. The record is clear. The Republican policy committee voted unanimously to make it a matter of party policy to table the original Flanders resolution or my resolution or any resolution aimed at the heart of the problem: the right of Senator McCARTHY to continue to exercise the power and authority which he has so tragically abused and perverted, to the shame of the Senate, to the disrepute of Congress and our country.

In my heart I can forgive and understand some political acts in a campaign year. I cannot forgive or understand this act of abdication of responsibility on the part of the majority leadership of the Senate.

Those who occupy the judgment seats on our actions here in the Senate—the American people, and finally, those who come after our generation, may not easily condone the course that has been followed.

Nor do I consider my own party blameless in this regard. There was widely circulated among my colleagues on this side the cynical argument that Senator McCARTHY is the Republican Party's problem, not ours. It has been urged that we, on this side of the aisle, wash our hands of responsibility or blame on this grave matter.

What mistaken counsel is this? Read the pages of very recent history of Germany, of Italy, and of other countries. Read the history of the distant past, too. There have been examples, again and again and again, of those who sought to avoid battle with evil by telling themselves that it was a lesser evil, or that giving battle to it was someone else's obligation, that time and responsibility would mellow that evil and render it harmless, or—most cynically of all—that the evil forces could be harnessed, controlled, and used. What a disillusionment was due for those who clung to such foolish, shortsighted, and cynical notions.

On Sunday, July 18, the Washington Post and Times Herald carried an article by Dr. Hans Gisevius, one of the leaders of the ill-fated putsch against Adolf Hitler in 1944. He described the course of the cancerous growth of Hitlerism: First, the concentration on Communists, justifying any and all departures from the rules of justice and decency by the nature of the evil sought to be combated; then the gradual widening of the target of attack, first Marxists, then so-called pinks, then all liberals, and finally all critics of the regime. Gradually all who opposed the reign of terror became themselves the victims of the terror.

I ask unanimous consent, Mr. President, that pertinent portions of the article by Dr. Gisevius be printed in the RECORD, at this point in my remarks.

There being no objection, the excerpts from the article were ordered to be printed in the RECORD, as follows:

INSIDE STORY OF ANTI-HITLER PLOT

(By Hans Gisevius)

When political fanatics attempt to take over a government there will always be two different points of view among their opponents. One group will say, "Let us resist at once. It is easiest at the beginning." The other will argue, "How do you know they are really so evil? A little fresh air is always good. Let us wait and see a bit longer."

That is what happened in Germany. It wasn't that on January 30, 1933, 65 million people entered into a conspiracy to extirpate the Jews, to abolish the churches, to make war against their neighbors and to lock themselves up in one great concentration camp.

Even "decent" people admitted that there were dangerous loopholes in the law. Naive predecessors had neglected to make provisions for dealing with the Communists. Now Hitler had promised to "get rid of the Communists." So why get excited when he corrected the errors of former governments and put those enemies of the state into prison camps?

That is the way it started—quite decently. The trouble is that this concept of an

"enemy of the state" broadens in proportion to the aggressiveness of its proponents. In excited times, it is a magic formula.

First it covered only the Communists. Soon it included all Marxists, then the "pinks," then the liberals, then those preachers of Christian softheartedness, the clergy—and always the Jews. Finally, an "enemy of the state" was anyone who disagreed with this new political philosophy.

The difficulty was that all this did not occur in rapid succession. If the doctrine had been born full-fledged, it would have been easier to see through it. Instead, it was developed gradually.

After storms there came calms which provoked conjectures that the wild men were getting "reasonable." After all, the "moderates" were still in the majority. (Does anyone remember that in Nazi Germany the "moderates" held a majority in the government to the end?)

In turbulent times, however, it is the minority which dictates the course of action—as soon as the moderates have given it a finger grip on power. A "wait and see" attitude may be all right in normal times, but in dealing with ruthless fanatics there can be no passive indulgence. Each day gained by the demagogue strengthens his position.

Mr. LEHMAN. Mr. President, is there a parallel with present-day events? I leave to those who listen to these words the answer to this question. It is wise to ponder.

Though the present problem is great, the contribution proposed to be made toward its solution by the Flanders motion of censure is, in my opinion, small indeed. But what we must shun at all costs is any action which can be interpreted or described, however mistakenly, as condoning the conduct and activities of Senator McCarthy.

Above all, let our motives in taking action be free of concern for the tradition of the Senate as a gentleman's club. The junior Senator from Wisconsin has placed himself beyond the protective pale of personal camaraderie in the Senate.

He has not spared his colleagues here in the Senate from the kind of unconscionable attacks he has made on individuals and institutions outside the Senate. He has applied the tarbrush of direct and indirect infamy to Senator Monroney, of Oklahoma; to Senator Hennings, of Missouri; to Senator Symington, of Missouri; to Senator Jackson, of Washington; to Senator Flanders, of Vermont; and to others here in the Senate. Nor should we forget what he did to former Senator Benton, of Connecticut, and former Senator Tydings, of Maryland; to all, in fact, who have dared to criticize him, to call him to task for his activities. Mr. President, I am proud beyond description that I have not been spared his critical attention.

Mr. President, if the only practical move at this time is a motion of censure, let us at least take that step. Censure is a mild remedy for such a dread and contagious disease as McCarthyism. It is a mild punishment for acts which have worked incalculable damage on the Senate and on the country. The harm that has been done will take years to undo. Nor should any of us cherish the illusion that the danger is over. It is not over. It has merely been checked, for the moment.

It is almost unnecessary to specify in detail the justifications for the act of censure. The junior Senator from Vermont [Mr. Flanders] has spoken eloquently on the subject. Yet I disagree with him in his statement that the junior Senator from Wisconsin [Mr. McCarthy] has done some good. I know of no good which he has directly accomplished. Mr. Frederick Woltman, the well-known Scripps-Howard reporter, has, in a recent series of articles, labeled as a myth the notion that Senator McCarthy has been an effective fighter against communism. Mr. Woltman wrote that the record—

> Will show that by his excesses, his scarehead accusations that eventually evaporate, his thumb-in-the-eye tactics, and his inevitable injection of partisan politics, whether aimed at the Democrats or at critics within his own party, Senator McCarthy has completely befogged a major issue of the day.

Mr. President, let me say that I am very grateful to the distinguished Senator from Vermont for having placed in the Record the full series of the Woltman articles. I appeal to all Members of the Senate to go through the Record and read those articles. They are as illuminating, as convincing, and, I believe, as authoritative as any articles on this subject I have read for a long time.

It has been maintained by some that indirectly Senator McCarthy has inspired a somewhat greater public awareness of the danger of Communist infiltration and subversion. But in fact he has spread not awareness but panic, hysteria, fear, and mistrust throughout the Nation. The ordinary trust of one man in another, in his friends, neighbors, associates, has been undermined. Confidence in Government has been riddled. The Government service has been demoralized and paralyzed.

The basic institutions of our land—the press, our schools, even our churches—have been attacked and demeaned. In each of these institutions, the seeds of fear and mistrust have been firmly implanted.

Independent thought, throughout our land, has been gagged. Rigid conformity has been enshrined. Isolationist reaction has been made the standard of respectability.

And these are merely some of the broad effects of the activities of the junior Senator from Wisconsin, and of his imitators.

There are many other effects, more directly traceable to his activities and conduct, and with which we, as Members of the Senate, are more directly concerned.

He has made a mockery of the congressional investigating process.

He has ridden roughshod over the rights of scores of American citizens, using his position in the Senate to smear, denounce, and ruin individuals.

He has slandered some of the noblest public servants this country has ever had, imputing to them the high crime of treason—great men of American history like President Roosevelt, President Truman, and Gen. George C. Marshall.

He has attacked and smeared, without justification, such outstanding public servants as Ambassador Philip Jessup and Ambassador Charles Bohlen.

He has attacked and smeared, without justification, such outstanding military men as General Zwicker, and such great scholars as President Nathan Pusey and Professor Arthur Schlesinger, Jr., of Harvard University.

He has intruded unjustifiably into the administration of government, to enhance his own prestige and power at the expense of orderly government. He has succeeded in disrupting such vital organizations as the Voice of America, in paralyzing such critical establishments as the Army Signal Corps research laboratory at Fort Monmouth, and in threatening and menacing the Central Intelligence Agency.

He has inspired tragic mistrust of our country in all quarters of the globe.

He has used the power of his office to denounce such publications as Time magazine and the Washington Post, and to persecute such outstanding journalists as Ed Murrow, Drew Pearson, and James Wechsler.

Mr. President, I submitted my resolution for the removal of Senator McCarthy from his committee chairmanship, following the introduction of the original Flanders resolution. Although the Flanders resolution differed somewhat in its basic motivation from mine, I was prepared to support it because our two resolutions were directed toward the same end. I was prepared to vote for it and to speak in its behalf. I did my best, in recent weeks, to get support for that resolution from my colleagues.

But the Senator from Vermont [Mr. Flanders], for obvious reasons, will not call up that resolution. He will not attempt to discharge the Rules Committee from consideration of it. I must go along with him on his decision. Now I am ready to support his present move, the motion for censure of Senator McCarthy.

I could go on at much greater length. It is unnecessary. The facts are known. They have been printed on the front pages of every newspaper. It is up to us to act, without timidity, or fear of flinching.

I, for one, call for an early vote on the motion to censure.

It is up to us to meet the challenge of McCarthyism with the weapons that have been given to us as United States Senators. In no other way can we hope to restore the prestige of the United States Senate which has been so seriously impaired by the junior Senator from Wisconsin, Joseph McCarthy.

Mr. FLANDERS. Mr. President, I ask recognition for 9½ minutes.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Vermont?

Mr. LEHMAN. I shall be glad to yield the floor to the Senator from Vermont.

The PRESIDING OFFICER. The Chair will have to intervene. The Senator from Massachusetts has been trying to get the floor for some time, and the Chair will recognize the Sena-

tor from Massachusetts. If the Senator from Massachusetts desires to yield to the Senator from Vermont for 9½ minutes, with unanimous consent that the Senator from Massachusetts will not lose the floor, he may do so.

Mr. SALTONSTALL. I must respectfully state that the press of other responsibilities, plus the fact that several people are waiting to see me, makes it impossible for me to yield at this time. My own remarks will not take more than 5 minutes.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. DIRKSEN. Mr. President, so that there will be no misapprehension, the junior Senator from Illinois expects to deal with the substance of the remarks made by the Senator from New York [Mr. LEHMAN] and also with the Flanders resolution, if and when it comes to the floor for action on Friday. I want to be sure that there is no misapprehension as to whether a reply will be made, because I shall make one, at least.

HOUSING ACT OF 1954—CONFERENCE REPORT

The Senate resumed the consideration of the conference report on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities.

Mr. CAPEHART. Mr. President, will the Senator yield for a brief statement?

Mr. SALTONSTALL. I shall be glad to yield for that purpose.

Mr. CAPEHART. I have just finished talking by telephone with Assistant Attorney General Warren Olney with respect to convictions, indictments, and pending cases under the various housing acts.

I. Under title I of the National Housing Act, cases arising out of property improvement loans insured by FHA.

A. Convictions since and including April 1954:

First. Cases, 13.

Second. Persons and firms, 18.

B. Indictments pending:

First. Total cases, 38.

Second. Total number of indictments, 44.

Third. Total persons and firms, 102.

Fourth. Indictments returned since and including April 1954, 17.

(a) Total persons and firms, 50.

C. Pending cases:

First. Initiated prior to April 1954, 65.

Second. Initiated since and including April 1954, 196.

II. Mortgage insurance—slum clearance: Included in this group are cases arising under section 6 of title I and all of title II. Rental housing programs and defense housing programs under sections 207, 608, 908, and 803 are included herein. Also included in this category are matters arising under section 213, the cooperative housing section. Likewise included, because of the similarity of offenses involved, are those under the slum-clearance program under title I of the Housing Act of 1949.

A. Indictments pending:

First. Returned prior to April 1954, 1.

Second. Returned since and including April 1954, 2.

B. Pending cases:

First. Initiated prior to April 1954, 3.

Second. Initiated since and including April 1954, 11.

III. Prevailing wage matters: These matters arise in rental housing projects but specifically concern false statements by contractors in certificates submitted to FHA and the Department of Labor as to payment of prevailing wages, determined by the Secretary of Labor.

A. Indictments pending:

First. Total cases, 1.

Second. Total number of indictments, 1.

Third. Persons and firms charged, 2.

B. Pending cases:

First. Initiated prior to April 1954, 6.

Second. Initiated since and including April 1954, 3.

IV. Personnel and miscellaneous: Matters arising as a result of official and personal conduct of FHA officials and employees are placed in this group. Included in the category are cases involving bribery, perjury, conflict of interest, and embezzlement.

A. Indictments pending and obtained since and including April 1954, 1.

B. Pending cases initiated since and including April 1954, 20.

The Department of Justice is working diligently on hundreds of cases of all descriptions. It will be recalled, that it was on or about April 12, 1954, that the Federal Bureau of Investigation assumed primary jurisdiction for the investigation of all criminal violations resulting from FHA operations and occurring under the National Housing Act, as amended. Prior to that time and since 1935, the FHA retained investigative jurisdiction as the result of an interagency agreement.

Something is being done. Unfortunately, I am informed that in many instances the statute of limitations has run and, consequently, in those situations prosecution is not now possible.

Mr. SALTONSTALL. Mr. President, I well realize how difficult it can often be to work out agreement between positions as far apart as those of the House and Senate on the public housing provisions of this bill.

As chairman of the Independent Offices Subcommittee of the Committee on Appropriations, which annually scrutinizes the public housing program, I know from first-hand experience how widely separated have been the positions of the House and the Senate on this subject in recent years. Two years ago President Truman recommended 75,000 housing units. In making appropriations for the Public Housing Administration for fiscal 1953, however, the House completely ignored President Truman's recommendation and omitted any provision for that purpose. The Senate restored provision for 50,000 units. In conference, although the number was reduced to 35,000 units, the Senate succeeded in keeping a substantial public housing program underway.

Last year, the Senate's battle to retain a substantial public housing program was renewed. Again the House voted to terminate the program, but again the Senate secured a compromise under the independent offices appropriations bill which kept the program going, although on a completely inadequate basis. Under this compromise, the House finally agreed that 20,000 housing units in projects previously approved and under contract should be build during the fiscal year just ended, with no new contracts to be entered into beyond these already made. The House also added a proviso to the effect that Mr. Cole, within whose jurisdiction as Housing and Home Finance Administrator the Public Housing Administration falls, should report to the Appropriations Committee by February 1 of this year.

President Eisenhower, in his budget message of this year, recommended that 35,000 units be constructed each year for the next 4 years. The Subcommittee on Independent Offices of the House Appropriations Committee nevertheless included a limiting proviso intended to prohibit any further public housing. This was stricken on the floor of the House on a point of order. So the effect of the bill, as passed by the House—and subsequently by the Senate—was to permit the construction of the 33,000 units now under contract to go ahead in the fiscal year 1955.

The House also included in the appropriation bill the so-called Phillips rider which would have virtually stopped the present slum clearance and urban redevelopment program. This action, of course, would have had some effect on the need for public housing.

My subcommittee completely eliminated the so-called Phillips rider, approved funds for the administration and processing of the 33,000 public housing units for the fiscal year 1955, and said that Congress should await the action of the Banking and Currency Committee as regards the future of the slum clearance and urban redevelopment program.

Then on June 3, 1954, by a vote of 66 to 16 the Senate authorized, under the bill which is now again before us, new contracts for the construction of 35,000 units during each of the next 4 years. The Senate at the same time nullified the various riders which had been attached to the appropriations bill during the past 2 years. This was a vindication of the President's program and overwhelmingly recorded the Senate in its support.

But, instead of 35,000 units a year for each of the next 4 years, this report includes 35,000 units for the next year only. That authorization, moreover, is hedged about with so many qualifications and restrictions as to amount not to one-fourth, but scarcely a tenth, of the President's program. Loans and annual contributions during the next fiscal year can be entered into only with respect to low-rent housing projects to be undertaken in communities where a slum clearance and urban redevelopment or urban renewal project is already being

carried out with assistance under title I of the Housing Act of 1949, as amended. This, at least, recognizes the vital interrelation between slum clearance and public housing, but it is only the first of several restrictions. In addition, these arrangements can be entered into only if the local governing body of the community undertaking the project certifies that the low-rent housing project is needed to assist in meeting the relocation requirements of section 105 (c) of that act by providing housing for persons displaced by the slum-clearance operations.

There is a further limitation. It is the requirement that the total number of dwelling units contained in any low-rent housing project provided for under these new contracts may not exceed the number of such units which the Administrator determines are needed for the relocation of families displaced as the result of Federal, State, or local governmental action in the community.

The net result of the conference substitute—

And I quote the words of the manager on the part of the House from page 83 of the conference report—

is to limit the extension of the public-housing program to 1 additional year and 35,000 additional units, to restrict the authorization of the additional units to communities which have slum clearance and urban redevelopment or urban renewal programs and which require housing for the relocation of persons displaced by those programs, and to limit the number of dwelling units in such projects to the number required for the relocation of persons displaced by Government action of all types.

Mr. President, the work done by the Public Housing Administration in clearing slums is well known to us in Massachusetts. We would like to see more of it.

I ask unanimous consent to have inserted in the RECORD at this point in my remarks a list of the places in Massachusetts which have completed low-rent public-housing projects.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Places in Massachusetts with completed low-rent public-housing projects

Location and project name	Program	Units
Boston:		
Charlestown	USHA	1149
Mission Hill	USHA	1023
Lenox Street	USHA	306
Orchard Park	USHA	774
South End	HA49	508
Heath Street	USHA	420
East Boston	USHA	414
Franklin Hill Ave	HA49	375
Whittier Street	HA49	200
Washington Beach Street	HA49	274
Mission Hill Extension	HA49	588
Columbia Point	HA49	1504
Brockton	HA49	100
Cambridge:		
Washington Elms	USHA	324
John Corcoran Park	HA49	152
Chelsea:		
Webster Ave	HA49	105
	HA49	95
Fall River:		
Sunset Hill	USHA	356
Harbor Terrace	USHA	223
Hillside Manor	HA49	300
Framingham	HA49	125
Holyoke:		
Lyman Terrace	USHA	167
Jackson Parkway	USHA	219
Lawrence:		
Merrimack Courts	USHA	292
	HA49	208
Lowell:		
North Common Village	USHA	536
Chelmsford St	HA49	162
Lynn:		
Holyoke St	HA49	300
Malden:		
Malden Housing Project	HA49	250
Medford:		
Willis Ave	HA49	150
New Bedford:		
Bay Village	USHA	200
Presidential Heights	USHA	200
Brickenwood	HA49	300
Northampton:		
Florence Heights	HA49	50
Quincy:		
River View	HA49	180
Revere	HA49	100
Taunton:		
Fairfax Garden	HA49	150
Woburn:		
Woburn Housing Project	HA49	100
Worcester:		
Great Brook Valley	HA49	600

Places in Massachusetts with completed low-rent public-housing projects—Continued

NOTE.—USHA denotes project built under provisions of the United States Housing Act of 1937 (Public Law 412). HA49 denotes project built under the Housing Act of 1949 (Public Law 171).

Mr. SALTONSTALL. Mr. President, I also ask that there be printed in the RECORD a list of the places in Massachusetts with units under construction and the percentage of completion.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Places in Massachusetts with units under construction and percent of completion

Place	Units	Percent of completion
Boston (Bromley Park)	732	88
Cambridge (General Putnam Gardens)	123	89
Gloucester	100	5
New Bedford	200	91
Somerville	216	97

Mr. SALTONSTALL. Mr. President, I also ask to have printed in the RECORD a list of the places in Massachusetts with units under annual contributions contract but not under construction.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Places in Massachusetts with units under annual contributions contract but not under construction

Place:	*Units*
Boston: Pope's Hill	150
Clinton	100
Lowell	372
Lynn	175

Mr. SALTONSTALL. Mr. President, I ask to have printed in the RECORD a list of places in Massachusetts with program reservations under the Housing Act of 1949.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Places in Massachusetts with program reservations[1] under Housing Act of 1949

Place:	*Number of units*
Boston	263
Cambridge	325

[1] Under preliminary loan contract.

Places in Massachusetts with program reservations[1] under Housing Act of 1949—Con.

Place:	*Number of units*
Chicopee	150
Fall River	200
Gloucester	100
Holyoke	160
Lawrence	1
Lowell	16
Newburyport	150
Somerville	284
Taunton	100

Places in Massachusetts with program reservations not under preliminary loan contract

Place:	*Number of units*
Attleboro	75
Everett	125
Pittsfield	200

Mr. SALTONSTALL. Mr. President, under the conference report's stringent qualifications, there is only one single community that could presently qualify for public housing units made available by the conference bill—Somerville. The city of Boston is not eligible. Even at Cambridge, Revere, Woburn, and Worcester, where slum clearance planning is underway, there is no more than a bare possibility that they might qualify sometime during the year. Other cities in Massachusetts may get public housing they badly need, but not from this act as it has been restricted by the compromises now before us.

Mr. President, I ask the Senate to take a close look at the practical effects of the restrictive language in the conference report. Under this language, a community must first have an approved title I slum clearance, urban redevelopment or renewal program before it can build low-rent accommodations for families who will be displaced from the sites of a title I undertaking.

This so-called guaranty of housing for these displaced families is, on the surface, very laudable. But when you examine the facts, you discover that Federal approval of a title I program is not forthcoming until late in the process of developing a project, and only at the time the final contract for loans and grants is entered into with the specific community.

Only when this 11th hour has been reached in the title I program is land acquired and the process begun to displace families from their homes. If the low-rent project for these displaced families cannot get underway until work is begun on the title I site, where will these displaced families be housed? It takes from 18 months to 2 years for a local housing authority to acquire land and complete public housing construction. What happens to these displaced families in the interim? Of what value to them is a statutory preference for decent housing that will not be ready for many long months? They will be displaced from one slum, merely to seek shelter in another one while they wait, and wait, for the completion of a public-housing project. This is a grim kind of preference.

What about other families who need public housing and will be denied it because of the present so-called preference for displaced families? What of the

aged couples, living on small pensions, savings or public welfare grants, now in unsatisfactory quarters, eligible for public housing, but denied a chance for it because they will never be displaced by an approved title I program?

What of the newly arrived or the newly formed families, including veterans, who are without housing, and under this bill would not have a chance for public housing simply because they are not fortunate enough to be displaced?

The same holds for other families who need it badly but would not get an ounce of benefit from the bill as presently drawn.

There are a couple of other items in this conference bill worth mentioning. You will recall that veterans' preference for admission to public housing is extended for another 5 years. This in itself is most commendable, because today veterans account for about one-half of the admissions to public housing. But—under this legislation, the veteran, unless he lives in a slum marked for clearance under title I, remains a slum dweller.

Mr. President, President Eisenhower's public-housing program as passed by the Senate was more realistic, more practical, and more humane than the provisions of this bill. It allowed for better planning. It embodied provisions for long-range economy and intelligent planning that I find conspicuously absent in this conference bill, a fact that will become increasingly evident as time passes.

For these reasons, Mr. President, I shall vote against the conference report.

JOSEPH P. McMURRAY

Mr. MAYBANK. While the distinguished senior Senator from New York [Mr. IVES] is the occupant of the chair, I desire to take this occasion to inform the Senate that beginning tomorrow we shall lose the services of Joe McMurray, who has been a member of the staff of the Committee on Banking and Currency for many years. He was a member of the staff when the late Senator Wagner was chairman of the committee, and continued to serve under the late Senator Tobey, of New Hampshire. He served on the staff when I was chairman of the committee. At present he is serving under the chairmanship of the distinguished Senator from Indiana [Mr. CAPEHART].

I am certain that all Senators realize the housing problems confronting the city of New York, under its present mayor. Since this is the last day of service in the Senate for Joe McMurray, because he will take office in New York city tomorrow, I desire to pay my respects to him. He has been an honorable, capable, efficient, and sincere servant of the Senate, of the Government, and of the people of America.

Mr. LEHMAN. Mr. President, I take great pleasure and pride in echoing the words of the distinguished Senator from South Carolina [Mr. MAYBANK]. I have known Joe McMurray for a great many years. I knew him long before I came to the Senate of the United States and became a member of the Committee on Banking and Currency. I cannot conceive of any person who could have done a more useful job than that which Joe McMurray has done. He has been a source of strength to the committee.

Tomorrow he will be sworn in as Executive Director of the Housing Authority of New York City. It is a source of very great regret to me that I cannot be present to do honor to him. It would have given me the greatest pleasure to be present, but I cannot attend for obvious reasons. All Members must remain in attendance on the Senate during the closing days of the session.

But I congratulate my own city of New York upon having obtained the services of this fine public servant, who has done so much for all of us and for the people of the country during his service on the staff on the Committee on Banking and Currency. I wish him well. I cannot tell in adequate words how much I admire this young man, and how fully confident I am that he will continue his splendid service for the people of my State and for the country.

Mr. MURRAY. Mr. President, I desire to associate myself with the remarks of my colleagues on this side of the aisle. I have known Joe McMurray for many years, ever since he first came to the Hill. He was the first technician employed on the former Committee on Education and Labor, and rendered very valuable service to the committee during the years of his service.

I recall that the late Senator Taft admired Joe McMurray very highly, and complimented him upon the fine work he had rendered to that committee.

I personally am deeply obligated to Joe McMurray for the able service and help he rendered to me during the time I was chairman of that committee. I join with my colleagues in expressing high regard for him and in wishing him success in the new field which he is entering.

Mr. CAPEHART. Mr. President, I simply wish to say that Joe McMurray is a sincere, conscientious, hard worker. We are sorry to lose him, but we wish him well in his new work in New York City.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to concur in what the Senator from Montana [Mr. MURRAY] has said with regard to Joe McMurray. I also was a member of the Committee on Education and Labor several years ago. Several other Senators who are present at this time were also members of that committee.

Joe McMurray did wonderful work for us, and everybody placed faith and confidence in him.

I wish him well in his new field of endeavor.

Mr. MONRONEY. Mr. President, I join with my colleagues on this side of the aisle who have expressed appreciation for the many years of faithful service which Joe McMurray has rendered to the Committee on Banking and Currency.

When I was a member of the House Committee on Banking and Currency, I had some association with Mr. McMurray, who was then a staff expert of the Senate Committee on Banking and Currency. I have observed him working through the night to prepare conference reports on some of the most important legislation to have been considered during World War II and immediately thereafter.

New York will be the great gainer in his exchange of positions. The Senate will feel the loss of a very valued staff assistant.

Mr. SMATHERS. Mr. President, I join my colleagues in saying we are going to miss Joe McMurray. It has been my privilege to have had the opportunity to know him, as the other Senators have, and never have I seen a member of the staff of any committee who has been more helpful and more responsive to the requests made of him by Senators. He has been very faithful in his assistance. We dislike to see him go, and, as the Senator from Oklahoma has said, his departure will be Washington's loss and New York's gain.

The PRESIDING OFFICER (Mr. IVES in the chair). The present occupant of the chair would like to join in the words of tribute to Joe McMurray, and to point out that everything that has been said in his praise is fully deserved.

Mr. SPARKMAN. Mr. President, before I start the remarks I intend to make on the conference report, I should like to take a moment to add by word of tribute to that of other Senators who have spoken ahead of me to Joe McMurray, who ever since I have been a member of the Banking and Currency Committee has been a very able, competent, and dependable staff member and staff director. I am delighted, of course, that he is going to a position which means an advancement for him. I know of no one in the employment of the Senate whom we shall miss more greatly than we shall Joe McMurray. He has been a great help, always to be relied upon for guidance, for advice, and for real assistance in every respect. I certainly wish for him as he goes away every happiness and every success.

By the way, I may say those sentiments include the very fine family he has, also. I wish for them the greatest of happiness as they take their leave and go to another city.

Mr. FULBRIGHT. Mr. President, I should like to associate myself with the remarks of the Senator from Alabama. I recall the first day I came to the Senate. I believe I made the acquaintance then of Joe McMurray, who was at that time on the staff of the Education and Labor Committee to which I was assigned.

Since I have been in the Senate I have seen Joe McMurray in various assignments, and have the greatest regard for his ability.

It will be embarrassing to me now that he will be gone, not to be able to call on him to submit the questions which come to me from my State, because I could always rely on Joe McMurray to give me an accurate and prompt answer to the many inquiries in the housing and other fields which originated in my State.

I certainly wish to express my regret that he is leaving, but also my congratulations to the city of New York for having acquired a very fine public servant. He goes with my very best wishes.

Mr. KENNEDY. Mr. President, I should like to associate myself with the remarks of the Senator from Alabama and the Senator from Arkansas. I think Joe McMurray's contribution to the development of a successful housing program has not been confined solely to assisting members of the Banking and Currency Committee, but he has been an assistance to all Senators. I certainly join with the Senator from Alabama in hoping his service to New York City will be as beneficial as it has been to the Senate and to the people of the country at large.

Mr. DOUGLAS. It is a real privilege to be able to pay tribute to Joe McMurray, who seems to me to be a model public servant. In my 6 years of service on the Banking and Currency Committee, I have frequently, in fact, almost constantly, called upon him for information.

I have always found his statements of fact to be accurate, unprejudiced and unbiased and his knowledge of the legislation under his study to be thorough and complete. He is a tireless worker; he is completely devoted to the public, and has a fine sense of humor and the gift of his race in getting along with people.

He makes us all love him. It is with a real feeling of loss that we learn of his departure. But we feel confident that even greater opportunities for service are opening up for him. I am sure that all of us send with him our very best wishes.

Mr. HUMPHREY. Mr. President, I should like the privilege of associating myself with the remarks of the Senator from Alabama [Mr. SPARKMAN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Illinois [Mr. DOUGLAS], and other Senators in paying tribute to Joe McMurray for the fine work he had done for the entire Senate—in fact, for the Congress and for the Government.

It has not been my privilege to be a member of the Banking and Currency Committee, but as a Member of this body I have gone to Mr. McMurray many times and asked for guidance and advice and counsel on matters, particularly those pertaining to our housing program. He has always given me accurate information and done so with a willingness of spirit and heart which has made me feel he is truly dedicated, as he is, to the best interests of the community and to the highest standards of public service.

I can recall also during my days of municipal service as mayor of the city of Minneapolis at the time when we were concerned with the housing and redevelopment program for the city of Minneapolis, Mr. McMurray was kind enough then to give me advice and counsel and to assist us in the initial operations of that program. I wish him well in his new endeavors.

The city of New York is very fortunate to have a man of his competence, background, and experience to head up or to give direction to the housing and redevelopment program of that city. It is an immense program. I imagine it is the biggest in the Nation.

Joe McMurray will be able to leave his mark of achievement and accomplishment there just as he has here. I wish him well.

Mr. BUSH. Mr. President, I wish to associate myself with the most complimentary statements which have been made about Joe McMurray, who is leaving the Senate to assume the position of executive director of the New York City Housing Authority. He has been of great help to me, especially in connection with this bill. I think his services as a member of the staff of the Committee on Banking and Currency, so far as I have observed them, have been entirely creditable and entirely honorable. I am very sorry that he is leaving the service of the Senate.

ORDER FOR RECESS UNTIL 10 O'CLOCK A. M. TOMMORROW

Mr. KNOWLAND. Mr. President, it is obvious that we cannot complete action on the foreign aid bill today, and it is not my intention, as I announced earlier, to hold the Senate in a late session tonight. I have in mind requesting that when the Senate completes action on the housing conference report tonight it recess until tomorrow at 10 o'clock in the morning.

Therefore, Mr. President, I ask unanimous consent that when the Senate completes its labors this evening, it recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER (Mr. FLANDERS in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. About how late is it expected that the Senate will continue in session tonight?

Mr. KNOWLAND. If the distinguished Senator from Alabama will yield for a question, I have been asked by the Senator from Arkansas how long it is expected that the Senate will continue in session tonight. I do not know that there are other speeches besides that of the Senator from Alabama. Perhaps there will be brief closing remarks by the Senator from Indiana. May I ask how long he would expect to take?

Mr. CAPEHART. I have had a number of Senators ask whether there would be a yea-and-nay vote on the conference report. That was not my intention, but I have been informed that certain Senators are going to insist on a yea-and-nay vote.

Mr. KNOWLAND. I am merely trying to answer the question of the Senator from Arkansas.

Mr. SPARKMAN. My guess would be that it would take me about 30 minutes to complete my remarks, provided there are not too many interruptions. I have many insertions to make in the RECORD.

Mr. KNOWLAND. I would say in reply to the question of the Senator from Arkansas, if he understands that my answer is only an approximation, that the Senate probably will reach a vote on the conference report between a quarter of 7 and 7 o'clock. Thereafter, I shall move that the Senate recess until tomorrow morning.

REVISION OF ATOMIC ENERGY ACT OF 1946

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. HICKENLOOPER. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HICKENLOOPER, Mr. KNOWLAND, Mr. BRICKER, Mr. JOHNSON of Colorado, and Mr. ANDERSON conferees on the part of the Senate.

COMMITTEE MEETING DURING SENATE SESSION

Mr. MARTIN. Mr. President, I ask unanimous consent that the Committee on Public Works may meet tomorrow forenoon, during the session of the Senate.

Mr. KNOWLAND. Mr. President, let me ask the distinguished chairman of the Committee on Public Works whether this matter has been discussed with the distinguished minority leader, the senior Senator from Texas [Mr. JOHNSON].

Mr. MARTIN. I took it up with the Senator from Texas, and it is perfectly satisfactory, so far as he is concerned.

Mr. KNOWLAND. Very well; I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE JUNIOR SENATOR FROM WISCONSIN

Mr. SPARKMAN obtained the floor.

Mr. FLANDERS. Mr. President, I ask the Senator from Alabama to yield to me, if he can yield without losing the floor, for a period of 9 minutes and 40 seconds.

Mr. SPARKMAN. I ask unanimous consent that I may be permitted to yield to the Senator from Vermont for 9 minutes and 40 seconds without losing the floor.

The PRESIDING OFFICER. The Senator may proceed for 9 minutes and 40 seconds.

Mr. FLANDERS. Mr. President, this Friday, in accordance with my previ-

ously announced plan, I shall ask the Senate to vote on a resolution of censure against the junior Senator from Wisconsin. There are three dangers which this resolution faces: First, smear attacks; second, parliamentary maneuvers; third, attempts to perfect it to death.

On the first point, let me say that the public must realize that the junior Senator from Wisconsin is facing his day of judgment on Friday. It is a showdown he would like to avoid, and he is likely to strike out in any direction with irrational attacks to divert attention from himself. Let me say furthermore that I am confidently expecting attacks on myself and the supporters of my resolution perhaps between now and July 30th, certainly on the 30th. There are gumshoe tracks all around me and finger prints on all the door knobs. I do not have to send for an expert to trace the source of the gumshoe tracks and the fingerprints. But I will not be diverted from my purpose of getting on Friday a vote of censure on the junior Senator from Wisconsin.

One of the procedures in which he has a special proficiency is that of diverting attention from the matter at hand to a hundred related matters and thus scattering the interest and scattering the effort against unimportant targets. I will not be diverted by this means no matter how ingenious and apparently serious the diversions may be.

If a file from the records of the Committee on Government Operations should be brought out against me, I would not be surprised. I will, however, in that case, call the attention of the Senate to what would appear to be an interesting fact; namely, that the generous appropriation granted that committee by the whole Senate, with a single exception of junior Senator from Arkansas, is being used to finance the preparation of files against fellow Senators. This possibility was first suggested during the recent hearings when, according to the news reports, the former special assistant of the chairman of that committee threatened the junior Senator from Washington with disclosures of some unrelated nature. If committee files have been prepared for that purpose on him, on me, or on any other Senator, that is something which we will all have to take into account in arriving at a conclusion as to whether the junior Senator from Wisconsin needs censure.

A second danger the resolution faces is various technical parliamentary motions. I would like to call to the earnest attention of my colleagues that a record vote will be held on this resolution. The first vote will not necessarily be on the resolution itself. It may be on motions to amend, or as we have been forewarned, on a motion to table the resolution.

I am sure that the public in general realizes that a motion to table commits us on the resolution to censure as deeply and completely as if the motion itself were being voted on. A vote to table is a vote to support the junior Senator from Wisconsin. A vote against tabling is a vote for the resolution of censure. Even absence has significance. Some absences will be necessary and justifiable, but other absences can justly be taken as evidence of an unwillingness to face the vote.

There are innumerable parliamentary hurdles which can be raised. These will be dealt with as they appear, but I am sure the public will not be fooled. The reports in the newspapers on Friday will constitute a scorecard outlining the various technical moves and indicating the real meaning of each of these moves. Thus, the public can follow clearly the action on this proposal.

A third danger which can emanate from the best of intentions would be the amending, changing, and rewording of the resolution of censure.

I intend to produce my own bill of particulars. Other Senators have theirs, and I hope they will state their own particulars regarding the Senator from Wisconsin. But we should always remember that we are not merely condemning a particular action of a particular date—but that we are also dealing with an "ism." The depredations of McCarthyism, launched from the perch of the chairmanship of the Government Operations Committee, have affected the lives of all of us. McCarthyism has invaded the religious, military, educational, cultural life as well as the political affairs of our country. It is all-inclusive in its effect and must be deplored in an all-inclusive manner.

In form the resolution is that of censure of one of our fellow Members. In essence and in final effect in its vote on this resolution the Senate is passing judgment on its own honor.

HOUSING ACT OF 1954—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities.

Mr. SPARKMAN. Mr. President, at some time during the course of my remarks I am hopeful the chairman of our committee, the Senator from Indiana [Mr. CAPEHART], will be on the floor, because I want to ask him a couple of questions. The Senator from Indiana, I suppose, will be back shortly since he told me he had to leave the floor temporarily.

Mr. President, today we are witnessing the planned execution of one of the greatest programs that was ever adopted by this Congress.

Many in this Chamber today recall the passage of the Housing Act of 1949. It was sponsored by 11 Republicans and 11 Democrats. It established a national housing policy—a policy that stated simply that every American family was entitled to a decent home in a suitable living environment.

Five years ago we had courage. Under the dynamic leadership of the Senator from South Carolina [Mr. MAYBANK] and our late and beloved friend, Senator Taft, from Ohio, we declared that during the next 6 years we would build 810,000 homes for families of low income, families that would be rehoused from slum environments.

What has happened to the housing bill that we passed in 1949 is now legend. Now we are called upon today to kill the one housing program that this Congress has passed that was dedicated to the interests of the little people. It was a program that would permit families to escape from the complete degradation of slums into the sunlight of a simple but clean home where parents and children could sleep in different bedrooms.

Mr. President, have you ever lived in the fear that your child's face might be partially eaten away by rats during the night? Have you ever shared toilet facilities with 15 other families, and had the plumbing in that 1 room off the hall clogged for weeks on end? Of course you have not. But millions of your fellow Americans are living under such conditions today: And if we vote for the adoption of the conference report on the Housing Act of 1954 we will be voting for the perpetuation of slums, and will be voting to keep millions of American children in conditions that we in this body would never permit our animal house pets to suffer.

If what I say is emotional, I mean it to be emotional. There must be some heart in the Congress of the United States. There must be those who feel that the greatest asset this Nation has is its people, not its dollars. There must be those who are willing to invest a relatively few dollars in the future citizens of America. There were those in the other body of this Congress who felt as strongly as I feel, but they were outnumbered to a shocking degree by those who would perpetuate slums in the name of private enterprise.

There are some good provisions in the housing bill that we are asked to approve today. It makes considerable concessions to the building industry. It may induce the construction of about 1 million homes during the coming year, when the housing need in this country is at from a million and a half to 2 million homes a year for the next 10 years.

While, in my opinion, some of the pending measure represents bad public policy, the principal point of debate is public housing. Never has the public-housing program been defeated in the Senate of the United States, except as a last-minute compromise on an appropriation bill in the dying hours of a Congress. Today we have the greatest opportunity ever afforded us to reassert our belief in the right of American families to adequate shelter. We will reassert that belief by sending this measure back to conference with instructions that it not be brought back to this body unless it provides for the President's program of 140,000 low-rent, public-housing units to be built at the rate of 35,000 units a

year over the next 4 years. I have always believed that the President's program is inadequate. Thirty-five thousand homes a year of public housing when the demonstrated need would dictate 200,000 such homes a year is a mighty small bone to throw to those in desperate need. But at least it is a bone. There are some vitamins in the marrow.

The conference, and I was a member of the conference, but declined to sign the report, has reported a bill to us that would provide 35,000 units of low-rent public housing for 1 year, to be built in communities having operating slum clearance, redevelopment, or urban renewal programs under title I of the Housing Act of 1949. May I predict now, that we are not voting for 35,000 units of public housing to be built to rehouse families displaced by slum clearance or some other public action in communities having title I programs, we are voting for no public housing units in the coming year or any other year. We are voting death to the program, and it is a premeditated death that was carefully arranged by the managers of this report.

In the first place, 15 States have no redevelopment legislation and here they are: Arizona, Florida, Georgia, Idaho, Iowa, Mississippi, Montana, Nevada, North Dakota, Washington, Wisconsin, and Wyoming. In Kansas, Maine, Indiana, and Nebraska authority for such projects is limited to one city. But that is merely a matter of law. There still remain some States that could participate in this program if we mean what we say rather than what we are attempting to write into law.

All of the tiny, little, 35,000-unit program for the whole United States will have to be placed under loan and annual contributions contract by June 30, 1955, in order to be legal under the program we are asked to approve. That would not be difficult, if we were talking in terms of public-housing projects. But that we are not doing. In this bill, we say that these few units must be used to rehouse families displaced in communities having slum-clearance programs under title I of the Housing Act.

The distinguished chairman of the House Committee on Banking and Currency made this interesting statement in the House of Representatives on July 20, when he was describing the public housing provisions of the report:

> A slum clearance or urban renewal or redevelopment project is not being carried out until at least the final plans have been approved by the Federal Government.

Certainly, all of us must agree that there is no greater authority on what is before us today than the distinguished Representative WOLCOTT, of Michigan, who spoke those words. Yet, Mr. President, I cannot agree that what he said represented the views of the conferees. On the contrary, it seems to me that Representative WOLCOTT was speaking only for himself, and in generic terms.

Mr. President, later I propose to ask a question of the senior Senator from Indiana [Mr. CAPEHART], the chairman of the Senate Committee on Banking and Currency, as to his interpretation of the public housing provisions, in order that the RECORD may be clear as to what the intent of the conferees was.

Mr. President, when a community in one of the States where slum clearance is possible wants to clear its slums and use low-rent public housing to care for the families of low income who are certain to be displaced, what must it do? First of all, it must conduct a survey to determine the eligibility of its program. It must prepare a redevelopment plan, and must ascertain the relocation needs and resources of the community to take care of the families that will lose their homes. Then it must come forward with a complete relocation plan, which may well include public housing. But under this bill, such public housing cannot be programed because the slum-clearance program cannot yet be approved. During the entire planning period, the local public agency must obtain approval of the local governing body of the total redevelopment plan. There must be public hearings, and then the whole ball of wax must be submitted to Washington for approval. But still it is not possible to request public housing to care for displaced families. Much more goes into the building of a project of this kind, but the important fact is that, under today's procedures, a typical project requires 2½ years for the planning period, after the area has been selected and approved by action of the local governing body.

The record indicates that this time is divided by allowing 15 to 17 months for preliminary planning, and 12 to 15 months for final planning, which includes obtaining local and Federal approvals. That is the record. It is understandable. It takes time to provide major surgery on the communities of this country.

But that is not what we are talking about here. We are saying to the Nation that if we approve this conference report, we shall build 35,000 low-rent public-housing units in the coming year to rehouse families displaced by slum-clearance projects. We also say that unless they are put under contract by next June 30, there will be no program.

But the fact is that it will take from 12 to 15 months to organize a slum-clearance program and obtain Federal approval, so that an application may be made for public housing. But the authorization we are giving today will expire in 11 months, 1 month before most programs will be ready to seek approval for public housing.

Let it be remembered that I have not mentioned 1 hour of the time that is required to initiate, carry through, obtain local and Federal approval of, and complete, a low-rent public-housing job. As a matter of fact, the typical public-housing project on a slum site requires 3 years between signing the loan and annual contributions contract and initial occupancy. For a vacant site, the period is 2 years.

It might be well for the Senate to stop for 2 minutes—120 seconds—in its mad rush for adjournment, to remember that in dealing with housing, we are dealing with human beings. We are not talking of kilowatt-hours, bushels of wheat, or the sugar content of a beet.

We are talking about people and how they live—people like us, except that they may not be Members of the United States Senate. We are talking about millions of human beings. The future of our country rests far more in their hands than in the hands of those of us who are debating this problem today.

The measure before us today, I say most respectfully, will not serve the interests of great masses of our people. It describes housing for families of low income, but makes very certain that none will be provided. It describes slum clearance and urban redevelopment, and then makes no provision for families that would be displaced by such actions. The pending measure does, of course, give the bankers a secondary mortgage facility, at the expense of the home buyer; and it provides greater Federal guaranties for private housing than have ever before been considered.

It would seem to me, as one who has long fought the hard fight for decent housing, that the most honest action the Senate of the United States can take today is to send this measure back to conference, with instructions to reconsider it in the public interest.

Mr. President, in that connection let me say that I have never been one to advocate a vast program of public housing. I have always felt that the late, beloved Senator Taft had a very understanding way in presenting this program of public housing, of which, after all, he was probably the leading advocate. I remember very well his testimony to the effect that this country ought to have approximately 10 percent of its housing program made up of public-housing units. That would be between 100,000 and 150,000 units a year, if his estimate were carried out.

I have never thought that necessarily, we would actually need the number year in and year out; but ever since the program was adopted, I have always thought of public housing as being an essential part of an overall housing program that tried to make it possible to provide for the American people—those in every segment of our economy—a reasonable opportunity and chance to have a decent home in a decent environment.

Mr. President, I wish to say that while I am protesting against killing the public-housing part of our law—and, after all, that is, in effect, what the pending proposal is; there may be a little drawing out in a limited way, but nevertheless the conference report will kill the public-housing part of the law—I wish to say I would have protested just as strongly, had it been proposed to do away with any other part of this program, which I conceive to be just as necessary as an overall housing program.

I think it is to be deplored, Mr. President. I wish to point out again that it is completely contrary to the President's program, in which the Congress, and, in particular, the Banking and Currency Committee were asked to continue, not the full force of the housing program, but a program of 35,000 units over a period of 4 years, during which time there

would be an opportunity to reexamine the entire program, after which we could chart our course, insofar as the future is concerned. It seems to me that was a very reasonable request; and I certainly would not urge going beyond supporting the President's program, which this conference report does not do.

Mr. President, it has been my experience that many men who have opposed low-rent housing change their minds, once they study the facts.

Recently I was pleased to receive a copy of a speech made some time ago by our colleague and good friend, the distinguished senior Senator from Connecticut [Mr. BUSH]. In the speech, he made some statements which I think are excellent. He said:

I must confess that some years ago I had grave doubts about the wisdom of Federal intervention in the housing field, particularly when it came to providing public housing. I owe a great debt to the late Senator Taft for the enlightenment he gave me—and very many other Americans—on this problem.

Through personal conversations with Bob Taft, whom I was privileged to know as a friend, I came to see that Federal assistance in the housing field was in complete harmony with the philosophy so well stated by Abraham Lincoln in these words:

"The legitimate object of government is to do for the people what needs to be done, but which they cannot, by individual effort, do at all, or do so well, for themselves."

Now, I think it is an indisputable fact that the building industry has been unable to solve the problem of providing low-cost housing within the means of families with very small incomes. The provision of such housing is beyond the financial capacity of the States and local communities. If the problem is to be solved at all, the Federal Government must play a part.

In the speech the Senator from Connecticut [Mr. BUSH] gives some history of low-rent housing, and gives some excellent quotations from the remarks of the late Senator Taft. He closes his speech with a very eloquent plea for housing. He said:

I believe that it is a good thing for the country that common agreement has been achieved on this question. Progress has been made since the passage of the comprehensive housing law in 1949; but much still remains to be done.

One has only to walk a mile or so in any direction from our National Capitol to see slum areas, breeding grounds of crime and disease, and houses which are a disgrace to America. One can hardly visit any major city in America without coming across similar conditions.

The Senate's version of the Housing Act of 1954 gives Federal leadership in the common effort to provide good housing. It reflects President Eisenhower's conviction "that every American family can have a decent home if the builders, leaders, and communities and the local, State, and Federal Governments, as well as individual citizens, will put their abilities and determination energetically to the task." The Senate bill, I believe, provides a means by which we can progress toward that common goal.

I should like to point out that the Senate bill, as it went to conference, contained a housing provision which was in accordance with the President's program.

Mr. President, there are States in which many cities have already gone to the expense and trouble to make plans for low-cost housing projects. The distinguished Senator from Massachusetts, a short time ago, gave a list of cities and towns in his own State in different stages of preparation for low-cost housing projects. I should like to use the State of Alabama as an example of the situation which I know exists in other States.

I am informed that in Alabama cities more than 5,000 units which have been planned cannot be built under the report agreed to by the conferees.

I ask unanimous consent that a list of the cities in Alabama be printed in the RECORD at this point of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Abbeville	40
Adamsville	115
Aliceville	44
Altoona	34
Anniston	136
Arab	32
Attalla	110
Berry	24
Birmingham	2,000
Brookside	6
Carson	10
Chatom	22
Collinsville	2
Crossville	6
Demopolis	100
Elba	34
Enterprise	50
Florala	42
Florence	100
Gardendale	62
Gadsden	200
Geneva	34
Graysville	74
Haleyville	8
Hanceville	12
Harpersville	16
Hartford	34
Heflin	34
Kimberly	62
Leeds	18
Leighton	30
Lineville	28
McIntosh	10
Millry	8
York	18
Mobile	207
Montgomery	910
Mulga	23
Oneonta	10
Opp	60
Pell City	48
Piedmont	36
Ragland	26
Reform	6
Scottsboro	100
Sun Flower	10
Talladega	196
Trussville	34
Vincent	12
Warrior	74
Winfield	4
Yellow Pine	10

Mr. SPARKMAN. It would be unjust and unfair not to permit these towns and cities to proceed with their plans, and thereby enable many families to have better homes and better surroundings.

I may point out that most of the towns are small, and it must be remembered that it was the smaller cities and the small towns that were the last to be provided for in the housing program. It was done by way of an amendment sometime after the original bill became law. It takes time to get these projects going, and many such cities and towns had their plans just about ready when the cut-off came by a rider on an appropriation bill a year or two ago. The present provision does not open them up again, because under the amendment agreed to in conference, new units must be limited to those which are connected with slum-clearance projects. The distinguished Representative from Michigan [Mr. WOLCOTT], who is chairman of the House Committee on Banking and Currency, stated, when the present conference report went to the House, that it would be virtually impossible to get such a project through. I believe he was wrong, and I believe the conferees on the part of the Senate to a man would say that his interpretation was wrong.

We have in Alabama a very excellent League of Municipalities. That league is headed by a warm personal friend of mine, a man who is doing a first-class job and who is truly in sympathy with the underprivileged residents of Alabama cities.

Some months ago he addressed the annual meeting of the Alabama Association of Housing Authorities. His remarks were most appropriate and are timely to the legislation now before us. It was my intention to quote from his speech, but, instead, in the interest of saving time, I ask unanimous consent that the portions of the speech I have indicated may be printed in the RECORD as a part of my remarks.

There being no objection, the excerpts from the speech were ordered to be printed in the RECORD, as follows:

THE TRIPLE THREAT TO LOW-COST HOUSING

(By Ed E. Reid, executive director, Alabama League of Municipalities)

Low-rent public housing, from its beginning in the 1930's, has been strongly supported by the Alabama League of Municipalities as well as the American Municipal Association and the United States Conference of Mayors.

The other day we had a meeting of the League's Committee on Federal Legislation. This is an important committee which assembles data and submits recommendations on Federal legislation in behalf of the League. The Honorable E. M. Megginson, Commissioner of Mobile, is the chairman of this committee.

In its report to the members of the Alabama delegation in the Congress, this committee declared:

"No program of the Federal Government is more important to our muncipalities—to our Alabama communities—than the low-rent housing program."

The committee applauded the progress that had been made in constructing dwellings for more than 8,000 low-income families in 58 Alabama towns, but pointed out there were still a lot of towns on the waiting list. The committee declared that the annual limitation of 35,000 units had slowed the program to a snail's pace and at this rate it would require 4 years for Alabama to put its present reservations under construction. Meanwhile, other towns with new authorities which have applied for low-rent housing are forced to await the lifting of the freeze on reservations.

The committee recommended that construction starts be set at a minimum of 75,000 units for the next fiscal year.

* * * * *

HOUSING INTEREST INCREASES

It is highly gratifying to see so many local authorities represented here from all sections of the State. A few years ago all of the members of the Alabama Association of Housing Authorities could be assembled in one hotel room. Alabama then had only nine cities enrolled in the low-rent public housing program. Now there are 105. You will better understand our interest when I tell you that the Alabama League of Municipalities has 236 member-cities and 91 of these cities have Local Housing Authorities

As I see it, there are two reasons why this program has progressed to the point where Alabama now ranks third among all of the States in the Union in the number of localities participating in the low-rent housing program.

In the first place it is a proven program of providing decent, safe, and sanitary housing for low-income families in our large cities. It has been tested and its benefits in clearing slums, reducing crime, disease, and welfare costs are of record in every large city in the State. Our mayors, commissioners, councilmen, and the local housing authorities in these large cities are pleased with the relationship in all their dealings with the Federal Government through the Public Housing Administration. And I want to say right here it has been our good fortune to deal with an exceptionally able and highly qualified type of personnel in the Atlanta field office of the PHA. While they have zealously safeguarded the interests of the Government and have insisted upon scrupulous observance of the acts of Congress, they have recognized at all times the sovereignty of the local housing authority. They have refused to transgress upon the local prerogatives of the authority and the breath of scandal has never touched this agency. We hope this cordial relationship can be preserved. We think it would be a tragedy if this relationship should be disturbed.

NEED FOR RENTAL HOUSING

In the second place there has been a great need for rental housing in the county seat towns and the smaller communities. These towns have no slums comparable to the congested areas of our larger cities and they are not confronted with the same problems of crime, disease, and fire hazards. There just hasn't been any housing built for rental purposes in these towns, to speak of, over the past 10 years or more. Meanwhile, there has been an unprecedented industrial expansion in the county seat towns and housing of any kind has been at a premium. The construction of low-rent housing projects in these towns will not only assure low-income families of a safe and sanitary place to live, it will provide a more stable labor supply for the communities and will enable families, who formerly had to be transported to and from work, to live near their places of employment and to contribute to the social and economic well-being of the community.

* * * * *

In the forthcoming study of the low-rent public housing program, we, of course, pledge our full cooperation. We know what the answer is bound to be if the study is objective and truth-searching. There is no subject that has been given a more thorough scrutiny than this matter of decent, safe, and sanitary housing for low-income families. And the answer has always been the same. It just can't be done without a subsidy any more than a city can retain its slums without a subsidy. It all boils down to who pays and who gets the subsidy.

The taxpayers of a city pay the subsidies for the slums and there is no escape from this concrete and unpleasant fact. The United States Municipal News, in March 1946, published a graphic chart on the cost of slums.

SLUMS AND CITY PROBLEMS

It revealed that while slums made up only 20 percent of the areas of cities, they accounted for 60 percent of all cases of tuberculosis, 55 percent of all cases of juvenile delinquency, 50 percent of all arrests, 45 percent of the major crimes, 45 percent of the city service costs, 35 percent of the fires, and 33 percent of the population.

Yet they paid only 6 percent of the tax revenues of the cities.

During the 4-year period of 1945 to 1949 there were hearings and reports on this matter of housing for low-income families on eight separate occasions by committees of the Congress. Four of these reports were from the Senate Committee on Banking and Currency.

Despite vigorous opposition by the real estate and builder groups there was, without exception, a favorable report on the public housing section of the general housing legislation under consideration. These hearings contain nearly 9,600 pages of printed testimony. You know the result. The Congress passed the Housing Act of 1949 and for the first time established a housing policy for the Nation. This act declared "that the general welfare and security of the Nation, and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family. * * *"

I think we can agree that a serious shortage of housing for those in the upper-income bracket has been remedied, but we are a long way from having realized the goal of a decent home and a suitable living environment for every American family.

SERIOUS HOUSING SHORTAGE

Reports for the latest quarter available (first quarter 1952) show that the average annual income of all families admitted to low-rent housing projects was only $1,914 throughout the United States. The median gross rent for these families, which includes the cost of all utilities, was $32.

For the same period the average annual income of families admitted in the Atlanta field office area was $1,735 and the median gross rent was $27.

These are low-income families. They cannot afford to pay the rentals for privately owned standard housing. Without aid from the Federal Government and indirect subsidies of the cities they cannot have the decent home and the suitable living environment that the Congress has declared is the objective for every American family.

This is the conclusion reached in all of the numerous investigations that have been made. In our opinion any factfinding study of the future must reach this same conclusion.

* * * * *

THE LEAGUE: HOUSING'S FRIEND

In closing let me invite you to call upon the Alabama League of Municipalities if your housing program is threatened. We have stood with you in the years that are past and we shall stand with you in the future. The mayors, councilmen and commissioners of Alabama know the score. We are going forward in Alabama. We are going to clear out the slums in our large cities and redevelop them and build public housing on these sites. We know that decent housing for low-income families is dynamic democracy ready and willing to meet its responsibilities and that every public housing project in this State stands as a bulwark against communism or any other ism.

The United States is still a young country. It grows greater each year because our institutions are constantly adapting themselves to meet the changing needs of the people. A combination of geography, nature, initiative and inventiveness has taken us where we are and has protected us from the fate of people elsewhere. To the extent these needs can be met without Government assistance, so much the better. Where they cannot be met without Government aid it becomes the Government duty and responsibility to meet them. Otherwise through failure of the Government to make its institutions function to serve its peoples' needs, we shall invite the loss of the very liberties we prize.

Mr. SPARKMAN. I pointed out a few minutes ago that not one of the smaller cities or towns in my State would be able to qualify even for continuing the program it had already started before the cutoff date came. That also applies to most of the States of the Union. So a great gap is left. If this provision prevails, I doubt very seriously—and I think I am correct in making this assertion—that a single housing unit will be built under the new program anywhere throughout the South, which has been most active in providing better public housing for its citizens of both races. A higher percentage, I dare say of that housing has been built for Americans of the Negro race than for the whites.

I should like to point out that the head of the Alabama League of Municipalities and the mayors of towns in Alabama are not the only people who have gone strongly on record in recent months for the continuation of this worthy program.

I have here an endorsement from mayors of some of the largest and most important cities in America, including a statement which they prepared. I shall not take the time to read it, but I ask unanimous consent that it may be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

CITIES ENDORSING THE HOUSING STATEMENT FOR MAYORS

Cities and mayors: Atlanta, Ga., William B. Hartsfield; Baltimore, Md., Thomas D'Alesandro, Jr.; Buffalo, N. Y., Joseph Mruk; Denver, Colo., Quigg Newton; Kansas City, Mo., William E. Kemp; Knoxville, Tenn., George R. Dempster; Louisville, Ky., Charles P. Farnsley; Milwaukee, Wis., Frank P. Zeidler; Minneapolis, Minn., Eric G. Hoyer; Newark, N. J., Leo P. Carlin; New Orleans, La., deLesseps S. Morrison; New York City, N. Y., Robert F. Wagner; Philadelphia, Pa., Joseph S. Clark, Jr.; Pittsburgh, Pa., David L. Lawrence; Providence, R. I., Walter H. Reynolds; St. Louis, Mo., Raymond R. Tucker; San Francisco, Calif., Elmer E. Robinson; Seattle, Wash., Allan Pomeroy.

HOUSING STATEMENT FOR MAYORS

We, the mayors of 18 major American cities, are concerned with providing decent shelter for our citizens.

We are concerned with wiping out the blight of our slums.

We are deeply concerned with the housing program now pending before the Congress. We believe it falls far short of meeting America's housing needs. Investigation of reported scandals in Federal housing agen-

cies cannot be permitted to kill the Housing Act of 1954. Federal assistance has made possible the inadequate progress made thus far in providing decent shelter for low-income groups and home ownership for many other American families. The Federal Government must continue to lead the fight against blight in our cities.

Every year there are about 900,000 additional households created in America. Moreover, about 300,000 housing units are demolished every year. This means that America requires about a million and a quarter new housing units every year, just to keep abreast of current needs alone. Over and above this, however, there is an enormous backlog of past housing needs that have never been fulfilled. Millions of families are living in crowded, unsanitary conditions. The housing census of 1950 revealed that there were 10 million nonfarm housing units classified as substandard. Even if we were now to embark on the task of rehabilitating or replacing a half million of these substandard houses every year, it would take us 20 years to complete the job.

Coupling current demands with the backlog of substandard housing, then, it is clear that America's minimum housing requirements total close to 2 million new housing units every year.

Yet the housing program now before the Congress is apparently based upon the meager goal of 1 million units a year. At this pace we will never meet America's minimum requirements. On the contrary, we will fall further and further behind in the job of providing decent shelter for all our citizens.

There is still another danger in this million-unit goal, it represents a decline from the level of housing construction the country has enjoyed over the past few years, and therefore may accelerate the present economic decline, rather than helping to reverse it. Ours is a growing country. Ours must be an expanding economy. We must plan for an expansion, not a shrinking of all types of economic activity.

A major portion of the housing program now before the Congress deals with the stimulation of housing construction by private industry. Although this portion of the program contains a number of constructive features, it also contains, we believe, crucial weaknesses. As an example, the proposal for the building of $7,600, and in some cases $8,600, homes under a 40-year, 100 percent guaranteed mortgage will, we believe, turn out to be a fruitless one, since the lowest price at which homes are now being built for the average family (three bedrooms) is above this amount in most areas, particularly in the larger cities. Even if they were possible to build, the result would be a shoddy home of inferior design and construction, and would tend to become the future slums of the Nation.

Perhaps even more significant is the absence from the proposed Federal legislation of any effective program to meet the needs of those earning less than $5,000 a year. Public housing at least holds the answer for the lowest income families, those with $3,000 a year or less income. There is no realistic recognition of the problem facing our middle-income families, the $3,000 to $5,000 per year group. This group includes two-thirds of all urban American families. The liberalizing of FHA mortgage terms will leave home buying and monthly housing costs in a range still above the economic means of these families. Nor is there any guaranty that the private home financing industry will provide the necessary funds, particularly for existing houses, whether for long-term mortgages or for extensive rehabilitation. If private industry cannot reduce the cost of building and financing homes the Government must lead the way in bringing prices down for all houses, sale and rental, or we will be unable to check the continuing physical and economic deterioration of the country's housing plant.

In addition to the problem of stimulating private building, there is the urgent task of wiping out our slums—those breeding pots of disease and delinquency—and of providing decent shelter to those of our citizens whose incomes are low. When slums are removed, housing must be found for those displaced. The present legislation makes no adequate provision for meeting this requirement.

We are anxious to keep our cities self-reliant. We want to solve our own problems wherever possible without the help of the Federal Government. We recognize our responsibility to prevent the growth of slums through the enactment and enforcement of zoning, housing, building, fire, and sanitation codes. But Federal help is required to finance housing construction and slum clearance for two reasons.

First, the size of the housing job is out of range of the financial resources of the cities. The President's Advisory Committee on Housing estimated that it would require $4.2 billion to remove all of the substandard dwelling units that existed in 1940 in 14 representative cities, which have slum clearance programs underway. This is 2½ times the combined total annual revenues of these 14 cities today.

Second, our cities' resources are limited by the fact that the Federal and State Governments have preempted most of the main sources of tax revenue.

Federal action, therefore, is a necessity if our housing problems are to be solved. Congress recognized this 5 years ago when it enacted the Housing Act of 1949 which authorized the Federal Government to undertake the task of slum clearance and public housing. That act represented a finding by the Congress that hundreds of thousands of American families needed and were entitled to better housing, at prices and rents they could afford. One of the cosponsors of that act was the late Senator Taft.

Five years have passed. Due to the Korean emergency the program envisaged by Congress in 1949 was temporarily curtailed. Only one-fifth of the public housing provided for in the 1949 act has been completed or contracted for.

The need for slum-clearance and low-rent housing is far greater today than it was in 1949.

Yet Congress is now asked to provide only 35,000 units of public housing a year—less than the minimum of 50,000 units required by the Housing Act of 1949. Moreover, the House of Representatives has failed to authorize even this inadequate number of units. In view of the shortchanged number of public housing units which have been authorized up until now under the 1949 act, the Federal program should more appropriately be set at the maximum permitted—200,000 units per year. The act already authorizes expenditures to build up to a total of 810,000 public units.

The Congress appears determined to choke off the public housing program entirely on the grounds that they are not much improvement over slum areas. We cordially invite any Congressman who shares this view to visit the public housing projects that have been constructed to date in our various cities. We are confident they will be recognized as substantial contributions to better living conditions for fine American families.

To others, who oppose public housing on the ground that it is socialistic, we invite attention to a statement made on January 7, 1946, by the late Senator Taft. Speaking of Federal aid for public housing, Senator Taft said, "Such assistance is in line with Government activity in many other fields. Public housing is not socialism by any stretch of the imagination."

We look around us and see the housing in our cities aging and deteriorating, while at the same time our population grows and our housing needs increase.

This is the time for decisive action. Such action has to recognize the full scope of the problem. The program must not be too little and too late.

To us, it is unthinkable that the richest Nation in the world should be a poorly housed Nation. If America is to provide decent shelter for its citizens, and if our cities are to continue to prosper, it is imperative that the Congress reverse the crippling actions it has already taken and raise its sights far beyond the program it is now considering.

Mr. SPARKMAN. Of course, Mr. President, low-cost public housing is needed in America. It is, in fact, only a very small part of the total housing needs, but it is a very important part that is necessary if we are to have a well-rounded, complete housing program.

Perhaps the best recent study of the over-all housing needs was that made a few months ago by Dr. William L. C. Wheaton, of the University of Pennsylvania. I shall not take the time to relate in detail all his findings. I do commend the study to every Senator. I ask unanimous consent that there be printed in the RECORD at this point a summary of Dr. Wheaton's findings.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

A SUMMARY OF AMERICAN HOUSING NEEDS, 1955–70

Housing construction reached record levels during the 8 years after World War II. During the last 4 of these years, we built an average of 1.2 million homes a year, an achievement far exceeding previous 4-year construction levels. On the other hand, construction volume for the last 3 years was 20 percent below the peak of 1.4 million dwellings in 1950.

We clearly have a capacity to build from 1.5 to 2 million homes each year. Real progress has been made in overcoming the great shortages of housing which accumulated during the war years. But little progress has been made toward eliminating the slums and substandard homes inhabited by millions of American families. We must reexamine our needs for housing in the light of these accomplishments and these deficiencies, and in the light of our vastly expanded capacity for production.

Future housing requirements must be estimated upon the assumption that the Nation will maintain full employment, will continue to expand its economy and that our population will grow in keeping with these conditions. It is further assumed that defense expenditures will not increase, that Federal aids for housing will continue and expand, and that the Nation will desire and be able to achieve our national goal of a decent home in a suitable living environment for every American family.

The 1950 census reveals that we have 15 million substandard homes. These homes do not measure up to reasonable American standards of living because they are dilapidated, are located in slum areas, or lack interior plumbing facilities. Ten million of these homes must be cleared and replaced. More than 4.6 million substandard units may be brought up to standard by rehabilitation and modernization. These needs are

summarized in millions of dwellings, as follows:

	Total substandard	To be replaced	To be rehabilitated
Urban	8.9	6.9	2.0
Rural nonfarm	3.0	1.7	1.2
Farm	3.4	[1] 1.5	1.4
Total	15.3	10.1	4.6

[1] 500,000 additional farm dwellings to be abandoned.

Other housing needs arise from the formation of new families, undoubling of families which now lack separate homes, the migration of 3 million families each year, and the desire of many single persons for separate dwellings. In addition we must replace homes which are demolished by fire or other disaster, or are cleared in highway and other construction programs. Finally, many hundreds of thousands of units reach obsolescence each year. These must be replaced or our housing condition deteriorates.

The sum of these annual requirements may range from 1.8 million to 2.4 million units per year. If we replace the homes which were substandard in 1950 during the next 20 years and at the same time meet our annual new needs, we must build from 2 million to 2.4 million new homes per year as follows:

	1955-60	1960-65	1965-70
For additional households and vacancies	1.43	1.65	1.74
Replacement of substandard	.50	.50	.50
Replacement of annual losses	.10	.13	.16
Total new units needed each year	2.03	2.28	2.40

If we do not achieve this level of new construction, we will never be able to clear slums and eliminate substandard housing. Indeed at present levels of construction our present substandard units will never be replaced—and we will have more substandard housing in 1970 than we had in 1950. Even if we build 2 million units a year and rehabilitate 400,000 additional units each year, 5 million families will still be using in 1970 homes which were substandard in 1950.

New construction per year	Substandard dwellings remaining (millions)			
	1955	1960	1963	1970
1.2 to 1.4 million	15	14	15	17
1.4 to 1.6 million	15	13	13	14
1.6 to 1.8 million	15	12	10	9
2.0 to 2.4 million	15	10	7	5

These requirements arise because the number of new families being formed each year will rise sharply after 1960. Reasonable progress toward slum elimination requires construction of 2 million new homes per year from 1955 to 1960, with increases to 2.4 million by 1965–70. Lower rates of new construction imply a deterioration of our housing standards, or such low rates of replacement that slums will not be cleared during the next 2 generations.

With the rapid increases in gross national production which have occurred in recent years, the production of 2 million to 2.4 million homes a year is an economically feasible goal. If national output continues to grow at the rate of the last 25 years, we can achieve our housing goals even though we spend no more of our national income for housing than we have in the past. A decreasing proportion of our output could achieve these goals. Indeed, unless we can achieve and maintain a higher level of housing production, we will be unable to maintain full employment and an expanding economy.

Recent housing production has served predominantly those families in the upper income groups. Rapid increases in family incomes have made possible the continued sale of homes to these families. In the future, however, we must increasingly produce homes for middle and lower income groups. If we are to sustain a high level of housing construction, we must produce homes in the broad price class suggested below:

Rents or monthly purchase prices:

	Nonfarm homes per year
0 to $30	520,000
$30 to $50	380,000
$50 to $75	300,000
$75 and over	560,000

This suggests that approximately 1 million homes can be sold or rented each year under the systems of financing and Federal aids now available. About 600,000 additional units of private housing should be produced and financed annually to meet the needs of middle and lower income families who are not now able to afford new homes. More than 200,000 units of public housing are needed to meet the needs of low-income families. In addition, more than 200,000 units per year are needed by farm families to replace substandard units.

Mr. SPARKMAN. Mr. President, I wish to talk for a few minutes about another matter, relating to the housing needs of the country, and thus to the problem now before the Senate. I refer to the so-called 608's about which hearings are now being held, and about which so many headlines have been written in recent days.

The distinguished chairman of the committee, the Senator from Indiana [Mr. CAPEHART], a little while ago presented some statistics relating to indictment, prosecutions, convictions, and so forth, in connection with housing matters. I realize that he obtained the information quickly, over the telephone, I presume, but it would be most interesting to see a breakdown of the offenses and the dates when the indictments were returned or the prosecutions were started. I would be most interested to see if any of them related to any of the matters about which we have been hearing so much, so far as the so-called 608's are concerned.

I pointed out before I entered into this discussion, and I wish to repeat, that bad as some of the abuses may have been under the section 608 program, the criminality has not been in connection with the housing laws. If there have been criminal deeds, I believe that in 99 cases out of 100, they will be found to have occurred under the tax laws and not under the housing laws.

If I may digress for a moment, while the chairman of the committee is on the floor, I wish to ask him a few questions, so that we may get the record straight with regard to two matters. I think the chairman will not have any difficulty in following me. One of them relates to the public-housing program. I had finished speaking about that, but I shall revert to it, if I may.

Mr. President, in the interest of time, I shall not read a statement which gives somewhat of a timetable of preparing for slum clearance and urban development, and also of low-rent housing, but I believe it would be helpful to anyone to read it. Therefore, I ask unanimous consent to have the statement printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COORDINATION BETWEEN SLUM CLEARANCE AND URBAN REDEVELOPMENT AND LOW-RENT HOUSING PROJECTS

PROGRESS SCHEDULE OF SLUM CLEARANCE AND URBAN REDEVELOPMENT

A slum-clearance and urban-redevelopment program under title I is developed in the following stages:

Based on an application from the appropriate local body, a contract for advance is entered into by the Division of Slum Clearance and Urban Redevelopment. Under this contract, the local agency proceeds first with the preliminary planning of the project. Although this period has usually ranged from about 10 months to as many as 24 months, it is hoped that experience gained and new procedures will reduce the range to about 6 to 20 months with an average of about 12 months.

Upon satisfactory completion of preliminary planning, DSCUR issues an authorization to proceed with final planning, which permits the local agency to draw funds for the final planning of the project under its contract for advance. The usual period for final planning has ranged from about 12 to 24 months, but it is hoped that it can be reduced in the future to about 6 to 20 months and an average of 12 months.

Upon completion of the final planning, DSCUR enters into a contract for loan and grant and the project enters the development stage. Under this contract, the local body completes land appraisals and proceeds to purchase and clear the site and makes it ready for redevelopment. On the projects which have already passed through this stage, about 4 to 12 months have usually elapsed between the contract for loan and grant and the time when the first site occupants are displaced and in need of relocation housing. It is hoped that this period can also be reduced in the future.

The total period from the first contract for advance to the time when relocation housing is needed varies, as explained above, from about 26 to 60 months, depending on the complexity of the project and other local conditions. It is hoped that this range will be reduced to about 16 to 52 months. These figures represent usual or typical projects. A considerable number of projects have and will fall below and above these ranges.

PROGRESS SCHEDULE OF LOW-RENT HOUSING PROJECTS

A low-rent housing program is developed in the following stages:

A preliminary loan contract is entered into between the local housing authority and the PHA. Under this contract, a site is selected and preliminary plans and estimates of cost are prepared leading up to the preparation of a development program. The time consumed in this stage may vary from 6 to 12 months.

Upon approval of the development program, the PHA enters into an annual contributions contract. Under this contract the local authority proceeds to acquire the site, prepares final plans and specifications, and takes bids as a basis for awarding construction contracts. The time required in this stage varies widely. In a simple vacant site, it may be as little as 6 months; in the case of a complicated slum site, it may run from 12 to 18 months, or even more.

On the basis of competitive bidding, the PHA authorizes the local authority to award the construction contract. From the time a construction contract is awarded until the first units are ready for occupancy, as little as 9 months may be consumed in a small and simple project, and this may run up to 15 or 18 months in a more complicated one. The time required for the entire process from preliminary loan until the time the project is ready for occupancy may thus vary from 21 to 48 months. There are now a number of projects for which PHA has made preliminary loan contracts, on which some or all of the preliminary planning has been completed. On such projects the time from preliminary loan contract to readiness for occupancy would run from about 18 to 45 months.

NEED FOR EARLY START FOR PUBLIC HOUSING PROJECTS

If public housing projects are to serve their intended function by being ready to receive families from urban redevelopment sites as soon as they are displaced, PHA should be authorized to enter into an annual contributions contract no later than the time at which DSCUR enters into a contract for advance. Even in the cases when PHA is ready, or almost ready, to enter into an annual contributions contract at the time that DSCUR enters into a contract for advance it will require unusual progress in order to be prepared to receive displaced families from an urban redevelopment project which proceeds with reasonable speed. When a preliminary contract stage is necessary in the development of public housing, it will be almost impossible for the public-housing project to be ready at a time which will not delay the redevelopment project. Failure to be ready on time would result in stopping the redevelopment project, or in delaying its progress with resultant increases in overhead expenses, interest costs, etc. Under the language of the amendment adopted by the conferees tying public housing to title I projects, not even a preliminary loan contract could be entered into until a title I project is already in progress. Under Mr. WOLCOTT's interpretation in the House debate a preliminary contract could not be entered into until after completion of the final planning stage.

The number of title I projects in each major stage as of June 30, 1954, is as follows:

Stage:	*Number*
Preliminary planning	109
Final planning	103
Development stage	72

It is estimated that 77 projects (67 projects from the old title I program and 10 urban renewal projects under the Housing Act of 1954) will enter the development stage in fiscal year 1955.

Mr. SPARKMAN. Mr. President, I wish to return to the question about which I had something to say during the time the distinguished chairman had to be absent from the Chamber. It related to the statement which the distinguished Representative from Michigan, Mr. WOLCOTT, chairman of the House Committee on Banking and Currency, and vice chairman of the committee of conference, made when he presented the conference report to the House of Representatives. His statement appears at page 11099 of the CONGRESSIONAL RECORD of July 20, 1954, and is as follows:

A slum clearance or urban renewal or redevelopment project is not being carried out until at least the final plans have been approved by the Federal Government.

A few minutes ago I went somewhat through the process, and showed that if a public housing project is to be built on land which has buildings already on it, it will require probably as much as 3 years to go through the whole process; and even if the land is vacant, as much as 2 years will be required. In the light of that, it seems to me that when the distinguished Representative from Michigan was giving the interpretation which I have just read, he was really not expressing what the committee of conference actually had in mind when they agreed to the provision, but instead, was speaking more or less in generic terms.

I wonder if the distinguished chairman of the committee of conference would agree with me in that statement.

Mr. CAPEHART. I think the very practical aspects of the subject would require one to say that the terms in which Representative WOLCOTT was thinking, even in the preliminary stages, were that if it was definitely agreed that a project was going to be authorized—because, as the Senator says, it might well take 3 years—the tearing down of the houses might well be started, because it would be 2 or 3 years later before the project could be completed.

So, personally, my understanding was that such persons affected would be subject to public housing, if they could qualify in every other respect, when it was definitely decided that they would be displaced from their homes.

There was never any question in my mind, and I do not think there was any question in the mind of any other member of the conference, with respect to that understanding. I do not believe that the Senate conferees felt there was any other basis than the one I have just described.

Mr. SPARKMAN. I agree with the distinguished chairman. I should like to read a very brief statement, and ask the chairman if it is not what he understands the meaning to be. I may say it is what I understood to be the meaning when the committee of conference agreed to that proposal.

It is my belief that the language in question was intended to mean that a title I project "is being carried out" in the community as soon as the first contract for a Federal advance under title I has been approved for that community, and that a public housing contract can thereupon be entered into.

Mr. CAPEHART. I think that is exactly correct—at least, in my own thinking and in my own mind. I believe that is what the committee felt they were agreeing to. At least, that is my opinion.

Mr. SPARKMAN. I thank the distinguished Senator. I wish to ask him one other question, in order to complete the record on another point. It relates to some of the provisions which were written with respect to cooperatives. I am sure the distinguished Senator will remember that phase of the matter. If the Senator is not clear about what I am referring to, I can read a brief statement prior thereto.

Mr. CAPEHART. I suggest that the Senator ask the question.

Mr. SPARKMAN. I wish to ask the chairman of the Committee on Banking and Currency whether he concurs in my understanding that the provisions of the new law would not be retroactive, so as to compel the reprocessing of cases which are covered by signed statements of eligibility which were issued by the FHA under existing law, where the FHA indicated it would be prepared to issue its commitment for insurance in stated amounts if certain prescribed conditions were met.

The mortgage commitments under signed statements of eligibility would thus stand. But this does not preclude, and indeed such would be most desirable, the requirement by administrative regulation of a certificate of actual cost, and the further requirement that any excess of the mortgage over actual cost be passed on to the consumer in lower downpayments, or be used to reduce the mortgage. Thus the fact that this bill is not retroactive as to cooperative projects already under signed statements of eligibility is not a protection for windfalls or mortgaging out.

I really had intended to ask a question conditioned upon the last statement. Let it be clearly understood that even though it is not restricted to the cooperative projects, where the processing already has been done, yet we do not intend to protect any windfalls or to make possible any windfalls under that provision.

Mr. CAPEHART. The able Senator is 1,000 percent correct. We do not intend to protect or to countenance any windfalls in any of the titles, and certainly not under section 213, which is the cooperative section.

Mr. SPARKMAN. Does the Senator from Indiana agree with the other statement I made, that even though we do not intend to protect any windfalls, still we do not intend to require reprocessing of those projects which have already been processed under the cooperative arrangement?

Mr. CAPEHART. I think that is correct.

Mr. SPARKMAN. I thank the distinguished Senator for helping to clarify the record.

I wish to speak a little about the 608's. I shall not take much time. I have some remarks prepared, but since the time is passing, I wish to contribute to the expeditious handling of the report.

I desire to call attention to a few of the factors which made the section 608 program necessary. It is easy for us to stand here now and condemn the program. Yet when it was written into the law, it was done because it was felt that it was necessary to do so. It was done in order to encourage people to build rental units.

When the war ended, millions of veterans were searching for places to live. They were seeking any places which would enable them and their families to enjoy decent shelter while they went about the business of obtaining new employment.

What made the postwar section 608 program necessary?

Let us take a look back in history. When the war ended there were millions of veterans searching for a place to live, any place that would enable them and their families to enjoy decent shelter while they went about the business of becoming again a normal part of the civilian community. Underbuilding during the depression years and practically a cessation of homebuilding during the war years meant that we were ill-prepared to take care of the housing problems of these veterans when the war ended. By 1945, homebuilding had fallen to slightly over 200,000 a year.

A survey made by the Census Bureau in early 1946 showed that of the 11 million veterans discharged by that time, 4 million wanted and needed new housing accommodations within a year, 2.2 million of them wanting the housing immediately. And half of the veterans then wanting housing, wanted to rent rather than buy.

Look at the statistics of home building then to see how ill-prepared we were to handle these needs in 1946. Not only had home building of all kinds fallen off sharply by 1946, but the rental portion of even that small amount had fallen even more; in the 1920's rental housing made up about 40 percent of all new building, in the 1930's about 22 percent, in the war years about 17 percent, and in 1945 and 1946 only about 11 percent. Think of it. Only 11 percent at a time when about 50 percent of the homeseeking veterans needed rental housing. And in 1945, when the war ended, we were producing only 208,000 dwelling units of all kinds, and of these only 22,000 were rental units.

So, in order to help these veterans in a time of real emergency we borrowed from the very successful wartime practices, and undertook a program of liberal credit aids to private rental housing, a program intended to get builders and developers into rental housing who would not otherwise have undertaken it, and to get the few builders then doing rental housing to expand their operations. This was the section 608 program.

Let us look at what Senator Robert A. Taft, then majority leader of the Senate, said of this program on the Senate floor on August 6, 1948, after it had been in operation for 2 years:

> The other main defect in the housing program has been difficulty in getting anybody to build houses for rental. * * * There was practically no success under title II. * * * So we have decided to continue 608, hoping it will encourage the building of rental housing. (From the CONGRESSIONAL RECORD of August 6, 1948.)

LEGISLATIVE BACKGROUND OF THE 608 PROGRAM

The Congress, to its credit, early recognized the housing crisis, and the need of liberal legislation which would bring a greater number of builders, particularly sales housing and small builders, into the rental field. It was recognized that many builders would have been either unable or unwilling to enter the rental field if a considerable sum of risk capital were necessary.

On 10 separate occasions between 1946 and 1950, the Congress considered and enacted legislation pertaining to the 608 program. Our legislative records are replete with information about section 608. On its face, the original bill, the Veterans Emergency Housing Act of 1946, contemplated that the typical builder need invest little more than his profit and fees. From its very inception, the Congress was aware of liberality of the law and that projects might be built with little equity investment. Let me quote some pertinent extracts from the hearings and the debates.

Senate Report No. 1130, 79th Congress, to accompany H. R. 4761, April 5, 1946, page 8, H. R. 4761, the Veterans' Emergency Housing Act of 1946 had been unanimously reported to the Senate by the Banking and Currency Committee:

> The bill provides for the minimum indispensable first things which must be done to solve the critical problem of housing for veterans of World War II.
>
> The bill contains an adaptation of title VI of the National Housing Act, used during the war for war workers, so as to stimulate the expansion of privately financed housing with mortgage insurance under current conditions and with priority of use for veterans and their families.
>
> Since a main purpose of these provisions is to reduce the risks assumed by builders in order to encourage a large volume of housing, the committee calls special attention to the fact that this portion of the bill places emphasis upon rental housing. It is the specific intent of the committee that those in charge of the program shall make every reasonable effort to obtain a substantial volume of rental housing—or in any event housing held for rental during the emergency—through the operation of title VI, both with respect to multifamily units and individual units.

In hearings before a subcommittee of the Committee on Banking and Currency—of which subcommittee I may say I was chairman—United States Senate, 81st Congress, on S. 2246, Housing Amendments of 1949, July 26–29, 1949, pages 443–449, the Senator from Louisiana [Mr. LONG] made the following statement after questioning housing officials at length about FHA's administration of section 608 and the possibility of builders financing 608 rental housing with little or no investment, page 443:

> I want to say right here now that frankly I believe this project was intended to be extremely profitable to builders; and that the purpose was based on the American tradition that if you want to get a job done, if you will show American businessmen where they can make a hefty profit, they will really get out there and do you a job.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I am sure the Senator from Alabama does not want to convey the impression that the Senator from Louisiana [Mr. LONG] looked with approval on the provisions of section 608? The facts are that the Senator from Louisiana was the first Member of this body to expose the abuses of section 608, and made a fight in committee and on the floor against those abuses. I am sure the Senator from Alabama does not wish to convey the impression that the Senator from Louisiana was an apologist for section 608.

Mr. SPARKMAN. Not at all. As a matter of fact, I certainly intended to say something later about the activities of the distinguished Senator from Louisiana. They were not confined to a single item, but were broad in scope. By the way, the Senator from Louisiana was a member of that committee and he repeatedly tried to get corrective legislation. I certainly was not pointing this out to indicate that he approved bad practices, but rather that he recognized the reality of the situation; that there had to be some kind of profit incentive to get houses built. The Senator never departed from that view; but all the way through he felt that there ought to be safeguards to prevent the things we are talking about so much today, the windfalls.

It seems to me to be rather strange, since mention is made of the Senator from Louisiana, that so many people seem to regard this as something new. For instance, the question of the builders' fees and architects' fees was discussed in our subcommittee and the whole committee and on the floor of the Senate many, many times.

I may remind the Senator from Illinois that the Senate actually wrote into its version of the housing bill some amendments to take care of the situation, but they were knocked out in conference. At least once I know the Senate adopted such an amendment.

Something has been said about actual cost and estimated cost. We thrashed those questions out many times in the committee, and because of the urge to get housing and the difficulty of determining the actual cost, we are the ones who wrote into the law that the estimated cost should be the basis, not the cost of a particular builder for a particular project, but the cost of a typical builder engaged in that type of building.

I do not remember the exact language, but it was written in that way. In other words, if Mr. Jones was building a project, the FHA was not required to try to make an exact estimate of what Mr. Jones would build it for; but if Mr. Smith was a typical builder, the estimate was to be based on his costs. That is the way the question of the architect's fee and the contractor's fee was handled. Instead of asking a contractor what he was going to pay, he was simply given the liberty of writing in what a typical builder would be expected to pay.

I have stated frequently, and the Senator from Illinois has heard me say in committee, that if there is blame, certainly the Congress of the United States cannot throw it off lightly by having something to say about it 4 or 5 years later, because it was known in the committee and on the floor of the Senate and in the other body, and we allowed it to continue.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Illinois.

Mr. DOUGLAS. The Senator from Illinois recognizes the great contribution to good housing that the Senator from

Alabama has consistently made, and which he is exemplifying by the very courageous speech which he has made criticising some of the features of the conference report on the present bill. But I am sure he will permit the Senator from Illinois to say that the Senator from Illinois never intended to have a housing act which would permit a mortgage greatly to exceed the actual cost of construction.

That was the fault of the apartment house and hotel construction of the late 1920's, much of it associated with the banking name of S. W. Strauss. When the depression came and the storms descended, it was found that the bonds which had been issued and sold were vastly in excess of the value of the property, and in many cases had been in excess of the actual cost of the property.

I can understand the argument that the contribution of the initiators and promotors of a project should be in the form of a builder's fee, an architect's fee, and a lawyer's fee to absorb the supposed 10 percent, or difference between the 90 percent guaranty and the cost. But where a mortgage is vastly in excess of cost, then I think there exists a situation which is extremely difficult to defend. So far as the Senator from Illinois is concerned, he has never believed that mortgages should be permitted to exceed cost. I have thought that the profit which would be made from the enterprise would come from either the sale or the rental of the housing, but not from having a Government guaranteed mortgage which was 10, 20, 30, or 40 percent in excess of the actual cost of construction.

I want to assure the Senator from Alabama that if the Senator from Illinois had known of that, he would have voted against the bill. In fact, on two occasions the Senator from Louisiana and I tried to require an actual statement of cost, and we tried, when we became aware of the abuses in the 608 program, to use the ax and terminate that program at the earliest possible date.

I make this statement for the sake of the record, because I know the Senator from Alabama, with his fine sense of social responsibility, does not want to make the plea that mortgages should appreciably exceed costs.

Mr. SPARKMAN. No; and, of course, the Senator from Illinois realizes that I had given only one simple quotation.

Mr. DOUGLAS. I understand.

Mr. SPARKMAN. Certainly I do not condone the practice which we allowed to develop, and I want to emphasize the words "which we allowed to develop."

Mr. DOUGLAS. As I remember, the testimony of the Federal Housing Administration authorities, of the real-estate bankers, and of the real-estate agents, was all to the effect that those abuses did not exist and could not exist. I think the chairman of the committee is correct in saying that the Members of Congress were not told the truth about what was going on. While I think we may have been somewhat delinquent in not fashioning a tighter law, I do not think we in Congress should be expected to assume the sole responsibility.

I had a colloquy this afternoon with the Senator from Indiana, in which I contended that there was some guilt attached to Congress; but I do not think the exclusive guilt should be attached to Congress.

Mr. SPARKMAN. May I say to the distinguished Senator from Illinois that I never said that?

Mr. DOUGLAS. I know; but I thought possibly that was the general drift or emphasis of the statement which the Senator from Alabama was making.

Mr. SPARKMAN. No. I shall state the point I wanted to make now. Since the comprehensive Housing Act of 1949 was enacted into law, or going back to 1946, when section 608 was enacted into law, for the purpose of encouraging persons to build rental units, a remarkable job has been done in getting housing constructed. A few of the promoters, a few of those who have entered into the field, engaged in bad practice. When I say a "few," I mean a relatively few, because we have a great army of housing builders and home builders in this country, people who are tradesmen, who do the job. When we consider the vast number of persons in the field, and then consider the number who have indulged in those bad practices, it is a relatively small number. Yet a stigma has been thrown over the whole industry of home builders.

Let me give my colleague an example. In my State I do not know how many 608's were built, but there were a great many. Does the Senator know how many were mortgaged out? One, which involved $29,000, and the money was never even taken out as a dividend. The money stayed in the corporation. Why should every person in my State, and in every other State, who built section 608 houses be smeared with the charge that everybody who engaged in such construction was bad? That is my only concern.

Let us go after those who are crooks, and punish them. But at the same time let us not lose sight of the tremendous job that has been done in the building of houses in which Americans make their homes.

Mr. President, at this point I should like to emphasize again the statement made by the distinguished Senator from Illinois regarding the activity of the very able Senator from Louisiana in ferreting out this practice. I did some of that ferreting myself. As a matter of fact, when the distinguished chairman opened the hearings, he quoted from some of the hearings at which I had presided, in which I interrogated very thoroughly the person who was then president of the National Home Builders Association. I recall that we had evidence of mortgaging out up to 120 percent. I think that was the most we found up to that time, but I think the distinguished chairman of the committee has found cases that go well above that amount. The president of that organization said it was not possible. A lot of them testified it was not. But time after time we did consider the fact that for the builder's fee and the architect's fee a flat allowance was made in every one of those contracts. When the distinguished Senator from Louisiana tried to decrease it from 5 to 2 percent, or even to 3 percent, his amendment was rejected.

Finally, Mr. President, we should keep a proper perspective in this matter, and remember the excellent job that has been done in providing homes for Americans.

I particularly should like to address the remarks I am about to make to the attention of the distinguished senior Senator from Virginia and other members of the committee who may be present in the Senate. It is a statement I have made many times previously. The criminality has resulted almost exclusively, in my opinion, because of loopholes in the tax laws or in tax evasion, rather than in violation of any part of the housing law.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Virginia.

Mr. BYRD. The loophole respecting capital gains has been remedied in the pending bill.

Mr. SPARKMAN. The Senator is correct. That is the reason why I said either evasion or loopholes, because I am afraid in many instances we are going to find a loophole existed and that they were tax free.

Mr. CAPEHART. I think the Senator stated the law containing section 608 was passed in 1946.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. I think if the Senator will look up the record he will find the bill was passed in 1942 rather than 1946.

Mr. SPARKMAN. The Senator is right, but my recollection is that it was rewritten in 1946, so as to give that impetus.

Mr. CAPEHART. I think it was revitalized.

Mr. SPARKMAN. That is correct. It was extended in 1948 and cut off in 1950.

Mr. CAPEHART. The Senator made reference to 5 percent architect's fees and 5 percent builder's fees. If a person who was his own builder was allowed 5 percent architect's fees and 5 percent builder's fees and did the work himself, he would have the equivalent of a 100-percent mortgage, because he is entitled to 90 percent under the law. If it came out exactly even he would have practically a 100-percent mortgage. We have not been so much concerned about that. I do not think Congress ever intended that they should do it, but we have not been so much concerned about that. We have been concerned with those who have been getting over 100 percent. There are many of them.

Mr. SPARKMAN. I want to say to the able chairman——

Mr. CAPEHART. There are many cases, likewise, where when the project was finished it was less than 90 percent. In all fairness we must say that.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. My point is that it became a great promotion.

Mr. SPARKMAN. I think we made it so liberal——

Mr. CAPEHART. I do not think that Congress did it. I think the administration did it.

Mr. SPARKMAN. It became a promotional matter.

Mr. CAPEHART. Those who ran it made a great promotion out of it. They went out to sell the idea, just as anyone would go out to sell merchandise. They were telling people how to get into this thing without investing any money at all. I suspect that in many instances they were showing them how to make a little pocket money without having any money invested in the project at all.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. Is it not a fact that if the agency had been headed by a man who was as able and efficient and honest as the housing expert of the Committee on Banking and Currency, Joe McMurray, many of these things would not have happened?

Mr. SPARKMAN. I certainly agree with the distinguished Senator from Virginia. By the way, I may say to the Senator that before proceeding with these remarks I had a few words to say about our losing Joe McMurray. Let me say that I am not sure that it has been stated definitely what his job is to be. It is my understanding that he is to be the executive director for housing for the entire city of New York. That is a big job and a big responsibility.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. ROBERTSON. I told the mayor of New York several months ago, when I learned of the proposed employment of our housing expert, that I congratulated him on getting a man like Joe McMurray, but I hated to lose him from the Committee on Banking and Currency.

Mr. SPARKMAN. I agree with the able Senator from Virginia.

Mr. President, I have a few more pages to read. However, I do not intend to take the time of the Senate. Instead, I ask unanimous consent that the remainder of my remarks be printed as a statement at this point in the RECORD.

Their being no objection, the remainder of Mr. SPARKMAN's address was ordered to be printed in the RECORD, as follows:

The Senator from Ohio [Mr. BRICKER] interjected at this point (p. 443):

"I brought this thing up 2 years ago, the very same thing, and tried to write a protective section into the law. I was not very successful at it because it is a very difficult thing to do, to tell you the truth about it."

This was during a Republican Congress.

Senate Report No. 892, 81st Congress, to accompany S. 2246, housing amendments of 1949, August 11, 1949 (pp. 16–17):

"The extension of section 608 recognized the continuing urgent need for rental housing which justified special incentives for its construction. There is no question that this need continues. The present rate of rental housing construction is clearly inadequate to meet the need.

"Your committee has added an amendment to section 116 of the bill which would reduce the maximum ratio of mortgage amount to necessary current cost under section 608 from 90 to 80 percent. It was brought to the attention of your committee that FHA, in estimating necessary current cost under section 608, includes percentages for architects' fees, contractors' overhead, and items which, in many instances permit the approved 90-percent mortgage to exceed the builders' actual costs. A proposal was made to your committee that the bill include limitations as to the maximum amounts which could be included for these specific items. After studying this matter, your committee rejected the proposal because of the administrative and other difficulties which would be involved. In place of this, the amendment now contained in section 116 (a) was added." (The House of Representatives refused to accept the proposed change from 90 to 80 percent and the change was never enacted—Conference on section 608, Report of the Committee on Banking and Currency, U. S. Senate, 81st Congress, upon section 608, Feb. 28, 1950, p. 8.)

In hearings before a subcommittee of the Committee on Banking and Currency, United States Senate, on July 26, 1949, the committee was informed in response to a direct question as to whether 608 projects could be constructed for less than the amount of the loans that—

"In the nature of the operation it is possible * * *.

"Actually, the title VI operation was an emergency type of operation originally established in the war period, just before the war, in the defense period, to meet a special emergency of need for housing, and fast (p. 395).

"We believe fundamentally that the valuation method in all of the insured operation is by far the better approach, using the long-term economic value, rather than necessary current replacement costs. The language varied from time to time in that respect (p. 395).

"* * * we realize the dangers that you refer to; they are inherent in it.

"* * * the same question arose here very pointedly in connection with the debate on the military housing bill recently. The bill was drafted on the basis of 95 percent for a title VI type of operation. That was strongly recommended by various groups and, in fact, was to some extent supported by the military who, of course, are very anxious to get this housing.

"We strenuously opposed it at that time and opposed it again in the other House, for the very reasons which you have in mind, that particularly since we have to make a cost estimation long in advance of the actual probable incurrence of those costs, certainly it is long in advance of the completion of the structure. It is the best estimate the Commissioner can make in advance of what will be the costs. We make a commitment on that basis. There is no exact science of cost estimation, particularly so far in advance.

"Even if there were, with respect to one builder, you have a variety of situations, efficiency, and so on, so that the same set of costs might not necessarily apply to another.

"So, inherent in it is the kind of danger you speak of."

And again in the conference on section 608, report of the Committee on Banking and Currency, United States Senate, 81st Congress, February 28, 1950, in response to question from the committee as to how much equity iinvestment had been made by builders of section 608 projects, the Housing Administrator replied:

"In many cases they do put in an investment. It is possible, as we pointed out in testimony a number of times in the past, for there to be an excess of the mortgage amount, based on estimated costs, over actual costs because, as pointed out, there is an impossibility of projecting 6, 8, or 12 months in advance and estimating exactly what the costs are going to be. We do not think such an excess is usual. There is no question, however, that there is greater risk involved in these rental projects under section 608 than in the regular cases. * * * The considerations that would necessarily follow, of course, are the reasons we have stated, why we do not recommend extension of section 608."

We have attempted to write safeguards into the legislation now before the Senate. I sincerely hope that they will prove to be more effective than other safeguards that we have written into housing legislation. It may very well be, though, that we shall continue to be vexed with the problem of writing in adequate safeguards to protect home consumers and at the same time deal fairly with home producers.

What did the 608 program accomplish? The program became effective on May 22, 1946, in a law which continued and expanded a small wartime 608 program. The last commitment under the program was issued on March 1, 1950. Under the 608 program, 465,480 privately built rental units were provided in 7,046 projects, the mortgages on which were insured for a total of about $3.4 billion. These projects were built in all 48 States, the District of Columbia, Alaska, Hawaii, and Puerto Rico. During this same period of time private rental housing went from its wartime lows up to as high as an average of 160,000 in 1949 and 1950. In 1950, more than four-fifths of these were section 608's.

The 608 program broke the back of the postwar rental housing shortage. It provided good rental housing quickly to meet the needs of our returning veterans. The 430,000 units it provided after 1946 (35,000 units were provided under similar legislation during the war) meant a quick and almost incredibly large response to the Government program designed to provide rental housing. It was undoubtedly one of the most successful of all Government housing programs. It brought the rental-housing percentage of all new units up to as high as 20 percent by 1949. Today, without 608, it has fallen to 12 percent, almost as low as it was when the 608 program started.

The 608 program helped the American people to meet their obligations to the returning servicemen. It helped meet the needs of a vast number of returning servicemen and their families who would otherwise not have been adequately housed. Without the housing provided thereby, we would not only have a continuance of the serious housing emergency that confronted us on war's end, but the few new rentals built would have been at prices far beyond the reach of the average veteran, and we would still be plagued with a severe housing shortage. Moreover, if we had not been able to increase the supply of rental housing during a period of very heavy demand, the normal operations of supply and demand would have meant zooming prices on all new rental housing.

The rents on postwar rental housing were certainly lower than they would have been without the 608 program. In 1950, the typical or median 608 unit had 4.1 rooms and had rental of $81.12. Rentals in new non-608's built at the time were undoubtedly higher, because developers and equity investors, such as the life insurance companies, undertaking such non-FHA projects at that time were aiming at higher income groups than those for which 608's were undertaken. In the few cases where they may have been aiming at about the same market, rents were lower because FHA set the rents.

As an illustration of this, compare two projects of practically similar design by the same developer both built around 1951 in the Philadelphia area. One of them was built under FHA section 608, the other conventionally financed by a large life insurance company with an uninsured mortgage. In the FHA project, the rents are on the average

nearly $2 per room per month less than on the conventional projects. And the developer states that he could probably get, at going rentals in the area for comparable housing, about $10 more per unit per month than FHA will allow, but the project is still subject to FHA control.

Incidentally, compare the typical $80 to $85 a month rent on the section 608—rentals still largely in effect—with the typical rent on section 207 projects insured in 1953, which was $110.65 with a medium size unit of 4.3 rooms.

The 608 program did this job at no cost to the taxpayer. Under the 608 program, mortgages were insured on 7,046 projects for a total of $3.4 billion. As of May 31, 1954, some 6,507 of these mortgages were still in force and FHA's insurance outstanding had decreased to about $3 billion. Of the original mortgages, 264 have been prepaid before the due date (rents on the 20,000 units covered by these prepaid mortgages, no longer subject to FHA control had undoubtedly risen.) Six of the original mortgages were withdrawn and FHA has had to make good on its insurance contracts for 291 projects, or about 4 percent of the total mortgages written.

However, all this time, insurance premiums from going projects have been used not only to pay a proper portion of FHA's operating expenses (the FHA operates at no expense to the taxpayer) but also to build up a War Housing Insurance Fund, from which FHA meets all the costs incurred in taking over projects. As of May 31, 1954, this fund had an earned surplus of $130,721,801. During fiscal 1953 this fund received $28 million income.

By May 31, 1954, FHA had sold 41 of the projects it had taken over, at a cost to the war housing insurance fund reserves of nearly $1 million. But up until May the sales of such projects had resulted in a net profit to the fund; at the end of February 1954 net profit from sales was $127,000, in April a net profit of about $6,000 was still shown; but in May the new FHA Commissioner sold 5 projects at a cost to reserves of over $1 million.

It may be in order to ask why these projects were sold at this time, at such prices, when experience up until May, has shown that it is possible to dispose of the projects at a profit.

FHA is managing the remaining 250 projects which it has taken over. It can continue to manage these, and place them on a sound basis, and then offer them for sale. This method enables them not only to put the projects back on a paying basis where poor management may have led them into difficulties, but also to hold them from the market until a favorable time occurs for sale.

The insurance liability is already down nearly $400 million. The average mortgage on a 608 dwelling unit, originally about $7,600, is now about $7,100. Every year, the insurance exposure gets smaller and smaller and the insurance dollar reserves get larger and larger. So far, the program has not cost the taxpayers a penny, nor is it likely that it will.

This is truly a remarkable aspect of the story and yet one which has been given little publicity. Here, a housing program which did so much for the servicemen during the most extensive housing shortage in our history, done with credit aid supplied by the Federal Government and yet built by private builders—and at no cost to the Federal Government. It is well to remember the extent and seriousness of that housing shortage. It is well to remember that during that time we were willing to spend, and did spend, a vast sum merely to provide temporary shelter at public expense for returning servicemen.

To get emergency housing for these returning servicemen the Federal Government expended $489.1 million for reused temporary war housing, trailers, and quonset huts. All of this housing was regarded as expendable and was intended to be removed at the end of the emergency—a direct expenditure of nearly half a billion dollars to meet these emergency needs in what was really inadequate housing (it provided for 262,000 accommodations, some of them single person dormitory units) as compared with no expenditure for the permanent housing provided under 608.

It is true that some builders have made very high profits under the 608 program. So far in the hearings that have been held by the Senate Banking and Currency Committee, the evidence has pointed to high profits rather than to law violations.

Furthermore, if there have been law violations, the indication is that they have been of the tax laws rather than any housing law. In fact, the real weakness of this whole thing has been the use of loopholes in the tax law rather than abuse of the housing laws. Such violations when disclosed should of course be strictly dealt with. However, so far what we have seen is that a number of builders among the thousands who have built 608's took advantage of the situation to make high profits.

They did this in many cases in perfectly legal ways: for example, by undertaking to do the construction themselves, rather than hiring contractors, and thus retaining the fee they might otherwise have spent for the contractor; by taking full allowances for architectural and engineering fees even though fees paid out amounted to less; by completing the project for occupancy in a shorter time than contemplated under their FHA agreement, and receiving rentals from occupied units for a period of time before they were required to start making mortgage payments; by getting credit for the value of the land in the developed project, rather than the raw-land figure at which they may have purchased it; by building more efficiently than the so-called "typical" builder on the basis of whose operations allowable costs were established; and in other ways.

It so happens that I was one of those Democratic Senators who early recognized the loopholes in that law. Other Senators, as I have pointed out, recognized these loopholes. And, as I have also pointed out, constant efforts have been made to close them. In fact, all these efforts, many of them unsuccessful, eventually contributed to the abolition of section 608 by the 1950 Democratic Congress.

At this point, too, I should like to mention that one of the primary purposes of the middle income housing bill of 1950 was not only to help provide housing for middle income groups but also to cut down on the needs of the 608 program. I feel confident that, had the measure passed, it would have served these purposes. It would also, through indirect pressure, have brought about reduced mortgage amounts for 608's.

Mr. President, these are matters of history—of indisputed, incontrovertible fact. Here we have a program designed to aid the veteran to get rental housing, which did that very thing more successfully than we had ever hoped, which broke the back of the most severe housing shortage in our history, which provided adequate housing at reasonable rents—at lower rents than they could otherwise have been provided, which provided the housing at a time when no other device could have succeeded, and which did it without using 1 cent of Government money.

Mr. President, these are facts which we tend to forget in the heat of the moment, which tend to get overlooked. Now it has become politically useful—politically desirable—to attack this program of the past, and to attack it in a context which utterly ignores the serious and critical nature of the problems we were then confronting in housing our returning servicemen. It is being criticized and condemned, not because it did not do the job it set out to do—a job which the then Republican leader of the Senate, Senator Robert A. Taft, said could not be done in any other way. It is not being condemned because it did not provide the needed housing and at reasonable rentals. It is being condemned and vilified even though it did do that very job of providing the housing. It is being condemned solely because some private builders made profits in building the housing.

Now it is being said that even though this program did not cost the taxpayers one penny, nevertheless, the high profits to some of the builders will come out of the pockets of those who pay the rents. This may be true. Nevertheless, those who pay these rents would undoubtedly have had to pay much higher rents and had far less satisfactory housing accommodations available for them if it had not been for the 608 program.

Without trying to make any case for such excess profits, I maintain that the program kept rentals far lower than they would have been in this period of shortage without the 608 program. The coming into existence of this vast addition to the supply of well over 400,000 additional units was one of the important factors which kept rents as low as they were in this period. Moreover, with rare exceptions, very little private rental housing was undertaken in the postwar period for income groups represented by these veterans. Much of the insurance-company housing, for example, was aimed at higher income markets.

INTEREST RATES AND HOUSING

And speaking of the concern for the pocketbooks of the consuming public, it is of considerable interest to look at the interest rates paid on housing loans by the American homeowner. Prior to the existence of the FHA and other housing-aid measures undertaken in the thirties, first mortgages were usually written at high-interest rates for limited maturities from half to two-thirds of value; the average borrower was often forced to take out a second and often a third mortgage to cover his total requirements.

Fees or discounts were usually charged for making these loans and there were multiple charges for title examination, recording, etc. With most loans coming due in a relatively short time, and with lump-sum payments required, rather than the level amortization practice now so universal, frequent renewals were necessary for each loan, and each renewal called for more fees and charges.

It is very difficult to calculate the savings to the home-buying public during the past 20 years by all the changes that have been brought about in these home-financing practices. Let us examine merely the interest rate aspect of it. Interest rates in the twenties and early thirties were about 6 percent or higher for first mortgages. According to the census of 1950, the median interest rate on all such loans was 5 percent. We have at this time a home-mortgage debt well in excess of $60 billion, all of it incurred in the past 2 decades. Think of it. This at least 1-percent decline in interest rates now means a savings to the home buyer of at least $600 million a year, of between $3 and $4 billion in the postwar years alone.

Last year, in April, the Treasury introduced a new Government bond issue with an interest rate of 3¼ percent, or one-half percent higher than the going Government bond rate. What happened to the home-mortgage market is well known; not only were there increases of one-fourth percent on FHA and one-half percent on VA mortgages, but in general interest rates on all mortgages went up. On the approximately

$12 billion in home mortgages recorded in 1953 after this change in interest rates occurred, this would amount to an additional charge to the home buyer of approximately $40 to $50 million a year for the life of the mortgages. This added to the new mortgages coming in each year will soon catapult the American home buyer or tenant into an additional annual cost for shelter of one-half billion and more dollars.

These are real costs and, as I pointed out in a speech on the Senate floor in May 1953, they are unnecessary costs.

This does not include, of course, the additional cost to the taxpayer of a higher interest rate on the Treasury bond issue—higher than needed to bring the money forth (the bond is now selling at a 10-point premium); the cost to the farmer of higher credit rates, or the cost to anybody who buys an auto, or a home appliance, or clothes, or anything else on the installment plan.

While there is some evidence that the fiscal authorities of the Government have recognized the error of their ways, and mortgage credit has become somewhat easier in recent months, nevertheless, the rates charged on FHA and VA remain where they were pegged last May 1953, and these in turn both influence and reflect general housing mortgage market rates, just as the FHA rate, in the past 20 years had so important an influence on overall home mortgage rates.

If rates continue at the higher level, this would mean an additional $75 million to $100 million per year on this year's mortgage volume to come out of the pocket of the homeowner just for the mortgages on homes purchased this year.

This situation, I submit to you, Mr. President, is really an alarming one, this additional cost saddled on the American public, yet I have heard of no tears being shed for the millions of American being fleeced each year for unnecessary higher interest costs of tens of millions of dollars.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. SMATHERS. Mr. President, will the able chairman yield so that I may ask a question of him?

Mr. CAPEHART. I yield.

Mr. SMATHERS. I call the able chairman's attention to that paragraph on page 23 of the conference report where reference is made to tourist areas. With respect to section 603 and 608 projects is it the Senator's understanding that a tourist area in Florida would include the whole State of Florida?

Mr. CAPEHART. I would think that the State of Florida would be considered a tourist area. I would say so.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CARLSON in the chair). Without objection, it is so ordered.

The question is on agreeing to the conference report. The yeas and nays have been ordered, and the Secretary will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from New Jersey [Mr. SMITH], the senior senator from Wisconsin [Mr. WILEY], and the junior Senator from North Dakota [Mr. YOUNG] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Delaware [Mr. FREAR], the Senator from Iowa [Mr. GILLETTE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I announce further that on this vote the Senator from Delaware [Mr. FREAR] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Tennessee would vote "nay."

I announce also that on this vote the Senator from Iowa [Mr. GILLETTE] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Massachusetts would vote "nay."

I announce that the Senator from Oregon [Mr. MORSE] is necessarily absent, and if present would vote "nay."

The result was announced—yeas 59, nays 21, as follows:

YEAS—59

Aiken	Ervin	Maybank
Anderson	Ferguson	Millikin
Barrett	Goldwater	Monroney
Bennett	Gore	Mundt
Bowring	Hayden	Neely
Bricker	Hendrickson	Pastore
Bridges	Hennings	Payne
Bush	Hickenlooper	Potter
Butler	Holland	Purtell
Capehart	Jenner	Reynolds
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Schoeppel
Chavez	Johnston, S. C.	Smathers
Cooper	Kerr	Smith, Maine
Cordon	Knowland	Stennis
Crippa	Kuchel	Thye
Daniel	Lennon	Upton
Dirksen	Long	Watkins
Duff	Malone	Welker
Dworshak	Martin	

NAYS—21

Burke	Green	Magnuson
Byrd	Hill	Mansfield
Clements	Humphrey	Murray
Douglas	Ives	Russell
Flanders	Jackson	Saltonstall
Fulbright	Kilgore	Sparkman
George	Lehman	Williams

NOT VOTING—16

Beall	Kennedy	Smith, N. J.
Eastland	Langer	Symington
Ellender	McCarran	Wiley
Frear	McCarthy	Young
Gillette	McClellan	
Kefauver	Morse	

So the report was agreed to.

Mr. CAPEHART. Mr. President, I move that the vote by which the conference report was agreed to, be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. CAPEHART. Mr. President, I ask unanimous consent that House bill 8783, to provide for the conveyance of certain housing units owned by the United States to the Housing Authority of St. Louis County, Mo., be indefinitely postponed. The provisions are contained in the conference report on the Housing Act of 1954.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, I submit and send to the desk a concurrent resolution, for which I request immediate consideration. The purpose of the concurrent resolution is to make several technical corrections in the housing bill we have just passed.

The PRESIDING OFFICER. The concurrent resolution will be read.

The Chief Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H. R. 7839) entitled "An act to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities," the Clerk of the House is authorized and directed to make the following corrections:

In the third sentence of section 221 (g) (3) of the National Housing Act, as added to that act by section 123 of the bill, insert after the words "is assigned to the Commissioner," the clause "shall mature 10 years after such date."

In section 100 of the Housing Act of 1949, as added to that act by section 301 of the bill, substitute "sections 102 and 103" for "sections 103 and 104."

In section 613 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as added to that act by section 805 (3) of the bill, insert after the words "San Diego County" the words "or Imperial County."

The PRESIDING OFFICER. Is there objection to the request for the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. CAPEHART. Mr. President, in as much as the concurrent resolution is purely technical in nature, I ask unanimous consent to have printed at this point in the body of the RECORD an explanation of the concurrent resolution.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF SENATE CONCURRENT RESOLUTION 102 RELATING TO H. R. 7839, HOUSING ACT OF 1954

On page 68 of the conference committee report, in the statement on the part of the managers of the House, it was stated:

"The House bill contained a provision which would amend section 204 (d) of the National Housing Act so as to fix the term of debentures to be issued under sections 203 and 213 of the act at 10 years. The Senate amendment contained a provision further amending section 204 of the act so that any debentures issued under the act (other than debentures issued under sec. 221 (g) (3) could be replaced under certain conditions with refunding debentures maturing within a further 10-year period, thus in effect permitting the FHA Commissioner to impose a 10-year extension on debenture maturities. The conference substitute places a straight 20-year maturity on all

FHA debentures issued under the act other than debentures issued under section 221 (g) (3)."

While this was the intent of the conference committee, actually the debenture term under sec. 221 (g) (3) (debentures for the sec. 221 mortgages), as it is now written in the act agreed upon by the conference in 20 years rather than 10 years as was intended. This would not be consistent with the provision governing the interest rate on such debentures, where the rate is set on United States obligations of 8 to 12 years maturity.

The reason for making these debentures 10 years was to make this type of mortgage for the low rent housing program under section 221 more attractive to lenders with the hope that eventually such mortgages would be salable in the private mortgage market.

In the new section 100 (p. 35 of the conference report) it is provided:

"The authorizations, funds, and appropriations available pursuant to sections 103 and 104 hereof shall constitute a fund, to be known as the 'urban renewal fund,' and shall be available for advances, loans, and capital grants to local public agencies for urban renewal projects; in accordance with the provisions of this title, and all contracts, obligations, assets, and liabilities existing under or pursuant to said sections prior to the enactment of the Housing Act of 1954 are hereby transferred to said fund."

Section 102 in the present law authorizes funds for loans for slum clearance and urban renewal. Section 103 authorizes capital grant funds. There is no authorization for funds in section 104. Consequently, unless the section number is changed, the Housing Administrator would not be authorized to place funds for loans authorized by section 102 of the act of 1949 in the urban renewal fund as was intended to be authorized by the new section 100. Therefore, we are simply changing the section references in the new section 100 from "103 and 104" to "102 and 103."

In section 805 (3), on page 59, we inadvertently failed specifically to include in this amendment provisions for housing for members of an Indian tribe in Imperial County, Calif., which was the intention of the conference committee when such provision was made for members of Indian tribes in Riverside County and San Diego County in California.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 102) was agreed to.

AMENDMENT OF SECURITIES ACT OF 1933, THE SECURITIES EXCHANGE ACT OF 1934, THE TRUST INDENTURE ACT OF 1939, AND INVESTMENT COMPANY ACT OF 1940—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, I understand that the Senator from Connecticut [Mr. BUSH] has a conference report on the SEC bill. He assures me he has taken up this matter with the senior Senator from South Carolina [Mr. MAYBANK] and with the minority leader, the distinguished senior Senator from Texas [Mr. JOHNSON]; and I understand the conference report was agreed to by all the conferees, and that there is no controversy regarding the report, insofar as the Senator from Connecticut knows.

Mr. BUSH. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2846) to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2846) to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to all the amendments of the House and agree to the same.

HOMER E. CAPEHART,
PRESCOTT BUSH,
JOHN W. BRICKER,
I. M. IVES,
J. ALLEN FREAR, JR.,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
Managers on the Part of the Senate.

CHAS. A. WOLVERTON,
JAMES I. DOLLIVER,
JOHN W. HESELTON,
JOHN B. BENNETT,
J. PERCY PRIEST,
DWIGHT L. ROGERS,
HOMER THORNBERRY,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BUSH. Mr. President, I wish to report the agreement of the conferees on Senate bill 2846, and to recommend favorable action by the Senate.

Mr. MAYBANK. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield.

Mr. MAYBANK. I only wish to say that, as I understood from the conference report, the Senate conferees held out as long as they possibly could for the adoption of the Senate version. But the House conferees were unwilling to accede to certain increases in exemptions, and the Senate finally gave in.

I am in thorough accord with the conference report, and I wanted the RECORD to show that, as was the case with the housing bill, the Senate conferees held out to the best of their ability.

Mr. BUSH. The Senator is correct, and I thank him for his observation.

In the main, S. 2846 relates to certain provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. Those statutes have effectively regulated the issuance and sale of securities and have substantially eliminated the evils which gave rise to the need for their enactment. The bill is designed to preserve to the investors the protection afforded by the basic disclosure provisions of those statutes and at the same time to eliminate those defects in those statutes which have been revealed during the past two decades. To this end, S. 2846 makes limited but important changes in certain acts administered by the Securities and Exchange Commission, which will reduce unnecessary delay, expense, and complexity in the marketing of securities to the public and will result in more efficient, effective, and realistic operations of those acts.

The Banking and Currency Committee has jurisdiction over the Securities and Exchange Commission and the laws it administers. Therefore, at the request of the Senator from Indiana [Mr. CAPEHART], and as chairman of the Subcommittee on Securities, Insurance, and Banking, I met during the adjournment of the Senate last fall with representatives of the SEC and the securities industry in a series of conferences. At these conferences very careful consideration was given to various proposals which had been submitted for amendment of the statutes administered by the Commission. The actual provisions of the bill, which was introduced by our able chairman, Senator CAPEHART, may fairly be said to have grown out of the long experience of those in Government responsible for the administration of these statutes and of those in the securities industry who are subject to them. With the exception of one provision, which I shall discuss in greater detail, there was no controversy over the provisions of the bill except insofar as some of the provisions do not go as far as some industry representatives advocated. The provisions of the bill may be briefly summarized as follows:

DISSEMINATING INFORMATION DURING WAITING PERIOD

In line with the basic purpose of the Securities Act of 1933—to provide investors with adequate information concerning securities publicly offered—the bill permits written offers during the waiting period by means of a prospectus filed with the Commission prior to its use. It would remove the difficult concept, inherent in present practice, that it is permissive—obligatory under SEC rules—for an underwriter during the waiting period to disseminate information but illegal to solicit offers. The amended act, however, continues to make unlawful sales, contracts to sell, and contracts of sale before the registration statement becomes effective.

USE OF PROSPECTUSES AFTER EFFECTIVE DATE OF REGISTRATION

The Securities Act of 1933 requires that any dealer must deliver a prospectus in the initial distribution of a security—regardless of how long the distribution takes. It further requires the delivery of a prospectus in trading transactions for 1 year after commencement of an offering. This latter provision is amended to reduce the 1-year period to 40 days after the effective date or the commencement of the public offering, whichever expires last. The 1-year period for trading transactions—as distinguished from actual distribution—has long been recognized as unrealistically long.

For certain types of investment companies which continuously offer securities the Investment Company Act of 1940 is amended so as to provide for mandatory use of prospectuses over a longer period.

SIMPLIFICATION OF INFORMATION REQUIREMENTS FOR PROSPECTUSES USED FOR MORE THAN 13 MONTHS

Prospectuses which are used more than 13 months after the effective date of the registration statement now require information more recent than the information in prospectuses used prior thereto. In order to equalize the requirements the act is amended to provide that where a prospectus is used more than 9 months after the effective date, the information contained therein shall be as of a date within 16 months of such use.

EXTENSION OF CREDIT BY DEALERS IN NEW ISSUES

The prohibition against extending credit to purchasers of a new issue by dealers for 6 months after the offering period is considered unnecessarily long. The amendment reduces the 6 months' period to 30 days.

WHEN-ISSUED TRADING

This is a technical amendment for the purpose of removing an ambiguity in the present law. This is accomplished by eliminating the last sentence of section 12 (d) of the Securities Exchange Act of 1934 which is unnecessary for the accomplishment of its stated purpose. The current regulations of the Commission plus the overall rulemaking authority now provided by section 12 (d), and retained by the bill, afford adequate means for dealing with future problems as to "when-issued" trading.

THE OFFERING OF INSTITUTIONAL TYPE OF DEBT SECURITIES

The Trust Indenture Act of 1939 seemingly requires inclusion in a prospectus of a summary of certain specified indenture provisions. Since the Commission can deal with disclosure problems through its rulemaking power, and since the substantive provisions required to be included in indentures qualified under the act would not be changed, this requirement is unnecessary. The amendment should facilitate the simplification of prospectuses.

SIMPLIFIED REGISTRATION PROCEDURES FOR INVESTMENT COMPANIES

Instead of, in effect, requiring investment companies, which engage in continuous offerings of their shares, to file new registration statements under the Securities Act each year, the amendment would permit such companies to increase the number of their registered shares by amending their registration statements.

In addition to these matters, the bill, as passed by the Senate, contained a provision which would amend section 3 (b) of the Securities Act to increase from $300,000 to $500,000 the maximum amount of exemption from registration which may be provided by appropriate rules of the Commission. The House of Representatives deleted this provision from the bill as passed by the Senate. While your managers recommend that the Senate agree to the amendment made by the House, I believe it important to indicate the considerations which led to the inclusion of this provision in the Senate bill.

The amendment of section 3 (b) was designed to make the capital market more readily available to small businesses and at less expense, in accordance with the recommendation of the President in his Economic Report to the Congress. It was thus conceived as a part of the securities law amendment program for the purpose, "while fully protecting the interests of investors," of "making the capital markets more accessible to businesses of moderate size"—report of the President, 83d Congress, 2d session, House Document No. 289, January 28, 1954, page 88. Incidentally, I would like to point out that the amendment increasing the exemption for the smaller securities issues was very strongly advocated by the chairman of our Committee on Banking and Currency, Senator CAPEHART, as well as by the ranking member on the Democratic side, Senator MAYBANK.

It should be emphasized that the proposed amendment of section 3 (b) would not have made the increased exemption automatically available. It would have served only to increase the permissible and maximum amount of exemption from the registration provisions of the act subject to the terms and conditions provided in relevant regulations of the Commission.

In its regulations under section 3 (b) of the act, the Securities and Exchange Commission requires an offering circular to be delivered to the prospective purchaser and may by order suspend or deny the exemption because of fraud, threatened fraud, or other violation of the regulations. Persons using the offering circular are subject to civil liability and other sanctions for fraud and other inaccuracies under sections 12 and 17 of the Securities Act of 1933. Under present regulations these offering circulars which contain financial statements are examined in the Commission's regional offices before they may be used. It is the opinion of your Committee on Banking and Currency that the filing with and the scrutiny of the Commission of the literature employed under the exemption affords substantial safeguards.

As I have already indicated, a principal reason for increasing the exemptive amount was the disproportionate cost of registration for small issues. After careful consideration of the testimony of witnesses who appeared before your committee and urged an increase in the exemptive amount and of the considered views of the members of the Securities and Exchange Commission, your Committee on Banking and Currency was of the view that an increase of the exemptive amount, subject to appropriate safeguards, would be in the public interest.

Despite careful exploration of all of the pertinent considerations in conferences with the conferees on the part of the House of Representatives, many background conversations and attempts at compromise, the conferees on the part of the House were adamant in refusing to agree to the position of the Senate. In view of the importance of the other provisions of the bill and the long history of failure to reach a workable and noncontroversial solution to the problems dealt with in the bill beginning as early as 1939, your managers determined that the public interest could best be served by an agreement on the amendment made by the House. We have concluded, however, that the objective of reducing the cost of financing businesses of small and moderate size can be achieved if the Commission should take administrative action under powers it already has under the statutes.

During the past year or more the Commission has been seriously grappling with the problems of simplification of registration procedures, and a vigorous program of revision of rules, regulations and forms, including forms for the registration of new issues of securities, has been under way at the Commission, which tends to reduce the expense and difficulty of registration. I am advised that effective July 21 the Commission announced a new form, S–9, for institutional grade debt securities which substantially reduced the quantity and detail of information previously required and which will permit a prompter administrative processing of registration statements filed under that form. The Commission has also adopted a form S–8, which similarly simplifies the registration procedures for issuers offering securities to their employees.

The Commission has ample administrative powers under the act to classify issues and issuers, and guided by the broad outlines of schedule A of the act, to specify what types of information shall be included for registration statements and prospectuses of different classifications of issuers. We urge the Commission to address itself promptly to providing forms and procedures for the registration of issues of securities of small and moderate size that would permit reduction of the expense of registration of such issues, but which would, however, require all of the information, reasonably necessary to permit the investor to make an informed investment judgment as to that type of security, be furnished consistent with the basic purposes of the act.

I believe that this solution of the problem would have the advantage of preserving for investors in such issues the important protections afforded by the registration requirements of the act. These include the information provided by the issuers' prospectuses, including certified financial statements and the important civil liability of the issuer, the underwriters and others under section 11 of the act. The flexibility of the Commission's powers to prescribe forms of prospectuses will be significantly improved by provisions of the bill which will permit the use of summary prospectuses.

I am happy to report that Chairman WOLVERTON of the House Interstate and Foreign Commerce Committee, who was also chairman of the conference, has advised me that he shares these views as to the Commission's authority and the sug-

gestions made that the Commission address itself to the seeking of solutions to the problems posed by the expense of registration of small issues. I wish to quote from his very fine letter to me on this subject:

In such remarks as you may make on the Senate floor at the time, you may feel perfectly free to indicate my own sympathy with such proposal that the Commission undertake all action appropriate with reducing the costs of registration, revising applicable forms, and specifying types of information to be included in the prospectus and consistent with maintaining the liabilities and remedies contained in the act for the protection of investors.

The other amendments made by the House of Representatives are an amendment, requested by the Commission, making the bill effective 60 days after its enactment in order to afford sufficient time to formulate rules and revisions thereunder, and other amendments of legislative style.

I wish to thank the chairman of our committee, the distinguished and able senior Senator from Indiana [Mr. CAPEHART], for granting me the privilege of working on and helping to guide this important legislation through the Congress.

Mr. President, I simply wish to emphasize that the only change made in the Senate version of the bill was to eliminate the increase in exemption from $500,000, and to leave it at $300,000, where it has been for some years past. That is the exemption in the amount of securities issued, for which registration is required.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

CONSERVATION OF WATER RESOURCES

Mr. KNOWLAND. Mr. President, I understand that the Senator from Vermont desires to have considered the amendments of the House of Representatives to Senate Bill 3137, relating to the conservation of water resources. The consideration of the amendments has been discussed with the minority members of the Committee on Agriculture and Forestry, and also with the acting minority leader. I believe that action on the amendments will not require more than a few minutes.

Following the completion of such action, I plan to move that the Senate stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, which were, on page 2, line 14, after "estate", insert "corporation engaged in farming"; on page 2, line 17, after "any", insert "other"; on page 2, after line 21, insert:

SEC. 9. The Secretary of Agriculture is authorized, upon such terms and conditions as he shall prescribe, to make loans for the purposes of financing the improvement of farm land by soil or water conserving or drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pasture, sustained yield afforestation or reforestation, or other erosion preventatives, and such other related measures as may be determined from time to time by the Secretary.

And on page 2, line 22, strike out " "SEC. 9." and insert " "SEC. 10."

Mr. AIKEN. Mr. President, the Senate passed the bill unanimously sometime in May. The bill provides for the extension of the Water Resources Conservation Act to all States of the Union, making loans available in larger amounts than had previously been the case for the securing of water for household or irrigation purposes.

The House proposes to amend the bill by making loans available for the financing of drainage facilities, structures or practices, improvement of soil fertility, establishment of improved permanent pastures, sustained yield afforestation or reforestation, or other erosion preventatives. The House has added those items to the water facilities contained previously in the bill.

The Department of Agriculture approves the House amendment. I have spoken with most of the members of the Senate Committee on Agriculture and Forestry, and they have approved it.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FULBRIGHT. Is it very clear that the amendments do not restrict the scope of the loans which may be made?

Mr. AIKEN. The Senator is correct. They do not restrict the loans to the purpose of digging wells or waterholes.

Mr. FULBRIGHT. I completely concur in the amendments, and I am glad to support them.

Mr. AIKEN. I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont.

The motion was agreed to.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. CAPEHART. Mr. President, I offer an amendment to H. R. 9678, which I ask to have printed and lie on the table.

This amendment would increase to $750 million from $150 million the amount of nonmilitary funds to be made available under this act in the form of loans rather than grants. These loans would be made by the Export-Import Bank for specific purposes and on terms that will give reasonable assurance of repayment. These are the same terms upon which the Export-Import Bank is presently required to administer its own funds. However, the remaining provisions of the Export-Import Bank Act would not be made applicable to the funds it handles under the Mutual Security Act.

It has long been my thought that a properly administered loan program would accomplish far more toward the development of foreign countries and their mutual relations with the United States than would an outright program of handouts. The bill, as reported from the Foreign Relations Committee, already provides that not less than $150 million of the nonmilitary funds made available by the bill shall be available only on a loan basis to be administered by the Export-Import Bank. My amendment would increase this amount to $750 million, which roughly equals half of the nonmilitary funds authorized under this act. Moreover, my amendment would require that these funds be handled in the making of loans on a basis which could reasonably be expected to assure repayment of the funds to the United States with interest. Nothing in my amendment would detract from the purposes for which the funds made available under this act could be used. The main effect of the amendment would be to require that half of the nonmilitary funds be made available on a loan rather than a grant basis. I think it is high time that we started placing these programs on more of a business basis to assure the ultimate resumption of trade relations between this country and the nations we are aiding. My amendment will still allow half of the nonmilitary funds to be advanced on a grant basis wherever that is deemed necessary. However, it will go a long way toward reestablishing normal business relationships with our allies.

Mr. MAYBANK. I wish to concur thoroughly in what the Senator from Indiana has said. As a matter of fact, we have discussed the situation many times. I think the amendment will go a long way toward aiding business.

I want the RECORD to show that all the giveaway funds have not yet been given away. There are still $7,500,000,000 not spent, and negotiations are now in progress for about $2,500,000,000, as to which there have not been any commitments made by the FOA. So about $10 billion has not yet been given away.

I hope that when the appropriation bill is reported Senators on the floor will remember that $10 billion is still on hand. So we can not only eliminate $3,100,000,000, but also the $10 billion not yet spent.

Mr. CAPEHART. The Senator from South Carolina is saying that some $10 billion is still in the pipeline.

Mr. MAYBANK. That is correct.

Mr. CAPEHART. All the appropriation which is being made this year for foreign aid is in addition to the $10 billion.

The PRESIDING OFFICER. Does the Senator from Indiana desire to have his amendment considered at this time?

Mr. CAPEHART. No; I desire to have it printed and to lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. CAPEHART. My amendment will earmark $750 million, to be loaned for good business purposes, and to be repaid to the Treasury of the United States over either short terms or long terms. In other words, let us begin to put foreign aid on a businesslike basis. Let us lend the money. Let the borrowers pay interest on it, and let us have the money repaid. I think if we do that, our borrowers will have more respect for us. This will tend to produce more good will and make more friends, than if we gave the money away.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LONG. As the Senator knows, about $9 billion is on hand unexpended, at present. If I understand correctly, next year it is expected that $7 billion will be on hand and unexpended.

Mr. CAPEHART. That is correct.

Mr. LONG. Is it necessary to give all of it away now? Why not give some of it away later?

Mr. CAPEHART. At least, $750 million can be earmarked for lending, and we can hope to get it back. I think the amount should be more than $750 million, but I am willing to compromise, at the moment, on $750 million.

Mr. LONG. I recall that some time ago the Senator tried to make a very drastic reduction in the amount of the foreign giveaway program. He tried to reduce it by $3 billion. Looking at the proposal with hindsight, I regret now that I did not vote for the Senator's amendment.

Mr. CAPEHART. Even in those days we tried to put it on a loan basis, even if it were necessary to lend it for a period of 50 years, at a small rate of interest. Someday we would have had it repaid, and those to whom it was loaned would have appreciated it more. People do not like to think they are on charity. They would like to do business in a businesslike way. They would like to borrow money and they would like to repay it.

Mr. LENNON. Mr. President, I wonder if the Senator has figures as to how much money those charged with responsibility for the foreign aid and FOA had the right to spend during the past fiscal year?

Mr. CAPEHART. I think it has been brought out by the able Senator from South Carolina [Mr. MAYBANK] that there is still approximately $10 billion unspent in the pipeline. They have committed much of it. Some of it they have not contracted for, but the Congress has appropriated approximately $10 billion, which they have not as yet spent. They may have contracted for the goods and may have commitments outstanding for at least a portion of it. I cannot tell how much.

Mr. LENNON. Does the Senator know what the figures are for the unobligated funds to be carried over?

Mr. CAPEHART. I would be guessing. My best guess is about $3 billion. I would be glad to correct the RECORD tomorrow, when I get the facts.

Mr. LENNON. Do the figures in the bill include new money as well as the unobligated money carried over?

Mr. CAPEHART. Will the Senator state the question again?

Mr. LENNON. Do the figures in the pending bill include the unobligated funds carried over as well as the new money; or only the new money?

Mr. CAPEHART. I think the $3 billion I am talking about, which may be entirely too high, has a large sum of old funds which has not been obligated.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LONG. I believe the figure is somewhere around $2,300,000,000.

Mr. CAPEHART. Yes.

Mr. LONG. Or perhaps a few hundred million dollars more than that. There is at least $2,300,000,000 that is not even obligated of the money left over.

RECESS TO 10 O'CLOCK A. M. TOMORROW

Mr. REYNOLDS. Mr. President, in accordance with the order previously entered, I move the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 50 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, July 29, 1954, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 28 (legislative day of July 2), 1954:

DEPARTMENT OF THE AIR FORCE

Lyle S. Garlock, of Minnesota, to be Assistant Secretary of the Air Force vice H. Lee White, resigned.

UNITED STATES ATTORNEY

Louis B. Blissard, of Hawaii, to be United States attorney for the district of Hawaii, vice Albert William Barlow, resigned.

COMPTROLLER OF CUSTOMS

Lorene W. Bowlus, of Maryland, to be comptroller of customs with headquarters in Baltimore, Md., to fill an existing vacancy.

COLLECTOR OF CUSTOMS

Frank Peska, of Illinois, to be collector of customs for customs collection district No. 39, with headquarters at Chicago, Ill., to fill an existing vacancy.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Earney W. Shaw, Holly Pond, Ala., in place of Oscar Taylor, retired.

ARKANSAS

Irel C. Bellville, Little Rock, Ark., in place of E. M. Robinson, retired.

CALIFORNIA

Edward J. Victor, Corte Madera, Calif., in place of E. B. Baily, retired.

Charles A. Messick, La Quinta, Calif., in place of T. O. Brooks, deceased.

CONNECTICUT

Gordon L. King, Madison, Conn., in place of C. A. Theis, retired.

Goldia P. Dabbs, Northford, Conn., in place of W. J. Maley, retired.

GEORGIA

William C. Lovejoy, Jr., Decatur, Ga., in place of L. R. Billups, retired.

Harry R. Tucker, Sr., Gainesville, Ga., in place of H. R. Hancock, retired.

ILLINOIS

Elmer W. Johnson, Cherry Valley, Ill., in place of M. M. Hyland, resigned.

Harold J. Fenwick, Malden, Ill., in place of L. C. I. Johnson, resigned.

INDIANA

Hiram J. Shepherd, Butlerville, Ind., in place of P. L. Hyden, resigned.

Roy E. Nelson, Connersville, Ind., in place of W. H. Luking, retired.

Don P. Guild, Medaryville, Ind., in place of Lowell Odom, deceased.

IOWA

Edwin H. Curtis, Chariton, Iowa, in place of D. C. Batten, deceased.

LOUISIANA

Benjamin J. Haygood, Jr., Belcher, La., in place of M. M. Gleason, retired.

MAINE

Donald T. Reilly, New Harbor, Maine, in place of M. R. Tyus, retired.

MASSACHUSETTS

Anna M. Shea, Barrowsville, Mass., in place of J. P. Bartley, deceased.

Nils Sture Nelson, Norwood, Mass., in place of F. M. Adelmann, retired.

Stacy P. Taylor, South Wellfleet, Mass., in place of E. A. Davis, retired.

MICHIGAN

Chester F. Lee, Armada, Mich., in place of E. W. Lyons, transferred.

Ralph G. Hartsig, Van Dyke, Mich., in place of William Stahl, transferred.

MINNESOTA

Dale E. Matteson, Akeley, Minn., in place of J. I. Malerich, transferred.

Walter J. Jacob, Anoka, Minn., in place of W. L. Ward, retired.

Harold J. Mumme, Franklin, Minn., in place of G. M. Freeman, retired.

Edward K. Tanner, Little Falls, Minn., in place of S. C. Beniek, resigned.

Siegfried E. Schmidtke, Morristown, Minn., in place of P. M. Saemrow, deceased.

Glenn B. Burbach, Rochester, Minn., in place of J. W. Feller, deceased.

Bernard J. Rauen, Waconia, Minn., in place of E. C. Bahr, retired.

MISSOURI

Madge D. Graham, Rothville, Mo., in place of M. E. Vassar, resigned.

MONTANA

Norman E. Blythe, Havre, Mont., in place of C. L. Gorman, deceased.

Joseph M. Tackes, Power, Mont., in place of R. N. Baggenstoss, resigned.

NEBRASKA

Charley L. Dickey III, Columbus, Nebr., in place of E. C. Kavanaugh, retired.

NEW HAMPSHIRE

Frank A. Fogg, Center Ossipee, N. H., in place of C. F. Bamford, deceased.

NEW JERSEY

Robert A. Cooper, Mount Arlington, N. J., in place of J. R. Johnson, retired.

NEW MEXICO

Lewis H. Moore, Farmington, N. Mex., in place of M. D. Woods, resigned.

NEW YORK

Edward W. Gent, Wellsville, N. Y., in place of C. N. Marshall, retired.

John A. Harrington, West Oneonta, N. Y., in place of S. A. Gregory, resigned.

NORTH CAROLINA

Aretta S. Crumpton, Altamahaw, N. C., in place of O. V. Underwood, retired.

Powell W. Patrick, Lake Lure, N. C., in place of E. S. Holliman, resigned.

NORTH DAKOTA

Pearl E. Taylor, Alexander, N. Dak., in place of B. K. Jenner, removed.

Alice L. Margach, Grandin, N. Dak., in place of G. W. Skinner, transferred.

Donald M. Tofteland, Martin, N. Dak., in place of V. C. Magnuson, resigned.

Martin E. Quam, Warwick, N. Dak., in place of K. P. Ferrell, transferred.

OHIO

Paul R. Boyd, Barnesville, Ohio, in place of Floyd Turner, deceased.

Joseph S. Frantz, Cleveland, Ohio, in place J. F. Prosser, retired.

Ellsworth C. Young, Middlebranch, Ohio, in place of H. H. Lesh, retired.

Orll O. Miller, Mount Blanchard, Ohio, in place of H. J. Benjamin, retired.

Sister Mary Annice Cushman, Mount Saint Joseph, Ohio, in place of Sister M. A. Humpert, resigned.

Charles R. Leech, Newcomerstown, Ohio, in place of K. H. Baxter, retired.

Frank R. Faires, Stockport, Ohio, in place of R. A. Durbin, transferred.

OREGON

Friedrick W. Knieling, Marion, Oreg., in place of C. A. Smith, retired.

PENNSYLVANIA

Charlotta F. Ferren, Allenport, Pa., in place of J. M. Jones, retired.

Harold V. Eichelberger, Lewisberry, Pa., in place of H. E. Hake, resigned.

SOUTH DAKOTA

Irwin B. Linstad, Eagle Butte, S. Dak., in place of I. H. Pinnell, retired.

Delvin Meyer, Mission, S. Dak., in place of Harry Dettman, retired.

TENNESSEE

Johnie E. Law, Westmoreland, Tenn., in place of E. B. Simmons, transferred.

TEXAS

Frank T. Coffman, Bagwell, Tex., in place of B. F. Brooks, removed.

Douglas N. Pegues, Cleburne, Tex., in place of R. L. Doak, deceased.

Martin E. Franklin, Fort Hancock, Tex., in place of E. E. Bush, retired.

Kenneth Whelply, Nederland, Tex., in place of W. O. Haizlip, resigned.

Nathan O. Jackson, Tolar, Tex., in place of V. E. Newman, transferred.

VIRGINIA

George C. Burnop, Chatham Hill, Va., in place of P. J. DeBord, retired.

WASHINGTON

Gilbert E. Manuel, College Place, Wash., in place of E. H. Davis, retired.

WYOMING

Charles F. Hessenthaler, Byron, Wyo., in place of M. B. Cozzens, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 28 (legislative day of July 2), 1954:

DEPARTMENT OF THE TREASURY

W. Randolph Burgess, of New York, to be Under Secretary of the Treasury for Monetary Affairs.

Laurence B. Robbins, of Illinois, to be Assistant Secretary of the Treasury.

UNITED STATES TARIFF COMMISSION

Glenn W. Sutton, of Georgia, to be a member of the United States Tariff Commission for the term expiring June 16, 1960.

COMPTROLLERS OF CUSTOMS

Albert V. Becker, of Illinois, to be comptroller of customs with headquarters at Chicago, Ill.

Raymond L. Rhodes, of New Jersey, to be comptroller of customs with headquarters at New York, N. Y.

COLLECTOR OF CUSTOMS

Arthur Rogers, to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn.

DEPARTMENT OF AGRICULTURE

Earl L. Butz, of Indiana, to be Assistant Secretary of Agriculture.

FOREIGN OPERATIONS ADMINISTRATION

William F. Russell, of Connecticut, to be the Deputy Director for Technical Services, Foreign Operations Administration.

DIPLOMATIC AND FOREIGN SERVICE

Arthur A. Ageton, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Paraguay.

ROUTINE APPOINTMENTS

The following-named Foreign Service officers for promotion to grade indicated:

Class 2

Daniel V. Anderson, of Delaware.
Peyton Kerr, of Virginia.

Class 4 and consul

Howard L. Boorman, of the District of Columbia.
Nathaniel Davis, of New Jersey.
Ralph J. McGuire, of the District of Columbia.
G. Alonzo Stanford, of Michigan.
John Patrick Walsh, of Illinois.

Class 5

Lawrence H. Berlin, of Illinois.

Consul general

John N. Hamlin, of Oregon.
William E. Cole, Jr., of New York.
Murat W. Williams, of Virginia.

Class 3, consul, and secretary

D. Chadwick Braggiotti, of Connecticut, reappointment as Foreign Service officer in the diplomatic service, in accordance with the provisions of section 520 (a) of the Foreign Service Act of 1946.

The following-named persons for appointment as Foreign Service officers in the diplomatic service:

Class 3, consul, and secretary

John M. Kennedy, of Virginia.
Vernon L. Phelps, of Illinois.

Class 4, consul, and secretary

Charles T. Cross, of Virginia.
Richard A. Godfrey, of Kentucky.
Robert E. Read, of New York.

Class 6, vice consul of career, and secretary

Laurence E. Ainsworth, of California.
James W. Mahoney, of Indiana.
Robert T. Murphy, of Connecticut.
Robert G. Shackleton, of Ohio.
Francis R. Starrs, Jr., of California.

POSTMASTERS

CALIFORNIA

Wilma M. Anderson, Baker.
Leonard V. Livingston, Baldwin Park.
Myles B. Ellis, Crescent City.
Francis M. Schaffer, Encino.
June C. Kennedy, Liberty Farms.
George J. McMillin, Long Beach.
Florence R. Coggins, Nipton.
Clarence R. Lamb, Santa Paula.
Dorothy Irma Paxton, Tipton.
David Bordessa, Valley Ford.

COLORADO

Frances K. Woodward, Kiowa.
Marion E. Benedict, Uravan.

CONNECTICUT

Wesley F. Gomez, Cornwall Bridge.
John L. Titus, Stafford.
Guy C. Hosmer, Waterford.

FLORIDA

Charles E. Yon, Blountstown.
Thomas M. Love, Chipley.
Frank J. Hill, Jr., San Antonio.

IDAHO

Harold C. Hunter, Filer.
Wallace K. Whitehead, Lava Hot Springs.
Thomas W. Richardson, Worley.

ILLINOIS

John W. Duncan, Assumption.
Denby R. Boring, Carlinville.
William R. Logan, Carmi.
Louise M. Florian, Chicago Ridge.
Leroy J. Mager, Frankfort.
William K. Sheridan, Havana.
Phillip Day, Jacksonville.
Judson Paul Newcomer, Knoxville.
Lester V. DuMontell, Momence.
C. Fern Boston, Owaneco.
Roy E. McMahan, Potomac.

INDIANA

Paul Winter, Bicknell.

IOWA

Virgil L. Ellis, Allerton.
Robert N. Steinick, Madrid.

KANSAS

George K. Jackson, Emporia.

MAINE

Russell M. Batson, West Jonesport.

MARYLAND

Catharine L. C. Hilferty, Baldwin.
John W. McGreevy, Linthicum Heights.

MASSACHUSETTS

Renaldo A. Consoletti, Milford.
Arthur P. Phillips, Monterey.
Francis R. Sinervo, Palmer.

MICHIGAN

Albert E. Holmes, Bruce Crossing.
H. Wayne Parker, Grand Rapids.
George A. Duncan, Hillsdale.
Harold C. Lowing, Jenison.
Martin C. Kasischke, Tawas City.
William Karsten, Zeeland.

MINNESOTA

Lester K. Strawsell, Callaway.
Clarence E. Peterson, Goodridge.
Orville J. Wilson, Hallock.
Lloyd H. Lee, Hanley Falls.
John A. Anderson, New York Mills.
Lloyd E. Johnson, Palisade.
Harry L. Sherman, Rush City.
Donald C. Brown, Waseca.

MISSOURI

Glen E. Sell, Deepwater.
Robert W. Fast, Liberal.
Chester Arch Bay, Springfield.

MONTANA

Alma E. V. Youngberg, Clyde Park.
Gordon L. Johnson, Dodson.
Ruth Sieler, Plevna.

NEBRASKA

Edwin Gorton, Crawford.
Ronald A. Whitehead, Mason City.
Wilbur B. Brown, Miller.

NEVADA

Ellis J. Folsom, Carson City.
Myra B. Johnson, Mercury.

NEW JERSEY

Preston Fisher, Cape May Court House.
Florence M. Champion, Dorchester.

Benjamin Paul Heritage, Mullica Hill.
Anna L. Hagstrom, Wanaque.

NEW MEXICO

Horace G. Hubert, Carlsbad.
Evelyn R. Goodner, Jal.
Sybil S. Schlittler, Oil Center.

NEW YORK

Glenn O. Robinson, Adams.
Nicholas J. Graziose, Albertson.
Merlin W. Osterhout, Altamont.
George H. Walter, Annandale-on-Hudson.
Alexander R. Clark, Babylon.
Harold L. Payne, Bainbridge.
James R. Walker, Baldwinsville.
Robert J. Crossen, Basom.
Alonzo Winslow Valentine, Bayville.
Ada J. Dunn, Big Moose.
James W. Trimmingham, Branchport.
Carl S. Chiavetta, Brant.
Carl H. Hamlin, Brushton.
William E. Heady, Buchanan.
Joseph R. Hawn, Buffalo.
Valentine Bubb, Burnt Hills.
Raymond R. Ebersole, Clarence Center.
Milton J. Deuink, Clymer.
Floyd W. English, Corning.
Clarence A. Smith, Cornwallville.
Ruth M. Bohner, Cross River.
Charles A. Winslow, Deansboro.
Gordon M. Pixley, Delevan.
John A. DeFrees, Durhamville.
Edith B. Wright, Elbridge.
Lester H. Sweatt, Essex.
Clyde E. Van Rensselaer, Forestville.
Paul E. Lunt, Fort Ann.
John J. Loughnane, Franklin Square.
Mark S. Western, Herkimer.
Fred D. Adams, Highland Mills.
James W. McArthur, Holland.
Stanley C. Shaw, Ithaca.
Signe H. Halleran, Jericho.
Homer J. Smith, Lake George.
Leslie G. Ross, Lake Placid Club.
Sherman J. Day, Lowville.
Ina E. Tymeson, Maine.
Alton D. Wiggins, Mannsville.
Elnora H. Oakley, Middlesex.
Marion E. Dickens, Middleville.
Scott E. Gage, Morris.
Raymond F. Schermerhorn, New Baltimore.
Ralph P. Sinsabaugh, New Hamburg.
Anthony J. Rivers, New Rochelle.
Anthony J. Keller, Niagara Falls.
Neva B. Quick, Nichols.
Ward C. Hazard, Norwich.
Earl E. Casey, Ontario.
Francis X. Hannigan, Ossining.
Ralph U. Jeffords, Oxford.
Geary H. Whitlock, Patchogue.
Alvin R. Bunce, Pavilion.
Walter E. Davis, Port Jefferson.
Howard L. King, Potsdam.
Henry A. Glasstetter, Poughkeepsie.
Jennie I. Goodale, Quogue.
Doris K. Bartow, Rexford.
Charles Thomas Williams, Rome.
Frank L. Miller, Roslyn Heights.
Mildred S. Worcester, Rotterdam Junction.
Doris J. Barclay, Salisbury Center.
Thomas M. Powers, Scipio Center.
Guy Robert Fisher, Sherman.
Ronald J. Smith, Springville.
Robert L. Hosmer, Star Lake.
Urban C. Everling, Stony Brook.
Alice C. Lenz, Strykersville.
Harold Allen, Tannersville.
Karl F. W. Mowitz, Tonawanda.
Adrian Rumsey, Van Etten.
Elizabeth B. Kenfield, Verona.
Anthony J. Audi, West Albany.
Mabel D. Weidner, West Shokan.
Harold E. Wild, Westtown.

NORTH CAROLINA

Henry G. Williamson, Cerro Gordo.
William B. Johnson, Salemburg.
Lillian B. Spencer, South Mills.

OHIO

Eleanor H. Sanders, Beulah Beach.
Marvin L. Ickes, Dunkirk.
Albert D. Etter, Kingston.
Garnette L. Vallandingham, Midland.
Floyd L. Carey, New Vienna.
Charles W. Swanger, Shelby.
Herbert W. Baker, Jr., Wharton.

OKLAHOMA

Gene Y. Harley, Comanche.
Charles B. Bolar, Gotebo.
Harold S. Howard, McAlester.

OREGON

Theodore R. Willard, Empire.

PENNSYLVANIA

Espy G. Thomas, Boswell.
Elizabeth V. Hixenbaugh, New Eagle.
Harold D. Schildt, Reading.
Fred K. Giesler, Waterford.
Paul E. Trump, York Springs.

SOUTH CAROLINA

Ida B. Feagin, Bonneau.

SOUTH DAKOTA

Edward Keith Welch, Blunt.
Melvin H. Koepsell, Canova.
Joseph M. Jones, Fairview.
Roland D. Schlaht, Gregory.
Chester A. Hattervig, Viborg.

TEXAS

Glen D. Kelley, Aledo.
Edgar M. Jackson, Athens.
Edna Caryl Naugle, Saginaw.
Betty J. Beene, Terminal.
Joe P. Bullion, Truscott.
Jerrold D. Wilkinson, West.

UTAH

Nora R. Hatsis, Kenilworth.
Elmer M. Williams, West Jordan.

VERMONT

Parker C. Risley, Perkinsville.

WASHINGTON

Vivienne I. Cochran, Almira.
Howard J. Wohrle, Deer Park.
Harry L. Thompson, Everson.
Yolande F. Sherman, Farmington.
Thomas H. Hudson, Manson.
William Wayne Maitland, Pateros.
Walter S. Herstrom, Port Townsend.
Peter P. Perry, Raymond.
Margaret Bright, Richmond Beach.
Herbert A. Miller, Stevenson.
Keith S. Marney, Waterville.

WEST VIRGINIA

Elba F. Davidson, Branchland.
Archie W. Dalrymple, Chester.
Bernard R. Osborne, Griffithsville.
Leona E. Miller, Lesage.

WISCONSIN

Herman C. Lawin, Cornucopia.
Howard E. Beaulier, Goodman.
Paul M. Saftig, Kenosha.
Victor H. Braum, Pickerel.
Ervin C. Schroeder, Saukville.
Orville E. Wildes, Warrens.
Karl E. Freitag, Waterloo.

WYOMING

Florence E. Hall, Moorcroft.
Cleo V. Malone, Yoder.

WITHDRAWALS

Executive nominations withdrawn from the Senate July 28 (legislative day of July 2), 1954:

WAR CLAIMS COMMISSION

The following-named persons to be members of the War Claims Commission, which were sent to the Senate on February 15, 1954:

Raymond T. Armbruster, of New York.
Whitney Gilliland, of Iowa.
Mrs. Pearl Carter Pace, of Kentucky.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 28, 1954

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of all goodness, in the morning hour of this new day may we feel the divine urge to perform our tasks and responsibilities with a full measure of fidelity and devotion.

Grant that in the terrific moral and spiritual struggles of our generation we may never manifest a spirit of surrender or betrayal of lofty principles.

Inspire us daily with that resolute and invincible spirit which knows how to meet great issues with faith and serenity.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MUTUAL SECURITY APPROPRIATION ACT, 1955

The SPEAKER. The unfinished business before the House is the question on the passage of the bill (H. R. 10051) making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes.

The question is on the passage of the bill.

Mr. RAYBURN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 266, nays 128, not voting 38, as follows:

[Roll No. 120]

YEAS—266

Addonizio	Chudoff	Fountain
Albert	Cole, N. Y.	Frazier
Allen, Calif.	Condon	Frelinghuysen
Allen, Ill.	Cooley	Friedel
Andersen, H. Carl	Cooper	Fulton
Arends	Corbett	Garmatz
Aspinall	Coudert	Gary
Auchincloss	Cretella	Gathings
Ayres	Crosser	Golden
Baker	Cunningham	Goodwin
Barrett	Curtis, Mass.	Gordon
Bates	Dague	Graham
Becker	Davis, Ga.	Granahan
Bender	Dawson, Ill.	Green
Boggs	Dawson, Utah	Gregory
Boland	Deane	Gubser
Bolling	Delaney	Hagen, Calif.
Bolton, Frances P.	Derounian	Hale
	Devereux	Halleck
Bolton, Oliver P.	D'Ewart	Harden
	Dingell	Hardy
Bonin	Dodd	Hart
Bosch	Dollinger	Hays, Ark.
Bowler	Donohue	Hays, Ohio
Boykin	Donovan	Heselton
Brooks, Tex.	Dorn, N. Y.	Hess
Brown, Ga.	Doyle	Hill
Brownson	Durham	Hillings
Broyhill	Eberharter	Holifield
Buchanan	Edmondson	Holmes
Burleson	Elliott	Holt
Bush	Ellsworth	Holtzman
Byrd	Engle	Hope
Byrne, Pa.	Evins	Hosmer
Campbell	Fallon	Howell
Canfield	Feighan	Hunter
Cannon	Fenton	Hyde
Carnahan	Fernandez	Ikard
Carrigg	Fine	Jackson
Celler	Fino	James
Chelf	Fogarty	Jarman
Chenoweth	Forand	Javits
Chiperfield	Ford	Jenkins
	Forrester	Johnson, Calif.

Johnson, Wis.	Moss	Saylor
Jones, Ala.	Multer	Scott
Jones, Mo.	Mumma	Scudder
Judd	Natcher	Seely-Brown
Karsten, Mo.	Norblad	Shelley
Kean	Oakman	Sheppard
Kearney	O'Brien, Ill.	Sieminski
Keating	O'Brien, N. Y.	Simpson, Pa.
Kee	O'Hara, Ill.	Small
Kelley, Pa.	O'Neill	Smith, Miss.
Kelly, N. Y.	Osmers	Spence
Keogh	Ostertag	Springer
Kersten, Wis.	Patman	Staggers
Kilday	Patterson	Stauffer
King, Calif.	Pelly	Steed
Kirwan	Perkins	Sullivan
Klein	Pfost	Taber
Kluczynski	Philbin	Taylor
Lane	Pilcher	Thompson, Tex.
Lanham	Pillion	Thornberry
Lantaff	Poage	Tollefson
Latham	Poff	Trimble
LeCompte	Polk	Vorys
Lesinski	Preston	Vursell
Lipscomb	Price	Wainwright
McCarthy	Prouty	Walter
McConnell	Rabaut	Wampler
McCormack	Radwan	Warburton
McDonough	Rains	Watts
Mack, Ill.	Ray	Westland
Madden	Rayburn	Wharton
Magnuson	Reams	Wickersham
Mahon	Rhodes, Ariz.	Widnall
Marshall	Rhodes, Pa.	Wier
Matthews	Richards	Wigglesworth
Meader	Riehlman	Williams, N. J.
Merrill	Riley	Williams, N. Y.
Merrow	Roberts	Wilson, Calif.
Metcalf	Robsion, Ky.	Wilson, Ind.
Miller, Calif.	Rodino	Wolcott
Miller, Kans.	Rogers, Colo.	Wolverton
Miller, Md.	Rogers, Fla.	Yates
Miller, N. Y.	Rogers, Mass.	Yorty
Mollohan	Rooney	Younger
Morano	Sadlak	Zablocki
Morgan	St. George	

NAYS—128

Abbitt	Dowdy	Nicholson
Abernethy	Fisher	Norrell
Adair	Gavin	O'Hara, Minn.
Alexander	Gentry	O'Konski
Andresen, August H.	George	Passman
	Grant	Patten
Andrews	Gross	Phillips
Ashmore	Gwinn	Reece, Tenn.
Bailey	Hagen, Minn.	Reed, Ill.
Barden	Haley	Reed, N. Y.
Battle	Hand	Rees, Kans.
Beamer	Harrison, Nebr.	Rivers
Belcher	Harrison, Va.	Robeson, Va.
Bennett, Fla.	Harvey	Rogers, Tex.
Bennett, Mich.	Herlong	Schenck
Bentley	Hiestand	Scherer
Berry	Hillelson	Scrivner
Betts	Hoffman, Ill.	Selden
Bishop	Hoffman, Mich.	Shafer
Bonner	Horan	Sheehan
Bow	Hruska	Shuford
Bramblett	Jensen	Sikes
Bray	Jonas, Ill.	Simpson, Ill.
Brown, Ohio	Jonas, N. C.	Smith, Kans.
Budge	Jones, N. C.	Smith, Va.
Burdick	Kearns	Smith, Wis.
Busbey	King, Pa.	Stringfellow
Byrnes, Wis.	Knox	Talle
Carlyle	Krueger	Thomas
Cederberg	Laird	Thompson, Mich.
Church	Landrum	Tuck
Clardy	Lovre	Utt
Clevenger	McCulloch	Van Pelt
Cole, Mo.	McGregor	Van Zandt
Colmer	McIntire	Velde
Coon	McMillan	Whitten
Crumpacker	McVey	Williams, Miss.
Curtis, Mo.	Mack, Wash.	Wilson, Tex.
Davis, Wis.	Martin, Iowa	Winstead
Dempsey	Mason	Withrow
Dies	Miller, Nebr.	Young
Dolliver	Mills	
Dondero	Moulder	
Dorn, S. C.	Neal	

NOT VOTING—38

Angell	Harris	Mailliard
Bentsen	Harrison, Wyo.	Morrison
Blatnik	Hébert	Murray
Brooks, La.	Hinshaw	Nelson
Buckley	Hoeven	O'Brien, Mich.
Chatham	Kilburn	Powell
Cotton	Long	Priest
Curtis, Nebr.	Lucas	Regan
Davis, Tenn.	Lyle	Roosevelt
Gamble	Machrowicz	Secrest
Short	Thompson, La.	Wheeler
Sutton	Vinson	Willis
Teague	Weichel	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Kilburn for, with Mr. Hoeven against.
Mr. Vinson for, with Mr. Bentsen against.
Mr. Roosevelt for, with Mr. Curtis of Nebraska against.
Mr. Hébert for, with Mr. Weichel against.
Mr. Buckley for, with Mr. Harrison of Wyoming against.
Mr. Machrowicz for, with Mr. Lyle against.

Until further notice:

Mr. Angell with Mr. Morrison.
Mr. Hinshaw with Mr. Willis.
Mr. Mailliard with Mr. Thompson of Louisiana.
Mr. Nelson with Mr. O'Brien of Michigan.
Mr. Gamble with Mr. Powell.
Mr. Cotton with Mr. Chatham.

Mr. STAUFFER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

INTERNAL REVENUE CODE OF 1954

Mr. REED of New York. Mr. Speaker, I call up the conference report on the bill (H. R. 8300) to revise the internal revenue laws of the United States, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. EBERHARTER. Mr. Speaker, reserving the right to object, and it is not my purpose to object to dispensing with reading of the entire report, but, Mr. Speaker, I have in mind making a point of order against the conference report. As I understand it, the proper time to present that is before commencement of the reading of the statement. If that be so I must object at this time.

The SPEAKER. This is the proper time for the gentleman to object if he is going to.

Mr. EBERHARTER. Mr. Speaker, I object to the reading of the statement in lieu of the conference report.

The SPEAKER. What is the gentleman's point of order?

Mr. EBERHARTER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. EBERHARTER. Mr. Speaker, I think the proper order of business now is the reading of the conference report.

The SPEAKER. The Clerk will read the conference report.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. Mr. Speaker, would it be possible for the gentleman's point of order to be in order, even though the reading of the entire report is dispensed with?

The SPEAKER. The Chair may say that without objection the report can be considered read, and the gentleman then may make his point of order. Is there objection to that procedure?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2543)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8300) to revise the internal revenue laws of the United States, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 10a, 12 (4), 41a, 41b, 57a, 67a, 74a, 110, 129a, 141a, 154, 155, 178, 179, 180, 185a, 220a, 271b, 273a, 281a, 413a, 485a, 486 (1), 486 (2), 486 (3), 494, and 551.

That the House recede from its disagreement to the amendments of the Senate numbered 1 (1), 1 (2), 2 (1), 4, 5, 6, 8, 9, 11, 12 (1), 12 (2), 12 (3), 12 (5), 13, 14, 15, 16, 17 (2), 18, 19, 20, 21, 22, 23 (1), 23 (2), 23 (4), 24, 25, 26, 27, 28, 29, 31, 33, 34, 34a, 35, 36, 37, 38, 39, 40, 41, 42, 44, 46, 47, 48, 49, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 61a, 62, 63, 64, 65, 66, 67, 67b, 68 (1), 68 (4), 69, 70, 71, 72, 73 (2), 74, 75, 76, 76a, 77, 78, 80, 81, 84, 85 (1), 86, 87, 88, 89, 90, 91, 92, 93 (2), 94, 95, 96 (1), 97, 98, 100, 102 (2), 102a, 103, 105, 105a, 106, 107, 108, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 156 (1), 156 (2), 157, 158, 159, 160, 161, 162, 163 (1), 163 (3), 163 (4), 164, 165 (1), 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 181, 182, 183, 184, 185, 186 (2), 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220 (1), 220 (2), 220 (3), 220 (4), 221, 222, 223, 224, 225, 226, 227 (2), 228, 229, 230, 231, 232, 232a, 232b, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 244, 245, 247, 248, 249, 250, 251, 252, 253, 253a, 254, 255, 256, 257, 260, 261, 262, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 301a, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 379a, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 406a, 407, 408, 409, 410, 411, 412, 413, 414, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 466a, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486 (4), 487, 488, 489, 490, 491, 492, 493, 495, 496, 497, 498, 498a, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545 (1), 545 (3), 545 (4), 546, 547, 548, 549, 550, and 553, and agree to the same.

Amendment numbered 1 (3): That the House recede from its disagreement to the amendment of the Senate numbered 1 (3), and agree to the same with an amendment

as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Subchapter R. Election of certain partnerships and proprietorships as to taxable status."

And the Senate agree to the same.

Amendment numbered 1 (4): That the House recede from its disagreement to the amendment of the Senate numbered 1 (4), and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment and insert the following: "or return of surviving spouse"; and the Senate agree to the same.

Amendment numbered 2 (2): That the House recede from its disagreement to the amendment of the Senate numbered 2 (2), and agree to the same with an amendment as follows:

On page 3 of the Senate engrossed amendments, strike out line 1 and all that follows through line 11 on page 4, and insert the following:

"(2) DEFINITION OF HEAD OF HOUSEHOLD.—For the purposes of this subtitle, an individual shall be considered a head of a household if, and only if, such individual is not married at the close of his taxable year, is not a surviving spouse (as defined in section 2 (b)), and either—

"(A) maintains as his home a household which constitutes for such taxable year the principal place of abode, as a member of such household, of—

"(i) a son, stepson, daughter, or stepdaughter of the taxpayer, or a descendant of a son or daughter of the taxpayer, but if such son, stepson, daughter, stepdaughter, or descendant is married at the close of the taxpayer's taxable year, only if the taxpayer is entitled to a deduction for the taxable year for such person under section 151, or

"(ii) any other person who is a dependent of the taxpayer, if the taxpayer is entitled to a deduction for the taxable year for such person under section 151, or

"(B) maintains a household which constitutes for such taxable year the principal place of abode of the father or mother of the taxpayer, if the taxpayer is entitled to a deduction for the taxable year for such father or mother under section 151.

For purposes of this paragraph and of section 2 (b) (1) (B), an individual shall be considered as maintaining a household only if over half of the cost of maintaining the household during the taxable year is furnished by such individual."

On page 5 of the Senate engrossed amendments, strike out lines 3 through 6 and insert the following:

"(4) LIMITATIONS.—Notwithstanding paragraph (2), for purposes of this subtitle a taxpayer shall not be considered to be a head of a household—

"(A) if at any time during the taxable year he is a nonresident alien; or

"(B) by reason of an individual who would not be a dependent for the taxable year but for—

"(i) paragraph (9) of section 152 (a),

"(ii) paragraph (10) of section 152 (a), or

"(iii) subsection (c) of section 152."

And the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3 and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment, and in lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 2. Tax in case of joint return or return of surviving spouse.

"(a) RATE OF TAX.—In the case of a joint return of a husband and wife under section 6013, the tax imposed by section 1 shall be twice the tax which would be imposed if the taxable income were cut in half. For purposes of this subsection and section 3, a return of a surviving spouse (as defined in subsection (b)) shall be treated as a joint return of a husband and wife under section 6013.

"(b) DEFINITION OF SURVIVING SPOUSE.—

"(1) IN GENERAL.—For purposes of subsection (a), the term 'surviving spouse' means a taxpayer—

"(A) whose spouse died during either of his two taxable years immediately preceding the taxable year, and

"(B) who maintains as his home a household which constitutes for the taxable year the principal place of abode (as a member of such household) of a dependent (i) who (within the meaning of section 152) is a son, stepson, daughter, or stepdaughter of the taxpayer, and (ii) with respect to whom the taxpayer is entitled to a deduction for the taxable year under section 151.

(2) LIMITATIONS.—Notwithstanding paragraph (1), for purposes of subsection (a) a taxpayer shall not be considered to be a surviving spouse—

"(A) if the taxpayer has remarried at any time before the close of the taxable year, or

"(B) unless, for the taxpayer's taxable year during which his spouse died, a joint return could have been made under the provisions of section 6013 (without regard to subsection (a) (3) thereof) or under the corresponding provisions of the Internal Revenue Code of 1939."

And the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10 and agree to the same with the following amendments:

Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 9, in section 34, of the House bill, strike out subsection (a) and insert the following:

"(a) GENERAL RULE.—Effective with respect to taxable years ending after July 31, 1954, there shall be allowed to an individual, as a credit against the tax imposed by this subtitle for the taxable year, an amount equal to 4 percent of the dividends which are received after July 31, 1954, from domestic corporations and are included in gross income."

On page 9, in section 34 (b) (2), of the House bill, strike out subparagraphs (B) and (C) and insert the following:

"(B) 4 percent, in the case of a taxable year ending after December 31, 1954."

On page 9, in section 34 (d), of the House bill, strike out paragraph (1).

On page 9, in section 34 (d) (2), of the House bill, strike out "(2)" and insert the following: "(1)".

On page 9, in section 34 (d) (3), of the House bill, strike out "(3)" and insert the following: "(2)".

And the Senate agree to the same.

Amendment numbered 17 (1): That the House recede from its disagreement to the amendment of the Senate numbered 17 (1), and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, strike out the matter proposed to be inserted by the Senate amendment, and on page 13, in section 62 (5), of the House bill, after "following)", insert the following: ", by section 212 (relating to expenses for production of income),"; and the Senate agree to the same.

Amendment numbered 23 (3): That the House recede from its disagreement to the amendment of the Senate numbered 23 (3), and agree to the same with an amendment as follows: On page 14 of the Senate engrossed amendments, strike out lines 11 and 12 and insert "amount certificate, as defined in section 2 (a) (15) of the Investment Company Act of 1940 (15 U. S. C., sec. 80a–2), issued after December 31, 1954."; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment and after the matter so restored insert the matter proposed to be inserted by the Senate amendment; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 105. Amounts received under accident and health plans.

"(a) AMOUNTS ATTRIBUTABLE TO EMPLOYER CONTRIBUTIONS.—Except as otherwise provided in this section, amounts received by an employee through accident or health insurance for personal injuries or sickness shall be included in gross income to the extent such amounts (1) are attributable to contributions by the employer which were not includible in the gross income of the employee, or (2) are paid by the employer.

"(b) AMOUNTS EXPENDED FOR MEDICAL CARE.—Except in the case of amounts attributable to (and not in excess of) deductions allowed under section 213 (relating to medical, etc., expenses) for any prior taxable year, gross income does not include amounts referred to in subsection (a) if such amounts are paid, directly or indirectly, to the taxpayer to reimburse the taxpayer for expenses incurred by him for the medical care (as defined in section 213 (e)) of the taxpayer, his spouse, and his dependents (as defined in section 152).

"(c) PAYMENTS UNRELATED TO ABSENCE FROM WORK.—Gross income does not include amounts referred to in subsection (a) to the extent such amounts—

"(1) constitute payment for the permanent loss or loss of use of a member or function of the body, or the permanent disfigurement, of the taxpayer, his spouse, or a dependent (as defined in section 152), and

"(2) are computed with reference to the nature of the injury without regard to the period the employee is absent from work.

"(d) WAGE CONTINUATION PLANS.—Gross income does not include amounts referred to in subsection (a) if such amounts constitute wages or payments in lieu of wages for a period during which the employee is absent from work on account of personal injuries or sickness; but this subsection shall not apply to the extent that such amounts exceed a weekly rate of $100. In the case of a period during which the employee is absent from work on account of sickness, the preceding sentence shall not apply to amounts attributable to the first 7 calendar days in such period unless the employee is hospitalized on account of sickness for at least one day during such period. If such amounts are not paid on the basis of a weekly pay period, the Secretary or his delegate shall by regulations prescribe the method of determining the weekly rate at which such amounts are paid.

"(e) ACCIDENT AND HEALTH PLANS.—For purposes of this section and section 104—

"(1) amounts received under an accident or health plan for employees, and

"(2) amounts received from a sickness and disability fund for employees maintained under the law of a State, a Territory, or the District of Columbia,

shall be treated as amounts received through accident or health insurance.

"(f) RULES FOR APPLICATION OF SECTION 213.—For purposes of section 213 (a) (relating to medical, dental, etc., expenses) amounts excluded from gross income under

subsection (c) or (d) shall not be considered as compensation (by insurance or otherwise) for expenses paid for medical care."

And the Senate agree to the same.

Amendment numbered 43 (1): That the House recede from its disagreement to the amendment of the Senate numbered 43 (1), and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment and on page 37, in section 163 (b) (1), of the House bill, strike out "as including" and insert "for purposes of this section as if they included"; and the Senate agree to the same.

Amendment numbered 43 (2): That the House recede from its disagreement to the amendment of the Senate numbered 43 (2), and agree to the same with an amendment as follows: On page 27, line 14, of the Senate engrossed amendments, strike out "(b)" and insert "(c)"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(D) In the case of any sale of real property, if the taxpayer's taxable income for the taxable year during which the sale occurs is computed under an accrual method of accounting, and if no election under section 461 (c) (relating to the accrual of real property taxes) applies, then, for purposes of subsection (a), that portion of such tax which—

"(i) is treated, under paragraph (1) of this subsection, as imposed on the taxpayer, and

"(ii) may not, by reason of the taxpayer's method of accounting, be deducted by the taxpayer for any taxable year,

shall be treated as having accrued on the date of the sale."

And the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: On page 30, of the Senate engrossed amendments, strike out lines 14 through 17 and insert the following:

"(1) the construction, reconstruction, or erection of which is completed after December 31, 1953, and then only to that portion of the basis which is properly attributable to such construction, reconstruction, or erection after December 31, 1953, or

"(2) acquired after December 31, 1953, if the original use of such property commences with the taxpayer and commences after such date."

And the Senate agree to the same.

Amendment numbered 55a: That the House recede from its disagreement to the amendment of the Senate numbered 55a, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Any contribution made by a corporation in a taxable year to which this section applies in excess of the amount deductible in such year under the foregoing limitation shall be deductible in each of the two succeeding taxable years in order of time, but only to the extent of the lesser of the two following amounts: (i) the excess of the maximum amount deductible for such succeeding taxable year under the foregoing limitation over the contributions made in such year; and (ii) in the case of the first succeeding taxable year the amount of such excess contribution, and in the case of the second succeeding taxable year the portion of such excess contribution not deductible in the first succeeding taxable year."

And the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: On page 32, lines 20 and 21, of the Senate engrossed amendments, strike out "corportation" and insert "corporation"; and the Senate agree to the same.

Amendment numbered 68 (2): That the House recede from its disagreement to the amendment of the Senate numbered 68 (2), and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment, and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "household (as defined in section 1 (b) (2)) and not a surviving spouse (as defined in section 2 (b))".

And the Senate agree to the same.

Amendment numbered 68 (3): That the House recede from its disagreement to the amendment of the Senate numbered 68 (3), and agree to the same with an amendment as follows: On page 44, line 24, of the Senate engrossed amendments, after "(2))", insert "or a surviving spouse (as defined in section 2 (b))"; and the Senate agree to the same.

Amendment numbered 73 (1): That the House recede from its disagreement to the amendment of the Senate numbered 73 (1), and agree to the same with an amendment, as follows: On page 49, in lines 4 and 5, of the Senate engrossed amendments, strike out "or iron ore"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with the following amendments:

On page 51, line 13, of the Senate engrossed amendments, strike out "or iron ore".

On page 51, line 14, of the Senate engrossed amendments, strike out "or iron ore".

On page 51, line 16, of the Senate engrossed amendments, after "making", insert "and administering".

On page 51, line 20, of the Senate engrossed amendments, strike out "or iron ore".

And the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with the following amendments to the Senate engrossed amendments:

On page 61, in line 7, strike out "distribution." and insert "distribution, unless such stock so acquired from the distributee is redeemed in the same transaction."

On page 70, strike out lines 16 and 17, and insert:

"(iii) terminates the entire stock interest of the shareholder in the corporation (and for purposes of this clause, section 318 (a) shall apply)."

On page 71, in line 2, strike out "sale or".

On page 71, in line 16, strike out "section," and insert "subchapter,".

On page 72, in line 16, strike out "if" and insert "to the extent that".

On page 75, in line 1, strike out "is the" and insert "is".

On page 75, in line 22, strike out "June 18," and insert "June 22,".

On page 77, after line 12, strike out "June 18," and insert "June 22,".

On page 83, in line 13, strike out "June 18," and insert "June 22,".

On page 88, in line 19, strike out "June 18," and insert "June 22,".

On page 92, in line 16, strike out "trust." and insert "trust, unless such beneficiary's interest in the trust is a remote contingent interest. For purposes of the preceding sentence, a contingent interest of a beneficiary in a trust shall be considered remote if, under the maximum exercise of discretion by the trustee in favor of such beneficiary, the value of such interest, computed actuarially, is 5 percent or less of the value of the trust property."

On page 94, after line 15, strike out "section 306 (b) (1) (A) (ii)" and insert "section 306 (b) (1) (A)".

On page 99, in line 11, strike out "June 18," and insert "June 22,".

On page 99, in line 23, strike out "August 15, 1950," and insert "January 1, 1954,".

On page 102, beginning in line 4, strike out "August 15, 1950," and insert "December 31, 1953,".

On page 102, in line 13, strike out "August 15, 1950;" and insert "December 31, 1953;".

On page 103, in line 24, strike out "June 18," and insert "June 22,".

On page 104, in line 16, strike out "proper reduction" and insert "under regulations prescribed by the Secretary or his delegate, proper adjustment".

On page 104, in line 19, strike out "liquidation." and insert "liquidation, for any money received, for any liabilities assumed or subject to which the property was received, and for other items."

On page 106, in line 13, strike out "June 18," and insert "June 22,".

On page 107, in line 22, after "paragraph (1)", insert "which is attributable to a trade or business of the corporation".

On page 109, in line 1, strike out "(reduced by any reduction" and insert "(adjusted for any adjustment".

On page 113, in line 24, after "corporation", insert "(and governmental obligations described in section 1221 (5))".

On page 116, beginning in line 7, strike out "June 18," and insert "June 22,".

On page 117, after line 6, insert:

"For purposes of section 562 (b) (relating to the dividends paid deduction) and section 6043 (relating to information returns), a partial liquidation includes a redemption of stock to which section 302 applies."

On page 117, in line 14, strike out "ending on the date of" and insert "immediately before".

On page 119, in line 10, strike out "the other" and insert "such other".

On page 121, in line 12, strike out "whether" and insert "(whether".

On page 122, in line 11, strike out "both," and insert "both (but the mere fact that subsequent to the distribution stock or securities in one or more of such corporations are sold or exchanged by all or some of the distributees (other than pursuant to an arrangement negotiated or agreed upon prior to such distribution) shall not be construed to mean that the transaction was used principally as such a device),".

On page 124, beginning in line 6, strike out "within 5 years of its distribution, in a transaction" and insert "by reason of any transaction which occurs within 5 years of the distribution of such stock and".

On page 125, in line 14, strike out "and".

On page 125, in line 18, strike out "part." and insert "part, and".

On page 125, strike out lines 19 to 25, inclusive, and insert:

"(D) control of a corporation which (at the time of acquisition of control) was conducting such trade or business—

"(i) was not acquired directly (or through one or more corporations) by another corporation within the period described in subparagraph (B), or

"(ii) was so acquired by another corporation within such period, but such control was so acquired only by reason of transactions in which gain or loss was not recognized in whole or in part, or only by reason of such transactions combined with acquisitions before the beginning of such period."

On page 127, in line 13, strike out "and" and insert "but for the fact that".

On page 136, in line 4, strike out "June 18," and insert "June 22,".

On page 137, in line 5, strike out "June 18," and insert "June 22,".

On page 137, in line 11, strike out "June 18," and insert "June 22,".

On page 155, in lines 12 and 13, strike out "unless a change to a different method is approved by the Secretary or his delegate." and insert "unless different methods were used by several distributor or transferor corporations or by a distributor or transferor corporation and the acquiring corporation. If different methods were used, the acquiring corporation shall use the method or combination of methods of taking inventory adopted pursuant to regulations prescribed by the Secretary or his delegate.".

On page 159, in line 2, strike out "(8)" and insert "(7)".

On page 160, after line 19, insert:

"(19) CHARITABLE CONTRIBUTIONS IN EXCESS OF PRIOR YEARS' LIMITATION.—Contributions made in the taxable year ending on the date of distribution or transfer and the prior taxable year by the distributor or transferor corporation in excess of the amount deductible under section 170 (b) (2) in such taxable years shall be deductible by the acquiring corporation in its first two taxable years which begin after the date of distribution or transfer, subject to the limitations imposed in section 170 (b) (2)."

On page 162, after line 25, insert:

"(4) DEFINITION OF PURCHASE.—For purposes of this subsection, the term 'purchase' means the acquisition of stock, the basis of which is determined solely by reference to its cost to the holder thereof, in a transaction from a person or persons other than the person or persons the ownership of whose stock would be attributed to the holder by application of paragraph (3)."

On page 164, after line 21, insert:

"(5) ATTRIBUTION OF OWNERSHIP.—If the transferor corporation or the acquiring corporation owns (immediately before the reorganization) any of the outstanding stock of the loss corporation, such transferor corporation or acquiring corporation shall, for purposes of this subsection, be treated as owning (immediately after the reorganization) a percentage of the fair market value of the acquiring corporation's outstanding stock which bears the same ratio to the percentage of the fair market value of the outstanding stock of the loss corporation (immediately before the reorganization) owned by such transferor corporation or acquiring corporation as the fair market value of the total outstanding stock of the loss corporation (immediately before the reorganization) bears to the fair market value of the total outstanding stock of the acquiring corporation (immediately after the reorganization)."

"(6) STOCK OF CORPORATION CONTROLLING ACQUIRING CORPORATION.—If the stockholders of the loss corporation (immediately before the reorganization) own, as a result of the reorganization, stock in a corporation controlling the acquiring corporation, such stock of the controlling corporation shall, for purposes of this subsection, be treated as stock of the acquiring corporation in an amount valued at an equivalent fair market value."

On page 165, in line 3, strike out "June 18," and insert "June 22,".

On page 165, in line 5, strike out "June 18," and insert "June 22,".

On page 165, in line 10, strike out "June 18," and insert "June 22,".

On page 165, in line 12, strike out "June 18," and insert "June 22,".

On page 166, after line 21, insert:

"(3) PLANS OF LIQUIDATION ADOPTED AFTER DECEMBER 31, 1953, AND BEFORE JUNE 22, 1954.—If the plan of complete liquidation was adopted after December 31, 1953, and before June 22, 1954, then, at the election of the corporation (made at such time and in such manner as the Secretary or his delegate may by regulations prescribe)—

"(A) the 12-month period beginning on the date of the adoption of such plan shall be (i) the period for distribution (in lieu of the requirement in paragraph (1) (A) of this subsection that the assets be distributed before January 1, 1955), and (ii) the period during which, by reason of paragraph (1) of this subsection, gain or loss to the corporation is not recognized (in lieu of nonrecognition of gain or loss during the calendar year 1954); and

"(B) notwithstanding paragraph (2) (A) of this subsection, any determination required by section 337 (b) to be made by reference to the date of the adoption of the plan of liquidation shall be made by reference to such date (and not by reference to January 1, 1954)."

On page 169, in line 7, strike out "June 18," and insert "June 22,".

And the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with the following amendments:

On page 170 of the Senate engrossed amendments, at the end of the table of sections to part I, strike out "annuity plan" and insert "annuity plan and compensation under a deferred-payment plan".

On page 178, beginning in line 18, of the Senate engrossed amendments, strike out "in a year prior to the calendar year in which any such distributions are made," and insert "before the date of enactment of this title,".

And the Senate agree to the same.

Amendment numbered 85 (2): That the House recede from its disagreement to the amendment of the Senate numbered 85 (2), and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment, and in lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(ii) in case the purchase price of the stock under the option is fixed or determinable under a formula in which the only variable is the value of the stock at any time during a period of 6 months which includes the time the option is exercised, the option price (computed as if the option had been exercised when granted) is at least 85 percent of the value of the stock at the time such option is granted; and".

And the Senate agree to the same.

Amendment numbered 93 (1): That the House recede from its disagreement to the amendment of the Senate numbered 93 (1), and agree to the same with an amendment as follows: On page 199, line 2, of the Senate engrossed amendments, strike out "1953," and insert "1953 (whether or not such taxable year ends after the date of enactment of this title),"; and the Senate agree to the same.

Amendment numbered 96 (2): That the House recede from its disagreement to the amendment of the Senate numbered 96 (2), and agree to the same with an amendment as follows: On page 200, line 20, of the Senate engrossed amendments, strike out "made—" and insert "made.—"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: On page 202, line 10, of the Senate engrossed amendments strike out "subtitle" and insert "section"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment and omit the matter proposed to be inserted by the Senate amendment; and the Senate agree to the same.

Amendment numbered 102 (1): That the House recede from its disagreement to the amendment of the Senate numbered 102 (1), and agree to the same with an amendment as follows: On page 205, in line 12, of the Senate engrossed amendments, strike out "504, or 505" and insert the following: "or 504"; and the Senate agree to the same.

Amendment numbered 104: That the House recede from its disagreement to the amendment of the Senate numbered 104, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 121, in section 501 (f), of the House bill, strike out "(f)" and insert the following: "(e)"; and the Senate agree to the same.

Amendment numbered 109: That the House recede from its disagreement to the amendment of the Senate numbered 109, and agree to the same with an amendment as follows: On page 207, line 16, of the Senate engrossed amendments, strike out "trust a" and insert "a trust"; and the Senate agree to the same.

Amendment numbered 133a: That the House recede from its disagreement to the amendment of the Senate numbered 133a, and agree to the same with an amendment as follows:

On page 223, of the Senate engrossed amendments, strike out line 14 and all that follows through line 25 and insert:

"(2) a corporation organized and doing business under the banking and credit laws of a foreign country if it is established (annually or at other periodic intervals) to the satisfaction of the Secretary or his delegate that such corporation is not formed or availed of for the purpose of evading or avoiding United States income taxes which would otherwise be imposed upon its shareholders. If the Secretary or his delegate is satisfied that such corporation is not so formed or availed of, he shall issue to such corporation annually or at other periodic intervals a certification that the corporation is not a foreign personal holding company. Each United States shareholder of a foreign corporation which would, except for the provisions of paragraph (2), be a foreign personal holding company, shall attach to and file with his income tax return for the taxable year a copy of the certification by the Secretary or his delegate made pursuant to paragraph (2). Such copy shall be filed with the taxpayer's return for the taxable year if he has been a shareholder of such corporation for any part of such year."

And the Senate agree to the same.

Amendment numbered 156 (3): That the House recede from its disagreement to the amendment of the Senate numbered 156 (3), and agree to the same with the following amendments:

On page 234, line 21, of the Senate engrossed amendments strike out "OR IRON ORE".

On page 234, beginning in line 23, of the Senate engrossed amendments, strike out "or iron ore (if from deposits in the United States),".

On page 235 of the Senate engrossed amendments, in lines 2, 3, 7, 9, 11, and 12, 13, 14, and 15 strike out "or iron ore".

And the Senate agree to the same.

Amendment numbered 156a: That the House recede from its disagreement to the amendment of the Senate numbered 156a, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 161 of

the House bill, at the end of section 642 (a) (3), insert the following: "For purposes of determining the time of receipt of dividends under section 34 and section 116, the amount of dividends properly allocable to a beneficiary under section 652 or 662 shall be deemed to have been received by the beneficiary ratably on the same dates that the dividends were received by the estate or trust."

And the Senate agree to the same.

Amendment numbered 163 (2): That the House recede from its disagreement to the amendment of the Senate numbered 163 (2), and agree to the same with an amendment as follows: On page 242, line 3, of the Senate engrossed amendments strike out "10" and insert "9;" and the Senate agree to the same.

Amendment numbered 165 (2): That the House recede from its disagreement to the amendment of the Senate numbered 165 (2), and agree to the same with an amendment as follows: On page 243, line 19, of the Senate engrossed amendments, strike out "determined." and insert "determined, except that proper adjustment of such ratio shall be made, in accordance with regulations prescribed by the Secretary or his delegate, for amounts which fall within paragraphs (1) through (4) of section 665 (b)."

And the Sanate agree to the same.

Amendment numbered 177: That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with the following amendments to the Senate engrossed amendments:

On page 253, lines 1 and 2, strike out "a deduction is allowable" and insert the following: "there is provided a credit under section 34, an exclusion under section 116, or a deduction".

On page 261, strike out lines 23 and 24 and insert "taxable year."

On page 262, strike out lines 3 and 4, and insert the following: ", under regulations prescribed by the Secretary or his delegate, for the period ending with such sale, exchange, or liquidation."

On page 264, strike out line 24, and on page 265, line 1, strike out "section (c)," and insert:

"(1) GENERAL RULE.—For purposes of subsection (a),".

On page 265, line 7, strike out "other disposition" and insert "exchange".

On page 265, strike out lines 9 and 10, and insert:

"(2) SPECIAL RULES.—"

On page 265, line 14, strike out "paragraph (1) (B)," and insert "this section,".

On page 265, beginning in line 24, and in line 1 on page 266, strike out "the purpose of paragraph (1) (B)," and insert "purposes of this section,".

On page 266, strike out lines 3 through 6.

On page 270, strike out lines 4 through 21 and insert:

"(d) SPECIAL PARTNERSHIP BASIS TO TRANSFEREE.—For purposes of subsections (a), (b), and (c), a partner who acquired all or a part of his interest by a transfer with respect to which the election provided in section 754 is not in effect, and to whom a distribution of property (other than money) is made with respect to the transferred interest within 2 years after such transfer, may elect, under regulations prescribed by the Secretary or his delegate, to treat as the adjusted partnership basis of such property the adjusted basis such property would have if the adjustment provided in section 743 (b) were in effect with respect to the partnership property. The Secretary or his delegate may by regulations require the application of this subsection in the case of a distribution to a transferee partner, whether or not made within 2 years after the transfer, if at the time of the transfer the fair market value of the partnership property (other than money) exceeded 110 percent of its adjusted basis to the partnership."

On page 276, strike out lines 14 through 23 and insert:

"(1) increase the adjusted basis of the partnership property by the excess of the basis to the transferee partner of his interest in the partnership over his proportionate share of the adjusted basis of the partnership property, or

"(2) decrease the adjusted basis of the partnership property by the excess of the transferee partner's proportionate share of the adjusted basis of the partnership property over the basis of his interest in the partnership."

On page 277, strike out "only" in line 2 and all that follows through "time." in line 8 and insert "only. A partner's proportionate share of the adjusted basis of partnership property shall be determined in accordance with his interest in partnership capital and, in the case of an agreement described in section 704 (c) (2) (relating to effect of partnership agreement on contributed property), such share shall be determined by taking such agreement into account."

On page 278, strike out lines 10 through 22 and insert:

"(1) GENERAL RULE.—To the extent a partner receives in a distribution—

"(A) partnership property described in subsection (a) (1) or (2) in exchange for all or a part of his interest in other partnership property *including money*, or

"(B) partnership property (including money) other than property described in subsection (a) (1) or (2) in exchange for all or a part of his interest in partnership property described in subsection (a) (1) or (2),

such transaction shall, under regulations prescribed by the Secretary or his delegate, be considered as a sale or exchange of such property between the distributee and the partnership (as constituted after the distribution)."

On page 284, beginning in line 16, strike out "agreed to by all the partners, or" and insert "made prior to, or at, the time prescribed by law for the filing of the partnership return for the taxable year (not including extensions) which are agreed to by all the partners, or which are".

On page 284, in line 22, strike out "distribution" and insert "distribution, or a series of distributions,".

On page 285, strike out lines 8 through 10, and insert:

"(B) any part of a partner's taxable year falling within such partnership taxable year."

On page 285, strike out lines 18 and 19, and insert:

"(B) any part of a partner's taxable year falling within such partnership taxable year."

On page 286, after line 7, insert the following:

"For the purpose of applying this paragraph, section 708 (relating to the continuation of a partnership) shall be effective for taxable years beginning after April 1, 1954."

On page 286, after line 22, insert:

"(4) PARTNER RECEIVING INCOME IN RESPECT OF DECEDENT.—Section 753 (relating to income in respect of a decedent) shall apply only in the case of payments made with respect to decedents dying after December 31, 1954.

"(c) OPTIONAL TREATMENT OF CERTAIN DISTRIBUTIONS.—In the case of a partnership taxable year beginning after December 31, 1953, and before January 1, 1955, a partnership may elect, under regulations prescribed by the Secretary or his delegate, with respect to distributions made during such year to any partner, other than in liquidation of the partner's interest, to apply the rules in sections 731, 732 (a), (c), and (e), 733, 735, and 751 (b), (c), and (d) (and, to the extent applicable, the rules provided in sections 705, 752, and 761 (d)). If a partnership so elects, such rules shall be effective for the partnership and all members of such partnership with respect to such distributions."

And the Senate agree to the same.

Amendment numbered 186 (1): That the House recede from its disagreement to the amendment of the Senate numbered 186 (1), and agree to the same with an amendment as follows: On page 290, line 3, of the Senate engrossed amendments strike out "the exclusion under section 116 and" and insert the following: "the credit under section 34, the exclusion under section 116, and"; and the Senate agree to the same.

Amendment numbered 220 (5): That the House recede from its disagreement to the amendment of the Senate numbered 220 (5), and agree to the same with the following amendments:

On page 299, line 24, of the Senate engrossed amendments, strike out "or iron ore".

On page 300, line 2, of the Senate engrossed amendments, strike out "subsection;" and insert "subsection."

And the Senate agree to the same.

Amendment numbered 227 (1): That the House recede from its disagreement to the amendment of the Senate numbered 227 (1), and agree to the same with an amendment as follows: On page 302, line 7, of the Senate engrossed amendments after "destroyed by" insert "or on account of"; and the Senate agree to the same.

Amendment numbered 243: That the House recede from its disagreement to the amendment of the Senate numbered 243, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out by the Senate amendment, and in lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(2) TIMBER OR COAL.—Such term includes timber and coal with respect to which section 631 applies."

And the Senate agree to the same.

Amendment numbered 246: That the House recede from its disagreement to the amendment of the Senate numbered 246, and agree to the same with an amendment as follows: On page 311, line 11, of the Senate engrossed amendments strike out "evidenced by" and insert "to"; and the Senate agree to the same.

Amendment numbered 248a: That the House recede from its disagreement to the amendment of the Senate numbered 248a, and agree to the same with the following amendments:

On page 313, in line 22, of the Senate engrossed amendments after "(a)", insert "if the lot or parcel is held by the taxpayer for a period of 10 years and".

On page 314 of the Senate engrossed amendments, strike out lines 9 through 12 and insert:

"(C) the taxpayer elects, in accordance with regulations prescribed by the Secretary or his delegate, to make no adjustment to basis of the lot or parcel, or of any other property owned by the taxpayer, on account of the expenditures for such improvements. Such election shall not make any item deductible which would not otherwise be deductible."

And the Senate agree to the same.

Amendment numbered 258: That the House recede from its disagreement to the amendment of the Senate numbered 258, and agree to the same with an amendment as follows: On page 317, in line 6, of the Senate engrossed amendments, after "section 1503. (c)", insert "without regard to paragraph (2) thereof"; and the Senate agree to the same.

Amendment numbered 259: That the House recede from its disagreement to the amendment of the Senate numbered 259, and agree to the same with the following amendments:

On page 317 of the Senate engrossed amendments, strike out all that follows line 10, down to and including the heading to part II on page 321, and insert:

"Subchapter R—Election of certain partnerships and proprietorships as to taxable status"

On page 322 of the Senate engrossed amendments, at the end of line 15, insert "and".

On page 322 of the Senate engrossed amendments, strike out line 16 through 20.

On page 322, line 21, of the Senate engrossed amendments, strike out "(5)" and insert "(4)".

On page 324, line 12, of the Senate engrossed amendments, strike out "subsections (b) (4) and" insert "subsection".

On page 327 of the Senate engrossed amendments, strike out lines 18 through 21.

And the Senate agree to the same.

Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with the following amendments:

On page 335, in lines 23 and 24, of the Senate engrossed amendments, strike out "95" and insert the following: "80".

On page 336, in lines 5 and 6, of the Senate engrossed amendments, strike out "95" and insert the following: "80".

On page 337 of the Senate engrossed amendments, strike out lines 5 and 6, and in line 7 strike out "(8)" and insert "(7)".

On page 338 of the Senate engrossed amendments, immediately before line 6, insert:

"SEC. 1552. Earnings and profits."

On page 339 of the Senate engrossed amendments, after line 17, insert:

"SEC. 1552. Earnings and profits.

"(a) GENERAL RULE.—Pursuant to regulations prescribed by the Secretary or his delegate the earnings and profits of each member of an affiliated group required to be included in a consolidated return for such group filed for a taxable year beginning after December 31, 1953, and ending after the date of enactment of this title, shall be determined by allocating the tax liability of the group for such year among the members of the group in accord with whichever of the following methods the group shall elect in its first consolidated return filed for such a taxable year:

"(1) The tax liability shall be apportioned among the members of the group in accordance with the ratio which that portion of the consolidated taxable income attributable to each member of the group having taxable income bears to the consolidated taxable income.

"(2) The tax liability of the group shall be allocated to the several members of the group on the basis of the percentage of the total tax which the tax of such member if computed on a separate return would bear to the total amount of the taxes for all members of the group so computed.

"(3) The tax liability of the group (excluding the tax increases arising from the consolidation) shall be allocated on the basis of the contribution of each member of the group to the consolidated taxable income of the group. Any tax increases arising from the consolidation shall be distributed to the several members in direct proportion to the reduction in tax liability resulting to such members from the filing of the consolidated return as measured by the difference between their tax liabilities determined on a separate return basis and their tax liabilities (determined without regard to the 2 percent increase provided by section 1503 (a)) based on their contributions to the consolidated taxable income.

"(4) The tax liability of the group shall be allocated in accord with any other method selected by the group with the approval of the Secretary or his delegate.

"(b) FAILURE TO ELECT.—If no election is made in such first return, the tax liability shall be allocated among the several members of the group pursuant to the method prescribed in subsection (a) (1)."

And the Senate agree to the same.

Amendment numbered 271a: That the House recede from its disagreement to the amendment of the Senate numbered 271a, and agree to the same with an amendment as follows: On page 344, line 1, of the Senate engrossed amendments after "termination" insert the following: "before the date prescribed for the filing of the estate tax return"; and the Senate agree to the same.

Amendment numbered 415 (1): That the House recede from its disagreement to the amendment of the Senate numbered 415 (1), and agree to the same with an amendment as follows: On page 375, line 12, of the Senate engrossed amendments, after "(2))", insert "or a surviving spouse (as defined in section 2 (b))"; and the Senate agree to the same.

Amendment numbered 415 (2): That the House recede from its disagreement to the amendment of the Senate numbered 415 (2), and agree to the same with an amendment as follows: On page 375, line 15, of the Senate engrossed amendments, after "(2))", insert "or a surviving spouse (as defined in section 2 (b))"; and the Senate agree to the same.

Amendment numbered 545 (2): That the House recede from its disagreement to the amendment of the Senate numbered 545 (2), and agree to the same with an amendment as follows: On page 410 of the Senate engrossed amendments, strike out lines 6 through 10 and insert:

"(D) Effective with respect to taxable years ending after March 31, 1954, and subject to tax under chapter 1 of the Internal Revenue Code of 1939—

"(i) Sections 13 (b) (3), 26 (b) (2) (C), 26 (h) (1) (C) (including the comma and the word 'and' immediately preceding such section), 26 (i) (3), 108 (k), 207 (a) (1) (C), 207 (a) (3) (C), and the last sentence of section 362 (b) (3) of such Code are hereby repealed; and

"(ii) Sections 13 (b) (2), 26 (b) (2) (B), 26 (h) (1) (B), 26 (i) (2), 207 (a) (1) (B), 207 (a) (3) (B), 421 (a) (1) (B), and the second sentence of section 362 (b) (3) of such Code are hereby amended by striking out 'and before April 1, 1954' (and any accompanying punctuation) wherever appearing therein."

And the Senate agree to the same.

Amendment numbered 552: That the House recede from its disagreement to the amendment of the Senate numbered 552, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"MISCELLANEOUS TITLE

"SEC. 201. (a) Section 3748 (a) of the Internal Revenue Code of 1939 (relating to periods of limitations applicable to criminal prosecutions) is amended by inserting after "within three years next after the commission of the offense," the following: "except that the period of limitation shall be five years for offenses enumerated in section 4047 (e) (relating to unlawful acts of revenue officers or agents) and".

"(b) The amendment made by this section shall be effective with respect to offenses committed on or before the date of enactment of this Act, if on such date prosecution therefor is not barred by provisions of law in effect before such date."

And the Senate agree to the same.

DANIEL A. REED,
THOMAS A. JENKINS,
RICHARD M. SIMPSON,
Managers on the Part of the House.

E. D. MILLIKIN,
EDWARD MARTIN,
WALTER F. GEORGE,
HARRY F. BYRD,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8300) to revise the internal revenue laws of the United States, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes (including changes made necessary to conform to the Excise Tax Reduction Act of 1954, Public Law 324, 83d Cong.): 1, 4, 5, 6, 8, 9, 10a, 11, 12 (4), 14, 15, 16, 17, 18, 20, 21, 22, 23 (1), 23 (2), 23 (4), 25, 26, 27, 30, 33, 34, 37, 41, 41a, 42, 43 (2), 44 (2), 47 (1), 52, 53, 54, 56, 57a, 64, 65, 66, 67b, 68, 70, 72, 73, 74, 74a, 76a, 90, 91, 93 (2), 94, 95, 101, 102 (1), 102a (1), 103, 104, 105, 106, 111, 112, 113, 114, 115, 117 (2), 118, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141a, 142, 143, 144, 145, 146, 154, 155, 156a, 158, 160, 161, 164, 168, 170, 173, 183, 184, 185, 185a, 187, 188, 189, 190, 191, 192, 193, 194, 199, 200, 201, 202, 203, 204, 205, 206, 213, 214, 215, 216, 217, 219, 220, 220a, 221, 222, 223, 224, 225, 226, 229, 230, 231, 232, 232b, 233, 234, 235, 236, 237, 239, 240, 241, 242, 243, 249, 250, 255, 256, 257, 260, 270, 271b, 273a, 274, 275, 276, 278, 279, 281a, 282, 283, 284, 285, 286, 287, 288, 289, 290–301, 302–326, 327 (1), 327 (3), 327 (4), 328, 329, 330, 331, 333–347, 348 (1), 349 (1), 349 (2), 349 (4), 350 (2), 351, 353, 354, 355, 356, 357 (2), 358–403, 405, 406, 406a, 408, 409, 410, 411, 412, 413, 413a, 414, 415, 416, 417 (3), 420, 421, 422, 423, 425, 426, 427, 428, 429, 430, 432, 433, 434, 435, 437, 438, 439, 440, 441, 442, 443, 444, 445, 448, 450, 451, 452, 454, 455, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 471, 472, 473, 476, 480, 481, 482, 483, 484, 485, 489, 490, 491, 492, 493, 500, 504, 505 (1), 509, 512, 513, 514, 516, 517, 519, 520, 522, 523, 525, 527, 529, 531, 532, 533, 534, 536, 538, 539, 540, 542, 543, 544, 547, 549, and 553. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendments Nos. 2 and 3: Under the House bill, the benefits of full income splitting were extended to those taxpayers who could qualify as "head of family." In order to qualify, a taxpayer must have supported a son, a daughter, father, mother, brother, or sister, or certain relatives of his wife if she were dead and he had not remarried. It was not necessary for such dependents to live in the taxpayer's household in order to qualify him as head of family.

Under the Senate amendment, the provisions of existing law relating to head of household were restored. Thus, a head of household would continue to receive half (rather than full) benefits of income splitting and the dependents qualifying the taxpayer must actually live in his household. The taxpayer would not be required to support his children and their earnings would not be subject to the $600 limitation (unless such children were married).

The House recedes with amendments. Under the conference agreement, the provi-

sions of the Senate amendment are retained with three exceptions. Under the first exception, a taxpayer may qualify as head of household through his support as a dependent (within the meaning of sec. 151) of either his mother or father even though they do not live in his home, if he maintains a household (by providing more than half the cost of maintenance) for either of them and such household constitutes such parent's principal place of abode.

Under the second exception, a taxpayer may obtain the full benefits of income splitting for a period of 2 years after the year in which occurs the death of his spouse, if he has not remarried and if he maintains as his home a household which is the principal place of abode of a son, stepson, daughter, or stepdaughter and with respect to whom the taxpayer is entitled to a deduction under section 151. If the taxpayer does not qualify as a "surviving spouse", he may still qualify as a "head of household" if he meets the statutory requirements. Thus a taxpayer on the calendar year basis whose spouse died in 1952, may, for the taxable year 1954, qualify as a "surviving spouse". However, in 1955, he must determine whether he can meet the requirements of "head of household".

The third exception adds a limitation that a taxpayer may not be a head of a household by reason of a dependent who would not be a dependent but for the new categories provided under paragraphs (9) and (10) of section 152 (a), and subsection (c) of section 152, of the House bill.

Amendment No. 7: This is a technical amendment relating to the effective date of the corporate tax rate. Under the conference agreement on amendment No. 545 (2), this provision is covered in the effective date section of the title. The Senate recedes.

Amendment No. 10: Section 34 (a) of the House bill provided for a credit against the income tax of an individual of a percentage of the dividends received from certain domestic corporations which are included in gross income. It provided a credit of 5 percent of those dividends received after July 31, 1954, and before August 1, 1955, and a credit of 10 percent after July 31, 1955. Subsection (b) of the House bill, however, limited the credit against tax provided by subsection (a) to 2 percent of the individual's taxable income for his taxable year ending before January 1, 1955, 7 percent for his taxable year ending after December 31, 1954, and before January 1, 1956, and 10 percent for his taxable year ending after December 31, 1955.

Senate amendment No. 10 struck out all of the provisions of section 34 of the House bill and in lieu thereof directed the Secretary of the Treasury to make a study of questions involving the inclusion in gross income of dividends received by individuals and to report to Congress on or before January 15, 1955.

The House recedes with an amendment. The conference agreement, in general, restores the provisions of the House bill, except that the amount of the credit is to be 4 percent of the amount of dividends received to which the section applies, and is to be limited to 2 percent of the individual's taxable income in the case of taxable years ending before January 1, 1955, and to 4 percent of the individual's taxable income for all succeeding taxable years.

Amendments Nos. 12 (1), 12 (2), 12 (3), 12 (5), and 13: These amendments make clarifying, clerical, technical, and conforming changes and also the following substantive changes in the section which allows a credit against tax for retirement income:

(1) The credit is allowed for individuals under age 65 with respect to pensions and annuities received under a public retirement system (as defined in the amendment).

(2) The credit is not reduced on account of income earned after attaining age 75.

(3) The credit is not allowed to nonresident aliens.

The House recedes.

Amendment No. 19: Paragraph (1) of this amendment provides that the provision of the House bill (sec. 71 (a) (2)), relating to the inclusion in gross income of amounts received under a written separation agreement, applies to agreements executed after the date of enactment of the bill. The House recedes.

Paragraph (2) of amendment No. 19 adds a new provision providing that periodic payments received by a wife under a decree (entered after March 1, 1954) requiring the husband to make the payments for her support or maintenance shall be included in the gross income of the wife (the amount so includible in the wife's gross income being allowed as a deduction to the husband under sec. 215). It is the understanding of the committee of conference that in determining whether a decree was entered after March 1, 1954, any decree which is altered or modified by a court order entered after March 1, 1954, shall be treated as a decree entered after March 1, 1954, for purposes of the application of this provision (sec. 71 (a) (3)). The House recedes.

Amendment No. 23 (3): This amendment provides that for purposes of section 72 (relating to annuities and certain proceeds of endowment and life-insurance contracts) face-amount certificates shall be treated the same as endowment contracts. The House recedes with an amendment providing that the section shall be applicable only to face-amount certificates issued after December 31, 1954.

Amendment No. 24: This amendment strikes out section 76 of the House bill which provided specific statutory rules for determining when the discharge of indebtedness results in gross income. The effect of this amendment is that such determination will be made, as under existing law, by applying the general rules for determining gross income. The House recedes.

Amendment No. 28: Section 101 (a) of the House bill exempted in full life-insurance proceeds payable at death on contracts transferred for a valuable consideration. This amendment restores existing law which taxes the amount received to the extent that it exceeds the consideration for the policy and the premiums paid by the transferee except where the policy is transferred in a nontaxable exchange. The amendment further extends the exception of existing law in case of the following types of transfers: The transferee is the insured, a partner of the insured, a partnership in which the insured is a partner, or a corporation in which the insured is a shareholder or officer. The House recedes.

Amendment No. 29: Section 101 (b) (2) (B) of the House bill exempts employee death benefits up to $5,000 if paid under a qualified employee profit-sharing or stock-bonus plan, even though the employee had a nonforfeitable right to receive such amounts while living. Paragraph (1) of this amendment extends the same treatment to lump-sum distributions paid under an exempt employees' pension plan or annuity plan. The House recedes.

Section 101 (d) of the House bill in effect limits the exclusion from gross income of interest earned on life-insurance installment proceeds after the death of the insured to $500 per year for a widow of the decedent and $250 a year for certain other beneficiaries. Paragraph (2) of amendment No. 29 increases the exclusion in the case of a widow to $1,000 a year and provides for no exclusion for other beneficiaries. The House recedes.

Amendment No. 31: This amendment provides that gross income does not include pensions, annuities, or similar allowances for personal injuries or sickness resulting from active service in the Coast and Geodetic Survey or the Public Health Service. The House recedes.

Amendment No. 32: Under existing law amounts received by employees through insured employer accident and health plans are excludable from gross income, while amounts received through noninsured plans are generally considered fully taxable. Section 105 of the House bill provided that amounts received through qualified plans (whether insured or noninsured) would be fully excluded if received as compensation for sickness or injuries, and would be excludable up to $100 a week if received as compensation for loss of wages during a period of absence from work due to sickness or injury. The Senate amendment provided an exclusion from gross income with respect to (1) amounts received as reimbursement for medical expenses, (2) amounts received as compensation for the loss of a bodily member or function, and (3) amounts received (not in excess of $100 a week) as, or in lieu of, wages. The Senate amendment applied to amounts paid out by employee associations and by employer noninsured plans as well as insured plans. The amendment also contained rules for determining when receipt of amounts under section 105 would not make the taxpayer ineligible for a medical deduction under section 213.

The House recedes with an amendment. Under the conference agreement a clarifying change has been made in section 105 (a) in order to make clear that, except as otherwise provided in section 105, amounts received by an employee through accident or health insurance for personal injuries or sickness shall be included in gross income not only when such amounts are attributable to contributions by the employer which were not includible in the gross income of the employee, but also when such amounts are paid by the employer. Section 105 (e) provides that, for purposes of sections 104 and 105, amounts received under an accident or health plan for employees, and amounts received from a sickness and disability fund for employees maintained under the law of a State, Territory, or the District of Columbia, shall be treated as amounts received through accident or health insurance. The phrase "accident or health plan for employees" thus includes a plan of an employer, or of an employee association, or any other plan which pays accident or health benefits to employees.

Section 105 (b) provides that except in the case of amounts attributable to (and not in excess of) deductions allowed under section 213 (relating to medical, etc., expenses) for any prior taxable year, amounts referred to in subsection (a) shall not be included in gross income if they are paid, directly or indirectly, to the taxpayer to reimburse the taxpayer for expenses incurred by him for the medical care of himself, his spouse, and his dependents. Subsection (b) applies only to amounts which are paid specifically to reimburse the taxpayer for the prescribed medical expenses. Such reimbursements are excludable from gross income without limitation as to their amount. An amount will be considered to have been paid indirectly to the taxpayer to reimburse him for medical care if, for example, payment is made to the hospital which rendered the prescribed services to the taxpayer, his spouse, or his dependents. Also, payment to the taxpayer's spouse or dependents will constitute indirect payment to the taxpayer.

Under the conference agreement subsection (c) is identical with the corresponding provision of the Senate amendment. It provides that amounts described in subsection (a) shall not be included in gross income if they constitute payment for permanent loss, or permanent loss of use, of a member or function of the body, or the permanent disfigurement of the taxpayer, his spouse, or a dependent, and the payments are computed with reference to the nature of the injury and without regard to the period the employee is absent from work.

Subsection (d) provides that gross income does not include amounts referred to in subsection (a) if such amounts constitute wages or payments in lieu of wages for a period during which the employee is absent from work on account of personal injuries or sickness, but only to the extent that such amounts do not exceed a weekly rate of $100. It is further provided that, in the case of a period during which the employee is absent from work on account of sickness, the exclusion shall not apply to amounts attributable to the first 7 calendar days in such period unless the employee is hospitalized on account of sickness for at least 1 day during such period. For example, if, on the 10th day of the period during which the employee is absent from work on account of sickness, he is admitted to a hospital on account of sickness, and is discharged from the hospital 2 days later, the employee may exclude from gross income (subject to the $100 per week limitation) any amount to which subsection (a) applies attributable to the entire period of absence from work. On the other hand, if an employee is absent on account of sickness for a period of 3 days, and at no time during such period is hospitalized on account of sickness, he would not be entitled to exclude any amount from gross income under subsection (d) with respect to such 3-day period of absence from work due to sickness. The 7-day waiting period imposed by subsection (d) in the case of absence from work on account of sickness does not apply to any period during which the employee is absent from work on account of personal injury. For example, if the employee is absent from work (without being hospitalized) for 3 days on account of sickness, and on the 4th day he incurs an injury which necessitates his being absent from work for an additional period of 5 days, he would not be entitled to any exclusion for amounts attributable to the 3 days during which he was absent from work on account of sickness, but he would be permitted to exclude (subject to the $100 per week limitation) amounts attributable to the 5-day period during which he was absent from work on account of injury. If amounts to which subsection (d) applies are not paid on the basis of a weekly pay period the Secretary or his delegate shall by regulations prescribe the method of determining the weekly rate at which such amounts are paid.

Subsection (f) provides special rules for the application of section 213 (relating to medical, dental, etc., expenses) and provides that amounts excluded from gross income under subsection (c) or (d) shall not be considered as compensation (by insurance or otherwise) for expenses paid for medical care.

Section 105 does not apply to amounts received under workmen's compensation acts as workmen's compensation. Such amounts are excluded from gross income under section 104. Amounts to which section 105 (a) applies, which are not excluded from gross income under subsections (b), (c), or (d), must be included in gross income.

Amendment No. 34a: The House bill provided that an individual could exclude from gross income the first $50 of dividends received from certain domestic corporations during taxable years ending after July 31, 1954, and before August 1, 1955, and could exclude the first $100 of such dividends received during taxable years ending after July 31, 1955. The Senate amendment reduced the amount of the exclusion to $50 for all taxable years ending after July 31, 1954. The House recedes.

Amendment No. 35: This amendment makes clear that the provisions of section 117 of the House bill, relating to the exclusion from gross income of amounts received as scholarship and fellowship grants, apply to the value of contributed services and accommodations received under a fellowship grant. The House recedes.

Amendment No. 36: The House bill provided that amounts received as scholarships and fellowship grants be excluded from gross income, but the exclusion did not apply to (1) amounts representing compensation for part-time teaching or research services, and (2) amounts received by an individual (not a candidate for a degree) if the annual amount of the grant, plus certain other compensation, equaled or exceeded 75 percent of the recipient's earned income during the prior 12-month period. The Senate amendment provides that in the case of individuals who are candidates for degrees, the exclusion provisions of section 117 (a) shall not apply to any amount which represents payment for teaching, research, or other services in the nature of part-time employment required as a condition to receiving the scholarship or the fellowship grant, other than services required of all degree candidates (whether or not recipients of scholarships or fellowship grants). With respect to nondegree candidates, the Senate amendment provides that the exclusion shall apply (1) only if the grantor is a tax-exempt organization or a governmental body, and (2) only to the extent of $300 a month for a maximum of 36 months. The House recedes.

Amendment No. 38: The House bill provided that there shall be excluded from the gross income of an employee the value of any meals or lodging furnished by the employer (whether or not furnished as compensation) but only if such meals or lodging are furnished at the place of employment, and are required to be accepted at the place of employment as a condition of the employment. The Senate amendment provides that meals or lodging furnished for the convenience of the employer are excluded, but only if (1) such meals are furnished on the business premises of the employer, or (2) the employee is required to accept such lodging on the employer's business premises as a condition of his employment. The Senate amendment also provides that in determining whether meals or lodging are furnished for the convenience of the employer, the provisions of an employment contract or of a State statute fixing the terms of employment shall not be determinative of whether the meals or lodging are intended as compensation. The term "business premises of the employer" is intended, in general, to have the same effect as the term "place of employment" in the House bill. For example, lodging furnished in the home to a domestic servant would be considered lodging furnished on the business premises of the employer. Similarly, meals furnished to a cowhand while herding his employer's cattle on leased lands, or on national forest lands used under a permit, would also be regarded as furnished on the business premises of the employer. Amounts excluded from gross income under this amendment will not, in general, be subject to income-tax withholding. The House recedes.

Amendment No. 39: Under existing law a dependency exemption may be taken for a dependent only if he has gross income of less than $600. The House bill provided that the earnings test would not apply if the dependent is the taxpayer's child who is under the age of 19 or is a full-time student in an educational institution during at least 5 months of the year. This amendment extends the House provision to a child who is pursuing a full-time course of institutional on-farm training. The House recedes.

Amendment No. 40: Under existing law and the House bill a citizen or subject of a foreign country may not qualify as a dependent unless he is a resident of the United States, of a country contiguous to the United States, or of certain other designated countries, even though he is also a citizen of the United States. Under amendment No. 40 the disqualification would apply only to individuals who are not citizens of the United States. The House recedes.

Amendment No. 41b: As under existing law, section 162 of the House bill allows as a deduction all ordinary and necessary expenses, including rentals, paid or incurred during the taxable year in carrying on a trade or business. Senate amendment No. 41b provided, in the case of a lease of property which is owned by a tax-exempt organization described in section 501 (c) (4) (relating to civic leagues or organizations for promotion of social welfare) and which is subject to a mortgage or other similar lien securing indebtedness incurred in the acquisition or improvement of such property, that the deduction for rent could be in annual amounts sufficient to discharge the indebtedness over a 5-year period. The Senate recedes.

Amendment No. 43 (1): This amendment strikes out the provision of the House bill which permitted an interest deduction for carrying charges on installment purchases where the carrying charges were separately stated, but the interest could not be ascertained. Under the conference agreement, the provisions of the House bill are restored with a clarifying amendment.

Amendment No. 44 (1): Under the House bill, taxes assessed against local benefits of a kind tending to increase the value of the property assessed are deductible only to the extent properly allocable to maintenance or interest charges. Amendment No. 44 (1) provides a further exception which allows a deduction of taxes levied by a special taxing district if the district covers the whole of at least 1 county, at least 1,000 persons are subject to the taxes levied by the district, and the district levies its assessments annually at a uniform rate on the same value used for purposes of the real property tax generally. The House recedes.

Amendment No. 45: The House bill provided that, in the case of a sale of real property during any real property tax year, the real property tax be apportioned between the seller and purchaser for purposes of section 164 (a) (relating to allowance of deduction for taxes paid or accrued within the taxable year) on the basis of the period before and after the date of the sale. The Senate amendment provided that this apportionment would not apply in the case of any sale of real property if either of the parties to the transaction computes his taxable income under an accrual method of accounting and has not made the election (provided by Senate amendment No. 96) under section 461 (c) of the House bill to accrue real property taxes ratably over the period to which the tax relates.

The House recedes with an amendment. The conference agreement permits an apportionment of the real property tax between the purchaser and seller in a transaction described in the preceding paragraph, and provides that a party to such a transaction who is on the accrual method and has not made the election under section 461 (c) shall be treated as having accrued on the date of sale that portion of the real property tax which would be allocable to him under the House bill and which he could not deduct

for any taxable year under his method of accounting. If a cash-basis taxpayer, or an accrual-basis taxpayer who has not made the election provided in section 461 (c), has deducted for any taxable year prior to the sale an amount in excess of the portion of the tax treated as imposed upon him under section 164 (d), the excess will be includible in gross income for the year of the sale subject to the provisions of section 111 (relating to recovery of bad debts, prior taxes, and delinquency amounts).

Amendment No. 46: In determining whether a corporation is an affiliated corporation for the purpose of ascertaining the treatment to be given to security losses, the House bill changed the stock ownership requirements specified in existing law from 95 percent to 80 percent. This amendment restores existing law. The House recedes.

Amendment No. 47 (2): This amendment adds to the section on bad debts a subsection which provides that certain payments of part or all of taxpayer's obligations as a guarantor, endorser, or indemnitor on certain noncorporate obligations shall be treated as a debt becoming worthless and deductible as a business bad debt. The House recedes.

Amendment No. 48: This amendment to the House bill makes it clear that a taxpayer may use different methods of depreciation with respect to different properties or classes of property. The House recedes.

Amendment No. 49: This amendment adds to the methods of depreciation provided in 167 (b) of the House bill the "sum of the years-digits method" for property described in section 167 (c). The House bill provided for depreciation under any consistent method which would not result in allowances productive of a reserve greater than would have been accumulated under the declining balance method, at any point in the property's life. The Senate amendment provides that the limitation should apply only during the first two-thirds of the property's life. The Senate amendment also provides specifically that the new methods will in no way restrict or reduce an allowance which is allowable under subsection (a), which subsection in substance is the same as existing law. The House recedes.

Amendment No. 50: Section 167 (c) of the House bill provided that the new methods of depreciation provided in section 167 (b) would apply to property acquired after December 31, 1953, which is new in use after December 31, 1953. In the case of property constructed, reconstructed, or erected by the taxpayer, the House bill provided that the new methods would apply to construction, reconstruction, or erection completed after December 31, 1953, but only to that portion of the basis of such property which is attributable to the period after December 31, 1953. The Senate amendment restricts the liberalized depreciation provided in section 167 (b) to property with a useful life of 3 years or more. This amendment also provided that the methods of depreciation provided in section 167 (b) apply to the entire cost of property which is completed and first put into use after December 31, 1953. The House recedes with an amendment. The conference agreement provides for the limitation of the new methods of depreciation to property with a useful life of 3 years or more but restores the limitation in the House bill that only that portion of the basis of the property which is attributable to the construction, reconstruction, or erection after December 31, 1953, is subject to the new depreciation methods described in section 167 (b) (2), (3), and (4).

Amendment No. 51: The "10-percent leeway" rule contained in section 167 (e) of the House bill has been eliminated by Senate amendment No. 51. This amendment added a new subsection (e) to section 167 of the House bill providing that a taxpayer may change (under regulations prescribed by the Secretary) from the declining-balance method to the straight-line method. The House recedes.

Amendment No. 55: The House bill provided for an increase in the charitable contribution limitation from 20 percent to 30 percent of adjusted gross income, the added 10 percent to be allowed only for charitable contributions to certain hospitals, educational institutions, and churches. A technical amendment is made to insure that the additional 10 percent is to be applied to the aggregate gifts to such charities and not to each gift. An amendment is also made in the definition of churches for purposes of the additional 10 percent limitation. The words "a religious order" in the House bill have been deleted. The House bill also contained a liberalization of the existing unlimited charitable deduction where the taxpayer's charitable contributions and income tax in the current taxable year and in each of the 10 preceding taxable years equals 90 percent or more of his taxable income. Under the House provision this test had to be met in only 9 of the 10 preceding years. The amendment further liberalizes the provision by extending the unlimited deduction if the test is met in the current taxable year and 8 of the 10 preceding taxable years. The House recedes.

Amendment No. 55a: Under the House bill, charitable contributions are deductible by a corporation only to the extent of 5 percent of taxable income (as computed for purposes of this section). Amendment No. 55a permits a carryover to succeeding taxable years of charitable contributions in excess of the limitation. The House recedes with an amendment which limits the carryover to the 2 taxable years next succeeding the taxable year of the excess contribution.

Amendment No. 57: This amendment inserts a new provision providing that contributions to certain nonprofit cemetery and burial companies shall qualify as charitable deductions. The House recedes with a clerical amendment.

Amendments Nos. 58 and 59: These amendments relate to the deduction for amortizable bond premium. Under the House bill the premium on callable bonds (issued after January 22, 1951, and acquired after January 22, 1954) may be amortized to nearest call date only if that date is more than 3 years from date of original issue. Amendment 58 restricts this provision to fully taxable bonds. Amendment 59 (1) permits, in effect, an ordinary loss for the amount of premiums denied under the House bill if the bond is in fact called prior to maturity. Amendment 59 (2) extends the amortizable bond premium provision to bonds which are not issued with interest coupons or in registered form. The House recedes.

Amendments Nos. 60, 61, 61a, 62, and 63: These amendments make certain changes in section 172 (relating to the net operating loss deduction) of the bill as passed by the House. Section 172, as passed by the House, applied only to net operating losses sustained in taxable years beginning after December 31, 1953. Under the Senate amendments, the new net operating loss provisions in section 172 in general are to be applicable to taxable years ending after December 31 1953.

Under the bill as passed by the House (as is likewise the case under existing law), the deduction for depletion, where it is material with respect to the net operating loss provisions, could not exceed the amount which would be allowable if computed without regard to percentage depletion. Under the Senate amendments, this limitation is removed.

Under the bill as passed by the House (as in effect is likewise the case under existing law), no deduction was allowed in connection with the net operating loss provisions for any dividends received by corporations or for dividends paid on preferred stock of public utilities. Under the Senate amendments, the deductions allowed under sections 243 (relating to dividends received by corporations), 244 (relating to dividends received on certain preferred stock of public utilities), 245 (relating to dividends received from certain foreign corporations), and 247 (relating to dividends paid on certain preferred stock of public utilities) will be allowed in computing a net operating loss. The deductions provided in sections 243, 244, and 245, moreover, are to be computed for this purpose without regard to the limitation provided in section 246 (b) on the aggregate amount of the deductions, and the deduction provided in section 247 will be computed without regard to subsection (a) (1) (B) of section 247. In determining the income for any year which must be subtracted from a net operating loss to determine the portion of such loss which will still be available to carry to a subsequent year, however, the deductions allowed by sections 243, 244, and 245 will be computed by taking into account the limitation provided in section 246 (b) and the deduction allowed by section 247 will be computed by taking into account subsection (a) (1) (B) of section 247.

Since section 172, under the Senate amendments, is to apply to losses sustained in taxable years ending after December 31, 1953, instead of only to losses sustained in taxable years beginning after December 31, 1953, as was the case under the House bill, the Senate amendments have added a new subsection (f) to section 172 with respect to losses sustained in taxable years beginning in 1953 and ending in 1954. The net operating loss for any such taxable year shall not be the amount computed under section 172 (c) (relating to the definition of net operating loss), but shall be the sum of (1) that portion of the net operating loss for such taxable year computed under section 172 (c) which the number of days in such taxable year after December 31, 1953, bears to the total number of days in such year, and (2) that portion of the net operating loss for such taxable year computed under section 122 of the Internal Revenue Code of 1939, as if section 172 had not been enacted which the number of days in the loss year before January 1, 1954, bears to the total number of days in such year. The portion of the net operating loss, if any, for any such taxable year which shall be carried to the second preceding taxable year shall be the amount which bears the same ratio to such net operating loss as the number of days in the loss year after December 31, 1953, bears to the total number of days in such year. In determining the income for such second preceding taxable year which must be subtracted from such net operating loss to determine the portion of such loss which will still be available to carry back or carry over to a year subsequent to such second preceding taxable year, such income for such second preceding taxable year shall not exceed the portion of the net operating loss which may be carried back to such second preceding taxable year. Under the Senate amendments, the special transitional rules to take care of the changeover from the Internal Revenue Code of 1939 to the Internal Revenue Code of 1954 have likewise been amended to conform to the fact that section 172 under the Senate amendments will apply to taxable years ending after December 31, 1953, instead of only to taxable years beginning after December 31, 1953.

Technical amendments have also been made to conform to the several substantive Senate amendments.

The House recedes on each of these amendments.

Amendment No. 67: This amendment relates to soil and water conservation expenditures. It makes clarifying changes, eliminates the provisions relating to adjustments to basis, and provides that certain assessments levied by a soil or water conservation or drainage district may be included as deductible expenses subject to the same limitations as apply with respect to soil and water conservation expenditures made directly by the taxpayer. The House recedes.

Amendment No. 67a: This amendment added a new section which would permit a taxpayer engaged in the business of farming to deduct expenditures paid or incurred (after December 31, 1953, and before January 1, 1956) by him during the taxable year to provide a farm grain-storage facility. The Senate recedes.

Amendment No. 69: This amendment provides for the deduction of expenses paid for the care of certain dependents if the purpose of such care is to permit the taxpayer to be gainfully employed. The amendment follows the provisions of the House bill, section 214, relating to expenses for child care, except that (1) the deduction is allowed to women and widowers while the House bill was limited to widows and widowers; (2) the deduction is allowed with respect to care of a dependent who is (a) a child of the taxpayer under the age of 12 or (b) is mentally or physically incapable of caring for himself; and (3) the deduction may be claimed by a working wife only if she files a joint return with her husband. The deduction for the working wife is decreased in the amount by which the adjusted gross income of the taxpayer and her spouse exceeds $4,500. No deduction is allowed if the adjusted gross income of the husband and wife exceeds $5,100. The House recedes.

Amendment No. 71: Under the bill as passed by the House, the deductions allowed by sections 243 (relating to dividends received by corporations), 244 (relating to dividends received on preferred stock), and 245 (relating to dividends received from certain foreign corporations) were not to apply to any dividend received from an insurance company subject to a tax imposed by subchapter L (sec. 801 and following). Under the Senate amendment, this restriction is removed and the deductions allowed by sections 243, 244, and 245 shall apply with respect to such dividends.

Subsection (b) of section 246 provides a limitation on the aggregate amount of the deductions allowed by sections 243, 244, and 245. Under the House bill, the aggregate of such deductions was not to exceed 85 percent of the taxable income of the shareholder corporation computed without regard to the deductions allowed by sections 172, 243, 244, 245, and 247. Under the Senate amendment, the provision of the House bill is retained in paragraph (1) of subsection (b) as the general rule. A new paragraph (2), however, was added to subsection (b) by the Senate amendment. This new paragraph (2) in effect provides that if the shareholder corporation has a net operating loss, as determined under section 172, for any taxable year, then the deductions provided in sections 243, 244, and 245 shall be allowable for all tax purposes to such shareholder corporation for such taxable year without regard to the limitation provided in paragraph (1) of subsection (b). If the shareholder corporation does not have a net operating loss for a given taxable year, however, the limitation provided in paragraph (1) of subsection (b) will be applicable for all tax purposes for such taxable year.

The House recedes.

Amendment No. 75: This amendment adds a new subsection to section 263, relating to capital expenditures, providing that the prohibition against deduction of capital expenditures will not apply to intangible drilling and development costs in the case of oil and gas wells insofar as these expenditures are deducted as expenses under regulations which are to be prescribed under this subtitle corresponding to the regulations which were recognized and approved by the Congress in House Concurrent Resolution 50, 79th Congress. The House recedes.

Amendment No. 76: Section 264 of the House bill extended the rule of section 24 (a) (6) of the 1939 Code (relating to the nondeductibility of interest on indebtedness incurred to purchase a single premium life insurance or endowment contract) to annuity contracts purchased after March 1, 1954. It also provided that a contract shall be treated as a single premium contract if an amount is deposited with the insurer for payment of a substantial number of future premiums on the contract. The Senate amendment limits this rule to amounts deposited after March 1, 1954. The House recedes.

Amendment No. 77: Under the bill as passed by the House, the fact that a substantially disproportionate consideration was paid for the acquisition of a corporation was determinative of the fact that the principal purpose of such acquisition was evasion or avoidance of Federal income tax unless the taxpayer by a clear preponderance of the evidence proved the contrary. Under the Senate amendment, the fact of the substantially disproportionate consideration is made prima facie evidence of the principal purpose of evasion or avoidance of Federal income tax. The House recedes.

Amendment No. 78: Under present law, if losses from a trade or business exceed $50,000 a year for 5 consecutive taxable years, a recomputation for those years must be made and only $50,000 of the annual loss may be offset against income from other sources, any excess being disallowed. Certain deductions are not taken into account in determining the amount of loss; the House bill adds certain other deductions. The Senate amendment provides in addition that the net operating loss deduction is not to be taken into account in determining whether a taxpayer's losses exceed $50,000 in any taxable year. As under existing law, if a recomputation is made, the net operating loss deduction is not allowed. The amendment also makes it clear that the changes made in this provision are applicable only with respect to taxable years in a period of 5 consecutive years one or more of which is a taxable year beginning after December 31, 1953. The House recedes.

Amendment No. 79: This amendment eliminates section 272 (a) of the House bill, which disallowed certain expenses incurred in connection with the holding and quantity measurement of certain timber. Furthermore, under section 272 (b) of the House bill, where the disposal of coal or timber was covered by section 631 (b), no deduction was allowed for expenditures attributable to the making and administering of the contract under which such disposition occurred and to the preservation of the economic interest retained under such contract. This provision of the House bill did not apply to any taxable year during which there was no income under the contract. The Senate amendment made this provision inapplicable to timber, but extended it to apply to iron ore. The amendment also made this provision inapplicable to expenses attributable to the administering of the contract, and provided that it should not apply to any taxable year during which there is no income under the contract. The House recedes with an amendment to make section 272 inapplicable to iron ore and applicable to expenses attributable to the administering of the contract under which disposition of coal occurs.

Amendment No. 80: This amendment strikes out section 274 of the House bill which provided that no deduction should be allowed with respect to amounts paid to States or other governmental units, or to their political subdivisions, for the use of property acquired or improved out of the proceeds of industrial development revenue bonds (as defined in the House bill) authorized after February 8, 1954.

While it is recognized that a serious abuse may be developing where the Federal income tax exemption granted interest on State and local governmental obligations is used for purposes of attracting new industry, the method proposed in the House bill to check this abuse would have had the unintended result of affecting adversely certain proper governmental functions, such as the operation of municipal wharf and storage facilities, municipal airports, and similar operations.

It is believed that further study should be given to this problem so that the solution adopted to prevent the abuse will not prejudice those activities which properly fall within the scope of the local government units.

The House recedes.

Amendment No. 81: This amendment strikes out section 275 of the House bill which denied a deduction for amounts paid with respect to nonparticipating stock. The House recedes.

Amendment No. 82: This amendment, relating to corporate distributions and adjustments, contains a complete substitute for the provisions of subchapter C of chapter 1 of subtitle A of the House bill.

The Senate amendment is designed to carry out the purposes sought to be accomplished in the House bill. However, objections were raised to some of the provisions of the House bill in this area. These objections were in the main directed toward certain new concepts contained in the House bill, such as those seeking to provide precise classification for all instruments issued by corporations and those distinguishing between "publicly held" and "closely held" corporations. The Senate amendment has largely eliminated these new concepts, while at the same time preserving, to the greatest extent possible, the degree of certainty which was sought in the House bill and which is lacking in existing law.

The House recedes and agrees to the Senate amendment numbered 82 with amendments. Except for certain technical, clerical, and conforming amendments, the text of these provisions, as they are proposed to be amended under the accompanying conference report, is the text of the Senate amendment with the following changes:

(a) Constructive ownership of stock: The House bill set forth rules under which the stock of one person would be considered to be the stock of a related person for certain purposes (such as the determination of whether a distribution in redemption of stock would be entitled to capital-gains treatment or would be treated as the receipt of a dividend). In clarifying these rules, the Senate amendment removed the requirement that the stock owned by a beneficiary of a trust would be attributed to the trust only if the beneficiary had an interest of at least 50 percent (computed actuarially) or was the beneficiary with respect to at least 50 percent of the income of the trust. Under the action recommended in the accompanying conference report, section 318 (a) (2) (B) would be amended to make it clear that a trust will not be considered the constructive owner of stock which is owned by one of its beneficiaries, if such beneficiary's interest in the trust is merely a contingent interest which (under the maximum exercise of discretion by the trustee in favor of such beneficiary) does not have a value exceeding 5 percent of the value of the trust property.

Under the action recommended in the accompanying conference report, it is also

made clear that stock owned by a trust will be considered as being owned by its beneficiaries only to the extent of the interest of such beneficiaries in the trust. For such purpose, the interest of income beneficiaries, remainder beneficiaries, and other beneficiaries will be computed on an actuarial basis. Thus, if a trust owns 100 percent of the stock of corporation A, and if, on an actuarial basis, W's life interest in the trust is 15 percent, Y's life interest is 25 percent, and Z's remainder interest is 60 percent, under this provision W will be considered to be the owner of 15 percent of the stock of corporation A, Y will be considered to be the owner of 25 percent of such stock, and Z will be considered to be the owner of 60 percent of such stock.

Under the action recommended in the accompanying conference report, there would also be an amendment to section 302 (c) (2) (B) (ii) to provide that an individual will not be barred from capital-gains treatment on the redemption of all of his stock in a corporation, by reason of stock owned by members of his family to whom he has given or sold part of his stock within the preceding 10 years, if the stock so given or sold to the other members of his family is redeemed in the transaction in which the stock of such person is redeemed.

(b) Preferred stock bailout: Under the House bill the problem of the so-called "preferred stock bailout" was treated by imposing a transfer tax on the corporation on the amount distributed in redemption of certain preferred stock. The Senate amendment changes this approach by providing in general for the imposition of a tax in certain cases on the shareholder at the rates applicable to ordinary income when there is a disposition or redemption of preferred stock issued to him as a dividend. The effect of the action recommended in the accompanying conference report is to accept the Senate provisions in this area with certain technical amendments.

An amendment to section 306 (b) (1) (A) rewrites clause (iii) thereof to make clear that the termination of the interest in the corporation to which that provision relates is only the stock interest. Thus, the terminating shareholder is not prohibited from retaining an interest as a director or employee. The amendment also makes clear that the rules of constructive stock ownership in section 318 (a) apply in determining whether the shareholder has disposed of his stock interest in the corporation.

An amendment to section 306 (b) (3) strikes out the words "sale or". The purpose of this amendment is to make clear that section 306 (b) (3) does not apply to sales of section 306 stock. Furthermore, it is intended that, in the case of exchanges which are all or partly nontaxable in nature (such as exchanges under part III of subchapter C or under sec. 1036 (a)), property received which is of a kind which is permitted to be received in the exchange under the applicable sections without the recognition of gain or loss will not be treated as an amount realized to which section 306 (a) applies. For example: Shareholder X exchanges 100 shares of preferred stock which, in his hands, is section 306 stock and has a basis of $10 per share with shareholder Y for 50 shares of preferred stock in the same company with a value of $10 per share and $600 in cash. The transaction is of such a nature that so much of section 1031 (b) as relates to section 1036 (a) provides for the recognition of gain only with respect to the receipt of money. It is the intent that all of the money (that is, $600) will be treated as received from a disposition to which section 306 (a) applies (without regard to the amount of gain which would otherwise be recognized under sec. 1031 (b)). X may receive the 50 shares of preferred stock without the application of section 306 (a), although such stock becomes section 306 stock by reason of section 306 (c) (1) (C).

Section 306 (c) (1) (B), which relates to the characterization of stock received in a reorganization as section 306 stock, is amended by striking the word "if" from clause (ii) and substituting the words "to the extent that". This amendment is intended to make clear that stock (other than common stock) received in a reorganization may be section 306 stock in part, and the balance may be other than such stock.

(c) Basis of assets received in certain liquidations of subsidiaries: The accompanying conference report contains an amendment to section 334 (b) (2). Under section 334 (b) (2), which relates to the so-called "Kimbell-Diamond" problem, a parent corporation which liquidates its subsidiary (the stock of which was purchased within the time and in the manner prescribed) receives the assets of the subsidiary at the same basis at which the parent held the subsidiary stock, subject to certain adjustments. Under the Senate amendment, the only adjustment expressly provided for was an adjustment for distributions made to the parent with respect to the stock of the subsidiary before the adoption of the plan of liquidation. Under the amendment recommended in the accompanying conference report, it is provided that, under regulations prescribed by the Secretary or his delegate, proper adjustment will be made not only for such distributions, but also for any money received by the parent corporation, for liabilities, and for other items.

(d) Sales during period of complete liquidation: Section 337 of the Senate amendment provided for nonrecognition of gain or loss to a corporation from the sale or exchange of certain property by it within the 12-month period beginning on the date of the adoption of a plan of liquidation. Section 392 (b) of the Senate amendment provided a substantially similar rule applicable (whether or not a plan of liquidation is adopted) with respect to sales or exchanges during the calendar year 1954, but only where the distributions in liquidation are completed before January 1, 1955.

The effect of the action recommended in the accompanying conference report is to adopt these Senate provisions with two changes. The first, which is an amendment to section 337 (b) (2), makes it clear that the sale of inventory (or similar property) will come within the nonrecognition provisions of section 337 if substantially all of such property which is attributable to one trade or business of the corporation is sold to one person in one transaction. For example, if a corporation engages in 2 distinct businesses, it may avail itself of the provisions of section 337 with respect to the inventory attributable to 1 of such businesses by selling such inventory to 1 person in 1 transaction, even though it distributes in kind the inventory which is attributable to the other business.

The second change is contained in an amendment to section 392 (b) and would add a new paragraph (3) thereto. Under this amendment, a corporation which adopts a plan of liquidation after December 31, 1953, and before June 22, 1954, and which elects the nonrecognition of gain or loss for sales or exchanges of property provided by section 392 (b), may make a supplemental election as to the period for nonrecognition. If the supplemental election is not made, the period for nonrecognition will be the calendar year 1954. However, if the supplemental election is made, the period for nonrecognition will be the 12-month period beginning on the date of the adoption of the plan of complete liquidation, and that period will also be the period within which all distributions pursuant to the plan of liquidation must be made.

Section 392 (b) (2) (B) provides that the special rule for sales or exchanges by a corporation being liquidated which is contained in section 392 (b) will not be available if the limitations of section 337 (c) apply (that is, among other limitations, if the liquidation is one to which sec. 112 (b) (6) of the 1939 Code applies, or if the liquidation is one to which sec. 332 of the 1954 Code applies). The limitation of section 392 (b) (2) (B) will, of course, apply whether or not the taxpayer, under section 392 (b) (3), elects the optional 12-month period.

(e) Collapsible corporations: The Senate amendment, in section 341, embodies provisions dealing with the problem of the so-called "collapsible corporation" which are similar to those contained in section 117 (m) of the Internal Revenue Code of 1939, but which contain certain provisions designed to meet more effectively the tax avoidance problems in this area. One of the additional safeguards contained in the Senate amendment, and not contained in existing law, is a presumption that certain corporations holding a large percentage of "section 341 assets" are collapsible corporations. The amendment to section 341 (c) (2) (B) recommended in the accompanying conference report is designed to prevent a corporation from circumventing the new presumption merely by acquiring certain governmental obligations issued on a discount basis which, for purposes of section 341, should be treated the same as cash or capital assets, but which would not (but for this amendment) be so treated.

(f) Distribution of stock of controlled corporation: The accompanying conference report contains an amendment to section 355 (a) (1) (B). Under the Senate amendment, this provision stated that the nonrecognition of gain or loss on distribution of stock or securities of a controlled corporation therein provided would not apply if the transaction was used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation, or both. The amendment provides that the mere fact that subsequent to the distribution stock or securities in one or more of such corporations are sold or exchanged by all or some of the distributees (other than pursuant to an arrangement negotiated or agreed upon prior to such distribution) shall not be construed to mean that the transaction was used principally as such a device.

A new subparagraph (D) is added to section 355 (b) (2) in order to insure the effectiveness of the requirement of that section that the active business of the corporation the stock of which is distributed must, in general, have been conducted by, or held in a corporation controlled by, the distributing corporation for a period of 5 years. The new subparagraph adds a new condition for determining when a corporation is engaged in the active conduct of a trade or business. Under clause (i) of the subparagraph, the corporation will not be considered in the active conduct of a business if control of a corporation, which (at the time of acquisition of control) was conducting such business, was acquired directly (or through one or more corporations) by another corporation within the 5-year period ending on the date of the distribution. This requirement will prevent avoidance of the 5-year rule of the Senate amendment, for example, under the following circumstances: The stock of corporation A which owned all of the stock of a subsidiary which was conducting an active business was purchased by corporation B. Before such purchase, corporation B owned only one active business but had cash and other liquid assets. It desired to distribute the active business under section 355 (a). Without the amendment it might be held that corporation B could merge "downstairs" with corporation A, and A could meet

the test of section 355 (b) (1) by reference to the business formerly held by corporation B and its own business even though one of the businesses had, in effect, been purchased less than 5 years prior to the distribution.

In section 355 (a) (3), the phrase "by reason of any transaction which occurs within 5 years of the distribution of such stock" has been inserted in lieu of the phrase "within 5 years of its distribution, in a transaction". The effect of this change is to make certain that, in addition to treating stock of a controlled corporation purchased directly by the distributing corporation as "other property," similar treatment will be given such stock if it is purchased within 5 years through the use of a controlled corporation or of a corporation which, prior to a "downstairs merger", was in control of the distributing corporation. For example, if the parent corporation has held 80 percent of the stock of an active subsidiary corporation for more than 5 years but purchases the remaining 20 percent of such stock within the 5-year period, and distributes all of the stock, gain or loss will not be recognized nor will dividend treatment be accorded the stock distributed to the extent of 80 percent. The 20 percent of the stock will be treated as "other property" for purposes of section 356. Similarly, under the amendment made, where such parent causes another subsidiary to acquire the 20 percent of the stock and then itself acquires such stock in a liquidation in which no gain or loss is recognized to such parent under section 332, or where the subsidiary having held 80 percent of the stock of its subsidiary for more than 5 years, acquires the 20 percent of the stock which has been purchased by the parent within the 5-year period through a nontaxable "downstairs" merger of the parent into the subsidiary, and all of the stock is distributed, such 20 percent of the stock will in either case be treated as "other property."

In the case in which a parent corporation has held 20 percent of the stock for more than 5 years and purchases the remaining 80 percent, and distributes all of the stock at any time within 5 years after such purchase, it is not intended that either section 355 or 356 shall apply to the distribution.

It is the understanding of the managers on the part of the House, in agreeing to the active business requirements of section 355 and of section 346 (defining partial liquidations), that a trade or business which has been actively conducted throughout the 5-year period described in such sections will meet the requirements of such sections, even though such trade or business underwent change during such 5-year period, for example, by the addition of new, or the dropping of old, products, changes in production capacity, and the like, provided the changes are not of such a character as to constitute the acquisition of a new or different business.

Neither the clarification of section 112 (c) (2) of the 1939 Code by the House in its bill, nor the return to substantially the language of that section by the Senate in its amendment, nor the recession by the managers on the part of the House in conference, shall be considered in interpreting section 112 (c) (2) of the 1939 Code.

(g) Carryovers: Section 381 of the House bill provided for the carryover of 16 specific tax attributes or items from one corporation to another in certain nontaxable reorganizations and liquidations. The Senate amendment made conforming and technical changes in the House provisions and added two additional items to the list of carryover items.

The effect of the action recommended in the accompanying conference report would be to accept the text of section 381, as contained in the Senate amendment, with two amendments. The first amendment is to paragraph (5) of section 381 (c) and authorizes the Secretary or his delegate to issue regulations pursuant to which an acquiring corporation shall adopt a method or combination of methods of taking inventory in those cases where the carryover of the method of taking inventory results in the acquiring corporation having more than one such method.

The second amendment is necessary to conform section 381 to section 170 (b) (2). This amendment (which adds a new paragraph (19) to section 381 (c)) provides for the carryover to the acquiring corporation of the right to deduct, subject to the limitations in section 170 (b) (2), charitable contributions made in the taxable year ending on the date of distribution or transfer, or made in the prior taxable year, by the distributor or transferor corporation in excess of the 5-percent limitation. Such contributions made in the taxable year preceding the taxable year ending on the date of distribution or transfer will be deductible by the acquiring corporation, subject to the limitations in section 170 (b) (2), only in the first taxable year beginning after the date of distribution or transfer. Such contributions made in the taxable year ending on the date of distribution or transfer will be deductible by the acquiring corporation, subject to the limitations in section 170 (b) (2), in the first taxable year and the second taxable year beginning after the date of distribution or transfer. Thus, unlike the carryover of a net operating loss or a capital loss under paragraph (1) or (3) of section 381 (c) (where, if the date of distribution or transfer is on other than the last day of the acquiring corporation's taxable year, the amount deductible in the first taxable year is limited by a ratio), the amount deductible in the first taxable year of the acquiring corporation under paragraph (19) is not limited by a ratio because such first taxable year does not begin until after the date of distribution or transfer. For example, if corporation X merges into corporation Y on July 1, 1955, and corporation X, in its taxable year ending on July 1, 1955, has made charitable contributions exceeding the limitation in section 170 (b) (2) by $5,000, such excess will be deductible by Y, subject to the limitations in section 170 (b) (2), in Y's first and second taxable years beginning after July 1, 1955.

Section 382 of the House bill contained a special limitation reducing the carryover of a corporate net operating loss if, during two consecutive taxable years, there was a 50 percent or more change in the ownership of the participating stock of the corporation by reason of a purchase or redemption of the stock.

The Senate amendment modified the limitation in the House bill and added a new limitation which was applicable in certain nontaxable reorganizations. In the case of a 50 percent or more change of ownership by reason of a purchase or redemption of stock, the Senate amendment completely eliminated the net operating loss carryovers provided the corporation did not continue to carry on a trade or business, substantially the same as that conducted before the change of ownership. If the corporation continued to carry on substantially the same trade or business, the limitation would not be applicable even though the corporation also added a new trade or business. In the case of certain nontaxable reorganizations, the Senate amendment provided for a reduction in the net operating loss carryovers if the stockholders of the loss corporation owned, as a result of owning stock in the loss corporation, less than 20 percent of the stock of the acquiring corporation. The Senate amendment also made some changes to conform section 382 to other changes which it made in the House provisions. These changes included the elimination of the term "participating" from the definition of stock. The definition of stock in the Senate amendment excluded ordinary preferred stock but is intended to include stock having substantially the attributes of common stock even though nonvoting.

The effect of the action recommended in the accompanying conference report would be to accept the text of section 382, as contained in the Senate amendment, with two changes. The first adds to section 382 (a), a paragraph (4), definition of purchase, which is similar to the definition in section 382 of the House bill. The second change adds paragraphs (5) and (6) to section 382 (b). Under paragraph (5), if one of the corporate stockholders of the loss corporation is also a party to a reorganization specified in section 382 (b) (1), even though such stockholder disappears in the reorganization or becomes the acquiring corporation in the reorganization (and hence, in either case, would not own stock in the acquiring corporation immediately after the reorganization), such stockholder will be considered to own a percentage of the stock of the acquiring corporation. Such percentage will be determined by the following ratio:

X (the percentage of stock of the acquiring corporation considered to be owned by such stockholder immediately after the reorganization) is to the percentage of stock of the loss corporation owned immediately before the reorganization as the value of the total outstanding stock of the loss corporation immediately before the reorganization is to the value of the total outstanding stock of the acquiring corporation immediately after the reorganization.

Paragraph (6) added to section 382 (b) permits stockholders of the loss corporation who own, as a result of the reorganization, stock of a corporation controlling the acquiring corporation to treat such stock as if it were an equivalent amount (measured by value) of stock of the acquiring corporation for the purpose of applying the limitation in section 382 (b). This is not intended to permit a corporation desiring the benefits of a net operating loss carryover from another corporation to water down the 20-percent requirement by first combining a subsidiary which can meet the 20 percent test with the loss corporation and then completely liquidating the enlarged subsidiary. The requirement that the shareholders of a loss corporation have a 20 percent continuity of interest is intended to apply to an interest in the corporation desiring to use the net operating loss carryover.

(h) Effective date: The Senate amendment contained a June 22, 1954, effective date for the reorganization provisions. When this was added on the floor of the Senate, the June 18, 1954, effective date for liquidations, for distributions of section 306 stock, and for certain other provisions of subchapter C, was not changed. Because it is imperative that all of the provisions in this highly interrelated field be coordinated and that the transactions, at the corporate and the shareholder level, be provided for to the maximum extent practicable by the same statute, the remaining effective date provisions of subchapter C which heretofore were stated in terms of June 18, 1954, have been changed also to June 22, 1954.

The accompanying conference report also contains three amendments to section 333 (the provision of the bill which corresponds to section 112 (b) (7) of the 1939 Code). The effect of these amendments is to change from August 15, 1950, to January 1, 1954, the date for determining whether a corporate shareholder shall be excluded from the benefits of section 333, and the date for determining whether securities shall be taxed as if cash were distributed.

(i) Liquidation followed by reincorporation: The House bill in section 357 contained

a provision dealing with a device whereby it has been attempted to withdraw corporate earnings at capital gains rates by distributing all the assets of a corporation in complete liquidation and promptly reincorporating the business assets. This provision gave rise to certain technical problems and it has not been retained in the bill as recommended by the accompanying conference report. It is the belief of the managers on the part of the House that, at the present time, the possibility of tax avoidance in this area is not sufficiently serious to require a special statutory provision. It is believed that this possibility can appropriately be disposed of by judicial decision or by regulation within the framework of the other provisions of the bill.

Amendment No. 83: Sections 401, 402, 403, and 501 (e) of the House bill made basic revisions in the provisions of the 1939 Code relating to qualification of stock bonus, pension, and profit-sharing plans; taxability of distributions from employees' trusts; taxability of employee annuities; and deductions for contributions of an employer to an employees' trust or annuity plan. Senate amendment No. 83 restored the provisions of the 1939 Code which govern these areas, with certain exceptions, most of which were contained in the House bill.

The Senate amendment added to section 401, relating to requirements for qualification of an employees' trust, a provision which was not contained in the House bill but which is identical to existing law, relating to certain retroactive changes in a plan (sec. 401 (b) of the Senate amendment). Under this provision, a stock bonus, pension, profit-sharing, or annuity plan is considered as satisfying certain qualification requirements for employees' trusts for the period beginning with the date on which it was put into effect and ending with the 15th day of the 3d month following the close of the taxable year of the employer in which the plan was put in effect, if all provisions of the plan which are necessary to satisfy such requirements are in effect by the end of such period and have been made effective for all purposes with respect to the whole of such period.

The provisions of the House bill relating to the treatment of trusts created or organized outside the United States were retained in the Senate amendment (secs. 401 (a) and 404 (a) (4) of the Senate amendment). In addition, the Senate amendment added a section 402 (c) which provides that, for purposes of taxing the beneficiary, an employees' trust which would qualify for exemption from tax under section 501 (a) except for the fact that it is a trust created or organized outside the United States shall be treated as if it were a trust exempt from tax under section 501 (a).

The House bill retained the provision of existing law which grants capital-gains treatment for lump-sum distributions from employees' trusts on death or other separation from service, and also provided capital-gains treatment for lump-sum distributions from employees' trusts on death after separation from service. Similar capital-gains treatment for lump-sum distributions on death or other separation from service and death after separation from service was provided by the House bill in connection with employee annuities. These provisions were retained by the Senate amendment (secs. 402 (a) (2) and 403 (a) (2)). For purposes of these provisions, the lump-sum distributions entitled to the capital-gains treatment are defined to mean the balance to the credit of an employee which becomes payable to a distributee on account of the employee's death or other separation from the service or on account of his death after separation from the service. This will insure that a partial distribution, for example, annuity payments received after retirement, will not defeat application of the capital-gains treatment to a lump sum received at death. Another example would be a profit-sharing plan which provides that an employee is to receive 50 percent of the amount in his account on separation from service and the balance will be payable to his estate or named beneficiary on death. Capital-gains treatment will be allowed on the distribution made at the employee's death. It should also be noted that the distribution on separation from service would not receive capital-gains treatment since the balance to the credit of the employee means the total amount in his account on separation from service.

The Senate amendment, like the House bill, provided capital-gains treatment in certain cases where distributions are made on termination of a plan if such termination is incident to the complete liquidation of the corporate employer (sec. 402 (e)). However, the Senate amendment restricted the provision so that the provision would apply only in the case of distributions made after December 31, 1953, and before January 1, 1955, as a result of the complete termination of a stock bonus, pension, or profit-sharing plan of an employer which is a corporation, if the termination of the plan is incident to the complete liquidation, occurring in a year prior to the calendar year in which any such distributions are made, of the corporation, whether or not such liquidation is incident to a reorganization as defined in section 368 (a). Under the conference agreement the provision will apply if the complete liquidation of the corporation occurs prior to the date of the enactment of this title.

The Senate amendment contained a provision, which was also in the House bill, relating to the shifting, under certain circumstances, of deductions for contributions among members of an affiliated group of corporations which has a common profit-sharing plan and, in certain cases, a common stock bonus plan (sec. 404 (a) (3) (B) of the Senate amendment). The amendment is identical to the provision in the House bill except (1) it has been extended to stock bonus plans in which contributions are determined with reference to profits, and (2) allocation of the contributions among the profit members are not required where a consolidated return is filed.

The Senate amendment provided, like the House bill, that for purposes of paragraphs (1), (2), or (3) of section 404 (a) an accrual basis taxpayer shall be deemed to have made a payment under a plan on the last day of the year of accrual if the payment is on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof) (sec. 404 (a) (6) of the Senate amendment).

The Senate amendment contained a provision, which was not in the House bill, providing that if contributions are paid by an employer under a plan under which (1) such contributions are held in a welfare trust providing at least (a) payments for medical or hospital care for employees and their families and dependents and (b) pensions on retirement or death of employees, and (2) such plan is established prior to January 1, 1954, as a result of an agreement between employee representatives and the Government of the United States during a period of Government operation under seizure powers of a major part of the productive facilities of the industry in which such employer is engaged, then such contribution shall be deductible under section 162 (relating to trade or business expenses) (sec. 404 (c) of the Senate amendment). The enactment of this provision is not intended to have any effect on the interpretation of the 1939 Code.

The expression in the Senate amendment "as a result of an agreement" is intended primarily to cover a trust established under the terms of such an agreement. It will also include a trust established under a plan of an employer, or group of employers, who are in competition with the employers whose facilities were seized by reason of producing the same commodity, and who would therefore be expected to establish such a trust as a reasonable measure to maintain a sound position in the labor market producing the commodity. Thus, for example, if a trust was established under such an agreement in the bituminous coal industry, a similar trust established about the same time in the anthracite coal industry would be covered by this provision.

If any such trust becomes qualified for exemption under section 501 (a), the deductibility of contributions by an employer to such trust on or after the date of such qualification would no longer be governed by this provision, even though the trust may later lose its exemption under section 501 (a).

The Senate amendment contained a provision which was also in the House bill preserving for employers a carryover of unused deductions and contributions in excess of deductible amounts for taxable years to which part I of subchapter D does not apply and which would have been deductible in later years if section 23 (p) of the 1939 Code, providing for such carryovers, were continued in effect in taxable years to which such part applies (sec. 404 (d) of Senate amendment). However, the House bill was changed by the Senate amendment by adding a sentence which will insure that duplicate deductions will not be allowed.

The House recedes with a clerical amendment and with the amendment to section 402 (e) relating to certain plan terminations.

Amendments Nos. 84, 85, 86, 87, and 88: These amendments make clerical and conforming changes in section 421 of the House bill, relating to restricted stock options, and the following substantive changes in such section:

(1) The issuance of a new option, or the assumption of an old option, by the employer corporation, or a parent or subsidiary of such corporation, as a result of certain corporate reorganizations or liquidations will not be treated as a modification of the option, provided the employee does not otherwise benefit from such issuance or assumption. Furthermore, the employment requirement of section 421 (a) is met if the employee is employed when the option is exercised, by a corporation issuing or assuming such option.

(2) The House provision, which permitted certain options to qualify even though the employee owned more than a 10-percent interest in the employer, has been extended to apply to such options if they are exercised within 1 year after the enactment of the new code.

(3) The House provision that options granted after December 31, 1953, must be exercisable only within a 10-year period in order to qualify was changed so that the effective date of such provision is June 18, 1954.

(4) The definitions of "parent corporation" and "subsidiary corporation" have been changed so as to qualify corporations in an unbroken chain where one owns 50 percent or more of the voting rights in another.

(5) When an estate transfers the stock which it acquired by the exercise of a restricted stock option, such transfer is to be treated as a disposition, and the estate will report the gain, if any, required by section 421 (b) to be treated as ordinary income.

(6) The distinction between options which are exercisable after 10 years, and those which are not, has been removed in applying the rules for determining what is a modification, extension, or renewal of the option;

and the higher value test has been restored except in situations in which there has been a prolonged decline in the value of the stock.

(7) The provision, which enables options with a variable price to qualify when granted, was modified so that it was applicable just to options in which the only variable is the value of the stock.

The House recedes with an amendment. Under the conference agreement the provision relating to variable price options has been modified to provide that such options may qualify when granted if the price is determinable by a formula in which the only variable is the value of the stock at any time during a period of 6 months which includes the time when the option is exercised. Under such provision, an option can qualify where the price is determined by reference to the value of the stock on any particular day during such 6-month period, or by reference to an average value of the stock over either the entire 6-month period or over any shorter period included in such 6-month period. Such 6-month period may begin with, end with, or in any other manner span the day on which the option is exercised. The formula for determining the price may depend upon factors other than the value of the stock, but if the formula involves any variable other than the value of the stock at any time during such 6-month period, the option cannot qualify under the new provision. Whether a formula does qualify under such provision is to be determined when the option is granted and does not depend upon the facts as they subsequently develop.

Amendment No. 89: The House bill permits corporations to elect to use as an annual accounting period a fiscal year varying from 52 to 53 weeks. Paragraphs (1) and (2) of the amendment accord the privilege of the election to use a 52–53-week year to any taxpayer. Paragraph (2) also makes the election available with respect to any year ending after the date of enactment. Paragraph (3) is a technical amendment pertaining to computation of the tax when the rates change during a taxable year. The House recedes.

Amendment No. 92: The amendment adds a provision to section 452 of the House bill, relating to prepaid income. Under the amendment prepaid income related to a liability covering an indefinite period may under regulations prescribed by the Secretary or his delegate, be includible in taxable income as it is earned in the year of receipt and subsequent years. The House recedes.

Amendment No. 93 (1): The House bill provides that in the case of sales of real property or casual sales of personal property the installment method of reporting taxable income may be used if in the year the payments were first received such payments do not exceed 30 percent of the selling price. The Senate amendment provides that such sales may qualify for reporting under the installment method if in the year of sale either no payments are received, or the payments in that year do not exceed 30 percent of the selling price. The House recedes with a technical amendment.

Amendment No. 96: The House bill provides that an accrual-basis taxpayer must accrue real property taxes ratably over the period for which the property tax is imposed. Under the Senate amendment this rule is optional with the taxpayer. The House recedes with a clerical amendment.

Amendments Nos. 97 and 98: These amendments relate to the deductions provided in the House bill for additions to reserves for estimated expenses. Section 462 (a) of the House bill provides that there shall be taken into account a reasonable addition to each reserve for estimated expenses to which the section applies. Senate amendment No. 97 adds the words "(in the discretion of the Secretary or his delegate)" after "taken into account". This conforms to the provisions in the House bill and in existing law relating to deductions for additions to reserves for bad debts. Amendments Nos. 98 (1) and (3) are conforming amendments. Amendment No. 98 (2) provides that deductions for estimated expenses must be attributable to income of the taxable year or prior taxable years for which an election to estimate expenses is in effect. Amendment No. 98 (4) clarifies the deductibility of expenses incurred in 1954 and in subsequent years which are related to income of taxable years preceding the first year of election. The House recedes.

Amendment No. 99: This amendment and amendment No. 100 pertain to adjustments required by changes in methods of accounting. The House bill provides that adjustments in the year of change arising out of a change of method of accounting, whether voluntary or involuntary, may be made in order to prevent the omission or duplication of income, as contrasted to certain court decisions under present law which bar any such adjustments on the grounds that they relate to years closed by the statute of limitations. Amendment No. 99 limited transitional adjustments (whether voluntary or involuntary) to those in respect of any taxable year to which the new code applies. The House recedes with a technical amendment.

Amendment No. 100: The House bill in case of a change in method of accounting provided that, if the transitional adjustments increase taxable income by more than $3,000, the net transitional adjustments shall be spread ratably over the year of change and the 2 preceding taxable years, or the year of the change, whichever resulted in the lesser income tax liability. The Senate amendment provides an additional limitation so that if a taxpayer's records are adequate and can support an allocation of the transitional adjustments to years prior to the year of change (but not including any year to which the 1954 Code does not apply) then the tax resulting from the adjustments in the year of change cannot exceed the aggregate of the taxes computed on the taxable income resulting from the allocation of the transitional adjustments to the prior years. The House recedes.

Amendment No. 102 (2): The House bill provides for exemption from income tax of certain corporations and foundations organized and operated exclusively for religious, charitable, scientific, or educational purposes. The Senate amendment extends the exemption to an organization engaged in testing for public safety if it meets the same requirements imposed on tax-exempt scientific, educational, etc., organizations. The House recedes.

Amendment No. 102a (2): The House bill provided that certain organizations (corporations, funds, etc., organized and operated exclusively for religious, charitable, etc., purposes) described in section 501 (c) (3) will lose their tax-exempt status if any substantial part of the activities is carrying on propaganda, or otherwise attempting to influence legislation. The Senate amendment provides that such organizations will lose their tax-exempt status if they participate or intervene (including the publishing or distributing of statements) in a political campaign on behalf of any candidate for public office. The House recedes.

Amendment No. 105a: The Senate amendment provides that the denial under section 503 of the House bill of exemption to organizations which engage in prohibited transactions will not be applicable to an organization whose principal purpose or function is to provide agricultural research. The House recedes.

Amendment No. 107: The House bill provided that an employees' trust would lose its tax-exempt status if the trust engaged in certain specified activities, including the lending of its income or corpus without adequate security and a reasonable rate of interest.

This amendment is consistent with the House provision but allows up to December 31, 1955, to arrange refinancing for a period not extending beyond December 31, 1955, in cases where the employees' trust had such a loan outstanding as of March 1, 1954. In the case of notes payable on demand the continuation of the notes beyond December 31, 1955, without adjusting the terms to meet the requirements of adequate security and reasonable interest will be considered a prohibited transaction. The House recedes.

Amendment No. 108: The House bill placed employees' trusts under the operation of certain rules in existing law which deny exemption to organizations (which would otherwise be tax-exempt) if they unreasonably accumulate income. The Senate amendment restores existing law and thus removes employees' trusts from the provisions dealing with unreasonable accumulations of income. The House recedes.

Amendment No. 109: Under the House bill, paragraph (1) of section 504 (a) which continues present law, specifies as a cause for the denial of exemption accumulations of income which are unreasonable in amount or duration for carrying out the function or purpose of the organization claiming the exemption.

This amendment provides that paragraph (1) of section 504 (a) shall not apply to income attributable to property of a decedent dying before January 1, 1951, which is transferred under his will to a trust. This amendment further provides that in the case of a trust created by the will of a decedent dying on or after January 1, 1951, where income is required to be accumulated under the mandatory terms of the will creating the trust, the rule of paragraph (1) shall apply only to income accumulated during a taxable year of the trust beginning more than 21 years after the date of death of the last life in being designated in the trust instrument. The House recedes.

Amendment No. 110: This amendment strikes out section 505 of the House bill which established rules as to investments which employees' trusts might make. The House recedes.

Amendment No. 110a: This amendment provides for the denial of exemption from the income tax in the case of organizations making donations to subversive organizations or individuals and the disallowance of the charitable deduction for gifts to certain organizations. Subsection (a) (1) defines a subversive organization as any organization which (A) advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the Government of the United States by force or violence, or (B) is on the list of organizations furnished by the Attorney General pursuant to section 3 of part III of Executive Order No. 9835 of March 21, 1947, or (C) is registered (or required by final order of the Subversive Activities Control Board to register) with the Attorney General under section 7 of the Subversive Activities Control Act of 1950. Subsection (a) (2) defines a subversive individual.

The organization which the Secretary or his delegate determines has made a donation (other than a donation of necessities, and medical and hospital services) to a subversive organization or individual would have lost its exempt status for at least the taxable year in which the determination is made and the following year. If the donee organization or individual signed a sworn statement that the donee was not subversive, the section would be inapplicable unless one of the donor organization's agents, employees or officers, who actively participated in the making of

the donation, knew or had reason to know that the donee was subversive.

To a large extent this amendment introduced new concepts although present law reaches the same result in many instances. Under section 11 of the Subversive Activities Control Act of 1950 organizations required to register under section 7 of such act (or required by a final order of the Subversive Activities Control Board to register) are not exempt and contributions to these organizations are not deductible for income-tax purposes. Furthermore, an organization devoted to subversive activities would not qualify for the exemption under present law since its objectives would not be charitable or educational (or any of the other listed purposes), and the organization could not meet the test that no substantial part of the activities is carrying on propaganda or otherwise attempting to influence legislation. The practical application of this principle is illustrated by the fact that none of the organizations on the Attorney General's list are on the list of exempt organizations published by the Internal Revenue Service.

The amendment would have introduced two new concepts. The amendment would have removed the tax-exempt status of any organization that makes a donation to any subversive organization or individual. A large foundation could lose its exemption unless every foreign farmer to which it furnished fertilizer signed the sworn statement and all the sworn statements were secured by agents of the foundation who were not themselves subversive. The burden imposed upon the organization of determining who is a "subversive" imposes tremendous difficulties and any mistake, however minor, would seriously curtail the philanthropic activities of the organization.

This amendment also denied tax-exempt status to organizations placed on the Attorney General's list pursuant to Executive Order No. 9835. The standards relied on by the Attorney General in placing organizations on this list are established by the Executive order and not by statute, for the purpose of guiding the executive department in its employee loyalty program. To make the tax-exempt status of an organization dependent upon action by the executive department not guided by statutory standards and safeguarded by court review raises a serious constitutional issue.

The present law may not be the most efficient method of preventing subversive organizations from benefiting from the tax-exempt status conferred on religious, charitable, scientific, and other organizations who contribute so heavily to the general welfare of the country. It is recognized that abuses may exist. A distinct anomaly is presented when an organization actually devoted to antisocial action is able to pay less income tax than legitimate business activities on the ground that the organization professes to be devoted to philanthropic work of a type which Congress has seen fit to give special recognition. The chairman of the Joint Committee on Internal Revenue Taxation has instructed the committee staff to make a study to determine the faults in the present law and to explore the possible ways of removing this loophole. The Senate recedes.

Amendment No. 116: Under the House bill there is imposed a tax on rental income received by certain tax-exempt organizations to the extent that property, subject to a lease for more than 5 years, was obtained with borrowed funds. There is provided an exception for certain leases of more than 5 years, in case of property occupied by more than one tenant under short-term leases. This amendment provides that a lessor coming within the terms of this exception may renew a short-term lease during the last half of its term without having the unexpired portion of the first lease added to the second lease for purposes of determining whether the second lease is for more than 5 years. The House recedes.

Amendments Nos. 117 (1) and (3): The House bill extended the provisions subjecting to tax certain leaseback income received by exempt organizations to exempt pension and profit-sharing trusts. Paragraph (1) of this amendment provides an effective date for the application to employee trusts (or wholly owned exempt holding corporations acquired by such trusts prior to March 1, 1954) of the provisions taxing rental income received by certain tax-exempt organizations to the extent that borrowed funds are used to acquire the property. If such an employees' trust, prior to March 1, 1954, incurs what would otherwise be business-lease indebtedness in connection with real property which is leased before March 1, 1954, such indebtedness shall not be deemed business-lease indebtedness. The amendment further provides that if any indebtedness is incurred by such a trust on or after March 1, 1954, necessary to carry out the terms of a lease made before March 1, 1954, it shall not be deemed business-lease indebtedness.

Paragraph (3) of amendment No. 117 provides a rule regarding amounts borrowed by an exempt pension, profit-sharing, or stock-bonus trust of an employer from another exempt trust of the same employer. These will only be treated as indebtedness of the borrowing trust to the extent that the lending trust was forced to borrow to make the loan. The House recedes.

Amendments Nos. 119, 120, 121, 122, 123, 124, 125, and 126: These amendments apply to part I of subchapter G, which relates to the tax on corporations improperly accumulating surplus. Under the bill as passed by the House, publicly held corporations were exempt from the corporate accumulated earnings tax. This exemption is deleted by the Senate amendment.

The Senate amendment provides that the shift in the burden of proof under section 534 from the taxpayer to the Government applies not only in determining whether the earnings and profits of the corporation have been permitted to accumulate beyond the reasonable needs of the business, but also in determining the extent to which the earnings and profits of a corporation have accumulated during the taxable year beyond the reasonable needs of the business.

In computing accumulated taxable income on which the accumulated earnings tax is imposed, the bill as passed by the House allowed as a deduction the excess of the net long-term capital gain for the taxable year over the net short-term capital loss for such year (determined without regard to the capital loss carryover provided in sec. 1212). A technical amendment by the Senate allows the capital-gains tax as a deduction in computing accumulated taxable income but reduces the amount of the deduction for capital gains by the taxes attributable to such gains. This amendment conforms to existing law.

Under the Senate amendment, the accumulated earnings credit provided in subsection (c) of section 535 has been amended by increasing from $30,000 (the amount provided in the House bill) to $60,000 the minimum amount of earnings and profits which a corporation may accumulate before being subject to the accumulated earnings tax. The accumulated earnings credit also has been expanded, in general, to include the portion of the earnings for the current year which are retained for the reasonable needs of the business.

A new section 537 has been added by the Senate amendment to provide that for the purposes of part I of subchapter G the term "reasonable needs of the business" includes the reasonably anticipated needs of the business. References to such term in other sections of part I of subchapter G have been deleted. Various other technical amendments were also made by the Senate.

The House recedes.

Amendment No. 127: Section 542 (b) provides that in a case of certain affiliated corporations filing or required to file a consolidated return the personal holding company tax shall not apply to the group or to any member of the group unless the group as a whole meets the gross income requirement. Under present law, this treatment is available only to railroad corporations. Under the House bill, this treatment was extended to other corporations with certain limitations. Under the Senate amendment, this treatment is extended, with two exceptions, to any group of affiliated corporations, filing or required to file a consolidated return. The Senate amendment provides that the consolidated treatment is not available to an affiliated group of corporations other than a railroad group if any member of the group (including the common parent) derives 10 percent or more of its gross income from sources outside the affiliated group and if 80 percent or more of such income from outside sources consists of personal holding company income under section 543. In applying section 543 for this purpose, the income from outside the group shall be treated as if it were the entire income of such corporation. For the purpose of applying these income tests to the common parent corporation, there shall be disregarded dividends from any other corporation in which the common parent owns more than 50 percent of the voting stock if such other corporation is not a personal holding company. The Senate amendment deletes a requirement of the House bill that, in order to qualify for the consolidated treatment, the common parent of an affiliated group of corporations, other than a railroad group, must derive 80 percent or more of gross income from other members of the group for a 3-year period. The Senate amendment also permits a corporation in the group to receive an insignificant amount of personal holding company income from outside the group without disqualifying the group. The House recedes.

Amendment No. 128: This amendment excludes from personal holding company income interest on amounts set aside in a reserve fund under section 511 or 607 of the Merchant Marine Act, 1936. The House recedes.

Amendment No. 129a: This amendment to section 543 (b) of the House bill would have provided a special exclusion from gross income for purposes of determining whether or not 80 percent of a corporation's gross income is personal holding company income and, therefore, whether or not a corporation is a personal holding company. The amendment provided that, for purposes of part II (relating to personal holding companies) of subchapter G, gross income was not to include nonpersonal holding company gross income derived from real property to the extent indebtedness with respect to the real property is secured by stock or securities representing 50 percent or more of the value of the indebtedness. Thus, in effect this income is ignored in determining whether or not a corporation meets the 80 percent test.

The committee of conference recognized that this amendment was intended to block a loophole whereby some companies avoid the personal holding company tax by purchasing sufficient real property (by pledging securities held by the company) so that the gross income from the property brings down to less than 80 percent, the percent of their total gross income which is personal holding company income. While approving of the purpose of the amendment, the managers both on the part of the House and of the Senate were concerned about a number of problems which it raises. It is believed that

the amendment might not only close the loophole with which the Senate was concerned but also subject to the personal holding company tax firms carrying on substantial operating business activities. The reference to income derived from real property, for example, would appear to cover almost any type of business operation. While this phrase appears too broad, a satisfactory substitute has not been evolved. Under the conference agreement, the Senate recedes on this amendment, but the Staff of the Joint Committee on Internal Revenue Taxation has been directed to study this problem with the view toward subsequent legislative action on this subject.

Amendment No. 133a: The Senate amendment provided that the term "foreign personal holding company" shall not include a corporation which is organized and doing business under the banking and credit laws of a foreign country if the Comptroller of the Currency certifies that (except for a prohibition against receiving deposits imposed by the laws of the foreign country) the corporation would, if it were a national bank incorporated and doing business in the District of Columbia, meet in substance the requirements imposed by the laws of the United States on such bank. There was no comparable provision in the bill as passed by the House.

The House recedes with a modification which provides that the term "foreign personal holding company" shall not include a corporation organized and doing business under the banking and credit laws of a foreign country only if it is established to the satisfaction of the Secretary of the Treasury or his delegate that such corporation was not formed or availed of for the purpose of evading or avoiding United States income taxes which would otherwise be imposed upon the shareholders of the corporation. The conference agreement requires the certification at certain intervals that the corporation is not so formed or availed of.

Amendment No. 141: This amendment, for which there is no corresponding provision in the House bill, adds a new section 565 (relating to consent dividends) which provides a method whereby a corporation may obtain a dividends paid deduction without the necessity of making an actual distribution. Section 565 corresponds, in general, to section 28 of the 1939 Code (relating to consent dividends). The House recedes.

Amendment No. 147: Under paragraphs (1), (2), (3), (4), and (5) of section 613 (b) of the House bill, varying rates of percentage depletion were provided for a number of specifically named minerals. In the case of such specifically named minerals, the rates indicated for the particular minerals named applied regardless of the use to which such minerals were put. For example, section 613 (b) (3) of the House bill provided a 15-percent rate of allowance to chemical grade and metallurgical grade limestone and slate; section 613 (b) (4) similarly applied the 10-percent rate to such minerals as brucite, coal, and perlite; and section 613 (b) (5) specified a 5-percent rate in the case of such minerals as granite, marble, and stone. Section 613 (b) (6) of the House bill specified that "all other minerals" (that is, all minerals not otherwise specifically named) are entitled to percentage depletion at a 15-percent rate except that a 5-percent rate was provided for in the case of any other mineral when used or sold for use by the mine owner or operator as riprap, ballast, road material, rubble, concrete aggregates, dimension stone, ornamental stone, or for similar purposes. This is designated as the "general use test". The House bill also provided that the term "all other minerals" does not include minerals from sea water, the air, or from sources which, by commonly accepted economic standards, are regarded as inexhaustible.

Under the Senate amendment, uranium was specifically designated under subsection (b) (2) as entitled to percentage depletion at a 23-percent rate. In addition, a new subparagraph (b) (2) (B) was added which applies a 23-percent rate to the following minerals if from deposits in the United States: anorthosite (to the extent that alumina and aluminum compounds are extracted therefrom), asbestos, bauxite, beryl, celestite, chromite, corundum, fluorspar, graphite, ilmenite, kyanite, mica, olivine, quartz crystals (radio grade), rutile, block steatite talc, and zircon, and ores of the following metals: antimony, bismuth, cadmium, cobalt, columbium, lead, lithium, manganese, mercury, nickel, platinum and platinum group metals, tantalum, thorium, tin, titanium, tungsten, vanadium, and zinc.

The amendment added bentonite to the list of minerals specifically named at the 15-percent rate and the rate of percentage depletion in the case of sodium chloride was increased from 5 percent to 10 percent. The amendment also provided a 15-percent rate of depletion in the case of stone used or sold for use by the mine owner or operator as dimension stone or ornamental stone. In addition, the amendment also placed in subsection (b) (6) within the scope of the term "all other minerals," a list of specific minerals, including such minerals as dolomite, granite, magnesite, marble, limestone, slate, and soapstone, to which a 15-percent rate of depletion is applicable unless used for purposes specified in the "general use test" provided for in that subsection. However, the "general use test" was modified by the amendment so as to exclude from this test the use of minerals as dimension stone or ornamental stone. The amendment also provides that the "general use test" does not apply to a mineral sold on bid in direct competition with a bona fide bid to sell a mineral listed in subsection (b) (3). Thus when limestone is sold for use as road material within an area in which rock asphalt is a competitor and a bid was submitted based on using rock asphalt rather than limestone for road material under the contract, the limestone would be entitled to depletion at the 15-percent rate.

The Senate amendment also removed chemical grade limestone, metallurgical grade limestone and slate from the list of minerals in subsection (b) (3) entitled to a depletion allowance of 15 percent regardless of use and placed those minerals in subsection (b) (6) so that the use thereof will determine whether the 15-percent or the 5-percent rate of depletion applies.

The Senate amendment also made a clarifying change in subsection (b) (6) (A) and (B) relating to the minerals not included within the scope of the term "all other minerals."

The action on this section applies only to years subject to the 1954 Code. No inference can be drawn from the reclassification of certain minerals and other actions as to the meaning of present law.

The House recedes.

Amendment No. 148: The House bill provided the following ordinary treatment processes in the case of coal: Cleaning, breaking, sizing, and loading for shipment. The Senate amendment extends this list to include dust allaying and treating to prevent freezing. The House recedes.

Amendment No. 149: This amendment provides that sintering and nodulizing are ordinary treatment processes in the case of phosphate rock. The House recedes.

Amendment No. 150: Under the House bill, taxpayers were permitted to aggregate certain separate operating mineral interests, but only for the purpose of computing percentage depletion. Paragraph (1) of this amendment provides that such an aggregation shall be effective for all purposes of the income-tax subtitle. Paragraph (2) of amendment No. 150 is a technical amendment. The House recedes.

Amendment No. 151: This amendment eliminates paragraph (4) of section 614 (b) of the House bill which provides a rule for apportioning depletion allowances in cases where there had been an aggregation for purposes of percentage depletion. The House recedes.

Amendment No. 152: The House bill made no provision for the aggregation of nonoperating mineral interests. Under this amendment the Secretary or his delegate may, on showing of undue hardship, permit the taxpayer to aggregate (for all purposes of the income-tax subtitle) certain separate nonoperating mineral interests. The House recedes.

Amendment No. 153: Paragraph (1) of this amendment increases the amount of exploration expenditures which may be deducted or deferred, from $75,000 per annum (as allowed under present law and the House bill) to $100,000 per annum. Paragraph (2) of this amendment contains conforming changes. The House recedes.

Amendment No. 156: The House bill provided that in determining the gain or loss to be recognized upon timber which was cut during the taxable year the deductions disallowed under section 272 of the House bill were to be added to the adjusted depletion basis of such timber. Paragraph (1) of amendment No. 156 eliminates this provision because section 272 has been amended so as to be inapplicable to timber. The House recedes.

Paragraph (2) of amendment No. 156 provides that for purposes of section 631 (a) and (b), the term "timber" includes evergreen trees which are more than 6 years old at the time severed from the roots and are sold for ornamental purposes. The House recedes.

Section 631 (b) of the House bill corresponded to section 117 (k) (2) of the 1939 Code, with certain amendments, and applied to both timber and coal. Paragraph (3) of amendment No. 156 divides section 631 (b) of the House bill into two subsections, the first of which (subsec. (b)) applies to timber. The Senate amendment eliminates the provision of the House bill which provided that in determining the gain or loss from the disposal of timber the expenditures of the owner for which deductions were disallowed under section 272 (b) of the House bill, attributable to the making and administering of the contract under which the timber was disposed of, and attributable to the preservation of the economic interest which such owner retained under the contract, should be added to the adjusted depletion basis of the timber disposed of. The amendment also adds a provision that the date of disposal of such timber shall be deemed to be the date such timber is cut, but if payment is made to the owner under the contract before such timber is cut the owner may elect to treat the date of such payment as the date of disposal of such timber. The amendment also provides that the term "owner" includes a sublessor of timber and a holder of a contract to cut timber.

In section 631 (c) the amendment incorporated the provisions of section 631 (b) of the House bill which applied to coal, and also extended these provisions to iron ore from deposits in the United States. The House recedes with an amendment which limits the applicability of section 631 (c) to coal.

Amendment No. 157: The House bill provided that if upon the termination of an estate or trust there remained any unused capital-loss carryover or net operating-loss carryover or deductions in excess of gross in-

come, such carryovers or deductions would be allowed to beneficiaries succeeding to the estate or trust property. While this provision is in substance retained, this amendment makes clear that the excess of deductions over gross income of the estate or trust to be allowed to the succeeding beneficiaries is only the excess for the last taxable year, i. e., the year of termination, of the estate or trust. For clarity, this amendment also shifts the provision from section 662 to section 642. The House recedes.

Amendment No. 159: This amendment changes the definition of distributable net income to insure that where capital gains must be or are added to principal, they will be taxed to the estate or trust. But where capital gains are paid, credited, or required to be distributed to any beneficiary, or paid, permanently set aside, or to be used for the purposes specified in section 642 (c), such gains are to be included in the computation of distributable net income. This amendment also clarifies the treatment of capital losses and makes other technical and clarifying changes.

The House recedes.

Amendment No. 162: In section 663 the House bill provided rules pertaining to sections 661 and 662 which excluded from the additional deduction allowed a trust or estate for distributions under section 661 and from the corresponding inclusion of amounts in the income of beneficiaries under section 662 certain distributions, such as charitable contributions, final distributions, and gifts or bequests not to be paid at intervals and not paid solely out of income.

This amendment substantially revises section 663. Subsection (a) (1), relating to gifts, bequests, etc., which are excluded from the application of sections 661 and 662, has been clarified in order more clearly to define the distributions which are to be excluded as gifts or bequests. In general, a gift or bequest of a specific sum of money or specific property which is paid in a lump sum or in not more than three installments is excluded unless it can be paid only from income. Technical and clarifying changes are also made in subsections (a) (2) and (a) (3) of the House bill.

Subsection (b) as added by this amendment is new and gives the right to the fiduciaries of certain trusts which were in existence prior to January 1, 1954, to make an irrevocable election to treat amounts properly paid or credited within the first 65 days of any taxable year of a trust as paid or credited on the last day of the preceding taxable year.

Subsection (c) is also new and provides that in the case of a trust which has two or more beneficiaries and is to be administered in well-defined and separate shares, such shares are to be treated as separate trusts for the purpose of determining the amount of distributable net income available for allocation to the beneficiaries.

The House recedes.

Amendment No. 163: This amendment revises section 665 of the House bill.

Paragraph (1) of section 665 (b) is revised so that amounts paid, credited, or required to be distributed to a beneficiary as income accumulated before such beneficiary atttains the age of 21 will not be included in determining whether there has been an accumulation distribution. In this respect, this paragraph of the House bill only excluded income accumulated during minority.

Paragraph (2) of section 665 (b) is revised so that an amount properly paid or credited to a beneficiary to meet the emergency needs of such beneficiary will not be included in determining whether there has been an accumulation distribution. This paragraph of the House bill excluded amounts properly paid or credited for the support, maintenance, or education of the beneficiary.

Section 665 (b) is further revised by this amendment so that amounts properly paid or credited to a beneficiary upon such beneficiary attaining a specified age or ages will not be included in the determination of an accumulation distribution, if the total number of such distributions cannot exceed 4 with respect to such beneficiary, the period between each such distribution is 4 years or more, and as of January 1, 1954, such distributions are required by the specific terms of the governing instrument.

This amendment also adds paragraph (4) to section 665 (b) to provide that a final distribution of a trust shall not be included in the determination of an accumulation distribution if it is made more than 10 years after the date of the last transfer to the trust.

Subsection (d) of section 665 is revised so that this subpart will apply to a preceding taxable year of a trust with respect to which it qualified under subpart B.

This amendment also makes technical changes in section 665.

The House recedes with an amendment changing the period of 10 years in section 665 (b) (4) to 9 years.

Amendment No. 165: This amendment revises the first sentence of section 668 (a) of the House bill so as to make certain that a beneficiary receiving a distribution in a taxable year which is subject to the provisions of this subpart will be subject to the application of this subpart as if such amount had been distributed in any preceding taxable years in accordance with section 666 even though during any of such preceding taxable years such beneficiary would not have been a beneficiary if such distribution had actually been made in such preceding taxable years.

In addition, this amendment adds a sentence at the end of the first sentence of section 668 (a) of the House bill so that it is clear that the total of the amounts treated under section 666 as having been distributed by the trust in preceding taxable years and included in the income of a beneficiary in the taxable year in respect of which the accumulation distribution is determined shall be based upon the same ratio as determined under the second sentence of section 662 (a) (2) for such taxable year.

The House recedes with an amendment providing that proper adjustment of such ratio shall be made, in accordance with regulations prescribed by the Secretary or his delegate, for amounts which are not included in the determination of an accumulation distribution since such amounts fall within paragraphs (1), (2), (3), or (4) of section 665 (b).

Amendment No. 166: Section 668 (b) of the House bill is revised by this amendment to permit the credit provided by this section to be applied against the entire tax imposed on the beneficiaries for the year in which the amounts specified in section 668 (a) are included in the income of such beneficiary, rather than as provided in the House bill to limit the credit to the taxes applicable to such amounts included in the income of such beneficiaries. The House recedes.

Amendment No. 167: This amendment revises section 672 (a) of the House bill so as to insure that a person possessing a general power of appointment over the trust property will be treated as having a beneficial interest in the trust for purposes of determining whether he is an adverse party within the meaning of such section. In addition this amendment deletes the word "clear" from subsection (c) of section 672. The House recedes.

Amendment No. 169: These amendments amend exceptions to the general rule stated in section 674 (a), providing for taxability to the grantor of income of a trust where the beneficial enjoyment of the trust corpus or the income is subject to a power of disposition, exercisable by the grantor or by a nonadverse party or both.

Section 674 (b) (6) (A) of the House bill excepted from the general rule a power to distribute or accumulate income for distribution to the beneficiary provided that any accumulated income must be ultimately payable to the beneficiary from whom the distribution is withheld, to his estate, to his appointees pursuant to a general power of appointment in the beneficiary or to named alternate takers in default of his exercise of the power of appointment. This amendment revises section 674 (b) (6) (A) with respect to the exception for appointees so that the accumulated income may be payable to appointees pursuant to a special power of appointment which does not exclude from the class of possible appointees any person other than the beneficiary, his estate, his creditors, or the creditors of his estate.

Section 674 (b) (8) of the House bill excepted from the general rule a power to allocate receipts between corpus and income even though the power is expressed in broad language. The Senate amendment extends the exception also to a power to allocate disbursements between corpus and income.

This amendment also adds subsection (d), an exception to the general rule that the House bill did not contain. Under this subsection the grantor will not be subject to tax by reason of a power exercisable by a trustee or trustees, other than the grantor or spouse living with the grantor, which enables the trustee to apportion income among a class of beneficiaries, provided that the power is limited by a reasonably definite external standard.

This amendment further adds to the exceptions in subsections (b) (6) and (d) a provision that the exceptions will not apply if any person is enabled to add to the class of beneficiaries except where the action is to provide for after-born or after-adopted children. Under the House bill, only the exceptions in subsection (b) (5) and (7), and in subsection (c) are qualified by this provision. The provision is equally applicable to the powers in subsections (b) (6) and (d). The amendment also makes clarifying changes.

The House recedes.

Amendment No. 171: Section 676 of the House bill provides that the grantor shall be taxable on the income of a trust where either he, or any person without adverse interest (or both), has the power to revest title to the trust property in the grantor, except where the grantor would not be treated as the owner of a trust under section 673 if the power were a reversionary interest to take effect in possession or enjoyment after the expiration of the period specified in section 673. The Senate amendment adds to the House bill a provision to insure that possession of the power after the expiration of this period will subject the grantor to tax in the year in which the power is currently exercisable. The House recedes.

Amendment No. 172: Section 677 (a) of the House bill provided that income of a trust is to be taxed to the grantor by reason of a power to vest the income in him or apply it to his benefit, except in the case of a power the exercise of which can only affect the beneficial enjoyment of the income after the expiration of a period such that the grantor would not be treated as the owner under section 673 if the power were a reversionary interest. This amendment adds a provision which specifies that after expiration of this period the grantor may be treated as the owner of the trust unless the power is relinquished. The House recedes.

Amendment No. 174: This amendment provides that section 681 (c) (1) will not apply in any case to income attributable to property transferred to a trust created under the will of a decedent dying before January 1, 1951. It further provides that in the case of a trust created by the will of a decedent dying on or after January 1, 1951, if the will requires income to be accumulated pursuant to mandatory terms of the will creating the trust, the rule of section 681 (c) (1) applies only to income accumulated during a taxable year beginning more than 21 years after the death of the last life in being designated in the trust instrument. The House recedes with a clerical amendment.

Amendment No. 175: This amendment revises section 683 of the House bill.

The provisions of part I of subchapter J are to be applied only to taxable years beginning after December 31, 1953, and ending after the date of enactment of this title. However, the provisions of part I are not applicable in the case of any beneficiary of an estate or trust with respect to amounts paid, credited, or to be distributed in any taxable year of the estate or trust to which this part does not apply.

This amendment further revises the provisions of the House bill which provided that the 1939 Code would not apply to amounts paid, credited, or required to be distributed within the first 65 days of the first taxable year of an estate or trust to which the new code applies. Under the Senate amendment amounts paid, credited, or required to be distributed within the first 65 days of the first taxable year of an estate or trust with respect to which part I of subchapter J applies will be treated as paid, credited, or required to be distributed on the last day of the preceding taxable year and will be taken into account as provided in the 1939 Code. The House recedes.

Amendment No. 176: This amendment to section 691 (d) of the House bill, relating to recipients of income in respect of decedents, replaces section 72 (j) of the House bill. The House bill provided that in the case of primary annuitants dying after 1953 the system of present law providing a new start for the survivor in a joint and survivor annuity would be discontinued. Instead an additional deduction was to be allowed to the survivor based upon the estate tax attributable to a part of the estate-tax value of the annuity. This amendment differs in substance from the corresponding provision in the House bill only in the manner of computing the part of the estate-tax value. Under the House bill the part would have corresponded to the relative cost of the survivor feature. Under this amendment the part corresponds to that amount which the survivor expects to receive which is, in fact, interest earned during the lifetime of the primary annuitant. The House recedes.

Amendment No. 177: This amendment incorporates a new subchapter K dealing with partners and partnerships, the provisions of which basically retain the analogous provisions of the House bill with a number of substantial changes and several technical and conforming changes.

1. Summary of major Senate changes accepted by managers on the part of the House

(a) Aggregate rule for contributed property (sec. 704). Under present law there is considerable doubt as to the determination of partners' respective shares of partnership gain, loss, depreciation, or depletion with respect to property contributed to the partnership by one of the partners. The House bill, adopting the so-called "entity approach," stated that such items are to be shared by the partners in accordance with the partnership agreement for sharing gain or loss generally.

The Senate amendment adopts the House provision as a general rule, but permits the partners, by agreement, to divide the gain or loss, depreciation, or depletion with respect to contributed property among the partners in a manner which attributes precontribution appreciation or depreciation in value to the contributor. The Senate amendment provides an additional rule which allocates gain, loss, depreciation, or depletion with respect to partnership property in which the partners held undivided interests in the same manner as if there were no partnership, unless the partnership agreement provides otherwise.

(b) Alternative method of determining basis of partner's interest (sec. 705): The House bill contained a relatively detailed computation for the determination of the basis of a partner's interest. The Senate amendment retains the House provision in substance, but adds an alternative method of determination, to be permitted under regulations, by reference to the partner's proportionate share of the adjusted basis of partnership property.

(c) Changing or adopting new taxable years (sec. 706): The House bill provided that a partnership may not adopt, or change to, a taxable year other than the calendar year except with the approval of the Secretary or his delegate. The Senate amendment permits the partnership to adopt, or change to, any taxable year without such permission if all its principal partners change to the same year. The partnership may, however, adopt or change to a taxable year other than that of all its principal partners if a business purpose is established therefor.

(d) Transactions between partners and partnerships (sec. 707): The House provision treated sales of property between a partnership and a partner having an interest of 50 percent or more as a contribution to, and a distribution from, the partnership so that no gain or loss was recognized. In lieu of the House rules, the Senate amendment applies to partnerships the rules used in the case of similar transactions between corporations and controlling shareholders. A deduction for losses is disallowed if the partner has an interest in the partnership of more than 50 percent. Capital gain on the sale of depreciable property is recognized unless the partner has a partnership interest of more than 80 percent, in which case the gain is to constitute ordinary income.

Both the House provisions and the Senate amendment provide for the use of the "entity" approach in the treatment of the transactions between a partner and a partnership which are described above. No inference is intended, however, that a partnership is to be considered as a separate entity for the purpose of applying other provisions of the internal revenue laws if the concept of the partnership as a collection of individuals is more appropriate for such provisions. An illustration of such a provision is section 543 (a) (6), which treats income from the rental of property to shareholders as personal holding company income under certain conditions.

(e) Distributions (secs. 731–735): The House bill provided that in the case of distributions, whether or not in complete liquidation of a partner's interest, the distributed property was in general to have a basis to the distributee equal to its basis to the partnership, and that gain or loss was to be recognized on the difference between the basis of the distributed property and that of the distributee's partnership interest. The Senate amendment retains the use of the carryover basis for nonliquidating distributions, but provides in the case of liquidating distributions that the distributee's basis for the property received is to be equal to the basis of his partnership interest less any money received. The basis of inventory items and unrealized receivables, however, is limited to the basis for such property to the partnership in the case of both liquidating and nonliquidating distributions. Where the partner receives a basis for the property differing from its basis to the partnership, the partnership is permitted to adjust the basis of its assets to reflect this difference.

(f) Payments to a retiring partner or successor of a deceased partner (sec. 736): Under both the House bill and the Senate amendment, payments made by a partnership to a retiring partner or a successor of a deceased partner in excess of the value of his capital interest are treated as income to the recipient and a deduction to the remaining partners. The recipient retired partner, estate, or successor is to be treated in the same manner as a partner and, consequently, the payments, determined with respect to a partnership taxable year, are to be treated as income to the recipient for his taxable year with, or within, which such partnership year ends.

Under the House bill, however, the treatment described above for payments other than for a capital interest was to apply only to payments received within 5 years after death or retirement. If received after this period, they were treated as a gift by the remaining partners to the retiring partner or heirs of the deceased partner. The Senate amendment strikes out the 5-year limitation and treats such payments as income to the recipient and a deduction to the partnership regardless of when paid.

(g) Transfers of an interest in the partnership (secs. 741–743): The House bill provides for an elective adjustment to the basis of partnership property on a transfer of a partnership interest. This adjustment would have resulted in tax benefit or detriment to all the partners. Under the Senate amendment the adjustment, to the extent it represents appreciation or depreciation in the value of partnership assets after their contribution to the partnership, is available only to the transferee partner.

(h) Collapsible partnerships and other provisions common to distributions and transfers (secs. 751–755): Both the House bill and the Senate amendment provide for the treatment as ordinary income of certain gain from the disposition of an interest in a "collapsible partnership." The Senate amendment, however, made several technical changes in the House bill. Among these is the elimination of a special exclusion for a transferee in such a partnership, which under the House bill can be used to offset certain income from unrealized receivables or inventory items subsequently received by the partnership. Under the Senate amendment, the transferee may, if the partnership so elects, obtain a special basis for such partnership assets under the provisions of section 743 (b).

(i) Effective dates (sec. 771): The Senate amendment makes the provisions of subchapter K applicable for partnership years beginning after December 31, 1954, instead of after December 31, 1953, as provided by the House bill. The provisions dealing with collapsible partnerships (sec. 751) and the character of gain or loss on the sale by a partner of unrealized receivables or inventory items distributed to him (sec. 735 (a)) are made effective for transactions after March 9, 1954. The provision dealing with adoption or change of taxable years of partnerships and partners (sec. 706) is made effective for taxable years beginning after April 1, 1954.

2. Modifications of Senate amendment under conference agreement

The House agrees to Senate amendment numbered 177 with amendments. Except for clerical and conforming amendments, the

changes in the Senate amendment proposed under the conference agreement are explained below:

(a) Closing of partnership year (sec. 706 (c)): Section 706 (c) (2), as modified under the conference agreement, makes clear that a partner who sells or exchanges his interest, or who completely retires from a partnership, must include in his return his distributive share of partnership income, gain, loss, or other items described in section 702 (a) for the period ending with the sale, exchange, or liquidation. Thus if the partnership taxable year ends on December 31, 1955, and the partner retires or sells his interest on June 30, 1955, he must, under regulations, include in his taxable income his share of section 702 (a) items accruing to June 30, 1955. In this case, the Secretary may by regulations permit the partner to estimate this share by taking the pro rata part (determined according to the portion of the taxable year of the partnership which has elapsed prior to the sale) of the amount of such items he would have included had he remained a partner until the end of the partnership year, thereby avoiding the necessity of an interim closing of the partnership books.

The application of section 706 (c) (2), as modified under the conference agreement, may be illustrated as follows: Assume that a partner selling his partnership interest on June 30, 1955, has a basis for his interest of $5,000, that his pro rata share of partnership income and gain up to that date is $15,000, and that he sells his interest for $20,000. His partnership year closes at the time of the sale and the $15,000 is includible in his return as ordinary income or capital gain depending on the nature of the gain to the partnership. This recognition of income and gain increases the basis of the partnership interest to $20,000 so that no further gain is recognized on the transfer. The transferee includes in his income only his distributive share for the remainder of the partnership year.

The paragraph, as modified, also provides that the taxable year of a partner whose interest is liquidated upon his death under the partnership agreement is not to close prior to the end of the partnership year.

(b) Continuation of partnership (sec. 708): Section 708 under the conference agreement provides that a sale or exchange within a 12-month period of 50 percent or more of the total interest both in partnership capital and partnership profits will be considered as a termination of a partnership. However, a disposition of such interests by gift or on the death of a partner will not result in such a termination.

(c) Special partnership basis of distributed property to a transferee (sec. 732 (d)): Section 732 (d) under the conference agreement applies only where the partnership has not made an election under section 754 to adjust the basis of partnership property at the time the partner acquired his interest. If such an election were in effect, the transferee would have a special basis adjustment allocable to him for purposes of such a distribution under the provisions of section 743 (b). Under the conference agreement, section 732 (d) permits a transferee partner, receiving a distribution of partnership property (other than money) within 2 years after acquiring his interest, to elect the same treatment he would be accorded if he had a special basis adjustment with respect to the partnership property under section 743 (b) (see the discussion of that section).

The Senate amendment stated that the provisions of section 732 (d) could be made mandatory under regulations when there was a distribution to a transferee partner, whether or not made within 2 years after the transferee acquires his interest, if the fair market value of the distributed property (including money) exceeds 110 percent of its adjusted basis to the partnership immediately before the distribution. Under the conference agreement the provisions of section 732 (d) may be made mandatory only if the fair market value of all the partnership property at the time of the transfer exceeds 110 percent of its adjusted basis at such time.

(d) Optional adjustment to basis of partnership property (sec. 743 (b)): The conference agreement provides a simplified formula for the determination of the elective special adjustment to the basis of partnership property on the transfer of a partnership interest by a partner. Under the rule provided, a purchaser or heir of an interest in a partnership will generally receive the same special basis with respect to the partnership property regardless of which of the interests is acquired.

The Senate amendment made the amount of the adjustment depend on the difference between the transferee's basis for his interest in the partnership and the transferor's adjusted basis for the interest immediately prior to the transfer. The conference agreement provides that in the case of a transfer, the adjusted basis of partnership property is to be increased or decreased by the difference between the transferee's basis for his partnership interest and his proportionate share of the adjusted basis of all partnership property. The amount of the increase or decrease is to constitute an adjustment affecting the transferee partner only. A partner's proportionate share of the adjusted basis of partnership property is to be determined in accordance with his interest in partnership capital. Thus if a partner's interest in such capital is one-third, his proportionate share of the adjusted basis of partnership property will, in general, be one-third of such basis. Where, however, an agreement with respect to contributed property is in effect, the agreement must be taken into account in determining a partner's proportionate share.

The application of section 743 (b), as agreed to by the conferees, may be illustrated as follows, using an example analogous to that in the report of the Finance Committee (S. Rept. 1622, 83d Cong., 2d sess., page 398).

Assume that partner A dies when the balance sheet of the ABC partnership is as follows:

Assets			Liabilities and capital		
	Adjusted basis	Market value		Adjusted basis	Market value
Cash	$5,000	$5,000	Liabilities	$10,000	$10,000
Accounts receivable	10,000	10,000	Capital:		
Property X (inventory)	20,000	21,000	A	12,000	22,000
Property Y (depreciable asset)	20,000	40,000	B	15,000	22,000
			C	18,000	22,000
Total	55,000	76,000	Total	55,000	76,000

Assume further that all partners share equally in profits and that the partnership has made the election to adjust the basis of partnership assets upon the transfer of a partnership interest.

The amount of the adjustment under section 743 (b) is determined by comparing the basis of the transferee for his interest in the partnership with his proportionate share of the adjusted basis of partnership properties. The basis of the transferee's interest is $25,333, the value of his capital interest on A's death, $22,000, plus his proportionate share of partnership liabilities, $3,333 ($10,000, the total partnership liabilities, divided by 3). The transferee partner's proportionate share of the adjusted basis of the partnership property is $18,333 ($55,000, the total adjusted basis of partnership property, divided by 3). Thus, the amount to be added to the basis of partnership property under section 743 (b) is $25,333 less $18,333, or $7,000. It should be noted that the amount of the adjustment is not dependent on the basis of the transferor's interest in the partnership. Under the conference agreement, the amount of the adjustment under section 743 (b) is the same whether the transferee acquired his interest from A, B, or C, either as an heir or as a purchaser.

The manner of allocating the $7,000 among the partnership properties and the effect of the transferee's special basis for purposes of computing gain upon the sale of partnership property, depreciation or depletion and for determining the basis of property distributed to the transferee, is the same as under the Senate amendment.

The provision in subsection (b) that a partner's proportionate share of the adjusted basis of partnership property is to be determined by taking into account a partnership agreement described in section 704 (c) (2) with respect to contributed property may be illustrated by the following examples:

(A) Assume that A and B form a partnership AB to which A contributes property X, a depreciable asset worth $1,000, with an adjusted basis to him of $400 and to which B contributes $1,000 in cash. Assume further that during the partnership's first taxable year property X appreciates in value to $1,200, and A sells his half interest in the partnership to C for $1,100.

Under the rule stated in section 743 (b) (1), if there is no agreement under section 704 (c) (2) in effect at the time of the sale, the adjusted basis of the partnership property will be increased by the excess of the transferee partner's basis for his partnership interest, $1,100, over his proportionate share of the adjusted basis of the partnership property, $700 ($400, the basis of property X, plus $1,000, the money, or a total partnership basis of $1,400, divided by 2). The amount of the adjustment therefore is $400, to be applied as an increase in the basis of partnership property. This amount will be allocated to property X with respect to the transferee only. If X is sold for $1,400, the gain to the partnership is $1,000 ($1,400 received, less the partnership basis of $400 for property X). Thus, each partner has gain of $500 on the sale. C, the transferee, however, has special basis with respect to X of $400, which will decrease his gain to $100.

If C purchased his interest from B (the partner contributing cash), C's adjustment under section 743 (b) would also be $400, computed in exactly the same manner as in the case of a purchase from A.

(B) If, in the above example, the original partnership AB had a special agreement with respect to property X, stating that upon the sale of that property, any gain, to the extent attributable to precontribution appreciation, was to be allocated entirely to the contributing partner, A, the computation of C's

special basis would differ from that indicated in example A. Under the partnership agreement, A had, in effect, a basis of only $400 in the partnership assets (his basis for property X prior to its contribution to the partnership) and B had a basis of $1,000 (the full basis of his investment). C, who is A's successor, has a proportionate share in the adjusted basis of partnership property of $400 (A's share of partnership basis). The amount of the increase in the adjusted basis of partnership property under section 743 (b) (1) is $700 (the excess of $1,100, C's basis for his interest, over $400, C's share of partnership basis). This amount constitutes an adjustment to the basis of partnership property with respect to C only.

If X is sold by the partnership for $1,400, the gain is $1,000 ($1,400 received, less the partnership basis of $400). Under the partnership agreement, $600 of this gain is allocable to C as A's successor. The remaining $400 gain is not subject to the agreement, and is allocable to B and C equally, i. e., $200 each. However, C has a special basis of $700 under section 743 (b) which reduces his gain from a total of $800 to $100. B has a gain of $200, and is unaffected by the transfer of A's interest.

(C) If in the preceding illustration C purchased his interest from B instead of from A, his special basis in partnership property would differ from that where he purchased it from A because of the agreement under section 704 (c) (2). In this case, C is a successor to B whose proportionate share of the basis of partnership property is $1,000, instead of A whose proportionate share of the partnership basis is $400. As a result the adjustment under section 743 (b) (1) is the excess of C's basis for his interest, $1,100, over his proportionate share of the basis of partnership property, $1,000, or an adjustment of $100.

In this case, if property X is sold for $1,400, the partnership gain is $1,000 ($1,400 received, less the partnership basis of $400). Six hundred dollars of the gain is allocable to A under the partnership agreement as precontribution appreciation. The remaining $400 is allocable in the amount of $200 to A and $200 to C. Since C has a special transferee basis of $100 under section 743 (b), his gain is reduced to $100.

As indicated by the above examples, where a partnership agreement, described in section 704 (c) (2), with respect to contributed property is in effect, the special adjustment available to a transferee partner will vary depending on which partner's interest he obtained. This treatment perserves the positions of the nontransferee partners with respect to precontribution appreciation or depreciation as provided under the partnership agreement.

Under the Senate amendment, the special section 743 basis adjustment, described above, for a transferee is used in the case of distributions as well as for purposes of determining depreciation, depletion, or gain or loss. This rule is continued under the conference agreement whether the basis adjustment under section 743 (b) is computed by reference to an agreement under section 704 (c) (2), relating to contributed property, or without reference to such an agreement. Accordingly, where a section 704 (c) (2) agreement is in effect, the basis of partnership property for purposes of distributions will be computed in the manner shown in examples (B) and (C) above. The agreement under section 704 (c) (2) is also given effect in determining the basis of distributed property if the provisions of section 732 (d) are applicable, since this subsection provides the same basis for distributed property as would be obtained under section 743 (b). If neither section 743 (b) nor section 732 (d) is applicable, the basis of property distributed to a transferee partner is not affected by a partnership agreement under section 704 (c) (2) with respect to contributed property.

If property with respect to which the transferee has a special basis under section 743 (b) is distributed to a partner other than the transferee, then the transferee partner's special basis allocable to such property is shifted to other property remaining in the partnership (or distributed to the transferee in the same transaction) in the same manner as is described on page 400 of the report of the Committee on Finance with respect to the Senate amendments (S. Rept. 1622, 83d Cong., 2d sess.).

(e) Unrealized receivables and inventory items (sec. 751): Section 751 (b) of the Senate amendment provides that certain distributions to a partner are to be treated as a sale or exchange of property between the partner and the partnership (as constituted after the distribution).

Under the conference agreement, it is made clear that section 751 (b) (1) applies only where a partner receives a distribution of unrealized receivables or substantially appreciated inventory items and such property is received in exchange for the distributee partner's interest in other partnership property. Such a transaction is considered a sale by the partnership (as constituted after the distribution) to the distributee partner of unrealized receivables and inventory items owned by the partnership. The partnership (as constituted after the distribution) realizes ordinary income from such a distribution since it is treated as having exchanged unrealized receivables or inventory items. The distributee partner realizes capital gain (or loss from such a distribution since he is treated as having exchanged property other than unrealized receivables or inventory items.

It should be noted that section 751 (b) (1) is not applicable to a distribution to a partner of his proportionate share of partnership inventory items or unrealized receivables where such a distribution is not in exchange for his interest in other partnership property. If the distribution is, in part, a distribution of the distributee partner's proportionate share of unrealized receivables or inventory and, in part, is a distribution in exchange for the distributee partner's interest in other partnership property, an allocation must be made, under regulations, between the two categories, both for the purposes of the distributee partner and the partnership.

The conference agreement makes clear that section 751 (b) (2) applies to the converse situation, i. e., a distribution which is equivalent to a disposition by the distributee partner of his interest in unrealized receivables or substantially appreciated inventory items in exchange for other partnership property. The distributee partner realizes ordinary income for the interest in unrealized receivables or inventory items which he gives up. The amount of this gain is determined by reference to his proportionate share of the basis to the partnership of the unrealized receivables or inventory items and the fair market value of the property received in exchange. The partnership realizes capital gain (or loss) with respect to the property distributed to the partner in exchange for his interest in unrealized receivables or inventory items. The gain or loss to the partnership is attributable to the partnership as constituted after the distribution, i. e., to the partners other than the distributee.

(f) Definitions (sec. 761): Section 761 contains definitions applicable to subchapter K. The conference agreement with respect to section 761 (c), which relates to the definition of a partnership agreement, makes clear that a partnership agreement with respect to a particular taxable year may be made or modified subsequent to the close of the taxable year, but not later than the date prescribed by law for the filing of the partnership return for such year (not including any extension of time). Accordingly, a partnership agreement under section 704 (c) (2) which makes a special allocation among the partners of depreciation, depletion, or gain or loss with respect to contributed property, may be adopted at any time prior to, and including, the day prescribed by law (not including any extension of time) for the filing of the partnership information return. The authorization to revise or amend the partnership agreement subsequent to the close of the taxable year is subject, of course, to the provisions of section 704 (b), relating to distributive shares of partnership items of gain, loss, etc.

The conference agreement with respect to section 761 (d), defining the term "liquidation of a partner's interest," indicates that the term includes a liquidation made by means of a series of distributions as well as a single distribution. A series of distributions in pursuance of a plan to terminate the interest of a partner, whether occurring in one or more taxable years, is subject to the provisions of subchapter K which pertain to liquidations. In such a case, the basis to the distributee of the distributed properties will be determined by reference to the basis of the distributee for his interest in the partnership under section 732 (b), rather than under the provisions of section 732 (a), relating to nonliquidating distributions.

(g) *Effective date* (sec. 771): Section 771 of the Senate bill contains a general effective date for the application of subchapter K, and special provisions relating to the application of certain sections of subchapter K.

Section 771 (a), as amended by the Senate, provided that, in general, subchapter K would be effective as to (A) partnership taxable years beginning after December 31, 1954, and (B) taxable years of partners in which or with which such partnership years end. The 1939 Code was applicable to preceding taxable years of partnerships and partners.

Section 771 (a) under the conference agreement provides that subchapter K is applicable to any part of a taxable year of a partner falling within a partnership taxable year beginning after December 31, 1954. Thus, if the partnership and the partners are on different taxable years, the provisions of subchapter K will become effective at the same time both for the partnership and the partners. Accordingly, any distribution by the partnership or transaction between the partners and the partnership will be subject to the rules of sections 731–736, and section 707 respectively, both for the partner and the partnership, if the partnership taxable year begins after December 31, 1954, even though the taxable year of the partner affected may commence at a date subsequent to the beginning of such partnership taxable year.

Section 771 (b) (1) of the Senate amendment provides that section 706 (b) (relating to the adoption of a taxable year by a partnership or partner) is to apply to the adoption of, or change to, a taxable year beginning after April 1, 1954. Under the conference agreement, an additional sentence in section 771 (b) (1) provides that, in applying section 706 (b), the rules of section 708 (relating to the continuation of partnerships) are to be applicable without regard to the general effective date for subchapter K. Thus, in the case of a merger of two or more partnerships, the resulting partnership will be a continuation of the dominant partnership under section 708 (b) (2) (A), and may continue to use the taxable year of such predecessor partnership because it is not "adopting" or "changing" a taxable year.

Under the conference agreement a paragraph (4) has been added to section 771 (b) of the Senate amendment. The paragraph restricts the application of section 753 to decedents dying after December 31, 1954, and leaves unchanged the treatment of payments made with respect to prior decedents. No inference is intended as to the inclusion of the value of the right to such payments in the gross estate of decedents dying prior to January 1, 1955.

Under the conference agreement, a subsection (c) has been added to section 771 of the Senate amendment. Subsection (c) provides that in the case of a partnership taxable year beginning after December 31, 1953, and prior to January 1, 1955, a partnership may elect to apply certain rules of subchapter K with respect to nonliquidating distributions. The election is to be made under regulations prescribed by the Secretary or his delegate and is binding on the partnership and all its members.

If an election is made under section 771 (c) of the rules of sections 731 (relating to recognition of gain or loss on distributions), 732 (a), (c), and (e) (relating to the basis of distributed property), 733 (relating to the basis of a distributee partner's interest), section 735 (relating to character of gain or loss on disposition of distributed property), and 751 (b), (c), and (d) (relating to unrealized receivables and inventory items) will be applicable to all nonliquidated distributions made during the taxable year. In addition to the sections referred to, the distribution will be subject to the rules of sections 705 (relating to the basis of a partner's interest), 752 (relating to liabilities), and 761 (d) (relating to the definition of the liquidation of a partner's interest) to the extent such sections are applicable to nonliquidating distributions.

Amendments Nos. 178, 179, and 180: Under existing law, in the case of life insurance companies, the definitions and rules for determining such items as gross income, interest paid, and taxable income refer only to items of income received or items of deductions paid. The House bill modified those definitions to permit such items to be treated as "received or accrued" or "paid or accrued" so that insurance companies may conform to the method used in the approved statement for life insurance companies promulgated by the National Association of Insurance Commissioners. The Senate amendment restored the language of existing law. The Senate recedes.

Amendments Nos. 181 and 182: Amendment 182 amends section 851 (e) of the House bill to permit regulated investment companies furnishing capital to development corporations, to include, under certain conditions, among their diversified assets those securities the value of which exceeds 5 percent of the value of the total assets of the taxpayer. Amendment 181 is a conforming amendment necessitated by Amendment 182. The House recedes.

Amendment No. 186 (1): This amendment amends section 854 (b) (2) of the House bill to provide that the amount of any distribution by a regulated investment company which may be treated as a dividend, for the purposes of section 854 (b) (1), shall not exceed the amount so designated by the company in a notice to its shareholders mailed not more than 30 days after the close of the company's taxable year. Section 854 (b) (2), as amended by the Senate, conforms in general to the notice requirements applicable under present law to capital-gains dividends. The House recedes with a conforming amendment.

Amendment No. 186 (2): This amendment amends section 854 (b) (3) (B) of the House bill, relating to the definition of the term "aggregate dividends received." It provides that an investment company is to treat as dividend income only dividends which would quality for the dividends received exclusion in the hands of a shareholder who is an individual. The rules of section 116 (b) and (c) are therefore made applicable in determining the total dividend income of the investment company. The amount treated as dividend income to the investment company may, upon distribution to the shareholders of the investment company, be considered by them as dividends for purposes of computing the credit under section 34, the exclusion under section 116, and the deduction under part VIII of subchapter B. However, any amounts, such as foreign dividends, which would not qualify for the exclusion are not to be treated as dividends when distributed to the shareholders of the investment company. The House recedes.

Amendment No. 195: This amendment, together with amendment No. 200, relating to allowance of credit for taxes paid or accrued to foreign countries and United States possessions, restores the provisions of present law and eliminates changes in the House bill which permitted a taxpayer to credit a "principal tax" for each separate trade or business paid or accrued to the national government of a foreign country or a United States possession. The House recedes.

Amendments Nos. 196, 197, and 198: These amendments (1) eliminate changes made by the House bill with respect to the allowance of credit to a domestic corporation for "principal taxes" paid or accrued to the national governments of foreign countries and United States possessions by certain related foreign corporations and (2) restore the provisions of existing law, as contained in section 131 (f) of the 1939 Code. The House recedes.

Amendment No. 207: This amendment strikes out section 923 of the House bill, pursuant to which there would have been allowed against the tax of certain domestic corporations a credit of 14 percent of the taxable income derived from sources within any foreign country (1) as branch income includible in gross income under part IV of subchapter N of the bill, (2) as compensation for the rendition of technical, engineering, scientific, or like services, and (3) under specified circumstances, as dividends and interest from a foreign corporation.

The Senate amendment deleted these provisions on the ground that they raised a number of difficult problems for which a satisfactory solution could not be evolved in the time available.

It is the opinion of the managers on the part of the House that in view of the numerous objections raised to the specific provisions of the House bill, the large amount of revenue involved (approximately $145 million), and the difficulty of working out a satisfactory provision in conference, the foreign income provisions should be omitted from the bill and postponed for a more thorough study. The House recedes.

Amendments Nos. 208, 209, 210, and 211: These amendments revise subpart E of subchapter N of the House bill, relating to China Trade Act corporations, so as to include Hong Kong (in addition to Formosa) within its provisions, and to confine the benefits to taxable income from sources within Formosa and Hong Kong. The House recedes.

Amendment No. 212: This amendment deletes in its entirety part IV of subchapter N of the House bill. Under part IV certain domestic corporations were permitted to elect to defer tax on income allocable to certain foreign branches until such income was withdrawn, thus equating, in general, the tax treatment of foreign branches with that of foreign subsidiaries. To be eligible to elect the deferral of tax on branch income under part IV, the foreign branch was required to be engaged in the active conduct of a trade or business which met tests similar to those prescribed in section 923 of the House bill for foreign corporations whose dividends would be entitled to the 14 percent foreign income credit. These provisions of the House bill raised the same problems as those discussed in regard to amendment No. 207. The House recedes.

Amendment No. 218: The House bill contained additional provisions relating to the basis of property acquired from a decedent. The principal effect of these additional provisions is to extend the basic rules applicable under existing law in the case of property acquired from a decedent by bequest, devise, or inheritance, to virtually all property acquired from a decedent by reason of death, form of ownership, or other conditions if, by reason thereof, the property would be required to be included in the decedent's gross estate for estate tax. In the application of these rules property acquired by the taxpayer by virtue of or subject to the exercise or nonexercise of a power of appointment possessed by the decedent shall be considered to have been acquired from the decedent if the property covered by the power would be includible in the decedent's gross estate.

The Senate amendment made certain clarifying changes relative to the application of these additional rules. In addition, the amendment provides that in case any property to which the additional rules apply was acquired from the decedent prior to death, the basis otherwise provided for shall be reduced by the amount allowed to the taxpayer as deductions for exhaustion, wear and tear, obsolescence, amortization, and depletion on such property before the decedent's death. The House recedes.

Amendment No. 227: This amendment changes section 1033 of the House bill, relating to involuntary conversions, by adding two new subsections. Subsection (d) provides that the sale or other disposition of property lying within an irrigation project will be deemed an involuntary conversion if the sale is made in order to conform to the acreage limitation provisions of Federal reclamation laws.

Subsection (e) provides that if livestock are destroyed by disease, or are sold or exchanged because of disease, such destruction or sale shall be treated as an involuntary conversion.

The House recedes with a clarifying amendment to specifically include within subsection (e) livestock destroyed because of disease.

Amendment No. 228: This amendment strikes out section 1035 of the House bill, relating to foreclosures on property held as security. The House recedes.

Amendment No. 232a: This amendment to section 1081 of the House bill extends the rule in present law which provides for nonrecognition of gain on exchanges or distributions in obedience to orders of the SEC. Under the amendment, in the case of distributions of rights to acquire certain stock in accordance with an arrangement forming a ground for an order of the SEC that the distributing corporation is exempt from the Public Utility Holding Company Act of 1935, no gain will be recognized. This amendment applies only to distributions completed before January 1, 1958. The House recedes.

Amendment No. 238: Section 1223 (1) of the House bill provides that the holding period of property acquired in certain tax-free exchanges may include the period during which the property exchanged was held, but only if both the property acquired and that exchanged were capital assets. There is no such restriction in present law. The Senate amendment also allows the adding of holding periods if the property exchanged was property used in the trade or business. The House recedes.

Amendment No. 244: Section 1232 of the House bill provides a new rule for treating as ordinary income a portion of gain realized on bonds and other evidences of indebtedness issued at a discount. This amendment removes from the operation of the rule, and from its necessary calculations, certain cases in which the ordinary income part of the gain is likely to be nonexistent or very small. These cases include any buyer who acquires one of these original discount bonds at a premium, and any bond issued at certain relatively small discounts.

The amendment also clarifies the operation of the discount rule in connection with a particular type of security known as a face-amount certificate. In addition clerical changes are made. The House recedes.

Amendment No. 245: This amendment applies the substance of the rule developed in the House bill for dealing with bonds originally issued at a discount, to cases where there is a sale of a long-term bond from which there have been detached coupons for a number of future years. The House recedes.

Amendment No. 246: This amendment completely rewrites the provision in the House bill dealing with patents. Under the House bill an inventor could sell his interest in a patent under an arrangement whereby his price would be contingent on the profitability or productivity of the patent in the hands of the buyer provided that he received his full payment within 5 years of the date of sale.

This amendment makes three substantive changes. First, the 5-year limitation is eliminated with the effect that all income from an exclusive license of all the substantial rights under a patent will be a capital gain. Second, the requirement of a 6-month holding period is dropped. Third, as under the House bill, the professional inventor is accorded the same treatment as the amateur inventor but the amendment extends this favorable treatment to any individual who purchases an interest in the invention before the time it is actually "reduced to practice." The employer of the inventor and an individual closely related to the inventor, however, are made ineligible for this treatment.

The House recedes with an amendment to make it clear that the section applies to transfers prior to the issuance of the patent.

Amendment No. 247: This amendment strikes section 1237 of the House bill which provided that under certain circumstances a dealer in real estate could obtain long-term capital gains on real property held in a specially designated investment account. The House recedes.

Amendment No. 248: Section 1238 of the House bill (sec. 1237 of Senate bill) provided circumstances under which an individual who held real property for investment could subdivide the property to dispose of it and yet not thereby be held to be a dealer in real property and taxable at ordinary income rates on the entire gain. This amendment clarifies the restriction in the House bill which provides that the taxpayer must not have made substantial improvement on the property he subdivides and sells. The amendment specifies that to disqualify a property the improvement must substantially enhance the value of the particular lot sold and must have been made, directly or indirectly, by the taxpayer or related persons. The House recedes.

Amendment No. 248a: This amendment adds a new paragraph to subsection (b) of section 1238 of the House bill, dealing with real property subdivided for sale by other than real-estate dealers. It provides an exception to the general rule in the bill that only property held by the taxpayer for 5 years and on which the taxpayer makes no substantial improvement is within the scope of the section. Under the amendment the taxpayer could install water or sewer facilities or roads if the lot or parcel would not have been marketable at the prevailing local price for similar building sites without such improvement and if the taxpayer made no adjustment to the basis of the property or other property for the cost of such improvements.

The House recedes with two amendments. The first amendment requires the taxpayer, if he makes such improvements, to hold the property involved for 10 years after his acquisition of it before this exception to the substantial improvement rule will apply. The second amendment requires the taxpayer to make the election implicit in the Senate amendment in accordance with regulations and specifically denies any deductibility, under such election, of the cost of such improvements with respect to the real property in question.

Amendment No. 251: This amendment strikes from the bill those provisions added by the House that would have attempted to settle some conflicting court decisions dealing with the transfer of property in exchange for a private annuity. To provide an opportunity for further study of this matter, the House recedes.

Amendment No. 252: This amendment adds a provision not in the House bill but having the effect of restoring the provision of present law which allows capital-gains treatment on distributions on the termination of certain employment contracts. It is provided that this provision will only apply, however, to contracts entered into before the date of enactment of this provision. The House recedes.

Amendment No. 253: This amendment adds a section not appearing in the House bill, with respect to the treatment of gain on the cancellation of certain contracts as capital gains. The items covered are (1) the receipt by a lessee of a payment for the cancellation of a lease, and (2) the receipt by a distributor of goods of a payment for the cancellation of his distributor's agreement, but the latter applies only if he has a substantial capital investment in the distributorship. The House recedes.

Amendment No. 253a: The House bill provided that where an individual receives in a single year 80 percent of his compensation for a particular job in which he, or a partnership of which he is a member, was engaged for more than 36 months, he may, in computing his tax, spread this compensation over the period during which the job was performed. A member of a partnership was entitled to the benefits of this provision under the House bill only if he was such a member continuously for a period of 36 months, or for the period during which the job was performed, prior to receipt or accrual of the compensation. A partner who qualifies by being a partner for 36 months prior to receipt or accrual of the compensation, although not a partner for the full period during which the job was performed, may spread such compensation only over the period in which he was a partner.

This amendment provides that for the purpose of applying the above rules, a partner shall be deemed to have been a member of the partnership for any period immediately prior to becoming a partner in which he was an employee of the partnership, if he receives or accrues compensation during the current year attributable to a job performed by the partnership during the period when he was an employee. The House recedes.

Amendment No. 254: The House bill provided for the spreading, subject to certain restrictions, of income received with respect to a particular invention or artistic work on which the taxpayer worked for 36 months or more. The Senate amendment reduces to 24 months the minimum period during which the taxpayer must have worked on the invention or artistic work, and also makes clerical changes. The House recedes.

Amendment No. 258: Under the House bill section 1341 (claim of right) does not apply to sales or other dispositions of stock in trade or of inventories. This amendment provides that the exception for refunds arising from inventory sales will not apply to refunds or repayments made by a regulated public utility (as defined in sec. 1503 (c)) if such refunds or repayments are required to be made by the regulatory agency. The House recedes with a technical amendment.

Amendment No. 259: This amendment adds a new subchapter R, consisting of section 1351 which gives certain corporations an election to be treated as partnerships for tax purposes, and section 1361 which allows certain proprietorships an election to be taxed as corporations.

The election permitting corporations to be treated as partnerships applies only in the case of corporations, having only one class of stock, organized after December 31, 1953, owned by not more than 10 shareholders, all of whom are active in the business, and all of whom consent to the election. The election, once made, may not be revoked unless there is a change in stock ownership of more than 20 percent. Shareholders of an electing corporation who are also employees may not participate in tax-exempt pension or profit-sharing plans.

The election permitting proprietorships and partnerships to be taxed as corporations applies only in the case of business enterprises where capital is a material income-producing factor, or where 50 percent or more of its income is derived from trading as a principal or from certain types of brokerage commissions. Partnerships with more than 50 members may not qualify for the election. A proprietor or a member of a partnership subject to this election will nevertheless be taxed in his individual capacity with respect to any personal holding company income and such income will not be taxed to the business enterprise. The election, once made, is irrevocable unless there is a change of ownership of more than 20 percent.

The House recedes with the following amendments:

Section 1351 which gives certain corporations an election to be treated as partnerships is stricken.

Amendments Nos. 261 and 262: These amendments require the withholding of tax at source upon certain specified amounts which are considered to be gains from the sale or exchange of capital assets and which, under amendments Nos. 188 and 190, are subject to tax when received by nonresident alien individuals not engaged in trade or business within the United States and by nonresident foreign corporations. The House recedes.

Amendment No. 263: The House bill combined the rules stated in section 141 of the Internal Revenue Code of 1939 and in the consolidated returns regulations (Regulations 129) with conforming changes. In addition the House bill (1) lowered the stock ownership affiliation test from 95 to 80 percent; (2) provided that the expiration of a provision of law would have the same effect as an amendment in determining whether an affiliated group gets a new election to join in the filing of a consolidated return; (3) contained four alternative elective methods for determining the reduction in the accumulated earnings of each member of the affiliated group because of the tax imposed on the group; (4) contained a provision (similar to section 15 (c) of the Internal Revenue Code of 1939) for the disallowance of the $25,000 surtax exemption in certain cases, and a provision for the disallowance of the $30,000 accumulated earn-

ings credit provided in section 535 (c) of the House bill in similar situations.

The Senate amendment eliminated the consolidated returns regulations from the statute and thus returned substantially to the provisions of section 141 of the 1939 Code. A provision was added which would eliminate the 2-percent tax on the consolidated taxable income attributable to those members of the affiliated group which are regulated public utilities. The term "regulated public utility" is defined as a corporation engaged in the furnishing of electric energy, gas, water, etc., whose rates are established or approved by a governmental agency. The term also includes certain lessor railroad corporations and certain common parent corporations which are common carriers subject to part I of the Interstate Commerce Act. In addition (1) the 95-percent stock ownership affiliation test of existing law is restored; (2) businesses electing, under subchapter R of chapter 1, the alternative partnership or corporate tax treatment are not allowed to join in the filing of a consolidated return; and (3) a conforming change is made in the provision disallowing the accumulated earnings credit in certain cases to reflect the increase from $30,000 to $60,000 in the amount of such credit made by the Senate amendment to section 535 (c).

The House recedes with the following amendments: (1) The stock ownership affiliation requirement is lowered to 80 percent as provided in the House bill. (2) For purposes of allocating the tax on the consolidated taxable income in determining the earnings and profits of each member of the affiliated group, the four alternative elective methods provided in the House bill will apply.

Amendment No. 264: This amendment clarifies section 2013 (a) of the House bill to make certain that the benefits of the section apply to property passing to the decedent as a result of the exercise or nonexercise of a power of appointment when the property is includible in the gross estate of the donee of the power. The amendment also modifies this section to cover property transferred to the decedent by a person who died within 2 years subsequent to the death of the decedent. The House recedes.

Amendment No. 265: This amendment makes a clerical change in the heading of subsection (c) (2) of section 2013 of the House bill and completely revises subsection (d) of that section so as to provide that the value of property transferred to the decedent shall be determined in the same manner as the value of property interests passing to a surviving spouse under section 2056. This amendment is designed to provide for greater certainty in the provision of the House bill. This amendment also makes it clear that the term "property" denotes any beneficial interest in property transferred to the decedent. The House recedes.

Amendment No. 266: This amendment clarifies section 2015 of the House bill so that the section only applies where an election is made under section 6163 (a) to postpone payment of the estate tax attributable to a reversionary or remainder interest. The House recedes.

Amendment No. 267: This amendment adds to section 2016 of the House bill a provision that no interest shall be assessed or collected on any amount of tax due as the result of the recovery by an executor of death taxes paid to a foreign country where credit has been previously allowed under section 2014 for any period before the receipt of such refund. This provision, however, specifies that interest may be assessed and collected to the extent interest was paid by such foreign country on such refund. The House recedes.

Amendment No. 268: This amendment removes the limitation provided by the House bill which would have restricted the right of the executor to elect the benefits of section 2032 to cases where the aggregate value of all items in gross estate declined to 66⅔ percent of the value of the aggregate of all such items as of the date of the decedent's death. The House recedes.

Amendment No. 269: This amendment amends section 2039 of the House bill by revising subsection (a) so as to make it clear that the provisions of section 2039 apply not only to cases where an annuity was payable to a decedent but also to contracts or agreements under which a lump-sum payment is payable to the decedent or the decedent possesses the right to receive such a lump-sum payment in lieu of an annuity.

This amendment also make a change in subsection (c) of that section as stated in the House bill so as to provide that the exemption will apply not only to an annuity or other payment payable under a qualified employees' trust but also under a contract purchased by such an employees' trust. This subsection is further revised so that the exemption will apply if the particular plan under which the annuity or other payment is made meets the requirements of section 401 (a) at the time the plan terminates if occurring prior to the decedent's separation from employment. In addition, this amendment revises subsection (c) to more clearly indicate that the exemption is denied only in the proportion that the total payments made by the decedent under a plan bear to the total payments or contributions made thereunder. Subsection (c) is made applicable to estates of decedents dying after December 31, 1953. The House recedes.

Amendment No. 271: This amendment makes technical changes in section 2055 (a) of the House bill and adds a new paragraph (4) which would allow a deduction for transfers to or for the use of any veterans' organization incorporated by an act of Congress or of its departments or local chapters or posts, no part of the net earnings of which inure to the benefit of any private shareholder or individual. The House recedes.

Amendment No. 271a: This amendment adds to section 2055 (a) of the House bill a provision under which the complete termination, prior to exercise, of a power to consume, invade, or appropriate property for the benefit of an individual shall be treated in the same manner for the purposes of the deduction as though it were an irrevocable disclaimer made by such beneficiary.

The House recedes with an amendment making it clear that the termination must occur before the date prescribed for the filing of the estate tax return in order for the transfer of the property subject to the power to qualify for the charitable deduction.

Amendment No. 272: This amendment makes two clerical changes in section 2056 (b) of the House bill, and, in addition, amends paragraph (3) so that the provisions of that paragraph apply equally to all of the terminable interest rules in section 2056 (b). The House recedes.

Amendment No. 273: This amendment strikes out subsection (b) (7) of section 2056 which would have specifically excepted from the terminable interest rule generally applicable to the estate tax marital deduction payments for the support of the surviving spouse within 1 year of the decedent's death. In repealing the deduction for support of dependents formerly allowed by section 812 (b) and providing that such amounts will be allowable as a marital deduction, the report of the Committee on Ways and Means on the Revenue Act of 1950 (Rept. No. 2319, 81st Cong.) stated:

"Under existing law amounts expended in accordance with the local law for support of the surviving spouse of the decedent are * * * not allowable as a marital deduction under section 812 (e) of the Code. However, as a result of the amendment made by this section, such amounts heretofore deductible under section 812 (b) will be allowable as a marital deduction subject to the conditions and limitations of section 812 (e)."

Many of these "widows' allowances" should qualify for the marital deduction under present law without regard to the time of payment. Therefore, the added complications of this section are largely unnecessary. The House recedes.

Amendment No. 277: This amendment adds at the end of section 2503 (b) of the House bill a provision which would prevent the disallowance of the exclusion in a case where there is a possibility that the present interest may be decreased by the exercise of a power if no part of such interest can pass to another person. This amendment also makes clarifying amendments in section 2503 (c) of the House bill. The House recedes.

Amendment No. 280: This amendment amends section 2515 of the House bill in order that the provisions of this section will also be applicable to joint tenancies in real property between husband and wife with right of survivorship as well as to tenancies by the entirety. The House recedes.

Amendment No. 281: This amendment strikes from section 2516 of the House bill the provision that the section will not apply unless the property settlement was "incident to divorce" and substitutes for the provision that the property settlement must be followed by divorce "within a reasonable time" a provision that the divorce must occur within 2 years. The House recedes.

Amendment No. 301a: Section 4082 (c) of the House bill provided that if a producer or importer uses (otherwise than in the production of gasoline) gasoline sold to him free of tax, or produced or imported by him, such use shall be considered a sale for purposes of the provisions imposing the tax on gasoline sold by the producer or importer. Senate amendment No. 301a exempts from this rule gasoline used in the production of special motor fuels referred to in section 4041 (b); namely, benzol, benzene, naphtha, liquefied petroleum gas, or any other liquid (other than kerosene, gas oil, fuel oil, or diesel fuel) of a kind sold for use as, or used as, a fuel for the propulsion of a motor vehicle, motorboat, or airplane. The House recedes.

Amendment No. 327 (2): This amendment exempts from tax admissions to athletic games or exhibitions between teams composed of students from colleges if the entire gross proceeds from the game or exhibition inure to the benefit of a hospital for crippled children. The House recedes.

Amendment No. 332: This amendment to section 4233 of the House bill, relating to exemptions from the admissions tax, conforms the section to the changes made by the Excise Tax Reduction Act of 1954 and grants exemption from tax to two new categories of admissions. The new provisions added by the Senate amendment exempt: (1) admissions to baseball games if all the players who participate have amateur or semiprofessional standings, and (A) the game is not conducted primarily for profit; (B) the teams involved do not regularly play for profit; and (C) no part of the net earnings from the game inures to the benefit of any private stockholder or individual; and (2) admissions to rodeos or historical pageants, if the proceeds are used exclusively for the improvement, maintenance, and operation of the rodeo or pageant, and if no part of the net earnings inures to the benefit of any private individual or shareholder. The House recedes.

Amendments Nos. 348 (2) and 349 (3): Under the House bill, strip stamps for distilled spirits were required to be sold by the Internal Revenue Service to persons entitled thereto at a price of 1 cent for each stamp, except that in the case of stamps for con-

tainers of less than one-half pint, it was provided that the price be one-fourth cent for each stamp. Under the Senate amendments, no charge would be made for such stamps. The House recedes.

Amendment No. 350 (1): The House bill, provided that stamps for distilled spirits withdrawn for exportation be charged for at the rate of 10 cents per stamp except that, in the case of certain packages or cases withdrawn for export, the charge was 5 cents. The Senate amendment provides that such stamps be furnished free of charge. The House recedes.

Amendment No. 352: The House bill provided that rice wine (saké) be taxed as wine, rather than as fermented malt liquor as under existing law. Senate amendment No. 352 provides that rice wine be taxed as fermented malt liquor. The House recedes.

Amendment No. 357 (1): Section 5055 of the House bill changed the requirements of existing law relating to taxpayment of beer by stamp and provided for payment by return. Further provision was made authorizing the Secretary or his delegate to require stamps or other devices to be affixed to hogsheads, barrels, or kegs of beer at the time of removal, and to make a charge to brewers for the stamps sufficient to defray the expense of preparation. Senate amendment No. 357 deleted that part of the second sentence of the House bill authorizing the Secretary or his delegate to make a charge for such stamps. The House recedes.

Amendment No. 404: Section 5703 (b) of the House bill changed the requirements of existing law relating to the taxpayment of manufactured tobacco articles, and provided for the payment by return. Further provision was made that if stamps were required for manufactured tobacco articles, they should be furnished to manufacturers and importers of tobacco articles at a sum sufficient to defray the cost of preparation. The Senate amendment deletes the provision for sale of such stamps and adds a provision authorizing the Secretary or his delegate to regulate the issuance and use of such stamps for manufactured tobacco articles. The House recedes.

Amendment No. 407: Section 5862 (a) of the House bill provides for the seizure and forfeiture of certain gangster-type firearms made or transferred in violation of chapter 53 of the House bill. The Senate amendment provides for the seizure and forfeiture of such firearms involved in any violation of chapter 53, or regulations promulgated thereunder. The House recedes.

In H. R. 8300 as it was reported by the Ways and Means Committee, as it passed the House, and as it passed the Senate, sections 3108 (a), 3070 (a), and 3072 of the Internal Revenue Code of 1939 were reenacted as sections 5310 (a), 5331, and 5647 of H. R. 8300. As stated in the report of the committees of both the House and the Senate, these provisions, along with all other provisions dealing with distilled spirits, are to be studied further in the light of an anticipated report from the Internal Revenue Service based on a study now being made jointly by a task force of the Service and industry.

In the Ways and Means Committee report, it was specifically stated with respect to section 5331 of H. R. 8300:

"This section is intended to apply to alcohol produced at industrial alcohol plants and withdrawn for denaturation."

In connection with section 5310 of H. R. 8300, the Ways and Means Committee report contained the following statement:

"The term 'existing law' in subsection (a) is intended to include section 5331."

It is now understood that there is pending in the courts litigation involving those questions, i. e., whether section 3070 (a) of the Internal Revenue Code of 1939 (now proposed as sec. 5331 (a) of H. R. 8300) is applicable to alcohol produced in industrial alcohol plants and withdrawn for denaturation, and also whether the term "existing law" in section 3108 (a) of the Internal Revenue Code of 1939 (now proposed as sec. 5310 (a) of H. R. 8300) includes section 3070 (a) of the Internal Revenue Code of 1939 (now proposed as sec. 5331 (a) of H. R. 8300).

It is the purpose of the committee of conference, including the managers on the part of the Senate as well as the managers on the part of the House, to make it clear that the reenactment of all of the aforesaid provisions of the 1939 Internal Revenue Code, pending the expected Treasury report to the next Congress, is to be given no consideration in pending litigation as to the meaning or interpretation of those provisions in the 1939 Code.

Amendment Nos. 417 (1), (2), and (4): These amendments extend from January 15 to January 31, the due date prescribed in section 6015 (f) of the House bill for filing an income-tax return in lieu of a final declaration of estimated tax. The House recedes.

Amendment No. 418: This amendment adds subsection (i) to section 6015 of the House bill (relating to declarations of estimated income tax by individuals) making the section applicable only with respect to taxable years beginning after December 31, 1954, and the pertinent sections of the 1939 Code applicable with respect to taxable years beginning before January 1, 1955. The House recedes.

Amendment No. 419: This amendment changes the filing requirement for declarations of estimated income tax by corporations in section 6016 of the House bill. Under the House bill no declaration would have been required if the estimated tax liability was not more than $50,000; the amendment increases that amount to $100,000. The House recedes.

Amendment No. 424: This amendment adds an exception to section 6033 (a) of the House bill (relating to returns by exempt organizations) providing that, in the discretion of the Secretary or his delegate, the pension and profit-sharing trusts described in section 401 (a) of the bill as agreed to in conference may be relieved from stating in their returns any information which is reported in the returns of the employers establishing such trusts. The House recedes.

Amendment No. 431: This amendment to section 6041 of the House bill restores the provisions of section 147 (a) of existing law (relating to information at source on certain payments) to the extent of requiring information returns from persons engaged in a trade or business with respect to payments made in the course of such trade or business. The House recedes.

Amendment No. 436: This amendment requires that gift-tax returns shall be filed on or before April 15 instead of March 15 as provided in the House bill. The House recedes.

Amendment No. 446: This amendment, which adds section 6316 to the House bill, authorizes the Secretary or his delegate in such cases as he may deem proper, and under such regulations and subject to such conditions as the Secretary or his delegate may prescribe, to accept foreign currency in payment of taxes. The House recedes.

Amendment No. 447: This amendment conforms the language of section 6321 of the House bill (relating to liens for taxes) to the language of existing law by deleting the parenthetical phrase "(including the interest of such person as tenant by the entirety)". The House recedes.

Amendment No. 449: Subsection (c) of section 6323 of the House bill provided certain specific rules with respect to the validity of the tax lien, without the filing of notice thereof, as against mortgagees, pledgees, purchasers, and judgment creditors. The Senate amendment strikes out this subsection, thereby continuing in effect the existing law, including applicable rules which have been developed by judicial construction. The House recedes.

Amendment No. 453: This amendment adds a provision to section 6325 (b) of the House bill expressly providing that, if the Secretary or his delegate determines the interest of the United States in a particular piece of property subject to lien to be valueless (considering any prior liens), he may issue a certificate discharging such property from the lien. The House recedes.

Amendment No. 456: The Senate amendment adds arms for personal use, livestock, and poultry to the property exempt from levy under the limitations of section 6334 of the House bill. The House recedes.

Amendment No. 457: The Senate amendment provides that, in cases where the tax is in jeopardy and levy is made without regard to the 10-day period after notice and demand provided in section 6331 (a) of the House bill, public notice of sale shall not be made within such 10-day period unless the property is perishable property described in section 6336 of the House bill. The House recedes.

Amendment No. 466a: This amendment adds a new provision to section 6416 (b) (2) of the House bill specifying that the tax paid on gasoline shall be considered an overpayment where such tax-paid gasoline is used for the production of special fuels which are taxable under section 4041 (b). The House recedes.

Amendment No. 470: This amendment restores existing law by striking out the provisions of section 6501 (c) (2) of the House bill which extended to income, estate, and gift taxes the rule, applicable to all other taxes, that there would be no limitation on assessment in the case of a willful attempt in any manner to defeat or evade the tax. The House recedes.

Amendment No. 474: This amendment to section 6501 (g) of the House bill provides that, if a taxpayer determines in good faith that it is an exempt organization for a taxable year and files a return as such under section 6033, such return shall be deemed the return of the corporation for purposes of measuring the running of the period of limitation on assessment and collection. The House recedes.

Amendment No. 475: Section 6503 (b) of the House bill provided that the period of limitation on collection after assessment shall be suspended during the period the assets of a taxpayer are in the control or custody of a court, and for 6 months thereafter. The Senate amendment provides that such suspension will not apply where the assets in the control or custody of the court are those of a decedent or incompetent. The House recedes.

Amendments Nos. 477, 478, and 479: These amendments to section 6511 of the House bill (relating to limitations on credit or refund) provide that the 3-year period (as distinguished from the 2-year period after payment) for filing claims for credit or refund shall run from the due date of the return (determined without regard to any extension of time for filing) instead of from the date the return was filed. The House recedes.

Amendment No. 485a: This amendment to section 6531 of the House bill provided that the general period of limitations on prosecutions for criminal offenses under the Internal Revenue Code of 1954 shall be 5 years instead of 3 years. The Senate recedes.

Amendments Nos. 486 (1), (2), and (3): These amendments to section 6531 of the House bill removed from the listed criminal offenses to which the 6-year period of limitations applies under the bill the following offenses: (1) The offense of willfully failing to pay the tax or make any tax return at the time or times required by law or regulations; (2) the offenses described in section 7206 (1) and 7207, relating to false statements and fraudulent documents; (3) the offense

described in section 7212 (a), relating to intimidation of officers or employees of the United States; and (4) the offenses described in section 7214 (a) committed by officers and employees of the United States. The Senate recedes.

Amendment No. 486 (4): This amendment applies that part of section 6531 of the House bill which provides that the period of limitations on criminal prosecution shall be suspended during the period of time the taxpayer is outside of the territorial limits of the United States (instead of outside the judicial district where the offense was committed), to offenses committed under the Internal Revenue Code of 1939 with respect to which the statute of limitations has not expired prior to the effective date of this section. This provision shall be deemed an amendment to section 3748 (a) of the Internal Revenue Code of 1939, except that if the period of limitations provided in this section would expire prior to 3 years after the date of enactment of the Internal Revenue Code of 1954 solely by reason of such amendment, it shall not expire prior to the end of such 3-year period. The House recedes.

Amendment No. 487: This amendment to section 6532 (b) of the House bill restores existing law by reducing from 6 years to 5 years the period in which the United States may bring suit to recover an erroneous refund if it appears that any part of such refund was induced by fraud or misrepresentation of a material fact. The House recedes.

Amendment No. 488: This amendment to section 6601 (f) of the House bill (relating to interest on underpayments) provides that if notice and demand is made for payment of tax, and if the amount demanded is paid within 10 days after such notice and demand, interest will not be imposed upon such amount for the period subsequent to the date of the notice and demand. The House recedes.

Amendment No. 494: This amendment to section 6653 (a) of the House bill provided that the addition to the tax of 5 percent of an underpayment of income tax or gift tax due to intentional disregard of rules or regulations shall not be made where a taxpayer in good faith intentionally disregards rules or regulations because he reasonably believes the rules or regulations are invalid and attaches to his return an adequate statement which sets forth the rules or regulations disregarded and the grounds for believing them invalid. The Senate recedes.

Amendments Nos. 495, 496, 497, 498, and 498a: These amendments make the following changes in section 6654 of the House bill (relating to failure by individuals to pay estimated income tax):

(1) Amendment No. 495 amends subsection (d) to provide that no additional charge shall be applied with respect to any installment where the total amount of tax paid by the installment date is not less than 90 percent of the tax computed, at the rates applicable to the taxable year, on the basis of the actual taxable income for the months in the taxable year ending before the month in which the installment is required to be paid (as if such months constituted a taxable year). The House recedes.

(2) Amendment No. 496 adds subsection (e) providing that for the purposes of this section the estimated tax shall be computed without any reduction for the amount which the taxpayer estimates as his credit under section 31 (relating to tax withheld at source on wages). Subsection (e) also provides that, for the purposes of this section, the amount of the credit allowed under section 31 for the taxable year shall be deemed a payment of estimated tax, and an equal part of such amount shall be deemed paid on each installment date (determined under section 6153) for such taxable year. However, if the taxpayer establishes the dates on which all amounts were actually withheld, the amounts so withheld shall be deemed payments of estimated tax on the dates on which such amounts were actually withheld. The House recedes.

(3) Amendment No. 497 redesignates subsection (e) of the House bill as subsection (f) and as such it is amended to provide that the term "tax", for the purposes of subsections (b) and (d), means the tax imposed by chapter 1 reduced by the credits against tax allowed by part IV of subchapter A of chapter 1 other than the credit against tax provided by section 31. The House recedes.

(4) Amendment No. 498 adds subsection (g) providing that the application of this section to taxable years of less than 12 months shall be only in such manner as may be prescribed by regulations. The House recedes.

(5) Amendment No. 498a adds subsection (h) providing that this section shall apply only with respect to taxable years beginning after December 31, 1954, and that section 294 (d) of the 1939 Code shall apply with respect to taxable years beginning before January 1, 1955. The House recedes.

Amendments Nos. 499 and 501: These amendments make the following changes in section 6655 of the House bill (relating to failure by corporations to pay estimated income tax):

(1) Amendment No. 499 (1) amends section 6655 (d) (1) to provide that an installment of estimated tax will be deemed sufficient if it is based on the tax shown on the return of the corporation for the preceding taxable year reduced by $100,000, if a return showing a liability for tax was filed by the corporation for the preceding taxable year and such preceding year was a taxable year of 12 months. The House recedes.

(2) Amendment No. 499 (2) amends section 6655 (d) (3) of the House bill to provide that, in computing the tax on an annualized basis by reference to the months in the taxable year before the installment date, the income to be annualized may be either that for the months immediately preceding the month of the installment date, or for a period ending 2 months earlier, whichever will result in no charge being made. The House recedes.

(3) Amendment No. 501 adds subsection (f) to section 6655 of the House bill, providing that the application of this section to taxable years of less than 12 months shall be only in such manner as may be prescribed by regulations. The House recedes.

Amendment No. 502: Section 6863 (a) of the House bill (relating to stay of collection of jeopardy assessments) provided, like existing law, that the amount of the bond required to stay collection of a jeopardy assessment might be as much as double the amount of the tax the collection of which was sought to be stayed. The Senate amendment provides that the amount of the bond shall be equal to the amount of the tax, including any additions thereto, collection of which is sought to be stayed. The House recedes.

Amendment No. 503: This amendment, for which there is no corresponding provision in the House bill, provides for the stay of sale of property seized under a jeopardy assessment of income, estate, or gift tax during the period a petition may be filed with the Tax Court and, if such petition is filed, until the decision of the Tax Court becomes final. The provision does not apply if the taxpayer consents to the sale, or if the Secretary or his delegate determines that the expenses of conservation and maintenance of the property seized will greatly reduce the proceeds, or if the property is perishable goods as defined in section 6336 of the House bill. The House recedes.

Amendment No. 505 (2): Section 6901 (d) (1) of the House bill provided that, if a transferee or fiduciary agreed to an extension of the period for assessment, the period for filing claim for credit or refund of tax paid by him is also extended for the period of the agreement and 6 months thereafter. The Senate amendment provides that, where the statute of limitations is extended for an overpayment made by the transferee or fiduciary, it will be extended for a like period with respect to an overpayment made by the transferor in those cases where the transferee or fiduciary is legally entitled to credit or refund of such overpayment. The House recedes.

Amendments Nos. 506 and 507: These amendments eliminate the provisions of the House bill which would change existing law by treating a willful failure to make a tax return as a felony rather than a misdemeanor. Under the amendments, as under existing law, a willful attempt in any manner to evade or defeat tax or the payment thereof will be treated as a felony and the willful failure to file a tax return will be treated as a misdemeanor. The House recedes.

Amendment No. 508: The Senate amendment reduces the punishment imposed for offenses under section 7206, relating to fraud and false statements, from a fine of not more than $10,000 or imprisonment for not more than 5 years, or both, as contained in the House bill, to a fine of not more than $5,000, or imprisonment of not more than 3 years, or both. The House recedes.

Amendment No. 510: This amendment to section 7212 of the House bill defines threats of force as meaning threats of bodily harm to the officer or employee of the United States or to a member of his family, and provides that if an offense is committed only by threats of force it is to be punishable by a fine of not more than $3,000, or imprisonment for not more than 1 year, or both. The House recedes.

Amendment No. 511: This amendment to section 7232 of the House bill reduces the maximum fine for failure to register or give bond, or for making false statement, by a manufacturer or producer of gasoline or lubricating oil from $10,000 to $5,000, which corresponds to the maximum fine imposed under existing law. The House recedes.

Amendment No. 515: The House bill contained a specific provision that the assessment of the tax upon which the lien of the United States is based shall be conclusively presumed to be valid for purposes of adjudication in an action to enforce the lien of the United States or to subject property of the delinquent to the payment of the tax. The Senate amendment eliminated this provision, thereby restoring existing law. The elimination of this provision is not designed to change the effect under existing law given to the assessment in such an adjudication. The House recedes.

Amendment No. 518: Section 7422 (e) of the House bill provided for a stay of proceedings in cases where there is concurrent jurisdiction in a district court (or the Court of Claims) and in the Tax Court of the same case. The Senate amendment provides that such a stay shall not apply to a suit by a taxpayer which, prior to date of enactment of the 1954 Code, is commenced, instituted, or pending in a district court or the Court of Claims for recovery of any income tax, estate tax, or gift tax (including penalties). The House recedes.

Amendment No. 521: This amendment deletes the provision of the House bill (also contained in existing law) which required the Secretary or his delegate to provide the Tax Court with suitable rooms in courthouses or other buildings when necessary for hearings by the Tax Court outside the District of Columbia. The House recedes.

Amendment No. 524: This amendment provides that if a retired judge of the Tax Court is recalled to duty he will receive, during his period of duty, the same compensation as is then being paid to other judges of the Tax

Court but will not receive retirement pay for such period. The House recedes.

Amendment No. 526: The Senate amendment provides that the clerk of the Tax Court or his deputies may administer oaths without designation in writing by the chief judge. The House recedes.

Amendment No. 528: The House bill provided that, if one party to a proceeding in the Tax Court files a petition for review, an additional month to file a petition for review will be available to the adverse party to the proceeding. The Senate amendment extends this provision to any party to the proceeding, whether or not such party is an adverse party. The House recedes.

Amendment No. 530: Section 7494 of the House bill provided specific rules for determining venue in criminal prosecutions for offenses under the internal revenue laws. The House bill provided, among other things, that tax would be deemed to have been paid (and a return filed) in the judicial district where a taxpayer resides if the mails were used, or at the office of the internal revenue officer if delivered in any other manner. The Senate amendment strikes out this section of the House bill. The House recedes.

Amendment No. 535: The Senate amendment restores the provisions of existing law which exempt consular officers and employees of foreign states from payment of internal-revenue taxes on imported articles. The House bill contained no similar provisions. The House recedes.

Amendment No. 537: This amendment to section 7621 of the House bill restores the prohibition contained in existing law that parts of two different States may not be combined into one internal-revenue district. The House recedes.

Amendment No. 541: The Senate amendment to section 7701 (a) (20) of the House bill, relating to definitions, extends the application of the term "employee" as it relates to certain full-time life-insurance salesmen, to include those sections of the income tax laws which relate to accident and health insurance, or accident and health plans, or to employees' death benefits. The House recedes.

Amendment No. 545 (1): The House bill provided that chapter 3 of the House bill (relating to withholding of tax on nonresident aliens, foreign corporations, and tax-free covenant bonds), and chapter 5 of the House bill (relating to transfers to avoid income tax), applied to payments and transfers occurring after the date of enactment of the bill. The Senate amendment makes these provisions applicable to payments and transfers occurring after December 31, 1954. The House recedes.

Amendment No. 545 (2): The Senate amendment added a new sentence at the end of section 7851 (a) (1) (C) to the effect that the provisions of the 1939 Code which are superseded by the provisions of subtitle A (relating to the income taxes) of the 1954 Code, the applicability of which is stated in terms of a specific date occurring after December 31, 1953, shall be deemed to be included in subtitle A of the 1954 Code (thus making them applicable to taxable years beginning after December 31, 1953), but shall be applicable only with respect to the period prior to the taking effect of the corresponding provision of such subtitle A. The Senate amendment likewise added a new subparagraph (D) which provided that in the case of a taxable year beginning after March 31, 1954, sections 244 (relating to dividends received on certain preferred stock), 247 (relating to dividends paid on certain preferred stock of public utilities), and 922 (relating to deduction for Western Hemisphere trade corporations) of the 1954 Code shall apply without regard to whether such taxable year ended before, on, or after the date of enactment of the 1954 Code.

The House recedes with an amendment which revises subparagraph (D) of section 7851 (a) (1). The new subparagraph (D) is applicable with respect to taxable years ending after March 31, 1954, which are subject to tax under chapter 1 of the 1939 Code. The new subparagraph (D) makes amendments to various provisions of the 1939 Code which are necessary to carry into effect the extension of the corporate tax rate and credits which under the 1939 Code were applicable only with respect to taxable years beginning before April 1, 1954, and to repeal the reduction in the corporate tax rate and prevent the changes in credits which under the 1939 Code were to take effect with respect to taxable years beginning after March 31, 1954.

Amendment No. 545 (3): This amendment, by an addition to section 7851 (a) (4) of the House bill, provides that provisions having the same effect as section 6416 (b) (2) (H) of the bill (see the explanation under Senate amendment No. 466a) and so much of section 4082 (c) of the bill as refers to special motor fuels (see the explanation under Senate amendment No. 301a) shall be considered to be included in the Internal Revenue Code of 1939 effective as of May 1, 1954. The Senate amendment also removes whatever ambiguity may have existed under the Excise Tax Reduction Act of 1954 with respect to the rate of tax on diesel fuel for the month of April 1954 by expressly providing that section 2450 (a) of the Internal Revenue Code of 1939, as amended by the Excise Tax Reduction Act of 1954, applies to the period beginning on April 1, 1954, and ending on December 31, 1954. The effect of this latter provision of the Senate amendment is to make it clear that the rate of tax on diesel fuel for the month of April 1954 is 2 cents per gallon, rather than 1½ cents per gallon. The House recedes.

Amendment No. 545 (4): The House bill provides an effective date of January 1, 1955, with respect to subtitle E of the 1954 Code, relating to alcohol, tobacco, and certain other excise taxes. The Senate amendment provides an exception with respect to chapter 53 of the House bill (relating to taxes on machineguns and certain other firearms), the provisions in section 5411 of the House bill permitting the use of a brewery for the purpose of producing and bottling soft drinks under regulations, and the provisions of section 5554 of the House bill (relating to pilot-plant operations), so as to make these provisions effective beginning with the day after the date of enactment of this title. The House recedes.

Amendment No. 546: The House bill provided that subtitle F of the bill (relating to procedures and administration) applies on and after the day after the enactment of the 1954 Code, except that certain provisions of the 1939 Code will continue to apply to taxes imposed by that code. The Senate amendment provides that the provisions of chapter 63 of the 1954 Code relating to assessment (other than those relating to deficiency procedures in the case of income, estate, and gift taxes), chapter 64, relating to collection, and chapter 65, relating to abatements, credits, and refunds (other than the provisions of sec. 6405, relating to reports of refunds and credits to the Joint Committee on Internal Revenue Taxation) shall not be effective until January 1, 1955, when they shall apply to taxes under both the 1939 Code and the 1954 Code. Before January 1, 1955, the corresponding provisions of the 1939 Code shall remain in effect with respect to taxes under both the 1939 Code and the 1954 Code. The House recedes.

Amendment No. 548: Subsection (b) of section 7851 of the House bill contained provisions that all offices, positions, appointments, employments, boards, or committees authorized by the 1954 Code shall not be abolished by repeal of the pertinent provisions of the 1939 Code. The Senate amendment makes clarifying changes and makes the provision also applicable to internal-revenue districts. The Senate amendment is designed to continue (despite repeal of the 1939 Code and enactment of the 1954 Code) all offices, positions, boards, and committees, all appointments and employments of officers and employees, and all internal-revenue districts, existing immediately before enactment of the 1954 Code, the continuance of which is not manifestly inconsistent with any provision of the 1954 Code. The amendment also makes clear that, in every such case, the authority to make changes shall not be restricted by this provision of the 1954 Code. The Senate amendment also adds a provision that, notwithstanding the repeal of the 1939 Code, any delegation of authority (including redelegations thereunder) pursuant to the provisions of Reorganization Plan No. 26 of 1950 or Reorganization Plan No. 1 of 1952, and in effect immediately preceding enactment of the 1954 Code, shall remain in effect for purposes of the 1954 Code, unless clearly inconsistent therewith. The provision does not limit in any manner the power to amend, modify, or revoke such delegations or redelegations of authority. The House recedes.

Amendment No. 550: The House bill provided that no provision of the 1954 Code is to apply where its application would be contrary to any treaty obligation. The Senate amendment limits this prohibition to treaties in effect on the date of enactment of the 1954 Code. The House recedes.

Amendment No. 551: This amendment added section 201 of the Miscellaneous Title to the House bill to authorize the Attorney General and the Federal Bureau of Investigation to investigate any violation of title 18, United States Code, involving Federal employees and requiring the head of every department or agency to report to the Attorney General all information relating to such violations received in his department or agency, unless responsibility for performing such investigation has been specifically otherwise assigned by existing law or the Attorney General otherwise directs. Existing authority of all agencies to investigate matters conferred upon them was not to be limited.

Existing law authorizes the Secret Service to detect and arrest any person violating any law concerning matters administered by and under the direct control of the Treasury Department. This amendment also added section 202 to the bill, striking the provision in section 3056 of title 18, United States Code, which confers such authority. The Senate recedes.

Amendment No. 552: This amendment added section 203 of the Miscellaneous Title to the bill amending section 3748 (a) of the 1939 Code (relating to periods of limitation for prosecution of offenses committed under the internal revenue laws) and section 3282 of title 18 of the United States Code (relating to periods of limitation for prosecution of certain noncapital criminal offenses) so as to extend the period of limitation under each section from 3 years to 5 years. The amendments were to be effective as to all offenses committed on or after the date of enactment of this bill and as to offenses committed prior thereto prosecution of which was not barred on the date of enactment. The House recedes with an amendment which eliminates the amendment to section 3282 of title 18, and limits the extension of the period of limitations under section 3748 (a) of the 1939 Code to offenses under section 4047 (e) of the 1939 Code, thereby confining it to certain offenses of officers and agents appointed and acting under authority of the revenue laws.

DANIEL A. REED,
THOMAS A. JENKINS,
RICHARD M. SIMPSON,
Managers on the Part of the House.

Mr. EBERHARTER. Mr. Speaker, the first point of order I wish to offer to the

conference report is that a copy of the House bill is not before the House.

The SPEAKER. A copy of the report is not before the House?

Mr. EBERHARTER. A copy of the House bill, H. R. 8300, is not before the House. Members cannot obtain a copy of the House bill.

The SPEAKER. The subject matter before the House is the conference report, rather than the bill as such.

Mr. EBERHARTER. Mr. Speaker, if I may discuss the matter, under section 6518, chapter 527, I think it is, volume 5 of Cannon's Precedents, it is stated that the House bill with the Senate amendments must be on the floor of the House for consideration. As I see it, the Members are unable to obtain copies of the House bill.

The SPEAKER. The Chair will say that both the bill and the conference report are here. The precedent in volume 5, section 6518, of Hinds Precedents requires the official papers—the House bill and the Senate amendment—to be here. They are here at the desk at this moment, and there is no requirement that each Member have a copy. The point of order is overruled.

Mr. EBERHARTER. Will the Chair indulge me in the making of my point of order until I obtain a copy and until other Members may obtain a copy of the House bill?

The SPEAKER. The Chair will say that the copy is here.

Mr. EBERHARTER. Mr. Speaker, a further point of order. In the CONGRESSIONAL RECORD and in the printing of the report there are differences in the printing of the report in the RECORD as compared with the conference report as printed here.

The SPEAKER. Will the gentleman outline those differences?

Mr. EBERHARTER. Mr. Speaker, in the RECORD which I have before me, page 12399, third column, second paragraph in the conference report the RECORD reads "110a" whereas the conference report reads "110."

The SPEAKER. Are there any other differences?

Mr. EBERHARTER. Mr. Speaker, I have on the way over from my office other instances where the RECORD and printing do not agree.

The SPEAKER. In reference to the point of order, the Chair will say that the conference report states that the House should recede from disagreement to amendment No. 110 and the RECORD, in the third column of page 12399, also indicates a recommendation that the House recede from its disagreement to amendment No. 110. Therefore, the Chair must overrule the point of order. Are there any other points of order?

Mr. EBERHARTER. Mr. Speaker, inasmuch as it is necessary for me to await the arrival of some papers, I will object to the reading of the statement in lieu of the report. I ask that the conference report be read.

The SPEAKER. The conference report has been considered as read.

Mr. EBERHARTER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. EBERHARTER. I object to the reading of the statement in lieu of the report.

The SPEAKER. The House, by unanimous consent, gave permission for the report to be considered as read, with the understanding that the gentleman could make his point of order. The report has now been considered as read.

The gentleman from New York [Mr. REED] is recognized for 1 hour.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. Reed of New York. Mr. Speaker, I hope that I may have the attention of the House. It is not often, if ever, that I have asked the House to listen to what I have to say. But, we are dealing here with a very important and carefully prepared piece of legislation.

Mr. Speaker, I call up the conference report on the bill (H. R. 8300) to revise the internal-revenue laws of the United States and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

Mr. Speaker, the conference report on H. R. 8300 culminates one of the most monumental legislative tasks ever undertaken by the Congress. It represents the fruit of hundreds of thousands of manhours of work, spread over many months of intensive staff study, many weeks of public hearings, and many long weeks of executive consideration. In addition, thousands of private individuals throughout the United States have given unstintingly of their time and effort to this great undertaking. Their suggestions and their constructive criticisms have played a large part in the tax-revision project.

Above all, I must pay tribute to each of the 25 members of the Ways and Means Committee. Their devotion to this task has been without parallel in my experience. Certainly no job could be more exacting than that of technical tax revision. The members of our committee—both the majority and minority—measured up to the task in magnificent fashion.

As the bill was reported by the Ways and Means Committee and passed by the House, it was recognized that much technical work of a perfecting nature still needed to be done. This was particularly true in view of the fact that our committee did not hold public hearings on the finished bill. The public, especially the members of the tax profession, received the opportunity to be heard in the other body.

As a result, 553 amendments were adopted by the Senate. The large numbers of these amendments is evidence of the tremendous scope of the bill. However, the great bulk of the Senate amendments are merely clerical, technical, or conforming in nature, and only 173 of the amendments can be considered truly substantive. These are all explained fully in the conference report which has already been printed in the RECORD.

Many of the Senate amendments represent needed improvements in the House bill. A number represent further liberalizations in certain of the relief provisions—for example, in the provision pertaining to working mothers. A number of the Senate amendments represent a return to present law in certain areas where it was felt further study was needed. This was true, for example, with respect to the provisions of the House bill pertaining to foreign income and to certain of the provisions pertaining to corporate reorganizations. All of these amendments were considered with great care by your conferees.

I believe that the bill as modified by the Senate and by the conference agreement represents a splendid achievement. It makes the year 1954 truly a landmark in our tax history.

I will not attempt to explain generally the various agreements reached in conference. These have already been placed in the RECORD. However, I know that there is one provision of great interest to the House—that pertaining to the double taxation of dividends. You will recall that the House bill provided partial relief from the double taxation of dividends in two successive steps. Under the House bill, taxpayers would have been entitled in the first year to exclude entirely $50 of dividends and to have a tax credit equal to 5 percent of any dividends in excess of that amount. In the second and succeeding years, the exclusion was raised to $100 and the tax credit to 10 percent. The Senate eliminated all but the $50 exclusion. I am gratified to be able to report that the conferees agreed to a 4-percent tax credit for dividends received after July 31, 1954. This is, indeed, a very modest approach to the double-taxation problem, and I regret that more substantial relief could not be agreed upon. In this connection, I would like to point out that Canada already provides a 20-percent tax credit for dividends—twice the relief provided in the House bill and 5 times the relief agreed upon by the conferees. I believe it to be far more than coincidence that American dollars have been pouring into Canada in recent years to the detriment of our own economic expansion. So long as we retain discriminatory double taxation in our own tax system, we can expect to discourage investment in our own enterprise, thus stifling our own economic growth and preventing the creation of jobs for our own workers.

Contrary to what some would have us believe, there is nothing new in the proposal to give relief from double taxation of dividends. I have already pointed out the substantial relief which Canada grants today. Moreover, Great Britain has given such relief for over 100 years. The fact is that the United States has been backward in this regard.

Much has been said in certain quarters to the effect that the proposed relief from double taxation of dividends means that investors will pay lower taxes than wage earners. Of course, nothing could be further from the truth. The fact

is that income derived from equity investment today bears a far higher burden of taxation—because of the doubling up of the corporate and individual income taxes—than does any other form of income. All we are now proposing is a relatively minor reduction in that additional burden. Investment income will still bear a far higher tax burden than earned income. One can imagine the clamor in this House—and rightly so—if wages were taxed to the corporation prior to their distribution to its employees and then taxed again in the hands of its employees. That would be double taxation with a vengeance. Fortunately, our tax laws have never permitted such an injustice to arise. On the other hand, we have blindly permitted an identical injustice to continue to exist with respect to investment income. H. R. 8300, as agreed to by the conferees, makes a very small reduction in that unjust and discriminatory burden. The proposed 4 percent credit will relieve investors of approximately one-thirteenth—I repeat, only one-thirteenth—of the tax already paid by the corporation. That is very modest relief, indeed.

I would also like to point out that under the conference agreement, as under the House bill, each taxpayer, no matter what his tax bracket, will receive exactly the same amount of relief with respect to a given amount of dividend income. For example, at the present time, the lowest bracket taxpayer, paying a 20-percent rate, must pay a tax of $200 on $1,000 of dividends. Under the conference proposal, he will receive a $40 reduction in that $200 tax. A wealthy taxpayer, paying an 80-percent rate, must today pay a tax of $800 on the same $1,000 of dividends. Under the conference proposal, this taxpayer will receive the identical $40 reduction in his $800 tax. Of course, while their tax reductions are identical in dollar amount, the lower-bracket taxpayer will receive a 20-percent reduction in his tax, while the upper-bracket taxpayer, in the case I have just given, will receive only a 5-percent reduction in his tax.

Finally, I would like to point out that the cost of the bill as agreed to in conference falls somewhat short of the cost of the bill as it passed the House. The House bill, after taking into consideration the extension of the present 52-percent corporate tax rate, contained a net loss in revenue of $170 million. The Senate bill would have lost $116 million. The conference bill involves a net reduction in Federal tax receipts of $163 million—$7 million less than the House bill.

Mr. Speaker, I cannot emphasize too strongly the importance of the immediate adoption of this conference report. To individual taxpayers throughout the country, this bill means an end to numerous inequities and hardships which have grown up over the years. Moreover, let us not forget that the bill also closes many loopholes through which skillful taxpayers can avoid paying their just share of the tax burden. Enactment of this bill will serve as an immediate stimulus to the entire economy. It will be a go-ahead signal to economic growth—new businesses and new jobs. Let us give that green light to the American economy today by prompt adoption of this conference report.

Comparison of the estimated revenue effects of H. R. 8300 for the fiscal year 1955 as passed by the House, Senate, and as agreed to by the conferees

[Millions of dollars]

	Estimated revenue loss or gain (+)		
	House bill	Senate bill	Conference agreement
Individuals:			
Head of family:			
(a) Full split income	50	----	----
(b) Full split income for 2 years after death of spouse and ½ split income for taxpayers who support parents regardless of their place of abode	----	----	11
Dividends received:			
Exclusion:			
$50 in 1954 and $100 thereafter	45	----	----
$50 in 1954 and subsequent years	----	46	46
Tax credit:			
5 percent August 1954–July 1955 and 10 percent thereafter	195	----	----
4 percent of taxable dividends received after July 31, 1954	----	----	158
Total, dividends received	240	46	204
Taxation of annuities on life expectancy	10	10	10
Deduction for dependents regardless of earnings	75	75	75
Dependent deduction for members of taxpayer's household who meet the support test	10	10	10
Retirement income credit	125	141	141
Deduction of interest charge on installment contracts	10	----	10
Deduction for construction of grain storage facilities	----	36	----
Medical expense deduction:			
Increase in maximum limitation	10	10	10
Reduction in exclusion from 5 to 3 percent	115	115	115
Limitations on drugs and medicines to excess of 1 percent of adjusted gross income	+45	+45	+45
Total, medical expense deduction	80	80	80
Child care deduction	40	130	130
Exemption for distributable trusts (increased from $100 to $300)	3	3	3
Premium payment test on life insurance	25	25	25
Increase charitable contribution limitation from 20 to 30 percent	25	25	25
Deduction for soil and water conservation expenditures	10	10	10
Depreciation	75	77	73
Partnerships and proprietorships taxed as corporations	----	20	20
Effect on individuals	778	688	827

	Estimated revenue loss or gain (+)		
	House bill	Senate bill	Conference agreement
Corporations:			
Natural resources: [1]			
Depletion	[2] 27	[2] 34	[2] 34
Allow capital gains treatment for iron ore royalties	----	10	----
Total, natural resources	27	44	34
Foreign income:			
Treatment of branch profits	95	----	----
14 percent differential rate	55	----	----
Denial of differential rate on manufactured products imported	+5	----	----
Removal of overall limitation on foreign tax credit	2	2	2
Total, foreign income	147	2	2
Depreciation:			
Allow declining balance at 200 percent of straight line	300	300	300
Allow declining balance on full cost of construction completed after Dec. 31, 1953	----	32	----
Restrict declining balance to assets with useful life of 3 or more years	----	+9	+9
Total, depreciation	300	323	291
Net operating loss:			
Extend carryback to 2 years	90	90	90
Adjustments for dividends received and depletion	10	30	30
Total, net operating loss	100	120	120
Denial of dividends-received credit for dividends from insurance companies	[3] +27	----	----
Removal of 2-percent surtax on consolidated return of regulated public utilities	----	35	35
Tax on earnings improperly accumulated	----	10	10
Allow corporations with 10 or less stockholders to file as partnerships	----	50	----
Continuation of 26-percent capital-gains rate to Apr 1, 1955	----	+9	+9
Accounting provisions	45	47	47
Declarations and payment of estimated tax	([4])	([4])	([4])
Alcohol, distilled spirits strip stamps	----	6	6
Effect on corporations, exclusive of rate extension	592	628	536
Extension of 52-percent corporate rate	+1,200	+1,200	+1,200
Grand total	170	116	163

[1] A small part of this estimate applies to individuals but cannot be clearly segregated.

[2] Excludes estimate for uranium, thorium, and vanadium. Data confidential.

[3] Not included in House report.

[4] No revenue effect in fiscal year 1955.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

I want to say another word: I understand there is going to be a motion to recommit. To say that I am astonished that one should be made is putting it very lightly. If you will look through the history of legislation and parliamentary procedure, I doubt whether you can find a single precedent where the conferees, having followed the instructions of the House, and agreed to a compromise, the House then voted to recommit, and to repudiate its own conferees and its own instructions to the conferees.

There is no such precedent. Why such an extraordinary procedure should be attempted in this particular case with a great monumental bill of this kind which reaches into every home in the United States is very difficult for me to understand. Yet that is the attempt which is being made today. I certainly hope we will return to a proper situation as far as motions to recommit are concerned.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. COOPER. I am sure the distinguished gentleman will recall that this very thing happened in 1951, when a motion to recommit the conference report was made and was adopted by the House.

Mr. REED of New York. That may have been so, but I am talking about this case where the House has instructed the conferees and the conferees have followed the instructions of the House to the best of their ability.

Mr. COOPER. The same situation prevails today, as it did in 1951. The conferees brought in a conference report. The gentleman from Pennsylvania [Mr. EBERHARTER] made a motion to recommit the conference report and the House adopted his motion.

Mr. REED of New York. My recollection is that Mr. EBERHARTER's motion in 1951 is in no sense a precedent for the action here proposed. In that case there had not previously been an unsuccessful motion to recommit on the same point when the bill was initially considered by the House.

Mr. Speaker, I hope the House will vote overwhelmingly for the conference report.

Mr. BOGGS. Mr. Speaker, will the gentleman yield for a question?

Mr. REED of New York. I yield.

Mr. BOGGS. I should like to address a technical question to my distinguished chairman. I understand that there is a provision in the bill that prohibits the use of a tax carry-forward in another business unless that business is related to the one with the tax carry-forward. I have in mind a newspaper which has a tax carry-forward and they wish to acquire a TV station or a motion picture producing company. Since all three of these businesses are in the field of instructing and entertaining the public, would be chairman care to express the intent of this language as to whether a tax carry-forward could be used by the newspaper company in the television operation or in the motion picture producing company.

Mr. REED of New York. I will be very glad to. If I understand your question correctly, a newspaper corporation with a net operating loss carryforward wishes to purchase a television station or a motion picture business which is expected to show a profit and you wish to know whether the newspaper corporation will be able to use its loss carry-forward to offset the anticipated profits from its new activities. I would say that there is nothing in the bill which, in an appropriate case, would preclure the newspaper corporation from using its net operating loss carryforward to offset the profits from its new lines of activity. I am assuming, of course, that all the activities in question are conducted by the same corporate entity.

Mr. BOGGS. I thank the gentleman very much.

Mr. REED of New York. The gentleman is very welcome.

Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a table.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, I had the privilege of being a conferee on the proposed Internal Revenue Code of 1954, H. R. 8300. I did not sign the conference report. My reason for not signing this report is well known to the Members of the House, from the speech which I made when H. R. 8300 was being considered in the House on March 17 of this year. I objected at that time not only to the fact that the proposed revision of the Internal Revenue Code granted favored treatment to income from dividends while no relief whatever was being provided to income taxpayers generally, I also objected to the principle of providing more favorable treatment for unearned income than for earned income.

It was my feeling then and it is still my feeling that if tax relief can be provided without endangering the fiscal affairs of the Government, sole reliance cannot be put on the methods recommended and sponsored by the present administration and leadership. One of the main arguments advanced for tax relief for dividend income is that the economy of the country demands an expansion in plant capacity. It is my belief that the economy at this time should be bolstered by an increase in purchasing power through tax reductions for individuals generally. Statistics on our productive capacity bear out the fact that we already, in many instances, have unused productive capacity. At the same time, we all know that tax burdens on low-income taxpayers are so great that they have difficulty making ends meet, even as to the necessities of life.

We on this side of the aisle when the bill was originally considered in the House came within four votes of providing fair and equitable tax relief by deleting the exclusion and tax credit for dividend income from the bill and inserting a $100 increase in individual income tax exemptions. The Senate deleted entirely the provision for a credit against tax for dividend income, and called for a study of this subject by the Treasury Department, to be submitted to the Congress by January 15, 1955, but still provided for a $50 exclusion of dividend income from gross income for taxpayers. As a matter of principle, I still believe that it is wrong to provide any more favorable tax treatment for unearned income than earned income; however, since both the House and the Senate passed the bill containing a $50 exclusion of dividend income for tax purposes, that provision was not in conference.

It will be recalled that under the House provision, in the first year of operation, $50 of dividend income would have been excluded from tax, by an exclusion from gross income, and a 5 percent credit against tax for the remaining amount of dividend income would have been allowed. In the second year of operation, $100 would have been excluded from tax and a 10 percent credit against tax of the remaining amount would have been allowed. The House Republican Members on the conference voted to provide a 4 percent credit against tax for dividend income, after the $50 exclusion, which was not in conference, had been taken into account. It was primarily this action on the part of the majority members of the House conferees which caused us Democratic conferees—the gentleman from Michigan [Mr. DINGELL] and me—to decide not to sign the conference report.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Indiana.

Mr. HALLECK. Can the gentleman tell us about the action of the conferees in the other body in respect to signing the report?

Mr. COOPER. My recollection is that most of them signed it.

Mr. FORAND. Mr. Speaker, a point of order.

Last Saturday we were told we could not refer to the other body. I do not think it permissible for the majority leader any more than any other Member of the House.

Mr. COOPER. I am afraid our distinguished friend from Indiana inadvertently and unintentionally may have slightly transgressed the rules on that point, but in any event, as I understand it, it was not signed by all of the conferees in the other body, and I think one of them was a member of the gentleman's party.

I fully realize that in our free enterprise system, investment in productive capacity and businesses must be encouraged, but this does not mean that investment income should be given a tax advantage over other types of income. Dividends are running at an all-time high, and in addition profits are being plowed back into businesses in record-breaking amounts. With our economy already suffering from a lack of purchasing power rather than capacity, I

firmly believe that favorable tax treatment for investment income at this time cannot possibly be justified. Only a small fraction of individual-income taxpayers will benefit from the proposed tax credit and exclusion for dividend income. Only a little over 4 percent of the people in the whole country own any publicly held stock. Putting it another way, 92 percent of American families own no publicly held stock whatever. Of the remaining 8 percent of American families, only six-tenths of 1 percent own 80 percent of such stock.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Texas.

Mr. DIES. I wonder if the gentleman could tell us how much revenue the Treasury is going to lose under this bill as now agreed upon by the conferees.

Mr. COOPER. The distinguished gentleman has anticipated my remarks, because I will cover that in just a moment or two.

It is being argued that since the provisions on dividend income in the pending conference report do not lose as much revenue as the provisions would have when it was originally before the House, it is not as objectionable as it was originally. It is estimated that the total loss from the present 4-percent tax credit and $50 exclusion will be $362 million in a full year of operation, compared to $814 million in the bill as it was presented to, and passed by, the House. The $50 exclusion in the conference report will lose $46 million and the 4-percent credit will lose $316 million, a total of $362 million. There is still a loss of $362 million in a full year of operation.

Mr. DIES. In that connection, does the gentleman have information as to the total loss of revenue by the bill as a whole?

Mr. COOPER. My recollection is that the total loss will be about $1,363,000,000. The continuation of the corporate rate at 52 percent for another year brings in $1,200,000,000. These are the estimates for fiscal 1955.

There is still embodied in the conference report a matter of tax principle and philosophy which, regardless of the loss of revenue, I must oppose; namely, the selection of a small group of taxpayers-investors for tax relief on their unearned income.

The present administration and leadership in the Congress, despite the many promises which we heard 2 years ago of both tax reductions and a balanced budget, have endorsed deficit financing in their tax program. Whether or not this is advisable at this time, it is still a fact. I do take strong exception to the reversal of our present principles of taxation, in which our basic philosophy is taxation on ability to pay, resulting from the treatment proposed for dividend income.

In the case of a married couple with two dependents with an income of $3,000 from salaries and wages, their tax bill is now $60. In the case of the married couple with two dependents with $3,000 of income from dividends, their tax bill is only $40 under the proposed provision in the conference report. This amounts to a reduction of over 33 percent for the family with the dividend income, compared to the wage earner. Comparable figures for such a family with $10,000 of income from wages is $1,372, and with dividend income, only $1,099, amounting to a percentage reduction of 19.9 percent.

A table which I am inserting at this point in the RECORD, under permission to revise and extend my remarks, gives a more detailed comparison of tax liabilities:

Comparison of the tax liability of a person with all-salary income and a person with all-dividend income under H. R. 8300 as agreed to by the conferees, when fully effective—Married couple, 2 dependents

Income [1]	Tax liability on—[2]		Percentage reduction in tax for individual with dividend income	Percentage increase in take-home pay for individuals with dividend income
	Salary income (earned)	Dividend income [3] (unearned)		
$3,000	$60	$40	33.3	0.7
$4,000	240	184	23.3	1.5
$5,000	420	328	21.9	2.0
$8,000	976	775	20.6	2.9
$10,000	1,372	1,099	19.9	3.2
$15,000	2,486	2,031	18.3	3.6
$20,000	3,800	3,163	16.8	3.9
$25,000	5,318	4,497	15.4	4.2
$50,000	15,976	14,246	10.8	5.1
$100,000	44,724	41,188	7.9	6.4
$300,000	194,804	184,058	5.5	10.2
$500,000	356,956	339,009	5.0	12.5
$1,000,000	766,456	730,509	4.7	15.4

[1] Income before dividend exclusion, personal deductions and exemptions.
[2] Assuming personal deductions of 10 percent of income.
[3] Assumes 1 spouse has dividend income.

I doubt that our friends on the other side of the aisle would have admitted during the last presidential campaign that this was the sort of tax reductions which they were promising us. The long-awaited and long-promised tax relief for individuals and businesses generally is still to materialize. I believe that relief from taxation for dividend income is not only wrong at this time, but also wrong in principle in face of the economic conditions facing the country today.

I intend to offer a motion to recommit the conference report to conference, with instructions that the House conferees accept the Senate amendment deleting entirely any percentage credit against tax for dividend income.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I want to ask about the dividends. Are the dividends that the individual received taxed before he gets the dividends?

Mr. COOPER. No.

Mr. MILLER of Nebraska. Is he paying the tax on them twice? Is the business taxed before he receives them?

Mr. COOPER. I am sure the distinguished gentleman from Nebraska understands the long-standing argument based on the point that the corporation pays a tax, then after the dividends are distributed to individuals, the individual pays a tax on the income received from dividends.

Mr. MILLER of Nebraska. And in connection with the corporation tax, is that a tax upon the dividends that are paid to individuals?

Mr. COOPER. No; that is a tax on the income of the corporation.

Mr. REED of New York. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I should like to reply fully, if I have time, to what my good friend from Tennessee [Mr. COOPER] has said. I am surprised at what he has said since he was so splendidly cooperative in bringing this bill through the conference. In substance, he said he is going to make a motion to send this back to the committee of conference and instruct the conferees to accept an item that the Senate had passed upon favorably and that the Senate conferees had yielded on in conference. Now, let me repeat that: He wants to send this bill back to the committee of conference and ask the conferees to accept what the Senate had passed, when the two Senators on the committee both voted and yielded up what the Senate had passed and took what is in this bill. Now, that would be a strange situation, would it not? I believe I have a right to say who the Senators on the committee of conference were: They were two of the most popular Members of the Senate. I mean Senator GEORGE and Senator BYRD. Now then, if we follow Mr. COOPER'S advice we will send this bill back and in effect tell these two distinguished Senators that they did not know what they were doing when they yielded it up in conference. This would be very unusual and very useless.

I just want to impress on you one thing more, if I may. Everybody who speaks about this great bill wants to say how big and how important it is and how expansive it is in its scope and how much time it took in its preparation. But, do you not know that when we went into the conference on this bill the Senate had sent our bill back with 553 amendments? And, do you not know that we, the 5 House and 5 Senate conferees, worked on it only about 3 days? We had the most harmonious session in conference that I have ever seen or ever even thought about. One of the finest things about that conference was the fact that the two Democrats on our side cooperated remarkably with us and the votes of the House Members were unanimous most of the time. I know of only a few instances in which they voted contrary to the rest of us. The Democrats were very loyal and cooperative in every way.

Now then, let us think about this matter seriously. What are we going to do about this legislation? They want to send it back. They want to recommit it. I do not know what they would do with it if they got it recommitted. If and when they went back into conference, with the Senators they would find out that their work was in vain.

Mr. Speaker, this important tax bill is a historical event in the annals of con-

gressional legislation. Lawyers, and I being one of them can speak for them, have always been glad to base their authority for their arguments back to the Constitution. In other words, the Constitution is the bedrock of all our law and of all our legal practice. With this tax legislation there seems to be a different situation. We recognize that the power to tax is an inherent power of the Government. However, when we approved the 16th amendment to the Constitution providing for the levy of income taxes we started a fountain from which blessings have trickled to every branch of the Government and to almost every country in the world. Lawyers, therefore, do not build up from the fountain as they do from the Constitution. The tax laws had become very confusing, and it was very difficult for the average lawyer or the average accountant to tell what the law was and what its applications were. The tax laws overlapped, and were badly in need of a complete revision.

The Treasury of the United States has always retained a number of tax experts in its employment. The Ways and Means Committee and the Finance Committee of the Senate, realizing the expansive extent of the tax law ramifications, decided to set up for their use and use in the committee, generally a joint committee staff. This staff has now become a staff that has in its membership quite a large number of very capable men and women. Mr. Colin Stamm is at the head of this staff, and of him I think I can say he is one of the best posted men on taxes that could be found anywhere in the country. The members of the staff of the Ways and Means Committee consist of a number of very capable men and women. As I have already stated the Treasury staff, likewise, has generally been a very capable staff, and it is now probably more capable than it has ever been. The tax lawyers, the tax collectors, and the people, generally, realized that something should be done to recodify and simplify the tax laws, and to prevent taxpaying from becoming such a terrible scourge to so many of our people. In order to relieve this situation the Ways and Means Committee 2 years ago, when the Republicans came into power, decided that it would ask the joint staff of the House and Senate to make an exhaustive study, with reference to how best to make this decided improvement.

Mr. Stamm and his group, together with the members of the Ways and Means Committee, arranged for, and did have, public hearings extending over several months. Hundreds of prominent men, representing all groups of people, came before these tax experts and gave their views with reference to how this situation could be remedied. The Treasury Department took an active interest in these hearings, with the result that when the present session of Congress convened the Ways and Means Committee had a bill ready for introduction. This bill has been known all over the country as H. R. 8300. This has been a very voluminous bill, containing nearly 500 pages. It deals with practically every subject that relates in any way to Federal taxation. The preparation of this bill in the Ways and Means Committee was participated in by all of the Republican and Democratic members on the committee. All members, regardless of politics, felt that this bill was needed, and we should all cooperate together to produce a bill that would meet the needs of the people.

In due course, the bill was presented to the House of Representatives and was passed by an overwhelming vote.

Th bill then went to the Senate. The Finance Committee of that great body decided to give the bill a thorough study, with the result they called in the same joint committee staff to which I have heretofore referred and also the same staff from the Treasury Department. While this bill was being considered in the Senate these experts, by reason of their exhaustive studies, easly found a number of improvements which they thought should be included in the Senate bill. This was done, and the Senate passed a bill largely similar to the House bill, but at the same time the Senate bill contained over 500 amendments. Many of these amendments were technical and clerical in their nature, while quite a number were substantive.

When the bill had passed the Senate, it was referred as usual to a conference committee, which committee consisted of our distinguished chairman, Mr. REED of New York, 4 ranking members, including myself, of the Ways and Means Committee of the House, and 5 members who were the ranking members of the Finance Committee of the Senate. When we conferees met it was feared that the differences between the two Houses of Congress would be so numerous and so substantial that an agreement between the conferees would be very difficult to accomplish. However, a very different situation developed—the House Members took the position that they had prepared a bill of which they were proud, and the Members of the Senate took the same viewpoint, but the two groups together realized that the House bill was not a bill for the House only, and the Senate bill likewise was not a bill for the Senate only, but that from both of these bills taken together the committee on conference should evolve a bill that would be for the best interests of the people of the country. The Senate yielded their views on a number of occasions, and likewise, Members of the House did the same with the result that practically a new bill was produced. This bill represents the best work that the experts were capable of rendering, and, likewise, the best work that the members of the committee of conference could turn out.

So, Mr. Speaker, I am glad that the two Houses with their able staffs have given to the people a bill that is not for the express benefit of any group or any class, but a bill that is for the best interests of the people, generally, and the country as a whole.

I am proud of the opportunity I had to collaborate with these capable experts, and with the fine statesmanship represented by the other members of the committee on conference.

Mr. REED of New York. Mr. Speaker, I yield to the gentleman from Michigan [Mr. DINGELL] to extend his remarks.

Mr. DINGELL. Mr. Speaker, I, too, refused to sign the conference report. I am going to vote against it.

Mr. Speaker, I endorse everything which has been said by the gentleman from Tennessee [Mr. COOPER]. As he stated, Mr. COOPER and I, as the two Democratic conferees on the part of the House, did not sign the pending conference report, primarily because of our opposition to the violation of the ability-to-pay principle of taxation involved in giving the "coupon clippers" favored tax treatment.

I have spoken out many times opposing the traditional Republican trickle-down philosophy of taxation. Nowhere is that philosophy more openly manifested than in the proposal sponsored by the present Republican administration and its leadership in the Congress to give the coupon clippers a tax break, while in the words of the present Secretary of the Treasury, strenuously opposing any relief for individual income taxpayers generally.

The Republicans have been attempting to hoodwink the public by taking full credit for tax reductions which have taken place since they have been in office. This is downright dishonest. We as Members of the House know that the $3 billion reduction in individual income taxes effective on January 1, 1954, had already been scheduled by the Democrats and was contained in the Revenue Act of 1951 as we wrote it when the Democrats were in control in 1951. The same is true of the $2 billion reduction in corporation taxes which took place by reason of the expiration of the Excess Profits Tax Act. As a matter of fact, the Republicans continued the excess-profits tax 6 months beyond its June 30, 1953, expiration date. By these statements, I do not mean that I believe that the excess-profits tax should have expired earlier than it did, but I do want to put the record clear on just what the Republicans have really done about tax reductions.

The Revenue Act of 1951, written while the Democrats were in control, provided for the termination on April 1, 1954, of the increases in the excise taxes which were increased to finance the defense preparations necessary on account of the Korean incident. The Republicans not only did not permit these reductions to take place as scheduled, but planned to make these increases in excise taxes permanent until the Democrats, with the threat of a motion to recommit providing for a temporary extension of only 1 year, forced them to back down and agree to such an extension. In an attempt to defeat Democratic efforts to increase individual income tax exemptions, the Republicans also provided in the same bill continuing the increased collections of $1.077 billion in excise tax revenues for 1 year, a reduction in excise taxes of $999 million. The net effect still was an increase of $78 million in excise taxes. Again I want to warn the public that the procedure used by the

Republicans in reducing excise taxes, whereby those above 10 percent were reduced to 10 percent, is a big step toward an eventual flat Federal sales tax.

In order to sell the pending revision in taxes, the Republicans in their own words are continuing with reluctance the present 52 percent corporate tax for 1 more year. Here again, this increase in corporate tax was scheduled by law to expire on April 1, 1954.

Mr. Speaker, we all recall the rich man's tax bill of the Republican 80th Congress. You would think that the fate which the Republicans met at the polls as a result of their actions in the 80th Congress would have taught them a lesson. Apparently they have not learned. They are back again with a bill designed to take care of coupon clippers.

As a matter of principle, equity, and fairness, and reality in face of present-day economic conditions, I hardly see how even the Republicans, despite their traditional attitude on taxes, can so wholeheartedly support the tax favoritism embodied in this bill. I have already manifested my displeasure by not signing the conference report, and I am joining with the gentleman from Tennessee [Mr. COOPER] in his vote to send the conference report back to conference and delete the tax credit provision for dividend income. I only regret that we are not in a position of being able to send the report back to conference to delete also the $50 exclusion for dividend income.

Mr. REED of New York. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I thank the distinguished chairman of the Ways and Means Committee [Mr. REED] for the opportunity of urging House support of the conference report. This presents an opportunity for me to express that which we all have within our hearts, a kindly feeling for the distinguished chairman of the committee through whose untiring and unyielding efforts the monumental revision of our tax laws now before us has been performed. Mr. REED has completely devoted the past year and a half to this very important work, which he did on behalf of this Congress and the American people. It is a monumental work. The impetus, the driving force, if you please, was the chairman of our committee, whom we honor and to whom we extend our thanks.

I am sure that the mere fact that a motion will be made shortly to recommit this conference report does not reflect more than wishful thinking on the part of certain leaders of the Democratic Party—it cannot represent their concern about the merits of the legislation, for the sponsor of the motion to recommit gave his support very completely to a vast portion of the bill.

In considering this conference report we must not forget that H. R. 8300 is in fact but one of several bills in the Eisenhower tax-reduction program for the 83d Congress. H. R. 8300 is not to be considered alone, but as a part of the whole—other bills in the series have given relief in the personal income area and the excises. H. R. 8300 combines tax reduction for both individuals and corporations, and with respect to the item under controversy at the moment, it will be the subject of the recommital motion, the matter of a 4-percent credit against dividend receipts by the taxpayer. It is this small area involving only about $350 million out of a tax reduction program for this Congress totaling $7 billion, that the Democratic dictatorship questioned and would use as a basis for killing this great and monumental excise-tax reduction program. The fact is that if the Democratic measure to recommit this conference report should succeed the chance for favorable action thereafter on H. R. 8300 would be slim. As a matter of practical legislative procedure, the adoption of the Democratic recommital motion will mean that the millions of taxpayers who will profit under H. R. 8300 will be denied relief.

This $350 million which will not be taken from the taxpayers, if the Democratic recommital motion is defeated, will remain in the hands of taxpayers who have already invested their funds in American business, for the $350 million is the proceeds of a tax levied against earnings represented by dividends paid on account of stock ownership of American productive enterprises.

This is only a part of the story, however, for in addition to decreasing money available for further expansion through the purchase of more stocks, H. R. 8300 seeks to remove grievous inequities presently in our tax laws. If an American citizen sees fit to invest some of his money in stock in American business he thus becomes a part owner of the business and helps to provide jobs for his fellow citizens. He could, of course, put his money in a safe deposit box where it would help no one and provide no jobs, or he could invest it in Government bonds where it probably would provide no worthwhile, productive, or creative job. Our taxpayer, however, puts his in a business and provided a job for an American workman.

Under these circumstances our tax laws tax the product of his labor not once but twice—once to the corporation which provides the job, and then if any money is paid in dividends these dividends are taxed again. Thus, if $100 before taxes are earned by a corporation, the corporation may pay from $52 to $80 in taxes, and thus from the remaining $20 to $48 the corporation may pay a dividend of, for example, $10 to $20. This income to the corporation, now called a dividend, would then be taxed in the hands of the individual taxpayer at whatever rate that taxpayer pays, anywhere from 20 percent to 80 percent.

This is wrong and should be removed from our law. What H. R. 8300 does is to provide a small measure of relief, namely, 4 percent relief is provided.

I think this should remain in H. R. 8300 and believe that by doing so we will greatly encourage individuals to invest their capital in American business.

If we do not limit this double taxation and strike it from our books, the next step would be triple taxation, for there is no reason why, if it is proper to tax income twice, it would not be proper to tax it 3 or 4 times. We should firmly announce the policy of taxing income but once and do it by adopting the conference report now under consideration.

Our whole economy will be strengthened by the action of Congress in the granting of this small measure of relief from double taxation of dividends. I hope the measure will be expanded in years to come so that eventually corporate income will be taxed but once, just as are the earnings of a worker. I believe this policy will greatly strengthen the free-enterprise system and lead to the expansion of business, and bring about a gradual and continuous increase in the American standard of living.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members of the House have 5 legislative days in which to extend their remarks at this point in the RECORD on this conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I have greatest admiration for our distinguished friend from New York, the able chairman of the committee [Mr. REED]. He is one of the great Americans of our times. I must commend him for his outstanding work on this bill so characteristic of all his efforts in the House. I also commend the committee which has labored earnestly on these matters.

However, there are provisions as well as omissions in this measure which appear to me to go to fundamental principles and I cannot subscribe to it as a whole, though there are many provisions which I could support.

I believe in and seek to follow certain definite principles of taxation. Frankly in these complex matters it is often difficult to apply them but nevertheless it is incumbent on me to strive to sustain them.

Basically, the principle of ability to pay is the foundation of our present system of taxation. But any tax measure must be equitable, fair, and nondiscriminatory. It must promote even handed justice for every class and segment of our American society. It should impose no harsh, unreasonable exactions upon any group. Such a measure should not soak the rich and it should not gouge the poor. It should not inequitably exact from small business and the middle classes. It should not extend preferential treatment to any individual or class.

The power to tax is the power to destroy. If we place too heavy a burden upon business, large or small, our vaunted system of free enterprise to which we largely owe our greatness as a Nation cannot thrive. In time it could be taxed to death and the tendency appears to be in that direction. If we tax the ordinary working men and women more than their just share, we cut purchasing power and reduce our prized high American standard of living. No tax bill should be voted by this Congress which tends to these results.

We are becoming a tax-ridden people at every level—local, State, and Na-

tional. We must find a way to cut down all tax levies generally and relieve our people and our businessmen from stultifying and repressive effects threatening to paralyze incentive and disrupt the fine social standards our Nation enjoys.

While this bill is a monumental tax law revision with many good features, it also contains great inequity, great favoritism, great discrimination, and great penalization of virtually every class. To apply a rule which extends great relief to unearned than to earned income is not only unconscionable but unsound and as a matter of policy very unwise.

I favor relief for business and investors. But I also favor relief for the workers and the farmers and the professional people of the country, for the great rank and file who make up the strength, vitality, and power of this great land. If there is to be relief for investors there should likewise be relief for the people in the homes, larger exemptions for those who raise families and keep this country great and strong. That strikes me not only as sound morality but sound economics. I think the bill should be revised and rewritten to accord with the foregoing principles and views and I hope the House will so act.

Mr. MILLER of California. Mr. Speaker, I am opposed to amendment No. 10 of the conference report on the Internal Revenue Code of 1954, H. R. 8300, on the grounds that it is discriminatory.

It provides for "a credit against income tax of an individual of a percentage of the dividends received from certain domestic corporations which are included in gross income." The quotation is from page 22 of the conference report, No. 2543.

I could accept the arguments made by the proponents of the proposition that income derived from stock dividends of private corporations be given limited exemption if they included with it a like exemption for income derived from United States Government bonds or the bonds of the States and other political subdivisions.

The majority leader, the gentleman from Indiana [Mr. HALLECK], argues that the money invested in corporations the dividends of which will be partially exempted represents money saved and channeled into avenues of trade and commerce. It is an implied reward for thrift.

Are not moneys invested in United States Government savings bonds that make possible expenditures for defense or important public functions equally the results of moneys set aside or accumulated through thrift?

Why should a person who invests money to earn interest with a private corporation be treated more favorably than one who lends his money to Government?

Why discriminate against those who have been encouraged to invest in war bonds?

Mr. CURTIS of Missouri. Mr. Speaker, I should like to call the attention of my colleagues to certain sections of the measure now before us, principally section 6016, which beginning in September 1955, require certain corporations to estimate their income tax in advance and also to make partial advance payments.

Under this proposal, some 20,000 corporations will be required to pay 5 percent of the estimated tax due for 1955 in the third and fourth quarters of next year. Such advance payments will increase by 5 percent a year and, at the end of 5 years, these corporations will be paying 25 percent of their estimated tax due in each of the third and fourth quarters of the year for which the taxes are incurred. The reason that this plan will apply to only about 20,000 corporations is that the bill contains an exemption of $100,000 of tax liability.

This plan was proposed by the administration largely because next year corporations will be required to pay 50 percent of their tax due in the first and second quarters of the year. Obviously, this creates a heavy imbalance in the flow of corporate taxpayments, which the Treasury Department wishes to correct. In addition, it is felt that with many corporations already purchasing tax anticipation certificates this new method would create no great hardship.

However, like many other Members of the House, I have received a substantial volume of correspondence protesting this new plan. These protests have come from all types of firms, including some that would not be affected because of the $100,000 exemption. My own view is that the proposal is a good one and in the end will prove to be of benefit to business by putting their tax accounts on a more even keel. However, I cannot be unmindful of these protests.

Since this new method will become only partially effective in September 1955, I believe that Congress might wish to study it again early next year, particularly since many of the protests have claimed that it will have a harmful effect on working capital. Business critics have also claimed that such a radical departure in the method of paying corporate taxes should have full and public hearings in order that both its advantages and disadvantages can be properly weighed. In view of the delayed effective date of this proposal, I would like to suggest that early next year the Committee on Ways and Means consider holding brief public hearings in order that both the Treasury Department and the business community may have an opportunity to comment fully on this innovation in the method of paying corporate taxes.

Mr. SADLAK. Mr. Speaker, this conference report on the tax revision bill of 1954 is another step in the legislative process of enacting into law, a "monumental work" as it was so aptly termed by the great chairman of the Committee on Ways and Means, the gentleman from New York [Mr. REED] at the outset of his remarks today. Having attended the extended hearings on this proposal which became H. R. 8300 and having actively participated in the numerous executive sessions before the bill was originally passed in the House on March 18, 1954, I want to attest to the terminology of it being a monumental bill and go further to state that when ultimately it is approved by the President, the first overall revision of the Tax Code in 70 years will be a monument to the untiring, indefatigable and unswayed determination of Mr. REED to undertake what at times must have seemed to be an insuperable task and guide it to a successful conclusion. That such a bill was needed to overhaul, in many instances, outmoded sections of the Tax Code no one would deny but each urged that it be undertaken realizing its necessity and its vital import to our economy. It was a challenge to the gentleman from New York who, after many years of continuous service in the House became the chairman of the Ways and Means Committee. Accepting the challenge, fighter that he has been for his convictions and beliefs, he went to work with a zest that characterized his previous pursuits, recruited the assistance of capable staff workers and set out toward the objective with a committee membership that immediately sensed the epochal job that was being started and gave the chairman great cooperation throughout the months of its labor.

Mr. Speaker, this tax bill will, in fact, be the keystone in the transition from a wartime to a peacetime economy. One of its most important and immediate results will be the encouragement to private enterprise to go forward in building a stronger and better America. It will assure that from now on each American worker will be secure in the knowledge that his job is a peacetime job and does not depend upon the sacrifice of some other member of his family on the battlefield for his security.

Mr. MILLS. Mr. Speaker, undoubtedly the popular thing to do by any Member of the House during an election year is to vote for any bill that proposes to reduce anyone's taxes. However, I am concerned over the fiscal affairs of the Government and the present policy of enlarging our debt even at a time when we are not engaged in a shooting war.

I for one believe that we, as Members of the House, should face up to our responsibilities as legislators and not in effect, short-change the taxpayers. Running the financial affairs of the Government is no different, except as a matter of degree, than running our own financial affairs. If we in either case are going further into debt, we must face the day of reckoning at some time in the future.

The tax reductions in H. R. 8300 mean a further increase in our deficit, and in turn our national debt. The taxpayers in the long run are going to have to pay this debt if democratic processes are to continue to exist in America. Countries in the past that have repudiated internal governmental debt have experienced changes in government. At best, this reduction in taxes now just postpones the time that we can eventually pay off our public debt. It also means that future generations will bear a greater share of our present debt, and we and they will

pay more interest on it out of taxes collected in each succeeding fiscal year. Interest now being paid is above $40 per capita per year.

I am particularly concerned that the reductions in revenue provided for in this bill amount to $1.363 billion, while at the same time the administration has asked that the ceiling on the public debt be increased because the debt itself is again rising.

I am also concerned over increasing our deficit by granting tax reductions in a very selective manner to businesses and individuals. If tax reductions are properly spread, so as to bolster our economy generally, they may in net effect increase revenues to the Government. The ones proposed in H. R. 8300 are so selective that very few corporations, businesses, and individuals will be benefited, since they must be in a particular circumstance in order to take advantage of the proposed reductions. For instance, more favorable tax treatment of annuitants, working dependents, retirement income, and so on—while very meritorious—in and of themselves still will benefit relatively few individuals compared to the total of our taxpayers. In the case of corporations, the major reduction is that due to the adoption of new depreciation methods. Unless a corporation plans large investments in plant and equipment, it will not be benefited from this change.

The type of tax reductions proposed in this bill would be much more commendable if they benefited individuals, corporations, and businesses generally, such as would be the case from reductions in rates and increases in exemptions. Certainly this type of tax reduction would be fair and equitable to all.

I realize that there are many meritorious provisions in the bill that are appealing to the Members of the House, including me, and many outside the Congress. However, the selective manner in which these provisions apply will mean little to taxpayers generally.

A typical example of the selectiveness of the tax reductions proposed in H. R. 8300 is the exclusion and credit against tax for dividend income. This certainly cannot be considered as benefiting the average taxpayer. Even if it should be admitted that some tax relief should be provided for dividend income, I question whether the approach of a dividends-received credit is the proper one. In my statement on the floor of the House on March 18, 1954, I set forth an example of how the dividends-received credit would work. That example shows that, carried to its logical conclusion, the proposal for dividend income in the bill would amount to not only a complete elimination of personal income tax on dividends received by individuals, but an actual reduction in taxes for individuals on other types of income which they may also receive.

The claims which are being made that about $7 billion in tax relief has already been provided are very misleading, since the impression is being given that businesses and individuals generally have already benefited from this tax relief.

In the first place, most of these reductions came about by terminations contained in the law and without affirmative action on the part of the present Congress. In the case of the excess-profits tax which expired on December 31, 1953, only about 50,000 of the 450,000 corporations in the country were paying such taxes. In the case of individuals, the $3 billion increase in taxes provided for in the Revenue Act of 1951 terminated on December 31, 1953, as provided for by that act. Low-income individuals got no real benefit from this termination, because of an increase of one-half of 1 percent in social-security taxes on January 1, 1954. In the case of a family of 4 where the taxpayer earns less than $3,500 a year, taxes were actually increased due to the increase in the social-security taxes. I was not opposed to the social-security tax increase as provided for on January 1; however, the effect on low-income individuals, as far as their take-home pay was concerned, amounted to a decrease. If any group is entitled to tax relief, they are the ones who should be first considered.

I cannot conscientiously vote to reduce taxes on a selective basis, while at the same time leaving millions to pay more and in the process increasing the deficit of the Government. In the first place, such reductions actually disproportionately increase the burden on taxpayers generally and, in the second place, we are neither being fair with ourselves or the public since these are not even true selective reductions for all time to come but merely add to our public debt which all must eventually pay.

I cannot escape the conclusion that H. R. 8300 does not meet the needs of individuals and businesses generally in the way of tax relief. We must continue to strive for that type of relief which is needed and do so at an early date.

Mr. REED of New York. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I fear I have been burdening the Members too often and at too great length here on the floor, but certainly I feel compelled to speak on this particular proposition before us because this great tax bill which has been referred to in this body and in the other body and by Members of both bodies as a monumental task just must not be defeated in these closing days of this session of the Congress.

It has been a long, hard row that this bill has followed. It has taken a lot of work. I commend the members of the committee particularly on the great job they have done.

If you had the time to do it and could look through the CONGRESSIONAL RECORD and read the speeches made in the other body by members of the party of my friends on the right, you would see that this bill is praised in the most lavish terms as one of the greatest accomplishments of recent years. If you will look at the conference report you will see there affixed the names of the Members of the other body who favor this report as it is submitted, and I say that it includes from the Democratic side two of the most outstanding Members of the other body.

Now, then, look. We crossed this bridge before. For the life of me I cannot see why this motion to recommit is to be made. I do not know about all the precedents but I know that it does look just a bit ridiculous, when we voted on a motion to recommit before to take out more of a liberalization with respect to double taxation on dividends, that we are to be asked to vote on it again when the relief that is to be granted is of even lesser degree.

I say the House spoke on that proposition. It has already been pointed out that, as we had the bill before us before, 210 Members of this body voted against the motion to recommit, which provided for a $50 initial exemption and for stepping up to 10 percent in the second year. Now this report is back with the $50 retained but the lesser amount of 4 percent to be continued on through. I say to you in all frankness and candor, Why should we change our position at this time?

Let me point out another thing to you in connection with this motion to recommit. If you have a motion to recommit on a bill that is before the House with instructions to the committee to report back the bill forthwith with an amendment, the committee reports back the bill immediately and the House adopts the amendment that is reported. But if you vote to recommit this conference report you stop the whole thing. The whole conference is out the window and conferees must to go back to conference. No one knows what would happen in that event.

I say we are getting on down to the end of this session. We want to conclude the session with the accomplishment of the program that is before us. One of the things certainly that must be done is to get this tax bill passed.

Some have referred to this bill as a rich man's tax bill. Let us remember first of all that the 52-percent tax on corporations is continued in this bill. It would have expired, but for the enactment of this bill. When you refer to the meager amount of relief with respect to double taxation on dividends that does not accrue to the benefit of the corporation. That accrues to the benefit of the 7 million stockholders of this country who receive dividends. I must say I am just getting a little put out with these comparisons of the few dollars difference between the tax paid on what is referred to as unearned income of $3,000 and earned income of $3,000. In the first place, before any person could buy enough stock to get $3,000 of income in dividends from that stock, he had to earn that money and save the money and invest the money—at least somebody had to do that. So I think it is still earned income. Let us not forget that the person who received $3,000 in dividends already was clipped $3,000 from what he would have had, but for the 52-percent tax on the corporation's income to begin with. So he had to have upward of $6,000 in order to have $3,000 left.

We are solicitious of the farmer's welfare. If a farmer invests $10,000 in a farm, we all want to protect that investment and we want to see that the farmer gets a fair return on it. But, if 1 of 7 million people invests $10,000 in stock, then all at once he becomes an enemy of society. I just do not happen to believe in that doctrine and I doubt if there are very many people here who do. It takes about $15,000 of somebody's capital to put one man to work in this great productive machine of America. Where is that money coming from? I want to say to you in the last few years 75 percent of it has been coming from borrowing. That is not the place to get that money. It ought to come in equity and investments of capital. That is the way to expand America. Everybody recognizes that who has really considered this problem. So let us not get too concerned about that phase of the issue.

I am a little amazed at the action of my good friend, the gentleman from Tennessee [Mr. COOPER]—and he is my good friend. You know after the war, we here in the Congress appointed a committee which was called the Committee on Postwar Economic Policy and Planning. We created that committee under the chairmanship of our good friend, the gentleman from Mississippi, BILL COLMER. To do what? To take a look at our situation as we would find it after the war and to advocate those things which would be calculated to bring us through a transition period. The gentleman from Tennessee [Mr. COOPER] was the chairman of one of those subcommittees, and they submitted a report. I do not know whether he concurred in that report or not, but it was submitted by his subcommittee and adopted by the then Democratic committee. Here is what the Colmer committee said in 1944:

> Consideration should be given to the elimination of the present double taxation of dividend income either by treating the tax on corporate income as a withholding tax or exempting dividends from the personal normal tax or by some equivalent provision. Dividend income should, of course, continue to be the subject of a surtax. This tax reform would not only correct an inequity in the present tax structure, but would also provide an important stimulant to risk capital.

That was sound doctrine then. It was Democratic doctrine then. Why is it not sound doctrine today, even if it is Republican doctrine?

In 1946, the committee made a further report and this is what they said:

> It feels that as conditions permit, there should be reduction in present corporation income taxes to avoid a serious deterrent to business expansion, and that further consideration be given to the dissemination of double taxation of dividends.

There it is again. Then in 1947, the minority members—that was in the 80th Congress—the minority members of the great Committee on Ways and Means filed a minority report on the tax bill, and, lo and behold, what do you suppose they said? First of all, I want to tell you who signed this. These are House Members so we can read their names—Jerry Cooper, John Dingell, Noble Gregory, Sid Camp, Walter Lynch, Aime Forand, and Herman P. Eberharter.

Here is what they said:

> Important structural administrative and procedural tax problems have been accumulating for 5 years since the Revenue Act of 1942, the last comprehensive revision of the Internal Revenue Code. Many needed amendments would result in substantial losses in tax revenue. Tax problems now under study by the Treasury Department—

And that was a Democratic Treasury Department.

> Tax problems now under study by the Treasury Department or the joint committee staff include such important matters as the double taxation of dividends.

Why this sudden and abrupt reversal? Then you were saying we ought to do something like this, and now you are saying exactly the opposite.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. FORAND. That report does not say that we were favoring it. We were referring to studying it.

Mr. HALLECK. If I must say so, the gentleman can equivocate about the language all he wants to, but anyone who can understand the English language knows when you said that you recognized that it was a problem, and you would not have had it under consideration if you had not thought we ought to do something about it.

I think that is just commonsense.

Mr. FORAND. Mr. Speaker, will the gentleman yield further?

Mr. HALLECK. I yield.

Mr. FORAND. Is it not the proper thing for Congress to consider things that are brought up, regardless of where they come from, in order to make a proper decision?

Mr. HALLECK. That is exactly right. May I say to the gentleman you ought to be considering it even though at this time it happens to be a Republican proposal.

This dividend income is the only type of income that is taxed twice, and no one here is advocating doing away with it altogether. The 4 percent is a meager beginning. If an investor buys bonds, he has got the first call on the assets of the corporation. When that interest is paid to him it is paid to him without any double taxation. But the fellow who is willing to risk his capital, to put it into a venture, is subject to double taxation.

Again, I say we must proceed cautiously in this sort of matter. Country after country that is doing very well has applied this same principle; and may I say again that as we hear people talk about jobs and the need for an expanding economy in this country—and that is what we need—we must just realize that the capital and savings of the people must be invested in order that we can expand our economy.

I studied some economics a long time ago and I remember the definition of "wealth" was "ability to satisfy wants." And I guess that is what it is. But capital is wealth devoted to further production. Now, here is a proposition that will stimulate investments, will lead people to put their money in, to take the risks that make this country great. I say, let us not strangle it unless you want the day to come when the Government of the United States provides all the capital and perhaps beyond that owns all the production facilities of this great country of ours.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. REED of New York. There seems to be a misapprehension about the motion to recommit. It does not provide for an increase in the personal exemption.

Mr. HALLECK. No. I do not think it could include the $100 exemption, because that was in the bill as it passed both Houses. But the motion to recommit will simply be on this matter of double taxation of dividends with respect to which we have already crossed the bridge; and it is such a meager amount that there is no sound reason for supporting this motion to recommit.

I sincerely trust that without regard to party we will vote down this motion to recommit and send this conference report to the other body where it will be overwhelmingly adopted, without any questions of this sort being raised at all, and go on about the business of the 83d Congress.

Mr. REED of New York. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. COOPER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the report?

Mr. COOPER. I certainly am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

> Mr. COOPER moves to recommit the conference report on the bill H. R. 8300 to the committee of conference, with instructions to the managers on the part of the House to agree to Senate amendment No. 10.

Mr. REED of New York. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. COOPER. Mr. Speaker, on that motion to recommit, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 169, nays 227, not voting 36, as follows:

[Roll No. 121]

YEAS—169

Abbitt	Blatnik	Chelf
Abernethy	Boland	Chudoff
Addonizio	Bolling	Condon
Albert	Bonner	Cooley
Alexander	Bowler	Cooper
Andersen, H. Carl	Brooks, Tex.	Crosser
Andrews	Brown, Ga.	Dawson, Ill.
Ashmore	Buchanan	Deane
Aspinall	Burleson	Delaney
Bailey	Byrd	Dies
Barden	Byrne, Pa.	Dingell
Barrett	Cannon	Dodd
Battle	Carlyle	Dollinger
Bennett, Fla.	Carnahan	Donohue
	Celler	Donovan

Dorn, S. C.	Keogh	Preston
Dowdy	Kilday	Price
Doyle	King, Calif.	Rabaut
Eberharter	Kirwan	Rains
Edmondson	Klein	Rayburn
Elliott	Kluczynski	Reams
Engle	Landrum	Rhodes, Pa.
Evins	Lane	Riley
Feighan	Lanham	Roberts
Fernandez	Lesinski	Robeson, Va.
Fine	McCarthy	Rodino
Fogarty	McCormack	Rogers, Colo.
Forand	Mack, Ill.	Rogers, Tex.
Fountain	Madden	Rooney
Frazier	Magnuson	Selden
Friedel	Mahon	Shelley
Garmatz	Marshall	Sheppard
Gary	Matthews	Shuford
Gentry	Metcalf	Sieminski
Gordon	Miller, Calif.	Sikes
Granahan	Miller, Kans.	Smith, Miss.
Green	Mills	Smith, Va.
Hagen, Calif.	Mollohan	Spence
Hardy	Morgan	Staggers
Harrison, Va.	Moss	Steed
Hart	Moulder	Sullivan
Hays, Ark.	Multer	Teague
Hays, Ohio	Natcher	Thompson, Tex.
Holifield	Norrell	Thornberry
Holtzman	O'Brien, Ill.	Trimble
Howell	O'Brien, N. Y.	Tuck
Ikard	O'Hara, Ill.	Watts
Jarman	O'Konski	Whitten
Javits	O'Neill	Wickersham
Johnson, Wis.	Passman	Wier
Jones, Ala.	Patman	Williams, Miss.
Jones, Mo.	Perkins	Williams, N. J.
Jones, N.C.	Pfost	Winstead
Karsten, Mo.	Philbin	Yates
Kee	Pilcher	Yorty
Kelley, Pa.	Poage	Zablocki
Kelly, N. Y.	Polk	

NAYS—227

Adair	Dempsey	Judd
Allen, Calif.	Derounian	Kean
Allen, Ill.	Devereux	Kearney
Andresen, August H.	D'Ewart	Kearns
Arends	Dolliver	Keating
Auchincloss	Dondero	Kersten, Wis.
Ayres	Dorn, N. Y.	King, Pa.
Baker	Durham	Knox
Bates	Ellsworth	Krueger
Beamer	Fallon	Laird
Becker	Fenton	Lantaff
Belcher	Fino	Latham
Bender	Fisher	LeCompte
Bentley	Ford	Lipscomb
Berry	Forrester	Lovre
Betts	Frelinghuysen	McConnell
Bishop	Fulton	McCulloch
Boggs	Gamble	McDonough
Bolton, Frances P.	Gathings	McGregor
Bolton, Oliver P.	Gavin	McIntire
Bonin	George	McMillan
Bosch	Golden	McVey
Bow	Goodwin	Mack, Wash.
Boykin	Graham	Martin, Iowa
Brambiett	Grant	Mason
Bray	Gregory	Meader
Brown, Ohio	Gross	Merrill
Brownson	Gubser	Merrow
Broyhill	Gwinn	Miller, Md.
Budge	Hagen, Minn.	Miller, Nebr.
Burdick	Hale	Miller, N. Y.
Busbey	Haley	Morano
Bush	Halleck	Mumma
Byrnes, Wis.	Hand	Neal
Campbell	Harden	Nelson
Canfield	Harvey	Nicholson
Carrigg	Heriong	Norblad
Cederberg	Heselton	Oakman
Chenoweth	Hess	O'Hara, Minn.
Chiperfield	Hiestand	Osmers
Church	Hill	Ostertag
Clardy	Hillelson	Patterson
Clevenger	Hillings	Pelly
Cole, Mo.	Hinshaw	Phillips
Cole, N. Y.	Hoffman, Ill.	Pillion
Colmer	Hoffman, Mich.	Poff
Coon	Holmes	Prouty
Corbett	Holt	Radwan
Coudert	Hope	Ray
Cretella	Horan	Reece, Tenn.
Crumpacker	Hosmer	Reed, Ill.
Cunningham	Hruska	Reed, N. Y.
Curtis, Mass.	Hunter	Rees, Kans.
Curtis, Mo.	Hyde	Rhodes, Ariz.
Dague	Jackson	Richards
Davis, Ga.	James	Richlman
Davis, Wis.	Jenkins	Rivers
Dawson, Utah	Jensen	Robsion, Ky.
	Johnson, Calif.	Rogers, Fla.
	Jonas, Ill.	Rogers, Mass.
	Jonas, N. C.	Sadlak
	St. George	Stauffer
	Saylor	Stringfellow
	Schenck	Taber
	Scherer	Talle
	Scott	Taylor
	Scrivner	Thomas
	Scudder	Thompson, Mich.
	Seely-Brown	Tollefson
	Shafer	Utt
	Sheehan	Van Pelt
	Simpson, Ill.	Van Zandt
	Simpson, Pa.	Velde
	Small	Vorys
	Smith, Kans.	Vursell
	Smith, Wis.	Wainwright
	Springer	Walter
		Wampler
		Warburton
		Westland
		Wharton
		Widnall
		Wigglesworth
		Williams, N. Y.
		Wilson, Calif.
		Wilson, Ind.
		Wilson, Tex.
		Withrow
		Wolcott
		Wolverton
		Young
		Younger

NOT VOTING—36

Angell	Hébert	Powell
Bennett, Mich.	Hoeven	Priest
Bentsen	Kilburn	Regan
Brooks, La.	Long	Roosevelt
Buckley	Lucas	Secrest
Chatham	Lyle	Short
Cotton	Machrowicz	Sutton
Curtis, Nebr.	Mailliard	Thompson, La.
Davis, Tenn.	Morrison	Vinson
Harris	Murray	Weichel
Harrison, Nebr.	O'Brien, Mich.	Wheeler
Harrison, Wyo.	Patten	Willis

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Morrison for, with Mr. Short against.

Mr. O'Brien of Michigan for, with Mr. Kilburn against.

Mr. Machrowicz for, with Mr. Hoeven against.

Mr. Bentsen for, with Mr. Hébert against.

Mr. Lyle for, with Mr. Cotton against.

Mr. Patten for, with Mr. Chatham against.

Until further notice:

Mr. Weichel with Mr. Priest.

Mr. Mailliard with Mr. Thompson of Louisiana.

Mr. Harrison of Wyoming with Mr. Willis.

Mr. Curtis of Nebraska with Mr. Vinson.

Mr. Bennett of Michigan with Mr. Brooks of Louisiana.

Mr. Angell with Mr. Long.

Mr. Harrison of Nebraska with Mr. Wheeler.

Mr. CANNON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER. The Chair declares the House in recess, subject to the call of the Chair.

Accordingly (at 12 o'clock and 2 minutes p. m.) the House stood in recess subject to the call of the Chair.

JOINT MEETING OF THE TWO HOUSES OF CONGRESS TO HEAR AN ADDRESS BY SYNGMAN RHEE, PRESIDENT OF THE REPUBLIC OF KOREA

The SPEAKER of the House of Representatives presided.

At 12 o'clock and 16 minutes p. m. the Doorkeeper announced the Vice President and Members of the United States Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. On the part of the House the Chair appoints as members of the committee to escort the President of the Republic of Korea into the Chamber, the gentleman from Indiana, Mr. HALLECK; the gentleman from Texas, Mr. RAYBURN; the gentleman from Illinois, Mr. CHIPERFIELD; and the gentleman from Illinois, Mr. GORDON.

The VICE PRESIDENT. On the part of the Senate the Chair appoints as members of the committee to escort the President of the Republic of Korea the Senator from California, Mr. KNOWLAND; the Senator from Texas, Mr. JOHNSON; the Senator from Wisconsin, Mr. WILEY; and the Senator from Georgia, Mr. GEORGE.

The Doorkeeper announced the following guests, who entered the Hall of the House of Representatives and took the seats reserved for them:

The Ambassadors, Ministers, and chargés d'affaires of foreign governments.

The members of the President's Cabinet.

At 12 o'clock and 30 minutes p. m. the Doorkeeper announced Syngman Rhee, the President of Korea.

The President of Korea, escorted by the committee of Senators and Representatives, entered the hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the Congress, it is my distinguished honor to present to you the President of an ancient people, a great, patriotic and stalwart fighter for freedom, and one for whom the people of the United States have a great admiration, the President of the Republic of Korea. [Applause, the Members rising.]

ADDRESS OF SYNGMAN RHEE, PRESIDENT OF THE REPUBLIC OF KOREA

President SYNGMAN RHEE. I thank you.

Mr. Speaker, Mr. President, honorable Senators and Representatives, ladies, and gentlemen, I prize this opportunity of speaking to this august body of distinguished citizens of the United States.

You have done me great honor by assemblying in this historic Chamber. I shall try to reciprocate in the only way I can—by telling you honestly what is in my mind and heart. That is part of the great tradition of American democracy and free government, and it is a tradition that I have believed in for more than half a century. Like you, I have been inspired by Washington, Jefferson, and Lincoln. Like you, I have pledged myself to defend and perpetuate the freedom your illustrious forefathers sought for all men. I am Korean, but by sentiment and education I am an American.

I want first of all to express the unbounded appreciation of Korea and Koreans for what you and the American people have done. You saved a helpless country from destruction, and in that moment the torch of true collective security burned brightly as it never had before. The aid you have given us financially, militarily, and otherwise in defense of our battlefront and for the re-

lief of the refugees and other suffering people of Korea is an unpayable debt of gratitude.

We owe much also to former President Truman, whose momentous decision to send armed forces to Korea saved us from being driven into the sea, and General Eisenhower, the latter as President-elect and now as Chief Executive, for their help and knowledge of the enemy peril.

The President-elect came to a Korea which for 40 years had been under a cruel Japanese subjugation. Few foreign friends had ever been permitted on our soil. Yet here, for the first time in history, because your military might alone regained our freedom, came the great man you had chosen as President. He came to see what could be done to help the Koreans.

I cannot bear to pass this occasion without mentioning our deep and heartfelt thanks to the American war mothers. We thank them for sending their sons, their husbands, and their brothers in the American Army, Navy, and Air and Marine Corps to Korea in our darkest hours. We shall never forget that from our valleys and mountains the souls of American and Korean soldiers went up together to God. May the Almighty cherish them as we cherish their memory.

Ladies and gentlemen of the Congress, these noble compatriots of yours had magnificent leadership in Generals MacArthur, Dean, Walker, Almond, Ridgway, Clark, Hull, and Taylor. Then, too, in 1951 General Van Fleet arrived in Pusan to command the Eighth Army. It was he who discovered the soldierly spirit of the Korean youths and their fervent desire for rifles with which to fight for their homes and their nation. Without much ado he gathered them together in Chéju Do, Kwang Ju, Nonsan, and other places and sent Korean military advisory group officers to train them almost day and night. Within a few weeks they were sent to the front line and they performed marvelously.

Today this army is known to be the strongest anti-Communist force in all Asia. [Applause.] This force is holding more than two-thirds of the entire frontline. So General Van Fleet is known in Korea as the father of the Republic of Korea Army, the hard ROK's as the GI's called them. Now, if the United States could help build up this force, together with the air and sea strength in adequate proportion, I can assure you that no American soldier would be required to fight in the Korean theater of action. [Applause.]

Yet many, many Americans gave all they had to give to the good cause; but the battle they died to win is not yet won. The forces of Communist tyranny still hold the initiative throughout the world. On the Korean front, the guns are silent for the moment, stilled temporarily by the unwise armistice which the enemy is using to build up his strength. Now that the Geneva Conference has come to an end with no result, as predicted, it is quite in place to declare the end of the armistice. The northern half of our country is held and ruled by a million Chinese slaves of the Soviets. Communist trenches, filled with troops, lie within 40 miles of our national capital. Communist airfields, newly constructed in defiance of armistice terms and furnished with jet bombers, lie within 10 minutes of our national assembly.

Yet death is scarcely closer to Seoul than to Washington, for the destruction of the United States is the prime objective of the conspirators in the Kremlin. The Soviet Union's hydrogen bombs may well be dropped on the great cities of America even before they are dropped on our shattered towns.

The essence of the Soviet's strategy for world conquest is to lull Americans into a sleep of death by talking peace until the Soviet Union possesses enough hydrogen bombs and intercontinental bombers to pulverize the airfields and productive centers of the United States by a sneak attack. This is a compliment to the American standard of international morality; but it is a sinister compliment. For the Soviet Government will use the weapons of annihilation when it has enough to feel confident that it can eliminate America's power to retaliate. We are obliged, therefore, as responsible statesmen, to consider what, if anything, can be done to make certain that when the Soviet Government possesses those weapons, it will not dare to use them.

We know that we cannot count on Soviet promises. Thirty-six years of experience have taught us that Communists never respect a treaty if they consider it in their interest to break it. They are not restrained by any moral scruple, humanitarian principle or religious sanction. They have dedicated themselves to the employment of any means, even the foulest—even torture and mass murder—to achieve their conquest of the world. The Soviet Union will not stop of its own volition. It must be stopped.

Does this necessarily mean that the United States and its allies must either drop bombs now on the Soviet factories or stand like steers in a slaughterhouse awaiting death?

The way to survival for the free peoples of the world—the only way that we Koreans see—is not the way of wishfully hoping for peace when there is no peace; not by trusting that somehow the Soviet Government may be persuaded to abandon its monstrous effort to conquer the world; not by cringing and appeasing the forces of evil; but by swinging the world balance of power so strongly against the Communists that, even when they possess the weapons of annihilation, they will not dare use them. [Applause.]

There is little time. Within a few years the Soviet Union will possess the means to vanquish the United States. We must act now. Where can we act?

We can act in the Far East. Ladies and gentlemen, the Korean front comprises only one small portion of the war we want to win—the war for Asia, the war for the world, the war for freedom on earth.

Yet the Republic of Korea has offered you its 20 equipped divisions and the men to compose 20 more. A million and a half young Koreans ask for nothing better than to fight for the cause of human freedom, their honor and their nation. [Applause]. The valor of our men has been proved in battle and no American has doubted it since General Van Fleet's statement that a Korean soldier is the equal of any fighting man in the world. [Applause.]

The Government of the Republic of China in Formosa also has offered you 630,000 men of its Armed Forces and additional reserves.

The Communist regime on the mainland of China is a monster with feet of clay. It is hated by the masses. Although the Reds have murdered 15 million of their opponents, thousands of free Chinese guerrillas are still fighting in the interior of China. Red China's army numbers 2,500,000, but its loyalty is not reliable, as was proved when 14,369 of the Communist Chinese army captured in Korea chose to go to Formosa, and only 220 chose to return to Red China. [Applause.]

Furthermore, the economy of Red China is extremely vulnerable. Sixty percent of its imports reach it by sea and seaborne coastal traffic is its chief means of communication from north to south. A blockade of the China coast by the American Navy would produce chaos in its communications.

The American Air Force, as well as the Navy, would be needed to insure the success of the counterattack on the Red Chinese regime, but, let me repeat, no American foot soldier.

The return of the Chinese mainland to the side of the free world would automatically produce a victorious end to the wars in Korea and Indochina, and would swing the balance of power so strongly against the Soviet Union that it would not dare to risk war with the United States. Unless we win China back, an ultimate victory for the free world is unthinkable.

Would not the Soviet Government, therefore, launch its own ground forces into the battle for China, and its air force as well? Perhaps. But that would be excellent for the free world, since it would justify the destruction of the Soviet centers of production by the American Air Force before the Soviet hydrogen bombs had been produced in quantity.

I am aware that this is hard doctrine. But the Communists have made this a hard world, a horrible world, in which to be soft is to become a slave.

Ladies and gentlemen of the Congress, the fate of human civilization itself awaits our supreme resolution. Let us take courage and stand up in defense of the ideals and principles upheld by the fathers of American independence, George Washington and Thomas Jefferson, and again by the great Emancipator, Abraham Lincoln, who did not hesitate to fight in defense of the Union which could not survive half free and half slave.

Let us remember, my friends, that peace cannot be restored in the world half Communist and half democratic. Your momentous decision is needed now

to make Asia safe for freedom, for that will automatically settle the world Communist problems in Europe, Africa, and America. [Applause.]

At 12 o'clock and 58 minutes p. m., the President of Korea, accompanied by the committee of escort, retired from the Chamber.

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The members of the President's Cabinet.

The Ambassadors, Ministers, and chargés d'affaires of foreign governments.

JOINT MEETING DISSOLVED

The SPEAKER. The purposes of the joint meeting having been accomplished, the Chair declares the joint meeting of the two Houses now dissolved.

Thereupon (at 1 o'clock p. m.) the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 2 minutes p. m.

RECESS

The SPEAKER. The Chair declares the House in recess until 2 o'clock.

Accordingly (at 1 o'clock and 3 minutes p. m.) the House stood in recess until 2 o'clock p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock p. m.

PROCEEDINGS DURING THE RECESS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

INTERNAL REVENUE CODE OF 1954

The SPEAKER. The question is on the conference report on the bill H. R. 8300.

Mr. REED of New York. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 315, nays 77, answered "present" 1, not voting 39, as follows:

[Roll No. 122]

YEAS—315

Adair	Andresen, August H.	Auchincloss
Addonizio	Arends	Ayres
Alexander	Ashmore	Bailey
Allen, Calif.	Aspinall	Baker
Allen, Ill.	Barrett	Barden
Bates	Gregory	O'Konski
Beamer	Gross	O'Neill
Becker	Gubser	Osmers
Belcher	Gwinn	Ostertag
Bender	Hagen, Minn.	Passman
Bentley	Hale	Patterson
Berry	Haley	Pelly
Betts	Halleck	Pfost
Boggs	Hand	Phillips
Boland	Harden	Pillion
Bolton, Frances P.	Hart	Poage
Bolton, Oliver P.	Harvey	Poff
Bonin	Hays, Ark.	Polk
Bosch	Hays, Ohio	Preston
Bow	Herlong	Price
Bowler	Heselton	Prouty
Boykin	Hess	Radwan
Bramblett	Hiestand	Ray
Bray	Hill	Reece, Tenn.
Brooks, Tex.	Hillelson	Reed, Ill.
Brown, Ga.	Hillings	Reed, N. Y.
Brown, Ohio	Hinshaw	Rees, Kans.
Brownson	Hoffman, Ill.	Rhodes, Ariz.
Broyhill	Hoffman, Mich.	Richards
Budge	Holmes	Riehlman
Burleson	Holt	Riley
Busbey	Holtzman	Rivers
Bush	Hope	Roberts
Byrne, Pa.	Horan	Robsion, Ky.
Byrnes, Wis.	Hosmer	Rodino
Campbell	Howell	Rogers, Colo.
Canfield	Hruska	Rogers, Fla.
Carlyle	Hunter	Rogers, Mass.
Carnahan	Hyde	Rogers, Tex.
Carrigg	Ikard	Sadlak
Cederberg	Jackson	St. George
Chelf	James	Saylor
Chenoweth	Jarman	Schenck
Chiperfield	Javits	Scherer
Chudoff	Jenkins	Scott
Church	Jensen	Scrivner
Ciardy	Johnson, Calif.	Scudder
Clevenger	Jonas, Ill.	Seely-Brown
Cole, Mo.	Jonas, N. C.	Selden
Cole, N. Y.	Jones, Mo.	Shafer
Colmer	Jones, N. C.	Sheehan
Coon	Judd	Shelley
Corbett	Karsten, Mo.	Sheppard
Coudert	Kean	Shuford
Cretella	Kearney	Sieminski
Crumpacker	Keating	Sikes
Cunningham	Kersten, Wis.	Simpson, Ill.
Curtis, Mass.	Kilday	Simpson, Pa.
Curtis, Mo.	King, Calif.	Small
Dague	King, Pa.	Smith, Kans.
Davis, Ga.	Kluczynski	Smith, Wis.
Davis, Wis.	Knox	Springer
Dawson, Ill.	Krueger	Staggers
Deane	Laird	Stauffer
Delaney	Landrum	Steed
Dempsey	Lane	Stringfellow
Devereux	Lantaff	Sullivan
D'Ewart	Latham	Taber
Dodd	LeCompte	Talle
Dolliver	Lipscomb	Taylor
Dondero	Lovre	Thomas
Donohue	McCarthy	Thompson, Mich.
Dorn, N. Y.	McConnell	Thompson, Tex.
Dorn, S. C.	McCulloch	Thornberry
Dowdy	McDonough	Tollefson
Doyle	McGregor	Utt
Durham	McIntire	Van Pelt
Elliott	McMillan	Van Zandt
Ellsworth	McVey	Velde
Engle	Mack, Ill.	Vorys
Fallon	Mack, Wash.	Vursell
Fenton	Mahon	Wainwright
Fernandez	Martin, Iowa	Walter
Fino	Mason	Wampler
Fisher	Matthews	Warburton
Fogarty	Meader	Watts
Ford	Merrill	Westland
Forrester	Merrow	Wharton
Fountain	Miller, Kans.	Widnall
Frelinghuysen	Miller, Md.	Wigglesworth
Friedel	Miller, Nebr.	Williams, Miss.
Fulton	Miller, N. Y.	Williams, N. J.
Gamble	Morano	Williams, N. Y.
Garmatz	Moss	Wilson, Calif.
Gathings	Moulder	Wilson, Ind.
Gavin	Mumma	Wilson, Tex.
Gentry	Natcher	Withrow
George	Neal	Wolcott
Golden	Nelson	Wolverton
Goodwin	Nicholson	Yates
Gordon	Norblad	Yorty
Graham	Norrell	Young
Granahan	Oakman	Younger
Grant	O'Brien, Ill.	Zablocki
	O'Brien, N. Y.	
	O'Hara, Ill.	
	O'Hara, Minn.	

NAYS—77

Abbitt	Evins	Miller, Calif.
Abernethy	Feighan	Mills
Albert	Fine	Mollohan
Andersen, H. Carl	Forand	Morgan
Andrews	Frazier	Multer
Battle	Gary	Patman
Bennett, Fla.	Green	Patten
Blatnik	Hagen, Calif.	Philbin
Bolling	Hardy	Pilcher
Bonner	Harrison, Va.	Rabaut
Buchanan	Holifield	Rains
Burdick	Johnson, Wis.	Rayburn
Byrd	Jones, Ala.	Reams
Cannon	Kee	Rhodes, Pa.
Celler	Kelley, Pa.	Robeson, Va.
Condon	Kelly, N. Y.	Rooney
Cooley	Keogh	Smith, Miss.
Cooper	Kirwan	Smith, Va.
Crosser	Klein	Spence
Dawson, Utah	Lanham	Teague
Dies	Lesinski	Trimble
Dingell	McCormack	Tuck
Dollinger	Madden	Whitten
Eberharter	Magnuson	Wickersham
Edmondson	Marshall	Wier
	Metcalf	Winstead

ANSWERED "PRESENT"—1

Donovan

NOT VOTING—39

Angell	Harrison, Wyo.	Perkins
Bennett, Mich.	Hébert	Powell
Bentsen	Hoeven	Priest
Bishop	Kearns	Regan
Brooks, La.	Kilburn	Roosevelt
Buckley	Long	Secrest
Chatham	Lucas	Short
Cotton	Lyle	Sutton
Curtis, Nebr.	Machrowicz	Thompson, La.
Davis, Tenn.	Mailliard	Vinson
Derounian	Morrison	Weichel
Harris	Murray	Wheeler
Harrison, Nebr.	O'Brien, Mich.	Willis

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Derounian for, with Mr. Donovan against.

Mr. Hoeven for, with Mr. O'Brien of Michigan against.

Mr. Kearns for, with Mr. Buckley against.

Mr. Brooks of Louisiana for, with Mr. Powell against.

Mr. Bentsen for, with Mr. Roosevelt against.

Mr. Lyle for, with Mr. Machrowicz against.

Until further notice:

Mr. Short with Mr. Willis.

Mr. Cotton with Mr. Thompson of Louisiana.

Mr. Bishop with Mr. Perkins.

Mr. Weichel with Mr. Long.

Mr. Harrison of Nebraska with Mr. Priest.

Mr. Mailliard with Mr. Regan.

Mr. Harrison of Wyoming with Mr. Wheeler.

Mr. Bennett of Michigan with Mr. Harris.

Mr. Angell with Mr. Secrest.

Mr. DONOVAN. Mr. Speaker, I have a live pair with the gentleman from New York, Mr. DEROUNIAN. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote present.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ENROLLMENT OF THE BILL H. R. 8300, REVISING INTERNAL REVENUE LAWS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the im-

mediate consideration of the concurrent resolution (H. Con. Res. 263) relating to the enrollment of H. R. 8300.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill (H. R. 8300) to revise the internal revenue laws of the United States, is authorized and directed—

(1) In subsection (b) of the first section, to strike out "with an appendix and index; but without marginal references" and insert in lieu thereof the following: "with a comprehensive table of contents and an appendix; but without an index or marginal references".

(2) In section 34 (c) (1), to insert after "imposed by" the following: part I or II of

(3) In section 104 (a) (3), to strike out "such amounts" and insert "such amounts (A)" and to strike out "employee);" and insert in lieu thereof the following: "employee, or (B) are paid by the employer);".

(4) In the heading to section 213 (f), to strike out "For Child Care" and insert in lieu thereof the following: "For Care of Certain Dependents".

(5) In section 421 (d) (1) (D), in lieu of inserting "on or after June 18, 1954" to insert the following: "on or after June 22, 1954".

(6) In section 503 (b) (3), to strike out "section 501 (c) (3)" and insert in lieu thereof the following: "section 501 (a)".

(7) In the table of sections to part III on page 143 of the House engrossed bill, to strike out "foreign personal company" and insert in lieu thereof the following: "foreign personal holding company".

(8) In section 601, to strike out "section 545 (b) (7)" and insert in lieu thereof the following: "section 545 (b) (6)".

(9) In section 681 (a), to strike out "exempt under section 501 (c) (3) from taxation" and insert in lieu thereof the following: "exempt from tax under section 501 (a) by reason of section 501 (c) (3)".

(10) In section 1492 (1), to strike out "section 501 (e), relating to pension trusts" and insert in lieu thereof the following: "section 401 (a)".

(11) In section 3121 (k) (2), to strike out "of this chapter" each place it appears and insert in lieu thereof the following: "applicable with respect to the taxes imposed by this chapter".

(12) To strike out subsection (c) of section 3302 and insert in lieu thereof the following:

"(c) LIMIT ON TOTAL CREDITS.—

"(1) The total credits allowed to a taxpayer under this section shall not exceed 90 percent of the tax against which such credits are allowable.

"(2) If an advance or advances have been made to the unemployment account of a State under title XII of the Social Security Act, and if any balance of such advance or advances has not been returned to the Federal unemployment account as provided in that title before December 1 of the taxable year, then the total credits (after other reductions under this section) otherwise allowable under this section for such taxable year in the case of a taxpayer subject to the unemployment compensation law of such State shall be reduced—

"(A) in the case of a taxable year beginning with the fourth consecutive January 1 on which such a balance of unreturned advances existed, by 5 percent of the tax imposed by section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; and

"(B) in the case of any succeeding taxable year beginning with a consecutive January 1 on which such a balance of unreturned advances existed, by an additional 5 percent, for each such succeeding taxable year, of the tax imposed by section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State.

For purposes of this paragraph, wages shall be attributable to a particular State if they are subject to the unemployment compensation law of the State, or (if not subject to the unemployment compensation law of any State) if they are determined (under rules or regulations prescribed by the Secretary or his delegate) to be attributable to such State."

(13) In section 3304 (a) (4), to strike out all that follows "3305 (b);" and insert in lieu thereof the following: "except that—

"(A) an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration; and

"(B) the amounts specified by section 903 (c) (2) of the Social Security Act may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices;"

(14) In section 3305 (b), to strike out "subsection (c)," and insert in lieu thereof the following: "subsection (c))".

(15) In section 3306 (f), to strike out all that follows "3305 (b);" and insert in lieu thereof the following: "except that—

"(1) an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration; and

"(2) the amounts specified by section 903 (c) (2) of the Social Security Act may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices."

(16) In section 4233 (a) (1) (A)—

(A) in clause (ii), to strike out "which is exempt under section 501 (c) (3)" and insert in lieu thereof the following: "described in section 501 (c) (3) which is exempt from tax under section 501 (a)".

(B) in clause (iii), to strike out "exempt under section 501 (c) (3)" and insert in lieu thereof the following: "described in section 501 (c) (3) which is exempt from tax under section 501 (a)".

(C) in clause (v), to strike out "which is exempt under section 501 (c) (3)" and insert in lieu thereof the following: "described in section 501 (c) (3) which is exempt from tax under section 501 (a)".

(17) In section 6014 (a), to insert after the last sentence thereof the following: "In the case of a head of household (as defined in section 1 (b)) or a surviving spouse (as defined in section 2 (b)) electing the benefits of this subsection, the tax shall be computed by the Secretary or his delegate without regard to the taxpayer's status as a head of household or as a surviving spouse.".

(18) In section 6044 (c), to strike out "exempt from taxation under section 501 (c) (12) or (15)" and insert in lieu thereof the following: "described in section 501 (c) (12) or (15) which is exempt from tax under section 501 (a).".

(19) In section 6334 (a) (1), to strike out "household" and insert in lieu thereof the following: "family".

(20) In section 6334 (a) (2), to strike out "head of a household" and insert in lieu thereof the following: "head of a family".

(21) In section 6334 (a) (2), to strike out "such household" and insert in lieu thereof the following: "his household".

(22) In section 7482 (c), to strike out paragraph (2) and insert in lieu thereof the following:

"(2) TO MAKE RULES.—Rules for review of decisions of the Tax Court shall be those prescribed by the Supreme Court under section 2074 of title 28 of the United States Code. Until such rules become effective the rules adopted under authority of section 1141 (c) (2) of the Internal Revenue Code of 1939 shall remain in effect."

(23) In section 7651, to strike out "marihuana)—" and insert in lieu thereof the following: "marihuana), and except as otherwise provided in section 28 (a) of the Revised Organic Act of the Virgin Islands and section 30 of the Organic Act of Guam (relating to the covering of the proceeds of certain taxes into the treasuries of the Virgin Islands and Guam, respectively)—"

(24) At the end of section 7951, to insert the following:

"(5) VIRGIN ISLANDS.—

"(A) For purposes of this section, the reference in section 28 (a) of the Revised Organic Act of the Virgin Islands to 'any tax specified in section 3811 of the Internal Revenue Code' shall be deemed to refer to any tax imposed by chapter 2 or by chapter 21.

"(B) For purposes of this title, section 28 (a) of the Revised Organic Act of the Virgin Islands shall be effective as if such section had been enacted subsequent to the enactment of this title."

(25) At the end of section 7652 (b), to insert the following:

"(3) DISPOSITION OF INTERNAL REVENUE COLLECTIONS.—Beginning with the fiscal year ending June 30, 1954, and annually thereafter, the Secretary or his delegate shall determine the amount of all taxes imposed by, and collected during the fiscal year under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States. The amount so determined less 1 percent and less the estimated amount of refunds or credits shall be subject to disposition as follows:

"(A) There shall be transferred and paid over to the government of the Virgin Islands from the amounts so determined a sum equal to the total amount of the revenue collected by the government of the Virgin Islands during the fiscal year, as certified by the Government Comptroller of the Virgin Islands. The moneys so transferred and paid over shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as the legislature may determine: *Provided*, That the approval of the President or his designated representative shall be obtained before such moneys may be obligated or expended.

"(B) There shall also be transferred and paid over to the government of the Virgin Islands during each of the fiscal years ending June 30, 1955, and June 30, 1956, the sum of $1,000,000 or the balance of the internal revenue collections available under this paragraph (3) after payments are made under subparagraph (A), whichever amount is greater. The moneys so transferred and paid over shall be deposited in the separate fund established by subparagraph (A), but shall be obligated or expended for emergency purposes and essential public projects only, with the prior approval of the President or his designated representative.

"(C) Any amounts remaining shall be deposited in the Treasury of the United States as miscellaneous receipts.

If at the end of any fiscal year the total of the Federal contribution made under subparagraph (A) at the beginning of that fiscal year has not been obligated or expended for an approved purpose, the balance shall continue available for expenditure during any succeeding fiscal year, but only for approved emergency relief purposes and essential public projects as provided in subparagraph (B). The aggregate amount of moneys available for expenditure for emergency relief purposes and essential public projects only, including payments under subparagraph (B), shall not exceed the sum of $5,000,000 at the end of any fiscal year. Any unobligated or unexpended balance of the Federal contribution remaining at the end of a fiscal year which would cause the moneys available for emergency relief purposes and essential public projects only to exceed the sum of $5,000,000 shall thereupon be transferred and paid over to the Treasury of the United States as miscellaneous receipts."

(26) In section 7809 (a), to insert after "4762," the following: "7651,".

(27) In section 1034 (h), to strike out "subsection (c) (5)" and insert in lieu thereof the following: "subsection (c) (4)".

Mr. REED of New York (interrupting the reading). Mr. Speaker, I ask unanimous consent that the further reading of the concurrent resolution be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. EBERHARTER. Mr. Speaker, reserving the right to object, I would like to call the attention of the Speaker to the fact that at the time the request was made to dispense with the reading of the conference report, I made a point of order and called attention to the fact that the printing of the conference report in the RECORD differed from the printing of the conference report itself. I call attention, Mr. Speaker, now to the fact that in the second paragraph of the conference report, reference is made that the Senate receded from its amendment to 110a whereas in the printing in the RECORD, it says that the Senate receded from the amendment 110. Mr. Speaker, the point of order was made that the RECORD was incorrect. That is the reason I made the point of order. It was my further intention at that time to make a further point of order that in the printing of the report on page 12402 of the CONGRESSIONAL RECORD, there is contained the word "on" which is materially different from the printing in the conference report, which contains the word "and." Mr. Speaker, I make this explanation under my reservation of objection so that the RECORD may show the disposition by the Speaker of my points of order and it is my further contention that in disposing of the point of order, there was some slight misunderstanding, perhaps, either on the part of the Speaker or myself in presenting the point of order. But I want the RECORD to show that the point of order, in my opinion, was sustained by the decisions of the previous Congresses.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED] that the further reading of the concurrent resolution be dispensed with?

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to insert an explanation of the concurrent resolution upon which we are now acting.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. EBERHARTER. Mr. Speaker, further reserving the right to object, the action that has just been taken shows conclusively that it has been necessary to correct what has already been done by the House by unanimous consent.

Mr. Speaker, I feel constrained to object to the last request.

The SPEAKER. The Chair wishes to state that this resolution corrects some things that the conferees could not do in the conference.

Mr. EBERHARTER. I object to the last request of the gentleman from New York.

The SPEAKER. The gentleman objects to the request of the gentleman from New York to extend his remarks.

The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

TO AMEND THE ATOMIC ENERGY ACT OF 1946, AS AMENDED

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9757) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, with Senate amendments, disagree to the Senate amendments, and request a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Mr. COLE of New York, Mr. HINSHAW, Mr. VAN ZANDT, Mr. DURHAM, and Mr. HOLIFIELD.

MUTUAL SECURITY ACT—EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill under consideration yesterday, providing appropriation for the Mutual Security Agency.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 9757. An act to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 3522) entitled "An act for the relief of Arthur S. Rosichan."

The message also announced that the Vice President has appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States, numbered 55–3.

COMMITTEE ON EDUCATION AND LABOR

Mr. McCONNELL. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may sit and act today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE LATE MRS. RUTH BRYAN ROHDE

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I regret to announce the death of Mrs. Ruth Bryan Rohde, who died on July 26, 1954, in Copenhagen, Denmark, where she had returned this month to thank King Frederik for the Medal of Merit which he bestowed upon her earlier this year.

Mrs. Rohde was a former Member of this House from my congressional district. She ably represented, what was then, the Fourth Congressional District of Florida in the House of Representatives from 1929 to 1933. She rendered outstanding service and was the first woman representative from the Old South.

She was the first woman envoy of the United States to a foreign power, having served as United States Minister to Denmark from 1933 to 1936 after her appointment by President Franklin D. Roosevelt. Her appointment as Minister to Denmark marked a milestone in the emergence of women into the diplomatic service.

It will be remembered that she was the daughter of the great commoner, William Jennings Bryan, who was thrice nominated for President of the United States by the Democratic Party, and was the standard bearer of the Democratic Party for three times.

Mrs. Rohde was born in Jacksonville, Ill., in 1885. Her father moved to Lincoln, Nebr., when she was a child and

she attended public schools there and then the University of Nebraska.

She taught public speaking at the University of Miami, Fla., from 1926 through 1928 and was teaching at the time she ran successfully for United States Representative.

When she served in the House of Representatives she was then known as Mrs. Ruth Bryan Owen. She was the widow of Maj. Reginald Owen, a major in the British Army's Royal Engineers, whom she had married in 1910. During World War I she followed him to Egypt where she served as a voluntary nurse.

During the time she was serving as United States Minister to Copenhagen she married Boerge Rohde, a captain in the palace guard of the late King Christian X. After her marriage to Captain Rohde, the couple returned to the United States and she resumed her writing and lecturing career.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Florida. I am happy to yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am shocked to hear of the passing of our former colleague, Mrs. Ruth Bryan Owen Rohde. She was a personal friend of mine for many years, and I always admired her for her many fine accomplishments even before she came to Congress. I remember well her services here, her brilliance of mind, her charm. There was not anything that Ruth Bryan Rohde could not do. I know the gentleman from Florida remembers well only last year when she revisited us and sat over there on that side and discussed various matters involving Denmark. We all know how much she has done in cementing the friendship of the two countries—the United States and Denmark.

She was a great woman, a great diplomat, and a great statesman.

Mr. ROGERS of Florida. Mr. Speaker, I yield to the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON].

Mrs. FRANCES P. BOLTON. Mr. Speaker, the death of Ruth Bryan Rohde in Copenhagen, Denmark, on yesterday brings to those of us of her generation many warm memories.

Ruth Bryan Owen, as she was during her service in this House, was lovely to look at and good to listen to. Daughter of the never-to-be-forgotten orator, William Jennings Bryan, although she did not have his extraordinary power to sway an audience as his silver tongue had done, she had a charm and a grace all her own. With this she combined a fine ethic which I remember with especial pleasure, as it touched my life and my husband's.

At one time when she came to speak for the Democrats she stayed with us. When asked to criticize my husband who was then running for reelection, she said, "Oh, I could not do that. I never speak against a colleague."

Only a few weeks ago I met her on Madison Avenue in New York. We visited for some little time, talking of Jamaica, where she had a lovely home, and of her anticipated trip to Denmark. Though I thought she looked worn I was truly shocked to learn her days among us had ended.

Interesting daughter of an illustrious father she has left a record many could well envy. Wife, mother and grandmother, lecturer, author, Representative in this great House, the first woman to hold the post of Minister to a foreign country, a charming and intelligent woman, Ruth Bryan Rohde will long live in the hearts of all who knew her. Nor will the ink fade upon her record in this House and in the files of the Foreign Service of the United States.

May the Infinite take her to His heart.

Mr. ROGERS of Florida. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, it was my privilege to come to the Congress at the same time the distinguished gentlewoman from Florida came here and to enjoy a very warm friendship during her period of service as a Member of this House.

It was with very deep regret that I heard she had passed away and I join with the distinguished gentleman from Florida and other colleagues in expressing my deep sympathy to her bereaved family.

Mr. ROGERS of Florida. Mr. Speaker, I yield to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, had I time to have prepared some remarks about our late colleague, I could not have done better nor as well as the gentlewoman from Ohio in the remarks she has made about this wonderful woman, Ruth Bryan Rohde. She was truly a distinguished daughter of a distinguished sire. She knew how to give friendship and how to keep friends. Her record and her accomplishments were outstanding. I doubt if we have many other women in our lifetime who will adorn the positions she occupied or be a greater tribute to womanhood than was Ruth Bryan Rohde.

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the life and character of the late Ruth Bryan Rohde.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, it was my privilege many years ago as a student at the University of Florida to meet, for the first time, Mrs. Ruth Bryan Rohde and to hear her speak. In the years which followed, I have had the privilege of talking with her and corresponding with her on a number of occasions. She once represented Jacksonville, my hometown, in the Congress of the United States.

She graciously cooperated with my request that her father's prize possession of a beautiful old portrait of Thomas Jefferson be presented to the University of Florida as a token of her father's great interest in the university. At my request, the officials of the university named the main lounge in the student union building in honor of William Jennings Bryan. He had been active in raising funds for that building many years ago and it was during my administration as president of the student body that the final funds were raised and the project was begun. Just as her father had done, Mrs. Rohde maintained a keen interest in young people and in strengthening our country through strengthening them.

It is a privilege to say of Mrs. Rohde that she was truly one of this country's most able stateswomen. She was not only able in her leadership, she was at all times kindly in her actions and sweet and gracious in her efforts to help all those to whom she could be of assistance.

CONVEYANCE OF CERTAIN REAL PROPERTY TO BEAUFORT, N. C.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9406) to provide for the conveyance of certain real property to the town of Beaufort, N. C.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of General Services is authorized and directed to convey to the town of Beaufort, N. C., upon payment by such town of $1, all of the right, title, and interest of the United States in and to that certain piece or parcel of land lying and being in such town, bounded and particularly described as follows:

Beginning at a point which is south twenty-three degrees twenty minutes west fifty feet from the center of the Beaufort-Lennoxville Road, which point also is north sixty-six degrees fifty-five minutes west fifty feet from the centerline of the road connecting Front Street and Lennoxville Road, and running thence north sixty-six degrees fifty-five minutes west one hundred and fifty feet; thence south twenty-three degrees twenty minutes west four hundred sixteen and seven-tenths feet, more or less, to the high-water line of Taylor's Creek; thence southeastwardly, with and along the high-water line of Taylor's Creek one hundred fifty and five-tenths feet, more or less, to a point fifty feet in the direction north sixty-six degrees fifty-five minutes west from the centerline of the road connecting Front Street and the Lennoxville Road projected to Taylor's Creek; thence north twenty-three degrees twenty minutes east four hundred forty-two and four-tenths feet, more or less, to the point of beginning, excepting from the foregoing description that portion of Front Street embraced therein, the same being described as follows: Beginning at a point which is south twenty-three degrees twenty minutes west three hundred ninety-two and four-tenths feet from the centerline of the Beaufort-Lennoxville Road, which point also is north sixty-six degrees fifty-five minutes west fifty feet from the centerline of the road connecting Front Street and Lennoxville Road, and runs thence north sixty-one degrees twenty-five minutes west one hundred fifty and five-tenths feet; thence south twenty-three degrees twenty minutes west sixty feet; thence south sixty-one degrees twenty-five minutes east one

hundred fifty and five-tenths feet; thence north twenty-three degrees twenty minutes east sixty feet to the point of beginning, being shown on map entitled "Property of United States Coast Guard and/or United States Navy Department, Beaufort, N. C."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNAL REVENUE ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the RECORD be corrected to conform to the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INTERNATIONAL CONVENTION FOR THE HIGH SEAS FISHERIES

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3713) to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "North Pacific Fisheries Act of 1954."

SEC. 2. As used in this act, the term—

(a) "Convention" means the International Convention for the High Seas Fisheries of the North Pacific Ocean with a protocol relating thereto signed at Tokyo May 9, 1952;

(b) "Commission" means the International North Pacific Fisheries Commission provided for by article II of the convention;

(c) "United States section" means the United States Commissioners to the Commission;

(d) "Convention area" means all waters, other than territorial waters, of the North Pacific Ocean which for the purposes of this act shall include the adjacent seas;

(e) "Fishing vessel" means any vessel engaged in catching fish or processing or transporting fish loaded on the high seas, or any vessel outfitted for such activities.

SEC. 3. The United States shall be represented on the Commission by not more than four Commissioners to be appointed by the President, to serve as such during his pleasure, and to receive no compensation for their services as Commissioners. Of such Commissioners—

(a) one shall be an official of the United States Government; and

(b) each of the others shall be a person residing in a State or Territory, the residents of which maintain a substantial fishery in the convention area.

SEC. 4. (a) The United States section shall appoint an advisory committee composed of not less than 5 nor more than 20 members and shall fix the terms of office thereof, such members to be selected both from the various groups participating in the fisheries covered by the convention and from the fishery agencies of the States or Territories, the residents of which maintain a substantial fishery in the convention area.

(b) Any or all members of the advisory committee may attend all sessions of the Commission except executive sessions.

(c) The advisory committee shall be invited to all nonexecutive meetings of the United States section and at such meetings shall be granted opportunity to examine and to be heard on all proposed programs of study and investigation, reports, and recommendations of the United States section.

(d) The members of the advisory committee shall receive no compensation for their services as such members. On approval by the United States section, not more than three members of the committee, designated by the committee, may be paid for transportation expenses and per diem incident to attendance at meetings of the Commission or of the United States section.

SEC. 5. Service of any individual appointed from private life as a United States Commissioner pursuant to section 3 or as a member of the advisory committee appointed pursuant to section 4 (a), shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, and 434 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except insofar as such provisions of law may prohibit any such individual from acting or receiving compensation in respect to matters directly relating to the convention, this act, or regulations issued pursuant to this act.

SEC. 6. The President is authorized to (a) accept or reject, on behalf of the United States, recommendations made by the Commission in accordance with the provisions of article III, section 1, of the convention, and recommendations made by the Commission in pursuance of the provisions of the protocol to the convention; and (b) act for the United States in the selection of persons by the contracting parties to compose the special committee provided by the protocol to the convention.

SEC. 7. Any agency of the Federal Government is authorized, upon request of the Commission, to cooperate in the conduct of scientific and other programs, and to furnish, on a reimbursable basis, facilities and personnel for the purpose of assisting the Commission in carrying out its duties under the convention. Such agency may accept reimbursement from the Commission.

SEC. 8. (a) The provisions of the convention and this act relating to abstention from fishing in certain areas by the nationals and vessels of one or more of the contracting parties shall be enforced by the Coast Guard in cooperation with the Fish and Wildlife Service and the Bureau of Customs.

(b) For such purposes any Coast Guard officer, any officer of the Fish and Wildlife Service, or any other person authorized to enforce the provisions of the convention and this act referred to in subsection (a) of this section may go on board any fishing vessel of Canada or Japan found in waters in which Canada or Japan has agreed by or under the convention to abstain from exploitation of one or more stocks of fish, and, when he has reasonable cause to believe that such vessel is engaging in operations in violation of the provisions of the convention, may, without warrant or other process, inspect the equipment, books, documents, and other articles on such vessel and question the persons on board, and for these purposes may hail and stop such vessel, and use all necessary force to compel compliance.

(c) Whenever any such officer has reasonable cause to believe that any person on any fishing vessel of Canada or Japan is violating, or immediately prior to the boarding of such vessel was violating, the provisions of the convention referred to in subsection (a) of this section, such person, and any such vessel employed in such violation shall be detained and shall be delivered as promptly as practicable to an authorized official of the nation to which they belong in accordance with the provisions of the convention.

(d) Any officer of the Coast Guard, any officer of the Fish and Wildlife Service, or any other person authorized to enforce the provisions of the convention and this act referred to in subsection (a) of this section, may be directed to attend as witnesses and to produce such available records and files or duly certified copies thereof as may be necessary to the prosecution in Canada or Japan of any violation of the provisions of the convention or any Canadian or Japanese law for the enforcement thereof when requested by the appropriate authorities of Canada or Japan respectively.

SEC. 9. The Secretary of the Interior may designate officers of the States and Territories of the United States to enforce the provisions of the convention and this act insofar as they pertain to fishing vessels of the United States and the persons on board such vessels.

SEC. 10. (a) It shall be unlawful for any person or fishing vessel subject to the jurisdiction of the United States to engage in the catching of any stock of fish from which the United States may agree to abstain in the waters specified for such abstention as set forth in the annex to the convention, or to load, process, possess, or transport any such fish or fish products processed therefrom in the said waters, or to land in a port of the United States any fish so caught, loaded, possessed, or transported or any fish products processed therefrom.

(b) It shall be unlawful for any person or fishing vessel subject to the jurisdiction of the United States knowingly to load, process, possess, or transport any fish specified in subsection (a) of this section or any fish products processed therefrom in the territorial waters of the United States or in any waters of the convention area in addition to those specified in subsection (a) of this section, or to land in a port of the United States any such fish or fish products.

(c) It shall be unlawful for any person or fishing vessel subject to the jurisdiction of the United States knowingly to load, process, possess, or transport in the convention area or in the territorial waters of the United States any fish taken by a national of Canada or Japan from a stock of fish from which Canada or Japan respectively has agreed to abstain as set forth in the annex to the convention or any fish products processed therefrom, or to land such fish or fish products in a port of the United States.

(d) It shall be unlawful for any person subject to the jurisdiction of the United States to aid or abet in the taking of fish by a national or fishing vessel of Canada or of Japan from a stock of fish from which Canada or Japan has respectively agreed to abstain as set forth in the annex of the convention.

(e) It shall be unlawful for the master or owner or any person in charge of any fishing vessel of the United States to refuse to permit the duly authorized officials of the United States, Canada, or Japan to board such vessel or inspect its equipment, books, documents, or other articles or question the persons on board in accordance with the provision of the convention, or to obstruct such officials in the execution of such duties.

SEC. 11. (a) Any person violating subsection (a), (b), or (c) of section 10 of this act shall upon conviction be fined not more than $10,000, and for such offense the court may order forfeited, in whole or in part, the fish concerned in the offense, or the fishing gear involved in such fishing, or both, or the monetary value thereof. Such forfeited fish or fishing gear shall be disposed of in accordance with the direction of the court.

(b) Any person violating subsection (d) of section 10 of this act shall upon conviction be fined not more than $10,000.

(c) Any person violating subsection (e) of section 10 of this act shall upon conviction be fined nor more than $10,000 and be imprisoned for not more than 1 year or both, and for such offense the court may order forfeited, in whole or in part the fish and fishing gear on board the vessel, or both, or the monetary value thereof. Such fish and fishing gear shall be disposed of in accordance with the direction of the court.

(d) Section 10 of the Northwest Atlantic Fisheries Act of 1950 (64 Stat. 1067; 16 U. S. C. 989) shall not apply to violations for which penalties are provided in this section.

SEC. 12. For the effective execution of this act, sections 7 (a) and (b), 9, 10, and 11 of the Northwest Atlantic Fisheries Act of 1950 (64 Stat. 1067; 16 U. S. C. 986, 988, 989, 990) shall be deemed to be incorporated herein in haec verba as long as Alaska shall remain a Territory provided that regulations authorized by section 7 (a) of the Northwest Atlantic Fisheries Act shall be adopted by the Secretary of the Interior on consultation with the United States section and shall apply only to stocks of fish in the convention area contiguous to the territorial waters of Alaska.

SEC. 13. (a) There is hereby authorized to be appropriated from time to time such sums as may be necessary for carrying out the purposes and provisions of the convention and this act, including—

(1) necessary travel expenses of the United States Commissioners without regard to the Standardized Government Travel Regulations, as amended, the Travel Expense Act of 1949, or section 10 of the act of March 3, 1933 (U. S. C., title 5, sec. 73b); and

(2) the United States share of the joint expenses of the Commission; provided that the Commissioners shall not, with respect to commitments concerning the United States share of the joint expenses of the Commission, be subject to the provisions of section 262 (b) of title 22 of the United States Code insofar as they limit the authority of United States representatives to international organizations with respect to such commitments.

(b) Such funds as shall be made available to the Secretary of the Interior for research and related activities shall be expended to carry out the program of the Commission in accordance with recommendations of the United States section.

SEC. 14. If any provision of this act or the application of such provision to any circumstances or persons shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

Mr. TOLLEFSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON: On page 9, lines 15 and 16, strike out the words "as long as Alaska shall remain a Territory."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREIGN MERCHANT VESSEL ACQUISITION

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2371) to extend emergency foreign merchant vessel acquisition and operating authority of Public Law 101, 77th Congress, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended, the President is authorized and empowered through the Secretary of Commerce to purchase, or to requisition, or for any part of such period to charter or requisition the use of, or to take over the title to or possession of, for such use or disposition as he shall direct, any merchant vessel not owned by citizens of the United States which is lying idle in waters within the jurisdiction of the United States, including the Canal Zone, and which the Secretary finds to be necessary to the national defense. Just compensation shall be determined and made to the owner or owners of any such vessel in accordance with the applicable provisions of section 902 of the Merchant Marine Act, 1936, as amended. Such compensation hereunder, or advances on account thereof, shall be deposited with the Treasurer of the United States in a separate deposit fund. Payments for such compensation and also for payment of any valid claim upon such vessel in accord with the provisions of the second paragraph of subsection (d) of such section 902, as amended, shall be made from such fund upon the certificate of the Secretary of Commerce.

SEC. 2. During any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended, the President is authorized through the Secretary of Commerce to acquire by voluntary agreement of purchase or charter the ownership or use of any merchant vessel not owned by citizens of the United States.

SEC. 3. (a) Any vessel not documented under the laws of the United States, acquired by or made available to the Secretary of Commerce under this act, or otherwise, may, notwithstanding any other provision of law, in the discretion of the Secretary of the Treasury be documented as a vessel of the United States under such rules and regulations or orders, and with such limitations, as the Secretary of the Treasury may prescribe or issue as necessary or appropriate to carry out the purposes and provisions of this act, and in accordance with the provisions of subsection (c) hereof, engage in the coastwise trade when so documented. Any document issued to a vessel under the provisions of this subsection shall be surrendered at any time that such surrender may be ordered by the Secretary of the Treasury. No vessel, the surrender of the documents of which has been so ordered, shall, after the effective date of such order, have the status of a vessel of the United States unless documented anew.

(b) The President may, notwithstanding any other provisions of law, by rules and regulations or orders, waive compliance with any provision of law relating to masters, officers, members of the crew, or crew accommodations on any vessel documented under authority of this section to such extent and upon such terms as he finds necessary because of the lack of physical facilities on such vessels, and because of the need to employ aliens for their operation. No vessel shall cease to enjoy the benefits and privileges of a vessel of the United States by reason of the employment of any person in accordance with the provisions of this subsection.

(c) Any vessel while documented under the provisions of this section, when chartered under this act by the Secretary of Commerce to Government agencies or departments or to private operators, may engage in the coastwise trade under permits issued by the Secretary of Commerce, who is hereby authorized to issue permits for such purpose pursuant to such rules and regulations as he may prescribe. The Secretary of Commerce is hereby authorized to prescribe such rules and regulations as he may deem necessary or appropriate to carry out the purposes and provisions of this section. The second paragraph of section 9 of the Shipping Act, 1916, as amended, shall not apply with respect to vessels chartered to Government agencies or departments or to private operators or otherwise used or disposed of under this act. Existing laws covering the inspection of steam vessels are hereby made applicable to vessels documented under this section only to such extent and upon such conditions as may be required by regulations of the Secretary of the department in which the Coast Guard is operating: *Provided*, That in determining to what extent those laws should be made applicable, due consideration shall be given to the primary purpose of transporting commodities essential to the national defense.

(d) The Secretary of Commerce without regard to the provisions of section 3709 of the Revised Statutes may repair, reconstruct, or recondition any vessels to be utilized under this act. The Secretary of Commerce and any other Government department or agency by which any vessel is acquired or chartered, or to which any vessel is transferred or made available under this act may, with the aid of any funds available and without regard to the provisions of said section 3709, repair, reconstruct, or recondition any such vessels to meet the needs of the services intended, or provide facilities for such repair, reconstruction, or reconditioning. The Secretary of Commerce may operate or charter for operation any vessel to be utilized under this act to private operators, citizens of the United States, or to any department or agency of the United States Government, without regard to the provisions of title VII of the Merchant Marine Act, 1936, and any department or agency of the United States Government is authorized to enter into such charters.

(e) In case of any voyage of a vessel documented under the provisions of this section begun before the date of termination of an effective period of section 1 hereof, but is completed after such date, the provisions of this section shall continue in effect with respect to such vessel until such voyage is completed.

(f) When used in this act, the term "documented" means "registered", "enrolled and licensed", or "licensed."

Mr. TOLLEFSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TOLLEFSON: On page 2, line 3, strike out the word "Secretary" and in lieu thereof insert the word "President."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES MERCHANT MARINE ACADEMY

Mr. ALLEN of California. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include the report of the 11th Congressional Board of Visitors to the United States Merchant Marine Academy.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ALLEN of California. Mr. Speaker, I present herewith the 1954 report of the Board of Visitors to the United States Merchant Marine Academy.

On May 8, 1954, the Board met at the United States Merchant Marine Academy at Kings Point, N. Y. There were present the gentleman from New York [Mr. KEOGH] and the gentleman from North Carolina [Mr. BONNER] and myself, who was elected to serve as chairman.

Each of the Board members present having approved the report I submit it to the Congress. The report is as follows:

REPORT OF THE BOARD OF VISITORS TO THE UNITED STATES MERCHANT MARINE ACADEMY, 1954, KINGS POINT, N. Y., MAY 10, 1954

THE PRESIDENT OF THE SENATE.
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

GENTLEMEN: Pursuant to Public Law 301, 78th Congress, approved May 11, 1944, the following Senators and Members of the House of Representatives were designated to constitute the 1954 Board of Visitors to the United States Merchant Marine Academy:

By the President of the Senate: Senator IRVING M. IVES (Republican), New York.

By the chairman, Senate Committee on Interstate and Foreign Commerce: Senator ANDREW W. SCHOEPPEL (Republican), Kansas; Senator A. S. MIKE MONRONEY (Democrat), Oklahoma.

By the Speaker of the House of Representatives: Congressman STUYVESANT WAINWRIGHT II (Republican), New York; Congressman EUGENE J. KEOGH (Democrat), New York.

By the chairman, House Committee on Merchant Marine and Fisheries: Congressman JOHN J. ALLEN, JR. (Republican), California; Congressman TIMOTHY P. SHEEHAN (Republican), Illinois; Congressman EDWARD J. HART (Democrat), New Jersey.

Ex-officio members: Senator JOHN W. BRICKER (Republican), Ohio (chairman, Senate Committee on Interstate and Foreign Commerce); Congressman ALVIN F. WEICHEL (Republican), Ohio (chairman, House Committee on Merchant Marine and Fisheries).

The meetings of this Board, which is the 11th such Board to visit the United States Merchant Marine Academy, were held on Saturday, May 8, 1954.

Congressman JOHN J. ALLEN., JR., of California, and EUGENE J. KEOGH, of New York, were present for both the morning and afternoon meetings. Congressman HERBERT C. BONNER, of North Carolina, attended both meetings in lieu of and at the request of Congressman EDWARD J. HART, of New Jersey. Congressman STUYVESANT WAINWRIGHT, of New York, sent a telegram expressing disappointment at being unable to attend and reiterating his unqualified approval of the work being carried on at the United States Merchant Marine Academy, and his hope that it would soon be placed on the same basis as the other Service Academies.

FIRST MEETING OF THE BOARD

The Board convened at Wiley Hall, Kings Point, at 1000, May 8, 1954, where they were welcomed by the Superintendent of the United States Merchant Marine Academy, Rear Adm. Gordon McLintock, and his staff.

The Board elected Congressman JOHN J. ALLEN, JR., of California, as Permanent Chairman and confirmed the appointments of Comdr. Clifford W. Sandberg, Lt. Comdr. Francis A. Litchfield, and, and Lt. (jg.) John A. Walsh as Secretary and Assistant Secretaries, respectively.

The Superintendent then introduced department heads and administrative personnel to the Board. Following previous procedures, the Board then continued in session until it was time to witness the formal regimental review in O'Hara Hall.

Congressman ALLEN, on behalf of the Board, accepted the salute of the regiment and the entire Board formed the inspection party to troop the line. The Board was greatly impressed by the smart appearance, military bearing, and precision of the cadet-midshipmen, under the regimental commander, Cadet-Midshipman Harry B. Smith, of Ohio. The Board desires to compliment the regiment on an excellent review and to say that by noting the caliber of the young men and their obvious physical and mental fitness, the Board feels that our future merchant-marine officers are second to none and will be of the greatest value to our merchant marine and to our Navy in peace or in war.

The Board also singled out the drill team under Acting Company Commander Harold M. Janinda, of Connecticut, for praise, and for its outstanding display of precision drill.

The Board accepted the invitation of Cadet-Midshipman Regimental Commander Harry B. Smith and Cadet-Midshipman Regimental Adjutant Joseph D. Cerchione, of Idaho, to lunch with the regiment.

MEETING WITH THE REGIMENT OF CADET-MIDSHIPMEN

Congressman JOHN J. ALLEN, Jr., addressed the regiment at luncheon on behalf of the Board. At the conclusion of the luncheon the members of the Board met with the cadet-midshipmen from their districts and States. In addition, the last group of Philippine cadet-midshipmen to be trained at Kings Point under the Philippine Rehabilitation Act of 1946 were invited by Congressman ALLEN to join with the California cadet-midshipmen during this meeting.

SECOND MEETING OF THE BOARD

The Board sat in executive session with the secretary and assistant secretaries at 1330 in Wiley Hall. The results of these deliberations appear in this report under the General Comments and Specific Recommendations.

GENERAL COMMENTS

The Board was especially pleased to note the high morale present at Kings Point in spite of the difficult period through which the Academy has just passed. There can be no doubt that the single most pressing need at Kings Point is legislation putting this important institution on a permanent basis. The Board strongly recommends such legislation and will support it fully in the Congress.

The Board has not forgotten that the cadet-midshipmen's monthly allowance was discontinued in 1952 and because of the difficulties this has entailed for the cadets, it recommends that this allowance be restored as at the other Federal Academies. The Board found that the cadets are working at cutting lawns, painting, helping on boats, and doing odd jobs in the neighborhood in their very limited "free" time on Saturday afternoons and Sundays to the detriment of their studies, but made necessary if they are to pay their way in cleaning, pressing, getting haircuts, incidental dues for small pleasures. These small expenses fall very heavily on young men who cannot call upon their parents for incidental money. They add to their worries and the Board feels that the allowance originally set up for this purpose should be included in all future budgets.

Also in connection with this, the Board noted with some concern that budgetary limitations have made it necessary to use the cadets for work in the kitchens and as waiters, messengers, and boiler-room firemen during the academic week. The Board recommends, therefore, that budget figures should be estimated with the thought in mind of eliminating or reducing such interference with academic studies because while many students work their way through college by performing such work which is in itself good, in the academic plus regimental schedule required at Kings Point, as at the other Federal Academies, there is no time for the student to perform such duties, except for a limited part of the weekend. Consequently, he is under a great pressure and many cadets are unable to cope with the extra load and fall back in their studies and eventually are lost to the Government. It is thus false economy to save a small amount on help and lose a greater amount in the loss of the cadet. The Board is cognizant of the fact that at West Point, Annapolis, and at New London the cadets and midshipmen do not perform these extra duties.

The Board learned with some concern that a recent question has arisen concerning the Naval Reserve status of the cadet-midshipmen of Kings Point. The Board urges those in the Department of Defense and the Department of Commerce concerned with this matter make every effort to make certain that the demonstrated superiority of the Kings Pointer is not lost to the Naval Reserve forces. Past naval records of Kings Pointers have convinced the Board that these young officers make up an extremely valuable reservoir of Naval Reserve officers and this status should be retained.

The Board desires to enter upon the record the fact that there exists a service obligation for the graduate of the United States Merchant Marine Academy which compares favorably with the service obligations of the graduates of the other Federal Academies and officer-training programs. The graduates of the Coast Guard Academy are required to serve 4 years on active duty immediately following graduation and retain their commissions for a further 4 years for a total of 8 years obligated service. Graduates of Annapolis and West Point are required to serve 3 years on active duty immediately following graduation and retain their commissions for a further 5 years for a total of 8 years obligated service. Graduates of the NROTC program are required to serve 3 years on active duty, if so ordered, and to retain their commissions for a total period of 8 years. Graduates of the United States Merchant Marine Academy are required to serve 2 years on active duty, if so ordered, and to retain their commissions for a total period of 8 years of obligated service. This is in addition to service in the United States Merchant Marine, which is the primary goal of these young officers, and in which service they have morally obligated themselves to serve as a continuing profession.

On the matter of an annual budget, the Board thoroughly believes that a stable budget should be the goal sought. It seems reasonable to provide, for the present, a minimum budget which would permit the graduation of 100 deck officers and 100 engineer officers annually. Provision should also be provided to permit the Academy to conduct such occasional special classes as the industry requests and which are in the national interest.

The Board was happy to learn that active seamen who desire to enter Kings Point are given an advantage of 5 credits on their entrance examination and an additional advantage of a 2-year extension in the maximum age requirement limitation in an effort to encourage young, qualified seamen to enter Kings Point.

The Board noted with concern the relatively small appropriation for upkeep and maintenance of the entire physical plant.

While it is recognized that much of the repair and maintenance work has been accomplished by station personnel and cadet-midshipman assistance, the Board strongly recommends to those responsible for setting the Kings Point budget that provision be made for sufficient funds for the proper maintenance of this excellent institution.

The Board notes with particular interest that the value of the land, buildings, and equipment is considerably more than $10 million. The Board urges that a careful study be made of comparable institutions in order to ascertain what constitutes a nominal expenditure for maintenance, repairs and replacements. It is the opinion of the Board that a sum of approximately $200,000 is needed at this time to make certain that the buildings and equipment are not allowed to fall into a condition which would necessitate expensive repair and replacement at a later date. The Board bases its recommendations on the following expenditures for maintenance, repairs, and replacements during the last 5 years:

1954	$73,044
1953	112,695
1952	36,668
1951	65,707
1950	77,065

The above represents an average annual amount over the past 5 years of $73,040, or only seven-tenths of 1 percent of the value of the total inventories has been expended on maintenance, repairs, and replacement.

The Board again notes that over $300,000 stands in a fund for the purpose of constructing a chapel. This sum has been raised through private contribution and represents well over one-half of funds necessary for the construction of this memorial chapel. The Board strongly urges that the Congress approve the necessary funds to permit construction of this chapel.

SPECIFIC RECOMMENDATIONS

1. The Board specifically recommends that enabling legislation be enacted, setting up the United States Merchant Marine Academy, Kings Point, N. Y., as a permanent institution.

2. The Board specifically recommends that the budget for Kings Point be stabilized at a peacetime complement at an amount, making due allowance for attrition, which will permit the graduation of 100 deck officers and 100 engineer officers annually.

3. The Board specifically recommends, for reasons stated in the body of this report, and verified in actual practice, that the monthly allowance in cash previously issued to cadets be restored. There is simply not enough time in the cadet's schedule for doing outside work. The Board feels this allowance should be the same as that at the other Federal Academies.

4. The Board specifically recommends that the annual budget for Kings Point include sufficient funds for the proper maintenance of the entire physical plant and the replacement of obsolescing equipment.

5. The Board specifically recommends that the Congress appropriate enough to complete the chapel fund drive in accord with the language of the bill, Public Law 485, 80th Congress, approved April 17, 1948, which reads:

"SEC. 3. The Maritime Commission is authorized to accept private contributions to assist in defraying the cost of construction of the chapel and library provided for herein. Such contributions shall be received and accounted for under such regulations as the Comptroller General of the United States may prescribe."

CONCLUSION

The Board desires to enter upon the record its full support of the program being carried on at Kings Point. The Superintendent, his staff, the Regiment of Cadet-Midshipmen and all personnel at Kings Point are to be commended for their outstanding performance of duty in the face of considerable adversity. The Board desires, therefore, to extend its sincere appreciation of this outstanding performance to the Superintendent, Rear Adm. Gordon McLintock, and through him to all hands at Kings Point.

The Board offers its sincere thanks to its secretaries, Comdr. Clifford W. Sandberg, Lt. Comdr. Francis A. Litchfield, and Lt. (jg) John A. Walsh for their assistance, and to Rear Adm. Hollie J. Tiedemann for his assistance to us in Washington in making the arrangements for the travel of the Board between Washington and the Academy.

Approved:

JOHN J. ALLEN, Jr.
EUGENE J. KEOGH.
HERBERT C. BONNER.

APPENDIX

The Board of Visitors feels that it is important at this particular time to include a copy of the recent Academic Advisory Board report as an appendix in order that the opinions of these eminent educators with regard to Federal responsibility may be cited:

REPORT OF THE ACADEMIC ADVISORY BOARD TO THE UNITED STATES MERCHANT MARINE ACADEMY, 1954, KINGS POINT, N. Y.

MARCH 10, 1954.

Rear Adm. GORDON MCLINTOCK,
Superintendent, United States Merchant Marine Academy.

SIR: The seventh annual meeting of the Academic Advisory Board convened at Kings Point at 10 a. m., March 8, 1954.

Present: Dr. George Stuart Benson, president, Harding College; Vice Adm. Wilfrid N. Derby, United States Coast Guard (retired), former Superintendent, United States Coast Guard Academy; Vice Adm. Harry W. Hill, United States Navy (retired), former Superintendent, United States Naval Academy; Dr. Martin A. Mason, dean of engineering, George Washington University; Dr. Frank Hugh Sparks, president, Wabash College; Mr. E. E. Wilson, assistant to the chancellor, Vanderbilt University.

Prof. John E. Burchard, a member of the Board, was unable to attend. Dr. Sparks was present the first day only, and did not participate in the preparation of this report. Dr. Benson left after the deliberations of the Board, but before the final drafting of its conclusions.

President John Cranford Adams, of Hofstra College, the Chairman of last year's Board, attended the first day and reviewed the accomplishments of previous boards, as well as the history of accreditation of the Merchant Marine Academy for the conferring of a bachelor of science degree.

The Board was particularly pleased to have all open sessions attended by the Maritime Administrator, Mr. Louis S. Rothschild, and Mr. Eldon C. Upton, Jr., a member of the Federal Maritime Board. It wishes to emphasize the high value it puts on having direct contact with the highest authority in control of merchant marine officer training.

During the current session of the Board, full opportunity has been taken of the presence of the Maritime Administrator and Mr. Upton to discuss many problems inherent to the Academy, and the steps being taken to meet those problems. These discussions have proven extremely valuable to all the members of the Board, and have provided a much better understanding of many administrative problems at the Washington level relating to this Academy.

Because of the great percentage of time devoted to these fruitful discussions, the opportunities for the members of the Board to examine in detail the progress of changes and improvements in the curriculum and administration have been more limited than usual.

The Board desires to express its appreciation to the Superintendent and to the members of the staff for the excellent facilities provided for its work and for the generous attention to the comfort of its members. The courteous and hospitable spirit of the faculty and staff was noteworthy.

By having meals in the cadet messhall and visiting laboratories while students were at work, the members of the Board were able to form a very favorable impression of the general appearance and spirit of the cadet-midshipmen as a group.

The Board was generally well satisfied with the reports of the Superintendent and the several faculty committees on their activities and feels that appropriate action is being taken on the recommendations of previous boards within the power of the Superintendent.

The curriculum now appears to be in accord with acceptable standards required for maintenance of accreditation. The attention of the Superintendent and the faculty may now be given more critically to the scope and content of the individual courses and to the competence of the instruction in those courses. A continuing scrutiny by the dean, department heads, and faculty committees should be maintained to insure that the content and presentation of each course is improved whenever practicable. Every attention should be given to the interrelation of courses without the introduction of undue duplication.

The shift from two incoming classes a year to annual entrances has, the Board recognizes, introduced some difficulties in curriculum schedules which will persist for the next 3 or 4 years.

Previous recommendations have been made by this Board relative to the question of admission, which at present is considered unsatisfactory because of the lack of knowledge or control of prospective entrants and their educational and cultural background. It is again recommended that more of this control be vested in the Academy organization, similar to existing university practice.

It is suggested that a possible field for recruitment might exist in families of our merchant marine personnel.

A study is also suggested of the existing entrance requirements, with a view to determining whether higher standards could be established without seriously affecting the availability of desirable entrants.

Events of the past few months relative to the status of Kings Point necessarily have engaged the attention of the Board. In its consideration of the problem the Board has attempted to appraise two questions: What is the Federal interest in the training of merchant marine officers? What responsibility is implicit in the Federal interest?

The Board finds clear, unequivocal evidence on these questions in the language and intent of the Merchant Marine Act, 1936 (49 Stat. 1985). Additionally, over a period of time, the Federal Government has developed a very large investment in the physical equipment of a merchant marine. It is an axiom that ships are only so good as the men that man them. Prudent judgment then recognizes that the investment already made and now continuing must be protected by providing adequately trained and competent officers to man the ships. The Board concludes there is a Federal interest in the training of merchant marine officers and that this interest justifies the assumption of responsibility by the Federal Government for such training.

It seems clear to the Board that this responsibility cannot be delegated to a lower level but must be assumed and discharged at the Federal level. The common defense is a

Federal responsibility, and the officers participating in that defense must owe their allegiance to the Federal unity. The discipline, the loyalty, and the training of merchant marine officers therefore must be Federal in character, philosophy, and unity of purpose.

The Board recognizes the essential value of a merchant marine officer training establishment as a standby facility capable of rapid expansion in times of emergency. It is noted that among all the educational establishments of this nature Kings Point alone has existing classroom, laboratory, messing, and berthing facilities adequate to the probable emergency demand.

The requirements for merchant marine training demand school facilities and teaching personnel of an order approximating those of our recognized technical schools whose standards and facilities are subject to critical evaluation. The United States Merchant Marine Academy is outstanding, in fact, unique in this respect. The Board believes beyond question that Kings Point is an educational establishment without peer in its field.

It has been the Board's observation that despite the most deleterious effects potential in the situation of the last few months, the inherent strength of Kings Point has enabled it to survive what could well have been a fatal blow to a less dedicated school.

The Board takes this opportunity to commend the administration and staff of the school and the Corps of Cadet-Midshipmen for their exemplary behavior during this period of stress.

The necessity for an early assurance of a stable future for the Academy is apparent. In the view of the Board the Academy is a sound establishment of great potential and a bright future.

Prior to the completion of its duties, the Board elected Dean Mason to serve as Chairman during the ensuing year.

The Board wishes to express its thanks to Lt. Comdr. Litchfield and Lt. Comdr. Fish for their invaluable assistance in providing for their needs during this visit and for their unfailing courtesy and diligence in looking out for the Board's comfort during its stay at Kings Point. It is also deeply appreciative of the efforts of W. O. John Kiszenik and his clerical assistant who have assisted in the preparation of this report.

WILFRID N. DERBY.
HARRY W. HILL.
MARTIN A. MASON.
E. E. WILSON.

BITUMINOUS COAL INDUSTRY MENACED BY IMPORTS OF FOREIGN NATURAL GAS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the coal industry, which has been a bulwark of the American economic system for over 150 years, faces another serious threat to its welfare in proposals to throw open our borders to unrestricted imports of natural gas, most of which would come from Canada.

Proposals to bring Canadian natural gas into the United States ignore the woeful unemployment situation that already has struck the bituminous coal industry; unemployment that has hit my State of Pennsylvania especially hard. The proposals ignore the fact that the United States has sufficient coal to last many centuries, enough coal to meet every energy need that can arise. They also ignore the very obvious fact that by putting our dependence on foreign natural gas, we take a chance of having that gas supply cut off, just when we need it most.

Coal production in 1953 was only 453 million tons, a 28 percent drop from the record 630 million tons produced in 1947 and experts anticipate only 400 million tons in 1954, which would be 12 percent less than last year.

This fall in production reflects only too vividly the effects of widespread use of our own domestic natural gas in competition with coal, as well as the competition of foreign residual oil.

Legislation has been introduced in the House and in the Senate intended to restrain imports of natural gas whenever such deliveries threaten economic dislocation, unemployment, or injury to competing fuel industries. These proposals have drawn fire, not only from those who seek to bring natural gas in from Canada, but from the Department of State, as well.

Objections have been raised by the State Department on the ground that such legislation would place an unnecessary barrier in the way of trade with Canada and Mexico. The State Department says there is no need for such legislation. I would like to ask on whose opinion was this decision based? Did they ask the coal producers? Did they ask the out-of-work miners in my State of Pennsylvania?

The State Department takes the position that in the case of natural gas imports the question already has been settled and any legislation seeking to protect a vital segment of American industry would threaten a status quo. This is not so.

Proposals contained in bills introduced in Congress during this 83d Congress in no way represent any change in United States foreign policy, as the State Department contends. Nor are these proposals to limit imports of natural gas in any way inimical to our own best interests.

The State Department ignores the fact that no real reciprocity exists in the matter of fuel relations between Canada and the United States. The Dominion imposes an import tax of 50 cents a ton on all coal crossing the border. Canadian coal comes into the United States duty free.

If we put our dependence on Canadian natural gas, as I said before, we would be taking a chance. Dominion law permits exports or imports of natural gas to be cut off arbitrarily without any standard of guidance, such as our own Natural Gas Act. Furthermore, the Province of Alberta—source of most Canadian natural gas—has passed legislation permitting stoppage of exports of natural gas to the United States without stating a reason and without prior notice.

Can the United States take such a chance?

No really significant volume of Canadian gas is yet being imported, so this is the time for Congress to consider carefully these proposals to import natural gas and legislation to safeguard the United States coal industry. There need be no cutoff of supplies, no loss of heavy investments, and no adjustments in trade or tariffs.

The coal industry needs its friends in Congress. It has been hit hard these past few years by loss of markets to domestic natural gas and foreign residual oil. To permit unrestricted imports of foreign natural gas at the expense of coal would be inimical to the best interests of a major segment of our industry; it would be inimical to the safety of our Nation.

The United States cannot put its dependence on foreign sources of fuel. It cannot take the chance of having those sources cut off by enemy action in time of war.

FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. ELLSWORTH. Mr. Speaker, I offer a privileged resolution (H. Res. 626) from the Committee on Rules and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 236) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ELLSWORTH. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: Page 1, line 8, strike out "2 hours" and insert "1 hour."

The SPEAKER. Without objection, the amendment will be agreed to.

Mr. HOSMER. Mr. Speaker, I object.

Mr. ELLSWORTH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ELLSWORTH. Does not an amendment to a resolution require that a motion for its passage be put?

The SPEAKER. Does the gentleman desire to put that now or after debate on the resolution?

Mr. ELLSWORTH. I think it would be desirable to have it now before we adopt the rule.

Mr. SMITH of Virginia. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Virginia. What is the status of the amendment offered by the

gentleman from Oregon [Mr. ELLSWORTH]?

The SPEAKER. The amendment is pending. The purpose of the amendment is to limit general debate to 1 hour instead of 2 hours. The question is whether the amendment will be agreed to.

Mr. SMITH of Virginia. Mr. Speaker, is not the amendment subject to debate?

The SPEAKER. The gentleman from Oregon has 1 hour.

Mr. ELLSWORTH. Mr. Speaker, I move the previous question on the amendment.

Mr. SMITH of Virginia. Mr. Speaker, I ask for a vote on the previous question.

Mr. ELLSWORTH. Mr. Speaker, I withdraw the amendment.

The SPEAKER. The gentleman from Oregon is recognized for 1 hour.

Mr. ELLSWORTH. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and I yield myself now such time as I may require.

Mr. Speaker, I urge the adoption of House Resolution 626, which will make in order the consideration of the bill (H. R. 236) to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colorado.

House Resolution 626 provides for an open rule with 2 hours of general debate on the bill.

H. R. 236 is designed to provide supplemental irrigation water, municipal water, flood control, power, and other benefits for the section of country around Colorado Springs, Pueblo, and the general Arkansas Valley area in Colorado.

As far as the supplemental irrigation water is concerned, about 185,000 acre-feet would be made available for 322,000 acres of land in this section, through transmountain diversion of about 69,000 acre-feet, the conservation of flood flows, reregulation of winter flow, and the reuse of return flows.

It has been estimated, Mr. Speaker, that if this project is carried through about 66 percent of the usual annual flood damage between Pueblo and the John Martin Reservoir would be eliminated. This flood damage alone usually costs about $890,000 annually.

The report on this bill emphasizes the fact that about one-half billion kilowatt-hours of electric energy would be produced annually from the power facilities included in the plan.

The report further shows that there is a serious shortage of water in this area due to the fact that Arkansas River waters cannot take care of all the supplemental water needs of this section. As a result there is a constant loss in crop production on the presently irrigated farmlands.

Mr. Speaker, I understand that the Subcommittee on Irrigation and Reclamation held 4 days of hearings on this project before us today. The bill was reported favorably and the reporting committee is convinced that it is sound from an engineering, economic, and financial standpoint.

The Bureau of the Budget has voiced no objection to this bill, it has the approval of the administration and the Department of the Interior has commented favorably upon it.

I feel that the 2 hours of general debate that would be given if the rule is adopted will allow an adequate time for the full discussion of this project. I hope that the rule will be adopted and that the House will proceed expeditiously to the consideration of H. R. 236.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. YORTY].

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-three Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 123]

Angell	Harrison, Wyo.	O'Neill
Bailey	Hart	Perkins
Bentsen	Hébert	Powell
Brooks, La.	Hoeven	Priest
Buckley	Kearns	Rains
Celler	Kilburn	Regan
Chatham	Long	Roosevelt
Cotton	Lucas	Secrest
Curtis, Nebr.	Lyle	Short
Davis, Tenn.	McConnell	Sutton
Derounian	Machrowicz	Thompson, La.
Dodd	Mailliard	Vinson
Elliott	Morrison	Weichel
Gubser	Murray	Wheeler
Harris	Nelson	Willis
Harrison, Nebr.	O'Brien, Mich.	Wilson, Tex.

The SPEAKER. On this rollcall 375 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INTERNAL REVENUE CODE OF 1954

Mr. ELLSWORTH. Mr. Speaker, I yield to the gentleman from New York [Mr. REED] for two unanimous-consent requests.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to correct the printing in the RECORD of the conference report on H. R. 8300 to conform to the conference report.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. EBERHARTER. Mr. Speaker, reserving the right to object, is this the matter to which I called the attention of the House previously?

The SPEAKER. The Chair suggests to the gentleman from New York [Mr. REED] that he withdraw his request.

Mr. REED of New York. Mr. Speaker, I withdraw my request. I made it only because the leader on that side asked me to do so.

The SPEAKER. The gentleman from New York withdraws his request.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to insert in the RECORD an explanation of House Concurrent Resolution 263 at the appropriate place.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, the concurrent resolution provides for the making of necessary corrections in the bill to conform to acts that have been presented to the President within the past few days:

First. The Unemployment Compensation Administrative Act.

Second. The Revised Organic Act for the Virgin Islands.

Third. An act authorizing the Supreme Court to prescribe rules for review of decisions of the Tax Court.

The resolution provides for the making of a correction to include—for purposes of the dividends-received credit—dividends from certain stock fire and casualty insurance companies.

The resolution also provides for the correction of cross references, for technical conforming changes, and for printing with a comprehensive table of contents in lieu of an index.

FRYINGPAN-ARKANSAS PROJECT, COLORADO

Mr. SMITH of Virginia. Mr. Speaker, when the rollcall came, I had yielded 5 minutes to the gentleman from California [Mr. YORTY].

Mr. YORTY. Mr. Speaker, this bill has a rather misleading name, Fryingpan-Arkansas project. It probably sounds strange to many of the Members, and I imagine it sounds rather unimportant. Actually the bill involves a revision of the reclamation law and is a pilot bill which, if it establishes a precedent, may saddle untold billions of dollars of debt on the taxpayers of all States of the United States for the benefit of a small number of people.

It is difficult for a Californian to speak on a Colorado River matter because there is always the possibility of the thought in the minds of the Members that it is because we are from California that we are against the bill, and only for that reason. But actually I would be compelled to oppose this bill no matter what State I came from.

I have been envious of the objective position of my friend, the gentleman from Pennsylvania [Mr. SAYLOR] who has done a tremendous amount of work on this bill and other bills involving the same cost principle. He is more fortunate than I in that it cannot be said that his objections stem from the fact that he comes from one of the States on the Colorado River.

I well remember my thoughts when I once picked up a folder dealing with this river. On the title page it said, "The Colorado River, River of Controversy." Certainly it has been, dating away back in our history. As of now 4 million people in the State of California are dependent upon water from the Colorado

River. This is indeed an important river, and this project is important because it sets some precedents that are far reaching in effect.

I suppose essentially the controversies on the river stem from the fact that you cannot plan projects on the river as just a part of the United States with the great river flowing down through it, and say that we will pick out projects that are the best irrespective of State lines. The law of the river compels us to divide it for project purposes into the lower basin and the upper basin. In the lower basin, nature has made it more feasible economically to put the water to use. Some of those in the upper basin who wish to use Colorado River water have been compelled to resort to a sort of tortured formula of financing to try to justify projects which involve huge Federal subsidies and a raid on the Treasury of the United States. For some years, under a ruling by the Department of the Interior, the interest money added into the power rate to reimburse the Treasury of the United States for its interest cost to develop power, instead of going to the Treasury of the United States was actually diverted to the Bureau of Reclamation and from there back to the beneficiaries of these projects. I have always felt that this was a fraud on the people of the United States and certainly unfair to the taxpayers outside of the area directly benefited by these projects. If subsidies are justified, they should be open and not hidden.

This Fryingpan-Arkansas project bill is important because it involves a formula of financing called the Collbran formula. Under this formula, instead of the irrigators paying back the cost of the irrigation features of the project in 50 years, much of the repayment for the irrigation features is deferred until after the 50-year period. At the end of that time when the power features with interest have been returned to the Treasury, then the net power revenues instead of going to the Treasury are diverted to pay the cost that the irrigators could not pay themselves. In other words, the costs not repaid, even without interest, by the people who directly benefit, who get the water on the land, are subsidized out of the Treasury of the United States.

During this long period of time, as you will all recognize immediately, the interest on this unpaid debt piles up and is compounded, so that in the end the subsidy is much greater than it would have been under any formula whereby the cost of the irrigation features would be paid back by the irrigators within the usual 50 years. The loan for the irrigation features has always been interest-free under our reclamation law, and the cost of the power features has been returned with interest except when diverted by a former Interior Department ruling of questionable validity. Under this Collbran formula, not even all of the actual construction cost of the irrigation features is paid back by the irrigators in 50 years, or over. The postponement of repayment of much of the cost of the irrigation features, while the interest cost to the Treasury piles up, is the essence of this fantastic Collbran formula.

Mr. PATTEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. PATTEN. Mr. Speaker, it is my firm conviction that Congress should look with disfavor on the proposal now before us. The Fryingpan-Arkansas project, involving the diversion of water from Colorado's western slope to east of the Continental Divide, obviously is another one of those plans which will deprive the residents of one area of a vital natural resource, and in doing so, deny them their rightful opportunity to develop and use other natural resources in their locality.

H. R. 236 would authorize the collection of water from Hunter Creek and the Fryingpan River west of the Divide and divert it by means of an elaborate system of canals, tunnels, storage reservoirs, and diversion dams to the Arkansas River on the eastern slope. This project has been criticized widely as a Rube Goldberg type of engineering design. It would cost $172,898,000 at 1953 price levels, and it actually is just the first step of the gigantic Gunnison-Arkansas plan that received so much opposition in the late 1940's.

The Fryingpan-Arkansas project would deprive industries on the western side of the mountains of water that could be used locally for developing oil shale, uranium, and pulpwood resources. It is my understanding that the oil shale industry alone could provide a livelihood for a half million new residents in western Colorado. The operation of the businesses dealing in consumer goods and services, and the taxes and other returns from the oil shale and allied industries would enhance the State's economy still further. It is reported that this expansion will be impossible with the loss of the natural flow of water on the western slope.

It seems that the water to be delivered to the farmers under this plan would cost them about $10 per acre-foot. In similar irrigation districts, it has been found that farmers cannot pay this exorbitant price for water and still compete successfully with crop producers from other areas. This project appears to be a taxpayer's subsidy both for the water and for the crops produced.

Western slope sportsmen's organizations call this project the rape of the Roaring Fork and oppose it on the grounds that it would destroy famous fishing streams. The beds of both the Roaring Fork and Hunter Creek could be dried up under this plan, and I hope others will join in the opposition to this bill.

Mr. ELLSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, as the author of this bill I would like to tell you something about this project. I am a little surprised that my good friend from California would be here on the floor making a speech against reclamation. California is a reclamation State and there is nothing in this bill which will affect California in the least. There is nothing new in this bill. There are no new precedents. This bill carries out the same reclamation policies which have been endorsed and advocated by both Democratic and Republican administrations since 1902, when the first Reclamation Act was passed.

This is a bill that does not affect any other State. Colorado has agreed on the division of water that belongs to us. Neither the State of California nor any other State is involved in this division. The water which we divide belongs to the State of Colorado. It has been allocated to Colorado under both the Colorado River compact and the upper Colorado River compact.

There is nothing unusual about this bill. There is nothing sinister about this proposal, as my colleague from California would have you believe. This is a reclamation project, approved by every State in the Colorado River Basin and by all Federal agencies involved. The project provides for irrigation, flood control, municipal water and power and is similar to other multipurpose projects that have been constructed in Western States. Water in the amount of 70,000 acre-feet is diverted from the Colorado River Basin in the western part of Colorado, so ably represented by my colleague [Mr. ASPINALL], and is brought through a tunnel to the Arkansas Valley in eastern Colorado, where there is a desperate shortage of water.

The Bureau of Reclamation has been working on this project for many years. It is not before you today as the result of any hasty action, but has had mature study for a long period. It has been found feasible by a ratio of 1.48 to 1. The figures have been checked by independent engineering firms and have been found to be correct.

The issue involved is the continuation of the reclamation program that has been of such benefit to the arid States of the West. A vote for this rule is a vote for reclamation. I hope that those who have supported reclamation in past years will now support this rule and permit the consideration of this measure.

A companion bill, S. 964, has been passed by the other body.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. DINGELL. As I recall, the old Colorado River compact, Colorado has a basic right to use this water whether it is east or west of the Continental Divide. That is reserved for the use of the State of Colorado, as she pleases to use it; is that not correct?

Mr. CHENOWETH. I am very happy that the gentleman from Michigan made this observation. He is absolutely correct.

Mr. DINGELL. May I say this to my brethren. We had the same kind of arguments against the Big Thompson project when we were able to help Colorado develop that great project.

Mr. CHENOWETH. That is right.

Mr. DINGELL. It will pay out every dime to the Government and so will this one.

Mr. CHENOWETH. The gentleman is correct. We should also look at the in-

creased income taxes that will be collected as a result of the increased production, brought about by this project.

Mr. DINGELL. Yes, the income taxes and the increased prosperity will just be a bonus for the Treasury.

Mr. CHENOWETH. My friend, the gentleman from Michigan, is a former resident of Colorado. We certainly hated to lose him, but our loss is Michigan's gain. I am delighted to have the gentleman's contribution, and appreciate his support of this project.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. DIES. Would the gentleman explain how this will be financed? I am confused about that.

Mr. CHENOWETH. I will be very happy to explain the financing to the gentleman. This bill authorizes the sum of $172,898,000. It contains a limitation in that amount. Of that amount, $75 million is charged to irrigation and every penny of that will be repaid. Under the general reclamation law that amount will not bear interest. It is basic reclamation law that the amount charged to irrigation does not bear interest. The purpose of the law is to promote the development of the arid regions of the west. The program has been most successful. Water is the life-blood of the west and this project will make water available to the Arkansas Valley in Colorado which is now in desperate need of additional water for both irrigation and domestic purposes.

Mr. DIES. Seventy-five million dollars will have to be paid back without interest?

Mr. CHENOWETH. That is right—that is without interest. The amount charged to power is $42 million and to municipal water is $32 million. That totals $74 million, which will be paid back with interest. As a matter of fact, this entire amount will be paid back before any of the revenue from power or municipal water, which the gentleman from California referred to as a subsidy for irrigation, is applied to the amount charged to irrigation. This is paid back in full with interest, at a rate which is fixed by the Secretary of the Treasury.

Mr. DIES. It is administered by some authority; is that correct?

Mr. CHENOWETH. It is administered by the Bureau of Reclamation. This bill does not set up any valley authority. This is just another reclamation project. I might state that this is the second time we have provided for the diversion of water from the Colorado River Basin in Colorado. The Colorado Big Thompson project, which is in the district represented by my colleague [Mr. HILL], is now about completed. That was started some 15 years ago. That project is now in operation and it has proven very successful. The gentleman from Michigan [Mr. DINGELL] pointed out that, when the Colorado River compact was made, it was assumed that there would be a diversion of water out of the Colorado River Basin. This water originates in Colorado. It is our own water. I cannot understand why any other State objects to this project, as all we are doing is dividing our own water. This is a good project, and the House committee in its report states:

> The committee is convinced it is sound from an engineering, economic, and financial standpoint.

Mr. DINGELL. Under the Colorado-Big Thompson project, Denver and other areas east of the Rockies got the benefit of that water and now you are going to provide the same thing for communities east of the Rockies south of Denver.

Mr. CHENOWETH. That is correct. We are providing water for what is known as the Arkansas Valley in Colorado. This area is desperately in need of additional water, and no other source is available. Residents of the valley have had this project in mind for many years. This project was not promoted by the Bureau of Reclamation. The Bureau was called in and conducted a survey over a period of many years. The project contained in this bill is the result of their efforts and deserves your support.

Mr. DINGELL. So when Colorado is for it, I am for it.

Mr. CHENOWETH. I thank the gentleman. I appreciate the interest of the gentleman from Michigan.

I would like to say to my friend, the gentleman from Texas, that there is $20 million in this project for flood control, and there will be a dam above the city of Pueblo. I might state that the city of Pueblo suffered a very disastrous flood in 1921, when many lives were lost and property damage totaled millions of dollars. The city of Pueblo went ahead and constructed flood-protection works at its own expense, with no Federal contribution of any kind. This project will supplement the protection that the city has provided. This dam will also provide protection for the towns and cities below Pueblo in the Arkansas Valley, which are subject to flood damage each year from the Arkansas River. This amount charged to flood control is not reimbursable under our reclamation laws.

There is also included in the project the sum of $3 million for fish and wildlife development. This amount is not reimbursable. Except for this amount, and the amount charged to flood control, all of the costs of the project will be repaid to the Government.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. HALLECK. Do I understand that the Department of the Interior has recommended this bill favorably?

Mr. CHENOWETH. That is correct. I would like to state to the distinguished majority leader that this project has had the approval of two administrations. It was first approved by Oscar Chapman when he was Secretary of the Interior under a Democratic administration, and it has now been approved by Douglas McKay, Secretary of the Interior under the Republican administration.

Mr. HALLECK. I commend the gentleman on the splendid statement he is making in support of the project. I hope the rule will be adopted and that the bill will be passed.

Mr. CHENOWETH. I appreciate the gentleman's interest and support. I can assure him that this is a good project, which has received favorable consideration from every Federal agency, and has been approved by every State in the Colorado River Basin. I am puzzled by the opposition of those who profess to be for reclamation, but who are now seeking to discredit and defeat this project.

I have tried to present the figures on the cost of the project, and how this money will be repaid, part of it with interest. Let me point out that not one dollar is appropriated in this bill. This is simply an authorization bill. I do not want to leave the impression that we do not expect an appropriation in the future. We need this project now. In reporting the bill the Committee stated:

"The services which this project would provide are urgently needed."

However, before there can be any construction it will be necessary to justify the project before the House Subcommittee on Appropriations of which our colleague [Mr. JENSEN] is chairman. If the project is authorized at this time it will be several years before actual construction can begin, and the amount authorized would be spread over a period of perhaps 10 years.

I mention this for the purpose of showing that the approval of this project at this time will have no effect whatever on our present fiscal policies. It is too late this year to get an appropriation so that no money could be made available until 1955.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. JENSEN. I wonder if the gentleman would explain to the House the number of acres of land that will receive supplemental water from this project?

Mr. CHENOWETH. I was about to give those figures.

Mr. JENSEN. And also the type of crops that will be raised, and give the committee some idea of the benefits that will accrue, not only to the people there but to the Nation generally.

Mr. CHENOWETH. I will try to give you this information. This project diverts 70,000 acre-feet of water from the Colorado River basin. This will provide supplemental water for about 322,000 acres of land which is now under irrigation. This supplemental water is good crop insurance for the farmers, and they are happy to pay for the same. In many cases it will mean a crop, or no crop. This is a very fertile valley and many products are raised, including sugar beets, alfalfa, onions, tomatoes, watermelons, cantaloupes, corn, and different types of grains. This project will make possible the reregulation of the water in the Arkansas River, so that there will be a total of some 183,000 acre-feet made available for irrigation and domestic purposes.

The project provides for three earthen dams with a total storage capacity of 770,000 acre-feet. It also provides for seven power plants, with a generating capacity of 104,000 kilowatts.

I have wires from the REA cooperatives in my district, who are desperately in need of cheaper power and who are looking forward to this project with great

anticipation. This project has been endorsed by the National Rural Electric Cooperative Association. The power that will be produced by this project will be in great demand by the REA cooperatives and other groups.

The bill provides that no municipal water system will be constructed unless the Secretary of the Interior determines that it is not feasible for the local communities to construct such works. If the Federal Government constructs the facilities, including a pipeline to serve the different communities in need of domestic water, a contract will be required for payment of the actual investment, with interest, over a period of not to exceed 50 years.

Mr. JENSEN. Is it not a fact that there is practically no opposition to this project in the State of Colorado? Everybody who understands the project is for it?

Mr. CHENOWETH. It is officially endorsed by the Colorado Water Conservation Board, which is the official agency that speaks for the State of Colorado on water matters. I do not want to leave the impression that every one in the State of Colorado is for the project. Of course there are differences of opinion concerning the disposition of our water. So far as I know there is no organized opposition to this project, except possibly at Aspen, Colo., where the homes of a couple of prominent citizens will be inundated by the water of a compensatory dam to be constructed above the town. I might state that there has been an agreement reached between the western and eastern slopes of Colorado on this project. The project has been approved by the Colorado River Conservation Board, and the Southwestern Colorado Conservation District Board. These are the boards in western Colorado charged with the responsibility of protecting their respective areas on water diversions. I might also state that the Colorado Water Conservation Board is composed of representatives from every section of Colorado, and that the board was unanimous in its approval of this project.

Mr. JENSEN. But there is no opposition by those folks who are paying for this project.

Mr. CHENOWETH. Oh, no. The irrigators, of course, will pay for the water they use. In addition, a conservancy district will be organized under the laws of Colorado, and a levy will be made on all of the property in the district.

The SPEAKER. The time of the gentleman from Colorado has again expired.

Mr. ELLSWORTH. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Texas.

Mr. DIES. I note in the minority report that under the repayment provisions of the bill the concealed subsidy would amount to at least $425 million. Then they say the subsidy will amount to $1,375 per acre. What is meant by that?

Mr. CHENOWETH. Those figures are completely without foundation and are fantastic. It is estimated that the cost will be about $243 per acre. Of this amount the farmer will pay about $100. As I stated before, the amount charged to irrigation does not bear interest, under our reclamation laws. This amount will be reduced by payments each year, and it is utterly absurd to talk about a cost of $1,375 per acre.

Mr. DIES. Does the gentleman mean that failure to pay interest on the $75 million, and the amount contributed for flood control is a subsidy? Is that it?

Mr. CHENOWETH. There is no interest charged on this $75 million allocated for irrigation. The irrigators pay their part back in 50 years, which I believe amounts to about $31 million. That would leave $44 million on the irrigation costs, which will be paid from power revenue. I will not have time to go into all of these figures. However, this will be done in general debate on the bill and I am sure the gentleman from Texas will be convinced that the figures to which he refers are wholly erroneous, and have been circulated solely for the purpose of defeating this project.

There has been some confusion over the different reclamation projects which have been pending. You have received considerable mail over what is known as the Upper Colorado River Storage Project, which includes Echo Park Dam. Many of you have inquired whether or not this project contains Echo Park Dam. The Fryingpan–Arkansas is a separate and distinct project and has no connection whatever with Echo Park Dam.

I make this statement for the purpose of clearing up any misunderstanding that may still exist as to the identity of these projects. So far as I know, no conservation group is opposed to this project. It has the approval of the Izaac Walton League and other groups interested in fish and wildlife development. I want to make this absolutely clear so there will be no confusion or misunderstanding as to the attitude of these organizations. This is a reclamation project which has been developed through regular channels, having the approval of all of the official agencies charged with the responsibility for recommending feasible reclamation projects for the consideration of Congress.

Mr. Speaker, I hope that this rule will be adopted, so that the House may proceed with the consideration of H. R. 236, a bill authorizing the Fryingpan-Arkansas transmountain water diversion project. This bill has had the careful study of the Bureau of Reclamation and this project deserves your support.

Mr. HILL. Mr. Speaker, I support my colleague, the gentleman from Colorado [Mr. CHENOWETH], on this legislation, H. R. 236, and wish to state that I am amazed that Members of the House from California would oppose this project, which is certainly within the operation and purpose of the Colorado River compact.

I call your attention to statements made by water experts from the State of California given on June 15–16, 1953, which will be found in the Senate hearings on the pages indicated.

I quote:

STATEMENT OF RAYMOND MATTHEW, CHIEF ENGINEER, COLORADO RIVER BOARD OF CALIFORNIA

Mr. MATTHEW. Mr. Chairman and gentlemen of the committee, my name is Raymond Matthew. I am chief engineer of the Colorado River Board of California. I appear here on behalf of the Colorado River Board of California, which is a State agency created by act of the legislature in 1937. The board is charged with the responsibility for protecting the interests of California in the waters of the Colorado River. It is composed of six members appointed by the Governor, each representing one of the public agencies having established rights to the use of water or power from the Colorado River.

Proposed project: The proposed Fryingpan-Arkansas project sought to be authorized under S. 964, 83d Congress, 1st session, would divert water from the Colorado River Basin to the Arkansas River Basin in Colorado and conserve and reregulate Arkansas River waters in combination with imported Colorado River Basin water, for the purposes of supplying supplemental irrigation water to 309,000 acres of presently irrigated lands in the Arkansas River Basin, furnishing additional municipal water supplies and generating hydroelectric power.

It will be noted that the State of California in its comment favors the authorization of the proposed project, provided it "qualifies under criteria, policies, and procedures established by the Congress," and provided "the diversion and utilization of the waters of the Colorado River system by and through the project works will not impair the rights of the State of California or any of its agencies to the waters of the system as defined and set forth in the Colorado River compact."

Certainly the water is going to be used, and we are in favor of the development and use of the waters of the Colorado River system. Different types of development may result in different results, and I think from the standpoint of the interests of the entire basin, the upper basin as well as the lower basin is interested in the development which will give the best benefits and the best results to all the water users in the basin.

Senator JACKSON. Did the compact not contemplate that as long as Colorado obtained its share of the 7½ million acre-feet, it could take it any place in the State of Colorado? It did not have to be all down in the lower area or a certain percentage allocated to the upper area.

STATEMENT OF NORTHCUTT ELY, SPECIAL COUNSEL, COLORADO RIVER BOARD OF CALIFORNIA, WASHINGTON, D. C.

In conclusion, Mr. Chairman, may I say that California distinctly does not oppose this project. To the contrary, we are glad to see development in the upper basin proceed within the terms of the Colorado River compact. By the same token, we feel it appropriate that the legislation which authorizes this or other upper basin projects should, first, contain therein the same safeguards that the upper basin interests have insisted be placed in the lower basin legislation, the San Diego aqueduct bill; and second, disclaim any intent to give congressional sanction to any interpretation of any of the documents comprising the law of the river. Whether that interpretation favored us or were against us, we feel Congress should disclaim any intent to make any interpretation.

STATEMENT OF JOHN GEOFFREY WILL, SECRETARY AND GENERAL COUNSEL, UPPER COLORADO RIVER COMMISSION

My name is John Geoffrey Will. I am secretary and general counsel of the Upper Colorado River Commission, the headquarters of which are located at Grand Junction, Colo.

The Upper Colorado River Commission is an interstate body, created under and by virtue of the upper Colorado River Basin compact, entered into in October of 1948 by the States of Arizona, Colorado, New Mexico, Utah, and Wyoming, ratified by their respective legislatures and duly consented to by the Congress.

I am glad of this opportunity to testify in behalf of the authorization of the Fryingpan-Arkansas project, Colorado.

Expert witnesses who have already appeared before this committee have discussed, or will discuss the physical, engineering, economic and legal aspects of the Fryingpan-Arkansas project. It is not my purpose to discuss these aspects of the project. Nor would it be appropriate for me to do so, since I cannot qualify as an expert with respect to them. I can and do testify, however, as a lay witness, to my understanding of the urgent needs for water in the Arkansas Valley of Colorado that have prompted the investigations of the possibilities lying in the importation of water from the Colorado River system and the subsequent production of a project report.

Quite aside from the agricultural aspects of this project, and these aspects are important, the Fryingpan-Arkansas project will constitute the means whereby the great city of Pueblo, Colo., and a number of towns and communities in the Arkansas Valley will achieve supplemental municipal water supplies. I can and I do, as a lay witness, testify to my understanding regarding the desperate need that exists for such additional municipal water.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, as a member of the Rules Committee, of course, I did not have an opportunity to sit in on the hearings of the Committee on the Interior and Insular Affairs. But when the matter was presented to the Rules Committee I was astounded to think that a bill of this magnitude would be presented to the Rules Committee and called upon the floor of the House in the shadow of adjournment. This bill was introduced for the first time in January 1953, a year and a half ago, when the Congress first convened. As I understand it, the hearings on this bill were completed in June 1953. Why was the consideration of this bill delayed to this final week of adjournment?

The gentleman from Iowa [Mr. JENSEN] inquired whether or not the people of Colorado were divided on the project. I am reading from a report filed by members of the committee headed by colleagues Messrs. SAYLOR, HOSMER, LEO W. O'BRIEN, DONOVAN, REGAN, WALTER ROGERS, HALEY, and SHUFORD. The report states:

The committee heard testimony from a number of persons and organizations on the western slope of Colorado from which the water involved would be diverted objecting strongly to the entire project.

Another thing that has not been brought out is that this Fryingpan project is dovetailed with another much larger project, and eventually both projects will have to be thrown in together, which will cost something like $1 billion. It might surprise some of the Members here who come from other States to know what this project is going to cost your State.

The people of New York will contribute in taxes something like $61,700,000, the taxpayers of Indiana will contribute something like $12,800,000, the taxpayers of Iowa will contribute something like $7,750,000. If the full project goes through, if the mother project is completed, if the camel gets his head under the tent with this Fryingpan project, and the full project goes through, the cost to the State of Indiana will be $25,600,000, to New York $123,000,000, and so forth.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman certainly does not believe there is any substance to those figures, does he?

Mr. MADDEN. I think the figures indicate a pretty fair yardstick as to what this is going to cost the taxpayers of the country.

Mr. DINGELL. This project is going to pay for itself eventually like the Columbia River, TVA, Boulder Dam, and others.

Mr. MADDEN. My primary objection is to bringing a bill of this magnitude up in the shadow of adjournment when it should have been brought in here a year ago or during the months last spring when the House had plenty of time to debate and study the legislation.

Mr. Speaker, I do not like to oppose this bill on account of my good friend, the gentleman from Colorado [Mr. CHENOWETH] The Hoover Commission is now investigating this very thing. The Hoover Commission has under consideration this Fryingpan project and also the project over on the other side of the Rocky Mountains in Colorado, and they are making a complete survey and within a few months from now there will be a report in on this whole program, including the half on the west side of the Rockies in Colorado. So, I think it would be good judgment on the part of this House to wait until that great Commission headed by ex-President Hoover makes its report as to the feasibility of this project.

Mr. DINGELL. Are you going to follow Hoover?

Mr. MADDEN. Mr. Speaker, I refuse to yield.

There is a great question, too, I will say to my friend from Michigan [Mr. DINGELL] as to the feasibility of this project.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Speaker, I rise in support of the resolution, and I want to point out that this is, as the gentleman preceding me said, one of the many projects that should be authorized for irrigation in the West. I want to direct your attention to the fact that the continental divide in the State of Colorado begins on the Wyoming line at about the middle of the State. On the west side we have 52 mountain peaks in excess of 12,000 feet. As the snow on those mountains melts, we produce approximately 70 to 75 percent of the water of the Colorado River. The reason I mention that is because you have heard the controversy mentioned by the gentleman from California who preceded me regarding the developments on that river. May I point out to you that in 1922 all 7 States in the Colorado River Basin entered into a compact, and by that compact the water was divided between the upper basin States of Wyoming, Utah, Colorado, and New Mexico and the lower basin States of Arizona, Nevada, and California. In that compact the Californians solemnly agreed that they would not use in excess of 4.4 million acre-feet of water. They agreed to that to get this Congress to approve the development that led to the Boulder Dam so that the city of Los Angeles and all of southern California could get water that has led to the prosperity of that area and which, in turn, has led to greater numbers of representatives in Congress, so that they can today come in and doublecross us. When I say "doublecross," I mean that beginning after the Boulder Canyon project was approved, the people of southern California, through gentlemen who were at that time acting in their behalf, came to the upper basin States and said, "If you will amend this act so that we can get a reduction on water interest rates from 5 percent to 3 percent and get other fringe benefits, then we will make available larger sums of money to carry out the investigation of how the upper basin States can develop their projects." And, with that, we in the upper basin States joined with the lower basin States and amended the Boulder Canyon Project Act. The Bureau of Reclamation has made its study, and out of that study they recommended this project. Now, in the face of that, how can it be said but what this is not developing along the line that was intended by those who originally entered into the compact in 1922?

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Michigan.

Mr. DINGELL. As I recall the compact, under the terms of the compact, Colorado, which produces about 70 percent of the water, gets very little of the water benefit, while California, which produces very little water or puts in very little water to the lower Colorado, gets the lion's share and they want still more.

Mr. ROGERS of Colorado. The point I want to make is this, that out of the agreement and under the supervision and guidance of those from southern California, the Boulder Canyon Project Act was amended in 1939 and funds were made available for the purpose of a study by the Bureau of Reclamation. Part of that study has been completed.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. HOSMER. Did the gentleman intend in his remarks a few minutes ago to indicate that any Member of this House had doublecrossed him or any other person in connection with the matter of the upper Colorado?

Mr. ROGERS of Colorado. I meant to say that as Attorney General of the State of Colorado from 1936 to 1940 I dealt with the men that the gentleman and others accepted papers for and filed in this record and that they at that time told us——

Mr. HOSMER. Will the gentleman answer my question as to whether it is intended that any person in this House is to be impugned, in the remarks that have been made?

Mr. ROGERS of Colorado. I will say this, that there are men in this House who have accepted articles from people who I know came to me to get the Boulder Canyon Project Act amended in 1939, when they agreed that the development of the upper basin States should have the money, that they would come and help us develop it and support us in Congress on it.

Mr. HOSMER. Is it not a fact that the reason that 7½ million acre-feet of water was reserved to the upper basin at that time is because it would have been appropriated by the lower basin under the usual flow of the river?

Mr. ROGERS of Colorado. No.

Mr. HOSMER. And that it was ready to go ahead and to use the water at that time but that the upper basin was not.

Mr. ROGERS of Colorado. Let me interrupt at that point and say to the gentleman that in order for Boulder Dam or Hoover Dam, whichever you want to call it, to be built, Congress required that a compact be entered into between the States.

The SPEAKER. The time of the gentleman has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. DONOVAN].

Mr. DONOVAN. Mr. Speaker, it is a long way from the sidewalks of New York to the lower Colorado Basin. I am not the slightest bit concerned about any rivalry that may exist between California on the one hand and Colorado on the other over the muddy and turbulent waters of the Colorado. But I am interested particularly in the statements made by the gentleman from Oregon, from the Rules Committee [Mr. ELLSWORTH], who in opening this debate said that the Budget Director had no objection to this bill. I leave to the Members of this House the meaning of this language taken word for word from the letter of the Budget Director dated March 3, 1954, to the Executive Department:

> I am authorized by the Director of the Budget to advise you while there would be no objection to the submission of whatever report on S. 964 you deem appropriate under the circumstances, we believe that the questions raised in our letter of June 8, 1953, and the question of Federal responsibility with respect to recreation, should be resolved before the project is authorized.

Mr. ELLSWORTH. Mr. Speaker, will the gentleman yield?

Mr. DONOVAN. I have but 5 minutes. I will yield to the gentleman in general debate.

Mr. ELLSWORTH. The gentleman mentioned my name. I would point out to the gentleman that on page 10 of the report the Bureau of the Budget states that it has no objection to the project.

Mr. DONOVAN. I have not yielded.

This is a funny bill. Late this year the committee on which I serve, the Committee on Interior and Insular Affairs, by a vote of 13 to 12 reported out what is known as the Upper Colorado Basin development bill. It calls for an appropriation of roughly a billion dollars. Rumor hath it that the bill is still up in the Rules Committee and that it will be there when the sine die resolution is adopted by this House. But this Fryingpan bill, which calls for an appropriation of $172 million, would divert from the upper Colorado River Basin on the west side of the Rocky Mountains in the State of Colorado water to the eastern slope in Colorado. And for what? Among other things, for $32 millions worth of municipal water in case the cities of Colorado Springs, Pueblo, and certain other Arkansas Valley towns find it infeasible to build local reservoirs.

There is something else in this bill that I think this House should look into. On page 4 of the report it is stated that the Twin Lakes Reservoir in the upper Arkansas Basin will be enlarged from a present capacity of 56,000 acre-feet to 260,000 acre-feet.

I did a little inquiring around about that, and I find that the Twin Lakes Reservoir is operated by a water company, a stock company, with its corporate stock held by God knows whom. That reservoir is going to be tied into this project.

I am against this rule, Mr. Speaker, because I think this whole proposition should be deferred for further study and because I am convinced that it is a handout to one small section of this country, not only at the expense of the taxpayers in the East and the Middle West but also at the expense of all the owners of land and all the residents of the Rocky Mountain States and coast States west of the great Continental Divide.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, let me say that this bill came before the Rules Committee very recently advocated by my good friend, the gentleman from Colorado [Mr. CHENOWETH]. It is a matter of deep personal regret to me that he should have a project here that he is deeply interested in, and I find myself unable to support it. But there are times when it is necessary to take a position on a matter where you feel that it is wrong.

I think this is wrong. It is wrong in so many respects that 10 minutes will not give me time to tell you about it. Principally it is wrong because it is brought up here when everybody is in the throes of adjournment, a matter highly controversial, when there is no necessity for it.

I think you ought to consider the history of this piece of legislation. It was introduced in the Congress on the 1st day of the 83d Congress. Hearings were held on it and hearings were completed in June of 1953. The bill was not then reported from the committee.

Mr. ASPINALL. Mr. Speaker, if the gentleman will yield for a correction, may I point out to him that the hearings were not completed until this year.

Mr. SMITH of Virginia. All right, I am not going to overlook anything on this, and I might as well take that point up right now. I say the hearings were completed in June 1953. I mean by that the hearings that are available to you in the document room. That is what I asked for and that is what you expect to be the record in the case. But to make sure that the hearings were completed, I inquired of the committee if any more hearings had been printed, and I find, "No, no more hearings have been printed." But hearings which opposed the bill were taken several months ago. So when my friend reminds me that the hearings were not completed, he is entirely correct; but they were completed as far as you and I and other Members of the Congress are concerned—unless you want to go to the committee to find them, and they are the hearings in opposition to this bill.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I must yield to my good friend even if I lose the floor.

Mr. CHENOWETH. I appreciate the gentleman's reference to me. I am sure he would not want to leave the impression that I have delayed this bill.

Mr. SMITH of Virginia. Not at all. The gentleman from Colorado has been more industrious about getting this bill out than anybody could think of being. He has been anxious to get it out, and I respect his energy and I know he has done everything he can to get his constituents something that they ought not to have.

Mr. CHENOWETH. I beg to disagree with the gentleman.

Mr. SMITH of Virginia. That is a failing that many of us have, including the present speaker.

Now, Mr. Speaker, let us go on with this thing. It is said in this report that it is approved by the administration. The Budget Bureau expresses the view of the administration. On June 8, 1953, the Bureau of the Budget wrote a recommendation on this bill and had a bunch of reservations as long as both of my arms put together. Those reservations are set forth in nearly 2 full pages of fine print. Then, they were asked this year for another report. They made the other report, which is the one upon which this report of the committee is based, in which they said, "Yes, if you want to go on and do it—do it, that is fine—but we still think you ought to resolve the questions we raised and the objections we made in our letter of a

year ago." That is the kind of budget support that this bill has. Let us get some of the facts about what has been happening. I am not familiar with this, and I may be wrong on this, but just listen to what happened in the Committee on Rules, and that is all I know about it. Some of the gentlemen from Colorado are sort of on a spot on this bill. You might as well realize that. You have in Colorado the west side of the Colorado River and the east side. Some Members represent the east side and some represent the west side and some represent both sides. What this bill does is to take a part of the Colorado River, which the good Lord put over on the west side of the Rockies, and dig a hole through the Rocky Mountains and put it over on the east side of the Rockies. A lot of fellows on the west side of the Rockies just do not want that hole dug. They say if you do dig the hole, there may not be any water to put in the hole. That is the important question that you gentlemen want to consider because you are providing for an appropriation of $172 million of the taxpayers' money by an administration which has promised to balance the budget, and which has not done so.

We find the leaders of that administration asking you to authorize the appropriation of this $172 million to dig this hole through the Rocky Mountains to put water from the west side of the Colorado River to the east side, and we do not even know whether there is going to be any water in it after you dig the hole. What kind of economy do you call that? Let me give you the reason I think there is not going to be any water if the hole is dug. As you know, they have had a dry season and the flow of the Colorado River has been reduced. There is an agreement involving New Mexico, I think, and old Mexico and California and Colorado and some other States there, as to the division of the water of the Colorado River. They each get so many cubic acres or cubic feet or cubic something or other, and what is left over can be diverted over to the east side of the mountain, if somebody digs a hole in the mountain. But they cannot get any unless these States of California and the other States on the west side of the mountain first get their agreed allocation of water out of the river that the Lord put on the other side of the Rocky Mountains. So if the flow of the river has been reduced and diminished so that there is not enough water to supply the present commitments, then eastern Colorado cannot get any water. We will have a hole through the mountain, but there will not be any water to put into it. Now, gentlemen, at this late day of the session, I ask you this question in all seriousness: Do you believe that a sensible, sound, solid Congress ought to, 3 days before the time set for adjournment, consider as highly a controversial and as highly uncertain a proposition as this?

That is the question before you. With that question before you, I think you should solve it by defeating this rule. I am going to ask you to vote down this rule. It will save my friends from Colorado, to all of whom I am very much devoted, a lot of embarrassment. If we vote down the rule they will not have to go on the spot, whether their constituents on the east side of the mountains are displeased or on the west side are displeased. It will be the sensible thing to do. It will be the thing we ought to do. It will help my friends on the other side of the aisle to carry out their pledge that they are at least going to try to balance the budget.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CHENOWETH. There is not a dollar appropriated in this bill. That will have to come later.

Mr. SMITH of Virginia. Oh, yes. It is authorized.

Mr. CHENOWETH. The gentleman does not want to set up his judgment against the engineers of the Bureau of Reclamation who have found that this is a feasible project; also the figures have been checked by independent engineers who have corroborated those figures.

Mr. SMITH of Virginia. No, sir. I do not put my judgment up against anybody. I am trying to tell the House the inferences I gathered from the positive statements that are made by both friends and enemies of the project before the Rules Committee, because that is all I know about it.

Mr. DAWSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. DAWSON of Utah. I would like to call attention to the fact that day before yesterday we approved a Rivers and Harbors bill amounting to some $900 million, in the last few days of this session, with not nearly as much information as we have on this bill and with not even a record vote.

Mr. SMITH of Virginia. I do not think we ought to do it. I do not think we ought to do this. If you want to go further, you do a lot of things around here that I do not think you ought to do.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. ELLSWORTH. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Speaker, I rise in opposition to this rule not as an enemy of reclamation, but as a friend of reclamation. One who is interested in good projects which are economically sound and financially feasible. Mr. Speaker, I have before me a book which certain proponents of this legislation would like to see disposed of, because it makes some of the statements which have been made with regard to this project, look foolish.

I have heard said on this floor that this is a small project and it is independent. If you would read the report which our committee has put out, called the Fryingpan-Arkansas project, you would gain that impression. However, I tell you that this is a Trojan horse which will allow the entire Gunnison Arkansas project to become a reality. I show to the Members of the House a book published by the United States Department of Interior, Bureau of Reclamation, called initial development of the Gunnison-Arkansas project, Roaring Fork diversion. And I would like to read to you a statement which the then Director of the Bureau of Reclamation, Mr. Straus, made when he sent this to the Secretary of the Interior:

> This is my proposed report on the initial development, Roaring Fork diversion, of the potential Gunnison-Arkansas project, Colorado. My report is based on and incorporates the accompanying report of the regional director, Bureau of Reclamation, Denver, Colo., dated February 23, 1951.

Mr. Speaker, in 1953 when the House Committee on Interior and Insular Affairs published its report, it published the testimony which had been taken up until that time. However, as my good friend, the gentleman from Virginia [Mr. SMITH] stated, the testimony which was taken in 1954 of those people who opposed this bill has not been printed. If any Member desires to get that testimony he cannot get it over in the Document Room where you would expect to get it; he will have to go to the files of the committee. I can say to the Members of the House that there is a large segment of the people of Colorado who are opposed to this project.

Mr. Speaker, the gentleman from Texas [Mr. DIES] asked where the figures came from in the minority report which say that if this project goes through it will cost the taxpayers of this country $1,375 an acre or about $220,000 for every 160-acre farm. When the gentleman from Texas [Mr. DIES] asked that question he was told that those figures are fantastic. I may say to the Members of the House that they are fantastic, but those figures are the Bureau of Reclamation's own figures.

Where did I get them? I show to the Members of the House the reply to a questionnaire from JOHN P. SAYLOR, Member of Congress, to the Secretary of the Interior, regarding H. R. 236, the Fryingpan-Arkansas project of Colorado and call to your attention that on page 20 of that reply the figures which appear in the minority report are the figures which we give you. If those figures are wrong, if they are fantastic, it is because I had the courage to ask the Bureau of Reclamation to check with the Treasury Department and tell me what this project would cost. They tell me that the direct interest cost on this project to the American taxpayers is $254,426,000. That is more than this project costs.

Mr. DINGELL. Over how many years?

Mr. SAYLOR. That project is over 69 years.

Mr. DINGELL. How much is that per year?

Mr. SAYLOR. The gentleman from Michigan is good at mental arithmetic, let him do his own figuring. These are the figures which were given to me by the Bureau of Reclamation. If they are wrong, the Bureau of Reclamation is wrong.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. HOSMER. Perhaps I can answer, in part, the other gentleman's question. The Bureau of the Budget itself states that the interest during the first 50 years alone on the portion of the $172 million allocated to irrigation amounts to a million and a half dollars a year; so over a period of 50 years that would be $75 million, $5 per year per acre on the irrigation project alone.

Mr. SAYLOR. Mr. Speaker, I would like to tell the Members of the House that the figures I am about to quote are not mine; they come from the gentleman from Colorado [Mr. ASPINALL] who appeared before the Rules Committee and testified in favor of this bill. You have heard that this bill involves the Colorado River compact. The Colorado compact says that the first allocation of water shall go to the lower basin in the amount of 7½ million acre-feet a year. Prior even to that allocation there are 1½ million acre-feet which must go to Mexico under treaty. That makes a total of 9 million acre-feet. The flow of the river, according to the figures used by the gentleman from Colorado [Mr. ASPINALL], in his appearance before the Rules Committee, and those are the figures which were given by the Bureau of Reclamation for the project known as the upper Colorado, over the past 10 years, the average flow of the Colorado River, has been slightly in excess of 10 million acre-feet.

The State of Colorado did not believe that those figures were correct. So the State of Colorado through its legislature hired an independent group of engineers to go out and make the survey. When the survey came back, they said that is correct; there is no water for this project.

If this project goes through, you are in this foolish position. You are putting the water from a 7,000-foot elevation in an open ditch. Now, it was testified that during a large part of the year this will be frozen over, and in the spring, when you would expect this open ditch to carry the water, it will be unable to do so. Why? Because it will be frozen in that period of the year in the high mountains which have been talked about here. You could not expect this flow. This is the Rube Goldberg of the Rockies. This is a situation where you are going to try and put water through a tunnel from the east to the west and then this committee is asked to do this astounding thing, to charge off almost $23 million to flood control on the eastern shore.

Mr. STRINGFELLOW. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Utah.

Mr. STRINGFELLOW. Is this the gentleman's opinion, or is this the opinion of the engineers of the Bureau of Reclamation.

Mr. SAYLOR. This is the opinion of some of the engineers of the Bureau of Reclamation. I might say to the gentleman from Utah, he is familiar with the Rockies, and he knows the weather they have out there, and I say that anyone who has any commonsense knows that when you get to 7,000 feet elevation you have cold weather and the great snows which they talk about out there, that you will have this open canal or ditch frozen over. I might point out to the gentleman that they started with this same proposition of open ditches when they talked about the Colorado-Big Thompson at an initial estimated cost of about $25 million. Now, we have just about completed the Colorado-Big Thompson, instead of the $25 million which they said it was going to cost in the initial authorization, it will cost about $150 million. This project, I respectfully urge, is not only as improbable; it is infeasible. And, I say to you, pointing out what has already been pointed out, that the Bureau of the Budget has not approved this project. I therefore urge the House to defeat this rule and allow this project "The Rube Goldberg of the Rockies" to go back to the Interior and Insular Affairs Committee.

Mr. ELLSWORTH. Mr. Speaker, I yield the remaining time to the gentleman from Nebraska [Mr. MILLER], chairman of the Committee on Interior and Insular Affairs.

Mr. MILLER of Nebraska. Mr. Speaker, I hope we can bring this legislation into focus. We have heard a lot of words spoken here by people, some of whom know quite a little about the project and some who attended the hearings less than 10 percent of the time. I am sure had they been present when the hearings were being held, they would not come here on the floor of the House and make the statements that they made. I only wish it were possible for the gentleman who is the ranking member of the Subcommittee on Rules to see the Rocky Mountains and see the water that is produced in that area and the production that can come from that water when put upon good soil. This project has been gone over very carefully by the engineers. It has their approval.

The gentleman who preceded me speaks about $500 million interest on a $75 million project allocated to irrigation, or approximately $75 million to irrigate 322,000 acres of land. That, in my book, is about $234 an acre. Anyway, these folks have agreed to pay that back. Reclamation calls for no interest.

You know, my friends, it is time to stop talking about how much these projects cost. It is time to talk about how much new wealth they can produce because we have irrigation projects. Let me ask the gentleman from California who spoke so bitterly against the project, representing, I presume, the Central Valley of California, What would that area be without water upon the soil? It has produced a return to the Treasury many, many times the cost of the project because we have had that fine irrigation in the Central Valley of California. Yes, we appropriated just the other day over $900 million for flood control. It pays no interest and no return to the Treasury. Someone spoke about the Hoover Commission being against this project. That is not so. We pass on flood-control projects, and we pass them without any study being made by the Hoover Commission. There has been over $10 billion authorized for flood control and that pays back not one penny. It is four times the amount earmarked for reclamation. Irrigation projects pay back all funds.

Mr. DINGELL. Would the gentleman permit the observation that a lot of Californians would be willing to vote $900 million to pipe that water to California.

Mr. MILLER of Nebraska. Bless their hearts; I am for them in California.

Mr. DINGELL. So am I.

Mr. MILLER of Nebraska. In the bill the House passed the other day there was $187 million for Los Angeles County. If you want to follow the gentleman's formula of adding the interest for a hundred years, that amounts to $4 billion of interest; but I am not going to do that; I do not think it is fair to do it that way. I think that is the formula they were using here, not taking into account at all the new wealth that will be produced.

Let me say that water out in the West is the lifeblood of many communities. Because of water, or lack of water, communities live or die. In this instance, the Fryingpan-Arkansas project, the water belongs to the great State of Colorado, so divided by compact, and they ought to have the right to divide that water as they see fit.

The gentleman from Virginia [Mr. SMITH] talks about a hole through the mountains. May I say to Mr. SMITH that he ought to come out to Colorado. They do not call them holes in the mountains out there, to transport water. I am sorry that the gentleman does not know that. They call them something else. Colorado decided to do that. That is the way they wanted to do it. That was decided at the State level. It is their own water and that is the way they wanted it.

Mr. SMITH of Virginia. If the gentleman will yield, may I ask him if it is not a hole in the mountains, will he please tell the House what it is? I do not know what it is.

Mr. MILLER of Nebraska. I think the gentleman had better come out there and see that great area.

Mr. SMITH of Virginia. Is it not a hole in the mountain?

Mr. MILLER of Nebraska. I say to you, Mr. Speaker, we may well run out of water in this country before we run out of oil or gasoline. The President recognized that when he appointed a Cabinet group composed of the Secretary of the Interior, the Secretary of Agriculture, and the head of the Corps of Engineers to start the process of holding water and keeping water where it falls. The greatest waste in this country is permitting water to run into the ocean before it is used. On the east slope of Colorado, in this Pueblo area, crops cannot be produced unless they get water. This project is designed to give water to these folks. The new wealth produced means much to a growing dynamic country.

Mr. Speaker, do the Members know how much money was spent in the great State of Pennsylvania for flood control? And they pay back not 1 penny, not even the interest on the money. The only thing in this bill on which we

do not pay interest is the irrigation phase of it, and that is under the Colbran formula of the irrigation law, which provides an honest way of computing interest. That is the way that money will be paid back.

I urge the Members of the House to approve the rule and let us have 2 hours of discussion on the bill. I am sure we will be able to convince the folks from the East that this project in the West is deserving of their support.

Let me remind you the use of water has doubled twice in the last 20 years. We should store and use the water wisely.

The population of the West has doubled since I went to Kimball, Nebr., to practice medicine in 1919. The population will double again in 40 years. Mr. Speaker, you do not argue with a hungry person—he wants no prayers—just food in his stomach. The project is a part of growing America. Future generations will bless us if we wisely provide for their future. This Congress, as custodian of our resources, should join and assist every feasible project to become a reality.

The SPEAKER. The time of the gentleman has expired. All time has expired.

Mr. ELLSWORTH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 83, noes 74.

Mr. SMITH of Virginia. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and five Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 188, nays 195, not voting 49, as follows:

[Roll No. 124]

YEAS—188

Adair	Byrnes, Wis.	Frelinghuysen
Addonizio	Canfield	Gathings
Allen, Ill.	Carlyle	George
Andersen, H. Carl	Carnahan	Golden
	Cederberg	Gross
Andresen, August H.	Celler	Gubser
	Chenoweth	Gwinn
Arends	Church	Hagen, Minn.
Aspinall	Clevenger	Halleck
Ayres	Cole, Mo.	Harden
Baker	Coon	Hart
Bates	Cretella	Harvey
Beamer	Crosser	Hays, Ark.
Becker	Crumpacker	Hess
Bender	Cunningham	Hill
Bennett, Mich.	Curtis, Mo.	Hillelson
Bentley	Davis, Wis.	Hoffman, Ill.
Berry	Dawson, Utah	Hoffman, Mich.
Betts	Deane	Holmes
Bishop	Dempsey	Hope
Boland	D'Ewart	Horan
Bolling	Dingell	Howell
Bolton, Oliver P.	Dodd	Hruska
	Dolliver	Hunter
Bow	Dondero	Hyde
Boykin	Dorn, N. Y.	Javits
Brown, Ga.	Ellsworth	Jenkins
Brown, Ohio	Engle	Jensen
Brownson	Evins	Johnson, Calif.
Broyhill	Fernandez	Johnson, Wis.
Budge	Fino	Jonas, Ill.
Burdick	Ford	Judd
Karsten, Mo.	Multer	Shafer
Kelley, Pa.	Nelson	Sheehan
Keogh	Nicholson	Sieminski
Kersten, Wis.	Norblad	Simpson, Ill.
Kilday	Oakman	Smith, Kans.
Klein	O'Hara, Minn.	Smith, Wis.
Knox	O'Konski	Springer
Krueger	Osmers	Stringfellow
Laird	Ostertag	Sullivan
Landrum	Patterson	Talle
Lanham	Pelly	Taylor
Latham	Pfost	Thompson, Mich.
LeCompte	Poff	
Lovre	Price	Thompson, Tex.
McCarthy	Prouty	Tollefson
McConnell	Radwan	Trimble
McCulloch	Reams	Van Pelt
McGregor	Reece, Tenn.	Velde
McIntire	Reed, Ill.	Vorys
Mack, Wash.	Rees, Kans.	Vursell
Mahon	Rhodes, Ariz.	Wampler
Marshall	Richards	Westland
Martin, Iowa	Riehlman	Wickersham
Meader	Rivers	Widnall
Merrow	Roberts	Williams, N. J.
Metcalf	Robsion, Ky.	Wilson, Ind.
Miller, Calif.	Rodino	Withrow
Miller, Md.	Rogers, Colo.	Wolcott
Miller, Nebr.	Rogers, Mass.	Wolverton
Miller, N. Y.	Sadlak	Young
Morano	Schenck	Younger
Moss	Scott	Zablocki

NAYS—195

Abbitt	Frazier	Natcher
Abernethy	Friedel	Neal
Albert	Fulton	Norrell
Alexander	Gamble	O'Brien, Ill.
Allen, Calif.	Garmatz	O'Brien, N. Y.
Andrews	Gary	O'Hara, Ill.
Ashmore	Gavin	O'Neill
Auchincloss	Gentry	Passman
Bailey	Goodwin	Patman
Barden	Gordon	Patten
Battle	Graham	Philbin
Belcher	Granahan	Phillips
Bennett, Fla.	Grant	Pilcher
Blatnik	Hagen, Calif.	Pillion
Boggs	Hale	Poage
Bonin	Haley	Polk
Bonner	Hand	Preston
Bosch	Hardy	Rabaut
Bowler	Harrison, Va.	Rains
Bramblett	Hays, Ohio	Ray
Bray	Herlong	Rayburn
Brooks, Tex.	Heselton	Reed, N. Y.
Buchanan	Hiestand	Rhodes, Pa.
Burleson	Hillings	Riley
Busbey	Hinshaw	Robeson, Va.
Bush	Holifield	Rogers, Fla.
Byrd	Holt	Rogers, Tex.
Byrne, Pa.	Holtzman	Rooney
Campbell	Hosmer	St. George
Cannon	Ikard	Saylor
Carrigg	Jackson	Scherer
Chelf	James	Scudder
Chudoff	Jarman	Seely-Brown
Cole, N. Y.	Jonas, N. C.	Selden
Colmer	Jones, Ala.	Shelley
Condon	Jones, Mo.	Sheppard
Cooley	Jones, N. C.	Shuford
Cooper	Kean	Sikes
Corbett	Keating	Smith, Miss.
Coudert	Kee	Smith, Va.
Curtis, Mass.	Kelly, N. Y.	Spence
Dague	King, Calif.	Staggers
Davis, Ga.	King, Pa.	Stauffer
Delaney	Kirwan	Steed
Devereux	Kluczynski	Taber
Dies	Lane	Thomas
Dolliver	Lantaff	Thornberry
Donohue	Lesinski	Tuck
Donovan	Lipscomb	Utt
Dorn, S. C.	McCormack	Van Zandt
Dowdy	McDonough	Wainwright
Doyle	McMillan	Walter
Durham	McVey	Warburton
Eberharter	Mack, Ill.	Watts
Edmondson	Madden	Wharton
Elliott	Magnuson	Whitten
Fallon	Mason	Wier
Feighan	Matthews	Wigglesworth
Fenton	Merrill	Williams, Miss.
Fine	Miller, Kans.	Williams, N. Y.
Fisher	Mills	Wilson, Calif.
Fogarty	Mollohan	Wilson, Tex.
Forand	Morgan	Winstead
Forrester	Moulder	Yates
Fountain	Mumma	Yorty

NOT VOTING—49

Angell	Bolton, Frances P.	Buckley
Barrett	Brooks, La.	Chatham
Bentsen	Clardy	Chiperfield
	Cotton	Kearns
	Curtis, Nebr.	Kilburn
	Davis, Tenn.	Long
	Dawson, Ill.	Lucas
	Derounian	Lyle
	Green	Machrowicz
	Gregory	Mailliard
	Harris	Morrison
	Harrison, Nebr.	Murray
	Harrison, Wyo.	O'Brien, Mich.
	Hébert	Perkins
	Hoeven	Powell
	Kearney	Priest
		Regan
		Roosevelt
		Scrivner
		Secrest
		Short
		Simpson, Pa.
		Small
		Sutton
		Teague
		Thompson, La.
		Vinson
		Weichel
		Wheeler
		Willis

Mr. ALLEN of California changed his vote from "yea" to "nay."

Mr. IKARD changed his vote from "yea" to "nay."

Mr. THORNBERRY changed his vote from "yea" to "nay."

Mr. MAHON changed his vote from "nay" to "yea."

The SPEAKER. The Chair asks for a recapitulation of the vote.

The Clerk will call the names of those voting in the affirmative.

Mr. PATTEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATTEN. What are we doing now?

The SPEAKER. We are recapitulating the vote to find out if the Members are correctly recorded.

Mr. PATTEN. Is it true that a Member who voted "yea" can now vote "nay"?

The SPEAKER. Yes.

Mr. PATTEN. Then you are not recapitulating, you are asking for a new vote.

The SPEAKER. The House is in the process of recapitulating the vote.

Mr. PATTEN. A person who voted "yea" before may now vote "nay." You cannot do that, Mr. Speaker. I raise a point of parliamentary procedure. You cannot do that.

The SPEAKER. Will the gentleman take his seat, and we will do it in due order?

Mr. PATTEN. No; I shall not take my seat.

The SPEAKER. Will the gentleman cease for a moment?

Mr. PATTEN. The Parliamentarian will tell you that is wrong.

The SPEAKER. The Parliamentarian informs the Chair that Members can change their votes at any time before the Chair announces the result of the vote.

Mr. PATTEN. Then I may change my vote at this point?

The SPEAKER. Not until after the recapitulation.

The Clerk will call the names of those voting "yea."

The Clerk proceeded to call the names of those voting "yea."

Mr. CLEVENGER (interrupting the recapitulation). Mr. Speaker, the Clerk passed my name. I voted in the affirmative about four times as loud as I could yell.

The SPEAKER. The gentleman may make that correction at the end of the call of those who voted in the affirmative.

Mr. CLEVENGER. I voted in the affirmative.

The SPEAKER. Will the gentleman be seated and wait until the end of the call?

The Clerk concluded the call of the names of those voting "yea."

The SPEAKER. Are there any corrections to be made where any Member was listening and heard his name called as voting "yea" who did not vote "yea"? [After a pause.] The Chair hears none.

Did any Member vote "yea" whose name was not called?

Mr. CLEVENGER. Mr. Speaker, I said I voted four times in the affirmative.

The SPEAKER. The gentleman will be recorded as voting "yea."

The Clerk will call the names of those recorded as voting "nay."

The Clerk called the names of those voting "nay."

The SPEAKER. Is there any Member voting "nay" who is incorrectly recorded? [After a pause.] The Chair hears none.

So the resolution was rejected.

The Clerk announced the following pairs:

Mr. Angell with Mr. Chatham.
Mr. Hoeven with Mr. O'Brien of Michigan.
Mr. Short with Mr. Hébert.
Mr. Weichel with Mr. Thompson of Louisiana.
Mr. Kearns with Mr. Morrison.
Mr. Mailliard with Mr. Willis.
Mr. Chiperfield with Mr. Long.
Mr. Harrison of Wyoming with Mr. Brooks of Louisiana.
Mr. Derounian with Mr. Roosevelt.
Mr. Kearney with Mr. Buckley.
Mr. Kilburn with Mr. Powell.
Mr. Small with Mr. Green.
Mrs. Frances P. Bolton with Mr. Gregory.
Mr. Clardy with Mr. Priest.
Mr. Curtis of Nebraska with Mr. Barrett.
Mr. Harrison of Nebraska with Mr. Bentsen.
Mr. Cotton with Mr. Lyle.
Mr. Scrivner with Mr. Machrowicz.
Mr. Simpson of Pennsylvania with Mr. Vinson.

Mr. PATTEN changed his vote from "yea" to "nay."

Mr. MILLER of New York changed his vote from "nay" to "yea."

Mr. OSTERTAG changed his vote from "nay" to "yea."

Mr. SCHERER changed his vote from "yea" to "nay."

Mr. PILCHER changed his vote from "yea" to "nay."

Mr. NATCHER changed his vote from "yea" to "nay."

Mr. LESINSKI changed his vote from "yea" to "nay."

Mr. SHELLEY changed his vote from "yea" to "nay."

Mr. CONDON changed his vote from "yea" to "nay."

Mr. CROSSER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR INDEPENDENT MANAGEMENT OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3589) to provide for the independent management of the Export-Import Bank of Washington under a board of directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems and to increase the bank's lending authority.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the Export-Import Bank Act of 1945, as amended, is hereby further amended to read as follows:

"SEC. 3. (a) The Export-Import Bank of Washington shall constitute an independent agency of the United States and neither the bank nor any of its functions, powers, or duties shall be transferred to or consolidated with any other department, agency, or corporation of the Government unless the Congress shall otherwise by law provide.

"(b) There shall be a president of the Export-Import Bank of Washington, who shall be appointed by the President of the United States by and with the advice and consent of the Senate, who shall receive a salary at the rate of $17,500 per annum, and who shall serve as chief executive officer of the bank. There shall be a first vice president of the bank, who shall be appointed by the President of the United States by and with the advice and consent of the Senate, who shall receive a salary at the rate of $16,000 per annum, who shall serve as president of the bank during the absence or disability of or in the event of a vacancy in the office of president of the bank, and who shall at other times perform such functions as the president of the bank may from time to time prescribe.

"(c) There shall be a board of directors of the bank consisting of the president of the Export-Import Bank of Washington who shall serve as chairman, the first vice president who shall serve as vice chairman, and three additional persons appointed by the President of the United States by and with the advice and consent of the Senate. Of the five members of the board, not more than three shall be members of any one political party. Each director, other than the president of the Export-Import Bank and the vice president of the Export-Import Bank, shall receive a salary at the rate of $15,000 per annum. Before entering upon his duties, each of the directors shall take an oath faithfully to discharge the duties of his office. Terms of the directors shall be at the pleasure of the President of the United States, and the directors, in addition to their duties as members of the board, shall perform such additional duties and may hold such other offices in the administration of the bank as the president of the bank may from time to time prescribe. A majority of the Board of Directors shall constitute a quorum. The Board of Directors shall adopt, and may from time to time amend, such bylaws as are necessary for the proper management and functioning of the bank, and shall, in such bylaws, designate the vice presidents and other officers of the bank and prescribe their duties.

"(d) There shall be an advisory committee of nine members, appointed by the Board of Directors on the recommendation of the president of the bank, who shall be broadly representative of production, commerce, finance, agriculture and labor. The advisory committee shall meet one or more times per year, on the call of the president of the bank, to advise with the bank on its program. Members of the advisory committee shall be paid a per diem allowance of $50 for each day spent away from their homes or regular places of business, for the purpose of attendance at meetings of the committee, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses.

"(e) No director, officer, attorney, agent, or employee of the bank shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly personally interested."

SEC. 2. Section 4 (a) of the Bretton Woods Agreements Act, as amended, is hereby further amended by striking out all following "Federal Reserve System," and inserting in lieu thereof "the president of the Export-Import Bank of Washington, and during such period as the Foreign Operations Administration shall continue to exist, the Director of the Foreign Operations Administration."

SEC. 3. The Export-Import Bank Act of 1945, as amended, is hereby further amended as follows:

(a) Section 6 is amended by striking out the words "three and one-half times the authorized capital stock of the bank" and substituting therefor the figure "$4,000,000,000."

(b) Section 7 is amended by striking out the words "four and one-half times the authorized capital stock of the bank" and substituting therefor the figure "$5,000,000,000."

SEC. 4. The provisions of this act for the appointment of a president and a first vice president of the bank and the members of the board of directors shall be effective upon its enactment. The remaining provisions of this act shall become effective when the president and first vice president of the bank and one other member of the board of directors initially appointed hereunder enter upon office, and shall thereupon supersede Reorganization Plan No. 5 of 1953.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the Export-Import Bank was incorporated by the Congress under the Export-Import Act of 1945 as an independent agency of Government to provide financing to facilitate imports and the exchange of commerce between our country and foreign countries and nationals, without, however, competing with private capital or private banks.

Until the advent of the Eisenhower Republican administration of the bank operated as an independent agency of Government under the management of a board of directors and with representation on the National Advisory Council.

On April 30, 1953, President Eisenhower sent to the Congress Reorganization Plan No. 5. By that plan he destroyed the independence of the Export-Import Bank. He abolished its board of directors, placed it under the management of a single person and deprived the bank of its representation on the National Advisory Council and placed the control of the policy of the

bank in the Treasury Department. The plan became effective 60 days later, to wit, May 31, 1953.

In one fell swoop the President not only subordinated the bank to the Treasury Department, but at the same time, got rid of the bank managers appointed by prior administrations and supplanted them with his own appointees.

Less than 14 months later, the Congress goes through the pretense of again giving independence to the Export-Import Bank. This bill which we are now passing again creates a board of directors instead of a single director. Again it gives the bank representation on the National Advisory Council and of course, says again that it shall be an independent agency.

Of course, the President will appoint the new directors. The degree of independence these new directors will dare to show will best be judged by the fact that their terms of office "shall be at the pleasure of the President."

If there is any publicity attendant upon the enactment of this bill, it undoubtedly will stress that this is to be an independent agency. I doubt whether the American public will be so gullible as to believe in that kind of independence. Their independence will be marked by their subservience to the President and his Secretary of Treasury.

This bill is further evidence that this administration is the greatest expert in double talk yet produced on the American scene.

INCREASE BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. PATMAN. Mr. Speaker, reserving the right to object, I hope the gentleman will not insist on taking up the bill without allowing some discussion, and I hope he will do it under an arrangement whereby we will have some time to discuss the bill.

The SPEAKER. The Chair may say that there can be discussion under the 5-minute rule.

Mr. PATMAN. Mr. Speaker, I was hoping that we would have some preliminary discussion. I would like to have 10 minutes to speak on the bill in preliminary discussion. I hope that is not asking too much.

Mr. MULTER. Mr. Speaker, I would make a similar request.

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9756, with Mr. SADLAK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLCOTT. Mr. Chairman, this bill increases the borrowing authority of the Commodity Credit Corporation from $8.5 billion to $10 billion. It is to effectuate the farm price-support program. A statement was made, I believe during general debate on the agricultural bill, that if the President's farm program was finally adopted in substance, then it would not be necessary to have any further authorization of the authority of the borrowing power of the Commodity Credit Corporation.

This bill, however, is to insure that for the balance of the year or until we get back here next year, anyway, that there is going to be ample authority to carry out the farm support-price program.

Now, the testimony bore out the fact in justification of this increase that prices of farm products, which had held relatively stable for 16 months within a range of 15 points, declined sharply from May to June of this year. A seasonal decline was expected, but was more than anticipated. Relatively stable farm prices are expected for the rest of the year; that the decline in exports of farm products appears to have been checked, and some increase over exports last year has occurred.

Another big crop is in prospect. Most of the wheat and other small-grain crops have either been harvested or are far enough advanced to be certain of good yields. A big hay crop has largely been harvested.

Reductions in cotton, corn, and wheat allotments did not cause any appreciable diversion of acreage out of crops. The total crop acreage planted in 99.7 percent of that for 1953 and the estimated acreage to be harvested is 100.3 percent of that for 1953.

There has not yet been developed a practical plan for disposing of butter, cheese, and dried nonfat milk without involving large costs and losses. The present outlet for died milk will not be available beyond this summer because of possible serious interference with other protein feed markets.

Larger percentages of the 1953 crops of several major commodities were placed under price support than expected. In several instances the percentage was higher than ever before.

A larger proportion of the commodities placed under price support was acquired in most instances than in past years. This situation reflects the fact that as supplies build up, more of the total production goes into the price-support program, less redemptions are made, and more commodities are acquired by the Commodity Credit Corporation. At the same time, domestic sales of inventories held by the Commodity Credit Corporation decline.

The Corporation will begin the 1954 crop operations with $846 million less available borrowing power than was estimated when we increased the authority to $8.5 billion. It is in order that there will be no interruptions in the farm support program and because we want positive assurance that this program will be continued that the committee has reported out this bill and asks for its favorable consideration here on the floor.

Mr. Chairman, I know of no further requests for time.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

RESTRICT INTEREST RATE

Mr. PATMAN. Mr. Chairman, I do not know of any opposition to the bill. I have an amendment that I would like considered restricting the amount of interest that may be paid. The Commodity Credit Corporation has always borrowed its money from the Treasury as provided by law. About $4 billion has been borrowed from the Treasury. The Treasury borrows the money and then makes a loan to the Commodity Credit Corporation. In the last year and a half about $1.5 billion has been borrowed by the Commodity Credit Corporation through a method known as certificates of interest. In other words, the banks would subscribe to a certain interest in the loan. I am not objecting to that particularly, provided that an excessive rate of interest is not paid.

CCC CERTIFICATES OF INTEREST

One reason the administration has asked for an increase in the borrowing authority of the Commodity Credit Corporation is the costliness of its practice, begun last year, of issuing certificates of interest to bankers in the price-support loans on farm commodities.

A July 14, 1954, press release from the Department of Agriculture states that a total of about $1.9 billion worth of these certificates were issued—considerably more than the Department set out to issue—bearing interest at rates ranging from 2⅛ percent to 2½ percent per annum.

CCC had previously borrowed money from the Treasury for this purpose, the last few borrowings being at the rate of 2 percent. Thus the use of certificates of interest to circumvent Treasury borrowings—and avoid piercing the United States debt ceiling—has cost the Government, and the taxpayers, from $2,375,000 to $9,500,000 more than it should have, on an annual basis. This is the difference between rates of 2 percent and 2⅛ percent at the lower end of the range, and the difference between 2 percent and 2½ percent at the upper end of the range. An exact figure could be obtained from a breakdown of the certificates, but it is quite obvious that the additional costs run well over $5 million a year.

Bankers who bought the certificates made even more money on their transactions, if one compares the interest rates with the rate of 1½ percent or less which the Treasury was paying for call money when the certificates of interest were first issued. On that basis, the excess would run from $11,875,000 up to

$19 million. Incidentally, the certificates were oversubscribed by more than $4 billion.

It is also proper to compare the cost of the certificates to taxpayers with the Treasury's issue a few days ago of tax-anticipation certificates totaling $3.5 billion which were oversubscribed 3 to 1. The interest rate on these was 1 percent. Since their maturities are comparable to the CCC certificates, one can put them beside each other fairly. At the 1 percent rate, CCC could have issued them for $21,375,000 to $28,500,000 less than it did.

The importance of learning the additional cost of this financing device is increased by the July 14, 1954, announcement of the Department of Agriculture that—

> It is expected that CCC will again issue certificates of interest in pools of price-support loans later in the year.

I have an amendment providing that the Corporation shall not issue any obligations other than to the Secretary of the Treasury at a rate of interest in excess of one and a quarter times the rate of interest or comparable cost paid to the Treasury of the United States on the most recent obligations of the United States of comparable maturity, except that the provisions of this proviso shall not apply to lending agency agreements applicable to loans under a commodity loan program.

In other words, this will not affect the commodity loan program, but the amendment will provide that the Commodity Credit Corporation may not pay in excess of 25 percent of the rate at which the Treasury is borrowing money and letting the Commodity Credit Corporation have it. It occurs to me that 25 percent is sufficient for private enterprise.

There has been a lot of talk here about giving private enterprise an advantage. This gives the private banks an advantage but they may not charge the Commodity Credit Corporation in excess of 25 percent.

Boiling it down to actual figures, the Treasury can borrow this money now for 1 percent. Under my amendment the Commodity Credit Corporation may borrow the money from the banks or insurance companies or any other private lenders and pay as much as 1¼ percent. That would be all right under this amendment, but more than that could not be paid. It provides they shall not be allowed to pay more than one-quarter percent. If they can get it from the Treasury for 1 percent and the Treasury can get it for 1 percent, why allow them to pay more than 1¼ percent? That is all in the world this amendment does. It occurs to me it is so reasonable and right that the chairman of the committee and the committee should accept it. I hope they will.

This brings up the national debt limit. About a year ago, a little better, the question of the national debt limit came up, to increase it from $275 billion to $290 billion. At that time I voted against it because the banks had $8 or $9 billion in the banks that was idle and unused. I wanted to compel them to use that idle money. Much of it had been borrowed, and the Government was actually paying 2, and 3¼ percent on some of it. I wanted to compel the Government to use that money first.

The House passed a bill to raise the debt limit and it went to the other body. The other body did not pass it, and it has not been increased yet. The banks having this idle and unused money of course have been called on, and the Government has used a part of it. But right today we have more than $4 billion in the banks that is idle and unused and upon which the Treasury is receiving no interest whatsoever.

The national debt limit should be raised if Congress appropriates so much money that the appropriations cannot be expended without the debt being raised. I think Congress would be guilty of intellectual dishonesty to vote for appropriations that increased the amount that is legally allowed, and then not vote to increase the national debt limit to take care of it. I am perfectly willing to raise the national debt limit if absolutely necessary.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. The gentleman is bringing up a very important point, because certainly there was some unusual financing that took place in financing some of the operations of the Commodity Credit Corporation. Does the gentleman have the latest figure as to how much additional that cost the taxpayers of this country?

Mr. PATMAN. Yes; I have on one issue. It has cost the taxpayers $20,500,000 extra. Looking at it strictly from the standpoint of the banks, and I do not think the banks are selfish to the extent that they would want to keep the debt limit what it is now so as to compel the Government to go outside, in cases like the Commodity Credit Corporation, and pay a higher rate of interest to the banks—I am not charging them with that, but if we do not raise the debt limit, if it is absolutely necessary, we are placing the Government in a position where the Government is compelled to pay a much higher rate of interest.

Mr. MARSHALL. The gentleman's amendment has a great deal of merit, because it would put the Government in the position of keeping their interest rates somewhat uniform. The gentleman may recall that last December there was some great telescoping of rates to the Commodity Credit Corporation paper over and above what the Treasury paper was bringing on the market.

Mr. PATMAN. That is right.

Mr. MARSHALL. I wish to commend the gentleman for putting this limitation in. I believe that would save the temptation, at least.

Mr. PATMAN. It will help the farmers, too, because if you let them pay twice as much for interest as the Government can actually get the money from the same lenders for, you are placing an undue burden on the farmers, because it is placed right on the farmer. This places a limitation there that you cannot charge more than 25 percent in excess of what the Treasury can borrow it for from the same lenders. I do not see how anybody can oppose it. Last year, the gentleman from Indiana [Mr. HALLECK], the distinguished majority leader, and I desire to commend him for being a very fine and excellent majority leader because he is making a wonderful record and I know the House is proud of him, made a statement about the national debt limit. I want to read that statement to you. It was made not last year, but January 27 of this year. The distinguished majority leader stated:

> Now because of failure to increase the debt limit and to realistically meet our situation, the Treasury has had to do in many instances what they indicated they would have to do, and it was not good business in order to avoid going over the debt limit and creating chaos in this country. One of the things they did was to go back to an earlier procedure of the Commodity Credit Corporation and say to the Commodity Credit Corporation. "Instead of borrowing all of your money from the Treasury of the United States where you can borrow it more cheaply and it can better be handled, you go out and borrow money from private sources." What effect did that have on the debt limit? If the money had been borrowed from the Treasury, the Treasury in turn would have had to borrow from the people and increase the national debt which would have shoved us over the limit. Now that is how simple the matter is.

That is the majority leader speaking. We know that if you do not put a limit on this amount, a larger amount will be paid. We know that it is already being paid and needlessly being paid. So all we are asking is that the same interests not be allowed to collect and charge up to the farmers 25 percent more than you are daily lending the same type of money to the United States Treasury. So I hope the amendment is adopted.

Mr. SPENCE. Mr. Chairman, I yield myself 11 minutes.

Mr. Chairman, whatever our opinion may be as to the manner in which the Commodity Credit Corporation has been administered, I think it cannot be denied it has rendered a great service not only to the farming interests of our country but to the people generally, and the economy of our Nation. The farmer is engaged in a hazardous business. He is subject to the vicissitudes of the weather. He is subject to loss caused by pests and plant diseases. He does not know when he plants what he will reap or the quality of his product. Because he is engaged in this hazardous business, it is necessary to give him some assurance of what return he may receive. The Commodity Credit Corporation is the means of securing that result. I think it has rendered a service that cannot be overestimated. It has been a means of assuring the farmer he can make a living. It has been a means of keeping him on the farm in order that he may produce, not only for himself but for all our people. Certainly the city people ought to have no prejudice against this Corporation, because if you do not keep the farmer on the farm the people of the city are not going to be

fed. People who have jobs in the city will be in constant peril of losing them because the farmer will leave his farm and go to the city. I cannot see why there should be any opposition to the Commodity Credit Corporation by the people of the cities. The Commodity Credit Corporation, on the basic nonperishable crops, has lost comparatively little. It has maintained a stable price. It has given the farmer the assurance of what he will receive. Certainly that is just as essential to the people of the city as it is to the farmer. The farmer and the man in the city have no diversity of interest. If the city man is not prosperous he cannot pay the price for the farmer's product which he should receive. Unemployment in industry destroys the farmer's market. So prosperity either covers the Nation like a blanket or we have none at all. There is no spotty prosperity.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. McCORMACK. I have always thought that an important consideration, at least in my mind, in passing upon farm legislation—and I do not have a farm in my district—is the importance of agriculture, not only as an economic segment of our American society but also an important element in our national defense that has been overlooked; but the additional fact that the farmer buys in a protected market and when there is a surplus he has to sell it in a free market, the world market. I find it difficult to reconcile in my mind the votes that I see made by men from strictly agricultural districts, when that important factor must be known by them, as well as by myself, that they are buying in a protected market and selling their surpluses on a free market.

Mr. SPENCE. What the gentleman from Massachusetts says is true. Farming is the basic industry of the United States. Without it we could not live. We want it to be prosperous. I am always surprised to see the prejudicial attitude sometimes taken by city people toward the farmer. My district is half agricultural and half industrial. Part of my district is highly industrialized and highly unionized. Part of my district is entirely agricultural. I hope there will never be any feeling between the industrial part of that district and the farmer. I have always tried to instill into both that they had a common interest and they should work together to achieve a common goal—the prosperity and success of both.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. COOLEY. I think an effort has been made to lead the American people to believe that this $6½ billion which has been made available to the Commodity Credit Corporation is a total loss to the American taxpayers. I want to ask the gentleman if it is not a fact that most of the money that has been handled by the Commodity Credit Corporation in these loans, if the loans are not secured by adequate quantities of food and fiber.

Mr. SPENCE. And they have made money on tobacco and they have made money on cotton. There is no reason to believe they are going to lose any great amount of money on any of the basic agricultural products.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. KING of Pennsylvania. If the Government is not losing money, why are we here today trying to increase the borrowing capacity of the Commodity Credit Corporation by a billion dollars?

Mr. SPENCE. I have not contended they do not lose some money, but on the basic, nonperishable commodities they have sustained very little loss through the years. Many of the losses they have sustained have not been the direct result of maintaining support prices, but they have been compelled by the mandate of Congress to perform functions which entailed losses—losses over which they had no control.

Mr. KING of Pennsylvania. Of course, the consumers are very much interested in farm production. But can the gentleman explain to me how the consumers can be interested in having the Government buy $10 billion worth of farm produce, and holding it off the market, away from the consumers?

Mr. SPENCE. This was caused by the necessary purchases that were required to be made to support the price and these products could not be dumped on the market and they are required to be held to such time as they may be disposed of without depressing the market.

How anyone who has the interest of all the people at heart can denounce the Commodity Credit Corporation which stabilized the great basic industry of America, I cannot see. I believe that the farmer ought to have a reasonable assurance of what he shall obtain when he plants. That is the reason I am in favor of an inflexible price support because I do not think the price of what the farmer produces should be at the whim or caprice or judgment of any individual, even a member of the Cabinet.

I hope this bill will be passed overwhelmingly.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am very glad to hear the gentleman from Kentucky, who is one of the finest men I have ever served with, whose outlook on life is so beautiful that it is an inspiration to all of us, make the remark he did a few minutes ago, deploring this attempt to divide Americans into two groups simply because one is a farmer and the other lives in the city. I may say to my friend that the people in the city have nothing but respect for the man and his wife and family who toil on the soil. We are all Americans and we are all part of the American society and we all contribute to our national economy that is of such interest to all of us. This tendency of recent months in justification for certain actions in violation of certain promises and blaming the farmers for everything cannot be defended, when those who make the claim know it is not so. They operate under the guise of being the friends of the farmers at the same time. I suppose they proceed upon the theory that the great majority of the farmers vote Republican because their grandfathers voted Republican. But I think the farmers are awakening now to the realization that this attempt to create two classes by some who profess to be friends of the farmers, and I particularly mention Secretary Benson, is dangerous because it is nothing but political bigotry and, in my opinion, the farmers are waking up to the realization of what is going on.

Mr. SPENCE. The farmer constitutes a great part of the middle class of our country. In some countries there is no middle class; there are only the rich and the squalid poor. They are the unstable countries where governments change and the liberties of the people are insecure. The farmer is one of the most stable segments of our people. It is difficult to mislead him and subversive influences have not made gains among the farming people. We must continue to assist him and protect his interest not only for his sake but for the economy of our common country.

It has been said that if you destroy the cities they will rise again, but if you destroy the farms, grass will grow in the city streets.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I hope I misunderstood the remarks of the gentleman from Massachusetts [Mr. McCORMACK]. When he was referring to Secretary of Agriculture Benson, what I thought I heard him say was that Mr. Benson was guilty of hypocrisy and was deluding the farmers of this country and was not sincere. Am I correct in my understanding?

Mr. McCORMACK. I did not use any of those words at all, but if the gentleman construed it that way, I will not challenge the gentleman's construction.

Mr. CURTIS of Missouri. I am trying to get this out in the open as to what the gentleman did say.

Mr. McCORMACK. I said there are certain alleged friends of the farmers who are trying to array Americans against Americans, the farmer against the city folks, and vice versa, and I said that is a form of political bigotry.

Mr. CURTIS of Missouri. Yes, and the gentleman particularly mentioned Mr. Benson.

Mr. McCORMACK. Yes; I mentioned Secretary Benson's name.

Mr. CURTIS of Missouri. I just wanted to get this straight.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from North Carolina.

Mr. COOLEY. I will say just what the gentleman from Massachusetts has said, that Mr. Benson has tried to cause a revolt in the cities. He is trying to turn the city consumers against the farmers of this Nation, and he is not serving well the interests of either the consumers or the producers. And I will say further

that he has distorted the whole picture in an effort to mislead the public. He has not been frank, fair, and forthright.

Mr. CURTIS of Missouri. I just wanted to get this on the record as to just what your accusations were, because I want to say this, whether you agree or disagree with Mr. Benson's policy, the one thing I do resent—and I certainly resent it—is the attack on his motives. I happen to think that Mr. Benson's theories are right and well, but I think there is no occasion for any man in this House to attack the motives of a fine man like Mr. Benson, and I personally did not want to allow this occasion to pass without notice, particularly in regard to these people who have been saying that they do not attack the character of the individuals in Government. What I thought I heard was certainly character assassination. And I resent it.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, in all humility, I think it is fair to say that as far as I am concerned I have rather consistently argued against high fixed farm supports. I am not trying to turn the city against the farmer—with all due respect to my dear colleague from Massachusetts; he has his own opinion, and he entertains it strongly as always—and I do not believe Secretary Benson is, either. I think the whole problem is this—and this has been the basis for my own action in this House ever since I have been here, long before Secretary Benson took over. The problem is: Shall the farmer alone determine what is for his interest in terms of a program which is designed to serve both interests, the consumer and the farmer, or shall the consumer participate in the decision, and therefore sometimes moderate it, change it, or have some effect on it?

It seems to me when I first came here, for many of us, we assumed that what the Committee on Agriculture brought in as a farm program could just be passed. Well, it turned out it is not that simple. Like some fable, the surpluses just keep mounting and mounting and mounting.

Here you have the amazing statement in the committee report which says that the Commodity Credit Corporation will begin the 1954 crop operations with $846 million less available borrowing power than estimated at the time the increase to $8.5 billion in this very authority was discussed. Then it goes on to say that, in addition to having $846 million less at the beginning of the current fiscal year as anticipated, they anticipate already that at least $900 million more borrowing power will be required to cover the operation during 1955 than anticipated, so that, obviously, no evaluation, no estimate they make, is dependable, in view of the fact that the program is just running away.

All I say is that the city people ought to exercise a little wise discretion here and see that the farmers and themselves do not get drowned either in commitments for the program or surplus commodities.

I call to the attention of the gentleman who said that no money had been lost on the program, one fact, that there are several hundred million pounds of butter going rancid, but I believe still being carried at full value on the books of the Commodity Credit Corporation.

One other point about this bill. I understand, and it says so in the report of the committee, that they will have $8,400,000,000 in borrowing power in January 1955, which is within their ceiling, but they do not believe we are going to get some flexibility in price supports, or that there is going to be any diminution to this program, so they are doing the prudent thing for them; they are asking for more borrowing power in advance. I think the wisdom of the American people will bring about this modest change, to a very modest flexibility in farm price supports and that we can go home without giving this new authority. I wish to emphasize that I recognize the particular problems of the farmer and the hazards peculiar to his enterprise, that I consider it a national responsibility to cooperate in the solution of these problems and that I am affirmatively for the flexible system of farm price supports for that reason. This high fixed farm price parity farm program seems to me to have gone off the tracks and the people who can help it get back on are the city people—certainly wanting to and trying to work together with the farmers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Chairman, apparently we have started another debate on the farm problem. I think it quite appropriate in connection with this because we are asking for more money because of an illogical farm program. Certainly I do not want to turn anybody against the farmer. I am a farmer, have been a farmer all my life, and almost all of my relatives are farmers. But apparently, in my opinion at least, there is a great fallacy that exists to the effect that the prosperity of the farmer is the basis of all our prosperity. Actually, our economy is a big and a complicated matter of balanced production, balancing production with demand; and the 20 million farmers are no more important as a basis of our economy than 20 million other people. The question of balance is very complicated.

Instead of blaming the farmers for anything, what I am trying to do is to blame the Government, because the Government has been the agency which has thrown farm production all out of balance.

The interest of the city consumer, let us say the nonfarm segment of our society is simply this: That there is no question but what the overall farm subsidy program has cost the taxpayers $20 billion and $10 billion of it is incidental to this crazy idea of guaranteeing prices. Furthermore, when we have by this governmental action accumulated so much surplus that now we are faced with increasing the borrowing capacity of the Commodity Credit Corporation, the Government is disposing of the surpluses at prices below that which consumers today are paying for those commodities.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, the people who seem to know most about the farm situations are those fellows who live on 154th Street in New York.

Mr. JAVITS. Mr. Chairman, will the gentleman yield to me at that point?

Mr. BURDICK. If it is not taken out of my time I will yield.

Mr. JAVITS. It will be taken out of the gentleman's time, but it will be only seconds.

Mr. BURDICK. I refuse to yield. If I am wrong as to the number of the street, I will correct that.

Mr. JAVITS. Yes; the street is 116th Street and as to the facts, I do not pretend to be a farm expert and never did. I am a city person strictly and speak only from that point of view.

Mr. BURDICK. All right; then I want to talk to the gentleman.

Mr. JAVITS. And I shall listen.

Mr. BURDICK. You can put wheat down to a dollar a bushel or you can leave it at $3 a bushel and the cost of your bread is identical.

Now, what is the use of trailing around the country and telling the consumers, "The reason you are paying so much for bread and meats is because the farmers have the support price"? That is not true at all.

I believe myself, and I would hate to see it done again, that we have to have another depression such as we had in 1932 and 1933 to educate some of these newcomers that have been talking here this afternoon about what it means when agriculture fails. I know because I was a Member of Congress here when there were 15 million people traveling up and down the eastern seaboard looking for something to eat. The reason for it was that we were selling wheat for 26 cents a bushel. It did not pay for harvesting. Corn had no price. They burnt corn for fuel. That whole agricultural belt was prostrated and their buying power was gone. Just as soon as that lack of buying power hit the East those factories where your workers worked lost their jobs, and they constituted these 15 million people that were traveling around the country looking for something to eat.

When you destroy the buying power of the farmer, that in normal times buys one-third of all the steel output in this country when he can buy it, and he buys almost half the output of the textile mills of New England, or whatever it is, when he is broke those mills go out of business.

In my county alone, and it is a good county, probably the richest county in the United States, I can remember in that period when the farmers were down they took a survey of the county and 72 percent of the people out there did not have a mattress to sleep on; yet the stores in town and the manufacturing

plants of New England were piled high with mattresses, because they could not get them because the buying power was gone.

This program was put through here not for the purpose of helping the individual farmer, it was put through to bring the economy of the Nation back to life. You can remember when all the banks were closed, everything was closed. I remember there were 4 days when you could not draw any money. I did not have much in the bank, but I had $6, and I could not get that out.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Iowa.

Mr. JENSEN. I have been in the House with the gentleman from North Dakota for many years and I have never heard the gentleman from North Dakota insult the city folks as the gentleman from New York [Mr. JAVITS] has insulted the country folks today. Just a few minutes ago he said that the city folks would have to educate the country folks and save them from disaster.

Mr. BURDICK. Yes.

Mr. JENSEN. I want to remind the gentleman from New York [Mr. JAVITS] that we have a higher state of literacy on the farm than the people do that he has the honor to represent, and I know they are good people. But let me tell the gentleman from New York [Mr. JAVITS] that the farmer communes with Nature, and that is God's business. When he communes with Nature he becomes natural, and when he becomes natural he becomes practical. You folks, men like you, do not understand that because you live in an artificial atmosphere, you think artificially, and you talk artificially.

Mr. BURDICK. I do not think it is necessary to prove the illiteracy of the East because I think the gentleman from New York [Mr. JAVITS] has demonstrated that fully.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. McCORMACK. Does the gentleman agree with me that any effort to array American against American such as the city folks against the farmer or vice versa is wrong?

Mr. BURDICK. Yes, sir.

Mr. McCORMACK. And it is a form of political bigotry?

Mr. BURDICK. Yes, sir, it is.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. DORN of South Carolina. In support of what the distinguished gentleman from North Dakota is saying today, I hate to inject a personal experience into this debate, but I want to point out that while I can afford to lose a little bit on my farm, the average farmer in the country cannot. Last fall, I sold my wheat crop at Route No. 1, Greenwood, S. C., the Third Congressional District, for $1.65 a bushel. During the same week that I sold that wheat at $1.65 a bushel, the price of a loaf of bread, I want to tell the gentleman from New York, went up 1 cent. Last fall when I sold my cattle, I received an average of 13 cents a pound. Then when I returned to Washington, I paid as high as $1.30 a pound for steak here. And right now in South Carolina, Georgia, and throughout this great country, you can buy beef on the hoof as low as 6 or 7 cents a pound. You go downtown tonight and try to buy a T-bone steak at the Shoreham Hotel and see what you have to pay for it. The farmers of this country are not responsible for the situation we are in today. Unless you do something about this condition to give the farmers a fair break, then this condition is going to spread to other industries throughout the country.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. You are not going to cite any more of those figures of yours, are you?

Mr. KING of Pennsylvania. No, I am not going to cite any more figures.

Mr. BURDICK. I yield.

Mr. KING of Pennsylvania. I just want to go back to the time that you spoke of during the depression days when you say you were in the Congress, and apparently devoting your time to politics. I was a farmer trying to make a living during that time, and I know a great deal about it. The depression dragged on for a long time. Do you think Government subsidies in any way hastened the adjustment which was inevitable and necessary, or did Government intervention in that thing drag it out and prolong the misery, and will you explain to me just how the Government in any way helped the situation?

Mr. BURDICK. That is exactly what we did. The Government breathed some new life into the farming sections of this country and we began to revive.

Mr. McCORMACK. Do you remember the foreclosures on the farms and the foreclosures on the homes? Do you remember what was going on then?

Mr. BURDICK. Yes, sir, I do.

Mr. McCORMACK. The Government stepped in and saved family life in America.

Mr. JAVITS. Mr. Chairman, will the gentleman——

Mr. BURDICK. I do not yield to the gentleman. May I be permitted to say a few words?

Mr. Chairman, this program was not put through to help any particular person in the country. It was put through to put buying power back in the hands of the American people. That is all there is to it. I remember going before a committee here when the business interests of the country were there in force saying, "If we withdraw all Government restrictions from private business, they could go ahead and put these 15 million people to work." I was there and while I did not ask the question—I asked a friend of mine on the committee to ask the question and he asked the business interests, "If we withdraw every restriction that the Democrats have put on business since Roosevelt came in and put it right back where it was under Hoover, how many of these 15 million people can you employ?" And they all admitted that they could not employ over 3 million. Well, they were asked, What are you going to do with the other 12 million people out of a job? They said, "We do not know." Now maybe we did something foolish. I voted for all of it—do not charge it to the Democrats alone. I was here and I voted for it. We set up a lot of foolish business, but the people had to eat and I knew myself that when enough people got hungry enough, they would get enough to eat. I have seen that happen. I have seen them leave the line of march and go into a store and eat it up.

The CHAIRMAN. The time of the gentleman from North Dakota has again expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BURDICK. We might have to have that demonstration all over again to convince the gentleman from New York [Mr. JAVITS] and the gentleman from Pennsylvania [Mr. KING] that we are not handing any plums to the farm belt when we are trying to put buying power back for the benefit of the entire country.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. JAVITS. I regret any reference to illiteracy, we are having a perfectly fair debate, everyone knows there is no question of literacy or illiteracy, farmers and city people are decent people trying to do the best for our country.

Mr. JENSEN. You are the first fellow who accused the farmer of being illiterate. What are you talking about? I did not say you were illiterate.

Mr. BURDICK. The only demonstration of illiteracy this afternoon was made by the gentleman who says price supports invariably causes a rise in the price of food.

I still stick to it, because you do not know the situation, you only know in New York City that the price of bread is high, and you at once attribute that to price supports.

Mr. JAVITS. There was a time for the high fixed farm price supports, when 90 percent of parity was essential to this country, for instance; but like any medicine, that time may have gone by. I just venture to suggest and argue that the time has come, because of the farmer's own condition, the fact that he is not doing well under these very high fixed price supports, there must be something wrong. So some of us are suggesting some way of dealing with the difficulty. The modest flexibility introduced in the program by the House recently is along that line. I do not think that is unfair and I do not think that deserves any caustic condemnation.

Mr. BURDICK. Well, he may be in a bad shape today, but if he listens to the advice I have heard today coming from New York and Pennsylvania he will be much worse off tomorrow.

The CHAIRMAN. The time of the gentleman from North Dakota has again expired.

Mr. SPENCE. Mr. Chairman, I yield the balance of the time to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, members of the Committee, including farmers, I think the House has fallen rather low when a Member comes before it and says you are trying to sell a program you have failed to explain or justify, and you have to accuse that colleague of being illiterate, instead of trying to explain.

Someone said there would be a revolt against this farm program unless you do the right thing, and the revolt will come, if it comes at all, because of the confusion and the lack of understanding that is attendant upon this program.

My distinguished friend from New York [Mr. JAVITS] says he is opposed to this bill, despite the fact that he voted for flexible price supports. This gentleman from New York now addressing you tells you I am opposed to this bill, despite the fact that I voted for rigid price supports.

Even though this bill does not involve the question of rigid or flexible price supports, I must say that there is something radically wrong with this entire program, either in the law or in the administration of the law.

With rigid price supports we now find that cotton goods sold you in the store are selling for less money despite the fact that they are made with cotton that comes from cotton supported by rigid supports. The milk we are buying in the store is selling for more money, despite the fact that it comes from the milk producer who is getting less for that milk which comes out of the milk produced under flexible price supports.

Maybe we city consumers are illiterate, but you better start doing some tall explaining because we have votes, we have Representatives in this House and in the other body who vote, and I, for one, am not going to vote to expand this program.

I have always voted for the farm program, I have followed the farmers and their advice, but I am stopping today. I am going to vote against this bill because I say to you, as indicated earlier in the debate, this bill is born of political trickery and chicanery. I do not accuse any of the Members of this House of that political trickery or chicanery.

Although I have the highest respect for Secretary Benson, his honor and his integrity, I must point my finger at him. He is the man who has been picked by the Republican administration as the agricultural expert of this country. He was that during the campaign when he advised Candidate Eisenhower on the farm programs. He was named the official governmental expert on agricultural problems when he was named Secretary of Agriculture. He was studying the problem during the campaign, he has been studying it since, and he has told the Committees on Agriculture that he is studying the problem, he has told the Committees on Banking and Currency he is studying the problem and he still does not come up with a plan to do something about any of these problems.

This House only a short time ago authorized the cancellation of $741 million of losses sustained by CCC, wrote it off the books and canceled the indebtedness, restoring that much money or buying power and lending power to CCC.

Having urged that that be done, Secretary Benson came before the committees of the Congress and asked for another $1¾ billion to increase the borrowing power of this Corporation to $8½ billion. He did that on the basis of estimates, facts, and figures which he submitted to both Houses. He said the increase would carry him through this year and until the next Congress meets next year. Now, within 4 months he comes back and tells us he has made a mistake, that he needs another $1½ billion to carry him through until next January.

Mr. Chairman, there is something wrong with the planning and thinking of a Secretary of Agriculture who can make that kind of an error. The best he can do to support his argument for another billion and a half is to tell you that up to June 30 of this year he has used $6,400,000,000 of the $8½ billion authorized, having on hand another $2,100,000,000 at this time. Yet he says he needs another $1½ billion to support this program.

On his recommendation this House passed the agricultural bill and sent it to the other body. It contains a provision, which I am sure will prevail, permitting the Commodity Credit Corporation and the Secretary of Agriculture to set aside out of the $8½ billion as much as he chooses up to $2½ billion of the products he has stored away, and the Treasury Department is authorized to cancel that $2½ billion indebtedness. That way the $8½ billion will not be impaired one penny. So he will take the $2½ billion of surplus that is stored away—some of it rotting away—set it aside, cancel the indebtedness, and still have $8½ billion to use for this farm program.

I supported that provision in that bill—at least, I did not raise my voice against it. I thought maybe that was one way to accomplish the purpose that was sought to make the farmer prosperous, to keep him prosperous, and selfishly the city boy is saying to keep us prosperous, too, because his prosperity is my prosperity, and vice versa.

But when you have done that and you have given him the right to write off the books $2½ billion and to use that $2½ billion, and having given him $1¾ billion more only 4 months ago, how can you possibly justify coming here now and asking for another $1½ billion when he has on hand $2,100,000,000?

If you are going to destroy this program, Mr. Farmer and Mr. Farm Representative in this House, if you want to destroy this price-support program, this is the way to do it.

Let me recapitulate the figures for you. Four months ago you increased the authority of the Commodity Credit Corporation by $1¾ billion, making the total authorized lending and buying power of the Corporation $8½ billion. On June 30 the Congress, both Houses, approved the conference report on the Agricultural Trade Development Act of 1953 and authorized the President to use $741 million of agricultural surplus products now stored and owned by the Government. That same act calls for the cancellation of the notes issued by the CCC to the United States Treasury in the equivalent amount. That means that as those surplus products are given away the equivalent amount is made available to the CCC, so that the $8½ billion is thereby increased by another $741 million—that makes a total of $9.241 billion available to the CCC. This House passed and sent to the other body the Agricultural Act of 1954, in which you authorized the setting aside of $2½ billion of surplus products now owned and stored by your Government, taking it completely off the market and, at the same time, authorizing the cancellation of the indebtedness to the United States Treasury of the equivalent amount, thereby making available to the CCC another $2½ billion, or a total of $11.741 billion.

If you pass this bill now as you are bent on doing, you give them another billion and one-half dollars, or a total of $13.241 billion.

Now let's look at the other side of the ledger. What is the maximum amount that may be needed for this program? Under no prior administration did it ever run to $6 billion. Four months ago when the Secretary of Agriculture asked for another 1¾ billion he told us that the maximum outstanding liability of this Corporation was at that time $6.1 billion. When he came in and asked for the additional $1½ billion provided for by this bill the Secretary of Agriculture told us that the maximum liability of this Corporation as of June 30, 1954, was $6.4 billion. In other words, as of the time he was testifying in support of this bill he had an unused balance of $2.1 billion which has since been increased by the $741 million provided for in the Agricultural Trade Development Act of 1953, and which will be increased by another $2½ billion provided for in the Agricultural Act of 1954, making a total that he will have available of $5.141 billion, even without the billion and one-half you now seek to give him by this bill. He cannot possibly justify the need for a fund of $6.641 billion over and above the $6.4 billion that he now has outstanding.

This is without attempting to discount the moneys that will not be needed because of the tremendous losses of corn and wheat and other crops because of the extensive drought that various areas of the country have suffered in the last few months.

Some members have indicated some doubt as to whether or not it is not essential to give them this additional authority in order to implement the flexible price support program as written into the Agricultural Act of 1954 by this House. Permit me to direct your attention to the fact that the Under Secretary of Agriculture has testified before our committee that his estimate which he uses to support the need for this additional money called for by this bill is not based upon a flexible price support program but it is based upon a rigid price-support program. He says that he needs this money in order to carry on his

rigid price support program. He concedes that he doesn't need this additional money for a flexible price support program which he urges will necessarily call for less money than the rigid price support program.

I suspect that the request for this authority is part of the pressure that the Secretary of Agriculture and the administration seeks to exert upon the Congress in an unfair effort to force the Congress to adopt their views as to a flexible price support program.

Incidentally, I trust no one will try to say that this money is necessary because of any maladministration by any previous Secretary of Agriculture or because of any action of any prior Democratic administration. The testimony before our committee is that the program is being operated exactly the same now as it was during prior administrations, the method of estimating is the same, the method of computing what is coming in and going out is the same, the method of making loans is the same, and the use of banking facilities is the same. The only change has been in personnel.

One other facet of this problem requires some attention. The testimony before our committee shows that the Treasury Department has advised the Secretary of Agriculture that in using $6.4 billion of the authorized $8½ billion the Government will come within a half billion dollars of the debt limit. For the CCC to use another billion and one-half dollars will necessarily exceed the debt limit by a billion dollars. That is without considering any part of the cancellations heretofore referred to. If any part of that $3.241 billion worth of cancellations is used then you get that much closer to exceeding the debt limit by so much more depending upon the amount used.

I have heretofore pointed out to this House the improper bookkeeping methods used by the CCC as a result of which a false picture of its operations are shown to the American people and as a result of which its actual losses are covered up or concealed. I will spend no time on that subject today.

The distinguished gentleman from Texas [Mr. PATMAN] has already fully and fairly developed the picture showing the improper and unlawful financing operations indulged in by the CCC under the direction of the Secretary of Agriculture and with the approval of the Secretary of the Treasury. I will spend no further time on that phase of the subject except to advise the Committee of the Whole that when we get back into the House I will offer a motion to recommit this bill with instructions to include a provision in this bill which will prohibit such practices. Whether the motion prevails or is defeated I will continue to urge the defeat of this bill.

I repeat that the best way for the farm representatives in this Congress to destroy the price-support program and with it to destroy the farmer is to enact this kind of legislation.

Mr. WOLCOTT. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 4 of the act approved March 8, 1938 (52 Stat. 108), as amended, is amended by striking out "$8,500,000,000" and inserting in lieu thereof "$10,000,000,000."

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: In line 5 immediately after the figure "$10,000,000,000" (and before the quotation marks following such figure), insert "*Provided*, That the Corporation shall not issue any obligations (other than to the Secretary of the Treasury) at a rate of interest in excess of one and one-quarter times the rate of interest (or comparable cost) paid by the Treasury of the United States on the most recently issued obligations of the United States of comparable maturity, except that the provisions of this proviso shall not apply to lending agency agreements applicable to loans under a commodity-loan program."

Mr. PATMAN. Mr. Chairman, under the present law the Commodity Credit Corporation can get this money from the Treasury. That is the way it usually gets the money. The going rate of interest on short-term obligations, like tax-anticipation certificates, is now 1 percent; therefore, the Government could get the money for 1 percent through the Treasury and let the Commodity Credit Corporation have the money for 1 percent.

Now the Commodity Credit Corporation wants to bypass the Treasury and sell the certificates of interest direct to the lenders. That is all right if it is not too expensive. This amendment will not prohibit it, provided the Secretary of the Treasury does not pay more than 25 percent in excess of what it could get the same money from the same lenders through the Treasury. It occurs to me it is so reasonable that the committee should accept it. It permits a burden of 25 percent, I will admit, on the farmers that is not justified, but, in order to bend over backward, to help what is called private enterprise, I am perfectly willing to permit as much as 25 percent, but no more, to be paid for that purpose. In other words, if the rate should go up to 2 percent that the Treasury is compelled to pay, why, then the Commodity Credit Corporation could permit 2.5 percent, or 25 percent more. If the rate were to go up to 4 percent, the Commodity Credit Corporation, although they could get money for 4 percent, would be allowed to pay 5 percent under this amendment. But, since the Commodity Credit Corporation can borrow money today for 1 percent through the Government, this amendment says that you cannot pay more than 1¼ percent more than you can get it from the Treasury. So why should we unnecessarily burden the farmer with this extra interest? There is no use doing it. These same leaders will let the Government have the same money if it is done through the Treasury, so why not have some limitation whereby the Secretary of the Treasury cannot pay over a certain amount? I think it is putting too much of a burden on the farmer.

The Treasury just a few days ago issued tax-anticipation certificates totaling $3.5 billion which were oversubscribed 3 to 1, and the interest rate was 1 percent. That is just a few days ago. Since their maturities are comparable to the Commodity Credit Corporation certificates, one can put them side by side fairly because they are comparable. So that at the 1-percent rate the Commodity Credit Corporation could have issued them for $21 million to $28 million less than they actually paid through the CCC making it directly when they could have made it through the Treasury. So we are paying what might be considered a bonus or a subsidy to lenders now. Let us restrict that bonus or subsidy to 25 percent. That is all that my amendment does, and I hope the amendment will be agreed to.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

You will recall that when we had this bill up earlier in the year the same situation was before us and the committee voted it down overwhelmingly.

Mr. PATMAN. Not overwhelmingly.

Mr. WOLCOTT. I said it was voted down and we can leave out the word "overwhelmingly." I do not remember now how overwhelming it was, but, anyway, there was an effective vote against it. The question has been raised by the gentleman from Texas [Mr. PATMAN] that this, in some way, is affiliated with the problem of increasing the debt limit. This House has seen fit to increase the debt limit, but the other body has not taken action on it up to this particular time. We do not know what is going to happen in respect to the debt limit.

These certificates of interest which are provided for are merely an adaptation to all support programs of practices which have been in effect on cotton for these many years. They have always worked out quite successfully and they will work out as successfully on other crops as they have worked out for cotton.

What I am trying to bring out is this, that the system under which they operate now is a tried system. They know that they are going to get finances enough for these support programs. We do not know whether there will be sufficient incentive under the amendment offered by the gentleman from Texas [Mr. PATMAN] to make possible the financing of these crops without further drains on the Treasury. There is no drain on the Treasury at the present time in respect to these programs until there is an impairment of the capital of the Commodity Credit Corporation. There might be such a drain on the Treasury if the certificates did not carry an effective rate of interest to attract private investment.

We have on occasions mandated the Commodity Credit Corporation to buy or sell for specific programs. You will note by reference to the report that the

activities of the Commodity Credit Corporation are quite all-embracing in respect to the movement of crops. It operates storage facilities; a commodity export program; it supplies funds for our purchase program, and it engages in other activities authorized by Congress.

Many of those activities authorized by Congress take this form: We authorize the Commodity Credit Corporation to buy either at home or abroad for our defense forces, and then it comes to the Congress and of course we reimburse the Commodity Credit Corporation if there is any impairment of capital for the amount which they had to borrow from the Treasury to get the money with which to buy food for our Armed Forces and other mandated programs.

We have, of course, restored the capital because it was the only thing to do. I remember one time in connection with a similar situation under the Reconstruction Finance Corporation when we restored about $3 billion to the RFC because we had given the RFC the job of going out and doing certain things for the Armed Forces and engaging in other activities with their own money which was obtained by borrowings from the Treasury. On the basic crop-loan programs there has been very little impairment of capital of the Commodity Credit Corporation which had to be restored.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday I made a speech here in the House which appears in today's RECORD. The speech contains much pertinent information, and I hope that those of you who did not hear it may find time to read it. In that speech I pointed out the fact that high Government officials, yes, including Secretary Ezra Benson, have been going up and down the length and breadth of this country trying to cause a revolt and to turn the city consumer against the farmer, actually trying to divide our people. Mr. Benson has been very apprehensive about the reaction of the consumer to the results of the price-support program. Certainly, consumers have not revolted; there is no sign of it anywhere. Perhaps it does not exist except in Mr. Benson's mind. Ask yourself the question, Why should the Secretary of Agriculture, of all persons, try desperately to turn the consumers against the farmers of our country?

When general farm legislation was being considered on the floor of the House 2 or 3 weeks ago there was no sign of any revolt on the part of the consumers of the Nation. Many Members of Congress from city districts voted for mandatory fixed-price supports, knowing that such price supports would be accompanied by acreage allotments and marketing quotas and that farmers would diligently and faithfully try to bring production in line with reasonable consumer demand. The administration did not fight for Benson's program, but at exactly the psychological moment the majority leader took the floor and supported, with all of his energy and sincerity, a compromise, and the result was the approval of a support price of 82.5 percent of parity instead of the 75 percent of parity which had been advocated by Secretary Benson. The majority leader knew and said that it was a compromise and yet the President denied that it was a compromise and called it a great and a sweeping victory.

I repeat that Mr. Benson has deliberately tried to deceive and to mislead the consuming public. He has not been forthright and fair. He finally presented a program which was a fallacy and an outright fraud. He may be pious but he certainly is not prudent. He does not even practice what he preaches. The support of dairy products has been on a flexible basis from the very moment that Mr. Benson took office. If he honestly and sincerely believed that the unlimited production of dairy products should not be supported at high levels, in good conscience he should explain to the American people why it took him 14 long months to make a decision and finally to lower the price supports from 90 percent of parity to 75 percent of parity. Secretary Benson, and he alone, is entirely responsible for the burdensome inventories of dairy products which the Commodity Credit Corporation now has in storage.

Mr. Benson, by the use of misleading figures concerning the cost of the price-support program, has done everything in his power to bring the program into disrepute. When he came face to face with the members of our committee, fortunately he admitted the truth. He had to admit that the total cost of the entire price-support program through the CCC had only amounted to—subtracting the profits on the sugar program—slightly more than $1 billion during the entire period of 22 years. Mr. Benson's own figures and calculations clearly indicate that the entire losses sustained on the price-support program from the beginning to the end have amounted to less than $1,375,000,000. If you will subtract the profits of $309 million made on the sugar program from that figure, it is apparent to see that the losses have amounted to only $1,066,000,000. This includes all the losses sustained by CCC on price-support programs.

I am certain that even Mr. Benson will agree with these figures.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BROWN of Georgia. On the basic commodities over a period of over 20 years the Government has lost on the six basic commodities only a little over $63 million, and that was up to the 31st of December of this last year.

Mr. COOLEY. I have brought these figures up to date and I challenge Mr. Benson or any of his actuaries or statisticians to deny the accuracy of these figures, because they came from the Department of Agriculture.

When this administration came into power this great price-support program on the basic commodities showed a profit of over $8 million, and within 4 months under Mr. Benson the profit had disappeared and we had a loss of over $8 million. Now we have a loss of slightly over $130 million on the entire basic program from beginning to end. I challenge Mr. Benson to say these figures are inaccurate. When I used the billion-dollar figure, I am talking about all of Mr. Charlie Brannan's rotten eggs and Irish potatoes. Over $900 million of that billion was lost on four commodities. The figure was used here by my distinguished colleague, a member of the House Committee on Agriculture, that this farm program had cost $20 billion. That is the kind of speech that Mr. Benson has been making. We are talking not about the overall wartime consumer subsidies; we are not talking about the soil conservation programs and the ACP program; we are talking about the price-support program of the Commodity Credit Corporation.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. KING of Pennsylvania. You do not mean to tell this House that you even believe the losses on the price-support program are all measured by the balance sheet of the Commodity Credit Corporation; do you?

Mr. COOLEY. Why, of course, I mean to tell you exactly that. The price-support program is carried on by the Commodity Credit Corporation. It has nothing to do, for example, with the school-lunch program and many other programs which you and your friend Benson always include and never mention by name or in any way discuss.

Mr. KING of Pennsylvania. Every time the Commodity Credit Corporation loses money, some other agency reimburses them.

Mr. COOLEY. They did not lose a dime on the basic commodities until the Republicans took over and put Mr. Benson in charge of it. I can prove with Mr. Benson's own figures that even at the end of the 21-year period, we had lost only 21 millions of dollars—$1 million a year. And yesterday, as I pointed out, in the very first item on foreign aid and relief, we were appropriating 3 times the entire overall cost of this great program for 22 years.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. GAMBLE. Mr. Chairman, I object.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. COOLEY. I just want to say to these city consumers that during the time we sustained this accumulated loss over a period of 22 years, which amounted to $1 billion, the American people enjoyed an accumulated national income of $3,015,000,000,000. The American people had that much in purchasing power. Relate that, if you will, to the one little measly billion dollars which was lost in 22 years on potatoes, eggs, wool and everything else.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. JENSEN. And it must be said that the American people are buying

their food for 22.8 percent of the income of the American people while the rest of the world is paying 70 percent on an average for their food.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. JAVITS. I would like to assure the gentleman, who is the distinguished ranking minority member of the Committee on Agriculture, that in my district—which happens to be one of the most literate in the United States including as it does Columbia University, and I believe as many other educational, medical, and cultural institutions as about anybody else's district in this House and whose people are by a very high percentage—high school and college graduates—the farmers of America are considered to be wonderful people and very literate, and we want to do everything in our power to help them; and second, there is certainly no animosity and no hostility in my district. If anybody is trying to sow it, they are failing miserably. We are discussing as honorable Americans a problem affecting our mutual concerns and nothing more. I think it is very tragic that any other note should be injected into this debate.

Mr. COOLEY. I just want to make one observation.

After the speech delivered by our friend from New York, if the agricultural bill we have passed and sent to the Senate is enacted substantially in the same form that we sent it there, this two and one-half million will be written off, and this bill would not be necessary. But we have no assurances that the Senate will pass the bill. Therefore, I hope the gentleman from New York will realize that if the Senate fails to pass the bill containing the set-aside provision, with the chargeoff section, this bill may be urgently needed before harvesttime is over.

Mr. MULTER. The Under Secretary, in talking before our committee, did not take into account the writeoff and the cancellation of the two and one-half million.

Mr. COOLEY. That is right.

Mr. MULTER. He has used six and one-half million without writing off the two and one-half million.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. PATMAN. The gentleman from Michigan suggested this same amendment was overwhelmingly defeated. It was not the same amendment. It was an amendment that was confused——

Mr. NICHOLSON. Mr. Chairman, a point of order.

I raise the point of order that we have gone a long way from the amendment offered by the gentleman from Texas.

The CHAIRMAN. The gentleman will proceed in order.

Mr. PATMAN. The amendment was rejected by a vote of 109 to 73. That was not a clear amendment, such as we have before us now. There is no reason to vote against this amendment, and I hope the amendment will be adopted.

Mr. MARSHALL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, on February 18 of this year, I asked some questions concerning this matter. I dislike some of the attempts—that I would not say were deliberate, but certainly they do reflect in the costs of our farm-support program that gives some people the wrong impression about our farm-support program.

One of the things that happened last fall I think was very, very regrettable. The Treasury resorted to a means of financing the Commodity Credit Corporation, brought about because they felt they had to resort to financing to evade the statutory debt limit. This body does not need to take any blame for that action. We acted in a responsible fashion. But because the other body did not act in a responsible fashion, it meant that financing was resorted to. That, to use a common word, stinks. On October 28, 1953, a loan for Commodity Credit Corporation financing was arranged at $357 million. Someone decided that that should be at 2½ percent interest rate. The banks offered to buy over $2 billion worth of this paper because of the attractive interest rate. The going rate on Government paper which was no better paper than the paper involved in the Commodity Credit Corporation, was something like 1½ percent. Obviously, this loan was greatly oversubscribed. They recognized that. So on December 17, 1953, they floated another loan of $449 million at 2¼ percent interest. That loan was also greatly oversubscribed. The banks offered to buy $1,200,000,000 worth of this issue. That meant again that in this cost of financing that that was charged back against the cost of the operation of the farm program.

On February 2, 1954, a loan was floated for something like $351 million at 2⅛ percent interest. The banks wanted $1.8 billion worth of this paper.

Mr. Chairman, during this period the Treasury could have borrowed the money on 91-day bills for approximately 1½ percent interest or less. I maintain, in fairness, that the amendment that has been offered by the gentleman from Texas [Mr. PATMAN], would protect the Commodity Credit Corporation against this type of financing. I hope that something is done about our statutory debt limit. I hope it is done before this Congress adjourns. I do not like to see our Government getting into this kind of fiscal operations. I regret exceedingly that this has been done.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. May I say that I have been over the figures the gentleman has gone into and I want to commend him for the work he has done. I agree with his conclusions as to what has taken place as a result of the debt limit, but inasmuch as the debt limit has not been raised I would hate to see restrictions on Government financing that would produce more fiscal irresponsibility. I certainly commend the gentleman on what he has done.

Mr. MARSHALL. I thank the gentleman from Missouri.

Mr. Chairman, I would like to say in connection with some things that have been said about the farm program that just a short time ago the farmer was getting in this country about 54 cents out of every dollar as far as food prices were concerned. Today he is getting 45 cents out of the consumer's dollar. The parity price he is getting has been steadily dropping until at the present time it is 88 percent of parity.

I put a letter in the RECORD yesterday which I received from a farm family in Minnesota. In this letter it was pointed out that where their prices had dropped because of the action in lowering the price-support program on dairy products at the same time in the city of Minneapolis milk went up 1 cent a quart. Those things just do not add up. Somethink ought to be done about that sort of situation.

Mr. Chairman, I am thankful for abundance. That abundance credited in no small part to the ability of our farmers places on the American consumer's table the best quality food at the lowest hourly labor cost that consumers enjoy anywhere in the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 29, noes 53.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 4 (1) of the Commodity Credit Corporation Charter Act (62 Stat. 1070), as amended, is amended by striking out "$8,500,000,000" and inserting in lieu thereof "$10,000,000,000."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. CANFIELD, having resumed the chair, Mr. SADLAK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9756) to increase the borrowing power of Commodity Credit Corporation, pursuant to House Resolution 644, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MULTER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MULTER. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MULTER moves to recommit the bill H. R. 9756 to the Committee on Banking and Currency with instructions to report the same back forthwith with the following amendment: In line 5 immediately after the figure "$10,000,000,000" (and before the quotation marks following such figure), insert *"Provided*, That the Corporation shall not issue any obligations (other than to the Secretary of the Treasury) at a rate of interest in excess of one and one-quarter times the rate of interest (or comparable cost) paid

by the Treasury of the United States on the most recently issued obligations of the United States of comparable maturity, except that the provisions of this proviso shall not apply to lending agency agreements applicable to loans under a commodity-loan program."

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 72, noes 5.

Mr. JAVITS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. ARENDS. Mr. Speaker, in view of that situation, I ask unanimous consent that further proceedings be postponed until tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Does the gentleman from New York withdraw his point of order?

Mr. JAVITS. I do, Mr. Speaker.

HOUR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit during the session of the House tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H. R. 9756.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

JOINT COMMITTEE ON TIN

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 259, to provide for the Joint Committee on Tin.

There being no objection, the Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Tin (hereinafter referred to as the Committee), to be composed of 14 members as follows:

(1) Seven Members of the Senate, 4 from the majority and 3 from the minority party, to be appointed by the President of the Senate; and

(2) Seven Members of the House of Representatives, 4 from the majority and 3 from the minority party, to be appointed by the Speaker of the House of Representatives.

A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a Member of the Senate and the other a Member of the House of Representatives.

SEC. 2. It shall be the function of the committee to make the study and investigation determined necessary by section 1 (c) of Public Law 125, 80th Congress, which provides "It is necessary in the public interest and to promote the common defense that Congress make a thorough study and investigation regarding the advisability of the maintenance on a permanent basis of a domestic tin smelting industry and to study the availability of supplies of tin adequate to meet the industrial, military, and naval requirements of the Nation in time of national emergency."

SEC. 3. The committee shall report to the Senate and House of Representatives not later than January 3, 1955, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable.

SEC. 4. The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 5. The committee is authorized to appoint, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

The expenses of the committee, which shall not exceed $50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

The committee is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government in connection with its study and investigation.

The resolution was agreed to, and a motion to reconsider was laid on the table.

LIFE ON THE MESA

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, in a very fine letter just received from a friendly family with whom I visited near Yuma, Ariz., while on active duty with the Army last September, life on the mesa is vividly described.

As the letter covers many topics that affect our people on or off the farms, in or out of the cities, I think it will be of interest to the Congress to have the letter of Mrs. Helen Thomas, wife of "Tex," mother of an Army sergeant and a growing daughter, spread on the RECORD, in part, at least.

I might add that I was encouraged to take this time, Mr. Speaker, to address the House to insert the letter because of the debate that took place a few minutes ago on the bill to step up his lending power of the Commodity Credit Corporation. Particularly effective, I thought, were the remarks of Congressman BURDICK, of North Dakota, when, in substance, in support of the measure, he said:

In the early thirties, when I had $6 in the bank and couldn't get it out, and everyone was broke and people were hungry and 15 million Americans were out of work, some people in my district broke the line of march; they raided grocery stores for the food that was meant to be eaten; though they had no buying power, no money to pay for it, they ate, they were hungry.

Shades of a Tale of Two Cities, shades of Viareggio, in Italy, when the Fifth Army passed through it and hungry people pleaded, "Bread, bread, pane, pane," "Food, food, mangare, mangare." Old people, young people, middle-aged people. It was a dramatic moment this afternoon when Mr. BURDICK spoke.

We do not want the tragedy of the early thirties to happen again, Mr. Speaker. We cannot afford it; if we expect to keep the red, white, and blue waving in the breeze as we know it, the course we steer must avoid the shoals we see brought into view in the letter Helen Thomas writes. In part, it follows:

JULY 25, 1954.

DEAR FRIEND: We were very pleased to get your card. Have wondered and thought about how you are doing in Washington this year. Many things have changed in the past few months.

We are well and as busy as we could possibly be, enjoying ourselves as we go along. Our son Jim is in Hawaii, has been since March. He wrote us this week that he has just been made sergeant. There's been a lot of rain there this summer, and, he says, many white-collar inspections of late. Harold (Senator Giss), you remember him, says probably officials that want to see the islands. Said he wouldn't mind going.

Sent Jim's Olds to him. It was just setting here taking up room when he can get a lot of enjoyment out of it over there. The farmers are really taking a loss. Thank heaven we have managed to keep out of debt so far. We have tried to economize, but seems hard to do as everything we use on the farm has increased in price and what we sell is worth very little. Our good alfalfa hay is down to rock bottom. Statistics show that it costs $17.50 per ton to produce hay in this locality. My dad was

lucky enough to receive $18.50 for some the other day. There hasn't been any market for it recently. We are feeding 400 head of cattle. That way we hope to get our money back out of the hay.

Hope to be able to operate without going in the red. We have our equipment in good condition and free of debt; would sure hate to be in some of the ranchers' boots, especially some of the poor GI's on the mesa. Some of them have leased their farms out to outsiders and taken jobs to hang on. Also most of the boys bought good cars and built good homes in hopes that by working hard they had it made. It has been a bitter experience for some of them. Most of them went into the farming business not knowing anything about the trials and hardships they would face. It's a good life, but as Tex says, "it separates the boys from the men."

Don't know why the silly farmers don't want to take away all supports. Would certainly be better than having supports on some items and nothing on others. This country was built on free enterprise and doing without supports. Supply and demand will regulate prices more fairly. All the real dirt farmers we talk with think the same way, yet there are so many new, get-all-you-can type of people moved in the farming industry. They are the joiners and the promoters. The rest of us think ourselves too busy or not capable and let them do our polling for us, then we set and talk about how it should be done.

Here in Arizona we are a new State and we are getting more and more big-business men from other States in here buying up land at a good price. They have the money to spend and are really developing a lot of the land. In many ways it is good for the State. But * * *.

There are more and more small farmers going out of business. Many men from other States are moving in to plant citrus as a sideline. Larger groves are going in all the time. In the future, Arizona will be the leading citrus State, I believe.

Immigration officials have been down in these parts many times recently. They haven't visited any of us. Would have liked to have had them here to explain and tell them about a lot of things pertaining to the wet Mexican situation. If one only read the papers and didn't know anything else, then one would think what a wonderful job was being done. We were the first ones, here in the valley, to get men on contract years ago when we could first get men legally on contract. Tex and Mr. George Pickering (head of the association here) took the first truckload of Mexicans to Mexicali to get them processed.

That was fine and everyone was very happy. Then came the time when contracts were to be renewed. All of a sudden, Mexico didn't want the same men to be contracted; they wanted to tell the farmers whom they could contract. After the farmer had gotten a man trained so he could do a good day's work without watching and teaching every small detail to the worker, the farmer couldn't have that trained man back; he was forced to send that trained man back and take a new man on a new contract; that wouldn't have been so bad if the Mexican Government hadn't sent men from drugstores, clerks, men from banks and other professions to be contracted. The regular wets that came of their own accord wanted to work and could take the heat and stay well. The men that were sent over on the new contracts didn't know how to do manual labor, didn't care to learn, and couldn't stand the heat. It was bad for the worker, and he was of no help to the farmer. Therefore, when they couldn't get their men back, people started to hire wets. There's talk of unfair treatment. Always there are a few in any locality or business who take advantage.

Any farmer and most businessmen here in this part of the country know we can't farm without help. The white man here won't work on a farm and work the hours we are compelled to work. You can't irrigate 8 hours and shut the water off until the next morning. The farmer takes it for granted that during certain seasons and on certain jobs you have to do on the farm, you can't just shut down everything just because you have worked a certain number of hours. In the busy part of the year I know we are up early and won't eat dinner until 9 or later. Your hired man expects to get off early to eat, go to the show, or whatever the family would like to do. That is the way it should be, but when the crops are ready to harvest, you try to get it in before the wind or rain beats you to it. Small operators can't work their farms on a shift like you do a business; therefore you have irregular hours and usually long ones.

Another thing the farmer can't compete with is factory or union wages. We just don't make that kind of money and never know when the insects, rain, or weather will ruin our income for the next few months or year. I don't mean that farming is not a good business, it is, and we wouldn't trade our way of life with the city dweller, but you can't farm by shifts.

A very good way to have handled the wetback situation and the cheapest, would have been to have stations at the border, where the farmer could take his men and get work permits for a certain length of time and when the farmer no longer needed the man or men, take them back to the station and get a release; each workman would carry his work permit with him and immigration could easily check any Mexican; if no work permit, he would be sent back across the border. All farmers would be listed, and how many men each had contracted; no association or anything else needed. It is too bad the wets infiltrated into the factories and industries. They don't belong and aren't needed there.

As far as Red infiltration, it wasn't the peon that came across the border to work. You could find many that came across on contracts. We here in this part of the country are amazed at the ignorance of some of our lawmakers and officials, about the whole situation. This big row and all the publicity that has been broadcast and space that it has been given, has been a big help to the Communists, both here and in Mexico. Here the Communists are telling the people that the wets are taking the work away from citizens and keeping labor down; the Reds say if the wets weren't here the farmers would have to pay union wages and every one would have a better job. I had a woman come to see me about work for her 16-year-old son, who has been away visiting, has returned and wants to work until school starts; one of our neighbors insulted him by offering him a job at 60 cents an hour doing odd jobs; the neighbor really didn't have a job but was only doing it to help the boy. Now, if that had been our son and he needed a job, he would have thanked the man and tried to do a good job and learned what he could; this boy was very indignant and would rather not work if he was only going to get 60 cents; I doubt if he is worth that much any way. This family firmly believes the agitators they have been listening to. I tried to explain to the woman that you couldn't lay off steady workers to give someone work who had to quit in a few weeks. Well she said the farmers were all getting rich because of the cheap labor. I told her how she has said for many years how she has thought we were silly for putting in so many hours, especially Saturdays and many times on Sunday, working; now she thinks we are getting rich and keeping her from working at higher wages; every thing she said during the conversation was just like a parrot repeating after an agent.

On the other side of the border the agents are busy telling the wets that have been sent back that both the North Americans and their own Government are trying to take everything from them.

As far as the men we sign up on contract being screened, that's a big joke; also, immigration would haul busloads of wets to Calexico and put the men over on the Mexico side; the next morning the same men would come across the line and go to work in the tomato, melon, and other fields, and at night the immigration officers would pick them up again and haul them back again. It looked good on paper; great amount of wetbacks they were hauling across; really doing a big cleanup job. It's true there has to be a limit on how many come across the border, and also the Mexicans should not be allowed to work in the industries or take work from American citizens, but here in the farming area, where we can't get anyone else to do the work, the Mexicans are a necessary factor in our farming operations. On my recent visit to San Francisco, I talked with many orchard owners; their apricots were falling on the ground; no one to pick them; and maybe you think the farmers weren't about ready to march; all the time in the papers there were statements as to the plentiful supply of farm labor to be had. You called the farm employment agency and also the same answer, "Nothing today, but call tomorrow, we'll be sure and have plenty of help." All the time the apricots and plums were falling to the ground. All the farmers think someone in Washington is either on the wrong side or very misinformed. You can't please everyone, but this matter could be handled in a much more economical and more satisfactory way. When Washington came down it spent a few hours listening to a handful of men chosen to tell it what it wanted to hear; had some pictures made and had the complete thing under control; this is what burns the farmers up. Another thing, there were many immigration officers not up to standard; in the past they have taken money away from the Mexicans; that is not just rumors. What chance does a wet have testifying against an officer? Our regular crew of border patrol here in Yuma are good men. Some of the officers that were sent in here were really rough. The union officials and the Communists are the only ones happy over the situation.

We at the present time have enough help. This time there were special negotiations arranged whereby we got contracts on some of our old hands, but in 6 months we will turn these men back and it will be all to do over again with more redtape and money wasted. There will be stiffer and more unreasonable requirements to meet. Our boys were all across the border, with one of our association men, for 3 weeks, while the officials stalled. It was carried on like the peace conferences, only in a lesser degree. You will be asked to approve over $3 million for the coming year to keep the problem under control. The thing the union leaders want more than anything else is to make the farmers pay a big fine if found hiring anyone without papers. As long as we can get labor legally at a fair working contract we won't hire men unlawfully, but what if we can't get help? Anyone would hire anyone to save their crops; that's only human nature. We have just played into the hands of those who wish to ruin our country. I still think it only right to have them come into our country legally, but we don't need a big army with airplanes and all the equipment to do it if it were done in a different manner. While all the men were across the border trying to get papers all the farmers tried to get help from our local supply. There wasn't any to be had. We were irrigating this 500 acres, cutting hay, raking, baling hay, and feeding 400 head of cattle green hay, which had to be cut three times a day and hauled to corral. We have a white baler crew; it has done our baling for a number of years. Luckily Tex and a friend of ours cut and

raked, and Tex fed the cattle. I run all the errands and did what I could to help. We only found one man who thought he wanted to work. He was 2 hours late the first morning. You have to rake hay while it is still damp, so he didn't do much that day. Besides, he broke the equipment and Tex had to work that night and repair it.

The next day, he called at 8:30 a. m. and said he had overslept and would be out soon; Tex had been out since 3:30 raking and so when the man came to work I told him he had better cut, asked him if he wanted me to show him how and he said "No," he was experienced. In about 30 minutes I looked down where I had told him to start and he had the tractor off in a ditch and was coming to the house. Tex had to quit what he was doing and come get another tractor to pull him out. He had broken the sickle and Tex told him to put another one in. Did he know how? Oh, to be sure. Anyway he started to beat it out on the opposite side, one end has an opening to slide it out, but no; he was trying to pound it out through a solid end. Well, I didn't know Tex had as much patience. He put the sickle in and got him started again and then a few minutes later he came in and said he wanted a few hours off to take his wife to town to visit her mother. Imagine us; here we were, trying to get the hay in and not have to stop the water and he wants to quit to take his wife to visit. Anyway, he took off and was going to come back early the next morning. Well, the next morning he couldn't get up early because he had looked at television until late. Tex got him a job in town and we gave a big sigh of relief. That was our only experience with the only local man we could find.

All the time the immigration officers were coming in on the ranch every few hours checking to see if he had any wets in the haystacks or hidden in the bushes; if we hadn't been so busy it would have been funny to see them with their guns swinging on them and their billie clubs, about to pass out from the heat; many of them came from back in the Midwestern and Eastern States and naturally couldn't take this terrific heat; Tex and I felt different about them than many of our neighbors did. We considered they had a job to do and were trying to do a good one, some of our neighbors took it personally; thought the officers were only here to take their help away. They were certainly glad when orders came through for them to move out. They didn't find it much cooler where they went as the heat wave was all over the country.

Anyway the whole thing was misrepresented; we had no social problems here with the wets. As far as they being diseased and bringing dreaded sickness to our country, that is false, as the men had to be pretty hardy individuals to withstand all the hardships they have to go through. Many of the men passed here for years and they never gave us any trouble; we never had anything stolen or harmed in any way. In the other valleys there were many robberies and burglaries, supposedly committed by the Mexicans. The Mexicans were good alibis. Well, enough said about the wetback situation. I only hope the farmer isn't made to pay a heavy fine in case he can't get help in the future; if we should go to war, all the farmers will be required to produce more, and we'll need labor from any source. It is a situation that needs a lot of thought before any action is taken. Do hope this situation can be handled in the future more to everyone's satisfaction and without a standing army to do it. My, how I have spun my say. But anyway, I do wish there had been a little more factfinding done before the methods used were taken to do the job.

We expect you to visit us. We have plenty of room and would enjoy having you any time. During the next few weeks, before school starts, would be a good time; it's hot outside, but not much worse than in other States. Our house is always nice and cool, due to our wonderful air conditioner. Harold and Tex still are amazed at the shooting ability of General Swing. There are many doves coming in already; it will probably be good shooting again this year.

We have had little wind and rainstorms here every afternoon for several days; it has done a lot of damage to the alfalfa seed crops; so far it hasn't done too much damage to ours as yet, as ours is late; only turned 145 acres to seed this year as the price hasn't been what it should be to make much on. There's such a gamble on a seed crop. You always have Mother Nature to plan on, she always plays her tricks just at the worse possible time and many times gets your entire crop; we have had heavy losses from rain and wind for the past 3 years.

I have taken the money you and General Swing gave me to buy a gift for our little Mexican girl, and bought her a silver cake server and had your name and that of the general's engraved on it, and it will always be one of her most prized possessions. She got married last August and is expecting this September. We were fortunate in securing a 6-month contract on her husband, who has been with us for 6 years. She can stay with her sister in Mexicali and it isn't too bad; at least we know she will be well taken care of, as we have a very good doctor for her. She is like a daughter to us, only more in need of us as she has been orphaned so long. Her wedding clothes were beautiful and she was a very pretty bride to be proud of. Hope our Brenda can grow up to be as good and sweet as Vehenia.

Tex came in a while ago and really got a kick out of this book I have written. Did not mean to run an edition of South Gila News, but guess I am enjoying the much-needed practice on my typewriter. I have not used one for many years, and this one is about as old as I am. The combination, as you can see, is terrific.

Tex got his deer, elk, and antelope last fall. We have been too busy to do any fishing this year. Hope to go to San Diego before too long to go out for yellowtail to put in the freezer for this winter.

To get through this letter will be almost as bad as being a lawmaker in session during a filibuster.

Will expect you and the family to pay us a visit in the near future. Let us hear from you again soon.

HELEN THOMAS.

Mr. Speaker, so goes the letter. The idea is to keep people from breaking the line of march, be it from hunger, for food on grocery store shelves, as the gentleman from North Dakota [Mr. BURDICK] described it, or from lack of labor [as Mrs. Thomas warns], to save crops. Farm folk, like mountaineers, pioneered this country, Mr. Speaker. They are tough and courageous, as befits Americans. The line of march we have to watch. It must not break. That is our job.

The reference to General Swing? As Sixth Army commander, he hosted my inspection trip. We went shooting before dawn, on our time, not on Uncle Sam's.

Some 23 years ago, Tex rolled into Yuma like a tumbleweed, stone broke. Mrs. Thomas taught school. They married. America has been good to them.

MEDICAL SERVICE IN THE VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a part of an article in the American Legion Weekly by Dr. Charles W. Mayo of the Mayo Clinic.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the article was written by Dr. Mayo. He speaks of the extremely fine medical service that has been developed in the Veterans' Administration. At the end of the article Dr. Mayo says:

"Part of my pride is patriotic; I am proud that my country and the men of my profession have not forgotten in peace and security the awful obligation we placed on millions of boys and young men in the prime of their lives, when they stood between ourselves and national ruin, and stood well. It is fitting in time of peace, that if they now stand on the brink of ruin through failing health, we as a Nation do not entirely forget them.

If sometimes we judge them it would be wise to use no different yardstick than we used to judge them when we set them apart to bear our battles.

On yesterday we had the privilege of meeting the Viscountess Genevieve de Galard-Terraube, the nurse who has been called the Angel of Dien Bien Phu. Again this afternoon at the French Embassy I saw her when I presented in behalf of the Department of Massachusetts American Legion Auxiliary, of which I am a member, a distinguished service medal for heroism above and beyond the call of duty. She saw the need for saving thousands of lives in the midst of terrible danger. She saw the need for trying to rehabilitate the veterans. She is an inspiration and a lesson to all of us.

The resolution passed by our Massachusetts Legion Auxiliary is as follows:

JULY 19, 1954.

Lt. Viscountess GENEVIEVE DE GALARD-TERRAUBE,

French Embassy, Washington, D. C.

DEAR MISS GALARD-TERRAUBE: At the 35th annual convention of the American Legion Auxiliary, Department of Massachusetts, held at the New Ocean House, Swampscott, June 3 and 4, it was unanimously voted to adopt the following resolution:

"Whereas Lt. Viscountess Genevieve de Galard-Terraube won worldwide praise for her heroic work as the only nurse and woman to remain with the beleaguered fortress at Dien Bien Phu; and

"Whereas this nurse has been affectionately and gratefully referred to as the Angel of Dien Bien Phu for her devotion to the hundreds of wounded French Union soldiers during the fierce shelling and assault on this outpost in Indochina: Be it

"*Resolved*, That the American Legion Auxiliary, Department of Massachusetts, express its admiration and affection to this heroic nurse who spent 51 days with the suffering and wounded in the 15,000-man garrison before its final collapse; and be it further

"*Resolved*, That this convention present to Lt. Genevieve de Galard-Terraube the auxiliary's distinguished award for outstanding heroism for her courage and constancy to her fellow man."

Massachusetts Auxiliary members wish to express their admiration and respect for your devotion far beyond duty in the cause of humanity and your fellow man.

Sincerely yours,

ADELAIDE L. FITZGERALD,
Secretary-Treasurer.

OUR RELATIONS WITH PANAMA

The SPEAKER pro tempore (Mr. CANFIELD). Under the previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, the welfare of the United States makes it imperative that we maintain close, friendly relations with our fellow freedom-loving nations. Our ties with the nations in this hemisphere are particularly strong and of special importance. Among these countries the Republic of Panama occupies a special place. In George Orwell's book Animal Farm he related how one of the basic rules adopted by the animals and painted on the side of the barn originally read, "All animals are equal." This was later amended to read, "All animals are equal, but some are more equal than others." Our relations with all nations are important, but some, such as our relations with Panama, are more important than with others. Why is this so? First, of course, is the Panama Canal; secondly, the strategic importance enjoyed by Panama aside from the canal; and, thirdly, the fact that Panama serves as a showcase wherein the United States demonstrates to the world how it can deal fairly and equitably with a small nation even though major issues of our national welfare are involved.

The importance of the Panama Canal to the United States is a matter that never should be forgotten or ignored, even though it is a natural human tendency to take it for granted as long as the canal functions smoothly. To realize its importance, we only have to turn the clock back 50 years to a time when the construction of the Panama Canal by the United States Government had just begun. Ships sailed an average of 5,000 miles more between ports than they do today. Many of the now existing busy harbors of the world were quiet or unknown and a hopeful and impoverished young nation of Panama was centering its hopes for security and its future as a nation on the successful completion of a ship canal between the two great oceans. The intervening years have seen 225,000 ships of all types and sizes pass through the canal on missions of peaceful commerce or war. Approximately 900 million tons of cargo have been shipped through the canal since its completion in 1914. The President of the United States, in a special message to Congress in January 1904, gave one of the best summaries of the factors underlying the construction of the canal and its importance to the United States. This summary is as true today as it was when it was written 50 years ago. He said:

> The control, in the interest and traffic of the whole civilized world, of the means of an undisturbed transit across the Isthmus of Panama has become of transcendental importance to the United States.
>
> The course of events has shown that a canal to connect the Atlantic and Pacific Oceans must be built by the United States or not at all. Experience has demonstrated that private enterprise was utterly inadequate for the purpose; and a fixed policy, declared by the United States on many memorable occasions, and supported by the practically unanimous voice of American opinion, has rendered it morally impossible that the work should be undertaken by European powers, either singly or in combination.
>
> In all our range of international relations I do not hesitate to affirm that there is nothing of greater or more pressing importance than the construction of an interoceanic canal. Long acknowledged to be essential in our commercial development, it has become, as the result of the recent extension of our territorial domain, more than ever essential to our national defense.

Although the canal is a vital link in our national defense, its long-range policies and operation are closely tied to the requirements of world commerce. The opening of the canal gave a powerful boost to world trade. New routes were opened, and formerly isolated areas were brought into the range of world markets. The development of manufacturing, mining, agriculture, and industry were stimulated in the United States and in other parts of the world. The canal has had a geat effect on raising the standards of living and strengthening the political ties among the nations of the free world, particularly those of the Western Hemisphere. Today, assisted by the canal, the freedom of rapid maritime movement of materials, products, and men is one of the greatest advantages that the freedom-loving nations hold against the monolithic and largely landlocked despotism of Russia and its satellites. Even our possession of a two-ocean Navy does not eliminate the necessity for speedy and economic movement of men and materials in wartime. If any conclusive evidence of this were needed, it was given during the Korean conflict. Although only a fraction of our Nation's military and economic strength was involved during fiscal year 1953, which was the last full year of conflict, 1,064 United States Government vessels, mostly cargo ships carrying supplies to the Far East, transited the canal. This is approximately twice the number using the canal under peacetime conditions. From the logistical standpoint, the Panama Canal is today far more important to our Nation's welfare and defense and to world commerce in general than ever before in its history. It would have taken 1,000 trains of 50 carloads each merely to haul the wheat which was shipped through the canal in fiscal year 1953; while 2,300 trains of 50 tank cars each would have been required to carry all of the petroleum products shipped through the canal in the same 12 months. Even though the Korean conflict is now over, the statistics for fiscal year 1954 show that there were 7,784 transits by big commercial ships, which is an increase of 373 vessels over the previous fiscal year.

The magnitude and importance of the canal and its operation often tends to overshadow and partly conceal the importance of Panama aside from the canal. The geographical location of the Republic of Panama, its proximity to the United States and the fact that it is located at the natural crossing of routes, be they maritime, air, or land, between the two great oceans and the two American Continents, insures the vital importance of good relations between Panama and the United States even were the canal not to exist. The Republic of Panama lies at the heart of the Western Hemisphere; military experts agree that it is one of the principal keys in security of all the nations of these Americas. Were Panama to be lost to our side, its absence would be magnified out of all proportion to its size or population. However, Panama is on our side. Just as the United States, Panama believes in living peacefully with her fellow nations and composing her differences and problems in a peaceful manner. Furthermore, Panama, like the United States, believes so wholeheartedly in the right to peace and freedom for itself and for other peoples that she is willing to fight at our side to maintain these rights should that be necessary. Panama stands with the United States in the United Nations and in the Organization of American States and in other international bodies where her vote, voice, and prestige is just as large as those of nations many times her size.

A fact not generally known or fully appreciated is that Panama ranks fourth in the world in the number of merchant ship registrations. Panama has actively cooperated with the United States and the other free nations by adopting strict regulations prohibiting ships flying her flag from trafficking with the Communist-dominated ports of Asia or the transfer of these vessels to Iron Curtain control.

These measures have been adopted by Panama out of conviction of what is right although it has often been in detriment to Panama's immediate profit. Important American investments in Panama amounting to approximately $350 million have been treated justly and fairly and American business and businessmen are given equal treatment with Panamanians.

Our good relations with Panama have not just happened. They have required and continue to require hard work, perseverance, intelligence, compromise, and a great deal of what is usually termed plain commonsense. On the Isthmus of Panama we have a vivid example of peaceful international living. It is the example of the largest and most powerful nation in the world today living side by side with one of the smallest nations, peacefully resolving their common interests and problems, although they have widely divergent languages, social, racial, economic, and historic backgrounds. Our relations with Panama are a showcase example for the world to see. The other nations of Latin America and the smaller nations throughout the world watch our relations with Panama and judge us accordingly. There is nothing theoretical or remote about this example. It exists and involves the vital interests of both nations. Like all living things, it is dynamic, always moving, always changing, always developing. Our relationship with Panama is not something that takes place now and then and can be forgotten between times; it goes on night and day all year round, and has been going on every day since the Republic of Panama came into existence 51 years ago. The situation is indeed so far from being a textbook example, that it is doubtful if anyone

could deliberately set out to create a theoretical problem in international relations that would present a situation quite as full of complexities and potential difficulties as exist on the Isthmus of Panama and at the same time have the vision to see how the record of these relations would be one in which both Panama and the United States can take justifiable pride. The record, in fact, of the relations between Panama and the United States has been excellent. Differences and frictions exist but they could not help but exist. Some of the differences of the past have been solved or eliminated, others continue, and undoubtedly as time goes on new ones will arise to be solved in their turn. At present, formal talks are going on between the two countries to try and resolve some of the outstanding problems. In my own opinion, the points of friction that at times may loom so large between us do so only because they stand out in contrast to the existing smooth level of everyday comprehension and collaboration.

Panama, exercising her sovereign right to enter into treaties, granted the United States the control and jurisdiction over the Canal Zone, and has since cooperated with the United States and its agencies in the Canal Zone. The ordinary operation of the canal and the activities of the residents of the Canal Zone require a constant flow of people, vehicles, goods, and communications across the open boundaries between the zone and Panama. Many of the employees of the canal reside in Panama. Panama's attitude, its cooperation, and good will have prevented possible delays, harassment, annoyance, and injury that could seriously hamper the efficient operation and defense of the canal.

The United States in return has contributed much to Panama. It developed the cities of Panama and Colon into healthy, livable communities. It has contributed to Panama's half century of progress by large payrolls paid to Panamanians employed in the Canal Zone, heavy purchases of Panamanian goods by the canal, its employees, and associated defense forces. The United States has built highways, donated scholarships, and provided many direct aids. While Panama imported last year $55 million more than she exported, about $40 million to $45 million of this difference came to Panama through goods, services, and labor sold in the Canal Zone. The remaining $10 million to $15 million of the difference was largely taken up by what economists call invisible exports in the form of expenditures by tourists and transients attracted to the isthmus by the canal, and in goods and services sold to ships transiting the canal.

As can be seen, a very large proportion of Panama's national income is derived from the canal and its activities. Both Panama and the United States recognize the existence of this situation and both nations wish it were not so. On one hand, it places Panama's economy in jeopardy of factors over which it can have no control, while on the other hand, the United States is not in a position nor does it have the right to permanently shoulder the responsibility for the economic welfare of Panama. The economic independence of Panama from the canal is a definite goal for both nations. The technical assistance program of the United States is helping tremendously in this regard. It is showing fruitful progress in the fields of agriculture, civil aviation, education, public health, and social services. The success of this program, in addition to fostering economic and political stability in Panama and eliminating many points of possible friction between our two countries, has the additional value of simplifying the problem of supplying the isthmus in case of war.

The Panamanian currency, the balboa, is so tightly pegged to the United States dollar, the Panamanian economy so closely entwined to ours, that any economic improvement effected in Panama is virtually an improvement in the economy of the United States.

Panama today has a strong, dynamic and democratic President, Jose Antonio Remon, whose administration has carefully observed individual rights and the freedoms of speech and press, while at the same time has severely restricted any attempt by the Communists to further their criminal aspirations. We should assert ourselves to keep the good will of this administration and of the large majority of Panamanian people who support it.

In closing, I wish to reiterate that the scope, the variety and the complexity of our relations with Panama cannot be overemphasized. The large fund of good will, understanding, and friendly collaboration existing between our two nations cannot be too strongly stressed. The progress and the ideals of the free world, as well as the safety and the efficiency of the canal, are matters that are close to the hearts of both Panama and the United States. They are of vital interest to both of us. The working of our relationship is closely watched by the world and it is squarely up to both the United States and Panama to demonstrate their nobility and the largeness of their spirit of compromise and good will under the close scrutiny of both their friends and their enemies. That we will succeed in doing so is fore-ordained by our 50 years of success in the past.

NATIONALISM VERSUS INTERNATIONALISM

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Ohio [Mr. FEIGHAN] is recognized for 20 minutes.

Mr. FEIGHAN. Mr. Speaker, nowadays one hears a great deal of talk about internationalism—especially the various foreign brands, the advocates of which are seeking to try to peddle their wares on the American scene. On the other hand, one hears very little about nationalism which forms the very basis of healthy internationalism. In an effort to do my part to bring some reasonable order out of the high degree of chaos and confusion which now surrounds the basic question of Nationalism versus Internationalism I have written an analytical article on the subject which appeared in the spring edition of the Ukrainian Quarterly. While this article will fail to bring any applause or favorable comment from the followers of the Russia first movement in the United States, particularly the containment branch of the movement headed by the former diplomat, George Kennan, I do feel the contents of this article will provide enjoyable reading for all those who believe in a free way of life which is so well symbolized by the American way of life.

For those who today are studying the technical aspects of Kennanism—not to be confused with Leninism—I believe this article will be very helpful to them in reaching a clear understanding of just how impractical and unworkable the theory of containment really is. We can all see how the present day application of the theory has caused us to lose more and more of the free world to Communist slavery. It is about time we began using old fashioned, American political horsesense before it is too late. Therefore, I wish to read to the Members of the House my article. I quote:

NATIONALISM VERSUS INTERNATIONALISM

(By MICHAEL A. FEIGHAN, Member of United States Congress)

The subject of nationalism versus internationalism has been a topic of heated debate for well over half a century. Volumes have been written on the subject. Political parties and ideological movements have based their platform on one or the other side of this issue. Yet today there is great confusion and misunderstanding on just what these political terms mean. That is—there is great confusion in the non-Communist world in general and among a considerable element of the non-Communist intellectuals in particular. It can be said with certainty that this confusion does not exist in the ideological Marxist camp or among its multicolored agents.

This confusion results mainly from a perversion of both political terms which has taken place in the last quarter of a century. The unhappy practice of fixing an evil and all inclusive meaning to words, a practice which received unusual impetus during the World War II, has also added to this confusion. In this atmosphere the advocates of Marxism have been enjoying an undisturbed political holiday. Their formula for maintaining an unchallenged right of way is to occasionally stir up the false beliefs they have created about nationalism while devoting a constant effort at promoting the type of internationalism best calculated to lead the way to world communism.

There is a healthy nationalism and a healthy internationalism—both of which are mortal enemies of Marxism in any form. When they are healthy they in no way conflict with one another, but in reality compliment each other. Properly nurtured and exploited these two political forces could lead the way in lifting the heavy chains of Russian communism which now enslave a minimum of 29 nations and part of 4 other nations.

As a first step we must understand the component parts of healthy nationalism. The term "nationalism" is derived from the related to the term "nation." The nation is best defined as a people having a common and distinctive heritage, culture, tradition, folklore, and language which is supported by a geographical contiguity. When these basic

factors are stimulated by one or several of the great inspirational forces of religion, freedom, or independence, the flower of nationhood blooms. Healthy nationalism places loyalty to one's nation very high on the scale of human values. In a popular sense it is best described by the inspiring phrase "Love of God and country."

The American Revolutionary War which gave birth to our Nation has long been regarded as the first major demonstration of healthy nationalism. The deep political impact upon the world of our victorious struggle for national independence caused historians to refer to the 19th century as the "century of nationalism." We as a nation and the policy we pursued in the conduct of our foreign affairs, from the birth of our Nation up to 1920, associated our destiny with the forces of nationalism at work in the world. We had nothing in common with the imperialists or the autocrats of that period and in reality we were coveted by all of them. Standing as the solitary republic in a world divided by empires which constantly sought to extend their realm, we survived and grew to our present stature in the world arena by supporting the forces of healthy nationalism. The Monroe Doctrine is a classic example of the manner in which our foreign policy welded the forces of nationalism against the predatory schemes of empires.

World War I opened at a point in history when nationalism was the most compelling force in world politics. The era of empires was coming to a close as the popular demands of the many nations bound within them called out for national sovereignty. The Russian Czarist Empire, appropriately called the prison of nations, was seething with discontent. The Austro-Hungarian Empire had already made many concessions to the various national elements within the realm in an effort to stem the tide. The Ottoman Empire was tottering from the same internal pressures. As the war progressed into its final stages it became increasingly apparent that the demands of nationalism would have to be faced up to in the postwar settlements. It was in these circumstances that President Woodrow Wilson advanced the political principle of national self-determination as the only just formula for bringing order out of the ruins of those broken empires. It is important to note that Wilson, in taking this position, acted in accord with the basic principle which had guided our foreign policy for over 140 years.

Even before the end of World War I national independence movements sprang up throughout central and eastern Europe and Eurasia. The non-Russian nations of the Russian Czarist Empire, long held captive by the autocrats of Muscovy, lost no time in proclaiming their national independence. The Ukrainian nation, the largest of these captive nations, was in the vanguard of this movement. By the time the statesmen of the great powers gathered in Paris for the peace conference, the era of empires was dead and had already been replaced by the young but vigorous era of national sovereignty.

But that golden era which held so much hope for suffering mankind was short lived. President Wilson soon learned that the European statesmen were unconcerned with the popular movements supporting his principle of self-determination. They were more concerned with settlements based upon power politics, the cornerstone of which called for the establishment of a cordon sanitaire in eastern Europe. While paying lipservice to the program advanced by President Wilson, the European statesmen reshaped the map of central and eastern Europe to fit their selfish and shortsighted notions of contemporary peace.

The peace settlements following World War I set the stage for the events which inevitably led the Western World to its present precarious position. In the period between the great wars, the United States pursued a policy of isolationism. The hard disappointments brought about by the power politics settlements after World War I played a major role in the establishment of that policy. Meanwhile the Bolsheviks had established total power in Moscow. After creating the Russian Federated Socialist Republic of Soviets they then embarked upon a series of aggressive wars to defeat and absorb the non-Russian nations situated east of the newly erected cordon sanitaire. They were engaged in those aggressive wars as late as 1923. It is an established fact that the Bolshevik masters of Muscovy met with all-out resistance from the people of the reborn non-Russian nations which sprang up upon the ruins of the feudal Czarist empire. War in the traditional sense was not in itself sufficient to put down the spirit of national independence which swept like wildfire from the Baltic Sea to the areas east of the Caspian Sea. The brutal tactics of forced starvation, forced population transfers and the vast network of slave labor camps followed quickly on the heels of the Russian occupation of these reborn nations.

It was in these circumstances that the masters of the Kremlin announced to the world in 1922 the formation of the Union of Soviet Socialist Republics. After they had managed by armed aggression and the crime of genocide to reestablish the largest portion of the Russian empire, they found it necessary to create a cover name in order to hide the terrible events which had taken place east of the European created cordon sanitaire. Moreover, the Muscovites were anxious to avoid the charge of a resurgence of Russian superracism and to retain the support of the advocates of world socialism. Thus the high-sounding and cleverly misleading cover of U. S. S. R. was launched in the international political arena.

Shortly thereafter a new political force was injected into the same political arena. It became known as national socialism, then as nazism, or fascism, and finally as superracism. Some astute political observers of that period were quick to recognize the inherent anomaly in the political label "national socialism." How was it possible to have the ingredients of nationalism and socialism mixed in the same political movement? Obviously it was impossible to mix two diametrically opposed political theories. It was not long before the one world propagandists worked out the formula to resolve the anomaly. Nationalism equaled nazism; nazism equaled everything that was evil; therefore nationalism equaled everything that was evil. But what of socialism? By a queer turn of the propagandists' pen, socialism became the bulwark of democracy. Socialism was the political system of the U. S. S. R.; therefore, the U. S. S. R. was a democracy. By this process the experts in the use of weasel words put an evil curse upon nationalism in any form, while at the same time manufacturing a dynamically effective cover for the Muscovite plan of world conquest.

We entered World War II the victims of this diabolical perversion of political terms. The same must be said about the other sovereign nations of the west which entered the struggle against the Axis Powers. This accounts, in large measure, for our failure to develop a positive plan for the reconstruction of the postwar world along truly democratic lines, with governments representative of the will of the people. In larger measure it accounts for the success of the masters of the Kremlin in extending their empire of ruthless control over 800 million people covering an area encompassing almost one-third of the earth's surface.

It is in this context that we can best understand the new internationalism peddled by the multicolored agents of Moscow. Only a fool or the Ivory Tower Theoreticians will fail to recognize that the dominant school of internationalism operating in the world today is completely possessed by the Russian Communists. To be sure there are other schools of internationalism seeking adherents and supporters which are not attached to the Moscow orbit. Unfortunately none of these competing schools possess any real political dynamics of a magnitude comparable to the Russian-Communist movement. Moreover, none of them are backed by aggressive military forces such as clearly support the new internationalism promoted by the Muscovites in their age-long drive for world empire.

From this analysis one might too quickly conclude that the Russian imperialists have discredited and killed off healthy nationalism and healthy internationalism. So far as healthy nationalism is concerned, just the contrary is the case. The chauvinistic practices of the Russians have tremendously increased healthy nationalism within the Russian-Communist empire. Within the past year the civilized world has had ample proof to support this contention. These two examples bear out the point.

1. Shortly after Stalin was eliminated, Malenkov and Beria became engaged in a life and death struggle for total power. Malenkov, a Russian, chose the course of supporting the historic cause of Russian superracism. Beria, a renegade Georgian, attempted to harness the powerful nationalist force of the non-Russian nations of the U. S. S. R. to his side. Beria, as head of the dread secret police and commissar of the slave-labor system, certainly knew the most dynamic political forces at work within the U. S. S. R. Since he was in a life and death struggle, he naturally wanted these forces in his camp. Malenkov on the other hand was the darling of the Russian bureaucracy and he had to cast his lot with traditional Russian superracism. This struggle raged for months during which time Beria was replacing the Russian procounsuls in the non-Russian nations with natives of those nations. To be sure those natives were tied to communism but they opposed Russian domination of the affairs of their nation. Beria came very close to winning that struggle—the effect of which might well have caused a great revolutionary outbreak throughout the U. S. S. R. Only a deal between the Russian bureaucracy and the leaders of the Red army saved the day for Russian superracism. Beria was arrested by the Red army and executed, but the seeds of internal revolt were increased in consequence of his struggle for power.

2. This year marks the 300th anniversary of the Treaty of Pereyaslav—the instrument by which the Russians enslaved the Ukrainians. The Russians are using this occasion for a never-ending series of pronouncements and celebrations, all of which seek to prove that the Russians are the true friends of the Ukrainians. The official announcement of the Kremlin inaugurating these celebrations admitted that every decent Ukrainian down through history had struggled for the goal of national independence. It also claimed that the Ukrainian nation had finally attained its age-long struggle for national independence—"thanks to the Russians and the Communist Party." But what kind of national independence? They define it as national in form and socialist in substance. This of course means no independence at all. However, it is important to note the manner in which the Muscovites are associating nationalism with socialism. This is most reminiscent of the tactics of Adolph Hitler.

Healthy nationalism is very much alive in the world today. It is more vigorous within the Russian Communist empire than elsewhere in the world. This fact must be understood and exploited by the leaders of the free world if we are going to have peace and freedom throughout the world while avoiding world war III.

Unfortunately the same cannot be said about healthy internationalism. Internationalism as a theory and as a political practice has been thoroughly infected by the goals of world Marxism. The Russian Communist conspiracy has taken over the leadership in this field. Movements free from this infection have neither the internal dynamics nor the military support necessary to offset those sponsored or controlled by the Russian Communists.

But we can build a healthy internationalism and one that would be far more powerful in the political arena than the Moscow brand. To accomplish this goal we must understand healthy nationalism. Then we must foster and support it as a counteracting force to world communism. Having done this we will have taken the first step in creating a healthy internationalism.

The second step in this process calls for the development and support of free regional federations. These regional federations would be comprised of a number of sovereign and independent nations which freely elected to become party to the regional federation. The economic, political, and security advantages of the regional federation concept would lead the way in gaining the support of the member states.

This pattern is completely consistent with the Charter of the United Nations. Indeed it springs from the basic idea which created the Association of American States which stands as a regional arrangement of the nations of the Western Hemisphere.

It is a sound pattern because it recognizes that healthy internationalism must be based upon full recognition of healthy nationalism. Moreover, it supports a political philosophy which is consistent with the American way of life and therefore the antithesis of world communism.

LEST WE FORGET

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 30 minutes.

Mr. MADDEN. Mr. Speaker, while the 83d Congress has been in session, I have made several visits to my home district in the Calumet region of Indiana. On these visits I met a great number of friends and constituents who inquired about legislation before the Congress. I have also received a great number of letters from people back home and throughout Indiana who are very much concerned regarding our economic conditions and entanglements which might lead to another war.

We are living today in the most critical period of our Nation's history. Atheistic communism by reason of its expansion during the last 40 years is the sole reason for the dark clouds on the horizon today.

We have learned that the leaders of this godless ideology will resort to any method of conspiracy, treachery, mass murder, and slave labor camps to reach its goal for world domination. As chairman of the Katyn Forest Massacre Committee during the 82d Congress, I heard witness after witness testify regarding the barbarism and treachery the leaders of communism will use to exterminate religious freedom and independent thought in the lands that come under their domination. As a member of the Special Congressional Committee Investigating Communist Aggression in this session of Congress, I have helped record testimony revealing the criminal minds of the leaders of the Kremlin in carrying out their barbaric program for the eventual enslavement of nations throughout the world. The unfortunate fact is that the millions of people in the free countries are not aware of the unspeakable brain washing and torture inflicted on the leaders and citizens of captive nations. When our final committee report is released we will ask the Congress to print millions of copies in various languages for distribution to people in free nations. Truth is the most effective weapon to curtail and defeat communism.

Soviet propaganda has convinced millions in European countries outside the Iron Curtain that religious freedom exists under Communist rule. Nothing could be further from the truth. Numerous priests, ministers, rabbis, and religious leaders testified before our congressional committee revealing the persecution and torture of leaders of all religions. Communism and religion cannot exist together.

One of the most important tasks the governments of the free nations have today is to bring true information regarding the scourge of communism to the minds of millions in countries who up to now have escaped the Soviet yoke. No human being who loves freedom could willingly be a Communist if he knew the true facts regarding the physical and mental slavery which it imposes on the people.

AMERICAN FREEDOM

The real strength of America is centered in its people. Their loyalty, patriotism, high standard of living, and security for the family and home are all solid barriers against communism. The human factor in our economy is the bulwark of democratic government and our first defense against communistic slavery.

"TRICKLE DOWN ECONOMY"

Communism cannot thrive in a land where government is dedicated to better homes, expanding educational facilities, higher wages and good working conditions. Any government whose constant aim is the progress of human welfare will never fail. Back in the lush 1920's, we experienced national leadership which disregarded the human element and worshipped at the shrine of real estate and stock market speculation—creation of large holding companies and a nationwide drive to make business bigger and more profitable. The millions of little people including the wage earners, farmers, and small business were forgotten. Our Nation's purchasing power diminished to an all time low. Farm prices dropped, banks, factories, and mills closed, and financial panic struck. Millions of homes and farms were foreclosed and 14 million men were unemployed.

In 1931 and 1932, Communist agitators were active in the industrial areas of America and they made great progress. Riots incited by Communists took place at relief stations and employment offices. Discontent, disunity, and defiance of law and order were rampant. That unfortunate period should serve as a warning that our Government might not survive another depression.

In a few days the Congress will adjourn and it is in order to review what progress the new Republican administration made toward providing an economy which will curtail Communist agitators by expanding security, contentment, and prosperity to millions of our citizens.

THE NEW ADMINISTRATION

On January 3, 1953, the Republican leaders took over control of our Government. This was accomplished by reason of the most highly financed political machine and advertising campaign in the history of presidential elections. A great international military leader was dramatized into a political victory. Upon assuming control of office, the people soon discovered that the new administration policies were blueprinted by Secretary of Defense Charles Wilson of General Motors, Secretary of the Treasury Humphrey of the banking interests and Secretary of Commerce Weeks of the manufacturing interests. This trio of Cabinet officials has been and is the policymaking brain trust which has succeeded in partially turning back the clock of economic progress 25 years. This group of reactionary statesmen has refreshed the minds of millions who had forgotten the 1920 administrations when Secretary of the Treasury Andrew Mellon was the economic guide for three Republican Presidents. The total disregard for the human element in government during that period led us directly to the devastating depression from 1929 to 1933.

OIL GIVEAWAY

First. The first major legislation our new Republican trio of leaders engineered through the Congress and enacted into law was the tidelands oil giveway. The oil monopolies met defeat for over 10 years in their effort to secure access to these vast Government oil reserves estimated at upwards of $70 billion. Former President Truman vetoed this oil giveway on two occasions.

Second. The utility and power interests have finally succeeded in undermining the independence and scope of TVA which produces electricity and power at reasonable rates for millions. Two days before the last election Candidate Eisenhower wired the Knoxville, Tenn., News-Sentinel:

> If I am elected President, TVA will be operated and maintained at maximum efficiency.

Last winter in a public utterance President Eisenhower termed TVA as a form of creeping socialism. The utility monopolies have already taken steps to control our future power developments in the great Northwest.

ATOMIC GIVEAWAY

The taxpayers of the United States through their Government have invested over $12 billion in the development of atomic energy. Many millions more will

be spent by our Government before any return of this investment in the form of peacetime benefits is realized.

An electric power monopoly known as the Dixon-Yates combine, is now negotiating with the Atomic Energy Commission on contracts to take advantage of this great investment of the American taxpayer. The astounding fact in this connection is that the President has suggested the Atomic Energy Commission enter negotiations for a contract not only involving atomic energy but also electric power. Although atomic peacetime development is in its infancy, the power monopolies demand now to get under the atomic giveaway tent before the people speak by ballots in the November congressional elections.

This legislation was delayed until the closing days of the session. The leadership was careful that the Members of Congress not be given full time to study and consider this complex bill, consisting of 104 pages. The bill was called for debate at 10 a. m., Friday, July 23, and the House was kept in continuous session until 3:15 a. m., Saturday, July 24. While the bill was under consideration the Republican leadership pressured additional shackles on the public's ownership in atomic patents and discoveries by enacting an amendment disregarding all safeguards against atomic patent monopoly.

An amendment offered to the bill which would give the Atomic Energy Commission authority to charge a license fee based on percentage of profits so as to give the taxpayers some protection on its $12 billion investment was rejected by an almost unanimous Republican vote. I shudder to think of the newspaper headlines and what some radio commentators would say if ex-President Truman and a Democratic Congress sponsored a giveaway of this magnitude.

A group of Democratic Senators, with the help of Senator WAYNE MORSE, for 2 weeks have been making a valiant fight in the Senate to halt this atomic giveaway bill.

RECIPROCAL TRADE

One of the main reasons for our economic reversal in the last 18 months has been the opposition of Republican leaders for extension of reciprocal trade agreements. Exports have fallen sharply in key farm and industrial commodities. Exports in wheat and cotton were down 40 percent since January 1, 1953; meat exports were down 23 million, or 17 percent, in the same period.

The RECORD shows that 32 Democratic Senators voted for a 3-year extension of reciprocal trade treaties, but the bill was defeated by solid Republican opposition. The falling off of our international trade is typical of traditional Republican foreign trade policy.

FIFTEEN BILLION DEBT INCREASE

Four days before Congress adjourned in July 1953, the House Republican leadership appeared before the House Rules Committee insisting that the national debt limit be increased $15 billion. They contended that if the increase was not granted Congress would be recalled in special session in October of last year. The House approved the increase against Democratic opposition, but the Senate Finance Committee rejected same. A year has passed, and Secretary of the Treasury Humphrey has succeeded in paying Government obligations without the 15 billion increase. Secretary Humphrey's tight-money policy and increased interest rate has also proven to be one of the major fiscal mistakes of this administration. It has drained billions from the purchasing power of millions and has been one of the major reasons for our national unemployment. The demand by Secretary Humphrey in July 1953 to increase the national debt by 15 billion was astounding as the public only 9 months before heard Candidate Eisenhower and Republican leaders state that if elected they would reduce our national debt. The fiscal year ending June 30, 1954, revealed our national debt increased $5,188,554,000.

LUMBER GIVEAWAY

A few days before adjournment last July the Republican leadership sponsored another giveaway bill demanded by the lumber interests. This bill would have given the lumber interests the option of exchanging acre for acre cut-over lumber areas for timber lands in our virgin national forest preserves and parks. The present law provides for a fair appraisal and cash payment by the Government. I opposed this bill in the Rules Committee and also on the floor of the House where it was defeated. The Izaak Walton League and a number of national wildlife and conservation organizations aided greatly in defeating this legislative giveaway.

VETERANS

The leaders of all national veterans' organizations can testify as to the deplorable results which they have obtained in their fight for necessary legislation in behalf of the Nations' veterans. In fact, the disabled and hospitalized veterans over the country have already felt the adverse effects resulting from the false economy which this Administration has inflicted on the Veterans' Administration. The Republican leadership held up consideration of H. R. 9020 for weeks and kept same from being debated and voted on by the House of Representatives. This bill would have given necessary increases in monthly rates of compensation and pensions to certain veterans and their dependents. The fate of the veteran in the 83d Congress is in direct contrast to the opulent generosity extended to the oil, power, lumber, and mining monopolies.

LABOR

All voters in the fall of 1952 remember the optimistic promises in the speeches of Candidate Eisenhower and his advisers to union labor and other working millions throughout America regarding necessary changes in the Taft-Hartley law. In fact, I hereby quote from a speech to the American Federation of Labor National Convention in the fall of 1952:

> I promise to remove the union busting provisions of the Taft-Hartley law and make it fair to labor and business while protecting the public interest.

The 83d Congress adjourned without any serious effort being made by the administration to carry out its campaign promises to labor unions and millions of workers in America. Former Secretary of Labor Martin Durkin's resignation after 8 months in the Cabinet served notice to organized labor that this administration did not intend to enact its promises made in the 1952 campaign.

AGRICULTURE

Candidate Eisenhower, in his 1952 speech at the national plowing contest at Kasson, Minn., and again on October 4, 1952, at Brookings, S. Dak., pledged to retain the 90-percent parity support and, even more than that, to help the farmer "obtain his full parity, 100 percent, with the guaranty in the parity support of 90 percent." Had the candidate for President and the Republican leadership told the farmers in 1952 that they would support Secretary of Agriculture Benson's farm program of flexible farm support and to "protect farmers only against undue disaster," millions of farmers in the Middle West would not have supported the Republican national ticket in the last election. Furthermore, in March 1953 the Republican-controlled House cut REA loans by $40 million, or 42 percent; they cut funds for rural telephone loans by $15 million, or 23 percent. It is estimated that the book value and income of the American farmers has fallen $15 billion in the first 18 months of the Eisenhower-Benson farm policy.

FARMERS AND LABOR MUST UNITE

For years the Republican National Committee has succeeded in driving a wedge between the farmers of the Nation and union labor. This is an old political trick. Farmers and union members are beginning to realize that prosperity for one means prosperity for the other. Their interests are interdependent. When labor is prosperous, the farmer has a market for his products. When agriculture is prosperous, the farmer can buy what the mills and factories produce. It is unfortunate that Republican politicians should seek to divide two great patriotic groups for votes.

HIGH COST OF LIVING, TAXES, AND EDUCATION

Everybody who listened to radio and television speeches by the Republican leaders in the 1952 campaign heard them state that the cost of living can and must be reduced. Today the cost of living has reached an alltime high. In fact, the Republican membership in the United States Senate by an overwhelming vote refused to appropriate money for a fact-finding investigation committee which would expose the profiteering on the consumer's dollar from the farm to the retail stores.

The only substantial tax decrease was the one which took effect last January and was passed a year and a half before by a Democratic Congress and signed by President Truman. The tax reduction bill sponsored by Secretary Humphrey meant very little to 90 percent of the taxpayers. The Democratic Members of Congress on a direct party vote came within 6 votes of raising the tax exemption from $600 to $700. This exemption if adopted would release two and three-tenths billion tax dollars into purchasing power annually. Tax windfalls

like the 27 percent depreciation allowance to oil companies is an example of the trickle-down policy of this administration.

Every educator in America now knows that the Republican promises in 1952 regarding education and school building expansion was nothing more than a campaign promise. President Eisenhower in 1952 stated 1,700,000 children are without adequate school facilities and if he were elected immediate Federal legislation would be passed to remedy this condition. As of today, this campaign promise has been ignored, although the results of two investigations, one by the United States Office of Education and another by the National Education Association reveals that America needs 345,000 classrooms and that 1 in every 5 of our present school units is a firetrap. The deplorable scarcity of school teachers still exists. School teachers' salaries have not been adequately advanced and the Nation needs 40 percent more grade teachers than are available today.

Senator HILL, Democrat of Alabama, introduced an amendment providing for a small royalty from the tideland oil giveaway which, if passed, would have provided sufficient money to bring the American schools up to modern standards. This amendment was defeated by influence of the oil lobby and Republican votes.

HOUSING, SLUM CLEARANCE, AND HEALTH

Radio and television listeners in the 1952 campaign heard Candidate Eisenhower's promises on the necessity for adequate housing legislation. The 83d session of Congress flatly failed to enact a suitable housing program. No provisions were made to aid families living in slums and substandard dwellings, to rent or purchase low-priced homes. When the final vote was taken on the conference report, July 20, the Republican membership of the House voted almost unanimously to reject Chairman SPENCE's motion to recommit the bill and to reinstate President Eisenhower's recommendation of 35,000 public-housing units over a period of 4 years. Under the trick provisions in the housing bill, 90 percent of the slum-clearance program is rejected. Fifteen States are not qualified under the wording of the bill to secure any part of the small allotment for slum-clearance or public housing. In 1953 the appropriation for the Health Department was reduced 19 percent.

SOCIAL SECURITY

The social-security program was enacted by the Democratic Party in 1935. In the intervening period of almost 20 years under Presidents Roosevelt and Truman the program has been expanded. Each effort to establish social security met with opposition by Republican Party leaders. In 1935, every Republican member of the Ways and Means Committee voted against social security. It was called a form of socialism. I am glad to report that the Republican Party in this session finally joined with the Democratic minority in adopting a social-security expansion program. The bill enacted by the 83d Congress was a step in the right direction although the coverage on both income and personnel should have been increased.

CAMPAIGN ORATORY

The full record of the failures of this Republican administration to carry out its many 1952 "pie in the sky" campaign promises, cannot be told in one speech. In fairness to President Eisenhower and his great career of 37 years as a soldier and general, his administration record was blueprinted and formulated by the executive brain-trusters, Secretaries Humphrey, Wilson, and Weeks. The first 2 years of the Republican New Look and dynamic crusade can best be summarized with a paraphrase from a Churchill idiom, "never has so much been done for so few and so little for so many."

YOUNG VOTERS

Over 40 million young citizens voted in 1952 who were not old enough to remember the last national Republican administration 22 years ago. The record of the last 18 months does not surprise older voters because they observed the Republican trickle-down theory of economy operate before 1932. Pioneers can remember that trickle-down theory resulted in panics or bad times at regular intervals since the Civil War. Mark Hanna, the party boss of 1900, used this policy as the backbone of Republican doctrine. If science and industry had made the same progress in the last half century as the leaders of the Republican Party, our economy would still be in the kerosene lamp and horse and buggy days.

The first great statesman of modern times who fought and exposed the fallacy of this theory of governmental philosophy was the great commoner William Jennings Bryan. Fifty-eight years ago when he was nominated for President of the United States at the Democratic Convention in Chicago, he said, quote:

[From William Jennings Bryan's Cross of Gold Speech, 1896]

There are two ideas of government. There are those who believe that, if you will only legislate to make the well-to-do prosperous, their prosperity will leak through on those below. The Democratic idea, however, has been that if you legislate to make the masses prosperous, their prosperity will find its way up through every class which rests upon them.

OPERATIONS AND ACTIVITIES OF GATT

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Pennsylvania [Mr. SAYLOR] is recognized for 45 minutes.

Mr. SAYLOR. Mr. Speaker, during the recent debate on the 1-year extension of the trade agreements program there was little or no opportunity, or in any case little occasion, to call to the attention of the House the operations and activities of GATT; that is, the General Agreement on Tariffs and Trade. No amendments could be offered to the 1-year extension bill under the closed rule. There was therefore little or no point in discussing this vital aspect of our tariff and trade policy. Yet, the truth is that GATT and its operations have a direct bearing and in many instances a controlling influence upon our tariff and trade policy.

It is my purpose today to lay before the House various aspects of the operation and activities of GATT that are greatly in need of attention and review. So little is known of GATT, how and where it operates, who speaks for the United States in its annual meetings, what subjects are discussed and acted upon, what kind of action is taken, how GATT is financed, upon what law if any its very existence rests, and so forth, that some much-needed light should be shed on the subject.

I dare say, Mr. Speaker, that few Members of this House, including myself, can answer these questions. This is a strange state of affairs, indeed, in view of the responsibility of Congress under the Constitution for the regulation of foreign commerce and the laying of duties.

Some explanation of this lack of knowledge may be found in the general prosperity enjoyed by this country for 12 or 13 years since the outbreak of the war. During that period there was not too much difficulty with import competition. While drastic tariff reductions were made during this period, the domestic and foreign demand for goods was so strong that in most instances the market was able to absorb not only all the domestic output but imports as well, at high prices.

During the past year this situation has been changing. We now find many industries and branches of agriculture feeling the inroads of foreign competition. Surpluses are building up in place of shortage; and this changes completely the previous relative indifference of these industries and their workers to imports. A rude awakening is consequently coming upon us as a result of congressional abdication of its responsibilities in this field these many years. Congress passed its functions to the executive power and now as we look about us we find the legislative branch almost a complete captive of the results of executive domination of tariff administration.

While Congress and the people of the country were otherwise occupied the State Department exercised the powers delegated to it by Congress through the President in such a way as to make the recapture of its powers by Congress all but impossible. This was no accident. It was clearly planned that way.

Entrance by this country into the General Agreement on Tariffs and Trade, better known as GATT, on October 30, 1947, was only a step incidental to the final protected separation of Congress from the exercise of its powers over the tariff and trade. GATT was preceded in point of time by the proposed International Trade Organization which was initiated, fostered, and promoted by the Department of State, beginning in 1945 or 2 years before we entered GATT. Under the charter of that organization Congress, had it accepted the treaty, would have effectively signed away its powers over tariffs and trade to an international body. This body was dedicated to the planning of the world's international trade no less than such aspects of

the domestic economy as would have been necessary to conform it to the principles of free trade.

However, Congress did not accept the ITO Charter. Although the United States, after 3 years of negotiation, signed the charter in Habana, Cuba, in March 1948, that is, a few months after we signed GATT, and although the President in 1950 submitted it to Congress for approval, it failed to gain the support of the Foreign Affairs Committee of the House.

This failure by the House to ratify the charter killed it and the International Trade Organization never came into being. Here is clear evidence that Congress was not willing to sign away its constitutional powers over tariffs and foreign commerce when it was confronted by the overt choice.

Had it ratified the ITO Charter exactly that result would have followed. Complaints to Congress by industries, workers, miners, farmers, and growers, no matter how insistent and authentic, against ruinous foreign competition, could have gone unheeded because no official representative of the United States in the International Trade Organization would have been an elected official. This representative would in any case have had only 1 vote of more than 50 in the organization. Thus the intended responsiveness of Congress to the people would have been destroyed.

It must be obvious then that Congress has taken no step that would indicate its willingness to sign away its constitutional responsibility in this field. Its delegation of authority to the President under the Trade Agreements Act of 1934 and by subsequent extension of that act did not carry with it any such intent. What has actually happened must therefore be traced to something other than congressional intent.

If Congress at no time by positive action gave its consent to the alienation of its authority over tariffs and trade, what was it that brought about the present state of affairs?

The reason is not so hard to find, Mr. Speaker, as it might appear to be. It is true that Congress emphatically refused to embark upon international economic planning, as contemplated in the proposed ITO Charter, when the question was squarely presented. It is also true that the delegation of power to the President under the Trade Agreements Act contemplated no surrender of congressional authority. The ITO Charter failed to pass even the first hurdle faced by any legislation. It failed to come out of committee.

But what do we see today? We see GATT exercising many of the powers that were proposed for ITO but rejected by Congress. These are powers that were not delegated to the Executive under the Trade Agreements Act. They relate to internal taxation, dumping and countervailing duties, valuation for customs purposes, marks of origin, quotas, balance-of-payments restrictions, most-favored-nation clause, subsidies, governmental assistance to economic development, and reconstruction. Quotas, for example, are outlawed, with certain exceptions.

The constrictive influence of GATT upon the legislative freedom of this body, Mr. Speaker, may be appreciated from the following:

Unless it wishes to violate the General Agreement on Tariffs and Trade—GATT—Congress is no longer free unilaterally:

First. To put a tariff on an item that has been bound on the free list under GATT. Numerous items have thus been bound;

Second. To increase a tariff on any item on which the rate has been bound against an increase at the existing level. Many such bindings have been made;

Third. To raise a rate that was reduced in a trade agreement negotiated under GATT or in any bilateral agreement superseded by GATT. GATT tariff reduction conferences have been held in Geneva, Annecy, and Torquay;

Fourth. To place an import quota on any industrial item, as distinguished from an agricultural item unless this country should come into balance-of-payments difficulties or should seek to conserve an exhaustible natural resource by also restricting domestic production or consumption of the article;

Fifth. To place an import quota on any agricultural or fisheries item that is not the subject of a governmental program designed to restrict domestic production or marketing of the same item or to remove a temporary surplus.

All of this adds up to a pretty tight-fitting straitjacket. Not much elbow room remains for the exercise of legislative authority. But if we look around to see how all this divestment of authority came about we find nothing solid to lay the hands on; but the results are there—make no mistake about that.

What has happened is a usurpation of power hand in hand with a denial that such usurpation has taken place.

I shall undertake to explain how it has all come about.

While GATT was being negotiated in 1947—April-October—the charter for the proposed International Trade Organization was still full of life and hope. In fact it was still to be drafted in its final form and signed. At this time a bright thought struck the State Department. This idea was that the ITO would absorb GATT after the ITO Charter was ratified by Congress. Guided by this scheme, the State Department made free to incorporate into GATT a number of the provisions already in the ITO Charter. In doing so, that Department went beyond the power delegated under the Trade Agreements Act. No doubt this seemed a harmless thing to do since the ITO, once ratified by Congress, was to absorb GATT, and the latter having been thus absorbed into the International Trade Organization was to disappear from the scene.

This no doubt explains why it was not regarded necessary to submit GATT to Congress for ratification.

But what happened? The unanticipated rejection of the ITO Charter by Congress left GATT to stand on its own feet. Instead of now admitting the illegitimacy of those of GATT's provisions that virtually duplicated ITO provisions, the State Department proceeded as if GATT needed no congressional ratification even though it had acknowledged the need of submitting the ITO for ratification.

As a result, we find GATT today under an umbrella of usurped rights sitting periodically in Geneva and reviewing sovereign acts of this Congress and of the President as if it had been clothed with the powers necessary so to function. The powers thus exercise are no less real and binding for all the denials and disavowals of the State Department. That Department has participated in a number of GATT decisions and has acquiesced in several that have involved the United States. In this way GATT has come into a position of real as distinguished from imaginary authority and de facto as distinguished from de jure powers of review over questions of tariff and trade never remotely contemplated in the Trade Agreements Act.

And now we find GATT in the process of reviewing itself. This presents a strange phenomenon indeed.

Without a signal from Congress and without the least guidance from Congress, this international body presumes to rewrite its procedures and methods of operation.

Who will represent the United States? Does anyone but the merest handful outside the State Department know? Who has kept the fires burning between the last GATT session and the next one? If there is a secretariat, who constitutes it and how is it selected? Who pays the salaries?

What will the agenda of the next meeting consist of? Here we do have some information. Reporting on the eighth session of GATT in 1953, the State Department in a press release dated October 27 of that year had this to say:

During the session—

Meaning the eighth—

the groundwork was laid for further progress toward achievement of the aims of the general agreement. In this connection the contracting parties took a decision looking toward a review of the operations and provisions of the general agreement in the latter part of 1954. It is contemplated that the French plan for the reduction of tariff levels which was developed during the session into a technically feasible proposal will be considered during this review.

This, I say, is very interesting.

Unless a change is made in past practices, the contracting parties will meet in Geneva in September 1954. They will give consideration to the items on the agenda and will reach conclusions by vote. The session will then adjourn. The Department of State will then in due time issue a statement containing an account of what was done at the ninth session of GATT. That will be that.

Important decisions may have been rendered. The French plan will have been debated and either accepted in its present or a modified form, or rejected. The Members of Congress will not have been consulted about this, nor will we as

Congressmen or as members of any of its committees be told about the results. If we wish to inform ourselves about the GATT actions we have the privilege of requesting information from the State Department. GATT as a body makes no report to Congress. The official American delegation to GATT makes no report to Congress. The Department of State makes no report to Congress on GATT.

The delegation of power to the executive has learned to walk by itself. It has waxed big and strong and has taken on the ways of arrogance. It neither seeks nor cares to accept any guidance. It gives no account of its stewardship. It comes to conclusions on its own and serves them to the American people on the basis of take it or leave it.

That is GATT; and it is a far cry from the simple provisions of the Trade Agreements Act of 1934 as amended and extended

Mr. Speaker, I say it is time that we as Members of Congress found out about GATT. Inexcusable as is the negligence in the past in this respect, it would represent outright evasion of our duty and responsibilities to let this matter drift.

We should find out what GATT is doing right now to prepare itself for the ninth session. Who, for example, is determining the United States position on the French plan mentioned in the State Department release from which I have quoted? What, indeed, is the French plan?

The French plan is the Randall Commission recommendation in double strength. It would call for a 10 percent reduction in duties per year for 3 years instead of the 5 percent recommended by the Randall Commission. It seems to me that we did something about the Randall plan right here.

The question arises, why did we have the Randall Commission study when at the same time we were a party to GATT which was considering the French plan? Are we running two tariff and trade teams on separate tracks, one at home and one abroad? If so, which one represents the amateurs and which one the professionals? Which one plays for fun and which one for keeps?

There is no question what the answer should be if we consult the Constitution.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from West Virginia.

Mr. BAILEY. In my previous appearances in the well of the House to discuss this broad and troublesome subject of tariff revision you have often heard the expression, "General Agreement on Tariffs and Trade," commonly referred to as GATT.

When the Randall Commission report was released the recommendations contained in the report were for a 15-percent reduction in all existing tariff rates spread over a period of 3 years. We have wondered for some considerable time where this idea of making that reduction came from. Investigation reveals the fact that for the past 2 or 3 years, and at least once each year, the signatory parties to the General Agreement on Tariffs and Trade have been meeting in Geneva. They are in session right at the present time, a preliminary session. Their major session will take place in October.

Out of these meetings has grown this idea of leading this Nation to a free-trade basis. They did not take all of the suggestions contained in the so-called French plan. If you will remember, 2 days after the Randall Commission report was submitted I, together with some of my colleagues in the House, put on an hour's program here to take that Randall Commission report apart, and nobody so far as I know has been able to put it back together again. It resulted in the administration backing away from their proposal to further reduce tariffs over a period of 3 years to the extent of at least 15 percent.

I charged at that time that the Randall Commission report could well have been written at No. 10 Downing Street. I find since making these investigations that it was written in the French Bourse, and it is the French plan.

Let me tell you just a little bit about how that thing works. I trust I am not imposing too much on the time of the gentleman from Pennsylvania.

Mr. SAYLOR. Go right ahead. It is very enjoyable.

Mr. BAILEY. A plan for general tariff reductions was presented by the French Government to the sixth session of the Contracting Parties of GATT—General Agreement on Tariffs and Trade—September 19, 1951.

Under this plan tariffs would be lowered 30 percent at the rate of 10 percent a year for 3 years.

Early in 1952 a subgroup of a working party of GATT met to examine the technical aspects of the plan. The report rendered by this subgroup enabled the working party to consider the French proposal in its more general aspects.

To quote from Operation of the Trade Agreements Program—Sixth Report, July 1952–June 1953, United States Tariff Commission, page 83:

> As a result of the discussions, the French delegation submitted new proposals amending and supplementing the original plan. * * * The report of the working party stated that much work still remained before a specific plan would be available for consideration. The contracting parties noted the progress made toward resolving many of the problems arising from the plan and instructed the working party to continue its study, taking into account the new proposals submitted by the French delegation.

After the seventh session of GATT, the Department of State in a release dated November 10, 1952, No. 865, stated:

> Work was continued at the seventh session on a plan, put forward at the sixth session by the French delegation, that tariffs should be lowered by 30 percent on a worldwide basis in 3 yearly stages of 10 percent. The report of the working party at the seventh session indicates that a great deal of work remains to be done before a specific plan will be available for the consideration of the contracting parties. * * * Study of the problem will continue intersessionally with the possibility that several technically feasible plans of varying degrees of flexibility may be developed for further consideration.

Thus it is clear that GATT was giving the most serious consideration to the French plan. There is in fact marked similarity between the French plan and the recommendation made by the Randall Commission. The latter simply cut in half the 10-percent reduction per year proposed in the French plan but accepted the 3-year plan. In denouncing the Randall Commission report, I said: "It could very well have been written in No. 10 Downing Street, London. It seems to be a product of the French Bourse."

The eighth session of GATT again considered the French plan. In a report to the Secretary of State by the chairman of the United States delegation to the eighth session of GATT, dated September 24, 1953, appears the following—page 14:

> Following several meetings of the subgroup, the French presented a revised plan in August 1953. Germany, Belgium, the Netherlands, and Denmark joined France in a statement to the contracting parties that the new French proposal provided the best method of pursuing efforts for a general lowering of tariffs provided, however, that the proposal remained of worldwide application.
>
> In broad outline, the revised French plan would provide that the import trade of the participating countries would be divided into a number of sectors, say 10 or 15, and that the average tariff rates within each sector would be reduced by 30 percent through reductions of 10 percent a year for the first 3 years of the plan. The choice of items for reduction within any sector would be at the discretion of each participating country, except that rates above a certain prescribed level (ceiling rates) must be reduced to that level.

It will be recalled that the Randall Commission recommended that the President be empowered to reduce all rates above 50 percent to 50 percent. In this respect the Randall Commission again took its cue from GATT.

NEXT MEETING OF GATT

In a press release from the Department of State, dated October 27, 1953, No. 598, the following is said about the eighth GATT session:

> During the session the groundwork was laid for further progress toward the achievement of the aims of the general agreement. In this connection the contracting parties took a decision looking toward a review of the operations and provisions of the general agreement in the latter part of 1954. It is contemplated that the French plan for the reduction of tariff levels which was developed during the session into a technically feasible proposal will be considered during the review.

The ninth session of GATT will take place in October. The French plan may then be considered.

In the meantime an intersessional meeting of GATT will convene on July 26, 1954, or this past Monday in Geneva. No doubt the agenda of the October meeting will be discussed at that meeting.

These meetings and sessions of GATT alongside congressional consideration of tariff and trade questions raise some basic issues. It appears that there are now two bodies exercising control over our tariff and foreign commerce. One is the Congress; the other is GATT.

The question is: are these bodies coordinate in respect to their powers? Or does one have powers superior to the other? If so, which one is superior and which one inferior?

From what has been said on the floor today there is a very serious question whether GATT or Congress wields the greater authority.

Let us ask what would happen if GATT should adopt the French plan for 30-percent tariff reductions, at the rate of 10 percent per year over a 3-year period?

Congress rejected the Randall Commission recommendations that our tariff be reduced 5 percent a year for 3 years. Should GATT now adopt the French plan, where would that leave us? The United States is a member of GATT and has participated in all its sessions and has accepted its decisions. How could we avoid complying with GATT acceptance of the French plan?

Is the membership of this House fully aware of the implications of this situation? Have the people of the United States set up a superstate to control our tariff? If so, by what act of Congress have they done so? If not, how can GATT presume to take the kind of action that characterizes the various sessions held since the general agreement was signed?

Either the American people, acting through Congress, have or they have not signed away the authority and responsibility of Congress under the Constitution to regulate our foreign commerce and to set tariff rates.

If Congress has not done this, that is, has not shifted its responsibility to GATT, GATT should be called to account. The Department of State should refrain from participating in GATT in a manner that will inevitably lead to the stripping of Congress of its powers in this field.

Heed should be taken of this situation at this very moment when GATT is going into an interim session in Geneva to prepare for the ninth session next October. Above all, it is time that we as Members of Congress scan very carefully the steps planned by GATT, and that we act to recapture our constitutional authority. The responsiveness of Congress to the people in this vital field cannot be left to be destroyed by the operation of executive agreements.

Mr. SAYLOR. I thank the distinguished gentleman from West Virginia.

Mr. STEED. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Speaker, I join with my colleagues in the remarks they have made on this subject today, and I wish to add some of my own.

Mr. Speaker, the activities of GATT have been a source of both wonderment and concern to me for some time.

It is a remarkable organization that can take the ball away from Congress and keep it to itself, to play with it according to its own rules and never come to Congress for the least guidance or instructions.

It seems clear that if GATT had been authorized or set up by Congress there would be some contact between the two bodies. There would be some intercommunication as there is between Congress and the Tariff Commission, for example. The Commission renders an annual report to Congress and makes a number of reports to the House Ways and Means Committee and the Senate Finance Committee. Frequently Congress of the appropriate committees put special tasks on the Commission under specific instructions.

Not so in the case of our delegates to GATT. They are not responsive to Congress; but hold their authority from the State Department. That Department governs our relations to GATT. Congress has no contact with the organization.

This is a strange state of affairs indeed when we consider that the Constitution places the regulation of foreign commerce in the hands of Congress alone and also charges Congress with the authority to lay and collect taxes and duties. In other words, Congress is vested with complete authority over tariffs and trade. Yet GATT has moved into a position of taking from Congress its power in this field.

I shall read from a report to the Secretary of State from the chairman of the United States delegation to the last session of GATT held in Geneva, Switzerland, last September and October. Especially do I call attention to the agenda of the session. It contained 44 numbered items.

Among these items are found creation of a low-tariff club, United States restrictions on dairy products, United States duty on dried figs, United States export subsidies on oranges and almonds, arrangements for a review of the agreement, methods of evaluation for customs purposes. European Coal and Steel Community, and so forth.

What this means is that GATT reviews the acts of this Congress, the action of the Tariff Commission when this is put into effect by the President, and other similar official acts of the United States.

By contrast not even Congress makes such a review. This has become the special field of GATT. Yet the fact is that Congress itself, neither by resolution of both Houses nor through ratification by the Senate, has ever conferred such power on GATT.

REPORT TO THE SECRETARY OF STATE BY THE CHAIRMAN OF THE UNITED STATES DELEGATION TO THE EIGHTH SESSION OF THE CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE HELD AT GENEVA, SWITZERLAND, SEPTEMBER 17 TO OCTOBER 24, 1953

I. Summary: * * *.

II. Background: The general agreement provides in article XXV that the "representatives of the contracting parties shall meet from time to time for the purpose of giving effect to those provisions of this agreement which involve joint action and, generally, with a view to facilitating the operation and furthering the objectives of this agreement." The eighth session was one in the series of sessions which commenced in Habana in March 1948.

III. Agenda:

The contracting parties dealt with 44 agenda items, somewhat more than at previous sessions. The provisional agenda, which subsequently became the agenda of the session with minor additions, had been prepared by the 15-member Ad Hoc Committee on Agenda and Intersessional Business at 2 meetings it held before the eighth session, 1 in August and another the day before the session opened.

The items of primary interest to the United States concerned a proposal to extend the period during which the tariff concessions would retain their present stability; the application of Japan for accession to the agreement; the request of the United Kingdom for a limited waiver from obligations under the agreement preventing it from increasing margins of preference; United States import restrictions on dairy products and filberts; the suspension of tariff concessions by the United States on dried figs; United States export subsidies and similar measures on raisins, oranges, and almonds; the first report of the six countries members of the European coal and steel community on their activities authorized by a waiver from certain general agreement provisions; and the consultations held with countries maintaining discriminatory import restrictions for balance-of-payments reasons.

The agenda of the eighth session, as adopted September 17, 1953, was as follows:

1. Adoption of agenda and order of business.
2. Election of chairman and vice chairman.
3. Article XXVIII.
4. Report by the working party on the reduction of tariff levels.
5. Creation of a low-tariff club.
6. Accession of Japan.
7. Balance-of-payment import restrictions:
(a) Consultations under article XIV:1 (g).
(b) Fourth annual report on discrimination.
(c) Procedures for report and consultations under article XIV:1 (g) in 1954.
(d) Consultations under article XII:4 (b).
8. Special exchange agreements:
(a) Report by the chairman on operation of the agreements with Haiti and Indonesia.
(b) Reports and consultations under article XI of the agreements.
9. Methods of valuation for customs purposes.
10. Nationality of goods.
11. Consular formalities.
12. European Coal and Steel Community.
13. Italian customs treatment for Libyan products.
14. South Africa-Southern Rhodesia Customs Union.
15. Nicaragua-El Salvador free-trade area.
16. United States restriction on dairy products.
17. Brazilian internal taxes.
18. Belgian family allowances.
19. German treatment of imports of sardines.
20. Greek import taxes.
21. Greek import duty coefficients.
22. United States duty on dried figs.
23. United States export subsidy on sultanas.
24. United States export subsidies on oranges and almonds.
25. United States import restrictions on filberts.
26. French tax on imports and exports.
27. Brazilian compensatory concessions.
28. Belgian dollar import restrictions.
29. Difficulties arising out of the application of article I.
30. United Kingdom request to renegotiate an item in schedule XIX.
31. Australian treatment for products of Papua and New Guinea.
32. Greek schedule: Adjustment of specific duties under article II:6.
33. Time limit for application of part II of article XX.
34. Convention on the importation of samples and advertising material.

35. Discrimination in transport insurance.
36. Nomination of Chairman of ICCICA.
37. Status of protocols.
38. Rectification of schedules.
39. Renewal of intersessional arrangements for the administration of the agreement.
40. Financial statement for 1953 and budget estimates for 1954.
41. Date and place of the ninth session.
42. Australian request to renegotiate an item in schedule I.
43. Indian request to renegotiate an item in schedule XII.
44. Arrangements for a review of the agreement.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. EDMONDSON. I would like to commend the gentleman from Pennsylvania [Mr. SAYLOR] and the gentleman from Oklahoma [Mr. STEED] for the fight they are conducting on behalf of American industry and the American workingman.

Mr. Speaker, I have listened with a great deal of interest to the remarks which have been made on the subject of GATT, and appreciate the fact that this matter is being brought forcefully to the attention of the Congress.

As I have remarked before on this floor, I am a firm believer in the principle of reciprocal trade. At the same time, it must not be forgotten that a fundamental part of our Nation's law on the subject of reciprocal trade is the provision that no domestic industry shall be destroyed through trade agreements, and the law specifically provides for escape from any such result of trade agreements entered into by our Nation.

Many supporters of reciprocal trade are becoming increasingly fearful that the policy is becoming a one-way street in which there is no escape for seriously damaged domestic industry, and I have risen on more than one occasion in this House to call attention to the disastrous conditions prevailing in my district in certain industries which are being critically hurt by foreign goods.

The first example to come to my attention was the lead and zinc industry of America, and I cannot understand the failure of the White House to face facts in this matter, and give to this important industry the relief which the Tariff Commission—after exhaustive hearings on the subject—has recommended. Thousands of miners continue to be unemployed, and thousands of workers in related industries go without work or work on a curtailed basis, while the imports of these metals continue to mount.

The situation is also becoming increasingly serious in our domestic glass industry, as foreign imports of plate glass and window glass establish new records, and more and more of our country's workers feel the disastrous effects of this ruinous competition. I do not speak from reports or statistics, but from actual observation and first-hand knowledge of the reduced payrolls in my own district in Oklahoma.

The American petroleum industry is also suffering, and while we reduce our domestic production and lay off American workers, imports from abroad continue to increase.

How long, Mr. Speaker, will reciprocal trade continue to be a one-way street, in defiance of the plain provisions of the law for protection of American industry? This is a question on which the American people will soon be demanding an answer, and we in the Congress and the Chief Executive in the White House should give the people an answer which makes good sense.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. CLARDY and to include extraneous matter.

Mr. HOPE.

Mr. SHEEHAN and to include extraneous matter.

Mr. D'EWART in two instances and to include extraneous matter.

Mr. VURSELL and to include extraneous matter.

Mr. O'HARA of Illinois in two instances and to include extraneous matter.

Mr. SHELLEY and to include extraneous matter.

Mr. SADLAK and to include an editorial.

Mr. WOLVERTON and to include extraneous matter.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 303. An act to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6080. An act to authorize the appropriation of funds for the construction of certain highway-railroad grade separations in the District of Columbia, and for other purposes; and

H. R. 7128. An act to amend the act entitled "An act to provide an immediate revision and equalization of real-estate values in the District of Columbia; also to provide an assessment of real estate in said District in the year 1896 and every third year thereafter, and for other purposes," approved August 14, 1894, as amended.

ADJOURNMENT

Mr. WOLCOTT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, July 29, 1954, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1779. A letter from the Secretary of Defense, transmitting copies of 19 separate reports submitted by the Department of the Air Force, representing 23 specific violations of section 3679, Revised Statutes, and the Department of Defense Directive 7200.1, pursuant to section 3679 (1) (2), Revised Statutes; to the Committee on Appropriations.

1780. A letter from the Under Secretary of the Navy, transmitting a report on the payment of claims for damage occasioned by naval vessels which have been settled by the Navy Department, pursuant to section 8 of the act of July 3, 1944 (58 Stat. 726; 46 U. S. C. 797); to the Committee on the Judiciary.

1781. A letter from the Under Secretary of the Navy, transmitting a report on the collection of claims for damage caused to Navy Department property, which have been settled by the Navy Department, pursuant to section 2 of the act of December 5, 1945 (34 U. S. C. 600a); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 9846. A bill to provide for the establishment of a Veterans' Administration center for domiciliary and chronic care at the Cushing Veterans' Administration hospital at Framingham, Mass.; without amendment (Rept. No. 2558). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 9866. A bill to prescribe certain limitations with respect to outpatient dental care for veterans; without amendment (Rept. 2559). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 9962. A bill to increase by 5 percent the rates of pension payable to veterans and their dependents; without amendment (Rept. No. 2560). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN of Michigan: Committee on Government Operations. S. 1184. An act to authorize relief of authorized certifying officers from exceptions taken to payments pertaining to terminated war agencies in liquidation by the Department of State; without amendment (Rept. No. 2562). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of California: Committee on Merchant Marine and Fisheries. H. R. 2305. A bill to extend to certain naturalized citizens of the United States the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal"; with amendment (Rept. No. 2563). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLLEFSON: Committee on Merchant Marine and Fisheries. H. R. 9868. A bill to amend the Merchant Ship Sales Act of 1946 to provide for the charter of passenger ships in the domestic trade; with amendment (Rept. No. 2564). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCONNELL: Committee on Education and Labor. H. R. 9712. A bill granting the consent of Congress to certain New England States to enter into a compact relating to higher education in the New England States and establishing the New England Board of Higher Education; without amendment (Rept. No. 2565). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 10067. A bill for the relief of Thomas F. Harney, Jr., doing business as the Harney Engineering Co.; without amendment (Rept. No. 2561). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR:

H. R. 10092. A bill relating to the treatment under section 902 of H. R. 8300 of taxes paid to a foreign country during a taxable year in which the taxpayer has a net operating loss; to the Committee on Ways and Means.

By Mr. CAMPBELL:

H. R. 10093. A bill to provide that the Atomic Energy Commission shall make a study and investigation with respect to the use and development of atomic energy for peaceful pursuits; to the Joint Committee on Atomic Energy.

By Mr. D'EWART:

H. R. 10094. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934 (48 Stat. 451; 16 U. S. C. 718) as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. DONOHUE:

H. R. 10095. A bill to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States; to the Committee on Ways and Means.

H. R. 10096. A bill to provide for the establishment of a United States Foreign Service Academy; to the Committee on Foreign Affairs.

By Mr. HAGEN of Minnesota:

H. R. 10097. A bill to grant priority in reemployment to positions of plate printer in the Bureau of Engraving and Printing to certain plate printers separated by reduction in force from such positions; to the Committee on Post Office and Civil Service.

By Mr. KLEIN:

H. R. 10098. A bill to provide salary increases for teachers, school officers, and other employees of the Board of Education of the District of Columbia whose salaries are fixed and regulated by the District of Columbia Teachers' Salary Act of 1947, as amended; to the Committee on the District of Columbia.

By Mr. REES of Kansas:

H. R. 10099. A bill to authorize the Civil Service Commission and the heads of all establishments in the Federal Government to make available, on a voluntary prepayment basis, group hospital, medical, and other personal health service benefits for civilian officers and employees in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. EBERHARTER:

H. R. 10100. A bill to amend section 209 (a) of the Technical Changes Act of 1953; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H. R. 10101. A bill to amend section 705 of the Merchant Marine Act, 1936, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MASON:

H. J. Res. 571. Joint resolution proposing an amendment to the Constitution of the United States relating to the procedure for amending the Constitution; to the Committee on the Judiciary.

By Mr. COON:

H. J. Res. 572. Joint resolution proposing an amendment to the Constitution of the United States relating to the procedure for amending the Constitution; to the Committee on the Judiciary.

By Mr. SADLAK:

H. J. Res. 573. Joint resolution authorizing and requesting the President to proclaim Sunday, April 3, 1955, as a day of prayer for the "Man and Woman in White"; to the Committee on the Judiciary.

By Mr. RIVERS:

H. Con. Res. 264. Concurrent resolution expressing gratitude and appreciation to General of the Army Douglas MacArthur for his unsurpassed service to this Nation and the world; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H. R. 10102. A bill for the relief of Emily M. Dooley; to the Committee on the Judiciary.

By Mr. BETTS:

H. R. 10103. A bill for the relief of Elfriede K. Bruck Beal; to the Committee on the Judiciary.

By Mr. DONOVAN:

H. R. 10104. A bill for the relief of William Patrick Flood; to the Committee on the Judiciary.

By Mr. KING of California:

H. R. 10105. A bill for the relief of Andrew M. Hanson; to the Committee on the Judiciary.

By Mr. MOSS:

H. R. 10106. A bill for the relief of Tai Jong (Billy) Ryu; to the Committee on the Judiciary.

By Mr. PILLION:

H. R. 10107. A bill for the relief of Pedro De La Rino; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1123. By Mr. PHILBIN: Petition of Fedor W. Bernot, of Fitchburg, Mass., and others in favor of legislation to prohibit alcoholic beverage advertising over the radio and television and in the magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

1124. Also, petition of Mrs. Charles Sargent, of Lancaster, Mass., and others, in favor of legislation to prohibit alcoholic beverage advertising over the radio and television and in magazines and newspapers; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

The Duck Stamp Act

EXTENSION OF REMARKS
OF
HON. WESLEY A. D'EWART
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 28, 1954

Mr. D'EWART. Mr. Speaker, during the 83d Congress, a special subcommittee of the House Committee on Interior and Insular Affairs, the Subcommittee on Administration, ably chairmaned by Congressman JOHN PILLION, of New York, held extensive conferences and formal hearings respecting the administration of the Fish and Wildlife Service of the Department of the Interior.

Almost without exception, witnesses at these hearings and officials of the Department expressed concern over present duck-stamp receipts covered into the so-called duck-stamp fund authorized under the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended. That act authorizes sale of Federal duck stamps, costing $2 per season, and requires possession of such a stamp by any person over 16 years of age before migratory birds can lawfully be taken. Annual collections presently exceed $4.3 million; estimates for the current fiscal year indicate that the total number of stamps issued will exceed 2,350,000.

Under existing law, funds so collected are to be expended as follows: Not less than 85 percent for the "location, ascertainment, acquisition, administration, maintenance, and development of suitable areas for inviolate migratory bird sanctuaries, for the administration, maintenance, and development of other refuges under the administration of the Secretary of the Interior and for investigations"; the remainder is made available for the enforcement program, for personnel expenses, and for reimbursement to the Post Office Department of expenses incurred in connection with the stamp program.

On June 28 and 29 of this year, public hearings were held by the House Public Lands Subcommittee, of which I am chairman, with inquiry made into this matter of duck-stamp fund administration. The June meetings gave several outstanding and nationally-known fish and wildlife conservationists an opportunity to comment on present use of the funds. These people understood—as did many Members of Congress—that the Duck Stamp Act had as one of its principal purposes acquisition of refuge areas along the various flyways in order to provide not only wintering,

resting, and feeding grounds for migratory birds, but breeding areas in the northern tier of our States. The record generally supports this contention, and the assertion that of secondary importance, under the act's provisions, was to be use of the balance for maintenance, operation, and management of already existing refuge areas.

The record, however shows that: to the end of June 1953, more than $29.5 million had been expended from the duck-stamp fund, that the total at the end of June 1954, would exceed $34.9 million. Of this total, only $6.5 million was expended or budgeted for purchase of lands for waterfowl management—with only 209,329 acres acquired. The balance went to existing refuges, enforcement, personnel expenditures, and the like.

The clear need is this: A long-range refuge program with particular emphasis on the needed pattern of breeding, resting, feeding and wintering areas for the important migratory bird populations. It is anticipated that as much as 4 million acres of land may be acquired and developed at an estimated cost of approximately $40 per acre to accomplish the needed program; to protect local governmental subdivisions. I believe for each acre so acquired a Federal acre of similar value should be transferred from Federal ownership.

Two suggested proposals have been advanced: First, to increase the price of the duck stamp from $2 to $5, or $4, or not less than $3.50, then earmarking the entire increase of $3 or $2 or $1.50 for the land acquisition program; or second, make additional funds available, earmarked for the acquisition program from present receipts.

Mr. Carl D. Shoemaker, conservation consultant to the National Wildlife Federation, and general counsel of the International Association of Game, Fish, and Conservation Commissioners, has submitted these proposals in response to a request for suggestions from our subcommittee members.

Tomorrow, July 29, 1954, our subcommittee will resume its duck-stamp fund hearings, with officials of the Fish and Wildlife Service scheduled to appear as witnesses.

To the end that a full record may be made for future action by the proper legislative committees of the Congress, I am today introducing a bill which has as its purpose amending the Migratory Bird Hunting Act to assure that not less than 40 percent of Federal duck-stamp fund receipts will be available for acquisition of land and water areas suitable for the breeding, nesting, and resting of migratory waterfowl; not more than 45 percent will be available for the other general purposes presently spelled out in the law; the balance would continue to be expended as presently provided for.

The June meetings were continued to this week in order to permit wildlife representatives from throughout the Nation—here to meet with Fish and Wildlife Service officials in conference on proposed regulations for the upcoming hunting season—to attend and to express their views and recommendations on the use of duck-stamp funds. My bill is only one proposed legislative device for accomplishing the ends desired before the 84th Congress is convened; it is my hope that final-type legislation may be developed for action early next year, by the proper committee.

I would commend to the attention of the Members a memorandum of July 27, 1954, addressed to my subcommittee by Mr. Shoemaker, in which he advances recommendations for legislative action on the matter of administration of duck-stamp funds.

Discussion of Watershed Protection and Flood Prevention Act

EXTENSION OF REMARKS
OF
HON. CLIFFORD R. HOPE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 28, 1954

Mr. HOPE. Mr. Speaker, since the recent approval by the House of the conference report on the Watershed Protection and Flood Prevention Act I have received so many inquiries from Members of the House and others as to the practical effect of this legislation that I think it might be well for me to take this time in order to explain briefly the practical application of the provisions of the act as it was reported from the conference and approved by both the House and Senate.

This is an act designed to provide the basis for cooperation between the Federal Government, States, local governmental and quasi governmental organizations, groups of citizens, and individuals in carrying out flood prevention and water-control programs in the small upstream watersheds. To be eligible for consideration under this act the size of the watershed cannot exceed 250,000 acres and, of course, it must be an actual watershed of a specific stream or water course. However, where the local sponsoring agencies so desire, several watersheds, when they are parts of a larger watershed, may be planned together.

The initiative for all projects under this legislation must come from the people of the locality where the proposed program is to be carried out. It is not necessary that there be an official sponsoring agency in the very beginning of the movement for a watershed project. Individual citizens or a group of such citizens, whether organized or not, may develop local interest and evidence of local cooperation in a project. However, the application for assistance from the Federal Government must be filed by an official local organization such as described below.

Before any actual construction work can be done on the program there must be a local sponsoring organization authorized by State law to carry out, maintain, and operate the works of improvement which will be installed under the program. Prior to July 1, 1956, the Secretary of Agriculture is authorized to construct or enter into contract for construction of structures, providing there is no local organization authorized by State law to enter into such contracts. The Secretary may contract for or construct works of improvement on Federal land; that is, national forests. The exact type of local organization required will depend on local needs and State laws, but may include counties or other political subdivisions of a State, a soil-conservation district or water-conservation district, a flood prevention or control district, or any similar agency.

The projects authorized by the act can be of two general types: First, a straight flood-prevention program, including structures of various kinds and land treatment measures, or second, a project embracing primarily the agricultural phases of conservation, development, utilization, and disposal of water. Or, of course, the project can embrace any combination of these two general objectives.

The first step in the development of one of these projects is the organization in the local community, if such an organization does not already exist, of an organization capable of acting as the local sponsoring agency or which will lead to the development of such an agency. The next step is to outline the general proposal for the project and make an application for Federal assistance in working out the details of the plan. This application should be submitted to the State or local representative of the Soil Conservation Service and, at the same time, to the governor of the State. In order to prevent the conflict of these projects with other State development plans, the act gives the appropriate State agency or the governor a period of 45 days in which to disapprove such an application. If it is disapproved, no further action on that application will be taken by the Federal Government. If the application is not disapproved by the State, the Soil Conservation Service will assign technicians and other personnel to work with the local organization in conducting investigations and surveys, making such other studies as may be necessary, and working out detailed plans for the project. At the same time, it is assumed that work will be going forward in the locality on the other requirements which are conditions of Federal assistance.

These requirements are set out in section 4 of the act. They include the following:

First, acquisition by the local organization of all land, easements, or rights-of-way necessary for the project; second, evidence that the local organization is willing and able to assume its proportionate share of the cost and to maintain and operate the improvements after they have been installed; third, provide assurances that landowners have acquired necessary water rights; and fourth, obtain agreements from owners of at least 50 percent of the land above each retention reservoir to carry out recommended soil-conservation measures and proper farm plans on their land.

When these conditions have been met and a plan agreeable to the local organi-

zation and the Secretary of Agriculture has been worked out, the Secretary will submit the plan to Congress through the President. If the plan includes reclamation or irrigation work or affects lands under the Secretary of the Interior or if it includes flood-detention structures, the plan must be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for their views and recommendations at least 60 days before it is sent to the President for transmission to the Congress. The Secretaries of the Interior and Army are not required to approve the plan, but their views, if received by the Secretary of Agriculture prior to the expiration of the 60-day period, are to be transmitted to Congress, along with the recommendations of the Secretary of Agriculture. Unless the project is one of those relatively few in which there will be a dam providing more than 2,500 acre-feet of retention capacity, no formal approval by Congress is necessary before the project can be started. However, the act gives Congress 45 days after receiving the Secretary's report and recommendations in which to take any action which might appear desirable.

In the event that the plan includes a proposed dam or other structure impounding more than 2,500 acre-feet, the procedure followed is the same as that for other projects except that an appropriation for such a project cannot be made until the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate have adopted committee resolutions authorizing the project. The maximum total capacity of any structure which can be constructed under the authority of this act is 5,000 acre-feet.

The method of making appropriations for this work will be determined from time to time by the Appropriations Committees and the Congress. It is anticipated that it will be worked out in such a way that there will be a minimum of delay involved and that funds for the start of work on a project will be available as soon as the project has been approved and the requirements for submission to the Congress have been complied with.

Our Postwar "Forced" Repatriation Policy Backfires, With Possible Adverse Effects on Prospective United States Citizens of Ukrainian Origin

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EXTENSION OF REMARKS
OF
HON. TIMOTHY P. SHEEHAN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1954

Mr. SHEEHAN. Mr. Speaker, some of the actions taken by our United States Government in the implementation of our postwar policy, especially in our relationships with the Communist Government of the U. S. S. R., are once again coming back to haunt us.

At the Yalta Conference, Churchill, Roosevelt, and Stalin agreed to the repatriation of displaced Russian civilians and Russian prisoners of war. Certainly no one denies that this was a subject on which some agreement had to be reached, especially where it concerned Russian nationals who desired to go back to their homeland. Yet the abuse of this agreement, whereby Russian nationals were forced to go back to their homeland against their will and regardless of whether they were friends or enemies of the Russian Communist regime raises a grave question which has not as yet been resolved, and which, in my mind, needs to be answered.

That question is, Who was responsible for the implementation of this Yalta agreement so that it became in effect a forced repatriation program? Was it Roosevelt, Truman, and the Democrat adminstration, or was it an interpretation by the Chiefs of Staff under Gen. George C. Marshall, or was this forced repatriation guided by pro-Communist elements which had infiltrated into high places in our Government? That is the question that cries to be answered. History has already noted the shameful blot on the American record caused by these forced repatriations which unquestionably were death warrants for many people returned to Russia, but history has not yet recorded who was responsible for that crime against humanity.

It shall stand to the everlasting credit of then Gen. Dwight D. Eisenhower, that when the situation was brought to his attention he issued an order putting an end to forced repatriation of Russian nationals who pleaded political asylum.

As an aftermath of this program of forced repatriation, a very interesting immigration case was presented during the week of June 28, 1954, in Chicago. It was the case of Petro Wolkowec, which was heard before a special hearing officer of the Immigration and Naturalization Service of the United States Department of Justice.

Mr. Roman I. Smook of Chicago represented Mr. Wolkowec. Mr. Smook has been very active in Ukrainian affairs and served 3 years in Europe with the International Relief Organization. He estimates there are at least 30,000 displaced persons in the United States from Iron Curtain countries, who have lied about their nationality here.

Mr. Wolkowec had entered the United States in 1949 on an immigration visa from occupied Germany. He had been born in the Russian Ukraine.

As a result of the occupation of the Ukraine during World War II by the German forces, Wolkowec, like thousands of other Ukrainian men, women, and children, was transported into Germany as a slave laborer. The end of the war found millions of such uprooted people, not only of Ukrainian nationality, but of many eastern and western European countries.

Under agreement, the allies were bound to return all U. S. S. R. subjects to Russia. While the people of the Western nations gladly returned to their homes, those from countries under Communist rule showed an unwillingness to accept repatriation.

The American military authorities in Germany and Austria began cooperating with the Russian Repatriation Commission in effecting forceful repatriation.

Petro Wolkowec could well predict his fate and that of his wife and three children if they were returned to Russia. Half of his life was spent in Siberia and other slave-labor camps of the Soviet Union. He also knew that merely having witnessed the methods of Western civilization was a crime punishable in the U. S. S. R. by slavery in Siberia, if not death.

With this prospect facing him, Wolkowec, along with thousands of other displaced persons, changed their records to indicate citizenship by birth in countries other than those then under Communist rule, in order to save themselves and their families from forceful repatriation. In some cases it was necessary to flee to other displaced persons' camps in order to effect the change in records. Wolkowec gave his birthplace as Poland.

At the time of giving this information, in 1945 and 1946, shortly after the cessation of hostilities, the furthest thing from Wolkowec's mind was the giving of false information for the purpose of obtaining an American immigration visa, because the displaced persons' program did not start until 1948.

Even though the forced repatriation later ended, the Russian Repatriation Commission was still allowed free entry into the displaced persons' camps for the purpose of inspecting records and searching for Russian subjects. Under these conditions no one dared to come forth and correct his records.

When it later became possible for Petro Wolkowec and his family to apply for immigration to the United States, the necessary information, including the place of birth, was taken from his camp record and placed on his application. He signed that application and was admitted to the United States.

The United States immigration laws state, in effect, that an alien whose application for immigration visa contains false information as to his country of origin, among other things, shall be arrested and deported. There is no saving provision concerning what his intent, or circumstances under which the change of birthplace was made, may have been in giving such information.

This is the offense for which Petro Wolkowec was on trial during the week of June 28. He is now awaiting the decision of the Immigration and Naturalization Service. If the decision is adverse, he faces deportation and loss of his newly-found freedom in the country of his choice. Should the decision be adverse, his wife and three children, one of whom served in the United States Army, must also go.

Wolkowec's offense was not discovered by the immigration authorities. He came forth voluntarily and reported his situation, not only to ask for help in clearing his own record, but also in the hope of helping an estimated 30,000 other displaced persons in this country who are faced with the same problem.

It was only after Mr. Wolkowec's oldest son, Harry, age 27, entered the United

States Army, where he achieved the rank of corporal, and wrote his father that he wanted to be able to tell people that he was a Ukrainian rather than a Pole, that Petro Wolkowec, wishing to clear the record for his son's sake, took his problem last August to the head of the Immigration and Naturalization Service in Chicago. He found his problem much greater than he realized.

Whether the decision in his case be favorable or unfavorable, it will leave some 30,000 other cases to be decided individually. These 30,000 people are today living among us in constant fear of deportation. They are, potentially, good American citizens. If we are to develop this potential, we must relieve them of this agonizing fear. The only real solution to their problems will come by way of an act of Congress.

By an act of Congress these people could be given an opportunity to present their applications and correct their records. Immigration authorities would review these applications and would have ample opportunity to look into their records and weed out any individuals who may be unable to give a good accounting for themselves.

Should Congress desire to conduct a hearing in this matter, many reliable witnesses would be grateful for the opportunity to appear and testify as to the facts related herein.

At the same time, Congress should determine those persons who were responsible for the forced repatriation of displaced persons, including anti-Stalinist Soviet citizens. The means that were employed to effect such repatriation went far above and beyond the original intent of the repatriation agreement at Yalta—so much so, in fact, that anti-Stalinists and anti-Communists were forcibly repatriated when any person with common sense and a normal degree of compassion should have known these people were being delivered to certain death or life-long slavery.

Dean Acheson, in an October 24, 1952, speech, let it be known that the American people felt it to be a crime against humanity to repatriate a single Korean war prisoner against his will. Yet in 1945–46, the administration of which he was a part followed an exactly contrary policy.

Mr. Eugene Lyons, in his book Our Secret Allies, outlines in detail the sordid spectacle of UNRRA carrying out a forced repatriation of many thousands, when it should have been known that a great many of these were being sent to certain death. In further support of Mr. Lyons' position as outlined in his book, a newspaper article in the Chicago Daily Tribune, datelined May 12, 1952, reads in part as follows:

·The document that turned up yesterday, dated March 21, 1947, describes measures to be used by UNRRA personnel to induce refugees, particularly those from Polish and Yugoslav territory, to return to the lands of their origin.

The measures advised, besides ordinary persuasion, "enforcement of compulsory labor laws, prevention of antirepatriation, removal of displaced persons who discourage repatriation, and removal of UNRRA personnel who fail to encourage repatriation."

Someday Congress may reveal to the American people whether this stupid policy was the result of ignorance or malice.

Reorganization of the Bureau of Mines and Related Activities

EXTENSION OF REMARKS

OF

HON. WESLEY A. D'EWART

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1954

Mr. D'EWART. Mr. Speaker, I have been interested in the comments by other Members and in the press regarding the recommendations of the survey team on reorganization of the Bureau of Mines and related activities in the Department of the Interior. I am glad to report that I have asked and the gentlemen from Nebraska, Dr. MILLER, has agreed to call the Interior Department officials concerned before our Committee on Interior and Insular Affairs to have a full explanation of the matter on Monday.

At this time I have seen only the newspaper reports of the proposals, but I note in particular a recommendation for reorganization of the Bureau of Mines and reduction in the number of its field offices, and secondly, a proposal that certain of the Government's activities in the field of mining be terminated, reduced or placed in the hands of private industry.

It may be that upon careful examination, we will find that these recommendations are not all that they have been reported to be in the press, but are worth consideration in line with the President's program for greater economy and efficiency in Government and for divesting the Government of those activities that could better be handled by private industry.

However, the newspaper statement to the effect that some of the recommendations are to be put into effect immediately and the remainder within 1 year, coming as it does in the closing days of this legislative session, cause me concern.

These are matters upon which the Congress, after study by the Committee on Interior and Insular affairs, has expressed its policy and intent on many occasions. Montana is a State with vast mineral resources, including a large percentage of the Nation's coal reserves, and we are vitally interested in the programs for development of low-grade coal bodies. We are interested in the experiments on oil shale and the development of synthetic and liquid fuels. Our committee will want to make certain that the proposals of the survey team will not in any way set back research in these important fields.

I am glad that our chairman, the gentleman from Nebraska, has arranged for a full discussion of the matter on Monday, and I hope we will have at that time the answers to many of the questions which are raised by the disclosure of the survey recommendations.

Economy

EXTENSION OF REMARKS

OF

HON. KIT CLARDY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1954

Mr. CLARDY. Mr. Speaker, the Congressional dictionary seems to omit the word "economy." In its place we seem to have substituted a sentence. In substance that sentence reads: "We are in favor of economy in theory, but it must never affect any project in our respective districts."

My one-term experience here has confirmed a belief I held before I was elected. I am more convinced than ever that we will never get true economy until we deny the Congress the money it so freely throws around, usually at the request of pressure groups. I do not believe we can truly cut down big government unless we cut down the revenue upon which big government thrives.

The proposal to put a ceiling on income-tax rates is a step in the right direction. But I can visualize many ways of circumventing that restriction. Deliberate inflation is only one of them. I think we need something else in addition.

The prime reason why we find so much free spending is to be found in the obvious fact that most folks do not couple cause with effect. Everyone complains about high taxes, but most are unwilling or unable to see the true cause. Whenever some group wants a Federal handout, they talk only about the great humanitarian causes the money will serve, but never do they talk about the increased cost and the increased taxes their pet project will necessitate.

And so, between the date of adjournment and the meeting of the next Congress, I shall be working on a proposal for another constitutional amendment in the fields of taxation and appropriation. Recognizing full well the terrific size of the problem, I shall nevertheless try to put together a constitutional amendment which, I think, will go directly to the heart of our problem of extravagance.

I hope it will be possible to come up with a proposal that will link every appropriation with a measure that will raise the funds to meet it. In other words, I think the only way we will ever stop profligate spending will be to compel the people and the Congress to face reality every time Congress appropriates a dollar. My experience tells me the only practical way to stop the Congress

and Government departments from unbridled generosity with other people's money is to let folks see the other side of the picture at the same time. If we can make every Congressman and everyone who comes before Congress for an appropriation, face up to the hard fact that Congress must raise a dollar in taxation for every dollar appropriated, it may and probably will slow down the mad dash toward bankruptcy.

I do not minimize the terrific problem ahead of me. I can think of many seemingly sound arguments against even trying to do what I suggest. But we will never get anywhere if we surrender before the fight begins. Some things will have to be scaled down or cut out. These things must be done to first bring revenues and expenses into balance. Then additional and new ventures by the Government will call for new taxes.

The revolutionary nature of this proposal will undoubtedly shock a great many. We have grown so accustomed to spending first and thinking about income later my proposal will probably be greeted with scorn and derision. "Visionary" and "impractical" will probably be the kindest comment I can expect. But if anyone can think of a better way to stop the profligacy to which we have grown accustomed, I will gladly embrace it. If I can start some constructive thinking, I will be satisfied.

Reinsurance Plan's Defeat Pleases AMA

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1954

Mr. WOLVERTON. Mr. Speaker, the above caption is a headline appearing over a news item appearing in a recent issue of the Post and Times Herald, of Washington, D. C. The article purports to set forth an interview with Dr. Walter B. Martin, AMA president.

During the last few months, when the Committee on Interstate and Foreign Commerce has had under consideration President Eisenhower's health plan to meet the high cost of medical and hospital attention, I have had occasion to refer on several occasions to the adverse attitude of the AMA to certain important parts of that program. I have been fearful that at times some persons were a bit skeptical of any statement that indicated opposition upon the part of such a fine organization of men. However, the article to which I have referred, and which I have included as part of my remarks, seems to fully justify the truth of the statements made as to the position taken by the AMA in opposition to the health reinsurance plan of President Eisenhower.

It is important to note that Dr. Martin in the reported interview, said "he is satisfied that the proposal itself was no step toward socialized medicine," but, then proceeds to take the preposterous and unrealistic position—"A lot of people might have been disappointed and then might have tried to amend the law in that direction." It is hard to realize how anything more ridiculous than the last portion of his statement could have been conjured up in the mind of even the most aggressive opponent.

In describing the reason for the defeat of the proposal Dr. Martin was most unkind to the Members of Congress who voted as requested by the American Medical Association. He is alleged to have said that defeat of the proposal came as no surprise to him, because "a lot of Congressmen were undecided and a lot of others did not know what was in the bill." I hope this statement was a slip on the part of Dr. Martin and that he did not really mean what he said. If so, then it was most uncomplimentary to infer that a lot of the Members who voted against the bill did so because they did not know what was in the bill. Surely, Dr. Martin did not want to be understood as charging that the Members who voted against the bill at the solicitation of the AMA did so without knowing what was in the bill.

Dr. Martin further says that "the idea advanced by Mr. Eisenhower needs more study" to determine whether it is really worth while. I am in full accord with the thought that it should have "more study" by Dr. Martin and other executive officers of the AMA who assume to speak for the physicians who are members of the organization. To do so will reveal that it not only was not a step toward socialized medicine, as he has so properly admitted, but, neither does it do any harm to any physician nor seek in any way to control the practice of medicine, or curtail the right of the patient to have the doctor of his own choosing. In fact the opposition of Dr. Martin, presumably speaking for the AMA, was based upon the fact that the plan was not satisfactory from an insurance standpoint. Upon what theory could such an opinion prevail in the face of the fact that many of the most outstanding insurance companies and insurance executives of the highest standing approved it. I am of the opinion that while many individuals would be willing to accept the opinion of Dr. Martin in a matter of medicine, that most persons would prefer to accept the opinion of insurance executives in a matter of insurance.

Furthermore, I am convinced from the many communications I have received that Dr. Martin, although assuming to do so, does not in fact speak for nor represent the views and opinions of the rank and file of the American Medical Association.

It is very plain that officials of the AMA, who have spoken out against the bill, have done so either without reading the bill or making any study of its provisions. Even a most casual reading of the bill would have been sufficient to convince anyone with an open mind that the bill was a most noteworthy approach to providing a solution for long-term expensive illness. Furthermore, a reading of the voluminous testimony developed during the long hearings, representing the viewpoint of many of the most outstanding physicians, businessmen, insurance executives, labor leaders, and those active in different types and kinds of health insurance would have been convincing as to the great need for such a plan of reinsurance as the bill provided. It is true, as Dr. Martin said, there has been a great growth in recent years of health plans to insure against the high cost of illness. And yet organizations such as Blue Cross, American Hospital Association, and others of a similar character strongly endorsed and supported the plan provided in the proposed legislation. The fact that such organizations sought the enactment of the President's plan should be sufficient to satisfy any unbiased mind that the plan was meritorious and should be adopted.

I am convinced that the people of this country as they become more familiar with the President's proposal, and knowing as they do the need of some plan to help them meet the terrifically high cost of long-term illness, they will demand the enactment of a law that will make effective the President's plan.

President Eisenhower rightly said: No one but the people lost in the defeat of his plan.

I include as part of my remarks the news article that gave rise to this expression of views upon my part. It reads as follows:

REINSURANCE PLAN'S DEFEAT PLEASES AMA

(By William L. Umstead)

The head of the American Medical Association said yesterday his organization opposed President Eisenhower's health reinsurance plan as "ineffective and unneeded."

Dr. Walter B. Martin, AMA president, was interviewed by telephone from his home in Norfolk, Va., on the House's 238-to-134 vote Tuesday to kill the plan, heart of the President's health program.

Martin said he and other physicians in the AMA had wired their Congressmen to urge them to vote against the measure, but he said no undue pressure was brought on Congress by his organization.

PRIVATE PROGRAMS PRAISED

"Defeat of the proposal came as no surprise to him." Martin added, "because a lot of Congressmen were undecided and a lot of others didn't know what was in the bill."

Martin said the AMA had informed the Department of Health, Education, and Welfare of its opposition to the plan on the grounds that it "wouldn't accomplish very much and would be ineffective."

The AMA president said private health insurance programs are growing rapidly and still expanding and should be able to meet health insurance needs without Government participation.

He noted that health-insurance coverage has jumped from 9 million to 93 million persons in 15 years, and said a remaining 37 million insurable persons in the Nation could be brought into the program in a reasonable period.

NEEDS MORE STUDY

"The President's proposal" Martin continued, "would not have made any more insurance available to persons who cannot

afford it now and would not have reduced the costs of insurance."

Martin said the idea advanced by Mr. Eisenhower needs more study to determine whether it is really worth while. He said the original proposal had not been thoroughly worked out.

He said he is satisfied that the proposal itself was no step toward socialized medicine, but added: "A lot of people might have been disappointed and then might have tried to amend the law in that direction."

Mr. Eisenhower's plan was killed when the House voted to send it back to the Commerce Committee. GOP leaders conceded that this killed the bill for the year. The proposal called for the Government to underwrite private health insurance by absorbing 75 percent of the losses incurred by companies participating in the expanded program.

Heroine of Dien Bien Phu

EXTENSION OF REMARKS
OF
HON. ANTONI N. SADLAK
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 28, 1954

Mr. SADLAK. Mr. Speaker, I have introduced House Joint Resolution 573 authorizing and requesting the President to proclaim Sunday, April 3, 1955, as a day of prayer for the "man and woman in white." This resolution has been referred to the Committee on the Judiciary.

Mr. Speaker, the idea and suggestion of this tribute and observance came from one who recently had an extended stay in the hospital and realized, as she had not previously, the really great devotion of the nurses and doctors to their professions. That person is "Mom" Bazinet, as she is affectionately known for her outstanding welfare work in Hartford and her exceptional contribution in behalf of the young people of Hartford and vicinity.

It is coincidental, Mr. Speaker, that today we have in our midst a great heroine in white who has been called the French Angel. She personifies the sacrifice and determination to fulfill the oath to be of service to her fellow man that each nurse assumes. Of course, I refer to Mlle. Genevieve de Galard-Terraube, the heroine of Dien Bien Phu. And under leave to extend these remarks I also include a very fitting and informative editorial concerning her that appeared in the Hartford (Conn.) Courant, of July 26, which follows:

HEROINE OF DIEN BIEN PHU

The arrival of the heroine of Dien Bien Phu to the United States is a reminder that faith and honor are still virtues dear to the hearts of many in France, deepite the inroads of communism. The inspiring character of Mlle. Genevieve de Galard-Terraube who refused to leave behind the wounded to gain her own safety is a symbol of all that is best in both the nursing profession and in France.

The ancient Catholic family of De Galard in France has a record of fealty and devotion to country. Their recorded history antedates the 10th century. An ancester of Mlle. de Galard rode at the side of Joan of Arc in 1429 when the girl saint lifted the seige of Orleans. Mlle. de Galard has written another page in that family history with a story of heroism not unlike that seen in the Maid of Orleans.

The first Sunday in April has been stipulated in this resolution as the day to honor the fine "man and woman in white" because April 5, 1827, was the birthday of Dr. Joseph Lister, founder of antiseptic surgery, and it would simultaneously acknowledge all the benefits derived from his great contribution to medicine.

I urge the adoption of this resolution paying tribute to our men and women in white at an early date.

Farm Price Supports

EXTENSION OF REMARKS
OF
HON. CHARLES W. VURSELL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 28, 1954

Mr. VURSELL. Mr. Speaker, I noted an article in the CONGRESSIONAL RECORD, July 23, by Congressman BLATNIK, of Minnesota, entitled "Congress Should Act Now To Halt Farm Recession."

It is true that we had a recession in agriculture, but this occurred during the last 2 years of the Truman administration. The record shows that in 1952 our country had one of the most wide-open farm-price breaks in all history. Official figures reveal that parity ratio stood at 113 during February of 1951. By the time the Eisenhower administration took office on January 20, 1953, it had dropped to 94—a decline of 19 points in 23 months under the Fair Deal. One of their major mistakes was to continue high-support prices without some controls. This started the accumulation of large surpluses.

Farmers and the Nation are entitled to a more commonsense price-support program. The House of Representatives has already acted to improve the laws that will permit and encourage more profitable and sound farming.

The farm program proposals made by this administration are part of our effort to help agriculture market its production, not stock it away in warehouses at a cost of $5 million per week for storage alone.

The removal of artificial price barriers would encourage the movement of crops to market, at home and abroad. Over a period of years the results would be higher and more stable income for agriculture, larger and more permanent markets, and more efficient and balanced farming.

Flexible price supports would enable us to recapture some of the markets which we have lost to synthetic and substitutes, both at home and abroad. They would also permit us to compete with other exporting nations, particularly in the world wheat and cotton markets.

AGRICULTURE ACCOMPLISHMENTS

The following résumé of accomplishments clearly indicates that the Republican administration not only has kept its campaign pledges but also will never let the American farmer down:

First. President Eisenhower issued an order removing price controls from all meat products.

Second. Department of Agriculture launched a program of advertising and special inducement to increase beef consumption. Result, one-third increase in beef consumption last year.

Third. Administration is breaking all records in providing farmers with grain storage. We will have enough grain bins to store 1,123,000,000 bushels.

Fourth. Administration returned the Farm Credit System to the farmers.

Fifth. Last year's serious drought was met with prompt action. Action has been taken to meet this year's growing drought.

Sixth. Administration is getting action on an expanded soil conservation and watershed program.

Seventh. Congress increased CCC borrowing authority.

Eighth. The administration has sent several trade missions to foreign countries to investigate possibilities of expanding our foreign markets. Since their return our exports have increased.

Ninth. The Department of Agriculture has furnished institutions, welfare, Indians, and school-lunch programs with 267,800,000 pounds of food.

Tenth. They have also assisted the starving peoples abroad through 17 United States private welfare organizations in 36 friendly countries.

Eleventh. The importation of New Zealand beef into United States markets through Canada was stopped.

Twelfth. Secretary Benson recommended that imports of oats be restricted.

Thirteenth. President Eisenhower ordered that military procurement of beef be stepped up.

Fourteenth. Cotton exports have increased and are expected to increase more next year.

Fifteenth. A new International Wheat Agreement was entered into to dispose of surplus wheat.

Sixteenth. Department of Agriculture is helping the dairy industry promote a successful campaign to push the consumption of dairy products.

Seventeenth. Department of Agriculture has streamlined the soil conservation setup to improve the service and create greater efficiency. The farmer will now receive a larger proportion of each conservation dollar.

Upper Colorado River Storage Project

EXTENSION OF REMARKS
OF
HON. JOHN F. SHELLEY
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 28, 1954

Mr. SHELLEY. Mr. Speaker, the action of the House in rejecting the rule to bring legislation authorizing the Fryingpan-Arkansas project to the floor

recalls that there is now pending in the Committee on Rules a request for a rule on H. R. 4449, the upper Colorado River storage project bill. In connection with that legislation I wish to point out to the Members of the House that on July 27 the San Francisco Chronicle carried an article by its political editor, Mr. Earl C. Behrens, outlining certain factors which have a bearing on whether the project should be authorized at this time.

The article points out that the project involves an eventual cost of approximately one and a half billion dollars, and that the people of California would be taxed in excess of $93 million to bear their share of this cost. The article further breaks down this cost by cities and counties within the State and points out that every individual Californian would be hit for $7.61. The question is then raised as to whether this subsidy by the taxpayers is not grossly excessive in consideration of the fact that the project will provide water for only 370,000 acres of land at a cost of over $2,500 per acre.

Mr. Behrens also mentions that the Colorado River Board of the State of California opposes present enactment of H. R. 4449 on the ground that the United States Supreme Court now has under consideration litigation between the States of California and Arizona which opens to question the terms and conditions set down in the Colorado River Compact and the Boulder Canyon Project Act, under which the development and apportionment of the water resources of the Colorado River Basin, both upper and lower, must be determined. The statement is made that California's $700 million investment in water development projects, made in reliance upon maintaining the present apportionment of Colorado River water among the States, would be jeopardized by any further legislation which might encroach upon the rights recognized in the lower basin States by those documents. It is contended that until the Supreme Court renders a decision clarifying the division of waters provided for in the compact and the Boulder Canyon Project Act, the pending legislation by permitting further withdrawals in the upper basin would prejudice the possible findings of the Court.

One other major question raised by the San Francisco Chronicle article relates to the sufficiency of total waterflow in the Colorado River. The upper Colorado River project, it is contended, would be capable of intercepting several years' total flow of the river while the storage reservoirs were being filled. Present projects on the lower river, notably at Hoover Dam, require nearly all of the present flow to assure their present firm output of electric power. Without statutory controls to require continuance of an adequate flow into these projects, the power revenues upon which they depend for financing could be seriously impaired.

The article concludes by pointing out that the Hoover Commission is now studying all Federal water and power policies, including those for the Colorado River Basin. The contention is made that in view of this study the Congress should not adopt any legislation establishing new policies until the Commission's report is completed.

The article follows:

DINOSAUR DAM PLAN WOULD COST STATE $93 MILLION

(By Earl C. Behrens)

WASHINGTON, July 26.—California's share of the cost of the proposed $1.5 billion upper Colorado River storage project which would inundate Dinosaur National Monument would be in excess of $93 million, according to opponents of the proposal.

A bill approved by the House Interior Committee authorizes hydroelectric installations behind dams at Glen Canyon, on the Colorado River in northern Arizona; Curecanti, on the Gunnison River in Colorado, and Echo Park, in the Dinosaur National Monument.

Legislation is also pending in the Senate. The Senate Interior Committee last week approved a measure which would authorize 6 major dams instead of the 3 in the House bill. This proposal would also include an Echo Park Dam.

Both bills involve a cost of about $1.5 billion.

SAN FRANCISCO'S SHARE

San Francisco County taxpayers, would be hit by an estimated $5,587,700 as their share of the big Federal project's ultimate cost.

Alameda County taxpayers would have to dig up more than $6 million for Uncle Sam in the distribution of the costs by the Federal Government.

Other San Francisco Bay area estimates include San Mateo County, $2,317,000; Santa Clara, $2,835,000; Sonoma, $842,500; Marin, $693,000, and Napa, $434,800.

Los Angeles, of course, would pay the bulk of the future bill, something over $36 million being its share.

A bitter fight will be waged against the Senate bill authorizing the immediate construction of six big power dams.

The Echo Park Dam will "invade" the Dinosaur National Monument and break 80 years of conservation policy, according to a minority report by 9 Members of the House Interior and Insular Affairs Committee. One of the Members who signed the report was CRAIG HOSMER, Republican, of Long Beach.

Representative CLAIR ENGLE, Democrat, Red Bluff, however, was one of the majority Members who approved the legislation in the House committee.

OTHER DAMS

In addition to the Echo Park Dam, the Senate legislation provides for the Glen Canyon Dam in Arizona; Navaho in New Mexico, Flaming Gorge on the Utah border and Cross mountain and Curecanti Dams in Colorado.

Fred W. Simpson, San Diego, chairman of the Colorado River Board of California, is here aiding in what may be a hopeless fight to defer action on the legislation for both the series of dams, including the Echo Park project and the Fryingpan-Arkansas project in Colorado.

One of the reasons the California representatives want the big projects held up for more study is the fact that litigation involving California and Arizona over the division of Colorado river water is now proceeding.

George I. Haight, Chicago attorney, the special master appointed by the United States Supreme Court, in the Colorado River litigation will meet with the Arizona and California-Colorado River Board members in Phoenix, August 5 to work out procedure for the hearings which he will hold to obtain testimony in the dispute.

COMPLAINT

Members of Congress are receiving complaints from all parts of the Nation from conservationists who protest the despoiling of Dinosaur National Monument. Many of those communicating with Congress contend that there are better sites for a dam than Echo Park. Supervisors Association.

Among California organizations opposing the legislature are the State Grange, various committees of the State Chamber of Commerce, many city councils in Southern California, the CIO and the AFL.

Fears are expressed that southern California's future water supply will be endangered if the upper basin projects are constructed by the Federal Government.

Chairman Simpson, of California's Colorado River Board declares that California favors continuation of the development of the water resources of the Colorado River Basin on a sound economic basis, as the need for development occurs.

"California," he states on behalf of the board, "recognizes the right of the upper basin States to utilize the waters apportioned by the Colorado River Compact as approved by the Boulder Canyon Project Act, but subject to the terms and conditions of those documents as the Supreme Court construe them in the case of Arizona versus California now pending.

PROTECTING $700,000,000

"By the same token, California, in protection of its investment of nearly $700 million in water development projects which it has made in reliance upon the Colorado River Compact and the Boulder Canyon Project Act, and the economy and population of more than 4 million people dependent upon these works, must resist legislation which would encroach upon the rights recognized in the lower basin States by those documents."

The Colorado River storage project, as now proposed, it is contended, "would intercept" the lower basin's water supply with giant reservoirs at Echo Park (flooding Dinosaur National Monument), Glen Canyon, and Curecanti capable of storing several years' flow of the river. In the absence of statutory controls of the operation of such reservoirs designed to protect the output of firm power at Hoover Dam, upon which the United States and the power contractors relied, the use of such large storage could result in seriously curtailing the revenues at Hoover Dam and other dams on the lower river and upon which these lower projects depend for financing.

Simpson said, "It is against the best interests of both the power users in the lower basin and the Federal Treasury to so legislate."

The contention also is made that a Federal subsidy of over $2,500 an acre of irrigated land and the postponement for nearly 50 years of the commencement of repayment of irrigation would be on unwarranted and unjustified burden on the Nation's taxpayers.

DOUBLY AFFECTED

"California, as a major taxpaying State, is doubly affected, because the amount of the overdraft on the water supply of the Colorado River Basin," states Simpson, "is directly related to the amount of Federal subsidy to the irrigation projects creating the overdraft."

Objections are raised to the legislation which is part of the Department of Interior program on the grounds that the subsidy by the taxpayers to provide water for less than 370,000 acres of land is grossly excessive; that the Government would be put directly into the power business; that the financing plan is unrealistic; that the project is not self-liquidating and that the recommendations of the Bureau of the Budget for drastic revision of the legislation were ignored.

A plea also has been made that since the Hoover Commission is now investigating and making recommendations as to all water and power policies, no legislation should be

adopted by Congress establishing new policies until the report of the Commission is completed.

California's ultimate share of the costs of the projects would amount to 9.32 percent of the total cost and every man, woman, and child in the State would be hit for $7.61 as his share of the huge undertaking.

Public Laws 451 to 480, Inclusive

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 28, 1954

Mr. O'HARA of Illinois. Mr. Speaker, since the convening of the 83d Congress I have reported to my constituents the new laws we have enacted as promptly, after their signing by the President, as was possible under the pressure of other congressional duties. I trust that the reports have justified the time and effort required for their preparation and mailing by affording my constituents a better grasp of the extent and nature of our work in the Congress.

As my vote is actually the vote of my constituents that they have delegated me to cast for them, I feel they are entitled to the same accounting that in civilian life would be required by a principal of his agent.

By unanimous consent, I am extending my remarks to include my report in Public Laws 451 to 480, inclusive, the first 450 public laws of the 83d Congress all having been covered in previous reports appearing in the CONGRESSIONAL RECORD:

PUBLIC LAW 451

S. 3318, Trust Territories of the Pacific Islands

World War II left us with three groups of former Japanese mandated islands, now known as the Trust Territory of the Pacific Islands. They are separated 2,727 miles east and west, 1,477 miles north and south. All told, the population is under 58,000. The Appropriation Committee turned thumbs down because the islands have no organic legislation. Yet the United States has the responsibility.

Public Law 451 seeks to fill the gap by providing (a) that until Congress enacts organic laws the islands shall be governed by such officials as the President of the United States designates, and (b) that an annual appropriation of $7,500,000 is authorized for the expenses of government of the three groups of islands. That is at the rate of about $112 a year for governing each inhabitant of the islands World War II placed in our basket. What price victory?

PUBLIC LAW 452

H. R. 7709, import tax on copper

This extends until June 30, 1956, the suspension of the 2 cents per pound import tax on copper. Reason: continuing shortage of refined copper necessary to American industry. In 1953 United States consumption was 1,840,000 tons, domestic production only 1,336,000 tons.

PUBLIC LAW 453

H. R. 8637, appropriations civil functions

Appropriation measures will be covered in a separate and later report.

PUBLIC LAW 454

S. 1665, Federal credit unions

This merely liberalizes some of the provisions of the Federal Credit Union Act. Hereafter the directors of a Federal credit union may make an interest refund to borrowers if earnings for the year are sufficient; really a readjustment of the interest rate.

I was interested by the testimony before the Banking and Currency Committee—of which I am a member—showing the rapid growth both of State and Federal credit unions. It was the conclusion of our committee that the credit unions—State and Federal—are doing a splendid job.

PUBLIC LAW 455

S. 2845, pennies and nickels

Since 1941 the demand for pennies and nickels has increased 126 percent, the price of copper has gone up 142 percent and that of nickel 88 percent. Result: The million-dollar fund for the purchase of metal for the minor coins is no longer sufficient. Public Law 455 raises it to $2 million.

This is the way it works: The mint buys the metal with a check on the fund; when the metal is molded into coins it is credited as cash, thus replenishing the fund. About a billion and a half pennies and nickels are coined annually. This means the mint must have a working reservoir of many million tons of metal.

PUBLIC LAW 456

H. R. 4030, Commonwealth of Puerto Rico

In 1934 Congress established the Model Housing Board of Puerto Rico to construct and sell on easy terms modern homes to the islanders. In 1952 Puerto Rico became a commonwealth with its own legislative body. Public Law 456 recognizes the commonwealth independence of Puerto Rico by repealing the act of 1934, leaving Puerto Rico to establish its own board under its own authority if it so wishes. Since Puerto Rico is our first and only commonwealth, possibly a pattern for others in the future, I am much interested in following the development of the commonwealth status.

PUBLIC LAW 457

H. R. 9505, war risk hazard and detention benefits

Large construction projects of our Government are presently under way in Turkey, Saudi Arabia, Tripoli, Morocco, the Azores, Iceland, Greenland, Newfoundland, Laborador, offshore Korea, and elsewhere the world around. Many Americans are employed, many more needed. Insurance companies refuse to insure against unusual hazards incident to employment in these areas. Hence pending future permanent legislation, Public Law 457 extends until July 1, 1955, the wartime measures granting compensation benefits to employees of the Government and of American contractors injured, killed, or captured as result of war-risk hazards.

PUBLIC LAW 458

H. R. 8873, 1955 Defense Appropriation Act

Appropriation measures will be covered in a separate and later report.

PUBLIC LAW 459

S. 932, Veterinary Corps officers

In 1948 schools of veterinary medicine raised college training requirements. Public Law 459 follows up by providing that hereafter Army officers entering the Veterinary Corps will be commissioned first lieutenants instead of second lieutenants, get a 3-year period of constructive service instead of the former 2-year period to compensate for time spent in professional education.

PUBLIC LAW 460

S. 3481, Federal Reserve banks

This clarifies the right of a national bank or member State bank to invest up to the amount of its capital stock either outright in its own bank building or in the securities of an affiliate corporation owning the building. Some banks, as several in Chicago, are housed in multistoried buildings, the bank occupying only a few stories. An affiliate corporation, existing exclusively for ownership and management of the building, is sometimes a preferable setup. The House Banking and Currency Committee unanimously approved this as clearing up confusion occasioned by an inadvertent conflict in two provisions of existing law.

PUBLIC LAW 461

H. R. 3413, Fort Peck Indians

Another law recommended by the committee as furthering the "policy of granting an increased measure of responsibility and self-government to our Indian citizens." It grants to certain individual Indians oil and gas rights now held by the tribe on the Fort Peck Indian Reservation in Montana; subject however to a referendum by the tribe members.

PUBLIC LAW 462

H. R. 6487, Roza Irrigation District

At an expense of $25 million the United States constructed a dam, canal, pumping plants and a distributing system for the Roza Irrigation District in the Yakima Valley in Washington. Repayment contracts, covering a period of 40 years, required payments more than the water users could meet. Public Law 462 authorizes a new schedule under which it is expected the debt will be lifted in 63 years. Anticipated profits from a new $2,677,000 power plant figure in the calculations. I am learning that irrigation adventures, like other business adventures, do not run always according to blueprints.

PUBLIC LAW 464

H. R. 9474, extension of trade agreements

At the best this was a compromise with the high tariff forces in the Republican Party. It extends for 1 year only the

authority of the President to enter into trade agreements in furtherance of the "trade not aid" program. It was charged in debate, and not strongly denied, that during the period of the year's extension few if any new agreements actually would eventualize.

What it does is to leave the entire question in status quo pending further study of the sweeping recommendations of the Randall Commission—submitted January 25, 1954—and the convening in 1955 of the 84th Congress.

I very much regret the delay since it will work out to the advantage of Russia, which since the beginning of the year has signed 10 new trade agreements with Latin and Asian countries with trade potentialities in excess of $100 million annually. During this period we have negotiated no new trade agreements. To that extent we have slipped back.

The President, as well as the Randall Commission, recognized the seriousness of the situation. But the best that they could work out with the leadership in Congress was a compromise that made no step forward on a vital front but at least prevented the immediate destruction of the program.

As it was, the rule bringing the bill to the floor of the House received only 273 votes to 63 no's and 98 Members finding it necessary or convenient to be absent. On final passage 281 voted yes, 53 no, 3 present, and again there were many absentees, this time 97.

Your vote was cast for an extension of the agreements. I am convinced that an avoidance of world war III hangs on the way we handle our tariff policy. Furthermore, the high tariff policy of the Hoover administration is generally accepted as one of the major contributing causes of the great depression.

You would have found, as I did, the debate on this measure among the most intellectually illuminating of the debates of the 83d Congress. Here are a few of the many facts brought out:

First. Over 4 million Americans depend on international trade for employment.

Second. Since World War II farmers and factory workers have had their markets and employment sustained by the Marshall Plan and its successors to the extent of $33 billion.

Third. In 1952 48 percent of the wheat production of the United States was exported, in 1953 only 24.5 percent.

Fourth. One dollar out of each $8 of farm income is accounted for by exports, $9 out of each $100 of all our wares and farm products combined.

Fifth. The United States currently sells abroad 21 percent of its tractors, 30 percent of its graders, 20 percent of its textile machinery, 15 percent of its trucks, and the narrowing dollar buying power in foreign markets is responsible for the present wide unemployment in such farm machinery centers as Rock Island, Ill., and Davenport, Iowa.

Sixth. Through our aid the war-bankrupt nations of Europe are now 40 percent above prewar industrial production, 20 percent in excess of prewar farm production, and these nations must increase international trade in order to survive.

Seventh. While we are lagging on a tariff front equally important with that of atomic weapons the Soviet is pushing on a tremendous scale among its satellite nations a point 4 program similar to our own and strengthened by trade agreements that already have increased the export markets of those countries from 12 percent to 83 percent of entire production and now are threatening our own markets.

I have attempted to highlight the importance of the reciprocal trade agreements. Atomic bombs get more dramatic attention. The real fight of the free world with the slave world well may be on the tariff front. We are dragging our feet.

PUBLIC LAW 465

H. R. 8680, 1955 appropriations for the Interior Department

Appropriation measures will be covered in a separate and later report.

PUBLIC LAW 466

S. 2802, fishery products

Something is happening to our fish. The whitefish of the Great Lakes is not the sole participant in the disappearance act.

Salmon production in Alaska declined from 8.5 million cases in 1946 to 3 million cases in 1953.

At Gloucester, Mass., mackerel in 10 years dropped from 32 million pounds per year to 2.6 million pounds and ocean perch from 177 million to 88 million pounds.

Sardine production in Maine is off 50 percent. Oyster production in the Gulf States is about a fifth of former figures. Redfish fishermen of New England now have to go 1,200 miles to sea; a few years ago only 30 or 40 miles.

There are economic repercussions since 550,000 persons are employed in the fisheries industry, annual receipts from fish landings about $360 million.

Public Law 466 earmarks 30 percent of the custom receipts on fishery products for (a) biological, technological, and other research and (b) developing and increasing markets.

You may be interested to learn that "fishery products" includes such marine animals as whales and seals, aquatic reptiles like turtles, aquatic plants such as kelp, Irish moss and agar, also sponges.

PUBLIC LAW 467

H. R. 8488, payments to German and Japanese citizens

This removes a wartime ban on payment by the Veterans' Administration of compensation, pension, or other gratuities to German and Japanese citizens residing in Germany or Japan.

PUBLIC LAW 468

H. R. 9517, 1955 appropriations for the District of Columbia

Appropriation measures will be covered in a separate and later report.

PUBLIC LAW 469

Senate Joint Resolution 72, sale of Philippine vessels

The United States owns eight vessels presently in the Philippines. Public Law 469 authorizes their sale to citizens of the Philippine Republic for development of interisland commerce.

PUBLIC LAW 470

H. R. 9203, 1955 appropriations for the legislative and judiciary branches

Appropriation measures will be covered in a later and separate report.

PUBLIC LAW 471

H. R. 8067, 1955 appropriations for State, Justice, and Commerce

Appropriation measures will be covered in a separate and later report.

PUBLIC LAW 472

H. R. 9447, 1955 appropriations for Labor, and Health, Education, and Welfare

Appropriation measures will be covered in a separate and later report.

PUBLIC LAW 473

House Joint Resolution 458, site for a school building in Georgia

This authorizes the quitclaim to Irwin County, Ga., of some 8 acres as a site for a school building. The Federal Government has no further use for the land.

PUBLIC LAW 474

H. R. 9315, trade with Philippine Republic

Under the Philippine Trade Act of 1946 imports from the islands became subject on July 4, 1954, to United States custom duties on a graduated scale. Public Law 474 extends the time to January 1, 1956, on a reciprocal basis. Meanwhile Philippine products will continue to come in duty free.

PUBLIC LAW 475

House Joint Resolution 552, temporary appropriations for 1955

The fiscal year of 1955 starts on July 1, 1954. An appropriation bill for the Mutual Security Program and a few agencies still awaiting passage in the Senate, Public Law 475 provides temporary funds for July operation.

PUBLIC LAW 476

S. 119, Markham Ferry in Oklahoma

Public Law 476 gives the green light to the Grand River Dam Authority, an agency of the State of Oklahoma, to go ahead with the construction of the Markham Ferry Dam and Reservoir. The Federal Government will contribute $6,500,000 from flood-control funds. Remainder of the $38,450,000 cost will be borne by Oklahoma through a bond issue to be retired from earnings from the sale of power.

The Grand—Neosho—River drains an area of 12,660 square miles in Kansas, Missouri, Oklahoma, and Arkansas. It is one of the principal flood-producing tributaries of the Arkansas River. The expectancy is that the addition of Markham Ferry Dam to existing Federal facilities will solve the flood problem in that area. Uncle Sam escapes most of the construction cost through the proposed participation of Oklahoma.

PUBLIC LAW 477

S. 2217, disbursing officers of National Guard

Each State has a property and disbursing officer to receipt and be responsible for all property issued to the National Guard. Public Law 477, first, continues such officers on an active-duty status—instead of in civilian capacity; second, provides for their appointment by the State governor instead of the Secretary of the Army; and, third, restricts them to officers of the National Guard, excluding Regular Army officers.

PUBLIC LAW 478

H. R. 2231, Fort Randall Dam

In constructing the Fort Randall Dam in South Dakota, lands—some 10,000 acres—on 3 Indian reservations were necessarily condemned. Public Law 478 provides for compensation to the Indians, including, first, reimbursement of moving and resettling expenses; and, second, costs of relocating Indian cemeteries, tribal monuments, and shrines. The Indians are permitted to retain oil and gas rights.

PUBLIC LAW 479

H. R. 6465, rubber-soled footwear

Rubber-soled footwear—tennis shoes, sneakers, and so forth—since 1933 has been subject to a customs valuation based upon the American selling price. Recently foreign producers started inserting a leather filler between the insole and the outsole, thus changing the customs classification of a rubber product to one of leather. Public Law 479 sets things right by emphasizing that a rubber shoe is a rubber shoe, no matter what is stuffed in away from the walking surface.

PUBLIC LAW 480

S. 2475, Agricultural Trade Development and Assistance Act of 1954

I would say this is one of the better acts of the 83d Congress. It provides a sensible program for disposal of our surplus farm products, now shamefully piling up considering there are so many hungry mouths in the world.

It authorizes reimbursement to CCC to the extent of $700 million for the next 3 years for surplus farm and dairy products which in the determination of the President may be used in improving our foreign relations and in relieving distress at home.

I especially was pleased by the inclusion of school-lunch programs, hospitals and charitable institutions in the United States caring for the needy.

The greater volume of the products will be sold in friendly foreign countries and paid for in the currencies of those countries at the prevailing world rate of exchange. This in return will give us local currencies with which to purchase products for import into our country. It is really a barter and exchange arrangement matching or excelling that of the Soviet. Russia, for illustration, gets forestry products from Finland in exchange for wheat, rye, rice, barley, and sugar; gets butter and steel from Sweden in a direct swap for corn. One purpose of Public Law 480 is to assist friendly nations to be independent of trade with U. S. S. R.

The act also provides for emergency assistance to friendly nations by gifts of food in times of famine and other relief requirements.

Public Laws 481 to 510, Inclusive

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 28, 1954

Mr. O'HARA of Illinois. Mr. Speaker, by unanimous consent, I am extending my remarks to include my report on Public Laws 481–510, inclusive, 83d Congress, made to my constituents in the Second District of Illinois, as follows:

PUBLIC LAW 481

House Joint Resolution 256, International Instrument Exposition: Whenever there is a world's fair or exhibition in this country Congress permits exhibitions from foreign countries to come in duty free. Public Law 481 grants this right to foreign exhibitors at the First International Instrument Exhibition at Philadelphia, September 13–25, 1954.

PUBLIC LAW 482

H. R. 8149, Medical Facilities Survey and Construction Act of 1954: In effect, this is an extension of the Hill-Burton Act (providing Federal grants to States) under which over 1,000 nonprofit hospitals have been built in the last 7 years. It authorizes appropriations of $20 million for diagnostic or treatment centers, $20 million for hospitals for the chronically ill and impaired, $10 million for rehabilitation facilities, $10 million for nursing homes, and $2 million for surveys by the States of their needs in this field. Actually only part of these amounts was included in the supplementary appropriations bill for 1955, remainder was promised after completion of the surveys.

Public hearings on this measure covered exhaustively the state of the Nation's health; 95 distinguished physicians, scientists, and laymen participating. Some high lights of their testimony:

Adequate treatment is not available for heart disease, cancer, arthritis, and rheumatic disorders, cerebral palsy, muscular dystrophy, and other long-term illnesses.

To date only 12 percent of the national need for beds in chronic-disease hospitals has been met. Reason of quickened demand for facilities for chronically ill: Increased old-age group, those 65 years and over now numbering 12 million, as against 3 million in 1900.

PUBLIC LAW 483

S. 2488, Sioux Indians: Public Law 483 gives assurance to the Indians in the Cheyenne River Sioux Reservation and the Standing Rock Reservation (they were considerably exercised) that the Indians who surrender trust patents and receive land exchange assignments will get back titles as good as the one they relinquish.

PUBLIC LAW 484

S. 3336, Columbia River compact: This amends an act of 1952 by adding Nevada and Utah to the States of Idaho, Montana, Oregon, Washington, and Wyoming authorized to negotiate a compact for the equitable apportionment of the waters of the Columbia River system.

PUBLIC LAW 485

House Joint Resolution 537, International Trade Fair at Seattle: From March 11 to 25, 1955, the fourth International Trade Fair will be held at Seattle, Wash., specializing in exhibits from the Far East. Public Law 485 exempts exhibits from customs duty. See Public Laws 481 and 486.

PUBLIC LAW 486

House Joint Resolution 545, International Trade Fair at Dallas: Similar to Public Laws 481 and 485. Permits foreign exhibits to International Trade-Sample Fair at Dallas, Tex., to come in duty free. If sold in this country, and not returned to land of origin, articles then become subject to customs charges.

PUBLIC LAW 487

H. R. 7371, Postal Savings Certificate: Some 250 million postal savings certificates are piled up with the Post Office Department. Public Law 487 will help by permitting the postmaster to destroy paid certificates and other evidences of deposit after 6 years.

PUBLIC LAW 488

H. R. 3191, California Gets Another Break: California has a claim against the United States for alleged damages resulting from an emergency closing of the outlet gates of Shasta Dam in the Sacramento Valley. Oscar L. Chapman, then Secretary of the Interior, stated the claim was without any legal or equitable basis. Nevertheless, Public Law 488 permits the Federal court in California to hear the case and pass judgment despite the fact that the statute of limitations in tort already has run. Add this one to the tidelands oil gift to California which included beside priceless oil rights several millions of dollars in cash money held by the Supreme Court of the United States to belong to all the people of our country. As your Representative I do not like these repeated evidences of California influence. For the facts read Mr. Chapman's letter in House Report 660, 83d Congress, 1st session.

PUBLIC LAW 489

H. R. 6893, Shoshone Irrigation District in Wyoming: In 1904 the Shoshone irrigation project in Wyoming was authorized. The United States put in a large investment to restore arid land to production. In 1922 the Shoshone hydroelectric generating plant was added. In 1928 the plant started to make money. Before the profits were sufficient to liquidate the cost of the construction the Shoshone Irrigation District put in its claim for a percentage. The then Secretary of the Interior said the claim was ridiculous. Litigation resulted.

Public Law 489 seeks to effect a compromise by giving $426,000 to the district for past accruements and providing for the payment of future percentages. The district, however, is obligated to use the money in making amortized construction payments to the United States and in maintenance costs.

PUBLIC LAW 490

H. R. 5620, surveyor's error: Because someone in 1919 made an error in a plat of survey, Public Law 490 was necessary to clear title to certain lands in Colorado. It confirms boundary lines as established in 1868 and 1875.

PUBLIC LAW 491

H. R. 7913, land for State park: This authorizes the sale to Texas (for use as a public park) of 200 unused acres in the Texarkana Dam project. Properly the United States retains oil and mineral rights.

PUBLIC LAW 492

H. R. 9232, surplus Federal property: This extends to June 30, 1955, the temporary authority to dispose of surplus Government property by negotiation rather than by advertising. The Administrator of General Services requested the extension pending the expected enactment by the 84th Congress of permanent legislation governing such sale in normal times.

PUBLIC LAW 493

H. R. 9340, Camp Blanding, Fla.: Under Public Law 493 the United States will convey to Florida some 40,000 acres within the Camp Blanding Military Reservation with the condition that it be used with the 31,000 adjoining acres owned by the Armory Board of Florida exclusively for military purposes and resurrendered to the United States in case of an emergency.

Federal interest in timber resources (estimated value, $1,250,000; annual gross yield, $75,000) and returns from mining operations (ilmenite and titanium ore) are to be protected by agreement with the Florida Armory Board which will manage the properties.

Camp Blanding was an infantry replacement training center in World War II. Land and buildings cost the Government over $43 million. Since then additional millions have gone into railhead spurs and other troop supporting facilities. Public Law 492 is intended to keep the plant ready for fresh use in event of war necessity with the cost of maintenance shifted on the Armory Board of Florida.

PUBLIC LAW 494

H. R. 6412, dental outpatient care: In the 81st Congress I appealed to the House to pass over a Presidential veto a bill granting outpatient care to aging veterans of the Spanish-American War. I was deeply moved by the almost unanimous vote of my colleagues.

In June of 1953 when the independent offices appropriation bill was before the House I raised the question that a rider to that bill would completely wipe out the 1950 act as far as dental care was concerned. I also pointed out that it would deny needed dental care to certain Korean veterans. Assurance was given that such was not the intention. Nevertheless, after the enactment of the 1953 act with the rider to which I objected the Veterans' Administration did bar these Spanish War and Korean veterans from dental care.

Public Law 494 puts VA back on the track. It specifically states these veterans are not subject to the "outpatient care" limitations of the 1953 rider.

PUBLIC LAW 495

S. 1999, deceased members of uniformed services: This is a codification and broadening of the laws governing the disposition of the remains of deceased members of the armed services. A new feature is provision for transportation of remains of dependents and of civilian employees dying overseas.

PUBLIC LAW 496

S. 2370, sale of ships to Brazil: Under Public Law 496 the United States will sell 12 small vessels (5,000 tons) to Brazil or citizens of Brazil exclusively for coastwise trade in Brazilian waters. Purposes: (1) to contribute to the economic development of a friendly nation, (2) to serve the foreign policy of the United States, (3) to advance hemispheric solidarity, and (4) to realize some $700,000 (half of construction cost) from the sale of vessels for which we have no use and for which there is no available market.

PUBLIC LAW 497

S. 2728, collection of overpayments: It happens that sometimes overpayments are made both to civilian Federal employees and personnel in the armed services. Public Law 497 is intended to expedite collection of such erroneous payments by authorizing withholdings from current pay in amounts not exceeding two-thirds of the paycheck. Dissatisfied employees may appeal to GAO or the Court of Claims.

Here is a question asked in debate:

"If a man in military service is divorced and payments are erroneously continued to his former wife while he has made his mother the beneficiary must he make double payment?"

The answer was:

"No; under existing opinions of the Judge Advocate General recoupment cannot be made when the individual received no payment."

PUBLIC LAW 498

H. R. 2683, public works in Alaska: Of $70 million authorized in the Alaska Public Works Act (expiring in 1955) only $41 million has been appropriated. Public Law 498 extends the act into 1959 in order meanwhile to clear the way for appropriations of the remaining $29 million when and if Congress decides. Ultimately it is expected the Alaskan program for water, sewers, streets, schools, and health centers will be resumed. For the present, economy has it down for the 10 count.

PUBLIC LAW 499

H. R. 222, duty on bauxite: Bauxite is converted into aluminum. Prior to World War II domestic production was 370,000 tons a year, imports 494,000 tons. Now we annually produce in the United States 1.5 million tons, import 5 million tons. Reasons for the greatly increased demand: Use of aluminum in airplane and other manufacturing industries, requirement in our national-defense program. Public Law 499 suspends for 2 years duty on crude and calcined bauxite to (1) help our own industries, and (2) help along "trade not aid" in a field where our own production needs foreign contribution.

Section 2 of Public Law 499 excludes from duty 24 bells imported for addition to the carillon at the Citadel, famed college at Charleston, S. C.

PUBLIC LAW 500

H. R. 8538, drug addicts at sea: You will find this of interest. Narcotic addicts and traffickers have had fairly easy sailing on ships at sea because they could not be proceeded against for narcotic offenses ashore. The danger has increased alarmingly with the growth of the drug habit.

Public Law 500 authorizes the Coast Guard to deny seaman's documents and to revoke existing documents in the case of persons convicted of violation of the narcotic drug laws or known to be addicts. It is probable the Coast Guard will call upon the Public Health Service to make the necessary medical examinations with respect to the seaman's use of or addiction to narcotic drugs.

PUBLIC LAW 501

H. R. 9008, soldier's saving program: Enlisted personnel (numbering 460,213) of the armed services have $73 million on deposit under the soldier's saving program. Public Law 501 further encourages thrift by providing (1) 4 percent interest on deposits, (2) exemption from debts including those to the Government and those resulting from court-martial, and (3) the right to withdraw deposits at any time of personal emergency instead only at time of final discharge.

PUBLIC LAW 502

H. R. 956, correction of typographical errors: Because there were two small typographical errors in Public Law 36? discovered after its signature by the President, Congress had to enact another public law to make "officers" read "office" and "forces" read "force."

PUBLIC LAW 503

Senate Joint Resolution 165, Missouri River Basin: This merely authorizes the inclusion of the Glendo, Wyo., project as part of the planning for development of the water resources of the Missouri River Basin under the Flood Control Act of 1944. The Glendo project, which includes a reservoir and power plant, will cost over $50 million when and if undertaken. It was stressed in debate that Public Law 503 is neither an authorization nor an appropriation.

PUBLIC LAW 504

House Joint Resolution 459, Lake Texarkana: Sole purpose of this act is to give a name to the body of water behind the Texarkana Dam and Reservoir, now under construction 9 miles distant from Texarkana, Tex. Public Law 504 decrees it shall be known as Lake Texarkana. Fair enough since the local folks want it. The proud name of Texarkana now will be shared by a city, a dam, and a lake.

PUBLIC LAW 505

H. R. 4496, site for a Maryland school: Schools in Prince Georges County, Md., adjoining Washington, are running double shift because of burden of caring for 12,000 children of Federal employees. Public Law 505 helps out by making available land for a new school site. The board of education is to pay full market value for the property.

PUBLIC LAW 506

S. 3539, reenlistment bonuses: Rapid falling off of reenlistments in the armed services is causing concern. Hence Public Law 506 which boosts reenlistment bonuses to a maximum of $2,000. Instead of the old flat scale the bonus will be computed according to pay grade and number of years for which reenlistee signs up.

PUBLIC LAW 507

S. 1796, Board for Fundamental Education: In recognition of its achievements in the half century since its founding as a mission house for Negroes in Indianapolis, Public Law 507 grants a Federal charter to the Board for Fundamental Education, a nonprofit organization of national scope, nonsectarian, nonracial, and supported by private funds. Flanner House in Indianapolis is the board's headquarters and center of its urban program; Jarvis Christian College in Hawkins, Tex., the center of its rural program.

PUBLIC LAW 508

S. 2468, generals of the Army: Effect of Public Law 508 is to promote to the grade of 4-star general (General of the Army) 9 retired 3-star generals (lieutenant generals) who in World War II commanded an army, a field army with supporting units or comparable forces in the Pacific theater. Three of the promotions are posthumous: McNair, killed in action July 27, 1944; Buckner, killed in action June 18, 1945; Patch, deceased. Others are: Lear, Simpson, Truscott, Eichelberger, Gerow, and Richardson.

Promotions will not affect retirement pay as no retired officer receives pay greater than that of a major general.

PUBLIC LAW 509

H. R. 6422, Camp Drum in New York: In wartime confusion surveys of land acquired for the Pine Camp Military Reservation (now Camp Drum) were not too accurate. Public Law 509 authorizes necessary correction of land conveyances.

PUBLIC LAW 510

H. R. 7132, Veterans of Foreign Wars: Veterans of Foreign Wars owns a small bit of land in the District of Columbia on which it has been paying a tax of some $700. Public Law 510 exempts the land from tax payment. American Legion, Disabled American Veterans, American Veterans of World War II benefit from similar legislation.

SENATE

THURSDAY, JULY 29, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all grace, Thou hast taught us that in quietness and in confidence shall be our strength. We turn to Thee for refuge from the noise and hurry of the world without and from the tyranny of selfish moods and motives within. May we fear only to be disloyal to the best we know, to betray those who love and trust us, and to disappoint Thy expectations concerning us.

Dedicate us, we beseech Thee, in this anguished generation as builders of bridges across all the dividing gulfs which mar and rend this embattled earth. Deliver us from petty irritations which dim the far look. Bring us to the ending of the day unashamed and with a conscience void of offense. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 28, 1954, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S. 3589) to provide for the independent management of the Export-Import Bank of Washington under a Board of Directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Finance Problems, and to increase the bank's lending authority.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3344) to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes.

The message further announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 2371. An act to extend emergency foreign merchant vessel acquisition and operating authority of Public Law 101, 77th Congress, and for other purposes; and

S. 3713. An act to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9406. An act to provide for the conveyance of certain real property to the town of Beaufort, N. C.; and

H. R. 10051. An act making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 259) to provide for the Joint Committee on Tin, in which it requested the concurrence of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following a brief executive session and a quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business for action on the "New Report" on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Theodore E. Munson, of Alaska, to be United States attorney for division No. 1, district of Alaska, vice Patrick J. Gilmore, resigned, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. SALTONSTALL. Mr. President, from the Committee on Armed Services I report favorably a group of nominations in the Army and Air Force in the rank of major general and brigadier general, and ask that they be placed on the Executive Calendar.

The PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar, as requested by the Senator from Massachusetts.

The nominations ordered to be placed on the Executive Calendar are as follows:

Brig. Gen. George Ferrow Smith and sundry other officers for temporary appointment in the United States Air Force; and

Brig. Gen. Charles Ernest Loucks and sundry other officers for temporary appointment in the Army of the United States.

Mr. SALTONSTALL. Mr. President, in addition to the preceding nominations, from the Committee on Armed Services, I report favorably a group of 2,344 routine nominations in the Army in the ranks of lieutenant colonel and below, and a group of 125 nominations in the Navy in the rank of commander and below. In order to save the expense of printing on the Executive Calendar this large number of names, which have already appeared once in the CONGRESSIONAL RECORD, it is requested that these nominations be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and the nominations will lie on the desk.

If there be no further reports of committees, the clerk will state the nomination on the Executive Calendar under the heading "New Report."

LIBRARY OF CONGRESS

The Chief Clerk read the nomination of Lawrence Quincy Mumford, of Ohio, to be Librarian of Congress.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. KNOWLAND. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination of Lawrence Quincy Mumford.

The PRESIDENT pro tempore. Without objection, the President will be immediately notified.

NOTICE OF HEARING ON NOMINATION OF PAUL EMMERT MILLER TO BE A MEMBER OF THE BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

Mr. CAPEHART. Mr. President, on behalf of the Committee on Banking and Currency, I desire to give notice that a public hearing has been scheduled for Monday, August 2, 1954, at 10 a. m., in room 301, Senate Office Building, upon the nomination of Paul Emmert Miller, of Minnesota, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1954, vice R. M. Evans, term expired. At the indicated time and place, all persons interested in the nomination may make such representations as may be pertinent.

NOTICE OF HEARING ON NOMINATION OF LOUIS B. BLISSARD TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF HAWAII

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 5, 1954, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Louis B. Blissard, of Hawaii, to be United States attorney for the district of Hawaii, vice Albert William Barlow, resigned. At the indicated time and place, all persons interested in the

nomination may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Missouri [Mr. HENNINGS].

NOTICE OF HEARING ON NOMINATION OF WHITNEY GILLILLAND, MRS. PEARL CARTER PACE, AND HENRY J. CLAY TO BE MEMBERS OF THE FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, August 5, 1954, at 10 a. m., in room 424, Senate Office Building, upon the nominations of Whitney Gillilland, of Iowa; Mrs. Pearl Carter Pace, of Kentucky; and Henry J. Clay, of New York, to be members of the Foreign Claims Settlement Commission of the United States. At the indicated time and place, all persons interested in the nominations may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from Illinois [Mr. DIRKSEN], and the Senator from South Carolina [Mr. JOHNSTON].

LEGISLATIVE SESSION

Mr. KNOWLAND. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Under the order previously entered, routine business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, FUNDS APPROPRIATED TO THE PRESIDENT (S. Doc. No. 150)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of $5 million, for funds appropriated to the President, for the fiscal year 1955; to the Committee on Appropriations and ordered to be printed.

TRANSPORTATION OF MAIL BY HIGHWAY POST OFFICE SERVICE

A letter from the Postmaster General, transmitting a draft of proposed legislation relating to the transportation of mail by highway post office service (with an accompanying paper); to the Committee on Post Office and Civil Service.

RETIREMENT OF TEMPORARY OFFICERS OF NAVAL SERVICE AFTER 20 YEARS OF ACTIVE SERVICE

A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation to amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service (with an accompanying paper); to the Committee on Armed Services.

REWARDS FOR INFORMATION CONCERNING ILLEGAL INTRODUCTION OR MANUFACTURE OF SPECIAL NUCLEAR MATERIAL AND ATOMIC WEAPONS

A letter from the Attorney General, transmitting a draft of proposed legislation to provide rewards for information concerning the illegal introduction into the United States, or the illegal manufacture or acquisition in the United States, of special nuclear material and atomic weapons (with an accompanying paper); to the Joint Committee on Atomic Energy.

FEDERAL AID TO AIRPORTS—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the Eveleth-Virginia Airport Commission, recommending the continued support of Federal aid to airports and requesting the reinauguration of the TVOR program, be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Resolution 18

Resolution recommending the continued support of Federal aid to airports and requesting the reinauguration of the TVOR program

Whereas the Eveleth-Virginia Airport is located in the new, strategic taconite area, where it has become very necessary to have facilities that will accomodate fast military planes as well as large commercial aircraft; and

Whereas this forced expansion is making it increasingly difficult for small cities to meet the added cost of these needed improvements: Now therefore, be it

Resolved, That the Eveleth-Virginia Airport Commission wishes to recommend the continued support of Federal aid to airports, and to request the reinauguration of the TVOR program.

Dated July 20, 1954.

EINO WALL,
President.

Attested:

HENRY C. PETERSON,
Executive Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MARTIN, from the Committee on Public Works, with amendments:

H. R. 9859. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes (Rept. No. 2007).

By Mr. SALTONSTALL, from the Committee on Armed Services with amendments:

S. 3189. A bill providing for the conveyance by the United States to the Monterey County Flood Control and Water Conservation District, Monterey County, Calif., of certain lands in Camp Roberts Military Reservation, Calif. (Rept. No. 2012);

H. R. 6573. A bill to provide for the promotion, precedence, constructive credit, distribution, retention, and elimination of officers of the Reserve components of the Armed Forces of the United States, and for other purposes (Rept. No. 2010); and

H. R. 9002. A bill to amend the Officer Personnel Act of 1947 to provide for the retirement of certain officers of the Regular Army and the Regular Air Force at age 60, and for other purposes (Rept. No. 2013).

By Mr. HENDRICKSON, from the Committee on Armed Services, without amendment:

S. 3712. A bill to authorize the Commander, Air University to confer appropriate degrees upon persons who meet all requirements for those degrees in the Resident College of the United States Air Force Institute of Technology (Rept. No. 2014).

By Mr. CASE, from the Committee on Armed Services, with an amendment:

S. 3818. A bill to provide for family quarters for personnel of the military departments of the Department of Defense and their dependents, and for other purposes (Rept. No. 1994).

By Mr. CASE, from the Committee on the District of Columbia, with amendments:

H. R. 1980. A bill to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Potomac River in the vicinity of Jones Point, Va., and for other purposes (Rept. No. 1995).

By Mr. NEELY, from the Committee on the District of Columbia, with amendments:

H. R. 7853. A bill to permit retired policemen, firemen, and teachers of the District of Columbia to waive all or part of their annuities, relief, or retirement compensation (Rept. No. 1996).

By Mr. BEALL, from the Committee on the District of Columbia, without amendment:

H. R. 6127. A bill to amend the act entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended, and for other purposes (Rept. No. 1997).

By Mr. REYNOLDS, from the Committee on the District of Columbia, with an amendment:

H. R. 8128. A bill to amend section 1089 of the Code of Law for the District of Columbia relating to attachment proceedings (Rept. No. 1998); and

H. R. 8915. A bill to amend the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as "The Municipal Court of Appeals for the District of Columbia," and for other purposes" (Rept. No. 1999).

By Mr. REYNOLDS, from the Committee on the District of Columbia, without amendment:

H. J. Res. 560. Joint resolution to authorize the Commissioners of the District of Columbia to promulgate special regulations for the period of the American Legion National Convention of 1954, to authorize the granting of certain permits to the American Legion 1954 Convention Corp. on the occasion of such convention, and for other purposes (Rept. No. 2000); and

H. J. Res. 561. Joint resolution to authorize the quartering in public buildings in the District of Columbia of troops participating in activities related to the American Legion National Convention of 1954 (Rept. No. 2001).

By Mr. MALONE, from the Committee on Interior and Insular Affairs, with amendments:

H. R. 270. A bill to provide for the control and extinguishment of outcrop and under-

ground fires in coal formations, and for other purposes (Rept. No. 2002).

By Mr. MALONE, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3251. A bill to provide for the conveyance of certain mineral rights to Mrs. Pearl O. Marr, of Crossroads, N. Mex. (Rept. No. 2003).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 5832. A bill to authorize the Commissioner of Public Lands of the Territory of Hawaii to sell public lands to certain lessees, permittees, and others (Rept. No. 2015);

H. R. 5997. A bill to enable the Legislature of the Territory of Hawaii to authorize the issuance of general obligation bonds, the proceeds thereof to be used for veterans' mortgages (Rept. No. 2004);

H. R. 6885. A bill to amend section 1 of Joint Resolution 12 enacted by the 25th Legislature of the Territory of Hawaii, in the regular session of 1949, and approved by the 81st Congress of the United States of America at the 2d session (Public Law 746, ch. 833) (Rept. No. 2011);

H. R. 6886. A bill to ratify and confirm sections 5 and 6 of Act 254 and Act 280 of the Session Laws of Hawaii, 1953, and to authorize the issuance of certain public improvement bonds by the Territory of Hawaii (Rept. No. 2005);

H. R. 7517. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue public improvement bonds (Rept. No. 2016);

H. R. 7518. A bill to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue public improvement bonds (Rept. No. 2017); and

H. R. 8634. A bill to amend section 22 of the Organic Act of Guam (Rept. No. 2006).

By Mr. BARRETT, from the Committee on Interior and Insular Affairs, with amendments:

S. 2486. A bill authorizing the Secretary of the Interior to transfer certain property of the United States Government (in the Wyoming National Guard Camp Guernsey target and maneuver area, Platte County, Wyo.), to the State of Wyoming (Rept. No. 2008).

By Mr. BARRETT, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3071. A bill to amend the act authorizing agricultural entries under the non-mineral-land laws of certain mineral lands in order to increase the limitation with respect to desert entries made under such act to 320 acres (Rept. No. 2009).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. CARLSON, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

PRINTING OF ADDITONAL COPIES OF PART 6 OF HEARINGS ENTITLED "PETROLEUM, GAS, AND COAL"

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the concurrent resolution (S. Con. Res. 97), submitted by Mr. MALONE on July 21, 1954, reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 1,000 additional copies of part 6 of the hearings conducted before a subcommittee of the Senate Committee on Interior and Insular Affairs pursuant to Senate Resolution 143, 83d Congress, relative to stockpil. and accessibility of strategic and critical materials to the United States in time of war. Such additional copies shall be for the use of the Senate Committee on Interior and Insular Affairs.

PRINTING OF ADDITIONAL COPIES OF INTERIM REPORT ENTITLED "ACTIVITIES OF UNITED STATES CITIZENS EMPLOYED BY THE UNITED NATIONS"

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the concurrent resolution (S. Con. Res. 98), submitted by him on July 21, 1954, reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary an additional 20,000 copies of the second interim report entitled "Activities of United States Citizens Employed by the United Nations," a report of hearings held before a subcommittee of the above committee during the 83d Congress.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "STRATEGY AND TACTICS OF WORLD COMMUNISM"

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the concurrent resolution (S. Con. Res. 99), submitted by him on July 21, 1954, reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary not to exceed 25,000 copies of parts 1 to 3 and subsequent parts of the hearings entitled "Strategy and Tactics of World Communism," held before a subcommittee of the above committee during the 83d Congress.

ADDITIONAL FUNDS FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the resolution (S. Res. 276), submitted by Mr. BRICKER on July 9, 1954, reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce is authorized to expend from the contingent fund of the Senate, during the Eighty-third Congress, for the purposes specified in section 134 (a) of the Legislative Reorganization Act of 1946, $10,000 in addition to the amount authorized in such section.

PRINTING OF ADDITIONAL COPIES OF PART 1 OF HEARINGS ENTITLED "UNITED STATES DEPARTMENT OF INTERIOR, BUREAU OF MINES"

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the resolution (S. Res. 290), submitted by Mr. MALONE on July 21, 1954, reported it favorably, without amendment, and it was considered and agreed to, as follows:

Resolved, That there be printed 1,000 additional copies of part 1 of the hearings conducted before a subcommittee of the Senate Committee on Interior and Insular Affairs pursuant to Senate Resolution 143, 83d Congress, relative to stockpile and accessibility of strategic and critical materials to the United States in time of war. Such additional copies shall be for the use of the Senate Committee on Interior and Insular Affairs.

ADDITIONAL FUNDS FOR COMMITTEE ON APPROPRIATIONS

Mr. JENNER. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 279, reported by the Senator from New Hampshire [Mr. BRIDGES], from the Committee on Appropriations, on July 15, 1954. I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution, as follows:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the 83d Congress, $10,000, in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act, approved August 2, 1946, Senate Resolution 121, agreed to June 24, 1953; Senate Resolution 153, agreed to July 28, 1953; and Senate Resolution 243, agreed to May 27, 1954.

Mr. FULBRIGHT. Mr. President, will the Senator from Indiana advise the Senate what the resolution provides?

Mr. JENNER. The resolution provides for the regular allocation of $10,000 to a committee when its funds have been exhausted.

Mr. FULBRIGHT. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 279) was considered and agreed to.

AMENDMENT OF TRADING WITH THE ENEMY ACT—MINORITY VIEWS (PT. 2 OF S. REPT. 1982)

Mr. HENDRICKSON. Mr. President, on July 26 the distinguished Senator from Illinois [Mr. DIRKSEN] reported favorably from the Committee on the Judiciary Senate bill (3423) to amend the Trading With the Enemy Act. When the committee met in connection with this matter I reserved the right to submit

minority views. I now submit those minority views, and ask unanimous consent that they be printed as part 2 of Senate Report 1982, and be printed in the RECORD at this point.

There being no objection, the minority views were ordered to be printed as part 2 of Senate Report 1982, and to be printed in the RECORD, as follows:

I have examined the report of the Committee on the Judiciary on S. 3423 (Rept. No. 1982), and after consideration of all the factors and arguments presented for and against the bill, I am constrained to conclude that I am unalterably opposed to its enactment. S. 3423 represents implementation of the subcommittee's report on its examination and review of the administration of the Trading With the Enemy Act. I filed supplemental views to that report, indicating my objections thereto. The legislative history of this bill, including the reports of the Department of State, the Bureau of the Budget, the Department of Justice, and the testimony adduced at the hearings on the bill before the subcommittee held on July 1 and 2, 1954, has served only to justify and strengthen my earlier convictions. I file these views as my objections to the enactment of S. 3423.

The Alien Property Custodian and his successor, the Attorney General, have vested property totaling approximately one-half billion dollars in value, which is now the property of the United States. This bill would return all that property. Much of the property has been liquidated and converted into cash, $210 million of which has been paid over to the War Claims Fund under the War Claims Act of 1948 and distributed to American war-damage claimants. Some of the vested property has not been liquidated due to pending litigation for its return. Under section 9 of the Trading With the Enemy Act, property subject to return litigation cannot be sold. Apart from the fact that this bill would require the United States to return vested property totaling one-half billion dollars in value, it would require appropriations in approximately the amount of the $210 million paid over to the War Claims Fund. The written reports of the Bureau of the Budget, the State Department, and the Department of Justice have all withheld their approval of S. 3423 because of the appropriations required, among other reasons.

The committee's recital of the background of the historic policy of this Government with respect to the treatment of enemy property appears to be extremely limited. The committee report refers to the Treaty of Versailles which provided for the use of external enemy assets to pay public reparations and the legislation by the Congress which reversed that policy and returned seized enemy property. The committee then quotes at great length from the report of the house of delegates of the American Bar Association dated March 29, 1943, recommending the return of vested enemy property. I regret to find that the omissions from the committee's statement of the policy of this Government in respect of the disposition of enemy assets are much more significant than the reasons stated as the ground for the reversal of that policy.

Inasmuch as the committee places much emphasis on the 1943 report of the house of delegates of the American Bar Association, I think it appropriate to point out that only a short time thereafter, on December 20, 1945, the very same house of delegates of the American Bar Association adopted a recommendation that "enemy property within the jurisdiction of the United States should be held and, if necessary, applied to secure the payment of all just claims of this war and any unpaid claims of the last war."

This recommendation was referred to in a statement made by Assistant Attorney General Dallas S. Townsend, Director of the Office of Alien Property, in his testimony before the subcommittee on July 1, 1954. The use of the 1943 report of the house of delegates by the committee in these circumstances is indication to me of a clear lack of adequate support for its position.

But this is only a minor omission when considered in the light of the other matters which have been brought to its attention and ignored. The policy of retention of external enemy assets as reparations was considered long before the Paris Reparation Agreement established the policy of this Government. Beginning in 1943, such eminent persons and responsible bodies of legislators and citizens as Congressman Gearhart, of California; Senator Carter Glass, of Virginia; Congressman Beckworth, of Texas; Congressman Cunningham, of Iowa; Congressman Rich, of Pennsylvania; Mr. Bernard Baruch; former Secretary of State James F. Byrnes; a Subcommittee on War Mobilization of the Senate Committee on Military Affairs; veterans organizations, and organizations of American civilians, urged that assets of Germany and Japan in this country should be retained. The Paris Reparation Agreement which was entered into by the United States and 17 Allied nations, excluding Russia and Poland, followed. That agreement determined the respective shares of each of these countries in the German property available to them as reparations. It was a method of reimbursing the Allied countries in some reasonable manner, reasonable to Germany as well as to the Allies. As stated by Secretary Dulles at the hearings on the bill, "If this approach is to be reversed, the question of unsatisfied claims against Germany would call for consideration." Although this bill reverses the approach, it gives no consideration to the question of unsatisfied American claims against Germany.

The course urged by the various individuals, organizations and congressional committees mentioned above and, the Paris Reparation Agreement, had their inception in the unfortunate history of this Government's attempt to obtain the reparations due it from Germany as a result of World War I. The history of our futile attempts to obtain these reparations over the years is too well known to require restatement here. It is a history of continuing default by the German Government. Only 2 years ago, in 1952, a new agreement was made which provided for installments payable over a period of 26 years. If the obligations undertaken by the West German Government under this agreement are kept, our American citizens may expect to be paid after a total period of 56 years.

Congress recognized the wisdom of the policy fixed by the Paris Reparation Agreement and enacted it into law in the War Claims Act of 1948. Section 39 of the Trading With the Enemy Act was made a part of the War Claims Act. That section provided that no vested property or interest of Germany or Japan or their nationals shall be returned to the former owners and that the United States shall not pay compensation for any such property or interest therein. The Bonn Convention of 1952 entered into between this Government and West Germany reaffirmed this principle and was accepted by West Germany as is evidenced by its undertaking in that agreement to compensate its nationals for their losses through the vesting action of the United States. The Japanese Treaty also recognizes our right to the retention of this property.

What has been said above establishes that the bugaboo of confiscation is not a real issue here. Private parties who have lost property through vesting are to be compensated by their government. This bill, then, serves only to release the German Government from its obligation to its own people to repay them. The real issue here is the unquestioned right of the United States to reparations. But the bill makes no provision for any substitute payment to protect the United States.

The end result of S. 3423 is, therefore, to strip the United States of one-half billion dollars and to require, in so doing, that at least $200 million be appropriated for payment to Germany. I cannot emphasize too strongly that the effect of the enactment of this bill will be to take this enormous burden from the shoulders of the German taxpayer, where it belongs, and transfer it to the American taxpayer.

The committee report stresses the goodwill toward this Government which will result from the return of this property and points to the receipt of letters from citizens of former enemy countries urging the return of the property. Nothing is said, however, of the multitudes of letters that are being received by Members of Congress daily from American citizens decrying the payment of an additional half billion dollars to nationals of Germany and Japan. Nor does the committee take any cognizance of the written reports by the executive branch of the Government, each objecting to the appropriations the bill requires. The report of the Bureau of the Budget dated June 30, 1954, stated it "is opposed to the use of appropriated funds to finance such a return." The State Department's report dated July 1, 1954, states:

"The amount of appropriations required either for a complete return of German and Japanese assets or for any measure of partial return has not been estimated. In the circumstances, the Department does not feel that it is in a position to endorse any specific proposal for return at this time."

The letter from the Department of Justice of June 30, 1954, opposes the enactment of the bill, pointing out that "the bill probably would require appropriations of not less than $175 million." The chairman of the subcommittee handling this measure has stated that he had no definite idea, but that $200 million or even more of appropriated funds may be required. The bill authorizes the Vested Property Commission to determine the sum necessary to carry out the purposes of the bill and the appropriation of such sum is authorized.

Presumably, the committee has decided that the good will which it asserts will result from the generosity of this Government in making complete return is well worth the cost. In so doing it has chosen to ignore not only the written admonitions of the three Government agencies mentioned, but has also deliberately disregarded the representations of the Secretary of State to whom it admittedly looked for policy guidance. Mr. Dulles testified that our relations with Germany and Japan are sufficiently good that we do not have to buy their good will; that "we have done plenty." He then discussed the good will effect of partial return, specifically a return of some figure such as up to $10,000. Colonel Townsend had already testified that such a return would require the payment of less than 25 percent of that required by the bill in its present form and would have the effect of paying 92 percent of all vested enemy accounts and removing the hardship cases. Mr. Dulles stated:

"The maximum of good will would be obtained if there could be a total restitution in favor of the small people who in the aggregate make up a very considerable number * * *"

His testimony referred in detail to the many cases of small and impoverished people who had small savings or annuities or life

insurance policies in this country. He said: "I would very strongly approve that feature of your bill, if that is in it." This statement of policy by the Secretary of State favoring a partial return has not swayed the committee from its announced purpose of returning all vested property, nor has the attendant unnecessary drain on the Treasury of the United States and the American taxpayer caused the committee to deviate from this purpose in the slightest degree.

Colonel Townsend, in his testimony, and the Department of Justice, in its reports on this bill, started that certain vested properties have increased enormously in value between the time of vesting and the present time. For example, General Aniline & Film Corp., vested as the property of I. G. Farbenindustrie, has increased in value from $35 million at the date of vesting to about $90 million at the present time. Schering Corp. has increased from $1,300,000 at date of vesting to over $29 million at the date of sale. It is my understanding that such increases in value total about $150 million. This bill would return all vested property together with these increases. The increases occurred not through any passive custodianship of the vested property, but through the active operation of these properties under the supervision of the Custodian and the Attorney General. The original enemy owners had no part in creating this vast increase in value. To return their property in its present form would represent an unjustified windfall to the former owners at the expense of the United States and the American taxpayer. Some of these corporations are of substantial importance to American industry. They contributed greatly to the American war effort and continue to contribute to our present defense program. The substantial increases in value resulted in part from the very war which was brought on by governments of the people to whom this property would be returned. This bill, therefore, represents a gift to these people of the fruits of war. Secretary Dulles testified he would be inclined to make restitution either of the value at the time of seizure or at the time of return, whichever is less. Here again, the committee, having requested and received policy guidance from the Secretary of State, has ignored it. An amendment to the bill along the lines indicated by the Department of Justice and the Secretary of State would save the American taxpayer more than $150 million.

Another matter deserves special attention. S. 3423 provides that where an owner has filed a claim before April 30, 1949, and no conflicting title claim has been filed prior to December 31, 1953, the Attorney General shall order the return of the property. This provision denies consideration to any person who would be eligible under the terms of this bill if a claim had been filed before April 30, 1949. Obviously, most of the former owners of property have been ineligible to file claims for return up to this time. S. 3423 makes them eligible to do so for the first time. Yet in those cases where claims were filed before April 30, 1949, by others, it automatically divests them of rights otherwise granted by this bill. I believe this provision particularly unwarranted and objectionable.

My opposition to S. 3423 is also dictated by several additional aspects of the bill. The committee's detailed analysis of the bill refers to its purpose to maintain certain large and important industrial properties under American ownership. It does not accomplish that important purpose. The bill provides that this Government should require the sale of such property to American citizens. The committee well knows that much German property has been vested from American "cloaks" to whom bare legal title to the property was conveyed by German interests in anticipation of war and with the understanding that title was to be reconveyed after the war. The bill does not prevent this property from being sold to such American "cloaks" and from finding its way back again to German control. It merely requires the sale of the property to citizens of the United States with no other standard or protection.

Even if I agreed with the principles of the bill and the purposes it purports to achieve, I would nevertheless, object to its enactment on the ground that it fails in its purposes. The committee's report indicates that one of the main objectives of S. 3423 is to obtain the good will of the German people by returning their vested property. It is a matter of common knowledge that a substantial portion of the property vested as German-owned was not held by Germans at the time the property was vested. The record owners of such property were American, Swiss, Dutch, and other nonenemy nationals. Two noteworthy examples may be found in the General Aniline & Film and Schering cases mentioned above. The record title in both these cases was held by Swiss nationals. These two alone total about $120 million. That there are many other such cases is obvious from the known methods used by the Germans in cloaking their property. S. 3423 provides for the return of vested property to the person holding the record title thereto at the time of vesting. The bill makes no provision to insure that the property will be returned to the Germans determined to be the owners at the time of vesting. The record owners to whom this property would be returned will, therefore, be in a position to retain it. The bill thus rewards the "cloaks" who collaborated in violating the laws of the United States.

I believe that the creation of a Vested Property Commission and the placing of this Commission in a position to review the work of the Attorney General is highly objectionable. The Attorney General is responsible for the administration of the Trading With the Enemy Act. No useful purpose can be served by subordinating him to a Vested Property Commission. If, for any reason the committee believes that the Attorney General, a Cabinet officer, is not capable of administering the Trading With the Enemy Act without the supervision of the Commission, the entire administration of the act should be placed in the hands of the Commission. Otherwise, the creation of a Vested Property Commission should be abandoned.

There are further objections to the bill. Because he was an arm of the Government, the custodian, having vested enemy interests in patent royalty agreements which violate the antitrust laws, was able to collect royalties from American licensees even though the German party could not have done so. To return the proceeds of these collections to the German parties to the agreements would obviously constitute inequitable enrichment. In addition, in returning vested patent contract interests to nonenemies, the Office of Alien Property deducts royalties received from patents and proceeds used in war production and turns these royalties over to the Treasury. This bill would require these proceeds to be returned to the former enemy party to the agreement. The bill would, therefore, require that these enemies receive more favorable treatment than our allies and neutrals.

ROBERT C. HENDRICKSON,
United States Senator.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GILLETTE:

S. 3819. A bill for the relief of Pak-Chue Chan, Oi-Jen Tsin Chan (nee Tsin), Chee Tao Chan, and Wai May Chan; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 3820. A bill for the relief of James P. Burke; to the Committee on the Judiciary.

ADDITIONAL FUNDS FOR OFFICIAL REPORTERS OF SENATE DEBATES AND PROCEEDINGS

Mr. KNOWLAND submitted the following resolution (S. Res. 296), which was referred to the Committee on Rules and Administration:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate, to the Official Reporters of the Senate debates and proceedings during the period of July 1, 1954, to December 31, 1954, so much as may be necessary, not to exceed $10,000 for the employment of additional office personnel.

PRINTING OF COMPILATION OF SOCIAL SECURITY LAWS

Mr. MILLIKIN submitted the following resolution (S. Res. 297), which was referred to the Committee on Rules and Administration:

Resolved, That the compilation of social-security laws, prepared by the Social Security Administration for the use of the Senate Committee on Finance, be printed as a Senate document.

STUDY OF MIGRATION OF POPULATION AND INDUSTRY AND TRENDS ARISING THEREFROM

Mr. MURRAY (for himself, Mr. KENNEDY, and Mr. LEHMAN) submitted the following resolution (S. Res. 298), which was referred to the Committee on Labor and Public Welfare:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of such problems as it may deem proper relating to (1) the sectional migration of industry; (2) the migration of populations contingent upon sectional migration of industry; (3) the effects upon sections whence such migration both of industry and populations originated; and (4) the trends arising from the effects of such migrations, for the purpose of developing any appropriate recommendations which should be brought to the attention of the Congress.

SEC. 2. For the purposes of this resolution, the committee or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXTENSION OF GREETINGS TO LEGISLATURES OF THE GOLD COAST AND NIGERIA

Mr. WILEY. Mr. President, I submit for appropriate reference a resolution extending greetings to the first legislatures of the Gold Coast and Nigeria.

A companion resolution (H. Res. 648) was reported unanimously for the House Foreign Affairs Committee in House Re-

port 2497 and was approved by the House last Monday.

The resolution had been submitted the previous week by Representative JACOB K. JAVITS, Republican, of New York.

I ask unanimous consent that the resolution be printed at this point in the body of the CONGRESSIONAL RECORD, to be followed thereafter by a brief statement which I have prepared.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, withdout objection, the resolution and statement will be printed in the RECORD.

The resolution (S. Res. 299), submitted by Mr. WILEY, was received and referred to the Committee on Foreign Relations, as follows:

Whereas it is the policy of the United States to encourage efforts toward independence and self-government truly expressive of the desires of the people and as they show their capability to establish and protect free institutions; and

Whereas the continent of Africa is a vital part of the free-world area; and

Whereas a revised constitution of the Gold Coast was approved on April 29, 1954, and the first formal meeting of the legislature of that territory under this constitution will take place on July 29, 1954; and

Whereas a revised constitution of Nigeria is expected to be approved during August 1954, and the first meeting of the federal legislature of that territory under this constitution is expected to take place shortly thereafter; and

Whereas these occasions mark important milestones in their progress toward self-government and independence: Now, therefore, be it

Resolved, That the Senate of the United States extend its most cordial greetings to the representative bodies of the Gold Coast and Nigeria on the occasion of the first meeting of their legislatures under the revised constitutions, in recognition of the democratic ideals shared by the United States and those territories, and in reaffirmation of the friendship of the United States for the peoples of Africa; and be it further

Resolved, That the Secretary of State is hereby requested to appoint a United States delegation at the appropriate time to represent the United States at ceremonies marking the achievement of complete self-government for these territories.

The statement presented by Mr. WILEY is as follows:

STATEMENT BY SENATOR WILEY

I believe that Congressman JAVITS well expressed on the House floor on July 26 the reasons for enactment of his worthy resolution of greeting from the United States Congress to the legislative bodies of the Gold Coast and Nigeria on the occasion of the first meeting of their legislatures under the revised constitutions.

The fact of the matter is that there is hardly a single more acute need in the world today than the orderly, peaceful, prosperous progression of the peoples of the colonial areas into self-government.

As we survey the underdeveloped areas, we see that there are two dangerous extremes which might occur on the world scene. Under the first extreme, the colonial powers could resist blindly and obstinately the movement of underdeveloped areas to self-government. The results of such reactionary resistance—or the result of half-hearted doling out of freedom, too little and too late—are most dramatically represented in the unfortunate Indochinese war.

Or, the world could witness the opposite extreme—equally dangerous—of colonial peoples being given independence willy-nilly—so fast, so prematurely, that they would plunge into chaos. Why? Because they might lack even a core of trained leadership—political, judicial, economic, social. They might lack sufficient domestic security forces and facilities, and might, therefore, become unwittingly the pawns of international communism. Thus, the underdeveloped areas would have exchanged a rather benevolent foreign rule for iron-fisted Kremlin rule—the worst imperialist force in world history.

Obviously, both extremes which I have mentioned must be avoided. The Communists would be satisfied if we and our allies and friends permitted either extreme to develop.

That is why the great and bright experiment of freedom which has been proceeding relatively so well in the Gold Coast and Nigeria holds such deep meaning to the world.

That is why hopes are high for the well-being prosperity, and security of these two regions under their new native leadership.

Unfortunately, the scene in many other places in Africa has already been marred by explosion of violent racial and national tensions.

The Gold Coast and Nigeria, however, offer the world an opportunity to see how Africa can constructively shape things to come as all men of good will everywhere would have them—in peace, in stability, and in fulfillment of the true birthright of peoples.

For this reason, I believe that this resolution should be enacted by the Senate in order that both Chambers will have expressed themselves on the subject.

We, of the United States, we who were once 13 colonies dwelling against a wilderness frontier, can deeply appreciate the feelings of other colonies today—who face their own types of frontiers. We wish them well. We pledge to them our deep respect and our good offices toward their realizing a brighter tomorrow.

AVAILABILITY OF CERTAIN FUNDS TO COMMITTEE ON GOVERNMENT OPERATIONS—AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to the resolution (S. Res. 288) to make certain funds available to the Committee on Government Operations, which was ordered to lie on the table and to be printed.

AGRICULTURAL ACT OF 1954—AMENDMENTS

Mr. GOLDWATER (for himself and Mr. HAYDEN) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3052) to encourage a stable, prosperous, and free agriculture, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. AIKEN (for himself, Mr. HICKENLOOPER, Mr. SCHOEPPEL, Mr. HOLLAND, and Mr. ANDERSON) submitted an amendment in the nature of a substitute, intended to be proposed by them, jointly, to Senate bill 3052, supra, which was ordered to lie on the table and to be printed.

UNIFORM SYSTEM FOR GRANTING INCENTIVE AWARDS TO FEDERAL OFFICERS AND EMPLOYEES—AMENDMENT

Mr. WILLIAMS. Mr. President, on behalf of myself and the Senator from Kansas [Mr. SCHOEPPEL], I submit an amendment intended to be proposed by us, jointly, to the bill (H. R. 7774) to establish a uniform system for granting incentive awards to Federal officers and employees. I ask unanimous consent that the amendment, together with a statement by me be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment and statement will be printed in the RECORD.

The amendment submitted by Mr. WILLIAMS (for himself and Mr. SCHOEPPEL) is as follows:

At the appropriate place insert the following:

"That in the case of any person heretofore or hereafter convicted of any offense defined in chapter 11 (relating to bribery and graft), chapter 37 (relating to espionage and censorship), chapter 115 (relating to treason, sedition, and subversive activities), section 281, 282, or 283 (relating to claims and services in matters affecting the Government), or section 431 or 432 (relating to interest by Members of Congress in Government contracts), of title 18 of the United States Code, because of any act done by him while serving as an officer or employee of the Government, or convicted of a violation of section 284 of such title, or convicted of any other offense involving the improper use of his authority, influence, power, or privileges as such an officer or employee or otherwise related to his service as such an officer or employee, and in the case of any person heretofore or hereafter convicted of perjury committed in falsely denying the commission of an act constituting any such offense or an act which would have violated any such provision if it had been committed subsequent to the date of enactment of such provision, no annuity or retired pay shall be paid for any period following the date of such conviction or the date of enactment of this act, whichever is later, to such person or, on the basis of the service of such person, to any survivor of such person.

"SEC. 2. In the case of any such person so convicted, any amounts contributed by him toward the annuity the benefits of which are denied under this act, less any sums previously refunded or paid as annuity benefits, shall be returned to such person with interest at such rates as may be provided in the case of refunds under the law, regulation, or agreement under which the annuity is payable, or if no such rates are so provided at the rate of 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year. In the event a person entitled to a refund under this section dies prior to the making of such refund, the refund shall be made to such person or persons as may be provided in the case of refunds under the law, regulation, or agreement under which the annuity the benefits of which are denied under this act is payable or, if no such provision is made, in the order of preference prescribed in section 12 (e) of the Civil Service Retirement Act of 1930 as amended.

"SEC. 3. As used in this act—

"(a) The term 'officer or employee of the Government' includes a civilian officer or employee under the legislative, executive, or judicial branch of the Government, a civilian officer or employee of the Government of the District of Columbia, and an officer or enlisted member of the Armed Forces of the United States.

"(b) The term 'annuity' means any retirement benefit payable by any department or agency of the United States or the District of Columbia upon the basis of service as

a civilian officer or employee of the Government, except that such term does not include salary or compensation which may not be diminished under section 1 of article III of the Constitution or, in the case of a benefit payable under the Social Security Act as amended, any portion of such benefit not based upon service as an officer or employee of the Government.

"(c) The term 'retired pay' means retired pay or retirement pay payable under any law of the United States to members or former members of the Armed Forces of the United States retired or determined to be entitled to retirement pay.

"(d) The term 'offense' means any violation of law (including a violation cognizable under the Articles of War, the Articles for the Government of the Navy, or the Uniform Code of Military Justice) punishable at the time of commission of such violation by imprisonment for more than 1 year, and any violation of a provision of law referred to in the first section of this act.

"SEC. 4. This act shall not prevent the payment of retired pay granted to any person because of a service-connected disability incurred as a member of the Armed Forces in combat with an enemy of the United States or resulting from an explosion of an instrument of war.

"SEC. 5. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby."

The statement presented by Mr. WILLIAMS is as follows:

STATEMENT BY MR. WILLIAMS

Under the existing law, there is no provision which will prevent employees of the Federal Government who have been convicted of crimes involving disloyalty to the United States or corruption and dishonesty in the execution of their authority from being paid full retirement pensions upon reaching the statutory retirement age.

For example, one former State Department employee who was convicted of perjury in denying that he had given highly classified Government secrets to an agent of a foreign power, will, under the present laws, be eligible to receive regular retirement benefits upon reaching the age of 62.

There are two cases where former Members of Congress have been convicted by the courts of corrupt practices while in public office. In one of these cases the individual is now receiving a pension from the United States Government, while the other will be eligible for his pension upon reaching the age of 62.

During the past 2 years many high public officials, a large percentage of whom were employed in the Treasury Department, likewise have been convicted in the courts of such crimes as bribery, embezzlement, etc. In each of these cases, unless our retirement laws are amended, these convicted officials will, upon reaching the statutory retirement age, be eligible for all the retirement benefits which are now extended to the honest public officials. This is wrong. No public official who has been convicted by the courts of having unlawfully used his position to enrich his own personal fortune or who willfully betrays his country to a foreign power should be pensioned at the expense of the American taxpayers.

Our retirement laws were established to provide some degree of security for faithful Government employees who, after spending many years in Government service, reach the age of retirement.

This amendment will—

1. Prohibit the payment of retirement annuities to any Member of Congress, public official, or member of the armed services who has been convicted of accepting bribes or other offenses involving the improper use of authority or power derived from his public office or to persons convicted of certain crimes involving disloyalty to the United States.

2. Provide for the refund to these convicted employees of their contributions to the retirement fund.

The refund of the retirement payments in such cases where the benefits have been rescinded is only fair, since to confiscate those funds would in effect be an additional fine to that imposed by the courts.

The amendment would apply to all Federal employees, including Members of Congress and members of the Armed Forces.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 9406. An act to provide for the conveyance of certain real property to the town of Beaufort, N. C.; to the Committee on Government Operations.

H. R. 10051. An act making appropriations for mutual security for the fiscal year ending June 30, 1955, and for other purposes; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 259) to provide for the Joint Committee on Tin, was referred jointly to the Committees on Banking and Currency, and Armed Services, as follows:

Resolved by the House of Representatives (the Senate concurring), That there is hereby established a joint congressional committee to be known as the Joint Committee on Tin (hereinafter referred to as the committee), to be composed of 14 members as follows:

(1) Seven Members of the Senate, four from the majority and three from the minority party, to be appointed by the President of the Senate; and

(2) Seven Members of the House of Representatives, four from the majority and three from the minority party, to be appointed by the Speaker of the House of Representatives.

A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members, one of whom shall be a Member of the Senate and the other a Member of the House of Representatives.

SEC. 2. It shall be the function of the committee to make the study and investigation determined necessary by section 1 (c) of Public Law 125, 80th Congress, which provides "It is necessary in the public interest and to promote the common defense that Congress make a thorough study and investigation regarding the advisability of the maintenance on a permanent basis of a domestic tin smelting industry and to study the availability of supplies of tin adequate to meet the industrial, military, and naval requirements of the Nation in time of national emergency."

SEC. 3. The committee shall report to the Senate and House of Representatives not later than January 3, 1955, the results of its study and investigation, together with such recommendations as to necessary legislation and such other recommendations as it may deem advisable.

SEC. 4. The committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, to require by subpena (to be issued under the signature of the chairman or vice chairman of the committee) or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 5. The committee is authorized to appoint, without regard to the Classification Act of 1949, as amended, fix the compensation of such experts, consultants, technicians, and organizations thereof, and clerical and stenographic assistants as it deems necessary and advisable.

The expenses of the committee, which shall not exceed $50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman or vice chairman. Disbursements to pay such expenses shall be made by the Clerk of the House of Representatives out of the contingent fund of the House of Representatives, such contingent fund to be reimbursed from the contingent fund of the Senate in the amount of one-half of disbursements so made without regard to any other provision of law.

The committee is authorized, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the excutive branch of the Government in connection with its study and investigation.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Editorial entitled "How Congress Can Help the FBI," dealing with antisubversive legislation, published in a recent issue of the Washington Star.

CONSERVATION OF WATER RESOURCES—RECONSIDERATION OF VOTE

Mr. KNOWLAND. Mr. President, typographical errors in the amendments of the House of Representatives to the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes, and which were concurred in by the Senate, make it necessary to reconsider the vote by which the amendments were agreed to. Last night at the request of the Senator from Vermont [Mr. AIKEN], the chairman of the Committee on Agriculture and Forestry, amendments of the House were concurred in. However, in the enrollment of the bill it was found that a comma had been left out in one line and the word "improvement" rather than "improved" in

another House amendment. In order to clear the RECORD, I enter a motion to reconsider the vote by which the House amendments were concurred in.

Mr. FULBRIGHT. Reserving the right to object, the majority leader spoke to me about this bill and explained the nature of the changes, and I have no objection.

The PRESIDENT pro tempore. The motion is entered.

Mr. KNOWLAND. Mr. President, I now move that the House be requested to return the message of the Senate announcing its action on the House amendments.

The PRESIDENT pro tempore. The question is on the motion of the Senator from California.

The motion was agreed to.

NEW STANDARDS FOR EXERCISE OF JURISDICTION BY NATIONAL LABOR RELATIONS BOARD

Mr. GOLDWATER. Mr. President, the NLRB has been in the process of revising its jurisdictional standards, and they have made two important announcements regarding this—one on July 1 and a subsequent announcement on July 15.

As a result of the Board's studies, they have decided that there are hundreds of businesses within the boundaries of each State that should not come under the jurisdiction of the Board but should come under the jurisdiction of the State. This is a proper and long overdue recognition of the rights of the States in the matters of labor-management relations. Congress never intended either the Wagner Act or the Taft-Hartley Act to preempt State laws in this field. In spite of this, however, the Federal Government has consistently injected itself into the labor-management relations of the States.

The Supreme Court has clearly asked Congress to express itself in this regard, and it was with this intent that I introduced an amendment to the Taft-Hartley Act during this session of Congress that would clearly recognize the inherent rights of the States in this area. Unfortunately this amendment suffered defeat when the President's labor program was defeated by the Democrats in the Senate. This issue is not dead, however, as is indicated by the recognition of the rights of the States by the NLRB and the rising tide of concern over the injection of the Federal Government into the everyday life of the communities and States of America. This trend must be stopped if our Republic is to continue its free constitutional way.

Mr. President, I ask unanimous consent that an announcement by the National Labor Relations Board, dated July 15, 1954, be printed at this point in my remarks.

There being no objection, the announcement was ordered to be printed in the RECORD, as follows:

NLRB ANNOUNCES NEW STANDARDS FOR EXERCISE OF JURISDICTION

The National Labor Relations Board today established new standards for determining whether the Board will take jurisdiction over cases involving retail stores, utility companies, transit systems, radio and television stations, newspapers, certain types of interstate companies, industrial service companies, and companies engaged in national defense work.

The Board indicated that these changes will substantially complete the revision of its jurisdictional standards.

The Board also announced that it will no longer take cases involving public restaurants.

The Board has discretion to decide in which cases, of those affecting interstate commerce, it will exercise jurisdiction.

The standards announced today are in addition to the new standards announced by the Board June 30, 1954. Those announced today also modify earlier standards adopted by the Board in October 1950. The changes announced today follow:

A. For retail stores, the Board established two standards—one to govern in cases involving stores operating entirely within one State and the other to govern in cases involving chainstores operating in more than one State. The new standards are:

(1) A single independent retail store or a chain of stores operating entirely within one State will not come under the Board's jurisdiction unless the store involved in the case has—

(a) purchases amounting to at least $1 million a year coming to it directly from outside the State, or

(b) purchases of $2 million a year coming to it indirectly from outside the State, or

(c) if the store ships $100,000 worth of merchandise into other States.

(2) A store which is part of a chain operating in more than one State will come under Board jurisdiction if—

(a) the store meets either of the standards listed in (1) for intrastate stores, or

(b) the gross sales of the chain amount to $10 million or more per year.

(The former standards for stores were $500,000 a year direct purchases or $1 million indirect purchases, or $25,000 a year sales made outside the State.)

B. The Board announced that it would assert jurisdiction over radio and television stations only if their gross revenue amounts to at least $200,000 a year, and newspapers only if their gross revenue amounts to at least $500,000 a year.

(The former standards placed no limit on jurisdiction of broadcasting stations or newspapers if their operations affected interstate commerce.)

C. As to utility companies, such as power, gas, and water companies, and intrastate public transit systems, the Board announced that it would assert jurisdiction over such companies only if the company does a gross business of $3 million a year or more.

Interstate transit systems will come under Board jurisdiction if their gross revenue from interstate operations amounts to at least $100,000 a year. (The Board does not have jurisdiction of railroads and airlines.)

(The Board formerly took jurisdiction of all utility and transit systems whose operations affected interstate commerce.)

D. Companies engaged in business related to the national defense will come under Board jurisdiction when their business meets three tests:

(a) The goods or services supplied relate directly to the national defense.

(b) Such goods or services are furnished pursuant to a Government contract.

(c) Value of these goods or services amounts to at least $100,000 a year.

To come within the Board's jurisdiction, such companies must meet all three tests, the Board announced.

(The Board formerly took jurisdiction of any company doing any work "affecting" national defense.)

E. Jurisdiction over multi-State enterprises, other than retail and service establishments, will be governed by the following tests:

(1) To qualify, the plant involved must meet the outflow tests ($50,000 a year in direct outflow or $100,000 a year in goods furnished to an interstate company) or the inflow tests ($500,000 a year in purchases coming to it directly from outside the State where it is located or $1 million a year coming to it indirectly from outside the State.

(2) If the plant involved does not meet these tests, jurisdiction will nevertheless be asserted if the multi-State enterprise, of which the plant is a part, has a total outflow of goods into interstate commerce totaling $250,000 a year, taking the outflow of all its plants together.

F. Companies which supply services to interstate companies will come under the jurisdiction of the Board only if they meet the following tests:

(a) An independent establishment must furnish services amounting to at least $200,000 a year (formerly $50,000) to certain types of interstate companies.

(b) If the establishment is part of a multi-State enterprise, jurisdiction will be asserted over any one establishment of the enterprise if the enterprise furnishes services amounting to $1 million a year to interstate concerns.

The Board announced that these changes in its jurisdictional standards will take effect immediately. The new standards will be applied to cases pending before the Board as well as to those filed hereafter.

The changes indicated were made by majority vote in specific cases; the Board was not unanimous. Dissents will be included in the decisions as they issue.

THE NEW NLRB JURISDICTIONAL STANDARDS

With today's new standards and the earlier amendments, the Board now will assert jurisdiction over the following types of companies:

1. Instrumentalities and channels of commerce, interstate or foreign, except that:

Jurisdiction will be exercised over intrastate trucking companies and similar firms which are links in interstate commerce only if they do at least $100,000 worth of business annually for other concerns in categories numbered 1, 2, or 4.

Jurisdiction will be asserted over radio and television stations only if their gross annual revenue amounts to at least $200,000 and over newspapers only if their gross annual income amounts to at least $500,000.

2. Public utility and transit systems:

(a) Local power, gas, and water utilities and local or intra-State public transit systems only if the company does a gross annual business of $3 million or more.

(b) Public transit systems engaged in interstate commerce if the gross annual revenue from interstate operations amounts to at least $100,000.

3. An establishment operating as an integral part of a multi-State enterprise, other than a retail or service establishment, if one of the following tests is met:

(a) The plant involved has a direct outflow of goods into interstate commerce amounting to $50,000 a year (thus meeting the standard of category 4) or furnishes goods to the value of $100,000 a year to interstate concerns coming within categories 1, 2, or 4 of this list, or

(b) If the plant involved does not meet the separate plant tests listed in (a) above, jurisdiction will be asserted if the multi-State enterprise, of which the plant is a part, has a total outflow of $250,000 a year into interstate commerce.

Jurisdiction will not be exercised over an under a franchise from a national enterprise. Jurisdiction will be exercised over establishment solely because it is operating franchised establishments only if they satisfy some other standard in this plan.

4. Enterprises other than retail stores, producing or handling goods destined for out-of-State shipment or performing services outside the State in which the firm is located, where such goods or services are valued at $50,000 a year.

5. Enterprises furnishing goods or services that become part of the stream of commerce amounting to $100,000 a year or more to concerns in categories 1, 2, or 4, except that:

Jurisdiction will not be exercised over enterprises supplying materials to other firms which do interstate business unless the materials themselves ultimately go outside the State.

6. Enterprises furnishing services, other than those in category 5, amounting to $200,000 a year or more to concerns in categories 1, 2, 4, or if the establishment involved is part of a multi-State chain, jurisdiction will be exercised if the chain furnishes services amounting to $1 million or more per year to concerns in categories 1, 2, or 4, except that:

Jurisdiction will not be exercised over general or public office buildings merely because such buildings have tenants over which the Board takes jurisdiction.

7. Enterprises other than retail establishments which have a direct inflow of goods or materials from out-of-State valued at $500,000 a year or more.

8. Enterprises, other than retail establishments, with an indirect inflow of goods or materials valued at $1 million a year or more.

9. Retail stores:

a) Independent retail stores, whether a single store or part of a chain operating entirely within a State, only if—

(1) the store involved in the case has annual purchases amounting to at least $1 million coming to it directly from outside the State, or

(2) the store involved has annual purchases of $2 million coming to it indirectly from outside the State, or

(3) if the store ships $100,000 worth of merchandise into another State or States.

(b) Chains of retail stores, with stores in more than one State, only if—

(1) the individual store involved meets either of the tests for intrastate stores, or

(2) the chain has gross annual sales totaling $10 million or more.

Jurisdiction will not be exercised over public restaurants regardless of source and volume of materials and regardless of whether the restaurant is part of a multistate chain.

10. Establishments affecting the national defense, where the goods or services furnished are directly related to national defense, and amount to at least $100,000 annually, and are furnished pursuant to a Government contract.

Mr. GOLDWATER. Mr. President, I ask unanimous consent also that an editorial entitled "Less Government," published in a recent issue of the New York World-Telegram, be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LESS GOVERNMENT

The National Labor Relations Board, as a result of changes in its rules, has withdrawn its jurisdiction over labor relations in thousands of small business establishments. It thus expects to eliminate about 15 percent of its cases, which should save something in operating expenses as well.

This seems a proper action. These small business firms and their workers still will be subject to Federal law, and will be as free to go to court as ever. But many of the minor cases which have been going to the NLRB well could be handled by community or State agencies.

State labor laws do vary, as the American Federation of Labor says in its criticism of the change. But advantages as a result of that are as likely to accrue to unions as to management.

It is time the Government's role in labor relations was reduced anyway. The original purpose of the National Labor Act was to help make the unions bigger and stronger. Hardly anyone would question the ability of most of them to stand on their own feet today—in fact labor and management resolve their differences in many plants without any dealings whatever with the Government, often for years on end.

That is the way things should be done under a free enterprise system, and we hope this change in the NLRB rules encourages more if it.

UNITED STATES AND UNITED NATIONS TECHNICAL ASSISTANCE

Mr. WILEY. Mr. President, I believe that the United States program of technical assistance and United States contributions to United Nations technical assistance programs constitute two extremely important aspects of American foreign policy. Both types of assistance—bilateral and multilateral—are, in my judgment, sound expenditures on behalf of the American people.

I have received this afternoon a number of telegrams presenting views parallel to those which I have just mentioned. I send to the desk two such wires and ask unanimous consent that they be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *July 28, 1954.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

Urge full authorization for economic development assistance and for United States and United Nations technical assistance as recommended by administration. Both United States technical cooperation and United Nations technical-assistance programs have reaped harvest of good will for American people in Near East as in other underdeveloped areas. To cripple first and destroy second would constitute an inexcusable assault upon our traditional good-neighbor policy. Bilateral technical cooperation and multilateral technical assistance are of vital importance in struggle for freer and better world and more respected America.

AMERICAN CHRISTIAN PALESTINE COMMITTEE,
Rev. Dr. CARL HERMANN VOSS,
Chairman, Executive Council.
Prof. S. RALPH HARLOW,
Member, Executive Council.
Dr. SAMUEL GUY INMAN,
Vice Chairman.
Rev. KARL BAEHR,
Executive Director.

NEW YORK, N. Y., *July 28, 1954.*

Senator ALEXANDER WILEY,
Chairman, Senate Foreign Relations Committee, Washington, D. C.:

The American Jewish Committee regrets that House of Representatives rejected the President's proposal for appropriations for both direct United States program of foreign technical assistance and for American contribution to parallel program of the United Nations. We hope that the Senate will preserve these important instrumentalities of American world leadership and secure restoration of both appropriations in conference.

IRVING M. ENGEL,
President.

THE JUNIOR SENATOR FROM WISCONSIN

Mr. SMITH of New Jersey. Mr. President, I desire to address the Senate very briefly, during the morning hour, before we resume debate on the foreign-aid bill.

The PRESIDENT pro tempore. Does the Senator from New Jersey desire to speak at this time under the 2-minute rule?

Mr. SMITH of New Jersey. Yes, Mr. President.

The PRESIDENT pro tempore. Very well; the Senator from New Jersey is recognized.

Mr. SMITH of New Jersey. Mr. President, I simply wish to give notice to my colleagues in the Senate that tomorrow, when the so-called Flanders resolution comes before us, it is my purpose to speak on the subject and to offer to the Senate a resolution in the nature of a substitute for the Flanders resolution.

In order that my colleagues may have advance notice of what I plan to offer as a substitute, I shall now read it; and later in the day I shall circulate to all Members of the Senate the text of the proposed substitute.

The substitute which I wish to read into the RECORD at this time and, as I say, to offer tomorrow, when the Flanders resolution is before us, reads as follows:

Whereas the Senate views with real concern the growing divisiveness and disunity in the Senate and throughout the country over the alleged good or evil of so-called McCarthyism; and

Whereas it is the immediate responsibility of the Senate to deal with this critical situation in an objective, judicial, and statesmanlike manner: Now, therefore, be it

Resolved, That the Vice President of the United States immediately appoint a special bipartisan committee of the Senate to investigate and report with recommendations to the Senate on this controversial matter. The committee shall be composed of 6 Senators, 3 of whom shall be nominated by the Republican policy committee, and 3 by the Democratic policy committee. The Vice President shall be ex officio chairman of the group. The committee shall report with recommendations to the Senate not later than February 1, 1955.

Mr. President, I shall not take time to debate this matter now; but tomorrow, after the Flanders resolution is before us, I propose to discuss at some length this resolution of mine.

The PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. SMITH of New Jersey. Mr. President, before I begin my formal remarks

on the bill, I should like to pay a tribute to the staff of the Senate Foreign Relations Committee because of the careful, detailed work they have done in the preparation of the report on the bill, which in my judgment is one of the best and clearest reports which has ever been filed on a bill in the Senate. I urge upon my colleagues to read the report, if they have in mind any questions regarding the bill, or have any difficulties in considering what the bill contains.

I also wish to call attention to the fact that, of course, this is an authorization bill, not an appropriation bill. In the bill we are laying the foundation for authorizing the necessary appropriations of funds to carry out the program the bill presents.

Let me say that I shall request my colleagues not to interrupt me during the course of my address, inasmuch as I wish to present it in consecutive form, for I believe it will be clearer that way, rather than if there were to be interruptions.

However, when I have completed my remarks, I shall be most happy to answer any questions which may be submitted regarding what I have said or in connection with various features of the bill.

Mr. President, I deeply appreciate the kind thoughts which have been addressed to me by the chairman of our Committee on Foreign Relations, the distinguished senior Senator from Wisconsin [Mr. WILEY], who on yesterday made a most impressive opening address on this bill of far-reaching importance and implications. Of course, because of the necessity for prompt action on the conference report on the housing bill, on yesterday, following the address by the chairman of the committee, it was necessary for us to defer until today further debate on the foreign-aid bill, which, as I have already indicated, has been most carefully prepared; and as I have said, we are deeply indebted to the excellent staff of the committee for their expert and painstaking assistance.

Mr. President, it was my privilege during the long hours spent discussing this measure, to follow it very closely and to become familiar with its many important ramifications. For this reason, I should like to supplement the statement which the distinguished senior Senator from Wisconsin made yesterday.

I

All of us are aware that the menace which threatens our freedom is the most critical which has confronted us in our history. Were this peril to our survival but the usual onslaught of military forces, the issue would offer no such challenge as that which has constantly faced us since 1946. But the enemy has weapons in his arsenal which have proved far mightier than the naked sword, though these weapons are backed by an ever-increasing military potential. It is these weapons which have defrauded much of mankind of its birthright of freedom. Masked as liberation, tyranny has entered. The psychology of simple, poverty-stricken peoples is twisted by ugly corruptions of meaning, so that the peaceful are belligerent, the friendly become the enemy, the provider is the thief, the emancipator is the enslaver, black is made white, and white is made black, to a point that normal reason is numbed.

To this new kind of onslaught, the United States has responded with a program designed to correct the conditions which render people susceptible to such misrepresentations and to prevent such conditions from recurring. It is a program which has been guilty of a certain amount of zigzagging, a program predicated upon assumptions which in some cases events have invalidated. It is a program which has, in particular instances, been less effective and tardier of realization than was hoped for it in the beginning. But I want to emphasize, Mr. President, the goals of this program are right, and great progress has been made toward those goals.

I recognize that there is a general feeling today that this aid program has run long enough; that there is a time to stop giving away the tax dollars of our people. The committee is aware of that situation and has given great thought to it.

Fortunately, consistent with the administration's estimate of our security needs, it has been able to reduce the amounts requested this year by one-quarter of the sum appropriated last year; and this reduction has been increased still further, to one-third, by our Committee on Foreign Relations. Those among us who have been groaning that this outlay of money is going to continue for an indeterminate period in the future will find some reassurance in the information which is reproduced on page 14 of the committee report.

Here I am referring to the committee report I mentioned earlier, which, very carefully, with tables and with written matter, explains what each of these problems is. On that page we have shown the way the foreign-aid appropriations, starting in 1950, rose until the top was reached in 1951, and then dropped down to where they are today.

The scale diagram there set forth shows dramatically how the aid program, after reaching a high point in 1951, has gradually been curtailed. It has been trimmed by over 50 percent since that time.

Mr. President, all of the members of the committee have long been aware of the weaknesses in this kind of a program. Yet, as sympathetic as I am toward the prevailing desire to wind it up, I think we are compelled to recognize that now is not the time to cut it off abruptly, without regard for the consequences. In the light of the situation which exists in the world, it would, it seems to me, be unwise in the extreme to terminate the program at the very time that it can produce results in areas which are critical for the future destiny of this country.

That is exactly what the bill before us aims to do, namely, to carry on in those critical areas, in the situation in which we find ourselves in a disrupted world.

II

Mr. President, none of us can feel very encouraged about what has been happening in Indochina. Nor can we feel overly sanguine about the future of that area. We have too often been deceived in the past to share any illusions that world communism will voluntarily curb its ravenous appetite. Perhaps we shall be unable to inspire the adjacent countries to a sufficient awareness of their dreadful peril; to an understanding that they risk losing everything which free men hold dear if they fail to give of the last full drop of energy in fighting for their independence.

Our whole policy is based on awakening these people, especially in the Far East, to this danger that is before them, and to challenge them to think in terms of their own independence, and to take their part in the battle against subversive forces.

Nobody ever asserted that any mutual-assistance program was a final panacea; that it would positively guarantee the results we have sought. Let us be clear about that. The omnipresent possibility of failure has existed from the first. But, Mr. President, has anyone ever suggested an alternative that offered more hope, or a better way to strengthen the countries which are threatened, and through them, to safeguard our own vital interests? And, until such an alternative is presented to us, is there anyone here who wishes to assume responsibility for sitting by with folded arms, and doing absolutely nothing? I repeat, does anybody in this Chamber feel that the true course of enlightened self-interest should be to do nothing?

It is about time we stopped talking about this program as though we were handing out our money as a special favor, and as though the true test of its success or failure was whether it made people like us. This is not an altruistic program, Mr. President, and it never was intended to be from the beginning.

Of course, we are glad to give what aid we can to these people, but fundamentally it is our own self-interest we are attempting to serve. It is just about as self-interested a policy as we could follow. Let us face it. This is a program to save our own lives and the lives and future of our children. To the extent that we can keep the world Communist monster from swallowing up other regions, just that much farther is the menace kept from our own shores. And we do not care whether the recpients exhibit due gratitude or not.

That is not the issue at all. The issue is whether we are working in the interests of our own security.

Even the worst criticisms of the program are not a sufficient cause for abandoning it at this time. Its detractors say it is not a mutual-aid program. They say it is a one-sided arrangement. They say it is the United States which is making most of the sacrifices—in dollars, that is. They say we are not getting anything material back for our money. And they point to certain areas where we have not succeeded in holding the line against the latest surge of communism, as in Indochina.

Even if all these criticisms were 100 percent valid—which they are not, in my judgment—we still could not afford to discontinue the efforts we have been

making, in the face of the dangers before us.

III

Are we all aware, Mr. President, that the Soviet Union is laboring night and day on what is much the same kind of a program, but one whose goals are not freedom, but slavery? Do we all know that what we have been trying to do in the Republic of Korea, the U. S. S. R. and Communist China are striving mightily with strained energies to outdo in North Korea? Do we all know why they are making this superhuman effort?

They are seeking to demonstrate to the world that their system provides more, and is capable of achieving more, than our own. They are challenging the combined efforts of the United States and of the United Nations in South Korea as a test case for the world to watch. There is a contest now on, as between the two devastated regions of Korea. Extraordinary measures of relief and rehabilitation are being taken by the U. S. S. R. and Communist China. The Republic of Korea has, therefore, become something of a symbol in the Far East, of the ability and determination of the United States and the United Nations not only to resist further aggression, but to restore a war-ravaged ally to economic health.

How many of us, Mr. President, know that the Soviet Union, quietly and without publicity, has been pursuing its own twisted form of technical assistance in Latin America on a scale which, as applied, dwarfs our efforts in a comparable direction? How many of us are aware of the magnitude of the Communist attempt to indoctrinate labor leaders in Latin America? Do we all know that last year the Soviets and their satellites brought to Moscow more than 100 labor leaders from Chile alone to impress upon them the glories of the Communist system, and returned them with hostility in their hearts for us? Yet during that same period, we brought to the United States under our exchange programs only 25 leaders from all of South America. This demonstrates the seriousness with which Soviet communism pursues its nonmilitary tactics.

IV

Mr. President, we have been guided by a number of assumptions which most of us consider to be verified by this time. One of these is that communism thrives on poverty. It may, of course, get a foothold from the outside, without the existence of poverty; but it certainly helps if people are dying of starvation, or if they have been living at a marginal level. And so, we have said to many of these peoples, "We will try to keep you from starving; but more than that, we will help you to keep yourselves from starving. We want to show you how to do that."

Does anyone here assert that there is something wrong with this policy? Yet this is one of the principal nonmilitary features of our foreign-aid program. It seems to me that it is utterly impossible to vote intelligently on the bill before us, unless we have all the facts, and unless we have them straight.

I emphasize to my colleagues the importance of studying the report of the committee, which, as I say, goes into each one of these issues very carefully and explains how we arrived at our conclusions.

Too many of us seem to be under serious misapprehensions as to just what the facts are. And too often opinions are influenced in this matter by emotional phrases which prejudge the issue, inhibiting a cool, dispassionate appraisal of the evidence.

For these reasons, Mr. President, I should like to devote a few moments to some of the principal charges which have been levied against the mutual assistance program.

It has been charged that the foreign-aid programs of this Government in the years since the war have been a giant boondoggle. Nothing could be further from the truth. Those who take this view are guilty of failing to understand the world in which we live.

Perhaps one of the best ways to understand that the $34 billion we have invested in foreign aid since the war has paid off, is to ask ourselves in the utmost candor what would have happened had there been no foreign aid. I grant that it is difficult to speculate on what would have happened had there been no aid. But I believe myself that if there had been no aid, the world today would be quite a different place than it now is. Let us look at the record.

First. If the 80th Congress had not approved the Greek-Turkish aid program in 1947, I believe that Greece would surely have fallen to the Communists. That was a wonderful demonstration of the bipartisanship I have always believed in, when all of us stood together behind the President and supported the Greek-Turkish aid program. When that program began, much of northern Greece was in the hands of the Communist guerrilla forces. Today it is a free, sovereign, democratic nation.

I pause here a moment to pay tribute to our beloved late colleague, Dwight Griswold, who for a time served as our representative in Greece during the period of the Greek-Turkish difficulties. The late Senator Griswold rendered outstanding services there in bringing about a military situation that warded off the attacks from the north.

Second. It is more than likely that Turkey would be under complete Soviet domination—if not actual occupation—had it not been for our aid. Russia for decades has sought control of the Dardenelles. After World War II she pressured Turkey in the confident expectation that the gallant Turkish people would be forced at last to surrender control over those vital straits. American assistance put muscle behind the backbone of Turkey.

We have seen since then the wonderful payoff we have gotten from them through their assistance in the Korean struggle, which was evidence of their courage and eagerness to back the western powers in the battle for the freedom of the world.

Third. I have little doubt that but for our help the Communist minorities of Western Europe would have been able to increase their strength, perhaps to the point where some of those countries would today have Communist-dominated governments. There is no doubt in my mind that communism thrives in countries suffering from economic collapse.

In Europe, when conditions looked most helpless, when industry was at a standstill, when food was scarce, when the people were living amidst the rubble of World War II, and when the Communist partisans were riding high, it was the economic assistance from the United States that was the crucial factor in putting Europe back on her feet.

Fourth. If there had been no American-aid programs, I shudder to think of the situation we today would confront in the Near and Middle East and in south Asia. One need but make a quick visit to these areas to see poverty combined with an intense nationalism.

I pause to reflect upon my own experience. In three trips to the Far East I have come to realize the pressure of populations and the food problem that make those people the ready victims of communism. I reiterate, as I have so many times, that Asia is the key danger spot, because if Asia falls behind the Iron Curtain the rest of the world will be definitely threatened by the onrush of communism.

This situation is an explosive mixture and one which surely would have been used by the Communists as a means of rising to political power. Iran is a classic case. It was American leadership in the United Nations that got Soviet troops out of Iran after the war. It was American assistance that gave the Iranian people an opportunity to have a government that opposes communism instead of a government under the control of the Communists.

I could speculate further on the situation we might face today had there been no aid programs—programs which, I am glad to say, have been supported each year in the Senate by substantial majorities from both sides of the aisle.

Mr. President, American assistance programs have demonstrated that our devotion to freedom is considerably more than lip service. We have shown that we are willing to back with something more than words our insistence that people over the world should be free of Communist control.

Again I refer to the criticism that mistakes have been made and money has been wasted. However, the overall objective has been followed through, and we have reached a place where we can at least look back at the gains that have been made.

V

On the positive side, and not simply on the speculative side, we can note that foreign aid has given us these sure things.

First. We have strategically located airbases in the United Kingdom, in France, in North Africa, in Greece and Turkey, and in other areas. Those bases, manned in part by American Air Force personnel and in part by our allies, serve mightily to deter the Soviet Union from military attack on the free world.

Second. We have in the North Atlantic Treaty Organization forces in being which are now strong enough to make the Soviet Union take a good, long look before it would try any rash military moves in Western Europe. The time has passed when the Soviet Union could march to the shores of the Atlantic in 30 days.

Here, of course, we should pay tribute to President Eisenhower, who was there when we established the NATO programs, and who was the guide and inspiration of the men who organized that important defense of the Western World.

Now General Gruenther has succeeded General Ridgway, after he had served a term. General Gruenther is following through in the same spirit of uniting the forces. We have all kinds of difficulties to meet, as I can testify from my own visit to the area, but I know that when we move ahead and get through our present troubles we will make progress in building up our defense in that area of the world.

Third. In the Far East we have strong allied forces in being in Formosa. Forces are being built in the Philippines, and soon the Japanese people will be ready to assume their share of the defense of free nations. Especially in this area we have very difficult problems, but we are working toward bringing about ultimate solidarity and union of these people to fight for their freedom. Of course, I need not refer again to Korea.

Military assistance to the Philippines has enabled its Government to restrain and largely eradicate the activities of the Communist-controlled Huk movement.

The unhappy events in Indochina are currently before us. Our efforts to prevent the people of Vietnam from falling under the Communist yoke have not prevailed. But we must remember that our program in that region was tremendously handicapped from the start by historical factors relating to the attitude of the local population toward the Western European powers. The people themselves must be given a clearcut choice of something to fight for; they must voluntarily seek to maintain their liberties with an intensity of purpose which was so marked in Korea.

Those who have been there know of the feeling against colonialism and imperialism, and we know that the feeling against colonialism has made it very difficult to work out even with our French allies a solution of the problem. Of course, the French have been blamed for maintaining a part of the colonial system.

Even so, it is beyond question that the French could not have maintained the struggle as they did, and that northern Vietnam would have fallen far sooner than it did, had it not been for our help. Should we now surrender the fight for Southeast Asia, or should we meet the succession of crises by pressing on with a policy of common support for a common danger?

Developing events in this area may make it imperative that action be quickly taken on a large scale in the remainder of southeast Asia. This is one of the reasons why the committee approved of so large a sum for such use as circumstances may require.

Mr. President, departing from my text for a moment, I would say that in all my visits to the Far East and that whole area, I have been impressed with the urge all those people have for freedom and independence. One thing that any casual visitor senses is their desire to get away from superimposed control and their desire to be free and learn how to run their own nations in their own way and to make their own economic progress.

I would go so far as to say that in my judgment the key to the future peace in Asia will be a free and independent China. I emphasize that. It may take time, but so long as China is a satellite of Moscow, China cannot be free and independent, and China cannot be of aid to the other nations in the area in gaining the freedom and independence for which they yearn.

That is why, Mr. President, we find in this field the authorization of a large sum of money, $800 million, to be used as a flexible fund in the area, even though the Indochina truce is about signed, and assuming that the war in Indochina has come to an end. We feel that the fund should be left largely in the discretion of the President because of events that might occur at any time which would compel the President to act swiftly, and this would give him the means to do so.

So we are urging on our colleagues in the Senate, as approved by the House, this large fund for the emergency needs that might occur in that very dangerous area at any moment.

VI

Another myth that needs to be exploded is the impression that some, if not all, of the countries receiving our military and economic aid have not been carrying their fair share of the load. Here the prejudiced picture which is painted is one of greedy foreign governments rubbing their hands in anticipation of fiscal manna from the United States. Why, these critics demand, should the American taxpayer have to dig down in his pockets when the rest of the world sits on its hands?

The facts, Mr. President, in my judgment simply do not sustain this lament. Moreover, anyone who presses such a charge is guilty of a distortion which does grave injustice to the people we seek to help. It is precisely because their needs are such as to strain their national budgets to the danger point, that we have found it necessary to do what we can.

Again I want to impress upon the Senate that we are doing this for our own security. It is not merely a charity act, but is for the security of the people of the United States of America.

What is the true situation? Let me give a few high spots.

In Europe at this time the NATO powers alone are providing manpower for over 90 percent of NATO's ground forces, for about 75 percent of NATO's air forces, and a good share of NATO's naval strength. Our NATO allies have produced approximately $8 billion of military equipment since 1950, in addition to what we have furnished them; and they have expended more than $35 billion in their collective rearmament effort.

We have had studies made of this matter, and our representatives have gone into it very carefully. It would seem as though our allies had contributed all they could in the light of their economic conditions. We have tried only to fill in the gaps that were left.

Mr. President, do we fully realize what this means? Do we realize how much greater our own effort would have to be, how much heavier the tax load our people would have to bear, if we lost these allies? Or if we tried to induce them to set defense goals so high as to endanger their economies—as, in fact, occurred in 1952?

If Senators will glance at page 23 of the committee report, they will see the kind of effort being made by the European nations. The chart on that page shows how high their tax levels are—in many cases much higher than in the United States, on a comparative basis. Freedom is very expensive.

Elsewhere, throughout the world, similar efforts are being made, though on a relatively smaller scale. In the Near East, for example, where the United States proposes to contribute $66 million to the technical-cooperation program, the countries themselves will contribute over $250 million—almost 4 times as much. In other words, in a sense we are showing them how and priming the pump for them, but they are doing most of the work themselves. They are being taught how to take care of themselves. In Formosa, for example, the cost of maintaining a large military establishment by the Nationalist Chinese is consuming almost 60 percent of the combined budgets of the local and central governments. In the Philippines the total contribution by that country for fiscal 1955 is estimated at $45 million, exclusive of counterpart funds which, in the past, have exceeded its deposit requirements. Our entire program there last year, apart from military assistance, was only $15 million. So these people are doing their share of the work that has to be done for the security of the entire world.

Much the same is true of South America. Brazil is a particularly striking example. That country is contributing over $28 million for technical cooperation projects, while we have programed only one-eighth of that sum.

VII

Mr. President, there are certain other aspects of the program which should be mentioned not merely because of their importance, but because they have not received the general attention which they deserve. Twenty-seven million dollars have been authorized in the bill for promoting the development of weapons of advanced design by our allies, primarily in Europe. These funds will be used to promote research, development, and pilot production of advanced types of modern military equipment in Allied countries. Some highly useful inventions have been found in Europe whose

further development and production will be greatly to the advantage of ourselves and our allies.

I regret to say that the House cut out this item in their bill. I am hopeful that we can restore it in conference, because we had before our committee testimony on this subject which gave us inside information on some of the new inventions and devices that were produced entirely by European inventors. To enable them to do this research work we have made these contributions. I feel that the relatively small amount which is asked to continue this work this year is fully justified because of the great value of some of these extraordinary discoveries to our military effort.

The bill also continues the Government's authority to sell military equipment to foreign governments. Note the word "sell." This beneficial provision provides a means whereby friendly governments which wish to pay for their military equipment may do so. At the same time, the procedure furnishes a check on the military purchases of other governments in the United States.

There is another special feature in the bill which interests our people, particularly those in the agricultural communities. Under the bill $350 million are earmarked for the purchase of surplus agricultural commodities, which would be in addition to the surplus commodities transferred under the Agricultural Trade Development and Assistance Act of 1954. The money will be used to finance the purchase of such commodities to be sold to friendly countries for local currencies. That is a matter that will probably be gone into further in this debate, but I am referring to it now because it is a very important item and means a great deal to the situation in our country today, caused by enormous surpluses and the need to dispose of them without simply dumping them for prices below what they cost us. Buying farm commodities with these funds will enable us to make deliveries to foreign countries, which will pay counterpart funds for them. So with that program, it might be said, we have a double-barreled approach to that problem.

On the humanitarian side, we have been contributing annually about $9 million to the United Nations Children's Fund. This is an inspiring enterprise which has already benefited 60 million children through development of adequate maternal and children's welfare facilities, the control of children's communicable diseases, and the raising of nutritional standards for children.

The committee received considerable direct evidence of the valuable work the children's fund has done throughout the world, and the appreciation it has received from the people concerned.

Bear in mind that in every instance where we make a contribution to this United Nations Children's Fund a corresponding contribution, or even more than the amount we put in, is made by the countries that are concerned with this children's work.

VIII

But, Mr. President, while all this has been happening, what of the United States? Have we grown weaker? Has this mutual assistance bled us white? Taking the whole picture into consideration, I should say it has not. Today we stand on a stronger and firmer economy than ever. In the material things of life we are better off than ever before. And surely on the spiritual side the efforts we have made to strengthen ourselves and our allies have been of great importance.

It has not hurt the American people, spiritually or materially, to lend a helping hand to our neighbors around the world who strive for the same freedom we have cherished and protected so long. This is being done primarily for our own security. As a byproduct of our own security, it means assistance to the other nations, in helping to bind them to us. I know this has been misunderstood, and there are problems to be met along this line. But the fact is that we have done a great good, and it has meant much to the countries abroad.

What about the complaints that the program threatens to become perpetual? It is not perpetual, and we are not going to let it become self-perpetuating.

The committee's position on this point is reflected by its addition to the bill of an amendment which would terminate the activities of FOA by June 30, 1955, a year from last June. That does not mean that we shall not be in the field of foreign aid after that time, but it is planned to terminate the work of the present agencies, and to place the foreign aid in the hands of other departments of the Government, such as the Department of Defense and the Department of State.

We do not want anything like a permanent aid agency. On the other hand, it should be understood that those facets of the program which are still regarded as desirable can be maintained, if Congress so wishes, by appropriations to the departments vested with authority to continue this activity.

Mr. President, we cannot, we must not, relax our efforts to build up the collective security of the free world. The Soviet threat has not diminished; on the contrary, we know it has never been greater. Soviet activities are increasing everywhere. These activities are military, economic, and political. In some areas the free world's position has deteriorated. Our mutual-security program is designed to throw blocks in the path of further Soviet advance. Should we now abandon our efforts to mobilize such strength as we have unquestionably created in Europe and the Far East? Will we now weaken our attempt to maintain that strength? And dare we, then, announce to the free world that we have failed, that we no longer have faith in them and in ourselves, and that we will no longer support them?

I, for one, do not wish to look back at some future date with remorse for having failed to support our friends and this program in the hour of crisis.

The bill presents a program for foreign aid in fiscal 1955. Based upon estimates which were studied by the committee, and upon agreements within the committee as to estimates, we have asked for this authorization. I submit to the Senate that this is a sound bill. The committee recognized the need for reducing the amount of aid, and have moved directly toward a discontinuance of it when the time comes that it can be done with safety to the United States, according to the best advice we have.

Mr. President, this concludes my formal remarks, but there is one other matter I desire to bring to the attention of the Senate, which was not taken care of in the committee report. It is a matter of some importance.

Since I have prepared my remarks my attention has been called to the action of the House in deleting from the appropriation bill the United Nations technical-assistance program.

I agree with the President that this is a very important program, and I ask unanimous consent that a statement which I have had prepared on this program be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNITED NATIONS TECHNICAL ASSISTANCE

The fiscal year 1955 foreign economic-aid bill requests $17,958,000 for United States contributions to the United Nations technical-assistance program. Of this amount, $9,958,000 is requested to fulfill the pledge of $13,861,809 made by the United States to the 1954 program; $8 million is to be used toward the pledge which we will be asked to make this fall for 1955. The Foreign Relations Committee has recommended approval of the full amount requested.

The House authorization bill approved the full amount requested. The Appropriations Committee of the House eliminated all funds for the U. N. program, and attempts to restore the amount on the floor of the House were unsuccessful because of the parliamentary situation under which the bill was considered.

The bill is now before the Appropriations Committee of the Senate. It is of extreme importance that Senate action be favorable and approve the full amount for the following reasons:

1. If the House action is sustained, the United States will be unable to fulfill its pledge for 1954. This withdrawal of United States support will either virtually kill the program or leave a vacuum which the U. S. S. R. may find to its advantage to fill.

2. Without United States support, programs already underway eliminating disease, combating illiteracy, increasing food production, and otherwise helping underdeveloped countries to help themselves will be halted abruptly. Experts will be brought back from the field. Young men and women scheduled to receive training in this and other free countries which would enable them to help raise the living standards of their own countries will have no opportunity for such training.

3. The underdeveloped countries have seen in this program, as they have in United States bilateral aid, some hope of raising to a minimum level, by their own efforts, the low standards of their own people. They have been encouraged and urged to participate in this worldwide effort to help achieve economic stability and they have contributed generously within their capacities to both the central fund to which we contribute and to the local costs of these programs. When local contributions are taken into account, the United States contribution is about 22 percent of the entire cost of the program. The international technical assistance program was begun in 1950 largely at the initiative of the United States. Our withdrawal from it now can result only in accusations

from our friends of bad faith and irresponsibility.

4. The Russian propaganda machine is already broadcasting charges that we are reneging on our commitments since we have not yet fulfilled our pledge for calendar year 1954. Russian propaganda will be the more pointed in view of the fact that for some years the United States has openly taunted the Soviets, in public meetings, concerning the previous Soviet failure to contribute. After attempting to ignore the program during its first years, the U. S. S. R. found that it could not afford to be aloof from one of the most effective international programs in the economic field. The prestige and international good will growing out of this program and the extent to which nonparticipation in the program publicly pointed up the hollowness of the Kremlin's professed concern for the underdeveloped countries finally shamed Russia into making its first contribution last year. It would be disastrous if as the Russians walked in we walked out.

5. United States leadership in the economic and social work of the U. N. will be destroyed. We will be repudiating Presidential and congressional statements on foreign policy in which we have stated that support of the United Nations is a cornerstone of our foreign policy, and United States statements will now be interpreted in other countries as only hollow words issued for political reasons without serious intention.

Mr. KNOWLAND. Mr. President, will the Senator yield, so that I may make a brief statement to the Senate?

Mr. SMITH of New Jersey. I am prepared to yield the floor to other speakers, or I am prepared to yield for questions.

Mr. KNOWLAND. I had understood that the Senator from Rhode Island [Mr. GREEN] might have an inquiry. I merely wished to make a statement for the information of the Senate.

Mr. SMITH of New Jersey. I am glad to yield to the distinguished majority leader for that purpose.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, the Senate is now considering the foreign aid authorization bill. If we make as much progress as is possible during the remainder of the morning and the early afternoon, then sometime during the afternoon, perhaps between 2 and 4 o'clock, I shall suggest that the conference report on the tax bill be considered.

If and when that is disposed of, we shall then return to the consideration of the unfinished business, the foreign aid authorization bill. If it appears likely that work on the foreign aid bill can be concluded at a reasonable hour this evening, we shall endeavor to do so. If not, it will then be my proposal that the Senate recess until tomorrow morning.

In that event, I would recommend that the Senate meet at 9 o'clock tomorrow morning, because sometime during the day, according to advance notice, the so-called Flanders resolution will come before the Senate. I desire, in the morning period, if possible, to dispose of as many conference reports and other legislative matters as possible, because it is quite likely that with several days of general debate on the Flanders resolution, other legislation may be delayed in the Senate.

I desire to have the Senate to be advised, and to have Members cooperate by being willing to meet at 9 o'clock tomorrow morning, so that as much legislation as possible may be disposed of.

I thank the Senator from New Jersey.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. SMITH of New Jersey. Mr. President, I have had called to my attention another matter on which the House took action in its appropriation bill, as to which I wish to make note in the RECORD at this point.

The House action on the mutual security appropriations bill eliminated the request of $500,000 for contribution to the United Nations Refugee Emergency Fund. This amount has been recommended by the Senate Foreign Relations Committee.

This fund, which is administered by the U. N. High Commissioner for Refugees, is used to provide the most needy groups of stateless refugees—the aged, chronically ill, and disabled—with supplementary feeding, clothing and other special assistance that the countries of asylum cannot furnish, and to assist in their placement in institutions for permanent care. An estimated 37,000 will be assisted in 1954.

The fund is in a critical period and United States support is essential if it is to continue as an effective program. This relatively small contribution will be of immeasurable assistance in helping many refugees who sought freedom and a chance to reestablish their lives in the free world. It will also stimulate contributions by other countries.

With that statement I have concluded my formal presentation. I shall be glad to yield for questions.

I observe the Senator from Rhode Island [Mr. GREEN] on his feet, so I shall be glad to carry on a colloquy with him.

Mr. GREEN. First, as the Senator's colleague on the committee, I wish to congratulate him on the very interesting summary of the report which he has given orally.

Mr. SMITH of New Jersey. I thank the Senator from Rhode Island.

Mr. GREEN. The Senator from New Jersey has also commented upon matters which have come up since the drafting of the report of the committee on July 2. I have no doubt that as to those matters he is willing to make clear that he is expressing his individual opinion, and not necessarily the opinion of the committee.

Mr. SMITH of New Jersey. I think that is an entirely correct statement. I am not quite clear as to the particular matters to which the Senator is referring; but certainly any remarks I have made about anything which occurred after the committee finally voted on the bill would have to be on my own responsibility, but I hope in the spirit of the committee.

Mr. GREEN. I do not mean to say that I disagreed with the Senator. I simply wished to make clear that his views were not necessarily those of the committee.

Mr. SMITH of New Jersey. I thank the Senator for his comment.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I, too, wish to join with the chairman of the committee, the distinguished senior Senator from Wisconsin [Mr. WILEY], and the ranking majority member of the Committee on Foreign Relations, the distinguished Senator from New Jersey [Mr. SMITH], in complimenting the staff of the committee upon the fine, outstanding work they have been doing on this and other measures which have come before the committee.

I think the commendation of Mr. Francis Wilcox and those who have worked with him is well merited. I certainly am deeply appreciative, as are my colleagues, for the excellent work and assistance which they have consistently rendered throughout the years.

Mr. President, during the past 8 years, foreign aid has been an integral part of our policy of uniting with other nations to provide in common for the security of the free world. With economic assistance from this country the states of Western Europe have rebuilt factories, farms, and homes which were destroyed by war. They have repaired economies which otherwise might have been subverted by Communists. Military assistance has helped to build a mutual defense system which so far has staved off Soviet aggression. In short, foreign aid has been a positive expression of our desire to cooperate for economic well-being, peace, and freedom throughout the world.

I have consistently supported the Mutual security program and its forerunners because I felt that the military preparedness and the economic stability which they promoted were in the best interests of the American people. This year, however, I feel that certain changes must be made in the organization and administration of the mutual security program if it is to continue to serve these constructive purposes. The time has come to abolish the Foreign Operations Administration as an independent agency. Continued existence of the FOA creates unnecessary duplication and waste in administration; it threatens to prolong unnecessarily the life of economic aid; and it jeopardizes the success of our foreign policy.

I realize that when a bill involves huge amounts of money, as this one does, and deals with vital questions of foreign policy, it is easy to overlook the details of administration. But the success of any legislation is inextricably linked with the manner of its administration. If the type of organization for carrying out this program can be improved so as to make it more effective and less expensive, I feel we must undertake that improvement before we are justified in providing new appropriations.

The immediate need is to prepare for the termination of foreign aid in an orderly manner. Some of the reasons for this are obvious. Needless to say,

continuation of a one-way program beyond the date of absolute need is an unwarranted tax on the resources and people of the United States. The huge financial burden involved in the mutual security program has been alluded to many times in debate in the Senate over the years. I have long held the view that it should be terminated as quickly as possible.

Nevertheless, the Administration continues to justify its continuance today on the grounds that our national security requires it, not only for 1 more year, but for an uncertain period into the future. An effort is made to prepare the people of this country for an indefinite continuation of grant aid. At the same time an unwarranted and dangerous expectation of continued assistance is built up in peoples abroad. Last year, for instance, the Secretary of State said:

> Our mutual security planning must be and is long-range planning. * * * We must think in terms of policies and programs that we can afford to live with for what may be a very long time.

In addition, Mr. Stassen, director of the program, said at about the same time that we might have to help strengthen the rest of the world through a 10-year period.

I agree with the view that we need allies in this world, strong allies in both an economic and a military sense. However, I do not consider an indefinite extension of one-way aid as a practical or effective way of maintaining such allies. One-way aid is a temporary method of obtaining a specific objective. The Marshall plan aid, for example, had as its purpose the restoration of the economies of Europe. That purpose was accomplished successfully and efficiently. The present descendant of the Marshall plan has no such clear-cut purpose, nor does it promise much success. It appears to be largely aid for aid's sake. It must not be allowed to last for a very long time or 10 years, but must be ended in the near future. If it is not replaced by long-range, clear-cut programs, such as two-way trade programs, economic aid can defeat the very foreign policy which it is supposed to promote. It puts proud, independent nations in the position of being eternal recipients of charity. It puts lazy and ineffective governments in the position of not having to exert themselves on behalf of the people they are supposed to serve, since they can count on support from this country. The net effects of continuance of economic aid could be a decrease in the unity of the free nations and their strength, and the postponement of the search for a sound and permanent solution to their economic problems.

Last year, Mr. President, I pointed out that foreign aid had already reached the point of diminishing returns. This year there are signs that our foreign aid is reaping a harvest of division instead of unity; of mutual resentment instead of mutual understanding. Even the increase in the number of weapons and equipped divisions abroad cannot counterbalance these adverse developments.

This year we have an excellent opportunity to make the changes in organization which will allow and encourage the orderly termination of one-way aid. Foreign-aid programs must be integrated with foreign policy to insure the most economic and effective administration of both.

H. R. 9678 presents a much needed codification of existing legislation affecting mutual security. This consolidation will replace what President Eisenhower last year called a patchwork of statutes, and clear up somewhat the hitherto confusing relationship among various parts of the program.

In this new codified bill the President is given broad organizational authority. He could, if he chose, remove from the Foreign Operations Administration all non-military-aid programs and relocate them under the Department of State. However, the President made clear in his aid message of this year that he favored the continuation of the Foreign Operations Administration. In effect, therefore, the foreign-aid bill of this year would petrify Reorganization Plan No. 7 of last year.

I should like to point out that this is actually the first chance the Senate has had to vote on the reorganization. Plan No. 7 became effective, not because the Senate voted for it, but because the Senate did not vote against it.

One major goal of the President's Reorganization Plan No. 7 was to streamline the administration of the various aid programs, and cut down on the duplication, overlapping, and excess personnel which had become apparent at United States civilian posts abroad. The reorganization plan centered all the foreign-aid programs in an independent agency, the Foreign Operations Administration, which actually was a successor to the Mutual Security Agency. Unfortunately, I believe that the reorganization plan of last year went only halfway toward achieving the efficiency and other goals which were promised.

The reorganization of last year served some useful purposes. In the field, personnel has been cut somewhat. This was a constructive step because the huge number of American officials abroad was creating resentment among local people in many areas, as well as in the United States, and causing confusion, waste, and duplication. The functions of the office of the United States special representative in Europe, now known as USRO, for example, were sharply curtailed; its functions are now limited to providing representation for the United States to the North Atlantic Treaty Organization and other multilateral organizations, such as the Office of European Economic Cooperation and the European Payments Union. The number of persons with the rank of Ambassador serving abroad has also been cut down. For a while, this title had become so common in our missions in European capitols that it began to assume comic-opera aspects.

In the countries abroad which I visited last year there was undoubtedly some clarification of lines of authority and some reduction in the duplication of functions at our missions as compared with the previous year. This clarification probably resulted from the reorganization plans.

However, I feel that more can be done in this line if the next logical step were taken and the FOA were abolished, and such essential economic functions as must be continued were given to the Department of State. In fact, if this is not done, I believe that the gains which have been made will be short-lived. All over the world there are still three principal civilian agencies operating at practically every major post—the Department of State, the Foreign Operations Administration, and the United States Information Agency. As I noted in my report on the Foreign Operations Administration after my study trip to France, Italy, Nepal, and Indochina last fall, the presence of three separate agencies is an open invitation to administrative confusion and duplication. With three parallel offices in Washington, some such duplication already exists in the personnel offices, transportation offices, and other types of administrative services of FOA, USIA, and the Department of State in this country. Unless steps are taken to replace the present hit-or-miss hope for cooperation among these agencies with something more tangible in the way of administrative structure, there will be an inevitable growth of confusion of authority both at home and in the field.

In regard to military assistance, the President has already begun to bring a measure of logic into its administration. He made clear in his state of the Union message that this year he would favor giving the Secretary of Defense primary responsibility for the administration of foreign military assistance, operating with the policy guidance of the Secretary of State. The bill now being considered gives effect to this intent by eliminating the responsibility of the Director of FOA for the continuous supervision and general direction of military assistance.

The change should clear up a heretofore confusing situation. Until now the precise role of the Foreign Operations Administration in military aid was obscure. The Foreign Operations Agency was to receive policy guidance from the Defense Department, and the Defense Department administered military aid; but the FOA supposedly coordinated and supervised these activities of the Defense agency in a kind of administrative merry-go-around. It now is obvious, even to the administration, that the FOA is not necessary for military assistance.

Right here I should like to point out that this administration seems to follow completely different principles for the Department of Defense and the Department of State. There is no reluctance to merge operating and policymaking responsibilities in the same hands in the Department of Defense. In fact, that was the premise of reorganization plan No. 6 of last year concerning the Defense Department.

On the other hand, the premise of reorganization plan No. 7, as well as plan No. 8, which set up the independent United States Information Agency, was

that the Department of State should not have operating responsibilities; that in the field of foreign affairs, operations and policy should be separated. I should like to quote from the report of the House Committee on Government Operations on reorganization plan No. 7—a report, Mr. President, which was far from enthusiastic about the plan:

> The committee noted that the basic concept underlying the changes proposed in reorganization plan No. 7 is diametrically opposed to that which was presented in reorganization plan No. 6 (Department of Defense). In plan No. 6 the argument was made that policy and operations were inseparable to the degree that policy responsibility must be vested in the same officials who were responsible for day-to-day operations. By contrast, the emphasis in plan No. 7 is on a separation of policy responsibility from operational functions.

The same split philosophy is revealed again this year. The military assistance prorgams now have been clearly made the responsibility of the Department of Defense. However, the FOA continues to administer the nonmilitary aid programs, even though they are just as much a part of our foreign policy as military assistance is a part of our defense policy.

There is no reason why the State Department could not handle operating programs as does the Defense Department. I cannot subscribe to the philosophy that foreign policy can be made only in an ivory tower insulated from contact with the programs which carry out that foreign policy. It is, as I have mentioned before, extremely wasteful in concept because it necessitates duplication of functions both here in Washington and abroad. Beyond this, it prevents an integrated policy and program. It is entirely possible that the left hand frequently does not know what the right is doing.

I certainly agree with the President that the Department of State should develop and control foreign policy. However, I do not believe that this aim can be accomplished by taking away functions so intimately linked with foreign policy as foreign aid and the information program. I think this separation of policy and operations accounts for many of the complaints that the United States speaks, not with one, but with multiple voices abroad. How can we expect to have a unified, integrated foreign policy when the Secretary of State refuses to assume responsibility for foreign operations?

I believe further that the separation of policy and operations accounts for certain failures in our foreign policy. It partially accounts for the failure of our aid in Indochina. There, although we provided ample military and economic aid, it failed to prevent a Communist victory. In part, this may be because it was aid given in a political vacuum. Some of the materials which we supplied to Indochina now rest in part in Communist hands as a result of defections; some have been blown up by the retreating non-Communist forces. How many millions of dollars of aid paid for by the American people was wasted this way? Is this the result of aid insufficiently integrated with foreign policy?

Another example of the disastrous effects of the separation of policy and program in foreign affairs is the decreasing effectiveness of the point 4 program. Recently I have been very disturbed at the reports I have read and even situations which I have seen for myself which I attribute largely to point 4's location in FOA—reports that the point 4 program has lost its identity; that the core of the staff has been dismissed; that its humanitarian aspects have been buried by the cynics; that the program is becoming a single-agency operation, rather than a coordinated effort among various Government agencies; that the long-range character of the program has been sacrifices for immediate ends. Indeed, the executive branch this year in presenting its development-assistance program—a name to camouflage economic aid—stated that development assistance is required to make possible, or to accelerate, projects or activities of the point 4 type.

I would be more confident that the point 4 program, as is provided in the pending bill, and all our foreign-aid operations were supporting our foreign policy, if they were actually within the Department of State. The lines between policy and operation can never be distinctly drawn; and no amount of attempted coordination between FOA and the Department of State, no matter how well-intentioned, can substitute for actually making the two part of the same administrative structure. Is it necessary that the State Department administrative structure be duplicated by another administrative superstructure for an independent Foreign Operations Administration?

Not only could the Department of State administer the program more efficiently at the present time, but it would be in a much better position to terminate the programs when they should be terminated, on their own merits. The termination would work less hardship on the personnel of the FOA if they were within the Department of State, with opportunities for absorption into other activities.

President Eisenhower recently said that 79 percent of the new appropriation for foreign aid will be used for programs essentially of a military nature. However, as we know, a large amount of outright economic aid continues under the guise of such euphonisms as "direct forces support," "mutual defense support," and "development assistance." Much of this is really economic assistance given what the FOA probably believes are more palatable names. Administration of this assistance forms the major responsibility of the Foreign Operations Administration. If it ceases or is severely curbed, as it soon must be, the agency's functions for all practical purposes would come to an end.

There would remain only the small-scale, long-range programs, such as point 4, which are housed in FOA. Would point 4 then be used as a justification for continuing FOA as an independent agency? Would the tendency be to expand this program into a massive operation, independent of foreign policy considerations, in order to retain the agency?

If all of FOA's functions were housed in the Departments of State and Defense where they should be, then the temporary programs could be ended without disrupting the whole department, without working a shocking hardship on the personnel involved. Moreover, sound long-range programs like point 4 would not be jeopardized by obscuring them in temporary programs which until the administration changed its mind last year everyone seemed to agree should go.

If we do not take these necessary organizational steps to bring our foreign-aid programs to an end in an orderly way, we may, Mr. President, be confronted with a decision to bring an end to them with no adequate preparation, undoing much of the good which has been done to date. As of June 30, the committee report notes an estimated unexpended balance of over $9.7 billion. Let me repeat that figure—an estimated unexpended balance of over $9.7 billion.

Thus, without additional appropriations, there would be almost three times, three times this year's requested appropriation available for liquidation in accordance with last year's bill.

If we add to this figure of $9.7 billion the $3.1 billion authorized by the pending bill, there will be a grand total of $12.8 billion available to spend. If the program is terminated over the next 3 years, in the case of military assistance, and the next 2 years, in the case of economic assistance, as provided in the present bill, over $4 billion will be available each year for expenditure. Even if one considers only the unobligated carryover of $2.6 billion, plus the $3.1 billion of new money, the total of $5.7 billion would need to be obligated at the rate of nearly $2 billion annually to be exhausted at the end of 3 years.

I know the arguments against this reasoning—that the unobligated funds have been programed and other nations expect the assistance.

What I say is that we must have the kind of administration of these programs that will think of them as something temporary and to be terminated the instant our national interest requires. Unless we can have that kind of assurance, and we cannot, in my opinion, have such assurance as long as FOA continues, it becomes necessary to fix a legislative termination date for the programs.

That is what this legislation does.

Mr. President, when the Committee on Foreign Relations considered the bill now before us, I offered two amendments for consideration. One of those amendments concerning the termination of foreign-aid programs was adopted. Since its adoption there have been a good many questions raised as to its purpose. There have also been intimations that I did not know what I was doing in submitting the amendment and suggesting that members of the committee

had something put over on them. I am sure that a vigorous effort will be made in conference to delete my amendment or to have the conference report interpret it out of existence.

So there may be no doubt as to what the amendment does and so that it may be clear what the amendment is designed to do, I propose to discuss it briefly.

According to figures supplied by the Department of Commerce, this Government has since the war given about $34 billion of aid to foreign countries. For the most part this aid has been administered by independent agencies of the Government which, in the initial stages, at least, were viewed as temporary agencies. But as time has gone on these agencies have tended more and more to assume a permanent character.

While it is true that the Economic Cooperation Administration was abolished, it was succeeded forthwith by the Mutual Security Agency. Most of the same people were in the same jobs, in the same buildings, at the same desks, and with the same telephone numbers. In time, the Mutual Security Agency gave way to the Foreign Operations Administration. Under Reorganization Plan No. 7 of last year, the FOA was given some permanent-type programs, such as the technical assistance program, to operate.

What has been happening gradually is that temporary agencies are giving way to permanent agencies, emergency programs are becoming permanent programs—in short, the philosophy is gradually being developed that foreign aid is something we must always have with us, like the post office, or the Department of Agriculture.

Members of Congress have been worried by this process. Their concern, it seems to me, has had two interrelated aspects.

First. They have felt that the continuation of an independent agency for the operation of foreign aid programs makes it difficult to stop foreign aid when it is not necessary. The psychology of an independent agency such as FOA is almost automatically to think in terms of the foreign aid to be recommended each year. It does not ask whether foreign aid is necessary. The agency is concerned rather with where foreign aid is to go, and how much. It is not likely to approach the job of programing foreign aid for country X by asking if aid is necessary. It is more likely to decide that country X should have aid because country Y is already getting aid.

The first concern of many Members of Congress, it seems to me then, is how to get rid of the idea that there must be an independent agency for permanent foreign-aid programs.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SYMINGTON. I am sorry I was not present during the first part of this discussion, but I read the statement of the distinguished Senator from Montana with great interest.

Does he not believe that, rather than create new agencies to handle problems that are not being well handled by old agencies, it is better to straighten out the problems of administration and organization in the old agencies and have them handle it?

Mr. MANSFIELD. That is my idea exactly.

Mr. SYMINGTON. Mr. President, I note in a report which the distinguished senior Senator from New Hampshire [Mr. BRIDGES] and I made after a recent trip abroad, that we said that it came to the attention of the subcommittee that at one time there were 4 American representatives in Paris with the rank of ambassador.

Mr. President, that may have been a mistake, because some persons said there were five. In any case, I should like to ask my distinguished colleague if he does not think that this dissemination of authority and responsibility in the various countries abroad tends to create red tape and bureaucratic inefficiency as against consolidating it into relatively few hands?

Mr. MANSFIELD. There is no question about what the distinguished Senator from Missouri has just said. I agree with him entirely.

I should like to say there were 5 ambassadors, including our Ambassador to France, in Paris, and in addition there were 19 ministers attached to the Mutual Security Agency. I think this administration is entitled to much credit for getting rid of that excess baggage and bringing back this agency to where it belongs; but, in my opinion, it should go further and abolish the FOA, and the functions which must be continued, should be continued in the Departments of State and Defense.

Mr. SYMINGTON. Mr. President, I should like to ask my distinguished colleague one other question.

In the hearings which have been held before the Armed Services Committee, the details of which I shall not go into, because they were executive hearings, nevertheless there were some implications from representatives of the administration that the purpose of the proposal of the distinguished Senator from Montana had to do, in effect, with the reduction or the elimination of foreign aid.

It is my understanding that the basic purpose of the position taken by my distinguished colleague has to do with structural reorganization in order to have better functioning as against the reduction or elimination of foreign aid. Am I correct in that understanding?

Mr. MANSFIELD. The Senator is absolutely correct. It is my purpose to bring about an elimination of duplication and overlapping of costs. It is also my purpose to place in the hands of the President responsibility, through the Departments of Defense and State, to do whatever may be necessary to achieve foreign policy objectives. Therefore I believe the aid program can be reduced tremendously, and at the same time it can be used more effectively in furthering our foreign policy.

Mr. SYMINGTON. Mr. President, if I may interrupt the distinguished Senator from Montana again, as I understand, he believes that we could reorganize and streamline—as could be done in a business, for example—the whole foreign aid structure, and in that way we could reduce the amount of money foreign aid is costing the American taxpayer, while at the same time increasing our military protection abroad. In other words, we could get more for our dollars in foreign aid. Am I correct?

Mr. MANSFIELD. The Senator is absolutely correct. Let me cite some figures. On the basis of the report issued by the House Committee on Appropriations last week, I have before me an item relative to what is called June buying on the part of FOA, which indicates that buying is speeded up in the last month of each fiscal year, in order to get rid of funds.

As a basis of comparison I call attention to the fact that in July of last year a total of $50 million was spent by FOA for military and economic and technical assistance, whereas the total in June this year, the last month of the fiscal year just past, the total, as compared with $50 million in July of last year, was $1,179,000,000.

What they do is get the funds. While we are talking about raising the debt ceiling and balancing the budget and reducing taxes, and they have $12 billion to play with, and they hold their buying up until the end of the fiscal year, and then they make a big splurge. I suppose they have an explanation for it, but I would rather get the explanation from a permanent agency than from an agency that is supposed to be temporary.

Mr. SYMINGTON. I thank the distinguished Senator from Montana for yielding to me, and I am very much impressed with his logical and detailed presentation with respect to the importance of reducing the number of agencies, and increasing the efficiency of the agencies that are left.

Mr. MANSFIELD. The Senator from Missouri, as always, is most kind and considerate.

The second concern of many Members is that the executive branch of the Government as a whole seems to have accepted the idea that foreign aid will always be with us. There is a belief that there is no alternative to foreign aid. There may be talk about trade, not aid, but fundamentally the belief persists that there is no alternative to continuation of big aid programs for many, many years.

During hearings on this aid bill I pursued this question with Mr. Dulles and with Mr. Stassen. Both of them, as I have indicated, took the position that foreign aid must continue into the indefinite future. I took the position not only last year but I take it this year as well.

Mr. President, the more fundamental of these two concerns of Members of Congress, is that the philosophy of continuous, unending foreign aid is becoming engrafted upon our Government. The independent agency which tends to become permanent is a sympton of this situation, not a primary cause.

Last year the Senate adopted an amendment which I proposed setting June 30, 1954—29 days ago—as the time when authority conferred by the Mutual Security Act should expire, except insofar as powers might be continued for purposes of liquidating the programs. It was specified that liquidation of the military programs would need to occur within 36 months, the economic programs within 24 months.

Despite the explicit language of the amended provisions, the administration proceeded as if the words of the law did not mean what they said. They seemed to assume that somehow the Congress did not know what it was doing. The Foreign Operations Administration continued in business as if nothing was meant by the language. The President gave the FOA new operating responsibilities of a permanent character. And this year, the FOA came back to Congress proposing that most of the same programs be continued on the same basis, except that there should be no termination date fixed for the programs.

Mr. President, I had under consideration two amendments to present to the Committee on Foreign Relations. The first amendment simply provided that the Foreign Operations Administration should be abolished as of December 31, 1954—roughly 5 months from now. I hoped, by pressing for this amendment, to eliminate an important symptom of foreign-aid psychology. It was my thought that if FOA were abolished, we might anticipate that the Departments of State and Defense would approach the problem of foreign aid, not as if it were a permanent part of Government operations, but rather as something special, to be relied on in special circumstances and to meet specific needs.

There were objections to that amendment. Five months was believed to be too short a period to terminate FOA despite the fact that the legislation last year fixed June 30, 1954, as the date when aid programs were to terminate—thus making the independent agency of FOA unnecessary.

I decided then that I should offer my second amendment, reestablishing a date for termination of foreign aid, a year later than the date fixed last year. The amendment I presented was adopted. By shortening the military aid termination period from 36 to 24 months, and the economic aid termination period from 24 months to 12 months, I believe expression is still given to the language in last year's bill.

Mr. President, a good many people have come around to me and said: "You don't really mean that military and economic asistance are to end, do you? What you really want is to abolish FOA and have military-aid programs administered by the Defense Department and economic-aid programs to be administered by the State Department."

As clearly as I can set it forth, Mr. President, here is what I want, and what I believe the amendment provides:

First, except for technical assistance and a few other programs, foreign aid is to end as of next June 30. The amendment belies the proposition that military and economic foreign-aid programs are a permanent part of the foreign policy of this Nation.

Second, the amendment makes it reasonable to expect that the President will take immediate steps to abolish FOA as an independent agency of this Government and transfer its residual functions elsewhere, because, there being no foreign military and economic aid programs authorized beyond next June 30, there will be no need for such an agency.

Third, if there is a need next year for any additional military aid to selected countries, it would be logical to expect that the Department of Defense, in cooperation with the Department of State for its guidance in the foreign policy implications of such aid, would present specific, limited military assistance programs to the Congress.

Fourth, if there is need next year for any additional economic-type assistance programs to selected countries, the Department of State would present such programs to the Congress for its consideration.

Finally, Mr. President, this amendment makes it clear that the technical cooperation program—point 4—is to be administered by the Department of State. That program, under the terms of the amendment, has a long-term license—or at least, a no-term license as of now—to continue operations to the extent authorized by annual appropriations.

Mr. President, I anticipate that next year the Congress will give careful attention and consideration to any recommendations the President may make with respect to specific foreign military aid requests and requests for economic assistance to foreign countries in special cases.

I hope that the executive branch of the Government will get the idea from our action this year, however, that Congress and the American people cannot accept the concept that foreign aid is a permanent part of the foreign or military policy of this Nation.

Mr. GILLETTE. Mr. President, I wish to compliment my distinguished colleagues, both members of the Foreign Relations Committee, who have spoken today, and to say that I know they have contributed much to the discussion of the matter that is before the Senate.

I am going to vote against this bill. I do not know whether any other Senator is going to vote against it or not, but my vote shall be cast against it. I am not so naive as to believe that anything I may say will influence the vote of any Senator. Neither am I intending to try to influence any Senator's vote. I merely feel that it is my duty to make a statement as to the reasons which impel me to vote against this measure when it comes to a vote in the United States Senate.

It is not my intention, Mr. President, to use the Senate's time in detailed discussion of this pending measure and the many ramifications of the projected aid. This bill is misnamed the Mutual Security Act of 1954. That title is a euphemism for a military foreign aid program designed to authorize the reappropriation of $9,700,000,000 of unexpended balances heretofore appropriated for foreign aid, including more than $2,100,000,000 of this amount which is unobligated, and to add to this monumental authority the authorization for the appropriation of $3,100,000,000 of additional dollars of the money of the American people to be poured down the apparently bottomless drain of American resources into purposes and places that can best be described now as points of no return.

It is axiomatic to say that these dollars must come out of revenue raised by tax levies on our people currently, or be passed on to our children and generations of their children in the form of an unmanageable and unpayable public debt; this debt, in its turn, to hang like a Damocles sword over the Nation's economy, forcing it to struggle against the temptation to wipe out the debt through the device of ruinous inflation.

Oh, I realize, Mr. President, that many of my colleagues will say, "Why, Mr. Senator from Iowa, do you take the time of the Senate to restate what has been said over and over again, and restate facts with which we are fully familiar? What alternatives do you propose? What other recourse do we have? Where in the free world of associated nations is there a country with a surplus of resources from which can be financed the struggle of free people to avoid being engulfed by a tidal wave of communism?"

I want to ask a question by way of reply to these queries and related to our present leadership in the free world financial stability.

Granting that we alone of the free world nations have the surplus of resources in sufficient and usable amounts, to finance the struggle against Communist domination, of what value will be the Nation's leadership when we reach the inevitable time when we will be sighting, or even scraping, the bottom of the barrel of the resources of the American people?

Mr. President, if there was the slightest reason to hope that this bill would represent the end to the vast outpouring of the Nation's resources, there might be at least a semblance of justification for its passage. But every Senator knows that each and every time one of these foreign aid bills has been before the Senate for approval, Senator after Senator on both sides of the political aisle has risen to state that, much as he deplores the legislation, he would go along this one time but never again, never again.

I have heard many Senators stand on this floor in the discussion of previous foreign aid bills and make this statement in various forms. "I am going to vote for this measure under protest but it is the last time that I am going to vote for such expenditures." Well, here it is again, Mr. President, and not one single witness before the Senate Committee on Foreign Relations, from the State Department, from the Defense Department, from the FOA, or any other agency,

would hazard any guess whatever as to when there would be an end of the supposed need for a continuation of our spending billions of dollars in so-called foreign aid. And not one, Mr. President, even dared hazard a hope that the end would soon be in sight.

Mr. President, there are only two ways of balancing either an individual or a national budget and wiping out existing debt—either find ways to raise additional revenue, or curtail the expenditures that are continually building up the deficit.

Mr. President, I wish to refer to some of the historical background on which this legislation is based. On the 5th day of June 1947, a great American, our former Secretary of State, George Catlett Marshall, at the commencement exercises of Harvard University, made these statements:

> Europe's requirements for the next 3 or 4 years, of foreign food and other essential products, principally from America, are so much greater than her ability to pay, that she must have substantial additional help or face economic, social and political deterioration of a very grave character. The consequences to the economy should be apparent to all. It is logical that the United States should do whatever it is able to do to assist in the return of economic health to the world, without which there could be no political stability and no assured peace. Our policy is not directed against any country or doctrine, but against hunger, poverty, desperation and chaos. And an essential part of any successful action on the part of the United States is an understanding of the problem and the help to be applied. Political passion and prejudice should have no part whatever.

In November of the same year, 1947, Secretary Marshall, before a joint session of the Foreign Affairs Committees of the Congress, said in part:

> We have become involved in two wars which have had their origin in the European Continent. The free peoples of Europe have fought two wars to prevent the forcible destruction of their communities by a single great power. The need for our assistance in the European area is real and is urgent. To deny today our interest in their ability to defend their own heritage would be to disclaim the efforts and sacrifice of two generations of Americans.
>
> The war ended with the armies of the major allies meeting in the heart of the European community. The policies of three of them have been directed to the restoration of that European community. It is now clear that one power, the Soviet Union, does not for its own reason share this aim. The record of the endeavors of the United States to bring about a restoration of the European community is clear for all who wish to see.

Thus, Mr. President, the Marshall plan of 1947.

I am confident that the people of the United States in overwhelming number approved and endorsed the statements and purpose of the Marshall plan. But now, Mr. President, 7 years, 5 foreign bills, and $40 billion later, we have before us another bill to provide additional billions for what is called mutual security.

But any analysis of this bill will disclose little or no reference to the lofty purposes of the Marshall plan. The emphasis is on military preparation in areas extending three-fourths of the distance around the globe. One can search this bill from beginning to end and find few of its provisions referring in even remote degree to economic rehabilitation, Marshall plan aid, reestablishment of commercial or financial or productive stability—but abundant evidence will be apparent on every page of increased and extended commitment in geographical area and in dollar amounts to support an extension of military machines over 5 continents.

Now let us approach the present bill along another channel, the channel of the historic background of our international purposes and policies.

August 14, 1941: The President of the United States and the Prime Minister of Great Britain presented to the world the ringing statement of principles known as the Atlantic Charter and hailed by all the world as a charter for peace.

Listen to the eighth and closing pronouncement:

> We believe that all the nations of the world for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea and air armaments continue to be employed by nations that threaten or may threaten aggression outside their own areas, the disarmament of such nations is essential and we will aid and forward all practical measures which will lighten for peace-loving peoples the crushing burden of armaments.

January 3, 1942: Twenty-six nations, including our own, issued a joint declaration subscribing to the declaration of principles known as the Atlantic Charter. These are the principles that I have just quoted.

September 21, 1943: The House of Representatives passed the Fulbright resolution providing that they favor "the creation of appropriate international machinery with power adequate to establish and maintain a just and lasting peace among the nations of the world and the participation of the United States therein through its constitutional processes."

November 1, 1943: The United States, the United Kingdom, the U. S. S. R., and China declared:

> That they recognize the necessity of establishing at the earliest possible date a general international organization based on the sovereign equality of all peace-loving states and to bring about a practicable general agreement with respect to the regulation of armaments in the postwar period.

November 5, 1943: The Senate of the United States passed the Connally resolution which provided that the Senate "recognizes the necessity of there being established at the earliest practicable date a general international organization for the maintenance of international peace and security."

June 26, 1945: The United Nations Charter declared its purpose to be to maintain international peace and security and to take collective measures for the prevention and removal of threats to world peace and to refrain from the threat or use of force against the territorial integrity or political independence of any state or in any other manner take action inconsistent with the principles of the charter.

June 11, 1948: The Senate of the United States passed the Vandenberg resolution reaffirming the policy of the United States to achieve international peace and security so that armed force shall not be used except in the common interest of the United Nations and that maximum efforts to obtain agreement among member nations for reduction of armaments be taken with adequate and dependable guaranties against violation.

I shall not use the time of the Senate to discuss the Truman doctrine of 1947, or the Greek and Turkish relief legislation, or the European Recovery Act of 1948, except to quote from President Truman's message of December 19, 1947, to the effect that our purpose was to minimize the financial cost to the United States of foreign aid and at the same time to avoid "imposing on the European countries financial burdens which they could not carry in the long run."

In the same document, he warned of the necessity to be careful to conserve the physical resources of the United States and minimize the impact of foreign aid on our Nation's economy. President Truman, in his message, said that while the burden on the American people should not be ignored, it should not be exaggerated and should be kept well within our resources, for us to safely meet the demands and to bear in mind that such demands could not be supplied indefinitely and to be assured that the demands on our people would rapidly decrease.

April 3, 1948: We passed the Foreign Assistance Act of 1948 "to promote world peace and our national interest through economic, financial and other measures necessary to the maintenance of conditions abroad in which free instiutions may survive and be consistent with the maintenance of the economic strength and stability of the United States. This measure decleared its purpose to be "the furnishing of material and financial assistance abroad in such manner as to aid them through their own individual and concerted efforts to become independent of outside assistance through the operations under this title."

Now let me rapidly refer to the China Aid Act of 1948, the Far Eastern Assistance Act of 1949, the Act for International Development, the Palestine Refugee Act of 1950, the Famine Relief Act of 1953, the Pakistan Wheat Act of 1953, the Refugee Relief Act of 1953, and so on and so on. Most of these acts were, in my opinion, justified, but they added to the drain on the American taxpayers which was inherent in the foreign aid policies which we had theretofore adopted.

But I wish to call attention to the rapid transmutation of our purposes and policies from relief, rehabilitation, and economic stability abroad to the declared purpose of building purely military strength in other countries of the world.

Now listen to the purposes of foreign-aid legislation as set out in our legislation of the past few years as distinguished from our protestations of

purpose in the legislation which I have cited earlier in this talk.

The Mutual Defense Assistance Act of 1949 declared that while we still believe that armed force should not be used in the common interest for world peace under the United Nations Charter, yet "additional measures based on mutual aid should take the form of military assistance essential to enable the United States and other nations dedicated to the principles of the United Nations Charter to defend these principles and to continue to exert maximum efforts to provide the United Nations with the armed forces contemplated by the charter provisions."

The Mutual Security Act of 1951 reaffirmed these purposes but added that we particularly had in mind "authorizing military, economic, and technical assistance to friendly countries to strengthen mutual security of the free world." Let us keep in mind the rapidly changing emphasis from economic and technical aid, from the Marshall-plan aid, from relief and rehabilitation programs, to the accenting of military aid as the chief and foremost objective of the aid programs.

Also, a relatively new factor appeared, which I shall refer to more at length later in this talk, the factor that while assigning aid for certain areas and purposes, the legislation empowered the President to transfer certain percentages of authorization to other purposes and to other areas.

June 20, 1952: We enacted the Mutual Security Act of 1952.

June 16, 1953: We approved the Mutual Security Act of 1953.

Now we have before us the Mutual Security Act of 1954. Here again is the reaffirmation of formerly stated purposes, but with a transfer of emphasis from the European area to the Asian area; and there reappears, with additional emphasis, the purpose to furnish military aid not only to friendly nations but also to international organizations at the President's sole discretion, without the faintest guidance or limitation of the discretion of the President, excepting the general objective of promoting the foreign policy, security, and general welfare of the United States.

What foreign policy, Mr. President? What type of security, Mr. President? What type of general welfare, Mr. President?

Do these words deal with the domestic or international welfare? The military welfare? The financial, commercial, industrial, or economic welfare? Not a line or a word of guidance to the President in the handling of these immense funds, except the language I have just quoted from this bill: "promoting the foreign policy, security, and general welfare of the United States."

Mr. President, I have reviewed some of the historical background of our foreign-aid programs, not alone to call attention to the changes in purpose, changes in areas and changes in emphasis on use of the funds, but to point to the grand total of the results of these programs. Gross foreign aid which we have furnished or authorized from July 1, 1940, to December 31, 1953, is the unbelievable sum of $118,500,000,000 from the resources of the American people; $49.2 billion of this amount pertained to World War II.

We have received in return from reverse and return grants and repayments from July 1, 1946, to December 31, 1952, $12,400,000,000 leaving a net expenditure in foreign aid of $106,100,000,000 to which we now propose to add $3,100,000,000 more.

Mr. President, when I tell the people of my State of Iowa of these figures, and they ask of me what this expenditure of over 100 billion of their dollars bought for them and their country, and I reply that it bought time to build up free world dikes against the flood of communism, where will I tell them that these dikes have been constructed? What will I tell them as to how effective these dikes have been or will be? Outside of South Korea where, with 140,000 American casualties and with no help from the great majority of the United Nations signatories, we threw back a tidal wave of aggression of Communist hordes, what areas have we recovered from Communist dominance?

Have we effectively cemented into more integrated solidarity and friendship the nations of the world that are still free?

What surcease can we hope for from this continued drain on the American people which now takes the form of emphasis on military alliances that never have and never will last any longer than the crumbling of the cement of fear which originally brought them together?

Is there no longer merit in the lofty purposes of world cooperative efforts for peace? Outside of the strong, clear voice of Ambassador Cabot Lodge, seldom indeed do we see or hear any reference to the United Nations and its machinery in connection with our foreign policies now or in the future.

I am fully cognizant of the repeated statements that the Soviet Embassy will not allow us to use United Nations machinery; but I have scant patience with such pronouncements, until we ourselves have made every effort open to us to use to its fullest value and extend the organization that, however inadequate, represents the highest point yet attained by civilized men in their efforts to bring peace and permanent peace into the world.

Mr. President, I shall now refer to two particular provisions of the pending bill to which I strenuously object. I shall be brief because I have learned, from previous experience with my colleagues of the Senate Foreign Relations Committee, that no one of my colleagues on that committee is in agreement with me, and it is not reasonable to expect that I could, by a prolonged discussion, influence a single vote on the Senate floor in presenting my objections to the transferability provisions of the proposed legislation.

Witnesses who appeared before us in committee from the executive department, all of my colleagues on the Senate Foreign Relations Committee, and the members of the House Foreign Affairs Committee—each and all insist that these transferability provisions bring a flexibility to the act and its uses which is essential to the proper use of the funds which are authorized.

Those persons argue that the world picture of aggression and threatened aggression, war and threatened war, is changing with kaleidescopic rapidity, and that we must not place the executive department in a straitjacket by compelling the President to spend these funds in areas and in amounts strictly defined by the bill. They assert that funds designed for certain purposes might well become unnecessary and unneeded for those purposes and greatly in demand somewhere else. They say that such changes in need might well develop while the Congress was not in session, and great possible harm might result from the inability of the President to act expeditiously in transferring the funds for use in other threatened areas.

I admit a measure of logic in this argument, Mr. President, but to my mind these conclusions are not tenable after analysis.

From the very beginning of democratic representative government as we know it, every safeguard in both written and unwritten constitutions has been placed around the power to levy taxes on the people, to raise and support armies, and to authorize the withdrawal of funds from the Public Treasury. Without exception, these powers were and are strictly limited to the public servants and officials who were and are closest and most immediately answerable to the people whose wealth and resources are being officially commandeered.

Let us keep in mind, Mr. President, some of these sound pronouncements of our own Constitution.

The very first sentence of the American Constitution states that all legislative powers shall be vested in the Congress of the United States, and throughout this great document appear such provisions as the following:

All bills for raising revenue shall originate in the House of Representatives, but the Senate may propose or concur in amendments after the House has acted.

The Congress shall have the sole power to lay and collect taxes, duties, imposts, and excises and to pay the debts of the United States.

The Congress shall have the power to borrow money on the credit of the United States.

The Congress shall have the power to define and punish offenses against the law of nations.

The Congress shall have the power to declare war and to raise and support armies. The Congress shall have the power to maintain and provide a navy.

The Congress must be sure that no money for the raising and supporting of armies shall be appropriated for a longer period than 2 years.

The Congress shall have the power to make rules for the government of the land and naval forces, and to provide for organizing and arming the militia, and for governing such part of these as may be employed in the service of the United States.

No direct capitation or similar tax shall be laid excepting on the basis of population census, and no money of any kind shall be drawn from the Treasury of the United States but in consequence of appropriations made by law, and a regular statement of such expenditures of public money shall be published, and the Congress shall have the sole power of disposing of the property of the United States.

As against this long list of securities thrown around the exercise of legislative power to dispose of the property of the people, particularly for military uses, there is only one provision in the entire document pertaining to the executive department in this connection, in the statement that the President shall be Commander in Chief of the Army and the Navy of the United States and the militia when called into actual service of the United States.

Pursuant to those various constitutional mandates, the legislative branch of our Government has evolved certain procedures for the appropriation of money from the Public Treasury. Departments and agencies prepare their respective budget estimates for a fiscal period. These estimates are detailed as to purpose, use, and time of availability. From these various budgetary estimates the problem passes through the Budget Bureau, the Office of the President of the United States, the various authorization committees of the Congress, and the congressional appropriation committees. The various sums are made available for specific uses.

Why all this careful study and preparation for appropriation of money if the money is to be made available in a lump sum, to be used at the discretion of some executive agent?

Listen to the language of this bill. Section 106 (d) reads:

> Whenever the President determines it to be necessary for the purposes of this title, equipment, materials, and services of a value not to exceed 15 percent of the sum of (1) that portion of the unexpended balances referred to in section 103 (a) plus $1,265,300,000 (with certain minor exceptions) may be furnished in some other area or areas.

Section 501 (a) of the bill provides:

> Whenever the President determines it to be necessary for the purposes of this act, not to exceed 10 percent of the funds available under any of the first 3 chapters of title I, title II, title III, or title IV may be transferred for the purpose of furnishing assistance of any of the kinds authorized under any other such chapter or title and may be consolidated with any appropriation available under the chapter or title to which such funds are transferred. * * *
>
> (b) Whenever the President determines it to be necessary for the purposes of this act, not to exceed 10 percent of the funds available under any section of chapters 2 and 3 of title I, or any section of title II, title III, or title IV, may be transferred from such section to any other section of the same chapter or title or from any geographical subdivision to any other geographical subdivision of the same section, and may be consolidated with any appropriation available under the section or for the geographical subdivision to which such funds are transferred.

What do these provisions mean? They mean that within the percentage limitation and pertaining to the major portion of the $9,700,000,000 of unexpended balances, plus the $3,100,000,000 of additional funds provided by this bill, the President, in his own discretion and on his own motion, in the language of the committee report found on page 6 "is given general authority to transfer up to 10 percent of the funds made available for any purpose to any other purpose and from one area to any other area for the same purpose and up to 15 percent of the funds for military assistance may be transferred from one area to another."

Is this procedure a proper exemplification of our responsibility as a legislative body under the Constitution? Have we the moral or legal right to abdicate, renounce, and shirk the duty we swore to perform? Why, Mr. President, under these attempts to remove the responsibility from our shoulders to the shoulders of the President we have authorized and given preapproval to such incidents as this one; after hearing painstaking testimony last year on the need for funds in the Indochina area, and after carefully sifting the need, we authorized the appropriation of $400 million for that area, but the President added $375 million under his then transfer authority and added to these sums end items already fabricated to bring the total aid for that area to well over the sum of $1 billion, or more than 2½ times the sum of money that we had considered essential.

A statement published by the news services within the past few days estimates the cost of the Indochina conflict as $8,152,000,000, of which it was stated that France, during the nearly 8-year period of her conflict there, paid $4,771,000,000; and the United States, during the last 3 years of the 8-year period furnished $2,997,000,000, or well over one-third of the total sum expended throughout the 8-year war.

Mr. President, do we recall authorizing it? Do we recall authorizing that $3 billion of our funds be spent by France in that area? When did we do it, Mr. President? How did we do it? Why did we do it?

We made certain sums available.

Now I wish to refer to the hearings, on page 30:

> Senator GILLETTE. That statement which I quoted, and on which you have just commented, seemed a bit inconsistent with your statement on page 7 in which you said:
>
> "We have provided a great part of the military materiel needed by the French Union forces and the national armies of Cambodia, Laos, and Vietnam. We have agreed to finance most of the cost of the fight to maintain the freedom of the Associated States."
>
> When did we make that commitment, who made it and under what authority did we become obligated to carrying the cost or most of the cost of the maintenance of peace in that area?
>
> Secretary DULLES. * * *
>
> Now, with respect to the authority that you refer to, that authority is contained in the present law which appropriated $400 million to France for this purpose, and then there has been supplemented by use of the flexible transfer provisions—

They are the ones I have just quoted—on the basis of consultation with the Appropriations Committees of both Houses of Congress.

> It was already in the law, but the administration did not want to use those provisions in that respect without the knowledge and approval of the Appropriations Committee, so that was sought and obtained.
>
> Senator GILLETTE. With making available $400 million of aid in that area, the flexibility clause transferring an additional $385 million and the utilization also of end items, the help was carried to well over a billion dollars? Was all of this aid channeled through France?
>
> Secretary DULLES. Yes; it was all delivered to France, or the military end items were delivered to the French commanders in Indochina.

That is what we poured into that area under the last mutual security bill we passed—over one billion dollars, four hundred million of which was determined by the Foreign Relations Committee and by the Senate of the United States and by the House of Representatives of the United States as being essential to the security of the free world in that area. But it became one-billion-dollars-plus; and now, under the statement I have just read as to the cost to us of that war, we find we have spent almost $3 billion in that area. Under what authorization, Mr. President? Was it under a specific authorization of need? No. The specific authorization showed the need, and then gave the right of transferability, that we, by abdicating our responsibility as Senators on this floor, have given to the President of the United States.

In the hearings, on the question of the authority, I asked both the Secretary of State, as I recall, and also the representatives of the Defense Department: "Suppose under this authority you take 15 percent, as you are authorized to do, and transfer it to another use or another area; and then, later, the President wants to take another 15 percent more and transfer it to another area and another use; and then the President decides he wants to take another slice of 15 percent and transfer it to another area and another use. Will he have the right to do that and continue to do it until there is nothing left to slice?"

The answer was, "Yes, Senator; under the provisions of the bill the President will have that right."

Mr. President, let us consider the committee report—an excellent report. There is no more pregnant or more forceful application of the argument that this transferability clause is needed than the situation in Indochina right now. The bill makes available an additional $800 million for use in the Indochina war. Not only has that war stopped—or we think it has stopped—but there is great concern over what is to become of the material we piled up in the past under the $3 billion of aid that we poured in there. What are we going to do with it? I read from page 44 of the committee report:

> Of the entire aid program for 1955 the largest single amount contemplated is that for Indochina for which a total authorization of $1,133 million was requested—approximately one-third of the entire mutual security program. The committee reduced the requested authorization for direct forces support from $800 million to $712 million. In the illustrative programs for Indochina, military assistance amounted to $308 mil-

lion, defense support to $21.5 million, and technical cooperation to $3.5 million.

The first point illustrated is this: I read the long list of enactments, from the Marshall-aid plan on down—relief, rehabilitation, building up economies, technical assistance for our allies who are going to cooperate with us. Now, in the Indochina area, under the bill, $800 million is to be made available, and of that amount $3,500,000 is to be for technical cooperation and 1 percent is proposed to be used for technical development. Now we find that what we have provided in the past is piled up there and we are trying to prevent it from falling into the hands of the Communists—into the hands of the forces that have taken over under a compact in which we did not participate. But our committee has said, "Do not worry about it in view of the uncertain and fluid conditions in the area. The fund of $712 million has been made available for use to meet United States objectives, not only in the Associated States but elsewhere in the western Pacific and southeastern Asia."

In the committee I asked, "What is the western Pacific? How is it defined and delimited? How is the area identified? What is the western Pacific in reference to which we are giving authority to transfer these funds? What is southeastern Asia? Is it Cambodia; is it Laos; is it Burma; is it Malaysia; is it Indonesia?"

But that is the authority and that is the report of our committee, and that is the transferability clause, to which I object most strenuously.

Mr. President, I am ready to vote—either in committee or on the floor—for the appropriation of the funds of the American people, in addition to the more than $100 billion we have poured into foreign aid. I am willing to vote if I know what it is for. I feel justified in so doing in protecting the interests of the people whom I, as a Senator, am sworn to protect. I do not want to load that responsibility on President Eisenhower, nor would I have loaded it on former President Truman, or any other President. The responsibility under the Constitution is mine, and I cannot evade it, and I am not going to evade it.

Take Indochina: There is a provision written into the bill with reference to this same matter. In this particular area, while we have spelled out in sections 141 and 142 certain guideposts the President must follow in exercising his discretion, we provide on page 94 that—

> Assistance under this section—

That is, to Indochina—

> shall be made available subject to the provisions of sections 141 and 142 except that in individual cases the President may waive specific provisions of section 142 to the extent he may deem necessary.

It is not a question of abuse of discretion. With reference to this particular area not only do we authorize the President to slice 15 percent here, 15 percent there, and then another 15 percent and transfer it to this area or that area, to this purpose or that purpose, but we have obliterated even the indefinite, the insignificant, the entirely undependable guidances laid down in the 11 specific guides which he must follow in using his discretion. In reference to this area, the southeast Asian area and the western Pacific—may the good Lord show us where it is—we have said he does not have to abide by those guideposts.

The Supreme Court has passed on this question. I am not criticizing either President Eisenhower or former President Truman for using authority which we gave to them in exercising their sovereign discretion as we told them they could do. I am not even suggesting that either of them has abused his discretion, but I am criticizing the Congress for placing that discretion within their power to exercise, and by so doing, shirking the responsibility that we, as Senators, should assume.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. GILLETTE. I am very glad to.

Mr. LANGER. In other words, the Senator from Iowa objects to the fact that Congress has abdicated its prerogatives in turning that discretion over to the President?

Mr. GILLETTE. Certainly, the Senator from North Dakota is correct.

At this minute there is not a Senator, there is not a House Member, there is not a member of the executive department who can tell us what they are going to do with the $800 million they may not use in the Indochina area, because of the changing conditions there.

What are they going to do with it? They can use it somewhere in the western Pacific or they can use it in southeastern Asia without any guideposts whatsoever.

I referred to the fact that under this bill they can slice 15 percent, then slice 15 percent more, then slice 15 percent more until there is nothing left to slice.

Mr. President, the question of the appropriation of money from the Federal Treasury, without detailed control, has been passed on by our Supreme Court. The general rule was laid down in *Cincinnati Soap Co.* against *United States* (301 U. S. 308). In that case the Court said:

> Appropriations and other acts of Congress are replete with instances of general appropriations of large amounts to be allotted and expended as directed by designated Government agencies. A striking and pertinent example is afforded by the act of June 17, 1901, where all moneys received from the sale and disposal of public lands in a large number of States and Territories were set aside as a special fund to be expended for the reclamation of arid and semiarid lands within these States and Territories. The expenditures are to be made under direction of the Secretary of the Interior upon such projects as he may determine to be practicable and advisable.

That is the language of the Court.

It will be noted that in this general rule certain funds derived from definite sources were to be placed in a special fund to be expended for a specific purpose, and in a special area.

It is true they were to be expended as the Secretary of the Interior deemed to be practicable and advisable, but the area of expenditure and the purpose of expenditure were clearly set out in the legislation.

Again, in *Bowles* against *Willingham* (32 U. S. 503, 1944), it was stated:

> Congress does not abdicate its functions when it describes what job must be done, who must do it and what the scope of his authority is.

That is the language of the Court; that is the pronouncement and finding of the Court.

In this present authorization of the expenditure of the billions and billions of the Nation's resources, Mr. President, and using the Court's own language, where are the specific uses and purposes of a special fund as described in Cincinnati Soap Co. against United States, and where are the descriptions of a specific job to be done and who must do it, and where is the limitation of the delegated authority which in the language of the Court, in Bowles against Willingham, would absolve the Congress from the charge of abdication of its responsibility?

Just one additional word with reference to that, Mr. President, and I will leave it: The Court, in 1940, in an opinion written by Mr. Justice Douglas, in United States against Bush & Co., used this language:

> It has long been held that where Congress has authorized a public officer to take some specified legislative action when in his judgment that action is necessary, or appropriate to carry out the policy of Congress, the judgment of the officer as to the existence of the facts calling for that action is not subject to review.

When in his judgment that action is predicated on certain facts, he shall have the discretion to determine the facts; not to determine if he is to spend the money, not to determine the purpose for which he is to spend it, but he has the discretion to determine the facts.

In the instant case, in this bill, there is not a single word from start to finish to guide the President. We even eliminated so far as Indochina area is concerned, and so far as the western Pacific is concerned the 11 guideposts which, dim as they are, were set up to indicate the direction in which he was to travel.

Mr. President, these are the three compelling reasons why I shall vote against this bill:

First. It almost completely abandons the concept of foreign aid for all purposes other than purposes of war and destruction.

Second. I cannot vote to continue with no end in sight the mountainous expenditures of the property of our people. However richly endowed we have been by the Architect of the Universe, there is a definite limit to the resources under our control. And the path we are traveling has one end and only one—national insolvency. And with national insolvency will come the end of the sound industrial economy that made possible our leadership in the free world.

Third. Having taken the oath as United States Senator, I shall perform the duties of a Senator as I understand those duties, and not try to escape those responsibilities by attempting to delegate the responsibility to another segment of the United States Government.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. LANGER. I wish to congratulate the distinguished Senator from Iowa for an outstanding and courageous speech. It is one which I very much wish every Senator on the floor would take to heart. It is one that every Senator should read and reread and reread time and time again. It is very easy to give away the people's money. How simple it is to turn billions of dollars over to someone to spend. But it takes a man of courage and stamina and a man who has in his heart the well-being of America to stand up the way the distinguished Senator from Iowa has stood up this morning; and the Senator from North Dakota holds out his hand to him and congratulates him and says to him, "Well done, thou good and faithful servant."

Mr. GILLETTE. I am very grateful, of course, for the kind words of the eminent Senator from North Dakota.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. SMITH of New Jersey. Am I correct in understanding that the Senator from Iowa said that when we take 15 percent and 15 percent and 15 percent, eventually the whole fund is transferred?

Mr. GILLETTE. That is correct.

Mr. SMITH of New Jersey. I do not agree at all with the Senator. The report of the committee, which goes into the history of the whole matter and states the opinion of the committee, does not bear out what the Senator from Iowa has stated. I refer to page 72 of the committee report, and I shall read the part that relates to the subject, in the hope that Members of the Senate will give some thought to this point. I read from page 72:

> Section 501 gives the President power to make other types of transfers. Subsection (a)—

Of course, one must understand the bill in order to understand what this statement in the report means. I have discussed the 15-percent transfer of military aid from one area to another. This refers to the titles.

> Subsection (a) empowers him to transfer up to 10 percent of the funds (including unexpended balances) in any one title or chapter to any other title or chapter. This means, for example, that he may transfer 10 percent of the funds appropriated for development assistance (title II) to technical cooperation (title III) or to direct-forces support (ch. 2 of title I).
>
> Subsection (b) gives him similar authority to transfer up to 10 percent of the funds (including unexpended balances) under any section of any title, with the exception of chapter 1 of title I, from one section to another within the same chapter or title. Subsection (b) also authorizes 10-percent transfers from one geographic subdivision to another within the same section. An example of such transactions would be a 10-percent transfer of defense-support amounts from Europe to the Near East and Africa.
>
> Rarely has the world been as unsettled as it is today. The committee, therefore, feels that the transferability provided in this bill is vitally needed by the President to enable him to meet new threats and changing conditions as the national security of the United States may demand.

I have read from page 72 of the committee report.

As was brought out in the testimony of our military officials and by the Secretary of State and by Governor Stassen—and I agree with them—it is impossible accurately to gage exactly what is needed in each one of those areas, and under each one of the titles. There must be some leeway given the President if he is to be able to handle the program effectively and if we are not to tie the President's hands and the hands of his aides by a strict provision of law.

The percentage is relatively small, but it does permit an adjustment by the President in working out the problems.

If the distinguished Senator wishes to have a further discussion of it, I shall be glad to discuss it. I understand that my distinguished friend from Arizona wanted to ask me some questions about it. I believe the original amount was $800 million, but the House has reduced it to $720 million. In any event, it is a large amount. However, it must be remembered that probably there has never been a more disturbed condition in the world than that now prevailing in the Far East.

When the program was originally discussed we thought it would contemplate aid to Indochina. Last year, as the Senator knows, we contributed to the building up of French equipment, and so on, in Indochina to the extent somewhere in the neighborhood of a billion dollars. I suppose that now it is apparent we lost in that undertaking, although the funds expended may have helped a great deal.

Of course, as the situation stands now, the Reds may move in some other direction. First they were in Korea and then in Indochina. We know they are mobilized along the Indochina border, and there may be an attack there. On the other hand they may move into Thailand or into Malaya, or they may contemplate a movement into the Philippines or into some other area. It is possible that they may move in the direction of Japan.

The program we have in mind is flexible enough so that the President and his advisers can have a certain amount of leeway. It is realized, of course, that he must have some leeway to deal with any critical situation that may arise.

Congress will not be in session until January. I am certain that if any crisis arises, and there is to be a shift in the funds, the President will come to Congress if a war should threaten.

I mention that fact, because I cannot agree with the Senator in his objection to having flexibility, because certainly we can trust the President, if we can trust anyone, in the military area, and he should be in a position to act quickly in handling the situation. Therefore, I wanted to make what may seem to be a correction in the Senator's statement.

Mr. GILLETTE. I may say, Mr. President, in reply to the statement made by the very able Senator from New Jersey, that no one holds him and his opinion and judgment in higher esteem than I do. Earlier in my remarks today I admitted that there was some logic and some plausibility in the demand for flexibility. I attempted to call attention to uncontrolled flexibility and the abdication of authority and responsibility by the legislative branch of the United States Government.

With reference to the question which the able Senator raised pertaining to the taking of a 15 percent slice, and then another 15 percent slice, although I have the hearings before me, I do not have the exact page which shows that the Senator from Iowa asked the witnesses if they interpreted the authority to mean that they could take a 15 percent slice and transfer it within the limitation, and then, after they had transferred it under that authority, take another 15 percent slice within the same limitation, and transfer it; and all the witnesses on the stand said, "I cannot answer it myself, but I will refer it to the representatives of the Defense Department." They said the President could undoubtedly do it as long as there were any funds left to transfer.

That, Mr. President, is not exercising the responsibility of the Congress of the United States under the constitutional limitation and authority placed within their hands.

I admit that there are occasions when some flexibility would be justified, but the situation to which the able Senator has alluded and to which I referred a while ago, in connection with which there was presented to us a clearcut case of the need for mutual security and of around $800 million in the Indochina area, now has changed.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. GILLETTE. Let me finish, please. There is no proposal by way of amendment presented by those in charge of the bill to the effect that, since that situation has changed and there is no need for that $100 million, that it should be set up as a separate fund for a specific purpose and the purpose set forth.

This has not been done. The Senator has said we do not know where the Communists are going to attack. They may attack Formosa, they may attack Thailand, they may attack Japan, they may attack Malaya, and we want it available to be used there. That is what I am objecting to. They may attack in Okinawa or New Guinea; they may attack in northern Australia. It is all the western Pacific, and, under the authority of the bill and under the report of the committee, all the fund could be used without any action on the part of the Congress or without any legislative authority. There would be complete discretion to use a fund which we said was to be used for a specific purpose. It is to that I am objecting.

Now I will be glad to yield to the able Senator from California [Mr. KNOWLAND].

Mr. KNOWLAND. Of course, I think it has been very clear from the inception that there was transferability within the title, and there was also transferability among the several titles in several areas. I think the committee thoroughly understood that, and that Congress thoroughly understands it. I

do not interpret that to mean that, once having made the transfer of, let us say, 10 percent or 15 percent, whatever the limitation may be, they could make it again and again and again until there were no funds left in the other title. I do not think that was the legislative intent or the congressional intent.

I think they are empowered, within the funds authorized and appropriated by the Congress, to make the transfer once up to the maximum provided by the Congress, and then within the sections to make the transfer, but not to do it to the point where there would be no funds left.

Mr. GILLETTE. May I ask the Senator from California a question?

Mr. KNOWLAND. Yes.

Mr. GILLETTE. Does the Senator know of any language in this bill that would prevent the repetitive slicing of these funds?

Mr. KNOWLAND. That was certainly not my understanding in the Foreign Relations Committee.

Mr. GILLETTE. I am sure it was not.

Mr. KNOWLAND. I say now, for the benefit of the legislative history of the bill, that I would be quite shocked if they attempted to exceed what I think is the clear congressional intent, that the transfers be made up to the limitation placed by the Congress, and not be duplicated time and time again, so, in effect, to exhaust the entire amount for the title.

If the situation ever becomes that serious, I would hope, under the circumstances, that the Congress would be called into session, if it were necessary to do that.

Mr. GILLETTE. I have such a deep respect, Mr. President, for the judgment of the able majority leader that I am sure that he reached no such conclusion as I have suggested; but the language of the bill so provides, and in the hearings, when that question was asked, witnesses said that in their opinion it could be done.

Mr. KNOWLAND. May I ask, it certainly is not the Senator's interpretation that the committee intended that it be done in that way?

Mr. GILLETTE. Certainly not. I repeat that I have confidence in the committee.

Mr. KNOWLAND. I think the point is important, and I certainly would want the executive department to be on notice as to what the committee's intent and the congressional intent was. Let me read from page 89, beginning at line 12, subsection (4) (d):

> Whenever the President determines it to be necessary for the purpose of this title, equipment, materials, and services of a value not to exceed 15 percent of the sum of (1) that portion of the unexpended balances referred to in section 103 (a) which was available on June 30, 1954, to furnish assistance in any of the areas named in subsection (c) of this section, and (2) the amount specified in the applicable paragraph of subsection (c) of this section for additional assistance in such area, may be furnished in any other such area or areas, notwithstanding the limitations set forth in section (c) of this section.

I interpret that as permitting transferability only up to 15 percent, and not a repetition of multiple 15 percent transfers.

Mr. GILLETTE. Mr. President, I may again say that I have such confidence in the Senator's judgment that I am sure that he reached no such conclusion, but the language of the bill and the inquiries I made, and which appear in the hearings, disclose the fact that there is no prohibition against it in the language of the bill and that the witness was of the opinion that the transfer of funds could be repeated.

Mr. KNOWLAND. The witness, I think, was mistaken, and, if there is any question about it, as a member of the Appropriations Committee, when that committee finally marks up the appropriations covering that phase of the foreign-aid bill and submits its report, while I cannot speak for the committee, I shall certainly recommend to the committee that they make it very clear in their report that there is to be only one transferability up to the 15 percent, and not multiple transferability.

Mr. GILLETTE. I thank the Senator.

Mr. KNOWLAND. Mr. President, I desire to submit a unanimous-consent request, which I have mentioned to the distinguished minority leader [Mr. JOHNSON], and also the chairman of the Committee on Foreign Relations, the distinguished Senator from Wisconsin [Mr. WILEY], and the distinguished Senator from New Jersey [Mr. SMITH], who are handling the bill at this time.

On page 82, beginning with line 20, and continuing on page 83 as far as line 6, the paragraph reads as follows:

> The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

I ask unanimous consent to have the committee amendment divided, so that there may be a separate yea-and-nay vote on that part of the committee amendment which I have just read. The amendment was adopted unanimously by the committee, but if it were not separated, there would be no separate vote on that particular part.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. I wish to serve notice that as to that particular part of the amendment which has now been separated, I shall ask for a yea-and-nay vote.

Mr. CAPEHART. Mr. President, I call up my amendment 7-28-54—C and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 133, lines 15 and 16, it is proposed to strike "$150,000,000" and insert "$750,000,000."

On page 133, line 22, strike "on such terms" and insert "for specific purposes on terms offering reasonable assurance of repayment."

The PRESIDING OFFICER. Does the Senator from California desire to have action taken now on the amendment offered by the Senator from Indiana?

Mr. KNOWLAND. I understand the distinguished Senator from Indiana has an engagement he wishes to keep, but I wish to suggest the absence of a quorum before a vote is had on the amendment.

Mr. CAPEHART. Mr. President, will the Senator withhold his suggestion of the absence of a quorum?

Mr. KNOWLAND. I will.

Mr. CAPEHART. Mr. President, I ask unanimous consent that I may be absent from attendance on the sessions of the Senate from 4 p. m. today until 4:30 p. m. tomorrow, for the reason that I am to receive an honorary degree from Rider University, at Trenton, N. J., where I am to make a commencement address at 11 o'clock tomorrow morning, the arrangements having been made some 4 or 5 months ago.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair wishes to call the attention of the Senator from Indiana to the fact that no action has as yet been taken on the amendment which he has had called up.

Mr. CAPEHART. Mr. President, does my amendment become the pending question?

The PRESIDING OFFICER. It is the pending question.

Mr. KNOWLAND. Mr. President, before suggesting the absence of a quorum, I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I offer an amendment, which I ask to have printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	McCarthy
Anderson	Gore	Millikin
Barrett	Green	Monroney
Bennett	Hayden	Morse
Bowring	Hendrickson	Mundt
Bricker	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Crippa	Kilgore	Smith, N. J.
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Duff	Lehman	Thye
Dworshak	Lennon	Upton
Ellender	Long	Watkins
Ervin	Magnuson	Welker
Ferguson	Malone	Wiley
Flanders	Mansfield	Williams
Fulbright	Martin	Young
George	Maybank	
Gillette	McCarran	

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The PRESIDING OFFICER (Mr. KUCHEL in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART] to the committee amendment on page 133, in lines 15, 16, and 22.

Mr. HUMPHREY. Mr. President, will the Senator from Indiana state the number of his amendment to the committee amendment?

Mr. CAPEHART. It is numbered "7-28-54—C."

Mr. HUMPHREY. I thank the Senator from Indiana.

Mr. CAPEHART. Mr. President, this amendment would increase the lending authority under the bill from $150 million to $750 million.

As the bill now stands, it authorizes loans up to $150 million through the Export-Import Bank. My amendment proposes to increase that amount to $750 million, which is one-half of the nonmilitary amount authorized by the bill. I think the time has come when we should stop giving away money, and should begin to lend it. I would have no objection if the $750 million—in the good judgment of the Administrator of the Foreign Operations Administration and the President—were loaned on terms as long as 50 years.

My point is that there is no excuse now for the taxpayers of the United States to give away more and more money. Any necessary assistance should be on a strictly loan basis.

Mr. DOUGLAS. Mr. President, will the Senator from Indiana yield for a question?

Mr. CAPEHART. I yield.

Mr. DOUGLAS. Is the Senator from Indiana proposing to diminish the grants under foreign operations by $600 million, to compensate for the increased loans of $600 million which he is now proposing?

Mr. CAPEHART. The bill as it now stands proposes to give away the $600 million. I am proposing that the $600 million be loaned, so that our taxpayers will have a chance, some of these days, to have that money returned to them.

Mr. DOUGLAS. But if my recollection of the amendment is correct, it merely proposes to increase the loaning authority by $600 million, but does not propose a corresponding decrease in the grants.

Mr. CAPEHART. I think the Senator from Illinois is mistaken. If he is not, then the ones whom I asked to prepare the amendment did not prepare it in the way I told them to. What I intended—and if the amendment does not do it, I wish to modify the amendment—is, not to increase the total of the bill, but simply to earmark an additional $600 million to be loaned, rather than to be given away. I think that is what the amendment does. Does the Senator from Illinois disagree?

Mr. DOUGLAS. I see no such provision in the amendment. It reads as follows:

On page 133, lines 15 and 16, strike "$150,000,000" and insert "$750,000,000."

There is the increase in the loan authority.

Then the amendment provides:

On page 133, line 22, strike "on such terms" and insert "for specific purposes on terms offering reasonable assurance of repayment."

So it seems to me the Senator from Indiana is proposing $600 million more of foreign aid.

Mr. CAPEHART. Mr. President, the able Senator from Illinois was never more in error in his life. That is not what my amendment does. I just explained that if the amendment is written to do that, I wish to modify it. Therefore, there is no justification for an outburst of protest that the amendment does do that.

Mr. DOUGLAS. I have not made an outburst at all; I merely have attempted to read the language of the amendment submitted by my good friend, the Senator from Indiana.

Mr. CAPEHART. The two experts sitting on my left tell me that the able Senator from Illinois is misconstruing the language of the amendment.

Mr. KNOWLAND. Mr. President, will the Senator from Indiana yield to me at this point?

Mr. CAPEHART. I yield.

Mr. KNOWLAND. While I am not prepared to support the amendment of the Senator from Indiana, yet I think the matter is covered in the following language, on page 133, beginning in line 12:

Of the funds made available pursuant to this act (other than funds made available pursuant to ch. 1 of title I) and foreign currencies accruing to the United States under section 402, the equivalent of not less than $150,000,000—

And so forth. As the committee amendment now reads, it calls for $150 million, whereas the amendment of the Senator from Indiana to the committee amendment would change the amount to $750 million. Therefore, I assume that provision keeps the amount within the total authorization; and to the extent that the amendment would increase the loan part, it would of necessity decrease the other part.

The PRESIDING OFFICER. Does the Senator from Indiana now propose to modify his amendment?

Mr. CAPEHART. No, Mr. President, I do not. It is not necessary.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. JOHNSTON of South Carolina. I do not think we should be worried over whether it is a gift, a loan, or whatnot; I do not think we shall get the money back, in any event.

I should like to give the Senator from Indiana a little information regarding how these countries stand at the present time, in terms of their performance on the funds they already have obtained from the United States.

Since World War I, certain countries are in default on loans made to them for that war, and yet we still furnish money for further loans through the Export-Import Bank. The figures are certainly enough to alarm us. Let me state what the detailed figures are at the present time:

Austria, $26,024,539.59.

Belgium, $570,107,077.66.

Finland, $7,286,040.18.

Mr. HUMPHREY. Mr. President, will the Senator from Indiana yield at this point?

Mr. CAPEHART. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I simply wish to say to my good friend, the Senator from South Carolina, that of all the countries in the world that have been a good credit risk and have shown not only their good intentions, but their good performance, in terms of debt repayment, and have set a standard around which all prudent and frugal men can rally, it is Finland.

Mr. JOHNSTON of South Carolina. Yes, and it should be noticed that Finland does not owe the United States very much, either.

Mr. HUMPHREY. That is true; Finland's record of performance is excellent.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

Mr. SMITH of New Jersey. As the Senator from Minnesota has done, I also wish to defend Finland, which has consistently paid every debt installment as it has come due, and has paid the interest. That is why we have established the Finnish scholarships, using the money that Finland has been repaying, with interest. I wish to make that point very clear.

Mr. JOHNSTON of South Carolina. Finland is better than any of the others. France owes us $5,280,785,801.87; Greece, $40,360,255.10; Italy—let us move on—she did pretty well; there is not much, only $2,107,012,659.34 coming to the United States.

Mr. HUMPHREY. Would the Senator agree that the Greeks have suffered a great deal, and that much of the money Greece has received has gone into her defense?

Mr. JOHNSTON of South Carolina. I am reading them all and giving the record of this payback.

Italy, $2,107,012,659.34.

Then we come to Poland, $363,822,784.20; Yugoslavia, $65,861,718.78, making a grand total those different countries owe us of $8,461,260,876.66.

But let me refer now to England. England has kept alive her arrears from World War I by paying the interest, and making a few curtailments of the principal. Notwithstanding this however, England owes us from those early loans a balance of $7,630,859,301.93. So I do not think we should worry whether we say the money is a loan or a gift or whatnot. I do not think we need expect

to get very much of it back. Is that not true?

Mr. CAPEHART. In other words, the able Senator's position is that we ought not to lend them any money.

Mr. JOHNSTON of South Carolina. I agree.

Mr. CAPEHART. I think it would be better to lend them the money and never get it back than simply give it away to them, because we, at least, put the transaction on a businesslike basis when we lend them the money; and when we give it away, make a gift of it, it is not on such a basis.

Mr. JOHNSTON of South Carolina. Is it not just fooling the people of the United States when we loan it? Some people may expect to get it back, but does the Senator?

Mr. CAPEHART. Of course, the able Senator knows that I have not yet gone in for any of that sort of thing. The Senator is talking to the wrong person.

Mr. JOHNSTON of South Carolina. I want to commend the Senator from Indiana for his past voting record.

Mr. CAPEHART. I have been against the method by which foreign-aid money has been handled from the very beginning. I have always thought that it should have been on the basis of loans rather than gifts, and that the loans should be on a good sound business basis. I am not so much concerned as to the number of years for repayment. I insist, however, that they do make some payments, and pay the interest. I think we would have more friends in the world today had we handled foreign aid on the basis of loans; had we handled it on the basis of just good common horse sense.

Mr. JOHNSTON of South Carolina. I agree with the Senator.

Mr. CAPEHART. We have shoveled money out in every direction on a "come and get it" principle, and this bill still has some of that in it.

The purpose of my amendment is to make sure that an additional $600 million of the authorization is loaned.

I know there are those—I heard the able Senator from Wisconsin yesterday talking about this money—who say that it comes back to us. The Senator says it helps business in Wisconsin, in Indiana, and throughout the United States. Well, it does, I presume, but it is like giving a man money and then saying to him, "Come back and buy something from me." That is what it amounts to. In other words, it is like saying to a man, "Here is $1,000; buy $1,000 worth or merchandise from me." Anyone who says otherwise simply does not understand economics or understand the way business operates. When $1,000 in foreign aid is given, the American taxpayers provide the $1,000.

The $1,000, of course, may come back to the United States and be spent here, but it is taken from the American people, and given to somebody in a foreign land.

So far as concerns employment, in Wisconsin and Indiana and other States the same thing could be accomplished by taking $1,000 from the American taxpayers and spending it on our own people here at home.

I am thoroughly convinced that we should change our foreign policy in respect to money matters. We should forget about giving it away. I am a great believer in foreign trade. I am a great believer in cooperating with foreign nations. In fact, we have recently passed a bill, of which I was the author, relating to the Export-Import Bank, increasing its lending capacity by $500 million, setting up a board of directors, and putting the bank in a position to lend more money to stimulate our international trade.

I want to get foreign aid on such a basis that the people of other nations can have some self-respect by once again paying their own way.

I have been all over the world, and I did not find other countries particularly appreciative of the fact that we were giving them money. They would like to borrow from us. I have heard it said that countries in Latin America have always got their hands out. Let me say this: I visited every country in Latin America last year, and I did not find a single one that wanted a nickel as a gift. They wanted loans, which they can pay back.

Mr. JOHNSTON of South Carolina. I think the Senator from Indiana feels as I do. He is a great believer that Santa Claus wants to give, but he does not believe it ought to be 365 days a year.

Mr. CAPEHART. That is correct.

I think possibly now and then there is some excuse for grants for purely military purposes. But the amount we are talking about here, $600 million, is not for military aid. It is merely for good old common business. It is nonmilitary. Unless my amendment prevails we are going to give away another $600 million.

Why is it not better to lend the $600 million? Can anybody advance a good argument for not lending it?

Mr. SMITH of New Jersey. If the Senator will yield, I shall try to explain.

Mr. CAPEHART. Yes.

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New Jersey?

Mr. CAPEHART. Yes; I will yield to the Senator so that he may explain why it is better to give money away than it is to lend it.

Mr. SMITH of New Jersey. I might say, in the first place, that when the Senator suggests that any of this money is being given for probable investment, it is not correct. The whole theory of this bill is the security of the United States of America; there is nothing else.

I said this morning in my speech that the whole thing is based on security, on the military situation.

Mr. CAPEHART. Is it not a fact that the $600 million is not going for military purposes?

Mr. SMITH of New Jersey. May I finish my statement?

Mr. CAPEHART. Yes; the Senator may finish his statement, but let us be factual.

Mr. SMITH of New Jersey. The statement I am going to make is based on a long discussion in the committee; it is based on discussions with the Secretary of State, with Governor Stassen, and on the fundamental policy of the United States to provide these funds in the form of loans and not grants, so far as we can do it.

The situation that presents itself is the practical one of where we can do it. We are basing our policy on the statement of the President of the United States as recently as June 23, when he said to us in his message on the bill:

> Notwithstanding the continuing need for such grants, we must strive constantly toward relationships with our friends which are more satisfactory, both to them and to us, than grant assistance. This legislation should, therefore, reserve for loans not less than $100 million of the fiscal year 1955 funds. Such loans would be made where there is reasonable chance of repayment in dollars or in local currencies, and should be extended in a manner that would not substantially impair a country's capacity to borrow from private banking sources, the International Bank for Reconstruction and Development, or the Export-Import Bank. This is a vital step toward the general replacement of granting economic assistance. We shall achieve this goal as quickly as world conditions and our national welfare permit.

The very point the distinguished Senator from Indiana is raising was brought up very effectively in committee by the Senator from Iowa [Mr. HICKENLOOPER]. We tried to determine the amount we could make available in the form of loans rather than grants. We went through the entire program, which is divided into titles, and we found that the only places where we could make loans would be in certain areas where there would be an opportunity to pay back the loans. In that connection I have had the staff prepare a statement for me on why, based on the studies we had made and discussions we had, the $750 million which the Senator from Indiana suggests, in place of the $150 million, could be used or could not be used.

I shall read this as our statement on the subject.

First. This amendment would require not less than $750 million—instead of $150 million—to be used only for loans.

Let me state that the $150 million is a floor. It means that not less than $150 million shall be made in the form of loans. If the administrator is able to go beyond that figure, he can go as high as he can if he finds that more loans can be made.

It would further provide that the loans be made for specific purposes on terms offering reasonable assurance of repayment.

Second. This represents a drastic increase in the amount of loans contemplated. The House bill contained a formula which would have required something more than $300 million in loans, and the committee rejected this as too high.

Third. The Capehart amendment, like the committee bill, applies to funds other than those made available pursuant to chapter 1 of title I (military assistance). These funds amount to $1,450,700,000, so that the Capehart amendment would require more than half to be in the form of loans.

That is the military equipment part of it which we know from experience we cannot make in the form of loans. If these countries are going to provide the manpower for which our equipment is furnished, we must back them up with the equipment if they are to furnish the manpower to use it.

The figure of $1.45 billion, against which the loan requirement of $750 million would have to be applied, includes an item of $712 million for direct forces support and other types of assistance in southeast Asia and the western Pacific.

I discussed that point a minute ago. These funds for southeast Asia are related to the breakdown in Indochina. There is no way of putting that money in the form of loans. It is for use in that area.

This is basically military assistance and could not reasonably be furnished on a loan basis—certainly not for specific purposes on terms offering reasonable assurance of repayment.

The net result of the Capehart amendment, therefore, would be to require all other assistance in the bill to be furnished through loans. This would include such obviously inappropriate items as relief and rehabilitation in Korea. This is a large item. The Koreans could not accept a loan in connection with it.

It would also include contributions to the United Nations for Korean relief, technical assistance, and the Children's Fund, and such pseudomilitary assistance as direct forces support and defense support.

It is difficult to see how the program could be administered at all under the requirement contained in the Capehart amendment. The administration is committed to moving to a policy of loans instead of grants as rapidly as practicable. The committee report, page 71, endorses this policy. But to attempt a shift as sudden and drastic as that proposed by the Capehart amendment would be self-defeating.

In the light of the discussions we had on this matter, and weighing the figures and trying to determine where loans might be made, we thought the maximum floor—that is, the compulsory figure—should be set at $150 million. If we went any higher, we felt, we would embarrass the administrator and embarrass the whole program.

Mr. CAPEHART. It would be too bad if we were to embarrass someone, particularly the foreign-aid people who are giving this money away.

Mr. SMITH of New Jersey. I do not share the Senator's sentiments.

Mr. CAPEHART. It would be embarrassing to the taxpayers, I am sure, to be called upon to appropriate this money. We always come to the same conclusion. We always say that tomorrow or next year we will end this giveaway program. We always say we will do it next year. When we were in the minority, we always said, "Put us in power, and we will do it."

That was one of the issues in the last election. We said we would put a stop to giveaway programs and put foreign aid on a businesslike basis.

Now I find that we are following about the same policy in this matter that the previous administrations followed. I believe the time has arrived when we should put this program on a business-like basis. The program ought to be on the basis of loans. For example, as we all know, western European countries today have economies that are in excellent condition. Their production is from 150 percent to 160 percent above prewar levels. All their people are employed. England has about a $3 billion balance of trade. At the moment West Germany has about a $2 billion balance of trade. All the countries are doing well.

In the Far East the Indochinese war is over. Nevertheless, we are talking about providing $846 million for that area.

I think the time has arrived when we ought to put this whole business on a business loan basis.

We will never do it unless we decide to do it now. If we always proceed on the theory that we will do it next year or the year after, we will never get it done.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. GOLDWATER. I should like to ask the distinguished Senator from New Jersey a question concerning a remark he made. I understood the distinguished Senator from New Jersey to say that in effect it would be impossible to use these funds for Southeast Asia and the western Pacific on a loan basis. Why is that so?

Mr. SMITH of New Jersey. Does the Senator mean to contries like Thailand?

Mr. GOLDWATER. I refer to the entire western Pacific theater.

Mr. SMITH of New Jersey. Does the Senator refer to Thailand or Formosa or Korea? There is not a country in that whole area that could take money on a loan basis; certainly not at the present time. The whole purpose of our support, as I said before, and as I say again, is the security of the United States. We have tried to analyze the whole program and to find out where loans could be made. In every place where it is not possible to make loans, we had to do the best we could. Certainly, when we furnish equipment we must pay for it. We cannot furnish equipment of the ROK's in Korea and expect them to pay us for it.

Mr. GOLDWATER. I should like to ask the Senator another question, which he has probably answered already. However, I was not here during his entire presentation. The amount requested for that area was $800 million. Since that time the war in Indochina has ended, and the amount has been cut to $712 million. Is that not a rather small cut, in view of the fact that the war in Indochina has ended?

Mr. SMITH of New Jersey. Of course it looks like a small reduction. As I explained earlier, when we were discussing the matter, the situation in that area is a very difficult one to handle. We had to figure on an appropriation this year which would be comparable to that of last year with reference to the Indochina operation. The scene has shifted from a focus of danger for the moment in Indochina to a focus of danger all through that area. We have no way of pinpointing where the money is to go. We have a flexible fund which can be used in case an emergency should arise.

The other day we had the situation of a commercial plane being shot down in that area. We are facing such situations all the time, or the possibility of them. This money does not have to be spent. It is discretionary with the President of the United States. Certainly we must have confidence in the greatest general we have ever known in the history of our country, probably, and trust him with the decision on military needs. We should give him authority to use the funds for any crisis that may come up. He is not going to spend the money if it is not necessary to spend it.

Mr. GOLDWATER. Can the Senator tell us how much was committed for the Indochina war prior to the end of the war?

Mr. SMITH of New Jersey. Last year the total was $1 billion for Indochina. This year we estimate approximately $800 million. However, instead of wiping it out entirely and saying the war is over, we recognize that the very truce that has been signed there is threatening us with danger throughout that area. We cannot let down on our preparedness. After all, this is a preparedness authorization. None of us in the committee felt that we could cut that figure.

Mr. GOLDWATER. If I am not mistaken, the amount last year which was specifically earmarked for France for the pursuit of the war in Indochina was $400 million. I may be mistaken, but I remember offering an amendment which would deny France that $400 million until she recognized the independence of the Indochinese States.

Mr. SMITH of New Jersey. That is true, and $350 million was added to that later on, making $750 million.

Mr. HUMPHREY. Then there were supplies besides.

Mr. SMITH of New Jersey. The whole amount for Indochina ran to something over a billion dollars last year.

Mr. GOLDWATER. Has the committee subtracted the $775 million that went to France for the pursuit of the war in Indochina from this year's budget in this bill?

Mr. SMITH of New Jersey. It was taken into account, but we were developing our entire program for the whole area. We could not quite subtract it all. A good deal of it went into supplies for the area.

Mr. GOLDWATER. Chapter 2 is very confusing to read because it says "not to exceed $712 million for expenses necessary for the support of the forces of countries in the area of southeast Asia, including the Associated States of Cambodia, Laos, and Vietnam."

Later it goes on to say "and the forces of free nations in the area including those of France."

That war is over. Are we still under obligations to France to the extent that we cannot reduce this figure from one-

billion-some-odd-million dollars to maybe half of that? I recognize the need, if the general staff says there is a need in the western Pacific, but how much are we talking about that we still owe France for fighting a war there that she lost 6 years ago?

Mr. SMITH of New Jersey. I do not think we still owe France. I think that was obligated in sending supplies to France.

Mr. GOLDWATER. We do not have to pay any more for the fiasco in Indochina?

Mr. SMITH of New Jersey. I cannot say that categorically. It is all a part of the estimates of winding up this thing. We will do it as fast as we can. We have included in the bill the States of Cambodia, Laos, and Vietnam. Why? Not because they are French possessions. I must make it perfectly clear that Laos and Cambodia were left out of the trust arrangement and are now independent states; but they are a part of our Southeastern Asia hope for getting those nations together. Thailand will be included, lower Vietnam will be included, the Philippines will be included, and I hope we will have New Zealand and Australia helping us there. They do not get any help from us.

Mr. GOLDWATER. To close this colloquy, the Senator from Arizona is not satisfied that this amount reflects any great reduction in view of the cessation of hostilities in Indochina, and the Senator from Arizona feels if it cannot be reduced further than this, there are some things the American people and the United States Senate do not know about commitments to France and to those states. I should like to make one further comment, because——

Mr. SMITH of New Jersey. Let me make this clear: The so-called obligated funds, the so-called allocated funds, and the unobligated balances have all been taken care of under this program from the beginning of the program in 1950 down to date.

What the Senator from Arizona is talking about is in a different classification. The other amounts can be accounted for. It can be shown just where it is planned that they go. The $800 million we are talking about—in round numbers, $720 million—is the amount we had figured we would wish to give to France to help in her fight against communism in that area. That is what it cost us last year, and that is what we will have to provide this year. When it is found that we can stop it, we will stop it.

Mr. GOLDWATER. But it has not been stopped yet.

Mr. SMITH of New Jersey. The authorities feel that they must have a flexible fund available. We have to trust the President to use this money, if he has to use it, in case emergency arises. This is not a commitment.

Mr. GOLDWATER. Will the Senator yield for one comment?

Mr. SMITH of New Jersey. I yield if I have the floor.

Mr. GOLDWATER. I spoke on this subject last year, and the distinguished Senator from Massachusetts [Mr. KENNEDY] joined me. It is stated in the report on page 45:

> It is beyond question that Indochina would have fallen to the Communist forces some time ago if it had not been for the assistance that went to the French.

I desire to comment in closing that, according to my information, the Communists were not in the Indochinese war when it started, and if France had recognized the desires of the people of that area for freedom, that war would have ended long, long ago. As a United States citizen, I have never liked the idea of my country supporting a country that tries to dominate the freedom-loving people of any section of the world.

Mr. SMITH of New Jersey. I agree with the Senator, and let me make a brief further statement on the question, if I may.

When the war started 8 years ago in Indochina, it was said to be a war of liberation from French colonialism. We took no interest in it at all at that time. It was only when we were definitely convinced that the war, as it went on under Ho Chi Minh, was Moscow-inspired and that it was a Communist movement to take over southeast Asia, that we pricked up our ears and at that point we began to give aid to the French because they were the only hope of stopping communism in that area.

Mr. GOLDWATER. The war started as a desire for freedom, and if France had recognized it at that time, the war would never have gone on and the Communists would never have been in it.

They are free now under Communist Russia because the French would not recognize their demand for freedom.

Mr. SMITH of New Jersey. They are not free. They are in a totalitarian regime under Communist Russia and virtually in slavery, as the other satellite states are. That is what happened.

Mr. GOLDWATER. The Senator from Massachusetts [Mr. KENNEDY] and I offered amendments directed to this question. We prophesied what would happen, and it has happened.

If this had been taken care of by the French years ago, Indochina would never have been in the debacle that it has been.

Mr. SMITH of New Jersey. That might be true. I would not debate it.

Mr. CAPEHART. I yield to the Senator from Wisconsin for a question.

Mr. WILEY. The question that was propounded by the Senator from Arizona [Mr. GOLDWATER] if he will listen, was propounded by me to Secretary Dulles back in the early days of July after the situation developed in the Far East. I am reading his letter because it is in direct response to the Senator's question:

> JULY 22, 1954.
>
> The Honorable ALEXANDER WILEY,
> *United States Senate.*
>
> DEAR SENATOR WILEY: You have asked me whether in my judgment the signing of armistice agreements regarding Indochina diminishes the need for funds requested for the area of southeast Asia and the western Pacific in the Mutual Security legislation now before the Congress.
>
> I believe that the armistice does not diminish the need for these funds. If anything it increases the need to have available funds with which to build the defensive capabilities and strengthen the resistance of the free nations in the area. When I appeared before the Foreign Relations Committee during the hearings on this legislation and discussed the need for funds in this area, the possibility of a settlement of the nature which has now taken place was already foreshadowed. As you will recall, when I testified as to the importance of having a flexible fund to build strength in this region, I emphasized the need for it even should such a settlement occur and I believe this was also held in mind by members of your committee. In my estimation, the gain which communism has now established in this area should be a warning to all the people of the region as well as to ourselves of a need for a determined effort to preserve their freedom. I believe no one can now foresee exactly how these funds will be used. However, their availability will be essential for the success of plans now underway. In the event that unforeseen circumstances prevent the efficient expenditure of these funds for the purposes of strengthening the area against further Communist encroachment, they will of course be held unexpended for future disposition by the Congress.
>
> For these reasons I believe it is a matter of grave importance to the national interest that these funds be available and I trust that the Congress will see fit to authorize and appropriate them.
>
> Sincerely yours,
>
> JOHN FOSTER DULLES.

As I said, this letter was addressed to me.

I emphasize his argument that it is necessary in the national interest that we have these funds. We all well know that now there is going on an attempt to create a security pact among several nations which we hope will include Britain, France, Australia, New Zealand, ourselves, and others, in relation to that area. We trust that the effect of the war and the ceasefire is not all negative. We think that what has happened in Indochina has caused India to pause.

We think also that Cambodia, Laos, and other countries are now alerted and are awakening to the responsibility of self-defense. They are observing what is going on now in the very lands which were conquered. We think all this may very well bring into operation a security pact.

It seems to me that when we speak about lending and giving, we must bear in mind that this is not simply what is called a giveaway. I tried to analyze this situation from two positions yesterday, one of which showed the impact of the demand upon our own economy, which had the lesser effect; but it created a healthy condition, almost an inflated condition. The main point is that foreign aid has staved off a third world war, which was then apparently on the horizon.

Of course, we could take the position that what we should do is to pull back, in spite of the statistics I introduced, which showed how throughout the world we have built our bases. In England we have bases at which our troops are stationed. In South Africa we have built bases. We are now building bases in Spain. If all those bases are useless, if they are of no significance, if we do not feel, in a contracted world, that we

should carry on in this manner, then, of course, we should withdraw.

Mr. CAPEHART. Congress has appropriated $40 billion for our national defense. This includes the building of bases and airports in England, Spain, and other parts of the world.

However, the bill before the Senate provides funds beyond those which are being spent for national defense. We have before us for consideration a foreign-aid program.

There is no objection to the fact that the United States must be defended, and that money must be spent for the Army, Navy, and Air Force.

My point is that it is better to put foreign aid on a loan basis, rather than on a giveaway basis.

An interesting point is that there is an item of $9 million for American Republics. I presume that includes all of Latin America. That certainly is a generous amount to be spent for the benefit of 16 or 17 friendly nations in Latin America. I observe the sum of $9 million out of $3,100,000,000. Why are we doing so little for the Latin American countries?

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HICKENLOOPER. The $9 million is for the Bolivian program. There are other sums of money provided for other Latin American countries.

Mr. CAPEHART. But this says, "American Republics." Let us get the record straight. It says: "American Republics." Is Bolivia one or is it more than one?

Mr. HICKENLOOPER. The total for Latin American countries is $47 million. That amount is found on page 53 of the report.

Mr. CAPEHART. Where does it show on page 2 of the report?

Mr. HICKENLOOPER. I have not looked at page 2. The $9 million is specifically and strictly for the Bolivian type of program. It will be found on page 53.

Mr. CAPEHART. At any rate, it is only $47 million out of $3 billion.

Mr. HICKENLOOPER. The Senator from Indiana does not have to take my word for it. If he will turn to page 53 of the report which he holds in his hand, he will see that there is set out for development and assistance for Bolivia, section 201 (a), $9 million.

Mr. CAPEHART. Military assistance is $13; technical cooperation is $25 million; and for the Bolivian bilateral program, $9 million.

Mr. HICKENLOOPER. I may say to the Senator that it is not as much as I would have liked to provide for South American countries. I should have liked to see additional funds devoted to South America.

Mr. CAPEHART. The record does not show, and I think it should show, that in the foreign aid program—$9,700 million is still in the pipeline. It has not yet been spent. By the present bill, another $3,100 million is being added to the authorization, bringing the total up to $12 billion. In my judgment, it would not be necessary to appropriate 1 dime, because $9,700 million simply has not been used.

Mr. KENNEDY. Mr. President, will the Senator permit me to ask the Senator from New Jersey [Mr. SMITH] two questions?

Mr. CAPEHART. I yield first to the Senator from New Jersey.

Mr. SMITH of New Jersey. There will be found on pages 10, 11, and 12 of the report a full explanation of the so-called unobligated, unexpended balances, and an explanation of, I admit, the rather complicated way the matter is presented. While they are unobligated, unexpended funds, they have been flowing through the pipeline since 1950.

Mr. CAPEHART. The fact remains that there is $9,700 million, either in dollars to be given away or in goods to be delivered. To this amount it is proposed to add $3,100 million, making a total of $12 billion which the American taxpayers will be called upon to pay. That is a true statement.

Mr. SMITH of New Jersey. That amount covers the last 5 years, under various appropriations.

Mr. CAPEHART. Yes, but it is an unexpended balance.

Mr. SMITH of New Jersey. It is, but that is because 5 years are required to build an airplane, and it is not paid for until it is delivered.

Mr. CAPEHART. That is understood, but the point is that if the bill passes in the amount which is now provided there will be more than $12 billion, either in dollars or in goods to be delivered to the various nations throughout the world.

Mr. SMITH of New Jersey. That is true.

Mr. CAPEHART. My point is that $9 billion should be sufficient.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I wish to ask the Senator from New Jersey 2 or 3 questions about aid to Indochina.

First, as to military equipment which we have in the area now under the control of the Viet Minh. When the French forces evacuate, will that military equipment be returned to the control of the United States, for use of the Vietnam in the south, or be under the control of the French forces?

Mr. SMITH of New Jersey. It will come back to us, as I have been advised.

Mr. KENNEDY. All of it?

Mr. SMITH of New Jersey. Yes.

Mr. KENNEDY. So the equipment could be evacuated?

Mr. SMITH of New Jersey. But it is now under the control of the French forces.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. KENNEDY. I was asking the Senator from New Jersey certain questions.

Mr. THYE. I could answer the Senator, because I was present in the Committee on Appropriations when the question just asked by the Senator from Massachusetts was discussed, and we obtained an answer as to what the military authorities were endeavoring to do with the equipment which was back of the lines and at Hanoi and also at the other ports on the Red River. Some of the unloading was stopped, and ships were turned back to Saigon, instead of being permitted to unload in the northern region. Not only were some ships turned around, but ships which were unloading were reloaded, so as to get the equipment and supplies out of the danger area and down into the south.

Mr. KENNEDY. The only comment I wish to make, in support of what the Senator has said, is that, first, the United States has sent several billion dollars' worth of equipment into Indochina. I assume that whether the French forces remain or are withdrawn, the equipment will remain in Vietnam, in the south. It is worth several hundred million dollars.

In addition, substantial amounts of equipment are north of the line of truce. As I understand, that will come under the control of the United States, and will be available for assistance.

There is potentially $700 million, as the Senator has pointed out, which has as yet been unexpended. It seems to me that that is an enormous potential for Vietnam, Cambodia, and Laos. I should like to have a clear explanation of who it is intended will use the equipment, because certainly it is far beyond what can be used by those states. The French union forces numbered almost 500,000. It is beyond any plan for rearming Thailand, Cambodia, or Laos, particularly when they are to be neutralized by the truce terms.

Mr. SMITH of New Jersey. I shall give a summary of a statement prepared by Mr. Stassen, Director of the Foreign Operations Administration, in answer to the very question asked by the Senator from Massachusetts:

PROTECTION OF UNITED STATES FINANCED EQUIPMENT IN INDOCHINA

As the Geneva Conference approached a climax, all available precautionary steps were taken to safeguard United States financed equipment and material en route to or located in the area of north Vietnam.

1. MILITARY EQUIPMENT AND MATERIALS

(a) All military equipment and materiel en route to this area was ordered back to the United States or otherwise diverted.

(b) Assurances were received from the French that every effort would be made to safeguard against capture of United States financed military equipment and material in their hands. Reports indicate that the French have abided by these assurances and have given a high priority to the withdrawal of such equipment from the area. Generally speaking, approximately 45 percent of this equipment is in the Hanoi-Haiphong area, about 45 percent in the Saigon area, and the remaining 10 percent in the Tourane coastal area.

By the terms of the agreement on suspension of hostilities in Vietnam, the equipment in the Tourane and Saigon area are south of the military demarkation line which has been established and will not require evacuation. Also, by the terms of the same agreement, the forces of the French and Associated States will have 80 days to complete evacuation of the Hanoi area, and 300 days to complete evacuation of the Haiphong area. This period of time is considered adequate for the evacuation of all MDAP material and equipment in the area.

2. NONMILITARY GOODS AND EQUIPMENT

(a) All shipments to this area of nonmilitary goods and equipment of bulk commodities which might be difficult to remove were halted several weeks prior to the armistice and diverted to Saigon or other areas.

(b) Steps were and are being taken to remove all movable goods and equipment of any military significance whatever to which the United States has title from the area. A quantity of radio receiver-transmitters used in the FOA resettlement project in North Vietnam is presently being removed to Saigon.

(c) Nonmilitary goods and equipment which have been delivered to the Vietnamese are to be removed in accordance with the provisions of the armistice agreements, which are presently being analyzed in consultation with the French and the Vietnamese. Subject to these agreements, our desire to remove all movable equipment and materiel of military significance (including such items as trucks, raw cotton, bulldozers, etc.) from the north appears to be in accord with the policy of the Vietnamese and French owners.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Wyoming.

Mr. BARRETT. The Senator mentioned the matter of unexpended balances. I note that on page 12 of the report the following is stated:

For such complicated equipment as tanks, airplanes, and radar equipment, this production lead time runs as long as 2 or 3 years.

The report was referring mainly to the item of unexpended funds of $9,749,500,000.

In that respect, I note also the balance on June 30 of last year was $10,061,100,000. This year it was $9,749,500,000. It is estimated that for June 30 of next year it will be $7,360,800,000.

The point I want to make and that I want to ask the Senator about is whether this unexpended balance is going to keep on running into the billions. The total at the present time is over $9 billion. The unobligated balance was $2,604,000,000 as of June 30, last. What is the necessity for any appropriation for Mutual Security for this year?

Mr. SMITH of New Jersey. May I answer the question?

Mr. CAPEHART. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. If the Senator will look at page 14 of the report, he will see how the foreign aid appropriation went up from 1950 to 1951, and then dropped down to where the figure today is about $3 billion plus.

The figures to which the Senator referred with regard to the unexpended balance on June 30, 1955, shows a balance of $7,360,800,000, which means that amount represents the materials in the pipelines being delivered from what is left over from previous commitments. That situation arose from the fact that it takes a lead time of from 4 to 5 years for some of the equipment we have been putting into the foreign military aid program to be delivered. That is the reason for the carryover.

Mr. BARRETT. I understand that. As of June 30, 1955, there will still be a $7,360,800,000 unexpended balance in that fund.

Mr. SMITH of New Jersey. That is right.

Mr. BARRETT. The point that disturbs me is that, in addition to that, there is an item of $2,604,300,000 wholly unobligated as of June 30 of last year.

Mr. SMITH of New Jersey. Let me interrupt there. "Unobligated" means it has not been put through in a firm commitment to some producing organization manufacturing some particular piece of article or equipment. It is all programed.

Let me call attention to the last paragraph on page 12:

The committee felt, nevertheless, that a certain amount of water could be squeezed out of the unobligated balances and the requested new authorizations taken together. After careful consideration of the varied factors involved, it reduced the total of new authorizations for which appropriations will be sought at this session of Congress from $3.4 billion to $3.1 billion. The committee does not believe either the unobligated balances or the new money can prudently be reduced further.

That statement was made after days of hearings and days of analysis of those figures, as to where the allocations were to go, and what the program was for the future.

Mr. BARRETT. Those words look to me like quibbling. It seems to me, in view of the condition of the financial structure of this country, when we are going to be called upon to raise the debt limit, we should give consideration to the fact that there is an unexpended balance of $9 billion, and $2,600,000,000 of wholly unobligated funds. I do not take too much stock in the claim that there is no firm commitment. I think the committee was on the right track when it said that a certain amount of water could be squeezed out of it. My question is, Why could not the whole amount be cut out?

Mr. SMITH of New Jersey. One reason for the unobligated fund is that we set high priorities in delivering equipment from one area of the world to another, when conditions changed. There had to be a change in delivery of equipment as a result of conditions in Korea and Indochina.

I can assure the Senator that every single member of the committee was just as disturbed over the terms "unexpended" and "unobligated" as is the Senator from Wyoming. We spend days going over the problem. We came to the conclusion that $3.1 billion was the point at which we should stop, because we did not dare risk our security further. That is the only answer I can give. One cannot simply say, "Let us cut it out and not provide any funds." We had the best military advice we could get.

Mr. BARRETT. I should like to say that, in view of the financial condition of the country at the present time, it seems to me that the mutual security program would not be jeopardized in the least if we waited until this time next year and looked at the situation then. The program could continue to carry on for another year.

Mr. SMITH of New Jersey. I felt the same way when the committee first began looking into the question. After talking to our Joint Chiefs of Staff and other military representatives, I was convinced that we could not go lower than 3.1.

Mr. LANGER. Mr. President, I desire to say that the Senator from Wyoming was never more right than when he made the statement he just made. There is an unexpended balance of over $9 billion and an unobligated balance of over $2 billion. The Senator is absolutely right when he says we should leave the program alone for the coming year.

Mr. CAPEHART. Mr. President, I shall make only a brief comment, and then, so far as I am concerned, the Senate will be ready to vote on the amendment. There is no Member of the United States Senate who is any more anxious than I am to cooperate with other countries and help them. I am 100 percent behind such a program. I have always been sold on it. There is no one more convinced than I am of the need for this country's being strong in a military way. I want us to be strong. My inquiry is as to the method. I have been critical of what we call our foreign policy when it comes to giving away our money. My position is we ought to do it in a more businesslike manner. We ought to lend the money. If this Nation is to help other countries in the world; if it is to be a world leader, whether money is loaned on a governmental or a private basis, we should lend money on fairly long terms in the next 25 years, probably not less than $10 billion a year. The funds ought to be given as loans, and should be expended for the purposes of building up countries and creating jobs. The battle of communism will be won on the basis of the jobs in the United States and in other friendly countries.

It is not possible to create jobs unless there is trade. It is not possible to have trade unless there are capital goods and tools in which to deal.

So I should like to lend the money. I should like to see private enterprise in the United States loan more money. I have no objection to having the Government loan money over a long period of time. What I object to is giving away money to foreign governments which accept it, spend it, and still do not create permanent jobs. It makes no sense for us to give money to a country to buy things the country can produce itself with its own labor and resources.

I will go so far as to say there are some countries which could not pay us back in dollars. Let those countries pay us back in their own currencies. Let us carry those funds as credit balances in the banks of those countries. We might even arrange in some foreign countries to loan the money to private enterprise there to help build up their own businesses.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. CAPEHART. Those countries should tax their own people for the funds to run their own governments.

Any money we provide should be on a sound loan basis and should be used to create jobs to build up their productive capacities.

In that manner we may be able to defeat communism, instead of defeating it on the battlefield, though we may have to do that some day.

If we are forced to defeat communism on the battlefield, then we shall still have the problem of creating jobs and building industry and a higher standard of living for the defeated people.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. CAPEHART. Winning militarily is just one phase of defeating the ideology of communism. Communism will only be defeated when jobs are provided and there is trade. You cannot defeat communism simply by giving away money. You can defeat communism by lending money to build up industry and create jobs. That is the way to do it.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Indiana yield on that point?

Mr. CAPEHART. I yield.

Mr. SMITH of New Jersey. I may suggest to the Senator from Indiana that all the grants, of course, are duplicated with counterpart funds abroad, which are used for the very purpose the Senator from Indiana states. So we do get the benefit of that from the countries themselves.

But, beyond that, if the Senator from Indiana was arguing on the basis of commercial operations or the basis of running a business, I would agree with him insofar as the amendment is concerned. However, we are not proceeding on that basis. We are acting for the security of the United States, and we cannot achieve that goal on a loan basis.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

Mr. HUMPHREY. Mr. President, will the Senator whithold for a moment his suggestion of the absence of a quorum?

Mr. LANGER. I withhold it, Mr. President.

Mr. HUMPHREY. Mr. President, I shall be brief in my comment. I sympathize with the objective of the Senator from Indiana [Mr. CAPEHART]. I think he has made a rather persuasive case with reference to loan funds as compared with outright grants.

I think the record should be pretty clear that in this bill there is very little of what could be called outright economic assistance, except under title II of the bill, known as development assistance. That title relates primarily to the Near East and Africa, and south Asia, and there is $9 million for the economic development in the other American Republics, where the Republic of Bolivia is included.

I have checked over the bill very carefully, being a member of the committee, and I have noticed so far as Western Europe is concerned there is no economic assistance except insofar as military assistance could be called economic assistance.

Mr. SMITH of New Jersey. That is correct. That is all a part of it.

Mr. HUMPHREY. That is all directly related to rearmament, to the North Atlantic Treaty Organization, and to the countries of Western Europe with whom we have direct military arrangements for the purpose of their own security.

The large amount of money which comes under what we call chapter 3 is Defense Support. Most of that goes to the Far East and for relief and rehabilitation—our own Korean relief and rehabilitation program and the United Nations relief program for the Republic of Korea.

Otherwise, there is only $71 million for the so-called economic assistance for Defense Support directly related to the defense of Western Europe under our system of alliances and treaties.

The one area of this bill which I think is going to require a little more explanation before some Members of the Senate will be satisfied—I mean, Senators who intend to support the bill—is that area which relates to chapter 2, what we call the Direct Forces Support for southeast Asia and the western Pacific. The amount of money included in that authorization is $846 million.

I should like to point out that the total amount is approximately $100 million less than the President requested. The amount is substantially less—some $24 million less—than the House authorized. I think the Senate committee deserves some gratitude and acknowledgement for its frugality and prudence in this bill. I pay tribute to those Senators who spent hours of time in the marking up this bill and in listening to the testimony.

The Senator from Massachusetts [Mr. KENNEDY] raised questions I had desired to raise, as I had sought the attention of the Senator from Indiana, as to what is going to happen to these supplies—and there are large quantities of them—which are in the Indochina or the southeast Asia area.

I notice, for example, we still had unexpended as of June 30, 1954, $755 million for southeast Asia and the western Pacific, in chapter 2 of title I, which relates to economic and military assistance to the Indochina area or that section of the world. It is estimated that on June 30, 1955, we will have $701,400,000 still unexpended for that particular program. Of course, that contemplates the inclusion in the aggregate total of the $846 million which this bill would authorize for the southeast Asia and western Pacific areas.

I think the question has to be faced by the Senate: Just what precautions have been taken beyond those which have been read now into the RECORD by the Senator from New Jersey in the letter from the Administrator of the Foreign Operations Administration? What precautions and protections have been exercised for the removal of strategic equipment and supplies and matériel at Hanoi and Haiphong particularly, those coastal areas which are now severed from the State of Vietnam, and are placed under the control of the Viet Minh, the Communist rule?

More than that, I think the question has to be clearly understood and clearly answered as to just who has title to the equipment we have placed in this area of the world. Do the French still retain all of that equipment? Do the French still have title to that equipment which was not delivered? Do the free States of Vietnam, Cambodia, and Laos want title? Will they receive title?

I do not believe these questions have been answered, Mr. President. I hope that before this debate concludes the Department of Defense, along with the Secretary of State and the Administrator of Foreign Operations Administration, will give us a conclusive statement, because it is all to the advantage, I may say, of any state or any nation to get economic assistance which builds up dollar balances.

Of course, the French would like to have those dollar balances. I am also sure that Cambodia and Laos would like to have equipment and dollar balances. We still have a problem as to whether or not they are going to be able even to accept the equipment if they are neutralized.

We do not know yet what is going to happen under the full armistice or peace settlement in that area. There is a cessation of hostilities now, but not complete peace in the area. I think we need to have these questions answered, and I believe it is incumbent upon the proponents of the pending foreign-aid bill to give the Senate conclusive answers not just in terms of information desired by the Appropriations Committee, because we are now talking about authorizing another $846 million.

This bill provides considerable flexibility for the President. I believe it gives 10 percent flexibility in the use of total funds. That represents approximately $300 million out of the $3 billion authorization. That percentage is attributable also to the unexpended balances which are listed here at somewhere around $7 billion.

Mr. MANSFIELD. Mr. President, I think the Senator from Minnesota is raising some very significant points, and I hope answers will be given before we vote on this bill.

The Senator will recall that this bill was reported prior to the settlement of the Vietnamese question at Geneva, and the Senator will recall also that, in addition to the roughly $800 million allocated to the general area of Indochina, there was a carryover of something like four or five hundred million dollars, so that what we have is something in excess of $1 billion for this particular part of the Asian continent.

The distinguished Senator from New Jersey, the chairman of the Subcommittee on Far Eastern Affairs of the Foreign Relations Committee of the Senate, did point out on the basis of a letter received from Mr. Stassen, the FOA Director, that within a matter of 80 days, under the truce agreement, Hanoi must be evacuated, and within 300 days Haiphong must be evacuated, but we read in the press that the Vietnamese troops are defecting by the thousands, and they are taking with them arms, munitions, supplies of various kinds, and I think we ought to have a

pretty strict accounting because the explanation that ships carrying the supplies have been stopped or diverted is not sufficient to suit me.

What are they doing now? Are they being diverted to Saigon; if so, are negotiations being carried on for the transfer of this material to the French, or is the recommendation of the American Ambassador to Indochina, Mr. Heath, of a few days ago that the transferability from now on should be through the Indochinese states of Laos, Cambodia, and Vietnam, being considered?

There are many questions tied up with this $1,300,000,000 or $1,400,000,000.

Mr. HUMPHREY. Of the past.

Mr. MANSFIELD. Yes; and in this pending bill; and I think we ought to get the answers because, so far as the past is concerned, we have spent in excess of $2,100,000,000 in Indochina alone so far.

This money cannot go out forever. We have got to find out what it is being spent for, who has title to it, what our interests are in it, and if it is being used effectively, or if the end result will be a turnover, as happened in China to the advancing Communists, with the result that we indirectly will be arming and supplying them.

I think these questions are very important, and I hope the answers come before this bill is voted on because we should know, insofar as it is possible, what is being done with this huge amount of money and with the supplies which have been stopped in transit.

Mr. HUMPHREY. I thank the Senator from Montana.

I am going to conclude my comments now. Our friend, the Senator from Indiana, has another appointment, and we want to vote on his amendment.

I desire to make this comment: Much of the equipment used by the Chinese Communist Armies in Korea, in North Korea, in attacks upon American forces and United Nations forces was equipment which came from American arsenals. I mean, it was equipment taken from the forces of Chiang Kai-shek going over to the forces of the Communists, and then was used upon us, and also much of the equipment the Eighth Army had was captured in the unfortunate retreat from Yalu River area.

I do not want to see equipment that is the best we can produce, falling into the hands of the enemy only to be turned on us or turned upon our friends at a later date, and I think we have to face up to the fact the Senator from Montana has pointed out, of the mass defection of troops of the Vietnamese going over to the Viet Minh.

Mr. MANSFIELD. Will the Senator yield for one more observation?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. What the Senator says is absolutely correct. Like the Senator, I do not want to see armament supplied by the United States used by our enemies to attack us or even our friends, but I should like to call the Senator's attention to the fact that when the Communists took over China in 1949, the movies of their triumphant marches in Peiping, Tientsin, and other Chinese cities, showed them handling American equipment, tanks, guns, uniforms——

Mr. HUMPHREY. The best we had.

Mr. MANSFIELD. The best we had, and they were used against our friends, and they were used against us eventually in Korea.

Mr. HUMPHREY. That is my point, Mr. President; I want to make positively sure before we vote on this bill that safeguards and protections and precautions have been written into it in a way we can understand and as a matter of legislative record, to make absolutely certain that everything has been done within the realm of possibility to withdraw equipment from areas where it might fall into the hands of the Communists; to make sure that the title to that equipment goes to the people who really deserve it, and to clarify whether or not the title is in the hands of the friends of the United States, of our friends, Vietnam, Laos, and Cambodia, or in the hands of our enemies.

I think we must pinpoint this. We cannot rely upon a general statement. We have got to have it a little more precise than that.

Mr. LANGER. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART] to the committee amendment on page 133, in lines 15, 16, and 22.

Mr. LANGER and Mr. KNOWLAND requested the yeas and nays.

The yeas and nays were ordered.

Mr. CAPEHART. Mr. President, I just want to say that this amendment does not increase the amount of the authorization. It simply says that an additional $600 million must be loaned instead of given away. That is all it does.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana to the committee amendment on page 133, lines 15, 16, and 22.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL] and the Senator from Wisconsin [Mr. MCCARTHY] are necessarily absent.

On this vote the Senator from Wisconsin [Mr. MCCARTHY] has a pair with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from Wisconsin [Mr. MCCARTHY] would vote "yea" and the Senator from Maryland [Mr. BEALL] would vote "nay."

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

I announce further that the Senator from Delaware [Mr. FREAR] is paired with the Senator from Tennessee [Mr. KEFAUVER]. The Senator from Delaware [Mr. FREAR] would vote "yea." The Senator from Tennessee [Mr. KEFAUVER] would vote "nay."

The result was announced—yeas 33, nays 57, as follows:

YEAS—33

Barrett	Ervin	Mundt
Bennett	Goldwater	Potter
Bricker	Jenner	Reynolds
Butler	Johnson, Colo.	Robertson
Byrd	Johnston, S. C.	Russell
Capehart	Langer	Schoeppel
Case	Lennon	Stennis
Crippa	Long	Watkins
Daniel	Magnuson	Welker
Dworshak	Malone	Williams
Ellender	Maybank	Young

NAYS—57

Aiken	Gore	Martin
Anderson	Green	McCarran
Bowring	Hayden	Millikin
Bridges	Hendrickson	Monroney
Burke	Hennings	Morse
Bush	Hickenlooper	Murray
Carlson	Hill	Neely
Chavez	Holland	Pastore
Clements	Humphrey	Payne
Cooper	Ives	Purtell
Cordon	Jackson	Saltonstall
Dirksen	Johnson, Tex.	Smathers
Douglas	Kennedy	Smith, Maine
Duff	Kerr	Smith, N. J.
Ferguson	Kilgore	Sparkman
Flanders	Knowland	Symington
Fulbright	Kuchel	Thye
George	Lehman	Upton
Gillette	Mansfield	Wiley

NOT VOTING—6

Beall	Frear	McCarthy
Eastland	Kefauver	McClellan

So Mr. CAPEHART'S amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed, without amendment, the bill (S. 3466) to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively.

The message returned to the Senate, in compliance with its request, the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes.

The message also announced that the House had passed a bill (H. R. 9390) to extend certain civilian-internee and prisoner-of-war benefits under the War Claims Act of 1948, as amended, to civilian internees and American prisoners of war captured and held during the hostilities in Korea, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they

were signed by the President pro tempore:

S. 2846. An act to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940; and

S. 3589. An act to provide for the independent management of the Export-Import Bank of Washington under a Board of Directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems and to increase the bank's lending authority.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 29, 1954, he presented to the President of the United States the following enrolled bills:

S. 2846. An act to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940; and

S. 3589. An act to provide for the independent management of the Export-Import Bank of Washington under a Board of Directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems and to increase the bank's lending authority.

HOUSE BILL REFERRED

The bill (H. R. 9390) to extend certain civilian-internee and prisoner-of-war benefits under the War Claims Act of 1948, as amended, to civilian internees and American prisoners of war captured and held during the hostilities in Korea, was read twice by its title and referred to the Committee on the Judiciary.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. KNOWLAND. Mr. President, earlier in the day, after consultation with the distinguished minority leader and with the chairman of the Committee on Foreign Relations, I asked that the committee amendment, on page 82, beginning with the last paragraph, and extending to line 6 on page 83, be divided from the preceding portion of the amendment. The committee unanimously inserted the paragraph referred to as a part of the committee amendment, and now, by unanimous consent of the Senate, it has been divided so we can get a separate vote on it. It reads as follows:

The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

This provision was unanimously approved by the Committee on Foreign Relations. I ask, on that separate paragraph, that we may have the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. In accordance with the unanimous-consent agreement, the question is on agreeing to the last paragraph of section 101 of the committee amendment, on pages 82 and 83. The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL] is necessarily absent.

If present and voting, the Senator from Maryland [Mr. BEALL] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

I announce further that if present and voting, each of the Senators whose absence I have announced would vote "yea."

The result was announced—yeas 91, nays 0, as follows:

YEAS—91

Aiken	Goldwater	McCarthy
Anderson	Gore	Millikin
Barrett	Green	Monroney
Bennett	Hayden	Morse
Bowring	Hendrickson	Mundt
Bricker	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Crippa	Kilgore	Smith, N. J.
Daniel	Knowland	Sparkman
Dirksen	Kuchel	Stennis
Douglas	Langer	Symington
Duff	Lehman	Thye
Dworshak	Lennon	Upton
Ellender	Long	Watkins
Ervin	Magnuson	Welker
Ferguson	Malone	Wiley
Flanders	Mansfield	Williams
Fulbright	Martin	Young
George	Maybank	
Gillette	McCarran	

NOT VOTING—5

Beall	Frear	McClellan
Eastland	Kefauver	

So the last paragraph of section 101 of the committee amendment on pages 82 and 83 was agreed to.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The bill is open to further amendment.

Mr. WILEY. Mr. President, I desire to offer several amendments, as to which I believe there is no disagreement.

On page 157, line 9, the section number "527" should be changed to "526."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. WILEY. Mr. President, I call up my amendment 7-27-54-A, which I offered at the instance of the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Vermont [Mr. FLANDERS], which provides for the utilization of counterpart funds by two joint committees of Congress.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 129, line 10, after the word "Congress", it is proposed to insert the following: ", including the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report."

On page 129, line 20, after the word "Senate", insert the following: "or a joint committee of the Congress."

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CAPEHART. Is the amendment limited to the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report?

Mr. WILEY. Yes.

Mr. CAPEHART. Does the amendment apply to committees like the Committee on Foreign Relations?

Mr. WILEY. Committees such as that on foreign relations are already provided for.

Mr. CAPEHART. Does it apply to the Joint Committee on Defense Production?

Mr. WILEY. No.

Mr. CAPEHART. Does it include every committee of the House, and every joint committee of both Houses?

Mr. WILEY. No.

Mr. CAPEHART. Is there any question about it?

Mr. WILEY. If the proposed amendment is agreed to, counterpart funds will be available to the Joint Committee on Atomic Energy, the Joint Committee on the Economic Report, and other committees carrying out their duties under section 136 of the Legislative Reorganization Act.

Mr. CAPEHART. Does the Senator think it is or is not correct? If it is not correct, I wish to offer an amendment to make it certain that every committee is included.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WILEY. I yield to the Senator from Nevada.

Mr. McCARRAN. Does the amendment proposed by the Senator from Wisconsin include committees of the Senate and committees of the House—for instance, the Committee on Appropriations?

Mr. WILEY. Those committees are already covered. The amendment does not affect them.

Mr. McCARRAN. Does it include any committee which is not a joint committee?

Mr. WILEY. I shall have to say that, in my opinion, the amendment simply adds to the power which already exists for the utilization of counterpart funds. The committees which already have used them can continue to use them; and in addition the Joint Committee on Atomic Energy and the Joint Committee on the

Economic Report are entitled to use them.

The amendment was presented at the instance and request of the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Vermont [Mr. FLANDERS].

Mr. BYRD. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BYRD. Is the counterpart money used to pay the expenses of Senators and Representatives and Federal employees when they travel abroad?

Mr. WILEY. May I first answer the distinguished Senator from Nevada? The language has been included in order to make certain that the Joint Committee on Atomic Energy and the Joint Committee on the Economic Report shall have power to use counterpart funds when and if the occasion arises.

Counterpart funds, as the Senator from Virginia well knows, are foreign currencies which are at the disposal of the United States. Those funds can be used by committees.

Mr. BYRD. For what purpose?

Mr. WILEY. Whatever the purpose may be in carrying out their duties of legislative oversight.

Mr. BYRD. For the traveling expenses of Senators and Representatives and Federal employees?

Mr. WILEY. That is correct.

Mr. BYRD. In other words, they can draw on the counterpart funds.

Mr. WILEY. They will have to do the same as the members of all other committees do with respect to counterpart funds.

Mr. BYRD. What is that?

Mr. WILEY. Whenever a committee utilizes counterpart funds, it will have to account for them. Instead of using cash from the Treasury, Members will use the funds of France or Great Britain, when they are on missions in those countries.

Mr. BYRD. What is the object of that? The fund belongs to the United States Government. It should go into the Treasury, there to be appropriated. Why should it not go through the expenditure budget just as all other expenditures are made?

Mr. WILEY. That will have to be determined by changing the policy of the Congress.

Mr. KNOWLAND. Mr. President, I wonder if the Senator will yield at that point? I had given prior notice that at the hour of 3 o'clock the conference report on the tax bill was to be called up. I had informed quite a few Senators who had made inquiries that they should arrange to be present at that time. I suggest that we interrupt debate on the amendment at this time, because obviously it is going to take additional discussion and debate before action can be taken on it, and the conference report on the tax bill can be called up.

Mr. WILEY. Mr. President, will the Senator withhold his request, so that I can yield to the Senator from Iowa for a statement?

Mr. KNOWLAND. Yes.

Mr. HICKENLOOPER. I should like to say to the Senator from Virginia that while I did not generate the amendment, it is designed only to place the members of the joint committees of Congress on the same privilege and footing with regard to using counterpart funds that is accorded to other committees.

Mr. BYRD. For what are the funds going to be used?

Mr. HICKENLOOPER. For expenses.

Mr. BYRD. For traveling expenses in Europe, or what?

Mr. HICKENLOOPER. Yes.

Mr. BYRD. Traveling expenses.

Mr. HICKENLOOPER. For instance, the counterpart funds——

Mr. BYRD. I am familiar with that aspect. We have adopted amendments to place other counterpart funds under the budget. That is what we ought to do in this case. Such funds ought to go through the same channels as any other expenditures.

Mr. HICKENLOOPER. I have no objection to that, but standing committees of the Congress—at least some of them—are authorized to use such funds for accountable traveling expenses, and use foreign currency rather than American dollars out of the Treasury. The joint committees are not standing committees of Congress. If they are to be put on an equal footing with standing committees, such an arrangement is necessary. I am satisfied with a provision that would provide for the strict accounting of such funds.

Mr. CASE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I have already suggested that in view of the fact that debate on the amendment will probably go on for a little time, and in view of the prior notice given that the conference report on the tax bill would be taken up at this time, and in view of the further fact that the distinguished Senator from Colorado [Mr. MILLIKIN], the chairman of the Finance Committee, is present and ready to take up the report now, I should like to have that done. I understand that the distinguished Senator from Massachusetts [Mr. SALTONSTALL], who is chairman of the Committee on Armed Services, which was the second committee to report the bill, has a brief statement he would like to make.

Before yielding to him, I yield to the Senator from Nevada, who has matters he would like to have printed in the RECORD.

SELF-SUFFICIENCY OF WESTERN HEMISPHERE—77 CRITICAL MINERALS AND MATERIALS—PEACE AND WAR—SECURITY

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks two articles written by George E. Sokolsky, one dated July 2, 1954, entitled "Mineral Supply Vital for Survival," and one dated July 21, 1954, entitled "We Don't Know Our Mineral Wealth."

Mr. President, Mr. Sokolsky needs no identification or references for the American public—he is an outstanding historian, columnist, and television commentator.

His background of experience and observation in Russia, Asia, and Europe and the effect and trend of our international affairs and relations justifies close study and attention to his remarks in this field.

[From the Journal-American of July 2, 1954]

MINERAL SUPPLY VITAL FOR SURVIVAL

(By George E. Sokolsky)

Senator GEORGE MALONE, of Nevada, is the only professional engineer in the United States Senate and therefore he brings into that body a point of view which is very different from that of the lawyer. An engineer is trained to deal with facts without poetic license; a lawyer is trained to defend a thesis or to advocate a cause.

The problem that faces Malone's committee is: precisely what is the situation of the United States with regard to minerals, metals, and other strategic materials. This committee has produced a tremendous volume of technical data, difficult to read at times but all of it extremely important. The assumption has heretofore been that the United States was short of certain strategic materials which could only be made available by overseas commerce which could be shut down swiftly in the event of war. For instance, tin and rubber from Malaya might be withheld from us should Red China come into possession of that country.

COVERS 77 ITEMS

According to the Malone report, 77 minerals and materials, included in this report, are vital to the maintenance of the American economy and its prowess as a military force. It lays down this finding absolutely:

"The Western Hemisphere will be the only dependable source of the critical raw materials in the event of an all-out world war.

"The delivery of any such critical materials to this Nation across a major ocean during such a conflict will be highly 'problematical'."

This position is unquestionable in the nature of modern warfare. The oceans can be closed down until one power or the other gains a total victory. The schnorkel submarine, the atomic submarine, and the long-distance airplane make the ocean lanes of traffic unsuitable in war. The Pacific Ocean was unsafe for the transportation of supplies of rubber and tin during World War II, with the result that the United States was forced to develop a synthetic-rubber industry based on the Baruch report. It will be forgotten, of course, how Fiorello La Guardia desperately collected tin cans in the hope of meeting the tin crisis, cans which eventually helped to fill the Jersey meadows.

The hope of meeting future crises is in a hemispheric cultivation of mineral production and the means for the transportation of minerals and their products without the perils of the seas. The "Europe first" attitude of the State Department resulted not only in the loss of China but also in the partial abandonment of the Latin American countries. This committee lays emphasis on the importance of regarding the Western Hemisphere and cultivating its economy as a unit. It says:

"It is imperative to the security of this Nation and to the nations of the Western Hemisphere that they foster the greatest measure of self-sufficiency in the production of the critical materials.

"It is vital to our domestic welfare, economy, and security that maximum economic production be maintained within our borders.

"The Western Hemisphere can be defended.

"The Western Hemisphere can be made self-sufficient in the production of the critical materials which are essential in war and in peace."

NO OTHER ALTERNATIVE

In time of war there will be no alternative to self-sufficiency. Once the oceans are closed down to commerce, we shall have to

exist on what we have within our own boundaries or what we have stockpiled or what we can bring to our smelters and mills from within the Western Hemisphere. Much of our thinking on this subject has been based on the assumption that many strategic minerals and materials were available only in Europe, Asia, or Africa.

It is like that famous speech on "acres of diamonds"—we seek all over the world for what can be found in our backyard. The committee found:

"During the last two decades, established procurement practices have dangerously increased our dependence upon nations across major oceans for the critical materials without which this Nation cannot survive.

"Evidence is conclusive that we have become dependent upon overseas suppliers across such major oceans for many of such critical materials. We must avoid dependence upon an overseas supplier to the extent that he could suddenly render us impotent by withdrawing supplies of critical materials during a world conflict, or could use such dependence as a political or economic bargaining lever."

The supply of minerals and essential materials is the first task of war preparedness in this age.

[From the Journal-American of July 21, 1954]

WE DON'T KNOW OUR MINERAL WEALTH

(By George E. Sokolsky)

It is surprising to learn from the report of the Malone committee that less than 1 percent of the area of the United States has been included in geological investigations. How then do we know what our mineral wealth is? We are constantly being told that our foreign policy is to a degree based on our shortages of certain minerals and materials. How do we know? Only 12.5 percent has been geologically mapped by the United States Geological Survey which began to work in 1880.

I wonder how much of our various contributions to foreign aid has been spent in distant countries to discover minerals that have to be brought to us across the oceans in time of war? The defeat of the French in Indochina means, in American terms, that Burma, Malaya, and Indonesia are in peril within a few years, thus imperiling our principal source of tin and raw rubber.

The Malone committee definitely assures the country: "The United States cannot possibly exhaust its present and potential fuels supply including petroleum and coal in the foreseeable future. The absolute necessity for going-concern industries cannot be overemphasized."

LARGE OIL RESERVES

The petroleum industry benefits by depletion allowances which encourage risk investments in this commodity. The committee recommends that depletion allowances be granted other mineral industries as an incentive for risk investment. The committee reports: "Enormous oil reserves are found in the shales and/or coal of Colorado, Wyoming, Utah, Kentucky, Indiana, and Ohio, as well as in Canada. It has been estimated these shales contain over 200 billion barrels of oil. Experimental work by the Union Oil Co. and Bureau of Mines in pilot plant operation shows that petroleum production from this source is entirely practicable and that vast amounts of oil may be produced in the foreseeable future. The Green River formation in Colorado alone has been described as an area of 1,000 square miles with an underlay of oil shale 500 feet thick averaging a recovery of 15 gallons of oil per ton."

The Malone committee favors a protective policy for the American mineral industry so that American risk capital will go into these businesses. The point is made: "Mines once closed down require years of time and tremendous investments to reopen. With experienced workers and technical staffs widely scattered, machinery liquidated, mines flooded and caved, much of our once available reserves are destroyed, and prospecting for new reserves is discouraged. Failure to realize the situation could mean tragedy to our economy and our material security.

"Numerous administrative agencies and departments of the Government are involved in the stockpile program, or in efforts to increase the production of critical materials. They act independently of each other and none are charged with the complete operation. Many are not cognizant of the end objectives of the program. Their activities are marked by confusion and delay."

WE IMPORT TITANIUM

There are 77 essential mineral and materials without which it is impossible to conduct war or to maintain our industries. In case of war, it would probably be impossible to bring these minerals and materials to this country across the oceans. The Malone committee sought to discover whether these minerals and materials are available on the American continents.

For instance, titanium is one of the most important minerals. It is essential for bomber planes flying great distances at supersonic speeds. This country needs 150,000 tons of titanium annually and we produce 2,000 tons. The committee reports: "In 1953 the Secretary of Defense recommended the production of 35,000 tons of titanium annually by 1956. The Office of Defense Mobilization reduced the figure to 25,000 tons and up to September 21 of that year the General Services Administration had let contracts for 13,200 tons and the actual annual production was little over 2,000 annual tons."

If titanium has to be brought across oceans, it is possible that we shall not have any in wartime. At present, Australia and India are sources of the raw material. Obviously this material could not be brought across the Pacific Ocean in the event of a Far Eastern war. India may prevent us from shipping this war essential at the behest of the Soviet Universal State. According to Senator GEORGE MALONE's committee, there is more ilmenite, from which titanium is made, in the United States and Canada than could be used in a century. Why are we going to India for this material?

Mr. President, the hearings and report to which Mr. Sokolsky refers were held and the report submitted to the Senate in response to Senate resolution No. 143 passed by the first session of the 83d Congress on July 28, 1953 and the report rendered to the Senate on July 9, 1954, and is available to the public.

PAN-AMERICAN SELF-SUFFICIENCY, 77 CRITICAL MATERIALS, PEACE AND WAR SECURITY

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks an article by E. F. Tompkins, editor of the New York Journal-American, entitled "Our Hope of Security," published in the New York Journal-American of July 27, 1954.

Mr. President, Mr. Tompkins' editorial experience and ability is nationally recognized. He is fearless in voicing his convictions and principles.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAN-AMERICANISM: OUR HOPE OF SECURITY

(By E. F. Tompkins)

Are these asertions true?

1. The United States is incurably dependent on Asia, Africa, and Europe for critical raw materials necessary for us either to live in peace or conduct a war.

2. Consequently we must adopt free trade, send vast sums of money overseas in foreign aid, and sink our sovereignty in world government; otherwise, how can we procure from distant and sometimes hostile continents the strategic items required for our survival?

Now available are two compendious and conflicting answers to the question.

The affirmative reply was given in 1952 by the President's Materials Policy Commission, of which Mr. William S. Paley was Chairman. The rebuttal has just come from a congressional subcommittee under the chairmanship of Senator MALONE, of Nevada.

FIFTY-EIGHT HEARINGS HELD

The documents are interlocking. The Malone committee, which held 58 hearings, included the Paley Commission in its purview. It says:

"The report of this commission * * * has been widely quoted by economists, conservationists, and social scientists. It has been referred to in international meetings and in discussions at the United Nations as an authoritative text. * * * It has had a profound influence on the policies of many Government agencies dealing with the production of critical materials."

This is quite true. Washington has in its bureau drawers legislative proposals emanating from the Paley report. In U. N. sessions, the Paley report is cited to support global "planned economy" schemes. To impress Americans, the report warned that this country's practices, if continued, would "exhaust its mineral supply by 1975." And recommendation was made "that our tariffs should be lowered."

The Malone committee minimizes the Paley commission's findings as "a compendium worked out by economists and theorists based upon statistical assumptions of questionable validity." It holds that Commission "woefully lacking in skilled engineers, geologists, and men with industrial background."

This can be accounted for. The Commission was a part of the Truman administration. Naturally, then, its "experts" represented Truman-Acheson policies, which—the Malone report alleges—were mainly formulated by Alger Hiss and the late Harry Dexter White.

The Malone committee took a technological approach. It checked, item by item, the 77 strategic raw materials on the Defense Department's list, "which we have acquired by imports from abroad." It quotes military authority to show that, in a third world war, we would be cut off by sea and air from the foreign sources and thereby defeated. It concludes, therefore, that worldwide internationalism provides no security.

CAN BE DEVELOPED

The Malone report puts reliance solely in the Western Hemisphere, which it says actually contains, although still undeveloped, everything we need in strategic materials.

"This area," the committee finds, "can be defended and can be made self-sufficient in the production of such materials.

"We recommend that the spirit of the 130-year-old Monroe Doctrine prevail in our relations with the nations of the Western Hemisphere."

The Malone committee's position is thus an economic counterpart of the Eisenhower administration's recent reaffirmation of the Monroe Doctrine as the kernel of our diplomatic relations.

Mr. MALONE. Mr. President, I particularly call attention to the closing paragraph that the report presented to the United States Senate on July 9, 1954,

in response to Senate Resolution 143, is, and I quote:

The Malone committee's position is thus an economic counterpart of the Eisenhower administration's recent reaffirmation of the Monroe Doctrine as the kernel of our diplomatic relations.

EDITORIAL, MINING AND CONTRACTING REVIEW, SALT LAKE CITY, UTAH—AMERICAN DEPENDENCY UPON FOREIGN NATIONS 77 CRITICAL MATERIALS

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks an editorial entitled "Recommended Reading," published in the Mining and Contracting Review of July 1954.

Mr. Burt B. Brewster, E. M., editor and publisher of the Mining and Contracting Review is well and favorably known among the mining fraternity of the Nation.

Mr. Brewster has had long experience in the field of mining and understands the importance of going-concern industries to our security and our national economic structure.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RECOMMENDED READING

Whether it be coal, metals, wool, or other raw material, each has been the subject of vicious and false propaganda. The Malone committee report should refute this propaganda. It has, surprisingly enough, been given wide publicity in the press and in periodicals. One finding—to do with the have-not philosophy—confirms the raw materials industries' charges. It says:

"Much of our present national policy is based on the assumption that the United States is definitely a have-not nation in respect to a considerable number of vital and strategic raw materials, viz: that we have exhausted our minerals and ores.

"This assumption is one of the greatest frauds and hoaxes ever perpetrated on the American people. It has had a sinister origin and has been perpetuated by various commissions, principally manned by economists, who, despite the pretense of detailed study, have failed to examine into the fundamentals.

"These so-called experts, not experienced in problems of production, have had no actual production or mining experience but have relied on statistical material wrongly interpreted and consequently misleading.

"This false assumption has had a direct bearing on the conduct of our foreign policy. It has led us to underwrite the fiscal systems and the cost policies of various foreign states whose friendship is deemed of the greatest importance due to their possession of raw materials which we are believed to lack.

"As the matter now stands, there is every possibility that our current dependency on foreign sources of supply may be the weak link in our defense that makes it attractive to the Russians to embark on a war on the simple score of a feasible short war. This strategic motivation could invite an effort to cut off the United States from sources of critical raw materials essential to its industrial plan, and hence to our ability to wage war."

It is to be hoped that the President—so long concerned with the welfare of industry in foreign countries—can tear himself away from his captors, the internationalists, long enough to read the Malone committee report, particularly the section quoted above.

The disregard for our national security and economic welfare on the part of the President's advisers and international chums is criminal, if not indirectly treasonable, in view of the fact that most of the foreign nations for whom the United States has done so much are now thumbing their noses at the United States. In such an atmosphere our domestic economy should come first—lest the Communist hope for our financial and industrial collapse come about.

Enough of psalm singing.

Mr. MALONE. Mr. President, Mr. Brewster is correct when he says that "as the matter now stands there is every possibility that our current dependency on foreign sources of supply may be the weak link in our defense that makes it attractive to the Russians to embark on a war on the simple score of a feasible short war."

EXTENSION OF TITLE III OF SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. KNOWLAND. Mr. President, the Senator from Indiana has a bill which he would like to have considered at this time, by unanimous consent. The bill has been cleared with the minority, and I understand it is unanimously approved. It must go to conference, because of the expiration date involved. This measure deals with veterans' loans.

Mr. CAPEHART. Mr. President, the existing law on this subject expires on July 31. Therefore, it is important that this bill be passed promptly, for it must go to conference.

So, Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Calendar 1926, House bill 8152, to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available thereunder, and for other purposes.

Mr. MAYBANK. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. MAYBANK. Let me say, in speaking for the Democratic side, that the distinguished Senator from Alabama and all the others of us unanimously approve the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

There being no objection, the Senate proceeded to consider the bill (H. R. 8153) to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available thereunder, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment, to strike out all after the enacting clause and insert:

That the Servicemen's Readjustment Act of 1944, as amended, is hereby amended—

(a) by striking out of clause (C) of section 512 (b) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(b) by striking out of section 512 (d) "to any private lending institution evidencing ability to service loans" and inserting in lieu thereof "to any person or entity approved for such purpose by the Administrator";

(c) by striking out of the first sentence of section 513 (a) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(d) by striking out of the third sentence of section 513 (c) "June 30, 1955" and inserting in lieu thereof "June 30, 1956";

(e) by striking out of the first sentence of section 513 (d) "July 31, 1954" and inserting in lieu thereof "June 30, 1955";

(f) by striking out of section 513 (d) the second time it appears the sum of "$25,000,000" and inserting in lieu thereof the sum of "$50,000,000."

Mr. HUMPHREY. Mr. President, let me ask what the nature of the amendment in the form of a substitute is?

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield, to permit me to answer the question?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. The situation is that the Senate passed the provisions now carried in this bill, as a substitute for a part of the general housing bill. The House has passed a separate bill. We have stricken out the House language, and have inserted our own.

Mr. CAPEHART. Yes.

Mr. MAYBANK. And we inserted a provision for $50 million as a revolving fund for veterans.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. CASE. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. KNOWLAND. I yield for a parliamentary inquiry.

Mr. CASE. The junior Senator from South Dakota would like to inquire whether any action has been taken with respect to the committee amendment which would preclude the offering of amendments to the paragraph dealing with the use of foreign currency. It is the opinion of the junior Senator from South Dakota that the use of foreign currency by committees of Congress should be put under as strict control as any other use of such funds.

The PRESIDING OFFICER (Mr. PAYNE in the chair). There has been no action taken on amendments except on page 82, starting at line 13, and ending on line 6 on page 83. Now pending is the amendment offered by the Senator from Wisconsin [Mr. WILEY].

Mr. CASE. Would the adoption of the amendment offered by the Senator from Wisconsin preclude the offering of an

additional amendment to subparagraph (b), on page 129?

The PRESIDING OFFICER. The Chair is advised that it would be possible to offer an amendment to the Wiley amendment.

Mr. CASE. Or to the remainder of the paragraph?

The PRESIDING OFFICER. In other words, if the Senator from South Dakota were precluded from offering an amendment at that particular time, there would be no question that he would be able to offer his amendment after action has been taken on the Wiley amendment.

Mr. KNOWLAND. Mr. President, I now yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, the Committee on Armed Services held executive hearings on the Mutual Security Act subsequent to the time the bill had been reported by the Committee on Foreign Relations.

The basic purpose of the hearings conducted by the Armed Services Committee was to ascertain whether the programs contemplated by the Mutual Security Act actually strengthen our own national security rather than weaken it by draining off badly needed resources.

In effect, therefore, the purpose of the Armed Services Committee was to take what might be termed a "purely military" look at this program.

After extensive consultations with witnesses who have key responsibilities in the field of national security, the committee concluded that this program is of invaluable aid to our own national security. We feel that it is an indispensable counterpart to the measures which we take to arm and equip our own soldiers, sailors, airmen, and marines. The program makes a clear-cut, definite contribution to our own military readiness by placing our allies in a better position to resist the common enemy.

There is one paragraph of the bill, however, which caused the committee considerable apprehension. After hearing the original testimony on this particular paragraph, the committee recalled the Chairman of the Joint Chiefs of Staff for additional testimony.

The paragraph to which I have referred is in section 503 (b) (1), relating to the June 30, 1955, termination of the program.

Both Under Secretary of State Smith and Admiral Radford recommended strongly against this provision.

The basis for their concern was a strong feeling that the language of this portion of the bill would create in the minds of our friends the feeling that, after June 30, 1955, the United States would discontinue its program of mutual security.

The language to which Secretary Smith and Admiral Radford disagree provides that after June 30, 1955, none of the authority to be conferred by the bill may be exercised for carrying out any function authorized by title I or title II, except for certain liquidating or winding-up operations.

Since military assistance is authorized by title I, chapter 1, of the act, the effect of the amendment is to terminate all military assistance programs on June 30, 1955, except that during the succeeding 24 months; (1) military assistance funds obligated on or before that date may be spent; (2) military equipment for which funds have been obligated on or before that date may be delivered; and (3) military assistance funds may be obligated to the limited extent necessary to meet delivery and liquidating expenses.

In the opinion of the witnesses, the fixing of an arbitrary date and, particularly, one as close at hand as June 30, 1955, which would cut off all existing military assistance programs except for winding-up operations, is unwise.

None of us wants to continue the mutual defense assistance program for a moment beyond the time required in the national security interests of this country.

But to say that all existing military assistance programs, excepting for winding-up operations, must cease next June 30, seems to be entirely out of keeping with the current world situation.

Certainly the threat of world communism is not decreasing today. In fact, most of us will agree that the Soviet Union and Red China represent an increasing menace to world peace over the foreseeable future.

Mr. President, the recent action of the Senate in adopting unanimously the last paragraph of section 101 of the committee amendment, on pages 82 and 83, indicates the feelings of the Senate in this regard.

The realities of the world situation are such that we must accept that there will be a continuing need for at least a degree of military assistance for some time to come. The military aid program even though limited in scope is an integral part of our own defense planning; and any attempt to completely terminate it prematurely, or to create an impression that we are about to completely terminate it prematurely, is harmful to our own security.

Even now we are making the basic plans for mutual aid programs for fiscal year 1956—plans of a scope which those responsible for our national security consider essential.

The language in section 503 (b) (1) implies that such programs will not be permitted. It is not enough to say that the report filed by the Committee on Foreign Relations states that such is not the intent of the language. The fact remains that those who are responsible for meeting our responsibilities in the field, and in negotiating with our friends and our enemies, are seriously concerned as to the impact of this language.

Furthermore, countries that have entered into mutual defense arrangements with the United States look to us for leadership and guidance in matters affecting national security. Every action undertaken by the United States is watched with the closest attention, not only by our potential enemies, but particularly by our friends. Such a provision as is contained in the bill might well be construed by many of our friends as a step away from the concept of mutual defense.

Mr. President, I should also like to point out that the 2-year liquidation provision of the amendment would not be adequate in the light of the long lead-time required to produce and deliver such items as ships and aircraft. In many cases, if the Defense Department obligated funds for these items during the current fiscal year, we would not be able to deliver all of the items within the 2 following fiscal years.

Under this language, of course, deliveries of all items, including ships and aircraft, will be cut off on June 30, 1957, even if the items were in the last stages of production and almost ready for delivery.

I have been informed that the Mutual Security Act of 1951, as amended, contains language similar to that of this amendment, with a termination date of June 30, 1954. This date was inserted when the legislation was drafted in 1951; and, of course, at that time the termination date was several years in advance.

Last year the Congress continued the termination date of June 30, 1954, but made the following explanation in the conference report:

> The June 30, 1954, date was adhered to not because the committee of conference believed that all forms of assistance to other nations would finally terminate on that date, but because they felt that a basic overhauling of the legislation dealing with foreign aid is necessary before that date.

Congress also agreed to make liquidation period for military assistance 3 years, instead of 2.

Mr. President, I bring the foregoing considerations to the attention of the Senate at this time for the express purpose of bringing out the opposition to the language contained in section 503 (b) (1) of the bill as expressed by responsible officials called before the Armed Services Committee to testify.

It is not my intention to move that the bill be amended. I do feel, however, that the concern of the State Department and the Joint Chiefs of Staff in this matter should be made a matter of record, so that the conferees later to be appointed on this bill may be fully informed as to the apprehension which was so forcefully expressed to our committee, and will be prepared either to modify the language or to take whatever other action they believe wise in the conference.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. SMITH of New Jersey. Let me say that I appreciate the fine statement the Senator from Massachusetts has made in support of the work of the committee and the committee report on this matter. Do I correctly understand that it is the position of the Armed Services Committee that, as a committee, it is registering general opposition to the section which provides for the termination of this operation?

Mr. SALTONSTALL. The feeling of the committee was that this section should be very seriously considered from the point of view of eliminating it. But in view of the time and the desire of the

majority leader and the Foreign Relations Committee to get the matter before the Senate, we decided not to eliminate the section in the committee, where, of course, there would have been considerable discussion, but to have the bill as reported by the Foreign Relations Committee, brought to the floor of the Senate, and to have the chairman of the committee make a statement along the lines of the statement I have just made.

Mr. SMITH of New Jersey. I thank the Senator from Massachusetts.

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. MANSFIELD. The Senator from Massachusetts has referred to the amendment I offered in the committee, which was adopted there, and about which some discussion occurred in the Armed Services Committee, of which the distinguished Senator from Massachusetts is chairman.

The reason I spoke today was to prevent any possibility that the amendment would be deleted, because last year the Senate unanimously agreed to the proposition that the Mutual Security Administration should end on June 30, 1954—29 days ago. The Senate allowed a 3-year extension for liquidating military aid and a 2-year extension for liquidating economic aid.

Because of the lateness in considering the bill this year, I changed an original amendment I had to terminate absolutely on December 31, 1954, the FOA, as such; and I substituted, instead, another amendment, which would allow an added year of life to the FOA, namely, to June 30, 1955, but, keeping in line with the intent and the spirit of what the Senate unanimously did last year, cutting down the liquidation period of military assistance from 3 years to 2 years, and the liquidation period of economic assistance from 2 years to 1 year.

The Senator from Massachusetts speaks of responsible officials downtown, and I assume he refers to Secretary Dulles and Admiral Radford. I think we are responsible officials, too; and I think we had better wake up to the fact that if we do not put our foot down, this aid program will become a permanent fixture in the executive branch of the Government of the United States.

If the Senator from Massachusetts is opposed to this particular proposal, I would be willing to have it brought to a vote today, so all of us can go on record as to whether we favor aid on a permanent basis or whether we think aid should go through the Department of Defense and the State Department, on the recommendation and request of the President of the United States in pursuance of specific limited objectives in line with the foreign policy of the United States.

The reason I made this speech was to make it as crystal clear as I knew how that this amendment meant abolishing the FOA as of June 30, 1955, and I hope that if it comes to a vote the Senate will do just what it did last year, and unanimously adopt the amendment. I certainly hope that if the amendment stands in the bill, as I think it will, when the bill goes to conference the amendment will be retained, so that the FOA, this independent temporary agency, which seeks to make itself permanent, will be on notice that as of June 30, 1955, it is through and finished, and that any other aid which is contemplated must be carried on at the specific request of the President, through the proper department, and must be in line with limited and specific objectives in accord with the foreign policy of the United States.

I wanted to make my position clear. I desire to see this agency abolished. I do not believe in permanent temporary agencies.

Mr. KNOWLAND. Mr. President, I should like to suggest, if I may, to the distinguished chairman of the committee, that we can open up the debate on the foreign-aid bill as soon as the conference report on the tax bill has been taken care of. This is obviously a question in which there is a wide difference of opinion; the distinguished Senator from Massachusetts [Mr. SALTONSTALL] has expressed his opinion, as chairman of the committee, and the distinguished Senator from Montana [Mr. MANSFIELD] has presented the point of view that he submitted to the Foreign Relations Committee. I respectfully suggest, inasmuch as a number of Senators who urged that they be given advance notice of the taking up of the conference report on the tax bill are now present, that we may be permitted to proceed with that report.

Mr. SALTONSTALL. I appreciate the courtesy of the majority leader in letting me make the brief statement I have made. I realize my point of view is a little different from the point of view of the Senator from Montana [Mr. MANSFIELD], not as different as he would indicate. I agree with the Senator from California, and I shall not discuss the matter now but I will be willing and glad to discuss it later.

THE CONGRESSIONAL HABIT OF APPROPRIATING TAXPAYERS MONEY FOR EUROPEAN COUNTRIES

Mr. MALONE. Mr. President, will the Senator yield to permit me to ask a question of the distinguished Senator from Massachusetts?

Mr. KNOWLAND. Yes, I yield for a question.

Mr. MALONE. I should like to emphasize, in asking the question I am in agreement with the distinguished junior Senator from Montana [Mr. MANSFIELD], and that it is time that we eliminate, after 6 or 7 years, the temporary agencies set up to expend billions of our taxpayers money without rhyme or reason. That has become a habit.

I want to ask the distinguished Senator from Massachusetts [Mr. SALTONSTALL] if he thinks we should continue these habits, remain in these ruts, following the executive branch of the Government without question, of appropriating large sums of money each year, starting with 1948, the $17 billion in 1948 and continuing to the present time, and now projecting such appropriations in the indefinite future.

I should like to ask the distinguished Senator from Massachusetts if he is in favor of continuing such appropriations and gifts to foreign countries without a quid pro quo.

Mr. SALTONSTALL. I realize that the Senator has made a statement rather than asked a question.

Mr. MALONE. I asked a question of the distinguished Senator from Massachusetts, does he agree that Congress should continue such appropriations or gifts to foreign nations without any return and with no repayment. Congress has been doing just that since World War II. This Senate of the United States is a deliberative body; it is supposed to deliberate and consider the welfare of our own taxpayers before continuing the division of their wealth.

Mr. SALTONSTALL. I will say to the Senator from Nevada I do not think we should continue temporary agencies indefinitely. I had intended to make that statement to the Senator from Montana. I shall be glad to make it to the Senator from Nevada.

I think certain language in the bill could be changed in a way to help our security and promote the peace of the world, if you will, and to better express the purpose than does the amendment now in the bill.

Mr. STENNIS. Mr. President, will the Senator from California yield to me for a brief question?

Mr. KNOWLAND. Yes, I yield.

Mr. STENNIS. As I understand, the Senator from Massachusetts is going to debate this matter further before it is disposed of; but the majority leader wants to intervene with the conference report on the tax bill. Is that correct?

Mr. KNOWLAND. Yes. I would say to the Senator from Mississippi that we will resume the debate on the foreign-aid bill when the conference report on the tax bill has been disposed of.

Mr. STENNIS. I shall be glad to defer.

REVISION OF INTERNAL REVENUE LAWS—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, we have a privileged matter to take up, namely, the conference report on the tax bill.

Mr. MILLIKIN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8300) to revise the internal revenue laws of the United States. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The Chief Clerk read the report.

(For conference report see House proceedings of the CONGRESSIONAL RECORD of July 28, 1954, pp. 12399–12424.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLIKIN. Mr. President, I wish to bring up the conference report on H. R. 8300.

First, I should like to discuss the revenue effects of the conference agreement. When the bill left the Senate, there was a loss for the fiscal year 1955 of $116 million over existing law. As the bill was agreed to in conference, the revenue loss for the fiscal year 1955 amounts to $163 million, an increase of $47 million over the Senate bill. The conference agreement loss in revenue is $34 million less than the House bill.

There were 543 Senate amendments, of which 173 were substantive amendments. The balance were clerical, technical, and conforming amendments. Of the substantive amendments, the House conferees agreed to 157 without change. These include amendment No. 67, relating to soil-and-water conservation, offered by the Senator from Illinois [Mr. DIRKSEN]; amendment No. 102a, offered by the Senator from Texas [Mr. JOHNSON] relating to publication and distribution of statements on behalf of candidates for public office; amendment No. 105a, offered by the Senator from Kansas [Mr. CARLSON], relating to organizations engaged in agricultural research; amendment No. 147—adding olivine, offered by the Senator from Washington [Mr. MAGNUSON]—adding titanium, offered by the Senator from Nevada [Mr. MALONE], and the amendment offered by the Senator from Texas [Mr. JOHNSON], on behalf of the Senator from Texas [Mr. DANIEL], relating to limestone; amendment No. 232a, offered by the Senator from Michigan [Mr. FERGUSON], relating to distributions pursuant to orders of the Securities and Exchange Commission; amendment No. 252a, offered by the Senator from Utah [Mr. BENNETT] relating to treatment of compensation received by a member of a partnership for services rendered while an employee of the partnership, and amendment No. 332, offered by the Senator from Minnesota [Mr. HUMPHREY], relating to the excise tax on admissions to baseball games participated in by amateurs and semiprofessionals. The amendment offered by the Senator from Texas [Mr. JOHNSON], moving the date in the case of transactions involving reorganizations, was agreed to in conference with an amendment extending the general effective date of subchapter C from June 18, 1954, to June 22, 1954.

Of the 553 Senate amendments, the Senate receded on 9 amendments. These are as follows:

Amendment No. 51b, offered by the Senator from Vermont [Mr. FLANDERS], was rejected by the House conferees. There was considerable discussion of this amendment and also amendment No. 80, striking out a House provision which denied a deduction to private manufacturing businesses for rental payments made to State or local governmental units for the use of property acquired or improved by the governmental units by the issuance of industrial development bonds. The conferees recognized the problems involved but believed the matter should have further study before actual legislation was adopted.

Amendment No. 67a, providing for the cost of writing off farm storage facilities in 1 year was disagreed to by the House conferees. The present law permits such expenditures to be written off over a period of 5 years. A complaint was received from some farm groups which indicated that the farmer would not have sufficient income to receive any real benefit from writing off all of these expenditures in one year. In view of this fact and the estimated loss in revenue involved in this provision, the House conferees insisted on their disagreement to this amendment, and the Senate conferees were forced to recede.

Amendment No. 110a deals with the denial of deductions for charitable contributions or tax-exempt status to religious, charitable or educational institutions described in section 501 (c) (3) of the code if they make donations to a subversive organization or to a subversive individual. The conferees received a great deal of criticism about this amendment from many bona fide organizations and institutions. While the conferees were in accord with the objective of the amendment, it was believed that the language was so broad that it might apply to many organizations which were without the scope of the intent of the provision. The conferees decided to recede on this amendment but to instruct the staff to make a study of this problem.

The junior Senator from Colorado is the chairman this year of the Joint Committee on Internal Revenue Taxation, and the necessary instructions have already been given.

It is recognized that some organizations have made contributions in the past which may have directly or indirectly aided subversive elements. The conferees were in entire agreement that steps should be taken to prevent such practices from occurring in the future. The staff was instructed to make a full study of the problem and submit a report.

Amendment No. 129a, offered by the Senator from Louisiana [Mr. LONG]: This amendment was designed to close a loophole in the present law whereby a company could avoid the personal holding company tax. The House conferees were sympathetic to the objective of the Senate amendment but were fearful that it might apply to legitimate companies not intended to be subject to the personal holding company tax. Accordingly the House conferees rejected this amendment with the understanding that the problem will be given further study by the staff to see if a satisfactory method of dealing with this situation can be developed.

Amendment No. 178: This amendment deleted from section 803 of the House bill, in conection with the taxation of life insurance companies, the reference to "accrued" items with respect to income received and deductions taken. This action was taken as a result of a suggestion made by the life insurance company representatives. However, it was later pointed out that the life insurance companies would prefer the House bill language, so that the omitted words were restored.

Amendment No. 485a, offered by the Senator from Delaware [Mr. WILLIAMS], changing the period of limitation from 3 to 5 years, in the case of certain criminal offenses, was disagreed to in favor of the House provision which had a 6-year period of limitation.

Amendment No. 486: This was a committee amendment which restored existing law with respect to the period of limitation on criminal prosecution with respect to four offenses. The conference accepted the House provision which provided a 6-year period of limitation for such offenses instead of the 3-year period provided in existing law.

Amendment No. 494: This amendment eliminated the 5-percent penalty for intentional disregard of regulations if the taxpayer has reasonable grounds for believing the rules or regulations to be invalid and attaches a statement to that effect to his return. The Senate conferees receded on this amendment.

Amendment No. 551: This amendment provided that the Attorney General and the FBI should have authority to make investigations in certain cases. The House members insisted that this matter was being handled by another committee of the House, namely the Judiciary Committee, and therefore objected to its inclusion in the bill. The Senate receded.

The House conferees accepted many other Senate amendments with amendments. I will briefly describe some of these important amendments.

Senate amendments Nos. 2 and 3 relate to income splitting in the case of the head of a family. The Senate will recall that there was considerable discussion of this provision in the Senate, and the Senator from Vermont [Mr. AIKEN] offered an amendment to restore the House provision, which was later withdrawn in the hope that a satisfactory solution could be worked out in conference. I believe that the conferees have worked out a satisfactory solution to this problem. Under the conference agreement, full income splitting is provided a taxpayer for the first 2 years after the death of his spouse if there is a dependent son or daughter, including stepson or stepdaughter, qualifying him for such surviving-spouse treatment. This meets one of the main objections to the present law, that is, that where one of spouses died, the surviving spouse is immediately forced to bear a heavy increase in tax. The provision in present law requiring the dependent qualifying the taxpayer for head of household status to live in the household of the taxpayer is removed with respect to a father or mother of the taxpayer if the parent is a dependent and if the taxpayer maintains a household for the father or mother, but not necessarily the

household in which the taxpayer lives. This modification, I believe, will cover the case illustrated by the Senator from Vermont. Apart from the above change, the provisions of existing law are continued permitting a taxpayer with a dependent to qualify for head of household status.

Amendments Nos. 10 and 34: These amendments relate to the dividend-received credit for individuals. You will recall that the House bill provided for a dividend credit of 5 percent in the case of dividends received by domestic corporations after July 31, 1954, and prior to August 1, 1955, and a 10-percent credit for dividends received thereafter. The Senate amendment, offered by Senator JOHNSON of Colorado, completely eliminated the dividend credit. Also, the House bill permitted $50 of dividends to be excluded from income for 1954 and $100 to be excluded for 1955 and subsequent years. Senate amendment No. 34 eliminated the $100 exclusion, so the $50 exclusion applied not only to 1954 but also to subsequent years. We were able to work out a compromise on these two provisions. The House conferees receded on Senate Amendment No. 34.

On Senate amendment No. 10, the House conferees receded with an amendment continuing the dividend credit to individuals but reducing the amount of the credit to 4 percent for all years instead of the 5-percent and 10-percent credit under the House bill. I believe this compromise is closer to the Senate version than to the House version. The loss in revenue will be considerably reduced. Under the House bill, the revenue loss would have amounted to $195 million for the fiscal year ending June 30, 1955.

Under the conference agreement the loss will amount to $158 million as contrasted with $195 million.

Mr. HOLLAND. Will the Senator yield?

Mr. MILLIKIN. Yes.

Mr. HOLLAND. Does the figure named by the distinguished Senator include the $46 million loss which was included in the Senate bill as section 116, providing for the deduction from dividend income of $50?

Mr. MILLIKIN. It does not include that.

Mr. HOLLAND. Then the total loss from dividends would be $158 million plus $46 million, would it not?

Mr. MILLIKIN. Making the total $204 million.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. MILLIKIN. Under the conference agreement the loss will amount to $158 million. The full effect of the loss will be realized in 1956 and will amount to $316 million as compared to a loss of $545 million under the House bill for the fiscal year 1956.

Amendment No. 32: The House accepted the Senate amendments dealing with accident and health benefits with certain modifications. The amendment offered by Senator MORSE eliminating the 7 day waiting period was accepted with a modification. Under the conference agreement, payments for loss of wages attributable to the first 7 days will not be included in income if the payments are made on account of injuries, or if the individual is hospitalized for at least 1 day. The amendment offered by Senator LONG which provided that amounts received as reimbursement for medical care are to be excluded if the amounts were expended during the prior taxable year, as well as during the current taxable year, was modified to prevent the individual from taking both a medical expense deduction and the exclusion.

The Senate conferees were forced to recede on amendment No. 43. This amendment struck the House provision permitting an interest deduction for carrying charges on installment purchases where the carrying charges were separately stated but the interest could not be ascertained. The deduction in the House bill was limited to 6 percent of the average unpaid balance due on the installment contract during the taxable year. However, a clarifying amendment was adopted by the conferees to make it clear that the amount of the deduction would be treated as interest only for the purposes of this section, so as not to interfere with the interest laws of the various States.

Amendment No. 50: The House conferees accepted the provisions of the Senate amendment relating to depreciation, with one exception. Under the Senate amendment the new declining balance method of depreciation was available to property completed after December 31, 1950. The House bill permitted the new declining balance method to be applied only to that portion of the property completed after December 31, 1953. Since the Senate amendment on this point resulted in a loss in revenue of $36 million, it was deemed advisable to yield to the House on this point.

Amendment No. 55, permitting an unlimited carryover of charitable deductions, was amended in conference to permit the carryover only for a period of 2 years.

Amendment No. 133a: This amendment offered by Senator SPARKMAN, exempted corporations organized under the banking or credit laws of a foreign country from the foreign personal holding company tax. It was accepted by the conferees with a modification permitting the exemption only if the Secretary or his delegate found that the corporation was not organized or availed of for the purpose of evading or avoiding the United States tax on its shareholders.

Amendment No. 227: The House conferees accepted amendment No. 227, which was offered by Senator MUNDT, extending the benefits of the involuntary conversion provisions of present law to livestock destroyed by disease, or sold or exchanged because of disease, to cover also cases where the livestock is destroyed "on account of disease" as well as by disease.

Amendment No. 246: The House conferees accepted this Senate amendment relative to the tax treatment of patents, but extended it to apply not only with respect to the sale of property consisting of all substantial rights evidenced by a patent or an undivided interest therein, but also in the case of a sale of rights under patent applications even though no patent has as yet been obtained.

Amendment No. 248a: This amendment was offered by the Senator from Kentucky [Mr. COOPER] and permitted capital gains treatment where real property with certain improvements was subdivided and sold. The conferees agreed to this amendment, with a modification that the property must have been held for a period of 10 years or more.

Amendment No. 259: This amendment permitted certain proprietorships and partnerships an election to be taxed as corporations and also permitted corporations the privilege of being taxed as partnerships under certain limitations and conditions. The conferees agreed to that portion of the amendment permitting certain proprietorships or partnerships to be taxed as corporations. However, the House conferees refused to agree to that part of the amendment which permitted corporations to be taxed as partnerships, and the Senate conferees were forced to recede on that part of the amendment.

Amendment No. 263: The House conferees agreed to the Senate amendment exempting regulated public utilities from the additional 2-percent tax for the privilege of filing consolidated returns. However, the percentage affiliated test for filing consolidated returns for all corporations, whether or not regulated public utilities, was reduced from 95 percent to 80 percent. The amendment offered by the Senator from Delaware [Mr. FREAR] relating to lessor railroad corporations was also accepted by the House conferees.

I also wish to comment briefly on amendment No. 82, relating to corporate distributions and reorganizations. The House conferees accepted Senate amendment 82, with five exceptions, which I will state at this point, as follows:

First. Section 302 (c) of the bill, as amended by the Senate, provides that in determining whether or not a redemption of stock is to be taxed as a dividend or at capital gains rates, the redeeming shareholder is to be considered as owning stock owned by certain related persons. An exception to this is provided, however, if the shareholder redeems all of his stock and terminates his entire interest in the corporation. In such a case he is not considered as owning the stock owned by members of his family. However, this family ownership rule is not waived if the redeeming shareholder has given or sold part of his stock to a family member within 10 years prior to the termination of his interest. The amendment made by the conferees provides that if such stock given or sold to a member of the family is redeemed in the same transaction with that of the stockholder, capital-gains treatment will still be available.

Second. In the section describing the area of stock ownership which is to be considered as ownership of stock in the hands of a person directly involved in a transaction, the conferees provided that in determining when a trust is to be considered as constructively owning stock

of its beneficiaries, a contingent beneficial interest of not more than 5 percent of the value of the trust property is not to be taken into account.

Third. In the section which corresponds to section 112 (b) (7) of the 1939 Code, and which permits the receipt on liquidation by qualified electing shareholders of property which has appreciated in value without the recognition of gain on such appreciation, the conferees changed the date, August 15, 1950, to after December 31, 1953, wherever it appears in this section for purposes of determining when a coporate shareholder is to be excluded from the benefits of the provision and for purposes of determining when securities purchased shall be taxed as if cash had been distributed.

Fourth. The conferees also modified the Senate provision relating to "divisive" reorganizations of corporations, such as "split-ups," "split-offs," and "spin-offs." This provision provides that such reorganizations are to be tax free if among other limitations the transaction is not used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation, or both. The modification made by the conferees provides that the mere sale of stock received in a distribution resulting from one of these divisive reorganizations is not in and of itself to be treated as a device for the distribution of earnings and profits, if the sale is not a part of a plan.

Fifth. Corporations in process of liquidation during 1954 are permitted to make certain sales without the recognition of gain or loss under the Senate amendment if the distribution of the corporation's assets is completed before January 1, 1955. The conferees added an alternative period of 12 months from the date of the adoption of a plan of liquidation to complete sales and make distributions if the plan of liquidation is adopted before June 22, 1954.

In conclusion, I wish to emphasize the magnitude of the work involved in the preparation of this bill, and the efficient way in which the conferees met and ironed out their differences. I believe that this bill when enacted will have a far-reaching effect on the economy and be of material benefit to millions of taxpayers throughout the country.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I am glad to yield.

Mr. LONG. Will the Senator from Colorado explain the terms upon which the conferees agreed with regard to the head of household provision? The Senator referred to it in his speech, and I desire to have it clear in my mind.

Mr. MILLIKIN. Was that the amendment in which the Senator was interested?

Mr. LONG. Yes. The bill as passed by the House had provided that there would be a full 50–50 split of income between an individual and one of his children. The Senate agreed to follow the existing law, which permits a one-fourth split of income for the head of a household not living with his wife.

Mr. MILLIKIN. In the main, the Senate provision was adopted. Was the Senator interested in a particular amendment?

Mr. LONG. Yes, the one to which the conference committee actually agreed.

Mr. MILLIKIN. I read:

Amendment No. 129a, offered by the Senator from Louisiana [Mr. LONG]: This amendment was designed to close a loophole in the present law, whereby a company could avoid the personal holding-company tax. The House conferees were sympathetic to the objective of the Senate amendment, but were fearful that it might apply to legitimate companies not intended to be subject to the personal holding-company tax.

That is not what the Senator from Louisiana is speaking about, is it?

Mr. LONG. No.

Mr. MILLIKIN. I shall continue to read the statement, because it may interest the Senator to know about it:

Accordingly, the House conferees rejected the amendment with the understanding that the problem will be given further study by the staff, to see if a satisfactory method of dealing with the situation can be developed.

Mr. LONG. I realize the difficulty of dealing with that particular subject matter. I hope it can be considered next year.

Mr. MILLIKIN. It will be considered next year. I think it is well worthy of consideration. But it was a difficult subject.

I think the amendments to which the Senator from Louisiana has reference are those referred to on page 21 of the statement report, as follows:

Amendments Nos. 2 and 3: Under the House bill, the benefits of full income splitting were extended to those taxpayers who could qualify as "head of family." In order to qualify, a taxpayer must have supported a son, daughter, father, mother, brother, or sister, or certain relatives of his wife if she were dead and he had not remarried. It was not necessary for such dependents to live in the taxpayer's household in order to qualify him as head of family.

Under the Senate amendment, the provisions of existing law relating to head of household were restored. Thus, a head of household would continue to receive half (rather than full) benefits of income splitting and the dependents qualifying the taxpayer must actually live in his household. The taxpayer would not be required to support his children and their earnings would not be subject to the $600 limitation (unless such children were married).

The House recedes with amendments. Under the conference agreement, the provisions of the Senate amendment are retained with three exceptions. Under the first exception, a taxpayer may qualify as head of household through his support as a dependent (within the meaning of sec. 151) of either his mother or father even though they do not live in his home, if he maintains a household (by providing more than half the cost of maintenance) for either of them and such household constitutes such parent's principal place of abode.

Under the second exception, a taxpayer may obtain the full benefits of income splitting for a period of 2 years after the year in which occurs the death of his spouse, if he has not remarried and if he maintains as his home a household which is the principal place of abode of a son, stepson, daughter, or stepdaughter and with respect to whom the taxpayer is entitled to a deduction under section 151. If the taxpayer does not qualify as a "surviving spouse", he may still qualify as a "head of household" if he meets the statutory requirements. Thus a taxpayer on the calendar year basis whose spouse died in 1952, may, for the taxable year 1954, qualify as a "surviving spouse." However, in 1955, he must determine whether he can meet the requirements of "head of household."

The third exception adds a limitation that a taxpayer may not be a head of a household by reason of a dependent who would not be a dependent but for the new categories provided under paragraphs (9) and (10) of section 152 (a), and subsection (c) of section 152, of the House bill.

Mr. PAYNE. Mr. President, will the Senator from Colorado yield for a question?

Mr. MILLIKIN. I yield to the Senator from Maine.

Mr. PAYNE. The junior Senator from Maryland [Mr. BEALL] was unable to be present today because of his attendance on funeral services for a very close associate. He had intended to ask a question relative to a particular feature of the conference report, and I should like to ask the question for him.

Senate amendment No. 117 to H. R. 8300 states that the unrelated business income provisions will not be applied to an employees' trust if indebtedness was incurred by the trust before March 1, 1954, in connection with real property which was leased before March 1, 1954. Is it the understanding of the Senator from Colorado that this provision would exempt business lease indebtedness which was incurred by an employees' trust, whether before or after March 1, 1954, if the trust was legally obligated to incur such indebtedness prior to March 1, 1954, and that the lease need not be executed before March 1, 1954, if the trust was legally obligated to enter into such a lease under a written agreement to lease made prior to March 1, 1954?

Mr. MILLIKIN. My answer would be an unequivocal "Yes."

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER (Mr. UPTON in the chair). Does the Senator from Colorado yield to the Senator from Nevada?

Mr. MILLIKIN. I yield to the Senator from Nevada with the understanding that I do not lose my right to the floor.

Mr. McCARRAN. Mr. President, before the Senate agrees to the conference report I want to point out one fact which I believe deserves the attention of the Senate and the attention of the country.

This conference report represents one more instance in which anti-Communist legislation has been killed.

When the tax bill left the Senate it carried an amendment designed to dry up one of the most important sources of money for Comumnist causes and Communist objectives. That amendment was thrown out of the bill in conference. I am sorry to say I believe it was thrown out of the bill in conference largely because of the opposition of representatives of the executive branch of the Government.

I was not a conferee on the bill, and I was not present at the conference; but I am informed that representatives of the Treasury Department were present

at the conference, although I question their right to be there; and I am further informed that the influence of the Treasury Department was quite strongly exerted against the anti-Communist amendment which the Senate had placed on this tax bill.

If I am wrong about that, I shall be glad to have any member of the conference committee correct me.

Mr. MILLIKIN. If the Senator from Nevada will yield, I should like to inform him that he is completely wrong about that. There were representatives of the Treasury present in the conference, as there always are, but I do not recall a single suggestion made by any representative of the Treasury on that amendment. The fact of the matter is that everyone present at the conference, so far as I could determine, was strongly in favor of the principles involved in the Senator's amendment. There was strong objection particularly in the House of Representatives, because Members of that body had been overwhelmed by letters from holding companies all over the country, not objecting to doing that, but objecting to providing for it without hearing, and prescribing legislative standards rather than depending upon executive findings.

Mr. McCARRAN. I thank the Senator for his correction.

Mr. President, the amendment to which I refer is the amendment which I offered in the Senate, and which was adopted by the Senate without a dissenting vote. This amendment would have denied income-tax exemption to any organization knowingly making donations to subversive organizations or subversive individuals. I ask unanimous consent that a copy of my amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the proper place in the bill add the following:

"Chapter 38 of the Internal Revenue Code is amended by adding at the end thereof a new section as follows:

"'SEC. 3815. Denial of exemption under section 101 (6) in the case of organizations making donations to subversive organizations or individuals.

"'(a) Definitions: For the purposes of this section—

"'(1) Subversive organization: The term "subversive organization" means any organization which (A) advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the Government of the United States by force or violence, or (B) is on the list of organizations furnished by the Attorney General pursuant to part III, section 3 of Executive Order No. 9835 of March 21, 1947, or (C) is registered (or required by a final order of the Subversive Activities Control Board to register) with the Attorney General under section 7 of the Subversive Activities Control Act of 1950.

"'(2) Subversive individual: The term "subversive individual" means any individual who (A) advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the Government of the United States by force or violence, or (B) is a member of any subversive organization as defined in paragraph (1) of this subsection, or (C) is registered or required to be registered with the Attorney General under section 8 of the Subversive Activities Control Act of 1950.

"'(3) Donation: The term "donation" includes (A) any gift, contribution, or grant of money, property, services, or any other thing of value, and (B) any loan of money, property, services, or any other thing of value, other than a loan in the course of a bona fide business transaction.

"'(b) Denial of exemption:

"'(1) General rule: No organization which makes a donation to any subversive organization or to any subversive individual shall be exempt from taxation under section 101 (6).

"'(2) Exceptions: The provisions of paragraph (1) of this subsection shall not apply in the case of any donation made by an organization to—

"'(A) an individual solely for charitable purposes to supply food, clothing, shelter, or other necessities for such individual or for members of his family or household; or

"'(B) an individual solely for the purpose of providing medical or hospital services for such individual or for members of his family or household; or

"'(C) an organization which furnishes to the donor organization in advance of such donation a sworn statement that it is not a subversive organization as defined in subsection (a) (1) of this section, unless the donor organization knows or has reasonable opportunity to know that such organization is a subversive organization; or

"'(D) an individual who furnishes to the donor organization in advance of such donation a sworn statement that he is not a subversive individual as defined in subsection (a) (2) of this section, unless the donor organization knows or has reasonable opportunity to know that such individual is a subversive individual.

For the purposes of this subsection, an organization shall, with respect to the making of any donation, be charged with the knowledge or opportunity to know of any officer, agent, or employee of such organization who actively participates in the making of such donation.

"'(3) Taxable years affected: A denial of exemption under section 101 (6) by reason of this section shall be effective for taxable years commencing with the taxable year during which the Secretary, after notice and opportunity for a hearing, determines that an organization has made a donation to which the provisions of this subsection are applicable.

"'(c) Future status of organization denied exemption: Under regulations prescribed by the Secretary, any organization denied exemption under section 101 (6) by reason of this section may, during any taxable year following the taxable year in which exemption is denied, file claim for exemption, and if the Secretary, pursuant to such regulations, is satisfied that there is no reason for believing that such organization will again make a donation which would be grounds for denial of exemption by reason of this section, such organization shall be exempt under section 101 (6) with respect to taxable years subsequent to the taxable year in which such claim is filed.

"'(d) Disallowance of certain charitable, etc., deductions: No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), 812 (d), 861 (a) (3), 1004 (a) (2) (B), or 1004 (b) (2) or (3), shall be allowed as a deduction if made to an organization during a taxable year of such organization in which it is not exempt under section 101 (6) by reason of this section, unless such gift or bequest is made prior to the date of the Secretary's determination under subsection (b) (3) that such organization has made a donation to which the provisions of subsection (b) are applicable.'

"SEC. 2. (a) Section 23 (o) (2) of the Internal Revenue Code is amended by inserting after 'sections 3813' the following: ', 3815.'

"(b) Section 23 (q) (2) of the Internal Revenue Code is amended by inserting after 'section 3813' the following ', 3815.'

"(c) Section 101 (6) of the Internal Revenue Code is amended by striking out 'sections 3813 and 3814' and inserting in lieu thereof 'sections 3813, 3814, and 3815.'

"(d) Section 162 (a) of the Internal Revenue Code is amended by striking out 'section 23 (ee);' and inserting in lieu thereof the following: 'section 23 (ee). For disallowance of certain charitable, etc., deductions otherwise allowable under this subsection, see section 3815.'

"(e) Section 505 (a) (2) of the Internal Revenue Code is amended by inserting after 'sections 3813' the following: ', 3815.'

"(f) Section 812 (d) of the Internal Revenue Code is amended by inserting, after 'sections 3813' the following: ', 3815.'

"(g) Section 861 (a) (3) of the Internal Revenue Code is amended by inserting after 'sections 3813' the following: ', 3815.'

"(h) Section 1004 (a) (2) (B) of the Internal Revenue Code is amended by inserting after 'sections 3813' the following: ', 3815.'

"(i) Section 1004 (b) of the Internal Revenue Code is amended by inserting after 'sections 3813' the following: ', 3815.'

"SEC. 3. The amendments to the Internal Revenue Code made by this act shall be applicable only with respect to taxable years ending after the date of enactment of this act. The provisions of section 3815 (b) of the Internal Revenue Code, as added by this act, shall be applicable only with respect to donations (as defined in section 3815 (a) (3)) made after the date of enactment of this act."

Mr. McCARRAN. Mr. President, there was a campaign of misrepresentation with regard to my amendment; and I would be willing to believe that some of the conferees might have been misled by this campaign of misrepresentation, except that the misrepresentations were answered on the floor of the Senate, and the facts were set forth, while the bill was still in conference and before action had been taken on this anti-Communist amendment. The Senator from Idaho [Mr. WELKER] discussed this matter very pointedly, and exposed the lies which had been told about the amendment. Nevertheless, the conference committee threw the amendment out.

This is a grave disappointment to me, and I think it will be a disappointment to some of the people of this country, if they learn about it. I use that word "if" with some sadness; because the fact is that when this amendment was adopted by the Senate, very little mention of it appeared in the newspapers of this country. Later on, when the amendment was attacked by some of the very organizations which have contributed money for the furtherance of Communist causes, the attack and the lies that were told about the amendment were given headlines. But when the Senator from Idaho answered the attack, his answer was not considered newsworthy.

Mr. President, why should the Government of the United States give a subsidy, in the form of a tax exemption, to a foundation or any other organization

which is going to help advance the cause of communism in the United States? That is the sole question which was involved in the amendment. The amendment would have dried up one of the principal sources of funds for the advancement of Communist causes. But the conferees have thrown the amendment out of the bill.

The Senate conferees have made no statement, as they are required to make none. The statement of managers on the part of the House does not tell the facts about this amendment. For one thing, this statement of managers on the part of the House says that present law reaches, "in many instances," the same result as the McCarran amendment would have reached. This is not so. This statement of managers says that organizations required to register under section 7 of the Subversive Activities Control Act are not exempt, and contributions to these organizations are not deductible for income-tax purposes. But the statement neglects to say that as of this date, there is no final order requiring any organization to register under section 7 of the Subversive Activities Control Act. Furthermore, this argument misses the point that what the McCarran amendment was aimed at was not subversive organizations, but "fat-cat" foundations run by "fat-headed professional do-gooders," who, to say the least, have not been overly careful about who they gave money to.

The statement of managers goes on to say that an organization devoted to subversive activities would not qualify for exemption under present law, since its objectives would not be charitable or educational, and since the organization could not meet the test that no substantial part of its activities is carrying on propaganda or otherwise attempting to influence legislation.

Mr. President, donations given by various foundations to the Institute of Pacific Relations and to Communists and Communist sympathizers working in connection with the Institute of Pacific Relations, on projects for the furtherance of Communist objectives, were labeled as "educational" and tax-exempt. Furthermore, there are tax-exempt organizations today which are carrying on propaganda, under the guise of education, and which are attempting to influence legislation, and the Treasury does nothing about it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the conclusions and recommendations contained in the report of the Judiciary Committee on the Institute of Pacific Relations.

There being no objection, the conclusions and recommendations were ordered to be printed in the RECORD, as follows:

[From Report No. 2050 of the Senate Committee on the Judiciary, 82d Congress, 2d session, pursuant to S. Res. 366 (81st Cong.) relating to the internal security of the United States]

CONCLUSIONS

The Institute of Pacific Relations has not maintained the character of an objective, scholarly, and research organization.

The IPR has been considered by the American Communist Party and by Soviet officials as an instrument of Communist policy, propaganda and military intelligence.

The IPR disseminated and sought to popularize false information including information originating from Soviet and Communist sources.

A small core of officials and staff members carried the main burden of IPR activities and directed its administration and policies.

Members of the small core of officials and staff members who controlled IPR were either Communist or pro-Communist.

There is no evidence that the large majority of its members supported the IPR for any reason except to advance the professed research and scholarly purposes of the organization.

Most members of the IPR, and most members of its board of trustees, were inactive and obviously without any influence over the policies of the organization and the conduct of its affairs.

IPR activities were made possible largely through the financial support of American industrialists, corporations, and foundations, the majority of whom were not familiar with the inner workings of the organization.

The effective leadership of the IPR often sought to deceive IPR contributors and supporters as to the true character and activities of the organization.

Neither the IPR nor any substantial body of those associated with it as executive officers, trustees or major financial contributors, has ever made any serious and objective investigation of the charges that the IPR was infiltrated by Communists and was used for pro-Communist and pro-Soviet purposes.

The names of eminent individuals were by design used as a respectable and impressive screen for the activities of the IPR inner core, and as a defense when such activities came under scrutiny.

Owen Lattimore was, from sometime beginning in the 1930's, a conscious articulate instrument of the Soviet conspiracy.

Effective leadership of the IPR had by the end of 1934 established and implemented an official connection with G. N. Voitinski, Chief of the Far Eastern Division of the Communist International.

After the establishment of the Soviet Council of IPR, leaders of the American IPR sought and maintained working relationships with Soviet diplomats and officials.

The American staff of IPR, though fully apprised that the Soviet Council of IPR was in fact an arm of the Soviet Foreign Office, was simultaneously and secretly instructed to preserve the "fiction" that the Soviet council was independent.

IPR officials testified falsely before the Senate Internal Security Subcommittee concerning the relationships between IPR and the Soviet Union.

Owen Lattimore testified falsely before the subcommittee with reference to at last 5 separate matters that were relevant to the inquiry and substantial in import.

John Paton Davies, Jr., testified falsely before the subcommittee in denying that he recommended the Central Intelligence Agency employ, utilize and rely upon certain individuals having Communist associations and connections. This matter was relevant to the inquiry and substantial in import.

The effective leadership of IPR worked consistently to set up actively cooperative and confidential relationships with persons in Government involved in the determination of foreign policy.

Over a period of years, John Carter Vincent was the principal fulcrum of IPR pressures and influence in the State Department.

It was the continued practice of IPR to seek to place in Government posts both persons associated with IPR and other persons selected by the effective leadership of IPR.

The IPR possessed close organic relations with the State Department through interchange of personnel, attendance of State Department officials at IPR conferences, constant exchange of information and social contacts.

The effective leadership of the IPR used IPR prestige to promote the interests of the Soviet Union in the United States.

A group of persons operating within and about the Institute of Pacific Relations exerted a substantial influence on United States far eastern policy.

The IPR was a vehicle used by the Communists to orientate American far eastern policies toward Communist objectives.

A group of persons associated with the IPR attempted, between 1941 and 1945, to change United States policy so as to accommodate Communist ends and to set the stage for a major United States policy change, favorable to Soviet interests, in 1945.

Owen Lattimore and John Carter Vincent were influential in bringing about a change in United States policy in 1945 favorable to the Chinese Communists.

During the period 1945–49, persons associated with the Institute of Pacific Relations were instrumental in keeping United States policy on a course favorable to Communist objectives in China.

Persons associated with the IPR were influential in 1949 in giving United States far eastern policy a direction that furthered Communist purposes.

A chief function of the IPR has been to influence United States public opinion.

Many of the persons active in and around the IPR, and in particular though not exclusively Owen Lattimore, Edward C. Carter, Frederick V. Field, T. A. Bisson, Lawrence K. Rosinger, and Maxwell Stewart, knowingly and deliberately used the language of books and articles which they wrote or edited in an attempt to influence the American public by means of pro-Communist or pro-Soviet content of such writings.

The net effect of IPR activities on United States public opinion has been such as to serve international Communist interests and to affect adversely the interests of the United States.

RECOMMENDATIONS

LEGISLATION

The committee recommends speedy enactment of an adequate statute to permit congressional committees to require the testimony of a witness when it is determined such testimony is sufficiently important to justify extending to the witness immunity from prosecution with respect to the matters concerning which he testifies.

INVESTIGATIONS

The committee recommends:

1. That a thorough study be made by the Committee on the Judiciary, in cooperation with the Department of Justice, of the Espionage Act and related legislation with a view to determining what revisions may be necessary to deal effectively with present-day security problems.

2. That the Committee on Government Operations undertake an investigation to determine the need for and proper scope of legislation to require departments and agencies in the executive branch to make available to congressional committees upon proper request material from their files.

3. That consideration be given to investigation by some appropriate agency of the following:

(a) Possible Communist infiltration into and influence upon the Treasury Department and other agencies forming and administering fiscal and monetary policies and affairs of the United States;

(b) The role of Alger Hiss in foreign affairs and the formulation of foreign policy of the United States and his influence on personnel decisions in the State Department;

(c) The extent to which persons actively associated with the pro-Communist core of the IPR have been employed by any agency of the Government, and the activities and influence of any such persons still so employed; and

(d) The extent to which contributions by American charitable, scientific, and educational foundations have aided Communist or pro-Communist activity in the United States.

DEPARTMENTAL ACTIVITIES

The committee recommends:

1. That the Department of Justice submit to a grand jury the question of whether perjury has been committed before the subcommittee by Owen Lattimore.

2. That the Department of Justice submit to a grand jury the question of whether perjury has been committed before the subcommittee by John P. Davies, Jr.

Mr. McCARRAN. Mr. President, do you think the campaign of lies against the McCarran amendment to the tax bill, carried on and fostered by certain foundations, was not an attempt to influence legislation? Of course, it was an attempt to influence legislation. I suppose the Treasury takes the position that these foundations are so big that their propaganda activities and their attempts to influence legislation are only a small part of their total effort, and therefore are not substantial. Maybe the Treasury also feels that the money these foundations give for the furtherance of Communist causes and the attainment of Communist objectives is also not substantial.

Mr. President, the statement of managers on the part of the House goes on to say that—

> A large foundation could lose its exemption unless every foreign farmer to which it furnished fertilizer signed the sworn statement and all the sworn statements were secured by agents of the foundation who were not themselves subversive.

The conferees apparently thought it was a terrible thing, Mr. President, that foundations which are subsidized to the tune of many millions of dollars every year through tax exemption should be required to purge themselves of agents who are subversives. Mr. President, I do not think it would be a terrible thing; I think it would be a very good thing. With respect to the matter of fertilizer furnished to foreign farmers—and the propaganda artist who wrote that phrase was a master of alliteration—I think perhaps the American people would be interested in knowing how many foundations furnish how much fertilizer to what foreign farmers. But the real point is that fertilizer furnished to a farmer for use in connection with the production of food comes under one of the exemptions written into the McCarran amendment, and therefore this statement in the conference report is completely untrue. This statement, incidentally, was made in the propaganda press releases issued by those who were fighting this amendment; and I am amazed that it has been picked up and repeated in the statement of managers on the part of the House, without, apparently, any effort to check on its accuracy.

The McCarran amendment to the tax bill specifically provided that the prohibition against gifts to subversives should not apply in the case of any donations to an individual for charitable purposes to supply food, clothing, shelter, or other necessities. That covers donations of money to buy food or clothing or for rent; it covers donations of food or clothing; it would cover donations of building supplies to put up a house or to repair one; it covers seeds; it covers fertilizer; it would cover necessary farm implements, and insecticides. That language was carefully drawn, Mr. President, so as to provide a proper safety valve. I pointed out that fact at the time when the amendment was introduced, Mr. President. I pointed out the existence of this safety valve, and other safety valves, at the time when I presented the amendment; and it was adopted by the Senate. There is no reasonable basis for any misunderstanding about the matter.

Mr. President, the statement of managers on the part of the House goes on to declare that the burden imposed by the McCarran amendment upon a foundation to determine who is a subversive imposes tremendous difficulties and any mistake, however minor, would seriously curtail the philanthropic activities of the organization. Why is it a tremendous difficulty, Mr. President, to have to avoid giving money to Communists and Communist causes? And is the giving of money to Communists and Communist causes to be considered a minor mistake, Mr. President? Apparently the conferees think so, and apparently the Treasury Department thinks so. Well, Mr. President, I think it is not unfair to point out that in any case where the mistake was in fact minor, the Treasury Department could take care of the matter by regulation or by the exercise of its discretion. I have no hesitancy in saying, Mr. President, that I believe the Treasury Department would lean over backwards to avoid causing any slightest inconvenience to any of these huge and powerful foundations. I would never be concerned, Mr. President, about whether a law of this nature was too tight; my worry would be over whether it was too loose.

The conference report, Mr. President, states further, in the statement of managers on the part of the House, that—

> to make the tax exempt status of an organization dependent upon action by the executive department not guided by statutory standards and safeguarded by court review raises a serious constitutional issue.

Mr. President, I answered that argument, and demolished it, in my statement on the floor of the Senate at the time when this amendment was adopted. I cited the cases. Anyone who wants to read this can find it on pages 9446 and 9447 of the CONGRESSIONAL RECORD for July 1, 1954. I cannot imagine that the conferees make such an important decision as the decision to throw out this amendment, without at least reading the statements made about the amendment at the time when it was adopted by the Senate. Yet the conference report contains this inaccurate reference to a constitutional issue.

Mr. President, the conference report consoles us with the information that it is recognized there is a loophole in the present law, and that a study is going to be made to determine the faults of the present law, and to explore the possible ways of removing this loophole. That is the alternative the conferees have given us, Mr. President, when all they had to do was leave the McCarran amendment in the bill, and the loophole would be closed.

The conference report, Mr. President, in the statement of the managers on the part of the House, says it is a distinct anomaly when "an organization actually devoted to antisocial action is able to pay less income tax than legitimate business activities on the ground that the organization professes to be devoted to philanthropic work."

Mr. President, the conferees may call that a distinct anomaly if they wish; I call it an outrage.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. MILLIKIN. Mr. President, if there is to be no further discussion, we may as well have a quorum call, and then vote on the conference report.

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. President, I am going to vote against this conference report for two reasons, one of which I stated at the time the bill was under discussion, that I did not think that we should give a billion and a half dollar tax reduction on borrowed money.

However, my main reason and my main objection, which I wish to discuss at this moment, is the striking out by the conferees of amendments Nos. 551 and 552.

Amendment No. 551 was the amendment which would give to the Department of Justice the authority to investigate or prosecute employees of the Treasury Department on any charge of irregularity, such as bribery, fraud, embezzlement, and so forth, without first having to get the consent of the Secretary of the Treasury.

This amendment was stricken out by the conferees on the basis, as explained by the chairman of the committee, that it should be referred to a different congressional committee and on the basis that the Post Office Department and the Defense Department had raised certain questions as to its application which could more properly be evaluated by the Judiciary Committee.

The objections of both these agencies were presented to the conferees at the last minute. Apparently the Departments had discussed their objections with all of the conferees except myself.

Now, I disagreed with these objections. Surely there is no committee in the Congress, either of the House or the Senate, which has a greater responsibility to see that the Treasury Department is operated as a clean agency than the Finance Committee of the Senate and the Ways and Means Committee of the House.

This amendment is one which is necessary. The historical background for the need of it began in 1942, at which time a Presidential directive was issued whereby the Secretary of the Treasury need not refer to the Department of Justice any case involving irregularity on the part of one of his employees unless he so desired. He was given sole investigative authority over all employees of his agency.

Under this rule the Department of Justice if they received a charge of irregularity on the part of one of the employees of the Department had no right to investigate, to indict, or to prosecute that individual without first obtaining the consent of the Secretary of the Treasury.

The former Attorney General, Mr. McGranery, upon assuming office insisted that the Department of Justice did have the right and the authority under the existing law to investigate such charges on the part of the Treasury employees notwithstanding this previous Presidential order.

However, in this dispute with the counsel of the Treasury Department ruling one way and the Attorney General trying to rule another, it was submitted to the President of the United States, who upheld the decision of the Treasury Department. However, this time to make it more official the ruling was based upon an interpretation of a law passed by the Congress in 1950.

Now, a review of the legislative background of that particular law in 1950 shows that at no point did it even refer to the question of investigating the Treasury Department. That law dealt solely with the right of the Secretary of the Treasury to control the Secret Service.

However, Attorney General Brownell has decided and ruled—and it was concurred in by Mr. Humphrey, the Secretary of the Treasury—that in view of the fact that this interpretation had been placed upon this law it was now necessary that affirmative legislation be enacted by the Congress repealing this law, at the same time spelling out affirmatively that when a charge of fraud or alleged irregularity on the part of an employee of the Treasury Department is called to the attention of the Department of Justice they can, either with or without the permission of the Secretary of the Treasury, investigate such charges.

Unquestionably the two committees, and this Congress, dealing with taxation did have the right to enact such legislation and to pass these two amendments.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SCHOEPPEL. Do I take what the distinguished Senator from Delaware has said to mean that as far as the Justice Department is concerned they would have welcomed this type of an amendment that would have given them the opportunity to do what they were precluded from doing previously?

Mr. WILLIAMS. Not only did they welcome it, but they urged the necessity of having such an amendment if they were to do the job as the Congress intended them to do it.

Mr. SCHOEPPEL. Mr. President, if the Senator will further yield, can the Senator enlighten us as to the reasons for rejecting the amendments that gave what the Attorney General or the Justice Department desired?

Mr. WILLIAMS. One of the reasons advanced was that this was not under the jurisdiction of this committee. The other reasons were that the conference committee was confronted with letters from the Post Office Department and from the Defense Department taking exception to the language of this amendment in that they felt that this particular language would have interfered with their conduct and their own investigating staffs as carried out under the law.

I made it very clear to the conferees—it was very clear from the historical background of this amendment, it was also clear in the hearings which were held before the Senate Judiciary Committee here, that this amendment would in no way have affected either of these agencies with reference to their existing authority.

It could have affected them only in this manner: If one of these agencies were to attempt to place an interpretation upon or decide, as did the Secretary of the Treasury 2 or 3 years ago, that the Attorney General did not have a right to go into their agencies and prosecute one of their employees without their consent, then this amendment would have affected such prospective decision. This amendment merely spelled out that notwithstanding any other provisions of the law, in the Treasury or anywhere else, the Department of Justice could go in and investigate, indict, and prosecute an employee of that agency for fraud, bribery, embezzlement, and so forth, with or without the consent of that agency. And why should not they?

The Department of Justice is very much disappointed that this amendment was stricken out. It continues their handicap.

The second amendment, No. 552, merely extended the statute of limitations from 3 to 5 years in order that we might have a greater opportunity to check any possible wrongdoings on the part of employees under the past administration and, for that matter, to change the law permanently so that if any irregularity of any employees results in this administration, that those following us would like to have a similar chance to check the record.

The Attorney General pointed out that the 3 years statute of limitations is not adequate to check this kind of cases because they are not called to the attention of the Department of Justice until long after they have happened.

There are cases which the Department of Justice has and cases about which I personally have knowledge, which if they had been called to the attention of the Department of Justice in time would have resulted in indictments and possibly convictions. However, they were precluded from action on the basis that the statute of limitations had expired.

Only 2 or 3 weeks ago 1 individual, Henry Gruenwald was indicted by the Department of Justice on 10 counts for perjury. He was indicted on these counts of perjury for having lied to congressional committees in one instance and to a grand jury in another instance, lied about his association with certain public officials and perhaps improper connections.

It is significant that he was indicted for having lied about this fact and not for what he did in connection with these officials, and that is due to this fact, that the statute of limitations on the act itself has expired, and all that he can be indicted for is the fact that he lied about it. Apparently the officials involved will go free.

We are on the verge of adjourning this Congress, and we recognize that if these amendments are stricken from this bill, there is very little chance of our getting these bills passed at this session of Congress.

Next January they can be reintroduced; that is true. However, there will be a change in the committee membership and new hearings will have to be held. By the time the Senate goes through the orderly process of legislation, several months of the next year will have gone by. It will mean that we will then have excluded ourselves from any possible chance of going back and prosecuting anyone under the past administration who committed any wrongdoing except perhaps those crimes which were committed in the few remaining months of 1952.

Our negligence in this respect cannot be defended. The mistake being made here today can only be rectified by the immediate action by both the Senate and House in the prompt passage of these bills before we go home.

For a political party which ran on the campaign platform of 1952 to clean up this Government and which criticized the past administration of so much corruption, we had a direct responsibility to have taken action long before this date on both of these amendments.

An indictment was obtained just a few weeks ago in New York of the Assistant Commissioner of Internal Revenue, Mr. Daniel Bolich. Again he was indicted not for the bribes that he accepted but rather for failing to pay the income tax on them. The tax laws have a longer statute-of-limitations period.

This bill does include a provision which allows an extension of the statute of limitations to 5 years with respect to employees in the Treasury Department alone. However, it is significant that while we can go back 5 years with respect to employees in the Treasury Department in a particular instance for a certain type of violation, we cannot indict the people on the outside who bribed the individuals in the Treasury Department. In other words, we have a situation where we can prosecute a man for having accepted a bribe, but we cannot prosecute the man who gave the bribe, because the statute of limitations has expired. I do not believe that Congress intended that that should be that way.

I know we have many other cases, but I will cite one. On March 15, 1951, the former Commissioner of Internal Revenue, Mr. George Schoeneman, testified before a congressional committee, emphatically denying that he had any knowledge whatever of any wrongdoing on the part of the collector of internal revenue in the St. Louis district. I should like to read that testimony which was given before the congressional committee on March 15, 1951. It was at the time we were discussing possible wrongdoing in the office of the St. Louis collector. I read from that testimony:

Senator WILLIAMS. Have you suggested that you weren't experiencing any trouble in any other district? Is there any trouble in the St. Louis district materializing in the last week or 10 days?

Mr. SCHOENEMAN. The memorandum the Deputy Commissioner prepared yesterday in regard to St. Louis——

Senator WILLIAMS. Indicated no trouble?

Mr. SCHOENEMAN. Indicated the work was current, as we expect collection districts to be.

Senator WILLIAMS. You know of nothing else happening in the last week or 10 days?

Mr. SCHOENEMAN. I do know that the collector has for some time been giving consideration to resigning. That has been one subject under discussion.

Senator WILLIAMS. Is the collector under fire from the Department in any manner as to improper conduct? Is there any suspicion that there might be a reason for his resigning?

Mr. SCHOENEMAN. No, sir; there isn't anything that we are looking into that would be a reason for his resigning because it is a matter that he has discussed several months ago.

Mr. President, a few weeks ago I obtained a letter from Ellis N. Slack, in which he admits, at this rather late date, that on March 14, 1951, the morning before Mr. Schoeneman gave this testimony before the Senate committee, that he and two other top Justice officials had talked with Mr. Schoeneman about the conditions in St. Louis.

Mr. Slack had returned on the evening of March 13 from St. Louis, where he had been sent to work with the grand jury, and on the following morning he called Peyton Ford, Assistant Attorney General and told Mr. Ford about the alarming conditions in the St. Louis office, urging that action be taken immediately to call the matter to the attention of the Secretary of the Treasury.

Under the existing law at that time the Department of Justice could do nothing about such a situation unless the Treasury Department decided that it wanted to be prosecuted.

Mr. Slack states that after calling the matter to the attention of Mr. Ford, a conference was arranged with the Secretary of the Treasury, or Mr. Foley—he does not remember which one—at which time a conference was arranged with George Schoeneman, Charles Oliphant—the Commissioner of Internal Revenue, and the chief counsel—Mr. Lamar Caudle, Mr. William Underhill, both of Justice, and Mr. Slack, at which time they told Treasury about the conditions in the St. Louis office.

The significance of this conference is that it was arranged by the Assistant Attorney General of the United States with the Secretary of the Treasury and held in the Office of the Commissioner of Internal Revenue, Mr. Schoeneman, that present was the chief counsel of the Treasury Department, and that the conference was held less than 24 hours before both the Commissioner and the chief counsel appeared before the Senate committee and emphatically denied that anyone had called their attention to anything being wrong in the St. Louis office.

Significantly this admission of Mr. Slack that such a conference took place was not given to me until after the 3-year period had expired since Mr. Schoeneman's testimony of March 15, 1951.

I ask unanimous consent to have printed in the RECORD at this point the letter written to me by Mr. Ellis N. Slack, under date of April 20, 1954.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 20, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Attached is a copy of a letter dated March 6, 1951, authorizing me to appear before the so-called St. Louis grand jury. You will note that my authority was limited, as is customary with Tax Division lawyers, to violations of the Internal Revenue Code. Enclosed also is a copy of a letter addressed to you dated June 25, 1951, from Mr. Peyton Ford, the then Deputy Attorney General. You will note from this letter that the Department of Justice was not in possession of reports concerning Mr. Finnegan during the time I was in St. Louis with the March grand jury.

I arrived in St. Louis the afternoon of March 6, 1951, and returned to Washington late the evening of March 13, 1951. During my stay in St. Louis I saw Judge Moore on several occasions either in his chambers or in the chambers of Judge Harper. Judge Moore indicated to me that his chief concern was with the collector's office which was the first intimation I had that everything was not well in that office. Just prior to leaving St. Louis I saw Judge Moore and he again told me that he was chiefly interested in cleaning up the collector's office and requested me to tell the Treasury Department officials that things were not right in that office and that they should ask for the immediate resignation of Mr. Finnegan. The following morning, March 14, 1951, I reported this information to Mr. Ford. Mr. Ford immediately arranged a conference with Commissioner Schoeneman, which was attended by Mr. T. Lamar Caudle, Mr. William A. Underhill, and myself. At this conference I gave Mr. Schoeneman a full report of the situation in St. Louis concerning Mr. Finnegan and urged immediate action on the part of the Treasury Department. Mr. Schoeneman assured me that he would take immediate action and agreed to keep me advised of what was being done. However, I never heard from Mr. Schoeneman after that date, although I did telephone him later and urged him to keep in touch with the matter.

I believe it is apparent from the above that I had nothing whatsoever to do with the Finnegan matter other than what I have stated in this letter. I reported the whole affair as I knew it to Commissioner Schoeneman and complied with Judge Moore's request. Obviously, Mr. Schoeneman or someone else in the Treasury Department was responsible for the Treasury's failure to act.

Yours sincerely,

ELLIS N. SLACK.

Mr. WILLIAMS. The statute of limitations has expired on many of these cases while we sat twiddling our thumbs trying to decide which congressional committee had jurisdiction over this legislation. That is just an excuse. It is the responsibility of every Member of Congress to take affirmative action.

I do not think there is any need of going further, except to say there are other such cases. The Department of Justice unquestionably will confirm this statement. I know of several cases. There are cases in many departments and agencies of this Government, and there will be cases in the years to come, as long as human nature is what it is and as long as men sometimes forget that a public office is a public trust.

I know that there are other cases in other agencies. I know of one case which is being examined now, into which the Department of Justice said they would not be allowed to prosecute because it is obvious the statute of limitations had expired before it was called to their attention.

That case involved the embezzlement of several thousand dollars in the office of one of our far eastern consulates. Nothing can be done because the statute of limitations has expired. Congress has refused to extend it.

There are also cases in Alaska which have been called to our attention. In one case, first reported in 1949, there were three FBI investigative reports, and all of them were turned over to the Department of the Interior. However, it was decided that no action could be taken. The man involved was taken off the payroll only in October of 1953. The significant fact is that after the first FBI report was sent back to the agency, recommending prosecution, the man was promoted to the highest position in the agency and given a $3,600 increase. That happened in 1949.

Congress will have been negligent in our responsibility to clean up the Government as we promised we would do should we go home without enacting these bills, both of which are the key part of any cleanup program. I am naturally disappointed that Congress saw fit to take this action on the flimsy excuse that we are passing the responsibility to another congressional committee or on such weak objections as were raised by the two agencies—neither of which were affected by the bill.

I hope a clearer explanation of their position or objections will be forthcoming.

Mr. WILLIAMS subsequently said: Earlier this afternoon I criticized the fact that the conference committee had omitted from the tax bill two amendments which I had offered and which had been accepted by the Senate. The purpose of the amendments, as I explained earlier this afternoon, was to give the Department of Justice the same authority to investigate the Treasury Department as they now have for other agencies and also to extend the statute

of limitations from 3 years to 5 years for criminal acts, such as bribery, embezzlement of Government funds, and so forth.

At that time I pointed out that the Department of Defense and the Post Office Department had at the last moment submitted a memorandum to the conference committee in which they interposed objections and suggestions for different language. The result of the last-minute suggestions of these two agencies was that the conferees decided that the amendments should be stricken out and referred to the Judiciary Committee.

I have since been advised that both Departments now claim they did not have any intention of opposing the amendments; to the contrary, both Departments insist they are in favor of enacting the proposed legislation. They explain that they were merely trying to have it spelled out very clearly, that it was not the intention of the amendments to do anything which would in any way conflict with the existing law as regards their own investigative powers.

I certainly had made that clear during my statement. I made it clear when I testified before the Senate committee months ago that it was not the intention of the bills to make any change in existing law but merely to confer upon the Department of Justice the necessary authority to investigate the Treasury Department, which under the existing law the Department is now precluded from doing, plus extending the period of the statute of limitations from 3 to 5 years.

I shall ask unanimous consent to have printed at the conclusion of these remarks a statement being released today by Fred A. Seaton, Assistant Secretary of Defense, in which he reaffirms the fact that the Department of Defense is in favor of the proposed legislation. He points out that the Department of Defense was merely trying to insist that it be adequately protected, as it is under existing law.

Mr. Seaton in this statement gives the amendment which he had proposed to the other conferees and indicates that this amendment had been worked out in agreement with the Department of Justice as merely being a restatement of existing law. With that explanation I certainly have no objection to its inclusion.

Had the two Departments seen fit to contact me as they did some of the other members of the conference at the time the memorandum was sent, perhaps the misunderstanding never would have developed. As a result, there has been the loss of time on these two very important amendments and a distinct possibility that the extra delay might mean their defeat at this session. I hope that now that we are back on the track once again, with apparently all agencies of the Government unanimously behind the proposal plus the fact that both are sponsored by about 14 or 15 Members of the Senate, I certainly hope that it will be possible to enact these measures before Congress adjourns. We have a responsibility to do so.

I ask unanimous consent that the press release being issued tonight by the Department of the Army and the editorial entitled "Funny Business," to which it refers, as published in the Washington Daily News today, July 29, 1954, be printed at this point in my remarks.

There being no objection, the press release and editorial were ordered to be printed in the RECORD, as follows:

Fred A. Seaton, Assistant Secretary of Defense, made the following statement public today:

"A news report published today is in error in alleging the Department of Defense has opposed Senator WILLIAMS of Delaware in his efforts to extend the statute of limitations on fraud and corruption by Federal employees, and give the Justice Department and its FBI authority to investigate fraud and corruption in the Treasury Department and Internal Revenue Service.

"The Department of Defense did ask for a clarifying amendment which applied only to the method of procedure within the armed services.

"This amendment applied to S. 2308, page 2. It was as follows: 'The provisions of this section shall not apply to any person or offense over which the Armed Forces have exclusive or concurrent jurisdiction under the Uniform Code of Military Justice except as hereafter expressly agreed by regulations between the Secretary of Defense and the Attorney General.

"Senator WILLIAMS has said he personally had no objection to the amendment offered by the Department of Defense.

"The Department of Defense is in thorough accord with Senator WILLIAMS' efforts to root out fraud and corruption in the Government and punish those responsible, and it favors enactment into law of his legislation."

[From the Washington Daily News of July 29, 1954]

FUNNY BUSINESS

When the tax bill was before the Senate July 1, Senator JOHN J. WILLIAMS introduced two useful amendments.

He proposed that the FBI be given specific authority to investigate wrongdoing in the Treasury Department, an authority it now has for all other departments. This proposal was cosponsored by 19 other Senators.

Senator WILLIAMS also proposed that the statute of limitations in crimes committed against the Government by Government employees be extended from 3 to 5 years. This proposal was cosponsored by 12 other Senators.

The Senate adopted both amendments without dissent.

Now, it develops, the two amendments have been eliminated in the final version of the tax bill as prepared by a joint Senate-House committee.

The committee acted on written recommendations from officials in the—get this—Defense Department and the Post Office Department.

Why? What's bothering these boys?

Both of these proposals have been before Congress, in one form or another, for a long time—without objection from anybody.

If the FBI had been able to act on information tipping off the Internal Revenue Service scandals in the Truman administration, the scandals might have been nipped. And if the time limit on prosecutions had been 5 years, instead of 3, some of those who got off wouldn't have gotten off.

Some of the skulduggery in the Government's housing program, just now coming to light, dates back more than 3 years. The death of the Williams proposal very well may allow some of the wrongdoers to escape prosecution.

Both of these amendments had been approved by the Justice Department. They make good sense—especially in view of President Eisenhower's pledge to clean up government.

We don't know the names of the officials in the Defense and Post Office Departments who took it on themselves to butt into this matter—or why they did it. But we think Secretary Wilson and Postmaster General Summerfield ought to do some explaining. And make it good.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the adoption of the conference report.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

Mr. DOUGLAS. Mr. President, has the Senator from Montana suggested the absence of a quorum?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the conference report.

Mr. DOUGLAS. I had hoped that the senior Senator from Colorado [Mr. JOHNSON], who I believe is chiefly interested in the provision which I intend to discuss, might have been here to have opened debate. It is simply because of his absence that I rise to discuss the conference report. I shall be glad to yield to him when he appears in the Senate Chamber.

Mr. President, as I understand the parliamentary situation at present, it is this: That since the House has already voted to accept the conference report, a motion to recommit on the part of the Senate, with instructions, is not now in order, and that the only thing which we can do for the moment is to vote the conference report either up or down.

I am further informed that if it should be the decision of the Senate to vote down the conference report, a motion would then be in order to request a conference with the House, and if that carried and before the conferees were appointed, a further motion could be made to instruct the conferees. Therefore, voting down the conference report does not mean blind opposition to this bill which has come out from committee.

There are some features in this bill which I, for example, most heartily approve and which I think most Members of the Senate approve.

We approve of the better provision for pensioners, particularly teachers, policemen, and firemen, who fare better under this bill than at present. Although it is not as good as we should like, we approve of the deduction for working mothers. We approve of the more liberal allowances for medical expenses. We approve of the increased deductions for charity,

although that will help the charitable institutions but it will not help the average taxpayer, because the average taxpayer even now does not give 20 percent of his income for charity, and raising the allowance to 30 percent is certainly not relief for him.

But there is one provision in this bill as it comes from conference which many of us do disapprove. It is the provision which the Senate itself disapproved upon the motion of the senior Senator from Colorado [Mr. JOHNSON], by an overwhelming vote of 71 to 13. That is the provision which permits a direct deduction of 4 percent of income from dividends to be applied, not against taxable income, but against taxes.

I am now very glad indeed to see the senior Senator from Colorado on the floor. I will say to him that I was merely holding the floor until he might take it, and I was explaining the parliamentary situation and the fact that the objection which many of us have to the conference report is the dividend provision. I will speak for just a few minutes, and then if the Senator from Colorado [Mr. JOHNSON] is willing, I will yield to him.

Mr. President, the history of this dividend provision should be fairly well known, but I think it deserves to be stated. When the administration brought in its original bill, it provided for a credit of 15 percent of dividends received to be applied against the income tax itself. I want to repeat that this was not a deduction against taxable income, but directly against taxes and, omitting one minor refinement, it could be stated as follows: that if you had an income of $10,000 derived exclusively from dividends, the income recipient could credit 15 percent, or $1,500, as a deduction from taxes.

There is a minor qualification that should be attached to that, but that is substantially true.

It would be deducted from the $2,100 of taxes which a man with a wife and two children would normally pay, not from the taxable income.

That provision ran into severe storms in the House committee, and the majority of the House committee did not dare go before this body with the full 15 percent deduction. It reduced the deduction, therefore, to 10 percent, and in that form it was passed by the House and came over here.

It will be remembered that on the morning of the debate on this provision, the very able junior Senator from Colorado [Mr. MILLIKIN], one of the most astute and most able Members of this body, executed what seemed to be a strategic retreat, namely, he reduced the 10 percent to 5 percent. He made the dose more homeopathic, Mr. President, but the principle was still there and the relief was very considerable.

It will then be remembered that upon the motion of the senior Senator from Colorado [Mr. JOHNSON] even this provision was eliminated. We saw pitted against each other these two intellectual and physical giants, with the senior Senator triumphant over the junior Senator from that very handsome and beautiful State.

Many of us voted for the provision of the senior Senator from Colorado [Mr. JOHNSON], and we found ourselves wondering whether or not the committee would hold this provision or absence of a provision in conference. Many of the Senators had the sneaking suspicion that the conference committee would not be adamant in any refusal to accept the principle of dividend reduction. We felt, rather, that these Senators would perhaps be willing to carry out the will of the Senate, but they would not find it too difficult to be overpowered by the arguments of the House.

What some of us suspected has now come to pass. The Senate conferees have yielded; it is true, however, they have diminished the dose slightly. The provision is now for a 4-percent reduction which, when in full effect, will provide total tax credits of approximately $350 million a year.

I think I should yield the floor to the Senator from Colorado [Mr. JOHNSON] who, after all, led the fight against this provision; and then at a later time, if it seems wise, I can resume my bombardment.

I may say to my good friend, the junior Senator from Colorado [Mr. MILLIKIN], I listened with strained attention to the Senator's explanation of the bill, but I found it somewhat difficult to follow, because instead of the great swelling organ tones which generally accompany the debate of the junior Senator when he is in full flight, he was speaking, in musical terms, pianissimo. It was somewhat hard to follow the junior Senator from Colorado, but I caught the main point; namely, that there is a direct credit of 4 percent of dividends against taxes. It is upon that issue, I think, that the debate should be fought out.

Those Senators who will oppose and vote against the acceptance of the conference report do not do so with any opposition to the good features in the bill, which I am sure can still be held in conference. Our fight—at least the fight of the senior Senator from Illinois—is directed solely against this new principle which is injected into American taxation, which, in my judgment, is unjust, unneeded, and a grant to a particular section of our community which needs this relief the least.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I will yield for a question, but I am very anxious to yield to the Senator from Colorado [Mr. JOHNSON].

Mr. HUMPHREY. The Senator made note of the fact that the proposed tax credit is 4 percent?

Mr. DOUGLAS. That is right.

Mr. HUMPHREY. If I understand correctly, the Senator from Illinois is worried or concerned lest this be just the first stage.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Do we not have a comparable pattern which would reveal this kind of creeping tax credit——

Mr. DOUGLAS. Creeping favoritism.

Mr. HUMPHREY. Creeping favoritism—in the depletion allowance schedule? At the beginning it is 5 percent; then 10 percent, 15 percent, 23 percent. These things seem to have a way of making definite and considerable progress over the years.

Mr. DOUGLAS. The degeneration of fiscal health as well as moral health is in easy stages; beguilement, beginning, and then progressive degeneration.

Mr. HUMPHREY. I thank the Senator.

Mr. DOUGLAS. We want to save the very able junior Senator from Colorado [Mr. MILLIKIN] from going to fiscal Gehenna.

I now yield the floor to the Senator from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. President, for the Senator from Colorado to follow the very able Senator from Illinois is certainly an anticlimax, but I do have a few words I desire to say about the matter which is under discussion.

The newspapers today say that the Treasury of the United States is sending representatives before the Finance Committee in a very few days, for the purpose of asking for a $15 billion increase of the debt limit.

I am sure that is a fact. I am sure those representatives will come before the Senate Finance Committee with such a request. That fact in itself seems to be conclusive argument we have gone about as far as we can go, as far as we should go, in the matter of tax relief.

It is a pleasant thing, it is a nice thing, it is a comfortable thing, it is a popular thing, and it is an easy thing to reduce taxes. That is one of the most pleasant functions Members of Congress can perform. I like to vote for a reduction in taxes.

We had two proposals before us, both of which were very attractive. One proposal was to increase the personal exemption of taxpayers and their dependents. The other proposal was to provide some relief for the taxpayer who received unearned income in the form of dividends. Both of these approaches were attractive and are attractive.

I do not think there is a Member of this Senate who would not like to do something in both instances. But the Senate spoke, and the Senate turned down the exemption proposal. I voted against increasing the exemption, and I voted against special relief for the receivers of dividends. I did it not because I did not believe in tax reduction or tax relief in either instance; I did it because of the shadow cast upon the finances of the country and the request which the Treasury is going to make for an increase in the debt limit ceiling.

I am not complaining about how other Senators view this matter but to me the whole thing had to be put in one package. I could not separate, so far as I was concerned, the proposal to increase the debt limit from the proposal to give tax relief. For that reason I had to oppose the tax relief, because I had firmly made up my mind—and it is my opinion now—that the debt limit ought not to be raised.

If the Congress does raise the debt limit, we can be very certain that there

will be a further inflation. If there is further inflation, every citizen is going to be affected by it and is going to have to pay part of the costs of such inflation. There is no escape from the burdens of Government. We can borrow—yes. We might save a dollar in our pockets today, but it will be taken out some other way. There is simply no escape. If we do not raise the amount of taxes to cover the full expenditures of the Government, then we pay in 1 or 2 ways. We either pay through inflation, whereby the value of the dollar is depreciated, or we pay in the form of taxes. I would rather pay my share by paying taxes.

We have reduced taxes. We have given tax relief to the extent of about $7 billion previous to the passage of the tax revision bill. I think we were justified in reducing taxes somewhat. We were getting to the point where the tax burden was so heavy that it was discouraging taxpayers, and the point where the taxpayer could not meet his financial obligations. So we did reduce taxes, and we did a very good job of it, too. We did not do it all in one category. We did it in several places. We gave considerable relief. We gave relief to corporations and to individual taxpayers. We gave relief all along the line. We gave relief by knocking down and knocking out, to some extent, excise taxes, which were a very heavy burden to the consumers of the United States. Now we are faced with the proposal to reduce taxes still more.

If we had increased the personal exemption of taxpayers, I think the proposal before us would be entirely different; but we refused to do that. I voted against increasing the exemption, and Congress has not increased personal exemptions. But relief is being granted to one group of taxpayers and is being denied to others. I do not think that is a sound fiscal policy. I do not believe it to be wise; indeed, I believe it to be very unwise. When that fact is coupled with the fact that the Treasury will ask Congress for an increase in the debt limit, we know that the relief which is being given in the way of tax reductions is going to come out of borrowed money. There is no escape from the fact that it will come out of borrowed money.

As I started to say a moment ago, if the debt limit is increased by $15 billion, we can be very sure there will be $15 billion worth of inflation in this country. The only way Congress will be able to prevent the administration from expending the extra $15 billion is by refusing to increase the debt limit. That is the only way it can be done. It is the only way Congress can have any control whatsoever of the purse strings of the Nation. If the Congress gives up control of the purse strings, the debt limit will be increased and further inflation will come upon us, and those of us who do not pay for it in taxes will pay for it in the increased cost of living. It is just that simple.

I know what Senate conferees are up against when they meet with House Members. Neither body can have its own way about everything. There have to be compromises. There must be adjustments between the two Houses, or legislation would never be enacted, because one side would hold out; and, without concurrence of both Houses, a decision could not be reached, and we would never reach the final stages of any legislation. We all understand that. Nevertheless, it seems to me that the Senate must be consistent. It denied tax relief in the way of personal exemption, and it ought not to grant tax relief in the way of special benefits to those who receive their income from dividends. The question is that simple.

I have nothing more I wish to say about the question, Mr. President. I do not think there is anything more that can be said, except that a corporation pays 52 percent taxes on its earnings. If a taxpayer who gets dividends from a corporation is given tax relief, he, of course, is charged the 52-percent tax rate, but if he receives money from other sources, he may pay as much as 85 percent instead of 52 percent.

I do not know just where the point of breakage is. I do not have a tax schedule before me. I do not know at which point an individual pays 52 percent, which is the same rate the corporation pays; but I do know that if there is going to be double taxation, which many persons have described the tax against individuals who receive corporate earnings as being, at some place along the line the individual will be paying a basic 52 percent tax rate while other individuals will be paying a higher tax rate.

As I understand the parliamentary situation, the entire conference report would have to be rejected in order to try to rectify the mistake that has been made by the conferees—and I think it is a mistake—in agreeing to relief for taxpayers who receive dividend income. I had hoped that it would be possible to yield and agree to every part of the conference report except as it related to the one item of dividends, but I understand that is not possible, and that the Senate would have to reject the entire conference report and then try to have the Senate conferees return to conference and work out a provision with respect to dividend income.

That procedure would place Senators who are opposed to the special relief which has been granted in a very bad position, and I know it is a difficult position to be in. I would dislike to vote against the conference report, because I know that the tax revision bill is a good bill, and that it contains a great many fine provisions, which the country badly needs and which are believed to be most helpful to our citizens.

I would hate to vote against the conference report for that reason; but I do not know how we can make the necessary correction, and I think a correction is desirable. Therefore, I want to protest as vigorously as I can against giving special tax relief to taxpayers who receive their income from dividends.

Mr. MORSE. Mr. President, I wish to speak briefly against the conference report. I shall vote to reject the conference report in the hope that a majority will reject it, and then the Senate can ask for another conference which will result in an improvement in the tax bill. I voted against the tax bill when it was before the Senate. As I said at that time in a speech, I considered it to be a tax bill which was slanted with much favoritism toward the wealthy and with unfair discrimination against persons of low income. The conference report makes the tax bill even worse in that respect.

I realize there are some interesting sugar-coated political pills in the tax bill, Mr. President; but I am satisfied that the people will not be fooled by them. They know those pills will not cure the economic problems in the tax field which face the people of low incomes. Those of low incomes know that the relatively minor benefits which go to the families that have to hire babysitters, and to pensioners, and to a few others, really are not sufficient to justify our adopting a conference report which contains as many inequities as this one does.

For instance, let us consider the matter of restoring the 4-percent dividend tax credit. That, of course, gives a recipient of dividend income a 4-percent advantage over the recipient of earned income.

Let us consider who these recipients are, from the standpoint of dividend income: 80.3 percent of all taxpayers, who have incomes under $5,000 receive only 10.9 percent of all dividend income; 3.7 percent of all taxpayers, with incomes over $10,000, receive 76 percent of all dividend income. Eight-tenths of one percent of all taxpayers, with incomes over $25,000, receive 55 percent of all dividend income. Mr. President, there is no rebutting those facts; and this granting of favoritism to the recipients of dividend income certainly shows how this measure is loaded in favor of the wealthy, to the disadvantage of those of low income.

Then let us consider another phase of the same problem, namely, what portion of the low-income and high-income groups receive dividend income.

Only 4.5 percent of taxpayers with incomes under $5,000 reported any dividend income at all. You see, Mr. President, although sometimes some Senators like to give the impression, in making arguments here in the Senate, that the income-producing instruments are held by the great mass of the American people; that simply is not so. Only 16.6 percent of taxpayers with incomes between $5,000 and $10,000 reported any dividend income at all. Forty-nine and four-tenths percent of taxpayers with incomes from $10,000 to $25,000 reported dividend income; and 73.7 percent of taxpayers with incomes over $25,000 reported dividend income.

When the bill was before the Senate, I argued at some length then—which I shall not do this afternoon—that I believe the greatest need confronting the country at the present time is to increase the purchasing power of those in the low-income brackets. That is why I was so strongly in favor of the George amendment. We were defeated on it. We thought we had made at least a slight accomplishment in the direction of

equity when we defeated the proposal to give the recipients of dividend income any special advantage by means of this tax bill. In fact, some Members of the Senate who talked to me felt that that accomplishment alone justified their voting for the bill. I did not share that point of view; but I did say that at least our success in that matter had helped improve the bill, although in my judgment not enough to justify my voting for it.

Now the bill is returned from the conference; and on this point, the conference report is much worse than the bill was before it went to conference.

I think the report should be rejected, because I do not see how we can vote for the report when we know that it intensifies the inequities of the bill.

I think the Senator from Colorado [Mr. JOHNSON] is in a very sound position when he points out that this discriminatory feature as between and among income groups or income classes makes it impossible for him to vote for the conference report, and he advocates that the conference report be rejected, and that a further conference be held.

Mr. President, I wish to say something about what happens to those in the low-income brackets, under the so-called tax-savings provisions of the bill, when we recall that people with incomes of $3,500 or less really are getting no tax advantages under the tax bill, due to the increase in the social-security payments they have to make. Yet it was argued on the floor of the Senate that that is an unsound argument because of the fact that employers also have to contribute to that fund, and that in a sense a sort of estate is being built up for the holders of the social-security benefits.

Mr. President, my answer to that argument is twofold. First, the fact is that the increase in social-security payments does reduce the take-home pay of the great masses of workers who need increased purchasing power, and, Mr. President, as of now, it constitutes a lessening of net income. When they get the advantage of this so-called estate it will be after they no longer are employed, and then their purchasing power will be so much below what it is at the present time that they will continue to be a serious problem insofar as being a good source of purchasing power is concerned. We are, in fact, Mr. President, reducing their income at the present time as a result of the increase in the social-security taxes.

In the second place, Mr. President, we are dealing here, as I said once before, with the great body of American workers with incomes of $3,500 a year or less upon whom the whole productive force of our economy is vitally dependent. Without their contribution to production, the economy could not function. That being true, I think it is most unjust for us to follow a course of action which results in giving tax favoritism to the wealthy, but does not provide any tax relief to those having incomes of $3,500 or less, and thus does not make it possible for their purchasing power to be increased.

Mr. President, bearing on the argument I am making, namely, that this measure is slanted with favoritism for the wealthy, and is discriminatory against those with low incomes, I wish now to consider some additional statistics that were made available to me this afternoon, when it was learned that the conference report was to be before us.

Only 20 percent of all taxpayers have incomes of more than $5,000 a year. Most of the 80 percent of taxpayers who have incomes of less than $5,000 a year will receive little or no relief, as I have said, from the reduction in the individual income tax of last January 1, when that is coupled with the increase in the social-security tax. In fact, a family of 4 earning less than $3,500 a year actually suffered a tax increase, as of January 1. With that kind of treatment of the masses of people in the low-income bracket, Mr. President, I think it is grossly unjust now to come forward with a tax bill conference report which gives a 4-percent benefit to the people with dividend income.

I ask unanimous consent that the summary table which was supplied to me this afternoon, and which is available to other Senators, too, on the total annual tax relief, with corresponding footnotes, be printed at this point in the RECORD as a part of my remarks.

There being no objection, the summary table with footnotes was ordered to be printed in the RECORD, as follows:

Summary table—Total annual tax relief

[In millions]

	Fiscal year 1955			Full effect	
	Percent of all taxpayers	Percent of total	Amount	Percent of total	Amount
Corporations		39	[1] $530	73	[2] $2,439
Taxpayers over $5,000	20	38	516	18	601
Total, corporations plus taxpayers over $5,000		77	1,046	91	3,040
Taxpayers under $5,000	80	23	311	9	311
Grand total		100	[3] 1,357	100	3,351

[1] Does not include the temporary continuation of present corporation tax rates.
[2] Includes maximum annual revenue loss of $2.2 billion (reached in 1960) from new depreciation method (assuming that present rates of taxation and capital investment remain the same) according to estimates of the Joint Committee on Internal Revenue Taxation.
[3] Does not include $6 million revenue loss from alcohol strip stamps.
Attached is detailed list of the items in this bill on which this summary is based.

NOTE.—A table showing the benefits to corporation shareholders under the compromise "dividend tax credit" provision is attached.

Mr. MORSE. Mr. President, I ask unanimous consent that the table entitled "Who Gets How Much Tax Relief From the Tax Bill," be printed at this point in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

I. Who gets how much tax relief from the tax bill?—A. Provisions which will benefit the 80 percent of taxpayers with incomes of less than $5,000 (as well as those with higher incomes)

Provision	Comment	Total annual tax relief (in millions)	
		Fiscal year 1955	Full effect
Exemption for foster children		$10	$10
Taxation of annuities		$10	$10
Tax credit on $1,200 of retirement income		$141	$141
Child care deduction	This will allow a deduction of only a week for a working mother, regardless of how many children she has.[1]	$130	$130
Deduction of interest charges on installment buying	This benefits only those who itemize their deductions instead of taking standard 10 percent deduction. Only 19 percent of the under $5,000 group itemize.[1]	$10	$10
Soil and water conservation expenditures		$10	$10
Total relief for primary benefit of under $5,000 group		$311	$311
Percent of total gross tax relief in this bill [2]		23	9

[1] When a similar provision was included in the House bill in 1948, there was an estimated loss of $100 million (see H. Rept. 2087, 80th Cong., 2d sess.).

[2] This is a percentage of all the tax reductions made in this bill, all of which are permanent. This does not include the extension of the present corporation tax rate, which is simply a 1-year proposition, and which will net $1,200 million in fiscal year 1955.

Mr. MORSE. Mr. President, it will be noted from a breakdown of the figures that the bill is discriminatory in favor of the rich, and unjust in its application to the poor.

I ask unanimous consent that the table entitled "Provisions which will primarily benefit the 20 percent of taxpayers with incomes over $5,000" be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

B. Provisions which will primarily benefit the 20 percent of taxpayers with incomes over $5,000

Provision	Comment	Total annual tax relief (in millions)	
		Fiscal year 1955	Full effect
Dividend tax credit	92 percent of all families own no corporation stock.[1] Those with incomes under $5,000 receive only 11 percent of all dividend income.[1] 4 percent of all taxpayers get 76 percent of all dividend income.[1] 0.8 of 1 percent of all taxpayers get 55 percent of all dividend income.[1]	$204	$362
Full split-income benefits for "head of household" [2]	A head of household with 1 dependent earning less than $3,555 gets no benefits whatever from this provision, and earning $5,000 gets only $13 benefit.	11	11
Exemption for dependents under 19 or students, regardless of their earnings.	This will primarily benefit families who are able to send their children to college	75	75
Medical expense deductions	This benefits only those who itemize their deductions instead of taking standard 10 percent deduction. Only 19 percent of the under $5,000 group itemize.	80	80
Personal exemptions for trusts raised from $100 to $300.	Very few, if any, taxpayers with incomes under $5,000 put their property in "trusts"	3	3
Premium test on life insurance in estate taxation	Estate taxes only apply to people leaving estates of over $60,000	25	[1] 25
Increase in charitable contribution limit from 20 to 30 percent.	Very few taxpayers, if any, with incomes under $5,000 can afford to give 20 percent (much less 30 percent) of their incomes to charity.	25	25
Depreciation under the new "declining balance" method.	This will primarily benefit partnerships and unincorporated businesses, although such people as farmers will be eligible for its benefits.	73	(?)
Taxing partnerships and proprietorships as corporations.		20	[4] 20
Total relief for the primary benefit of the over $5,000 group.		516	601
Percent of total gross tax relief in this bill		38	18

[1] When a similar provision was included in the House bill in 1948, there was an estimated loss of $100 million (see H. Rept. 2087, 80th Cong., 2d sess.)

[2] This provision can only be applied to the 2 years following the death of the father or mother where there are children in the family.

[3] The maximum revenue loss from the new depreciation provision for both corporations and individuals ($2.2 billion in 1960) is shown under corporations. No estimate is available as to how much of this $2.2 billion benefit goes to individuals.

[4] This is probably a conservative figure, since businesses unable to make the necessary reorganization during fiscal year 1955 will be able to do so in subsequent years and thus benefit by this provision.

Mr. MORSE. Mr. President, I ask unanimous consent that the table entitled "Provisions which will benefit corporations," be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

C. Provisions which will benefit corporations

Provision	Total annual tax relief (in millions)	
	Fiscal year 1955	Full effect
Depreciation (under the new "declining balance" method)	$291	[1] $2,200
Natural resources (percentage depletion)	34	34
Net operating loss	120	120
Other	85	85
Total relief for the primary benefit of corporations	530	2,439
Percent of total gross tax relief in this bill	39	73

[1] Estimated by the Joint Committee on Internal Revenue Taxation to be the maximum revenue loss, reached in 1960 (assuming that present rates of taxation and of capital investment (replacement) remain the same). Important note: Total loss from this provision estimated at $19 billion. (See p. B3 of the minority report of Committee on Ways and Means, H. Rept. 1337, 83d Cong., 2d sess.)

Mr. MORSE. Mr. President, I ask unanimous consent that the table entitled "Amount of Tax Savings to Corporation Shareholders Under the Compromise 'Dividend Tax Credit' Provision," be printed in this point in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Amount of tax savings to corporation shareholders under the compromise "Dividend tax credit" provision

Income	Married couple, 2 dependents		Tax saving	Percent increase in take-home pay
	Tax on earned income	Tax on unearned income		
$3,000	$60	$40	$20	0.7
$5,000	420	328	92	2.0
$10,000	1,372	1,099	273	3.2
$25,000	5,318	4,497	821	4.2
$50,000	15,976	14,246	1,730	5.1
$100,000	44,724	41,188	3,536	6.4
$500,000	356,956	339,009	17,947	12.5
$1,000,000	766,456	730,509	36,147	15.4

NOTE.—This gives investment income an enormous advantage over earned income, contrary to most tax philosophies and systems.

Mr. MORSE. Mr. President, the last point I desire to discuss is the position the conference committee took with respect to the depreciation item. I am sure that the Senator from Minnesota will have something to say or, at least, I hope he will, about this matter later.

When the tax bill was pending before the Senate, one of the speeches I made was in opposition to the accelerated depreciation allowance the bill gives to persons operating industries and who have large incomes.

I pointed out that what it does, in effect, is to carry over into peacetime operations the principle of the certificate of necessity for accelerated amortization of depreciation during a war period and a defense emergency period.

I said then, and I now repeat, that I think that can be justified as an emergency matter in time of war or of a great defense program; but, in my judgment, Mr. President, it cannot be justified in such a time as the present; it cannot be justified in peacetime.

I believe it results in the American taxpayers footing the bill by way of the millions upon millions upon millions of dollars of savings because of what amounts to interest-free loans to industry, resulting in the American taxpayer really paying a substantial part of the cost, either of machinery, if it is machinery depreciation, or of the plant if it is plant construction depreciation, or of additions, if there are additions to plant capacity.

In that speech I presented a series of arithmetic analyses, and different hypotheticals that show conclusively that the taxpayer pays the bill in the long run to the extent of many, many millions of dollars.

In that speech, as a matter of fact, I pointed out that the staff of experts on the House side submitted a report which showed that under the provisions of the bill in the next 18 years the American taxpayers will lose, through the United States Treasury, a minimum—not a maximum, a minimum—of $19 billion as a result of the rapid depreciation principle in the bill.

I said in that speech, and I repeat today, that some tax experts who briefed a group of Senators one night when we spent a good many hours on the tax bill

prior to the debate on it on the floor of the Senate, told us that the figure would be closer to $40 billion in 17 years than $19 billion in 18 years, as suggested by the staff of experts on the House side.

That was one of the reasons, among others, why I could not vote for the bill.

But under this bill, Mr. President, once again, we are giving to those most able to pay what amounts to a bonanza in the form of an accelerated amortization subsidy. What we are doing is taking a principle that is sound for a wartime period when we want private capital to build plants that may be of little value for civilian use after the war is over, and are making it applicable generally in peacetimes.

I think it is another way, Mr. President, speaking most respectfully, but expressing my conviction, of "rooking" the taxpayer, and I think we ought to stop including in legislation that kind of discriminatory feature against the people of low income in favor of those who are most able to pay.

The Senator from Minnesota [Mr. HUMPHREY] at least tried to bring some relief to the farmers in connection with grain storage. He proposed that the farmers, who built grain storage facilities or bins on their own farms in order to keep and protect the surplus grain, which I think is a great national asset, should be allowed to write off in depreciation the cost of such bins.

The proposal of the Senator from Minnesota was justified on two very sound grounds: First, the farmers ought to be provided that sort of relief in order to prevent the wastage of grain; and, second, they ought to be allowed to do it, because if they do not provide such facilities, then the Government, in my judgment, has a moral obligation to provide them. As the Senator from Minnesota said during that debate, the question simply is this: How are we going to provide the storage capacity—through the farmer himself or through the Government? He pointed out that he thought the farmer himself would provide it on a much more economical basis and more in accordance with the actual need than would the Government.

I understand, Mr. President, that that kind of relief is no longer provided to the farmer in this bill; that although the rapid amortization principle is retained for big business, it is stricken out for the farmer even though the Senate wrote it into the bill.

I call attention, in closing, Mr. President, to what I think is a moral issue involved in regard to the matter of surplus food from the standpoint of the example that we set to the world. There is no denying the fact that much of the surplus food, particularly of grains, is being wasted because of the lack of storage. It is being wasted to the extent of thousands upon thousands, tens of thousands, of tons of grain each year. It is being wasted to the extent that it cannot even be used for animal consumption, to say nothing of human consumption.

The Senate wrote a provision into the bill that sought to encourage the farmer to get busy and build the storage he might need on his own farm, with the understanding he could write it off in 1 year. The first proposal was for 1 year, but I believe it was modified to 2 years. I would still favor writing it off in 1 year.

That provision has been stricken.

When millions of people in some quarters of the world are living on less than a decent calorie diet essential to sustain human strength, and others are actually dying, either of starvation or of ailments produced by the lack of sufficient food, and when we continue to follow a course of action of not providing adequate storage for our surplus food, so that at least it can be kept in condition for human consumption and used as one of the greatest weapons we have against Russian communism, what is bound to be the reaction around the world?

We ought to be using this food for bartering purposes and for trading purposes with nations where the bad food conditions exist and where people do not have the cash with which to pay for the food. We ought to be making great headway in offsetting Russian propaganda through the still free segment of Asia. What do we do by striking from the bill the depreciation allowance for building grain storage bins? I think we play further into the hands of the Russian propagandists, and walk out on what I consider to be a moral obligation in respect to a careful saving and handling of surplus food.

I cannot reconcile it with what I consider to be principles or morality when we follow a course of action in which we say, in effect, "Let the food rot rather than encourage the farmer to build grain storage facilities which will save the food for human consumption."

Mr. President, I believe the Senator from Minnesota made a great contribution to the tax bill when it was before the Senate by having his amendment on grain storage added to the bill. I deeply regret that the amendment is not in the bill agreed upon by the conferees. It is further evidence of why the conference report should be rejected.

For these reasons, and for many others I could point out, but which I shall not take the time to do, I am going to vote against the conference report and urge its rejection, so that the Senate will then be in a position to ask for a further conference with the House on the bill.

I close by saying that every argument I made against the bill when it was before the Senate I repeat now by way of incorporating by reference those arguments in this speech, and I add to those the arguments I have just made with respect to the grain storage amendment.

Mr. HUMPHREY. Mr. President, with reference to the conference report on the tax bill, I should like to say, first of all, the RECORD will reveal that the junior Senator from Minnesota voted in favor of the bill. I did so despite the fact that there were some features of the tax bill I did not like, and which I did not feel were equitable.

I cast a favorable vote for the tax bill after determined efforts had been made on the part of a number of Senators to write into the bill certain principles of equity and fair play which all of us, I am sure, would like to see in any legislation enacted by Congress.

One of the controversial issues in the tax measure, as we know, and which is still in the measure, is the so-called dividend credit or tax-relief provision for the recipients of stock corporation dividends.

In the Senate we were able to strike that portion of the bill as it passed the House. We were able to do it by leaving in the bill only a general blanket $50 credit. The so-called percentage on an accelerated base was eliminated.

As the Senator from Illinois [Mr. DOUGLAS] has pointed out very aptly, we have had now the process of gradualism. From the high point of 15 percent recommended in the administration's bill, the dividend credit was reduced to 10 percent in the House, the Millikin amendment in the Senate reduced it further to 5 percent, and, finally, the Johnson amendment, added to the bill in the Senate, eliminated that provision completely. But the conference restored it to 4 percent.

A number of amendments were written into the bill in the Senate. One of them has been referred to by our colleague, the Senator from Oregon [Mr. MORSE]. It is the amendment regarding accelerated depreciation, or the tax write-off of the cost of grain storage facilities.

I am very sorry that item was eliminated from the tax measure as it is reported by the committee of conference. I said before, and I say again, that the cost of this particular provision would have been approximately $35 million in fiscal year 1955, but that cost would have been more than offset by the expenditure which the Government of the United States will make through the Department of Agriculture and the Commodity Credit Corporation for the purchase or construction of its own grain storage facilities.

As a matter of fact, at this very hour the Commodity Credit Corporation is deliberating on the purchase and erection of additional grain storage facilities throughout the Nation. These facilities, under present law, will be owned by and paid for by the Government of the United States. The purpose of the amendment of the junior Senator from Minnesota was to have the grain storage facilities on the farm owned by the farmers.

I personally believe that that amendment would have been desirable both economically and socially. I regret that it was not retained in the measure as it is reported from conference. What we see here is a repudiation of the expressed will of the Senate.

On a yea-and-nay vote on the tax credit for dividends, the Senate made it

quite evident and manifestly clear that we did not want that kind of tax favoritism to be written into the bill. I believe it is fair to say that if we allow the stock dividend tax credit at 4 percent for fiscal 1955, we will have let the head of the camel under the fiscal tent, and soon the whole body will be inside. I predict that there will be a great many other fiscal animals getting into the tent, and that soon we will have quite a monetary and fiscal zoo of special tax favoritism and tax privileges, the like of which we have never witnessed before.

I do not say this as an expression of theory, but rather as an expression of fact. It is manifestly clear that the minute another loophole in the tax law is opened, seldom, if ever, is it closed; in fact it becomes wider. It is something like a rupture. Ruptures seldom heal. Generally those that have them prolong the date of surgery to correct it. So, frequently we find that the rupture continues to expand until it literally jeopardizes the physical well-being of the individual; and I point out that this kind of fiscal rupture or tax rupture may very well jeopardize the principles of tax equity upon which our whole fiscal and tax policy is supposed to be based.

There is one cardinal principle of tax law that has been a standard for the American economy, and that is what we call the progressive tax principle, namely, taxation according to the ability to pay. That has underscored the income-tax law. It has been the prevailing principle of corporation-tax law. In other words, smaller corporations or unincorporated businesses or partnerships have less liability than the large corporations to be taxed on the basis of earned income.

I regret to say that we are now doing away with that principle by the slow process of attrition. The fact that we have allowed only a 4-percent tax credit on stock dividends is not one bit encouraging insofar as the principle of tax equity is concerned. Four percent in 1954 may very well become 10 percent in 1960. I make the prediction, if it should be my good fortune to be around this Chamber at a later date, that we will now see pressure put on the Congress through all forms of propaganda, all forms of educational media, to open up this loophole just a little larger.

In my colloquy with the Senator from Illinois [Mr. DOUGLAS] I used the analogy of the so-called depletion allowance. There were legitimate depletion allowances written into the tax laws some years ago, and before we got through with it, it applied to oyster shells, clam shells, gravel, and sand. Everything that you could think of has been written in as a depletion allowance. If anyone has not something to write in as a depletion allowance, the only reason it is not there is that he failed to think of it.

What is even more important, not only did we expand the area of depletion allowances, but we are progressively expanding the depth or the height of depletion allowances. If I am not mistaken—I believe the depletion allowance for a whole host of products in this bill is now 23 percent.

Mr. President, I listened to the remarks of the Senator from Oregon as he outlined provisions in the conference report which will benefit taxpayers with $5,000 a year income or less, and according to the analysis that has been made, there will be around $311 million of tax relief for 80 percent of the taxpayers. In other words, there will be much less relief for 80 percent of the taxpayers than will be permitted for the primary benefit of corporations in the first year of this bill. In the first year there will be approximately $530 million of benefit to corporations; and later on, when the full effect of the bill is realized, by 1960, there will be an estimated tax relief of $2,439,000,000.

The Joint Committee on Internal Revenue Taxation made an analysis of the maximum revenue loss under the new declining balance method of depreciation, and it was estimated by the committee that by 1960 there would be a loss of revenue of $2,200,000,000 a year, assuming that the present rates of taxation and capital investment remained the same. The total loss from this provision is estimated by that same committee at $19 billion. Or you can find in the minority report of the Committee on Ways and Means of the 83d Congress, 2d session, a full analysis of the impact of this so-called declining balance method of depreciation and see what it means in terms of revenue loss.

There is something that can be said in support of accelerated depreciation, particularly insofar as the replacement of wornout plant, capital tools, and capital goods. I do feel that there may be a necessity for trying to find a justifiable and equitable formula. We have had one formula in periods of defense and emergency, such as the rapid tax write-off, the accelerated amortization program, which has permitted those who are primarily engaged in industrial activity related to the defense effort to expand their plant and to receive the accelerated depreciation for the purposes of their tax schedules or for purposes of their accounting on tax matters.

I have in my hand a clipping which came to my attention recently. The same story was published in many newspapers. Since I have a provincial interest in questions of my own State, I would like to call attention to the fact that this clipping is from the Minneapolis Tribune for the date of July 19, and I see with pleasure and, may I say, with a sense of justifiable pride, the honorable representative of that wonderful newspaper in the Chamber today.

The headline of that clipping reads, "Tax Bill Changes Give Insiders Chance at Quick Market Profits." This is an article by Mr. John D. Morris, special from the New York Times, with a Washington dateline, and it reads as follows:

Secret decisions by a joint congressional conference committee on the administration's tax reform bill have given insiders excellent opportunities for quick profits on the stock market.

The committee met all last week working out differences between versions of the bill passed by the Senate and House of Representatives.

Language adopted by the Congress in all probability will become law, affecting the taxes to be paid in the future by many corporations. The value of stocks in various corporations is consequently most sensitive to decisions reached in the closed-door meetings.

Contrary to practice followed by most other such committees, the tax conference group is operating under a rule prohibiting announcement of any decisions until action is completed on the bill.

The rule has been lifted once for the disclosure of two decisions. Some other information has leaked to reporters and been published. But scores, perhaps hundreds, of decisions have been reached without the public being informed.

Five Senators and five Representatives are on the conference committee. Also attending its meetings are a dozen or so Treasury and congressional staff experts.

Then the report goes on to tell of some of the deliberations of this committee, and just one excerpt I think is of some interest:

One agreement reached last week provided an example of the possibilities for market profits by insiders. Reporters learned of it, but not until the following day.

The decision, of particular benefit to certain public utilities, involved the existing 2 percent penalty on consolidated tax returns of affiliated corporations. The penalty is designed to reduce tax advantages gained by some companies in filing such joint returns.

Under present law consolidated returns are not permissible unless one corporation owns 95 percent of the stock of the others. The House voted to reduce this affiliation to 80 percent. The Senate substituted a provision exempting regulated utilities from the penalty.

The conference committee, in its compromise, accepted both the Senate and House versions with the proviso that the 80-percent test would apply only to regulated utilities. The 95-percent rule would continue to apply to other corporations.

A small number of utilities stood to benefit from the Senate plan to the extent of $35 million a year in tax reductions. The extent of tax savings with the 80-percent affiliation test added is not known. But the value of stock in affected utilities seems certain to rise in anticipation of the benefits.

The bill contains dozens of technical or minor provisions, some affecting only 1 or 2 corporations. For those familiar with the effects, there are wide opportunities for successful speculation.

Mr. President, I simply say that a man with an income of $5,000, $6,000, $7,000, $8,000, yes, even $10,000 a year, will not be the beneficiary of such speculatory profits.

Other newspapers carry the headlines with words such as:

Tax benefit windfalls for business and corporations.

I saw such headlines in the New York Times, and the Washington Star also carried a similar story.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield for a question.

Mr. DOUGLAS. Is it not true that such statements are found in the news columns but are never referred to on the editorial page?

Mr. HUMPHREY. I have not seen any such comment on the editorial page. Here is a New York Times article. I do

not have the date of this particular article. It has been cut off, but I think it can be traced. It reads as follows:

Wall Street is looking forward eagerly to passage of the House Ways and Means Committee's proposal to eliminate part of the double taxation on dividends.

One financial district economist said the proposal, if enacted into law, would probably bring about a shift of interest out of the low-yield "blue chip" issues into some of the less popular high-grade stocks. There are a good many of them now priced to yield considerably more than the 5.60 to the 5.85 percent returned by the standard stocks included in the market averages.

This authority added: "This change, if it comes, will be a lot more important than mere arithmetic would indicate. If Congress passes this law, it will demonstrate that it is willing to remove the terrible inequity that has crept into our tax system since 1936. This will be the opening wedge. Eventually we may see taxes back on a fair basis. The market will certainly try to discount that development."

What is it, judging by this particular clipping, that our friends on the stock market are so keenly sensitive to, and are so willing to speak of with an unusual degree of candor? I invite the attention of my friend, the distinguished Senator from Illinois [Mr. DOUGLAS], to the statement by the authority referred to, who said:

This will be the opening wedge.

By the way, the economist then was thinking about 15 percent. He thought that was just the opening wedge; that the 4-percent opening was not quite so big. But once the solid door of fiscal equity had been jarred from its hinges, or has been sprung so that it is open a little bit, do not worry; the powerful muscles and the powerful hands of the special-privilege boys will soon move in and muster the strength and the determination to open the door wider.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. My objection to the bill is not that it does so much for the stockholders and the corporations but that it does so little for so many. The average person simply gets no relief from the bill. That is my only objection.

I believe there are many things in the bill which are good—for example, the relief for retired firemen, retired policemen, and retired schoolteachers. There is also relief for mothers who can afford to hire babysitters, if they are working. They and their husbands can earn more than $4,500.

It is unfortunate that there could not have been some agreement to the effect that the average taxpayer, the average person making around $3,500 or $3,700 could have some tax relief.

Mr. HUMPHREY. I agree with the views expressed by the Senator from Louisiana. I am not condemning the bill in its entirety. As a matter of fact, a number of amendments were offered, providing for exemptions for foster children and wards of communities. I offered such an amendment to the tax bill itself. I offered an amendment providing for a tax credit of $1,200 of retirement income and an amendment for child care deductions. They were all equity provisions.

I also offered an amendment to make expenditures for soil and water conservation a deductible item up to a certain percentage.

It was because of many such desirable provisions that I was motivated to vote for the bill, once there had been removed what I considered to be very unsound principles of tax favoritism namely, a tax credit on stock dividends, and I so voted in the Senate.

I simply make this prediction: We are constantly hearing about fiscal solvency, fiscal regulatory provisions, and a sound fiscal tax policy. I say that we shall be opening a Pandora's box of tax inequities once we begin to fool around with so-called different kinds of income, and begin to give special privilege treatment.

Special treatment has been given for capital gains. We know that one of the real tricks of a modern tax lawyer is to turn earned income into that category of income which is subject to capital gains tax treatment. In the days of yore, hundreds and hundreds of years ago, so legend tells us, the kings used to hire what were then known as scientists, who were housed in rooms in the towers of castles. Those persons were called alchemists. The desire, the hope, and the prayer of a king whose subjects were unwilling to pay all the burdensome taxes which were levied upon them was that the alchemist would be able to convert base metal into gold. For hundreds of years the alchemists were sent into the castles, but they were never able to produce gold.

In our day, we have the political alchemist, the tax lawyer, who, with the help of Congress, has been able to convert earned income, which is subject to heavy tax rates, into unearned income, which is subject to the capital gains tax, and thus has converted the base metal into gold for his clients.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. Does the Senator from Minnesota have an estimate of the total cost of the bill, when the full effects of it are felt?

Mr. HUMPHREY. The full effects of the bill will be felt, according to the estimates, at least by 1960. That is when the full impact of the so-called declining balance depreciation schedule will be felt, and the Government by that year will be receiving $3,351,000,000 a year less revenue.

Mr. LONG. It is estimated that there are more than 40 million families in America, so it can be seen that if that kind of tax relief could have been spread evenly among all families, it would have meant a $80 saving for each family.

My regret is that the committee was unable to carry the amendment offered by me for myself and on behalf of the Senator from Georgia [Mr. GEORGE] and several other Senators, so that the average family would get about $80 of tax relief.

Neither were the conferees successful in retaining the amendment originally offered by the Republican side of the aisle, which would have provided that the average family would receive $40 relief.

Mr. HUMPHREY. The Long amendment, which was a clean amendment, which did not include the double-edged sharp knife of giving less tax relief to the average family than the 5 percent stock dividend credit, which was the amendment offered by the distinguished junior Senator from Colorado [Mr. MILLIKIN], would have provided a tax credit of $20 for every taxpayer. For a man and wife, the credit would have been $40; for a man, wife, and their children, the relief would have been $100. That was a clearcut, clean tax relief proposal.

Mr. LONG. It also omitted the "now you have it, now you don't have it" feature of the Millikin amendment, which provided that if a person received some tax relief in the bill, he could not receive the $20 benefit.

The point I had in mind was that considering the cost of the bill, it would have been possible to have reduced the taxes of every taxpayer by about $80 a family.

Mr. HUMPHREY. That would be about right.

Mr. LONG. Unfortunately the average family will receive no relief whatsoever under the bill.

Mr. HUMPHREY. The average family will receive very, very little relief.

Mr. LONG. Let us put it this way: The majority of the families will receive no relief whatsoever.

Mr. HUMPHREY. That is correct.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. Does the distinguished Senator from Minnesota see any relief in the conference report for the average laboring man?

Mr. HUMPHREY. I do not. So far as the average laboring man is concerned, he will find that the increase in his social-security tax will more than offset any form of tax relief he might receive in the bill, unless he has an income of $3,500. That would be about the breaking point.

Mr. LONG. It is $3,700.

Mr. LANGER. If the laboring man had a sufficient number of children, would that make a difference?

Mr. HUMPHREY. If the laboring man has a large number of children, he will not get any more tax relief in the bill than he would under the old tax plan. There is still the same deduction allowance for each dependent.

However, if the husband and wife are both working, and if they can afford to hire a babysitter, they will get a little tax relief, but they will not get as much if they are making $4,200 a year.

Mr. LANGER. Does the Senator see any relief for the babysitter?

Mr. HUMPHREY. Only if the babysitter earns enough to come under the tax schedule. The babysitter will get no relief unless the babysitter hires a babysitter.

I just do not see the so-called individual tax relief that this measure may offer.

I wish to say this bill is based upon the Republican theory of economics that if there is improved investment and capital plant, thereby there is an improved jobs situation.

I want to say a word about that. I, for one, realize the importance of investment for the creation of capital tools and capital plants. I want to make it quite clear it is not possible to have jobs without plants, and not possible to have any plants without jobs.

It is a question of which came first, the chicken or the egg? Personally, I like chickens and eggs, and I do not want to argue about which came first. I like full employment and capital plant, and I believe it should be the most modern in nature; but I think we have to keep in mind that some of us, at least, feel that the secret of the capitalistic system and the thing which disassociates and differentiates the American economic system from the European economic system is consumer-spending power.

I go back to what limited experience and limited knowledge I have in this field—and I am a babe in the woods, compared to the distinguished Senator from Illinois [Mr. DOUGLAS], but I have spent a little time in the study of economics, and perhaps a little time in worrying about economics.

I can say right now that one of the reasons why the United States of America has made the progress it has made economically is that we have rested our case for the profit system, not upon the few gold doorknobs at the top of the castle, but upon the great, solid foundation stones of the hard-working, prudent, frugal people of our country—farmers, tradesmen, craftsmen, teachers, and plain, ordinary citizens.

The difference between the economic system of the United States of America and that of England or France or any other country in the world, with the possible exception of the Scandinavian countries, is the fact that we do place confidence in the consumer purchasing power and the well-being of the consumers.

I recall being in France 3 years ago. People have always criticized the French because they do not have more houses and do not have new homes. May I say that very few people in America would have homes if Americans had the kind of housing policy the French people have. In France it is necessary to have 60 percent down in cash in order to buy a house. Most Americans would be living in tepees under that system.

Now, we have a housing bill which was discussed yesterday, where it said that if a person can put down 5 or 10 percent, he can get a house, and we even had a housing program where a person did not need to put down anything at all. All he needed to do was to hire a good lawyer and get the house and make money in the process.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSTON of South Carolina. Is that not about what was true in the United States until the Federal Government began to help out?

Mr. HUMPHREY. There is not any doubt about it.

Mr. JOHNSTON of South Carolina. A person could not get a loan unless the transaction contemplated a downpayment of 50 percent of the valuation of the house.

Mr. HUMPHREY. One of the reasons this country has spurted ahead economically in the last 20 or 25 years is because we have placed faith and confidence in the American people. We have trusted them with credit, and with reasonable rates of interest. We have encouraged them to expand business, to send their children to school, and to increase their standard of living.

That has been done under a philosophy I call the percolating economic philosophy, with the economic pressure coming from the bottom up, and not the "trickle down" theory. The "trickle down" theory is written into this tax bill.

Mr. JOHNSTON of South Carolina. We had it the other way on the little bill on individual free enterprise to do that for the people.

Mr. HUMPHREY. From the point of view of some people.

I think the best free enterprise in the world is a system which makes it possible for a man to be free and enterprising. We have been able to accomplish that by having a program such as we have been talking about, and having a philosophy of economics where the customer is more important than the investor.

I was brought up in the retail field to believe that the customer is right. I was brought up to believe that the most important man who came into your place of business was the man on the other side of the counter, the man who wanted to buy something.

This tax bill is based upon the idea that the fellow who is really important is the man up on the 37th floor of the office building, Mr. Blue Chips, sitting back there and clipping out coupons and figuring the stocks.

From my experience, the value of these stocks is based upon our American economy.

May I make this statement right now: One of the reasons I think the stock market has been going up and up and up is because investors have guessed, and guessed correctly, that with this administration in power this kind of a tax bill was coming out. This is:

"What is good for General Motors is good for the country."

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I knew that the Senator from Illinois had some little token of appreciation he would like to present here.

Mr. DOUGLAS. The Senator has spoken of the statement apparently made by Secretary Wilson:

"What is good for General Motors is good for the country."

Did the Senator note in the morning's paper how well General Motors did for the first half of this year?

Mr. HUMPHREY. May I say to the Senator from Illinois that I went out and picked up a copy of the New York Times, and I was going to look for that story. The Senator has the whole story. Somebody tore the story out of this copy of the paper; apparently wanting to keep the news from me.

The PRESIDING OFFICER. Does the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. Would the Senator look on page 33 of the New York Times and inform me, since I ask this in the form of a question, Mr. President, if I am correct in my reading of the New York Times to say that the General Motors' net earnings after taxes amounted to $425,250,000 for the half year?

Mr. HUMPHREY. Would the Senator continue to point out that sales were off 7 percent? Sales were down 7 percent, and net earnings were higher than they have been at any time in the history of the company, I believe.

Mr. DOUGLAS. Would the Senator be interested in the fact that in the corresponding half of 1953 the net earnings were $312,846,000? I am quoting to the nearest thousand. In this half year net earnings were $425,250,000. Roughly, the net earnings after taxes were up one-third, despite the fact that sales were down 7 percent.

Is that not directly due to the abolition of the excess-profits tax?

Mr. HUMPHREY. The Senator is correct.

I want to say that while the Senator from Illinois reads that kind of a headline, I put in the CONGRESSIONAL RECORD here during the debate on the atomic energy bill information as to what had been happening to farm income and to the parity ratio. Farm income is lower than it has been in the last 15 years. Farm income is going down, down, down; farm parity ratio is going down, down, down.

By the way, in this morning's newspaper the Secretary of Agriculture, Mr. Benson, at long last is quoted as admitting that even if you reduce farm prices such action is not going to help the consumers. I am going to read that article in the farm bill debate. I thought I would hold up the main body of that information.

Mr. Benson has suddenly come to the realization, which everyone else has had; although the heart is cut out of the farm income it is still not going to help the consumers. I thank the Secretary for his belated confession of his economic sins.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. Does the distinguished Senator not think he is absolutely unfair to the Republican Party? The Senator quotes a statement that General Motors is making $400 million, but at the same

time the American Motor Co. has lost $300 million.

Mr. HUMPHREY. I appreciate the Senator from North Dakota pointing that out to me. I wish the Senator would expand just a little bit more on that and tell us more about the American Motor Co.

Mr. LANGER. As the distinguished Senator knows, there has been a consolidation of the Hudson Motor Co. and 2 or 3 other small motor companies, for under the antitrust laws they cannot compete individually with General Motors, Ford, and perhaps one other company.

Mr. HUMPHREY. I think the RECORD ought to be corrected.

Mr. LANGER. Yes; I think it should be corrected to show at least the motor companies have not all made money. All of the motor companies have not been as fortunate as General Motors.

Mr. HUMPHREY. No. I am going to check and see how many American Motor Co. men are giving guidance and direction to the Government. I think it would be very revealing.

Let me help my colleague by another headine:

JERSEY STANDARD IMPROVES PROFITS—TWO HUNDRED AND NINETY-THREE MILLION DOLLARS NET REPORTED FOR HALF, COMPARED WITH $268 MILLION YEAR AGO

The Standard Oil Co. (New Jersey) yesterday estimated consolidated net earnings for the first half at $293 million, or $4.84 a share. This compares with earnings of $268 million, or $4.42 a share, in the similar period of 1953.

I should also like to quote an article with regard to the Westinghouse Electric Corp.:

WESTINGHOUSE VOLUME UP 4 PERCENT, NET JUMPS 27 PERCENT TO NEW PEAKS

The billion-dollar Westinghouse Electric Corp., oldest and second largest manufacturer of electrical apparatus and appliances, reported yesterday the highest 6-month sales and earnings in its history. Net sales, $811,709,000, were 4 percent higher than the 1953 first-half volume of $780,489,000, Gwilym A. Price, president, reported yesterday.

Net income rose 27 percent to $45,359,000 from $35,660,000. The result is equivalent to $2.75 on each of 16,117,026 common shares, compared with $2.19 on 15,870,271 shares outstanding a year ago, an increase of 25.6 percent. Operating profit before taxes was up 7 percent to $101,831,000 from $94,956,000.

RECORD YEAR EXPECTED

Provision for estimated taxes totaled $54,300,000, or $3.37 a share, compared with $59,755,000.

Earnings per dollar of sales were 5.6 cents, against 4.6 cents last year, the report noted.

Mr. Price attributed the higher earnings to the increased volume of sales and more efficient use of plant facilities. He predicted a continued increase in sales during the second half, which would result in a record for the year.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is there not a further reason, in the case of Westinghouse, for the operating profit before taxes to be up 7 percent, but for the operating profit after taxes to be up 27 percent, namely, that the big increase had come from the reduction in taxes, not from improvement in operating efficiency?

Mr. HUMPHREY. The Senator from Illinois makes a very valid point. I think the statistics reveal the authenticity and validity of his point.

Mr. President, I desire to summarize my position.

Mr. MORSE. Mr. President, before the Senator from Minnesota summarizes his position, will he yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does not what the Senator from Illinois has just pointed out, if I correctly understood the import of his argument, amount to what some of us pointed out during the debate on the tax bill, namely, that when we give the big operators a tax saving, it does not result in increased production, but results in their putting the saving "on ice," so to speak, until they are satisfied there has been an increase in the purchasing power of the masses, and then—and then only—they proceed to expand their production? Is not that what it shows?

Mr. HUMPHREY. Yes; and I think that is what the long parade of statistical evidence reveals to be the fact.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield for another question?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does the Senator from Minnesota agree with me that the conference report, with its further favoritism in behalf of those with the greatest ability to pay, is going to result, not in expansion of production, as some of the advocates of the tax bill proclaim, but in further restriction of production? Will not there be a real danger that it will result in further restriction of production?

Mr. HUMPHREY. The economic studies which have been made—which, by the way, were carefully reviewed during the tax debate, by the Senator from Illinois [Mr. DOUGLAS]—show that even when we have the most favorable tax laws pertaining to corporate income, corporate profits, and stock dividends, the percentage of individual purchase of stocks is just about the same as it is when we have the high corporate rates and the high stock dividend rates. I think Dr. Alvin Hansen, of Harvard University, an eminent economist, in testimony before the Joint Committee on the Economic Report pointed out—along with others—that in the 1920's, approximately 25 percent of the cost of new capital expansion was paid for by individuals using their earnings and stock dividends to buy stock, and 75 percent of it came from corporate surplus or bond issues or bank credits.

The same ratio of about 1 to 3—of 25 percent investment by individuals to, let us say, 75 percent from corporate surplus or bond issues or bank credit—pertains and flows right through to 1949, 1950, 1951, 1952, and 1953.

So if the argument in behalf of the stock dividend tax credit is that it will provide a greater incentive for investment in capital plant improvement or expansion, I must say that, from what limited knowledge I have of this area of economics, there are very few statistics or figures to prove that contention.

What can be proved by the stock dividend credit is the tax favoritism to the limited number of persons who are in the stock market investment area. We have documented the record in the case of the number of persons who are involved there. As a matter of fact, most persons do not own any substantial amount of stock or, in fact, any stock at all. Only 4.5 percent of the taxpayers with incomes of less than $5,000 reported any dividend income at all. Only 16.6 percent of all taxpayers with incomes between $5,000 and $10,000 reported any dividend income at all.

What has always been somewhat bewildering to me is the fact that for years the Treasury Department has made recommendations that we should have a withholding tax on stock dividends, rather than a tax credit on stock dividends. There is reasonable evidence to lead one to believe there is a substantial amount of income from stock dividends that is not reported.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. MORSE. I am familiar with the data to which the Senator from Minnesota has referred. I used some of it in my own speech this afternoon. Is not that just what those data indicate; namely, that the number of persons who really have incomes from dividends on stock, and the number of persons who report them as income, show a disparity that is quite alarming?

Mr. HUMPHREY. I believe that is true.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield to me for a question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Before the Senator from Minnesota summarizes his case, will he permit me to ask him several specific questions, in order to clear up certain points?

Mr. HUMPHREY. I shall be delighted to do so.

Mr. DOUGLAS. First, let me ask the Senator from Minnesota about the matter of the so-called deduction for babysitters. Is it not true that the full $600 deduction is given only if the joint income of the husband and wife exceeds $4,500? And is it not further true that the babysitter must stick solely to babysitting in order for her wages to be fully deducted; but if she cooks supper for the housewife, or sweeps the floor, then her wages must be prorated between housework and babysitting with only that portion applied to babysitting being deductible?

Mr. HUMPHREY. I think that would be the case. I imagine that what would

happen would be that for the time when she was working as a babysitter her pay would be deductible; but for the time when she was cooking supper her pay would not be deductible.

Mr. DOUGLAS. I think that is correct. But there would be the nice question of what proportion of her time was spent in heating the bottles of milk, and, hence, in cooking, and what proportion of her time was spent merely in sitting.

Mr. HUMPHREY. Oh, Mr. President, that will cause some major problems. But I doubt that those of that income level will be able to hire the competent, skilled talent able to make those neat adjustments in the expenditures, in order to show which are tax deductible as expense items and which are items that have no effect upon the tax.

One point which bothers me is that business after business can have apartments in the Wardman Park Hotel—now the Sheraton Park Hotel—or in the Shoreham or the Mayflower or the Statler Hotels, and those apartments can literally be unoccupied for long periods of time, or can be occupied by guests and friends. Yet the rental of those apartments is a business expense, and is regarded as necessary for the operation of the business—just about as necessary, however, as knots on wood. But apparently for tax purposes that expense is regarded as necessary for the operation of the business.

On the other hand, here we are considering a mother who needs a babysitter. Before the pay of the babysitter can even be classified as a deductible item the parents of the child must earn a certain amount of money. I think the Senator from Illinois said the amount is $4,500. Once the joint income of the parents exceeds that figure they can deduct the pay of the babysitter as a so-called business expense.

Mr. President, I have been in a little private business. I know that the pay given to any help that is hired—even in the case of a young lady who works on the soda fountain for half an hour, and is paid even as little as 20 cents—can be deducted as a business expense. In that connection, the pay of all employees who receive remuneration, whether in cash or in services, can be deducted as business expense. I see no reason why that principle should not be applied as generously to the average family, but it happens that it is not. However, once the foot gets in the door, in the case of the stock-dividend credits, the same thing will happen in the case of paid babysitters, from the point of view of having the amount so paid classified as a deductible item, namely, it will grow and grow and grow.

Mr. DOUGLAS. Will the Senator yield for a brief question?

Mr. HUMPHREY. I yield for a question.

Mr. DOUGLAS. The Senator from Minnesota [Mr. HUMPHREY] spoke of the fact that, first, by the capital gains tax, and now by the credit on dividends on stock, the principle has been established that earnings from property and particularly speculative earnings from property, are now taxed at a lower rate than income from services.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Does not this reverse the principle which was in the Federal income tax law for some years, namely, that income from property was then taxed for a period of years at a higher rate than income from services when the distinction was drawn between so-called earned and so-called unearned income?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. That was eliminated, and I will not argue for the moment whether there should have been this differential in favor of earnings. But now we have gone to the other extreme, and we have provided that income from property is to pay a lower rate of taxation than income from labor.

Mr. HUMPHREY. That is correct; and I think that reveals a basic tenet of a philosophy. I think this is very revealing. In other words, the real values are property values in the opinion of those who expound the tax philosophy in this bill. The income from individuals, the human factor, is given a lesser position of importance.

This is the old argument between property rights, as one might call it, and human rights. It has a common economic equation in a tax measure, but I think you soon find out who is important and what group or what economic factors are really of the greatest importance in this economic society; and you get a pretty clear description of the philosophy here of our Republican friends in this bill. My friend from North Dakota [Mr. LANGER] will excuse me; he is a different Republican.

Mr. DOUGLAS. Mr. President, could it not be said that he is a white blackbird?

Mr. HUMPHREY. Oh, yes. No; I would say that he is an enlightened Republican.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. LANGER. I remember very well about 2 years ago or maybe 2½ years ago, when the distinguished Senator was arguing amendments to a tax bill by which he wanted to plug up the loopholes.

Mr. HUMPHREY. That is correct.

Mr. LANGER. Does the distinguished Senator remember that?

Mr. HUMPHREY. I surely do.

Mr. LANGER. I wonder why the distinguished Senator did not offer the same amendments this year?

Mr. HUMPHREY. I did. I sent amendments to the committee. I also might point out to the Senator that one of the loopholes we hoped we could plug in this tax bill was the depletion allowances. We did not have very much success on that.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. Is it not true that we could not even get enough Senators to hold up their hands and ask for a rollcall vote on the percentage depletion amendment?

Mr. HUMPHREY. The Senator is correct.

Mr. LANGER. May I ask a further question, Mr. President?

Mr. HUMPHREY. Yes.

Mr. LANGER. Has the distinguished Senator offered any amendment this year in connection with tax-exempt securities, such as municipal bonds?

Mr. HUMPHREY. I did not. I did not offer such amendments. I will say I did not wage as effective a battle as I could on the floor, as I did with reference to certain tax loopholes in 1951. I tried in a limited way to do that here in 1954, but I regret to say that the fight for the elimination of tax loopholes has been a losing cause, and it has not seemed to get very many recruits.

I point out to my friend from North Dakota that when you hear of such things as spin-offs, split-offs, corporate spin-offs and corporate split-offs, and royalty payments that are subject to the capital-gains tax treatment and so forth, you are in an area of economics that goes far beyond what the ordinary taxpayer is accustomed to deal with.

Mr. LANGER. Will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. LANGER. In defending my party, the Republican Party, may I call attention to the fact that the Senator has been talking about babysitters; but a little while ago, as the Senator knows, at an international meeting at the United Nations considering the question of human rights, Mrs. Roosevelt who, I understand, is the patron saint of the distinguished Senator, proposed that women be paid for nursing their own babies, and the proposal was adopted.

Mr. HUMPHREY. I was not aware of that proposal, I may say to the Senator from North Dakota. He surely has a keen and perceptive mind, and I thank the Senator for the information that he has offered. I do not know what relevancy it may have for the moment to the tax bill, unless it might increase income. [Laughter.]

Mr. DOUGLAS. Mr. President, would the Senator yield for a final question before he summarizes?

Mr. HUMPHREY. I do.

Mr. DOUGLAS. The Senator spoke of the fact that the Senate had registered its judgment that the credit of dividends against taxes should not be allowed in the bill.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. He spoke of the fact that the amendment of the Senator from Colorado [Mr. JOHNSON] was adopted. Can the Senator remember the unanimous way in which everyone jumped on board the Johnson amendment and voted for it, and how the converts multiplied on the floor?

Mr. HUMPHREY. It seems to me as if we had over 70 votes for the Johnson amendment.

Mr. DOUGLAS. Mr. President, would the Senator permit the Senator from Illinois to provide the exact vote?

Mr. HUMPHREY. I would ask the Senator to do so.

Mr. DOUGLAS. May I say that the Senator from Minnesota is correct. The

vote in favor of the Johnson amendment was 71 to 13. Now did not that register the opinion of the Senate, presumably?

Mr. HUMPHREY. I would say that it should have registered it indelibly.

Mr. DOUGLAS. And yet now we find the Members, the senatorial members of the conference, yielding this principle upon which there was an overwhelming majority which voted 5½ to 1 to guarantee its retention by the conference committee.

Mr. HUMPHREY. Well, the only thing I can say is that they undoubtedly ran into some stubborn conferees on the House side. I have always had so much faith in our own conferees, I knew that by the power of their persuasive logic, their eloquence, their long experience and charm, that they would have won this battle. But apparently we did not win it and, therefore, as one Senator, and I am only expressing my own point of view, I feel that this bill includes a philosophy and a principle which cannot be supported or should not be supported.

I desire to make one further comment in reference to the general context of the bill. We have to go back to what was said in the early debate on the tax measure. This bill is a complete recodification of the tax laws. It is a monumental job. I pay tribute to the staff of the Finance Committee. I pay tribute to the chairman and to others who undertook this almost impossible task, this terrific responsibility, of recodifying the tax laws. I think it is the first one since around 1875 or 1878.

There were those, may I say, in the profession of acounting and law, who felt that this recodification should have been held up for another year until it could be thoroughly studied.

I am sure that the average taxpayer does not realize that we have actually before us literally hundreds and hundreds of pages of a tax law, with cross reference back to the Code, and it is an extremely complicated piece of legislation.

I am not capable of discussing this tax bill in any manner in so far as the ramifications are concerned, and I so admit. But there are some portions I have commented upon that I just do not approve of; and again, I say, it is a matter of basic economic philosophy as to who is right and who is wrong. To me, from my point of view, the strength of the American free enterprise system does not depend upon the large profit statement of General Motors. It depends upon a reasonable profit statement.

I proceed on the assumption and the theory that the secret of General Motors is in the Chevrolet, not the Cadillac, and I am of the opinion that if you constantly gear your economic thinking to the millions and millions of people who not only want to buy a Chevrolet but would have the money to buy it, rather than constantly thinking in terms of Cadillacs and Jaguars or the Mercedes or whatever it is, we will be making a better country.

If I were to give a simple description of the difference between the economic philosophy of America and of Europe, I would say that in Europe the Jaguars and the Renaults and the Mercedes are for the rich, the ox carts for the poor, and bicycles for the middle income group.

In America we have a reasonable number of people in Cadillacs, and some people in imported cars, which have never appealed to me, although they do appeal to some people.

Most of our people, however, have Buicks, Pontiacs, Oldsmobiles—some of us 98's—and Fords and Chevrolets, and all the other many brands of cars, such as the Nash, Hudson, Studebaker, Kaiser. Millions of people have those cars.

I think we can best tell what goes on in America as compared with Europe by looking at the parking lots. When we go to Europe we find that the major parking problem is for bicycles. When we come back to America we find that the major parking problem is in connection with the automobile. When we go to any American factory we see thousands of automobiles parked in parking lots around the factory.

How did we get this kind of economy? We did not get it by constantly thinking about Mr. Moneybags. We got it by thinking about the fellow who works his 3 hours or 12 hours or 10 hours in the factory, or the man or the woman who works in the shop or in the factory, or the man who runs the little corner grocery store, who is making a good living, but who would like to try to make it better.

I think everything we do in Congress ought to be directed toward those people. If those people are well off we will not have to worry about those at the top, who are siphoning off the cream.

There will be plenty of cream if the cow does not go dry. The way to keep the cream bottle full is to keep the milk pails full. If we keep the milk pails full and if we keep Bossy happy, we will always have cream.

We went through this kind of era before. We had the economic philosophy of Andrew Mellon. I recall as a young boy that one of the first things Andrew Mellon did was to turn back $4 billion worth of revenue to the people. He did not turn it back to any people I knew. He did not turn any of that money back to any people that my parents knew. However, a great many people got a lot of money from the Government. I may say that a little later, of course, those people that got the money back lost all of it.

That was the work of that great economic genius. That was when we lived under that Bourbonist philosophy. As happens with all Bourbons, the guillotine fell, and the economic lifeline of the country was cut off.

I do not want anyone to misinterpret what I say. This bill has great potentiality toward helping our economy, but I do say that there is a great deal in the bill which tends toward economic reaction, not economic progress; economic stagnation, not economic hopefulness and economic life.

The economic life of this country is based upon the multitude of people, upon millions and millions of people.

I am afraid the lack of emphasis is in that area. Mr. President, let no one misunderstand me. It is not without emphasis. There are millions of people who will be helped by this bill. That is quite clear, and I want no one to misunderstand me.

What is going on is like the argument between two great political parties. It is like the argument over trade. Some people believe in high tariffs. They believe in high tariffs as they believe in Holy Writ. They were sold on it, and believe in high tariffs. Other people believe in loosening up the channels of trade and in improving trade and in lowering tariffs. I do not mean going to all extremes, but I have in mind a reasonable degree of balance. I have heard our system of economy described as capitalism. It is our own brand of capitalism, though. The best way to describe what goes on in America is to call it the American economic system. Surely American capitalism is not like German capitalism. It is not even like Swedish capitalism. It is our own kind of economics based upon the incentive principle, but primarily based upon service to the consumer. That is the whole philosophy of the American economic and political system, which is based on service to the consumer. If any Senator does not believe it, let him look at his mail in his office. He will see the importance of service to his constituents. He will see the importance of being held accountable. The average Senator and Representative knows that he will be in office just about as long as he serves his constituency, and not much longer. Sometimes it is not even quite that long. I am of opinion that our economic system will be here just about as long as it serves the great rank and file of the American people.

I will be very candid about it. I am not at all impressed when I hear that sales are down 7 percent and profits are up $100 million.

That reminds me of what goes on in France. The way in which profits ought to go up is when sales are up. Whenever we can have profits go up and sales go down something is cockeyed. Someone is getting the works, Mr. President, in that kind of situation.

Our whole system is based upon mass production and low cost of production per unit and a small profit per unit. After all, it is a matter of taking a slice. It is not a matter of how big the slice is, but how fast the knife falls down. Some people want to cut the cheese in 2-inch blocks. We can take the knife and cut the cheese into 20 cuts one-tenth of an inch thick each time.

The whole key to our economic system is turnover. The Senator from Illinois [Mr. DOUGLAS] is a great economist. He knows about the philosophy of money. Some people think that money is like eggs; that it is necessary to sit on it in order to hatch it out. The only thing that some people think of is to save, save, and save money. Yes; it is necessary to save money, but it is also necessary to invest it and spend it. If a person does not spend money, he can also go broke.

Money is made to be used. The difference between our great society and other societies is that we want a great many people to use their money.

I have always been in favor of private property. I am in favor of private property so much that I want everyone to have some of it, and I do not want just a few people to have most of it. That is my theory. If it is good for the man who lives on the top of the hill, it ought to be good for the fellow who lives down in the valley.

I love it so much that I want everyone to share in its benefits. Some people who talk about free enterprise love it so much they want it all for themselves. They do not want to share it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. Has the Senator taken note of the fact that, although the farmer is producing more and more, he is making less and less, while the large corporations are producing less and less and making more and more?

Mr. HUMPHREY. Well, it certainly is mixed up. [Laughter.]

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota permit me to introduce a poetic note at this point?

Mr. HUMPHREY. A note of poetry would be helpful. I am trying to find out how I can sign off except by sitting down.

Mr. DOUGLAS. I wonder whether the action of the conference committee, in going over to the House position and giving up the solemn decision of the Senate, reminds the Senator from Minnesota of the line from Lord Byron, in which he said:

> A little still she strolled, and much repented,
> And whispering "I will ne'er consent"—consented.

Mr. HUMPHREY. The one thing I love most about the Senator from Illinois is that he pays one such wonderful compliments. He actually made every Member on the floor believe that I knew what Lord Byron had said. I thank him very much. The only question is whether Lord Byron wrote that line while he was in Venice or somewhere else. I am sure the Senator will be able to tell us. However, I will not yield for that purpose.

I wish to be kind in my concluding remarks to the distinguished chairman of the committee, the Senator from Colorado [Mr. MILLIKIN] and to his associates. The chairman, as always, has worked steadfastly in what I believe to be the sincere public interest. I want him to understand that just because some comments have been made this afternoon, that fact does not indicate that one side is completely right and the other is entirely wrong. It is an honest difference of opinion on economic philosophy.

We owe a great debt of gratitude to the many reforms contained in the tax measure. I am sure that in the years to come it will be very helpful in terms of the technical changes that have been made in the tax law. It is my belief that it will require some more revision, because of the many changes that have been brought about by the codification.

I hope that the so-called declining balance theory of depreciation will produce the results that its proponents think it will. It surely does have some advantages insofar as improving and modernizing plant, but I am of the opinion that the American plant in the main is very modern and that our problem today is not so much one of production as it is one of consumption.

Finally, I would say that there will be a day when we will have to consider some revisions in tax law that relate to what we call tax loopholes. I am deeply concerned that we are not tightening those loopholes; that actually we have opened up new areas. It is in that spirit that I have made my remarks.

I thank the Senator from Illinois [Mr. DOUGLAS], also the Senator from Louisiana [Mr. LONG], and others who have contributed to this discussion, and particularly those who contributed in the actual debate, to the Senator from Georgia [Mr. GEORGE] for his amendment and the others who contributed, to give us a chance to vote upon what we thought were equitable provisions.

FEDERAL TRADE COMMISSION COFFEE PRICE INVESTIGATION

Mr. PAYNE. Mr. President, in the absence of the junior Senator from Maryland [Mr. BEALL], who is chairman of the Special Subcommittee on Coffee Prices of the Senate Committee on Banking and Currency, I should like to call to the attention of the Senate a press release issued this evening by the Federal Trade Commission summarizing the report on its coffee-price investigation.

The press release states as follows:

> The specific causes for the price spiral and the continuing high price are listed in the report as follows: (1) inadequate crop reporting; (2) speculation on the New York Coffee and Sugar Exchange by private Brazilian interests who entered the market and bought heavily just before the public announcement of the Brazilian Government's increased coffee loan rate from 1,200 to 1,500 cruzeiros per bag; (3) American speculation and abnormal buying for inventory by United States importers and large United States roasters; (4) the announced increase in Brazil's minimum export price from 53 cents to 87 cents per pound effective July 1, 1954; (5) the restrictive contract used in futures trading on the Exchange which limits trading to only about 10 percent of the annual United States coffee consumption and which in turn creates an unduly maneuverable market; and (6) trading irregularities on the Exchange.
>
> Some of these conditions might be corrected by FTC or judicial action, the report says. It adds, however, that the remedies are principally legislative, and recommends congressional action.

This indication that congressional action is necessary on this matter fully justifies the work which the Special Subcommittee on Coffee Prices under the able chairmanship of the junior Senator from Maryland [Mr. BEALL] has already done and indicates that the subcommittee has a lot of further work ahead of it in the coming months.

This Federal Trade Commission report also indicates that placing coffee under the Commodity Exchange Act might be of considerable help in this situation. The junior Senator from Iowa [Mr. GILLETTE] should be complimented for already initiating action in this direction.

The Federal Trade Commission is to be commended for the thorough and fine job it has done in preparing this report on coffee prices. This report should be of tremendous assistance to the Special Subcommittee on Coffee Prices in developing appropriate legislation.

Mr. President, I ask unanimous consent to insert in the body of the RECORD at this point in my remarks a copy of the Federal Trade Commission press release.

There being no objection, the press release referred to was ordered to be printed in the RECORD, as follows:

FTC REPORTS ON COFFEE PRICE INVESTIGATION

> The Federal Trade Commission reported today that the coffee price spiral of 1953–54 "cannot be explained in terms of the competitive laws of supply and demand."
>
> In a comprehensive report transmitted to the Congress, the Commission declared that while the July 1953 frost in Brazil "had no significant effect upon the 1953–54 crop," it did "reduce the prospective Brazilian crop for 1954–55" but, even so, the world crop will be "slightly larger" than in 1953–54. It found "no actual current shortage in the volume of coffee moving to market which would fully explain the price increase," and "no basis for finding that present prices of coffee are justified by either present or prospective conditions of demand and supply."
>
> "Moderate increases in coffee prices were an inevitable response to the reports of severe frost damage in Brazil," the Commission said, "but the upward spiral which began in early December appears to represent market reactions which are inconsistent with freely competitive markets where all traders are fully and accurately informed with respect to supply and demand."
>
> The Commission attributed the spectacular rise in green coffee prices between December 1953 and April 1954, together with the corresponding increase in average retail roasted coffee prices, to a variety of factors, including "market imperfections and restraints and trading irregularities."
>
> The specific causes for the price spiral and the continuing high price are listed in the report as follows: (1) Inadequate crop reporting; (2) speculation on the New York Coffee and Sugar Exchange by private Brazilian interests who entered the market and bought heavily just before the public announcement of the Brazilian Government's increased coffee loan rate from 1,200 to 1,500 cruzeiros per bag; (3) American speculation and abnormal buying for inventory by United States importers and large United States roasters; (4) the announced increase in Brazil's minimum export price from 53 cents to 87 cents per pound effective July 1, 1954; (5) the "restrictive contract" used in futures trading on the exchange which limits trading to only about 10 percent of the annual United States coffee consumption and which in turn creates an "unduly maneuverable" market; and (6) trading irregularities on the exchange.
>
> Some of these conditions might be corrected by FTC or "judicial" action, the report says. It adds, however, that the remedies are "principally legislative," and recommends congressional action.
>
> Hope for lower coffer prices in the future was seen by the Commission if the law of

supply and demand is permitted to operate. It said:

"With production increasing and consumption decreasing at present coffee price levels, prospects are for lower coffee prices in the future barring excessive crop damage and provided supply and demand are permitted freely to run their course."

A "basic cause" of the 1953–54 price increase, according to the Commission, was the "inadequacy of present crop reporting systems in coffee-growing countries." This condition, it stated, "permitted other forces to operate on price."

The Commission listed these other factors as follows:

1. Activities on the New York Coffee and Sugar Exchange, including operations of private "Brazilian speculative interests," which "produced an upward price spiral."

2. "Unseasonable inventory accumulations" by United States importers and roasters.

3. "Imperfections in the domestic coffee market," with the "concentrated state of the coffee-roasting industry" placing "considerable power in the hands of a few large roasters to influence price."

4. The "restrictive contract used in futures trading on the New York Coffee and Sugar Exchange," with the result that "the coffee futures market is unusually 'thin' and restricted, and hence unduly maneuverable and subject to wider price swings under abnormal speculative and commercial trading than are consistent with the actual conditions of supply and demand."

5. Amplification of the "sudden and unreasonable price fluctations intrinisic in a 'thin' market" by the failure of the exchange "to institute proper safeguards followed by regulated exchanges and to prevent trading abuses and irregularities."

In addition, the report refers to the Brazilian Government decree of December 2, 1953, advancing the loan rate on coffee from 1,200 cruzeiros per bag to 1,500 cruzeiros per bag. It states:

"This event, in a market which was already nervously reflecting higher prices as a result of downward estimates in the 1954–55 crop, together with the heavy trading in futures by Brazilian nationals on the New York Coffee Exchange and the accumulation of green coffee inventories in the United States, appears to have precipitated the upward spiral of coffee prices which began in December."

The report also points out that the downward price adjustment noted in the spring of 1954 was brought to an end when the Brazilian Government announced its new minimum export price of 87 cents per pound. The report adds:

"The price of green coffee in the spot and futures market has remained in the neighborhood of Brazil's minimum export price since that date."

This minimum export price, according to the report undoubtedly will tend, if world prices weaken, to hold the price of coffee above the level dictated by world production and consumption.

On the question of what remedial action the Commission should take, or recommend that the Congress take, the report says it appears that such remedies, if they are to be comprehensive, are principally legislative. This view is based on the nature of the specific interferences with the free interplay of supply and demand developed in the report.

Accordingly, the Commission recommended that the Congress enact legislation designed to remedy the following market imperfections:

"1. The narrowness of the futures contract.

"2. The inadequacies of basic marketing information.

"3. The trading irregularities, consisting of unpoliced passouts, ex-pit transactions, and breaches of broker-customer confidential (fiduciary) relationships."

The Commission also recommended that Congress appraise the adequacy of present margin requirements against the facts developed in this report.

In view of the complexities of the coffee market, the report urges that Congress take action to provide the recommended remedies only after appropriate committee hearings at which representatives of the coffee trade, the New York Coffee and Sugar Exchange, and the Commodity Exchange Authority, be heard.

In its discussion of possible corrective measures, the Commission pointed out that coffee supplies and the price at which these supplies move to market are affected by factors which patently lie beyond the judicial and legislative powers of the United States Government. It stated that while legislative or other action to remove certain market restraints, imperfections, and irregularities cited in the report would probably prevent in the future such excessive coffee-price movements as the price spiral of 1953–54, such action will not make the coffee market freely competitive.

"The supplies of coffee, and the price at which these supplies move to market, are affected by minimum export prices, domestic price supports (similar to those in effect in the United States), exchange regulations, and other policy measures of the coffee-growing countries. These patently lie beyond the judicial and legislative powers of the United States Government."

Concerning contracts, the Commission said "there appears to be no unanimity of opinion, or even an overwhelming majority opinion, in the coffee trade that any particular contract yet devised will incorporate the factors necessary for the desired broadening of the basis of trade. Coffee, because of its taste and other attributes, is a heterogeneous commodity. Hence, while the contract can easily be broadened, much study will be required before it can be broadened enough to create a broad competitive futures market." The report adds:

"Nevertheless the adoption of a satisfactory contract should be made mandatory. The contract must be made attractive to the entire trade, and if conflicts exist, the needs of those who use the exchange for hedging should be preferred over those who use it for speculative dealings. Hedging offers a better prospect for creating a broad market than does speculation. If the contract is to be adapted to the needs of the coffee trade, it must be a universal contract. It probably should provide for commercial differences between grades and growths and allow for deliveries at New Orleans and San Francisco as well as at New York."

The report emphasizes that "the fundamental problem of inadequate and sometimes misleading market information cannot * * * be easily or unilaterally solved." Since coffee is produced outside the political jurisdiction of the United States the report points out that "an adequate (or improved) crop reporting system requires cooperation by the coffee-producing countries."

The report recommends, as a first step, that "Congress provide for increases in the staffs of United States agricultural reporting officers stationed at embassies in the principal coffee-producing countries."

The Commission said that certain of the irregularities and restraints it found "can perhaps be remedied through Federal Trade Commission or judicial action as well as by legislation." It said it "is now considering the question as to whether action can be taken, under present statutes, to correct certain of these irregularities—for example, use of restrictive contracts by agreement, and breaches of broker-customer fiduciary relationships."

But because "such remedies would be piecemeal and partial in nature and would not strike at all the basic causes of the price spiral, it is recommended also that Congress give concurrent consideration to these trading irregularities in its comprehensive study of the entire problem."

The Commission's investigation was designed to determine the reason for the increase in green coffee prices from $0.58 to $0.96½ which occurred between December 1953 and April 1954, and the corresponding increase in average retail roasted coffee prices from $0.91 to $1.18, with popular brands increasing to $1.32.

The report discusses the effect of the July 1953 frost in Brazil which has been advanced as a basic reason for the price increase.

"While frost damage may reduce the 1954–55 Parana [Brazil] coffee crop by 3.5 million bags as reported," it says, "this damage was as—perhaps more—important psychologically than materially."

In finding that the frost had no significant effect upon the 1953–54 crop but did reduce the prospective Brazilian crop for 1954–55, the Commission stated:

"It would, therefore, be normal to expect higher prices during the closing months of the 1953–54 crop year, to meet the anticipated deficiency in the 1954–55 crop. However, the price rise was far in excess of what might be expected under the competitive laws of supply and demand—greater than was necessary to accomplish the carryover."

The Commission said that an examination of price behavior and crop forecasts "reveals the unrealistic behavior of all factors in the coffee trade." In support of this comment, the report sets forth the following facts:

"Brazil appears to have produced a little over 19 million bags of coffee in 1953–54. Giving full weight to the announced curtailment of production in Parana where the frost damage was most severe, it appears that Brazil's coffee crop in 1954–55 will amount to 18 million bags, or a reduction of less than 8 percent.

"World coffee production in 1953–54 appears to have been between 41.5 and 41.9 million bags; if there were no increase in production elsewhere, the predicted decline in Brazilian output would amount to less than 4 percent of world production.

"Yet during the year ending July 1, 1954, the spot price of green coffee in New York advanced 57 percent, and on the New York Coffee and Sugar Exchange the price of the September future advanced 61 percent.

"What is known with respect to the nature of the demand for coffee in the immediate past would indicate that a price increase of less than 15 percent would have accomplished any reduction in consumer purchasing necessary to equate demand with supply. If due allowance is made for a higher sensitivity of price because stocks were lower at this time than in previous years, the expected price increase could scarcely have exceeded 20 to 25 percent.

"Furthermore, estimated increases in coffee production in other areas of Brazil, other Western Hemisphere countries, and elsewhere will more than offset the estimated reduction in output in Parana.

"Hence, the world supply outlook, barring future frosts and droughts, is for about 42 million bags for the crop year 1954–55—a slightly larger crop than in 1953–54—and for continuing larger crops thereafter."

The Commission declared that the 1953–54 price spiral cannot be explained, either, "in terms of increased world demand." It said that for the past several years per capita consumption in the United States has declined in the face of rising prices. Up to now this decline has been offset by increased consumption in Western Europe.

Now that per capita consumption in Europe has just about regained its pre-World War II level, the report says it is unlikely

that henceforth it can increase sufficiently to offset the reduction in United States consumption that will result from current high prices. On the contrary, it adds, nearly all Western European countries except Western Germany anticipate reductions in consumption following recent price increases.

It is on the basis of increasing production and decreasing consumption that the Commission foresees lower coffee prices in the future. It made clear, however, that this prediction is contingent on supply and demand being "permitted freely to run their course."

In its discussion of the inadequacy of present crop reporting systems in coffee-growing countries, the Commission stated that in the absence of a reliable reporting system "producing countries historically have tended to estimate their annual crops with a conservative bias, which explains why they have generally tended to overstate the severity of crop damages." It reported that members of the coffee trade in consuming countries "appear in the past intuitively to have adjusted themselves to discounting these biases in crop reports."

Accordingly, it says, when reports from Brazil indicated severe frost damage to coffee trees in Parana in July 1953, it brought "scarcely any reaction from the coffee trade in consuming countries."

But when it became evident in December 1953 that some, perhaps all, of the reported July frost damage was real, "members of the coffee trade in consuming countries apparently expected the worst and, going to the other extreme, acted as though world coffee supplies would be less in 1954–55 than in 1953–54 by 3.5 million bags, the predicted loss in Parana due to the July frost." The absence of reliable data on the world coffee crop was a basic factor in this unrealistic behavior, according to the report.

Simultaneously, the report says, activity on the New York Coffee and Sugar Exchange "produced an upward price spiral that appeared to confirm the trade's worst expectations." The report described these developments as follows:

"On December 1, 1953, a small group of Brazilian speculators entered the futures market, and by December 2, the day on which the Brazilian Government decreed that coffee farmers would be financed at a loan rate of Cr$1,500 rather than Cr$1,200 per bag, they had taken over a substantial percentage of the total long position. The price of December futures on that date was $0.5840 per pound.

"Immediately the price of green coffee futures began an upward spiral, and was followed closely behind by green coffee spot prices.

"Private Brazilian speculative interests, which comprised this initial group and two succeeding small groups, held substantial long positions in the coffee futures market until January 13, 1954, by which time the price of near futures had risen to $0.725 per pound. In the meantime unusually large long positions were taken by United States speculative interests.

"Throughout most of December coffee futures prices were slightly above spot prices. The price spiral continued with only momentary interruptions until April 2, at which time the price of July futures stood at $0.9635 per pound. Thereafter, as expectations with respect to the 1954–55 crop were adjusted in the light of increased crop forecasts, spot and futures prices declined until by May 6 the price of July futures had fallen to $0.8340 per pound.

"This downward adjustment was brought to an end when the Brazilian Government announced its new minimum export price of $0.87 per pound. The price of green coffee in the spot and futures market has remained in the neighborhood of Brazil's minimum export price since that date."

In the face of rising coffee prices, United States importers and roasters commenced accumulating coffee stocks by early December, the report states. It adds:

"These unseasonable inventory accumulations created in the immediate market the shortage that the trade expected in the light of December reports of the frost damage, and were reflected in unseasonably high monthly imports into the United States from December until March 1954."

It was during this period of rising coffee prices that "imperfections in the domestic coffee market also became apparent," the report states, it continues:

"The concentrated state of the coffee roasting industry places considerable power in the hands of a few large roasters to influence price.

"Indeed, the changes in the overall pattern of industry activity appear, during the period studied, to be assignable almost wholly to the activities of the five large coffee roasters."

The report identifies the five largest roasters as A. & P., General Foods, Hills Bros., Standard Brands, and Folger & Co. of Kansas City.

According to the report, "The increased buying and inventory accumulation of these and other firms, especially the Nestle Co., contributed to and helped sustain the spiral in the spot prices of green coffee.

"Accumulations of coffee purchase contracts and inventories by the large roasters after July 1953 were on such a scale, and were accomplished with such rapidity, as to have been a significant factor in translating the expectations of shorter supplies and higher prices into an immediate market shortage in 1953–4.

"In particular, the increased purchases by General Foods were of startling proportions.

The report explains that in a less concentrated industry, "there presumably would have been a less extreme reaction to the news of the impending shortage."

"At least," it says, "the smaller factors in the coffee industry would not have possessed sufficient working capital to have bought on a comparable scale, and this stimulus to rising prices would have been absent."

The report states that one of the possible consequences of the 9-month coffee price spiral "may be an even more concentrated domestic coffee industry." It says that "most roasters found their costs mounting faster than they were able to advance prices and remain competitive with producers of the large-selling national brands."

The restrictive contract used in futures trading on the exchange is described by the Commission as "next in importance to inadequate crop reports, and the attendant expectations they generate, among the basic causes of the 1953–54 coffee price spiral."

It explains that the "Santos 4 (new) contract," as a practical matter, "permits delivery of only those coffees shipped from the port of Santos to the port of New York." This amounts, the report says, to about 10 percent of the coffee consumed annually in the United States.

Since the exchange has provided no effective means whereby other coffees can be readily substituted for Santos coffee, the report says the contract is not a useful hedging device for the coffee trade. For example, during the months of December 1953 and January and February 1954, when trading on the exchange was unusually heavy, only 615 individual accounts traded in coffee futures; and only 121 of these accounts represented domestic coffee trade interests.

With the coffee futures market thus unusually "thin" and restricted, the report says it is "unduly maneuverable and subject to wider price swings under abnormal speculative and commercial trading than are consistent with the actual conditions of supply and demand."

In its findings concerning the New York Coffee and Sugar Exchange, the Commission said:

"Sudden and unreasonable price fluctuations intrinsic in a 'thin' market are amplified by the failure of the * * * exchange to institute proper safeguards followed by regulated exchanges and to prevent trading abuses and irregularities.

"Unlike regulated exchanges, no limit is placed on speculative trading so as to restrict the manipulative capacity of speculative accounts. Moreover, the Exchange Control Committee mechanism is inadequate in that it fails to provide adequate safeguards for the prevention of manipulation of prices and the cornering of a commodity."

Declaring that the exchange has failed adequately to police its members and enforce established trading rules and procedures, the report cites these examples:

"Condoning the practice among floor brokers of exchanging information of a confidential nature, and thereby violating a confidential relationship to the detriment of the agent's principal and other traders to whom the information is not made available.

"Permitting ex-pit transactions, i. e., trading off the ring without benefit of public outcry, which is a form of bucketing and considered an illegal practice on regulated exchanges.

"Condoning passouts when not permitted by the rules and failing to take disciplinary action against a member for misusing passouts.

"Permitting a member to take the other side of an order, i. e., to act as an agent and principal in the same transaction, without prior consent in each transaction of the party for whom he acts as agent."

The report states that the Exchange's rule concerning margin requirements is "loosely drawn in that speculators can be classified under the rules as members of the trade and hence post lower margins." It adds:

"Although margin requirements compare favorably with those of regulated exchanges in terms of percentage, the facts developed raise serious questions as to adequacy of margin requirements in view of the sudden and unreasonable price fluctuations which are inherent in a thin market."

The Commission said that it had assigned its full resources to the investigation of coffee prices pursuant to its resolution of January 26, 1954. It reported that for 4 months a team of attorneys, attorney-investigators, economists, statisticians, and accountants devoted full time to the coffee investigation. In addition, the Bureau of the Census assisted in preliminary machine tabulations, and other divisions of the Commission also provided assistance and overtime work.

Indispensable assistance and consultation have been furnished throughout the investigation by the State Department, and by the Department of Agriculture, especially by members of the Commodity Exchange Authority and the Foreign Agriculture Service.

REVISION OF INTERNAL REVENUE LAWS—CONFERENCE REPORT

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent to have printed in the body of the RECORD, just before the yea-and-nay vote on the conference report on the tax bill, articles referring to the net earnings of General Motors Corp. and the Standard Oil Co. of New Jersey. The articles were published today in the New York Times. I should have requested unanimous con-

sent for the printing of the articles at the time when I was speaking, but I forgot to do so.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

GENERAL MOTORS NET EARNINGS SOAR TO $425,250,383 IN HALF—PROFIT A YEAR EARLIER WAS $312,854,787—TAX BILL CUT FROM $764,446,000 TO $457,948,000—SALES OFF 7 PERCENT

The General Motors Corp., world's largest manufacturing enterprise, rolled up a record $883,198,383 in earnings before taxes in the first 6 months of this year. This exceeded the previous peak of $803,673,389 reached in the initial half of 1950.

Sales for the 6 months this year were 7 percent below the record volume of the 1953 period, largely because of a 22 percent drop in defense business.

Net income after taxes was $425,250,383, equal to $4.79 a common share. In the corresponding half of 1953, the net was $312,845,787, or $3.51 a share.

Provision for taxes totaled $457,948,000, in contrast to the $764,446,000 tax bill a year earlier, which included excess profits taxes.

Net sales totaled $5,066,028,511, against $5,440,545,856. Of the total, sales of civilian products were $4,328,000,000 and defense, $738 million, against $4,499,000,000 and $942 million, respectively, a year ago.

In the report issued for publication today, Harlow H. Curtice, president, and Alfred P. Sloan, Jr., board chairman, said the level of sales in the first half had confirmed the confidence in the business outlook expressed by the company last January. At that time, Mr. Curtice said, General Motors announced a $1 billion expansion program, while many pessimistic statements were being issued. This confidence, the report noted, is now being reflected by many others.

Sales for the second quarter were close to the record levels of the June quarter a year ago. The total was $2,655,870,957, against $2,893,691,134. Civilian sales were $2,309,000,000 and defense $347 million. A year ago they were $2,408,000,000 and $586 million, respectively.

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JERSEY STANDARD IMPROVES PROFITS—$293 MILLION NET REPORTED FOR HALF, COMPARED WITH $268 MILLION YEAR AGO

The Standard Oil Company of New Jersey yesterday estimated consolidated net earnings for the first half at $293 million, or $4.84 a share. This compares with earnings of $268 million, or $4.42 a share, in the similar period of 1953.

The company said this year's estimate included the earnings of affiliates in Europe and North Africa, because of generally improved economic and foreign exchange conditions. The earnings for the first half of 1953 also were adjusted to reflect this change. Since 1939, only dividends received from these subsidiaries have been included in the consolidated earnings.

Standard of New Jersey reported total income from sales and investments at $2,792 million, an increase of $96 million, or 3.6 percent, over the 1953 period. Capital expenditures were $268 million, compared with $262 million. Gross crude oil production was estimated at 1,895,000 barrels a day, up 2 percent. Refinery runs averaged 1,958,000 barrels a day, a gain of 3 percent.

The company said increases in foreign production and refinery runs had more than offset declines in domestic production and refinery runs.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. CARLSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Mansfield
Anderson	Gillette	Martin
Barrett	Goldwater	Maybank
Beall	Gore	Millikin
Bennett	Green	Monroney
Bowring	Hayden	Morse
Bricker	Hendrickson	Mundt
Bridges	Hennings	Murray
Burke	Hickenlooper	Neely
Bush	Hill	Pastore
Butler	Holland	Payne
Byrd	Humphrey	Potter
Carlson	Ives	Purtell
Case	Jackson	Russell
Clements	Jenner	Saltonstall
Cooper	Johnson, Colo.	Schoeppel
Cordon	Johnson, Tex.	Smathers
Crippa	Johnston, S. C.	Smith, Maine
Daniel	Kennedy	Smith, N. J.
Dirksen	Kerr	Sparkman
Douglas	Kilgore	Stennis
Duff	Knowland	Symington
Dworshak	Kuchel	Thye
Ellender	Langer	Upton
Ervin	Lehman	Watkins
Ferguson	Lennon	Welker
Flanders	Long	Wiley
Frear	Magnuson	Williams
Fulbright	Malone	Young

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from Wisconsin [Mr. MCCARTHY] and the Senator from Nebraska [Mr. REYNOLDS] are necessarily absent.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Nebraska [Mr. REYNOLDS] would each vote "yea."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Nevada [Mr. MCCARRAN], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] would vote "yea."

Mr. BUSH. Mr. President, how am I recorded as voting?

The PRESIDING OFFICER. The Senator from Connecticut is recorded as having voted in the affirmative.

Mr. HOLLAND. Mr. President, how am I recorded as voting?

The PRESIDING OFFICER. The senior Senator from Florida is recorded as having voted in the affirmative.

Mr. SMATHERS. Mr. President, how am I recorded as voting?

The PRESIDING OFFICER. The junior Senator from Florida is recorded as having voted in the affirmative.

Mr. STENNIS. Mr. President, am I recorded as having voted?

The PRESIDING OFFICER. The Senator from Mississippi is recorded as having voted in the negative.

Mr. SPARKMAN. Mr. President, am I recorded as having voted?

The PRESIDING OFFICER. The Senator from Alabama is recorded as having voted in the negative.

Mr. MAYBANK. Mr. President, how am I recorded as having voted?

The PRESIDING OFFICER. The Senator from South Carolina is recorded as having voted in the affirmative.

Mr. MORSE. Mr. President, I call for a recapitulation of the vote.

The PRESIDING OFFICER. The Chair is advised that there can be no recapitulation until after the result of the vote is announced.

Mr. MORSE. Mr. President, I appeal from the decision of the Chair.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? All those in favor of sustaining the ruling of the Chair——

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

Mr. MAGNUSON. Mr. President, what is before the Senate?

The PRESIDING OFFICER. The Senator from California will state his parliamentary inquiry.

Mr. MAGNUSON. I have the floor, Mr. President. The Chair recognized me first. The Chair can look this way occasionally.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry. What is the decision of the Chair from which the Senator from Oregon has appealed?

The PRESIDING OFFICER. The Senator from Oregon asked for a recapitulation of the vote, as the Chair understood. The Chair was advised there can be no recapitulation of the vote until after the result of the vote has been announced. The Chair understood the Senator from Oregon to appeal from the ruling of the Chair.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. Is the appeal from the ruling of the Chair debatable?

The PRESIDING OFFICER. The Chair is informed it is not debatable at this "stage of the game."

Mr. SPARKMAN. Mr. President, another parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. The Senator from Alabama inquires at what stage the appeal becomes debatable.

The PRESIDING OFFICER. The Chair is advised that it is not debatable during a yea-and-nay vote.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Is not the appeal from the decision of the Chair debatable if,

in the discretion of the Chair, he desires to be informed of the correctness of his ruling?

The PRESIDING OFFICER. The Chair is advised that it could under certain circumstances be debatable, but in circumstances such as these it would not be. [Laughter.]

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. Will the Chair inform me why the senior Senator from Illinois has not risen to ask for whom we are waiting? [Laughter.]

Mr. BEALL entered the Chamber and voted "yea."

Mr. NEELY. Mr. President, how am I recorded as having voted?

The PRESIDING OFFICER. The Senator from West Virginia is recorded as having voted in the negative.

The question is, Shall the decision of the Chair stand as the judgment of the Senate? All those in favor of sustaining the Chair will signify by saying "aye"; those opposed "no."

The decision of the Chair is sustained.

Mr. NEELY. Mr. President, I ask for a division.

The PRESIDING OFFICER. The result has been announced.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to know how I am recorded as having voted.

The PRESIDING OFFICER. The Senator from South Carolina is recorded as having voted in the affirmative.

Mr. MILLIKIN. Mr. President, has the result of the vote been announced?

Mr. LONG. Mr. President, how am I recorded as having voted?

The PRESIDING OFFICER. The Senator from Louisiana is recorded as having voted in the affirmative.

Mr. KNOWLAND. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The regular order is the announcement of the vote.

The result was announced—yeas 61, nays 26, as follows:

YEAS—61

Aiken	Ervin	Maybank
Anderson	Ferguson	Millikin
Barrett	Flanders	Mundt
Beall	Frear	Pastore
Bennett	George	Payne
Bowring	Gillette	Potter
Bricker	Goldwater	Purtell
Bridges	Hayden	Saltonstall
Burke	Hendrickson	Schoeppel
Bush	Hennings	Smathers
Butler	Hickenlooper	Smith, Maine
Carlson	Holland	Smith, N. J.
Case	Ives	Symington
Clements	Jenner	Thye
Cooper	Johnson, Tex.	Upton
Cordon	Johnston, S. C.	Watkins
Crippa	Knowland	Welker
Daniel	Kuchel	Wiley
Dirksen	Long	Young
Duff	Malone	
Ellender	Martin	

NAYS—26

Byrd	Johnson, Colo.	Monroney
Douglas	Kennedy	Morse
Dworshak	Kerr	Murray
Fulbright	Kilgore	Neely
Gore	Langer	Russell
Green	Lehman	Sparkman
Hill	Lennon	Stennis
Humphrey	Magnuson	Williams
Jackson	Mansfield	

NOT VOTING—9

Capehart	Kefauver	McClellan
Chavez	McCarran	Reynolds
Eastland	McCarthy	Robertson

So the conference report was agreed to.

Mr. MILLIKIN. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Colorado.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion to lay on the table was agreed to.

CORRECTIONS IN ENROLLMENT OF BILL

The PRESIDING OFFICER laid before the Senate, House Concurrent Resolution 263, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill (H. R. 8300) to revise the internal revenue laws of the United States, is authorized and directed—

(1) In subsection (b) of the first section, to strike out "with an appendix and index; but without marginal references" and insert in lieu thereof the following: "with a comprehensive table of contents and an appendix; but without an index or marginal references."

(2) In section 34 (c) (1), to insert after "imposed by" the following: "part I or II of."

(3) In section 104 (a) (3), to strike out "such amounts" and insert "such amounts (A)" and to strike out "employee);" and insert in lieu thereof the following: "employee, or (B) are paid by the employer)."

(4) In the heading to section 213 (f), to strike out "for child care" and insert in lieu thereof the following: "for care of certain dependents."

(5) In section 421 (d) (1) (D), in lieu of inserting "on or after June 18, 1954" to insert the following: "on or after June 22, 1954."

(6) In section 503 (b) (3), to strike out "section 501 (c) (3)" and insert in lieu thereof the following: "section 501 (a)."

(7) In the table of sections to part III on page 143 of the House engrossed bill, to strike out "foreign personal company" and insert in lieu thereof the following: "foreign personal holding company."

(8) In section 601, to strike out "section 545 (b) (7)" and insert in lieu thereof the following: "section 545 (b) (6)."

(9) In section 681 (a), to strike out "exempt under section 501 (c) (3) from taxation" and insert in lieu thereof the following: "exempt from tax under section 501 (a) by reason of section 501 (c) (3)."

(10) In section 1492 (1), to strike out "section 501 (e), relating to pension trusts" and insert in lieu thereof the following: "section 401 (a)."

(11) In section 3121 (k) (2), to strike out "of this chapter" each place it appears and insert in lieu thereof the following: "applicable with respect to the taxes imposed by this chapter."

(12) To strike out subsection (c) of section 3302 and insert in lieu thereof the following:

"(c) Limit on total credits:

"(1) The total credits allowed to a taxpayer under this section shall not exceed 90 percent of the tax against which such credits are allowable.

"(2) If an advance or advances have been made to the unemployment account of a State under title XII of the Social Security Act, and if any balance of such advance or advances has not been returned to the Federal unemployment account as provided in that title before December 1 of the taxable year, then the total credits (after other reductions under this section) otherwise allowable under this section for such taxable year in the case of a taxpayer subject to the unemployment compensation law of such State shall be reduced—

"(A) in the case of a taxable year beginning with the fourth consecutive January 1 on which such a balance of unreturned advances existed, by 5 percent of the tax imposed by section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; and

"(B) in the case of any succeeding taxable year beginning with a consecutive January 1 on which such a balance of unreturned advances existed, by an additional 5 percent, for each such succeeding taxable year, of the tax imposed by section 3301 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State.

For purposes of this paragraph, wages shall be attributable to a particular State if they are subject to the unemployment compensation law of the State, or (if not subject to the unemployment compensation law of any State) if they are determined (under rules or regulations prescribed by the Secretary or his delegate) to be attributable to such State."

(13) In section 3304 (a) (4), to strike out all that follows "3305 (b);" and insert in lieu thereof the following: "except that—

"(A) an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration; and

"(B) the amounts specified by section 903 (c) (2) of the Social Security Act may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices."

(14) In section 3305 (b), to strike out "subsection (c)," and insert in lieu thereof the following: "subsection (c))."

(15) In section 3306 (f), to strike out all that follows "3305 (b);" and insert in lieu thereof the following: "except that—

"(1) an amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability, exclusive of expenses of administration; and

"(2) the amounts specified by section 903 (c) (2) of the Social Security Act may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices."

(16) In section 4233 (a) (1) (A)—

(A) in clause (ii), to strike out "which is exempt under section 501 (c) (3)" and insert in lieu thereof the following: "described in section 501 (c) (3) which is exempt from tax under section 501 (a)."

(B) in clause (iii), to strike out "exempt under section 501 (c) (3)" and insert in lieu thereof the following: "described in section 501 (c) (3) which is exempt from tax under section 501 (a)."

(C) in clause (v), to strike out "which is exempt under section 501 (c) (3)" and insert in lieu thereof the following: "described in section 501 (c) (3) which is exempt from tax under section 501 (a)."

(17) In section 6014 (a), to insert after the last sentence thereof the following: "In the case of a head of household (as

defined in section 1 (b)) or a surviving spouse (as defined in section 2 (b)) electing the benefits of this subsection, the tax shall be computed by the Secretary or his delegate without regard to the taxpayer's status as a head of household or as a surviving spouse."

(18) In section 6044 (c), to strike out "exempt from taxation under section 501 (c) (12) or (15)" and insert in lieu thereof the following: "described in section 501 (c) (12) or (15) which is exempt from tax under section 501 (a)."

(19) In section 6334 (a) (1), to strike out "household" and insert in lieu thereof the following: "family."

(20) In section 6334 (a) (2), to strike out "head of a household" and insert in lieu thereof the following: "head of a family."

(21) In section 6334 (a) (2), to strike out "such household" and insert in lieu thereof the following: "his household."

(22) In section 7482 (c), to strike out paragraph (2) and insert in lieu thereof the following:

"(2) To make rules: Rules for review of decisions of the Tax Court shall be those prescribed by the Supreme Court under section 2074 of title 28 of the United States Code. Until such rules become effective the rules adopted under authoriy of section 1141 (c) (2) of the Internal Revenue Code of 1939 shall remain in effect."

(23) In section 7651, to strike out "marihuana)—" and insert in lieu therof the following: 'marihuana), and except as otherwise provided in section 28 (a) of the Revised Organic Act of the Virgin Islands and section 30 of the Organic Act of Guam (relating to the covering of the proceeds of certain taxes into the treasuries of the Virgin Islands and Guam, respectively)."

(24) At the end of section 7651, to insert the following:.

"(5) Virgin Islands:

"(A) For purposes of this section, the reference in section 28 (a) of the Revised Organic Act of the Virgin Islands to 'any tax specified in section 3811 of the Internal Revenue Code' shall be deemed to refer to any tax imposed by chapter 2 or by chapter 21.

"(B) For purposes of this title, section 28 (a) of the Revised Organic Act of the Virgin Islands shall be effective as if such section had been enacted subsequent to the enactment of this title."

(25) At the end of section 7652 (b), to insert the following:

"(3) Disposition of internal revenue collections: Beginning with the fiscal year ending June 30, 1954, and annually thereafter, the Secretary or his delegate shall determine the amount of all taxes imposed by, and collected during the fiscal year under, the internal revenue laws of the United States on articles produced in the Virgin Islands and transported to the United States. The amount so determined less 1 percent and less the estimated amount of refunds or credits shall be subject to disposition as follows:

"(A) There shall be transferred and paid over to the government of the Virgin Islands from the amounts so determined a sum equal to the total amount of the revenue collected by the government of the Virgin Islands during the fiscal year, as certified by the government comptroller of the Virgin Islands. The moneys so transferred and paid over shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as the legislature may determine: *Provided*, That the approval of the President or his designated representative shall be obtained before such moneys may be obligated or expended.

"(B) There shall also be transferred and paid over to the government of the Virgin Islands during each of the fiscal years ending June 30, 1955, and June 30, 1956, the sum of $1 million or the balance of the internal revenue collections available under this paragraph (3) after payments are made under subparagraph (A), whichever amount is greater. The moneys so transferred and paid over shall be deposited in the separate fund established by subparagraph (A), but shall be obligated or expended for emergency purposes and essential public projects only, with the prior approval of the President or his designated representative.

"(C) Any amounts remaining shall be deposited in the Treasury of the United States as miscellaneous receipts.

If at the end of any fiscal year the total of the Federal contribution made under subparagraph (A) at the beginning of that fiscal year has not been obligated or expended for an approved purpose, the balance shall continue available for expenditure during any succeeding fiscal year, but only for approved emergency relief purposes and essential public projects as provided in subparagraph (B). The aggregate amount of moneys available for expenditure for emergency relief purposes and essential public projects only, including payments under subparagraph (B), shall not exceed the sum of $5 million at the end of any fiscal year. Any unobligated or unexpended balance of the Federal contribution remaining at the end of a fiscal year which would cause the moneys available for emergency relief purposes and essential public projects only to exceed the sum of $5 million shall thereupon be transferred and paid over to the Treasury of the United States as miscellaneous receipts."

(26) In section 7809 (a), to insert after "4762," the following: "7651."

(27) In section 1034 (h), to strike out "subsection (c) (5)" and insert in lieu thereof the following: "subsection (c) (4)."

Mr. MILLIKIN. Mr. President, I ask unanimous consent for the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MILLIKIN. Mr. Presisdent, the concurrent resolution provides for the making of necessary corrections in the bill to conform to acts that have been presented to the President within the past few days:

First. The Unemployment Compensation Administrative Act.

Second. The Revised Organic Act for the Virgin Islands.

Third. An act authorizing the Supreme Court to prescribe rules for review of decisions of the Tax Court.

The concurrent resolution provides for the making of a correction to include, for purposes of the dividends-received credit, dividends from certain stock fire and casualty insurance companies.

The resolution also provides for the correction of cross-references, for technical conforming changes, and for printing with a comprehensive table of contents in lieu of an index.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 263) was agreed to.

ORDER FOR RECESS UNTIL 9 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its labors this evening, it stand in recess until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAYBANK. Mr. President, let me ask the Senator from California whether he expects today's session to continue for in excess of 1 more hour.

Mr. KNOWLAND. I do not believe it will.

LONG-TERM TIME CHARTER OF TANKERS BY THE NAVY

Mr. SALTONSTALL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses, on the amendment of the House to the bill (S. 3458) to authorize the long-term time charter of tankers by the Secretary of the Navy, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That (a) the Secretary of the Navy or such officer as he shall designate is authorized to enter into contracts upon such terms as the Secretary of the Navy shall determine to be in the best interests of the Government for the time charter to the Navy of not to exceed fifteen tankers not now in being for periods of not more than ten years to commence upon tender of the tankers for service after completion of construction. The Secretary of the Navy shall (1) award such contracts on a competitive basis to the lowest responsible bidder, and (2) give preference to operators who are exclusively engaged in the operation of American flag ships.

"(b) The here stipulated with respect to any tanker in any charter party entered into under this section shall not exceed an average rate for the life of the charter party of $5 per deadweight ton per month: *Provided*, That such average rate will not result in the recovery of more than two-thirds of the construction cost of such tanker.

"(c) No contract shall be entered into by the Secretary of the Navy pursuant to the provisions of this section unless the contractor agrees (1) that during the period of such contract he will not transfer to foreign registry any tanker owned by him at the time of entering into such contract, and (2) that the tanker or tankers contracted for shall remain under United States registry during the period in which such tanker or tankers are under charter to the United States.

"(d) Any contract entered into pursuant to this section shall grant to the Secretary of the Navy an option to purchase any tanker chartered pursuant to this section at the expiration of such contract at its then depreciated value or fair market value, whichever is less, and shall contain a provision that such option shall not be exercised later

than one year prior to the expiration of such contract.

"SEC. 2. The President is authorized to undertake the construction of not to exceed five tankers, and there is hereby authorized to be appropriated not to exceed $37,500,000 for such purpose.

"SEC. 3. All tankers constructed pursuant to sections 1 and 2 of this Act shall be approximately twenty-five thousand deadweight tons each, shall have a speed of not less than eighteen knots, and shall be constructed in private shipyards within the continental United States. The construction of the tankers shall be, so far as practicable, of materials and equipment produced or manufactured in the United States. Not more than three tankers authorized by this Act shall be constructed in any one shipyard."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the House to the title of the bill, insert the following: "An Act to authorize the long term time chartering of tankers and the construction of tankers by the Secretary of the Navy, and for other purposes."

And the House agree to the same.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
By L. S.
RICHARD B. RUSSELL,
Managers on the Part of the Senate.

L. C. ARENDS,
PAUL SHAFER,
STERLING COLE,
PAUL CUNNINGHAM,
CARL VINSON,
PAUL J. KILDAY,
L. MENDEL RIVERS,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the conference report.

Mr. MAGNUSON. Mr. President, reserving the right to object, I wish to ask the Senator from Massachusetts a question, so that the RECORD will be clear. As I understand the conference report, 15 of these tankers will be built now under the general terms and financing suggested by the Senate version of the bill, and 5 will be built to Navy account.

Mr. SALTONSTALL. That is correct.

Mr. MAGNUSON. By "Navy account" we mean that the Navy could call for bids or could build them in Navy yards.

Mr. SALTONSTALL. The Navy can build them in the way it ordinarily builds ships, under the Vinson-Trammell Act.

Mr. MAGNUSON. Mr. President, I do not wish to delay action on the conference report; but I wish to repeat that although 5 of them will be built in the normal, traditional way, 15 will be built under a financial arrangement that will cost the taxpayers of the United States approximately 27 percent to 28 percent more than if the ships were built by regular appropriation on Navy account.

Mr. SALTONSTALL. Oh, Mr. President, I disagree entirely with the Senator from Washington on that statement.

Mr. MAGNUSON. I know, and we argued that before. But I wish to make the statement.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that following this colloquy, there be printed at this point in the body of the RECORD a brief statement which I now send to the desk.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF CONFERENCE AGREEMENT ON S. 3458

As Senators may recall, S. 3458—the so-called tanker bill—as passed by the Senate authorized the Secretary of the Navy to enter into contracts with private operators for the long-term charter of not to exceed 20 tankers. These tankers were to be built and operated by private industry.

The House of Representatives in acting on the bill modified it completely by providing that these tankers should be built and owned by the Government and authorized the appropriation of $150 million for this purpose.

After a lengthy series of meetings the conferees reached an agreement whereby 15 of the tankers would be built according to the Senate plan and 5 of the tankers according to the House plan.

There are other minor adjustments to the bill, none of which the conferees regard as being particularly significant insofar as their substance is concerned. Their intent primarily was to insure that the interests of the Government were fully protected.

The bill provides that the contracts covering the charter of the vessels provided for in section 1 of the bill shall be awarded to the lowest responsible bidder. It is thus anticipated that these charters will in each instance be negotiated on a fully competitive basis and awarded to the responsible firm making the lowest offer. With respect to the $5 ceiling on the rate of charter hire, the bill contains no specific wording as to escalation and adjustments which do not affect the owner's profit. This limitation on the charter hire as provided in the bill is intended to limit profits to the owners, and does not preclude the inclusion of the normal escalation clause as usually incorporated in long-term charters to cover changes in the cost of basic items of expense during the period of charter—items which do not affect the owner's profit.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

JOINT COMMITTEE ON CIVIL DEFENSE—LETTER FROM JOHN H. MOORE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter from John H. Moore, executive secretary of the United Community Defense Services. His letter is in support of my concurrent resolution (S. Con. Res. 94) to create a Joint Committee on Civil Defense.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED COMMUNITY DEFENSE SERVICES,
New York, N. Y., July 21, 1954.

Hon. HUBERT HUMPHREY,
United States Senate,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: I have just had the opportunity of reading in the CONGRESSIONAL RECORD of July 14, 1954, your proposal of a Joint Congressional Committee on Civil Defense and your address in support of it. May I congratulate you on the masterful presentation of the facts.

This organization and the 15 great national voluntary organizations associated with it are deeply concerned with civil defense measures, particularly those having to do with the welfare of people.

We would greatly appreciate receiving up to 100 copies of the address, if it has been reprinted and you can spare them, for mailing to our board members throughout the United States. They are representative of the leadership of a substantial number of our industrial States and come from the ranks of business, industrial, professional, and labor leadership.

Sincerely yours,

JOHN H. MOORE,
Executive Director.

EXTENSION OF EMERGENCY FOREIGN MERCHANT VESSEL ACQUISITION

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2371) to extend emergency foreign merchant vessel acquisition and operating authority of Public Law 101, 77th Congress, an for other purposes, which was, on page 2, line 3, strike out "Secretary" and insert "President."

Mr. BRICKER. Mr. President, I move that the Senate concur in the amendment of the House. I call this amendment particularly to the attention of the Senator from Washington.

The bill as passed by the Senate included an amendment which he had proposed; but the House has adopted an amendment striking it out. However, I understand that the Senator from Washington is agreeable to having the Senate concur in the amendment of the House, so that the bill can proceed to enactment.

Mr. MAGNUSON. Yes. Although I should have liked to have seen that item remain in the bill, I think the overall importance of getting this supplemental and implementing legislation enacted is much more important. As a matter of fact, if and when Alaska becomes a State, the enabling act will have to meet that problem, anyway.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio that the Senate concur in the amendment of the House.

The motion was agreed to.

INTERNATIONAL CONVENTION FOR HIGH SEAS FISHERIES OF NORTH PACIFIC OCEAN

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3713) to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo, May 9, 1952, and for other purposes, which was on page 9, lines 15 and 16, strike out "as long as Alaska shall remain a Territory".

Mr. BRICKER. Mr. President, I move that the Senate concur in the amendment of the House of Representatives.

The motion was agreed to.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. FERGUSON. Mr. President, I offer, and send to the desk, amendments for which I request immediate consideration. I believe it proper to have these amendments considered en bloc; therefore, I ask unanimous consent that the amendments be so considered. I believe the distinguished Senator in charge of the bill will accept them.

The PRESIDING OFFICER. The Chair is advised that there is a pending amendment, which must first be disposed of.

Mr. FERGUSON. I was not aware of that, Mr. President.

The PRESIDING OFFICER. It is the amendment of the Senator from Wisconsin [Mr. WILEY].

Mr. FERGUSON. I ask unanimous consent that that amendment be withdrawn, so that it will be in order for me to submit these amendments.

Mr. WILEY. I agree, Mr. President; and I withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Wisconsin is withdrawn.

The amendments of the Senator from Michigan will be stated.

The CHIEF CLERK. On page 88, in line 9, in the committee amendment, after the word "assistance", it is proposed to insert a comma and "as far as possible directly."

On page 88, in line 10, in the committee amendment, after the word "area", to insert "including the Associated States of Cambodia, Laos, and Vietnam."

On page 93, in line 20, in the committee amendment, after the word "including", to insert "the furnishing as far as possible of direct assistance to."

On page 93, in line 21, in the committee amendment, after "Vietnam", to strike out "and the forces of", and insert "as well as to the forces of other."

Mr. FERGUSON. Mr. President, these amendments merely provide that the assistance which is to go to the people of Laos, Cambodia, and Vietnam will insofar as possible, go to those States, and not through any other nation. I am sure the Senator from Colorado will accept the amendments.

Mr. SMITH of New Jersey. I assume the chairman will.

Mr. WILEY. Mr. President, we will be very happy to take the amendments to conference.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments of the Senator from Michigan [Mr. FERGUSON].

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, I have an amendment to the bill which I am sure can be disposed of in 5 minutes. It is on the desk, and I should like to call it up. It is designated as 7-28-54-F.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 98, line 2, after the word "section", it is proposed to change the period to a colon and insert the following:

Provided, That if after investigation it is determined by the President that there are privately owned C1-MAV-1 vessels offered and available for sale by American citizens as defined in section 2 of the Shipping Act, 1916, as amended, at prices equal to or less than those provided for in subsection (b) (2) below, such vessels shall be acquired by an owning or operating agency designated by the President for the purpose of this subsection prior to transfer hereunder of any other vessels.

Mr. MAGNUSON. Mr. President, the only purpose of this amendment is to place that part of the bill which refers to the sale of ships to South Korea—and I know they need MAV-1's which are peculiarly adapted to interinland trade and to enter small bays and small harbors, a provision which suggests that if there are some private ships available at the same price they should be bought from those who have them rather than to take ships out of the mothball fleet.

That would be advantageous both to the United States Government and to the South Korean Government because the ships which would be purchased from private individuals, if they were available, would be in class. If Government ships were sold by the United States at Ships' Sale price, they would have to be put in class at some expense to the United States. This amendment is in the same language as the ones placed in all similar bills, such as the recently passed Brazilian bill, which allowed Brazil to buy some of our ships. I can see no objection to the amendment.

Mr. WILEY. Mr. President, the amendment, as stated, provides that vessels to be transferred to Korea shall be purchased by the Government from private owners, if available, at the price fixed by the bill.

Of course, the Foreign Operations Administration advises informally that, insofar as it is concerned, it has no objection to the amendment.

However, it points out that the effect of the amendment would be to prevent the Government from disposing of surplus vessels of this type which it owns, and, instead, the amendment would provide an avenue for private owners to dispose of their vessels to the Government.

I have not had an opportunity to consult with the committee. I do not feel that I personally have the right to dispose of the amendment by accepting it.

On the other hand, if it is a matter of saying to the people who have the vessels, "You will have a chance to sell," then the Government will not have a chance to sell. Is there not some way by which they could both be treated on the same footing, so that the Government itself might get a little money out of its surplus ships?

Mr. MAGNUSON. Of the ships private owners have, some of them are under charter, some are under charter lease. This is the same amendment which has been added to other bills. It merely provides that if Korea is going to buy the ships with our funds under the appropriation to be given her, instead of taking the ships out of our mothball fleet and putting them in class, if someone has a MAV-1 type ship—of which there are not too many, I may say to the distinguished Senator from Wisconsin—adaptable to this kind of trade, private owners ought to have a right to sell them at the same price at which the Government would sell them.

Mr. WILEY. They should have a right to sell them, but they should not be given preferential treatment. In other words, if we give the money to Korea, and there is a vessel involved, we could just as well furnish the vessel.

Mr. MAGNUSON. But the point I am making to the Senator from Wisconsin is if we take them out of our mothball fleet, we have to put them in class, and putting a ship in class involves, in the case of a MAV-1—I have not the exact figures, but I could get them—perhaps close to $50,000 a ship, whereas those that might be available through a private owner who also bought them under the Ships' Sales Act at the same price would have them in class and might not have any use for them.

It is the same amendment to which the Senator from Wisconsin in the Foreign Relations Committee agreed on the Brazilian ships; the same amendment to which we agreed on the Philippine ships.

Mr. WILEY. This is really my first acquaintance with it.

Mr. MAGNUSON. I do not want to delay the bill. Suppose I do not bring the amendment up now, but that we have further discussion of the matter; will that be all right?

Mr. WILEY. I do not think there is any need for the amendment. Senators have heard the facts about it, and I am not going to spend a lot of time on it.

The Senator has made the argument that if we were to sell some of the mothball ships, the Government would be put to expense to recondition them. As I say, the Foreign Operations Administration has not said anything more than what I have told the distinguished Senator. In other words, they are not entirely in opposition to the proposal, but they do not seem to be entirely in favor of it. It seems to me that we not only represent the private shipowners, but we represent the Government and if it can be of advantage to the Government to dispose of its surplus stock of ships, that ought to be done; we should represent the Government.

Mr. MAGNUSON. I will say to the Senator from Wisconsin that we are not trying to dispose of our surplus stock of ships. Although we have hundreds of ships in mothballs we closed up the Ships' Sales Act. This is an exception to the rule. Otherwise, the amendment would not be necessary. We do not want to dispose of our mothball fleet. This is not any bargain for the Government. It is only going to get about 30 percent of what the ships cost.

We closed up the Ships' Sales Act about 16 months ago, and it is worth a Senator's life to try to get a ship out of mothballs. We had to pass a bill so that Brazil could buy, we had to pass a bill so that the Philippines could buy; and

we are now proposing that South Korea may buy ships.

Mr. WILEY. I know that ordinarily the distinguished Senator is said to be on the side of the Government instead of private interests, and I am accused of being on the other side.

Mr. MAGNUSON. Oh, no.

Mr. WILEY. It occurs to me that if the facts are as represented, I would like to check what the expense would be to the Government; and ascertain whether the Government is going to let any of the mothball ships rot. I have seen them in the rivers out the Senator's way, stacked like sticks of cordwood. If they are being preserved there, it would seem to me if there is value in the ships, and the Government can get value, that we should think in terms of the Government's recouping some of its vast investment.

Now the Senator from Oregon [Mr. MORSE] and others are experts; I am not.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WILEY. I yield to the Senator from Oregon.

Mr. MORSE. The amendment would go to conference, would it not if it were adopted?

Mr. WILEY. Yes.

Mr. MORSE. If we adopt this amendment tonight, it does not give it finality, and if the Senator finds when he gets into conference, that the representations made by the Senator from Washington are not borne out by all the facts, it could be ironed out in conference.

Mr. WILEY. I should like to have the Senator's judgment on the basic question, because we cannot be fighting over ships.

Mr. MORSE. I will tell the Senator what my basic judgment is. It would be a great mistake to take our ships out of mothballs and sell them. I think we ought to leave our mothball fleet the way it is; let it remain in mothballs, and close the Ships Sales Act, because we ought to keep the ships for future emergencies.

Mr. WILEY. I will be glad to take the amendment to conference.

Mr. MAGNUSON. I appreciate the Senator's action.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

The amendment was agreed to.

Mr. MAGNUSON. I ask unanimous consent to have placed in the RECORD, without my burdening the Senate by reading it, an explanation of the purposes of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

H. R. 9678 authorizes the President to transfer to the Republic of Korea, by sale or charter, not more than 8 C1–MAV–1 vessels, at prices determined under section 3 of the Merchant Ship Sales Act of 1946. Any agency of the United States Government owning or operating such vessels is authorized under the bill to make such vessels available for the purpose of the transfer. Funds are made available by the bill for the aforesaid purpose.

It is proposed that H. R. 9678 be amended to incorporate therein a provision corresponding to that embodied in Public Law 496, approved July 15, 1954, relating to the sale of C1–MAV–1 vessels to Brazil. That act authorizes the Secretary of Commerce to transfer by sale to the Government of Brazil 12 C1–MAV–1 vessels, likewise at prices determined under section 3 of the Merchant Ship Sales Act, 1946. The act requires, however, that before Government-owned vessels are transferred under its authority there shall be a determination that there are no presently owned vessels of the same type available for sale by American citizens at prices equal to or less than those provided for Government-owned vessels. The legislative history of H. R. 9678 shows that the purpose of such requirement is that priority shall be given to transfer of vessels owned by private shipowners.

The considerations that underlie the inclusion of the above requirement in Public Law 496 apply with equal force with respect to inclusion of a like requirement in H. R. 9678. Public Law 496 recognized that American citizens who have staked their capital in the C1–MAV–1 vessels should have first call upon the privilege of selling them to the Government of Brazil and should not be excluded from a possible market by competition in the form of United States Government-owned vessels. Like considerations of fair and equitable treatment of American citizen shipowners require that, in respect of sales of such vessels to the Republic of Korea, the shipowners should not be excluded from a possible market by competition in the form of Government-owned vessels. Since the funds for the purchase of the vessels by the Republic of Korea are being made available by the United States Government, the granting of the priority to the privately owned vessels can administratively best be effectuated by providing that, if there are presently owned vessels of the same type available for sale by American citizens at prices equal to or less than those provided for Government-owned vessels, the privately owned vessels shall be acquired by the United States Government for the purpose of sale to the Republic of Korea before any Government-owned vessels are so sold.

The policy that priority be given to the transfer of vessels owned by private shipowners is as applicable in the case of this transfer to Korea as in the case of the transfer to Brazil. In both instances the same type of ship is being transferred and at the same valuation. The fact that in the one instance the transfer is to be effected through means of long-term credit arrangements with Brazil while in the other through use of funds that are part of a legislative grant should not in any manner be used to vitiate the policy of our Government to permit transfers of privately owned ships prior to transfer by the Government of ships in the reserve fleet.

Mr. KENNEDY. Mr. President, may I ask the Senator from Wisconsin 3 or 4 questions about the bill?

Mr. WILEY. I shall be glad to have the Senator ask them. I do not know whether I shall be able to answer them.

Mr. KENNEDY. I am sure the Senator will be able to answer them. I began to ask them of the Senator from New Jersey [Mr. SMITH]. It is my understanding that the materiel now in the north Vietnamese territory is materiel which we have contributed to the French Union forces. Is it my understanding that when the French Union forces withdraw, the title to that materiel will be in the United States Government?

Mr. WILEY. My rather indistinct recollection is that that question was asked. There is no question about the materiel that is in the ships which have not arrived in Indochina. Those ships have been ordered back.

Mr. KENNEDY. I am talking about the materiel which has been contributed to the French Union forces, and which is now in the northern area of Vietnam.

Mr. WILEY. My understanding about that materiel is that we are going to recoup a considerable part of it. Of course, we know that conditions around Haiphong are not very good. We will probably get out all the materiel we can. However, I cannot state that we will get back all of it that is there.

Mr. KENNEDY. Of the materiel——

Mr. WILEY. We are attempting to get it out.

Mr. KENNEDY. Of the materiel that we get back, will title to that materiel be in the French Union forces or in the United States Government?

Mr. WILEY. That title will be in us.

Mr. SMITH of New Jersey. Earlier I put into the RECORD, after reading a portion of it, a statement that Mr. Stassen made on this subject in reply to inquiries from us. That statement was that under the terms of the peace treaty the materiel is to be evacuated through Haiphong, within a period of some 30 days.

Mr. KENNEDY. The intention is that with respect to all the materiel that is evacuated possession will be taken by us, not by the French Union forces. Is that correct?

Mr. SMITH of New Jersey. That is correct.

Mr. KENNEDY. Is that the understanding of the Senator from Wisconsin?

Mr. WILEY. Yes. It will be 30 days or so until we can take it all out.

Mr. KENNEDY. With respect to the materiel that is south of the truce line, in Cochin-China, which is materiel of great value and which has been sent to the French since 1950, as I remember, in the area around Saigon, particularly, where we have given several billion dollars worth of assistance to the French, what is to happen to that materiel? There is talk about the French Union forces withdrawing from that area. If the French forces were to withdraw, would that materiel belong to the French Union forces, to the United States, or to the Vietnamese?

Mr. WILEY. I am not able to answer that question.

Mr. KENNEDY. I will say to the Senator that the materiel is worth several billion dollars. Before we appropriate $712 million, a part of which is to be spent for Vietnam, in addition to having on hand a large unexpended balance, we should know to whom that materiel will belong.

Mr. WILEY. I can only give the Senator my understanding. I read into the RECORD a statement with respect to the appropriation, setting forth clearly that that appropriation is not for Vietnam but is for the other states that we expect

to revitalize, and so forth. However, with the more or less unsettled condition, we believe the Secretary is correct in saying he needs that appropriation to handle the situation we are facing in that part of the world.

As to the materiel the French have accumulated from us in the southern area, which the Senator has mentioned, we must reason it this way: If we can make a deal to get it out, we will make a deal to get it out and have it returned. But, again, conditions are chaotic. There is even a threatened Communist taking over of that territory. The Communists have forces in that territory that are still in shape for taking military action there. The question of what the French will do is unsettled. They may continue fighting there.

Mr. KENNEDY. The only point I am making is that I think the materiel should either be——

Mr. WILEY. I was away for a week, while the Senator from New Jersey [Mr. SMITH] very kindly conducted the hearings, but I am informed by the staff that the whole program is receiving the attention of the administration, which is seeking to accomplish what the Senator from Massachusetts and I want to have accomplished.

Mr. KENNEDY. All I wanted to get was a statement of the Senator's understanding. As I understand, the materiel in the south which will be evacuated when the French Union forces are evacuated will be regained by the United States, and that the materiel that is left in the southern area will be controlled by the French Union forces or will be controlled by the Vietnamese National Army.

Mr. WILEY. Again I must say that I do not know what the terms of the truce are. I will submit any questions the distinguished Senator is asking and will try to get definitive answers. Again I say that conditions over there are fluid and more or less unstable. My understanding is that the intent of our bilateral military assistance agreement provides that the equipment is to be returned to the United States if it cannot be used for the purposes for which it was furnished.

Mr. KENNEDY. Obviously, the purpose for which it was furnished was for the implementation of the Navarre plan, and obviously that purpose does not exist any more. By the time the appropriation bill comes to the Senate I would appreciate it if the Senator from Wisconsin would get the answers to those questions. There is a tremendous money potential in the materiel available in that area. The materiel is worth several billion dollars.

Ar additional $12 million is called for, and there is available $700 million in unexpended balances. There will be a vast sum of money and materiel with which to deal.

The last question I should like to ask is this. In the past most of this substantial sum of money, namely, the money available for the war in the Associated States, has been used to balance the French budget, and the French in turn have obtained the equipment, and it has gone through the French Government. Therefore, a great deal of the equipment is French equipment, although we paid for it. I should like to ask the Senator how the additional money is to be expended. Is it going to be expended through France, is it going to go to the native government, or exactly how is it going to be spent?

Mr. WILEY. Under the Ferguson amendment, which has been adopted, the money will be expended directly. Of course, other provisions in the bill require that none of the appropriations for this year shall be used unless France joins the EDC.

Mr. KENNEDY. Perhaps we can get more specific assurances when the appropriation bill comes before the Senate.

Mr. WILEY. I shall try to get the answers for the Senator.

CONSERVATION OF WATER RESOURCES IN ARID AND SEMIARID AREAS

Mr. KNOWLAND. Mr. President, pursuant to the motion I previously entered, on which I consulted with the acting minority leader, I ask unanimous consent to reconsider the vote by which the Senate agreed to House amendments to the bill (S. 3137) to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. WATKINS. Mr. President, I should like an explanation of what this means.

Mr. KNOWLAND. This is the matter that the Senator from Vermont [Mr. AIKEN] took up the other day. The Senate concurred in the House amendments. When the bill reached enrollment, it was found that a comma that should have been included was omitted, and that the word "improvement" had been used, instead of the word "improved." Those were the only changes. We had to ask for the papers to be returned from the House, so we can agree to the House amendments in their proper form.

Mr. WATKINS. I thank the Senator.

The PRESIDING OFFICER. Without objection, the vote by which the Senate agreed to the amendments of the House will be reconsidered.

Mr. KNOWLAND. Mr. President, I now move that the Senate concur in the House amendments with the following amendments:

Amendment No. 1: After the word "farming", insert a comma.

Amendment No. 3: Strike out the word "improvement" and insert the word "improved."

The motion was agreed to.

MUTUAL SECURITY ACT OF 1954

The Senate resumed the consideration of the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Mr. SMITH of New Jersey. Mr. President, I call up my amendment "7-28-54-G." It is a very simple amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 112, line 20, after "(a)" it is proposed to insert a new sentence as follows:

The President is hereby authorized to continue membership for the United States on the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953.

Mr. SMITH of New Jersey. This amendment is designed to clarify section 405 of the bill under consideration so as to make it plain that that section does authorize the United States to accept the constitution of the Intergovernmental Committee for European Migration, adopted at the sixth session of ICEM in Venice, Italy, on October 19, 1953.

This convention was held, and members of the House Judiciary Committee were there and helped draft the constitution. The House has already approved this step; and this amendment is merely for the purpose of taking similar action.

I ask unanimous consent to have printed in the RECORD a statement with regard to this matter which I have from the staff, and also the constitution to which I referred, adopted on October 19, 1953.

There being no objection, the statement and constitution were ordered to be printed in the RECORD, as follows:

This amendment is designed to clarify section 405 of the bill under consideration so as to make it plain that that section does authorize the United States to accept the constitution of the Intergovernmental Committee for European Migration, adopted at the sixth session of ICEM in Venice, Italy, on October 19, 1953.

The mutual security bill now before the body in section 405, contains an authorization of $11,189,190 for contributions during the calendar year 1955 to the Intergovernmental Committee for European Migration, and thereafter such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee. An identical section for this authorization has been approved by both Houses.

Just a word about the constitution of ICEM which was adopted at the sixth session of the Intergovernmental Committee for European Migration in Venice in 1953. The sixth session of ICEM was attended by a sizable congressional delegation from the United States. My distinguished colleague, Senator WATKINS from Utah, attended from the Senate. There were five members of the House Judiciary Committee in attendance—Representative CHAUNCEY W. REED, chairman of the House Judiciary Committee, Representatives RUTH THOMPSON (Michigan), EDWARD A. JONAS (Illinois), FRANCIS E. WALTER (Pennsylvania), and J. FRANK WILSON (Texas).

Chairman CHAUNCEY W. REED, of the House Judiciary Committee, was chairman of the

sixth session's subcommittee on constitution. In his report submitting the newly drafted constitution to the plenary session, he pointed out that the previous temporary arrangements under which ICEM had been operating must be supplanted by a real charter upon which the organs of the committee can effectively plan for the future and explore the possibilities of firming up its foundations. The congressional group which attended the sixth session was convinced that the basic concepts upon which the committee is organized are sound and that there are good prospects that the committee will increase the movement of migrants out of Europe.

I should like to point out that ICEM is one international organization to which no single Communist country is a party. Of the 24 members of the organization, 11 nations have now accepted the ICEM constitution—Australia, Austria, Canada, Denmark, Greece, Israel, Italy, the Netherlands, Paraguay, Sweden, and Switzerland. Under the provisions of article 33 of the constitution, it cannot come into force without the acceptance of two-thirds of the 24 members (which would be 16), and it cannot come into force without the acceptance of the United States.

I believe this may be our last opportunity at this session of Congress to authorize United States acceptance of the ICEM constitution and therefore request that this amendment be adopted.

CONSTITUTION

(As adopted on October 19, 1953)

(Preamble)

The governments, members of the Intergovernmental Committee for European Migration,

Reaffirming

the principles embodied in the resolution adopted on December 5, 1951, by the Migration Conference in Brussels and annexed hereto;

Recognizing

that the furnishing of special migration services is often needed in order to increase the volume of European emigration and to ensure the smooth accomplishment of migratory movements and, in particular, the settlement of the migrants under the most favourable conditions for their quick integration into the economic and social life of their countries of adoption;

that international financing of European emigration would not only contribute to solving the problem of population in Europe, but may also stimulate the creation of new economic opportunities in countries lacking manpower;

that the movement of migrants should as far as possible be effected by the normal shipping and air transport services but that, from time to time, there is evidence of a need for additional transport facilities;

that there is need to promote the cooperation of governments and international organizations with a view to the emigration of persons who desire to emigrate to overseas countries where they may achieve self-dependence through useful employment and live with their families in dignity and self-respect, doing their part to contribute to peace and order in the world;

Do hereby establish

the Intergovernmental Committee for European Migration (hereinafter called the committee) as a nonpermanent organization and

Accept this constitution.

CHAPTER I—PURPOSE AND FUNCTIONS

Article 1

1. The purpose and functions of the committee shall be:

(a) to make arrangements for the transport of migrants, for whom existing facilities are inadequate and who could not otherwise be moved, from European countries having surplus population to countries overseas which offer opportunities for orderly immigration;

(b) to promote the increase of the volume of migration from Europe by providing, at the request of and in agreement with the governments concerned, services in the processing, reception, first placement, and settlement of migrants which other international organizations are not in a position to supply, and such other assistance to this purpose as is in accord with the aims of the committee.

2. The committee shall recognize the fact that control of standards of admission and the number of immigrants to be admitted are matters within the domestic jurisdiction of states, and, in carrying out its functions shall conform to the laws, regulations, and policies of the emigration and immigration countries concerned.

3. The committee shall be concerned with the migration of refugees for whom arrangements may be made between the committee and the governments of the countries concerned, including those undertaking to receive them.

CHAPTER II—MEMBERSHIP

Article 2

The members of the committee shall be:

(a) the governments being members of the Intergovernmental Committee for European Migration which have accepted this constitution according to article 33, or to which the terms of article 34 apply;

(b) other governments with a demonstrated interest in the principle of the free movement of persons which undertake to make a financial contribution at least to the administrative requirements of the committee, the amount of which will be agreed to by the council and by the government concerned, subject to a two-thirds majority vote of the council and upon acceptance by the government of this constitution.

Article 3

Any member may give notice of withdrawal from the committee effective at the end of a financial year. Such notice must be in writing and must reach the director of the committee at least 4 months before the end of the financial year. The financial obligations to the committee of a member which has given notice of withdrawal shall include the entire financial year in which the notice is given.

Article 4

Any member may be disqualified from membership by a two-thirds majority vote of the council, if it fails to meet its financial obligations to the committee for 2 consecutive financial years or if it persistently violates the principles contained in this constitution.

CHAPTER III—ORGANS

Article 5

There are established as the organs of the committee:

(a) the council;

(b) the executive committee;

(c) the administration.

CHAPTER IV—COUNCIL

Article 6

The functions of the council, in addition to those mentioned in other provisions of this constitution, shall be:

(a) to determine the policies of the committee;

(b) to review the reports and to approve and direct the activities of the executive committee;

(c) to review the reports and to approve and direct the activities of the director;

(d) to review and approve the budget, the plan of expenditure, and the accounts of the committee;

(e) to take any other appropriate action to further the purpose of the committee.

Article 7

1. The council shall be composed of representatives of the members governments.

2. Each member government shall have one representative and such alternates and advisers as it may deem necessary.

3. Each member government shall have one vote in the council.

Article 8

1. The council shall normally meet twice a year, at such times as shall be determined by it, unless two-thirds of its members decide that only one session is necessary in any given year.

2. The council shall meet in special session at the request of:

(a) one-third of its members;

(b) the executive committee;

(c) the director in urgent circumstances.

3. The Council shall elect a chairman and other officers at the beginning of each session.

Article 9

The council may set up such subcommittees as may be required for the proper discharge of its functions.

Article 10

The council shall adopt its own rules of procedure.

CHAPTER V—EXECUTIVE COMMITTEE

Article 11

The functions of the executive committee shall be:

(a) To prepare the sessions of the council, by studying the annual reports of the Director and all special reports.

(b) To study all financial and budgetary questions falling within the competence of the council, and to transmit its recommendations thereon to the council.

(c) To study any specific question referred to it by the council, and to transmit its recommendations thereon to the council.

(d) To advise the Director on any matters which he may refer to it.

(e) To consider any matter specifically referred to it by the council, and to take such action as may be deemed necessary thereon.

(f) To make, in exceptional circumstances between sessions of the council, any emergency decisions on matters falling within the competence of the council, which shall be reviewed by that body at its next following session.

Article 12

1. The executive committee shall be composed of the representatives of nine member governments.

2. These member governments shall be elected by the council for 1 year and shall be eligible for reelection.

3. Each member of the executive committee shall have one representative and such alternates and advisers as it may deem necessary.

4. Each member of the executive committee shall have one vote.

Article 13

1. The executive committee shall meet regularly before each session of the council.

2. A special session of the executive committee may be called at the request of its chairman, of the director after consultation with the chairman of the council, or of a majority of the members of the executive committee.

3. The executive committee shall elect a chairman and a vice chairman from among its members for a 1-year term.

Article 14

The executive committee shall adopt its own rules of procedure.

CHAPTER VI—ADMINISTRATION

Article 15

The administration shall comprise a director, a deputy director, and such staff as the council may determine.

Article 16

1. The director and the deputy director shall be appointed by a two-thirds majority vote of the council and shall serve under contracts approved by the council, which shall be signed on behalf of the committee by the chairman of the council.

2. The director shall be responsible to the council and the executive committee. He shall discharge the administrative and executive functions of the committee in accordance with this constitution and the policies and decisions of the council and the executive committee and the rules and regulations established by them. He shall formulate proposals for appropriate action by the council.

Article 17

The director shall appoint the staff of the administration in accordance with the staff regulations adopted by the council.

Article 18

1. In the performance of their duties, the director, the deputy director and the staff shall neither seek nor receive instructions from any government or from any authority external to the committee. They shall refrain from any action which might reflect on their position as international officials.

2. Each member government undertakes to respect the exclusively international character of the responsibilities of the director, the deputy director and the staff and not to seek to influence them in the discharge of their responsibilities.

3. Efficiency, competence, and integrity shall be the necessary considerations in the recruitment and employment of the staff which, except in special circumstances, shall be recruited among the nationals of countries whose governments are members of the committee, taking into account, as far as possible, their geographical distribution.

Article 19

The director shall be present, or be represented by the deputy director or another official designated by him, at all sessions of the council, the executive committee and any subcommittees. He or his representative may participate in the discussions but shall have no vote.

Article 20

At the regular session of the council next following the end of each financial year, the director shall make to the council, through the executive committee, a report on the work of the committee, giving a full account of its activities during that year.

CHAPTER VII—HEADQUARTERS

Article 21

1. The committee shall have its headquarters in Geneva. The council may, by a two-thirds majority vote, change its location.

2. The meetings of the council and the executive committee shall be held at headquarters, unless two-thirds of the members of the council or the executive committee respectively have agreed to meet elsewhere.

CHAPTER VIII—FINANCE

Article 22

The director shall submit to the council, through the executive committee, an annual budget covering the administrative and operational requirements and the anticipated resources of the committee, such supplementary estimates as may be required, and the annual or special accounting statements of the committee.

Article 23

1. The requirements of the committee shall be financed:

(a) as to the administrative part of the budget, by cash contributions from member governments;

(b) as to the operational part of the budget, by contributions in cash or services from member governments, other governments, organizations, or individuals.

Payments shall be made promptly, and in full prior to the expiration of the financial year for which the contribution is required.

2. Every member government shall be required to contribute to the administrative expenditure of the committee in an amount agreed to by the council and by the member government concerned.

3. Contributions to the operational expenditure of the committee shall be voluntary and any contributor to the operating fund may stipulate the terms and conditions under which its contribution may be used.

4. (a) All headquarters administrative expenditure and all other administrative expenditure except that incurred in pursuance of the objectives outlined in paragraph 1 (b) of article 1 shall be attributed to the administrative part of the budget;

(b) All operational expenditure and such administrative expenditure as is incurred in pursuance of the objectives outlined in paragraph 1 (b) of article 1 shall be attributed to the operational part of the budget.

5. The committee shall insure that its administration is conducted in an efficient and economical manner.

Article 24

The financial regulations shall be established by the council.

CHAPTER IX—LEGAL STATUS

Article 25

The committee shall possess full juridical personality and enjoy such legal capacity as may be necessary for the exercise of its functions and the fulfillment of its purpose, and in particular the capacity, in accordance with the laws of the territory: (a) to contract; (b) to acquire and dispose of immovable and movable property; (c) to receive and disburse private and public funds; (d) to institute legal proceedings.

Article 26

1. The committee shall enjoy, subject to agreements with the governments concerned, such privileges and immunities as may be necessary for the exercise of its functions and the fulfillment of its purpose.

2. Representatives of member governments, the director, the deputy director, and the staff of the administration shall likewise, subject to agreements with the governments concerned, enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the committee.

CHAPTER X—RELATIONS WITH OTHER ORGANIZATIONS

Article 27

1. The committee shall cooperate with international organizations, governmental and nongovernmental, concerned with migration or refugees.

2. The committee may invite any international organization, governmental or nongovernmental, concerned with migration or refugees to be represented at the meetings of the council under conditions prescribed by the council. No representative of such an organization shall have the right to vote.

CHAPTER XI—MISCELLANEOUS PROVISIONS

Article 28

1. Except as otherwise expressly provided in this constitution or rules made by the council or the executive committee, all decisions of the council, the executive committee and all subcommittees shall be taken by a simple majority vote.

2. Majorities provided for in this constitution or rules made by the council or the executive committee shall refer to members present and voting.

3. No vote shall be valid unless a majority of the members of the council, the executive committee or the subcommittees concerned are present.

Article 29

1. Texts of proposed amendments to this constitution shall be communicated by the director to member governments at least 3 months in advance of their consideration by the council.

2. Amendments shall come into force when adopted by two-thirds of the members of the council and accepted by two-thirds of the member governments in accordance with their respective constitutional processes, provided, however, that amendments involving new obligations for members shall come into force in respect of each member only on acceptance by it.

Article 30

Any dispute concerning the interpretation or application of this constitution which is not settled by negotiation or by a two-thirds majority vote of the council shall be referred to the International Court of Justice in conformity with the statute of the Court, unless the member governments concerned agree on another mode of settlement within a reasonable period of time.

Article 31

Subject to approval by two-thirds of the members of the council, the committee may take over from any other international organization or agency the purposes and activities of which lie within the purpose of the committee such activities, resources, and obligations as may be determined by international agreement or by mutually acceptable arrangements entered into between the competent authorities of the respective organizations.

Article 32

The council may, by a three-quarters majority vote, decide to dissolve the committee.

Article 33

This constitution shall come into force, for those governments members of the Intergovernmental Committee for European Migration which have accepted it in accordance with their respective constitutional processes, on the day of the first meeting of that committee after:

(a) at least two-thirds of the members of the Committee; and

(b) a number of members whose contributions represent at least 75 percent of the administrative part of the budget,

shall have communicated to the director their acceptance of this constitution.

Article 34

Those governments members of the Intergovernmental Committee for European Migration which have not by the date of coming into force of this constitution communicated to the director their acceptance of this constitution may remain members of the committee for a period of 1 year from that date if they contribute to the administrative requirements of the committee in accordance with paragraph 2 of article 23, and they shall retain during that period the right to accept the constitution.

Article 35

The English, French, and Spanish texts of this constitution shall be regarded as equally authentic.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

Mr. WILEY. Mr. President, I am informed the State Department thinks this amendment would be helpful if added to the bill so I am happy to take the amendment to conference.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. HUMPHREY. Mr. President, I call up my amendment "7-22-54-N."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 151, line 2, after the word "Reserve", it is proposed to insert "and the provisions of section 1005 of the Foreign Service Act shall apply in the case of such persons."

On page 151, line 11, it is proposed to strike out "sections 443 and 528" and insert "sections 443, 528, and 1005."

Mr. HUMPHREY. Mr. President, the purpose of my amendment is to make applicable the provisions of the Foreign Service Act which insure that the State Department is operated on a nonpartisan personnel basis. The amendment applies specifically to overseas appointments of the Foreign Operations Administration, where it has been charged that there exist the beginnings of an effective spoils system.

The Foreign Service Act of 1946 eliminates the political test of personnel policy of the State Department overseas. The only loophole remaining relates to the overseas appointments, and my amendment would close that loophole.

I have discussed this matter with the chairman of the committee, and I believe the staff has also been involved in those discussions.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. WILEY. Mr. President, this matter was taken up with the Foreign Operations Administration. They have informed me of the agency's view on the amendment. They say this amendment, similar to the one offered on the floor of the House, would subject certain FOA overseas appointments to the provisions of section 1005 of the Foreign Service Act.

Section 1005 prohibits in employment matters the application of any political test or any discrimination because of race, creed, or color. Under the proposed amendment, section 1005 would apply to personnel appointed or assigned under section 528 (c) of the mutual security bill, but not to persons appointed under section 527 if they are chiefs or deputy chiefs of missions of staffs abroad. Consequently, I am informed the agency has no objection to the amendment, and I am happy to take it to conference.

Mr. HUMPHREY. I ask to have printed at this point in the body of the RECORD a statement to explain more fully the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I send to the desk an amendment which is designed to improve the efficiency and administration of the Foreign Operations Administration. It is important that personnel practices in the FOA be free of partisan politics. There is reason to believe that of late there has been introduced into that agency considerations of political patronage. This agency should be free of the tinge of partisan politics and political patronage.

My amendment would make applicable the provisions of the Foreign Service Act which insure that the State Department is operated on a nonpartisan personnel basis. This amendment would apply specifically to the overseas appointments of the FOA where it has been charged there exists the beginnings of an effective spoils system.

There should not be a political test for appointment to the overseas staff of the FOA. There is no political test in the Civil Service Commission with regard to merit and career employees of our Government. The Foreign Service Act of 1946 eliminates a political test for the personnel policy of the State Department overseas. The only loophole remaining relates to the overseas appointments of the FOA. My amendment would close that loophole.

Furthermore, my amendment would not affect the vast bulk of policy jobs in the agency. It would not affect 60 policy positions. It would not affect 16 mission chiefs. It does affect the technical-assistance program.

Let me bring to the attention of the Senate a recent item from Mr. Jerry Kluttz, the civil-service expert for the Washington Post and Times Herald, who said: "The Foreign Operations Administration has required political clearance for even stenographers and clerks. * * * Reportedly, most appointments and promotions in that agency must have the prior O. K. of the patronage dispenser there."

Let me remind the Senate, furthermore, that under the Democratic administration our overseas operation was always conducted on a nonpartisan manner insofar as personnel practices were concerned. The first head of the ECA was a Republican, Mr. Paul Hoffman. Many of the top mission chiefs abroad were Republicans. This is the American way to operate our foreign-aid program.

I want to take this opportunity to offer congratulations to Congressman HARRISON A. WILLIAMS, JR., of New Jersey, who sponsored a similar amendment in the House of Representatives. I regret that that amendment was defeated by the narrow margin of 120 to 128. I am certain that defeat can be accounted for by the fact that there was not an opportunity to explain the amendment. It is an amendment which should be readily accepted by Republicans and Democrats alike. It is my hope that the amendment will be accepted by the committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

Mr. WILLIAMS. I call up my amendment "7-28-54-H," as modified.

The PRESIDING OFFICER. The amendment of the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. On page 137, in line 21, after the word "vessels", it is proposed to insert "provided such rates are fair and reasonable."

Mr. WILLIAMS. Mr. President, this section of the bill, as put in by the Foreign Relations Committee, provides that 50 percent, as near as practicable, of the shipping will be in American ships. I agree with the principle of that provision. However, in the past we have had the experience that, after the enactment of such legislation and the passage of these bills, the shipping rates on the particular products involved have trebled or doubled in many instances. It surely was not the intention of Congress that any such advantage should be taken of this proposal. Therefore, I am suggesting this amendment, the purpose of which is to indicate that it is the intention of Congress that such shipping rates should be fair and reasonable. I have discussed the amendment with some of the members of the committee, and I understand it is in line with their intentions.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Delaware [Mr. WILLIAMS].

Mr. WILEY. Mr. President, I am informed by the distinguished Senator—and I think he could give us concrete examples—that after we have disposed of some of our commodities, as a result of action taken, there has been almost unconscionable increase of rates. I think it is our business to protect the Government, and I feel that at least we can take this amendment to conference, and in the meanwhile we can become fully informed as to just what the practice in this matter has been in the past. I feel it is our business to see that while fair and reasonable rates are charged, an opportunity for the Government to be gouged is not presented. So I will take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Delaware.

The amendment was agreed to.

Mr. WILEY. Mr. President, during the hearings which the Foreign Relations Committee held on the mutual security program for 1955, I asked representatives of the Department of Defense whether it would be possible to make substantial reductions in the authorization for next year, in view of the large unexpended and unobligated balances which remain credited to the account of the mutual security program.

Assistant Secretary of Defense H. Struve Hensel addressed to me a letter in which he comments in some detail on this matter and throws considerable light upon an extremely difficult problem. I shall not attempt to summarize Mr. Hensel's letter at this point. He comes to the conclusion, however, that "a reduction by the Congress of our military assistance programs would not only prevent the United States from carrying out future planning for mutual defense which I consider vital to the security of this country, but would also, in my judgment, have a most serious impact upon our allies."

Mr. President, in view of the great interest which Members of the Senate have in the problem of helping build a collective defense system for the free world, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, the full text of Mr. Hensel's letter. I sincerely hope that Members of the Senate who will be asked to cast their votes on this measure when the time comes, will find—either before or after they vote—time to read Mr. Hensel's remarks. So I am asking that the letter be printed in the RECORD.

There being no objection, the letter was ordered printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington D. C., July 6, 1954.

Hon. ALEXANDER WILEY,
Chairman, Committee on Foreign Relations, United States Senate.

DEAR SENATOR WILEY: At this juncture when your committee is in the final stages of considering the proposed mutual security program for fiscal year 1955, I should like to emphasize to you the importance of this program to the Department of Defense. In particular, I am convinced that the military assistance portion of the program, for which the President has requested an authorization this year of $1.58 billion, is essential to the security of our country and of the free world.

Our first programs of military assistance were directed toward building up the armed forces of our allies within realistic limits of manpower by providing military equipment which they could not provide for themselves. To a large extent, the funding of the equipment required for this initial phase of the mutual defense assistance program has been accomplished. Except as new emergencies may arise, our concern in the future will be chiefly the sustaining of suitable and necessary forces. Thus, much of the equipment and material contained in the military assistance program for fiscal year 1955 is for support forces, maintenance of equipment on hand, and war reserves. This equipment is extremely important to the military forces of our allies. In fact, without it their fighting effectiveness will be very seriously reduced. As you know, aircraft and artillery are only effective in the event of war to the extent that sufficient stocks of bombs and ammunition are immediately available for use.

As we have moved from the initial build-up phase of the military assistance program to the second phase, the executive branch has been able to reduce substantially its requests for funds to continue the program. However, I believe it is most important that your committee approve the authorization for military assistance in the full amount requested by the President, since this will permit the United States and its allies to continue essential military planning for mutual defense. So long as the Soviet threat of aggression remains, we must go ahead with our policy of insuring that there will be military strength in the free world that will act as a deterrent to such aggression or will be used to fight that aggression if it should occur.

I must emphasize that we did not devise the military assistance program for fiscal year 1955 as a substitute for any of the previously approved and funded programs. These earlier programs continue to be essential to our military planning and to the military planning of our allies. The military assistance program for fiscal year 1955 is a continuation and necessary addition to these previous programs in the light of today's world situation.

In this connection, I should like to comment on the existing large balances of unexpended and unobligated funds appropriated for mutual-defense assistance in prior years. The point I particularly wish to make is that these balances represent items of required equipment, amounts required for training, and the like, which have been planned for in connection with previous programs justified to and approved by the Congress.

Consequently, no savings to the Government would result by applying the unexpended or unobligated balances against the military equipment and material contained in the fiscal year 1955 program, since equivalent funds would simply have to be made available for earlier and equally valid programs now backed by these funds.

Let me assure you further that the proposed fiscal year 1955 military-assistance program is, in our opinion, the minimum program consistent with the worldwide interests of the United States. The military requirements of our allies for our mutual defense, as planned by our military experts and priced out in the autumn of 1953, amounted to $4.7 billion. However, the executive branch came to the conclusion that the military program should be held this year to only the most essential items, totaling $1.58 billion.

There is another point that I believe should be stressed. The countries that have entered into mutual-defense arrangements with the United States look to us for leadership and guidance in matters affecting our common security. In consequence, a reduction by the Congress of our military assistance programs would not only prevent the United States from carrying out future planning for mutual defense which I consider vital to the security of this country, but would also, in my judgment, have a most serious impact upon our allies. Such a cut would probably be construed by many of our friends as a long step away from the concept of mutual security. At the least, it might cause our allies to reduce their own military contributions. At the worst, it might have an adverse effect upon our entire foreign policy.

The United States has undertaken a tremendous task in the military-assistance programs, not only in size and cost but also in responsibility. We must carry on with this task. I believe that the programs before you will develop collective security more efficiently, less expensively, and to a greater degree than would be possible if we were to confine our efforts to building up only our own Armed Forces, and our own mobilization base.

In the interests of our national security and welfare, I urge your committee to authorize the full amount of the funds requested by the President for the mutual security program for fiscal year 1955, including the $1.58 billion requested for the mutual-defense assistance program.

Sincerely yours,

H. STRUVE HENSEL.

Mr. HUMPHREY. Let me ask the Senator a question at this point, so we shall not have to go into the matter tomorrow when we get on the more or less controversial features of the bill. In the bill we provide for $13½ million for the UNICEF program—the United Nations International Children's Emergency Fund. That was according to the budget request, as I recall.

Mr. WILEY. That is right.

Mr. HUMPHREY. That is for an 18-month period, is it not?

Mr. WILEY. That is my recollection.

Mr. HUMPHREY. There was some argument or discussion over the 60-percent ceiling as to the amount of the contribution which the United States should make. The maximum was lowered, I believe.

Would the chairman be able to give us a little insight into that problem? Has it been possible to rectify the difficulties, so that the contribution by the United States will be adequate, and that the fund will in no way be jeopardized?

Mr. WILEY. I shall read from the committee report, which I think provides the answer, as follows:

The United States contribution in the past has been about 70 percent of all contributions to the central account of the Children's Fund, from which allocations for aid are made, and about 25 percent of all types of contributions, including contributions in local currency and resources by assisted governments. The administration expects to reduce contributions to the central account to 60 percent of the total but to continue the ratio of one-fourth of all contributions to the central account plus local matching contributions. The committee supports the administration's intention to press more vigorously for greater financial support of the Children's Fund by other governments, but some members believe it would be unwise for our Government to push too precipitately toward the 60-percent goal in advance of the ability of other countries to increase their share of the total.

The committee noted that more than 70 percent of UNICEF funds are allocated to the underdeveloped areas of Asia, Africa, and Latin America. Inasmuch as there are a number of other bilateral and multilateral programs in these areas, the committee requested and received reassurances that there is no overlapping and duplication of activities. Children's Fund operations are closely coordinated or undertaken jointly with those of such specialized agencies operating in the same field as the World Health Organization and the Food and Agriculture Organization.

Mr. HUMPHREY. I thank the chairman. I thought it was good to have this statement in the CONGRESSIONAL RECORD as a matter of legislative history even though we recognize the report of the committee as being controlling with respect to the interpretation of the provision. It is now the view of the committee that with the passage of the bill it will be the express view of Congress that while we should like to have the participating and sharing countries give more generously to the fund, and while we have during the past taken on the burden of almost 70 percent of the total cost of the fund, we will not move precipitately to the 60-percent objective. We shall move toward it, but not necessarily to the point where we will jeopardize the efficacy or the value of the fund to the recipients—that is, the children. That is a correct interpretation, is it not?

Mr. WILEY. That is my understanding. I wish to say that when we speak in terms of 70 percent, we are speaking in terms of a relatively small amount which is involved, when it is considered that the United States is spending on this project $13,500,000, and the total amount provided in the bill will be about $3,100,000,000. We must not confuse the thinking of our constituents when we speak about 70 percent.

Mr. HUMPHREY. The percentage sounds much bigger than the aggregate; and actually more than 60 million children and their parents have been helped through the fund. I happen to think that it is one of the great accomplishments of the humanitarian aspects of United States foreign policy. I am strongly in support of it.

Mr. SMITH of New Jersey. I agree with the Senator that we are speaking in terms of the percentage of contributions by the United Nations countries. The countries which are being benefited are contributing a very much larger amount in total. Therefore, our own percentage, when all contributions are considered,

with respect to countries benefiting and United Nations participating countries, is something like 20 percent. I desired to have this statement appear, because the situation is not as though we were paying the whole cost. The countries which are benefiting also contribute to a great extent.

Mr. HUMPHREY. Mr. President, the Senator from New Jersey and the Senator from Wisconsin have been strong supporters of the bill. I join with them in the expressions which they have just made.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a brief statement I have prepared with reference to the United Nations Children's Fund. I am hopeful that no effort at all will be made to limit or to reduce the amount of $13,500,000. I am certain that no effort will be made to do that, because to me this program is a wonderful expression of the really compassionate desire and attitude of the American people toward the underprivileged people throughout the world.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE UNITED NATIONS CHILDREN'S FUND

At this time I should like to call the attention of the Members to one of the small but very important parts of the mutual-security program, the United Nations Children's Fund. The children's fund has been one of the few outstanding examples of effective cooperation for constructive purposes among the 55 nations participating. It has demonstrated in a practical way that the whole world can see that the technical knowledge and resources of all the contributing countries can be put to work to solve the problems of disease and malnutrition that still plague vast areas of the world and millions of its peoples. Through the leadership of the children's fund, the governments of the underdeveloped areas are learning to help their own people; they are being taught to help themselves to eradicate yaws, the crippling tropical ulcers that debilitate and even maim its child victims, to control tuberculosis, to detroy the malaria-carrying mosquito. In short, these are projects of permanent improvement and development which the country benefited can continue indefinitely long after the external aid from UNICEF has ended.

We know that strong, healthy people who see the promise of a brighter future for themselves through these tangible evidences of goodwill from the free nations will not fall prey to deceptive doctrines preached to them from Communist sources. UNICEF has offered such hope already to 60 million children and their parents. It is my hope that this great work, where so much good is being done with comparatively small cost, will go on at its present level of achievement. I hope that nothing will be done by this Government to dim the hopes of the peoples in those countries where UNICEF projects are already underway, or approved for early initiation.

I urge that the full $13,500,000 as requested by the President be approved by the Senate, and that this contribution to the Children's Fund be made without drastic administrative restrictions.

The American people believe in this work. They have expressed their wish to see it encouraged and continued without any crippling restrictions. Among the important national organizations, representing many million members, supporting the full unrestricted appropriation for the Children's Fund are the National Congress of Parents and Teachers; the General Federation of Women's Clubs; American Association of Social Workers; American Parents Committee; Association for Childhood Education International; Child Study Association of America; Child Welfare League of America, Inc.; Friends Committee on National Legislation; Methodist Church, Women's division of Christian Service of the Board of Missions; National Board of Young Women's Christian Association; National Council of Jewish Women; United Church Women; and Women's International League for Peace and Freedom.

CONVENTION WITH REPUBLIC OF GERMANY FOR AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER. As in executive session, the Chair lays before the Senate Executive J, 83d Congress, 2d session, a convention between the United States of America and the Federal Republic of Germany for the avoidance of double taxation with respect to taxes on income, signed in the English and German languages at Washington on July 22, 1954.

Mr. WILEY. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from the convention, and that the President's message and the convention be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the injunction of secrecy will be removed, and the convention, together with the President's message will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and the Federal Republic of Germany for the avoidance of double taxation with respect to taxes on income, signed in the English and German languages at Washington on July 22, 1954.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention. The convention has the approval of the Department of State and the Department of the Treasury.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 29, 1954.*

(Enclosures: 1. Report by the Secretary of State. 2. Income tax convention between the United States and the Federal Republic of Germany.)

RECESS TO 9 O'CLOCK A. M. TOMORROW

Mr. SMITH of New Jersey. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 58 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Friday, July 30, 1954, at 9 o'clock a. m.

NOMINATION

Executive nomination received by the Senate July 29 (legislative day of July 2), 1954:

UNITED STATES ATTORNEY

Theodore E. Munson, of Alaska, to be United States attorney for division No. 1, district of Alaska, vice Patrick J. Gilmore, resigned.

CONFIRMATION

Executive nomination confirmed by the Senate July 29 (legislative day of July 2), 1954.

LIBRARY OF CONGRESS

Lawrence Quincy Mumford, of Ohio, to be Librarian of Congress.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 29, 1954

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we are again turning unto Thee in the sacred attitude of prayer, compelled by needs which Thou above canst supply and constrained by a love that is far beyond all our human understanding.

Inspire us now with a stronger conviction of the power of spiritual ideals and principles as we struggle against the forces of evil which are seeking to conquer and enslave the world.

Grant that in our longings and labors for peace on earth and good will among men we may never feel that we are following a forlorn hope or a vague impossibility.

May we daily be strengthened and sustained by a clear vision of the triumph of reason and righteousness and the assurance that Thou art able to do for us exceeding abundantly above all we can ask or think.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 102. Concurrent resolution to make corrections in the enrollment of H. R. 7839.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3137. An act to make the provisions of the act of August 28, 1937, relating to the

conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 9757) entitled "An act to amend the Atomic Energy Act of 1946, as amended, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HICKENLOOPER, Mr. KNOWLAND, Mr. BRICKER, Mr. JOHNSON of Colorado, and Mr. ANDERSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7839) entitled "An act to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities."

INCREASE BORROWING POWER OF COMMODITY CREDIT CORPORATION

The SPEAKER. The unfinished business is the question of the passage of the bill (H. R. 9756) to increase the borrowing power of the Commodity Credit Corporation.

The question was taken and the Speaker announced that the ayes seemed to have it.

Mr. JAVITS. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors; the Sergeant at Arms will notify absent Members and the Clerk will call the roll.

The question was taken; and there were—yeas 317, nays 57, not voting 58, as follows:

[Roll No. 125]

YEAS—317

Abbitt	Bolton, Oliver P.	Colmer
Abernethy	Bonin	Condon
Adair	Bonner	Cooley
Albert	Bow	Coon
Alexander	Bowler	Cooper
Allen, Calif.	Boykin	Corbett
Allen, Ill.	Bramblett	Crosser
Andersen, H. Carl	Bray	Crumpacker
Andresen, August H.	Brooks, Tex.	Cunningham
Andrews	Brown, Ga.	Curtis, Mass.
Arends	Brown, Ohio	Curtis, Mo.
Ashmore	Brownson	Dague
Aspinall	Broyhill	Davis, Ga.
Auchincloss	Buchanan	Davis, Wis.
Ayres	Budge	Dawson, Utah
Bailey	Burdick	Deane
Baker	Burleson	Dempsey
Barden	Bush	Devereux
Battle	Byrnes, Wis.	D'Ewart
Beamer	Campbell	Dies
Belcher	Cannon	Dodd
Bender	Carlyle	Dolliver
Bennett, Fla.	Carnahan	Dondero
Bentley	Carrigg	Dorn, S. C.
Berry	Cederberg	Dowdy
Betts	Chelf	Doyle
Bishop	Chenoweth	Durham
Boggs	Chiperfield	Edmondson
Bolling	Church	Elliott
Bolton, Frances P.	Clevenger	Ellsworth
	Cole, Mo.	Engle
	Cole, N. Y.	Fenton
		Fernandez
		Fisher
		Ford
		Forrester
		Fountain
		Frazier
		Frelinghuysen
		Gathings
		Gentry
		George
		Golden
		Goodwin
		Gordon
		Graham
		Grant
		Gregory
		Gross
		Gubser
		Hagen, Calif.
		Hagen, Minn.
		Hale
		Haley
		Halleck
		Hand
		Harden
		Hardy
		Harrison, Va.
		Harvey
		Hays, Ark.
		Hays, Ohio
		Herlong
		Hiestand
		Hill
		Hillelson
		Hillings
		Hinshaw
		Hoffman, Ill.
		Holifield
		Holmes
		Holt
		Hope
		Horan
		Hosmer
		Hruska
		Hunter
		Hyde
		Ikard
		Jackson
		James
		Jarman
		Jenkins
		Johnson, Calif.
		Johnson, Wis.
		Jonas, Ill.
		Jonas, N. C.
		Jones, Ala.
		Jones, Mo.
		Jones, N. C.
		Judd
		Karsten, Mo.
		Kearney
		Kee
		Kelley, Pa.
		Kersten, Wis.
		Kilday
		King, Calif.
		Kirwan
		Kluczynski
		Knox
		Krueger
		Laird
		Landrum
		Lanham
		LeCompte
		Lesinski
		Lipscomb
		Lovre
		McCarthy
		McConnell
		McCormack
		McCulloch
		McDonough
		McGregor
		McIntire
		McMillan
		McVey
		Mack, Ill.
		Mack, Wash.
		Madden
		Magnuson
		Mahon
		Marshall
		Martin, Iowa
		Matthews
		Meader
		Merrill
		Merrow
		Metcalf
		Miller, Calif.
		Miller, Kans.
		Miller, Md.
		Miller, Nebr.
		Mills
		Mollohan
		Moss
		Moulder
		Mumma
		Natcher
		Neal
		Nelson
		Norblad
		Norrell
		Oakman
		O'Brien, Ill.
		O'Brien, N. Y.
		O'Hara, Ill.
		O'Hara, Minn.
		Ostertag
		Passman
		Patman
		Patterson
		Pelly
		Pfost
		Phillips
		Pilcher
		Pillion
		Poage
		Poff
		Polk
		Preston
		Price
		Prouty
		Rabaut
		Radwan
		Rains
		Ray
		Rayburn
		Reams
		Reece, Tenn.
		Reed, Ill.
		Reed, N. Y.
		Rees, Kans.
		Rhodes, Ariz.
		Rhodes, Pa.
		Richards
		Riehlman
		Riley
		Rivers
		Roberts
		Robeson, Va.
		Robsion, Ky.
		Rogers, Colo.
		Rogers, Fla.
		Rogers, Mass.
		Rogers, Tex.
		Sadlak
		St. George
		Saylor
		Schenck
		Scudder
		Seely-Brown
		Selden
		Shafer
		Shelley
		Sheppard
		Shuford
		Sieminski
		Sikes
		Simpson, Ill.
		Simpson, Pa.
		Small
		Smith, Kans.
		Smith, Miss.
		Smith, Va.
		Smith, Wis.
		Spence
		Springer
		Staggers
		Stauffer
		Steed
		Stringfellow
		Sullivan
		Taber
		Talle
		Taylor
		Teague
		Thomas
		Thompson, La.
		Thompson, Mich.
		Thompson, Tex.
		Thornberry
		Tollefson
		Trimble
		Tuck
		Utt
		Van Pelt
		Van Zandt
		Velde
		Vorys
		Vursell
		Wainwright
		Walter
		Wampler
		Watts
		Westland
		Wharton
		Whitten
		Wickersham
		Widnall
		Wier
		Williams, Miss.
		Williams, N. Y.
		Wilson, Calif.
		Wilson, Ind.
		Wilson, Tex.
		Winstead
		Withrow
		Wolcott
		Wolverton
		Yorty
		Young
		Younger
		Zablocki

NAYS—57

Addonizio	Fine	Kelly, N. Y.
Bates	Fino	Keogh
Becker	Fogarty	King, Pa.
Boland	Forand	Klein
Bosch	Friedel	Latham
Busbey	Fulton	Mason
Byrd	Gamble	Miller, N. Y.
Byrne, Pa.	Garmatz	Morano
Canfield	Gary	Multer
Celler	Gavin	Nicholson
Chudoff	Granahan	O'Neill
Delaney	Green	Osmers
Derounian	Heselton	Philbin
Dollinger	Hess	Rodino
Donohue	Hoffman, Mich.	Rooney
Donovan	Holtzman	Scherer
Dorn, N. Y.	Javits	Scott
Eberharter	Kean	Sheehan
Fallon	Keating	Yates

NOT VOTING—58

Angell	Cotton	Gwinn
Barrett	Coudert	Harris
Bennett, Mich.	Cretella	Harrison, Nebr.
Bentsen	Curtis, Nebr.	Harrison, Wyo.
Blatnik	Davis, Tenn.	Hart
Brooks, La.	Dawson, Ill.	Hébert
Buckley	Dingell	Hoeven
Chatham	Evins	Howell
Clardy	Feighan	Jensen
	Kearns	Murray
	Kilburn	O'Brien, Mich.
	Lane	O'Konski
	Lantaff	Patten
	Long	Perkins
	Lucas	Powell
	Lyle	Priest
	Machrowicz	Regan
	Mailliard	Roosevelt
	Morgan	Scrivner
	Morrison	Secrest
		Short
		Sutton
		Vinson
		Warburton
		Weichel
		Wheeler
		Wigglesworth
		Williams, N. J.
		Willis

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hoeven with Mr. Chatham.
Mr. Short with Mr. Brooks of Louisiana.
Mr. Wigglesworth with Mr. Hébert.
Mr. Kilburn with Mr. Morrison.
Mr. Clardy with Mr. Roosevelt.
Mr. Angell with Mr. Vinson.
Mr. Mailliard with Mr. Willis.
Mr. Curtis of Nebraska with Mr. Lane.
Mr. Harrison of Nebraska with Mr. Barrett.
Mr. Cotton with Mr. Long.
Mr. Bennett of Michigan with Mr. Evins.
Mr. Kearns with Mr. Dingell.
Mr. O'Konski with Mr. Powell.
Mr. Gwinn with Mr. Buckley.
Mr. Cretella with Mr. Machrowicz.
Mr. Weichel with Mr. Williams of New Jersey.
Mr. Jensen with Mr. Priest.
Mr. Scrivner with Mr. O'Brien of Michigan.
Mr. Coudert with Mr. Lantaff.
Mr. Harrison of Wyoming with Mr. Feighan.
Mr. Warburton with Mr. Perkins.

Mr. DORN of New York changed his vote from "yea" to "nay."

Mr. BOSCH changed his vote from "yea" to "nay."

Mr. KING of Pennsylvania changed his vote from "yea" to "nay."

Mr. GAVIN changed his vote from "yea" to "nay."

Mr. FALLON changed his vote from "yea" to "nay."

Mr. EBERHARTER changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

ADJOURNMENT DATE OF CONGRESS

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Con. Res. 265) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring therein), That the two Houses of Congress shall adjourn on Saturday, July 31, 1954, and that when they adjourn on said day they stand adjourned sine die.

Mr. HALLECK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the passage of the resolution.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 183, nays 193, not voting 56, as follows:

[Roll No. 126]

YEAS—183

Abbitt	Arends	Barden
Adair	Auchincloss	Bates
Allen, Calif.	Ayres	Beamer
Allen, Ill.	Baker	Becker

Belcher	Halleck	Patterson
Bender	Hand	Pelly
Bentley	Harden	Phillips
Berry	Harvey	Pillion
Betts	Hess	Poage
Bishop	Hiestand	Poff
Bolton, Frances P.	Hill	Preston
	Hillelson	Prouty
Bonin	Hillings	Radwan
Bonner	Hinshaw	Ray
Bosch	Hoffman, Ill.	Reams
Bow	Hoffman, Mich.	Reece, Tenn.
Boykin	Holmes	Reed, Ill.
Bramblett	Holt	Reed, N. Y.
Brown, Ohio	Horan	Rees, Kans.
Brownson	Hosmer	Rhodes, Ariz.
Broyhill	Hruska	Riehlman
Budge	Hunter	Rivers
Bush	Hyde	Robeson, Va.
Byrnes, Wis.	Jackson	Robsion, Ky.
Canfield	James	Rogers, Colo.
Carrigg	Jenkins	Rogers, Fla.
Chenoweth	Johnson, Calif.	St. George
Chiperfield	Jonas, N. C.	Scherer
Church	Jones, N. C.	Scudder
Clevenger	Kean	Shafer
Cole, N. Y.	Kearney	Sheehan
Colmer	Kersten, Wis.	Shuford
Cooley	King, Pa.	Simpson, Pa.
Coon	Knox	Small
Crumpacker	Krueger	Smith, Kans.
Cunningham	Laird	Smith, Va.
Curtis, Mass.	Latham	Smith, Wis.
Curtis, Mo.	LeCompte	Springer
Dague	Lipscomb	Stauffer
Davis, Wis.	Lovre	Taber
Derounian	McConnell	Talle
Devereux	McCulloch	Taylor
D'Ewart	McDonough	Thompson, Mich.
Dies	McGregor	
Dolliver	McIntire	Tollefson
Dondero	McVey	Tuck
Durham	Mack, Wash.	Utt
Ellsworth	Martin, Iowa	Van Pelt
Fenton	Meader	Velde
Fisher	Merrill	Vorys
Ford	Merrow	Wampler
Frelinghuysen	Miller, Md.	Westland
Gamble	Miller, Nebr.	Wharton
Gavin	Miller, N. Y.	Widnall
Gentry	Mumma	Williams, N. Y.
George	Neal	Wilson, Calif.
Golden	Nelson	Wilson, Ind.
Goodwin	Nicholson	Wilson, Tex.
Graham	Norblad	Wolcott
Gubser	Oakman	Young
Gwinn	O'Konski	Younger
Hale	Osmers	

NAYS—193

Abernethy	Dempsey	Holifield
Addonizio	Dodd	Holtzman
Albert	Dollinger	Hope
Alexander	Donohue	Howell
Andersen, H. Carl	Donovan	Ikard
	Dorn, N. Y.	Jarman
Andresen, August H.	Dorn, S. C.	Javits
	Dowdy	Johnson, Wis.
Andrews	Doyle	Jonas, Ill.
Ashmore	Eberharter	Jones, Ala.
Aspinall	Edmondson	Jones, Mo.
Bailey	Elliott	Judd
Battle	Engle	Karsten, Mo.
Bennett, Fla.	Fallon	Keating
Blatnik	Feighan	Kee
Boggs	Fernandez	Kelley, Pa.
Boland	Fine	Kelly, N. Y.
Bolling	Fino	Kilday
Bowler	Fogarty	King, Calif.
Bray	Forand	Kirwan
Brooks, Tex.	Forrester	Klein
Brown, Ga.	Fountain	Kluczynski
Buchanan	Frazier	Landrum
Burdick	Friedel	Lanham
Burleson	Fulton	Lantaff
Byrd	Garmatz	Lesinski
Byrne, Pa.	Gary	McCarthy
Campbell	Gathings	McCormack
Cannon	Gordon	McMillan
Carlyle	Granahan	Mack, Ill.
Carnahan	Grant	Madden
Celler	Green	Magnuson
Chelf	Gregory	Mahon
Chudoff	Gross	Marshall
Cole, Mo.	Hagen, Calif.	Matthews
Condon	Hagen, Minn.	Metcalf
Cooper	Haley	Miller, Calif.
Corbett	Hardy	Miller, Kans.
Crosser	Harrison, Va.	Mills
Davis, Ga.	Hart	Mollohan
Dawson, Ill.	Hays, Ark.	Morano
Dawson, Utah	Hays, Ohio	Moss
Deane	Herlong	Multer
Delaney	Heselton	Natcher
Norrell	Rodino	Teague
O'Brien, Ill.	Rogers, Mass.	Thomas
O'Brien, N. Y.	Rogers, Tex.	Thompson, Tex.
O'Hara, Ill.	Rooney	Thornberry
O'Hara, Minn.	Sadlak	Trimble
O'Neill	Saylor	Van Zandt
Ostertag	Schenck	Vursell
Passman	Scott	Wainwright
Patman	Seely-Brown	Walter
Patten	Selden	Watts
Pfost	Shelley	Whitten
Philbin	Sheppard	Wickersham
Pilcher	Sieminski	Wier
Polk	Sikes	Williams, Miss.
Price	Simpson, Ill.	Williams, N. J.
Rabaut	Smith, Miss.	Winstead
Rains	Spence	Withrow
Rhodes, Pa.	Staggers	Wolverton
Richards	Steed	Yates
Riley	Stringfellow	Yorty
Roberts	Sullivan	Zablocki

NOT VOTING—56

Angell	Harris	Murray
Barrett	Harrison, Nebr.	O'Brien, Mich.
Bennett, Mich.	Harrison, Wyo.	Perkins
Bentsen	Hébert	Powell
Bolton, Oliver P.	Hoeven	Priest
	Jensen	Rayburn
Brooks, La.	Kearns	Regan
Buckley	Keogh	Roosevelt
Busbey	Kilburn	Scrivner
Cederberg	Lane	Secrest
Chatham	Long	Short
Clardy	Lucas	Sutton
Cotton	Lyle	Thompson, La.
Coudert	Machrowicz	Vinson
Cretella	Mailliard	Warburton
Curtis, Nebr.	Mason	Weichel
Davis, Tenn.	Morgan	Wheeler
Dingell	Morrison	Wigglesworth
Evins	Moulder	Willis

So the concurrent resolution was rejected.

Mr. KERSTEN of Wisconsin changed his vote from "nay" to "yea."

Messrs. JUDD, DAWSON of Utah, BOGGS, SHEPPARD, JONAS of Illinois, FINO, DORN of New York, MORANO, BRAY changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

CORRECTIONS IN ENROLLMENT OF HOUSING ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate concurrent resolution (S. Con. Res. 102) making corrections in the enrollment of H. R. 7839.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H. R. 7839) entitled "An act to aid in the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities," the Clerk of the House is authorized and directed to make the following corrections:

In the third sentence of section 221 (g) (3) of the National Housing Act, as added to that act by section 123 of the bill, insert the words "is assigned to the Commissioner," the clause "shall mature 10 years after such date."

In section 100 of the Housing Act of 1949, as added to that act by section 301 of the bill, substitute "sections 102 and 103" for "sections 103 and 104."

In section 613 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as added to that act by section 805 (3) of the bill, insert after the words "San Diego County" the words "or Imperial County."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to insert in the RECORD a brief summary review of the Housing Act of 1954, H. R. 7839.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISCHARGE RULE

Mr. HAGEN of Minnesota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HAGEN of Minnesota. Mr. Speaker, the inquiry is with reference to paragraph 908 of the rules of the House relative to a motion to discharge a committee. My question is, Is it possible during the last 6 days of the session after a motion to recess or adjourn sine die has been adopted by both Houses, to call up the bill H. R. 9245, the postal-pay bill, under the rules of the House?

The SPEAKER. In response to the parliamentary inquiry of the gentleman, the Chair invites attention to the second paragraph of clause 4 of rule XXVII, which contains the following statement:

> On the second and fourth Mondays of each month, except during the last 6 days of any session of Congress, immediately after the approval of the Journal, any Member who has signed a motion to discharge which has been on the calendar at least 7 days prior thereto, and seeks recognition, shall be recognized for the purpose of calling it up.

It seems perfectly clear to the Chair that the meaning of the rule is that when a motion has been on the calendar 7 legislative days a Member who signed the motion can call it up on the second or the fourth Monday, except when the second or fourth Monday comes during the last 6 days of a session. The exception then means that during the last 6 days of a session the motion cannot be called up at all.

SPECIAL ORDER GRANTED

Mr. PHILBIN asked and was given permission to address the House for 30 minutes today, following the legislative business of the day and any other special orders heretofore entered.

AMENDING MINERAL LEASING LAWS

Mr. WHARTON. Mr. Speaker, I call up the conference report on the bill (S. 3344) to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2552)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3344) to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the language of the House amendment insert the following: "That, (a) subject to the conditions and provisions of this Act and to any valid intervening rights acquired under the laws of the United States, any mining claim located under the mining laws of the United States subsequent to July 31, 1939, and prior to February 10, 1954, on lands of the United States, which at the time of location were—

"(1) included in a permit or lease issued under the mineral leasing laws; or

"(2) covered by an application or offer for a permit or lease which had been filed under the mineral leasing laws; or

"(3) known to be valuable for minerals subject to disposition under the mineral leasing laws,

shall be effective to the same extent in all respects as if such lands at the time of location, and at all times thereafter, had not been so included or covered or known: *Provided, however,* That, in order to be entitled to the benefits of this Act, the owner of any such mining claim located prior to January 1, 1953, must have posted and filed for record, within the time allowed by the provisions of the Act of August 12, 1953 (67 Stat. 539), an amended notice of location as to such mining claim, stating that such notice was filed pursuant to the provisions of said Act of August 12, 1953, and for the purpose of obtaining the benefits thereof: *And provided further,* That in order to obtain the benefits of this Act, the owner of any such mining claim located subsequent to December 31, 1952, and prior to February 10, 1954, not later than one hundred and twenty days after the date of enactment of this Act, must post on such claim in the manner required for posting notice of location of mining claims and file for record in the office where the notice or certificate of location of such claim is of record an amended notice of location for such claim, stating that such notice is filed pursuant to the provisions of this Act and for the purpose of obtaining the benefits thereof and, within said one hundred and twenty day period, if such owner shall have filed a uranium lease application as to the tract covered by such mining claim, must file with the Atomic Energy Commission a withdrawal of such uranium lease application or, if a uranium lease shall have issued pursuant thereto, a release of such lease, and must record a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall have been filed for record.

"(b) Labor performed or improvements made after the original location of and upon or for the benefit of any mining claim which shall be entitled to the benefits of this Act under the provisions of subsection (a) of this section 1, shall be recognized as applicable to such mining claim for all purposes to the same extent as if the validity of such mining claim were in no respect dependent upon the provisions of this Act.

"(c) As to any land covered by any mining claim which is entitled to the benefits of this Act under the provisions of subsection (a) of this section 1, any withdrawal or reservation of lands made after the original location of such mining claim is hereby modified and amended so that the effect thereof upon such mining claim shall be the same as if such mining claim had been located upon lands of the United States which, subsequent to July 31, 1939, and prior to the date of such withdrawal or reservation, were subject to location under the mining laws of the United States.

"SEC. 2. (a) If any mining claim which shall have been located subsequent to December 31, 1952, and prior to December 11, 1953, and which shall be entitled to the benefits of this Act, shall cover any lands embraced within any mining claim which shall have been located prior to January 1, 1953, and which shall be entitled to the benefits of this Act, then as to such area of conflict said mining claim so located subsequent to December 31, 1952, shall be deemed to have been located December 11, 1953.

"(b) If any mining claim hereafter located shall cover any lands embraced within any mining claim which shall have been located prior to February 10, 1954, and which shall be entitled to the benefits of this Act, then as to such area of conflict said mining claim hereafter located shall be deemed to have been located one hundred and twenty-one days after the date of the enactment of this Act.

"SEC. 3. (a) Subject to the conditions and provisions of this Act and to any valid prior rights acquired under the laws of the United States, the owner of any pending uranium lease application or of any uranium lease shall have, for a period of one hundred and twenty days after the date of enactment of this Act, as limited in subsection (b) of this section 3, the right to locate mining claims upon the lands covered by said application or lease.

"(b) Any rights under any such mining claim so hereafter located pursuant to the provisions of subsection (a) of this section 3 shall be subject to any rights of the owner of any mining claim which was located prior to February 10, 1954, and which was valid at the date of the enactment of this Act or which may acquire validity under the provisions of this Act. As to any lands covered by a uranium lease and also by a pending uranium lease application, the right of mining location under this section 3, as between the owner of said lease and the owner of said application, shall be deemed as to such conflict area to be vested in the owner of said lease. As to any lands embraced in more than one such pending uranium lease application, such right of mining location, as between the owners of such conflicting applications, shall be deemed to be vested in the owner of the prior application. Priority of such an application shall be determined by the time of posting on a tract then available for such leasing of a notice of lease application in accordance with paragraph (c) of the Atomic Energy Commission's Domestic Uranium Program Circular 7 (10 C. F. R. 60.7 (c)) provided there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have been such timely compliance, then by the time of the filing of the uranium lease application with the Atomic Energy Commission. Any rights under any mining claim located under the provisions of this section 3 shall terminate at the expiration of thirty days after the filing for record of the notice or certificate of location of such mining claim unless, within said thirty-day period, the owner of the uranium lease application or uranium lease upon which the location of such mining claim was predicated shall have filed with the Atomic Energy Commission a withdrawal of said application or a release of said lease and shall have recorded a notice of the filing of such withdrawal or release in the county office wherein such notice or certificate of location shall be of record.

"(c) Except as otherwise provided in subsections (a) and (b) of this section 3, no mining claim hereafter located shall be valid as to any lands which at the time of such location were covered by a uranium lease application or a uranium lease. Any tract upon which a notice of lease application has been posted in accordance with said paragraph (c) of said Circular 7 shall be deemed to have been included in a uranium lease application from and after the time of the posting of such notice of lease application: *Provided,* That there shall have been timely compliance with the other provisions of said paragraph (c) or, if there shall not have been such timely compliance, then from and after the time of the filing of a uranium lease application with the Atomic Energy Commission.

"SEC. 4. Every mining claim or millsite—

"(1) heretofore located under the mining laws of the United States which shall be entitled to benefits under the first three sections of this Act; or

"(2) located under the mining laws of the United States after the effective date of passage of this Act,

shall be subject, prior to issuance of a patent therefor, to a reservation to the United States of all Leasing Act minerals and of the right (as limited in section 6 hereof) of the United States, its lessees, permittees, and licensees to enter upon the land covered by such mining claim or millsite and to prospect for, drill for, mine, treat, store, transport, and remove Leasing Act minerals and to use so much of the surface and subsurface of such mining claim or millsite as may be necessary for such purposes, and whenever reasonably necessary, for the purpose of prospecting for, drilling for, mining, treating, storing, transporting, and removing Leasing Act minerals on and from other lands; and any patent issued for any such mining claim or millsite shall contain such reservation as to, but only as to, such lands covered thereby which at the time of the issuance of such patent were—

"(a) included in a permit or lease issued under the mineral leasing laws; or

"(b) covered by an application or offer for a permit or lease filed under the mineral leasing laws; or

"(c) known to be valuable for minerals subject to disposition under the mineral leasing laws.

"SEC. 5. Subject to the conditions and provisions of this Act, mining claims and millsites may hereafter be located under the mining laws of the United States on lands of the United States which at the time of location are—

"(a) included in a permit or lease issued under the mineral leasing laws; or

"(b) covered by an application or offer for a permit, or lease filed under the mineral leasing laws; or

"(c) known to be valuable for minerals subject to disposition under the mineral leasing laws;

to the same extent in all respects as if such lands were not so included or covered or known.

"SEC. 6. (a) Where the same lands are being utilized for mining operations and Leasing Act operations, each of such operations shall be conducted, so far as reasonably practicable, in a manner compatible with such multiple use.

"(b) Any mining operations pursuant to rights under any unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this Act, shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any Leasing Act mineral. Subject to the provisions of subsection (d) of this section 6, mining operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of Leasing Act operations, or with the utilization of such improvements, workings, or facilities.

"(c) Any Leasing Act operations on lands covered by an unpatented or patented mining claim or millsite which shall be subject to a reservation to the United States of Leasing Act minerals as provided in this Act shall be conducted, so far as reasonably practicable, in a manner which will avoid damage to any known deposit of any mineral not so reserved from such mining claim or millsite. Subject to the provisions of subsection (d) of this section 6, Leasing Act operations shall be so conducted as not to endanger or materially interfere with any existing surface or underground improvements, workings, or facilities which may have been made for the purpose of mining operations, or with the utilization of such improvements, workings, or facilities.

"(d) If, upon petition of either the mining operator or the Leasing Act operator, any court of competent jurisdiction shall find that a particular use in connection with one of such operations cannot be reasonably and properly conducted without endangering or materially interfering with the then existing improvements, workings, or facilities of the other of such operations or with the utilization thereof, and shall find that under the conditions and circumstances, as they then appear, the injury or damage which would result from denial of such particular use would outweigh the injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof if that particular use were allowed, then and in such event such court may permit such use upon payment (or upon furnishing of security determined by the court to be adequate to secure payment) to the party or parties who would be thus injured or damaged, of an amount to be fixed by the court as constituting fair compensation for the then reasonably contemplated injury or damage which would result to such then existing improvements, workings, or facilities or from interference with the utilization thereof by reason for the allowance of such particular use.

"(e) Where the same lands are being utilized for mining operations and Leasing Act operations, then upon request of the party conducting either of said operations, the party conducting the other of said operations shall furnish to and at the expense of such requesting party copies of any information which said other party may have, as to the situs of any improvements, workings, or facilities theretofore made upon such lands, and upon like request, shall permit such requesting party, at the risk of such requesting party, to have access at reasonable times to any such improvements, workings, or facilities for the purpose of surveying and checking or determining the situs thereof. If damage to or material interference with a party's improvements, workings, facilities, or with the utilization thereof shall result from such party's failure, after request, to so furnish to the requesting party such information or from denial of such access, such failure or denial shall relieve the requesting party of any liability for the damage or interference resulting by reason of such failure or denial. Failure of a party to furnish requested information or access shall not impose upon such party any liability to the requesting party other than for such costs of court and attorney's fees as may be allowed to the requesting party in enforcing by court action the obligations of this section as to the furnishing of information and access. The obligation hereunder of any party to furnish requested information shall be limited to map and survey information then available to such party with respect to the situs of improvements, workings, and facilities and the furnishing thereof shall not be deemed to constitute any representation as to the accuracy of such information.

"SEC. 7. (a) Any applicant, offeror, permittee, or lessee under the mineral leasing laws may file in the office of the Secretary of the Interior, or in such office as the Secretary may designate, a request for publication of notice of such application, offer, permit, or lease, provided expressly, that not less than ninety days prior to the filing of such request for publication there shall have been filed for record in the county office of record for the county in which the lands covered thereby are situate a notice of the filing of such application or offer or of the issuance of such permit or lease which notice shall set forth the date of such filing or issuance, the name and address of the applicant, offeror, permittee or lessee and the description of the lands covered by such application, offer, permit or lease, showing the section or sections of the public land surveys which embrace the lands covered by such application, offer, permit, or lease, or if such lands are unsurveyed, either the section or sections which would probably embrace such lands when the public lands surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument.

"The filing of such request for publication shall be accompanied by a certified copy of such recorded notice and an affidavit or affidavits of a person or persons over twenty-one years of age setting forth that the affiant or affiants have examined the lands involved in a reasonable effort to ascertain whether any person or persons were in actual possession of or engaged in the working of such lands or any part thereof, and, if no person or persons were found to be in actual possession of or engaged in the working of said lands or any part thereof on the date of such examination, setting forth such fact, or, if any person or persons were so found to be in actual possession or engaged in such working on the date of such examination, setting forth the name and address of each such person, unless affiant shall have been unable through reasonable inquiry to obtain information as to the name and address of any such person, in which event the affidavit shall set forth fully the nature and results of such inquiry.

"The filing of such request for publication shall also be accompanied by the certificate of a title or abstract company, or of a title abstractor, or of an attorney, based upon such company's, abstractor's, or attorney's examination of the instruments affecting the lands involved, of record in the public records of the county in which said lands are situate as shown by the indices of the public records in the county office of record for said county, setting forth the name of any person disclosed by said instruments to have an interest in said lands under any unpatented mining claim heretofore located, together with the address of such person if disclosed by such instruments of record.

"Thereupon the Secretary of the Interior, or his designated representative, at the expense of the requesting person (who, prior to the commencement of publication, must furnish the agreement of the publisher to hold such requesting person alone responsible for charges of publication), shall cause notice of such application, offer, permit, or lease to be published in a newspaper having general circulation in the county in which the lands involved are situate.

"Such notice shall describe the lands covered by such application, offer, permit, or lease, as provided heretofore in the notice to be filed in the office of record of the county in which the lands covered are situate, and shall notify whomever it may concern that if any person claiming or asserting under, or by virtue of, any unpatented mining claim heretofore located, any right or interest in Leasing Act minerals as to such lands or any part thereof, shall fail to file in the office where such request for publication was filed (which office shall be specified in such notice) and within one hundred fifty days from the date of the first publication of such notice (which date shall be specified in such notice), a verified statement which shall set forth, as to such unpatented mining claim:

"(1) The date of location;

"(2) The book and page of recordation of the notice or certificate of location;

"(3) The section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument;

"(4) Whether such claimant is a locator or purchaser under such location; and

"(5) The name and address of such claimant and names and addresses so far as known to the claimant of any other person or persons claiming any interest or interests in or under such unpatented mining claim;

such failure shall be conclusively deemed (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this Act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining claim.

"If such notice is published in a daily paper, it shall be published in the Wednesday issue for nine consecutive weeks, or, if in a weekly paper, in nine consecutive issues, or, if in a semiweekly or triweekly paper, in the issue of the same day of each week for nine consecutive weeks.

"Within fifteen days after the date of first publication of such notice, the person requesting such publication (1) shall cause a copy of such notice to be personally delivered to or to be mailed by registered mail addressed to each person in possession or engaged in the working of the land whose name and address is shown by an affidavit filed as aforesaid, and to each person who may have filed, as to any lands described in said notice, a request for notices, as provided in subsection (d) of this section 7, and shall cause a copy of such notice to be mailed by registered mail to each person whose name and address is set forth in the title or abstract company's or title abstractor's or attorney's certificate filed as aforesaid, as having an interest in the lands described in said notice under any unpatented mining claim heretofore located,

such notice to be directed to such person's address as set forth in such certificate; and (2) shall file in the office where said request for publication was filed an affidavit showing that copies have been so delivered or mailed.

"(b) If any claimant under any unpatented mining claim heretofore located which embraces any of the lands described in any notice published in accordance with the provisions of subsection (a) of this section 7 shall fail to file a verified statement, as above provided, within one hundred and fifty days from the date of the first publication of such notice, such failure shall be conclusively deemed, except as otherwise provided in subsection (e) of this section 7, (i) to constitute a waiver and relinquishment by such mining claimant of any and all right, title, and interest under such mining claim as to, but only as to, Leasing Act minerals, and (ii) to constitute a consent by such mining claimant that such mining claim and any patent issued therefor, shall be subject to the reservation specified in section 4 of this Act, and (iii) to preclude thereafter any assertion by such mining claimant of any right or title to or interest in any Leasing Act mineral by reason of such mining claim.

"(c) If any verified statement shall be filed by a mining claimant as provided in subsection (a) of this section 7, then the Secretary of the Interior or his designated representative shall fix a time and place for a hearing to determine the validity and effectiveness of the mining claimant's asserted right or interest in Leasing Act minerals, which place of hearing shall be in the county where the lands in question or parts thereof are located, unless the mining claimant agrees otherwise. The procedures with respect to notice of such a hearing and the conduct thereof, and in respect to appeals shall follow the then established general procedures and rules of practice of the Department of the Interior in respect to contests or protests affecting public lands of the United States. If, pursuant to such a hearing, the final decision rendered in the matter shall affirm the validity and effectiveness of any mining claimant's right or interest under the mining claim as to Leasing Act minerals, then no subsequent proceedings under this section 7 of this Act shall have any force or effect upon the so-affirmed right or interest of such mining claimant under such mining claim. If at any time prior to a hearing the person requesting publication of notice and any person filing a verified statement pursuant to such notice shall so stipulate, then to the extent so stipulated, but only to such extent, no hearing shall be held with respect to rights asserted under that verified statement, and to the extent defined by the stipulation the rights asserted under that verified statement shall be deemed to be unaffected by that particular published notice.

"(d) Any person claiming any right in Leasing Act minerals under or by virtue of any unpatented mining claim heretofore located and desiring to receive a copy of any notice of any application, offer, permit, or lease which may be published as above provided in subsection (a) of this section 7, and which may affect lands embraced in such mining claim, may cause to be filed for record in the county office of record where the notice or certificate of location of such mining claim shall have been recorded, a duly acknowledged request for a copy of any such notice. Such request for copies shall set forth the name and address of the person requesting copies and shall also set forth, as to each mining claim under which such person asserts rights in Leasing Act minerals:

"(1) the date of location;

"(2) the book and page of the recordation of the notice or certificate of location; and

"(3) the section or sections of the public land surveys which embrace such mining claim; or if such lands are unsurveyed, either the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument.

Other than in respect to the requirements of subsection (a) of this section 7 as to personal delivery or mailing of copies of notices and in respect to the provisions of subsection (e) of this section 7, no such request for copies of published notices and no statement or allegation in such request and no recordation thereof shall affect title to any mining claim or to any land, or be deemed to constitute constructive notice to any person that the person requesting copies has, or claims, any right, title, or interest in or under any mining claim referred to in such request.

"(e) If any applicant, offeror, permittee, or lessee shall fail to comply with the requirements of subsection (a) of this section 7 as to the personal delivery or mailing of a copy of notice to any person, the publication of such notice shall be deemed wholly ineffectual as to that person or as to the rights asserted by that person and the failure of that person to file a verified statement, as provided in such notice, shall in no manner affect, diminish, prejudice or bar any rights of that person.

"SEC. 8. The owner or owners of any mining claim heretofore located may, at any time prior to issuance of patent therefor, waive and relinquish all rights thereunder to Leasing Act minerals. The execution and acknowledgment of such a waiver and relinquishment by such owner or owners and the recordation thereof in the office where the notice or certificate of location of such mining claim is of record shall render such mining claim thereafter subject to the reservation referred to in section 4 of this Act and any patent issued therefor shall contain such a reservation, but no such waiver or relinquishment shall be deemed in any manner to constitute any concession as to the date of priority of rights under said mining claim or as to the validity thereof.

"SEC. 9. Lands withdrawn from the public domain which are within (a) Helium Reserve Numbered 1, pursuant to Executive orders of March 21, 1924, and January 28, 1926, and (b) Helium Reserve Numbered 2 pursuant to Executive Order 6184 of June 26, 1933, shall be subject to entry and location under the mining laws of the United States, and to permit and lease under the mineral leasing laws, upon determination by the Secretary of the Interior, based upon available geologic and other information, that there is no reasonable probability that operations pursuant to entry or location of the particular lands under the mining laws, or pursuant to a permit or lease of the particular lands under the Mineral Leasing Act, will result in the extraction or cause loss or waste of the helium-bearing gas in the lands of such reserves: *Provided*, That the lands shall not become subject to entry, location, permit, or lease until such time as the Secretary designates in an order published in the Federal Register: *And provided further*, That the Secretary may at any time as a condition to continued mineral operations require the entryman, locator, permittee or lessee to take such measures either above or below the surface of the lands as the Secretary deems necessary to prevent loss or waste of the helium-bearing gas.

"SEC. 10. The Atomic Energy Act is hereby amended as follows:

"(a) Section 5 (b) (5) is revised to read:

"'(5) Acquisition: The Commission is authorized to the extent it deems necessary to effectuate the provisions of this Act—

"'(A) to purchase, take, requisition, condemn, or otherwise acquire supplies of fissionable source materials or any interest in real property containing deposits of fissionable source materials; and

"'(B) to purchase, take, requisition, condemn, or otherwise acquire rights to enter upon any real property deemed by it to have possibilities of containing deposits of fissionable source materials and to conduct prospecting and exploratory operations for such deposits.

Any purchase made under this paragraph may be made without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) upon certification by the Commission that such action is necessary in the interest of the common defense and security, or upon a showing that advertising is not reasonably practicable, and partial and advance payments may be made thereunder. The Commission may establish guaranteed prices for all fissionable source materials delivered to it within a specified time. Just compensation shall be made for any property or interest in property purchased, taken, requisitioned, condemned, or otherwise acquired under this paragraph.'

"(b) Section 5 (b) (6) is revised to read:

"'(6) Operations on lands belonging to the United States: The Commission is authorized, to the extent it deems necessary to effectuate the provisions of this Act, to issue leases or permits for prospecting for, exploration for, mining, or removal of deposits of fissionable source materials (or for any or all of these purposes) in lands belonging to the United States: *Provided*, That, notwithstanding any other provisions of law, such leases or permits may be issued for lands administered for national park, monument, and wildlife purposes only when the President, by Executive order, finds and declares that such action is necessary in the interests of national defense.'

"(c) Section 5 (b) (7) is revised to read:

"'(7) Public lands: No individual, corporation, partnership, or association, which had any part, directly or indirectly, in the development of the atomic energy program, may benefit by any location, entry, or settlement upon the public domain made after such individual, corporation, partnership, or association took part in such program, if such individual, corporation, partnership, or association, by reason of having had such part in the development of the atomic energy program, acquired confidential official information as to the existence of deposits of such uranium, thorium, or other fissionable source materials in the specific lands upon which such location, entry, or settlement is made, and subsequent to the date of the enactment of this Act made such location, entry, or settlement or cause the same to be made for his, or its, or their benefit. In cases where any patent, conveyance, lease, permit, or other authorization has been issued, which reserved to the United States fissionable source materials and the right to enter upon the land and prospect for, mine, and remove the same, the head of the department or agency which issued the patent, conveyance, lease, permit, or other authorization shall, on application of the holder thereof, issue a new or supplemental patent, conveyance, lease, permit, or other authorization without such reservation.'

"(d) Notwithstanding the provisions of the Atomic Energy Act, and particularly section 5 (b) (7) thereof, prior to its amendment hereby, or the provisions of the Act of August 12, 1953 (67 Stat. 539), and particularly section 3 thereof, any mining claim, heretofore located under the mining laws of the United States, for, or based upon a discovery of a mineral deposit which is a fissionable source material and which, except

for the possible contrary construction of said Atomic Energy Act, would have been locatable under such mining laws, shall, insofar as adversely affected by such possible contrary construction, be valid and effective, in all respects to the same extent as if said mineral deposit were a locatable mineral deposit other than a fissionable source material.

"SEC. 11. As used in this Act 'mineral leasing laws' shall mean the Act of October 20, 1914 (38 Stat. 741); the Act of February 25, 1920 (41 Stat. 437); the Act of April 17, 1926 (44 Stat. 301); the Act of February 7, 1927 (44 Stat. 1057); and all Acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing Acts; 'Leasing Act minerals' shall mean all minerals which, upon the effective date of this Act, are provided in the mineral leasing laws to be disposed of thereunder; 'Leasing Act operations' shall mean operations conducted under a lease, permit, or license issued under the mineral leasing laws in or incidental to prospecting for, drilling for, mining, treating, storing, transporting, or removing Leasing Act minerals; 'mining operations' shall mean operations under any unpatented or patented mining claim or millsite in or incidental to prospecting for, mining, treating, storing, transporting, or removing minerals other than Leasing Act minerals and any other use under any claim of right or title based upon such mining claim or millsite; 'Leasing Act operator' shall mean any party who shall conduct Leasing Act operations; 'mining operator' shall mean any party who shall conduct mining operations; 'Atomic Energy Act' shall mean the Act of August 1, 1946 (60 Stat. 755), as amended; 'Atomic Energy Commission' shall mean the United States Atomic Energy Commission established under the Atomic Energy Act or any amendments thereof; 'fissionable source material' shall mean uranium, thorium, and all other materials referred to in section 5 (b) (1) of the Atomic Energy Act as reserved or to be reserved to the United States; 'uranium lease application' shall mean an application for a uranium lease filed with said Commission with respect to lands which would be open for entry under the mining laws except for their being lands embraced within an offer, application, permit, or lease under the mineral leasing laws or lands known to be valuable for minerals leasable under those laws; 'uranium lease' shall mean a uranium mining lease issued by said Commission with respect to any such lands; and 'person' shall mean any individual, corporation, partnership, or other legal entity.

"SEC. 12. Nothing in this Act shall be construed to waive, amend, or repeal the requirement of any provision of any law for approval of any official of the United States whose approval prior to prospecting, exploring, or mining would be required.

"SEC. 13. If any provision of this Act, or the application of such provision to any person or circumstances, is held unconstitutional, invalid, or unenforcible, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held unconstitutional, invalid, or unenforcible, shall not be affected thereby."

And the House agree to the same.

J. ERNEST WHARTON,
WESLEY A. D'EWART,
WILLIAM A. DAWSON,
CLIFTON YOUNG,
CLAIR ENGLE,
WAYNE N. ASPINALL,
GRACIE PFOST,
Managers on the Part of the House.

EUGENE D. MILLIKIN,
ARTHUR V. WATKINS,
FRANK A. BARRETT,
JAMES E. MURRAY,
CLINTON P. ANDERSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3344) to amend the mineral leasing laws to provide for multiple mineral development of the same tracts of the public lands, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report, namely:

Section 4: This section was given very carful consideration. The House amendment has been reworded to change its negative approach relative to the procedure of placing reservations of leasable minerals in mining claim patents to the positive language adopted by the conferees. Mining claims, whether located in conformity with the provisions of Public Law 250, 83d Congress, or subsequent to the enactment of this legislation, will be subject to reservation of Leasing Act minerals only if such claims are located on public lands to which the mineral leasing acts are applicable at the time the patent issues.

Mining claims located on public lands to which, at time of issuance of patent, the mineral leasing acts are not applicable are exempt from this reservation and full title to all minerals will pass to claimant with the patent.

The time of issuance of a patent, rather than the time of application, was selected because of the possibility of the long time lag between application for, and perfection of, patent. If time of application governed, the effect would be to block development of leasable minerals not only as to the claim involved but possibly as to the area in which the claim was located. This would be contrary to the intent of this legislation which has as its stated purpose the maximum possible development of the public domain, keeping in mind that there is nothing in the act which prohibits the operator from occupying the dual position of being both a locator and a lessee. By making the time of issuance the cutoff for the reservation of leasable minerals, the land is kept open for development of these minerals up to the time patent issues.

Section 7: Certain changes in language suggested by both Senate and House conferees were adopted in the interest of clarification and the further protection of the mining claimant; certain language appearing in the Senate bill, but which was omitted from the House bill, was agreed to.

Section 9: This did not apppear in the House bill. The Senate version was reworded and the section was agreed to. This section opens public lands, which have been withdrawn for helium, to entry under the mining laws and to permit and lease under the mineral leasing laws, upon determination by the Secretary of the Interior that such activity will not result in waste of helium-bearing gas. The Secretary is given the authority to require such operations to be conducted so as to prevent loss or waste of the helium-bearing gas.

Section 10: Certain changes in language were made to conform to the Atomic Energy Act. Subsection (6) was amended to exclude specifically national parks, monuments, and wildlife areas from the provisions of this act, except when the President declares by Executive order that issuance of leases or permits under this subsection are necessary to the national defense. Working agreements presently existing are not affected in any way. The amendment will not operate to affect the special use permit between the National Park Service and the Atomic Energy Commission, approved February 1, 1952, by the Department of the Interior; approved February 19, 1952, by the Atomic Energy Commission, with respect to Capitol Reef National Monument, Utah.

Section 12 restates this principle in general terms relative to the mineral development of the public lands generally, and expresses the intent of the bill to limit the changes in the operation of the mining laws and the mineral leasing laws to the specific provisions of the bill.

J. ERNEST WHARTON,
WESLEY A. D'EWART,
WILLIAM A. DAWSON,
CLIFTON YOUNG,
CLAIR ENGLE,
WAYNE N. ASPINALL,
GRACIE PFOST,
Managers on the Part of the House.

Mr. WHARTON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

FAMILY HOUSING FOR PERSONNEL OF ARMED FORCES

Mr. ALLEN of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 662 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9924) to provide for family quarters for personnel of the military departments of the Department of Defense and their dependents, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker——

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from Michigan to propound a parliamentary inquiry?

Mr. ALLEN of Illinois. I yield.

Mr. HOFFMAN of Michigan. Is this a privileged resolution from the Rules Committee?

The SPEAKER. It is.

Mr. ALLEN of Illinois. It deals with the matter of military housing.

Mr. Speaker, I know of no one who is against this rule which provides for 13,613 units of military housing for the personnel in the military services. The purpose, of course, is to provide adequate housing for the military personnel.

Mr. Speaker, I rise to urge the adoption of House Resolution 662 which will make in order the consideration of the bill (H. R. 9924) to provide for family quarters for personnel of the military departments of the Department of De-

fense and their dependents, and for other purposes.

House Resolution 662 provides for an open rule with 1 hour of general debate. I do not know of anyone that is opposed to the adoption of the rule.

Mr. Speaker, H. R. 9924 would authorize the military departments to provide family housing for personnel of the Armed Forces by the construction of 13,613 units, including replacement of substandard housing, and the rehabilitation of additional units, but at a total cost of not to exceed $175 million.

Mr. Speaker, this bill has been introduced as a partial answer to the pressing problem of providing adequate family quarters for our military personnel. We all know that in this day and age when the world situation is so uncertain that it is extremely important that our country have an adequately trained and competent corps of military personnel.

The housing arrangements for the military have been so poor in recent years, due to the lack of quarters and the inability of finding outside family quarters, that the reenlistment rates have declined considerably. This, I think all Members of the House will agree, is an extremely dangerous situation.

Since the Armed Forces have been unable in recent years to provide the necessary housing for our military personnel through housing constructed with appropriated funds, the recent alternative has been the granting of a monetary allowance for quarters to be secured individually by the military personnel as best they can.

The drawbacks to this solution of the housing problem are obvious when you consider the usual crowded conditions that exist near any military installation.

While H. R. 9924 would provide for less than 10 percent of the family housing needs of the Armed Forces, even on the present understrength condition of the military forces, still this bill proposes to start solving the problem on a permanent and effective basis. The report stresses the fact that the original investment made by the Government to provide housing for military personnel will be amortized over a period of 14 years due to the fact that no housing allowance will have to be made for each family occupying these housing units.

Mr. Speaker, this problem has to be solved in some way or other and there is no time to be lost in working out the answer. I hope that the House membership will see fit to adopt this rule and that the House will proceed to the consideration of the bill.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. PHILLIPS. The gentleman said he knew of no one opposed to the rule. I am very much in opposition to the bill in its present form. I hope it will be recommitted, and I would be very willing to vote against the rule to attain that end.

I would like to have time to explain my point.

Mr. SHEPPARD. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. SHEPPARD. There are some people on this side who object to the rule.

Mr. ALLEN of Illinois. I said that I knew of none; now I know differently.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. McDONOUGH. I want to reiterate the statement made by my colleague from California [Mr. PHILLIPS]. I also am opposed to the bill. I trust it will be recommitted. I think it is a very poor method of financing and I would vote against the rule in order to attain that purpose.

Mr. ALLEN of Illinois. Mr. Speaker, I am hoping that this rule will be adopted. After the observations that have just been made, the matter can be debated fully after we adopt the rule. It is an open one. All Members will have an opportunity to speak on it. I reiterate that we should adopt the rule, and then the matter will be open for full discussion.

The bill provides for 13,613 units for the military, chiefly for the enlisted personnel. In my opinion, this will stimulate the enlistment of people in the armed services as well as be of great value in connection with reenlistments. I cannot conceive of anything that would retard enlistment and reenlistment in the military more than inadequate housing for those we are striving to get and to keep in the service. I should mention especially that every time there is a voluntary enlistment and reenlistment it means that many less to be drafted. Personally, I believe we should make things as satisfactory as we can for those who want to voluntarily enlist or reenlist, which, as I say, would automatically lessen the necessity for the draft.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from New York.

Mr. TABER. One of the worst things that the Congress has to contend with is this continual demand of the Military Establishment to place additional housing in places where they are not needed. I am afraid from my examination of this bill that is just what it does.

Mr. ALLEN of Illinois. I thank the gentleman. Mr. Speaker, I made a considerable study of this matter after the bill was reported from the Committee on Armed Services and I find that the amount of money involved is not nearly as great as might appear from the bill itself. For instance, when the military personnel is quartered in congested areas they are granted, in some cases, additional monetary consideration to rent quarters. In cities like Detroit and other large areas where there is congestion it is most difficult at times for the enlisted personnel, the sergeants and corporals, to rent quarters. This becomes important when the Government must give them additional money to rent quarters. Where there is adequate housing on the post itself they do not have to give the personnel this additional monetary consideration.

Mr. DEVEREUX. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Maryland.

Mr. DEVEREUX. The gentleman from Illinois has brought out the question of reenlistments. If we do not make the services attractive reenlistmentwise, insofar as officers are concerned, we will lose all of those skilled people from the military services and in the long run it will cost us millions of dollars more in order to try to make the services more attractive so that the officer personnel will not resign and so that the enlisted personnel, particularly in the first three grades, the very backbone of the military services, will not resign. If we do not make it attractive they will not reenlist. That is exactly the problem we are up against today.

Mr. ALLEN of Illinois. I thank the gentleman from Maryland for his observation.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. May I say that I wholeheartedly agree with the gentleman from Maryland who just spoke. The general has had much experience in connection with the military.

May I call attention to the fact that just last week the Committee on Armed Services of the House brought in a bill which passed scarcely without any objection whatsoever in order to give enlisted military personnel an opportunity to reenlist. The same thing is true of the officer personnel. In all of the services they have been denied too many of the comforts of life because we have been too penurious with them. This is one way of retaining both qualified officer personnel and enlisted personnel. I know myself, Mr. Speaker, in conversations with officers of different branches, in the service and in the reserve, that they are trying to get out as quickly as they can because of living conditions and other matters of that sort. In the long run this bill would save money.

Mr. JOHNSON of California. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from California.

Mr. JOHNSON of California. We had exhaustive hearings before we brought this bill to the floor of the House. The housing conditions for our enlisted men and the junior officers are deplorable. This is only a stopgap piece of legislation that will provide for but 10 percent of the housing requirements in the military service. I certainly hope that the House will give us a chance to prove our case and not shut us off by refusing a rule.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from South Carolina.

Mr. RIVERS. In every appropriation bill for the military there are items for millions and millions of dollars for quarters allowance that we are going to pay

out. I do not care what anybody on this floor says, we have got to appropriate it, and we have appropriated it under the law. The Committee on Appropriations does it every day. This bill is going to remove the necessity of going off of the bases and looking for housing, which we pay for day in and day out. This is trying to obviate the "skinning" of these people and causing them to pay these very exorbitant prices. This is an orderly approach to stop this spending which we are doing every year and which runs up into the untold millions.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I think, if I may be permitted to say so, that there are certain things about this bill that should be known. First, we need this housing; we cannot get it any other way. That was demonstrated in the testimony before the subcommittee of the Committee on Armed Services. This bill does not interfere with Wherry housing. This bill does not interfere with private housing. This bill provides that these houses shall be built on or near installations where they do not have and cannot get the proper kind of housing. Also, when you study this bill, you will find in the long run it will save the Government money. It is true that it will require some appropriations, whereas in the housing built under Wherry housing or under private housing, appropriations might not be needed at this time. But, under Wherry housing the Defense Department or the Government through the Defense Department pays the rent through the living quarters allowances to the officers and personnel. Under the Government-owned housing, this money is saved because it is paid right back into the Government and eventually it becomes self-liquidating. The Government owns the housing, whereas under private housing it never does. It just pays the rent. This bill is necessary now for the defense and security of our country and for the morale of our troops.

Mr. ALLEN of Illinois. I thank the gentleman.

I wish to state further, Mr. Speaker, that undoubtedly from what has been mentioned here today this could come under the Wherry Act but I believe that all will admit that when these homes are built on these bases and airfields under these provisions, and built under the supervision of the engineers, they will be much better homes, more permanent-type homes. I believe all will admit that under the Wherry Act, the homes that were built are not of the most permanent kind.

I believe it is important to make this observation, and it has to do with the financial consideration. We have now tens of thousands of young veterans in the service who, when they come back, will have the privilege of going to college under the GI bill of rights. That is a costly proposition. If we can keep those youngsters who are entitled, if they leave the service, to go to college under the GI bill of rights, if we can make it attractive for them to stay in the service by giving them better housing and other more attractive conditions, it will lessen the cost of the GI bill of rights.

So when we consider the figures, we should consider that factor, along with the factor of having to pay $80 or $100 or $120 for quarters off the base, in congested areas. Taking all those factors into consideration, I would say that the amount involved in this bill is very small.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the majority whip.

Mr. ARENDS. Mr. Speaker, just the other day this House passed a reenlistment bonus bill which had for its purpose keeping trained personnel in the armed services. The Congress has done one thing after another in an effort to keep the right type of individuals in the service. The proposed measure here may be looked upon as just another one of the fringe benefits that we are offering in order to keep the right type of individuals in the various branches of our armed services. In the long run it will cost the Government nothing, but it will be another step in the right direction to take care of the personnel in the armed services. There is no reason why anyone should oppose this bill, as I see it.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from California.

Mr. PHILLIPS. Mr. Speaker, all this is very interesting, but what has been said here has nothing to do with the objections to the bill. If my distinguished friend the gentleman from Iowa [Mr. CUNNINGHAM] will accept an amendment to this bill, to make it do what he says it does, there would be no objection to it. But when the gentleman stands up and says that this does not interfere with Wherry housing, then I suggest that he read the bill; because in locations where there are vacancies in Wherry housing the contractors were told that they would be permitted to build additional housing.

Why am I interested? Because all this backs up against the Committee on Appropriations and against my subcommittee, because we have to put up the money for the mortgages that are involved in this housing.

If the gentlemen who are urging this bill here today will accept amendments on the floor to make the bill do what they have testified here that it would do, there would be no objection. But the bill as it is does not do those things that they say it does.

Mr. ALLEN of Illinois. Of course, I cannot give the gentleman from California [Mr. PHILLIPS] any assurance about that. But inasmuch as the gentleman has logic on his side, according to his own best judgment, I hope that he is not going to deny giving the membership of the House the value of his good judgment.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield to me?

Mr. ALLEN of Illinois. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I should like to propound an interrogation to the gentleman from California. Will the gentleman from California assure us that he can guarantee Wherry housing at installations that are not permanent?

Mr. PHILLIPS. You have some in here now that are not permanent.

Mr. CUNNINGHAM. The gentleman knows that you cannot get Wherry housing on installations that are not permanent. I am asking the gentleman if he can assure that.

Mr. PHILLIPS. We are not interested in that.

Mr. CUNNINGHAM. How are we going to get housing for the families in the service if we cannot get private housing, unless the Government builds the housing? That is what this bill does.

Mr. PHILLIPS. We are not even arguing the point; the gentleman is correct. All I am trying to do is to defend the $1.4 billion that the taxpayers now have invested in Wherry housing, instead of adding it to the national debt.

Mr. CUNNINGHAM. I beg the gentleman's pardon. The taxpayers have not invested a cent in Wherry housing. If the gentleman says that, he does not understand what Wherry housing is.

Mr. PHILLIPS. I accept the correction; the gentleman is right.

Mr. DEVEREUX. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I have some figures here that might be of interest. First of all, the testimony before our committee indicated that the services were having great difficulty in getting sponsors for Wherry housing. Some people who support Wherry housing think it is a fine thing, and originally it might have been. Actually in 1953 the FHA approved some 55 Wherry housing projects. It is interesting to note that during the first half of that year 52 of those were approved, and during the second half of the year only 3 were approved.

I do not know, but it is also interesting to relate that to Public Law 94 of 1953, which required the sponsor to certify as to his replacement costs, which was the basis upon which the Federal Government guaranteed the mortgages of the Wherry housing. We have not gone into that deeply enough. The other body is going into the question. But I suggest it does have some bearing on the proposition that is before us today. We simply cannot get the sponsors today. There might be an opening for skulduggery, we do not know. I think it is something to consider.

Mr. ALLEN of Illinois. I thank the gentleman.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I call the attention of the gentleman to a letter I received from

Roy Smith, of the First National Bank at Killeen, Tex. This letter appears at page 5497 of the full committee and subcommittee hearings on the bill (H. R. 9463) to provide for family quarters for personnel of the Department of Defense and their dependents and to authorize a program for providing such family quarters, and for other purposes. The letter is as follows:

FIRST NATIONAL BANK,
Killeen, Tex., June 18, 1954.

Hon. LEON H. GAVIN,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN GAVIN: I notice in the press that the Defense Department has requested appropriated funds to build military housing in certain areas, one of the areas being Fort Hood, Tex.

I want to urge your favorable consideration of the request made by the Defense Department. Fort Hood now has 568 Wherry units. These units were constructed in 1951–52. The mayor of our town, members of the military affairs committee of our chamber of commerce, and other interested parties worked closely with the personnel at Fort Hood, the Federal Housing Administration, and the Housing and Home Finance Agency in obtaining the 568 Wherry units and in planning the type of construction. At that time Congress would not appropriate funds for the construction of military housing; therefore, Wherry housing was the only answer. The citizens of this area are fully convinced that Wherry housing is not the answer for military housing. It is costly to the taxpayers, does not fulfill the needs of military personnel, and makes available to the sponsor profits from the pockets of the citizens of this country.

Housing constructed with appropriated funds is built by private industry for the Government on competitive bids assuring reasonable cost to the Government, and no individual thereafter receives a lucrative income as is done under Wherry housing. Those who represent to you that Wherry housing is cheaper to the taxpayers have only a selfish personal gain in mind.

Again let me urge that you give favorable consideration to the request of the Defense Department, thereby giving to the military satisfactory housing at a lower cost to the taxpayers of our country.

Yours very truly,

ROY SMITH.

Killen, Tex., is not in my State, but this letter expresses what the people are thinking about the Wherry housing programs.

Mr. ALLEN of Illinois. Mr. Speaker, in recapitulation and conclusion, I would bring this to the attention of the Members:

First, I think we are all convinced that there is inadequate housing for the military, especially the enlisted men.

Second, it is important that by making the service more attractive you get more enlistments and more reenlistments. This cuts down the drafting of our youth to forced service.

Another factor I think is important is that it will not be necessary to appropriate as much as it appears, for the reason that now tens and tens of thousands in congested areas in the large cities, instead of being quartered on the field or base, are given money to go out and compete with private citizens around that area in getting quarters for themselves and their families.

Another factor which I mentioned, and which I repeat, is in regard to many thousands of young men who are entitled to the benefits of the GI bill of rights. If we make it more attractive for them to remain in the service, they will not be taking advantage of the rights under the GI bill, such as going through colleges, and so forth, and there will be a saving from that standpoint, and we will be keeping those experienced men in the service.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MULTER. I am in hearty accord with the principles enunciated and with what is sought to be accomplished by the bill. I am very fearful that under this bill we are going to have a worse housing scandal than we already have had under the FHA housing. This is not essential housing which is going to be built because, as is indicated here in St. Albans in New York City, you have a $16,000 unit. That is not housing which is essential for the military. That is luxury housing. The same thing applies in this other instance; you have 3 units here for $88,000. That is almost $30,000 a unit. That is not essential housing for enlisted men—that is luxury housing. This bill is bad.

Mr. ALLEN of Illinois. May I suggest to the gentleman that after the rule is adopted he can bring out those facts during the general discussion on the bill.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. BONNER. In connection with the letter which the gentleman from Pennsylvania [Mr. GAVIN] read, that is most interesting to me. At Elizabeth City in North Carolina, where there is a Naval Establishment, private citizens desired to build housing which was necessary and the officers of the Naval Establishment insisted on Wherry housing.

This discussion makes one doubt who is making the correct statement here and who is not. I want to see adequate housing for the naval personnel and the armed services personnel, but I do believe where private money is anxious and willing to build adequate housing at a fair price, then the Federal Government and the armed services should not insist otherwise. I have had that experience and I called down here to the gentleman in charge of Wherry housing, and he insisted that Wherry housing should be built there instead of having the housing built by private money adjacent to the base and at assured rentals. Now what is the answer to that kind of a situation?

Mr. ALLEN of Illinois. May I say to the gentleman that after the adoption of the rule, the rule is an open one and is subject to amendment, and a full discussion can be had on the bill and the gentleman may bring those facts out.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Speaker, I think it is clear from the question raised and all of the debate we have had on the rule that it is essential that we adopt the rule in order to discuss these questions. The questions are legitimate and they are involved in the bill. I think we will all agree, at least those who know about the military, whether they be military men or civilians, are greatly concerned about the inability to retain our career personnel. This Congress has recognized that within the past few weeks or days by greatly increasing the reenlistment bonuses. Some time ago Congress recognized the fact that we were losing our career commissioned personnel by placing restrictions upon retirement even after 30 years of service and requiring service on active duty until such time as the person reached the statutory age of retirement. Under that provision, all of the services found it necessary to refuse permission for any regular commissioned personnel to resign their commissions. So we are faced with the absolute necessity of doing something to retain our career personnel, enlisted as well as commissioned.

Also, those who know about the military situation regard housing as one of the primary reasons that you lose your career personnel.

I do not care how badly a man might want to remain in the service, his family will not let him unless they are properly housed, and unless we take steps to discontinue family separation. So long as you have family separation; so long as you have inadequate housing, with your families living under improper circumstances, the families are not going to permit him to reenlist. They are going to continue to urge him to resign.

I feel that this Congress cannot adjourn without doing something about military housing. The military want housing. They need housing. The Defense Department requested of us in the public works bill, which was passed recently, a blank check to build military housing in such amounts and at such places as they desired. That was contrary to our traditional system. Our traditional system has been that we build family quarters with appropriated funds, and the Congress always determined the station at which they would be built and the number to be built in that station. So that we did not give the Defense Department what they asked in that instance. They asked for 25,000 units, and we have allowed only 13,000, or a little over, in this bill. Those are to be built with appropriated funds, it is true. They are to be built by the Corps of Army Engineers, for the Army and the Air Force, and by the Bureau of Yards and Docks for the Navy. They are going to be built under competitive bids. There are not going to be any windfall profits in connection with these houses. Do not forget that, before you vote not to consider this rule. A hearing now going on in the other body involves Wherry as well as FHA housing. This bill contains no windfall profits. This bill requires competitive bids for every one of these units.

You are going to spend the money whether you build these houses or not. Last year what did we pay for quarters allowances to the military personnel of

the United States? One billion, three hundred and four million, four hundred and forty-three thousand dollars. That is statutory. That is a part of their compensation. It is paid as a quarters allowance. So long as you do not give Government quarters to a person entitled to quarters allowance, then you have to pay him in cash. Whenever you furnish him with adequate Government quarters, the Government keeps that quarters allowance. These things can all be discussed on their merits in the committee. Under the Wherry Housing Act, where a sponsor pays $8,100 for a house the Government does not own the house for a minimum of 32 years. During that 32 years Congress will have appropriated approximately $50,000 against a housing unit which cost in the first place only $8,100.

These houses built by appropriated funds will be amortized by the retention of quarters allowances, which is not paid. They will amortize themselves over a period of from 13 to 16 years, and the Government will own them absolutely.

I plead with you to adopt this rule. Do not go home and tell the Armed Forces that Congress is not interested in housing, whereas the Defense Department is; the burden does not belong here.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Speaker, there have been objections raised to specific line items in this bill as if that were some reason for voting against the rule on the bill. I would like to emphasize that those things can be amended when we get to them. As a member of the committee which sat and heard all the deliberations, let me say we did the very best we could to correct any difficulties that might arise in the line items. There may be a few that need correction but those can be corrected after the rule is granted.

Objection has been made that the housing in specific instances is costly. There are differences in costs depending upon who will occupy these houses. An enlisted man's house runs $12,850 and the amounts go up to a general officer's house of $27,000. It is estimated that each type will be amortized on the basis of the particular rental allotment applicable to those who will occupy them. Obviously, the larger rental allotments applicable to general officers could amortize a more expensive type of house than could be amortized from the lower rental allotments applicable to enlisted personnel. The amount of those allotments is determined by existing law, not by the bill before us now.

Let me call attention to another type of opposition which has developed, the opposition of people who are interested in Wherry housing. I would like to emphasize that this very opposition is an indication of the dangers of Wherry housing. When we are appropriating money for only 10 percent of the unmet needs of the peacetime strength of the armed services it seems strange and unreasonable that we should have opposition from sponsors of Wherry housing units, to the building of housing at bases where there is not any Wherry housing whatsoever.

You can readily see the danger which has been underlined for you; for some of the Wherry sponsors seem to take the position that those sponsors have a legitimate right not only to prevent the Government's building what it needs to build for the service personnel at a base where there may be existing Wherry housing, but also to prevent the construction of any new military housing, even where there is no Wherry housing at the location.

Here today we have a bill which contains scarcely any provision for housing to be established at bases where there are Wherry housing units, yet we have a concerted lobby opposing this legislation.

Every time you build a new housing unit, regardless of how much it is needed at a military base, the Wherry housing people can come in and say that we are depreciating the value of their housing and giving them a more difficult market. They make the point that it is depreciating their property. This can make good sense where there is already Wherry housing, but even there it can also greatly impede, and perhaps even prevent, the construction of needed housing. This debate today underlines dangers created by the Wherry housing concept. I sincerely hope that the House will approve this bill before us today.

During recent years we have heard much about the need for making military service an attractive career but there has not been enough accomplished in this field to achieve that much desired result. A military career at best is a most demanding one and a man who is asked to devote his life to the defense of his country deserves at least equal consideration in those amenities which we call the American way of life as his civilian neighbor. Those of us who are privileged to serve on the Committee on Armed Services are perhaps more keenly aware of this than other Members of Congress.

The American soldier is, we believe, the best trained and best equipped soldier in the world. He should also be the best dressed, the best paid, and the best housed soldier. There is room for improvement in all facets of the morale field. The need for family housing is not the least of these. I am informed that a large majority of men who resign or fail to reenlist cite as a prime reason, the insecurity they feel in the important problem of maintaining normal family life in the transient life that is military service.

I do not minimize the great good done for the cause of military family housing by the Wherry Act. The act has provided sizable quantities of quarters for the average or middle group of our military population. It has not been, however, the complete answer that many of its proponents contend. We have, therefore, continued reports of enlisted men living in virtual squalor or paying rents far beyond their means to obtain decent shelter for their families. Many of these men are technicians, trained by the Government at great expense in the intricacies of modern warfare. The loss to the Government occasioned by the cost of retraining replacements when such valuable men leave the service is immeasurable. The danger to our military posture in failing to maintain fully trained forces is grave. It is all the more tragic when we recognize that much of this loss of trained manpower is due to our failure to meet our basic commitment to the soldier in the form of decent and adequate housing.

The family housing to be authorized in this bill represents only a small part of the outstanding requirement for family housing in the three services. In the Army, for example, this bill would provide 5,000 houses against a need today of 80,000. Virtually all of these 5,000 houses for the Army will replace existing substandard units on Army stations. The fact that these substandard units are, under the housing policies of the Army, occupied only on a voluntary basis and yet are fully occupied, points up the desperation with which the married soldier seeks a place for his family to live. Unhappily, many of these substandard houses will probably continue to be occupied even after the housing in this bill is provided. The need is too great for all of them to be demolished as they should be. We have given much attention to the matter of slum clearance in our cities and yet we have been unable to raze our military slums.

Aside from the responsibility we bear for insuring that the American military man is allowed a decent place to live, the Congress must recognize that provision of Government quarters is, in the long run, good business. Within a reasonable length of time, approximately 20 to 25 years, the cost of these family quarters will be amortized by the saving in quarters allowances which would otherwise have to be paid the military people who will occupy them. We are appropriating funds for quarters allowances today for personnel to occupy Wherry Act housing and we will continue to do so for 50 years unless the Wherry housing falls down first. For every dollar spent in building Government-owned family housing, two will be spent in payment of quarters allowances to those who occupy Wherry housing if the latter is all that were to be provided. The reason is that payments for quarters allowances to Wherry housing occupants continues long after the cost of the housing is amortized.

The Congress has just completed action on a military public works bill which provides 25,000 permanent barracks and bachelor officers' quarters for the Army, recognizing that these single men deserve a decent place to live. The bill before the House would do the same for the married man. I urge its prompt adoption.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. GAVIN. I want to call the attention of the House to the fact that this bill has been considerably changed since it was originally presented. Originally it called for a $350 million housing program. It has been reduced to $175

million. The Armed Services Committee carefully considered the proposed legislation, then requested that the Department of Defense reconsider the whole program and present to the committee a program with line items and a policy for developing the whole overall program.

Several weeks later the Department of Defense presented to the committee a proposed program of line items, a program that was given careful consideration by the committee for many weeks, after which a subcommittee was appointed for the purpose of screening of the line items included in the bill. After weeks of study and consideration the subcommittee reported out this bill that is now before us. This bill before us represents only 10 percent of the overall requirements for housing, for the services, Air Force, Army, Navy, and Marine Corps. It represents the very minimum required for the services in way of housing. I therefore sincerely hope the Committee will pass favorably on this rule so we can proceed with this bill.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Pennsylvania.

Mr. GREEN. I just want to say, Mr. Speaker, I am in complete support of this rule and in support of the bill. I think that the subcommittee under the chairmanship of the gentleman from California [Mr. JOHNSON] has done an outstanding job. This is one of the most needed pieces of legislation, in my opinion, that has come up in this House, and I think it will be a great crime not to do this for the soldiers and officers.

Mr. SMITH of Virginia. Mr. Speaker, is the gentleman from Illinois prepared to move the previous question?

Mr. ALLEN of Illinois. Yes, I am.

Mr. SMITH of Virginia. I have no further requests for time. We are anxious to have the rule disposed of so we can get along, but I desire to yield to the gentleman from North Carolina [Mr. DEANE] for a consent request.

Mr. DEANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

AN EVALUATION OF THE TEXTILE INDUSTRY

Mr. DEANE. Mr. Speaker, because of the significance of the textile industry in the Nation and in my own State of North Carolina, I have during recent months made an extensive study of this important subject. I have secured significant assistance from the Legislative Reference Service of the Library of Congress and from other reliable sources which will be indicated from time to time in the RECORD.

This evaluation is being made because of my personal interest in the subject of textiles. The study has been brought together with the hope it will bring some food for thought to research groups, promoting agencies at the local and State levels, as well as the textile industry itself. I am primarily interested in local communities so vitally affected in the sale of an existing plant, the merger of a mill with a great chain, a new mill, not to mention a mill which goes "sour."

First, I want to discuss the following: Location textile employment; growth; growth in North Carolina in relation to other branches of industry; cotton consumption; spindle hours; yarn and hosiery employment; maturity cloth weaving industry; general trends in North Carolina.

LOCATION OF TEXTILE EMPLOYMENT

There were 5 Southern States and 5 States in New England in which as many as 10 percent of the people employed in manufacturing worked in textile mills. Nearly half the textile workers in the United States—44 percent—were employed in the south Atlantic region and 1 in 5 was employed in North Carolina. There were almost as many textile workers in North Carolina in 1952 as there were in all of the New England States together.

In order to grasp the geographical impact of textile employment, I submit the following table:

TABLE 1.—*Persons employed in textiles and in all manufacturing: 1952, by region and for selected States*

[All employees: average number in thousands]

	Total manufacturing	Textile industries	Percentage in textiles
United States	15,944.4	1,134.7	7.1
South Atlantic States	1,739.4	502.3	28.9
North Carolina	418.6	219.0	52.3
South Carolina	202.9	132.8	65.4
Georgia	294.5	101.4	34.4
Middle Atlantic States	4,269.2	255.6	6.0
New England States	1,497.0	222.1	14.8
Maine	108.3	23.1	21.3
New Hampshire	[1] (85.4)	[1] (22.4)	26.2
Vermont	42.2	4.1	9.7
Massachusetts	702.7	92.5	13.2
Rhode Island	131.7	48.4	36.7
East South Central	677.7	91.4	13.5
Alabama	213.0	49.3	23.1
Tennessee	241.2	33.4	13.8
West South Central	667.9	12.3	1.8
East North Central	4,705.8	35.0	.7
West North Central	931.0	6.8	.7
Mountain States	174.6	[2]	
Pacific States	1,281.8	8.1	.6

[1] Figures for 1951. Data for 1952 textiles not available for New Hampshire.
[2] Not available.

Source: Bureau of the Census, Annual Survey of Manufactures, 1952. Tables 1 (p. 20) and 4 to 12, inclusive (pp. 48–78). See especially table 8, pp. 64–67 for North Carolina and South Atlantic States. Pennsylvania is the only State not shown which has as many as 100,000 employees in textiles: 121,432 in textiles but 1,543,380 in all industries. (Ibid., p. 54.) The following States had more than 30,000 employees in textiles: Connecticut (33,900), New York (77,400), New Jersey (56,700), and Virginia (39,700).

Textile employment is negligible in the States west of the Mississippi. It appears to be decreasing in the Pacific States and Texas, and it may be declining in the West North Central States, but the totals are too small to be important. Figures for the Mountain States are given only in years when there is a complete census of manufactures.

GROWTH OF TEXTILE EMPLOYMENT BY REGION

The increase in textile employment in North Carolina from 1951 to 1952, as shown by the census, was unique. Employment held its own from 1951 to 1952 in South Carolina, Virginia, and Tennessee. It declined in Georgia and Alabama, as well as in New England and the Middle Atlantic States.

To illustrate this growth I invite your attention to the following significant data:

TABLE 2.—*Employment in textile industries by regions: 1939–52*

[Average number in thousands]

Region, State	Production workers [1]		All employees [2]		
	1939	1947	1947	1950 [3]	1952
United States Total	1,081.7	1,147.2	1,233.4	1,245.2	1,134.7
New England	260.6	260.7	283.0	268.3	222.1
Middle Atlantic	275.1	264.7	293.5	306.3	255.6
South Atlantic	395.4	461.3	484.3	499.8	502.3
East South Central	81.9	92.2	96.9	95.6	91.4
East North Central	44.7	40.6	45.3	43.7	35.0
West North Central	6.5	7.5	8.4	8.3	6.8
West South Central	11.3	11.7	11.8	12.3	12.3
Mountain	.5	.6	n. a.	n. a.	n. a.
Pacific	6.8	7.8	9.1	8.4	8.1
North Carolina	181.2	200.9	210.4	213.4	219.0
South Carolina	94.8	119.3	124.6	129.1	132.8
Virginia	28.0	31.5	33.9	37.2	39.7
Georgia	79.4	98.3	102.5	107.1	101.4
Alabama	39.9	49.9	52.1	52.3	49.3
Tennessee	33.6	33.9	35.9	34.7	33.4

[1] Census of Manufactures 1947, vol. I, table 6, pp. 54–55, for United States and regional totals; vol. III, table 3 for each State shown—Alabama (p. 69), Georgia (p. 155), North Carolina (p. 452), South Carolina (p. 555), Tennessee (p. 571), Virginia (p. 615).
[2] U. S. Bureau of Census, Annual Survey of Manufactures, 1951 for 1947 and 1950 data. (United States, table I, p. 21), (New England, table III, p. 49), (Middle Atlantic, table IV, p. 53), (East North Central, table V, p. 57), (West North Central, table VI, p. 61), (South Atlantic States, table VII, pp. 65 and 67), (East South Central, table VIII, p. 69), (West South Central, table IX, p. 73), (Pacific, table XI, p. 79). Data for 1952 from Annual Survey, 1952.
[3] 1950 is shown in preference to 1951, as 1950 was generally a year of good employment in textiles, more comparable with 1947 than 1951 would be. This was especially true for New England and the Middle Atlantic States. Either 1950 or 1951 might be used to represent peak textile employment in Georgia and the east south central region. Employment increased from 1950 to 1951 in Virginia and South Carolina and then remained essentially unchanged in 1952. North Carolina grew in each year since 1949. (See table above.)

Let me point out the following interesting trends in textile employment. Generally speaking, the trend of textiles into the South Atlantic States seems to have continued through 1952. Virginia, North Carolina, and South Carolina were growing relatively more than Georgia. The tendency to growth of textile employment is much less noticeable in the East South Central States, including Alabama and Tennessee, and has not extended to Texas.

Employment in New England and the Middle Atlantic States is continuing to decline. New England held its own from 1939 to 1947, but lost workers from 1947 to 1950, as well as from 1950 to 1952. The Middle Atlantic States and East North Central States eacn had fewer workers in textiles in 1947 than in 1939. The decline in the Middle Atlantic States was interrupted in 1950, but was resumed at an accelerated rate through 1952. While these two areas lost about 16 or 17 percent of their textile employment between 1939 and 1952—partly because 1952 was a poor year for textiles—the east north central region lost nearly 30 percent of its textile employment.

The evidence of the census suggests that North Carolina, South Carolina, and Virginia—the old centers of southern textiles—have begun to grow again, whereas the rate of growth in Georgia,

Alabama, and Tennessee has diminished since 1947. It will be noticed that there was no increase in textile employment in Tennessee from 1939 to 1947 and a 10-percent increase in North Carolina and Virginia. On the other hand, there was an increase of approximately 25 percent in South Carolina, Georgia, and Alabama.

From 1947 to 1952 textile employment increased 5,800, or 17 percent, in Virginia; 8,600, or 4 percent, in North Carolina; and 8,200, or 7 percent, in South Carolina; while employment in Georgia and Alabama in 1952 was lower than in 1947.

Census data are not available in detail by States since 1947. Therefore, it is impossible from census data to explain these employment trends in terms of specific types of textile production. However, it is known that woolen and worsteds have moved to the South in substantial amount, and that trends favoring the South continue in full-fashioned hosiery and textile finishing plants.

All that seems clear is that there is no evidence in these figures of an overall trend against North Carolina in textile employment.

GROWTH OF TEXTILE EMPLOYMENT IN NORTH CAROLINA AS RELATED TO BRANCHES OF THE INDUSTRY IN NORTH CAROLINA

The so-called textile industry is, of course, many industries, rather than one. That is revealed in a study of the following analysis:

TABLE 3.—*Employment in the textile industries of North Carolina and the United States, 1947 and 1952*

[All employees: Average in thousands]

	1947			1952
	North Carolina [1]	Percent in North Carolina	United States [2]	United States [2]
Total textiles [3]	210.4	17.0	1,233.4	1,134.7
Cotton and rayon broad goods	87.1	.....	455.0	420.4
Cotton	71.0	19.8	357.4	317.9
Rayon	16.1	16.5	97.6	102.5
Yarn and thread (excluding wool)	57.6	46.6	123.6	110.9
Thread	1.3	8.8	14.7	14.8
Knitting	49.7	21.6	230.5	236.8
Seamless hosiery	26.7	41.2	64.8	61.7
Full-fashioned hosiery	16.5	23.6	70.0	65.5
Knit underwear	4.2	10.3	40.6	35.6
Knit fabric	1.6	11.3	14.2	35.6
Knit outerwear	.7	.....	34.8	50.3
Other [3]	.....	.....	(6.1)	(6.2)
Woolen and worsted	5.8	3.2	180.1	124.7
Finishing (excluding wool)	5.0	6.4	78.0	83.2
Carpets	1.4	2.4	57.2	52.9
Narrow fabrics	1.1	3.9	27.7	23.5
Hats (excluding cloth and millinery)	(4)	.....	21.4	18.6
Miscellaneous	2.7	4.5	60.0	63.8

[1] Census of Manufactures 1947, vol. III: North Carolina, table 4, p. 452.
[2] U. S. Bureau of Census, Annual Survey of Manufactures 1952, table 1, pp. 22–23.
[3] Components in North Carolina do not add to total because of omissions to prevent disclosures. The apparent residuals for knit goods have been computed.
[4] Not available.

The distribution of employment by branches has favored the growth of textile employment in North Carolina in two ways:

(a) Percentagewise employment declined less from 1947 to 1952 in those branches on which North Carolina depends—broad goods,—7.5 percent; yarn and thread,—10 percent; and hosiery, —5.6 percent—than it did in some branches which are relatively unimportant in North Carolina—woolens and worsted,—30.7 percent; narrow fabrics, —15 percent; hats,—13 percent.

(b) The share of North Carolina—and other Southern States—in some branches of the textile industry has been so small that they could gain—as a result of shifts between regions—whether nationwide employment in that branch was rising or falling. This has been the case with woolens and worsteds and with textile finishing.

Textile mill employment in North Carolina is heavily concentrated on broad woven cotton and rayon goods, on cotton yarn production and on hosiery production, both full-fashioned and seamless. On the other hand in 1947, the last year for which census figures are available by States for separate branches of textile industry, a small percentage of the woolen and worsted industries of the United States was located in North Carolina. This was also true of knit outerwear, carpets, narrow fabrics, and of the textile products classified as miscellaneous related products.

LINES ON DEMARCATION BETWEEN BRANCHES ARE BECOMING BLURRED

It should be remembered that the lines of demarcation between the several branches are becoming more blurred than they used to be and some have disappeared. Nevertheless there are still limitations on the kinds of fiber and yarn that can be handled with given types of machinery. The end-product markets are subject to different trends and even where equipment can be shifted to produce for a new market, the balance of the equipment within the plant and the overhead cost of changing from one product to another tend to limit the amount of shifting that can be done.

STATE EMPLOYMENT TRENDS IN VARIOUS BRANCHES OF THE TEXTILE INDUSTRY

Unfortunately, as has already been pointed out several times, the number of workers employed by various branches of the textile industry is only available on a State basis through the year 1947. It is unfortunate that Congress has failed to appropriate funds for the United States Census of Manufactures. This should be done. Let me now illustrate what the lack of a complete census of manufactures means to the States that are heavily dependent upon textile employment.

For the United States as a whole we have better information than we used to have, thanks to the inauguration in 1949 by the last administration of the annual survey of manufactures. The annual survey is considerably more economical than the biannual census of manufactures which was begun in 1921. The following table shows the trend of employment in the various branches of the textile industry in the United States as a whole for the years 1947 to 1952:

TABLE 4.—*Employment by branches of the textile industry: 1947–52, United States*

[Averages for year: All employees in thousands]

	1952	1951	1950	1949	1947
Total	1,134.7	1,195.4	1,245.2	1,169.8	1,233.4
Yarn and thread (excluding wool)	110.9	119.4	117.6	107.6	123.6
Yarn throwing	17.2	17.0	15.9	(1)	14.9
Thread	14.8	17.3	15.8	14.3	14.7
Yarn, cotton system	77.8	84.1	84.4	78.2	92.3
Cotton and rayon broad-woven	420.4	445.7	442.7	424.9	455.0
Cotton fabrics	317.9	340.1	345.8	331.2	357.4
Rayon and related fabrics	102.5	105.6	96.8	93.6	97.6
Narrow fabric mills	23.5	26.8	25.1	27.3	27.7
Knitting mills	236.8	242.2	246.2	236.6	230.5
Full-fashioned hosiery	65.5	74.8	77.3	73.6	70.0
Seamless hosiery	61.7	58.3	61.8	58.4	64.8
Knit underwear	35.6	39.0	37.7	(1)	40.6
Knit fabric	17.5	16.1	(1)	(1)	14.2
Knit outerwear	50.3	(1)	(1)	(1)	34.8
Finishing textiles (excluding wool)	83.2	81.0	(1)	81.6	78.0
Woolen and worsted manufacturing [2]	124.7	138.1	156.7	144.5	180.1
Carpets and rugs [3]	52.9	55.8	69.0	58.7	57.2
Hats (excluding cloth and millinery) [4]	18.6	18.3	19.2	19.1	21.4
Miscellaneous [5]	63.8	68.0	(1)	69.6	60.0

[1] Not available.
[2] Includes scouring and combing (6.7 in 1952); wool yarns, excluding carpets (22.3); fabric (90.3).
[3] Includes hard surface floor coverings (10.8); as well as carpet yarn and rugs other than wool.
[4] Fur-felt hats predominate (12.6 in 1952).
[5] Coated fabrics, excluding rubberized (11.3); cordage and twine (14.1); jute (5.0); felt (n. e. s. 4.9); miscellaneous (4.8); lace (8.1 in 1952 and not available in 1951).

Source: Annual Survey of Manufactures, 1952 and 1951 (pp. 22–23).

However, for North Carolina—and all the other major textile producing States from Maine to Alabama—this kind of detailed information stops with 1947. The Annual Survey of Manufactures covers only a sample of the manufacturing establishments of the United States and depends for its validity upon periodic complete censuses of manufacturing establishments. The law provides for taking a census of manufactures every 5 years, though the last complete census of manufactures was taken in 1947.

Therefore, if we want to compare the growth of textile employment in the various textile States, we have to go back to 1939 and 1947 for employment information on the separate branches. By way of illustration the following table compares changes in employment in North Carolina and the United States as a whole by branches of the textile industry in the 2 years 1939 and 1947:

TABLE 5.—*Production workers employed by branches of the textile industry: 1939 and 1947, North Carolina and the United States*

	North Carolina		United States	
	1939	1947	1939	1947
Cotton and rayon broad woven fabrics	84,014	83,423	398,457	433,534
Yarn (excluding thread and wool)	39,081	45,152	91,166	104,239
Seamless hosiery	22,317	25,509	61,852	61,343

TABLE 5.—*Production workers employed by branches of the textile industry: 1939 and 1947, North Carolina and the United States*—Continued

	North Carolina		United States	
	1939	1947	1939	1947
Full-fashioned hosiery	20,347	15,669	97,200	65,148
Knit underwear	3,102	3,998	37,478	37,546
Knit fabric	391	1,516	5,574	4,955
Wool and worsted	3,352	5,398	149,976	166,947
Finishing (executive wool)	3,416	4,485	60,237	69,035
Carpets	712	1,292	38,892	50,883
Thread (excluding wool)	846	1,226	14,382	13,126
Narrow fabrics	508	1,035	24,591	24,917
Miscellaneous related products	1,818	2,547	43,572	52,606

Source: U. S. Census of Manufactures 1947, vol. III, North Carolina table 4, pp. 452–453; and vol. I, p. 54.

As can be seen from the above table, more than one-fourth of the textile workers in North Carolina were employed in cotton and rayon cloth mills. There was no increase in this type of employment in North Carolina from 1939 to 1947 although employment for the United States increased about 10 per cent.

Employment in yarn mills—exclusive of thread mills—increased from 39,931 production workers in North Carolina in 1939 to 54,152 in 1947, or 35 percent. During this same period nationwide employment in yarn mills on the cotton system—which spins both cotton and rayon staple fiber—increased from about 62,500 to 88,800, or 42 percent, but employment in yarn throwing and yarn mills on the silk system decreased from about 28,600 to 15,400. Nationwide employment in yarn mills—spinning and throwing, other than woolens and worsteds—therefore increased 14 percent, as compared with 35 in North Carolina mills. Separate figures for the two branches are not available for North Carolina.

Seamless hosiery employment in North Carolina increased 14 percent, while nationwide there was a decline of about 1 percent in employment. Full-fashioned hosiery employment declined from 1939 to 1947 both because of increased efficiency and because raw materials were not available in adequate quantities in 1947. Nationwide the decline was 33 percent. In North Carolina it was 23 percent.

In terms of total employment in hosiery mills of all types, North Carolina held its own from 1939 to 1947; nationwide there was a decline of 20 percent in employment in hosiery mills—almost all of it in full-fashioned hosiery.

Since 1947 the only employment information available on a State basis is for all textile industries in combination. The idea of combination means that it is impossible to separate employment in cotton and rayon cloth mills from employment in woolens and worsteds or in other branches. As can be seen when we look back at the United States table on employment in the separate branches from 1947 to 1952, the trends in the several branches are quite different. We may guess from this table and from other information that some of the increase in textile employment in North Carolina between 1947 and 1952 was probably due to the growth of rayon production and that some of it may have been due to an increase of wool manufacture in the State, but we do not know how much.

Attention is drawn to the following table on employment in the textile industries for 1939–52. For the period 1939–47 the census reported the number of production workers—latest figures available—whereas for 1947–52 the figures relate to all employees.

TABLE 6.—*Employment in textile industries: 1939–52*

[Average number in thousands]

	United States	North Carolina	Percentage in North Carolina
All employees:			
1952	1,135	219	19.3
1951	1,195	215	18.0
1950	1,245	213	17.1
1949	1,170	198	16.9
1947	1,233	210	17.0
Production workers:			
1947	1,147	201	17.5
1939	1,082	181	16.7

Source: U. S. Bureau of the Census. Annual Survey of Manufactures 1952 and 1951 and Census of Manufactures 1947, vol. I, p. 25, and vol. III, p. 452.

It will be clear from the foregoing table that considering all of the textile industries in combination, that is woolen worsteds, cotton, hosiery, and so forth, there was a considerable increase of employment in North Carolina between 1939 and 1952, but employment in the United States as a whole did not quite hold its own. The above table indicates an increase in production workers for the United States as a whole between 1939 and 1947 but it indicates a decrease in total employment between 1947 and 1952 that is somewhat larger than the increase which occurred during World War II.

Certainly the people in the great textile-manufacturing States want to know which of the major branches of the textile industry are growing, which are declining, and how large the changes have been. They want the information to be up to date. This is true of the great northern textile States, such as Massachusetts and Pennsylvania, as it is of North Carolina and the other southern textile-producing States.

COTTON-CONSUMPTION FIGURES

The difference in the trends of employment in cotton and rayon mills in various States from 1937 to 1947 is shown in the following table:

TABLE 7.—*Employment in cotton and rayon mills: 1937, 1939, and 1947, selected States*

[Thousand wage earners on broadwoven goods [1]]

	1937	1939	1947
Total, United States	411.7	395.1	433.5
South Carolina	81.9	82.0	102.5
Georgia	55.6	50.1	66.1
Total	137.5	.....	168.6

[1] Figures for 1947 purport to include wage earners in all rayon and silk broadwoven goods mills, except in the case of Alabama for which data are available only for cotton goods. For 1937 and 1939 employment in silk mills is included in the United States total and the Pennsylvania total. It is not available for the other States.

TABLE 7.—*Employment in cotton and rayon mills: 1937, 1939, and 1947, selected States*—Continued

	1937	1939	1947
North Carolina	77.6	84.0	83.4
Alabama [2]	31.7	28.3	33.1
Total	109.3	.....	116.5
Massachusetts	43.6	36.2	36.7
Pennsylvania	23.5	19.1	18.9
Total	67.0	.....	55.6
Other States	97.9	95.4	92.7

[2] Includes only cotton broadwoven goods. Rayon and silk are not available.

Sources: U. S. Census of Manufactures 1937, vol. I, pp. 286–287 and 409–410; Census of Manufactures 1939, vol. II, pt. I, pp. 288–290, 310–312; Census of Manufactures 1947, vol. III, State tables 4; and vol. II, p. 156.

While the figures on employment which end in 1947 for cotton and rayon mills are completely out of date, we can carry the analysis further by looking at the figures for cotton consumption. The cotton-consumption figures for selected years reveals a very interesting trend.

The following table indicates the cotton consumption, including linters, in the United States and North Carolina:

TABLE 8.—*Cotton consumed, excluding linters: 1926–54, United States and North Carolina*

[Thousands of bales]

Year ending July 31—	United States	North Carolina	Percentage in North Carolina
1954 (annual rate) [1]	8,926	2,487	27.8
1953	9,432	2,272	24.1
1952	9,120	2,483	27.2
1951	10,654	2,870	26.9
Annual average:			
1951–54	9,533	2,528	26.5
1946–50	9,058	2,403	26.5
1936–40	6,938	1,795	25.9
1931–45	5,466	1,298	23.7
1926–30	6,735	1,534	22.8

[1] Actual preliminary figures for 8 months through March 1954 are: United States, 5,951,000; North Carolina, 1,658,000 bales.

Source: U. S. Bureau of Census, Cotton Consumption and Distribution in the United States. 1953 and 1954 from monthly releases. Earlier years computed from U. S. Statistical Abstracts 1953, p. 815; 1950, p. 790; 1948, p. 858; 1941, p. 902; 1940, p. 860; and 1938, p. 801.

The inadequacy today of cotton consumption figures alone is indicated by the following table which contrasts the trends of employment between 1937 and 1947 in mills that are primarily engaged in producing cotton broad-woven fabrics. Rayon consumption was obviously increasing more rapidly than cotton consumption.

TABLE 9.—*Wage earners employed in broad-goods mills: [1] 1937 and 1947, comparison of North Carolina and United States*

	1937	1947	Percentage increase
Cotton broadwoven fabrics:			
North Carolina	65.9	68.4	3.8
United States	336.1	342.4	1.9
Rayon and silk broadwoven fabrics:			
North Carolina	[2] 11.7	15.0	28.2
United States	75.5	91.2	20.8

[1] Mills are classified by major products on the basis of value of the products sold. Some mills produce both types of cloth and the same mill may appear in one category in 1937 and the other category in 1947.

[2] Silk was not important in North Carolina in 1937. It was not included in the total for 1937 although it is in later years.

Source: U. S. Census of Manufactures, 1937 and 1947. See table 8 for page references.

TEXTILES AND ALL MANUFACTURING EMPLOYMENT IN NORTH CAROLINA

Textile employment is of overwhelming importance in a number of large manufacturing States. In South Carolina nearly two-thirds of manufacturing wage earners are employed in textiles, while nearly half are employed in textiles in North Carolina and more than one-third of the manufacturing employees in Georgia and Rhode Island are in textile mills.

The growth of manufacturing employment in the various manufacturing industries in North Carolina is shown in the two following tables for 1947 and 1952 and for 1939 and 1947:

TABLE 10.—*All employees in manufacturing industries: 1947 and 1952, North Carolina*

[Average number in thousands]

Product	1952	1947
Textile mill products	219.9	210.4
Lumber and products (except furniture)	39.9	(1)
Tobacco manufacture	25.7	32.5
Furniture and fixtures	28.6	27.9
Food and kindred products	17.8	16.7
Apparel and related products	17.8	16.7
Chemicals and allied products	10.1	9.5
Paper and allied products	7.7	7.9
Stone, clay, and glass products	(2)	5.6
Printing and publishing	(2)	5.3
Electrical machinery	(2)	5.0
Machinery (except electrical)	(2)	4.0
Other	(2)	9.0
Total (excluding administrative and auxiliary)	415.0	381.5
Administrative and auxiliary	3.6	(2)
Total (including administrative and auxiliary)	418.6	(2)

[1] The total for lumber and products in 1947 (31,087) excludes logging and sawmills with production of less than 200,000 board feet.

[2] Not available.

[3] The apparent total for stone, printing, machinery, and all others derived by the difference between the grand total and the subtotal for reported industries is 47,400. This compares with 28,900 in 1947. Unfortunately the 1952 figure (derived by difference) is subject to a majo sampling error, and the indicated growth of employment may not have occurred.

Source: U S. Bureau of Census, Annual Survey of Manufactures, 1952, table 8, pp. 66–67. Data for 1951 (except for apparel and lumber products) available from the same source. Data for 1949 and 1950 available in Annual Survey, 1951. Table 7, pp. 66–67.

TABLE 11.—*Production workers in manufacturing industries, North Carolina: 1939 and 1947*

[Average number in thousands]

	1939	1947
Textile mill products	181.2	200.9
Lumber and products [1]	19.5	29.7
Furniture and fixtures	18.4	25.9
Tobacco manufacturers (except stemming)	16.8	[2] 16.9
Apparel and related products	6.5	15.7
Food and kindred products	6.3	11.6
Chemicals and allied products	6.2	7.5
Paper and allied products	3.3	6.4
Stone, clay, and glass products	3.2	5.1
Printing and publishing	2.3	3.4
Machinery (except electrical)	1.4	3.3
Electrical machinery	.1	3.4
Primary metals	1.3	1.7
Fabricated metals	.6	2.3
Transportation equipment	.7	1.1
Leather and products	1.0	1.4
Others	.5	1.3
Total (except tobacco stemming)	269.2	337.6
Tobacco stemming and redrying	(3)	12.6
Published totals	269.2	350.2

[1] Lumber and products does not include logging or sawmills with an output of less than 200,000 board feet. These are included in annual surveys for later years.

[2] The published figures for tobacco manufacturers in 1947 show 29,482 production workers, of whom 12,578 are in stemming and redrying. The latter total has been deducted in order to secure totals for 1947 that may be compared with those for 1939.

[3] Not available.

Source: Census of Manufactures, 1947, vol. III, North Carolina, tables 3 and 4, pp. 452–454.

Even when it comes to describing the growth of manufacturing employment in North Carolina by major categories we can trace trends only as far as 1947. From 1947 to 1952 it is not possible on the basis of sample data alone to indicate the growth of machinery production or show a number of other major types of manufacturing activity in North Carolina.

MATURITY OF THE TEXTILE INDUSTRIES

North Carolina still has a growing textile industry. Other types of manufacturing employment have been growing somewhat more rapidly than textile manufacturing. The following table indicates that whereas about two-thirds of the workers in manufacturing industries were employed in textile mills in 1939, only slightly more than one-half were in textile mills in 1952:

TABLE 12.—*Total manufacturing and textile employment, North Carolina: 1939–52*

[Average number in thousands]

Year	All manufacturing (adjusted)	Textiles	Others	Percentage in textiles [1]
All employees:				
1952	[2] 415.0	219.0	196.0	52.8
1951	[2] 409.8	215.4	194.4	52.6
1950	[2] 405.6	213.4	192.2	52.6
1949	[2] 366.1	198.4	167.7	54.2
1947	[1] 381.5	210.4	171.1	55.1
Production workers:				
1947	[3] 337.6	200.9	136.7	59.5
1939	292.2	181.2	88.0	67.3

[1] The annual surveys for 1949–52 attempt to include employment in logging operations and in sawmills producing less than 200,000 board feet. These were not included in the 1947 census. Since they cannot be excluded from the total in these years, part of the increased employment in "other" manufacturing industries and part of the decrease in the percentage of workers employed in textiles are apparent rather than real.

[2] 1949–52 employment figures as published include the following totals for "administrative and auxiliary" workers in central offices which were not included in the 1947 census: 1949, 2.714; 1950, 2.712; 1951, 2.712; 1952, 3.645. These amounts have been deducted from the published figures to secure a total more nearly comparable to the census total for 1947.

[3] The census of manufactures in 1939 did not include "stemming and redrying tobacco." In 1947 (and later years) it was treated as a manufacturing industry. The published total for production workers in North Carolina in the 1947 census of manufactures (vol. III, p. 452) is 350,200, of whom 12,600 were in tobacco stemming and redrying establishments. This number has been deducted from both the total for manufacturing and for other industries in 1947 to derive totals that may be compared with those for 1939.

Sources: 1939 and 1947: Census of Manufactures, 1947, vol. III, North Carolina, tables 3 and 4, p. 452. 1947–1952: U. S. Bureau of the Census, Annual Survey of Manufactures, 1951 and 1952, table 7, pp. 66–67 (1951), and table 8, p. 66 (1952).

However, the textile industry is one of the oldest in the United States and for the United States as a whole there has been no increase in the total amount of textile employment since 1937. This can be seen from the following table, which traces employment from 1937 to 1952. There was a decrease in the number of production workers between 1937 and 1939, and then an increase between 1939 and 1947, so that textiles as a whole employed about the same number of production workers in 1947 as had been employed in 1937. Between 1947 and 1952 we measure employment changes in terms of all employees rather than in terms of production workers. However, as the table shows, there was about the same amount of employment in 1950 as there had been in 1947. Both of these were years with a rather high level of textile production. There was less employment in textile mills in 1952 than there had been in 1950, but this was a depressed year for textiles.

TABLE 13.—*Manufacturing employment in the United States: 1937–52, all manufacturing industries and textile mill products*

	All manufacturing	Textiles	Percent in textiles
All employees:			
1952	15,944	1,135	7.1
1950	14,770	1,245	8.4
1949	13,880	1,170	8.4
1947	14,294	1,233	8.6
Production workers:			
1947	11,916	1,147	9.6
1939	7,806	1,082	13.8
1939 [1]	7,887	1,083	13.7
1937	8,569	1,138	13.3

[1] The census of manufactures classified manufacturing establishments on a slightly different basis in the census of 1947 and the census of 1939. One of the figures for 1939 is in terms that are comparable to the figures for 1947; the other 1939 figure may be compared with 1937. Because of the change in classification no continuous series can be shown.

Source: U. S. Bureau of Census, Annual Surveys of manufactures, 1949–52; Census of Manufactures, 1939 and 1947.

In view of the thought expressed here involving areas of declining employment it is my intention within the next few days to prepare a second and final statement on the textile industry. This statement will point out the interconnection between the wide cyclical swings that have plagued the textile industry and the development of stranded communities which have grown up around now-abandoned mills. I am particularly concerned, however, not with further describing the problems of the textile industry but of pointing out the necessity of continuous efforts by all groups concerned to do those things which will bring greater stabilization and more certain growth to the textile communities of the Nation. In the past there has been too much of a tendency for people to be concerned about the textile industry when the country is in the grip of a recession and to forget about the problems of the textile industry when the general business situation begins to improve.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Kansas such time as he may use.

Mr. MILLER of Kansas. Mr. Speaker, I recently received a telegram from the Topeka Board of Real Estate Dealers in Topeka requesting that I introduce an amendment to the bill because there has been deleted from the bill any appropriation for housing at Forbes Air Base. I wish to call the attention of the House to this matter. It is very important. I called the commander of the Forbes Air Base and he informed me that there is the possibility of wrecks and the loss of crews and airplanes because of this deletion. Therefore I intend to offer an amendment asking the House to include in this bill authorization for construction of 25 residential units at an estimated cost of $337,500.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. JOHNSON of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9924) to provide for family quarters for personnel of the military departments of the Department of Defense and their dependents, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9924, with Mr. MORANO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. JOHNSON of California. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, today we are presenting for your consideration H. R. 9924, which will be the last major piece of legislation that the Armed Services Committee will report this year.

We are sorry our great chairman, the gentleman from Missouri, Mr. DEWEY SHORT, is not able to be with us today. Those of us that have worked intimately with him realize the tremendous burden that has been his in this Congress. He has performed wonderfully well. His leadership has been superb. The accomplishments of our committee in this Congress are a reflection of that leadership. Unfortunately he has primary opposition but we all know that his record will cause his constituents to return him to the House of Representatives where he is so badly needed.

We are submitting a housing bill to you authorizing some housing units that are badly needed. This is a very important bill; much more important than its title indicates. Everyone knows what a delicate security problem faces us. Charles Lindbergh that great hero, that fabulous private citizen, who has contributed so much to our defense problems both in peace and in war, recently wrote a short magazine article entitled "Our Best Chance to Survive," in which he placed clearly before us the precarious position in which we find ourselves. He made this comment, which bears on the importance of the serviceman's morale:

> Fleets of atomic aircraft, costing billions of dollars, can be operated efficiently only by a skilled, satisfied and experienced personnel; yet thousands of expert airmen leave the service each year to get better jobs in civil life. Economy itself demands that in this complicated electromechanistic age long years of expensive training should be followed by opportunities, pay and conditions which encourage people to remain in the careers they were trained for.

There is nothing that makes for domestic stability and harmony more than pleasant living conditions for young married couples. Most of the houses provided by this bill are for enlisted men or junior officers, perhaps as much as 85 percent of the total units which we propose to build. The total which we have in the bill is 13,620 units of housing divided as follows: 9,000 for enlisted men, 4,600 for officers.

The estimated cost for this group of houses is more than the amount which we have in the bill as a limitation on the cost of this housing. The limit of expenditure in the bill is $175 million that may be spent under this authorization. This means that a considerable group of the houses authorized will be screened out by those who have the responsibility of seeing that the houses are built.

I wish to give a brief background of the bill. Originally the Defense Department presented the Armed Services Committee with a program for the construction of military houses at an aggregate cost of $350 million. The $350 million was a fund of unexpended appropriations which had come out of various sources of expenditures, all of which were military. The Defense Department witnesses submitted a plan known as a lease-purchase plan to construct these houses. It should be remembered in considering this bill that every officer and most of the enlisted men receive compensation for their services and also what is known as quarters allowances. In other words, the military man receives pay and is furnished quarters, or in lieu thereof, we give them a certain sum each month so he may provide his own quarters. If you will look at page 2 of the report you will notice that for 1954 there was spent over $1,400,000,000 for quarters' allowances. The total for fiscal 1955 was $1,254,959,000. The sad thing about those expenditures is that after they are made, nothing is recouped by the Government. The suggested plan of the Defense Department was that, if we built quarters in the traditional manner they have been provided throughout the history of the armed service, we would then reduce the expenditures of the Defense Department by the sum we have been appropriating each year for quarters' allowances. The savings made by not having to appropriate for quarters' allowances would in a few years, perhaps not exceeding 15 years, be an item as large as the total cost of the houses in which the officers and enlisted men live. If the houses were substantially built, it would mean that after that period of time, the only cost to the Government would be upkeep. However, there were so many complications and deviations from the strict plan proposed that we finally determined that we should have a more exhaustive study made of the so-called lease-purchase plan. I might say that I personally am in favor of such a plan and have been for several years. In fact, I introduced a bill containing a plan similar to this in the 81st Congress and was unable to arouse any interest in it, except in the mind of Hon. Robert Lovett, former Secretary of Defense, who thought the plan a good one and emphatically so stated to me. Furthermore, he designated Gen. Grandiston Gardner to work with me to develop a bill which would include the plan which I submitted of using allowances to pay for the houses in which the officers and enlisted men lived. The bill was sent to the Air Force where it was delayed and was only sent back to our committee in the dying days of the Congress in which it was introduced. In other words, the bill was sidetracked because of a lack of interest in the plan, although the United States Air Force profess to be very anxious to get houses for enlisted men and officers and instead put their faith in the so-called Wherry housing.

Consequently, after discussing the matter informally the Armed Services Committee decided that a special committee should be appointed by Chairman SHORT which would provide a method of utilizing $175 million for the construction of houses as set forth in the line items in the bill which was before us when the Defense Department officials were testifying. The chairman appointed me as chairman of the subcommittee and we held exhaustive hearings for about 10 or 12 days. I must pay my tribute to the men who served on this subcommittee. They were most courteous, helpful, constructive, and patient. We had a difficult job to do and it was not always easy to bring our various ideas into complete agreement, but we worked together in complete harmony and wrote up the bill which is before you today. I would like to have my colleagues in the House remember that no matter what kind of a bill we might bring you any conclusion as to the selection of a group of houses at any station could be challenged on some grounds or other. We did the best we could. We had intelligent witnesses explain the need for each group of houses and we finally agreed upon the bill which is now before you. The main thing that I would like to emphasize again and again is the very bad plight of the young officers and enlisted men, especially those in the grade of sergeant and above. Also, I emphasize again how desperately we need these men. These groups or teams, as you may call them, may be vital to our very existence. Airmen together with the officers that fly the planes must live together in a unit. They must be near their equipment, for you all know, without further elaboration on my part, that these men are on a 24-hour alert. If the call for their services should come, they must be prepared to get into the air within a matter of minutes. We have the same situation in the naval air arm, in the marine air arm, and even in the Army to a limited degree.

Furthermore, we have some very critical types of people who must be on a station and not far away where he may have had to rent a house. I refer to doctors, dentists, nurses, and special type personnel who are required to service and administer to our service men and women. I am sure, if everyone had sat through the hearings, as we did, they would realize that we must do something about this housing problem. In this group of houses we are only providing 10 percent of the need estimated as a requirement for a military force of the present size. You can readily see that it is essential that we take care of this first unit of houses. We are meeting competition for the services of our military personnel in two ways. In the first place, our trained personnel are being drained off by civilian industry because

they pay more money. In the second place, we are being competed against by private enterprise because they can provide better housing and other benefits for their employees. All of you know that an up-to-date industry, when moving into a town to build a new plant, in many instances provides the houses in which their workers will live. It permits the employees to buy them at cost. This morale factor is important in any endeavor, but it is more important in the military field than in any other. The reason is that when the chips are down it is a matter of life or death, and a man who believes in what he is doing, as all of you know who have served, is the best soldier, sailor, airman, and the best leader. The leadership of the junior officers in the company grades and the field officers, and the top sergeants, can furnish more leadership when they have a happy, contented group to command. Ask any man on this floor, and I could mention a half a dozen great war heroes who learned this in the heat and struggle of battle, and they will tell you that my statement is correct.

Perhaps we are overly serious, but I do not believe that we can be too serious in the critical situation in which we find ourselves. I am not here to make reference to any errors made in the past. My committee and my special subcommittee are accepting the situation as we find it; facing the future as we must look at it and taking those steps, that our conviction and our experience dictates to be the right steps.

There are some houses here for senior officers, and if the past is any criterion, I presume we will hear some critical observations about these senior officers, generals, and admirals.

So I implore you to listen carefully to this debate. If you do, I am sure you will authorize the houses asked for in this bill and thereby improve the morale and the living conditions of those who may some day be called upon to save us from disaster. If we retain our present strength and maintain our trained personnel and do something to bolster up their morale that may be the very program that will prevent an atomic war, which we all pray and hope will never come.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Texas.

Mr. MAHON. Some apprehension has been expressed by people who are in Wherry housing areas. They express the fear that this could reduce the occupancy in Wherry housing units, and thereby defeat the success of the Wherry housing program. Now, is there any danger of that? What is the gentleman's reaction to that?

Mr. JOHNSON of California. I do not think there is any danger, because if you look at the hearings, we determined that we woud not install houses where Wherry housing was in operation. There may be one or two isolated cases where that would occur, but on the whole, taking it by its four corners, the bill will not invade any Wherry housing areas.

Mr. MAHON. The gentleman does not think, nor does the committee think that there is any real danger in this bill to Wherry housing?

Mr. JOHNSON of California. I do not think there is.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from California.

Mr. PHILLIPS. That is a controversial question. The gentleman's bill says otherwise.

Mr. JOHNSON of California. I do not think it does. We are prepared to offer an amendment that I have shown to the gentleman that I think will clear up the situation in the event it is in doubt; and I do not think it is.

Mr. PHILLIPS. I think that two amendments and a statement from the chairman which should go in the RECORD may clear up the matter. I hope the gentleman will be good enough to give me some time to discuss this before we are through.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I should like to ask one question of the gentleman. I may say first of all that I am very much in sympathy with this bill as I have both West Point and Stewart Field in my district.

I am fully aware of the necessity of adequate housing for the officers and enlisted men, but I should like to ask the gentleman, if this question has been so carefully screened, why, on page 8, under Outside the Continental United States, there is an appropriation of $6,683,400; and out of that $2,366,300 is for naval air activity at Port Lyautey, French Morocco, 175 units.

In view of the fact that it is quite evident to anyone who has been watching the situation abroad in the last few weeks, that the war clouds are certainly gathering over; and as it is also abundantly clear that every time another one of these holding wars is given up by our good allies, who are defeated, that our materiel is lost when the defeated armies move out, I wonder whether or not it would be wise to withhold some of that money in French Morocco at this time.

Mr. JOHNSON of California. They claim it is very badly needed. As the lady knows, we have a complex of airfields and strategic airbases, and also a large naval complement there.

Mrs. ST. GEORGE. I realize that, but in view of what may happen, I think it ought to be looked into again.

Mr. JOHNSON of California. No matter where the men are, they have to have adequate housing; even if it is in Morocco.

Mrs. ST. GEORGE. But the men must be housed somewhere now. What is the situation at the present time?

Mr. JOHNSON of California. They are having difficulty there. Some of us were there last year and found that they had very, very poor housing. It is almost shameful the way some of those men live. Furthermore, it is possible that some of these houses will be built with French money, although we will have to pay a certain amount of rental for the use of the property.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. Very briefly; I have very little time left.

Mr. GAVIN. The gentleman called attention to the fact that thousands of men are leaving the Air Force. I want to call the attention of the gentleman to the fact that not only are thousands of men leaving the Air Force, but there are thousands of men who are leaving the ground forces; the Army, the Navy, and the Marine Corps, as well. I think we should understand that this is not legislation that affects specifically only one branch of the Service. It affects all branches of the Service.

Mr. JOHNSON of California. I think it is thoroughly understood by everybody that that is the case.

The main thing I would like to emphasize again and again is the very bad plight of the young enlisted men, especially those in the grades of sergeant and above. I emphasize again how desperately we need these men. These groups of teams, as you may call them, may be vital to our very existence. Airmen, together with the officers who fly the planes, must live as a unit. And they must be near their equipment for all of you know, without any further elaboration on my part, that they are on a 24-hour alert. The same thing applies to the Army and the same thing applies to the Navy, as my colleague mentioned a moment ago; and the same thing applies to the Marines.

I think I have indicated enough so that you can see what a terrible plight we are in and what our dire need is if we are to have reenlistments and save money by having reenlistments, because then we can keep our trained men. If we are to have good morale we must have at least passably decent housing conditions for our men.

I certainly hope the House will pass this bill so that word can go out to the men in all parts of the world that we are doing our level best as Members of the Congress to afford them a decent place in which to live.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Indiana.

Mr. BRAY. I believe the gentleman misunderstood the question of the gentlewoman from New York [Mrs. ST. GEORGE] when she asked about the housing in Morocco. I think the gentleman stated that the housing in Morocco might be built with French money and the United States would rent that housing. Would not that be impossible under this bill?

Mr. JOHNSON of California. There is no specific authorization, but there is a plan under which that might be done.

Mr. BRAY. I am aware of that plan, but it is not included in this bill.

Mr. JOHNSON of California. There is no authorization in this bill along that line, but there is what is referred to as the French Wherry plan, to let them

build the houses and rent them to our servicemen.

Mr. BRAY. I am aware of that, but I was afraid the RECORD would show that was included in this bill, and it is not.

Mr. JOHNSON of California. That is right; it is not.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Iowa.

Mr. GROSS. The authorization for the naval hospital at Bethesda, Md., is 30 units of family housing, $409,000, which would figure about $13,000 per unit. Then there is an authorization in the naval district area of 4 units of family housing, $108,000, or approximately $27,000 per unit. Why the difference there?

Mr. JOHNSON of California. I think one authorization is for housing for the commanding officers, at $27,000.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Those four houses are for vice-admirals who are stationed here in Washington.

Mr. GROSS. The others are for enlisted men, at $13,000?

Mr. DEVEREUX. Some of them junior officers and enlisted men.

Mr. GROSS. It is twice as much for the officers as for the enlisted men?

Mr. DEVEREUX. Exactly; twice as much for a vice-admiral as for a sergeant.

Mr. GROSS. That is a good division of the spoils, in the wrong way.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. DAVIS of Wisconsin. I am glad to know that the gentleman from California did specifically state that the portion of the committee report on page 7 which reads that this authorization will not require the appropriation of any new funds is not correct.

Mr. JOHNSON of California. That was made before you people chopped down the amount for military expenditures.

Mr. DAVIS of Wisconsin. I do not think it is necessary for me to justify the action of cutting that down because I do not believe the gentleman from California feels that the armed services ought to have a $175-million fund that they can divert from one purpose to another, depending upon what the House may see fit to authorize in the closing days of the session.

Mr. JOHNSON of California. That is right. All we want to do is get the authority. We think we can make our case before the Appropriations Committee later so they will appropriate the money to build the houses.

Mr. DAVIS of Wisconsin. That raises the next question that was brought before us by the gentleman from Texas [Mr. KILDAY], when he said he did not want the Congress to be put in the position of not going ahead and authorizing this money. I am wondering what solution the gentleman from California would now offer to the Appropriations Committee where it seems to me that in order to perform our functions properly under an authorization program of this kind we would have to hold probably about 2 weeks of hearings in order to be adequately informed to pass on that kind of appropriation. It seems to me we either have to do that or give a blank check without holding any hearings and say, "Go ahead and start on this program now." That puts us in a pretty bad situation.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Maryland.

Mr. DEVEREUX. As I see it, it is a question of whether you are going to take the money out of one pocket to pay rental allowances or take it out of the other pocket to pay for these houses.

Mr. JOHNSON of California. The people that are in charge of the program of providing these houses and who sought this authority will make the justifications before the gentleman's committee. We do not expect any of these houses to be built until next year.

Mr. DAVIS of Wisconsin. That is the point I wanted to make clear. That is somewhat different from the impression that would be created by the statement of the gentleman from Texas. We are really not in a position to go ahead and promise to these people in the armed services throughout the country that by action on this particular measure they are going to be able to go ahead and start building houses.

Mr. JOHNSON of California. All we want to justify to the armed services is that we got the authorization. They will have to make their justification to you people, which I am sure they can do. I feel then that you will give us the necessary money.

Mr. RIVERS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I wish to present H. R. 9924 for your special consideration. Your committee has examined into the details of this bill which is now before the House. I have found that a serious situation has grown up in the management of our Military Establishment which, I must say, does not reflect favorably on the past actions of either the executive department or upon the Congress itself. We have found that the country has failed to adjust itself to the present world conditions in that we are attempting to manage and operate our Military Establishment on a wartime basis but using peacetime concepts. At the present time, the factual situation shows that this country has called upon its young men, many of them married with families, to leave their civilian life with all of its attendant benefits, to enter into the service of their country with all of its difficulties. We seriously need these men now in this world of tension so that they may be trained in the use of complex equipment which they may be required to use in the event they are called upon to defend their country in time of war. We all recognize the day has gone when the armed services, and particularly the Air Force, can be manned almost overnight to meet the enemy. It takes long periods of training, in fact practically all of the first 4 years of enlistment, to train these men in the hard-core skills necessary to man our forces. Remember that we can have all of the best equipment in the world and still fail if the men who fight and maintain this equipment are not highly trained. Few of us, I am afraid, fully appreciate just how long this period of training is that is now required to create a qualified fighting man, and most particularly how much it actually costs the country and our economy when we lose these men after they have received this highly specialized training. I say to you that this bill seeks to correct one of the prime deficiencies that the military departments now have; namely, family housing, the lack of which is making the retention of highly trained personnel almost impossible. We have all heard many, many times of the welfare and morale of the services. The phrase "welfare and morale" has been overworked to the point of becoming a bromide. I wish to explain to you some of the dollar-and-cents results that the nebulous question of morale or lack of morale is costing this country in its Defense Establishment as it relates to housing. The members of the Armed Services Committee and myself have traveled throughout this country and overseas inspecting military installations. I am far from pleased with what I have seen. I am sure you would share with me the shame that I felt and members of my committee felt when we saw some of the hovels that our military personnel are forced to inhabit. They are of various types. Some of them are converted garages, some temporary conversions or makeshift arrangements of barracks, others crowding into small quarters, doubling families, and so forth. Examples are numerous, but they all add up to one thing; namely, Americans do not live that way voluntarily. If the world is to continue its present armed-camp condition, we must of necessity see to it that our forces who are required to stand by and wait for the emergency to break are afforded at least the accommodations that they would normally live in if they were out of the military service. This is not asking too much of this great country of ours.

Sometimes in our consideration of housing, I feel that the Congress and the country have been too miserly for the reason, I suppose, that most of us know something about housing, its expenses, its drawbacks, and what it requires of individuals to become homeowners. None of us will hesitate to provide our services with the necessary implements of war, with airplanes, runways, hangars, and all of the many thousands of items of equipment that it takes to accomplish military security. We find that billions of dollars are being expended for these items and that they are necessary, yet when it comes down to the question of providing living quarters for the personnel who are to man such equipment we become ultraconservative and have adopted a negative approach. This bill, gentlemen, recognizes that there has been a fundamental,

costly mistake in this area. In a small measure, this bill seeks to put the housing in its proper perspective and commence a sensible program of providing this relatively inexpensive necessity to our entire military program.

Remember, gentlemen, that our military people are subject to orders. The civilian can refuse to move and take jobs if housing is not available, but once a man has enlisted in the military service, or has been commissioned, he goes where he is ordered to go and where his country says he is needed without regard to the facilities provided for him and his family. He cannot refuse. It is up to us to recognize that we have not provided the essential housing in order that these men might live as Americans and as we would insist that they should live.

In our travels we have found that because of housing conditions many of the military officers and men when assigned to new locations are forced to buy houses at high prices. When orders come for them to move, they must sell those houses and buy new ones at the new location to which they have been assigned. It might be contended that in the past such personnel have made a profit on the purchase and sale of housing since the real-estate market was generally moving upward until this year. However, the fact indicates that such personnel are not in a position to speculate on whether the prices are going up or down, since all of their savings go into the purchase of such houses, plus the fact that they cannot hold them for a better price when selling because they need the money out of the old house before buying another one at the new duty station. Gentlemen, we all know that if we were personally forced to buy and sell our homes every 2 years, that we could not hope to remain solvent. The saying in the military is that three moves will break you. Your committee believes that this is unfortunately true. I am sure that you will all agree with me that we are not considering the welfare of our people when we continue to force them into this type of situation. I am also sure that you will agree with me that such a condition cannot help but injure morale of the forces and, of course, the efficiency and effectiveness of our military forces.

Industry that operates on the profit motive has found it necessary to provide decent living quarters at a reasonable rent to its people. They have found it pays in the long run for the company itself to provide this housing if not otherwise available, and they have found it is not always otherwise available. As a practical matter, it amounts to money in the stockholders' pockets if by expending a relatively small amount of money for housing, they are able to stabilize their work force. We have expended great amounts of money for our military installations and equipment and very little for housing in order to stabilize our work force. Frankly, it does not make sense. Many examples of industry-built housing are undoubtedly known to each of you. A few outstanding ones that I desire to bring to your attention are such as action taken by the Hershey Chocolate Co., in Hershey, Pa. There we find a complete community. A current example is the Clarke Thread Co., of Albany, Ga. Here we find that the company has constructed 500 family units to be sold or rented to their employees. Another one is Fairless Works, United States Steel Co. at Morrisville, Pa. The company is developing a new community with all facilities, including 13,000 housing units for sale or rent to employees. These examples may be expanded many, many times. The point I wish to make is that if it pays for private industry to do this, and you know that it does, it certainly will pay us to take the same measures in managing our Military Establishment which has many more problems inherent in it than we find in industry.

Now let me turn to the question of economy. Although we all believe that the betterment of morale among our troops will itself result in economy, since all of us know that happy and contented workers make for better and more efficient operations, I will be the first to admit that such things are intangible and cannot be measured exactly. Therefore, I would like now to discuss those aspects of economy which this bill seeks to remedy, which can be measured. For this purpose, I have selected one of the services, the Air Force, to show you what it means to this very important first line of defense; namely, the Air Force. Your committee has found that the Air Force cannot expand any faster than it can secure trained men in the hard-core skills. In other words, mere numbers of men are not the answer. The Air Force can only expand as fast as it can develop its hard-core skills. We find that the Air Force can secure these trained men in only two ways: First, from industry; or, second, train them itself. It goes without saying that the military cannot get such men from industry, so the second alternative to train them themselves is what is done. However, in the Air Force your committee has found that the training period is so long that not much gain is made during the first enlistment. The training pays off only if the Air Force can keep their men beyond the first enlistment. Unfortunately, unless the Air Force is able to do something to make the career service more attractive, it does not appear that they will be able to get enough enlisted men to reenlist to insure the quality of personnel that the Air Force needs. At the present time, the Air Force is set at a 137-wing program with a manning of 975,000 people. The facts developed in our hearings on this bill indicate that the Air Force must get at least from the beginning of fiscal 1955 through fiscal 1957, a reenlistment rate of 33 percent.

The reenlistment rate of 33 percent is a minimum since the Air Force does not believe, and I agree with them, that without it this country can get sufficient new enlistments to attain the total figure of 975,000.

This bill which we are presenting to you today will help the Air Force attain a higher reenlistment rate. Your committee feels that this is essential to the defense of the Nation.

Let us look at what the chances are of getting a 33 percent reenlistment rate or better, since 33 percent is an absolute minimum. In February of 1954, the Air Force had a 5 percent sample survey made. Of all airmen whose enlistments would expire during fiscal 1955, it appeared that only 26 percent indicated that they were going to reenlist. Thirty percent of the individuals due for separation in fiscal 1955 are airmen who have had more than one enlistment in the Air Force and of this group, 64 percent have indicated that they would reenlist, proving beyond a doubt that the Air Force contention that once a man has got past his first enlistment, there is a good chance of keeping him. The first termers, composed of 70 percent of the group, indicated that only 9½ percent intended to reenlist. In order to get a 33⅓ percent reenlistment rate, the Air Force must raise the number of reenlistments of these first termers to 20 percent. One of the main reasons given by the men for their unwillingness to reenlist is the lack of adequate family housing accommodations. If the Air Force is able to demonstrate to these people that it is doing everything within its power, with the assistance of the Congress, to make the military career more attractive your committee is sure that it would be enough to tip the scales in the Air Force favor for a large percentage of them. Your committee is further convinced, after studying the problem intimately, that it is practically self-evident that our Government would in the long run be many dollars ahead by permitting the expenditure necessary to build military family housing and other necessary facilities.

I am sure that you have all heard various dollar figures stated as being a loss to the Government when a man does not reenlist. The figures have ranged all the way to $14,000 for an enlisted man and $41,000 for an officer. If we disregard the above high figures and consider only the enlisted man, on the most conservative basis possible, your committee has found that the Government will lose at least the cost of training the individual. The provable minimum cost in the Air Force, which does not take into consideration intangible costs, amounts to $2,500 per man.

As you all know, when an enlisted man leaves the service he receives certain benefits. These benefits include, among other things, mustering-out pay; lumpsum payment for accrued leave; if he is unemployed, he may be entitled to unemployment compensation in the amount of $26 a week for 26 weeks; and he has all the rights and privileges of the GI bill of rights which includes substantial payments for education. In addition, he may receive a bonus from the State in which he resides. It would, therefore, appear that the incentives that exist are incentives to leave the military service rather than incentives to stay in the military service. Your committee recognizes that as long as we have the draft, these benefits cannot be taken away since they were established to help the serviceman make up for the losses he sustained because he entered the service

of his country. These benefits, from that standpoint, serve a worthwhile purpose, but they are certainly making the job of maintaining adequate service forces difficult. I bring this matter to your specific attention because I am afraid that we have all failed to recognize the serious problems confronting our Military Establishment in retaining personnel that the country has expended thousands of dollars to train.

These benefits that I have mentioned, including the GI bill of rights benefits, are a cost to the United States that the United States would not have to pay if the man did not leave the military service. Therefore, the loss to the United States Government when an enlisted man fails to re-enlist is not only the $2,500 training cost but was the amount of money the Government is required to pay under these benefits. Forget for the moment all benefits except the benefits for education. We find that approximately 40 percent of all Korean veterans will take some educational benefits and that the average period of education to which they will be entitled is approximately 18 months at an average cost of $100 per month.

The Air Force provided me with two examples to support this conclusion During 1953, the 9th Bomb Wing was reassigned from Travis Air Force Base, Calif., to Mountain Home Air Force Base, Idaho. Mountain Home, Idaho, is approximately 60 miles from Boise, Idaho. Due to the isolated nature of this station and lack of adequate housing facilities, no reenlistments occurred within the organization until physical evidence was presented to the airmen that the housing problem would be solved. Once the Air Force was able to show the airmen that housing was actually going up, reenlistments started to come in. This same situation was characteristic of the movement of the 42d Bomb Wing from Carswell Air Force Base, Fort Worth, Tex., to Limestone Air Force Base, Maine. One individual example was at March Air Force, Riverside, Calif. This is a Strategic Air Command key station. At this station, the Air Force has 3,500 families living off the station. Recently an airman reported to his commander that he either had to be assigned quarters on the station, receive an increase in pay, or seek some method of separation from the service. He was forced to occupy a set of quarters in the local community for an approximate rental, including utilities, of $125 per month. His basic pay is $107.02 and his quarters allowance is $77.10. The airman pointed out that he had to give up his automobile, he had been unable to pay for adequate clothes for his youngster, and at the present time they were running out of food and had no money to buy essential food items for the remainder of the month. The commander inspected the set of quarters occupied by the airman and found them clean, quite small and though his wife and the child were spotlessly clean, they were not what you might consider well-dressed, and it was apparent that they were certainly making a definite effort to maintan some dignified standard of living. All current bills were paid, but the airman could see no solution because each month the same conditions were going to be characteristic of this case. In discussing this case with the station commander, he pointed out that he had no set of quarters that he could assign to this airman on the base, which would have helped to some extent. The only solution that he could offer in this immediate case was an outright grant from the welfare fund of the necessary funds to meet living costs for the balance of that month. Unfortunately, this is not an isolated case. Your committee has found that it is true at many stations throughout the United States. It appears, therefore, that it would be desirable to take some of the savings which might accrue from the increase of reenlistment rate to create the conditions, one of which is housing, which would make the Air Force career more attractive. This not only will save money to the Government as demonstrated above, but will also raise the quality and the morale of our forces.

Now, let us see whether all these benefits to the Government; for example, the increase of quality and the saving of training costs and GI benefits, can result without the expenditure of a large sum of money.

Under current legislation, a soldier or airman with two dependents is authorized a quarters' allowance of $77.10, regardless of his grade or length of service. An airman with three or more dependents is authorized a quarters' allowance of $96.90, regardless of grade or length of service. Officers' allowances, under current legislation, are as follows: Second lieutenant, $85.50; first lieutenant, $94.20; captain, $102.60; major, $119.70; lieutenant colonel, $136.80; colonel, $136.80; general officer, $171. Statistics indicate that the average Air Force family is comprised of 3.1 individuals.

If we make the following assumptions, namely, that one-fourth of the proposed program of housing will be designated to meet officer requirements and three-fourths enlisted requirements, therefore the construction of the proposed program will provide for a reduction in the quarters allowance appropriation of about $12 million each year. After 14 years the property would be paid for and would continue to return to the Government money at the rate of $12 million per year. It is estimated that the life of this housing will be 35 years. This means that after the total cost of construction has been returned to the Government the Government will save very large sums each year in addition to money saved through increasing the reenlistment rate.

To state the problem simply and concisely, this country spends many millions of dollars to construct a base and provide plant facilities, additional millions to provide up-to-date mechanical aircraft equipment, and millions to adequately train personnel and then lose the effect of the spending of the many millions by refusing to provide approximately $5 million in family housing at a base to make the military organization at the particular base an integrated effective military force.

A B–47 aircraft costs approximately $2 million, the training of the pilot costs approximately $210,000, and the training of the balance of the crew and supporting specialists, to keep the aircraft and crew operating, costs approximately $100,000. For this total outlay of $2,310,000 per aircraft and crew, it only costs approximately $50,000 to provide adequate family housing for essential members, thereby assuring that this aircraft and crew will remain an effective instrument of defense.

Your committee is trying to be practical and realistic about our problems relative to family housing—why we need it and where. We know, as you do, that the concepts of war have materially changed since World War II due to the development of long-range aircraft and the atomic and hydrogen bombs. The air bases have become war operational bases, both for offense and defense. All of the modern equipment and training will be of little avail in the initial stages of the next war if the men cannot reach this equipment in time to utilize it to prevent the successful accomplishment of the initial attack, if the very men whom we are relying on to man this equipment are, in too many instances, living so far from their duty post as to be ineffectual during the initial war stages. In other words, they would not be able to reach their planes in time to intercept the enemy. Certainly we do maintain alert crews, but when the chips are down and an all-out attack is launched against our country, the Air Force wants to be able to put into the air a maximum number of fighters and bombers immediately.

Simple economy, good business, and a proper regard for our military people and their defense mission, all dictate favorable consideration of this bill.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield the gentleman a half minute.

Mr. SIKES. I could use much more than that time, but I asked the gentleman to yield to pay tribute to him for his zealous service in behalf of the Armed Forces. I do not know of anyone who has labored more diligently to make the military career inviting.

Mr. RIVERS. I thank the gentleman. I wish I had given him 5 minutes.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield, briefly.

Mr. WICKERSHAM. I would like to say I think the Department of Defense will be before the Appropriations Committee in the immediate future, because these items are urgent, particularly in the ADC and Strategic Air Commands.

Mr. RIVERS. That is an important thing.

Mr. WICKERSHAM. SAC and ADC officials informed us they need some of these houses on the base as a fireman needs to be in the firehouse ready to slide down the pole when there is a fire.

Mr. RIVERS. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. KILDAY. Mr. Chairman, I yield the gentleman from South Carolina 1 additional minute.

Mr. RIVERS. I have gone into this matter thus at length and earnestly with you because after all the important thing is to keep the serviceman happy, keep him in the service serving his country happily. That is your responsibility, that is my responsibility.

Once I think it was related by the old Duke of Marlborough that one of his soldiers said to him:

> God and the soldier were adored
> In time of danger, not before.
> The danger past and all things righted
> God is forgotten, the soldier slighted.

Now, in 1954, while time remains, we at home can reverse that in this day of world tension, waiting, as Syngman Rhee told us yesterday, waiting the call to death. Let not that be charged against us.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. ALLEN of Illinois. I want to say that during the 22 years I have been here I have not heard a matter better presented, or more sound reasoning than the gentleman from South Carolina has just given the membership of this House.

Mr. RIVERS. I thank the gentleman very much.

Mr. JOHNSON of California. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, I am a strong believer in the Wherry Housing Act. I still favor Wherry housing. We need this bill, however. I will try to tell you why. However, I first want to answer a statement made a while ago of the investment that the taxpayer has in Wherry housing.

Directly, the taxpayer has no investment in Wherry housing, because it costs the taxpayer nothing originally.

The Wherry housing program operates like this: The Department of Defense at a permanent installation needs, we will say, 500 housing units. The sponsor gets a contract and builds those houses. It does not cost the Government a penny. However, the FHA guarantees the mortgage whereby the sponsor gets the money with which to build these houses. FHA guarantees it up to 90 percent. The only way the taxpayer can lose would be for the situation to develop where the rentals are not sufficient to amortize or pay out the mortgage and pay the taxes. In that event FHA has to come in and make up the shortage, but that has not happened so far.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. MILLER of California. I think the gentleman should point out that this money is taken out of an insurance fund.

Mr. CUNNINGHAM. I am coming to that. The point is there is no appropriation required for Wherry housing. To this extent it is very advantageous. However, there is no getting away from the fact that in the long run Wherry housing costs much more than the housing under this bill. It was pointed out by the gentleman from Texas [Mr. KILDAY] that a Wherry housing unit costs $8,100 and occupied by the Government for 32 years, the Government has actually paid $50,000 for the unit.

Under this bill the Government builds the house itself and the cost is amortized through quarters allowance for rental for the use of these units. The money goes into a revolving fund and stays with the Government. So here there is an initial appropriation.

Some mention has been made of Wherry housing abroad, and I want to touch upon that matter briefly. There is no such animal as Wherry housing abroad, but that term has been given to some housing that we have sponsored and accepted overseas. I will give you an example. In one country overseas we needed a number of units, several hundred, for military personnel. A private contractor said: "I will build those houses if you will guarantee 90 percent or 95 percent occupancy for a period of any 10 years." We said, "All right." So again there was no investment, and the only way we can lose is not to have sufficient personnel over there to keep those houses occupied for a period of 10 years. If a portion of them become unoccupied, the contractor can then lease them to private families, and we still only have to make up the difference. It was said in our committee that the only way we can lose under that arrangement is to have permanent peace and bring our troops back home. That is a price we are glad and willing to pay.

I think it should be pointed out also that Wherry housing cannot afford to be built, the sponsors cannot afford to build where there is only a small number of units. I believe the testimony shows the smallest number of units in any one place under the Wherry housing provision is 25 and generally they insist they must have 100 or more. Wherry housing makes money for the sponsors only where they build a large number. They cannot make money by building a few. One of the provisions in this bill provides for small numbers of housing units and installations where we cannot get Wherry housing. That is the only exception, where the housing sponsors will not agree to build them, anyway. Otherwise this bill provides for Government housing only in installations that are not permanent and where they do not have Wherry housing or where it is a permanent installation or where we have Wherry housing and replacements for substandard housing already built are necessary.

Mr. Chairman, strictly as a business proposition this bill represents sound policy. It involves money that one way or another would be an eventual cost of maintaining our Armed Forces. By making a capital investment now we can put some of our normal expense into permanent installations.

There is an aspect of this program which is not entirely dollars and cents. This is its importance to the creation and maintenance of a hard core of experienced and devoted career soldiers, sailors, and airmen. In separate bills from time to time, this Congress has been dealing with this general problem, and this bill is one further step in developing a program to meet fundamental needs.

A sizeable nucleus of well-trained, continuous-service personnel is essential to each of our armed services—not only to keep the service ready for the unpredictable demands which may arise in this period of tension, but also to lead the relatively untrained individuals who must augment the services in time of emergency. Such a nucleus cannot be maintained without a definite effort to make service life acceptable to the highest type of men as a way of life.

This requirement of a hard core of professionals cannot be filled by personnel without families. Even if this were possible it would not be desirable. To attain a high order of military and technical efficiency these men must serve during the years when most Americans have become heads of families. We need the stability and responsibility that is characteristic of family men.

Some of the burdens which service life imposes cannot be eliminated because they are inherent. But service families in recent years have been under handicaps which may be accepted in wartime, but cannot be endured in the long haul. They have been concentrated in many areas which are already crowded by defense activities. They have been sent to isolated locations in which the civilian facilities do not even remotely meet the needs. And, at the same time, we have concentrated our efforts on building weapons and operational installations rather than the family accommodations which would have been considered normal in prewar years. As a result the individual service family almost as a general rule has had to choose between housing expense far beyond their means, or unsatisfactory housing. Too frequently, the only solution has been separation of the family.

This bill will not fill all of today's needs. It is at best a start, and an indication to service personnel that a measure of relief can be foreseen. It will begin the task of meeting the minimum long-term needs of the Military Establishment.

Mr. KILDAY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, this is purely an interim measure. It is going to take care of between 10 and 14 percent of the houses needed. The bill should be passed because, as has been pointed out, there is no question as to the desirability of getting houses at our defense installations and getting them in the shortest possible time.

Someone has raised the point that the Appropriations Committee would need time to examine the matter before it passed on it; but if we get the authorization through it is an indication that the Congress and the people are interested, and the engineering can be done even if

we wait until the next session of the Congress for the appropriation. It is the first step necessary to get this type of housing.

I want to make it very clear that I do not think Wherry housing is bad. The services do not like Wherry housing, but as I sense it, they do not like Wherry housing because they do not exercise the full control over it that they exercise over housing such as this. On the other hand, I am not going to condemn Wherry housing for that alone. I think it has a very definite place in the scheme and I want to make it clear that this subcommittee—I think I was as faithful in attending as anyone—heard very little evidence on the part of the Wherry people. It had no opportunity to give them a chance to meet the arguments made against Wherry housing. So, I am not going to condemn Wherry housing in any sense of the word, but that does not interfere with the necessity for this bill at this time.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I think the gentleman is correct, that the subcommittee heard very little testimony about Wherry housing. But, is it not true that prior to that time the committee heard a lot of testimony about Wherry housing specifically?

Mr. MILLER of California. We did, but I think there are a lot of things we should go into before we abandon a scheme that was set up to try and encourage private money to get into this field.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. JOHNSON of California. We are also going to try to explore the problem a little further. It is part of our instructions to explore the problem further, and I am sure the gentleman will contribute toward that end like he has in the past.

Mr. MILLER of California. That is right. This matter will be explored. We are not closing the door on Wherry or any other kind of housing, but that does not say that this 10 percent, only 10 percent, of the needs is not justified and justified at this time to try to encourage the morale factor in the services.

Let me point out that it costs $50,000 to train a pilot, and when you lose a pilot you lose that great investment. I just received a letter this morning, and I am only going to read one part of it. It is from the wife of a master sergeant. She says:

> From all indications our heart's desire to have a family is going to be held in abeyance for a few more years. Sure, we could endeavor to make a home in one of the 18-foot PHA trailers on the base, which is the only housing facility available on—
>
> I will leave the name of the base out—
>
> for families with less than two children. But, would you ask your family to make a home in a tiny trailer that is just big enough to turn around in—the type of vehicle that most people use for vacationing?

Now, how can you expect to hold people under those conditions when the home, the most sacred thing in our American tradition, is an 18-foot trailer in a place where it is not too pleasant to live in trailers?

Mr. Chairman, I again want to further labor the argument made briefly by the gentleman from Oklahoma [Mr. WICKERSHAM] that in the Air Defense Command the men have to be available on the base so that they can scramble and get into the air and not take 20, 30, or 40 minutes to get from their homes to the base. We depend on our Air Defense Command to keep back the bombers of the enemy. We want ADC planes in the air, and warning time is only a matter of an hour or an hour and a half.

Mr. KILDAY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, I feel somewhat disturbed about the presentations that are being made regarding this bill, based upon the experience and observations that I have been permitted to participate in over a period of years in connection with the military. In other words, we find that under the Republican administration, in order to save money and to permit private business to become a functional factor in our economy, that we gave birth to the Wherry Act. The Wherry Act, insofar as my observations are concerned—and I have been on every one of the projects in continental United States with the exception of Florida—have been very satisfactory if the command reports that were given to me are correct. There were four in which the command reports were adverse, and I do not blame them, because they were cracker boxes that were built under an improper management concept, whether it be Wherry or any other housing.

I further feel that in the last minute the situation presented before the House is somewhat out of keeping with conditions. For example, I was privileged to have a copy of the original project presentations that were made by the military to the Committee on Armed Services. And in that what did I find? I found that in California, in my own congressional district, in a large Air Materiel Command base, there was a request for 154 Wherry housing units at an expenditure of some $2.5 million or more. I called the command of that post over long-distance telephone for a clarification, because I had been on the post 2 weeks before. Their statement was that they had never made a request for that size of Wherry housing, had no use for it and had no place to put it, and had adequate housing for all other personnel in rented quarters and other housing categories, with the exception of three command houses.

Furthermore, I found in that presentation a request for housing at 29 Palms which is a Marine Corps project again partly in my congressional district and in that of the gentleman from California [Mr. PHILLIPS]. Here is another illustration of the Wherry Act that was acquiesced in by the military and was on its way to a construction contract.

I am just wondering, gentlemen, as I look over the complete list of projects as presented in this bill, how deeply these gentlemen have gone into the authenticity of these requirements on stations that are incorporated in the bill.

In other words, what are these gentlemen attempting to do here? I should like to ask the chairman, if I may, whether it is the concept of his committee, in its wisdom to avoid any further operations under the Wherry Act?

Mr. JOHNSON of California. No; distinctly no.

Mr. SHEPPARD. The gentleman has answered my question.

Mr. JOHNSON of California. May I make one additional comment? When the gentleman's time has expired, I shall yield him an additional minute.

Mr. SHEPPARD. I thank the gentleman.

Mr. JOHNSON of California. We must naturally assume that the representatives from the Department of Defense are telling us the truth. If there is any such situation as that to which the gentleman has referred on the project in his district, I should like to look into that situation myself.

Mr. SHEPPARD. Let me say this to the gentleman. Somebody on the gentleman's committee looked into it because it was eliminated from the bill that we are presently considering, as compared with the original bill. Anyone who knows anything about these operations knows that these are the facts. What I am getting at is whether the information that is supplied in connection with this bill, as it affects each of these projects falls into the same class of hypothetical assumption as do those two projects to which I have referred or are they based upon fact? If there is anybody on the committee who is prepared to tell me of their own knowledge that it is based upon fact, I should appreciate it if they would.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from South Carolina.

Mr. RIVERS. Mr. Chairman, I represent the First Congressional District in South Carolina. We have a new air base at Charleston. They need 800 units. We gave them 500. They are building a big Marine base at Beaufort, S. C., with which I am sure the gentleman is familiar. You know what they need there; we gave them 50 units. They built a big naval hospital at Beaufort. The gentleman helped me break ground on that. I can tell the gentleman that in my district they need them. I cannot speak for anybody else. The gentleman will have to take the word of those who are representing those other districts.

Mr. SHEPPARD. I thank the gentleman very much. I am sorry that the gentleman cannot assume the responsibility for giving me the same answer concerning the other projects. Let us go a little further into the matter of the requirements of the military. I am as realistic about the requirements of the military as any one man on the

floor of this House. I have lived with their problems for a great many years and I have had deeply implanted in me a sympathy for their difficulties. I know what housing means to those families. I know that we have had families disrupted because there has not been adequate housing. But let me read something to the membership that might be extremely intriguing as to the whys and wherefores of losing so many of the military as we are losing. I should like to quote from an information services letter, the Air Force Information Services Letter dated June 11, 1954, volume VIII, No. 6. I shall quote this specific paragraph:

> Referring to a recent informal survey of attitudes of Air Force dependents, the Secretary said it was found that 22 percent of the complaints received were remediable by the base commander, 24 percent remediable by the Department of the Air Force, and 6 percent remediable by Air Force personnel acting informally. Some 33 percent were remediable by legislation, or by governmental authority above the Air Force.

Mr. KILDAY. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, first I want to call attention to the fact that throughout the history of our Nation we have built family quarters for members of the military with appropriated funds.

Back some years ago when we were having such tremendous difficulty in securing adequate housing for members of the Armed Forces the Wherry Act was adopted. I do not know of any understanding at that time that it had become the fixed policy of the Government that in the future all family quarters would be built under the Wherry Act. In any event, we did build many projects under the Wherry Act and they have been most helpful. It is true that they have filled a very great need. It is also true that under the Wherry Act all bases cannot be taken care of. In the first place, you cannot take care of temporary bases, and in addition you could not possibly build a Wherry project for items such as we have in this bill or for such a small number, from 4 up to 50, and things of that kind, that would not be justified under the Wherry Act.

It is true that about 3 years ago under the previous Democratic administration the President placed an arbitrary ceiling on the military budget. When we considered the public works bill on that occasion with the necessity of coming within the arbitrary budget fixed by the Democratic administration we found it absolutely essential to remove from the public works bill all family quarters to be built with appropriated funds. We at that time stated that they should be built under the Wherry Act. Again, we did not formulate any permanent policy of the Government that we would not again build with appropriated funds.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. SHEPPARD. How many of the projects that are delineated in the bill are in the category of the permanency declaration?

Mr. KILDAY. I will have to ask the members of the subcommittee to give me the information as to how many permanent and how many temporary stations there will be.

Mr. JOHNSON of California. I understand they were all permanent, those that were designated. That is what the different departments told us, that they were permanent stations. Later I will place into the debate the specific facts.

Mr. KILDAY. In this bill?

Mr. JOHNSON of California. Yes.

Mr. KILDAY. The point of that is that this represents a very small number of houses relatively. It represents only approximately 13,000, and the original request from the Department was for 25,000, making it perfectly clear that that was not nearly all that was needed.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. PHILLIPS. If I understand the gentleman, this is only a down payment; $175 million is only a down payment on a total request for $1,750,000,000 if this is only 10 percent of what is needed.

Mr. KILDAY. I did not use the figure of 10 percent. Someone else ahead of me did.

Mr. PHILLIPS. I beg the gentleman's pardon; I thought he did. What percentage does the gentleman think it would be of the total?

Mr. KILDAY. I do not know. They told us they wanted 50,000 units ultimately. They asked for 25,000, and we have given them 13,000.

Mr. SHEPPARD. If the gentleman will yield further, the gentleman's response as to permanency was that they were all permanent?

Mr. KILDAY. That is the way I understand it.

Mr. SHEPPARD. If they are all permanent, there is no reason why Wherry housing could not be built insofar as the GI requirements are concerned, and a specific amount of houses for officers compatible with that decision. Is that correct or incorrect?

Mr. KILDAY. I assume it is the chairman of the subcommittee stated that that was the fact. I was not on the subcommittee. I assume the gentleman is correct in his statement.

We are bringing in here line items. The question about building Wherry housing that cannot be filled has nothing to do with this situation. We have authorized here a small number of stations out of a much larger number requested by the Department. The subcommittee took the departmental request, examined into the number of Wherry units available at those stations, the number available in the community from private housing, and the number that could be built by private industry in that area. They determined that these were houses that would not be built under any other program. You are not going to have a situation of Wherry housing projects being built that cannot be occupied. If these gentlemen from the Committee on Appropriations do what I know they are going to do in appropriating funds for these houses, you are not going to have that situation because they are again going to require that each one of those line items be justified to them. The gentleman from California [Mr. SHEPPARD] who preceded me and the gentleman from California [Mr. PHILLIPS] and the gentleman from New York [Mr. TABER] who expressed himself while we had the rule under consideration are all members of the Committee on Appropriations and even though this authorization bill is passed, the Department will still have to go to the Committee on Appropriations and again justify by line item on each one of the items contained in this bill.

I mentioned in debate under the rule the fact that this will liquidate itself. From time immemorial, we have compensated our military personnel on the basis of pay and allowances. We have always had a quarters allowance and a ration allowance in addition to pay. The quarters allowance is fantastic in the amount of money which is involved.

I know you are in receipt of telegrams from sponsors of Wherry housing projects pointing to the fact that they are renting Wherry housing projects for less than the quarters allowance. That would indicate that there is a saving of the Government because of the fact that some of these houses are rented for less than the quarters allowance. That is not a saving to the Government. The Government must still pay out the full quarters allowance. It goes into the hands and the pockets of the military personnel. They receive it and they pay a smaller amount of rent. That is no saving to the Government. The obligation of the Government is a fixed obligation and the quarters allowance must be paid unless the Government supplies the personnel with Government quarters. This provides Government quarters. They will liquidate themselves in anywhere from 13 to 16 years. The Government will own them from the beginning. They are going to be built under competitive bids. They are not going to be built by negotiation and they are not going to be built pursuant to the approval of a project by FHA or any other agency. This does not involve the Government guaranteeing a loan where the builder would get a great deal more money than is required to build the project and consider the balance as a profit. That is a matter which is under consideration now by a committee in the other body as to these housing projects which were granted without competitive bids or by negotiation with the departments or by approval of a project submitted by one of the sponsors. These will be built by the Corps of Army Engineers for the Army and the Air Force and by the Bureau of Yards and Docks for the Navy. They must be procured under the uniform procurement act which requires competitive bids.

They are going to be built as military construction of this type is always built so that they will last practically forever. I know that many of us at times feel they build them too substantially. I know in my own district there are quarters which

were built in the early 1870's, officers' quarters, which are now the preferred quarters on the post because they were built in the early days to last forever. This is in accordance with our traditional system. It takes care of an emergency situation and one which goes very deeply to the question of our ability of maintaining our professional personnel. This is something we must do before this Congress adjourns. We have difficulty in retaining this personnel. The personnel knows that the final say so as to whether there will be housing rests with this Congress. The Department of Defense has announced through many press releases a program of housing which it has requested of the Congress. Are we going to adjourn and let the word go out to members of the military personnel that, although the Defense Department did all that they could to get housing, the Congress of the United States would not let them have it? I say at the very minimum this should be done for the welfore of our military personnel.

The CHAIRMAN. The time of the gentleman from Texas has expired

Mr. JOHNSON of California. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, no one will question the fact that additional family housing is needed for the armed services. It is true, however, the armed services were very late in making their needs known to the committee, and it is also true that the service representatives did not seem to have a proper understanding of the exact needs of the respective installations when they appeared before the committee.

I do not intend to be especially critical of the items in this bill, but I do want to point out that the Armed Forces have certainly been careless of the taxpayers' money in the abandoning and building of installations throughout the United States. There are scores of camps, forts, and other types of installations which the armed services argue are greatly needed. We later find that they have abandoned these installations and then clamor for money to build more and different installations. Throughout this country these abandoned posts are monuments to careless use of the taxpayers' money.

A good example of the abandonment of one Army installation in order to utilize another is the transfer of troops from Camp Atterbury, Ind., to Camp Carson, Colo. I do not care to go into the details of the intricate maneuvering in accomplishing this change. But I do want to point out that when the 31st Division was moved from Camp Atterbury to Camp Carson, Army officials stated they had ample barracks at Camp Carson and would not need additional funds. I was surprised a few months ago when, contrary to its previous statement, the Army in hearings on H. R. 8726, asked for $7 million for additional barracks at Camp Carson.

This is merely one example of the careless manner in which the Army is spending the taxpayers' money in building new installations in this country at the same time they are abandoning others.

I want to especially bring to the attention of the Committee the fact that in many instances the Army, the Air Force, and the Navy work at cross purposes and certainly do not work as members of the same team. Although the services cannot find any use for some of their installations they are extremely reluctant to allow others, especially another service branch, to make use of the installation. I have made some effort to get a list of the various abandoned, unused military and naval installations in the country and I have asked each service which of these installations they would be willing to allow one of the other services to use. They admit that they have no use for such installations, but they refuse to allow another branch to use it without a recapture clause.

Mr. Chairman, I want to point out that this recapture clause, as used between the services, is costing the American taxpayer millions of dollars. In effect this recapture clause means if this service wants to use this installation again they can immediately take it away from the service to which they have loaned it. For example: If there is an Army base that cost $50 million of the taxpayers' money and the Army has abandoned it, and if, for example, the Air Force wants to use these facilities, construct runways, and use it as an airbase, the Air Force does so at its own peril, for the Army retains the right to "recapture" this base for its own use. Naturally the Air Force will not take over this base under such an agreement for then the 12 or 15 million dollars the Air Force would spend on runways and modifications would be lost when the Army demands recapture of the installation.

I believe the Secretary of Defense is doing a fine job. He has brought about many economies and has greatly improved the Armed Services. But I do want to point out that this field of making proper utilization of abandoned military bases is most important, and a proper control of the matter and the prevention of one service from being a "dog in a manger" in keeping another service from using an abandoned base should command the careful attention of the Defense Department. I have brought this matter informally to the attention of various members of the Defense Department, and I intend to bring it to their attention more forcefully in the future.

I want to also call attention to a resolution introduced by the gentleman from Texas [Mr. DIES], which would require an inventory of all Government property, the amount of money which such property originally cost the Government, and its present value. I believe such an inventory should be made, and its facts would be of great interest to this body, and might also influence the armed services policies in regard to unwanted and unused installations.

Mr. JOHNSON of California. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I wanted to correct a misstatement which I gave to the gentleman from California [Mr. SHEPPARD], when he asked me if these bases were all permanent. I find that the Army units provided here are permanent and the Navy units provided here are permanent. But all of the United States Air Force, especially the AEC stations, are not permanent. They are temporary stations, and they are a very small fraction of the total amount. This is a more specific answer to the question by the gentleman from Texas [Mr. KILDAY] and the gentleman from California [Mr. SHEPPARD].

I would like to pay my compliments to the members of the subcommittee who served with me. We had a very difficult job. Our views sometimes differed. Everybody was congenial, cooperative, and generous. In all the decisions we made, although we started out with different viewpoints, we finally arrived at a unanimous decision. We had a very difficult and complicated situation before us. We were pressed for time, because the Congress was coming to a close. It was a great pleasure to work with all these men, and I want them to know how much I appreciate their cooperation.

Mr. Chairman, in this matter we must remember that the people to whom we are most anxious to furnish houses are the sergeants and junior officers, the first and second lieutenants. They are the ones who fly the planes. They are the ones who do much to furnish leadership in the Navy and Army, and build morale in the lower echelon of command. If their morale is good, then the morale will be good all the way up. You must have good morale at every level, but the ones in the lower units, the enlisted men, the company officers, and field officers are the ones who come in contact with the enemy. They are the ones who liquidate the enemy. They are the ones who really win the wars. Of course, we include the field officers and all the way up to the top, but we must always keep in mind that the ones who win the wars are the ones who meet the enemy and liquidate the enemy. We cannot come out second place in a war if we are to survive. We must win if we are to survive.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. GROSS. Where in the bill is the limitation on the personnel to whom this housing is going? You say it is for first and second lieutenants and the enlisted men. Where do we find that in the bill?

Mr. JOHNSON of California. Well, it was testified in the hearings. I cannot go into the details, but they told us just what they were for in each item in the bill. Nine thousand, specifically, of the thirteen thousand were for enlisted men. Of the others a great proportion goes to the junior officers, and a smaller proportion to the field officers.

Mr. GROSS. There is nothing in the bill to prevent a major or a colonel or a lieutenant colonel from taking over quarters assigned previously to a first or second lieutenant?

Mr. JOHNSON of California. That is an administrative problem. There is nothing to stop that. But what we are

trying to do in this bill is to bolster the morale and retain the services of these officers personally who really win the war.

I do hope that the House will look with favor on this bill. As has been pointed out by myself and others, this takes care of only 10 percent of the projected need for housing. We are not going into the question of projected need; we are looking at the situation as we see it today and in the future, maybe a decade at least; and we are trying to provide the security that the country demands and needs by doing something for those who may have to win the war for us.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mrs. ROGERS of Massachusetts. I would like to ask why you have done nothing for Massachusetts with the exception of the Air Force installation at Otis?

Mr. JOHNSON of California. I cannot answer that. We did not do anything by States. We are taking the projects that we were told were considered as being most seriously in need of housing.

Mrs. ROGERS of Massachusetts. Was there any recommendation for the air field at Bedford?

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. DEVEREUX. I would like to say to the gentlewoman from Massachusetts that the committee did not specify the sites of these projects that were presented to us. The various services came before us and said these were the most critical places where such housing was needed right now to start this whole project going.

Mrs. ROGERS of Massachusetts. Most critical?

Mr. DEVEREUX. Most critical, yes.

Mr. COON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield.

Mr. COON. I notice that the airport at Beal was recommended for 236 units. I was told the other day by a gentleman who visited the Pentagon that the Pentagon was undecided as to whether it was going to keep Beal as a permanent installation or nonpermanent. Can the gentleman answer as to why this project was allowed for Beal?

Mr. JOHNSON of California. The answer is that we were informed there was this need for housing there and that it was a permanent base.

Mr. COON. They did state it was a permanent base?

The CHAIRMAN. The time of the gentleman from California has expired, under the rule all time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I

SEC. 101. The Secretary of the Army is authorized further to develop military installations and facilities by providing family housing for personnel of the military departments and their dependents by the construction or installation of public works, which include site preparation, appurtenances, utilities, equipment, and the acquisition of land, as follows:

Continental United States

(Third Army area)

Fort Campbell, Ky.: 325 units of family housing, $4,906,000.

(Fourth Army area)

Fort Bliss, Tex.: 272 units of family housing, $3,845,000.

Fort Hood, Tex.: 639 units of family housing, $9,548,000.

(Fifth Army area)

Camp Carson, Colo.: 1,447 units of family housing, $21,508,000.

Camp Crowder, Mo.: 74 units of family housing, $1,106,000.

(Sixth Army area)

Fort Lewis, Wash.: 1,110 units of family housing, $16,450,000.

Camp Cooke (U. S. Disciplinary Barracks), Calif.: 50 units of family housing, $737,000.

Yuma Test Station, Ariz.: 20 units of family housing, $297,000.

(Quartermaster Corps)

Belle Mead General Depot, N. J.: 10 units of family housing, $176,000.

(Chemical Corps)

Dugway Proving Ground, Utah: 30 units of family housing, $499,000.

(Signal Corps)

Fort Huachuca, Ariz.: 208 units of family housing, $3,102,000.

Department of the Army Transmitting Station, Virginia: 10 units of family housing, $168,000.

(Corps of Engineers)

Fort Belvoir, Va.: 306 units of family housing, $4,460,000.

(Transportation Corps)

Fort Eustis, Va.: 271 units of family housing, $4,065,000.

Wilmington Ammunition Terminal, North Carolina: 4 units of family housing, $77,000.

(Army Security Agency)

Two Rock Ranch Station, Calif.: 10 units of family housing, $178,000.

(Armed Forces special weapons project)

Sandia Base, N. Mex.: 3 units of family housing, $88,000.

Killeen Base, Tex.: 5 units of family housing, $110,000.

(Tactical sites)

Various locations: 300 units of family housing, $4,433,000.

Mr. JOHNSON of California (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

Mr. PHILLIPS. Mr. Chairman, reserving the right to object, I have an amendment which comes at page 3, line 9. I am going to combine what I might say on the bill as a whole, with what I have to say on that amendment, and it would be appreciated if I could get an opportunity to offer that so I could discuss the bill before everybody else on the floor has had a chance to offer amendments and discuss the bill; so I am constrained to object, unless that can be understood.

Mr. JOHNSON of California. That is a matter entirely within the hands of the Chair.

Mr. PHILLPS. Then, Mr. Chairman, I object.

(The Clerk continued the reading.)

Mr. ARENDS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and two Members are present, a quorum.

Mr. PHILLIPS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIPS. Will the Chair recognize Members who have amendments or those who have pro forma amendments?

The CHAIRMAN. The Chair will recognize members of the committee to offer amendments.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, undoubtedly the need for housing has been one of the most serious factors affecting the personnel of the Nation's Armed Forces. I feel that this committee should be commended for its effort toward alleviating this very serious problem. It is a situation which has dealt particularly adversely with the younger officers of the armed services and with the enlisted personnel. So I think the Nation generally will welcome the efforts that are being made here to correct in part—and this is only a beginning—that serious problem.

I take this time primarily to ask for more information about the proposal which is brought here by the Committee on Armed Services of the House and, if I might have the attention of my distinguished friend, the gentleman from California, who is chairman of the subcommittee, I would like to ask him at this time who will build the housing proposed in this bill?

Mr. JOHNSON of California. It will be under the regular procurement system. There will be competitive bidding, the bidder must qualify substantially by putting up a bond and so forth.

Mr. SIKES. Then all bidders who are qualified will be eligible to compete and presumably the award will be made to the lowest responsible bidder in each case?

Mr. JOHNSON of California. That is my understanding.

Mr. SIKES. Will the gentleman tell me who will operate this housing after it is built? Will it be the persons who build the houses or will it be the Government?

Mr. JOHNSON of California. It will be the Government, the particular branch of the service that the particular station involves.

Mr. SIKES. After the houses are built and occupied, who will own the houses?

Mr. JOHNSON of California. The United States Government will own the houses, just like it does on all permanent stations like the Presidio of San Francisco, for instance.

Mr. SIKES. Then this is a return, as I understand it, to the old type of military housing which was constructed on military bases prior to World War II in which the Government built the houses through competitive bids, operated the housing for the benefit of military personnel, and owned the housing units.

Mr. JOHNSON of California. That is correct. This is the traditional way that we built houses for the military from the inception of the Republic up to the Second World War.

Mr. SIKES. Undoubtedly there are areas where many people will welcome a return to that policy. This, then, has no relation to the Wherry Act which has been used for a number of years in order to provide housing for military personnel?

Mr. JOHNSON of California. It has not. In my opinion, this does not affect or injure the Wherry housing program.

Mr. SIKES. There is an additional question I would like to ask the gentleman, and I appreciate his courtesy in answering these questions. A number of communities have felt that they are qualified to provide sufficient housing to provide for military personnel through FHA, and that it is not necessary in those communities for the Government to build, operate, and own housing. Has the gentleman's committee gone thoroughly into the possibility of having needed housing for military personnel constructed by private builders through FHA?

Mr. JOHNSON of California. We did not go into that, but in every project submitted to us it was preceded by an investigation of the particular military branch involved as to the available rental houses in nearby communities that could be used by the servicemen.

Mr. SIKES. Then is the gentleman telling me that the availability of FHA housing and other private housing has been carefully screened and that this measure is intended only to relieve the most acute housing problems now existing where there is not sufficient existing housing in nearby communities?

Mr. JOHNSON of California. That is correct.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I wish to say that the subcommittee was charged with two jobs: One was to get a bill out for emergency housing, which is this bill. Then it has a further study to work on in the future on the overall policy, to wit, everything the gentleman from Florida has inquired about, and make recommendations as to a permanent policy or plan. That is work to be done next year. This is an interim bill, an interim piece of legislation, to take care of emergency needs right now.

Mr. SIKES. I have been told repeatedly that the number of houses that are provided in this measure will take care only of a part of present emergency needs.

Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CUNNINGHAM. Ten percent of the peacetime requirements and only 50 percent of what the military authorities now declare to be essential. They asked for $350 million, and it has been reduced to $175 million.

Mr. SIKES. In the event that additional privately owned housing is made available through FHA or through other means in the communities adjacent to the military bases which are affected by this bill, will there be a corresponding reduction of the housing units carried in this program for those bases?

Mr. CUNNINGHAM. So far as possible, yes.

Mr. JOHNSON of California. In the event that private owners or FHA build houses in cities adjacent to bases, we are not going to abandon the houses on the bases and have the military rent houses in the cities away from the bases.

Mr. SIKES. That was not the purpose of my inquiry. My inquiry was, if there should be houses available, will you still build the military houses provided in this bill?

Mr. JOHNSON of California. No. That is what I said. The availability of houses was presented in every single instance, and we considered that, before we made a specific authorization of each group in this bill.

Mr. SIKES. You have taken that into consideration in drafting the bill. But, will you continue to take it into consideration until the contracts actually are let for this housing so that private builders will be encouraged to provide housing where possible?

Mr. JOHNSON of California. I understand it will be continued.

Mr. SIKES. That information will be helpful to communities throughout the country.

Mr. HARDY. Mr. Chairman, I rise briefly in opposition to pro forma amendment in order to make a comment in connection with the questions raised by the gentleman from Florida. One of the things that has been insisted upon, I might say to the gentleman, in connection with this question of supply of houses has been that there be an accurate determination as to the availability of private rental housing in the surrounding community. There have been times when I have felt that information submitted was not entirely accurate or complete; but insofar as the committee was able to secure that information and insofar as the military are able to provide it, the requirements for family housing on specific installations was reduced by the amount of satisfactory rental units available within commuting distance of the post. We are concerned with total housing availability, including publicly owned quarters, Wherry projects, and privately owned accommodations.

Mr. PHILLIPS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS: On page 3, strike out lines 1, 2, and 3.

Mr. PHILLIPS. Mr. Chairman, the reason that I did what I did not like to do, a minute ago when I objected to the unanimous consent request—and I hope my friends on the committee are not offended—is that I thought I could save time by talking on this amendment and talking on the general subject of the bill at the same time.

I think there is a misunderstanding about the bill. There is some misunderstanding, perhaps, on both sides. I think it can be cleared up. I think the record that is being made today will go a long distance toward clearing up some of the points I believe are at issue.

First of all, frankly, I do not see any urgency in this bill. I do not see the necessity of having this bill here today. I think it might have waited in the committee until January and then come out, after having had more study given to it.

I should like to make clear my own personal interest in it. I am the chairman of the committee that puts up the money for the Housing and Home Finance Agency. I see my friend, the gentleman from Texas [Mr. THOMAS] over here, and other members of my subcommittee. Our committee has the money for FNMA. We are seriously concerned with the effect of this bill, as it is presented, upon the integrity of mortgages which have been issued, to the extent of $1,400,000,000.

How did this come about? During the years when we needed all the money that we could get for defense, for the actual war, it was decided that if private industry would build these houses, we would take advantage of that. That was the Wherry Act, so called. The contractors went out and built these houses. They have their money invested in them. By a slip of the tongue, in colloquy with the gentleman from Iowa [Mr. CUNNINGHAM], I said that the taxpayers had their money in it. What I meant was that the taxpayers would otherwise have had their money in it. It would have gone beyond the debt limit. Actually, this would have thrown us beyond the debt limit, if that had been possible. Therefore, this bill is extremely important. The taxpayers have, however, guaranteed the $1½ billion, through FNMA.

The first draft of this bill contained a long list of projects, as the gentlemen from the committee have indicated today. I was personally familiar with some of those projects. There was one project across the river in Arizona, which I was familiar with personally. On that project, the commanding officer said, less than a year ago, that he did not need additional houses. I see that that project was stricken out of the revised bill.

There was one to which my colleague from California [Mr. SHEPPARD] referred, that is mostly in his district, and some of the land is over in my district. There was $1 million that was to be spent for housing at that place, but it was pointed out to the committee that they had already let contracts on which there were 5 contractors bidding, and that they had already let contracts under the Wherry Act to build there. So the committee struck that out.

Then there was a case at the Norton Air Base, that my friend from California [Mr. SHEPPARD] also mentioned. A telephone call to the commanding officer at that base brought out the fact that he had not asked for any houses. That was stricken out. Then there was one at Pittsburgh where a great many houses

were available in the city. There are 50 or more houses in this bill. There were houses provided for that base and some of them were left in.

In other words, there has not been the detail work on this subject, for this bill, that it should have.

There was one case up in Utah. My knowledge of that is personal. I had to go down, with the contractors, to the HHFA authorities and get permission to delay the first payments so that they could use their own money to remodel the houses, in order that they might be occupied, from the plans originally given them by the Chemical Corps.

Mr. DAWSON of Utah. Mr. Chair- will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. DAWSON of Utah. The gentleman is referring to the Dugway project?

Mr. PHILLIPS. That is correct.

Mr. DAWSON of Utah. It is my understanding that there were 400 units of Wherry housing constructed at Dugway originally.

Mr. PHILLIPS. I understand so.

Mr. DAWSON of Utah. Of that number, it is my understanding that for at least a year there were over 200 vacancies.

Mr. PHILLIPS. Because of the original plans of the Chemical Corp. Those were corrected. Those were remodeled at the expense of the contractors. There are still 17 vacancies. I am told the contractors are willing to build more if necessary. The point is, if we build a lot of $15,000 and $20,000 houses, there will be a suction that will take people out of the Wherry-plan houses.

(By unanimous consent, Mr. PHILLIPS was allowed to proceed for 5 additional minutes.)

Mr. PHILLIPS. I would like to get the situation before you, because I think there are solutions that can be adopted here today.

Dugway is a good example. There was a project put up with private money which I am very sure will have the FNMA mortgages jeopardized and the investments jeopardized if this bill goes through. My amendment strikes out lines 1, 2, and 3 on page 3 to meet that issue.

Let us see about the other objections. First of all, let us take up the Appropriations Committee's objection. I think that has been pretty well cleared up. I think the gentleman from New York [Mr. TABER], as chairman of the Appropriations Committee, will accept the statement that it is not intended to bypass the Appropriations Committee, although the report on page 7 indicates that that was the earlier intention. I take it that is cleared up, so we pass that.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. JOHNSON of California. That was before the cuts were made by the Appropriations Committee. As of the date we wrote the report, that was the correct statement. We concede that it does not pertain now.

Mr. PHILLIPS. I take the gentleman's word that it is the intention that the authorization shall go to the Appropriations Committee and the Appropriations Committee shall appropriate the money.

Mr. JOHNSON of California. That is correct.

Mr. PHILLIPS. That is the routine process. That is correct.

Mr. JOHNSON of California. Yes.

Mr. PHILLIPS. Then let us take a look at this matter of whether these houses are for generals or for privates. My friend from California [Mr. JOHNSON] says we have to do something for the enlisted men. There is not a particle of objection to that part of the conversation. We have to have houses for enlisted men; we have to have more houses, and the military has to build a lot of them. There is no controversy on that point. The point at issue here is whether we shall take the taxpayers' money to pay for housing which could be built by private money, and, second, whether we shall jeopardize the money already invested by contractors, and make FNMA pick up the money, which throws it back on the taxpayers.

Here is one unit at Barstow, which is in the district of my friend here; $27,000 for that house. Ten units at Oakland, in the city of Oakland. Why do we build houses in the city of Oakland at $15,200 apiece? Two units at Coronado, at $23,650 apiece. Are those for privates? No, they are for generals. Go ahead and build houses for generals.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. MILLER of California. What is the gentleman's interpretation from the presentations that have been made today as to how many GI's will be benefited by this housing as compared with noncommissioned officers and officers, under this authority?

Mr. PHILLIPS. I do not know. This calls for 13,000 houses. I do not think we have that many generals and admirals ready to move in, but if it is so, let them move in, but let us build them where we really need them for the enlisted men.

Here is the startling thing, and I am glad the gentleman brought that up. It is now said this bill covers only 10 percent of what is needed, which means we are really talking about a need for a billion dollars to be spent out of the taxpayers' money, when it could probably be spent out of the money of private builders.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield.

Mr. MILLER of California. The gentleman raised the question about Oakland. I want to point out that there is a naval hospital at Oakland, Calif., 10 units for $152,000. That is $15,200 a unit, and that is the company-grade officer type of unit. These are for the doctors at Oak Knoll Hospital, and if the gentleman is familiar with the location in Oakland, Calif., of the Oak Knoll Hospital, he knows it is located in an area of very high residential values. These are the young doctors, the lieutenants who have to be on the job and do the ward work at the hospital 24 hours a day.

Mr. PHILLIPS. I have no objection to these doctors having nice houses, but I still think we do not want to jeopardize the Wherry investment. Do not forget we put an $8,000 limit on what the Wherry contractors can build. We say they can build a house for $8,100, but then we say you have to have houses costing $16,000. If you will strike out this project, which I happen to know about, if you can do that—and there may be others that other people know about—then I may not have to go down myself to the HHFA, and straighten out what otherwise would be a severe financial loss to the Treasury of the United States. Secondly, if the committee will offer an amendment, which I understand is at the desk, which clears up this matter of whether or not we are going to be in competition with Wherry projects, and put these houses where there are Wherry houses available, and in that way again jeopardize the Government's investment and throw it back on the Treasury; and third, I am willing to accept the statement of the gentleman from California, and other Members, that this will go under routine procedure through the Committee on Appropriations, then it seems to me we have wiped out a great deal of the argument here today, although I still think the proper place for the bill is back in the committee for more study.

Mr. DEVEREUX. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course, we are going to have a great deal of opposition from the Wherry housing people on any building of quarters anywhere. As a matter of fact, they have gone to quite an extreme. I received a letter the other day, which I would like to quote in part:

> We do state and represent to you and call to your attention the fact that this procedure "which is the time-honored traditional way of providing housing," which could only be inspired by Communist thinking—

Now, when the Wherry housing people go to that extreme, I wonder why they do it?

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I would like to complete my statement, please.

Mr. GAVIN. Would the gentleman tell us who wrote the letter—what firm wrote the letter?

Mr. DEVEREUX. I do not care to do that.

Mr. Chairman, let us find out why we do not favor more Wherry housing. As I said, when we were talking on the rule, actually we cannot get sponsors for Wherry housing in many places. Strangely enough, when Wherry housing started in 1949 we had 12 projects approved. In 1950, we had 65. In 1951, we had 83, and in 1952 we had 64. In 1953, we had 55 projects approved. Strangely enough, however, in the first half of that year, we had 52 projects approved. But in the second half of the year, only 3 projects were approved. I

wonder why we did not have more sponsors for projects. In the middle of 1953, we passed Public Law 94, which required a cost certification upon which we would base the Federal Government's guaranty of the mortgages. I do not know whether that had anything to do with it or not, but so far in this half of 1954, we have only gotten 12 units approved. I would like to direct my remarks to the Dugway Proving Ground. The suggestion has been made that we have not, as a subcommittee, gone into this proposition very thoroughly. The objectors to having any additional building there are the people from the Wherry housing projects, where we have 400 units. We have taken into consideration Wherry housing, title IX, FHA insured, and rentals other than title IX, and the Lanham Act housing. We know we will have a peacetime need for a certain number of units, and we subtract the number of Wherry housing units available and we come up with a deficit of 544 units that are absolutely needed for the peacetime number of officers and men that we will have stationed at Dugway.

I cannot for the life of me see why the Wherry housing people are objecting to this traditional type of financing of our Government housing. It has been brought out time and again that actually we are going to save money, and when we amortize these houses through the traditional way of doing it, Uncle Sam will have something he can put his finger on. Under the Wherry plan, we get title to them in some cases after 50 years and in some 75 years. I wonder what type of housing we will have at the end of that time.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield to the gentleman from Texas.

Mr. THOMAS. There is no question about it, the military forces need far more housing then they now have. I have looked over your report and I fail to find it in there. Is there a limitation on the cost of any of the types of houses to be constructed under this bill?

Mr. DEVEREUX. Yes. We have a limitation.

Mr. THOMAS. Will you give it to us, please?

Mr. DEVEREUX. Yes.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(By unanimous consent, at the request of Mr. THOMAS, Mr. DEVEREUX was granted 5 additional minutes.)

Mr. DEVEREUX. I thank the gentleman.

For enlisted men we have a limit of $12,850 per unit.

Mr. THOMAS. How many bedrooms is that?

Mr. DEVEREUX. I am informed 2 or 3 bedrooms, although I do not have definite information.

Mr. THOMAS. A 2-bedroom house built on Government property at $12,850?

Mr. DEVEREUX. That is right.

Mr. THOMAS. That is pretty expensive housing. That does not include the cost of the land, because you assume the Government already owns it. That is approximately $15,000 for 2 bedrooms.

Mr. DEVEREUX. For company grade officers it is $15,000; for field grade, $20,250; and for general grade $27,000.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield.

Mr. MILLER of California. Page 404 of the act, it says "Not to exceed 250 of these family units shall have a net floor area not to exceed 2,100 square feet." It is the number of square feet that we put into this housing that determines whether they are company grade or field grade. So that this limitation on the number of square feet that go into the houses will determine the limitation.

Mr. DEVEREUX. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield.

Mr. GROSS. I am glad the gentleman from Texas asked that question. I have been trying to do it for an hour or so. That does not tell us how much these units will cost, built on Government property.

Mr. DEVEREUX. What is the value of the land on Government property. That would have to be considered. There apparently seems to be some objection to a general officer having a house that costs $27,000. A general officer has quarters allowance of $171 a month. At that rate it is normal to expect that the housing would be amortized in around 20 years.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield.

Mr. PHILLIPS. First of all, I do not think anybody is going to object to general officers having suitable houses, but what we are talking about is units for enlisted men.

The gentleman said the Wherry contractors would not build any more houses. I am under the impression that they have not been asked to, and I know the members of the committee did not give the Wherry people a chance to be heard on the bill as it is now before us. On the original bill they expressed themselves, and deletions resulted, but on the consideration of the bill the second time there was, if the gentleman remembers, a quorum call of the House and the subcommittee never did get back to the hearing again. So the people involved have not had a chance to express themselves on the present bill.

Mr. DEVEREUX. I will agree to that but I am sure the gentleman from California will agree that in this particular case where there is a demonstrated need for 544 houses and only 30 are to be built, certainly that is not going to impair the integrity of the Government's guaranty.

Mr. PHILLIPS. I am sorry, but I do feel just that. As a matter of fact there are 17 vacancies right now. If you build 30 houses now at Dugway it will be like a vacuum. The tenants will be sucked out, not from the cities, but out of existing units on the project.

Mr. DEVEREUX. The gentleman does not have the figures that we have. At the present time we have 58 officers, 575 enlisted men, and 990 civilians, a total of 1,623. But shortly we will have a peacetime complement of 139 officers, 673 enlisted men, and the same number of civilians. Therefore the people who are saying that their investment might be jeopardized do not have the facts and figures. We do have the facts and figures as presented to this committee.

Mr. PHILLIPS. Did not the committee say to the contractors you would let them build additional houses?

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I was very much interested in the Dugway situation. Reference to page 5589 of the hearings will show that at the time the bill was first read there were 60 units in the bill. The gentleman from Iowa and I got into a colloquy and we agreed to halve it, so we came up with 30 units.

I would like to say to my colleague from California [Mr. PHILLIPS] that I do not think he has to worry very much about building 30 units at Dugway or that it will have a great deal of effect on the situation at Dugway because, as the gentleman from Maryland [Mr. DEVEREUX], has said, the need out there is far greater than can be filled. I therefore agree with him that this is one of the best places for additional housing and that we should do something.

There are some 17 or 20 vacancies at Dugway and at some place in the hearings it was brought out that these were in the 3-bedroom units, that when the project was built it was the military that guessed wrong as to the number and type of units that should be put in. The sponsor has told me that he is willing to make those large three-room units into smaller units by subdividing them if the military will agree to it. So I cannot hang any bouquets on the Army as far as Dugway is concerned.

While I am not going to vote for the amendment I say that I think the situation now will cause the thing to be looked into.

I would like to say to my friend, my good friend from southern California that I think when he introduced ancillary things into this such as the housing at Oakland he was not himself too well posted, because this is in the heart of a big city, and $15,000 for a company officer type home in a big city would not produce a gorgeous creation. These are for the doctors, the young lieutenants, and lieutenants junior grade who have to be on hand 24 hours a day to meet the emergencies.

Mr. PHILLIPS. I will say that I did not know that they were for doctors. If they are for the doctors, it is all right. They are not the type of housing for enlisted men which the committee is talking about?

Mr. MILLER of California. No. At this installation, just as at other hospital installations, you will find nearly all of them are for doctors and wherever they are for doctors they are company officer type houses.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. YOUNGER. In the survey here I thought there were 10 units for the naval supply center?

Mr. MILLER of California. There are. I was talking about the 10 units at the Oakland hospital.

Mr. YOUNGER. And there are also 10 units for the naval supply center?

Mr. MILLER of California. If the gentleman wants to go into that, if he is familiar with the location of the naval supply center, he knows it is removed at one end of Oakland where you have to go through a great industrial district and if he will look at the request it is for $152,000, which is $15,200 apiece, for the lower-grade company officers, the lower officers who have to be on the base to best serve the base. These are not for commanders, lieutenant commanders, or admirals. These are for the working officers on the base.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Can the gentleman tell us how far it is from downtown Oakland to the hospital?

Mr. MILLER of California. It is so far from downtown Oakland that when the Government was going to abandon it at one time and we thought we could get it for a veterans' hospital, the doctors who serve as consultants at the veterans' hospital in Oakland told us that it is so far out they would not be interested in going out to this hospital because they lost too much time.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from California.

Mr. WILSON of California. There seems to be some misunderstanding of this problem of whether the housing is for enlisted men or officers. It has been brought out previously that it is for both. I think we should probably be interested in the figures. Approximately 8,993 of these units are for enlisted men and approximately 4,612 are for officers. Many of these line items in the bill admittedly are for commanding officers' quarters on various posts. I do not see anything wrong with providing satisfactory quarters for the key officers, the commanding officers, and the executive officers, at the various permanent installations that we have. Certainly these units are going to be amortized by the housing allowance that will not be paid to the officers if they occupy these houses. I certainly do not want to get into a hassle here over enlisted men and officers.

Mr. MILLER of California. If you will read section 404 you will see that only 10 percent of them are in excess of 2,000 square feet, which are for the top officers' quarters. Most of them are under 1,200 square feet.

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment in the nature of a substitute for the amendment offered by the gentleman from California [Mr. PHILLIPS].

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California as a substitute for the amendment offered by Mr. PHILLIPS:

"SEC. 406. Notwithstanding the authority granted in titles I, II, and III of this act, no family house units shall be constructed at any installation at which there is a housing project constructed pursuant to title VIII of the National Housing Act, or at any installation where the Federal Housing Administration has issued a commitment for the construction of such project: *Provided, however,* That the limitation contained in this section shall not apply with respect to those family units which constitute a replacement of existing substandard housing units, nor to those projects involving not more than five units at an installation.

"Nothing in this section shall be construed to preclude the construction of housing under title VIII of the National Housing Act."

Mr. JOHNSON of California. Mr. Chairman, this may not be a substitute amendment, and perhaps it should appear at the end of the bill. We are doing nothing to hamper or injure Wherry housing. The gentleman from California indicated that if this amendment was adopted, he would withdraw his amendment.

Mr. PHILLIPS. Mr. Chairman, if the gentleman will yield, that was not what I understood, but maybe we might do that. I understood the gentleman from California [Mr. JOHNSON] to say that he would accept this amendment; then that could be voted on, and then he would offer his amendment, which, in my opinion, goes a long way toward settling all of the discussion we have had today. If the gentleman from California will simply indicate his willingness to accept the amendment that I put in at the top of page 3 and then offer his, I think we will have practically concluded all of the discussion today. Is the gentleman from California willing to do that?

Mr. JOHNSON of California. That is what I tried to do.

The CHAIRMAN. Will the gentleman from California [Mr. JOHNSON] withdraw his amendment for the time being and vote on the Phillips amendment?

Mr. JOHNSON of California. Is that the correct thing to do?

The CHAIRMAN. That would be the proper procedure.

Mr. JOHNSON of California. I thought the bill was open to amendment at any point.

The CHAIRMAN. That was objected to.

Mr. JOHNSON of California. Mr. Chairman, I ask unanimous consent that the amendment be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The amendment was agreed to.

Mr. JOHNSON of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to insert some figures to add to the ones the gentleman from California [Mr. WILSON] gave a short time ago.

In this bill there are 8,993 units for enlisted men; for company-grade officers, 3,053 units; for field-grade officers, 830 units, making a total of 12,876 out of the 13,613 that the bill provides for by the justifications made for each department. It, also, specifically provides that there shall be not to exceed 250 houses for general officers—section 404.

I would also like to have the RECORD show that the cost per unit of these houses is as follows: For enlisted men, $12,850; for company-grade officers, $15,200; for field-grade officers, $20,250; and for general officers, $27,000.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 3, line 14, change the period to a colon and insert the following: "*Provided,* That before any of the units at this installation are constructed the Secretary of Defense shall determine the extent to which the public housing designated as project VA44061 (Ferguson Park) will satisfy the housing requirement herein provided for, and this authorization shall be reduced accordingly."

Mr. HARDY. Mr. Chairman, I am in thorough sympathy with this bill. We need to provide additional houses.

Mr. Chairman, this is a very simple amendment and I have prepared a considerable amount of information in connection with it which I will not put in the RECORD unless it becomes necessary. This amendment is offered because I do not believe that in this particular situation the Army took into consideration some of the available housing in that general community. Within about 15 miles of Fort Eustis there is located a housing project built with Laham Act funds by the Navy in World War II. That project has a large number of vacancies. I am told it is in good condition. It has a number of one- and two-bedroom units in it. It is not located on Fort Eustis proper. It is about 15 miles distant. But it is at the intersection of 2 major United States highways which connect with Fort Eustis.

The statement was made that in considering the housing available in the community, housing within 30 minutes commuting distance was considered.

Apparently this particular housing was not considered. At the present time there are 419 vacancies on this project. One hundred and seventy-six military families live on the project now, most of whom come from Fort Eustis.

My contention is that with 419 vacancies, the need for housing at Fort Eustis

to house enlisted men who are eligible for occupancy of these quarters cannot be very great.

I have proposed by this amendment that the Secretary of Defense make a finding as to the extent to which the housing in this particular unit meets the requirement for housing at Fort Eustis and to the extent that the Secretary of Defense finds that vacant housing does meet the requirement for housing provided in this bill then this authorization shall be reduced.

In a situation of this kind I think positive action should be taken by the Secretary of Defense and if there is satisfactory housing available within 15 miles we ought not to duplicate it by building new housing on the post.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. SHEPPARD. Do I understand the gentleman's amendment to be specifically addressed to Fort Eustis, without reference to other projects in the bill?

Mr. HARDY. It addresses itself only to Fort Eustis because it relates specifically to one Lanham Act project of which I have some personal knowledge.

Mr. SHEPPARD. May I say to the gentleman, if it is good in this particular instance, because inaccurate information was given the committee, or an incomplete survey was made, why would not this action apply equally well to other situations in the same or similar condition?

Mr. HARDY. I think there may be other situations similar to this. However, there were a great many of these Lanham Act projects which are very substandard and which are not suitable for occupancy by families of our enlisted men. I would not want to suggest that housing of such nature be taken to replace housing proposed to be constructed under this bill.

Mr. SHEPPARD. I think the gentleman is right with this reservation. It need not necessarily apply only to Lanham Act housing. It could apply to any other construction which, taking into account its usability, might be considered.

Mr. HARDY. I think the gentleman is really repeating in his suggestion, the proposition that he discussed a little earlier, is he not?

Mr. SHEPPARD. That is right. It is a question of available housing.

Mr. HARDY. That is taken into account. In this particular situation this housing is 15 miles from the post. Apparently it was not considered because it is slightly beyond, or somebody thought it was slightly beyond the 30-minute commuting distance. That is the key to it. If I understand the position of the gentleman from California, it is that all available housing should be included in the surveys and that there should be no duplication by construction on military reservations.

Mr. SHEPPARD. That is my point.

Mr. HARDY. That is supposed to be done now. I believe the military are making conscientious efforts to do that, within a 30-minute commuting area.

Mr. JOHNSON of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I dislike to oppose this amendment for I think a lot of the gentleman who has offered it. However, this would make a pattern we cannot afford to set. Further, I think the rules now in effect with reference to the housing he is talking about would prohibit what he wants to do.

The gentleman was kind enough to tell me he was going to offer this amendment, so I looked into the matter and obtained some information about it which I am going to read into the RECORD, relating to the project the gentleman mentioned.

This is a typical war housing project known as Ferguson Park, which contains 1,186 units of temporary construction, one-half 1-bedroom units with 523 square feet of gross space, and one-half 2-bedroom units with 620 square feet of gross space. They rent for $45 and $51 per month, respectively, exclusive of heating oil which adds approximately $100 per year to the rent.

Under PHA rules, no Army personnel may occupy this housing above the grade of corporal.

Our law provides largely for sergeants and junior officers.

During peak traffic periods, it requires approximately 45 minutes to cover the 16 miles distance between the project and Fort Eustis in a private automobile. Travel by commercial means requires a longer period of time.

The apartments are generally the same standard as other war housing. The kitchen is so small the refrigerator must be placed in the dining space. There is not room in the dining space to accommodate a table and four chairs. Storage space in the kitchen consists of a cabinet below the sink and one 10-inch by 30-inch cabinet above the sink.

Information received from the mayor of Warwick, Va., indicates that the city would like to have this housing destroyed. In accordance with PHA policy for Lanham Act housing, this substandard housing was constructed for war workers for the emergency period and was to be demolished, inactivated, or sold to private interests at the earliest practicable date.

You can see from the foregoing that the Department of the Army cannot consider such housing as assets for its permanent requirements at Fort Eustis.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Virginia.

Mr. HARDY. I must say to the gentleman from California that he evidently has secured his information from the Army, while I secured mine from the Housing Administration, because they certainly do not tally at all. I can produce a full plan of the project if the gentleman would be interested. I am advised that this housing is not in the kind of condition the gentleman from California has indicated, but even if it is, the amendment I have offered could not possibly do any harm because it simply requires that the Secretary of Defense make a finding with respect to the extent to which it would be suitable to replace the housing provided for in this bill. There certainly cannot be any objection to that.

Mr. JOHNSON of California. Others would want to do the same thing and we would have this so hopelessly tied up we could not do anything.

Mr. HARDY. If there are other conditions where there is housing which is suitable to replace the housing proposed in this bill, then the bill ought to be amended.

Mr. JOHNSON of California. I do not think these are suitable houses for enlisted men.

Mr. GROSS. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, we have heard a good deal this afternoon about the necessity for this housing, and perhaps some housing is needed from the standpoint of the career military service.

Let me say that housing is not the only thing that enters into whether a man stays in the Army, Navy, Air Force, or Marine Corps. I can recall a case or two, and well after the Korean war started, when fliers were compelled to fly bombers in Korea with obsolete equipment. Those fliers got out of the service after they got out of Korea.

Also I know of a case where a boy enlisted in the Air Force. He was a nationally known athlete, with two degrees from a university of this country. He took the officer-candidate examination and passed, but he was denied admittance and, as far as I know, still is denied admittance to the officer-candidate school, and he will not be in the service beyond his enlistment because he was an inch short of the minimum height for an officer. That is a regulation and an unbelievable one. He was tall enough to enlist in the Air Force and tall enough to be accepted for service in the ranks, but he was not tall enough to be an officer in the United States Air Force. Now do not tell me that the career service hinges entirely on housing. As to the permanency of some of these bases, they are just about as permanent as a change of mind and a decision to abandon a base. We have in the State of Iowa, and my colleague from Iowa [Mr. CUNNINGHAM] well knows that we have a base in our State where the buildings are of permanent brick construction, which today is completely idle. Yet it is proposed here to build new homes for officers for $27,000 or more.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CUNNINGHAM. I thank the gentleman for the remarks he has made. He is referring, of course, to the Fort Des Moines Army base, is he not?

Mr. GROSS. No; I am referring to the base at Ottumwa, Iowa.

Mr. CUNNINGHAM. I thought the gentleman was referring to the Fort Des Moines Army base. But I will take the base at Ottumwa. I, too, wish these

people could be quartered. But unfortunately to use the houses or buildings there for the quartering of officers would not be of any value to our military services because they are not needed there.

Mr. GROSS. Not needed where?

Mr. CUNNINGHAM. At Ottumwa, Iowa, because there is no base activated there today.

Mr. GROSS. I am sure they are needed at the Truman Airport at Grandview, Mo.

Mr. CUNNINGHAM. I am quite sure they are but for a different reason.

Mr. GROSS. Yes; for quite a different reason. That is what I am trying to say: We are doing a lot of political building in this defense setup, and I am opposed to it.

Mr. CUNNINGHAM. The base to which the gentleman is referring is not in this bill.

Mr. GROSS. I am aware of that but I expect it will be in a similar bill in the future.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MILLER of Kansas. I was going to make the remark that according to the qualifications for officers in the United States Army, General Funston and Napoleon and King Pepin would not be able to qualify.

Mr. GROSS. I will let the gentleman answer that question.

Mr. JOHNSON of California. I deny that statement.

Mr. GROSS. Mr. Chairman, the committee ought to write into this bill a provision that the quarters proposed to be constructed for enlisted men and officers be delineated, that is, set forth in language that anyone can understand, in the law, the number of units to be occupied by each category. I am unwilling to leave it to administrative officers. Why do you not put a provision in the bill to spell it out and say that is what is to be done?

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CUNNINGHAM. I would agree with such a provision myself if it would do any good. But it will not do any good because the gentleman knows from time immemorial, officers and even enlisted men and noncommissioned officers have quarters allowances. They get that money if there is no housing provided for them, they can take it and go into town and rent anything they want to. But they get the money anyway. The gentleman's point is a good point, but it would not mean anything if it was put in the bill. It would not accomplish anything because this goes on a quarters allowance basis. The Government furnishes the quarters when it has the buildings to do so. If the Government does not have the buildings, the men get the money.

Mr. GROSS. Mr. Chairman, but the point I am trying to make to my colleague is that there should be clear language in the law that is proposed to be enacted by this bill that the housing units that are constructed for enlisted men be occupied by enlisted men. I insist that a mere differentiation in floor space, as set forth in this bill, is not enough. I want the housing units which you say you are going to construct for enlisted men absolutely earmarked for these men and their families.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, I ask unanimous consent that the Clerk reread the amendment for the information of the Committee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk again read the amendment.

The question was taken; and on a division (demanded by Mr. HARDY) there were—ayes 42, noes 20.

So the amendment was agreed to.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for no other purpose than to issue a warning to the Members on both sides. I have no amendment to offer to this legislation, and I do not want anything I say to lead anyone to believe that I am opposed to the building of these family units.

I happen to have been chairman of your special subcommittee charged with providing housing in impacted school districts along about the time this first Wherry idea of building houses on federally owned bases came along.

In the first year of the operation of our federally impacted school legislation, nearly a billion dollars of contracts were authorized under the Wherry housing plan. I am sure everybody understands thoroughly what we mean by the Wherry housing plan.

In reading this legislation, I can see you are proceeding to build these units under the provisions of the original Wherry Act, Public Law 245. The Federal Government owned the land, of course, on which these units were built. It was the first time it had ever gone into the proposition of renting to private individuals Government-owned land for the purpose of building housing units, and letting them out on a 50-year or a 99-year lease basis. They are exempt from taxation, to start with; and in setting up these rental charges, they make provision for taking care of everything, the cost of constructing the streets, the sidewalks, fire protection, the water system, garbage removal, and they forgot all about the children.

In these bases I look over in this bill only a few bases presently provide for any school facilities at all. When you talk about building millions of dollars of housing, there naturally follows school children to be educated, and you are making no more provision than they made in the original Wherry Act.

What I am saying to you is to put you on guard that you are creating another situation in handling these impacted school district propositions. You have a small base where you are going to build 50 or 75 or 100 units. There is no federally owned school building on that base. You will impact every school district that touches that base. Those children have to go to school. What provision are you making for educating those children? You take care of everything and forget about the boys and girls. I would like both the majority and minority members of this Committee to express themselves.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. DEVEREUX. I do not feel that this is any part of this bill. I am very much in favor with the gentlemen's views so far as impacted areas are concerned. As the gentleman from West Virginia knows, I have gone along with him repeatedly in taking care of those things.

Mr. BAILEY. I do not want anything I might have said today to create the impression to the other members of the committee that I am opposed to building these housing units; it is perfectly all right. I am just calling your attention to a problem you are going to set up for the Congress to take care of with no provision to meet it in this bill, these additionally impacted children. I am simply pointing out that situation. I was not talking to you about not building these units but simply telling you about the headache you are going to have.

Mr. JOHNSON of California. Mr. Chairman, I ask unanimous consent that the remainder of the bill may be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

(The remainder of the bill reads as follows:)

SEC. 102. The Secretary of the Army is authorized further to develop military installations and facilities by providing family housing for personnel of the military departments and their dependents by the rehabilitation of public works, which include appurtenances, utilities, and equipment, in a total amount of $13,254,000.

TITLE II

SEC. 201. The Secretary of the Navy is authorized further to develop naval installations and facilities by providing family housing for personnel of the military departments and their dependents by the construction or installation of public works, which include site preparation, appurtenances, utilities, equipment and the acquisition of land as follows:

Continental United States

(1st Naval District)

Naval hospital, Newport, R. I.: 10 units of family housing, $152,000.

(3d Naval District)

Naval hospital, St. Albans, N. Y.: 10 units of family housing, $151,900.

(4th Naval District)

Naval shipyard, Philadelphia, Pa.: 25 units of family housing, $321,300.

Naval hospital, Philadelphia, Pa.: 10 units of family housing, $152,000.

(5th Naval District)

Naval hospital, Camp Lejeune, N. C.: 50 units of family housing, $642,500.

Marine Corps air facility, New River, N. C.: 35 units of family housing, $473,300.

Naval hospital, Portsmouth, Va.: 10 units of family housing, $152,000.

Naval mine depot, Yorktown, Va. (Skiffes Creek Annex): 5 units of family housing, $91,200.

(6th Naval District)

Naval air station, Cecil Field, Fla.: 95 units of family housing, $1,272,900.

Naval hospital, Jacksonville, Fla.: 30 units of family housing, $397,300.

Naval air station, Key West, Fla.: 20 units of family housing, $273,900.

Naval station, Key West, Fla.: 83 units of family housing, $1,085,400.

Naval mine countermeasures station, Panama City, Fla.: 25 units of family housing, $343,100.

Naval hospital, Pensacola, Fla.: 25 units of family housing, $321,300.

Naval supply corps school, Athens, Ga.: 30 units of family housing, $456,000.

Naval auxiliary air station, Glynco, Ga.: 83 units of family housing, $1,115,900.

Naval construction battalion center, Gulfport, Miss.: 7 units of family housing, $102,100.

Marine Corps auxiliary air station, Beaufort, S. C.: 185 units of family housing, $2,546,900.

Naval hospital, Beaufort, S. C.: 50 units of family housing, $654,300.

(8th Naval District)

Naval auxiliary air station, Chase Field, Tex.: 80 units of family housing, $1,096,900.

(11th Naval District)

Naval amphibious base, Coronado, Calif.: Two units of family housing, $47,300.

Naval air station, Miramar, Calif.: Fifteen units of family housing, $204,500.

Naval hospital, San Diego, Calif.: Ten units of family housing, $152,000.

(Twelfth Naval District)

Naval hospital, Oakland, Calif.: 10 units of family housing, $152,000.

Naval supply center, Oakland, Calif.: 10 units of family housing, $152,000.

Naval communication station, Skaggs Island, Calif.: 50 units of family housing, $666,000.

Naval auxiliary air station, Fallon, Nev.: 60 units of family housing, $787,500.

(Potomac River Naval Command)

Naval hospital, Bethesda, Md.: 30 units of family housing, $409,000.

Naval district area: 4 units of family housing, $108,000.

Marine Corps facilities

Marine Corps depot of supplies, Albany, Ga.: 119 units of family housing, $1,595,700.

Marine Corps supply annex, Barstow, Calif.: 1 unit of family housing, $27,000.

Marine Corps recruit depot, San Diego, Calif.: 12 units of family housing, $173,400.

Marine Corps school, Quantico, Va.: 332 units of family housing, $4,730,300.

Outside Continental United States

(Atlantic Ocean area)

Naval station, Argentia, Newfoundland: 45 units of family housing, $595,100.

Naval base, Guantanamo Bay, Cuba: 100 units of family housing, $1,379,000.

Naval air activities, Port Lyautey, French Morocco: 175 units of family housing, $2,366,300.

(Pacific Ocean area)

Naval station, Kwajalein, Marshall Islands: 175 units of family housing, $2,312,600.

Marine Corps barracks, Pearl Harbor, Territory of Hawaii: 2 units of family housing $30,400.

SEC. 202. The Secretary of the Navy is authorized further to develop naval installations and facilities by providing family housing for personnel of the military departments and their dependents by the rehabilitation of public works, which include appurtenances, utilities, and equipment, in a total amount of $1,218,300.

TITLE III

SEC. 301. The Secretary of the Air Force is authorized further to develop Air Force installations and facilities by providing family housing for personnel of the military departments and their dependents by the construction or installation of public works, which include site preparation, appurtenances, utilities, equipment, and the acquisition of land as follows:

Continental United States

(Strategic Air Command)

Sedalia Air Force Base, Mo.: 418 units of family housing, $6,042,450.

Altus Air Force Base, Okla.: 370 units of family housing, $5,340,950.

Lincoln Air Force Base, Nebr.: 443 units of family housing, $6,397,300.

Smoky Hill Air Force Base, Kans.: 293 units of family housing, $4,230,850.

Dow Air Force Base, Maine: 305 units of family housing, $4,401,850.

Lake Charles Air Force Base, La.: 253 units of family housing, $3,651,650.

Davis-Monthan Air Force Base, Ariz.: 5 units of family housing, $108,000.

Fairchild Air Force Base, Wash.: 5 units of family housing, $108,000.

Great Falls Air Force Base, Mont.: 4 units of family housing, $87,750.

Hunter Air Force Base, Ga.: 5 units of family housing, $108,000.

Larson Air Force Base, Wash.: 5 units of family housing, $108,000.

Limestone Air Force Base, Maine: 4 units of family housing, $87,750.

Lockbourne Air Force Base, Ohio: 4 units of family housing, $87,750.

Mather Air Force Base, Calif.: 4 units of family housing, $87,750.

Mountain Home Air Force Base, Idaho: 4 units of family housing, $81,000.

Nellis Air Force Base, Nev.: 5 units of family housing, $108,000.

Travis Air Force Base, Calif.: 6 units of family housing, $128,250.

(Air Defense Command)

Suffolk County Air Force Base, N. Y.: 111 units of family housing, $1,602,450.

Otis Air Force Base, Mass.: 230 units of family housing, $3,324,850.

Newcastle County Airport, Del.: 108 units of family housing, $1,559,200.

Truax Air Force Base, Wis.: 111 units of family housing, $1,602,450.

Kinross Air Force Base, Mich.: 94 units of family housing, $1,355,100.

Paine Air Force Base, Wash.: 74 units of family housing, $1,069,200.

Oxnard Air Force Base, Calif.: 74 units of family housing, $1,069,200.

Ent Air Force Base, Colo.: 100 units of family housing, $1,444,300.

Youngstown Municipal Airport, Ohio: 57 units of family housing, $824,200.

Greater Pittsburgh Airport, Pa.: 57 units of family housing, $824,200.

Niagara Municipal Airport, N. Y.: 57 units of family housing, $824,200.

Minneapolis-St. Paul Airport, Minn.: 74 units of family housing, $1,069,200.

Duluth Municipal Airport, Minn.: 111 units of family housing, $1,602,450.

Geiger Field, Wash.: 57 units of family housing, $824,200.

Sioux City Municipal Airport, Iowa: 57 units of family housing, $824,200.

Presque Isle Air Force Base, Maine: 53 units of family housing, $763,050.

McGee-Tyson Airport, Tenn.: 57 units of family housing, $824,200.

Portland International Airport, Oreg.: 63 units of family housing, $906,000.

Minot area, North Dakota: 71 units of family housing, $1,028,300.

Wurtsmith Air Force Base, Mich.: 51 units of family housing, $735,000.

(Tactical Air Command)

Clovis Air Force Base, N. Mex.: 185 units of family housing, $2,671,650.

Hurlburt Air Force Base, Fla.: 295 units of family housing, $4,259,900.

Foster Air Force Base, Tex.: 222 units of family housing, $3,202,550.

McGuire Air Force Base, N. J.: 5 units of family housing, $108,000.

Shaw Air Force Base, S. C.: 5 units of family housing, $108,000.

(Air Training Command)

Luke Air Force Base, Ariz.: 133 units of family housing, $1,921,450.

Laredo Air Force Base, Tex.: 112 units of family housing, $1,615,300.

Gary Air Force Base, Tex.: 112 units of family housing, $1,615,300.

Laughlin Air Force Base, Tex.: 166 units of family housing, $2,398,600.

Greenville Air Force Base, Miss.: 129 units of family housing, $1,860,300.

Moody Air Force Base, Ga.: 148 units of family housing, $2,138,400.

Stead Air Force Base, Nev.: 92 units of family housing, $1,329,400.

McConnell Air Force Base, Kans.: 166 units of family housing, $2,398,600.

Webb Air Force Base, Tex.: 92 units of family housing, $1,329,400.

Parks Air Force Base, Calif.: 92 units of family housing, $1,329,400.

(Military Air Transport Service)

Charleston Air Force Base, S. C.: 504 units of family housing, $7,285,000.

(Continental Air Command)

Beale Air Force Base, Calif.: 236 units of family housing, $3,406,650.

(Research and Development Command)

Kirtland Air Force Base, N. Mex.: 5 units of family housing, $108,000.

SEC. 302. The Secretary of the Air Force is authorized further to develop Air Force installations and facilities by providing family housing for personnel of the military departments and their dependents by the rehabilitation of public works, which include appurtenances, utilities, and equipment, in a total amount of $4,250,000.

TITLE IV

SEC. 401. The Secretaries of the Army, Navy, and Air Force are respectively authorized to proceed with the further development of military, naval, and Air Force installations and facilities as authorized by titles I, II, and III of this act without regard to the provisions of sections 1136, 3648, and 3734, as respectively amended, of the Revised Statutes, and prior to approval of title to underlying land, as provided by section 355, as amended, of the Revised Statutes. The authority to provide family housing by the construction or installation of public works shall include authority to acquire lands and rights and interests thereto or therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise.

SEC. 402. There is hereby authorized to be appropriated not to exceed $175 million to carry out the purposes of titles I, II, and III of this act.

SEC. 403. Any of the approximate costs enumerated in titles I, II, and III of this act may, in the discretion of the Secretary concerned, be varied upward by 10 percent, but the total of all costs shall not exceed the total amount authorized to be appropriated by this act.

SEC. 404. Not to exceed 250 of the units of family quarters constructed under the authority of titles I, II, and III of this act shall have a net floor area of not to exceed 2,100 square feet. None of the other family

quarters authorized to be constructed by this act shall have a net floor area in excess of 1,250 square feet, and the average net floor area of all of such other family quarters shall not exceed 1,080 square feet.

SEC. 405. Appropriation made to carry out the purpose of this act shall be available for expenses incident to construction or rehabilitation work authorized by this act, including administration, overhead, planning, and supervision.

SEC. 406. Whenever—

(a) the President determines that compliance with the requirements of Public Law 245, 82d Congress, in the case of contracts made pursuant to this act with respect to the establishment or development of military installations and facilities in foreign countries would interfere with the carrying out of the provisions of this act; and

(b) the Secretary of Defense and the Comptroller General have agreed upon alternative methods for conducting an adequate audit of such contracts, the President is authorized to exempt such contracts from the requirements of Public Law 245, 82d Congress.

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I feel it a duty to speak in support and urge unanimous approval of this measure to provide for family quarters for military personnel and their dependents.

The testimony on this measure is clear and conclusive. The failure in recent years to provide adequate housing for military personnel and their dependents has not only created a serious morale problem; it has also necessitated the appropriation of large sums of money for quarters allowances which over a period of relatively few years amounts to more than the original cost of public quarters for the personnel receiving the allowances and the cost of maintaining and operating the public quarters and also the interest cost to the Government on its original investment.

From the facts presented it is obvious there exists the compelling need for family housing for military personnel that can be alleviated at this time only through the authorization on an emergency basis of the construction of a limited number of units.

The highest Government sources, including the President himself, have expressed grave concern over the many and increasing signs of sagging morale among our present and potential military personnel.

In my considered judgment, it is axiomatic that a military unit is no better than the spirit existing among its members and the morale of their families behind them, despite what powerful war weapons that may be possessed.

Certainly it is reasonable to feel that assurances to military personnel and their dependents that attempts are being made to provide adequate housing facilities for them is a major factor in the maintenance of a high spirit and morale. We should also take into consideration that a vital need exists to encourage the enrollment of career servicemen in all branches of the military. The Defense Department reports an alarming drop of reenlistments throughout the services which is attributed to dissatisfaction over pay and the retrenchment of so-called fringe benefits that have been traditional among our military people. Technically trained persons are essential to modern atomic warfare and every effort should be made to keep them in a military career status.

This authorization bill gives encouragement to our military men and their families to remain in the service and is a wise investment for national security especially during this period of ever threatening Communist aggression.

I believe it merits and earnestly hope it will have unanimous approval of the House.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH: Page 14, line 22, after the period insert "*Provided*, That none of this appropriation may be used to construct family quarters on any military base where existing family quarters are sufficient to meet the needs of such military base or can be constructed under title 8 of the National Housing Act."

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. JOHNSON of California. Is the gentleman's amendment identical to the one I presented to the Clerk a while ago?

Mr. McDONOUGH. This is in order now, as the gentleman's amendment has not been read.

Mr. JOHNSON of California. It was read.

Mr. McDONOUGH. Then if the chairman has an amendment I ask that mine be considered as a substitute.

The CHAIRMAN. There is nothing pending before the Committee, except the amendment offered by the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Then I stand on my amendment as submitted as an amendment to the bill.

Mr. JOHNSON of California. If the gentleman knows whether or not his amendment is identical with mine I would not object to his.

Mr. McDONOUGH. No; I cannot go so far as that, for the reason that the gentleman's amendment does not contain the provision in the last sentence of my amendment that no housing shall be constructed where title 8 of the National Housing Act housing can be constructed. The gentleman does not provide that in his amendment, as I understand.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield for a clarification?

Mr. McDONOUGH. I yield.

Mr. DEVEREUX. In other words, Wherry housing would have priority over any other housing under the gentleman's amendment.

Mr. McDONOUGH. Where there is sufficient family quarters on a base, of course, no housing would be needed. But where Wherry housing can be constructed on the base then my amendment would provide that Wherry housing should be considered first.

Mr. DEVEREUX. Considered and take precedence over any traditional method of furnishing housing.

Mr. McDONOUGH. Yes.

Mr. DEVEREUX. I just wanted to get the matter clear.

Mr. McDONOUGH. It would have to be certified that Wherry housing could not be constructed on the base; there must be a certificate that Wherry housing is not eligible for construction.

Mr. DEVEREUX. Basically it gives preference to Wherry housing.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield.

Mr. RIVERS. The gentleman's amendment proposes that in a situation such as we will suppose might exist at Quantico Marine Base down here at Triangle, should they decide to build 300 units of housing, it could not be proceeded with under this bill until the Secretary of Defense certified that it was not possible to construct Wherry housing at the Quantico project.

Mr. McDONOUGH. Where it can be constructed. My amendment states, "where it can be constructed under title 8 of the National Housing Act." If it is not certified that Wherry housing cannot be constructed there, then construction could not proceed under this act. But where it can be constructed the act says it should be.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I cannot yield further. I have not said a word about my amendment yet.

Mr. Chairman, the purpose of my amendment is merely to assure that there is not a blank check given to the Defense Department to build military housing as the $175 million proposed in the bill would provide, and that where Wherry housing can be constructed on a base it should be constructed, and, of course, where it is not certified it will not be constructed.

There have been some 78,000 Wherry housing units contructed on various military bases throughout the country at a much less cost than if those same 78,000 units had been constructed under the proposal that this bill would outline. In other words, I have figures to show that if 78,000 Wherry units now on bases across the country had been constructed under the same terms as the present bill provides, it would have cost $1,140,000,000 to build. The cost of the 78,000 units that were built was assumed by private investment and by mortgages. There are in California, for instance, some 12,000 units of Wherry housing on military bases that have an obligation of some $98 million in mortgages. There is undoubtedly evidence in this bill that some of the bases on which those Wherry housing units are now built will have other units built in surplus of the units that now exist, and will jeopardize that investment.

I think that the people who have assumed the obligation of building military units under the Wherry Act in the

past ought to be given some consideration and that this bill should provide that their investment shall not be seriously affected by the additional units that this bill will provide.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. McDONOUGH. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I know the gentleman wants to be fair. Will he point out to the committee in what specific place we have jeopardized the investment of the Wherry housing people?

Mr. McDONOUGH. I cannot do that because you have not built any houses yet. I do not know what you are going to do with the $175 million you are asking for.

Mr. DEVEREUX. It is right in the bill.

Mr. McDONOUGH. You mention item by item the units you propose to build and insofar as an analysis of every one of those units is concerned, I can show you where there are places where you propose to build where Wherry units now exist.

Mr. DEVEREUX. Granted, but that will not necessarily jeopardize the Wherry units.

Mr. McDONOUGH. I want to make certain of it, and if the committee wants to be fair it will accept the amendment.

Mr. DEVEREUX. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California [Mr. McDONOUGH].

Mr. Chairman, we are coming down to the question of whether or not we are going to go back to our traditional way of building houses or whether we are going on and giving to the Wherry housing people a complete monopoly over any housing that may be constructed in the vicinity of or on a base. For the life of me I cannot understand why the people do not realize on what dangerous ground we might be embarking. Perhaps it was necessary some years ago. I was not a Member here and I know nothing about the motivating facts except as brought out, that they did not want to provide for housing in the traditional way for fear we would go above our debt limit. But if you people will listen to some of the things that are going on in the other body and realize what has happened insofar as FHA is concerned, and then encourage that sort of practice, it is beyond me to understand.

The gentleman has suggested that the Wherry housing projects would be jeopardized. The other gentleman from California was able to put through an amendment for the Dugway Base to pull these projects out for fear that the 30 units we propose to construct there will jeopardize the Wherry housing project that is there now when we have a demonstrated need for 544 houses.

I ask you please to consider this very thoroughly before you vote on it.

Mr. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield to the gentleman from California.

Mr. WILSON of California. In the testimony that was offered, did not the people who testified indicate that the Wherry housing was not considered when there was 50 percent of the demonstrated need in a given area, that that was part of the criteria that decided whether Wherry housing was needed or not?

Mr. DEVEREUX. I believe that is correct.

Mr. WILSON of California. If there is more than 50 percent taken care of, no additional Wherry units could be built at any given post. I do not believe that 50 percent is enough to take care of the demonstrated need. We should go beyond the amount allowed under the current provisions.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield to the gentleman from California.

Mr. McDONOUGH. In order to be certain that there is no surplus housing on the bases, can the gentleman inform me, from the information he has, in regard to this? With 1,200 units on Fort Campbell, Ky., you are asking for 325 additional units. Does the gentleman know whether the 1,200 units are fully occupied or how many vacancies there are on this base?

Mr. DEVEREUX. I would like to inform the gentleman that 312 of those units are replacements of substandard housing.

Mr. McDONOUGH. At Clovis, N. Mex., you have 760 units and you are asking for an additional 185 units. Does the gentleman know how many of these 760 units are vacant, or are they all filled?

Mr. DEVEREUX. I will get that information for the gentleman. At Clovis Air Force Base 185 are replacements for substandard housing. Does that answer the gentleman's question?

Mr. McDONOUGH. So far as replacement is concerned. The gentleman means inadequate housing now on the base?

Mr. DEVEREUX. Substandard housing now on the base.

Mr. McDONOUGH. How many of the remainder are vacant, if any?

Mr. DEVEREUX. At Clovis we will replace Lanham Housing Act housing. The deficit, for instance, at Clovis is now 749.

Mr. McDONOUGH. What does the gentleman mean by deficit? I am asking how many of these 760 units are vacant.

Mr. DEVEREUX. I do not have any figure indicating any of them being vacant.

Mr. McDONOUGH. Are they all occupied?

Mr. DEVEREUX. Unless some of the substandard quarters have been declared inadequate. I can visualize that.

Mr. McDONOUGH. In other words, the gentleman cannot tell me how many of these 760 are occupied or vacant?

Mr. DEVEREUX. Well, they are either all occupied, assigned quarters, or they are so substandard that they were not considered adequate quarters.

Mr. KILDAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I stated before, there has never been a commitment made that we were adopting the Wherry Act as the permanent policy of the Government for the construction of family quarters on military bases. The bill now before us does nothing to repeal the Wherry Act nor does it do anything to militate against the Wherry Act or Wherry Act projects. I believe that that is proper. Just the same, I believe that it is highly improper in this bill to do anything to give the Wherry Act a monopoly in the construction of family quarters.

A hasty reading of the amendment indicates that that is what it does. The first impression is that it says you cannot build any of these quarters if there are adequate quarters presently existing on the base. Then it says you cannot build any of these quarters if they can be built under title 8 of the Housing Act. That being true, if that is exactly what it means, then the Wherry Act has a monopoly in the construction of military family quarters. But, if you read the amendment carefully, it is far worse than that. The amendment which was read at the desk a moment ago, proposed by the gentleman from California—we had not as yet reached that point in the bill and he can offer it immediately after this—would take care of the situation in an orderly and proper manner. But the amendment of the gentleman from California [Mr. McDONOUGH] is in such form that it would completely cripple this bill. It would practically say that under no circumstances can you build any quarters provided in this bill, because here is the language:

Mr. JOHNSON of California. I should like to concur in what the gentleman has just said.

Mr. KILDAY—

Provided, That none of this appropriation may be used to construct family quarters on any military base where existing family quarters are sufficient to meet the needs on such military base or can be constructed under title VIII of the National Housing Act.

It does not say who is going to determine whether the quarters are adequate. It does not provide whether you are going to have to go into court with an injunction to prevent the building of these houses or whether it would be impossible to go into court to do it. It does not provide that the Secretary must find that existing quarters are inadequate. It produces a situation which is administratively impossible to handle. That is the question of determining the adequacy of the quarters. Let us go to the Wherry Act provisions of the amendment: "or can be constructed under title VIII of the National Housing Act."

I take it that Wherry Act housing can be constructed on any base designated as permanent. But I do not think it will be built unless you get a sponsor, unless the sponsor's plan is approved and unless the project is requested, so that no matter what you may think as to

whether you should give the Wherry Act builders a monopoly, you cannot possibly adopt this amendment.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California so that he may tell me what his amendment does.

Mr. McDONOUGH. The gentleman has referred to my amendment as having to do with the question of adequacy of quarters on the base. The amendment does not say that. It says "sufficient." So far as the question of sufficiency is concerned that is certainly easy to determine. If everyone who requires family quarters on the base has family quarters, then they do not need any more. If you need any additional Wherry housing it can be built on the base, so what is the need of providing any other program?

Mr. KILDAY. I think the gentleman has missed my point entirely.

Mr. McDONOUGH. No; I have not.

Mr. KILDAY. I would like to know who is going to determine whether the housing on the base is sufficient. If you attempt to build houses under this bill with funds appropriated by the Congress under this bill, would that still be subject to an injunction on the ground that there are already sufficient quarters on that base? Or is that going to be something that the Secretary of the particular service concerned is going to have to certify; that the available housing is insufficient; or is the Secretary of Defense going to certify that it is insufficient? I point out that this is not administratively possible. It cannot be administered.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. KILDAY was permitted to proceed for 2 additional minutes.)

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield to me?

Mr. KILDAY. I yield to the gentleman from California.

Mr. McDONOUGH. Do I understand the gentleman to mean that he wants to build surplus houses on bases where there are already sufficient quarters? Anyone who has any knowledge of sufficiency of quarters can see whether or not families are properly quartered.

Mr. KILDAY. I cannot yield further at this time. Certainly I do not want to build any unnecessary quarters. We have so many places where quarters are desperately needed. I want every one of these houses to go where it is needed. I doubt that there are many people who think that the quarters are sufficient, existing quarters. Even the general on the base probably thinks that he can use better quarters.

I am pointing out that never before have I seen an amendment, in the Congress of the United States, which attempts to put the availability of quarters or anything else on the basis of sufficiency, without saying who is going to determine whether they are sufficient. I say also as to the Wherry Act where the gentleman's amendment says "or can be constructed under title VIII of the National Housing Act" that it has been provided that at no permanent base can you build any quarters under this bill, because Wherry Act housing can be built on any permanent base. But it will not be built unless the project is requested, unless there is a sponsor who submits a plan which is accepted and commitment is made by FHA to go ahead. So no matter what the gentleman from California may be attempting to accomplish by this amendment, he might just as well provide that none of the quarters provided in this bill shall at any time be built.

The amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

Mr. JOHNSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: On page 16, following line 3, add the following new section:

"SEC. 407. Notwithstanding the authority granted in titles I, II and III of this act, no family house units shall be constructed at any installation at which there is a housing project constructed pursuant to title VIII of the National Housing Act, or at any installation where the Federal Housing Administration has issued a commitment for the construction of such project. *Provided, however,* That the limitation contained in this section shall not apply with respect to those family units which constitute a replacement of existing substandard housing units, nor to those projects involving not more than 5 units at an installation.

"Nothing in this section shall be construed to preclude the construction of housing under title VIII of the National Housing Act."

Mr. JOHNSON of California. Mr. Chairman, I think the amendment is self-evident. I think it is a very good amendment.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I must say it is not self-evident to me. I would like to ask my chairman if he would be kind enough to explain it a little bit further. Does he mean that on a base where we have a Wherry housing project now existing we cannot build any of the housing provided in this bill?

Mr. JOHNSON of California. That is not my understanding of the amendment. It simply is that we are doing nothing to impede installation of Wherry housing in the event they go through the procedure they are required to go through to build.

Mr. DEVEREUX. I am sorry, Mr. Chairman, but that is not my understanding of the amendment.

Mr. JOHNSON of California. That is my understanding of it.

Mr. RIVERS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we can make our decision right now whether or not we are going to have Wherry veto the will of this Congress. It is because we abdicated our responsibility in the first instance that we got Wherry housing in this country. Had the Congress attended to its business and done the thing it is charged to do in the Constitution, to provide an adequate military, we would never have 78,000 Wherry housing projects in this country now. Nobody sitting in any seat in this Congress now knows whether there were windfalls in the construction of these Wherry houses. It has been said by some Members of the other body, I think Senator CAPEHART, that there have been windfalls in these Wherry housing projects. How do you know? Who are you, or who am I to say that Wherry should veto the will of this Congress?

The amendment was not cleared by us. You can go ahead and say, if you want to, as to Quantico, the only school the Marine Corps has, that if we got a Wherry housing project at Quantico you could not build one single, solitary project at Quantico. I am not going to sit here and have the gentleman from California [Mr. PHILLIPS] veto this bill and approve or disapprove of the things we are doing. You can do as you please, but RIVERS will not follow you. I am not going to sit here and have the Wherry association say we are Communist inspired as some one wrote to the distinguished marine hero, JIM DEVEREUX.

Mr. McCORMACK. I am with the gentleman.

Mr. RIVERS. The idea of trying to tell us, that we who wrote this bill were inspired by Communists or that this bill was inspired by Communists. Why we are trying to provide for your flesh and blood. If you want this bill vetoed by the Wherry association, that is up to you. I am not going to be a party to it consciously. I am not going to be a party to gutting this bill on which we have spent days and days and days in order to provide for our military the minimum of what they need.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. RIVERS. I yield.

Mr. VAN ZANDT. Will the gentleman advise us whether or not this amendment is a committee amendment?

Mr. RIVERS. No, it is not a committee amendment. I am not going to be a party to it. This bill is the minimum of what we need for 3 million people in the military. We need 150,000 units and we are here with 15,000 units, and the gentleman from California [Mr. PHILLIPS] is approving and disapproving every single solitary thing that we are doing and I just ain't no longer going to take it.

Mr. HARDY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I understand it, this amendment merely draws a line on whether we shall have Wherry units only or some other units built with appropriated funds. As I understand the amendment, and I think I understand it, if I can understand the English language, there is a small naval installation right now under construction in my district where it is proposed to build 33 Wherry housing units. There are at the present time no housing units in that project. This will be one of the smallest of the Wherry units, and as I understand

the language in that amendment, not a single housing unit could be built with appropriated funds. I mean, that is, if we adopt that as a policy.

Mr. JOHNSON of Californina. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. JOHNSON of California. That is not my understanding. My understanding is that the bill provides for houses by appropriated funds. But we want to make it clear that if they want to build some houses under the Wherry plan and comply with the requirements, which they must comply with, we want to make certain that our bill does not stand in the way.

Mr. HARDY. May I say to the gentleman from California, I cannot help but agree with his intent, but he certainly has not properly read and does not understand his amendment. The amendment does not do what the gentleman from California says he plans to do.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. RIVERS. I want to point out that under title A, they would have to be at the mercy of the FHA down there. This thing will hamstring and gut and destroy the whole concept of this bill.

Mr. HARDY. Of course it will. We embarked upon a program of building housing under the Wherry proposal, and we have built a great many. I do not want to do anything to jeopardize those that we have already built.

Mr. RIVERS. Of course we do not.

Mr. HARDY. I am not in favor of continuing a policy of providing housing for the military which is going to cost twice as much as it ought to cost, which is what we are doing under the Wherry Act.

Mr. RIVERS. And it takes you 50 years—50 years for the Government to even have an opportunity to own these houses.

Mr. HARDY. I do not want to jeopardize the existing projects. I certainly do not want the sponsors of existing projects to suffer because of the building of houses with appropriated funds. At the same time I am not willing for a sponsor of a Wherry act housing project to say, "No, you still need some over there, but we are not going to let you build them because there might be one vacant in our project."

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. PHILLIPS. Only for this reason, I read this for the first time a few moments ago, and it reads to me like the same thing the amendment offered by the gentleman from Virginia is trying to do, which requires somebody to make sure the houses are needed. That is all it refers to.

Mr. HARDY. I do not understand it that way at all.

Mr. PHILLIPS. It says further that they can build housing projects only with appropriated funds.

Mr. HARDY. I cannot agree with the gentleman's interpretation of the amendment.

Mr. DEVEREUX. I think we ought to understand one thing very definitely. While we are talking about Wherry housing, that is probably the most expensive housing that we could get into anywhere at all.

Mr. HARDY. Of course, it is.

Mr. DEVEREUX. It costs much more to the Government. So simply in the interest of the Federal Government and in the interest of the taxpayers of this country, we ought to abandon Wherry housing, as I see the picture today. Let us not make any mistake about that.

Mr. HARDY. I think the gentleman is absolutely correct, and I think the time is right now to go back to the procedure of building these houses with appropriated funds because it is the cheapest way to do it.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield.

Mr. GAVIN. This bill has been carefully considered by the full committee for many months. It was carefully screened by a subcommittee on programs and policies. It still has to go before the Appropriations Committee, and it is my opinion that the bill should be left just as it was reported from the committee, without any amendment that might muddy up the whole structure.

Mr. HARDY. Certainly this amendment ought to be defeated.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise to make the observation that my understanding of this bill is completely in line with the very pertinent, forceful, and timely observation made by my good friend from Pennsylvania [Mr. GAVIN].

I followed this bill in committee. When the recommendations first came up to the committee, it was recognized that the Department had to act hastily and to meet an emergency situation that exists. It is a real emergency, because involved is the question of reenlistment and the keeping in service of career men. We know the tremendous expense to the taxpayers when reenlistments drop off. When this bill came up, it was hastily prepared. That is no reflection on the Department. I think it is safe to say that the bill in its original form did not have much chance of passing. I was kept informed of the progress of the consideration of the bill by members of the committee. This bill is the result of careful consideration and hard work, primarily on the part of members of the subcommittee of the Committee on Armed Services, to which the whole matter was referred. This bill comes before us very carefully screened; screened by men on both sides, both Republicans and Democrats, whom we all respect; men who constituted the subcommittee. They went into it very, very carefully. It came out of the full committee, men whom we all respect.

I am fearful, knowing my friend from California as I do, and his wholesome state of mind—I am fearful that the gentleman's amendment, if adopted, will disturb the effective work done by the subcommittee. Certainly we can all support this bill. If the amendment is adopted, I am doubtful if I could support the bill. I think the amendment will put a limitation upon what the subcommittee intended and what the full committee intended, and what we intend, and what is necessary to insure the effective carrying out of this bill.

I understand the situation among our officers and enlisted men is terrible, in some respects, in relation to housing. They are given a certain allowance and they cannot get quarters. They live outside, and the cost is so much that it has resulted in the separation of families, the wife and children in many families going home to live with their folks, and the husband, the enlisted man or the officer, remaining at his station. Those are all matters that have an effect upon men who love the service, feeling, because of the economic angle, that they cannot afford to reenlist.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GAVIN. There are thousands of young men who might make the service their career, in the Air Force, the Army, the Navy, and the Marine Corps, but they are not staying in the service because of the housing conditions that prevail. This bill has been screened carefully, to the point where there is only 10 percent of the required necessary housing units to be built, a very small number. Certainly it would be encouraging to these men who intend to make the service their career, that the Congress has awakened to the fact that this housing situation is a serious one, and they are going to support this program and then give very careful consideration to the overall program which is to follow. This bill should pass as it is.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(By unanimous consent, Mr. McCORMACK was allowed to proceed for 5 additional minutes.)

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. O'HARA of Minnesota. I wonder whether there is any assurance in this bill that there will be one unit built for an enlisted man? It is my understanding that there is not any such assurance.

Mr. DEVEREUX. Mr. Chairman, will the gentleman from Massachusetts yield that I may reply?

Mr. McCORMACK. I yield.

Mr. DEVEREUX. I believe section 404 of the bill sets up the criteria.

Mr. O'HARA of Minnesota. If the gentleman will yield further, nothing therein provides that it shall be for enlisted men; it can be used by officers.

Mr. McCORMACK. That is quite true.

Mr. O'HARA of Minnesota. Do you have an amendment that maybe will correct that?

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HARDY. The report gives the basis on which the committee made its decision, gives the breakdown figures which have already been given which will assure that.

Mr. McCORMACK. I assume, I may say to the gentleman from Minnesota, that the committee has received a breakdown just like the Appropriations Committee when they grant a lump-sum appropriation for the construction of a certain project; they have a breakdown as to what the money is going to be used for.

As I understand, the greater part of these housing units is for enlisted personnel.

Mr. O'HARA of Minnesota. But there is no assurance of that.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. VAN ZANDT. I may say to the gentleman from Massachusetts that any military installation housing is divided on a percentage basis among enlisted personnel and commissioned personnel. This bill applies to both enlisted and commissioned personnel.

Mr. McCORMACK. That was the basis of my answer to the gentleman's question.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. BATES. These figures were put in the RECORD some time ago by the chairman. There are to be 8,993 units for enlisted men, 3,000 for company-grade officers, 830 for field-grade officers, and 78 for generals and commanding officers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GROSS. Cannot an officer and his wife live in 1,250 square feet of space? That is the only restriction contained in this bill.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GAVIN. My very good friend, whom I greatly admire, honestly——

Mr. McCORMACK. I think he is really satisfied.

Mr. GAVIN. He asked for one unit. The one unit I was interested in, the greater Pittsburgh air base, 33 of the 57 units are for enlisted men, the others for officers; but I emphasize the fact that 33 out of 57 are for ground force men.

Mr. GROSS. But that is a breakdown proposition. Again, the officer there can assign the quarters.

Mr. McCORMACK. I think the committee has looked into all of those aspects. It is not written in the bill, but we know that in the course of ordinary consideration the committee has been advised. If they did not live up to the provisions of the bill the committee would quickly subject them to appropriate treatment.

Mr. DEVEREUX. If the gentleman will yield, I think I can satisfy the gentleman from Iowa. For instance, picking at random from the backup material, I have an item of a Navy base in Florida which specifically states: "25 units for enlisted men, 5 units for company-grade officers." That is just in the backup material.

Mr. McCORMACK. There is no doubt that the subcommittee has done a remarkable job and that there has been very careful screening of the projects to be undertaken. We have the necessity. I was very glad to note the other day that the second proposed cut in the Army in the fiscal year 1956 is not going to take place. I have vigorously opposed any reduction in the Army with the world situation as it exists today, with the world killers, the Communists, trying to overrun the world. So there is more need for the construction of these units, and, as I said, I am very glad to see that the proposed reduction in the Army in the fiscal year 1956 is not going to take place.

I am fearful that the amendment offered by the gentleman from California will be harmful to the bill—not intentionally so, of course. A rejection of the amendment would be no reflection on the gentleman because he is offering it personally and I observe from questions asked that he has probably some doubt himself.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. JOHNSON of California. I thank the gentleman for the complimentary remarks he has made.

Mr. McCORMACK. I mean it, too, because the gentleman and I have worked on other matters. We have conspired constructively together.

Mr. JOHNSON of California. There is not any doubt in my mind about the clarity of the amendment. It will not muddy the waters, in my opinion, and I do not believe many people will be confused.

Mr. McCORMACK. I am confused and plenty of others are confused. It would be more pleasant to us if the gentleman would withdraw the amendment. If he does not do that, I urge that the amendment be defeated in order to protect the bill. Defeat of the amendment would be no reflection on the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. JOHNSON].

The amendment was rejected.

Mrs. ST. GEORGE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ST. GEORGE: On page 8, strike out lines 7, 8, and 9.

Mrs. ST. GEORGE. Mr. Chairman, I wish again to reiterate the fact that I am entirely in favor of this legislation. I have both West Point and Stewart Field in my district and I am aware of the necessity, in fact of the crying need, for quarters for enlisted men and officer personnel.

My amendment would simply cut out $2,366,300 for 175 units of family housing at Port Lyautey, French Morocco.

Mr. Chairman, I am fully aware of the fact that since the committee held hearings a great deal of water has gone under the bridge. We have seen the collapse of the French in Indochina; we have seen the fall of Vietnam. It is rather obvious that a great deal of our materiel was left there and has been seized by the Communists. Now the war clouds are gathering over North Africa and it is just as well we face the fact instead of assuming our usual attitude of always expecting the pot of gold at the end of the rainbow.

There is going to be trouble in North Africa. For that reason, first of all, I question the advisability of sending families to North Africa at this time. I do not think it is a suitable place for families to live. The war is cold at the present time. It is going to get increasingly hot.

Another thing, if you construct $2 million worth of housing there, you will run a very good risk of having it also seized by the Communists or by the enemy in North Africa. For that reason it seems to me reasonable and not exaggerated to ask that the amendment be adopted; that this matter be kept in abeyance for, say, 6 months or a year until we can see exactly what is going to happen in the world. After that, perhaps, we may be fortunate enough to see peace ahead and be able to send the families to North Africa and to construct these 175 units.

Mr. Chairman, I urge the committee to accept this amendment for that reason. It is not offered in any criticism of the work of the committee or in criticism of the bill. It simply is postponing for a little while until we have an opportunity to look into the situation and to become fully cognizant of what is going to happen. We have lost a great deal already, and for that reason I would rather see that we do not lose any more.

Mr. JOHNSON of California. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from California.

Mr. JOHNSON of California. Does the gentlewoman's amendment refer to the situation in French Morocco?

Mrs. ST. GEORGE. No, Mr. Chairman, it only refers to Port Lyautey, French Morocco. The other housing projects outside of the continental limits I think are very vital and I would not interefere with them.

Mr. VAN ZANDT. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Does the gentlewoman realize that Port Lyautey is a very vital part of our military defense in the Mediterranean?

Mrs. ST. GEORGE. I have absolutely no doubt about it. I am not interfering with that in any way, may I say to the gentleman.

Mr. VAN ZANDT. Does she not know that many of the families are there already?

Mrs. ST. GEORGE. I presume they are living somewhere.

Mr. VAN ZANDT. Yes, and they are living off of the base, out in the community of Port Lyautey.

Mrs. ST. GEORGE. I think the quarters should be very temporary, I will say, because I think it is very likely that they will have to evacuate those quarters. I do not think it will hurt to wait a year before we go all out with a full-fledged plan and build this huge encampment.

Mr. VAN ZANDT. Well, these quarters cannot possibly be constructed within a year and a half.

Mrs. ST. GEORGE. I know. But why start them now and have them seized before they are finished? I do not want to see that, either. It may be a gloomy point of view, but we have been bitten quite often, and the burnt child fears the fire, although that is not the usual attitude for this House to adopt.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mrs. ST. GEORGE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. JOHNSON of California. Mr. Chairman, if the gentlewoman will yield further, here is what I wanted to point out. There will be very little done on this project for at least 6 months and perhaps considerably longer. If the gentlewoman only wanted it to stay in abeyance, I suggest she wait and then next spring go to the Committee on Appropriations. All these items have to be presented to the Committee on Appropriations, and at that time maybe we will have a clearer idea as to what the situation is going to be. The plea for these projects, without going into the details, was very convincing to every one of us. I think they are essential at the present time.

Mrs. ST. GEORGE. If it is a question of going in 6 months or a year from now and asking the Committee on Appropriations to do something about it, why could not the distinguished members of this committee do that and not pass on it now in such a hurry?

Mr. JOHNSON of California. We want to get the authorization, and then she would have a chance to go up there and object and indicate to them some of the things she has told us today. Maybe she would be able to convince them.

Mrs. ST. GEORGE. I think the bill is so good that I want to perfect it, and I think this amendment would be a step in that direction.

Mr. JOHNSON of California. It may be that if we took this out we would have a hard time to put it back in again.

Mrs. ST. GEORGE. I doubt that. After a year from now if there is peace in the world, which we all pray for, I think it would be a simple matter to restore this small amount. After all, it is a small amount. It is just the principle of the thing, may I say to the gentleman, which is very bad.

Mr. DEVEREUX. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Should the gentlewoman's amendment be accepted, could that then be interpreted that we are going to move out of North Africa?

Mrs. ST. GEORGE. Certainly not. It does not mean that you are going to move out of the frontline trenches simply because you are not sending the women and children in there, I hope.

Mr. DEVEREUX. As a matter of fact, if we could have them on the base, they would be much safer in the event of any disturbance over there.

Mrs. ST. GEORGE. Well, I do not think that they should be there at all. May I say to the gentleman when I was in Korea—and I do not think the situation in Korea at the present time is very much more serious than in North Africa—I was told by General Taylor that none of the wives or children are going to be under his command for some time.

Mr. VAN ZANDT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, Port Lyautey is a very important factor in the military function of this country in the Mediterranean area. It is primarily a Navy installation. The mission of this Navy installation is to support aircraft and for that reason requires highly skilled officers and enlisted men to operate and maintain such planes.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. JOHNSON of California. Does not this station tie in not only with our efforts in Morocco but also with our efforts in the Mediterranean where we have the 6th Fleet?

Mr. VAN ZANDT. I am coming to that. The type of officer or enlisted man who is stationed at Port Lyautey is generally in the grade of those who can take their family with them. Many of the officers and men stationed there today have their families, some living in quarters on the station and others living in quarters off the station.

In addition to the naval air station at Lyautey, there is also a communications station that is very important in the communications system of the military of our Government. The Port Lyautey naval air station and communications center, as the gentleman from California [Mr. JOHNSON] has mentioned, supports the 6th Fleet in the Mediterranean, and without it the 6th Fleet would not be as effective as it is today.

Therefore, the amendment should be defeated.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. DAVIS of Wisconsin. Certainly reserving the right to examine into the details of this item at a later date by our subcommittee, let me say that we have already gone into French Morocco on such a scale and have made such commitments there that I should think it would be a mistake to draw the line on an item of this kind.

Mr. VAN ZANDT. Definitely.

Mr. DAVIS of Wisconsin. I think the authorization should remain in the bill for the time being and we can make decisions later on.

Mr. VAN ZANDT. Certainly. The Committee on Appropriations will have the opportunity to review this later on. Port Lyautey is not up against the front door of Casablanca. Port Lyautey is one of several installations of the United States military in northern Morocco, and each have security arrangements to protect the base, equipment, and American military personnel stationed there.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mrs. ST. GEORGE. Would the gentleman tell me when this bill was marked up, or when final hearings on it were held?

Mr. VAN ZANDT. As I recall it, it was early this year.

Mrs. ST. GEORGE. It is true, probably, is it not, that the bill was marked up before the Geneva conference. Would not the gentleman agree to that?

Mr. VAN ZANDT. Yes.

Mrs. ST. GEORGE. Does not the gentleman think, in all fairness, that our thinking on a great many subjects should have changed since that conference took place? If we are just to close our eyes to everything that has happened and go on our merry way, that is one thing, but I do not think that is the way to legislate at this time. I think conditions are a little too serious for that.

Mr. VAN ZANDT. In reply to the gentlewoman from New York [Mrs. ST. GEORGE] may I say that if the planning of our military must be altered every time a conference is held somewhere in the world involving the Communists our military will have no plans when an emergency occurs.

Mrs. ST. GEORGE. We have not had any conferences like the conference at Geneva; and I certainly hope that we do not have any more. After all, that conference changed a great many things, and certainly the gentleman will agree that it was a triumph for the Communist cause. Therefore, we have got to look at the situation again, we have got to reappraise our whole policy.

Mr. VAN ZANDT. In my opinion, we have had too many conferences already. I think the amendment should be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Mrs. ST. GEORGE].

The question was taken; and on a division (demanded by Mrs. ST. GEORGE) there were—ayes 21, noes 53.

So the amendment was rejected.

Mr. MILLER of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Kansas: On page 9, after line 15, insert the following:

"Forbes Air Force Base, Kans.: 25 units of family housing, $337,500."

Mr. ARENDS. Mr. Chairman, I understand there are just two amendments remaining to be considered. The bill has been considered as read. I wonder if

we might agree that all debate on these two amendments be closed in 15 minutes, so that we could finish up the bill at that time. I submit that as a unanimous-consent request, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MILLER of Kansas. Mr. Chairman, I wish to read to you a telegram I received yesterday from the real-estate board at Topeka, Kans. As we all know, the real-estate people have been against Federal housing in every form, and they were against this, but they have changed their mind in one instance. This is their wire:

> The officers of the Topeka Real Estate Board urge you to do all in your power to see that at least 25 housing units be put back in the bill, which the House Armed Services Committee deleted, for permanent housing at Forbes Air Base at Topeka, Kans., for essential key personnel.

Not knowing how the commander at the airbase would feel about this, I called up Forbes Air Base at 10 o'clock this morning and talked with the general in command. I asked him whether it would be all right with him if I monitored our conversation and reported to this body verbatim what he would say to me. These are his words:

> We have no quarters on the base for a number of our key personnel. We need them for squadron commanders, wing commanders, and other key personnel who are needed on the post. What the air base had planned on originally was 157 units which were deleted from the bill. What I am hoping to get now is enough housing for key officers whose jobs require them to be right here at the station. Right now I could easily justify 25 housing units for key officers at Forbes. I believe one of the reasons you were asked by the Real Estate Board of Topeka to try to get the 25 additional housing units was that the real estate people had taken a stand against us. At my request they have taken a new look at the problem and have agreed that they were wrong in the beginning and wanted to come out with this new statement. I have some $2½ million planes flying, and often quick decisions are needed. Officers living on the post could be reached immediately, whereas if they were living in the city of Topeka it might be hard to locate them. In certain instances it could mean the life or death of the crew or the saving of an airplane. It is a wise investment and it makes sense.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Kansas. I yield.

Mr. JOHNSON of California. Was the general to whom the gentleman refers the general at the airport or a general here in Washington?

Mr. MILLER of Kansas. It was the general at the airport.

Mr. JOHNSON of California. He would have to clear with the Defense Department before he could make a request like that. That is contrary to their rules. They have to clear at the top here, at least with the chief of the Air Force.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Kansas. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. The general did not make the request, the Congressman called the general there asking for an expression of his opinion as to whether or not these 25 units could be used.

Mr. JOHNSON of California. The point is before he can get any more houses he has to clear that with somebody higher up. You cannot go directly to Congress and say you want more.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Kansas. I yield.

Mr. McCORMACK. I think my friend the gentleman from California, in all good faith, misunderstands the situation. This good general has not asked for 25 housing units. He has told the fine gentleman, who is making a fine fight—and I hope the chamber of commerce remembers you next fall—he has simply told this fine gentleman, and this fine gentleman is simply telling us what he told him. So I do not think the general should get in any trouble in any way for what he did or what he said.

Mr. JOHNSON of California. Anybody could justify the need for 25 more units, but that is not the way to get results, in my opinion, by the military bringing the matter to the attention of a Congressman and asking him to offer an amendment.

Mr. McCORMACK. He did not ask him to do that.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Kansas. I yield.

Mr. DEVEREUX. Of course, there are many places where housing is needed. This is an example. But they are not needed as much there as at other places. All we are trying to do is to furnish the most critically needed housing.

Mr. MILLER of Kansas. In answer to the gentleman, I would say that it is just a matter of whether we want to take the word of the commanding general of the Forbes Air Base, where we have spent $45 million in airplane facilities.

Mr. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Kansas. I yield.

Mr. WILSON of California. This subcommittee is going to be engaged in the interim period looking into the various units that are needed, and I think the subject that the gentleman has brought up would be one that would call for an on-the-spot investigation. I am sure it is the intention of the subcommittee to look into a situation such as the gentleman has called to our attention to see if housing is needed and bring the facts before the Congress next year.

Mr. MILLER of Kansas. In answer to that, I would say the same argument would apply to every authorization that you have offered here today.

Mr. CUNNINGHAM. Mr. Chairman, I rise in opposition to the amendment.

I wish to say to the gentleman from Kansas that under ordinary circumstances, I would support his amendment. However, when this bill was considered in committee, many committee members would have liked to have put in amendments for projects in their own States or districts. Had that been permitted and those projects put in, then the number of housing units as provided in the bill presented to us by the Department of Defense as being necessary for the services, would have had to be reduced because there is an overall limitation of $175 million in the bill. If we were to adopt the amendment offered by the gentleman from Kansas, then the housing units will have to suffer at other bases and installations where the testimony shows they are needed more today than they are at the base in Kansas.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. KILDAY. What the gentleman says about many members of the committee is correct. As a matter of fact, when the bill came over from the Department it contained units in my own district, all of which were eliminated by the subcommittee. That is true of many Members of the House, and it is not possible to start putting each of those back or we will be back where we were before the subcommittee did its job in reducing the units to be built.

Mr. CUNNINGHAM. And we would not have any bill at all.

Mr. KILDAY. That is right.

Mr. REES of Kansas. Mr. Chairman, I rise in support of the amendment. I think this is a comparatively mild one. It is for only 25 units.

I know the committee has made every effort it could to keep this legislation in line with the requests. I know, too, this committee is more familiar with the entire problem than I am.

The reason I feel these units are necessary is because of the statement of the commanding officer of the base. Incidentally this is one of the large bases in the country and is just barely outside the district I represent.

The thing that gives importance to this proposal is because this is a strategic base. The commanding officer, who should know, says the units are required for the reason a few key officers must reside immediately in the area for the reason they may be called on a few moments notice.

The gentleman from California criticized the Member for quoting the commanding officer. The Member called the commandant and asked for the facts. The officer gave the facts as he knew them. I see nothing wrong with that.

I think credence should be given the request of the Real Estate Board of Topeka, who said in substance they had examined the situation and, in the opinion of the board, the request should be approved. If the request were many units, the situation would be different. I really think, for a big strategic airbase, the request is modest. I want it understood I am not in favor of going out and overloading airbases with Government-built homes.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to a distinguished member of this committee and a former most distinguished member of the Armed Forces. I know he wants to be fair. He is really a great man.

Mr. DEVEREUX. I hope to be fair about it.

Mr. REES of Kansas. My only interest in this matter is that I believe this amendment to be right.

Mr. DEVEREUX. First of all, I want to point out that there are no projects in the district of the gentleman from Maryland.

Mr. REES of Kansas. That is right. I appreciate that.

Mr. DEVEREUX. There was an inference that perhaps that influenced my judgment.

Mr. REES of Kansas. No; I am sure of that. I apologize if there seemed to be such inference.

Mr. DEVEREUX. If the gentleman will read the bill thoroughly, he will find that in many cases we have allowed as low as five units.

Mr. REES of Kansas. And I think the one ahead of this one is for 433 units.

Mr. DEVEREUX. That is correct. But, for instance, at the fighter bases we have more. We have the fighter interceptors and so on.

Mr. REES of Kansas. This is a strategic base, is it not?

Mr. DEVEREUX. I believe that is correct.

Mr. REES of Kansas. And it is a bigger base, I believe, than the one named just ahead of it on the list, where more than 400 units are authorized. I know the judgment of the gentleman from Maryland is good. I would not dispute it, but it seems on the face of things, the amendment is reasonable.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. MILLER].

The question was taken; and on a division (demanded by Mr. MILLER of Kansas), there were—ayes 45, noes 62.

So the amendment was rejected.

Mr. O'HARA of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 15, line 11, after the period, insert *"Provided*, That not less than 60 percent of all units provided herein shall be constructed for family units for enlisted family quarters."

Mr. O'HARA of Minnesota. Mr. Chairman, I offer this amendment in complete good faith and in light of what I have observed myself at some of these bases and particularly in light of the debate which has taken place here on this bill and the fact that there are no specific provisions in this legislation for enlisted men's quarters.

There has been no question that there is no specification in this bill as to how many units for enlisted men will be built or whether there will be one. Personally, I am not at all against building these officer units; in many cases they are highly necessary. But on the other hand I do get considerably irked at the attitude of the services as to the needs of the family enlisted man's requirements and what they should have.

We heard the distinguished gentleman from South Carolina and others complain about the lack of enlistments because the enlisted men were short of quarters. I do not care what the so-called justifications are that come here and are given before the committee. I know what is going to happen if this bill passes as it is and if appropriations are handled in the same general language: The great bulk of this is going for officers' quarters. I recall rather distinctly when we had a pay bill here one time involving the question of consideration for enlisted personnel and particularly married enlisted personnel and their dependents, and that the enlisted men got the business. I think that was unfortunate.

No wonder these men leave the service; I do not blame them a bit. I just want to be sure that when we pass this legislation we write into it language which will guarantee that the enlisted personnel shall receive not less than 60 percent and I hope it is as much as 75 percent. I think we better have it written into the bill and not just take somebody else's word for it that may not mean anything when it comes to the actual building under any administration of this law. That is why I urge the adoption of this amendment to meet the present situation. Then we shall know that the enlisted personnel will get consideration and there will be no question about it.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. RIVERS. What is wrong with the gentleman's amendment?

Mr. O'HARA of Minnesota. Not a thing.

Mr. RIVERS. I do not think so either.

Mr. O'HARA of Minnesota. I hope the gentleman agrees with me.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. JOHNSON of California. I do not think there is anything wrong with the gentleman's amendment either. Seventy percent appears in the justifications. We will be glad to accept the amendment.

Mr. O'HARA of Minnesota. There is nothing spelled out in the bill.

Mr. JOHNSON of California. I will accept the gentleman's amendment.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. CUNNINGHAM. I just want to say that I approve the gentleman's amendment. It makes certain that the bill does what the committee intends. I congratulate him.

Mr. O'HARA of Minnesota. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MORANO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9924) to provide for family quarters for personnel of the military departments of the Department of Defense and their dependents, and for other purposes, pursuant to House Resolution 662, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not the Chair will put them en bloc.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SHEPPARD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SHEPPARD. I am in its present form, Mr. Speaker.

The SPEAKER. Is there anyone who is absolutely opposed to the bill? If not, the Clerk will report the motion offered by the gentleman from California.

The Clerk read as follows:

Mr. SHEPPARD moves to recommit the bill, H. R. 9924, to the Committee on Armed Services for further study.

Mr. JOHNSON of California. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from California [Mr. SHEPPARD].

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had—

Ordered, That the House of Representatives be requested to return to the Senate the message announcing the agreement of the Senate to the amendments of the House to the bill S. 3137, entitled "An act to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes."

The message also announced that the Senate had passed, with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8152. An act to extend to June 30, 1955, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing

votes of the two Houses on the amendments of the House to the bill (S. 2846) entitled "An act to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940."

CONSERVATION OF WATER RESOURCES IN THE ARID AND SEMI-ARID AREAS OF THE UNITED STATES

The SPEAKER laid before the House the following communication which was read:

Ordered, That the House of Representatives be requested to return to the Senate the message announcing the agreement of the Senate to the amendments of the House to the bill, S. 3137, entitled "An act to make the provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States, and to increase and revise the limitation on aid available under the provisions of the said act, and for other purposes."

The SPEAKER. Without objection, the request of the Senate will be granted.

There was no objection.

MODERNIZATION AND IMPROVEMENT OF CERTAIN MERCHANT-TYPE VESSELS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3546) to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLVERTON. Mr. Speaker, reserving the right to object, and of course I will not object to the present bill, but, in order that I might address an inquiry to the majority leader. I wish to ask the majority leader if and when H. R. 7840, an amendment to the Railroad Retirement Act, is to be called before the House for consideration? I have had innumerable inquiries made by Members from both sides of the aisle who are greatly interested in this piece of legislation. It laid awaiting action before the Committee on Rules for approximately 1 month. I was unable to penetrate the iron curtain that surrounds the proceedings of the Rules Committee to ascertain why it was not acted upon.

I was pleased that a week ago consideration was given to this measure. Favorable action was taken within a few minutes of the application being heard. From that time until the present the bill has slumbered—I would not say peacefully, but it has slumbered with indecision as to when it would be brought before the House. I have tried and Members of this House have tried to ascertain when it would come before the House. There has been no definite word given as yet except that it might be brought up tomorrow or it might be brought up next Monday, I assume, in case we do not adjourn sine die. For that reason, I would like to know, in order that I may answer questions, as to when this bill will be brought up. There is much that I could say that I will not say. I am asking the question in the interest of procedure in this House. I want it to be known that if I do not get a definite answer, then there is left to me only one course to pursue, and that will be to object to every unanimous-consent request that is made for the transaction of business with the exception of those consents that are asked for the introduction of personal remarks in the RECORD; that is, until I get a definite answer as to when this bill will be brought up.

Now, this is not based upon impatience. I would have the membership of the House know that there is no one in this House that has shown greater patience with respect to this matter than I, but there comes a time when patience ceases to be a virtue. And, I assure you it is not a pleasant situation for me to be placed in, to take this position before the House, and I only do it in the way in which I am doing it in order that the House may know, in the event that it is necessary for objections to be made as I have indicated, the reason for it.

This piece of legislation, in my opinion, would pass this House practically unanimously if it was given an opportunity, and I am determined, if the power lies within one individual or more to stop it from coming up, then I am hopeful that maybe a course of action, such as I have indicated, by one Member of the House can bring it to a vote in this House for the benefit of those who are anxious to vote upon this measure.

Mr. Speaker, I withdraw my reservation of objection unless someone wishes to answer my question.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Indiana.

Mr. HALLECK. It might have been a little better if the gentleman had discussed the matter with me.

Mr. WOLVERTON. I have done so several times.

Mr. HALLECK. May I say this to the gentleman?

Mr. WOLVERTON. How many times do I have to discuss it? I do not want to say everything at this time that I could say.

Mr. HALLECK. Neither do I.

Mr. WOLVERTON. But I have said what I meant, anyway. Are you willing to give us any time when this will be brought up, when we will be recognized?

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. Certainly.

Mr. HALLECK. I have in my hand a list of measures on which rules have been granted.

Mr. WOLVERTON. That is right——

Mr. HALLECK. A rule was granted on your bill to which you refer on July 22.

Mr. WOLVERTON. Last Friday.

Mr. HALLECK. Now, we have had before the House of Representatives, I might say to the gentleman—may I say, first, that I certainly shall try to evidence for him a respect here that he has not quite accorded me in this attack on me, I assume it was on me.

Mr. WOLVERTON. I have not mentioned any names. I purposely withheld doing that.

Mr. HALLECK. Let us not equivocate about it.

Mr. WOLVERTON. That is not at all equivocating. Let us get right down to it. Will the bill come up and, if so, when?

Mr. HALLECK. Let me say to the gentleman that we have been working on a program here of legislation that had to be accomplished as a part of the program before us. The work that has gone on in the House of Representatives has dealt with the essential parts of the program that we have all recognized had to be passed. We have disposed of the matter of increasing the borrowing power of the Commodity Credit Corporation which was part of that program; likewise the bill to provide housing for military personnel, which was a part of that program. There are 4 or 5 bills from the gentleman's committee on this list that I hold in my hand with which we hope to deal.

Certainly I had no intention at any time of not putting the gentleman's bill on.

He speaks of how he may object to any unanimous-consent request that is made here. May I remind the gentleman that the rule on his bill was reported on July 22. If the gentleman doubts my good faith with respect to programing it, certainly he must know the rules well enough to know that any member of the Rules Committee, after a rule has been out 7 days, may call up the rule.

Mr. WOLVERTON. I am counting those days.

Mr. HALLECK. May I say to the gentleman that certainly it would not have been within my power to have blocked consideration of the rule had I wished to do so. And may I say further to the gentleman, who is my longtime friend, that I am sorry he has taken this action here on the floor of the House of Representatives because I have sought to promote and to forward the measures that have come from his committee as I have from all other committees. I have sought to expedite the work of the House of Representatives and I shall continue to do so.

The gentleman has seen fit to raise the question. I may say to him that we propose to deal next with the bill which the gentleman from Illinois is about to call providing for additional Secretaries. We still have the Capitol Police force bill that we started to discuss the other day.

As far as I am concerned, I do not care what comes on after that. There is a whole list of measures, 4 or 5 of them from the gentleman's committee, and there are committee members pressing for all sorts of legislation before us.

All I have attempted to do is to bring orderly progress to the accomplishment of the program and to try to keep first things first.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. TOLLEFSON]?

Mr. WOLVERTON. Still reserving the right to object, I do so in order that I may apologize to the gentleman who is the majority leader if I have offended him by assuming an interest in a piece of legislation in which the great majority of the House are interested. I have not said all I could say. If I did, you could understand why I have shown some of the feeling that I have shown. And it is not personal in any sense whatsoever. But when a piece of legislation has been requested by 23 railroad brotherhoods and has passed the committee unanimously and was finally reported out of the Rules Committee, and I am not able to find out when it will be brought up, it is certainly proper to inquire. And I have not found out yet. I think it is perfectly in order that as chairman of the committee I should make inquiry in order that I may make reply to those who address their inquiries to me. I regret that it is necessary. I have been here for 28 years, and I have never taken such a step as this before. And I would not have done it today if I did not think it was necessary to bring attention to this particular piece of legislation. I am still hopeful for the benefit of Members who find it necessary to leave and some of whom have told me that if they do leave they will have to come back in order to vote on this important piece of legislation, that some definite word be spoken other than that it might be tomorrow or it might be Monday when this legislation will come up.

Referring to any other bills that have come from my committee, there is not one on that list that takes precedence in time to the one to which I have directed attention.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. TOLLEFSON]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Emergency Ship Repair Act of 1954."

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this act in the interests of national defense to provide for the immediate improvement and modernization of needed merchant-type vessels in the reserve fleet under the jurisdiction of the Secretary of Commerce, and thereby to provide a much needed stimulus to the shipbuilding and ship-repair industries of the Nation.

RESERVE FLEET MODERNIZATION AND REPAIR PROGRAM

SEC. 3. The Secretary of Commerce shall, after consulting the Secretary of Defense, formulate and carry out to the extent authorized under the provisions of this act a program of repairing, modernizing, or converting such merchant-type vessels in the national defense reserve under the jurisdiction of the Secretary of Commerce as may be necessary to provide for the purpose of national defense an adequate and ready reserve fleet of merchant and auxiliary vessels.

CONTRACTING AUTHORIZATION

SEC. 4. The Secretary of Commerce shall, within 12 months after the date of the enactment of this act, enter into such contracts for the repair, modernization, and conversion of vessels as may be necessary to carry out the provisions of this act. Such contracts (1) may provide for the expenditure by the United States of not more than $45 million, (2) shall be with private shipbuilding or ship-repair yards on the Atlantic, Pacific, and gulf coasts of the United States, and on the Great Lakes or other inland waterways, (3) shall be entered into in accordance with applicable provisions of the Federal Property and Administrative Services Act of 1949, and (4) in entering into such contracts the Secretary of Commerce shall not alter the present Maritime Administration policy of inviting split bids for drydock and nondrydock work. Bids on any such contract shall include any towage and insurance costs involved.

AUTHORIZATION OF APPROPRIATION

SEC. 5. There are hereby authorized to be appropriated such sums not in excess of $45 million as may be necessary to carry out the provisions of this act.

With the following committee amendments:

Page 2, line 14, strike out "twelve" and insert "twenty-four."

Page 2, line 20, strike out "$45,000,000" and insert "$25,000,000."

Page 2, line 22, strike out "and on the Great Lakes or other inland waterways."

Page 2, line 25, after "and" strike out "(4) in entering into such contracts the Secretary of Commerce shall not alter the present Maritime Administration policy of inviting split bids for drydock and nondrydock work. Bids on any such contract shall include any towage and insurance costs involved" and insert "(4) may be negotiated without competitive bidding whenever such action is determined by the Secretary of Commerce to be necessary to carry out the purpose of this act."

Page 3, line 10, strike out "$45,000,000" and insert "$25,000,000."

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Louisiana.

Mr. BOGGS. Is this the so-called ship repair bill?

Mr. TOLLEFSON. Yes, it is.

Mr. BOGGS. Does the bill provide as the other bill does for split bidding?

Mr. TOLLEFSON. It does not specifically.

Mr. BOGGS. It does not prohibit it?

Mr. TOLLEFSON. No, it does not. As a matter of fact, we have the assurance of the administration that there will be split bidding.

Mr. BOGGS. In addition, this bill will go to conference and the matter will be discussed in conference?

Mr. TOLLEFSON. That is right.

Mr. BOGGS. I hope the gentleman can arrange to write a split-bidding provision in conference.

Mr. TOLLEFSON. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from Iowa.

Mr. GROSS. What is split bidding?

Mr. TOLLEFSON. In the repair of a ship there is bottom repair work and topside repair work. Yards without drydocks cannot bid on the bottom type.

Mr. BOGGS. If the gentleman will yield further, may I bring up one further point in that connection. The Maritime Administration has used the procedure?

Mr. TOLLEFSON. That is right, and they will continue to use it.

Mr. BOGGS. It has also been their observation and experience that it has been a money-saving device?

Mr. TOLLEFSON. That is correct.

Mr. BOGGS. Also it has been helpful in connection with small ship repairs?

Mr. TOLLEFSON. That is correct.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. TOLLEFSON. I yield to the gentleman from North Carolina.

Mr. BONNER. With reference to the split-bidding provision, it was discussed in the committee and it was brought out in the hearings that the Maritime Administration had been indulging in this practice and had the authority to make contracts of a split-bid nature. Therefore, in the House committee it was not even necessary to write it into the bill. That was thoroughly understood.

Mr. DIES. Mr. Speaker, if the gentleman will yield, we had a definite understanding with the Administrator of the Maritime Administration that that would be carried out in the administration of the act.

Mr. BONNER. There would be no change in the procedure.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPACT RELATING TO HIGHER EDUCATION IN THE NEW ENGLAND STATES

Mr. McCONNELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9712) granting the consent of Congress to certain New England States to enter into a compact relating to higher education in the New England States and establishing the New England Board of Higher Education.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAILEY. Reserving the right to object, Mr. Speaker, and I shall not object, will the distinguished chairman of the committee explain to the House the object of this legislation?

Mr. McCONNELL. The object of this proposed legislation, which was reported unanimously, and I know of no objection to it, is to give the consent of Congress to the New England States to get together in an educational compact whereby they could provide for a school of medicine, a school of dentistry, and so on, which the compact States could use for the attendance of their pupils, rather than each State having the expense of erecting various professional institutions within its borders.

Mr. BAILEY. It is true, is it not, that we have compacts of that kind already authorized by the Congress, one of them, I believe, in a series of Southern States and another in a series of Western States?

Mr. McCONNELL. The gentleman is correct.

Mr. BAILEY. Is it not true at the present time in the 8 or 9 Western States, several of those sparsely populated States have no medical school of their own and that under this compact, they could arrange, let us say, the State of Arizona could arrange with the State of Utah which has an excellent medical school to care for the Arizona students in the Utah Medical School. That is the way the matter would work, is it not?

Mr. McCONNELL. The gentleman has stated exactly the purpose of the bill and the way it will work, if it is enacted by the Congress.

Mr. BAILEY. There is no objection to the legislation from the minority side.

Mr. McCONNELL. There is no objection that I know of.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby given to any two or more of the States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont to enter into the following compact and agreement relative to higher education and creating the New England Board of Higher Education.

The compact reads as follows:

ARTICLE I

The purposes of the New England Higher Education Compact shall be to provide greater educational opportunities and services through the establishment and maintenance of a coordinated educational program for the persons residing in the several States of New England parties to this compact, with the aim of furthering higher education in the fields of medicine, dentistry, veterinary medicine, public health, and in professional, technical, scientific, literary, and other fields.

ARTICLE II

There is hereby created and established a New England board of higher education, hereinafter known as the board, which shall be an agency of each State party to the compact. The board shall be a body corporate and politic, having the powers, duties, and jurisdiction herein enumerated, and such other and additional powers as shall be conferred upon it by the concurrent act or acts of the compacting States. The board shall consist of three resident members from each compacting State, chosen in the manner and for the terms provided by law of the several States parties to this compact.

ARTICLE III

This compact shall become operative immediately as to those States executing it whenever any two or more of the States of Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, and Connecticut have executed it in the form which is in accordance with the laws of the respective compacting States.

ARTICLE IV

The board shall annually elect from its members a chairman and vice chairman and shall appoint and at its pleasure remove or discharge said officers. It may appoint and employ an executive secretary and may employ such stenographic, clerical, technical, or legal personnel as shall be necessary, and at its pleasure remove or discharge such personnel. It shall adopt a seal and suitable bylaws and shall promulgate any and all rules and regulations which may be necessary for the conduct of its business. It may maintain an office or offices within the territory of the compacting States and may meet at any time or place. Meetings shall be held at least twice each year. A majority of the members shall constitute a quorum for the transaction of business, but no action of the board imposing an obligation on any compacting State shall be binding unless a majority of the members from such compacting State shall have voted in favor thereof. Where meetings are planned to discuss matters relevant to problems of education affecting only certain of the compacting States, the board may vote to authorize special meetings of the board members of such States. The board shall keep accurate accounts of all receipts and disbursements and shall make an annual report to the Governor and the legislature of each compacting State, setting forth in detail the operations and transactions conducted by it pursuant to this compact, and shall make recommendations for any legislative action deemed by it advisable, including amendments to the statutes of the compacting States which may be necessary to carry out the intent and purpose of this compact. The board shall not pledge the credit of any compacting State without the consent of the legislature thereof given pursuant to the constitutional processes of said State. The board may meet any of its obligations in whole or in part with funds available to it under article VII of this compact: *Provided*, That the board take specific action setting aside such funds prior to the incurring of any obligation to be met in whole or in part in this manner. Except where the board makes use of funds available to it under article VII hereof, the board shall not incur any obligations for salaries, office, administrative, traveling, or other expenses prior to the allotment of funds by the compacting States adequate to meet the same. Each compacting State reserves the right to provide hereafter by law for the examination and audit of the accounts of the board. The board shall appoint a treasurer who may be a member of the board, and disbursements by the board shall be valid only when authorized by the board and when vouchers therefor have been signed by the executive secretary and countersigned by the treasurer. The executive secretary shall be custodian of the records of the board with authority to attest to and certify such records or copies thereof.

ARTICLE V

The board shall have the power to: (1) collect, correlate, and evaluate data in the fields of its interest under this compact; to publish reports, bulletins, and other documents making available the results of its research; and, in its discretion to charge fees for said reports, bulletins, and documents; (2) enter into such contractual agreements or arrangements with any of the compacting States or agencies thereof and with educational institutions and agencies as may be required in the judgment of the board to provide adequate services and facilities in educational fields covered by this compact; provided, that it shall be the policy of the board in the negotiation of its agreements to serve increased numbers of students from the compacting States through arrangements with then existing institutions, whenever in the judgment of the board adequate service can be so secured in the New England region. Each of the compacting States shall contribute funds to carry out the contracts of the board on the basis of the number of students from such State for whom the board may contract. Contributions shall be at the rate determined by the board in each educational field. Except in those instances where the board by specific action allocates funds available to it under Article VII hereof, the board's authority to enter into such contracts shall be only upon appropriation of funds by the compacting States. Any contract entered into shall be in accordance with rules and regulations promulgated by the board and in accordance with the laws of the compacting States.

ARTICLE VI

Each State agrees that, when authorized by the legislature pursuant to the constitutional processes, it will from time to time make available to the board such funds as may be required for the expenses of the board as authorized under the terms of this compact. The contribution of each State for this purpose shall be in the proportion that its population bears to the total combined population of the States who are parties hereto as shown from time to time by the most recent official published report of the Bureau of the Census of the United States of America, unless the board shall adopt another basis in making its recommendation for appropriation to the compacting States.

ARTICLE VII

The board for the purposes of this compact is hereby empowered to receive grants, devises, gifts, and bequests which the board may agree to accept and administer. The board shall administer property held in accordance with special trusts, grants, and bequests, and shall also administer grants and devises of land and gifts or bequests of personal property made to the board for special uses, and shall execute said trusts, investing the proceeds thereof in notes or bonds secured by sufficient mortgage or other securities.

ARTICLE VIII

The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any compacting State or of the United States the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby; provided, that if this compact is held to be contrary to the constitution of any compacting State the compact shall remain in full force and effect as to all other compacting States.

ARTICLE IX

This compact shall continue in force and remain binding upon a compacting State until the legislature or the governor of such State, as the laws of such State shall provide, takes action to withdraw therefrom. Such action shall not be effective until 2 years after notice thereof has been sent by the governor of the State desiring to withdraw to the governors of all other States then parties to the compact. Such withdrawal shall not relieve the withdrawing State from its obligations accruing hereunder prior to the effective date of withdrawal. Any State so withdrawing, unless reinstated, shall cease to have any claim to or ownership of any of the property held by or vested in the board or to any of the funds of the board held under the terms of the compact. Thereafter, the withdrawing State may be reinstated by application after appropriate legislation is enacted by such State, upon approval by a majority vote of the board.

ARTICLE X

If any compacting State shall at any time default in the performance of any of its obligations assumed or imposed in accordance with the provisions of this compact, all rights and privileges and benefits conferred by this compact or agreement hereunder shall be suspended from the effective

date of such default as fixed by the board. Unless such default shall be remedied within a period of 2 years following the effective date of such default, this compact may be terminated with respect to such defaulting State by affirmative vote of three-fourths of the member States. Any such defaulting State may be reinstated by (a) performing all acts and obligations upon which it has heretofore defaulted, and (b) application to and approval by a majority vote of the board.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING CERTAIN BENEFITS TO CIVILIAN INTERNEES AND AMERICAN PRISONERS OF WAR DURING HOSTILITIES IN KOREA

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9390) to extend certain civilian-internee and prisoner-of-war benefits under the War Claims Act of 1948, as amended, to civilian internees and American prisoners of war captured and held during the hostilities in Korea.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 5 of the War Claims Act of 1948, as amended (50 App. U. S. C., sec. 2004), is hereby amended by adding the following new subsection at the end thereof:

"(g) (1) As used in this subsection, the term 'civilian American citizen' means any person who, being then a citizen of the United States, was captured in Korea on or after June 25, 1950, by any hostile force with which the Armed Forces of the United States were actually engaged in armed conflict subsequent to such date and prior to the date of enactment of this subsection, or who went into hiding in Korea in order to avoid capture or internment by any such hostile force; except (A) a person who at any time voluntarily and knowingly gave aid to, collaborated with, or in any manner served any such hostile force, or (B) a regularly appointed, enrolled, enlisted, or inducted member of the Armed Forces of the United States.

"(2) The Commission is authorized to receive and to determine, according to law, the amount and validity, and provide for the payment of any claim filed by, or on behalf of, any civilian American citizen for detention benefits for any period of time subsequent to June 25, 1950, and prior to the date of enactment of this subsection, during which he was held by any such hostile force as a prisoner, internee, hostage, or in any other capacity, or remained in hiding to avoid being captured or interned by any such hostile force.

"(3) The detention benefit allowed to any person under the provisions of paragraph (2) of this subsection shall be at the rate of $60 for each calendar month during which such person was at least 18 years of age and at the rate of $25 per month for each calendar month during which such person was less than 18 years of age.

"(4) The detention benefits allowed under paragraph (2) of this subsection shall be allowed to the person entitled thereto, or, in the event of his death, only to the following persons:

"(A) widow or dependent husband if there is no child or children of the deceased;

"(B) widow or dependent husband and child or children of the deceased, one-half to the widow or dependent husband and the other half to the child or children in equal shares;

"(C) child or children of the deceased (in equal shares) if there is no widow or dependent husband.

"(5) Any claim allowed by the Commission under this subsection shall be certified to the Secretary of the Treasury for payment out of funds appropriated pursuant to this subsection, and shall be paid by the Secretary of the Treasury to the person entitled thereto, except that where any person entitled to payment under this subsection is under any legal disability, payment may be made in accordance with the provisions of subsection (e) of this section.

"(6) Claims for benefits under this subsection must be filed with the Commission within 6 months from the date of enactment of this subsection, and the Commission shall complete its determinations with respect to the claims authorized by this subsection at the earliest practicable date but in no event later than 1 year after the expiration of the time for filing such claims.

"(7) (A) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this subsection, including necessary administrative expenses.

"(B) The Commission shall determine, from time to time, the share of its administrative expenses attributable to the performance of its functions under this subsection and make the appropriate adjustments in its accounts, and determinations and adjustments made pursuant to this subparagraph shall be final and conclusive."

(b) Subsection (a) of such section 5 is hereby amended by inserting after the words "As used in" the following: "subsections (b) and (f) of".

(c) Subsection (e) of such section 5 is hereby amended by inserting after the words "under this section" the following: "(except under subsection (g))".

SEC. 2. (a) The subsection (d) of section 6 of the War Claims Act of 1948, as amended (50 App. U. S. C., sec. 2005), which was added to such section by Public Law 304, 82d Congress, is hereby redesignated as subsection (f).

(b) Such section 6 is hereby amended by inserting immediately after the subsection (d) which was added to such section by Public Law 303, 82d Congress, the following new subsection:

"(e) (1) As used in this subsection the term 'prisoner of war' means any regularly appointed, enrolled, enlisted, or inducted member of the Armed Forces of the United States who was held as a prisoner of war for any period of time subsequent to June 25, 1950, by any hostile force with which the Armed Forces of the United States were actually engaged in armed conflict subsequent to such date and prior to the date of enactment of this subsection, except any such member who, at any time, voluntarily and knowingly gave aid to, collaborated with, or in any manner served any such hostile force.

"(2) The Commission is authorized to receive and to determine, according to law, the amount and validity, and provide for the payment of any claim filed by any prisoner of war for compensation for the failure of the hostile force by which he was held as a prisoner of war, or its agents, to furnish him the quantity or quality of food prescribed for prisoners of war under the terms of the Geneva Convention of July 27, 1929. The compensation allowed to any prisoner of war under the provisions of this paragraph shall be at the rate of $1 for each day prior to the date of enactment of this subsection on which he was held as a prisoner of war and on which such hostile force, or its agents, failed to furnish him such quantity or quality of food.

"(3) The Commission is authorized to receive and to determine, according to law, the amount and validity and provide for the payment of any claim filed by any prisoner of war for compensation—

"(A) for the failure of the hostile force by which he was held as a prisoner of war, or its agents, to meet the conditions and requirements prescribed under title III, section III, of the Geneva Convention of July 27, 1929, relating to labor of prisoners of war; or

"(B) for inhumane treatment by the hostile force by which he was held, or its agents. The term "inhumane treatment' as used herein shall include, but not be limited to, failure of such hostile force, or its agents, to meet the conditions and requirements of one or more of the provisions of articles 2, 3, 7, 10, 12, 13, 21, 22, 54, 56, or 57 of the Geneva Convention of July 27, 1929.

Compensation shall be allowed to any prisoner of war under this paragraph at the rate of $1.50 per day for each day prior to the date of enactment of this subsection on which he was held as a prisoner of war and with respect to which he alleges and proves in a manner acceptable to the Commission the failure to meet the conditions and requirements described in subparagraph (A) or the inhumane treatment described in subparagraph (B). In no event shall the compensation allowed to any prisoner of war under this paragraph exceed the sum of $1.50 with respect to any one day.

"(4) Any claim allowed by the Commission under this subsection shall be certified to the Secretary of the Treasury for payment out of funds appropriated pursuant to this subsection and shall be paid by the Secretary of the Treasury to the person entitled thereto, and shall, in case of death of the persons who are entitled, be paid only to or for the benefit of the persons specified, and in the order established, by paragraph (4) of subsection (d) of this section.

"(5) Claims for compensation under this subsection must be filed with the Commission within 6 months from the date of enactment of this subsection, and the Commission shall complete its determinations with respect to the claims authorized by this subsection at the earliest practicable date but in no event later than 1 year after the expiration of the time for filing such claims.

"(6) Any claim allowed under the provisions of this subsection shall be paid from funds appropriated pursuant to paragraph (7) of this subsection.

"(7) (A) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this subsection, including necessary administrative expenses.

"(B) The Commission shall determine, from time to time, the share of its administrative expenses attributable to the performance of its functions under this subsection and make the appropriate adjustments in its accounts, and determinations and adjustments made pursuant to this subparagraph shall be final and conclusive."

With the following committee amendment:

Strike out all after the enacting clause and insert "That (a) section 5 of the War Claims Act of 1948, as amended (50 App. U. S. C., sec. 2004), is hereby amended by adding the following new subsection at the end thereof.

"'(g) (1) As used in this subsection, the term "civilian American citizens" means any person who, being then a citizen of the United States, was captured in Korea on or

after June 25, 1950, by any hostile force with which the Armed Forces of the United States were actually engaged in armed conflict subsequent to such date and prior to the date of enactment of this subsection, or who went into hiding in Korea in order to avoid capture or internment by any such hostile force; except (A) a person who at any time voluntarily, knowingly, and without duress, gave aid to or collaborated with or in any manner served any such hostile force, or (B) a regularly appointed, enrolled, enlisted, or inducted member of the Armed Forces of the United States.

"'(2) The Commission is authorized to receive and to determine, according to law, the amount and validity, and provide for the payment of any claim filed by, or on behalf of, any civilian American citizen for detention benefits for any period of time subsequent to June 25, 1950, during which he was held by any such hostile force as a prisoner, internee, hostage, or in any other capacity, or remained in hiding to avoid being captured or interned by any such hostile force.

"'(3) The detention benefit allowed to any person under the provisions of paragraph (2) of this subsection shall be at the rate of $60 for each calendar month during which such person was at least 18 years of age and at the rate of $25 per month for each calendar month during which such person was less than 18 years of age.

"'(4) The detention benefits allowed under paragraph (2) of this subsection shall be allowed to the person entitled thereto, or, in the event of his death, only to the following persons:

"'(A) widow or husband if there is no child or children of the deceased;

"'(B) widow or dependent husband and child or children of the deceased, one-half to the widow or dependent husband and the other half to the child or children in equal shares;

"'(C) child or children of the deceased (in equal shares) if there is no widow or dependent husband.

"'(5) Any claim allowed by the Commission under this subsection shall be certified to the Secretary of the Treasury for payment out of funds appropriated pursuant to this subsection, and shall be paid by the Secretary of the Treasury to the person entitled thereto, except that where any person entitled to payment under this subsection is under any legal disability, payment may be made in accordance with the provisions of subsection (e) of this section.

"'(6) Each claim filed under this subsection must be filed not later than 1 year from whichever of the following dates last occurs:

"'(A) The date of enactment of this subsection;

"'(B) The date the civilian American citizen by whom the claim is filed returned to the jurisdiction of the United States; or

"'(C) The date upon which the Commission, at the request of a potentially eligible survivor, makes a determination that the civilian American citizen has actually died or may be presumed to be dead, in the case of any civilian American citizen who has not returned to the jurisdiction of the United States.

The Commission shall complete its determinations with respect to each claim filed under this subsection at the earliest practicable date, but in no event later than 1 year after the date on which such claim was filed.

"'(7) (A) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this subsection, including necessary administrative expenses.

"'(B) The Commission shall determine, from time to time, the share of its administrative expenses attributable to the performance of its functions under this subsection and make the appropriate adjustments in its accounts, and determinations and adjustments made pursuant to this subparagraph shall be final and conclusive.'

"(b) Subsection (a) of such section 5 is hereby amended by inserting after the words 'As used in' the following: 'subsections (b) and (f) of'.

"(c) Subsection (e) of such section 5 is hereby amended by inserting after the words 'under this section' the following: '(except under subsection (g))'.

"SEC. 2. (a) The subsection (d) of section 6 of the War Claims Act of 1948, as amended (50 App. U. S. C., sec. 2005), which was added to such section by Public Law 304, 82d Congress, is hereby redesignated as subsection (f).

"(b) Such section 6 is hereby amended by inserting immediately after the subsection (d) which was added to such section by Public Law 303, 82d Congress, the following new subsection:

"'(e) (1) As used in this subsection the term "prisoner of war" means any regularly appointed, enrolled, enlisted, or inducted member of the Armed Forces of the United States who was held as a prisoner of war for any period of time subsequent to June 25, 1950, by any hostile force with which the Armed Forces of the United States were actually engaged in armed conflict subsequent to such date and prior to the date of enactment of this subsection, except any such member who, at any time, voluntarily, knowingly, and without duress, gave aid to or collaborated with or in any manner served any such hostile force.

"'(2) The Commission is authorized to receive and to determine, according to law, the amount and validity, and provide for the payment of any claim filed by any prisoner of war for compensation for the failure of the hostile force by which he was held as a prisoner of war, or its agents, to furnish him the quantity or quality of food prescribed for prisoners of war under the terms of the Geneva Convention of July 27, 1929. The compensation allowed to any prisoner of war under the provisions of this paragraph shall be at the rate of $1 for each day on which he was held as a prisoner of war and on which such hostile force, or its agents, failed to furnish him such quantity or quality of food.

"'(3) The Commission is authorized to receive and to determine, according to law, the amount and validity and provide for the payment of any claim filed by any prisoner of war for compensation—

"'(A) for the failure of the hostile force by which he was held as a prisoner of war, or its agents, to meet the conditions and requirements prescribed under title III, section III, of the Geneva Convention of July 27, 1929, relating to labor of prisoners of war; or

"'(B) for inhumane treatment by the hostile force by which he was held, or its agents. The term "inhumane treatment" as used herein shall include, but not be limited to, failure of such hostile force, or its agents, to meet the conditions and requirements of one or more of the provisions of articles 2, 3, 7, 10, 12, 13, 21, 22, 54, 56, or 57 of the Geneva Convention of July 27, 1929.

Compensation shall be allowed to any prisoner of war under this paragraph at the rate of $1.50 per day for each day on which he was held as a prisoner of war and with respect to which he alleges and proves in a manner acceptable to the Commission the failure to meet the conditions and requirements described in subparagraph (A) or the inhumane treatment described in subparagraph (B). In no event shall the compensation allowed to any prisoner of war under this paragraph exceed the sum of $1.50 with respect to any one day.

"'(4) Any claim allowed by the Commission under this subsection shall be certified to the Secretary of the Treasury for payment out of funds appropriated pursuant to this subsection and shall be paid by the Secretary of the Treasury to the person entitled thereto, and shall, in case of death or determination of death of the persons who are entitled, be paid only to or for the benefit of the persons specified, and in the order established, by paragraph (4) of subsection (d) of this section.

"'(5) Each claim filed under this subsection must be filed not later than 1 year from whichever of the following dates last occurs:

"'(A) The date of enactment of this subsection;

"'(B) The date the prisoner of war by whom the claim is filed returned to the jurisdiction of the Armed Forces of the United States; or

"'(C) The date upon which the Department of Defense makes a determination that the prisoner of war has actually died or is presumed to be dead, in the case of any prisoner of war who has not returned to the jurisdiction of the Armed Forces of the United States.

The Commission shall complete its determinations with respect to each claim filed under this subsection at the earliest practicable date, but in no event later than 1 year after the date on which such claim was filed.

"'(6) Any claim allowed under the provisions of this subsection shall be paid from funds appropriated pursuant to paragraph (7) of this subsection.

"'(7) (A) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this subsection, including necessary administrative expenses.

"'(B) The Commission shall determine, from time to time, the share of its administrative expenses attributable to the performance of its functions under this subsection and make the appropriate adjustments in its accounts, and determinations and adjustments made pursuant to this subparagraph shall be final and conclusive.'

"SEC. 3. (a) Subsections (a) and (e) of section 2 of the War Claims Act of 1948, as amended (50 App. U. S. C., sec. 2001), are hereby repealed, and subsections (b), (c), and (d) of such section are hereby redesignated as subsections (a), (b), and (c), respectively.

"(b) The first sentence of the subsection herein redesignated as subsection (a) is hereby amended by striking out 'The Commission' and inserting in lieu thereof the following: 'The Foreign Claims Settlement Commission of the United States (hereinafter referred to as the "Commission")'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

House Resolution 657 was laid on the table.

PROVIDING TWO ADDITIONAL ASSISTANT SECRETARIES OF THE ARMY, NAVY, AND AIR FORCE, RESPECTIVELY

Mr. ALLEN of Illinois. Mr. Speaker, I call up the resolution (H. Res. 689) providing for a consideration of H. R. 9689, a bill to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9689) to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and now yield myself such time as I may require.

Mr. Speaker, this bill provides for two Assistant Secretaries each for the branches of the service, that is, the Army, the Navy, and the Air Force. One might ask—just why do they need additional Secretaries for each branch of the service. Mr. Wilson, who is Secretary of Defense, and Mr. Seaton and John Slezak have come here, men for whom I know we all have the greatest respect for their judgment, have said that these additional Secretaries are necessary. They have told us they expect to use them in this way. That in the event this bill passes and the two additional Secretaries are granted, one of them will be placed in a position in regard to financial matters of his department, that is more or less to be an acting comptroller. The other additional Secretary will be placed in the capacity of logistics in regard to research and development in each of the branches. The setup in the Department of Defense now is that Secretary of Defense Wilson does have a comptroller who is in charge of the fiscal operations in the Department of Defense. Each one of the branches of the service under this bill would have an Assistant Secretary, one of whom would act as acting comptroller who would work with the comptroller in the Department of Defense and thus coordinate the financial work of the departments. The same thing is true in regard to the logistics and the research and development in the various branches. They would coordinate that work with the Department of Defense. Mr. Wilson came before the Committee on Armed Services and said he would like to have a civilian in these positions. I understand now that noncivilians are doing that work, which he feels civilians would do better.

If I may make one observation, which I think is in keeping with the matter before us, when Mr. Wilson was before the Armed Services Committee the chairman of the committee went into this matter. He asked Mr. Wilson when he was chairman of the board of General Motors how many people were employed there. Mr. Wilson said between 400,000 and 450,000; that the amount involved in General Motors was about $7 billion a year. In the Defense Department there are about 5 million affected, 3½ million in uniform and about 1½ million working in ordnance plants, and so on. In addition Mr. Wilson said that in General Motors they had 33 vice presidents who were in charge of the multitude of efforts and operations.

So I say to you that I believe no one would question the motives of a man like Mr. Wilson. In my judgment, I hope this bill will be passed.

Mr. SMITH of Virginia. Mr. Speaker, I have no requests for time on this side.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. KLUCZYNSKI asked and was given permission to address the House tomorrow for 1 hour, following the legislative business of the day and any special orders heretofore entered.

TWO ADDITIONAL SECRETARIES OF THE ARMY, NAVY, AND AIR FORCE

Mr. ARENDS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9689) to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9689, with Mr. Bow in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Illinois [Mr. ARENDS] is recognized for 30 minutes, and the gentleman from Texas [Mr. KILDAY] will be recognized for 30 minutes.

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I shall not take any more time than I feel necessary, but I do have some remarks which I think incorporate answers to some of the questions that may be in the minds of some of the Members, and I will try to completely answer them, if possible.

The purpose of H. R. 9689 is to authorize the appointment of two additional Assistant Secretaries for each of the military departments. If the bill becomes law, each of the military departments will then have a Secretary, an Under Secretary, and four Assistant Secretaries. The Secretary of Defense, Mr. Wilson, specifically requested this legislation and I think he is to be commended for his efforts to bring about greater efficiency in the military departments and the Department of Defense. He is of the opinion that the present organization of the military departments fails to provide for the current organizational needs of these departments and does not permit the military Secretaries to divide properly the responsibilities among their civilian assistants.

Secretary Wilson is also of the opinion that two additional Secretaries in each of the military departments will do much toward improving the civilian control of each of the military departments as well as increase the efficiency of each of the military departments.

And of probably greater significance is the fact that the two additional Assistant Secretaries in each of the military departments will strengthen the operational and functional control of each of the military departments and will permit the Department of Defense to concentrate its activities on the question of overall policy control as originally contemplated by the National Security Act.

One of the new Assistant Secretaries in each of the departments will be an Assistant Secretary for Financial Management. This Assistant Secretary may also act as comptroller for his department if so designated by the cognizant Secretary.

The Committee on Armed Services strongly recommends that in the title of one of the Assistant Secretaries the words "Research and Development" be inserted by administrative action so as to place proper emphasis on the importance of this activity. We recognize, of course, the desirability of flexibility in these matters, and have therefore not attempted to designate by law the titles of all of the Assistant Secretaries except that for financial management, but we do think each of the military departments should have an Assistant Secretary not only charged with the responsibility for research and development, but also will have within his title the words "Research and Development." This can be done administratively and can be changed if for some reason or other it is desired to place this responsibility in another Assistant Secretary. It is for the latter reason that we have not attempted to tie the hands of the Secretary by designating the title by law, but we do want to emphasize the importance of research and development.

If the proposed legislation becomes law there will be for the Army a Secretary of the Army, an Under Secretary, an Assistant Secretary for Financial Management, and Assistant Secretary for Manpower and Reserve Forces, an Assistant Secretary for Civil-Military Affairs, and an Assistant Secretary for Logistics who will also have the responsibility for research and development. We recommend to the Secretary that this Assistant Secretary be known as the Assistant Secretary for Logistics and Research and Development.

In the Navy there will be a Secretary, and Under Secretary, and an Assistant Secretary for Financial Management who will also act as comptroller. There will also be an Assistant Secretary for

Personnel and Reserve Forces, an Assistant Secretary for Material, and an Assistant Secretary for Air, a title already designated by previous law. We recommend to the Secretary that this title be augmented to that of Assistant Secretary for Air and Research and Development.

In the Air Force there will be a Secretary, an Under Secretary, an Assistant Secretary for Financial Management, an Assistant Secretary for Manpower, Personnel, and Reserve Forces, and an Assistant Secretary for Material. The fourth Assistant Secretary will be designated as the Assistant Secretary for Research and Development.

The Armed Services Committee thinks this legislation will do much to improve the efficiency of our military departments. We were particularly impressed with the statement made by Mr. Wilson that 20 years ago the total appropriation for the Navy and Army, which included the Air Force, was approximately $650 million. Twenty years ago each department had a Secretary, an Under Secretary, and two Assistant Secretaries. Today, those departments are spending 75 times that amount of money but still only have a Secretary, an Under Secretary, and two Assistant Secretaries. It is obvious that there is considerable justification for the proposed legislation which would authorize the appointment of two additional Assistant Secretaries for each of the military departments.

It simply boils down to a question of whether or not the Congress wants to authorize the appointment of enough key personnel to do the job that Congress insists be done.

The Department of Defense employs more than 5 million persons—combining military and civilian personnel—and each of the departments alone spends more than any other department of the Government.

There are 23 Secretaries, Deputy Secretaries, and Assistant Secretaries today—this bill will provide for a total of 29. It sounds like a large number until we consider the tremendous responsibilities involved.

This bill authorizes the addition of 6 Assistant Secretaries—2 in each military department. It should result in more efficiency, greater savings, and more control of the military departments by the military Secretaries.

Finally, I want to add this thought. In 1952, the Office of the Secretary of Defense employed 2,575 persons—military and civilian. Last year, when Congress authorized 6 additional Assistant Secretaries for the Department of Defense, Mr. Wilson said it would result in greater efficiency with fewer employees. Well, today the Office of the Secretary of Defense has only 2,091 employees—a reduction of 496 employees. Mr. Wilson kept his word, and I have every reason to believe that the enactment of this bill will also result in additional savings to the Government.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. I want to ask the gentleman if it is not a fact that we had a far greater number of military and civilian personnel during World War II?

Mr. ARENDS. Yes, we did.

Mr. GROSS. How did we stagger through the war, can the gentleman tell me without all these additional assistant secretaries which will total 12 if these are added?

Mr. ARENDS. I think the answer is that during the war we paid little attention to matters of efficiency, or money, or anything else. All we were doing during the war was one thing. We had one objective before us and that was to win the war, regardless of cost or anything else. Now we are trying to bring about efficiency in operations, research and development and procurement within the departments and we are trying to get a better check on things being done within the Department of Defense.

Mr. GROSS. Then we came along with the Unification Act. I am happy to say I did not vote for it. Was that not supposed to provide for efficiency and economy?

Mr. ARENDS. Yes, it was, and, very frankly, as I have said before, I think we are today beginning to get some of that desired efficiency and economy.

Mr. GROSS. And then within another 6 or 10 years we will get just a little more?

Mr. ARENDS. I think we are now getting to the place where we are much closer toward receiving a dollar's worth of defense for every dollar we spend. Our Armed Services Committee is doing everything it can to cooperate toward that end.

Mr. GROSS. And if we keep on adding assistant secretaries we will get economy.

Mr. ARENDS. Let me tell you this, and the statement came from the Assistant Secretary in the Department of the Budget:

> This legislation will not involve additional fiscal expenditures. It is believed that the efficiency that will result from the more effective organization of the military departments along functional lines will not only result in sufficient economies to underwrite the cost of this legislation, but will in the long run save substantial appropriated moneys.

I like to believe that.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Texas.

Mr. TEAGUE. How much of a turnover has there been in assistant secretaries down there since the present administration took over?

Mr. ARENDS. I do not know.

Mr. TEAGUE. It is my understanding it is about 50 percent. If that is true, would the gentleman tell us how long a man would have to stay down there in charge of financial management or research and development before he earned his pay?

Mr. ARENDS. I am hoping that these assistant secretary jobs will be attractive enough to bring public-spirited people in this country, who are in a financial position to do so, down here and devote their energies to these jobs. When they get some recognition, perhaps with a title to it, they may come to Washington and devote some of their energies for the benefit of Uncle Sam.

Mr. TEAGUE. If they come down here and stay only 6 months or a year, this is nothing more than patronage, and I am against it.

Mr. ARENDS. I am hopeful that we can get the right kind of men down here, regardless of politics, who can and will do a job.

Mr. TEAGUE. I hope the gentleman is correct.

Mr. RIEHLMAN. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. RIEHLMAN. I want to commend the gentleman for bringing this legislation before the House today and also to commend him for the statement he has made about the recommendations the Armed Services Committee is making in regard to the assignment of these secretaries of defense. The Committee on Government Operations has made a recommendation and it made that recommendation some time ago that if any other assistant secretary is appointed he would be appointed to this position of comptroller in the different Departments of Defense and also in the field of research and development. Those recommendations were made by our committee. I hope the gentleman who is addressing the House will take the opportunity of reading our report we recently got out on research and development. I think he will recognize then that the Committee on Armed Services ought to follow up and see that these assistant secretaries are assigned to these most important positions which I am sure will tend toward efficiency and economy in the operation of our Defense Department.

Mr. ARENDS. I know of the fine work of the subcommittee headed by the gentleman from New York, and some of its recommendations. I am pleased that our thinking is in line and parallels that of the gentleman from New York.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman from New York think that another assistant secretary might explain the purchase of several million military overcoats that were bought and never used?

Mr. RIEHLMAN. I leave that to your discretion.

Mr. KILDAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I agree with the chairman of the subcommittee that this bill should be passed. It is a fact that the work is already being done in the three military departments. The report of the Bureau of the Budget and the report of the committee indicate that the bill will not result in any expenditure of funds. That is because the work is being done by employees in the Department. On the other hand, you are going to be able to get a much better type of

person to assume a position of Assistant Secretary than if you can only offer him a position as an employee or as a consultant or something of that kind. We want to bring into the Government the finer types of relatively young executives, and for a young executive to have in his record and his background service as an Assistant Secretary of one of the military departments will be of value to him in the future, whereas only a statement that he has been a Government employee or consultant would not be of any value.

In addition to that, when he becomes an Assistant Secretary he is placed in the line of precedence within the department. It then becomes possible for the Secretary of the military service to delegate to him some of the powers and functions that are imposed upon the Secretary. Then the Assistant Secretary can act on those matters; he can act in his own name. If he is not an Assistant Secretary but only an employee, whatever he does must be reviewed by someone who, under the law, is able to act in his own name, so that your administration is handicapped and you do not expedite the work of the department. I remember that in recent years on many occasions, in order that the Congress might have an opportunity to take a look at the man who is going to administer the functions in the department, we have required senatorial confirmation. There again there is great value in having these persons designated as Assistant Secretaries rather than just employees or consultants, because when they are designated as Assistant Secretaries their names must be submitted to the Senate for confirmation so that Congress gets a chance to look at them.

I do not know that there is any validity to the argument that you are getting too many Assistant Secretaries. You have got the employees there; you are paying them the money; the work is being done. It has to be done, and I think they should be given rank commensurate with their responsibilities and the ability to discharge the functions of the office more rapidly and more efficiently.

I believe the bill should be passed, Mr. Chairman.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I have no illusions about what will happen with respect to this bill. It will sail right on through the House as all the others have in the past, but I want the RECORD to show that I am opposed to it.

Mr. Chairman, I am opposed to big Government. I campaigned on that basis in 1952, and I thought a lot of other Republicans campaigned on that basis, but I guess I was wrong. I thought we would begin to whittle down once the Republicans took over control of the House, but instead of that, additional Assistant Secretaries and Under Secretaries are being voted all the time. I have not voted for a single one of them. I am fundamentally and organically opposed to big Government bureaucracy and empire building. One of the first bills we passed last year was to create a new Under Secretary in the State Department. For what purpose? The story given us was that this new official would get rid of the surplus personnel in the State Department. And bless your hearts and souls, what happened? As of June, this year, he got rid of exactly 160 people in the State Department. I am not going to buy this bill of goods on the basis that six new Assistant Secretaries will provide efficiency or economy any more than I am going to believe that unification has produced economy in the Department of Defense. I would not be surprised if one of these days a bill went through Congress to provide for an Under Secretary to take care of the Under Secretaries and an Assistant Secretary to take care of the Assistant Secretaries.

Mr. KILDAY. Mr. Chairman, I have no further requests for time.

Mr. ARENDS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 102 (a) of the Army Organization Act of 1950 (64 Stat. 264) is hereby amended to read as follows:

"There shall be in the Department of the Army an Under Secretary of the Army and four Assistant Secretaries of the Army, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law. One of the Assistant Secretaries authorized herein shall be designated Assistant Secretary of the Army for Financial Management, and may also act as Comptroller of the Army, if so designated by the Secretary of the Army."

(b) Subsections (b) and (c) of section 101 of the Army Organization Act of 1950 (64 Stat. 264) are amended by deleting the word "either", wherever appearing, and inserting in lieu thereof the word "an."

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, line 7, after "appointed", insert "from civilian life."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. Two Assistant Secretaries of the Navy may be appointed from civilian life by the President by and with the advice and consent of the Senate. Such Assistant Secretries shall be in addition to the Assistant Secretary of the Navy authorized under section 1 of the act of July 11, 1890 (26 Stat. 254), as amended, and the Assistant Secretary of the Navy for Air authorized under section 4 of the act of June 24, 1926 (44 Stat. 767), as amended, making a total of 4 Assistant Secretaries. Each such additional Assistant Secretary shall perform such functions as the Secretary of the Navy may from time to time prescribe and each shall receive compensation at the rate prescribed by law for Assistant Secretaries of military departments. One of the Assistant Secretaries authorized herein shall be designated as the Assistant Secretary of the Navy for Financial Management, and may also act as Comptroller of the Navy, if so designated by the Secretary of the Navy. The Assistant Secretaries of the Navy shall succeed to the Office of the Secretary of the Navy during his temporary absence in the position provided for the Assistant Secretary of the Navy and the Assistant Secretary of the Navy for Air by section 10 of the act of March 5, 1948 (62 Stat. 66), and the Assistant Secretaries of the Navy shall take order among themselves in the order prescribed by the Secretary of the Navy or if no order is prescribed by the Secretary of the Navy then in the order in which the several Assistant Secretaries of the Navy took office as such.

SEC. 3. (a) Subsection (a) of section 102 of the Air Force Organization Act of 1951 (65 Stat. 327) is hereby amended to read as follows:

"There shall be in the Department of the Air Force an Under Secretary of the Air Force and 4 Assistant Secretaries of the Air Force, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law. One of the Assistant Secretaries authorized herein shall be designated Assistant Secretary of the Air Force for Financial Management, and may also act as Comptroller of the Air Force, if so designated by the Secretary of the Air Force."

(b) Subsection (d) of section 207 of the National Security Act of 1947 (61 Stat. 495), is hereby amended by deleting the word "two" and inserting in lieu thereof the word "four."

(c) Subsections (b) and (c) of section 101 of the Air Force Organization Act of 1951 (65 Stat. 327) are amended by deleting the word "either", wherever appearing, and inserting in lieu thereof the word "an."

The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 16, after "appointed", insert "from civilian life."

The committee amendment was agreed to.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a subcommittee of the Committee on Government Operations of which the outstanding and distinguished gentleman from New York [Mr. RIEHLMAN] is chairman, conducted an investigation into the field of military science covering a period of several week. That covers, of course, the important field of research and development.

The committee has rendered an outstanding service, has made a real contribution. I sat in with the subcommittee upon invitation because I have been very much interested in the field of military research and development for a number of years, particularly in the last 4 years I felt a situation existed in which we were not getting the maximum results, due more or less to organizational matters within the military, and other irritations and conflicts that developed between one group of men, well meaning on one side, the military subject to discipline, and another group on the other side, equally well meaning, the scientists of the country, as individualistic in their thinking as any group of individuals can be. Three or four years ago I introduced a bill calling for an Assistant Secretary of Defense for Research and Development. In the past Congress and also in this Congress I

introduced a bill providing for an Assistant Secretary for Air, of the Navy, and of the Army for Research and Development. I am very glad to note that there is an Assistant Secretary of Defense for Research and Development, Assistant Secretary Quarles. This bill provides for two additional Secretaries. I favor the bill.

I appeared before the Committee on Armed Services when this bill was before it and presented my views in support of an Assistant Secretary of the Army, Air Force, and Navy for Research and Development. I am very glad to note the language contained in the committee report which is practically a directive to the Army and the Navy to include the words "Research and Development" in the title of one of the two assistant secretaryships this bill will create if it becomes law.

As far as the Air Force is concerned, one of the two will be designated as Assistant Secretary for Air and Research and Development, because Secretary Talbott so stated to the members of the House Committee on Armed Services.

Mr. IKARD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. IKARD. May I compliment the gentleman for calling the attention of the House to the report of the Military Operations Subcommittee of the Committee on Government Operations concerning research and development. Also, as a member of that subcommittee, I would like to pay tribute to the distinguished and outstanding leadership the gentleman from New York [Mr. RIEHLMAN] has afforded to the committee throughout this whole session of Congress, and the outstanding job he has done on this and other matters. I also compliment the gentlemen from Massachusetts on directing our attention to this matter, and contributing so much to the hearings, which I feel have served a very worthwhile purpose and will be of great benefit to everyone.

Mr. McCORMACK. I appreciate the remarks of my friend from Texas. They are particularly applicable to the gentleman from New York [Mr. RIEHLMAN] and the other members of the regular subcommittee.

I commend to my colleagues the reading of the report. It is one of the finest reports, one of the most constructive reports that any subcommittee or committee of Congress has ever written.

The gentleman from New York [Mr. RIEHLMAN] as we all know is not only a gentleman in fact as well as in name but he is also one of the outstanding Members of this body. The report is one that will live. The subcommittee under the leadership of the gentleman from New York shows Congress at its highest level and in its finest form in connection with an investigation. The investigation made by the Riehlman subcommittee could well be a guide for every other investigation that is made by any committee or any subcommittee or any special committee.

Mr. LANTAFF. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida [Mr. LANTAFF], who is a member of the permanent subcommittee and who also has contributed immeasurably to the wonderful report made by this subcommittee.

Mr. LANTAFF. Mr. Chairman, I associate myself with the remarks made by the gentleman from Massachusetts and to commend the magnificent leadership of the gentleman from New York [Mr. RIEHLMAN], who has headed this committee and who has attracted such a fine staff around him. The gentleman from New York [Mr. RIEHLMAN] has had the loyalty and hard work of the members of his committee and of his staff because of the magnificent leadership and the very fine work he has done in the field of research and development.

Mr. McCORMACK. May I state that the reference made by my friend, the gentleman from Florida, to the fine staff is richly deserved. I have never had as much pleasure working with a staff on any committee, and I have been here for many years, as my colleagues know. I have never been more impressed by any staff than the staff of Mr. RIEHLMAN'S subcommittee.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HOLIFIELD. As the ranking Democratic member of the Riehlman subcommittee, I want to add my words of praise to the work that WALTER RIEHLMAN has done on this committee and to the report. I call the attention of the Committee that every report for the past 2 years by this subcommittee has been unanimous. There has never been a dissenting report. That shows the gentleman from New York and the members of his subcommittee not only are dedicated to the best interests of the Congress as a whole, but it shows the degree of statesmanship and the ability to get along with other members of the committee is on a high order. I want also to thank the gentleman from Massachusetts for his participation in this subcommittee's deliberations and the contribution which he made to this investigation on the research and development programs of the three branches of the service. I believe this report will point the way toward more efficiency and savings in the future.

Mr. McCORMACK. I appreciate the remarks of my friend, the gentleman from California. May I ask the distinguished minority whip 1 or 2 questions in order that the RECORD might definitely state the intention of the Committee on Armed Services. Of course, I intend at the next session to introduce a bill for an Assistant Secretary of Research and Development for the Army and one for the Navy. Secretary Talbott has shown outstanding leadership in this matter, as he is going to name 1 of these 2 Assistant Secretaries in this bill as Assistant Secretary for Research and Development. He recognizes the importance of research and development in the world today as well as in the world of tomorrow, particularly in connection with military research.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ARENDS. The Committee on Armed Services certainly recognizes the importance of this and has rather emphatically set forth in its report what the intent and purpose of the bill is.

Mr. McCORMACK. Exactly. I appreciate what the committee did. I want to ask first, when the committee put this language in the report, the committee intended so far as one of these two Assistants for the Army and Navy is concerned that they would probably be designated—whatever the full title might be—also Assistant Secretaries for Research and Development, is that not correct?

Mr. ARENDS. That is correct.

Mr. McCORMACK. I expressed the hope that the title would be Assistant Secretaries for Research and Development—and then whatever else would be added after the words, "Research and Development." I think most of the members of the committee would agree with that. But in any event, it is the intention of the committee that 1 of these 2 assistants, one for the Army and one for the Navy, would also carry in their titles the words "Research and Development."

Mr. ARENDS. We are very clearly setting that forth, yes.

Mr. McCORMACK. And the committee would be keenly disappointed if that was not done, is that correct?

Mr. ARENDS. Very much so.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GROSS. We have four more Assistant Secretaries. Would the gentleman justify the other two?

Mr. McCORMACK. The gentleman from Iowa is very keen and I admire him very, very much. The gentleman from Massachusetts strongly feels that research and development is vitally important in the preservation and success of our country. I think the gentleman from Iowa will agree with me in that respect. Do I hear any disagreement?

Mr. GROSS. I am listening to the gentleman.

Mr. McCORMACK. The gentleman from Massachusetts feels that it is vitally important to have an Assistant Secretary in each one of these.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman from Massochusetts may proceed for 2 additional minutes.

Mr. McCORMACK. The gentleman from Masschusetts feels that it is vitally important to have an Assistant Secretary in each one of these branches for research and development.

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. SHAFER. Mr. Chairman, I object.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. SHAFER. Mr. Chairman, I will withdraw my objection.

Mr. GROSS. I was waiting for the gentleman to justify the four others. He has justified only two.

Mr. McCORMACK. The gentleman from Massachusetts is very much interested in research and development. I think it is of vital importance that we should have an Assistant Secretary in each branch of the Defense Department, specifically appointed for that purpose. One of those two is going to be in the Air Force, and the other two, the committee has clearly stated that they want that included in their title.

Mr. GROSS. Does not the gentleman think we ought to have some research and development in the Marine Corps as well?

Mr. McCORMACK. Yes. But so far as the new Assistant Secretaries are concerned the United States Marine Corps is a part of the Department of the Navy. Of course, when we have an Assitant Secretary for the Navy, we have him for the Marine Corps as well. The gentleman from Massachusetts supports the bill because he feels they made out a case, but he is particularly for the bill because there is something therein representing progress for research and development.

The CHAIRMAN. The time of the gentleman has expired.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bow, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9869) to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively, pursuant to H. Res. 689, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 3400, an identical bill to the one just passed.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 102 (a) of the Army Organization Act of 1950 (64 Stat. 264), is hereby amended to read as follows:

"There shall be in the Department of the Army an Under Secretary of the Army and four Assistant Secretaries of the Army, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law. One of the Assistant Secretaries authorized herein shall be designated Assistant Secretary of the Army for Financial Management, and may also act as Comptroller of the Army, if so designated by the Secretary of the Army."

(b) Subsections (b) and (c) of section 101 of the Army Organization Act of 1950 (64 Stat. 264), are amended by deleting the word "either", wherever appearing, and inserting in lieu thereof the word "an."

SEC. 2. Two Assistant Secretaries of the Navy may be appointed from civilian life by the President by and with the advice and consent of the Senate. Such Assistant Secretaries shall be in addition to the Assistant Secretary of the Navy authorized under section 1 of the act of July 11, 1890 (26 Stat. 254), as amended, and the Assistant Secretary of the Navy for Air authorized under section 4 of the act of June 24, 1926 (44 Stat. 767), as amended, making a total of four Assistant Secretaries. Each such additional Assistant Secretary shall perform such functions as the Secretary of the Navy may from time to time prescribe and each shall receive compensation at the rate prescribed by law for Assistant Secretaries of military departments. One of the Assistant Secretaries, authorized herein shall be designated as the Assistant Secretary of the Navy for Financial Management, and may also act as Comptroller of the Navy, if so designated by the Secretary of the Navy. The Assistant Secretaries of the Navy shall succeed to the Office of the Secretary of the Navy during his temporary absence in the position provided for the Assistant Secretary of the Navy and the Assistant Secretary of the Navy for Air by section 10 of the act of March 5, 1948 (62 Stat. 66), and the Assistant Secretaries of the Navy shall take order among themselves in the order prescribed by the Secretary of the Navy or if no order is prescribed by the Secretary of the Navy then in the order in which the several Assistant Secretaries of the Navy took office as such.

SEC. 3. (a) Subsection (a) of section 102 of the Air Force Organization Act of 1951 (65 Stat. 327), is hereby amended to read as follows:

"There shall be in the Department of the Air Force an Under Secretary of the Air Force and four Assistant Secretaries of the Air Force, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law. One of the Assistant Secretaries authorized herein shall be designated Assistant Secretary of the Air Force for Financial Management, and may also act as Comptroller of the Air Force, if so designated by the Secretary of the Air Force."

(b) Subsection (d) of section 207 of the National Security Act of 1947 (61 Stat. 495), is hereby amended by deleting the word "two" and inserting in lieu thereof the word "four."

(c) Subsections (b) and (c) of section 101 of the Air Force Organization Act of 1951 (65 Stat. 327), are amended by deleting the word "either", wherever appearing, and inserting in lieu thereof the word "an."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, the proceedings whereby H. R. 9689 was passed were vacated and that bill laid on the table.

TO REORGANIZE THE CAPITOL POLICE

Mr. ALLEN of Illinois. Mr. Speaker, I call up the resolution (H. Res. 656) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9413) to reorganize the Capitol Police force in order to increase its efficiency in the performance of its duties, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on House Administration now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. When the House discontinued consideration of this legislation the other day the gentleman from Illinois [Mr. ALLEN] had 28 minutes remaining, the gentleman from Virginia [Mr. SMITH], 27.

CALL OF THE HOUSE

Mr. CHUDOFF. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 127]

Angell	Fisher	Mailliard
Baker	Golden	Morgan
Belcher	Harris	Morrison
Bennett, Mich.	Harrison, Nebr.	Murray
Bentsen	Harrison, Va.	Nelson
Boland	Harrison, Wyo.	Oakman
Brooks, La.	Hébert	O'Brien, Mich.
Buckley	Hill	Patman, Tex.
Chatham	Hinshaw	Perkins
Church	Hoeven	Powell
Clardy	James	Priest
Cotton	Kilburn	Reams
Coudert	Lane	Roosevelt
Curtis, Nebr.	Long	Scrivner
Davis, Tenn.	Lucas	Secrest
Dawson, Ill.	Lyle	Short
Dingell	Machrowicz	Smith, Miss.
Evins	Magnuson	Sutton

Taylor	Weichel	Willis
Thompson, La.	Wheeler	Wilson, Tex.
Vinson	Whitten	Winstead
Warburton	Wigglesworth	

The SPEAKER. On this rollcall, 365 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING SENATE CONCURRENT RESOLUTION 102 MAKING CORRECTIONS IN H. R. 7839

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the proceedings by which the concurrent resolution (S. Con. Res. 102) to make corrections in the enrollment of H. R. 7839, was passed be vacated for the purpose of offering two amendments.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I offer the two amendments.

The Clerk read as follows:

Amendments offered by Mr. WOLCOTT of Michigan.

On page 2, line 2, strike out "301" and insert "302."

At the end of Senate Concurrent Resolution 102, insert the following new paragraph:

"In section 227 (c) (ii) (2) (B) of the National Housing Act, as added to that act by section 126 of the bill, insert after the words 'such outstanding indebtedness' the following '(without reduction by reason of the application of the approved percentage requirements of this section)'."

The amendments were agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

TO REORGANIZE THE CAPITOL POLICE FORCE

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, one meets with many surprises in this body. I was told that this police reorganization bill was a bipartisan proposition and that it had the endorsement of the leadership on both sides of the aisle. It is my understanding that after the unfortunate incident which occurred in this Chamber on the 1st of March, the leadership of both sides met with the Secretary of the Senate, the Sergeant at Arms, and Captain Broderick of the Capitol Police and worked on a bill in an attempt to prevent the possibility of another incident of that kind. And it is my understanding that this bill had the agreement of the leadership as well as the Committee on House Administration. Undoubtedly, I was misinformed. When the bill was presented to the Committee on Rules in the application for a rule, I know that it was on a nonpartisan basis. I know that the gentleman from Texas [Mr. BURLESON] who is a former FBI man appeared before us, and although he did not say that this bill was 100 percent perfect, he gave his endorsement to the bill. Mr. Speaker, I do not know whether this is the answer to the problem, but I know that no one here should assume the responsibility of not doing everything possible to avoid another incident such as occurred here on March 1. We were very fortunate at that time. Fifteen or twenty people might have been killed. As far as I am concerned, I am going to vote for this bill probably with the knowledge that it is not a perfect bill. It provides for 50 additional policemen who will have to qualify. They will not be the type of many of the boys whom I, as chairman of the Personnel Committee, have appointed for Members on both sides of the aisle, such as young men attending Georgetown and George Washington Universities. I hope that these youngsters can still remain on, but I think we need more than that.

In conclusion, let me say I do not want to be a party to another incident in this House when they shot 26 times in this Chamber. Fortunately no one was killed. I do not want another thing like that to occur where many might be killed, then the people will turn to us and say, "Can this Congress not ever learn anything?"

Mr. SMITH of Virginia. Mr. Speaker, I yield 10 minutes to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Speaker, the statement by the chairman of the Committee on Rules indicated that the leadership supported this bill. There is divided opinion among the Members, but as far as the leadership of the House is concerned, I feel that they still stand for some approach to a merit system for the Capitol Police.

I feel the House would be interested in knowing some of the background leading up to this particular bill.

For 102 years the Capitol Police system has been on patronage. The present captain, 8 lieutenants, 9 sergeants, and 139 privates have during these many years been designated or recommended by Members of the House and the other body. And that is true as of this time.

Under this bill there is no particular effort being made to immediately bring absolute security to this House Chamber. We do feel that it is an approach in the right direction to try to bring the Capitol Police system under a merit system.

At this point I want to express my sincere appreciation for the members of the present police force. The incident that happened on March 1 is not at all directed toward the Capitol Police. It has come to my attention that perhaps certain Members feel that this bill is directed toward them. That is not true. At no time during the discussion in our committee was there any reflection whatsoever on the present Capitol Police. The House itself must assume personal responsibility for the neglect that we ourselves have allowed the Chamber to gain, by virtue of the rules that have been adopted, because under the present rules of the House the Capitol Police are not allowed to enter the gallery unless invited to do so. Under our particular bill, the rules of the House will have to be amended, in order that these men may go into the gallery.

But I do want to make this statement concerning the men on the present force. Let us think for a moment about the present organization. Of the present 157 on the force, 83 are students; approximately 15 of those men are 50 years of age and over; there are 3 on the force who are 60 years or over. There are 4 on the force who are 70 years or over. Approximately 16 men on the force have served for over 3 years. There are 15 on the force who have served for over 15 years, and there are 13 on the force who have served over 9 years. I have no idea as to the political affiliation of any member of the force.

I would like to point out there is nothing in this bill that would prevent students from taking the examinations and having membership on the force; but it would mean, under this particular bill and under the rules adopted, that they would have to give their full time to the work.

If you have the bill before you I would like to direct your attention to page 18, section 2 of the bill.

Section 2 (b) sets up the Capitol Police Board. The Capitol Police Board is composed of the Architect of the Capitol and the Sergeants at Arms of the Senate and House. The Capitol Police Board has been in force for many, many years.

The bill provides that the membership may go up to as many as 200. It is not contemplated that the present force would be increased. I know there are Members on the House floor who would be interested in whether or not the police of the Library of Congress and the Supreme Court might not be brought into the Capitol police system. Under the present arrangement and under the law we would have no authority over the police in the Library of Congress or in the Supreme Court. I was interested in determining that the Library of Congress has 76 members on its force. If we could bring the Library force into ours, our maximum of 200 would not be sufficient.

In this connection, the Supreme Court has 33 officers.

The appropriation has already been passed to cover this legislation. On page 509 of the supplemental appropriation bill is an item that calls for $633,203. That represents an increase of $217,523. This increase is reflected as indicated on page 3 of the report. Certain additional men are brought into the system.

Under the proposed legislation there would be a Chief, Capitol Police. The salaries are indicated. I point out that the salaries indicated are the gross salary.

I think the House is entitled to know there would be certain increases. The captain is now receiving a total gross of $5,813.33. Under this proposed legislation he would receive $8,500. The lieutenant is now receiving $4,283.05. He

would receive under this legislation $6,009.

The privates are now receiving $3,996.27. It is proposed under this particular bill that they would fall within class 1 or 2, and the class 2 would call for a total gross of $4,115, as compared with the present salary scale of $3,996.27.

I might add in passing that these salaries are patterned after those of the Metropolitan Police Force.

You will notice that a clerk is set up here to officiate with and serve the Capitol Police Board.

I think it should be mentioned that currently and for a number of years we have been paying $28,000 to three Metropolitan policemen as liaison with the Capitol police. It is expected that within a period of time this liaison could be reduced to a minimum of perhaps one, but liaison is necessary for smooth working between the Capitol Police and the Metropolitan Police.

I would like to remind the House also and it perhaps should not be discussed at the present time, that since the March 1 incident, certain protection has been given to the Capitol which represents a decided increase in costs.

There is one feature, too, that should be brought to mind, that under this proposed legislation on page 31, section 12, it is proposed to give the men training by the Metropolitan Police Force. It would not cost the Congress anything. They propose to run the Capitol police in with their own men and give them the training at certain periods each year. Those particularly better men would be given certain training with the FBI. It was interesting to those who have gone into this subject that at the present time there is not even a book of rules, there is nothing to guide the men other than a few perhaps written instructions. But so far as training is concerned, they do not receive any specialized training whatsoever. It has been determined also that perhaps some of the men who have been placed on the force have never had a gun in their hands.

I think it should be pointed out also that after the examination they will serve on a temporary basis for 1 year. All of the members would, of course, be subject to the examination which I shall not discuss but other members of the committee will follow that this is truly a merit system. At the present time there is no security clearance on any of the men, but under this proposed legislation there would be the usual security check. The bill also provides for veterans' preference and the bill provides for an oral examination.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Speaker, again we hear the words "too little and too late." This time it is southeastern Asia. The free world has again suffered a setback at the hands of the Kremlin.

It is easy to engage in recrimination but this would serve no purpose except dubious partisan advantage.

Reasonable men seek to build foreign policy in a constructive way. Reasonable men face realities abroad—they do not destructively attack their fellow countrymen and, by so doing, divide their own nation in an hour of great peril.

Let us look forward to what we can do affirmatively and creatively to protect our Nation. Let us examine an area of the world where there is still time. That area is even more strategically important to the national security of the United States than southeastern Asia. The region to which I refer is Asia's southwestern corner, known to Americans as the Near East.

Here we find Suez, the lifeline of the free world, the crossroads of three continents. Here we find the bridge to Africa and the gateway to the Orient. Here we find the oil resources of the Arab lands. And here we find the industrial and military stronghold of Israel which democracy used as a major Near Eastern defense base during World War II and which the Israelis subsequently built into a nation devoted to western ideas.

The Near East links Asia with Africa. And the Kremlin is well aware of the geographical facts regarding the Near East. After Asia on the Communist timetable is Africa. Just as Borodin outlined the assimilation of the Far East in the early twenties, Soviet planning for Operation Near East began in 1931. By June 1953 Moscow started to activate the machinery for Communist penetration of the Near East and Africa.

Soviet expansionism has taken the form of perimeter expansion—movement into territory immediately contiguous to the Soviet land mass. The stepping stone to Africa, then, was seen in the Near East.

In June 1953 an espionage and propaganda staff was organized in Moscow under S. P. Koziarev. It was given the mission of infiltrating Africa via the Near East. A. I. Chikov was assigned by Koziarev as liaison officer with the Arab League.

Quick to exploit regional strife, the Soviet strategists insinuated themselves into Arab League policy. This was done largely through Soviet diplomacy which applied a "let's you and him fight" theme wherever it could be injected into Arab-Israel and Arab-American affairs. The Russians shrewdly encourage Arab antagonism against Israel in the hope that the Arabs will launch a new attack against Israel. This would create the chaos so necessary to the Red goal. In the Near East as elsewhere they seek to divide and conquer.

The Senate Foreign Relations Committee was recently told by Henry A. Byroade, Assistant Secretary of State for Near Eastern Affairs, that Arab-Israel tension now represents the greatest danger in the Near East. Mr. Byroade testified before the committee that the one spot in the near eastern region where he could not report progress was the Arab-Israel area. He reported an accelerated Soviet campaign of penetration manifested mainly by a Communist bid for Arab friendship.

Simultaneously, reports from Communist Rumania told of increased persecution and imprisonment of Zionists and other persons sympathetic to Israel.

Chairman ALEXANDER WILEY, of the Foreign Relations Committee, recently summarized the Near Eastern outlook by saying that "the policy we are trying to continue, at least, is to see that the Arabs and Israel do not start a fight that will precipitate perhaps the beginning of the third world war."

But if we are seriously trying to avert Arab-Israel warfare, we must challenge the administration's new policy toward that region.

Andrei Vishinsky does not have much trouble fomenting discord between the Arab League and Israel. All he needs to do is add a few hammers and sickles to the monkey wrench already in the peace machinery. Substantial help has been furnished him since 1953 by the administration's appeasement of the Arab League's "war at any price" program.

The Department of State appears determined to win Arab favor no matter what the price—and it appears that Israel will be called upon to pay that price.

Since the day it was established in 1948, Israel has been a democratic state clearly and firmly alined with the free world and always ready to join in its defense. Since 1952, Israel has been asking for arms from our Government so that it may strengthen itself and thus strengthen the entire region. Up to this moment, we have turned Israel down.

Now, in contrast, the Arab States are feudal and undemocratic and they have no interest in standing with us in defense of the democratic way of life.

They are infected by neutralism. They remain passive spectators in the cold war. Yet, despite their inertia and indifference, we are forcing our arms upon them.

What a mixed-up policy it is.

Playing blind man's buff always was a reckless sport, even in a parlor. But when you play it in the field of foreign policy and the blind man hands out guns to whomever he tags, no matter who that person may be, no matter what he plans to do with the gun, this becomes the most dangerous kind of recreation. But this is more than innocent confusion. I am sorry to say that we are deliberately picking the wrong people for our favor and support in the Middle East. We are gambling on undemocratic elements to defend democracy. Simultaneously, we are weakening the one democracy in the region if those whom we back are determined upon Israel's destruction.

The administration decided to grant military assistance to Iraq some months ago. This action is being taken despite Iraq's refusal to adhere to the Turkish-Pakistan pact in resistance to Soviet aggression. This action is being taken despite open Iraqi threats that she plans some day to resume warfare against Israel. There is no assurance that these weapons will be employed against potential Soviet invaders. In 1941, when allied fortunes were at a low ebb, the same Iraqi officers who, today, command

the army of that state, cast their lot with Nazi Germany. They attacked our allies from the rear, using weapons provided by the allies.

There is every danger today that Iraq will use our guns against our ally—Israel. We need go no further than the evidence supplied by the Iraqis themselves. Dr. Fadhil al Jamali, Iraqi Foreign Minister, has said that "whoever would seek peace with Israel would be guilty of high treason and should be hanged. The destruction of Israel will be achieved only by strengthening of the Arab States."

Iraq is the one Arab League state which invaded Israel in 1948 which has since refused to sign an armistice with that country. Bear in mind, too, that the oil pipeline from Kirkuk, Iraq, to Haifa, Israel, was closed by Iraq in 1948. This action not only denied Israel a vital source of power for domestic development. It also deprived the free world as a whole of the strategic and economic advantage of Haifa's important refineries and their accessibility to the West. Thus, Iraq, which we propose to arm in defense of the West, has weakened the western industrial and war potential by its blockade of the Haifa refineries. But above all, the shipment of arms to Iraq serves the Kremlin's interest, for this may prove to be the spark to ignite the tinderbox. On the one hand, these arms will not serve for a single moment to deter the Soviet offensive in the area. On the other hand, they may ignite a new Israel-Arab conflagration and plunge the area into the kind of chaos which would invite Soviet incursion.

Our policy of arming Iraq is only one facet of our Near East policy which should demand our review and our challenge. Ever since Israel was established, the Arab States have not only refused to enter into peace negotiations with her but have carried on an economic boycott and blockade. Israel is not the only victim of this blockade. The American flag has been lowered in surrender to it. Since 1948 the Government of Egypt has blacklisted all ships carrying supplies to Israel. As a consequence, no ship may engage in commerce with Israel if it desires to use the Suez Canal. One of the consequences is that Israel must import its oil from distant Venezuela and from the Soviet Union. It cannot bring its oil from the Middle East because American tankers flying the American flag dare not bring that oil to Israel through the Suez Canal. We who have always fought for the freedom of the seas have abdicated, out of solicitous concern for the good will of Egypt and we have done this at the expense of a friendly democracy.

On December 3, 1953, Egyptian guns, mounted at the entrance of the Gulf of Aqaba, fired on the American ship *Albion*, which was en route to the Jordanian port of Aqaba. This ship was carrying wheat for Arab refugees in Jordan. We were doing something to help the Arabs but the Egyptians saw fit to fire on an American freighter because they were under the belief that the ship was bound for the Israel port of Elath, a few miles away. If our Government made a formal and public protest to the Government of Egypt over this outrage against our rights, I have not seen it.

This blockade against international shipping is a violation of the Suez Canal Convention of 1888. It is a violation of the Egyptian-Israel armistice. It is a violation of the charter of the United Nations. It is a contemptuous disregard of the decision of the Security Council of the United Nations itself. On September 1, 1951, the Security Council adopted a resolution demanding that the Egyptians terminate the restrictions on the passage of international commercial shipping wherever bound. Despite this clear injunction of the Security Council, Egypt not only intensified its blockade but extended it to the Gulf of Aqaba. Maritime countries protested that the blockade was a violation of their legitimate navigation rights. Egypt's only reply is that she regards herself to be at war with Israel and, therefore, is entitled to resort to this kind of economic warfare. Egypt has been able to get away with this because, for more than 3 years, the great powers failed to back up the 1951 Security Council resolution.

Within recent months, when Israel brought the issue once again to the attention of the Security Council, the Kremlin came to Egypt's rescue by vetoing the Security Council resolution reaffirming the previous stand. Our failure to act swiftly, decisively, and vigorously in 1951, has made it possible for the Soviet Union to enter the region in a maneuver to win Egypt's friendship at the expense of both Israel and the Western World. Our pursuit of the Arab countries has involved our retreat from international principle. We accept, without challenge, indignities heaped upon us by the Arab League. American businessmen are told that they may not do business with Israel and that if they do, Arab League states will boycott their products. This economic siege against Israel is not confined to Israel. It is attrition against our own economic sovereignty. Once a democratic people yields to threats and violence and permits its policy to be determined by bluff and bluster, it ceases to command respect. It begins to lose influence in the field of international diplomacy. The policy we pursue in the Near East today is strengthening feudal dictatorship, weakening and undermining a free democracy and humbling our own prestige and influence.

To look at the realities of the Near East we must look beyond the governments of various states and into the hearts and aspirations of the people. We can, and we must, win millions of people in that area who are uncommitted in the struggle between communism and democracy. These uncommitted millions must be given an opportunity to understand the benefits of freedom and rise above the regional strife that is undermining their welfare—their welfare and the security of the entire free world. We must help these people understand the aims toward which the democracies are striving.

In the Near East today, millions are living under feudal conditions, ruled by despotic government. Israel is denounced and opposed because Israel represents progress and change and freedom as we know it in America. Among the Arab masses, seeds of distrust and despair have been sown. Among them two attitudes are emerging. One is that attitude of neutralism—of preferring not to take any part or position in the conflict between communism and freedom. The other attitude, assiduously cultivated by the Arab League rulers, is one of hatred toward Israel, supported by incitement of acts of armed violence, boycott, and blockade, and threats to "drive the Jews into the sea."

If the United States is to avoid a Near Eastern repetition of what has occurred in Korea and Indochina, it is of the greatest urgency that our Government establish and implement a clear and positive areawide policy. It is not feasible to have one policy with respect to Israel and another in regard to Arab nations which are presently threatening to play into Russia's hands by launching a new assault against Israel.

The anchor of such an areawide Near Eastern policy must be that broader concern which may be described as "prohumanity."

It is true that we cannot forcibly impose peace on the contending sides. But we ought not to make peace more difficult. We ought not encourage either side in the delusion that we approve renewed conflict. We should not arm one side. Peace may be achieved if mature American diplomacy can bring about direct negotiations between the Arabs and Israel. But peace may be lost, along with humanity, if we let that region which was the cradle of civilization become its grave.

The great threat ultimately to both Arabs and Israelis is Soviet imperialism. If the advance of Soviet penetration and agitation in the Near East is to be resisted, our Government must proceed immediately with a definite American foreign policy intended to unite rather than divide the peoples of the Near East. Our policy must elevate the status of all the people of the area—Jew and Arab alike. This program must strike effectively at poverty, disease, illiteracy, religious friction, and the exploitation of man by man. More than anything else, it must prevent the outbreak of further hostilities. For peace in the Near East is a prerequisite to peace in the world.

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I was unsuccessful in getting the previous gentleman who just addressed the House to yield to me at the point where he was talking about the examination to set up this new force. I agree with everyone that we should have greater security for the Members of Congress, but I am just a little bit fearful that the qualifications to be set up and the examinations insofar as they apply to the physical part of it is going to work

a decided injustice to some 3 or 4 members of the present police force in that they will not be able to qualify. I think we entirely lose sight of the fact that we have 3, 4, or 5 present members who are disabled veterans but are still able to do police duty and probably could very well do desk police duty. I do not want those men turned down. Some of them have been on the force here for better than 10 years. Your veterans' preference does not protect those men. I have an amendment which I shall propose which will do that.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I rise to speak to the Members of the House in support of H. R. 6004. I introduced this bill, which was referred to the Committee on Interstate and Foreign Commerce. After hearings, this committee favorably reported this bill, with certain amendments.

Since I sponsored this proposed legislation, I regard it as desirous and necessary to explain the need for it in the ship radio communication field, the existing conditions which the legislation seeks to remedy and the state of communications that will exist after its enactment. In general terms, the proposed legislation increases the safety of life and property at sea, by requiring the installation of an automatic radio call selector on United States cargo ships, thus assuring reception of radio messages on such equipped ship 24 hours each and every day.

Let me first tell the Members of the House about the present existing radio communication standards in our shipping industry. More than 95 percent of the ships flying the American flag are cargo vessels which employ one radio operator, and in addition, these vessels are equipped with an auto alarm, which is an instrument which responds to the international distress signal only. This further fact, I think, will come as a surprise to most of us—this radio operator on board the cargo ship works his 8 hours a day and is then off duty for 16 hours; during this 16-hour period that this radio operator is off duty, his ship cannot be reached. It is indeed a startling fact that for 16 hours each day, each of the approximately 1,300 cargo vessels flying the American flag is stone deaf, cut off from the rest of the world. Of equal significance is the fact that in spite of the electronic devices that American genius has produced in the past years, no real improvement has been made in this respect in the radio room on board a ship during the past 25 years. This combination of circumstances and conditions, in my opinion, requires our attention and action.

I ascertained that, in brief, the following was the dismal background of improvement of ship radio communications in the past 40 years in the overall safety-at-sea program. In 1912, as many here will remember, the *Titanic* disaster occurred. The investigation that followed established that the steamship *California*, at the time of the tragedy, had passed the stricken *Titanic* just out of visual view, and that it had not received the distress signal because the radio operator of the steamship *California* had gone off watch a few hours before, and therefore the steamship *California* rendered no assistance to the drowning passengers and crew.

The problems raised by the *Titanic* disaster preoccupied the people interested in the safety-at-sea program for the next few years, and finally in the early twenties there was perfected the auto alarm, which was the best product of that time.

The auto alarm, the installation of which was made mandatory, responds only to a distress signal after a ship has been overtaken by disaster and is in danger of sinking. This auto-alarm device, without any change, has been the watchdog of the seas for these past 30 years, and thus, without going into the effectiveness of the system, which I am advised has many shortcomings, provides for a limited means of alerting a ship whose radio operator is off duty only after a disaster has already occurred. Thus, in all these years since the sinking of the *Titanic*, the foregoing is the total advance in ships' radio communications—the possibility by a device to alert a ship when a sister ship already has been overtaken by disaster.

A ship at sea frequently requires aid in an emergency under such conditions where an S O S by the disabled ship is not warranted—thus a message from another ship or station intended as a warning of a hurricane or other adverse weather condition in its vicinity or an unusual sea condition in its path; a message for a ship carrying defense material in time to divert such ship; medical assistance and transfer of sick or injured at sea—all such messages today have a possibility of receipt only if a radio officer is on duty during his 8 hours at his radio station. The overwhelming odds, however, are that such messages will not be received. The auto alarm plays no part in an attempt to deliver such message. With the automatic radio call selector, as provided for in the proposed legislation, there is a vastly increased assurance of delivery of the message.

I must elaborate somewhat on the tremendous gain to our Nation during a national emergency in the ability to reach a ship at any time, which would be assured by the use of this device. Our merchant marine rounds out the seapower of the United States and is in effect our fourth arm of defense. It carries military supplies to support our military forces wherever they may be. Our merchant marine tankers operate as refueling ships for Navy vessels. Without cost being a real factor, this device will include this means by use of a predetermined code to simultaneously reach all vessels sailing under such code. The value of this feature cannot be measured when, as, and if such need occurs.

The proposed legislation H. R. 6004 would require that cargo vessels flying the American flag be equipped with the automatic radio call selector which shall be capable of receiving the following international Morse code signals:

First. The ship station call sign.

Second. The international distress signal—S O S.

Third. The international safety signal.

Fourth. The international urgent signal.

Fifth. Any other predetermined code which is desired for use in national emergencies.

With this device, every ship equipped with it for 24 hours a day would be able to receive simultaneously messages directed to that ship by its call letters, S O S signals which signal is sent when a ship is in dire peril and assistance is needed; international safety signals, the signal which precedes the sending of an important notice on navigational weather, a notice which all ships should receive; international urgent signals, which relate to the safety and welfare of a single ship or a single person or a group of persons on that ship or sighted from that ship; and finally, predetermined codes which could be used in the event of a national emergency, and which feature in truth may loom as one of its most valuable potentials.

The best analogy that I can give to the Members of the House as to the present state of radio ship communications compared with that of the proposed state of radio communications under this law, would be as follows:

If you will consider and think about the telephone in your office and in your home and imagine that the ringing bell is removed, you will fully appreciate that so long as you sit near your telephone with the receiver to your ear, you will receive all calls that are intended for you. However, when you place the telephone receiver back on the hook or walk away from the room where it is installed you know that while you are gone no telephone message will be able to reach you. That is the present situation in the radio room on board a cargo vessel. So long as the one radio operator carried is at his radio station on board ship he can receive messages. When he walks away, his ship is incapable of receiving any radio messages. When such ships are equipped with the automatic radio call selector, which is the counterpart of the ringing bell of the telephone, it will alert and summon the radio operator by the ringing of a bell or bells in the radio room, in the radio officer's quarters and on the bridge, or wherever may be desired, to indicate that a message is intended for his ship and thus provide a means for the receipt of messages 24 hours a day.

As I have stated, the Committee on Interstate and Foreign Commerce has favorably reported this bill. The Department of the Navy in response to an inquiry to the Department of Defense submitted on behalf of the Department of Defense a report on this proposed bill which in part states as follows:

The Department of Defense believes that safety of life and property at sea would be enhanced by the installation aboard ship of

a device such as that described in the proposed amendment. Therefore if such a device were presently in existence, and had passed satisfactorily the tests required by the Federal Communications Commission in order to prove its capabilities, the Department of Defense would interpose no objection to a proposal requiring its installation aboard ship provided the installation was economically feasible.

This is the attitude and view of our Navy, our first arm of defense, and the Government Department most interested in our ships at sea. It must also be noted that the proposed law does not apply to Navy ships, which are specifically excluded, nor to any ship which employs a human radio watch 24 hours a day—as by the way does the Navy.

Further, I should like to state that the American Radio Association, CIO, which represents the ship radio officers, whole-heartedly endorses the proposed bill and urges its enactment because of its firm conviction that the safety at sea standards will be tremendously increased. This is the attitude of the men most interested and charged with the responsibility of such safety programs.

Such views as have been expressed in opposition to the proposed legislation are based primarily on the purported ground that a device capable of fulfilling the requirements of this proposed law is not in existence. I desire to state to the Members of the House that such basis for opposition has been entirely removed, and that a unit meeting the requirements of the proposed legislation has been actually successfully demonstrated. I quote to you a short news item appearing in the New York Times on Monday, July 12, 1954, in which is reported the successful demonstration of such a unit. Similar reports appeared in other newspapers as well, but I will read the New York Times article now:

SHIP RADIO ALARM RINGS OUT S O S—ALERTS OFF-DUTY OPERATORS TO BOTH EMERGENCY AND ORDINARY MESSAGES

A device that rings bells to alert off-duty marine radio operators to emergency calls as well as ordinary messages was demonstrated for the first time last week.

The electronic selector was manufactured by the Brelco Electronics Corp., 139 Duane Street. The company previously had developed a radio call selector that signals only when another station is transmitting the vessel's call letters.

The House of Representatives is considering a measure that would make this type of device mandatory on virtually all merchant ships. However, the Representatives incorporated in the bill provisions that would also require the device to respond to 3 different types of distress calls and to special call letters that might be assigned to ships in time of national emergency.

Benjamin B. Green, president of Brelco, demonstrated a sample unit incorporating all these features in an exhibition designed to rebut critics who contended that such a unit could not be developed. Mr. Green said that merchant ships at present using the call selector would be able to adjust their equipment at small cost.

The demonstration was also attended by officials of the American Radio Association, CIO, which had recommended the additional features in hearings before Congress.

As a result of this proposed legislation, an interest in the automatic radio call selector has been evidenced by the Ministry of Transportation of Great Britain, by Japan, and by Norwegian fleet owners. The United States has traditionally led the way in the adoption and use of new technological improvements and it is as a result of the adoption by the United States of higher standards that improvements in worldwide conditions have been attained. The same pattern appears to be in the making with the proposed use of this automatic call selector.

I might state to the Members of the House that there is precedent for this legislation that may be found in the mandatory requirements for the auto alarm, as now appears in the same sections of the Federal Communications Act of 1934 which the proposed legislation seeks to amend.

One of the main principles enunciated in the proposed legislation is that a method and system of communications of a preventative nature be available to our ships, in addition to the present system which only provides for a method of communications after disaster has already struck. It is a fact that American ships at first would be the only ones to have this apparatus aboard. As I have already indicated, foreign countries are evidencing an interest in this equipment. That American ships and American seamen would be the first to benefit is true. The device would respond to signals made by all ships whether American or foreign and absence of this unit from foreign ships does not prevent American ships from serving as the links in a radio network of ships which may make the difference between life and death of a seaman and passengers. An argument that was suggested was that we wait making this device mandatory because ships of other nations are not required to install such a piece of equipment. This is indicative of an unprogressive approach and adopts standards for our country that may be set by countries with lower technical and economic levels.

The proposed bill contains an antitrust provision so that no one manufacturer may have a monopoly in the manufacture of the device, and permits an adequate time before becoming effective to allow for the equipping of the ships that are subject to the law.

The public interest requires that the safety standards at sea be maintained at the highest possible level and the sole purpose of the proposed legislation is to fulfill our obligation to the public to assure them that such standards are set and fixed. Let us not wait until a disaster strikes to trigger us into action, for the financial value of even a single life that may be saved cannot be measured.

For all of the reasons that I have set forth I urge the passage of H. R. 6004 by the Members of the House.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a news item appearing in the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, several days ago we had this bill up and while I was in the course of making a few remarks about it a point of no quorum was made. The bill was laid aside for several days and is again brought up in regular order.

As the gentleman from Illinois has said, this is a nonpartisan bill. I do not know of anything partisan about it. It is supposed to protect the Members from assault from the gallery and I believe Members on both sides are unanimously in favor of not being shot at from the gallery like sitting ducks. So I think we can all approach this subject from the nonpartisan standpoint.

I do not think this bill does what we are intending it to do. The purpose of the bill is to try and afford some protection to the membership of the House from such incidents as occurred here last spring when an assault was made upon the Members of the House. It is supposed to give us protection from the gallery. As a matter of fact, it does not at all and no one will tell you that it does intend to protect the membership from assaults from the galleries. I do not think anyone will dispute that.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. LECOMPTE. It is contemplated that there will be an officer in uniform in each of the galleries. There is that much protection contemplated in the bill.

Mr. SMITH of Virginia. I am glad the gentleman gives me that information.

Mr. LECOMPTE. That is not in the bill, but it is contemplated that that will take place.

Mr. SMITH of Virginia. Now, see if I am right about this. The trouble with the whole situation is that the Capitol police force is under one jurisdiction. Your galleries are under another jurisdiction. So, whoever it is that runs the Capitol police force has no jurisdiction to do anything about running the galleries of the House, which is the thing we are trying to protect ourselves against. Now, if it is not going to perform that purpose, then the only purpose it will perform is to put a lot of policemen under civil service, and I do not think that that is going to do us any particular good.

This bill, as I understand, is going to cost overall approximately $1 million a year, which seems to me to be a tremendous amount to spend for that purpose. It does not, as the gentleman from North Carolina said, include the police over here at the Library; it does not include the police over at the Supreme Court. I just wish that we could do a complete job on the thing, because when we pass this bill then that is going to be the end of it. That is about all we are going to do. And, if this bill does not do the job as some of us think it does not do the job, I am just wondering if we should not give it a little further study and maybe come up with an answer to all of the problems so that the whole of Capitol Hill could receive protection by competent police officers; put them under civil service, give them any kind of training that you wish to give them, but if we are gong to do it at

all, I am wondering if we do not want to do something that will be more effective.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. I participated in the discussions. In the discussions that were had after the shooting took place, as the gentleman suggests, it was evident that we had become quite conscious of the necessity of doing something to try to protect the House of Representatives and the Congress and its Members.

Now, the first observation I would make to the gentleman is that this is much broader than just the protection that would be involved in the galleries. This applies to all of the grounds of the Capitol, and I take it that means the House and Senate Office Buildings.

Mr. SMITH of Virginia. I will say to the gentleman that I understand that. My objection is that it does not protect you in the gallery.

Mr. HALLECK. Let me just address myself to that a little further. There were numerous suggestions made as to what might be done with respect to the galleries. There was a suggestion that heavy, thick, bulletproof glass be erected and that wicker be installed above that. The consensus of those of us who struggled with the problem was that probably our constituents, when they came here, would not very much appreciate looking at us down here from that sort of a cage. Maybe that is putting it a little bluntly, but I think there were many who felt that way about it.

I would like to suggest also to the gentleman from Virginia that no one, so far as I know, claimed that this was the answer to all of the problems or the threats that might be involved. We did have regard for the fact that committees meet and frequently are engaged in the consideration of business with respect to which there might be much indignation or high public opinion. Many have had the experience on occasions when our work in our office has been interfered with by people who were there who had to be ejected. Now, all of those things, I understand, are a part of it.

Let me say to the gentleman that I have a very vivid recollection of standing here in this aisle and watching those people shoot at me from the gallery. Pistols were being emptied and the persons firing them were in the process of reloading them. They were deterred only by the courage and the effort of a civilian or two who happened to be visitors in the gallery. From my standpoint, I am inclined to believe that if some of the sort of people who come here when we have a joint session were in position around the gallery, it would not afford the complete protection that we would like to have, but in my opinion, it would go a long ways.

Mr. SMITH of Virginia. I just wanted to say that if we do something, if we do anything, we ought to do a complete job. I think, on the discussion that is going to follow after the adoption of this rule, the House will be able to make up its mind whether this does the job or whether it is just a stopgap that is not going to do any real good, or is just a gesture.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Pennsylvania.

Mr. GREEN. The gentleman from Iowa [Mr. LECOMPTE] said that, although it is not provided in the bill, it is the intention to station Capitol policemen in the galleries. I am wondering if there is any reason why under the present rules and regulations we could not have Capitol policemen in the galleries.

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. LECOMPTE. There is no attempt in this bill to change the rules of the House. The statement was made that the galleries are under the chief Doorkeeper. I have not found in the rules anything that prohibits the Chief of Police from putting a man in each of the galleries. That is what is contemplated he will do, a man in uniform, and that will have a deterrent effect on any would-be criminals. They do not like to start shooting in front of a man in uniform.

Mr. GREEN. Is there anything that now prohibits a Capitol policeman from being stationed in the galleries?

Mr. LECOMPTE. They do not have a sufficient force of trained men. A good many of the men on the police force are not professional police officers.

Mr. GREEN. They have done an exceptionally good job.

Mr. LECOMPTE. They have done a fine job; I am not critical of them at all. They have done a splendid job. But we are trying to improve the situation.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. BARDEN. I would like to say to the gentleman that I am somewhat in accord with him. I think the personnel could very easily be checked and double checked, as far as the Capitol grounds are concerned. But I see no remedy as far as the hazard from the galleries is concerned. Personally, I am not frightened to death about that. I was not so scared that I did not file for reelection, so far as that is concerned, and most of us did the same thing. But I would like to throw out this suggestion. I would rather have five well-trained United States marines stationed around here, not necessarily in the Chamber but in the halls, not as doormen but protectors, than any crowd that the Civil Service might pick out, for they are known the world over. But these protectors do not necessarily have to be all marines; all branches of the service train men for missions of that kind; but I still do not know of any group on the face of the earth that has a better reputation for carrying out a mission than the United States Marines. You could very easily have the three services, or the four services for that matter, represented. I think the Speaker of the House would only have to suggest it and they would certainly be here. They need not necessarily be obstreperous, they could be stationed at strategic points either in or out of the Chamber. As far as protection is concerned, if that is what you want here, I would rather have them than all this fanfare under this bill. So far as I am concerned I am not frightened, but I still think it is time to use a little commonsense and use a reasonable amount of precaution and thereby not invite trouble.

Mr. HALLECK. Mr. Speaker, I yield myself 1 minutes only to respond to the last suggestion made by the gentleman from North Carolina [Mr. BARDEN].

I might say to him that the proposal to have men here from the various services was considered by those of us who tried to work out the program. There were many reasons why it was deemed inadvisable. Not the least of those is that even in the services they have specially trained men for the military-police operations. The average individual trained for combat service in any of the armed services may not have the qualifications considered most desirable for the sort of job we have in mind.

I trust that my friend from North Carolina [Mr. BARDEN] will not attempt to put words in my mouth to the effect that I do not have confidence in the men in the armed services, because certainly I have. But, as far as the job for which they are trained is concerned, they may not have the qualifications we have in mind. The matter was considered and was rejected, as a practical proposition.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BARDEN. First let me say that I certainly would not ever attempt to put words in the gentleman's mouth. But let me say this, that each branch of the Armed Forces has specially trained groups of men, they have schools where they get special training for the very work that I mentioned. I am not afraid to stay in the Chamber without them, but I say if we really want the kind of protection we are talking about we can certainly get it with very little trouble.

Mr. HALLECK. All I can say to the gentleman is it was considered. It would not be worthwhile to go over all the reasons why that idea was rejected.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. LECOMPTE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9413) to reorganize the Capitol Police force in order to increase its efficiency in the performance of its duties.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9413, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. LECOMPTE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, H. R. 9413 represents the effort of the Committee on House Administration together with the leadership on both sides of this aisle to bring forth a bill that will give to the House of Representatives a permanent merit system police force that it is believed

will be adequate to take care of the policing of the Capitol, the galleries, the Capitol Grounds, and the House and Senate Office Buildings.

It can be said that this bill is not perfect. Most legislation and everything else that comes from human hands is hardly perfect, but this is the best effort the leadership on both sides of the aisle have been able to evolve after a series of meetings. I think the leadership will be glad to speak up for this bill but, of course, all Members can speak for themselves.

Several meetings were held in the office of the Speaker following the assault by fanatics on this House on March 1 of this year, when five Members of the House were shot down. Heaven alone protected us in the fact that none were killed.

Under the bill which has been written and rewritten, there is provided a professional police force not to exceed 200 men under the Capitol Police Board, which exists by statute at the present time and consists of the Architect of the Capitol, the Sergeant at Arms of the House and the Sergeant at Arms of the Senate. The bill provides that all members of the police force automatically become members of the new Capitol Police force, and a member who is on duty on the 1st day of January when the new police force comes into being, if they pass the qualifications will be under probation for 1 year. It is hoped and expected that the efficiency of the police force will be increased from year to year. It is not contemplated that we can in a moment build up and have an adequately and completely efficient police force.

For myself, I want to say that I have no criticism of the present police force. I have no criticism of the police force as a result of the assault made on the House by people armed with high-powered guns on the 1st day of March. I do not criticize our present police force in any way. Fanatics entered the gallery and fanatics, perhaps, can enter the gallery again with guns, but it is contemplated that there will be stationed at all times when the House is in session a man in uniform in each of the four galleries. I doubt that a bandit will enter under those conditions and open fire on the House.

Mr. CHUDOFF. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I yield.

Mr. CHUDOFF. If it is contemplated to have a uniformed man in the galleries after this bill is passed, why have not the Capitol Police put a uniformed man in the galleries since March 1?

Mr. LECOMPTE. The police force is not under me. I cannot answer the gentleman's question. We are trying here to provide for an adequate police force. We do not have an adequate police force now and I doubt that there are sufficient numbers of trained men available at the present moment.

Mr. CHUDOFF. Could the gentleman inform us whether it would be possible at the present time to have a Capitol policeman in the gallery at all times?

Mr. LECOMPTE. That might be a question of the interpretation of the rules. There is no effort in this bill to change the rules of the House.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I yield to the gentleman from Texas, a member of the committee who has contributed valuable service in the writing up of this bill.

Mr. BURLESON. There are police in the gallery at the present time.

Mr. LECOMPTE. Yes, but they are not in uniform.

Mr. COLE of Missouri. And they have been in the gallery since the first of March.

Mr. LECOMPTE. Yes, they have been in the galleries right along.

The bill sets up a method of selection so that we get away from the situation, as it exists at present, where the police force is to a considerable extent appointed by patronage. We hope to have it completely nonpartisan and a merit-selected police force. The bill describes the manner of the examinations which will be held. There will be added to the Capitol Police for the purposes of examination two men who will assist in giving the oral examination to which all candidates for police appointments will submit.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I yield.

Mr. WICKERSHAM. I would like to inquire briefly with reference to one type of employee. For instance, I happen to know one of the men who has worked here faithfully and who is one of the best policemen we have had. He worked for 10 years, and in fact twice, on two different occasions, he has taken guns from men who might have caused us trouble. When the patronage was changed, along with many others, this man was laid off. His name is F. L. Jester. Will a man like that who has served faithfully for 10 years and who was then laid off just because of the patronage situation have a chance to be given a preference of any kind?

Mr. LECOMPTE. There is nothing in this bill that prevents this man from applying and being permanently employed.

Mr. WICKERSHAM. None of those Democrats who were laid off some time ago can be restored?

Mr. LECOMPTE. What do you mean? Do you want somebody who was on the force 20 or 30 years ago reinstated?

Mr. WICKERSHAM. No. This man was on for 10 years.

Mr. LECOMPTE. Any man who is on the force at the present time will be taken care of under this bill. That is the answer to your question.

Mr. MERRILL. If the gentleman will yield, under the system set up, the experience of the applicant will be given a certain number of points. Therefore, a new applicant who has had considerable experience on the police force, in the test would get a chance to have a higher rating.

Mr. LECOMPTE. Of course.

Mr. MERRILL. So that this man would therefore get a better chance on account of his experience?

Mr. LECOMPTE. Of course, he could take the examination.

Now, further in reply to the gentleman from West Virginia [Mr. BAILEY], who was uneasy about some of the veterans, we have specifically written into this bill a provision with regard to veterans:

> Any applicant who receives 75 or more points and who served on active duty in any branch of the Armed Forces of the United States, during any war, or in any campaign or expedition (for which a campaign badge has been authorized), and who has been separated therefrom under honorable conditions, shall have an additional 5 points added to his score, and if the applicant has a service-connected disability of at least 10 percent he shall receive an additional 5 points.

I think that takes care of the disabled veterans. At the present time there are 157 members of the police force. The Chief of Police and the Police Board will eventually, if capable men are found, have a police force up to but not in excess of 200.

The salary scale you will see on page 24 is the gross salary and is not to be confused in any with the fact that a great many legislative employees are paid on a basic salary, with considerable additions added on from year to year by acts of Congress providing for percentage increases. The figures in the bill are the total gross salaries.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I yield.

Mr. BONNER. A question was raised as to the Supreme Court Building.

Mr. LECOMPTE. The Supreme Court has a police force of their own.

Mr. BONNER. I understand that, but they are under the jurisdiction of the Architect of the Capitol.

Mr. LECOMPTE. I do not know about that. I think the force is under the jurisdiction of the Supreme Court. We did not want to interfere with the police force of the Supreme Court in any way.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. LECOMPTE. I yield myself 2 additional minutes.

Mr. BONNER. In the discussion of this matter was there considered one joint police force for the Capitol Hill area?

Mr. LECOMPTE. No. It is for the Capitol Hill area, but not including the Supreme Court. We did not have any requests from the Supreme Court to provide any additional police force for the Court buildings and grounds.

Mr. BONNER. The appropriations from Congress pay for the police protection of the Supreme Court and the Library of Congress. Would it not have been a better system——

Mr. LECOMPTE. That might have been, but it was not suggested when the leadership on both sides got together and tried to work out something that would be adequate. The suggestion of the gentleman from North Carolina is splendid for future consideration.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I am happy to yield to the distinguished leader from Massachusetts.

Mr. McCORMACK. I think I can state for the benefit of Members that the leadership on both sides have met on several occasions. It was agreed by the leadership on both sides that there should be

a career force. The gentleman from Iowa [Mr. LECOMPTE] introduced a bill. Before he introduced that, as chairman of the Committee on House Administration, he showed me a draft of it. I said, "Introduce the bill as an avenue for consideration, and then we can have something to level at." As a result of that, former Speaker RAYBURN and I designated the gentleman from Texas [Mr. BURLESON], the gentleman from North Carolina [Mr. DEANE], and they, in turn, conferred with the gentleman from California [Mr. Moss] to examine the bill and make suggestions to us, which they did.

They suggested amendments. Every amendment was adopted that was suggested by these gentlemen.

Mr. LECOMPTE. And they were valuable contributions to the bill, too.

Mr. MCCORMACK. All were adopted except one amendment, and that was minor, dealing with the termination of the present employees, December 31. We felt it would take to around April 1 for the transition to take place. It is not a major matter, however.

So for the benefit of the membership of the House on both sides, I think I should state that this bill represents the views of the leadership and the amendments adopted by the House committee and recommended by the Democratic members.

Mr. LECOMPTE. That is correct, and valuable they are too. This bill represents the best thinking by the leadership on both sides of the aisle.

Mr. MCCORMACK. The bill is now much better than it was when originally introduced.

Mr. LECOMPTE. And it came out unanimously from the committee. I now must yield to the gentleman from West Virginia.

Mr. BAILEY. I agree with the gentleman from Iowa that the bill gives them the ordinary veteran's preference, but then it takes it right away from them. You give it to them on page 22 and take it away from them on page 23.

Mr. LECOMPTE. No; we do not take anything away from them.

Mr. BAILEY. Let me read it to you:

SEC. 5. (a) The Capitol Police Board may at any time require any member of the Capitol Police force to take a physical examination to be given by the attending physician of the Capitol, and if, as a result of such examination, the attending physician finds that such member is no longer physically qualified to perform the duties of the office or position he holds he shall be removed from the office or position he holds.

Mr. LECOMPTE. That is true of every other member of the police force.

I wish to express my obligation to the members of the committee. Valuable contributions were made by all members and especially by the gentleman from Texas [Mr. BURLESON] and the gentleman from North Carolina [Mr. DEANE]. The bill comes before the House with the unanimous endorsement and approval of the committee.

Mr. BURLESON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, as the chairman of the Committee on House Administration has said, this has been a nonpartisan approach to this matter in trying to work out a bill for the reorganization of the Capitol Police. The result is not the entire answer at the moment; that is granted. It is an approach to a problem.

Before I enter upon any discussion of the method of appointment, which I think will be interesting to the Members, allow me to say that the gentleman from Iowa [Mr. LECOMPTE], chairman of the Committee on House Administration, has always manifested the greatest consideration to all members of his committee.

I have not previously had much occasion to say anything like this for we seldom debate bills coming from this committee—but he has always been most considerate with the entire committee. He has always conducted the affairs of the committee without any partisan feeling whatever. I think in passing perhaps it might be well to call attention to the general duties of this committee. It handles a great many things; many things not handled by the regular committees are referred to this committee; it is the catch-all, it is the House keeping committee of the Congress. Some people have thought we handled public housing because it is the Committee on House Administration. To say the least, I do want to pay the chairman this compliment since we are coming to the end of the session and have not had occasion to do it before. He has provided able leadership and I am sure I speak for the minority side when I say we appreciate him.

Mr. ROGERS of Florida. Mr. Chairman will the gentleman yield?

Mr. BURLESON. I yield.

Mr. ROGERS of Florida. I notice the salaries as set out in the bill call for a Chief of Capitol Police at $10,000. Is that basic pay or is that full and complete?

Mr. BURLESON. That is full pay. The word "basic" which precedes the word "salary" simply means that they are entitled to longevity and other benefits which accrue under civil service. It does not mean that as a legislative employee he is entitled to a basic salary, plus percentage increases as it applies to legislatve employees.

Mr. ROGERS of Florida. It says, for instance in section 6 (b):

The annual basic salary of a private of any class of the force shall be increased by $300 while he is assigned to duty as a station clerk.

What does the word "basic" mean there?

Mr. BURLESON. It means he is entitled to the increase which comes with the service. He serves 1 year probation and begins drawing his increases as provided for the various stages in civil service. It is standard civil service practice.

Mr. ROGERS of Florida. And it does not apply to the Chief, the captain, and the lieutenant; their salaries constitute the full amount they are given.

Mr. BURLESON. They are entitled to longevity and other benefits which any other civil-service employee is entitled to after a certain term of service.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Iowa.

Mr. LECOMPTE. I may say that these salaries are a little more than the present police force gets and just slightly less than the Metropolitan Police Force.

Mr. BURLESON. Slightly less than the Metropolitan Police Force, yes. It is patterned after them with reference to rank and salary, including accrued benefits.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Connecticut.

Mr. SADLAK. Is there any provision in here for pensions for these men?

Mr. BURLESON. The same retirement benefits which everyone has under civil service.

Mr. SADLAK. Is it contemplated that these men on the new police force may be able to retire in 20 years as is the customary provision for regular police officers and the FBI?

Mr. BURLESON. The gentleman from California [Mr. Moss], and the gentleman from Pennsylvania [Mr. CORBETT], have studied those questions very carefully. They gave special attention to that feature. It is just the same as in the civil service all the way through in connection with every other position. To answer the gentleman's question specifically, there is no time set when a member of the force may serve and then retire.

Mr. SADLAK. What I am getting at is that the new job, if the present job is not so considered, would be considered hazardous work?

Mr. BURLESON. I would assume it could be so considered.

Mr. SADLAK. I know from experience that men engaged in work of that nature have always had an expedited service; in other words, they were able to qualify for pensions after 20 years. That might be the case with the new police force. It is not the case with the present force.

Mr. BURLESON. There may be merit to the gentleman's thought. Perhaps that feature should be considered in the near future.

Mr. Chairman, in this matter of protecting Members of the Congress, I do not believe anyone expects complete and absolute protection. If we do, we should stay home in bed. The only way we are going to have complete protection, as the chairman just stated, is to have this Chamber walled off or keep everyone out of the gallery. I do not know why we should as individuals expect to have complete protection. After all, we are living in a hazardous age. A bomb may conceivably be dropped on the Capitol at any time. We could not expect protection entirely. So I do not know why we should concern ourselves to such an extent that we do not try to do something but not demand complete protection beyond the possibility of injury to ourselves. I am sure those gentlemen who had the unfortunate experience on March 1 will agree to that.

We are doing the best we can. We are working with the tools at hand. There are a great many things contemplated to be done after we get a permanent police force. It will be necessary, perhaps, in some cases to change the rules.

It will be necessary for the Speaker, whoever he may be after January 1, to look into these things and use what we have wherever he wants to use them. After all, as my very dear friend from Virginia just said a little while ago, it makes no difference on which side of the aisle you sit, we do not want to be shot at like sitting ducks. I assume that the Speaker will not want to be shot at either. So they will take the permanent force which we have and use it as best they can. That is what is contemplated in this measure.

Bear in mind this is to be a permanent police force and that we are going to invest funds in their training. They go through the FBI or the Metropolitan Police Training School. When they do that the taxpayers have a great deal of money invested in every man who goes through that training. With reference to the boy going to school, of course, I wish we could have them all here and that we could have them on the police force and let them go to school. But that cannot be done. So we are going to invest a lot of money in them; neither does the boy have time nor the inclination to make police work a career. We are not going to put him through a 3 or 4 months' course of training while he is going to school. That is a necessity for a permanent police force. It is going to cost some money. I do not know about the million dollars a year. I thought the figure was around one-half million a year. But we do have the machinery for a permanent police force which can be improved with experience. This is not entirely a trial and error method, although there is an element of trial and error in it. So, if we have a permanent police force, rules and regulations can be devised by the police board, administered by the Chief of Police, to insure maximum protection.

May I say parenthetically that I know of no Member of this House, including those gentlemen who were unfortunate as to be wounded by the assassins' bullets on March 1, who has criticized the present police force. The chairman made that plain. Therefore, this measure is in no respect a reflection upon these men who now constitute the force.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from North Carolina.

Mr. DEANE. To point out the cost this first year, the appropriation has been made and passed by the House, and the total cost, which would include new uniforms, if the Capitol Police Board so decided, would be $633,203.

Mr. BURLESON. I thank the gentleman.

Mr. GRANT. Mr. Chairman, will the gentleman yield?

Mr. BURLESON. I yield to the gentleman from Alabama.

Mr. GRANT. I certainly want to congatulate the committee on doing a fine job on this bill, and I want to ask the gentleman from Texas this: Is it possible under this bill to have several plainclothesmen in the galleries?

Mr. BURLESON. Would it be possible to do so?

Mr. GRANT. Yes.

Mr. BURLESON. I think under the rules of the House that that is possible now. Of course, the Doorkeeper, under the Speaker's direction, has control of the galleries. As the chairman of the Committee on House Administration has indicated, it is my understanding that uniformed policemen will be placed in the galleries when this bill becomes effective; that it would have a deterring influence in regard to occurrences like we had recently. It is impossible, of course, if we had a thousand policemen up here—nor would they think of doing such a thing—to search every individual who came into this Chamber. I know a year or so ago some visitors came in and sat on this floor. They inadvertently wandered in, and they, of course, had to be reminded of the rules. Those things just happen.

Mr. GRANT. I wonder if the committee gave any consideration to the integration of the Capitol Police with the Metropolitan Police. The reason I say that is because we have so many systems in the District. We have the Park Police; we have the Library Police, the Metropolitan Police, and the Capitol Police.

Mr. BURLESON. Yes. The committee discussed that on several occasions. It is integrated to this extent, and I would like to discuss that a moment. Under the civil-service system we propose in this legislation, a member of the Metropolitan Police force appointed by the chief shall be a member of the board to examine applicants. A representative of the FBI, appointed by the Director of the Federal Bureau of Investigation, will constitute another member of the examining board, sitting with the Sergeant at Arms of the House, the Sergeant at Arms of the Senate, and the Architect of the Capitol. I agree with the gentleman that the rules and regulations promulgated should provide the greatest possible integration.

Now, if I may, Mr. Chairman, mention the method of qualifying applicants. First, the Civil Service Commission will give an examination to applicants and that examination will amount to a maximum of 40 points. After that examination, a physical examination will be given by our own doctor at the Capitol, which amounts to a maximum of 30 points. The personal interview with Capitol Police Board will constitute a maximum of 20 points, and 10 points will be added for other qualifications, making a total of 100 points, plus veterans' preference.

Mr. CHUDOFF. I wonder if the gentleman can tell me if these men are going to be given credit for any experience which they have had on the present Capitol Police Force?

Mr. BURLESON. Automatically they will get credit under the 10-point system, because they have had this experience. Points so accumulated are added to the total score. Naturally, they would have an advantage in taking the Civil Service examination and for the 10 points which would be added.

Mr. Chairman, let me say this further. There has been talk about the purpose of the bill. The purpose of the bill is not only for our own protection. There are 157 acres around the Capitol. There are places around this Capitol where it is not safe to be late at night. It has been that way for a long time.

We are repairing the back part of the Capitol, which is really the most attractive part of the grounds. There is a lot of money being spent in order that visitors may go there again as they did prior to the war. It is going to take more personnel to keep the grounds properly patrolled.

There is one other thing we hope for and that is in the training which these members of the force will have, they will be given training in security. We talk about protection from attack from the gallaries. But the day may come when a high explosive bomb could be brought into the Capitol and then none of us would have much to worry about. So we should have men who are trained in security. And they will be trained in that field. Each of these men is going to be investigated by the FBI before his application is finally accepted. Pass this measure and in my humble opinion, we will in time develop a police force of high efficiency.

Mr. LECOMPTE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman, I speak in favor of this bill because of the service that I have had on the District Committee and the experience I have had with the Metropolitan Police, and in anticipation of a correlation and integration of their service with our police force on Capitol Hill.

I want to compliment the majority leader who used the term "approach" in speaking of this bill. Certainly this is a fine approach to what we should do here in the House. It seems to me, in the years that I have been here, that Members of Congress are always willing to take care of everybody else, but they very seldom do anything for themselves. Here in this metropolitan area we have the Metropolitan Police, the Park Police, and the White House Police. Those three forces are correlated, they work together although they are within themselves separate units. But they try to accomplish a situation over all of law and order in the Capital City. It is said in police circles that the White House Police are the best policemen in this town, that the cream go over there. I think that is correct. And I think we should have the most efficient men over there.

However, it seems to me that where we have 435 Members of the House and 96 Members of the other body that we should have a complementary force here on Capitol Hill that should be just as effective as any other police force in the metropolitan area.

So far as the salaries of these men are concerned, the amount is really negligible when you think of what we really have invested that is under their power to protect. In the future as we go along with this program developing we will find that we will be able to draw good men here who will be capable and can serve with the efficiency with which they should serve.

Many of these boys who are now serving as guards here, as we call them, have

no ability to use a gun, have never been trained in how to use a gun, and would not serve in any way in an emergency if there were an attack here such as we had with the Puerto Rican situation.

So I say to you today that I think that as a Congress we must take this step to set up a Capitol Police force that will be efficient and strong and deserve recognition and respect throughout all the Capital.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield.

Mr. MILLER of California. I suggest that these men be trained in courtesy, too. If one goes to Ottawa he finds that the guards on duty there are most courteous in showing people around. These men should receive that kind of training.

Mr. KEARNS. I think the gentleman is correct. These men should be trained to the utmost in their attitude of courtesy toward people. I think that should be one of the prime requirements.

Mr. LECOMPTE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BENTLEY], one of the gentlemen who suffered in the cowardly assault made on this floor on March 1.

Mr. BENTLEY. Mr. Chairman, like a lot of our colleagues here, I know that before the 1st of March I was not very much concerned about security. I did not think any was going to be needed in this Chamber. Then, like all of us that day, I certainly got very security conscious in an awful hurry.

I am not prepared to say what a uniformed, trained police force would have been able to do on that day. I do not think the finest police force in the world could have stopped the assault, although I do think that if we had had those trained men immediately available our Puerto Rican friends would not have been able to stand up there and fire down on us, and go through their magazines and even reload in some cases. I can recall that when I heard the shots I thought a couple of good foxholes would have done us much more good than maybe the police, but that is beside the point.

There has been a lot of discussion since that assault about what should be done. The gentleman from Texas said a little while ago some consideration had been given to putting heavy bulletproof glass all around the galleries and a wire screen above that so you could not throw a bomb over. I understand there was consideration being given to that, and then the cost factor came into it and the fact that the glass might be a little heavy for the gallery, and those and other factors ruled that out.

Then there was the thought of putting up some sort of electric eye that would screen all the visitors coming into the Capitol to determine whether they were carrying pistols or anything like that. Anything that picks up metal like that might be a little bit embarrassing to some people. It might be a little embarrassing to me. I still have some metal inside of me here, so I certainly would not go for that.

I do not know whether or not this bill is the answer to it, the final answer, but I do know this. I know that when I was walking over to answer the last quorum call some of my colleagues said I did not have any business to be around here. All of us were pretty lucky that day, whether we were here or not. I think we were terribly lucky. If it had not been for the fact that instead of dropping a couple of bombs down here or instead of using a few machine guns, maybe; if it had not been for the fact that you had 4 deluded people up in that gallery up there, and 3 of them apparently could not control their Lugers, and one of them, the lady, according to the jury, was not trying to shoot anybody, anyway; if it had not been for those factors Heaven only knows what might have happened in this Chamber.

As I said when I had the privilege of coming back and addressing the House for the first time on April 27, I think the only sensible thing to do is to try to derive some sort of a lesson from the good fortune that befell all of us on that day. As I say, I do not know that this bill is the answer. I do not think it probably is the complete answer. You could not ever get a complete answer here, and still observe the freedom, and still allow our people, when they come down here to Washington, to have that sense of closeness to their legislators in an action that they are so proud of. But I do think this is a step in the right direction.

I do think our police force should be put on a trained, professional basis. We have heard a lot of talk about consideration or preference for one type or another of individuals who might be on the force or another type who may not be on the force at the present time. I would like to suggest that the overriding consideration in this bill should be only to have only one form of preference, and that is a Congressional preference because I do not believe if we are thought of well enough by our folks to send us down here to represent them that we can put our security on too high a basis. I have looked over this bill and I have read the report of the committee. They have done a good job of it. In time, perhaps, we can go on and take further steps which will prove beneficial and useful. I think the idea of putting our Capitol Police force on a merit basis, as is done in this bill and raising its standards so that they will be able to guarantee the security of the Congress more effectively than has been the case is a highly understandable and commendable step, and I urge the passage of the bill.

Mr. LECOMPTE. Mr. Chairman, I have no further requests for time.

Mr. BURLESON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the substitute committee amendment printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

SHORT TITLE

SECTION 1. This act may be cited as the "Capitol Police Reorganization Act of 1954."

UNITED STATES CAPITOL POLICE

SEC. 2. (a) There is hereby established for the protection of the Congress and the United States Capitol Buildings and Grounds a police force which shall be known as the United States Capitol Police (hereinafter referred to as the "Capitol Police force").

(b) The Capitol Police force shall consist of such number of members as the Capitol Police Board determines to be necessary to carry out the provisions of this act: *Provided*, That such number shall not exceed 200.

(c) The duties imposed by law on the Capitol Police force shall be performed under the general direction and control of the Capitol Police Board, established by the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946, as amended (40 U. S. C., secs. 212a and 212b).

(b) There shall be at the head of the Capitol Police force an officer to be known as the "Chief, United States Capitol Police" (hereinafter referred to as the "Chief, Capitol Police"), who shall be appointed by the Capitol Police Board in accordance with section 3, and who shall directly supervise the Capitol Police force in the performance of its duties in accordance with such rules and regulations as the Capitol Police Board shall prescribe pursuant to section 11.

(e) In case of a vacancy in the office of Chief, Capitol Police, or the suspension of the incumbent, or the incapacity or inability of the incumbent to perform the duties of such office, the Capitol Police Board may authorize another member of the Capitol Police force temporarily to act as, and exercise the functions and powers of, the Chief, Capitol Police.

(f) There are hereby transferred to the Capitol Police force all functions and powers vested in the Capitol police, as established by section 1821 of the Revised Statutes of the United States (40 U. S. C., sec. 206)—

(1) by section 1826 of the Revised Statutes of the United States (40 U. S. C., sec. 215),

(2) by the act entitled "An act to protect the public property, turf, and grass of the Capitol Grounds from injury," approved April 29, 1876 (40 U. S. C., sec. 214), and

(3 by section 9 of the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946 (40 U. S. C., sec. 212a).

APPOINTMENT OF MEMBERS

SEC. 3. (a) The members of the Capitol Police force shall be appointed by the Capitol Police Board, without regard to political affiliations and solely on the basis of fitness to perform the duties of the offices or positions to which they are appointed. The Capitol Police Board shall prescribe uniform mental and physical standards for each of the classes of offices and positions specified in the table set forth in section 6 (a). No individual shall be appointed to an office or position on the Capitol Police force (1) unless he meets the applicable standards so prescribed by the Capitol Police Board, (2) unless he has successfully passed the mental examination and physical examination given in accordance with section 4, and (3) unless he has been investigated as to loyalty and security by the Federal Bureau of Investigation and a report thereon has been made to the Capitol Police Board and, after consideration of such report, the Board believes that the individual is loyal to the United States, its Constitution, and its form of government.

(b) The Capitol Police Board shall keep a register of applicants for appointment to the Capitol Police force who have made a score of 75 points or more as computed according to subsection (c). Except as provided in subsection (e), members shall be appointed to the Capitol Police force from such register. In making an appointment to any office or position on the force, the Capitol Police Board shall make its selection from among the highest three names of those individuals on such register who are

eligible for appointment to the office or position.

(c) The standing of a particular applicant on the register of eligible applicants shall be determined by adding the following:

(1) The number of points up to a maximum of 40 which he receives on the mental examination given by the Civil Service Commission pursuant to section 4 (a);

(2) The number of points up to a maximum of 30 he receives on the physical examination given by the attending physician of the Capitol pursuant to section 4 (b);

(3) The number of points up to a maximum of 20 which he receives as a result of an oral interview conducted by a 5-member board composed of 1 officer or employee of the Federal Bureau of Investigation of the Department of Justice appointed by the Director of the Federal Bureau of Investigation, 1 officer or member of the Metropolitan Police force appointed by the Chief of Police of the Metropolitan Police force, and the 3 members of the Capitol Police Board; and

(4) The number of points up to a maximum of 10 which he receives as a result of other qualifications which he may have, such as education, previous training, or experience, as determined by the Capitol Police Board.

Any applicant who receives 75 or more points and who served on active duty in any branch of the Armed Forces of the United States, during any war, or in any campaign or expedition (for which a campaign badge has been authorized), and who has been separated therefrom under honorable conditions, shall have an additional 5 points added to his score, and if the applicant has a service-connected disability of at least 10 percent he shall receive an additional 5 points.

(d) For 1 year following the date of his appointment, a member of the Capitol Police force shall be on probation. If during the period of probation the conduct of the member, or his capacity to perform his duties, is unsatisfactory to the Capitol Police Board, he shall be notified in writing to that effect and shall be removed from the force.

(e) The Capitol Police Board is authorized to prescribe regulations, consistent with this act, governing the filling of offices or positions on the Capitol Police force, in any grade above that of private, class 4, through the appointment of individuals who are already members of the force.

EXAMINATIONS FOR APPOINTMENT

SEC. 4. (a) For the purposes of appointments to offices and positions on the Capitol Police force—

(1) the Civil Service Commission shall prepare, and give, at such times as the Capitol Police Board shall designate, examinations which will fairly test the relative mental capacity and fitness of the persons examined to perform the duties of the offices or positions to which they may be appointed,

(2) the attending physician of the Capitol shall prepare, and give, at such times as the Capitol Police Board may designate, examinations which will fairly test the physical qualifications of the persons examined to perform the duties of the offices or positions to which they may be appointed.

(b) The results of any examination referred to in this section shall be given only to the individual who took the examination, the Chief, Capitol Police, the Capitol Police Board, the Committee on Rules and Administration of the Senate, and the Committee on House Administration of the House of Representatives.

REMOVAL FOR PHYSICAL INCAPACITY; AGE BEYOND WHICH MEMBERS MAY NOT SERVE

SEC. 5. (a) The Capitol Police Board may at any time require any member of the Capitol Police force to take a physical examination to be given by the attending physician of the Capitol, and if, as a result of such examination, the attending physician finds that such member is no longer physically qualified to perform the duties of the office or position he holds he shall be removed from the office or position he holds.

(b) No individual may be a member of the Capitol Police force after the last day of the month during which he shall have attained the age of 62 years.

COMPENSATION

SEC. 6. (a) Except as provided in subsections (b) and (c), the annual basic salaries of the members of the Capitol Police force shall be at the rates set forth in the following table:

Chief, Capitol Police	$10,000
Captain	8,500
Lieutenant	6,009
Sergeant	5,521
Chief clerk	5,521
Private, class 4 (3 or more years' service)	4,641
Private, class 3 (2 or more but less than 3 years' service)	4,378
Private, class 2 (1 or more but less than 2 years' service)	4,115
Private, class 1 (less than 1 years' service)	3,900

(b) The annual basic salary of a private of any class of the force shall be increased by $300 while he is assigned to duty as a station clerk.

(c) The annual basic salary of each member of the Capitol Police force (other than Chief, Capitol Police), in a grade above that of private, class 3, shall be increased by $120 at the beginning of the next pay period following each 5-year period of continuous service completed in such grade after the date of enactment of this act. For the purpose of this subsection, service shall not be deemed to have been discontinued by reason of any assignment (with an accompanying increase in basic salary) pursuant to subsection (b). An increase in basic salary under this subsection shall be known as a "longevity increase."

(d) Except in the case of appointment to the office of Chief, Capitol Police, any member of the Capitol Police force who is promoted to an office or position in a higher grade in the salary table set out in subsection (a) and who, immediately prior to being appointed to such higher grade was receiving one or more longevity increases under subsection (c), so that his basic salary, as increased by such longevity increases, was in an amount in excess of the basic salary for the higher grade to which he is so promoted, shall, upon appointment to such higher grade, be entitled to the basic salary of such higher grade plus an amount equal to the minimum number of longevity increases which will make his salary in such higher grade not less than the salary he received before being appointed to such higher grade, including longevity increases.

(e) Whenever the Capitol Police Board, acting under section 9 (e), demotes any member of the Capitol Police force to a lower grade and such member prior to such demotion was receiving one or more longevity increases, such Board may, in its discretion, exclude from such member's rate of compensation one or more of such longevity increases.

(f) For the purpose of determining the longevity increases to which an individual is entitled under this section, service of such individual as a member of the Capitol Police as established by section 1821 of the Revised Statutes of the United States shall not be counted. An individual who is appointed to the Capitol Police force under this act as a private, after having had more than 1 year, in the aggregate, of Capitol Police service, as hereinafter defined, shall be appointed to the grade of private, class 2. For purposes of the foregoing sentence the term "Capitol Police service" means service as a member of the Capitol Police as established by section 1821 of the Revised Statutes of the United States, and service as a temporary member of the Capitol Police force in accordance with section 14.

ANNUAL AND SICK LEAVE

SEC. 7. (a) Subsection (b) of section 202 of the Annual and Sick Leave Act of 1951 (5 U. S. C., sec. 2061 (b)) is amended by adding at the end thereof the following new paragraph:

"(4) Notwithstanding subparagraph (H) of paragraph (1) of this subsection, this title (except sec. 204, relating to sick leave) shall apply to members of the United States Capitol Police."

(b) Members of the Capitol Police force shall be entitled, under such regulations as the Capitol Police Board shall prescribe, to leave with pay on account of sickness, not to exceed 30 days in any 1 calendar year.

(c) In the case of any member of the Capitol Police force disabled by injury received, or disease contracted, in the actual discharge of his duty, the Capitol Police Board is authorized to grant such leave with pay, in addition to that provided for in subsection (b), as the Attending Physician of the Capitol may recommend.

UNIFORMS AND EQUIPMENT

SEC. 8. (a) The Capitol Police Board shall determine the uniform to be worn by members of the Capitol Police force, and shall make such regulations as it may deem necessary governing the wearing of such uniform.

(b) Members of the Capitol Police force shall be furnished, at Government expense, such uniforms, belts, arms, and other personal equipment as the Capitol Police Board may deem necessary for the performance of their duties. The expense of maintaining his uniform in proper condition shall be borne by the member of the force.

SUSPENSION, REMOVAL, AND OTHER DISCIPLINARY ACTION

SEC. 9. (a) The Chief, Capitol Police, may be suspended or removed from office by the Capitol Police Board, and any other member of the Capitol Police force may be fined, demoted, suspended, or removed from his office or position by the Capitol Police Board, but, except as provided in section 3 (d) and in section 5, only in accordance with the following provisions of this section and only for any of the following causes:

(1) Commission of any offense against the laws of the United States (including the laws and ordinances of the District of Columbia) whether before or after conviction thereof in any court;

(2) Misconduct in office; and

(3) Violation of any regulation made under section 11.

(b) The Capitol Police Board may by order suspend (either with or without pay), or remove from office, the Chief, Capitol Police, for any cause specified in subsection (a), but only after such Board (1) has preferred charges against such Chief in writing, (2) has afforded him a reasonable opportunity for hearing on such charges, and (3) has prepared written findings in support of its action. The Board shall furnish to such Chief a copy of its order and its findings.

(c) Whenever the Chief, Capitol Police, is so suspended or removed from office, he may file a written appeal with the President pro tempore of the Senate and the Speaker of the House of Representatives on or before the 30th day after the date he was furnished a copy of the order and findings of the Capitol Police Board.

(d) Whenever an appeal is filed under subsection (c), the President pro tempore of the Senate shall appoint 4 Senators, 2 from each of the 2 major political parties, and the Speaker of the House shall appoint 4 Representatives, 2 from each of the 2 major political parties, who shall sit as an appeals board to hear and act upon such appeal and the decision of such appeals board shall be final.

(e) The Capitol Police Board may by order fine, demote, suspend (either with or with-

out pay), or remove any member of the Capitol Police force for any cause specified in subsection (a), after (1) the Chief, Capitol Police, has preferred charges against such member in writing, and (2) the Capitol Police Board has afforded such member a reasonable opportunity for hearing on such charges. The action of the Capitol Police Board shall be final.

(f) Any member suspended or removed under this section who is reinstated or restored to duty, on the ground that such suspension or removal was unjustified or unwarranted, shall be paid compensation at the same rate as the compensation being received by him immediately prior to such removal or suspension, for the period with respect to which he received no compensation because of such suspension or removal, less any amounts earned by him through other employment during such period, and shall for all purposes except the accumulation of leave be deemed to have rendered service during such period.

(g) Any member demoted under this section who is restored to the office or position from which he was demoted, on the ground that such demotion was unjustified or unwarranted, shall be paid compensation at the same rate as the compensation being received by him immediately prior to such demotion, for the period for which he received no compensation with respect to the office or position from which he was demoted, less any amounts he received as compensation with respect to the office or position to which he was demoted.

(h) All fines imposed under this section shall be covered into the Treasury of the United States as miscellaneous receipts.

(i) No individual removed under this section from any office or position on the Capitol Police force shall be reappointed a member of such force, except that this subsection shall not prohibit reinstatement or restoration to duty of any individual whose removal has been held to have been unjustified or unwarranted.

EXTENSION OF CIVIL SERVICE RETIREMENT ACT TO MEMBERS OF THE CAPITOL POLICE FORCE

SEC. 10. Clause (c) of section 4 of the act entitled "An act to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to certain employees in the legislative and judicial branches of the Government," approved July 13, 1937 (5 U. S. C., sec. 693d), is amended to read as follows: "(c) the United States Capitol Police,".

REGULATIONS

SEC. 11. The Capitol Police Board may make, modify, and enforce such regulations, not inconsistent with the provisions of this act, as it deems necessary for the proper government, conduct, discipline, and good name of the Capitol Police force.

GOVERNMENTAL SERVICES AND FACILITIES

SEC. 12. All departments, agencies, and instrumentalities of the Federal Government, and of the municipal government of the District of Columbia are authorized and directed to furnish and to make available to the Capitol Police force such of their services and facilities as the Capitol Police Board deems necessary to aid the Capitol Police force in carrying out its duties (including the training of members of such force).

DISBURSEMENT OF APPROPRIATIONS

SEC. 13. All sums appropriated to carry out this act shall be disbursed by the Clerk of the House of Representatives.

TEMPORARY MEMBERS

SEC. 14. (a) Each individual who, immediately prior to the time this act takes effect, is a member of the Capitol Police as established by section 1821 of the Revised Statutes of the United States (40 U. S. C., sec. 206), shall have, from the time this act takes effect, the status of a temporary member of the Capitol Police force created by this act, but such individual, while having such status, shall be in the same grade and receive the same rate of compensation held and received by him, and shall continue to be subject to the same provisions of law with respect to retirement to which he was subject, immediately prior to the time this act takes effect. No such temporary member shall have any right to benefit granted by this act to members of the Capitol Police force created by this act, but he shall have the same rights and benefits to which he would be entitled if this act had not been enacted and he were still serving in the Capitol Police established by section 1821 of the Revised Statutes.

(b) The Capitol Police Board shall remove, at such time as it deems appropriate, but in any event no later than December 31, 1954, any such temporary member who, on or before December 31, 1954, has not been appointed to the Capitol Police force created by this act. Any individual removed under this subsection shall be removed under the same terms and conditions, and entitled to the same rights and privileges, as he would be if this act had not been enacted and he were being removed from the Capitol Police as established by section 1821 of the Revised Statutes of the United States (40 U. S. C., sec. 206).

REPEALS AND AMENDMENTS

SEC. 15. (a) The following laws and parts of laws are hereby repealed:

(1) The provisions of law codified as section 206 of title 40 of the United States Code;

(2) Section 1822 of the Revised Statutes of the United States (40 U. S. C., sec. 207);

(3) Section 1823 of the Revised Statutes of the United States, as amended (40 U. S. C., sec. 208);

(4) The proviso at the end of the first sentence under the subheading "Capitol Police" under the hearing "Legislative," in the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the year ending June 30, 1876, and for other purposes," approved March 3, 1875 (40 U. S. C., sec. 209);

(5) Section 1824 of the Revised Statutes of the United States (40 U. S. C., sec. 210);

(6) Section 1825 of the Revised Statutes of the United States (40 U. S. C., sec. 211);

(7) The provisions of law codified as section 212 of title 40 of the United States Code;

(8) The last sentence of section 14 (c) of the act entitled "An act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes," approved July 31, 1946, as amended (40 U. S. C., sec. 212b (c)); and

(9) The provisions of law codified as section 213a of title 40 of the United States Code.

(b) The first sentence of section 102 (a) of the Federal Employees Pay Act of 1945, as amended, is amended by striking out "and" immediately before "(6)" and inserting immediately before the period at the end thereof the following: "; and (7) members of the United States Capitol Police."

EFFECTIVE DATE

SEC. 16. This act shall take effect on the first day of the first month beginning more than 30 days after the date of its enactment.

Mr. LECOMPTE (interrupting the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and be open for amendment at all points.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BAILEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY: On page 22, line 8, after the period, insert "*Provided*, That any individual presently employed as a member of the Capitol Police force who is a disabled war veteran shall be exempt from the provisions of section 3 of this legislation requiring a physical examination should he otherwise qualify."

Mr. BAILEY. Mr. Chairman, there is no need to take 5 minutes to explain the intent of this amendment. This cannot possibly affect more than 2 or 3 or as many as 4 members of the present police force. It makes no attempt to in any way interfere with the selection and qualifications of future members of the force. I am talking about some 2 or 3 individuals who are members of the present police force who are disabled veterans. I have in mind one individual who was serving when World War II was declared. He went into the service and he came back and resumed his duties on the police force. He is on the police force today. He is a married man with two children and is trying to pay for a home.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield providing you do not make an argument.

Mr. LECOMPTE. Mr. Chairman, I ask the gentleman to yield for a question.

Mr. BAILEY. I yield to the gentleman.

Mr. LECOMPTE. I was going to ask the gentleman why he believes there is any reason to think that the gentleman cannot qualify under this bill. I think he will qualify from what you say about him. He will be automatically on the police force.

Mr. BAILEY. He will be, but will he be able to qualify if he is so disabled?

Mr. LECOMPTE. He is qualified now. I think he can qualify. He will have to meet the physical requirements.

Mr. BAILEY. If you require a pretty stiff physical examination, he will not be able to qualify because he is sufficiently injured to be drawing disability compensation.

Mr. LECOMPTE. That in itself does not bar him. That would not bar him.

Mr. BAILEY. What you do here is you give him the ordinary veteran's preference on page 22, which contains the section I am trying to amend.

Mr. LECOMPTE. We also give him a 5-percent credit for disability.

Mr. BAILEY. Then you provide within 10 days or 30 days after you have declared him a member of the police force to call him up for another physical examination, and he has no 5 percent or 10-percent preference rights. I want to make this point, Mr. Chairman. I want to make this plea to my colleagues of the House: These men earned that disability in the defense of the United States and not in the defense of this Congress. We, the Members of Congress, are just as expendable as that man was when we sent him into the front lines to serve the United States. He comes first, not the Members of this Congress. Now I dare you to bar that man from membership on the police force who has gone

out and received wounds and been declared disabled just because you want to set up a permanent police force. There are plenty of desk jobs that he can hold. Why bar him in the beginning.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. HOFFMAN of Michigan. Will you go so far as to say that no one but disabled veterans should run for Congress?

Mr. BAILEY. I do not get the intent of the gentleman's inquiry. I would not want to bar him from running for Congress.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. LECOMPTE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I read to the House the provision on pages 21 and 22 which gives preference to all veterans of all wars, even for campaigns or expeditions for which a campaign badge has been authorized. In addition to that, if the applicant has a service-connected disability of at least 10 percent, he shall receive an additional 5 points. After that he may be receiving disability compensation through the Veterans' Administration and even that does not qualify him in any way in the world.

Mr. BAILEY. Look at page 23, section 5, subsection (a).

Mr. LECOMPTE. I do not yield to the gentleman.

All of the men on the police force at the present time are covered under this act in the new Capitol Police force. Of course, if he is 100 percent disabled or 75 percent disabled, perhaps he could not qualify to serve on the police force. I think it was the gentleman from North Carolina [Mr. DEANE] and the gentleman from Texas [Mr. BURLESON], who emphasized that we must take care of disabled veterans, and we have got that written in there. I do not see how it could be any plainer than it is on page 22.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I yield.

Mr. EBERHARTER. Does the gentleman know whether or not the bill takes care of the veteran who is receiving 10 or 15 percent disability, whether or not it would have any effect on his salary?

Mr. LECOMPTE. Oh, no. That would not be deductible from his salary. His disability compensation is in addition to any salary he draws any place else.

Mr. EBERHARTER. The bill does not so provide.

Mr. LECOMPTE. Well, that is regular in all statutes. Any man working for the Government may have disability compensation, but that does not affect his salary as an employee of the Government.

Mr. EBERHARTER. I have been informed that it does in some cases. Does not the gentleman think the veteran ought to be protected?

Mr. LECOMPTE. He is protected.

Mr. EBERHARTER. Is there anything here that does protect him?

Mr. LECOMPTE. There is no deduction from anybody's salary because of a disability compensation. I have never known that to occur any place.

Mr. EBERHARTER. I have been informed that it does.

Mr. LECOMPTE. A pension and disability compensation are two different things. I do not believe I have ever heard of disability compensation being deducted from a man's salary.

Mr. EBERHARTER. Would the gentleman object if we added that additional protection?

Mr. LECOMPTE. It would not be any additional protection because he has that protection. We cannot give him anything he does not have. I am in favor of having that, but I do not see how you could write that into the bill to give him any more protection than he has. The gentleman recognizes that disability compensation and a pension are under different categories?

Mr. EBERHARTER. It would affect a man receiving a pension?

Mr. LECOMPTE. If he is drawing a pension, he has to be a man who does not have sufficient income or he would not be entitled to the pension. I think it would be a mistake, Mr. Chairman, to adopt this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOSS. Mr. Chairman, I rise in opposition to the amendment. I cannot agree with the gentleman from West Virginia [Mr. BAILEY] that we do in fact give service preference and take it away in another section of the bill. That was not the intent and that is not the fact.

This matter was given great consideration.

Mr. BAILEY. If the gentleman will yield, and he should since he has mentioned my name, will the gentleman explain to me section 5 (a)?

Mr. MOSS. If the gentleman will withhold for just a few moments, that is exactly what I will do. Section 5, subsection (a) that the Capitol Police Board may at any time require any member to take a physical examination to be given by the attending physician of the Capitol, requires that the examination show that the person is able to perform his duties. That is not any different than the situation right now. At any time that the Capitol Police Board should determine that the gentleman you have referred to is not physically fit to perform his duties he would no longer be retained in the employment of the Congress. This is not an unreasonable requirement, it is a very ordinary requirement. I can think of no police force that does not have a similar requirement.

Mr. BAILEY. Then of what value is the 5- and 10-percent preference clause?

Mr. MOSS. The same value that it is in every instance where a man seeks employment in the Government.

Mr. BAILEY. You give it to him in one section and take it away from him in the other.

Mr. MOSS. You do not take it away from him. You have merely required that a man be physically fit to do the job he is employed to do. I say it is not an unreasonable requirement.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Texas.

Mr. BURLESON. In fact that is the only purpose for allowing the 10 percent for disability.

Mr. MOSS. That is correct.

Mr. DEANE. Mr. Chairman, will the gentleman yield further?

Mr. MOSS. I yield to the gentleman.

Mr. DEANE. In the passage of legislation like this certain people will be penalized. The age limit in the bill is 62 years. There are 5 or 6 men on the force today who are 70 years of age. If we make exceptions in one case it seems to me it would be only fair to make them in terms of all these deserving men.

I am glad to associate myself with the gentleman from California who has worked so hard and faithfully in helping draft this legislation.

Mr. MOSS. I want to make this comment. It is well to recall here what we are trying to do. We are trying to provide more security by creating a professional police force, by holding out inducements to attract the best possible people. It is not aimed at eliminating from the present force any man who is qualified. To require a minimum of physical fitness from a police officer is not in any way unreasonable. I think it would be fundamentally dishonest to say that a man unfit physically to perform his duties should continue on the payroll regardless.

I urge that you defeat the amendment.

Mr. SIEMINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sorry to take this time; it is late, but I would like to ask one or two questions of the committee, if I may, as to what constitutes "best security," and even if a man has physical fitness, is that where you stop?

For example, when General MacArthur delivered Seoul, the capital of Korea, to Syngman Rhee in October 1950, one-half hour before the general and Mr. Rhee entered the building, an officer spotted some live dynamite wired over the front portal ready to blow up the capital as soon as General MacArthur and his staff entered. The dynamite was placed above the door level where a person would see it only by chance. No amount of physical ability could have met that situation; it took headwork.

Secondly, securitywise, militarily speaking, there could be better traffic direction within this bulding. There should be a clear set of entrances through which visitors could be admitted and checked. That, however, does not require physical ability; like other safety items, it requires a little more headwork and not so much brawn especially, to give you the best type of security. But the question is, Do you want to remove the democratic essence of the House and the Senate and the Capitol by giving it a military, police-state posture? I think not.

Third, there has been no mention of the trend of emotion in the country, especially when highly tense issues are in debate. When the shooting took place in this Chamber on March 1, we were arguing about the wetbacks, a very controversial measure; before and during formal debate on the bill, many uncomplimentary remarks were made about

some of our Latin American friends. There was, in addition, a great emotional tenseness in the land. When the bill was presented, tenseness, independent of the wetback situation, was rampant. The Nation was at that time engrossed in many investigations against the Reds. It does not require physical ability alone to spot a controversial or volatile mood, and that, as a result, there might be danger. The Reds will do anything to gain their ends, to strike terror, or to slaughter, at such moments. I do not think even the best qualified man is going to stop a bullet from being shot, with the mood of the land so tense. The secret service did not prevent the firing of bullets at Blair House when President Truman was there. It is for us, and others, to keep the morale of the land attuned to peaceful pursuits and orderly procedures. If we fail in that, then we must take the consequences, as was done on March 1 here in the House. Brainwork must accompany brawn in this whole issue.

I ask, Can a man who might have been wounded in action, a man with a head on his shoulders, can he qualify under this bill to, say, to help supervise or plan in arranging for continuing security? Not only for ourselves but for the visitors when they come into the gallery?

I would not want a police badge to be seen in this Chamber. I want it kept a civil, deliberative institution. I want the people to feel they do not have to be openly monitored when they come here. Plainclothes men can do, especially during debate. Flashing badges are out. I want to see men in plainclothes so that people do not feel they are being monitored. Our Government is an honor system. We, as individuals, are replaceable. Every man in this Chamber who was wounded came back here and thanked God for being alive. Let us place a little more faith and hope in the divine, and realize that operating our form of freedom by Government is itself a very dangerous undertaking. Revolutions show that the mood of the land must not be abused, lest blood flow. In the face of an ugly mood, competent police in the gallery can do many heroic things to promote security, but they cannot do it alone.

Now, do you allow head work to come in as a qualification under this bill, Mr. Chairman?

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. SIEMINSKI. I yield to the gentleman from Iowa.

Mr. LECOMPTE. The selection of a permanent police force is delegated to the Capitol Police Board. We very carefully added, at the suggestion of the gentleman from North Carolina who took such an important part in drawing this legislation the provision that there will be questions and answers, and that there will be in addition to the Capitol Police force an employee of the Federal Bureau of Investigation of the Department of Justice appointed by the Director of the Federal Bureau of Investigation, one a member of the Metropolitan Police force appointed by the Chief of Police of the Metropolitan Police force, with the 3 members of the Capitol Police force, 5 members, to examine the men before they are appointed to the Capitol Police force.

Mr. SIEMINSKI. Will there be an opportunity for a man who might have been grievously wounded in battle to show he has something above the shoulders? After all, we are interested in survival, which includes top-flight planning as well as agile action.

Mr. LECOMPTE. We have the regular 10 points and he will have a chance to present his case before that group and they can judge his ability and give him 40 points on it.

Mr. SIEMINSKI. That is all I care to say. I did not think I could vote for this measure unless you showed in this measure consideration for a man having it above the shoulders as well as in the body.

Mr. LECOMPTE. That is what we are trying to do. We are trying to get an efficient, permanent, nonpartisan professional police force.

Mr. SIEMINSKI. I thank the gentleman.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the requisite number of words.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Chairman, it is with profound sorrow that I call attention to an incident that happened here on the floor a week ago tomorrow and to one that occurred today.

Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOFFMAN of Michigan. A week ago the distinguished gentleman from Indiana, our majority leader whom we all follow when we can—and his task these closing days is a most difficult one, ably performed, had given us assurances that if we would stay on the floor and vote on the amendments the vote on the bill would come on Saturday morning. Some 40 or 50 of us, acting in good faith, stayed. The gentleman from Indiana attempted to carry out his agreement with us. But the gentleman from Texas [Mr. RAYBURN] made a very emotional plea in behalf of his Texas colleagues. He pleaded that Members of the Texas delegation were down South working in the primary election—six of them I think he said—and would be back Monday. That in fairness to them the vote should not be taken on Saturday. He rather severely criticized our leader. He insisted that the vote go over until Monday, and the gentleman from Indiana, yielding, being a little—I was about to say "soft," but I will say "kindly disposed" and wanting to maintain amicable relations with the minority leader, unable to withstand the flood of Texas tears he put us on the block—and again we do not complain for we know his task is difficult—threw us, 35 or 40 of us, over the fence. And that was all right with me. I do not care, and I do not know of any of the rest who care. We realized his position—are satisfied. So, the vote went over until Monday so that these 6 gentlemen, our colleagues from Texas, could attend their primaries. Perhaps they are more valuable as Members of Congress than am I but that is not true of the other Michigan Members—especially our colleague from the 6th district, Miss THOMPSON, who serves so well and faithfully. There are 12 of us from Michigan that have primaries on the 3d of August. That is next Tuesday. We outnumber them 2 to 1. Are we only half as valuable? So, when the issue came up today they made sure that we could not go home and take care of our Michigan primaries. That is the way they treated us. It does seem a trifle discriminatory. And today—where were the six from Texas—still home?

Mr. Chairman, I yield back the balance of my time.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I speak with reluctance because I appreciate the good intentions, the study and the time that have gone into the preparation of this bill by the distinguished members of the committee. My reluctance is the greater because the measure has favorably passed the scrutiny of leadership both Republican and Democratic and under a bipartisan sponsorship is brought before us with the expectancy of a prompt and unanimous adoption. Under such circumstances it would seem presumptuous on my part to set my judgment above that of great statesmen with long and honorable records of service in this body.

I have been a Member of but 2 Congresses, 1 of Democratic administration and 1 of Republican administration. I have seen no difference in the courtesy and the degree of service of our Capitol police.

Some of them may be young men who are attending the colleges and universities in this area. I have found them without exception courteous, competent, alert. I do not think it is to their discredit that they are working their way through college. I do not think that it detracts from the service that they render as police officers that they are enabled to go on with their education.

It may be that some of the members of the Capitol Police force have passed the age of 62. I am not because of that fact for throwing them to the dogs as long as they continue efficiently to function, as I have without exception observed them perform the duties of their assignment.

OUTRAGE OF MARCH 1

It happened that on the 1st day of March of this year a group of fanatics, gaining entrance to the galleries of this House in the manner that had obtained for a century or more, outraged the dignity of the House and the traditions of a self-governing people.

For many years visitors to Washington, including delegations of school children, visiting the Capitol of their country in the spirit of pilgrims to a shrine, had come to the galleries of this Chamber to witness the legislative functioning of the democracy of which they were a part. It remained for these fanatics, possessed of no real grievance, for the first time in our history to violate all the

restraints of a people gifted with the ability of self-government.

The lives of Members then on the floor of this House were by their conduct endangered. I think we all feel very deeply that only the benevolent will of God saved the lives of many Members. I can only interpret the sparing of our lives in this tragical incident as a manifestation of the divine acceptance of our country and our Government as an instrumentality for the fulfillment of His purposes.

DEMAND FOR GREATER SECURITY

It is natural and proper that being forewarned, by something that had happened that never had happened before, ways should be considered of minimizing the possibility of a repetition. The Members of the Congress, and especially the members of the committee charged with the responsibility, have given much thought to the subject.

At one time I understood the proposition was considered of building enclosed walls of bulletproof glass to separate the visitors in the galleries from the legislators on the floor of this body. I do not like to feel that my constituents coming to their Capitol, sometimes at financial sacrifice, would be separated from me as I represent them on this floor by a wall of bulletproof glass. I am sure that all my colleagues, including those on the committee, entertained a similar thought.

PICKING ON CAPITOL POLICE

Unfortunately, in discarding a security proposal not to anyone's liking, and challenging the good reputation of the many millions of Americans visiting their Capitol, the Capitol Police were picked on. I am using the words "picked on" with well-considered judgment.

The Capitol Police were not, as everyone knows, a factor in the atrocity of March 1, 1954. Theirs was not the responsibility of protecting the galleries. It was not part of their job. To the contrary, the authority for protection of the galleries was vested elsewhere.

This bill implies, no matter what its proponents may say to the contrary, that the outrage of March 1 would not have occurred if the present Capitol Police had been on the job. Because I want to be fair, and because I think this House in everything should be fair, I do not like the implication.

ENVIABLE RECORD OF 102 YEARS

What is the record of the Capitol Police?

For 102 years there has not been a fatality resulting from a traffic accident in the area under the protection of the Capitol Police. Every day when I come to this House and when I return from this Chamber to my office I get safely across the street despite the fact that there are few streets in America that are filled with more traffic hazards. This is true of every other Member of this body. It is true in like measure of every child, of every woman, and of every man, constituting our constituents, who come to visit us in the Capitol of their country.

I have never seen an instance in the two Congresses of which I have been a Member, one Democratic and one Republican, when the utmost in protection, in direction, and in courtesy has not been extended by the Capitol Police. I think, Mr. Chairman, that the job they have done in the zone of duty to which they have been assigned constitutes a policing record that never has been and never will be excelled.

LONGER CONSIDERATION NEEDED

Whether you can get a better job done and with the same contribution to good public relations, as well as security, by changing the system I certainly think should be given longer consideration. Among many other things to be considered is whether we should give priority to protecting ourselves from the public, mostly our own constituents, or protecting from traffic fatalities in a dangerous area, and from discourtesy, our own constituents.

Whether we want and feel that we need for our own security a professional police force is a matter I think can be determined with a clearer evaluation of all the factors after we have been home for a few months mingling with our constituents. We are in the closing days of a hard and long session. Soon this Chamber will be vacant and the galleries will be unoccupied. There will be no danger of a repetition of March 1 until the 84th Congress convenes in January. Why then the rush of hurrying through this legislation?

What sense does it make when in the intervening months there will be no danger to say that the passage of this bill at this time is demanded by a proper sense of security? I am not saying that there should not be at the proper time and after the proper consideration legislation minimizing the dangers of a repetition of March 1, 1954.

UNIFORMED POLICE IN GALLERIES

I do not know that it is in the interest of good government that we should have uniformed policemen stationed in the galleries. This is not the practice in the case of protection of our President, our governors, and the mayors of our large cities. They are protected, and they should be protected, especially since there has been an alarming increase in mental disorders. But it is not done by the public display of uniforms and guns. Indeed it is done so that in most instances the public is not aware of the protecting personnel.

I think, Mr. Chairman, that to rush pellmell and in the closing days of this session into the adoption of legislation of this character might end in a gesture of security ending up in something actually increasing the insecurity.

VETERAN HAS NO PROTECTION

That the bill as it now stands is grossly unfair to the present members of the Capitol Police is so clear that no serious attempt is being made to deny it. The gentleman from West Virginia [Mr. BAILEY] has made it as clear as the ringing of a bell that under this bill the veteran has absolutely no protection.

I know of one member of the Capitol Police, badly wounded in an engagement of World War II, and if I remember correctly a wearer of the Congressional Medal of Honor, who is as clear-headed, as efficient and as courteous as any man in or out of the police service that I have ever known. Under this bill he could be called for a physical examination and if he could not wiggle his toe and twist his thumb according to the prescribed formula he would be fired.

POLICEMEN OVER 62 BANNED

Under this bill any member of the Capitol Police force who had passed his 62d birthday would be thrown to the wolves. I appreciate that this is the rule that obtains in my own city of Chicago and in many other cities. It may be all right as far as the professional police group of a large city is concerned. I am not arguing that. But I am saying that there are many outstanding police officers in our great cities forced to retirement by this arbitrary 62-year rule, who actually are in their physical and professional prime, and who in such situation can be most advantageously recruited for the Capitol Police.

Mr. Chairman, we have a growing class of American citizens in the aging group. I do not like to see the Congress of the United States put itself on record as saying that a man 62 years of age and who retains his full physical and mental vigor cannot be employed by the Congress of the United States in a job for which he is eminently well qualified.

If the Congress of the United States, fully understanding the issue, so puts itself on record I say to you that the older people of the United States, who now have the balance of voting power, will very soon make themselves felt in a position to the rear where the pantaloons start to drape from the belt.

CONCERNING PATRONAGE CHARGE

It is argued that the Capitol Police are now part of the patronage system. Permit me to say something on that score. I do know that the majority party has what is known as a patronage committee and that all appointments stem from that source. That is all I known about it. As a Member of no seniority I have had no personal contact with the system.

But as I have said I have been a Member of a Democratic Congress and a Republican Congress. I have been merely an observer, not a participant. I have seen in both Congresses the same type of young men working for us as a means of continuing their education. I have seen the same type of older men earning some means of maintaining themselves by serving us. I have seen the same type of veterans. And everywhere I have seen efficiency, I have seen exhibited a courtesy and a delight in being helpful that I have never seen elsewhere in like measure.

From this observation I have reached the conclusion that these appointments come not from political motivation but from good and understanding hearts no matter which party is in power or which patronage committee is functioning.

I do not want to see these young men now serving with the Capitol Police forced either to give up their jobs or abandon their ambitions for higher education. This would be going farther than we ever have gone in the big cities of the United States. In my own city of Chicago we are happy and proud that every year members of our police force

receive academic degrees and degrees in law and medicine and dentistry and enginering as a result of college work that they had done while in the working hours giving full time and attention to their police duties. One of my colleagues in the debate today has said that under this bill this could not be done here in Washington in the policing force which is our creation and over which for 102 years we have exercised authority.

Mr. Chairman, I have felt an obligation to myself and to what I have always regarded as what is right and what is wrong to speak my thoughts on this bill. I have done so with the utmost respect for the good intentions of those who offer the measure and of the long service and the statesmanship of those who advocate it.

OBJECTIVES SOUGHT COMMENDABLE

The objectives sought are commendable. The structure of obtaining those objectives, attaining a greater security but not at the loss of some of the precious qualities of that which we now have, requires more study. In January I am sure we can come up with a better structure, and in the meanwhile the Congress will be in adjournment and there will be no one in the galleries to be protected against and no one on the floor of this House to be protected.

I hope that this bill will not be numbered among those for which later we will have to make the excuse that it was passed in the closing spasm of a Congress that was tired out and wanted to get home.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. BAILEY].

The question was taken; and on a division (demanded by Mr. BAILEY) there were—ayes 24, noes 94.

So the amendment was rejected.

Mr. IKARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. IKARD: Page 18, line 17, after the period insert *"Provided, however,* That for the purposes of this act the Capitol Police Board shall be composed of two Members of the House of Representatives to be designated by the Speaker, two Members of the Senate to be designated by the President of the Senate, the Sergeant at Arms of the House of Representatives, the Sergeant at Arms of the Senate, and the Architect of the Capitol."

Mr. LECOMPTE. Mr. Chairman, may I say that I think this is a splendid amendment that the gentleman from Texas [Mr. IKARD] has offered. For my part, speaking only for myself on this side of the committee, I shall be very glad to accept the amendment.

Mr. BURLESON. Mr. Chairman, if the gentleman will yield, we certainly here would be glad to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. IKARD].

The amendment was agreed to.

Mr. LECOMPTE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. McCARTHY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCARTHY: Page 22, line 7, after the word "per centum" insert a comma, and following that the words: "or comparable disability incurred in line of duty as a member of the Capitol Police force."

Mr. McCARTHY. Mr. Chairman, what his amendment proposes to do is simply to give a 5-point advantage to any member of the Capitol Police force who has been injured in line of duty. If his disability is comparable to the 10 percent disability of a veteran he will be given 5-point preference.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. LECOMPTE. Would that apply to a veteran who already had 10 points?

Mr. McCARTHY. No; only to a man who has a disability comparable to a veteran's 10 percent disability, but incurred that disability as a member of the Capitol Police force. He could, and very well might, be a veteran.

Mr. LECOMPTE. And is already on the police force now.

Mr. McCARTHY. He would not necessarily have to be on it now. He would have had to be on it some time in the past.

Mr. LECOMPTE. He would have had to be on it some time in the past. There are probably not very many to whom that would apply.

Mr. McCARTHY. I know of one case but I do not know that he wants to become a member of the force again. I do not know of anyone else to whom it might apply.

Mr. LECOMPTE. Mr. Chairman, I see no objection to the amendment.

Mr. BURLESON. Mr. Chairman, may we hear the amendment read once more, to be sure that we understand it. If I heard it correctly, we have no objection to it.

The Clerk read as follows:

Amendment offered by Mr. McCARTHY: On page 22, line 7, after the word "per centum," insert a comma and following that the words: "or comparable disability incurred in line of duty as a member of the Capitol Police force."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. McCARTHY].

The amendment was agreed to.

Mr. HAYS of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAYS of Ohio: On page 20, line 16, insert *"Provided, however,* That no more than 50 percent of the Capitol Police force shall be appointed from civil-service lists."

Mr. HAYS of Ohio. Mr. Chairman, this amendment simply makes this a hybrid affair instead of being a strictly professional police force. It has been pointed out that it might be necessary to have professionals placed in strategic places in the galleries, and so forth, but I do not really see any necessity for having a well-trained professional policeman out directing traffic here in the Capitol plaza, where numerous ones are, at the street crossings, and so on. I am very serious about this. A lot of Capitol policemen have been college students who have come here and worked for 3 or 4 years directing traffic and doing various chores for which they really do not need any special training other than that which they can get in a couple of weeks. This would give an opportunity for some of those boys still to be employed. At the same time, you can have 50 percent of the police force on a professional basis to do the actual professional police work that you need done around the Capitol and the other buildings.

I shall not take any further time. That is what I have in mind by the amendment.

Mr. LECOMPTE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman's amendment would defeat the purpose of this bill, which is to get a high-class, well-trained, professional police force. That is all I have to say on that point.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. LECOMPTE. Mr. Chairman, in view of the adoption of the amendment offered by the gentleman from Texas [Mr. IKARD], in which he increases the number of members of the Capitol Police Board, it occurs to me that there should be a technical amendment on page 21, line 13, where mention is made of a five-member board. I believe that "five" should be changed to "nine." I ask unanimous consent that that change be made.

Mr. BURLESON. Actually it would constitute a seven-man board, except in the instance of the examination of the applicants, where the Metropolitan Police and the FBI are represented; that is in the examination where points up to a maximum of 20 are added.

Mr. LECOMPTE. That would change it to seven, would it not?

Mr. BURLESON. Seven, yes.

Mr. LECOMPTE. The board will be composed of 7 members, present with them being 1 officer of the FBI and 1 of the Metropolitan Police.

Mr. BURLESON. The board actually would constitute 7 men, but on the examining board there would be 2 additional, which would be the 9-man board. However, the board referred to in the bill would be only a 7-man board.

Mr. LECOMPTE—

The number of points up to a maximum of 20 which he receives as the result of an oral interview conducted by a 5-member board.

The board which is conducting it would be composed of nine, would it not?

Mr. BURLESON. It would be a 7-man board if 4 Members of Congress were added to the Sergeant at Arms of the House, the Sergeant at Arms of the Senate, and the Architect of the Capitol.

Mr. LECOMPTE. I accept that. Mr. Chairman, I ask unanimous consent that the number "5" in line 13 on page 21 be changed to "7," with the addition that is provided below of a representative of the FBI and of the Metropolitan Police.

Mr. MERRILL. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I yield to the gentleman from Indiana.

Mr. MERRILL. I would like to point out that as this was originally written it said that the examining board shall consist of 5 members composed of 1 FBI member, 1 member from the Metropolitan Police, and 3 members of the original board.

If you are going to add four members to the original board, the board referred to on line 13, page 21, the board composed of three men, the original board plus the two extra members, makes five.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I yield.

Mr. BURLESON. The gentleman is correct as he has stated it. However, there must be a distinction made between the examining board and the Police Board of the Capitol, which would have seven members.

Mr. MERRILL. Yes, but the amendment the gentleman wants to make refers to the examining board and not to the Police Board. Therefore, the number should be changed from 5 to 9.

Mr. BURLESON. In that respect, the gentleman is correct and I stand in error if you are referring to the examining board.

Mr. LECOMPTE. But the representative of the FBI and the representative of the Metropolitan Police are not, in fact, members of the board except for the purpose of making investigations and holding the examination.

Mr. MERRILL. That makes the examining board 9 and not 5.

Mr. BURLESON. I call the attention of the chairman to the fact that where reference is made to a three-man board, it should now be a seven-man board.

Mr. MERRILL. That is right.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. LECOMPTE. I yield.

Mr. JACKSON of California. I want to bring out what I think is one very important matter. While I do not know that the full intent involved here may be taken care of, I think one thing that is needed today as a preference for any professional police officer is the course of training that is offered by the Federal Bureau of Investigation and the National Police Academy. I would like to get an expression of the sense of the committee as to whether or not it is felt that as the opportunity offers, these members should be given an equal opportunity to attend the National Police Academy, as our other police agencies throughout the country.

Mr. LECOMPTE. That, I think, is covered pretty well in the bill.

Mr. JACKSON of California. I thank the gentleman.

Mr. LECOMPTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LECOMPTE:

On page 21, line 13, strike out "five" and insert "nine."

On page 21, line 19, strike out "three" and insert "seven."

The amendment was agreed to.

The CHAIRMAN. The question is on the committee substitute amendment to the bill.

The committee substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9413) to reorganize the Capitol Police force in order to increase its efficiency in the performance of its duties, pursuant to House Resolution 656, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER POSTPONED

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the special order allowed for me today for the purpose of discussing the record of our colleague [Mr. LANTAFF] be postponed until tomorrow.

The SPEAKER. Is there objection?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection?

There was no objection.

SOVIET RUSSIA WAS ESTABLISHED IN THE HEART OF EUROPE BY VIRTUE OF A BLIND FOREIGN POLICY

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, history will record that when in July 1945 Soviet Russia was established in the heart of Europe that it was a fateful milestone for all of mankind. Such was the appraisal of that event by no less an authority than Sir Winston Churchill himself. He should know, as he was a principal actor in that tragic melodrama.

Mr. Hanson Baldwin, writing in the July Atlantic Monthly, evaluates Winston Churchill as a military strategist and world statesman. He concludes that Churchill was right in the position that he took on questions of military strategy. Further, that he was sound in assessing the future political situation subsequent to the war. Obviously the United States had no peacetime plans.

Baldwin points out that Churchill warned, prior to Potsdam, that an entire generation has been drilled to the conditioned reflexes of communism, that half of Asia is Communist, and the rest is a battleground. Three-fifths of our national budget goes for arms; 142,118 Americans gave their blood in Korea to halt the march of world conquest. He continues, "The world is two worlds—and there is no end in sight."

Mr. Speaker, Hanson Baldwin speaks with authority. I do not always agree with his conclusions, but his articles are interesting and challenging.

In the last volume of Churchill's personal account of World War II, he provides proof—proof buttressed by other documentation, "that American political astigmatism, our blindness to postwar political aims, and our naive belief that Soviet imperialism had modified its dreams of world conquest was partially responsible for the establishment of communism in the heart of Europe."

In blind pursuit of but one objective in World War II—that of a military victory, the political peace—so important to the world—was lost. Mr. Baldwin called the turn on this unfortunate situation in 1950. He says:

My thesis—one held and advanced by many others—was that the unconditional surrender doctrine, our failure to penetrate the Danubian plain and to push into the Balkans, and the halting of our armies short of Prague and Berlin and their subsequent withdrawal to the west had helped to give the Russians hegemony over Central and Eastern Europe. Similarly Yalta, with its territorial bribes to Russia, to induce her to enter the Pacific war, and our hasty and unnecessary use of the atomic bomb against a Japan already defeated and prostrate influenced adversely the peace in the Orient.

Mr. Speaker, many who have defended Roosevelt's agreements at Yalta contend that failure of the agreements lies with Russia who broke them, who took advantage of our policies, and who turned our actions against us. Baldwin's response to that argument is:

Our World War II actions, policies, and agreements were in many cases so naively trusting, politically superficial, or limited in outlook as to make it not only possible, but easy, for Soviet communism to turn them to its advantage. Our World War II mistakes aided Moscow to extend its Communist domination far beyond the borders of Soviet Russia.

The 800 millions of people now dominated by Russia is mute evidence of that fact.

What was the approach of the United States to Russia, under Roosevelt? Did the United States fear the domination of the Soviet in the heart of Europe? Mr. Baldwin says "No" and gives us the answer:

Robert Sherwood records in Roosevelt and Hopkins that Harry Hopkins took with him to the Quebec Conference in August 1943 a document, Russia's Position, which quoted from a very high level United States military strategic estimate. This paper pointed out that "Russia's post-war position in Europe will be a dominant one * * * since Russia is the decisive factor in the war, she must be given every assistance and every effort must be made to obtain her friendship. Likewise, since without question she will

dominate Europe on the defeat of the Axis, it is even more essential to develop and maintain the most friendly relations with Russia."

It is remarkable that this paper and the entire policy of the American Government (until almost the end of the war) showed no worry about postwar domination of Europe by Russia, even though twice in the twentieth century, the United States had gone to war to prevent domination of Europe by Germany.

This was abject surrender to godless communism, Mr. Speaker.

Pointing out that Mr. Churchill was obviously aware of the coming Russian menace, while Roosevelt and his advisers, except in 3 or 4 instances, had no fear of it, Baldwin says:

So much, then, for the attitude of Downing Street; Churchill's approach to the problems of international power was unquestionably far more realistic than the idealistic but impractical attitudes of the egocentric, charming but internationally inexperienced Roosevelt and some of his trusted advisers.

What of the specific major issues of the war years which contributed to the later loss of the peace?

And again, he says:

Thus one of the fundamental policies of World War II, a policy which has greatly influenced, for better or for worse, the lives of this generation, was born. Unconditional surrender was laid down as a "diktat"—a one-man decision—witnout any study of its political or military implications and was announced publicly and unilaterally at a press conference to the surprise of the Nation's chief ally, Great Britain. Historians may agree or disagree as to the validity of the unconditional surrender policy, but history can describe the manner in which this policy was born, in only one way: "This is a hell of a way to run a railroad."

Mr. Speaker, what are the political objectives—peace aims—in the present so-called cold war? It is important for our people to know. Is our objective solely a military one—resist communism by swift retaliatory strikes? But assuming we win, what happens after that? We await the answer.

We should have learned one lesson from World War II in this connection. Roosevelt's unconditional-surrender policy left a vacuum in Europe, and Red Russia moved right into it. Says Mr. Baldwin, on that point:

This policy (unconditional surrender) represented a negative peace aim, not a positive one. It meant, as Mr. Churchill himself states, complete destruction of German (as well as Nazi) power, and peace terms so harsh that as the late British Foreign Minister, Ernest Bevin, put it, it "left us with a Germany without law, without a constitution, without a single person with whom we could deal, without a single institution to grapple with the situation. * * *"

It meant the creation of vacuums of power, the complete destruction of two nations—Germany and Japan—which in modern history had been the traditional counterpoise to Soviet Russia. It meant the subordination of political aims to military ones; it put military victory ahead of political peace. The unconditional-surrender policy was a triumph of the total-war concept—a concept that has never led, and will never lead, to the only kind of peace worth having, a more stable one.

It was the foundation stone of the politico-strategic edifice the United States erected during the war upon the quicksands of unreality. We fought to win, and we forgot that wars must have political aims, and that complete destruction and unconditional surrender cannot contribute to a more stable peace. We substituted one enemy for another; and today's enemy, Soviet Russia, is more threatening than the old.

History needs no footnotes to prove the truth of these assertions; it is written in the daily headlines and in all our policies since the war. Unconditional surrender meant in World War II the complete destruction of the power of Germany and Japan; nearly ever since, at the cost of billions, we have been attempting to build up again the power of these two nations in order to restore some balance of power in the world. The tragedy is that we cannot erase the psychological memories of unlimited devastation and destruction with unlimited dollars. The Germans and the Japanese have not changed and neither nation will soon forget the no-quarter terms of World War II.

It will be hard, I think—

Says Mr. Baldwin—

for history to refute the contention that the loss of much of eastern Europe was due in considerable measure to American political astigmatism.

It can be accepted as a verity that aside from military victory, wars must have political aims as well.

As a threat to the onward march of communism in this so-called cold war, it has been suggested that we rely on the deterrent of massive retaliatory power. It is only fair to ask against what type of aggression will we launch such an attack? Is the target Peiping or Moscow?

Assuming such strategy and that the mission was accomplished—the enemy defeated—what political objectives have the military planners been given?

What comes after victory—another divided Korea?—another divided Germany?—another divided Austria?—another divided Indochina?

If both sides visit devastation upon each other in this atomic age, what do we do next? Is unlimited destruction to be used for limited political ends? Just how will massive destruction achieve a peaceful, stable world?

Mr. Speaker, early last March I addressed a letter to the Secretary of State and asked him for an answer to some of these questions. I was particularly interested in the ones relating to the political. It is in this field that our foreign policy has failed so miserably in the last 20 years.

To this day, Mr. Speaker, I have had no answer to these questions by the Secretary of State. This may be quite an unimportant matter to him, but it is vitally important to all of the people of the United States.

AMENDING THE MERCHANT MARINE ACT 1936

Mr. ALLEN of California. Mr. Speaker, I call up the conference report on the bill (S. 2408) to amend the Merchant Marine Act, 1936, to provide a national defense reserve of tankers and to promote the construction of new tankers, and for other purposes, and I ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2431)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2408) to amend the Merchant Marine Act, 1936, to provide a national defense reserve of tankers and to promote the construction of new tankers, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to same with an amendment as follows:

After the words "The Secretary of Commerce is authorized to pay the cost of national defense features incorporated in any such new tanker" strike out the words "and which are not used by the owner or operator."

And the House agree to the same.

THOR C. TOLLEFSON,
JOHN J. ALLEN, Jr.,
HORACE SEELY-BROWN, Jr.,
HERBERT C. BONNER,
JOHN F. SHELLEY,
Managers on the Part of the House.

JOHN M. BUTLER,
CHARLES E. POTTER,
FREDERICK G. PAYNE,
WARREN G. MAGNUSON,
GEORGE A. SMATHERS,
Managers on the Part of the Senate.

STATEMENT

S. 2408, as passed by the Senate, in effect reduced the minimum age of vessels eligible for trade-in, in the case of tankers, from 12 years as provided under section 510 of the Merchant Marine Act, 1936, as amended, to 10 years. A number of restrictive provisions with respect to the traded-in vessels were inserted into the bill as amended by the House. The tankers must be in class with respect to hull and machinery, the trade-in allowance where originally acquired from the Government under the provisions of the Merchant Ship Sales Act, 1946, is limited to the depreciated sales price under that act, plus the depreciated cost of betterments. Further, the amount of credit to be allowed by the Secretary of Commerce cannot exceed the price paid for the tanker by the owner, plus the value of capitalized betterments. If the tanker is used by the owner subsequent to the date of contract for the construction of a new vessel, the credit is reduced by the amount of depreciation on the old tanker during the period of such use.

The Senate recedes from its disagreement to the amendment of the House and agrees to the same, except with respect to that part of the amendment regarding payment for the cost of national defense features which are used by the owner or operator. The bill as passed by the Senate provided for payment of the cost of national defense features by the Secretary of Commerce. To this provision, the House added the requirement that such payment would be made only where such features are not used by the owner or operator. It was agreed that the phrase, "and which are not used by the owner or operator", with respect to the defense features, be stricken out and the House agrees to the same.

The only national defense feature expected to be included in the new tankers is a speed requirement of 18 knots. In some cases, operators are presently building tankers of this speed for their own account, and there is a definite trend in the trade toward increased speed. It is the view of the conference committee that the costs of the increased speed features should be adjusted contractually, and that the Secretary of Commerce should exercise extreme care in the

preparation of contracts with applicants under this bill to insure that the national defense requirements for speed do not become a form of subsidy.

THOR C. TOLLEFSON,
JOHN J. ALLEN, Jr.,
HORACE SEELY-BROWN, Jr.,
HERBERT C. BONNER,
JOHN F. SHELLEY,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

RESIGNATION OF MEMBER OF THE HOUSE

The SPEAKER laid before the House the following message which was read:

JULY 28, 1954.

Hon. JOSEPH W. MARTIN, Jr.,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I enclose herewith copy of a letter which I have this day addressed to the Honorable Thomas J. Curran, Secretary of the State of New York, notifying him of my resignation as a Member of Congress from the Eighth Congressional District, New York, which took effect on July 21, 1954.

In my communication to you of July 21, 1954, I enclosed a copy of a letter addressed to Governor Dewey. Apparently, notice of my resignation is required to be transmitted to the Secretary of the State of New York (election law, State of New York, sec. 297), hence the enclosed.

With kindest regards, I am
Sincerely,

LOUIS B. HELLER.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I ask for this time in order to query the gentleman from Indiana [Mr. HALLECK] as to what we may expect tomorrow.

Mr. HALLECK. Mr. Speaker, I discussed with the gentleman from Texas the possible program for tomorrow. The gentleman suggested to me consideration of a bill, H. R. 9875, with reference to a recent Texas City disaster, and I told him we would call that tomorrow first.

There are rules outstanding on S. 541 having to do with detention benefits. There are two reclamation project rules outstanding. The railroad-retirement rule is outstanding, and a rule on the Merchant Marine Academy. Also a rule amending the Tariff Act on cargo. There is also a bill having to do with the labeling of foreign produced trout.

We will come in at 11 o'clock, and if we can keep a quorum present and proceed with these measures and dispose of them, I think most of them could be disposed of tomorrow within a fairly reasonable time. I would like very much to do that. It is possible in respect to some of these bills that there would be very little debate necessary.

If it could be so arranged that would facilitate action on all of these measures.

Mr. RAYBURN. I thank the gentleman.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 20 minutes tomorrow, following any special orders heretofore entered for the day.

FREEDOM FOR THE PEOPLE OF CYPRUS

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCOTT. Mr. Speaker, today, according to cables from London, the British Government has offered a new constitution to the people of Cyprus. I note that this so-called new look was proposed in conjunction with other British moves in the Middle East. However, I do not think these proposals with respect to Cyprus go far enough. Cypriots want their freedom from British colonial rule and union with Greece. I should imagine that nothing less will suffice.

For years now the Greek population of the Island of Cyprus in the eastern Mediterranean has expressed its desire for freedom from colonial rule and for unity with the mother country, Greece.

Great Britain has ruled this island since Disraeli made his agreement with the Sultan of Turkey in 1878, to secure British neutrality in the war between Turkey and Russia. British rule of Cyprus, therefore, was conceived to meet an ancient and forgotten problem and predicated upon a situation which has long ceased to matter except to the people of Cyprus who are still under British colonial domination.

Repeated requests by the Cypriots for self-determination have fallen upon deaf ears in London. Cypriots naturally wonder why their claims for freedom and self-determination should be thus rejected in this postwar era, when the free nations speak so proudly and expansively on the theory of self-determination for all people everywhere.

A plebiscite held in Cyprus in 1950, with the consent of the British authorities, showed that 81 percent of the population voted for the union of Cyprus with Greece. Statistically, this meant that 402,000 people in Cyprus, who are Greeks, voted for this union. The population of Cyprus has been predominantly Greek since the dawn of history and it still is. There are 18 percent of Turkish extraction and the remaining 1 percent is composed of miscellaneous Middle Eastern peoples.

Anyone who knows his Mediterranean countries knows that Cyprus is Greek and has been for more than 3,000 years. The ebb and flow of eastern invasion, from historic times down to the present, has never changed the essential Greek character of the population of Cyprus.

Now the British may wonder why one of their Crown Colonies would wish to become a part of the Greek state. They may argue that Cyprus has never belonged to the modern Greek nation. In contravention it can be argued that the people of Cyprus historically have marched to war under the banners of Greece. They fought on the side of Alexander the Great. Cyprus was a part of the Greek Byzantine Empire. It has always retained, since the time of recorded history, its essential Greek character.

With great respect to the aspirations of Cyprus, Mr. Speaker, I would like to quote from a speech made by none other than Sir Winston Churchill when, in his usually masterful style, he addressed the members of the Legislative Council in October 1907:

> I think it is only natural that the Cypriot people who are of Greek descent should regard their incorporation with what may be called their mother country as an ideal to be earnestly, devoutly, and fervently cherished. Such a feeling is an example of the patriotic devotion which so nobly characterizes the Greek nation.

The people of Cyprus fought side by side with the British during two world wars. It is interesting to note that a regiment from Cyprus was among the first units to reach France in World War II. The people of Cyprus have suffered long and hard in the cause of their own freedom and in the cause of the free world struggle for liberty and self-determination. Therefore, Mr. Speaker, they eminently deserve and should have the self-determination and freedom which they have so gallantly earned with blood and spirit.

Great Britain is usually to be found on the side of freedom-loving people. As recently as a few weeks ago the Prime Minister of Great Britain, Sir Winston Churchill, was a party right here in Washington to a joint declaration respecting the subject peoples. In concert with the President of the United States he said:

> We will uphold the principles of self-government and will earnestly strive by every peaceful means to secure the independence of all countries whose people desire and are capable of sustaining an independent existence. We welcome processes of development where still needed that lead toward that goal.

The people of Cyprus are worthy of this right to self-determination. The Greek Government has made known to the United Kingdom its point of view with respect to the union of Cyprus with Greece. The sentiment of the Greek nation and the Cypriots has been expressed. In Cyprus itself 81 percent of the population voted for a union with Greece. However, the overtures by the Greek Government have fallen upon deaf ears in the British Foreign Office. Greece has only received the shortest kind of answer.

"The question is closed," say the British.

I suggest to you, Mr. Speaker, that in this changing world, in this age of unrest, no question concerning the free determination of a people can ever be considered a closed one.

Now, the matter of military bases on Cyprus has been raised. The people of Cyprus have offered to the British every possible concession. They have told the British that they can have what they want and need, so that, therefore, any British argument for the retention of Cyprus because of the planned evacuation of the Suez Canal zone is completely invalid. The Greeks of Greece say to the British, with respect to the Greeks of Cyprus: "Keep your bases, expand them if need be, but give the Cypriots freedom."

The Greek Government has decided to submit the entire question concerning Cyprus to the United Nations General Assembly. If the British do not act to rectify the situation these papers will be filed before August 21, and the matter will be discussed at the September session of the General Assembly. Those who believe in the future of the island of Cyprus and who believe in the right of self-determination enunciated by the Prime Minister of Great Britain respectfully ask that the British reconsider this entire matter prior to the filing date. The United Nations has more than enough business to occupy its time and full attention.

Who, Mr. Speaker, could seriously question the ability of the people of Cyprus to govern themselves?

Across the water there are those who feel that we should understand their desires to carry on negotiations between enemies. If negotiations between enemies are considered to be desirable, is it not even more desirable that there should be more frank and open negotiations between friendly nations with respect to matters concerning one or both of them?

The Greeks have expressed their willingness to negotiate. Why not Great Britain?

INDUSTRIAL EDUCATIONAL PROGRAM

The SPEAKER. Under the previous order of the House, the gentleman from Connecticut [Mr. PATTERSON] is recognized for 10 minutes.

Mr. PATTERSON. Mr. Speaker, it is my deep personal conviction that our Government should give serious consideration to an industrial educational program in conjunction with national defense. Government orders should be placed with American manufacturing plants which have been affected by the influx of foreign-made products.

Specifically, I have in mind industries where skilled workmen and precision personnel are employed. For example, the watch, clock, and tool industries located in my congressional district are vital industries in the event of an international conflict involving the United States.

Educational orders to train and familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character, would strengthen our national preparedness for defense. At the present time our various industrial plants which played such an important part in production and victory in World War II are maintaining emergency standby assembly lines, but not training adequate personnel to expand emergency operations rapidly, with no more advance notice than a phone call from the Department of Defense.

The purpose of my remarks today is to further the assurance of a complete and well-rounded program of defense and guarantee immediate production in the event of any unforeseen emergency.

In many respects the educational programs I recommend would be more economical than present standby programs, because the faster our industry and our working men and women can get into production during a time of emergency, the smaller physical reserve of implements of war we will need to maintain in time of peace to be ready for an emergency.

This plan would authorize the Department of Defense to place orders with plants which under its war plans would be used for the production of war matériel.

At the present time we are, through the American taxpayers, building up foreign industrial plants which not only will be in competition with us in world trade, but in the event of a war abroad, more than likely will be overrun within a matter of days.

I cannot help but recall the early days of World War II when the British were compelled to come to the United States for vital precision equipment to protect their country. Fortunately, at that time we had a fairly adequate supply of skilled precision workers. Only through the help of our working men and women were the British and our other allies able to carry on in the face of great odds.

Today one only has to read the newspaper accounts of the glaring acts of aggression and barbarity in the world to realize the critical day in which we live. The recent attack on an unarmed commercial airliner, without regard for innocent lives, is another act of men bent on world domination.

The people in my State, and especially those I represent, are very conscious of the necessity for a program such as I am recommending. There are plants in my district, both large and small, which have been compelled to discharge men and women who have worked for years to become skilled and proficient. A workman skilled in his trade is a lifesaver for a man in the front lines, one flying on instruments, one sailing on or under the sea—and yes, even our doctors who use the many instruments produced by our skilled workmen.

Our American workmen and our industries must be protected and helped during these days of unrest throughout the world. A nation strong in production and employment will always be strong in morality and spirit.

Before we make any further advances or commitments outside of our continental limits, I recommend that an inventory first be taken here at home.

Our inventory can well start with our tool industry, which certainly is sick and in need of a manufacturing diet of government and commercial orders. For instance, if some of the billions of dollars going for offshore orders of tools and dies were spent in factories like Hendey's, in Torrington, Conn., and others in other American cities, the entire country would benefit, from the corner grocer to the large department store owner. Money so well spent in turn would revert to our Government under such a training program because the tools and dies produced would be the property of the United States Government.

Sometimes I fear we are developing a bad case of hindsightedness in allowing anything to interfere or conflict with the full operations of our industry.

One only has to look back into the history of our country to realize that we have become a world power only through our own ingenuity and hard work. While other nations are more engrossed in long holidays and siestas, our people keep working. I like the cultural arts and appreciate them as much as anyone else, but I realize that in order to enjoy them and preserve them for posterity, we as a world power also must preserve world respect.

This can only be accomplished by keeping our country strong mentally and morally through work. Only when men become idle and bored do they decay and become disgruntled with themselves and their country.

WAR DAMAGE PAYMENTS IN THE PHILIPPINES

The SPEAKER pro tempore (Mr. REES of Kansas). Under the previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 20 minutes.

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a copy of a bill which was recently passed by the Legislature of the Republic of the Philippines.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, southwest Asia is in a state of fomentation. No one can tell when the tensions and forces working within it may snap. With the frustrations and uncertainties created by the Geneva agreements a spirit of unrest pervades that section of the world.

We, as a nation bordering on the Pacific Basin cannot be indifferent to what takes place there.

The shooting down of a British airliner and the unwarranted attack by Red Chinese planes on our aircraft bent on a mission of mercy must give us pause.

Fortunately, there is one nation in Asia bound to us by strong ties on which we can depend. The Republic of the Philippines has been tested in war. The blood of her heroes has mingled freely with that of our own sons on many a battlefield of World War II and in Korea.

We must preserve and protect the friendship.

Mr. Speaker, what happens to this champion of democracy in the Orient is of the greatest interest to us.

We must keep the Republic of the Philippines strong morally, militarily and economically so she can stand side by side with us in the world conflict against communism.

The election and acceptance of President Magsaysay to lead the Republic of the Philippines is evidence of the direction in which that country lays its course.

On July 23, 1953, I introduced House Joint Resolution 320, authorizing the appropriation of $100 million for additional war-damage payments in the Philippines. In this connection, I deem it expedient at this time to briefly relate the facts and thus refresh our memory with regard to war damage and the Philippines.

Throughout the half-century when the Philippines was a possession of the United States, there were frequent declarations by our policymakers that the Philippines would be created a free and independent nation at such time as its people were able to govern themselves—the only Christian nation in that part of the world. The Philippines had been under foreign rule for several centuries. Chinese, Dutch, British, and Spanish were among those who conquered parts or all of the 7,000-island archipelago from time to time, despite the resistance of the Filipinos and their desire for independence. In the 50 years of American control, there was no lessening of the wish for freedom which was promised at such time as the people demonstrated their ability to sustain it. Meanwhile, American teachers sought to improve the education of the youth; agricultural experts endeavored to demonstrate improved methods of crop production; technicians introduced new procedures for industries and business; and efforts were made to instruct in the sound administration of public and private enterprises.

World War II interrupted the preparation for independence by the Philippines. History records the grim events that occurred in what was then the Commonwealth between December 7, 1941, and the time of liberation in 1945. Despite the propaganda of the Japanese, the vast majority of the Philippine people remained loyal to the United States because of the bonds of friendship that had been developed in the years of American jurisdiction. They fought side by side with the forces of the United States and, during the Japanese occupation, gave aid and comfort to those nationals of the United States who were imprisoned or who waged guerrilla warfare against the invaders. Their loyalty and assistance continued, nothwithstanding the havoc that was wreaked on their homes, farms, industries, and businesses, or the torture and even death to which many were subjected. When the military forces of the United States returned to the Philippines, the people again fought to overcome the Japanese.

With the conclusion of the war, the United States made ready to grant the long-awaited independence to the Philippine people. The ravages of the conflict, including the destruction caused in the battle of liberation and the tragic events of the occupation, however, had seriously disrupted the life and economy of the Philippines. Its financial condition prevented the people from embarking on a career as a free nation without assistance. The relationship between the United States and the Philippines had been unique and, during the occupation, the highest American officials had given assurances that the damage of war would be repaired and the people repaid. With the granting of independence, the time for the fulfillment of these assurances had come.

In the Senate and the House of Representatives there was overwhelming sentiment to restore damaged and destroyed public and private property in the Philippines. One of the difficulties, however, was the question of cost. Various surveys had been made, but it was a practical impossibility to obtain a detailed accounting of all destruction. On the basis of the statistics then available, it was agreed in April 1946 that the United States Government would authorize the appropriation of $400 million for the payment of claims for damage to private property. In addition, the Congress authorized the appropriation of $120 million for the restoration and improvement of public property and essential public services.

The legislation which contained these authorizations was entitled the Philippine Rehabilitation Act of 1946, and provided for the creation of the United States Philippine War Damage Commission to expend the $400 million for private claim payments. In addition, the Commission was allotted $57 million of the $120 million authorized for the restoration of public property. The balance of the latter fund was allocated as follows:

Public Roads Administration, for rehabilitation of roads and bridges, $40 million; Corps of Engineers, for restoration of ports and harbors, $18 million; and the Public Health Service, for the restoration and improvement of health services, $5 million.

THE PHILIPPINE REHABILITATION ACT OF 1946

The Philippine Rehabilitation Act of 1946 was an early implementation of the expressed purposes of Members of our Congress to take care of immediate Philippine rehabilitation problems in rough outline as quickly as possible. It was obviously not intended as blanket legislation to cover all of the vexatious challenges implicit in these problems.

The act was administered by the Honorable Frank A. Waring, of California, the Honorable John A. O'Donnell, of Pennsylvania, and the then judge, now senator, Francisco A. Delago, of Bulacan, Philippine Islands. Senator Delgado is now chairman of the Committee on Foreign Affairs of the Filipino Senate. In this connection, he is not unknown to the older Members of this body, who remember him as a former resident commissioner from the Philippines in the House of Representatives during the 74th Congress.

The Commission was to receive, investigate, approve or disapprove, claims covering damage to property during and as a consequence of World War II in the Philippines.

Claims up to $500 were to be paid in full as quickly as allowed. Further, the successful claimants were to be paid on the basis of 1941 market prices less depreciation of amount per year from the date of acquisition of the lost or damaged properties.

Payments made by the Philippine War Damage Commission, prorated according to law among all claimants, totaled 52.5 percent of the amount allowed on each claim in excess of $500. In contemplation of exorbitant postwar cost, of substantial disallowances on the claim as filed, and the partial payment of slightly more than half of the amount approved, it is estimated by the War Damage Commission that successful claimants probably received no more than 20 percent of the cost of the reproduction of their homes, businesses and other property.

Finally, when all the claims had been adjudicated and it was adjudged that with the funds available the combined total would be 52.5 percent of the approved balance of any claim adjudicated for more than $500, or 22.5 percent less than the statutory maximum of 75 percent fixed by the act.

The War Damage Act aforesaid was reported by the old Committee on Insular Affairs. I had the honor to serve on this committee under the chairmanship of Judge Jasper Bell, of Missouri, affectionately known to all who were here through the 79th Congress. The committee had no precedent to guide it. In its wisdom, however, the committee wrote the following language into Report No. 1921, page 32, Committee on Insular Affairs, House of Representatives, 79th Congress, 2d session:

> While the committee feels it is urgently necessary to provide through this legislation (S. 1610) for the rebuilding and restoration of the physical plant of the Philippines, it is generally realized that additional legislation will probably be necessary in the future to augment and supplement the benefits which will be accomplished through S. 1610. * * * It is expected that proposals for additional legislation will be made from time to time by the agencies of the United States Government, by the Government of the Philippines, and by the Filipino Rehabilitation Commission to meet needs for legislation as they arise.

It is fair to state that the foregoing paragraph of the report certainly was not placed in there by accident and cannot be discarded. The Philippine War Damage Commission as the record will attest, did a most efficient and exemplary job. It not only concluded its work a month ahead of the statutory deadline, but it returned a substantial part of the money authorized for its administrative expenses to the United States Treasury.

We have a moral responsibility to the people of the Philippines. They were our wards and we their tutors in democracy for nearly a half century. We encouraged them to fight, and they responded to our request. They paid in blood and sweat and raw red wounds and, yes, in the lives of their people for their resistance to an enemy drunk with power intent on establishing the doctrine "coprosperity sphere of Asia," another way of saying "Asia for the Asians."

The valiant resistance of our then political ward shortened the war in the Pacific by many months, if not by many years.

The Philippines are the anchor of our defense in the Pacific.

Then, too, the Philippine Republic will consume both our soft and durable goods. They have a great capacity to absorb them. Our nationally known brand names are familiar to them. Our trade with the Philippines is not a one-way street. They produce much that is essential in our economy. We use their hemp, their sugar, their hardwoods, and their pineapple. Any money we spend in the Philippines encourages the solid type of trade we so badly need.

Finally, I have here a concurrent resolution, No. 2, of the Philippine Senate, Third Congress, of the Republic of the Philippines, 1st session, adopted by the Philippine Senate on January 28, 1954, requesting the President of the Philippines to make representations to the Government of the United States of America, and to take the necessary steps for the passage of House Joint Resolution 320, 83d Congress, to fulfill the mandate of the 79th Congress as expressed in the Philippine Rehabilitation Act of 1946, to pay the balance of any claim adjudicated for more than $500, an additional 22.5 percent in fulfillment of the statutory maximum of 75 percent fixed by said Rehabilitation Act. This resolution was transmitted to me by Gen. Carlos P. Romulo, special and personal envoy of the President of the Philippines, with the request from President Magsaysay that its contents be conveyed to this body.

Senate Concurrent Resolution 2

Concurrent resolution requesting the president of the Philippines to make representations to the Government of the United States of America and to take the necessary steps to implement the same for the passage of House Joint Resolution 320, 83d Congress, or the approval of a similar bill or measure, authorizing the appropriation of at least $100 million for additional war damage payments in the Philippines

Whereas the second Congress of the Republic of the Philippines approved and adopted Concurrent Resolution 32 on March 11, 1952, requesting the President of the Philippiens to make the necessary representations to the Government of the United States of America, and to take such steps as may be needed to implement the same for the passage of H. R. No. 7600 and its counterpart in the Senate (S. 3220), United States 81st Congress, or the approval of a smaller bill authorizing the appropriation of at least $100 million for additional payments of war damages in the Philippines;

Whereas the said resolution recited the history and basis of the passage of the Philippines Rehabilitation Act of 1946 by the United States 79th Congress, by which the Philippine War Damage Commission was created and authorized to disburse, as it did disburse, the amounts of $400 million and $120 million for the payment of private and public claims, respectively, resulting from property loss and destruction in the Philippines wrought by the last Pacific war;

Whereas the defunct Philippine War Damage Commission was able to pay eligible private war damage claimants whose claims were approved in excess of $500, only that amount plus 52½ percent of the balance of their corresponding approved amounts on the basis of the 1941 values;

Whereas the postwar replacement cost of building materials has risen more than 3 times their prewar 1941 values;

Whereas the United States 79th Congress provided in section 102 of the aforementioned Philippine Rehabilitation Act of 1946 a maximum payment of 75 percent of the approved amount of the claims larger than $500, thereby making an implied commitment to provide the necessary funds to make payments to that extent on the said larger claims;

Whereas the same Concurrent Resolution 32 recited the basis for additional war damage payments by the United States, among which is the fact that that commitment has become an obligation on its part;

Whereas as a direct result of efforts undertaken by a mission under Senate Resolution 134 of our Congress, House Joint Resolution 320 was introduced by Congressman G. P. MILLER in the House of Representatives of the United States Congress on July 30, 1953, 83d Congress, authorizing the appropriation of $100 million for additional war-damage payments in the Philippines, and the same is now pending consideration by the said House of Representatives;

Whereas it will redound not only to the best interest of the Philippine Government and people if the said resolution or a similar bill or resolution were passed by the United States Congress, but will also result in enhancing the prestige and trade of the United States of America in the Philippines, Asia, and throughout the world;

Whereas assistance to the Philippines in the form of additional war-damage payments is also in consonance with the global policy of the United States Government to help free nations improve their economic conditions in order to enable them to resist Communist aggression more effectively;

Whereas to resist Communist aggression within and outside its borders the Republic of the Philippines is spending considerable amounts of money, notwithstanding its limited financial resources, appropriating for the fiscal year 1954 alone the sum of ₱174,919,910 for the department of national defense, which sum constitutes 37 percent of the total appropriation of the said Republic for the ordinary and extraordinary expenditures of its Government for the said fiscal year, of which appropriation for the said department the sum of ₱10,606,390 is for the maintenance of elements of the armed forces of the Philippines as a United Nations unit in Korea, and the greater portion is for the expenses of fighting the Communist-inspired Huk rebellion in the Philippines; and

Whereas additional war-damage payments of at least $100 million are not only essential to the rehabilitation of the economy of the Philippines but also indispensable to contain and fight communism in the Far East: Now, therefore, be it

Resolved by the Senate (the House of Representatives of the Philippines concurring), That the President of the Philippines be requested, as he is hereby requested, to make the necessary representations to the Government of the United States of America and to take such steps as may be needed to implement the same, for the early passage of House Joint Resolution 320, 83d Congress, or the approval of a similar bill authorizing the appropriation of at least $100 million for additional payments of war damages in the Philippines.

CRUSADE FOR POLISH FREEDOM, REV. CANON JOHN MALINOWSKI

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Massachusetts [Mr. PHILBIN] is recognized for 30 minutes.

Mr. PHILBIN. Mr. Speaker, I am highly privileged to support my distinguished colleagues, Congressman MACHROWICZ and Congressman MCCORMACK, as well as others, who are sponsoring the resolution for a crusade for Polish freedom.

Ever since Poland was dragged behind the Iron Curtain, I have been protesting her delivery into slavery and the infamous manner by which it was accomplished—contravention of our most sacred war aims and political ideals to which all freedom-loving nations have been pledged for centuries.

Unless Poland and other nations like her, who have been cast into Communist slavery, can be liberated and restored to their rightful position in the free world there will be little hope for lasting peace on this earth.

Man is distinguished because of his immortal soul. It is that soul which gives him individuality. It is that soul which makes him a being separate from every other being and separate from the state. Man exists by reason of this soul to serve the purpose of his Creator and not to be shaped and fashioned into an automaton to suit the whim and caprice of dictators and tyrants.

Man is not only possessed of a soul, but the Almighty has planted in his breast the unextinguishable spark of individual freedom. This spark can no more be stifled and suppressed than the soul can be destroyed. It is indestructible. Both are part of an eternal pattern which inspires the struggle for liberty through the darkest hours of persecution and suffering, willing to die, if need be, to secure it. The bestial Soviet masters, which presently brutalize and tyrannize the gallant Polish people, have little understanding of history or they would recognize that in the long run their efforts to subjugate this great nation would be doomed to utter failure. Poland will rise again just as surely as there is a God in the heavens.

It is the duty of all lovers of freedom to speed the day when Poland and her sister nations, now afflicted with bondage, shall be emancipated from their heavy burdens. This Nation "conceived in liberty and dedicated to the proposition that all men are created equal" and dedicated to freedom of choice and self-determination has a special duty and obligation to fulfill to promote the liberation of Poland. Because our own great Nation went through similar persecution and oppression, although it was mild in comparison to what the Polish have suffered, and therefore our Nation was born out of the struggles, the labors, the bloodsed of patriots, who would rather die than live under tyranny.

The crusade for Polish freedom, which is led by the Reverend Canon John Malinowski, a refugee Catholic priest and former member of the Polish Armed Forces, who has devoted several years of intense activity to this sublime effort, is promoting this cause. He has visited many nations in Europe, South and Central America and, more recently, our own Nation in what is an inspiring moral campaign to awaken the indignation of the new world to the newest tyranny of the old world.

Many governments have proffered Canon Malinowski their expressions of sympathy, understanding and assistance. The parliaments of Chile, Uruguay, Brazil, Peru, Equador, Venezuela, Bolivia and Mexico passed resolutions supporting his crusade. The Canon has

met with disappointments and obstacles. He was permitted to remain only five hours in Communist controlled Guatemala prior to the recent revolution. In Bolivia he was first met with a very cold reception, but persisted with his work and finally enlisted the support of many important political figures. During his travels he found many evidences of Communist propaganda and anti-American sentiment stirred up by Communist agents, tools and stooges. In certain South American countries he allegedly found Russian diplomatic offices cluttered with Communist officials in a position to spread Communist propaganda and promote other activities directed at democracy.

On the whole from all sides Canon Malinowski has received a tremendous response to his militant appeals.

It is hardly necessary for me to reiterate what I have stated so many times on the floor of his House regarding the righteousness of the Polish cause. This crusade must continue because its ultimate aim to retrieve more of the Communist-occupied nations which have fallen prey to Soviet imperialism is lofty and justified by the facts of the present situation. We have been reminded many times of the contributions of Polish patriots to the cause of our own freedom when we were fighting valiantly to secure it. As Americans we must never forget the great contributions of Poland's heroic sons, Kosciusko, Pulaski, Krzyzanowski, and others who fought and died when they rallied to the side of our own young Nation as it struggled for its very existence. Generously indeed they gave their strength, their courage, and their lives for the sake of America. Today their own land, the land of their noble descendants, Poland, lies helpless—strangled by chains of slavery—and it is to the people of America that she turns for help in her fight for liberation. This crusade is based upon all the truths which Americans cherish—the truths embodied in the natural rights of man, the principles of the American Constitution, and the most sacred spiritual ideals of our Nation.

It is for us severely to condemn the bestial visitations of tyranny which continue to be inflicted upon the Polish nation by a ruthless Red tyranny.

It is for us to extend our sympathy and our aid to the Polish nation in her indomitable battle for liberty.

It is for us to work in and out of the United Nations, the Congress, and in every way we can, to urge and try to secure all possible assistance for the Polish nation in its heroic struggle to regain its independence.

This is not a crusade for the Polish alone. It is a crusade that should be militantly joined by every true American, who believes in the principles and ideals of our own Nation. It is a crusade which should direct attention upon the frightful atrocities and brutalities to which the Polish people have been subjected. It is a crusade which must aim to stop these horrible persecutions, these ruthless, tyrannical cruelties and to secure liberation for the Polish people and to reestablish the Polish Government on a basis of freedom and justice within her historic boundaries and under her noble traditions.

If we can give courage and assistance to Canon Malinowski and all those working and sacrificing with him for these ends, we will thus vindicate and perpetuate the most sacred ideals of our own country and in time, with God's help, we will secure another glorious victory for freedom.

To touch upon a personal note I may state that Canon Malinowski is a most gracious and impressive personality. Young, vigorous, of prepossessing appearance and poise, energetic, gifted, and tireless, he radiates that invincible spirit of intrepid daring, tireless devotion, and unyielding determination that for centuries has typified his Polish heritage. Above all, he is a man of courage, a great leader who inspires confidence and support. Let us too be fired by his zeal, by his enthusiasm, by his tenacity and spirit. Let us, too, with high courage and warm faith, stand behind him in his crusade for freedom—freedom for Poland and all enslaved souls—freedom for mankind.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks was granted to:

Mr. DIES.

Mr. GRAHAM.

Mr. JOHNSON of California, the remarks he intends to make in Committee of the Whole on the bill H. R. 9924 and to include extraneous matter.

Mr. GWINN.

Mr. KERSTEN of Wisconsin.

Mr. YOUNG and include extraneous matter.

Mr. D'EWART and include extraneous matter.

Mr. RIEHLMAN.

Mr. GUESER.

Mr. FRIEDEL.

Mr. BENDER.

Mr. RADWAN.

Mr. SIEMINSKI in two instances and to include extraneous material.

Mr. REED of New York.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CLARDY (at the request of Mr. BENTLEY) from July 29 to August 7, 1954, on account of official business.

Mr. WIGGLESWORTH (at the request of Mr. HESELTON), for the balance of the week, on account of illness in family.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2846. An act to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940; and

S. 3589. An act to provide for the independent management of the Export-Import Bank of Washington under a Board of Directors, to provide for the representation of the bank on the National Advisory Council on International Monetary and Financial Problems, and to increase the bank's lending authority.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 303. An act to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 48 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, July 30, 1954, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1782. A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to amend the act of February 21, 1946 (60 Stat. 26), to permit the retirement of temporary officers of the naval service after completion of more than 20 years of active service"; to the Committee on Armed Services.

1783. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to provide rewards for information concerning the illegal introduction into the United States, or the illegal manufacture or acquisition in the United States, of special nuclear material and atomic weapons"; to the Committee on the Judiciary.

1784. A letter from the Postmaster General, transmitting a draft of a bill entitled "A bill relating to the transportation of mail by highway post-office service"; to the Committee on Post Office and Civil Service.

1785. A letter from the Chairman, United States Advisory Commission on Educational Exchange, transmitting the 12th Semiannual Report by the United States Advisory Commission on Educational Exchange for the period January 1 to June 30, 1954, pursuant to section 603 of Public Law 402, 80th Congress (H. Doc. No. 483); to the Committee on Foreign Affairs and ordered to be printed.

1786. A letter from the Chairman, Federal Trade Commission, transmitting the economic report of the Federal Trade Commission entitled "Investigation of Coffee Prices"; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the

Clerk for printing and reference to the proper calendar, as follows:

Mr. HOFFMAN of Michigan: Committee on Government Operations. Twenty-second intermediate report on Air Force development and procurement of AN/ARC-21 airborne radio transceivers (Rept. No. 2573). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN of Michigan: Committee on Government Operations. Twenty-third intermediate report pertaining to relief and rehabilitation in Korea (Rept. No. 2574). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. S. 53. An act for the relief of Lewis Roland Edwards; without amendment (Rept. No. 2566). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 771. An act for the relief of Anni Wolf and her minor son; without amendment (Rept. No. 2567). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2210. An act for the relief of Frank (Franz) Homolka, Olga Homolka (nee Mandel), Adolf Homolka, Helga Maria Homolka, and Frieda Homolka; without amendment (Rept. No. 2568). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 2512. An Act for the relief of Jeannette Kalker and Abraham Benjamin Kalker; without amendment (Rept. No. 2569). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 3306. An act for the relief of Kang Chay Won; without amendment (Rept. No. 2570). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 4522. A bill for the relief of Petrus Van Keer; with amendment (Rept. No. 2571). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 9996. A bill for the relief of Susan Ellen Heiney; without amendment (Rept. No. 2572). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNES of Wisconsin:

H. R. 10108. A bill to amend section 112 (n) (8) of the Internal Revenue Code of 1939 to provide that in certain cases of a sale or exchange of a taxpayer's residence, certain periods of limitation shall not run against the taxpayer while he is on extended active duty in the Armed Forces; to the Committee on Ways and Means.

By Mr. ALLEN of California:

H. R. 10109. A bill to amend section 705 of the Merchant Marine Act, 1936, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BAILEY:

H. R. 10110. A bill to amend the Fair Labor Standards Act of 1938 to establish a $1.25 minimum hourly wage, and for other purposes; to the Committee on Education and Labor.

By Mr. BENNETT of Florida:

H. R. 10111. A bill to provide for the construction on a site in Jacksonville, Fla., of a hospital for the use of the Public Health Service; to the Committee on Interstate and Foreign Commerce.

By Mr. SADLAK:

H. R. 10112. A bill to amend the Internal Revenue Code of 1939 with respect to the acquisition of new stock under employee stock options; to the Committee on Ways and Means.

By Mr. SHELLEY:

H. R. 10113. A bill to amend section 705 of the Merchant Marine Act, 1936, as amended, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SIMPSON of Pennsylvania:

H. R. 10114. A bill to amend section 812 of the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. THOMAS:

H. R. 10115. A bill to provide for the conveyance to the State of Texas of certain real property (and improvements thereon) located in Harris County, Tex.; to the Committee on Armed Services.

By Mr. WHITTEN:

H. R. 10116. A bill to authorize the construction of highways and other facilities within the boundaries of Government-owned lands for recreational or other uses; to the Committee on Public Works.

H. R. 10117. A bill to provide that certain land acquired for flood-control purposes which is suitable for agricultural use be disposed of as surplus property; to the Committee on Public Works.

By Mr. WOLCOTT:

H. R. 10118. A bill to amend section 5240 of the Revised Statutes, as amended, relating to the examination of national banks; to the Committee on Banking and Currency.

By Mr. CARNAHAN:

H. J. Res. 574. Joint resolution announcing to the people of the world that we as a nation recognize the rights of all men to freedom of religion, freedom of speech, freedom of the press and the right to assemble and to petition for a redress of grievances; to the Committee on Foreign Affairs.

By Mr. ALLEN of Illinois:

H. Res. 692. Resolution to provide for a survey of the food service facilities of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 10119. A bill for the relief of Lenon Reese; to the Committee on the Judiciary.

By Mr. BENTLEY:

H. R. 10120. A bill for the relief of Erika Marie Dietl and her two children, Caroline Dietl and Robert Dietl; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H. R. 10121. A bill for the relief of Agnes Rosenberg; to the Committee on the Judiciary.

By Mr. DONOVAN (by request):

H. R. 10122. A bill for the relief of Henry G. Mathusek; to the Committee on Post Office and Civil Service.

H. R. 10123. A bill for the relief of Mrs. Bertha Lang; to the Committee on the Judiciary.

By Mr. FISHER:

H. R. 10124. A bill for the relief of Paul Gonzales Jio; to the Committee on the Judiciary.

By Mr. GREEN:

H. R. 10125. A bill for the relief of Arnold Rosenthal; to the Committee on the Judiciary.

By Mr. KERSTEN of Wisconsin:

H. R. 10126. A bill for the relief of Irene Spiewok Schaetzel; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H. R. 10127. A bill for the relief of Gloria May Siu King Woo Loh; to the Committee on the Judiciary.

H. R. 10128. A bill for the relief of Mary Zadourian; to the Committee on the Judiciary.

By Mr. MADDEN:

H. R. 10129. A bill for the relief of Ioannis Korkodilos; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Recognition of Red China

EXTENSION OF REMARKS
OF
HON. CHARLES S. GUBSER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. GUBSER. Mr. Speaker, ever since China fell into Communist hands, placing a contiguous land mass from the Elbe River to the Pacific Ocean under the direct or indirect control of the Kremlin, the legal recognition of the Mao Tse-tung regime by the world's principal powers has been one of the major intermediate goals of Soviet diplomacy. Having themselves experienced the disadvantages of nonrecognition for a number of years, the rulers of Soviet Russia are determined to obtain universal recognition of Red China as speedily as possible since they rightly feel that international legality is at present a prerequisite for the effective furtherance of the Communist master plan for world revolution on the part of China.

Extension of diplomatic recognition to Red China by the United Kingdom was a major triumph for Communist diplomacy. It not only accomplished one of the points of Mao's master plan, but also created a wedge between the United Kingdom and the United States, which has been used effectively ever since. As a result of the Korean war and the recent Geneva Conference, increasing pressure has been brought upon official and public opinion in the United States to extend

recognition to Red China for the sake of "peace." One of the principal arguments presented here is that it is unrealistic as well as politically unwise to withhold recognition from a government which rules a land mass one-third larger than the United States and is inhabited by more than 460 million people.

This argument is based on the vain hope that political differences could be effectively minimized through such recognition. It is based on expediency and disregards moral considerations. It also disregards the inevitable advantages accruing to the Red Chinese regime from legal recognition on the part of the United States.

To say that it would be unrealistic to ignore the fact of Red rule in China is true. The United States have recognized this fact by holding formal talks with representatives of the Red Chinese in Kaesong, Panmunjom, and Geneva. However, the United States refuses to recognize the lawfulness of the Red rule in China. Diplomatic recognition implies a stipulation of legality.

In 1917, the czarist regime of Russia was overthrown, and after a protracted struggle, there emerged the Bolshevik rule which consolidated slowly, survived internal upheavals and World War II, and which today is directing not only the affairs of the U. S. S. R. with its close to 200 million people, but also the string of conquered and subservient satellites as well as every Communist Party in the world.

The United States Government long refused to extend de jure recognition to the Bolsheviks. While this condition existed, the Soviets were unable to become a true world power—and a true world menace. Only after the government of Franklin Delano Roosevelt hastened to recognize Bolshevik Russia in 1933 were the Soviets able to cloak themselves in legality, send their agents abroad, and rise rapidly toward the zenith of power.

Once de jure recognition had been extended to Soviet Russia by the administration of Franklin Delano Roosevelt, the Russians immediately embarked upon a campaign to convince the world of their new-found respectability. And while inside Russia, the consolidation of Stalinist power found bloody expression in the great purges of the middle thirties, such moderates as Maxim Litvinov and Ivan Maisky spoke in dulcet tones at the conference tables of the League of Nations and the capitals of the Western World.

The rude awakening came in 1939, when the Soviets abruptly signed their notorious pact with Nazi Germany, thus opening the way for the start of World War II. That this historic bit of perfidy and blackest treachery should have been completely forgotten and forgiven a few years later when Soviet Russia asked for and received, in fact, the green light for postwar aggression at Yalta, remains one of the most astounding riddles of our time.

Legal recognition of Russia by the United States has brought about Russia's strong position in the United Nations, the charter of which not only grants the Soviets 3 votes instead of 1—Byelorussia and the Ukraine are regarded as separate entities—but also made possible the single power obstruction expressed in the 60 vetoes so far cast by the Soviets. There is no more justification for separate votes for Byelorussia and the Ukraine, than there is for Hawaii, Alaska, and Puerto Rico.

History might have taken a different course but for the recognition of Soviet Russia by the United States. The mistake should not be repeated in the case of Red China.

Progress in the Federal Supply Catalog Program

EXTENSION OF REMARKS
OF

HON. R. WALTER RIEHLMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. RIEHLMAN. Mr. Speaker, after nearly 7 years of stalemate in achieving a Federal supply catalog system, substantial progress under the present administration can be reported.

The Military Operations Subcommittee of the House Committee on Government Operations held hearings on the Federal catalog program in January and February 1954. It recognized that the common supply language which will result from this program is a basic prerequisite to the improvement of military supply management.

On the basis of the testimony presented at the subcommittee hearings, together with more recent information from the Department of Defense, I am convinced that the Federal catalog program, as it is now proceeding, is sound, and that considerable progress is being made in achieving the intended results.

The Federal catalog system requires one common identification language to be used throughout the Army, Navy, Air Force, and Marine Corps for all supplies. It provides for the replacement of the variety of separate names, descriptions, and numbers now in use by each of the military services.

As identifications are completed in each commodity class or manageable area, the Army, Navy, Air Force, and Marine Corps change over from their existing varied identifications to the single uniform Federal identification data. This process is called conversion. Conversion has been completed as of June 30, 1954, for all items of food, clothing, medical supplies and equipment, and fuels and lubricants. Other classes will be converted progressively.

To supervise this very complex operation under the direction of the Honorable Thomas P. Pike, Assistant Secretary of Defense—Supply and Logistics—Mr. Roger F. Hepenstall was requested to take over the leadership of this program and willingly accepted. Mr. Hepenstall is vice president of American Can Co., and was selected for this post because of his broad administrative and management experience.

In addition to these gentlemen who are actively supervising the Federal catalog program, several outstanding industry cataloging specialists conducted independent surveys with a view to determining the soundness of the program as it is presently proceeding. These experts have highly endorsed the program and rendered valuable assistance through constructive suggestions and recommendations.

Last January, during the Military Operations Subcommittee's hearings, Department of Defense officials reported that 530,000 items had been identified under the single-name identification system as of that time. They further estimated that during the first 6 months of 1954 an additional 300,000 items would be so identified.

Since the subcommittee's hearings and report, the Honorable Thomas P. Pike, Assistant Secretary of Defense—Supply and Logistics—has informed me that during the first 6 months of 1954, the identification of 400,000 items was completed, bringing the total number of items now identified to 930,000. Thus, it is estimated that 46 percent of the total identification program has been completed, based upon the estimate that identification of a total of 2,000,000 items will eventually be required. It is now estimated that the identification phase of the program will be completed by September 1956.

Further, Assistant Secretary Pike now states that the Department of Defense has been able to revise its estimated completion date for the entire program—including conversion and initial utilization of the catalog system—and that such completion is now estimated at December 1958 rather than 1960 as previously estimated.

Such progress can be interpreted only as a manifestation of the sincere and inspired effort on the part of all the officials of the Department of Defense and the military departments participating in this program.

My subcommittee has followed the progress of this program with untiring interest because of its close relationship to the economic welfare and the military preparedness of our country. Because of the inestimable savings which will result from the application of utilization of this new system, the significant progress being made should be of interest to every Member of the Congress and every taxpaying citizen.

I have complete confidence in the manner in which this program is now being conducted, and I feel that appreciation should be expressed to those whose leadership in this program is producing such positive results. I join with Secretary Wilson in fully supporting this program with the hope that it can be completed at the earliest practicable date.

Antisubversive Legislation

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Thursday, July 29, 1954

Mr. WILEY. Mr. President, the President of the United States has once more rightly recommended congressional action before adjournment on antisubversive legislation.

Among the important pending bills requiring action are:

First. A bill to make admissible in Federal courts, evidence gained through wiretapping.

Such a bill has been recommended by a Senate Judiciary Subcommittee on which I have served as chairman. I hope the full committee will report it promptly and favorably.

Second. A bill to cope with the critical problem of Communist-dominated unions.

Third. A bill, now approved by the House, to strip United States citizenship from those who have, by their own infamous deeds, proven their desire to overthrow the United States Government by force and violence, thus rendering themselves totally ineligible for citizenship.

And there are several other antisubversive bills as well meriting prompt action.

In these closing days of the session, I earnestly hope that the mass of other legislation will not prevent action on at least those antisubversive bills which I have enumerated as well as others like the administration's witness-immunity bill, and so forth.

I conclude by pointing out this fact: Just about everyone has long expressed the highest respect for the Federal Bureau of Investigation. The FBI, of course, more than merits such respect. Now there is a chance to demonstrate that respect by deeds. For I am sure that what the Bureau and its distinguished Director, Mr. Hoover, would most appreciate, as would Attorney General Brownell and the President, would be the necessary new legal instrumentalities with which the Bureau can further discharge, as it has already so well done, its obligations to the American people.

Let us untie the hands of the FBI so that it can achieve additional success in the antisubversive battle.

I ask unanimous consent that the text of an editorial which appeared in the July 27 issue of the Washington Evening Star entitled "How Congress Can Help the FBI," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW CONGRESS CAN HELP THE FBI

House response to President Eisenhower's request for authority to strip citizenship from persons convicted of seeking the violent overthrow of the Government was most enthusiastic. The administration bill to this end was passed with shouts of approval. There are good chances of Senate action, despite the rapid approach of adjournment.

The denaturalization plan proved to be popular in Congress from the moment it was proposed last January by the President in his state-of-the-Union message. It is said that the idea of depriving convicted Smith Act violators of citizenship originated with General Eisenhower himself. The law already provides for revocation of citizenship for persons convicted of treason or of bearing arms against the United States. It would be logical, the President felt, to extend this penalty to those who, like the leaders of the Communist Party, were found guilty of teaching or advocating the overthrow of the American Government by force or violence.

Actually, however, the principal Communist conspirators in this country would escape the denaturalization process, since it would apply only to persons convicted in the future. Most of the top-level Red leaders in America already have been convicted under Smith Act prosecutions and are in jail. Only lower-level Communists yet to be tried would be affected, if convicted.

If Congress wants to give the FBI some really effective help in ridding the Nation of spies and saboteurs—and there is no doubt of congressional intent in that general respect—it can do so by enacting the administration's wiretapping bill. The House already has passed a modified measure, permitting the FBI to tap spy telephones after first obtaining a court order. Both Attorney General Brownell and FBI Director Hoover prefer the Justice Department's bill, which would lodge authority for wiretapping in the Attorney General's office, rather than the courts. In either case the legislation would legalize the use of wiretap evidence in Federal courts, thus plugging a large and dangerous loophole in our defenses against enemy plotters. The responsibility for continued existence of this loophole is on Congress.

Hon. Leon H. Gavin Given National Award for Distinguished Service to Conservation

EXTENSION OF REMARKS
OF
HON. LOUIS E. GRAHAM
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. GRAHAM. Mr. Speaker, a short time ago our esteemed colleague, Hon. LEON H. GAVIN, of the 23d District of Pennsylvania, was given a national award for distinguished service to conservation. This came from the Izaak Walton League of America, the National Parks Association, the National Wildlife Federation, the Wilderness Society, and the Wildlife Management Institute.

This high honor was well merited. Those of us in the Pennsylvania delegation have long known of Mr. GAVIN's intense interest in this great and constructive work, and we are all delighted to know that he has thus been honored. Mr. GAVIN has been a strong and forceful advocate of appropriations by Congress of adequate funds with which to carry out the study and management of fish and game resources on these public lands, and it is indeed gratifying to us to learn that his efforts have been thus recognized.

I am only too glad of this opportunity to make this statement in the RECORD so that all those who are interested in these vital projects may know of his efforts in this respect and of the high regard that the members of our Pennsylvania delegation have for our distinguished colleague.

Mineral Leasing Act

EXTENSION OF REMARKS
OF
HON. CLIFTON (CLIFF) YOUNG
OF NEVADA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. YOUNG. Mr. Speaker, legislation has been enacted by the Congress which provides for the multiple mineral development of the public lands of the United States.

I wish to commend the mining, and the oil and gas industries, for their sincere efforts to rise above narrow self-interests in order to assist the Congress in arriving at legislation that will permit the maximum utilization of our mineral resources. In all these efforts to arrive at a fair answer to the problem and to protect the prospector and small-mine operator, I and other members of the House Interior Committee have had the cooperation and able assistance of the American Mining Congress, the Nevada Mining Association, and the Western Oil & Gas Association.

In view of the fact that S. 3344, as enacted, is a very complicated measure, and because I know that the miners and prospectors of Nevada and other Western States will wish to learn how they may be affected by the new law, I have prepared an explanation of it which should answer many questions raised by those concerned.

WHY WAS IT NECESSARY TO CHANGE EXISTING MINING AND LEASING LAWS?

The Mining Act of 1872 provided for the location of mining claims on public lands. It was contemplated under that act that the minerals of the country would be disposed of completely and exclusively under its provisions with the mineral claimant obtaining full title to his claim when a patent was granted. The first radical departure from that system came about through the passage of the Mineral Leasing Act of 1920 under which, save for valid claims then existing, oil, gas, coal, phosphate, sodium, or oil shale could be disposed of only under that legislation. The Mineral Leasing Act also resulted in a determination by the Secretary of the Interior that lands which were known to contain those minerals or which were under lease to develop such minerals were not subject to location under the mining laws of 1872.

The conflict between the Mining Act of 1872 and the Leasing Act of 1920 increased with the years. The basic principles of the mining law, with its exclusiveness and entirety of disposition and the granting of a full title, was inconsistent with the limited method of disposition under the leasing laws.

With the rise in exploration for uranium, stimulated by the Atomic Energy Commission, the conflict became especially acute in certain areas. The principal area of domestic uranium-mining activity is at present the Colorado plateau, which is heavily covered by oil and gas filings. This situation has had the effect of excluding development for fissionable-source materials and other hard minerals. In this same area, where oil and gas filings have not been established, oil and gas prospectors hesitate to file and commence drilling because of the existence of mining claims which would impair their rights. This situation was temporarily met when the 83d Congress enacted Public Law 250, which validated a limited number of uranium-mining claims located on oil and gas lands from August 1, 1939, to December 31, 1952.

At the time that law was enacted Congress recognized the need for more permanent legislation which would provide for legal compatibility between the mining laws and the Mineral Leasing Act. This new law is the result.

This law also solves another problem. It provides that mining claims may be located for fissionable-source materials and that a full patent may be issued on such claims. This removes an uncertainty brought about by enactment of the Atomic Energy Act of 1946, which reserved fissionable-source materials to the United States, and by a ruling of the Department of the Interior in 1948, which held that mining claims could not be located based upon uranium.

WHAT DOES THE NEW LAW DO?

This act will open to location, under the mining laws, about 60 million acres now withdrawn under the Mineral Leasing Act. The first three sections of the act are designed to protect equities created as a result of Public Law 250, enacted last year.

Section 1 gives a preference to any mining claimant who attempted to validate his claim under Public Law 250. This section, in general, brings forward the cutoff date for validating mining claims to February 10, 1954, in order to protect those who acted in good faith in prospecting between December 31, 1952, and the issuance of AEC Circular No. 7, February 10, 1954, which outlined procedure for uranium leases.

Section 2 sets up priorities to resolve conflicts between claimants who have located mining claims on the same tract of land, which at the time of location was withdrawn under the Mineral Leasing Act. Where conflicts develop, claims located during the period covered by Public Law 250 have preference over those located between December 31, 1952, and February 10, 1954.

Section 3 gives the owner of a lease or the holder of any pending uranium lease application, under AEC Circular No. 7, a preference right to locate a mining claim on the lands covered by the lease or lease application, subject, however, to any rights accrued under a mining claim filed before February 10, 1954.

Sections 4 and 5 establish a basis for multiple use of the same lands under the mining laws and the Mineral Leasing Act. Mining claims can be located hereafter on lands leased under the Mineral Act, or known to be valuable for Leasing Act minerals. Also, any mining claims heretofore located which become valid because of this act, and all future mining claims, shall be subject to a reservation to the United States of all Leasing Act minerals. Any patent issued for any such claim, however, shall contain such reservation only as to lands which at the time of issuance of such patent are known to be valuable for Leasing Act minerals, or are included in a permit or lease, or are covered by an application under the leasing laws.

Section 6 establishes the basic principles of operation which are to be followed under multiple use of the same lands. It establishes the general principle that each operation shall be conducted in a manner compatible with any other mineral use insofar as reasonably practicable. This is a reciprocal section, and calls upon the miner and the lessee to act in such a manner as not to unreasonably interfere with the operations of each other.

Section 7 provides an in rem procedure whereby those who claim rights in the Leasing Act minerals under an unpatented mining claim can be called upon to come forward and assert those rights. It is based upon the procedure which is followed in securing mineral patents and which is well known to mining people. It has been held that one who has an unpatented mining claim has certain possessory rights as may be found valid by the Secretary of the Interior. Under the procedure established by this section, a mining claimant is called upon to assert his rights to Leasing Act minerals or, upon failure to do so, his claim shall become subject to a reservation to the United States of Leasing Act minerals. This section provides procedure under which lessees may obtain determination of rights under unpatented mining claims affecting lands under which oil-and gas-lease rights are asserted. The purpose is to eliminate title uncertainties which follow from possible existence of unidentifiable mining locations and from uncertain status of inactive locations.

Section 8 authorizes the owner of an unpatented heretofore located mining claim to relinquish his rights as to Leasing Act minerals. Recordation of such a relinquishment in the county office of record makes such a mining claim thereafter subject to a reservation of the leasable mincrals.

Section 9 restores lands within two helium reserves, which had been withdrawn from the public domain, to entry and location under the mining laws and to permit and lease under the leasing laws, upon determination by the Secretary of the Interior that such entry will not result in loss or waste of the helium-bearing gas. The Secretary may at any time require the entryman to conduct his operations so as to prevent such loss or waste. The helium reserves so affected are the Woodside and Harley Dome Fields, located in Emery and Grand Counties, Utah.

Section 10 amends the Atomic Energy Act to eliminate the reservation to the United States of fissionable source materials in the public lands of the United States and to confirm the validity of otherwise valid mining claims located on the basis of a discovery of fissionable source material alone. This section also reaffirms the Atomc Energy Commission's authority to purchase, take, requisition, condemn, or otherwise acquire supplies of source materials or other interest in real property containing deposits of source materials and to conduct prospecting and exploratory operations for such deposits in any real property believed by the Commission to have possibilities of containing source materials. The AEC is required to make just compensation for any property or interest in property so acquired.

Section 11 contains definitions of terms used in the act.

Sections 12 and 13 provide that if any provision of the act is found to be unconstitutional, invalid, or unenforceable, the other terms of the act will not be affected thereby; and limits the act in its application from affecting areas withdrawn from the public domain which are not specifically covered in the act.

HOW WILL THE NEW LAW AFFECT THE OWNER OF AN UNPATENTED MINING CLAIM HERETOFORE LOCATED?

Miners will be affected by the act in that all unpatented claims heretofore located will be subject to section 7 of the law in the event their mining claims are located on lands later subject to oil or gas leases or permits. In this event, mining claimants of lands located within an area in which the rights in oil, gas, or any Leasing Act minerals are asserted would be required to come forward and establish the validity of each mining claim if they desired to assert possessory rights to Leasing Act minerals. The determination of the validity would be made by the Secretary of the Interior or his designated agent. Procedures by the Leasing Act operator and the mining claimant to be followed under section 7 of the act are as follows:

First. Any Leasing Act applicant may file in such office as the Secretary of the Interior may designate, a request for publication of notice of such application, provided that not less than 90 days prior to his request for publication there shall have been filed for record in the county office in which the lands covered are located, a notice of the filing of such application with a description of the lands covered by such application.

Second. The Leasing Act applicant must also certify that he has examined the lands involved, and has made reasonable effort to ascertain whether any person was in actual possession of, or engaged in, the working of such lands, and shall set forth the nature and results of such inquiry in said affidavit.

Third. Prior to publication, the Leasing Act applicant must examine all instruments of record in the public records of the county in which said lands are located and then set forth the name and address, if available, of any person disclosed to have an interest in said lands under any unpatented mining claim.

Fourth. Thereupon, the Secretary of the Interior, at the expense of the Leasing Act applicant, shall cause notice of such application to be published in a newspaper having general circulation in the county in which the lands involved are located—such notice shall describe the lands covered by such application and shall state that if any person asserting any right or interest in Leasing Act minerals as to such lands, by virtue of an interest in an unpatented mining claim, shall fail to so notify the Secretary of the Interior—see 5 below—within 150 days from the first date of publication of such notice, such failure shall be deemed to constitute a waiver by such mining claimant of any interest as to Leasing Act minerals and to constitute a consent that such mining claim and any patent issued, therefor, shall be subject to a reservation to the United States of all Leasing Act minerals.

Fifth. If any mining claimant desires to assert this possessory right to Leasing Act minerals, he must file a verified statement in the office where the Leasing Act applicant filed his request for notice of publication within 150 days, setting forth the following information concerning each unpatented mining claim: (a) Date of location; (b) the book and page of recordation of notice of certification of location; (c) the section or sections of the public lands survey which embrace such mining claim, or if any such land is unsurveyed, the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument; (d) whether he is a locator or purchaser under such locations; and (e) his name and address and the names and addresses, so far as known to him, of any other person or persons claiming any interest or interests under any such unpatented mining claim.

Sixth. When the claimant has filed such a verified statement, the Secretary of the Interior or his representative shall fix a time and place for a hearing to determine the validity and effectiveness of the mining claim. The hearing shall be held in the county where the lands in question are located, unless the mining claimant agrees otherwise.

Seventh. Any person claiming any right in Leasing Act minerals by virtue of any unpatented mining claim heretofore located and desiring to receive a copy of any notice of any application under the Leasing Act, which may seek lands embraced in such mining claims, may file for record in the office where the mining claim is located an acknowledged request for a copy of any such notice. Such a request shall give the name and address of the person requesting copies, as well as the following information: (a) Date of location; (b) the book and page of recordation of notice of certification and location; and (c) the section or sections of the public lands survey which embrace such mining claim, or if any such claim is unsurveyed, the section or sections which would probably embrace such mining claim when the public land surveys are extended to such lands or a tie by courses and distances to an approved United States mineral monument. No request for copies of notices shall affect the title to any mining claim nor be deemed to constitute constructive notice that the person requesting copy has or claims any right, title or interest in or under any mining claim referred to in the request.

Eighth. If any Leasing Act applicant fails within 15 days after publication to either personally deliver or mail by registered mail a copy of such notice of application to each person in possession or engaged in the working of the land, or to any person ascertained to have an interest in a mining claim in the search of the county records, or to any person requesting a copy of any such notice, the publication of such notice shall be deemed wholly ineffectual as to that person and the failure of that person to file a verified statement asserting an interest in Leasing Act minerals shall not affect any rights of that person.

Ninth. The owner or owners of any mining claim heretofore located may, at any time prior to issuance of patent, waive and relinquish any rights to Leasing Act minerals by recording such a waiver and relinquishment in the county office of record. This permits negotiation and settlement of disputes between the parties without the necessity of hearings. No such waiver or relinquishment shall be deemed to constitute any concession as to the validity of any mining claim.

WHAT BENEFITS FOR MINERS ARE CONTAINED IN THIS LAW?

First. Will open to location under the mining laws about 60 million acres now withdrawn under the Mineral Leasing Act.

Second. Will permit validation of all claims located between July 31, 1939, and February 10, 1954, on Leasing Act lands and establish priorities in order to protect individual equities. Procedures required for validation are set forth in sections 1, 2, and 3 of the law.

Third. Will validate claims heretofore and hereafter located on the basis of a discovery of fissionable source materials. The Atomic Energy Act had reserved to the United States all fissionable source materials in public lands, thus casting a shadow on the validity of all claims prevousiy located for fissionable source materials.

Fourth. Will provide that the owner of an unpatented mining claim may sell or assign his possessory rights to Leasing Act materials.

WHAT DISADVANTAGES TO MINERS ARE CONTAINED IN THIS LAW?

First. Will reserve to the United States title to Leasing Act minerals on all claims hereafter located, except that patents issued for such claims shall contain such a reservation only as to lands, which at the time of issuance of such patent, are known to be valuable for Leasing Act minerals, or are included in a permit or lease, or are covered by an application under the leasing laws.

Second. Will require the owner of an unpatented mining claim who may claim rights in the Leasing Act minerals to come forward and assert those rights. If the claim owner fails to assert these rights, such failure will subject the mining claim to a reservation to the United States of all Leasing Act minerals, but will not affect any other rights of the claim owner.

WHAT ACTION SHOULD BE TAKEN BY MINING CLAIMANTS WHO DESIRE TO RETAIN POSSESSORY RIGHTS TO LEASING ACT MINERALS?

First. Before any possessory rights to Leasing Act minerals can be asserted, the miner should assure himself that his claim is valid. There must have been timely compliance with the mining laws and there must have been a mineral discovery. Although performance of annual assessment work is not required to establish the validity of a mining claim, it would insure that the claim is not jumped by other parties.

Second. The miner should make certain that his claim or claims are properly posted. It is also advisable that he include his current mailing address in his posted notices.

Third. It is advisable that he add his current mailing address to his location notice on file with county recorder.

Fourth. It is advisable that he file an acknowledged request in the county office of record for a copy of any notice of any application under the Leasing Act.

Fifth. A mining claimant must come forward and assert an interest in Leasing Act minerals when notified of a Leasing Act application, either by personal service, registered mail or public advertising, if he desires to retain his possessory rights to Leasing Act minerals.

Question of the Week

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. BENDER. Mr. Speaker, the World Council of Churches meets in August in Evanston, Ill., with churchmen from Communist Czechoslovakia and Hungary attending. Do you think they will like to go home?

The Housing Act of 1954

EXTENSION OF REMARKS

OF

HON. JESSE P. WOLCOTT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. WOLCOTT. Mr. Speaker, the Housing Act of 1954 makes comprehensive revisions in existing housing, home financing, and slum-clearance laws and adds important new authorities, including several provisions designed to further protect the interests of both the homeowner and the Government. The bill places new emphasis on the rehabilitation and conservation of the Nation's housing inventory.

The FHA home repair and improvement loan insurance program is tightened up so as to require an insured lender to assume 10 percent of the risk on each individual loan, participation is limited to supervised lenders and others specifically approved by the FHA Commissioner, and insured loan uses and amounts are restricted to further guard against abuses. Authority is provided for FHA insurance of advances under open-end mortgages so that an owner may obtain long-term financing at favorable interest rates to make major home repairs and improvements.

Loans and terms of existing FHA mortgage-insurance programs with respect to sales housing are simplified, liberalized, and more nearly equalized as between new and existing construction. On a 1- or 2-family structure, within a maximum mortgage limit of $20,000, an insured mortgage on a new structure may be in an amount up to 95 percent of the first $9,000 of value, plus 75 percent of the excess above $9,000. On an existing dwelling a similar formula applies, except that the ratio is 90 percent of the first $9,000 of value, plus 75 percent of the excess above $9,000. Flexible authority is given the President to increase the $9,000 figure to $10,000 and thus further ease home-credit terms should he find such action to be in the interest of the national economy. Mortgage-maturity limits are set at a maximum of 30 years, but cannot exceed three-fourths of the remaining useful life of the property. With respect to existing FHA rental housing insurance programs, mortgage limits are set on a per room basis except for units containing less than four rooms. The basic room-cost figure is $2,500, plus an additional $500 allowance per room in the case of elevator-type structures, and the mortgage limits in the act were determined by applying to such cost the appropriate insuring percentage—80 percent under FHA section 207, and 90 or 95 percent under section 213.

New FHA mortgage insurance programs added by the bill include a 95 percent insurance program for servicemen—mortgage limit $17,100—and programs designed to aid in the rehabilitation of existing housing and construction of new housing in urban renewal areas and for families displaced by slum clearance and other public improvement operations.

The interests of the homeowner in FHA mortgage insurance programs is further protected by new provisions which require that a builder's warranty be given in connection with new sales housing, that FHA appraised values be made available to purchasers, and that FHA benefits may be denied to those willfully violating FHA or VA statutes or regulations. The interests of the Government in FHA mortgage insurance programs are additionally protected by new provisions which strengthen the reserve backing the Mutual Mortgage Insurance Fund, allow more time for orderly liquidation of acquired properties through lengthening the maturity date of debentures to 20 years, and provide for effective restrictions on mortgaging out operations in rental housing programs.

To protect against the use of FHA insured rental properties for hotel or transient purposes provisions are included to control and prohibit such abuses and effective enforcement authority is granted.

Two titles of the new bill relate to improvement of facilities for home mortgage financing with emphasis on the role of private enterprise. One provides for the rechartering of the Federal National Mortgage Association and the other for the establishment of a voluntary home mortgage credit program. The rechartered FNMA will provide a Government secondary market for certain FHA insured and VA guaranteed mortgages, limited market assistance for special FHA programs, and orderly liquidation of the mortgage portfolio of the existing FNMA. Provision is made that users of the secondary market facilities subscribe to stock in FNMA to the extent of 3 percent of sales so that over a period of time the Government's investment will be replaced with private investment. Under the new voluntary home mortgage credit program representatives of various types of financial institutions, builders, brokers, and the Government will cooperate, in an organized manner, in facilitating the flow of private mortgage funds for Government insured or guaranteed home loans into areas where needed, including remote areas and small communities.

Slums and urban blight are vital problems in many urban communities. The new bill broadens the present concepts of federally assisted slum clearance and urban redevelopment programs to also include activities for prevention of the development or spread of slums and blight. There is emphasis on conservation as well as on cure and added responsibility is placed on local governing bodies in developing and carrying out broad, workable programs. As previously noted, two new FHA mortgage insurance programs are made operative to assist housing problems arising in connection with the carrying out of slum clearance and urban renewal programs. Coordinating authority is placed in the Housing and Home Finance Administrator.

Authority is granted for the Public Housing Administration to enter into new contracts during fiscal year 1955 covering 35,000 additional public-housing units to be located in communities which are carrying out slum clearance and urban redevelopment or urban renewal projects with Federal assistance. The local governing body must certify as to the need in meeting relocation requirements and the Housing and Home Finance Administrator determines the number of units required for relocating eligible families displaced by governmental action in the community. Provision is also made for the eventual self-liquidation of public-housing projects as well as for disposition to private ownership if a local community so determines and retires all outstanding obligations.

The new act makes several changes in law which affect Federal Savings and Loan Associations, the Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation. The lending limit of member associations is increased from $20,000 to $30,000 per mortgage and the property repair and improvement loan limit is increased from $1,500 to $2,500 per loan. The Home Loan Bank Board is granted authority through administrative and court proceeding to enforce compliance by a member association with its laws and regulations without the necessity of resorting to the appointment of a conservator or receiver as had been the case. With respect to the Federal Savings and Loan Insurance Corporation a 3-year statute of limitation on claims is established, provision is made that service of process may be made on an agent of the Corporation as well as on the Corporation itself and a procedure for terminating insurance of member institutions is established which is similar to the insurance termination procedures of the Federal Deposit Insurance Corporation.

The new act contains a number of other provisions including the extension of the FHA military and defense housing insurance programs, increase in FHA insuring authority, extension of the farm-housing program, establishment of an urban planning program and creation of a reserve of planned public works, transfer of the public agency loan program to the Housing and Home Finance Administrator and the establishment of advisory committees by the HHFA and its constituent agencies. Miscellaneous provisions relate to the disposition of specific housing projects and certain types of Government-owned temporary housing accommodations, status of insurance proceeds on school buildings being transferred from the Government to communities, interest rates on college housing loans, submission of specifications, keeping of records, reports, and audits.

The new act with its many comprehensive provisions should materially assist in maintaining a high volume of new housing construction and encourage the conservation and improvement of the Nation's already existing supply of housing accommodations.

Results of Questionnaire Sent to Constituents

EXTENSION OF REMARKS

OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. GWINN. Mr. Speaker, for some time past, I have grown weary of being told by self-appointed spokesmen, as to how the people think about national and international issues that confront the Congress and the Nation. These so-called experts on what a majority think or want have made a practice of threatening Congressmen with political defeat if they do not vote according to the wishes of a majority of the people which wishes they pretend to know. The voting records of Members of Congress are graphed and compared with what the majority demand is alleged to be. This sort of activity is standard procedure with the pressure groups in an election year.

In order to expose this self-serving business of the special-interest groups and to better inform myself and my colleagues in the House, I recently circulated by mail a questionnaire in my district. I am happy to report an enthusiastic response from my constituents, about 8,300 of whom participated. In addition, I received nearly 3,000 separate letters and memoranda further explaining the vote registered by them. I was amazed and delighted by the seriousness with which my constituents answered the questions. One man consulted his lawyer and paid him a fee to help get the right answers to his Congressman.

The questionnaire was sent to 91,000 people, or about one-half of the 180,000 registered as voters in 1952. The names and addresses were taken from all the phone books in the 27th Congressional District. Tabulation of the 7,363 questionnaires first returned was made by electronic machines of the International Business Machines Corp. The cost was paid for by me personally.

Approximately 46 farmers, 969 workers, 2,110 businessmen, 2,282 professional people, 1,727 white-collar workers, and 1,154 housewives overwhelmingly support the pay-as-you-go, balanced-budget theory of government. The willingness, even the insistence of a big majority, that they pay for their own housing, food, security, power, health, and education as opposed to leaning on the general taxpayers is encouraging. For they know there are no such persons to lean on.

Possibly the most gratifying of all has been the response of 969 workers. They score as one of the more conservative groups favoring free enterprise and reduction of the business and responsibility of government. They suffer most of all when government takes on socialistic or communistic functions.

With two or three unimportant exceptions, a majority—and in many cases an overwhelming majority—of my constituents voted as I have voted and as I intend to continue to vote.

	Yes	No	Undecided
1. Do you favor reducing President Eisenhower's national defense budget for 1955?	20.5	68.8	10.7
2. Do you favor further reduction of taxes before balancing the budget?	18.7	75.7	5.6
3. Do you favor increasing the Federal debt limit?	15.3	71.6	13.1
4. Do you favor return to the States of all Federal gasoline and oil tax revenues for highway construction purposes without Federal dictation?	55.1	29.9	15.0
5. Do you think that the Taft-Hartley Act is fairer to all parties than the old Wagner Act?	82.5	7.9	9.6
6. Do you think that employers should have the right to talk freely to their employees about all labor-management matters?	93.7	3.4	2.9
7. Do you think that the regulation or control of labor relations and activities in labor disputes within a State should be made by local or State law rather than Federal law?	48.5	36.9	14.6
8. Do you approve the present Taft-Hartley Act prohibition of secondary boycotts? (A secondary boycott is a boycott by outsiders not directly involved in a particular labor-management dispute)	78.7	13.6	7.7
9. Do you think management of money in welfare funds of labor unions should be regulated by law as insurance funds are regulated?	93.9	3.2	2.9
10. Do you favor reciprocal trade agreements regardless of competition of foreign products with domestic products?	37.9	43.2	18.9
11. Do you favor farm subsidies at 90 percent of parity?	7.6	75.6	16.8
12. Do you believe that providing any kind of farm subsidy is a proper function for the Federal Government?	37.4	48.0	14.6
13. Do you approve of Government buying up and storing farm surpluses at the taxpayer's expense?	11.6	80.2	8.2
14. Do you believe that the Federal Government should go into the business of producing and selling electric power?	16.3	76.8	6.9
15. Do you believe that where the Federal Government is in the business of producing and selling electric power, such projects should receive annual subsidies and be exempt from local, State, and Federal taxation?	12.7	78.2	9.1
16. Do you think the Federal Government should sell TVA electric powerplants?	61.0	23.6	15.4
17. Should it sell all publicly owned and operated tax exempt property used in competition with privately owned taxpaying businesses?	65.0	20.2	14.8
18. Do you approve extending social security old-age insurance to all groups of workers not presently covered by social security insurance or some equivalent plan?	77.4	13.5	9.1
19. Do you favor old-age insurance payments to all persons 65 and older regardless of need or prior eligibility?	45.2	45.0	9.8
(a) Should such insurance be wholly supported by deductions from wages and salaries?	60.2	11.2	28.6
(b) Should this cost be borne by taxpayers generally?	21.5	40.0	38.5
20. Do you favor nonprofit voluntary health insurance organizations?	70.4	19.0	10.6
21. Do you approve Federal construction of hospitals?	47.3	38.2	14.5
22. Do you believe that the administration and control of health and medical services to all the people is a proper function of the Federal Government?	19.7	71.6	8.7
(a) To any part of the people?	29.2	38.4	32.4
23. Do you favor socialized medicine?	9.3	83.5	7.2
24. Do you approve of Government public housing exempt from Federal, State, and local taxation and its losses in operation to be paid by taxpayers?	10.1	82.9	7.0
25. Do you believe that wage, price, and rent controls are proper functions of the Federal Government?	36.1	53.2	10.7
26. Do you favor a constitutional amendment making treaties with foreign nations of no force and effect if they deny or abridge any right enumerated in the United States Constitution?	55.9	28.3	15.8
27. Do you favor the development and use of atomic energy by private enterprise within our own country?	77.3	12.5	10.2
28. Do you believe that State and local governments, under present-day conditions are unable to keep law and order and provide adequate protection for life and property?	24.5	65.5	1.00
29. Do you believe that the Federal Government should tax private income and property so as to undertake vast public owned and operated enterprises exempt from taxes in competition with its taxpaying citizens?	9.0	81.9	9.1
30. Please check the 6 issues you think most important today: [1]			
Foreign policy / Labor policies			
Defense and war preparedness / Federal debt			
Communism in America / Cost of living			
Government spending / Farm price supports			
Taxation / Unemployment problem			
Atomic-energy policies / Limitation of President's treatymaking power			
31. Should the United States continue its program of economic aid to foreign countries?	43.4	37.1	19.5
32. Do you believe atomic and hydrogen bomb know-how should be shared with other countries?	14.1	70.8	15.1
33. Do you think a Government agency should supervise an election held by unions for the purpose of deciding whether or not to go on strike?	66.1	24.4	9.5
34. Do you think that the United States should continue to pay ¼ of the cost of maintaining the United Nations?	19.2	71.8	9.0
(a) Should the figure be reduced?	72.7	8.5	18.8
(b) Should the figure be increased?	2.5	51.5	46.0
35. Do you favor statehood for Hawaii?	68.9	17.8	13.3
(a) For Alaska?	69.4	17.5	13.1
(b) For Puerto Rico?	20.4	60.5	19.1
36. Do you favor direct United States participation in the St. Lawrence Seaway if the project can produce enough revenue from shipping tolls to pay its construction and operating costs?	82.1	9.4	8.5
37. Do you approve generally of our present handling of foreign relations?	54.2	31.1	14.7
38. Do you believe American military aid to foreign countries should be continued?	62.1	22.6	15.3
(a) Should such aid be increased?	12.9	40.5	46.6
(b) Should such aid be reduced?	37.6	19.9	42.5
39. Do you favor keeping American troops abroad in some 50 nations?	27.6	53.7	18.7
40. Do you think we should send troops to Indochina if the French cannot win the war there?	22.1	54.8	23.1
(a) Do you think we are giving too much aid in Indochina?	17.9	53.3	28.8
(b) Or too little?	26.2	19.6	54.2
41. Do you think we should demand that our allies halt all trade with Russia and her satellites?	59.8	26.8	13.4
42. Do you feel that the President should have the power to commit the United States to active resistance in aggression in Europe and Asia without the consent of or consultation with Congress?	18.2	74.0	7.8

[1] These have been rearranged in the manner indicated by the vote.

	Yes	No	Undecided
43. Do you favor amendment of the McCarran-Walter Immigration Act so as to allow increased immigration in the United States?	22.9	63.9	13.2
44. Do you favor United States expenditures abroad for the development of backward nations?	47.7	38.9	13.4
45. Do you favor the United States making trade agreements with Russia?	15.7	69.6	14.7
46. Do you favor the investigation of Communist subversives by the McCarthy committee?	68.0	22.9	9.1
47. Do you favor Congress enacting a program of universal military training in peacetime?	77.1	15.0	7.9
48. Would you favor a Federal compulsory antidiscrimination law similar to the one that is now in effect in the State of New York?	34.2	52.0	13.8
49. Do you think the Communist Party should be outlawed in the United States?	68.0	22.3	9.7
50. Do you favor speeding up the reduction in number of Federal employees? (Reduction in 1953 was 220,950; there are still 2,361,057 costing $10.5 billions annually.)?	79.5	8.5	12.0
51. Do you favor increased postal rates to make the post office break even?	70.1	21.5	8.4
52. Do you approve of the Federal Government taxing the local communities for education and sending back 20 percent of it as Federal aid to education?	14.9	66.6	18.5
53. Do you think 18-year-old boys and girls have enough experience to vote on such questions as raised above?	23.6	68.6	7.8
54. Do you, yourself, feel that you should be expected to vote on such questions as to how many power dams, houses, loans, gifts, subsidies and wage, price, and rent controls Congress should enact?	31.6	57.2	11.2
55. Do you believe these are proper functions of Government and that you should be expected to vote on all such questions in the conduct of Government?	32.9	44.5	22.6
56. Do you think issues in Federal elections should be confined largely to the ability, character, and fitness of the candidates for office?	77.0	16.1	6.9

This is to certify that the recording of the poll conducted by means of questionnaires for the Honorable RALPH W. GWINN, Congressman, 27th District, New York, was performed by the service bureau of the International Business Machines Corp., Washington, D. C., office.

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SERVICE BUREAU, INTERNATIONAL BUSINESS MACHINES CORP.
WASHINGTON, D. C.

It Would Not Have Happened Had Dies Committee Been Heeded

EXTENSION OF REMARKS
OF
HON. MARTIN DIES
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. DIES. Mr. Speaker, every informed and unbiased authority now agrees that Communist successes which threaten the world with destruction can be attributed in large part to the pro-Russian policy of the United States from 1933 until a few years ago. As the most powerful Nation in the anti-Axis alliance, the United States could have forestalled the Communist plans of world conquest during the latter part of World War II and in the postwar period. At that time Russia was exhausted from the devastating effects of Hitler's invasion and in no condition to resist American demands for settlement and commitments that would have insured a just and lasting peace. In his monumental book, Triumph and Tragedy, Churchill published the urgent pleas which he made to President Roosevelt during the latter part of the war, that adequate measures be taken then to frustrate Russian schemes.

The cause of America's pro-Russian policy was the influence exerted upon the Roosevelt administration by Communists, fellow-travelers, and their dupes, and the deception which they were able to impose upon those in charge of our foreign policy. Few people yet understand the tremendous influence which the Communists, fellow-travelers, and dupes exercised in the United States during this period. They controlled and directed scores of frontal organizations which had a total membership of approximately 10 million gullible and unthinking people. These organizations held the balance of political power in many key areas of the United States. They published and distributed over 600 magazines, newspapers, and periodicals in the United States which reached millions of people with pro-Russian propaganda. They infiltrated leading newspapers, magazines, and radios. They were entrenched in the moving-picture industry. From these vantage points the Communists and their fellow-travelers were able to carry on an incessant bombardment of deceptive propaganda which shaped and maintained a pro-Russian foreign policy.

The most accurate appraisal of Communist influence in the United States was made by Earl Browder recently when he said:

> In those days Communists exerted a powerful and pervasive influence. * * * At election time their support was sought by candidates and factions in both major parties. * * * Communists were asked to speak at universities not despite but because they were Communists. * * * Government officials, church leaders, scientists, doctors, lawyers, and judges collaborated freely with the Communists. * * * In politics, of course the main weight of Communist influence was thrown behind Roosevelt.

From 1938 to 1945, the Dies committee did everything within its power to combat the Communist influence and deceptive propaganda. In a unanimous report published on January 3, 1939, the Dies committee solemnly warned:

> We have shown that communism is a worldwide revolutionary movement aiming ultimately at the setting up of a world union of Soviet Socialist Republics. * * * In this plan for world revolution the Communists have omitted no country or people as too small or insignificant to command their attention. * * * Among these the Communists recognize the United States of America as the foremost.

If our Government had heeded this warning, it would not have made enormous concessions to Russia at Yalta and Potsdam. It was these postwar concessions which enabled the Soviet Union to emerge from a third-rate power to the status of a world menace.

Another cause of the phenomenal growth of Communist power was the theft by Communists inside our Government of our military, diplomatic, and scientific secrets and the influence which they exerted upon our foreign policy. In its report filed on January 3, 1939, the Dies committee warned:

> The Communist Party has penetrated the Government itself, with the result that some Communists hold key positions in Federal agencies and projects.

In the report of the Dies committee dated January 2, 1943, are the following findings:

> On October 25, 1939, the committee made public the names, positions, and salaries of some 563 Government employees located in Washington, D. C., who were members of the American League for Peace and Democracy. * * * The committee on October 17, 1941, sent to the Attorney General the names of 1,124 Federal Government employees who were members of organizations which this committee had found to be subversive.

Included in this list were the names of Alger Hiss, Harry Dexter White, and Harold Glasser. These people were kept on the Government payroll for at least 10 years after they were exposed, and the theft of our military, diplomatic, and scientific secrets was made possible because of their presence on the Federal payroll. Furthermore, these Government officials greatly influenced our foreign policy in favor of Russia.

Another cause which contributed to Communist influence in America was the failure of our Government to deport and exclude Communist aliens. In 1932, my bill to deport and exclude Communist aliens passed the House of Representatives but was stymied in the Senate by the liberal bloc headed by Senator La Follette. If my bill had become a law, 90 percent of these Communist aliens would have been deported and the thousands who came after 1932 would have been excluded.

In the committee's report filed on January 3, 1939, is the following finding:

> The committee received considerable evidence of the activities of Communist, Nazi, and Fascist aliens in the United States. * * * A large part of un-American activities is inspired and carried on by these aliens. * * * The committee believes that it will be difficult to ever cope with un-American activities and propaganda in this country so long as the Department of Labor follows its present policy with reference to deportation.* * * We further believe that greater care should be exercised in permitting aliens to enter the United States.

In the committee's report filed January 3, 1940, we recommended:

> The mandatory deportation of aliens who advocate any basic change in the form our Government.

While about 300 Communist aliens cited by our committee were finally deported, and 77 Communists cited by us were convicted under the Smith Act, this recommendation was more or less ignored.

Another cause of Communist influence in the United States was their control of some of the powerful labor unions in our country. Through these labor unions Russia was able to wield great political influence. These unions had the balance of power in some areas. In its report filed January 3, 1939, the committee found:

The Communist Party is boring from within labor unions on a wide scale, seeking to dominate or wreck the unions for purposes that are alien to the interest of organized wage earners.

From 1940 to 1944, the Dies committee cited 11 labor unions as Communist-dominated. In 1950 these same unions were expelled from the CIO as Communist-dominated. If these unions had been expelled promptly after the Dies committee exposed them, the influence of communism in the United States upon our domestic and foreign policies would have been considerably lessened.

Another cause of Communist influence in the United States was the infiltration of educational institutions. In its report filed January 3, 1939, the Dies committee found:

The Communist Party is unusually active in our schools, both openly and subtly insinuating its propaganda into the minds of students.

In its report filed January 3, 1941, the Dies committee recommended as follows:

Withhold all Federal financial support from any educational institution which permits members of its faculty to advocate communism, fascism, or nazism as a substitute for our form of government to the student body of these educational institutions.

If this recommendation had been adopted promptly, the influence of communism in our country would have been greatly reduced before it was able to accomplish its purposes.

Since many Communist aliens had become naturalized after 1932, and the time had expired within which such naturalization could be revoked, the Dies committee on January 3, 1941, recommended as follows:

We recommend that the statutory period during which citizenship papers can be revoked under existing law be extended to at least 10 years.

The most important recommendation made by the Dies committee was that Communist organizations be outlawed. In our 1941 report we said:

As long as these organizations have a legal status in the United States it will be difficult for any agency of the Government to deal with them. * * * The committee believes that legislation can be worked out to outlaw such organizations.

If the Communist organizations had been outlawed in compliance with our recommendation made in 1941, the influence of communism in the United States would have been destroyed long before it was able to shape our foreign policy in favor of Russia and destroy by theft the tremendous advantage which exclusive possession of the A-bomb and other military and scientific secrets gave us.

Mr. Speaker, in 1940 I warned the President of the United States what would happen if he did not take prompt action. On page 363 of my book, The Trojan Horse in America, which was published in the early part of 1940 by Dodd, Mead & Co., will be found the following statement:

The issue is before the President. He must take the initiative in performing this necessary task in the interest of adequate preparedness.

The President cannot supply the leadership on which our national security rests until he inaugurates a thorough and genuine house cleaning in Government service. This is the plain truth, and to deny or avoid it may prove fatal in the end.

The President must surely realize by this time that his leftwing followers in the Government are the fountainhead of subversive activities.

Whether or not we can develop courageous leadership in this country remains to be seen. It depends upon an awakening of the people. The totalitarian psychology of communism and fascism has taken root in the minds of many of our people. It must be eradicated before the Nation is prepared to defend itself against the assault of totalitarianism.

The Libby Dam and Reservoir Project

EXTENSION OF REMARKS

OF

HON. WESLEY A. D'EWART

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 29, 1954

Mr. D'EWART. Mr. Speaker, the blunt, bold outline of Canada's unprecedented and unreasonble demand for a share in the power to be generated at the proposed Libby Dam in Montana is now clear.

I have previously referred to this project in statements to the House, and to the difficulties we have had in negotiating with Canada as a result of the fact that the proposed Libby Reservoir would back water across the International Boundary and inundate a small area of remote, inaccessible and sparsely settled Canadian woods country.

We have endeavored patiently to come to some agreement as to the monetary indemnity that should be paid as a result of any injury to Canadian persons, land, or resources by the inundation of this wilderness. This has always been the practice and custom in our dealings with boundary waters since the treaty of 1909 which established the International Joint Commission. I might say that under this practice, the United States has been most generous to the Dominion of Canada, has cooperated faithfully with our neighbor government, and has never in any way hindered Canadian development of the bountiful natural resources we share in this continent.

I regret to say that at this time we are not receiving the same kind of treatment from the Dominion of Canada.

The Libby Dam and Reservoir project is probably the best undeveloped power project in the Columbia Basin. It is proposed to develop some 4,250,000 acre-feet of storage which when allowed to flow through the powerplant once would develop 6 billion kilowatt-hours of energy. This is a tremendously important undertaking. The development of the Northwest requires that we pursue it diligently. Libby project should be constructed at the earliest possible date, so that the power it can provide and the benefits of upstream storage can be made available when needed. Anything that interferes with that development is harmful not only to the Northwest but to the Nation as a whole.

Mr. Speaker, we have now received a statement in response from the Canadian Government, in the matter of the application of the Government of the United States to the International Joint Commission for approval of the construction and operation of the Libby project.

This statement in response from the Dominion of Canada, and a supplementary statement from the Province of British Columbia, state that approval of the Libby project will be granted on conditions as follows:

First. The protection and indemnity against injury of all Canadian interests.

Second. An equitable recompense to Canada for use of Canadian resources, which will include an amount of power based on the increase of level permitted at the international boundary and a share in downstream-benefits of storage in power on a basis to be negotiated.

Third. Any rights for the use of storage in Canada will be for the life of the project.

Fourth. All considerations which may be deemed relevant as a result of the Commission's study of all engineering and economic factors in the Columbia River Basin in general, and the Kootenai River in particular, be taken into account.

The statement by the Province of British Columbia attaches two more conditions. They are:

First. All labor employed by the United States within Canada must be residents of the Province.

Second. The power with which the Province desires to be indemnified must be delivered at a point on the border designated by the Province.

Mr. Speaker, these harsh and unwarranted demands go far beyond anything contemplated in the Boundary Waters Treaty of 1909 as provided in article VIII thereof. They go beyond anything found in past actions of the IJC. Indemnities have invariably been agreed upon in terms of a sum of money. Never has it been contemplated that a block of electric power should be granted in perpetuity from one nation to the other.

I call attention to the fact that this project is to be build with United States

money, by the United States, at the expense of the people of the United States, and can be justified only as a contribution to the development of the United States. Canada furnishes nothing beyond the forty-odd miles of inaccessible river valley that will be inundated.

Canada itself has numerous sites for power development on the Kootenai River and the Columbia. Canada will gain many benefits from the upstream storage furnished by Libby Dam for any development Canada may have on the Kootenai after it flows back over the International Boundary or on the Columbia after it is joined by the Kootenai. Canada has as great an interest as we in the proper development of the basin. But Canada has no right under law or treaty to expect, let alone demand, that we give outright and forevermore a portion of the power to be developed by an American dam built by American dollars on American soil, and which by no stretch of the imagination can be said to do any serious injury to the Dominion, the Province, or more than a handful of Canadian citizens.

A short time ago I called the attention of the House to the fact that the Dominion of Canada had threatened to divert within Canada the entire flow of the Kootenai River so that the Libby project could not be constructed at all.

Such a threat, followed by such demands as these, certainly is not in conformity with the spirit of cooperation and neighborliness that we have always felt toward the people of Canada.

As one of my constituents has written to me, we can make some diversions ourselves. We can divert the Kootenai within Montana and Idaho, and make Canada's Kootenai Lake a mud flat.

But this is not the spirit in which we should approach these mutually beneficial international projects.

In the past the United States has extended grants, loans, and credits to Canada in amounts of many millions. We constructed a highway clear across the most inaccessible regions of the western provinces, and gave it to them. In many ways over the years our friendship toward Canada has been demonstrated in such gifts and acts of kindness.

I am certain that General McNaughton, now chairman of the Canadian section of the International Joint Commission, was glad indeed to have American equipment and American assistance for his troops in the late war. I fail to understand how he can now press such greedy and unprecedented demands upon our Libby project.

Mr. Speaker, I sincerely trust that the American section of the International Joint Commission will stand firm in its refusal to accede to any demands contained in the statement of response, and that the Dominion and the Province of British Columbia will review and amend their statement, so that the Libby project can take its place in our development program.

June 17 Freedom Day in Honor of East German Patriots Who Revolted Against Communist Tyranny

EXTENSION OF REMARKS
OF
HON. CHARLES J. KERSTEN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1954

Mr. KERSTEN of Wisconsin. Mr. Speaker, I would like to call to the attention of the House the commemoration of the anniversary of the revolt of East Berlin German workers and of the Poles and Czechs against communism in June 1953, which commemoration took place in Berlin, N. H., on June 17, 1954.

Governor Gregg, of New Hampshire, proclaimed June 17 freedom day in honor of these patriots behind the Iron Curtain who revolted against tyranny. The town of Berlin, N. H., dedicated a plot of ground for the erection of a monument to these stalwart fighters for freedom.

This commemoration is an example of what is possible to achieve in the field of unconventional psychological warfare against communism through imagination and private initiative.

The author of the project is Nicholas de Rochefort, a Frenchman, who has resided in America since 1949 and teaches in political science at the American University. He was born in Russia and lived there 19 years. In 1919 and 1920, while working as a stoker in a powerplant in Leningrad, he witnessed the Communist revolution and was deeply impressed by the effectiveness of the Communist methods of mass agitation and of word-of-mouth propaganda. Later, upon the completion of his studies at the School of Law of the University of Paris and at the School of Political Science, Paris, he dedicated himself to learning and fighting communism. He wrote in French newspapers and reviews and was an active member of anti-Communist organizations.

Last year, De Rochefort conceived of the plan to celebrate the first anniversary of the uprising of the workers of East Berlin against the Communist regime in order to bolster resistance to communism behind the Iron Curtain by a demonstration of the solidarity of the Free World.

But with one single exception he found no support for his idea. Federal agencies, newspapers, private wealthy individuals, and large national organizations praised him for his idea, warmly encouraged him to carry his project on but refused any specific help. Finally, he spoke of his plan to Dr. Charles W. Lowry, chairman of the Foundation for Religious Action, Washington, D. C., another vigorous fighter against communism. Dr. Lowry understood the importance of his idea, and sharing in his enthusiasm, helped De Rochefort in carrying it out.

On June 1, 1954, Mr. De Rochefort appeared before the Town Council of Berlin, N. H. He asked the Town Council of Berlin to give a plot of ground on which to erect a monument to resistance to communism, in glorious memory not of the Germans alone, but of all those men and women who fight and die for freedom in the Soviet dominated countries.

The substance of his request was not even questioned. Upon a short deliberation which bore solely on the choice of the site, the Town Council unanimously voted the grant of the ground.

Mr. De Rochefort saw in Concord the Governor of New Hampshire, Hugh Gregg, and asked him to proclaim June 17th Freedom Day in New Hampshire. Gregg jointed wholeheartedly in the spirit of the undertaking. His proclamation was issued on June 17. The ceremony of groundbreaking took place in Berlin, N. H., on the same day.

Even as it took place, the first reactions heard from abroad gave full evidence that De Rochefort's plan was achieving its purpose. Messages and telegrams arrived in Berlin, N. H., on the day of the ceremony, notably a telegram to Mayor Aime Tondreau from the Federation of the German Trade Unions:

> We workers of Berlin hail the decision of the city of Berlin, N. H., to erect a monument to the memory of the revolt of East Berlin workers on June 17, 1953, against tyranny and terror. This gesture of solidarity from the part of American citizens gives us new strength in our fight against the inhuman Soviet regime.

De Rochefort and Lowry are now forming a national committee which will raise the funds for the monument. The Foundation for Religious Action has undertaken to receive and to administer these funds. It is planned to offer a replica of the monument to the city of Berlin, Germany. The unveiling of the monument in Berlin, N. H., is to take place on the second anniversary of the Berlin uprising, on June 1, 1955.

A lesson can be drawn from this experience.

Two men of small financial means, but armed with imagination, perseverance, and knowledge of methods and techniques of phychological warfare were able to plan and carry out an operation of this nature, in finding assistance and aid from the part of the American people.

Such projects as this, staged in America, implemented by American citizens and groups of citizens, can better be worked out prepared and initiated by private initiative than by the Government.

It would therefore be desirable to create a private organization for this very purpose, the members of which could devote all their time and their skill to devising actions of unconventional psychological warfare, inspire and coordinate them. It would not require millions of dollars; relatively modest funds would suffice.

Such a group would effectively promote anti-Communist agitation—a sector of the cold war in which we have achieved so little and suffered so many defeats.

I include herewith an account of the Berlin, N. H., ceremony on July 17, 1954, from the Berlin (N. H.) Reporter of June 24, 1954, and an account of the June 17 Freedom Day by Mr. De Rochefort:

[From the Berlin (N. H.) Reporter of June 24, 1954]

CITY ENJOYS IMPORTANT ROLE IN FREEDOM DAY CEREMONY

Those who watched last Thursday's Freedom Day ceremonies in connection with the memorial to commemorate the uprising of East Berliners against the Reds, have been assured that "this isn't something that will be over and done with."

Mayor Aime Tondreau, in his speech at the ground breaking, told the large crowd that Berlin is happy and proud to play such an important role in the dedication, and it would become a memorable anniversary to be marked each year.

MANY LITTLE SECTIONS

Newcomers and youngsters learned that Berlin, N. H., had at one time many little sections peopled by residents of varied national extraction. Tondreau recounted his early years in the town and struck a note of humor when he explained that good healthy fistfights were often the order of the day between boys from opposing districts.

New Hampshire's active recognition of Freedom Day actually began on Sunday, June 13, when prayers were said in the community churches. On June 17 a proclamation from Gov. Hugh Gregg officially marked that day to be set aside to honor those who fought and died in the name of freedom.

Gregg recognized the fact that 1 year ago the workers of East Berlin, Germany, rose up against their Communist puppet masters forced on them by Soviet military might.

DEMONSTRATE RIGHTS

In his proclamation the Governor said: "Unarmed, barehanded, they demonstrated for their inalienable rights. * * * this uprising was followed by similar acts of revolt in other parts of captive Germany. The chain of events thus touched off was the capstone and symbol of unnumbered other acts of resistance against Communist totalitarianism by freedom-loving Poles, Czechs, Slovaks, Magyars, Rumanians, Bulgarians, Albanians, Latvians, Estonians, Lithuanians, Ukrainians, and Russians."

He noted that although this heroic revolt of June 17 was crushed in blood by Soviet armed forces * * * "truth on the scaffold was victorious, and communism was unmasked for what it is—the shameless exploitation and trampling of all human rights and values."

The Governor called upon the residents of New Hampshire to remember and pray for all those throughout the Soviet-controlled world who have fought and died for freedom. He repeated the words of Revolutionary War Gen. Johnny Stark, who led Granite State troops against similar oppressors on June 17, 1775, at the Battle of Bunker Hill. Stark's words are now the State motto, "Live free, or die."

ONE THOUSAND WATCH RITES

More than 1,000 persons watched the ground-breaking ceremonies and colorful parade that preceded the rites at the triangle of ground at the intersection of Main and Pleasant Streets.

The pealing of church bells and the sounding of factory whistles at 6:56 p. m. heralded the program's official opening. The units in the line of march included veterans, military National Guard, various auxiliaries, Boy and Girls Scouts, the clergy, city government, and a host of others.

As the parade wound its way from the starting point at the Brown Co., parking lot opposite First Street, hundreds of watchers lined Pleasant Street to cheer the procession on its way.

Freedom Day Chairman Alf Halvorson introduced Count Nicholas de Rochefort of Sunapee and Washington and told the crowd, "Here is the man who first suggested the idea of a monument and started this movement toward its present national proportions."

CAUSE NOT FORGOTTEN

Rochefort said the revolt of June 17 is not a forgotten cause and the dedication in Berlin, N. H., was the first tangible expression of the American people toward a concrete recognition of a brave deed. "We will always remember the gallant effort by men of courage who fought tanks with sticks and stones."

Jan Hvasta, whose recent brush with the Reds in Czechoslovakia is so well known, recounted some of the harrowing experiences he had while escaping from the Communist secret police. "All during that long 21-month period I was buoyed by faith—a faith as strong as that evidenced by the East Germans. We Americans don't realize how important and sacred freedom can be until it is taken away from us. The East Germans and other Europeans have lost theirs to the Reds, but they have not lost courage. Their revolt shows that."

TOKEN AND A PLEDGE

Dr. Charles Lowry, chairman of the Foundation for Religious Action, said "The events of June 17 will be forever to the glory of the German people, and are a token and pledge that Hitler and national socialism were an aberration and not a normal expression of the Teutonic spirit. The day of the rebellion is one never to be forgotten—perhaps it was the turning point of contemporary history.

"I repeat what I said 1 year ago when news of the revolt first became known: 'Workers of the world, unite. You have nothing to lose but your chains.' For 105 years this has been the battle chant of communism. The workers of Germany have at last decisively and heroically rejected this cry as deceitful and lying propaganda. They have shouted, to the thunderous accompaniment of a majestic deed:

"Workers everywhere, take heed. Here you have nothing to win but your chains."

LET AMERICA SHOW FAITH

He continued: "Let America, beginning with us, put her hand to the mighty enterprise of visualizing and stating a true ideology over Marxism-Leninism. When this happens, our great country will show mankind the way to return to the dream of freedom of our ancestors."

Dr. Lowry pledged the best efforts of himself and his colleagues in Washington to complete the unfinished task of soliciting funds for the monument. "Within a year I will return with the means to erect here a monument to which lovers of freedom everywhere may repair."

Adm. Ellis M. Zacharias and Mayor Aime Tondreau were the last speakers and both dwelled on the courage and faith displayed by those bowed under the yoke of Red slavery.

Before the misted eyes of the German consul from Boston, Mayor Tondreau turned the shovelful of earth and the first phase of a great anniversary had ended.

ON SPEAKER'S PLATFORM

Others on the speaker's platform were Rev. J. W. Schmalstieg, who gave invocation at the start of the program; the Reverend Francis Greene, benediction; State Representative Seth A. Lamson, New London, N. H., representative as a delegate from the State government; and Mr. and Mrs. Otto Meyer-Cuno of the German Consulate, Boston, in the commercial attaché office. From the Voice of America in New York City were the following: George Czuczka, Walter Kohl, and Margot Mertens.

They recorded the event for rebroadcast to Europe. The program was prepared in three foreign languages and relayed to New York City Friday morning from the local radio station. Representatives from Life magazine were Peter Bunzil, writer, and photographer Grey Villet, both of the New York office.

Units participating in the parade were: Camp Dodge soldiers; National Guard drum and bugle corps; VFW post and auxiliary; American Legion and the 40-and-8; the Gorham Dupont-Holmes Post, American Legion; several Boy and Girl Scout troops; and a full delegation from the city council headed by City Clerk Gaston Cournoyer.

HALVORSON HONORED

Halvorson was named, while on the speaker's platform, as national vice chairman for the campaign to raise funds for the monument.

First Berliner to contribute toward the fund was Leo Chatigny, 567 Hutchins Street. Dr. Lowry gave Halvorson a check for $100 to start the ball rolling from the national angle.

JUNE 17 AS FREEDOM DAY

(By Nicholas De Rochefort)

BACKGROUND

The bloody events of June 17, 1953, in Berlin and in East Germany could have been used as a major theme of a worldwide agitation campaign against communism and the Soviets in attacking them as enslaving the labor and maintaining puppet governments in conquered countries by the sole force of bayonets.

On this double theme, it would have been easy to obtain the cooperation, on the one hand of the American labor organizations, and on the other hand of exilees' groups in America and of ethnic American associations of east European descent—German, Polish, Hungarian, etc.—while having started on a broad basis in America, the campaign would have spread in other countries.

In fact, when in September I asked some officials of the American Federation of Labor why they have not organized on that occasion some major manifestation of workers in Madison Square Garden or elsewhere, or some other manifestation of protest against the repression of strikes in East Germany, shootings, and persecutions, they told me candidly "that they would have done it if anybody had given them the idea."

Instead, here and there statements were issued which indeed were mentioned—in short—in the press, some messages were addressed by the top organs of various organizations, all of which could create no popular stir.

The accounts of and comments on the events published by the press might have brought about some feelings of indignation or of sympathy, individually, among many millions of Americans, but they too were unable to give place to any collective gesture which would reverberate internationally. Agitation—that is, action on and by masses—is a major weapon in psychological warfare (compare the Stockholm peace petition or the Rosenberg case used by the Soviets for agitation campaigns). No agitation was created by us on the very favorable occasion of the Berlin events.

As a consequence, instead of giving the East Germans at least a moral support and comfort in making them feel in communion

of aspirations with the nations of the free world, we allowed them to believe in our complete indifference in their plight. The press of West Germany reflected the bitter disappointment which resulted. The distribution of food parcels was not an answer to the problem of agitation. It was a gesture of the American Government, not of the popular masses.

It seems that some causes of a permanent character prevented the planning and undertaking of an agitation campaign on the occasion of the Berlin events.

MAIN CAUSES OF ABSTENTION

Occasions for mass agitation against communism are systematically supplied by the policies and actions of the Soviet Government, the puppet regimes in the satellite states and the Communist Parties at large. But they must be watched, noted timely and reported without delay, together with adequate suggestions, to the organs responsible for the operations of psychological warfare. Often, the best opportunities are the most fleeting ones. They are lost if the decision requires long deliberations.

This requires in the first place the existence of a laboratory of experts who have an extensive knowledge both of communism and of world problems, are trained in techniques of unconventional (people's) warfare, namely in agitation, in word-of-mouth propaganda, etc., and who posses a vivid and quick imagination. As far as I understand, such a specialized unit assigned exclusively to that work, 24 hours a day, does not exist.

I assume that detail units of various competent agencies study psychological strategy problems in the framework of area research (my assumption is based on a comparison with the academic setup of area studies, strictly delimited geographically. This seems to be the pattern of the political science studies in America).

Such area studies, made by area technicians rather than by technicians of psychological warfare, offer furthermore but local solutions. The very principle of vertical (area) integration precludes the planning of any worldwide action. Thus, by hypothesis, the Berlin events were the object of a study by a group of specialists on Germany which sought solutions who would have effect and bearing in the area with which they were concerned since the events occurred in that area. It was not in their province to make plans destined at being implemented in, or having effect on, say, France, Australia, India, or Israel.

Contrariwise, the units handling respectively French, Australian, Israeli, or Indian problems were not concerned with events in Berlin.

However, the war against communism is a global war not only in that it is waged the world over and in every domain of human thought and activity, but also in that the operations of pyschological warfare (as well as of the diplomatic one, for that matter) which it involves overstep in many cases any area limits. Thus, the Stockholm Conference which resulted in the Peace Petition campaign might have been studied by the specialists of the Swedish, or of the Scandinavian area while it lasted. The operations which resulted, however, took place in many other areas. The distribution of food parcels in Berlin affected the Germans. Yet, it had also important psychological effects in India as in South America which were or ought to have been exploited in the overall strategy planning.

This is particularly true as regards operations of mass agitation which can only attain full effectiveness if they are carried out on a worldwide scale, combining and interlocking area operations.

There should, therefore, exist a horizontally integrated team for the planning (and in the first place, for visualizing) agitation and other psychological warfare operations articulated on a worldwide level.

Yet, the decision concerning the operations planned by this team could only be decided by a policymaking body which, too, should have a horizontal competence in a double sense:

(a) It should be able to order the execution of operations (such as mass agitation) to be carried out simultaneously in several areas, and by various State agencies.

(b) It should be able to handle unconventional operations to take effect in the universality of given ethnic, religious, professional, or other groups, such as the Catholic Church, the labor, nationalities scattered over the world, war veterans, racial minorities, etc.

The unconventional operations of psychological warfare resort to the techniques of people's war, the principles of which were set by Marx and are systematically applied by the Soviets. The people's war implies action on the masses; but it also implies action by, or rather through, the masses. In particular, operations of mass agitation must be not only channeled through, but also initiated by large human groups. In our case they must be apparently initiated by mass organizations in America. This would be the case, for instance, of the Berlin events of June 17, 1953, which would have required the initiative of labor organizations and of ethnic groups.

Very often many mass organizations would readily cooperate if they were given suggestions, as it is exemplified by the statement of AFL officials mentioned above.

In this democratic Nation there can be, and there should be no process of official guidance, directives, or even supervision of such unconventional operations originated in America. However, there can be and there should be an entirely informal inspiration and coordination.

Most of the organizations ready and willing to combat communism, even those which make of it their purpose lack both of any practical knowledge of methods and techniques of psychological warfare and even of a true knowledge of communism, which makes them unable to carry out, perhaps even to conceive, on their own any effective major operations on this battlefield, on which the initiative constantly remains with the Soviets. The offensive belongs to them; they act, we merely react, feebly.

The inspiration, in the form of discreet suggestions, can be exercised by the competent policymaking body entirely unofficially and informally, through some trusted members of its staff which would act apparently in their own behalf, in using personal relations which they must possess respectively in various major mass organizations, such as churches, labor unions, ethnic groups, etc.

Coordination, however, and occasionally technical assistance require more elaborate techniques.

It ought to be possible to set up a private institution which would take for a cover some research in international problems, problems of democracy, or any other purpose of the same innocuous nature, closely related, however, to its main activity. It would publish a bulletin of information and make its services available to the veterans organizations concerned bringing about amongst them a habit of seeking mutual information, which eventually would develop into cooperation, and finally into advance coordination.

However, through its leadership which would be carefully chosen in view of that purpose, the institution would receive confidential directness from the policymaking agency with the above described competence.

It must be possible to create such an institution on a pattern analogous to that of Rand, or else through a foundation, of even by a private group of men of means willing to invest money in such an organization.

CELEBRATION OF THE ANNIVERSARY OF THE BERLIN EVENTS

As an example of a possible operation of unconventional mass agitation, I would like to refer again to the events of June 17, 1953. The opportunity for exploiting them is not entirely lost. I propose that June 17 be proclaimed "Freedom Day" and that, in celebration of democratic freedoms it be dedicated to commemorate the struggle of the East Berlin workers for their freedom and their rights, including, however, in this commemoration, all sets of resistance to communism aid to the Soviets accomplished before or after that date in the enslaved countries.

The direct participation of the Government in this celebration would be a limited one: June 17 would be proclaimed a holiday, or a half-holiday; the President would address a message to the Nation; this message would be immediately broadcast to the other countries by Voice of America or by Radio Free Europe.

The essential part of the operation would rest with the labor organization, the exile groups and the associations of Americans of various east European descent.

To all these groups suggestions can be made most informally and confidentially, with a quasi-certainty that they will be wholeheartedly accepted.

The labor organizations can organize mass meetings of workers at which adequate resolutions will be voted, addressed to the Labor organization of the U. N. and to the Free World Labor Federation, and broadly publicized.

The exilees and Americans of East European descent organizations can organize similar manifestations. They can also organize a public collection of funds, selling on that day some symbol of freedom (perhaps the Freedom Bell). The product can be offered to Crusade for Freedom or for any other similar purpose. The collecting teams would be dressed in national costumes of the countries dominated by the Soviets.

The cooperation of the press, radio, and television would be requested for a broad coverage of the events and for adequate editorial comments.

The whole staging of the celebration must be calculated in such a way as to start an international mass agitation campaign against communism. Therefore, it must appeal to collective emotions, not to reason alone.

There can be no agitation without emotion. In order to be successful, propaganda must appeal not only to the mind but essentially to the heart of people.

Spirit of the Plains—Song of the Islands

EXTENSION OF REMARKS

OF

HON. ALFRED D. SIEMINSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. SIEMINSKI. Mr. Speaker, spirited as we are, in our history, by the message of the plains and the song of the islands, one wonders how it will ever be possible for anyone to subdue our

people, be it by fraud, force, violence, or division.

On Hawaii in the office of the Governor, on the wall, a colorful shield seems to symbolize the song of the islands when it says:

The living land shall be preserved by righteousness.

Recently, deep in the plains of the West, one of the few survivors of the Dieppe raid, had this to say of our people:

America will give you the shirt off its back if you are man enough to earn it; it will take the hide off your back if you are not man enough to keep it there.

Fraud, force, violence, or division. Can they long succeed against the spirit of the plains, or the song of the islands?

The Forgotten Factor

EXTENSION OF REMARKS
OF
HON. ALFRED D. SIEMINSKI
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1954

Mr. SIEMINSKI. Mr. Speaker, the question is, Do we learn anything that we can use with profit if we discover a possible forgotten factor in the conduct of nations to forestall military operations when they threaten?

Does the factor of strategy play any role in the minds of the people to help them understand the conduct of nations? Not to excuse the conduct of nations, but to understand why nations have behaved as they have, and are likely to behave as they have unless more overriding forces come into play.

Specifically, can we discover the precise factor that triggered the action that shot Chinese troops into North Korea, across the Yalu, twice in 56 years, once in 1894 and again in the fall of 1950?

And would knowledge and use of this factor have guaranteed the unification of Korea when U. N. forces pursued the aggressor above the 38th parallel to the Yalu?

Victory in the military unification of Korea slipped from the hands of the United Nations in November of 1950 when the Chinese launched their surprise attack in the Chosen reservoir area.

Need the attack have been a surprise had the element of strategy, Chinese strategy, weighed more heavily in U. N. plans above the parallel?

Perhaps the action of the Chinese in 1894 can provide a clue that seems to have been overlooked in the fall of 1950 when the U. N. decided to pursue the aggressor above the parallel to the Yalu.

In 1894, there were no Reds in power in China or in Russia. The czar ruled Russia. In 1894, when 10,000 Japanese troops landed in South Korea and moved northward toward Seoul, 30,000 Chinese troops were promptly dispatched across the Yalu to blunt the Japanese thrust. Russia sat on the sidelines and watched the fight. Did China consider North Korea to be as strategically vital to her as we consider a friendly Guatemala or a friendly Mexico is to us? Did she feel that unless the Japanese were stopped below the Chosen, they would spill over the Yalu into the plains toward Mukden as they did 10 years later, when five Japanese armies whipped the Russians on the plains of Mukden in 1904? And as the Japanese spilled across the Yalu in September 1931 when they touched off the Sino-Japanese war at Marco Polo Bridge?

In 1894, when the Chinese dispatched 30,000 troops across the Yalu into North Korea were they playing "heads up" ball, as they saw it? The next 40 years seems to say they did if preventing suffering to their interests is a yardstick.

In 1950, when the North Koreans held the United Nations in the Pusan pocket, it is reasonable to assume that Chinese forces were still on the China side of the Yalu.

However, is it not reasonable to assume that as soon as United Nations forces broke the back of the North Korean attack on the Pusan pocket by landing at Inchon, and liberating Seoul, that the Chinese, as they did in 1894, started their troops south across the Yalu? So, that, as General MacArthur was turning the capital over to Syngman Rhee on October 2, 1950, the Chinese were even then slithering their way down the finger ridges toward the Chosen, in the middle of North Korea?

History says they were. Strategy says they would. Events proved they did.

Forgotten factor? Strategic considerations? "Isms"? They can get you mad. But when the chips are down, as they were in Korea, they can turn out to be the flag and not the matador, especially in foreign affairs; no?

Communist Atrocities

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1954

Mr. REED of New York. Mr. Speaker, I have long admired one of our great Americans, Gen. Mark W. Clark, former commander in chief in the Far East. In his recent work, From the Danube to the Yalu, he gives a graphic picture of the shocking atrocities committed by the Communists. I hope every loyal American will read this documented report of General Clark, and then decide whether Red China should be admitted as a member of the United Nations.

I speak of the atrocities committed by the Communists in Korea. I speak of the 10,032 individuals whose murdered bodies stand as mute witness to the savagery of Communist aggression. We have evidence that not just 10,032 but 29,815 murders were actually committed by the Communists, of which 11,622 were your soldiers.

The United Nations Command has been most meticulous and objective insofar as such is humanly possible, in its investigation of the background upon which I base my report. I assure you that the U. N. C. is prepared to furnish documentary evidence of the Communist atrocity record upon your call.

Stunning as it is, this total of 29,815 murders is by no means all inclusive; it does not include hidden atrocities as yet uncovered; it does not include those thousands of reported murders which currently lack sufficient evidence to establish a probable total of victims.

Communist atrocities in Korea have been under investigation since 1950 and are substantiated by the voluntary statements of survivors and witnesses. In many cases, we hold actual confessions of the perpetrators of such war crimes. More than 1,700 open cases—some documented with such statements and confessions, some with actual photographs of victims—are on file in the U. N. Command in Korea. Investigation is continuing, as many new leads are being developed; however, it is improbable that the whole story of Communist brutality will ever be known. In some cases, all victims and witnesses perished.

As the former commander of the U. N. forces in Korea, I will first limit myself to the 11,622 members of the United Nations Command who were slaughtered while defenseless prisoners of war. This is a grim figure. It is based upon terrible facts. I am dutybound to bring this grave account of bestiality to you.

A review of these cases clearly reveals that these atrocities were premeditated. Furthermore, we find the identical criminal pattern in Korea that was evidenced in the Communist massacre of free Poland's officer corps in Katyn Forest. The cold-blooded design manifested throughout 1950–53 suggests that the contemporary Chinese and North Korean Communists received able tutelage from their Eurasian compatriots. In Korea, these calculated killings targeted upon our military personnel were often committed while the individual prisoner's hands were bound behind his back. True to Red design, however, many variations were introduced which would have paled torturers and inquisitors of past centuries. In some instances gasoline was poured over the wounded and ignited by either grenades or matches. In other cases, helpless men were tortured by bamboo spears until God granted merciful death to terminate such continuing agony. Normally, and in the pattern of Katyn, it was a Russian-made bullet in the back of the head that ended the victim's dedication to the free-world cause. Let me cite some specific cases. Bear in mind that such are documented; further, that many witnesses or survivors of these atrocities are now in their respective U. N. homelands. These individuals are ready to recount the stark terror engendered by a Communist scheme of brutality which recognized no limit.

Case No. 218:

On April 10, 1951, on a mountain 26 kilometers northwest of Sunchon, 32 soldiers of the Turkish Army were captured by elements of the 65th Chinese Communist Army. Twenty-five of the uninjured captives immediately were dispatched to the rear; the remaining seven Turks, on order of the company commander, were murdered. Korean villagers were forced to bury the victims at the place of execution.

Case No. 16:

At dawn on the morning of August 15, 1950, on Hill 303, a platoon of the 5th United States Cavalry Regiment, while awaiting reinforcements, was overrun by the Communists. The captives were then escorted to a nearby orchard where their boots and identification tags were removed and all their personal property stolen. The prisoners' hands were tied behind their backs with either wire or their own bootlaces.

For 2 days, they were kept hidden in ravines during the day and forced to march at night. Suddenly, on the afternoon of August 17, 1950, and without warning, Communist guards opened fire upon these bound victims and then left the scene.

Thirty-four United States soldiers were slaughtered in this massacre—only four men survived. Later in the same day, these men were rescued by a United Nations patrol; photographs were taken, and two of the Communist perpetrators of this crime were captured near the scene. Since this time, Communist prisoners have admitted participation in the heinous act.

Case No. 76:

When the fall of the North Korean capital of Pyongyang to the United Nations forces seemed imminent, the Communists entrained all prisoners of war for movement northward. Men were herded into open gondolas, packed to overflowing, and forced to ride unprotected in the raw October weather. Pneumonia and exposure exacted its daily toll among the weakened survivors. Their comrades conducted burial parties whenever an adequate halt was made. After such inhumane treatment, which extended over a period of 9 days, the train arrived at a railroad tunnel approximately 4½ miles northwest of Sunchon, where it remained inside the mountain all day.

During the early afternoon of October 20, 1950, the starving men were promised their first meal in several days. Communist tormentors took an American major, together with a group of selected prisoners, purportedly as a detail to go to a nearby village to prepare food. None of these prisoners were seen or heard from again. Hours later, the men remaining in the tunnel were informed that food had been prepared for them, and that they were to be conducted in small groups to a Korean house to eat.

Accordingly, the first group of 30 men was removed from the tunnel, escorted down the tracks, and told to hide in an erosion ditch until food was brought. As soon as they had relaxed on the ground their guards opened point-blank fire upon them with Russian-made burp guns and rifles. Those who survived the initial burst of fire were then either shot or bludgeoned individually. Thank God, at least some survived by feigning death, though seriously wounded.

Remaining groups were then brought out and treated in a like manner. In each case the helpless men were slaughtered either while sitting on the ground or standing with empty rice bowls in their hands.

When the United Nations forces overran the Sunchon area on the following day the bodies of 68 murdered soldiers were recovered. In addition, seven more bodies were discovered inside the tunnel; the corpses of men who had apparently died of malnutrition.

At least 137 U. N. soldiers lost their lives in this atrocity. The evidence is convincing and confirmed. An actual perpetrator was in custody; we hold his testimony. Of overriding concern, however, is the fact that this entire happening should be scored against Red leaders who condone and, at least tacitly, encourage such brutality.

Case No. 693: On April 23, 1951, the U. N. Belgian battalion requested aid from the Royal Ulster Rifles. A battle patrol was immediately dispatched but was attacked by enemy forces after advancing for approximately 100 yards across the Imjin River. The group attempted to withdraw, leaving 10 men to cover the retreat. The men found themselves surrounded and decided to surrender.

They were assembled on a hillside, together with 3 or 4 previously captured Belgians, near the junction of the Hant-Gang and Imjin Rivers, 1 kilometer northwest of Wachon—a point where they were slated to be murdered. Three British and one Belgian soldier escaped. On May 31, 1951, Belgian U. N. C. forces discovered the bodies of 3 British soldiers and 5 Belgian soldiers. Although these corpses were partly decomposed, it was possible to recognize their features. In a death pattern, so symbolic of Communist brutality, all of the bodies were so grouped as to reveal the grim truth—all had suddenly been shot down without warning. Two of the British had been shot in the back of the head, one Belgian had been shot or bayonetted in the back.

Case No. 10:

No respecters of either the Red Cross or any symbol of belief in the Almighty, the Communists overran a group of 18 to 20 wounded U. N. soldiers being ministered to by a regimental surgeon, prominently identifiable through display of his Red Cross brassard, and an Army chaplain. None of these individuals was armed. The Communists immediately opened fire, wantonly executing the group with Russian-made rifles and burpguns. The surgeon, although wounded, managed to escape.

Thus far I have presented solely examples of Communist atrocities against military personnel. The rape of South Korea is an even more sordid story. From the results of the U. N. C. investigation, it is estimated that the Communists, in an effort to erase all dissident political elements in this wartorn country, murdered 14,000 defenseless South Korean civilians. In Korea, the pattern of brutality parallels that which the Communists devised and perpetrated in other parts of the world. This extermination of anti-Communist civilians, religious people and governmental officials was manifested in the premeditated annihilation of those South Koreans whose allegiance was to any cause other than that of communism.

As in the case of atrocities against military personnel, the UN command, in coordination with the Republic of Korea, has developed documented case files from which my facts were obtained. The following is just one of the many Korean war crimes cases involving civilian victims which reveals Red methodology underlying the slaughter of innocent men, women, and children without cause.

Case No. 28:

Within the annals of barbarism, the city of Taejon long will be recorded as a monstrous mass extermination site. Countless civilians—some estimates reach as high as the 5,000 mark—as well as 42 American and 17 Republic of Korea Army prisoners, were slaughtered at Taejon in deference to the Communist watchword—political expediency.

During the summer of 1950, following the capture of this city by the enemy, a North Korean "Home Affairs" Department was established with the express purpose of apprehending all persons unsympathetic to the Communist cause, to include those who believed in Christian faiths. This totalitarian type of "security" force then proceeded summarily to arrest prominent business and professional men, together with all persons in the area who had been employees of the Republic of Korea. Each such unfortunate, subsequently was brought to a confession extraction headquarters, paradoxically located in a Catholic mission. The next link in this chain of wanton savagery was the Taejon city prison. Some 150 cells, each of which was packed with from 40 to 70 hapless victims, constituted this North Korean counterpart of Moscow's infamous Lubiyanka Prison. When it became impossible to squeeze additional persons into these cell blocks, the overflow was jammed within the mission confines. Military prisoners were not segregated from those of civil life.

Repeatedly, throughout incarceration, Communist soldiers were granted ready access to these defenseless captives.

When the recapture of Taejon by United Nations forces appeared imminent, the Communists determined that, prior to withdrawal, mass liquidation would be the fate of this prisoner group.

Commencing September 23, 1950, several groups—numbering from 100 to 200 each—were efficiently removed from their cells at night; hands were tied behind backs, and each individual, in turn, was bound to his fellow prisoner. They were then transported to previously selected sites, dumped into open trenches or ditches dug expressly for this purpose,

and summarily shot. A check was made to locate survivors, and where found, their skulls were crushed. A light coating of earth was hastily applied to mark the death site.

By September 26, 1950, the Communist police evidently decided that execution tempo must be accelerated if the fiendish purpose was to be consummated prior to departure. Additional trenches were dug in the police station courtyard and a North Korean Army unit was summoned to assist in completing the bloody task. The ambulatory military prisoners were led out in small groups and promptly killed. Several wounded American soldiers were carried out on litters, dumped into the trenches, and either shot or beaten to death. As time ran out on the executioners, the remaining South Koreans were dragged from the prison into the already filled trenches and killed. At the same time, those who had been retained in the Catholic Mission interrogation center were executed as rapidly as possible. When these trenches were filled with bodies, others were slain in the churchyard and basement; many corpses thrown down a well. The perpetrators then fled.

Examination of these bodies revealed that most had been beaten and mutilated prior to execution. Of these thousands of unfortunates, only 6 survived; 3 civilians, 1 Republic of Korea Army soldier, and 2 Americans. Thousands of bodies ultimately were exhumed.

Allow me to lay before you briefly what befell the freemen whom the Communists captured. Purposely I shall keep to general terms. Many of the individual experiences are too sickening to bear detailed recount before an assemblage where moderation and dignity should prevail. I assure you, however, that I am understating, not overstating, what has been reported by repatriated prisoners of war.

From the first days of the conflict, it appeared that the enemy was bent upon reversing all provisions of the international conventions on the treatment of war prisoners. The North Koreans argued to the effect that, since they had not adhered formally to such conventions, they possessed the right and meant to dispense with all humane regard for their captives. What mankind had agreed was right and proper, the Communists maintained was invalid. As individuals, human beings became stark ciphers.

Statements of our personnel returned during prisoner exchange operations provide data for the development of an over-all pattern of Communists' mistreatment of U. N. prisoners. This picture is grim. It is a chronicle of patent Communist refusal to abide by provisions of the Geneva Convention. It stands as an indictment against the Communist commission of atrocities which stagger the imagination of all civilized peoples.

Throughout these affidavits of returning prisoners run the threads of a diabolic pattern of treatment. Many prisoners who participated in the same death marches to internment and were detained at the same prison compounds point out, in eyewitness accounts, identical incident patterns. On the other hand, isolated incidents reported by ex-prisoners, separated insofar as time and place of incarceration are concerned, show considerable similarity in mode of treatment. A summary of the overall pattern of Communist malpractices follows:

Upon capture by Communist forces, the unwounded and walking wounded were herded into marching groups. The seriously wounded were left on the field and often killed either by concentrated small arms fire, bayoneting or a combination of both. In many cases, U. N. personnel carried their wounded buddies. Many marches were made under severe climatic conditions. Communist guards took shoes and other articles of clothing from some of the prisoners. The freezing of feet and hands was commonplace. Prisoners report marching in bare feet until the flesh was ripped from their toes. Little medical treatment, other than occasional and haphazard bandaging, was provided to the wounded. Marches were long, grueling and set at a pace that could not be maintained by the majority of the wounded. Savagely, the guards kept men moving. Stragglers were clubbed or kicked when they fell. Many who could not continue were left along the way to die. In countless instances, Communist guards dropped out to shoot prisoners who lagged behind. Repeated eyewitness accounts testify that prisoners were pushed off cliffs. Out of 700 men beginning 1 such 3-week march, approximately 250 arrived alive at the first camp. A large percentage disappeared on the line of march; so far as is known, these men never were subsequently accounted for by their inhuman captors.

Along another march route, the intermediate disposition post was known as Bean Camp; on still another it was grimly called Death Valley. Here prisoners were herded into squalid huts. The daily death rate soared. Causes of deaths, as reported by prisoners and accompanying medical officers, included: Lack of medical attention, malnutrition, dysentery, and pneumonia. What little food the Communists provided was substandard; all too often, there was no food at all. To supplement such a meager ration, starving prisoners were desperate to the point of hunting down dogs and other stray animals along the route north.

Once the men arrived at permanent prison installations, conditions were not bettered. At such camps, throughout the winter of 1950, there were no medical facilities, no heat, no blankets. Estimates of prisoners, some of whom were on burial squads, report that approximately 1,600 men died in a 90-day period at one camp alone. Similar conditions and a comparable death rate characterized "life" within other camps. Many of these soldiers, of course, died from malnutrition due to insufficient diet. The inescapable fact, however, is that while these prisoners were being starved to death, Communist jailers were supplied with ample rations.

In the detention of war prisoners, most of our nations have adhered to both the letter and the spirit of pertinent international agreements. We have sought to sustain them in an orderly and reasonably daily existence. Our aim has been to restore them as soon as possible to normal peaceful pursuits.

Not so the Communists. Evidence points to the fact that the Reds want to detain some prisoners indefinitely, either to serve some future dark purpose or, perhaps, to prevent them from exposing what has been done to them. Further, those they release, preferably, must be so altered in personality structure as to preclude their return to normal life with any degree of facility. It is intended that as many of them as possible become focal points of discontent in their homes and communities. Thus they will serve to breed situations which will further the Communist objective of total world domination. Fighting on the battlefront may end, but the war must continue in another guise.

This, I assure you, is not nonsense born of a bad dream. There can be no other explanation of what transpired in the prisoner of war camps of the Chinese and North Korean Communists. Moreover, it bears out what we have been told befell the Germans, the Japanese and other nationalities taken prisoners during World War II; thousands of whom remain unaccounted for and must be presumed either to be hostages in secret captivity or to have been killed under the rigors of transformation into Communist automatons.

The grim process in the camps, call it what you will, begins with the formation of a suitable psychological atmosphere. This is done by a special staff trained in psychological cause and effect. The men are segregated from their officers, commissioned and noncommissioned, and any within this group who reveal traits of leadership are weeded out. The individual must stand alone, unable to turn to any source of authority except his captors. The word is disseminated that there are informers in the compound, and the individual begins to distrust his companions. Close friendships are prohibited. Family ties are broken, for at this stage of the process letters cannot be written.

The individual, thus isolated, experiences the sensation of great danger. Other men have disappeared. They may have been killed. He may share this fate. The threat of brutal punishment is ever present.

Meanwhile, the prisoner has nothing to do. This inactivity is calculated to enhance his personal fears and sensitize his reception to the next phase. Then indoctrination starts. Participation in a discussion group seems harmless; further, it will dispel the ominous portent of inactivity. The discussion leader, who may be an English-speaking Chinese or North Korean or even a fellow prisoner who has bought privileges by prostituting his soul

through collaboration, seems benign and even reasonable. He lectures about the evils of capitalism, the virtues of communism, and the correct way of viewing society. The group then parrots his sloganized guidance in discussion.

As the pace accelerates, this process is sustained to the exclusion of everything else. Repetition follows repetition; the Pavlovian conditioned response pattern is building to a climax. Soon prisoners cannot advance concepts differing from those of the discussion leader. It soon becomes obvious to the prisoner group that receipt of such meager favors as cigarettes, food, clothing, and reading matter—the last of which is always Communist—hinges upon supplying the correct answer. If stubborn, they are punished. Many were hung on ropes by their hands; were crammed into small cages; were forced to stand naked in freezing temperatures and submit to cold-water dousings; were beaten and thrown into solitary, unheated dark holes partly filled with water for long periods of time. When punishment does not serve the Red end, recalcitrant captives are removed from the compound and summarily dispatched to some unknown destination.

With the passage of time, what at first was parroted in order to avoid trouble and obtain favors becomes fixed in the minds of the men. They now believe what they say. They are terrified at the possibility of becoming confused and saying the wrong thing. It becomes increasingly easy to inform on one another. A sense of guilt attaches itself to any failure to inform; with this manifestation, the individual personality change is complete. Some of the men now are ready to inflict the process on others.

We tell ourselves comfortingly that a few weeks in normal surroundings will cleanse the minds of returned prisoners of all that was thus inscribed on them. I want to believe that such is so, but I am convinced that the Communists were confident it would not be so.

I have reported to you on those U. N. prisoners of war who were murdered and upon those who have returned from the unrelenting horror of the Communist prison camps; mention now must be made of those missing members of the U. N. fighting forces whom the U. N. C. believes the Communists still hold.

Within the last month the Soviet Union has released, 8 years after World War II, hundreds of German troops who had been held in the living purgatories of Soviet Siberia. While in Japan, I saw the return of Japanese soldiers and citizens who had been released by the Chinese Communists 8 years after the surrender of Japan.

The U. N. C. has asked the Chinese and North Koreans to account for over 3,000 U. N. personnel that we have reason to believe they still may hold. The Communists replied that the bulk of these men never had been captured at all; the remainder, they claimed, either had been released, were refusing repatriation or had died in captivity. Yet, on September 11, one of their own Communist correspondents, Wilfred Burchett, acknowledged that the Communists are holding an unspecified number of U. N. airmen who they claim were shot down in neutral territory.

How many more U. N. POW's may we expect the Communists to yield, possibly 7 or 8 years from now? And how many may we never see again who will die in the wastes of Korea, Manchuria, and Siberia?

Explanation of Position on Rollcall Votes

EXTENSION OF REMARKS

OF

HON. EDMUND P. RADWAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1954

Mr. RADWAN. Mr. Speaker, under leave to extend my remarks, I want to declare my position on the following rollcall votes I missed earlier this session:

On rollcall No. 13, I would have voted "aye."

On rollcall No. 19, I would have voted "aye."

On rollcall No. 31, I would have voted "aye."

On rollcall No. 32, I would have voted "aye."